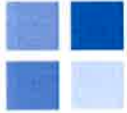


TRIUMPH GULF COAST, INC.
PANAMA CITY, FLORIDA
FINANCIAL STATEMENTS
FOR THE MONTH AND TWELVE MONTHS ENDED
DECEMBER 31, 2017



To the Board of Directors
Triumph Gulf Coast, Inc.
Panama City, Florida

Independent Accountant's Compilation Report

Management is responsible for the accompanying financial statements of Triumph Gulf Coast, Inc, which comprise the statement of financial position as of December 31, 2017, and the related statement of activity for the month and twelve months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform and procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Tipton, Marler, Garner & Chastain

Panama City, Florida
January 23, 2018

Triumph Gulf Coast, Inc
Statement of Financial Position
As of December 31, 2017

| | Total |
|--|--------------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| First Nat'l Bank NWFL- MM | 275,661.42 |
| First Nat'l Bank NWFL-Checking | 25,837.49 |
| Florida Prime | 299,916,620.32 |
| Total Bank Accounts | 300,218,119.23 |
| Total Current Assets | 300,218,119.23 |
| Other Assets | |
| Prepaid Expenses | 22,505.96 |
| Total Other Assets | 22,505.96 |
| TOTAL ASSETS | \$ 300,240,625.19 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| Expenses Payable | 7,245.38 |
| Interest Payable to Trust | 366,736.90 |
| Payroll Liabilities | |
| Federal Taxes (941/944) | 2,602.70 |
| Total Payroll Liabilities | 2,602.70 |
| Total Other Current Liabilities | 376,584.98 |
| Total Current Liabilities | 376,584.98 |
| Total Liabilities | 376,584.98 |
| Equity | |
| Designated to Individual Counties | |
| Bay | 15,000,000.00 |
| Escambia | 15,000,000.00 |
| Franklin | 15,000,000.00 |
| Gulf | 15,000,000.00 |
| Okaloosa | 15,000,000.00 |
| Santa Rosa | 15,000,000.00 |
| Wakulla | 15,000,000.00 |
| Walton | 15,000,000.00 |
| Total Designated to Individual Counties | 120,000,000.00 |
| Net Revenue | 179,864,040.21 |
| Total Equity | 299,864,040.21 |
| TOTAL LIABILITIES AND EQUITY | \$ 300,240,625.19 |

See Accountant's Compilation Report

Triumph Gulf Coast, Inc
Statement of Activity
December 2017

| | Total | |
|-------------------------------|-----------------------|--------------------------|
| | Dec 2017 | Jan - Dec 2017 (YTD) |
| Revenue | | |
| Settlement Revenue | - | \$ 300,000,000.00 |
| Total Revenue | - | 300,000,000.00 |
| Gross Profit | - | 300,000,000.00 |
| Expenditures | | |
| Administrative | | |
| Accounting & Auditing | 5,933.00 | 21,583.00 |
| Advertising & Marketing | - | 4,640.00 |
| Computer | 797.89 | 6,343.76 |
| Economic Advisor | 3,298.50 | 3,298.50 |
| Insurance | 1,308.32 | 2,616.32 |
| Legal & Professional Services | 8,333.33 | 33,333.32 |
| Office Supplies | - | 1,491.80 |
| Payroll Expenses | | |
| Executive Director | 7,458.33 | 51,519.84 |
| Taxes | 570.57 | 3,941.27 |
| Total Payroll Expenses | 8,028.90 | 55,461.11 |
| Taxes & Licenses | - | 850.00 |
| Travel & Per Diem for Staff | 1,407.61 | 3,806.15 |
| Travel and Per Diem for Board | 130.83 | 130.83 |
| Website | 620.00 | 2,380.00 |
| Wire Fees | - | 25.00 |
| Total Administrative | 29,858.38 | 135,959.79 |
| Total Expenditures | 29,858.38 | 135,959.79 |
| Net Operating Revenue | (29,858.38) | 299,864,040.21 |
| Net Revenue | \$ (29,858.38) | \$ 299,864,040.21 |

See Accountant's Compilation Report

Triumph Gulf Coast, Inc
Statement of Activity by Class
December 2017

| | <u>Undesignated</u> | <u>TOTAL</u> |
|-------------------------------|-----------------------|-----------------------|
| Revenue | | |
| Total Revenue | \$ - | \$ - |
| Gross Profit | - | - |
| Expenditures | | |
| Administrative | | |
| Accounting & Auditing | 5,933.00 | 5,933.00 |
| Computer | 797.89 | 797.89 |
| Economic Advisor | 3,298.50 | 3,298.50 |
| Insurance | 1,308.32 | 1,308.32 |
| Legal & Professional Services | 8,333.33 | 8,333.33 |
| Payroll Expenses | | |
| Executive Director | 7,458.33 | 7,458.33 |
| Taxes | 570.57 | 570.57 |
| Total Payroll Expenses | <u>8,028.90</u> | <u>8,028.90</u> |
| Travel & Per Diem for Staff | 1,407.61 | 1,407.61 |
| Travel and Per Diem for Board | 130.83 | 130.83 |
| Website | 620.00 | 620.00 |
| Total Administrative | <u>29,858.38</u> | <u>29,858.38</u> |
| Total Expenditures | <u>29,858.38</u> | <u>29,858.38</u> |
| Net Operating Revenue | <u>(29,858.38)</u> | <u>(29,858.38)</u> |
| Net Revenue | <u>\$ (29,858.38)</u> | <u>\$ (29,858.38)</u> |

See Accountant's Compilation Report

Triumph Gulf Coast, Inc
Statement of Activity by Class
January - December 2017

| | Bay | Escambia | Franklin | Gulf | Okaloosa | Santa Rosa | Undesignated | Wakulla | Walton | TOTAL |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|--------------------------|
| Revenue | | | | | | | | | | |
| Settlement Revenue | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 180,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 300,000,000.00 |
| Total Revenue | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 180,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 300,000,000.00 |
| Gross Profit | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 180,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 300,000,000.00 |
| Expenditures | | | | | | | | | | |
| Administrative | | | | | | | | | | |
| Accounting & Auditing | | | | | | | 21,583.00 | | | 21,583.00 |
| Advertising & Marketing | | | | | | | 4,640.00 | | | 4,640.00 |
| Computer | | | | | | | 6,343.76 | | | 6,343.76 |
| Economic Advisor | | | | | | | 3,298.50 | | | 3,298.50 |
| Insurance | | | | | | | 2,616.32 | | | 2,616.32 |
| Legal & Professional Services | | | | | | | 33,333.32 | | | 33,333.32 |
| Office Supplies | | | | | | | 1,491.80 | | | 1,491.80 |
| Payroll Expenses | | | | | | | | | | |
| Executive Director | | | | | | | 51,519.84 | | | 51,519.84 |
| Taxes | | | | | | | 3,941.27 | | | 3,941.27 |
| Total Payroll Expenses | - | - | - | - | - | - | 55,461.11 | - | - | 55,461.11 |
| Taxes & Licenses | | | | | | | 850.00 | | | 850.00 |
| Travel & Per Diem for Staff | | | | | | | 3,806.15 | | | 3,806.15 |
| Travel and Per Diem for Board | | | | | | | 130.83 | | | 130.83 |
| Website | | | | | | | 2,380.00 | | | 2,380.00 |
| Wire Fees | | | | | | | 25.00 | | | 25.00 |
| Total Administrative | - | - | - | - | - | - | 135,959.79 | - | - | 135,959.79 |
| Total Expenditures | - | - | - | - | - | - | 135,959.79 | - | - | 135,959.79 |
| Net Operating Revenue | 15,000,000.00 | 15,000,000.00 | 15,000,000.00 | 15,000,000.00 | 15,000,000.00 | 15,000,000.00 | 179,864,040.21 | 15,000,000.00 | 15,000,000.00 | 299,864,040.21 |
| Net Revenue | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 179,864,040.21 | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ 299,864,040.21 |

Triumph Gulf Coast, Inc
Budget vs. Actuals: 2017 Admin - FY17 P&L Classes
 January - December 2017

| | Total | | |
|---------------------------------|--------------------------|--------------------------|---------------------|
| | Actual | Budget | Over Budget |
| Revenue | | | |
| Settlement Revenue | 180,000,000.00 | 180,000,000.00 | - |
| Total Revenue | 180,000,000.00 | 180,000,000.00 | - |
| Gross Profit | \$ 180,000,000.00 | \$ 180,000,000.00 | - |
| Expenditures | | | |
| Administrative | | | |
| Accounting & Auditing | 21,583.00 | 33,600.00 | (12,017.00) |
| Advertising & Marketing | 4,640.00 | 5,040.00 | (400.00) |
| Computer | 6,343.76 | 6,000.00 | 343.76 |
| Economic Advisor | 3,298.50 | 9,424.00 | (6,125.50) |
| Economic Advisor Software/tools | | 30,000.00 | (30,000.00) |
| Insurance | 2,616.32 | 20,700.00 | (18,083.68) |
| Legal & Professional Services | 33,333.32 | 33,333.00 | 0.32 |
| Office Supplies | 1,491.80 | 2,000.00 | (508.20) |
| Payroll Expenses | | | |
| Executive Director | 51,519.84 | 51,519.84 | - |
| Taxes | 3,941.27 | 3,941.27 | - |
| Total Payroll Expenses | 55,461.11 | 55,461.11 | - |
| Taxes & Licenses | 850.00 | 0.00 | 850.00 |
| Travel & Per Diem for Staff | 3,806.15 | 2,500.00 | 1,306.15 |
| Travel and Per Diem for Board | 130.83 | 5,000.00 | (4,869.17) |
| Website | 2,380.00 | 5,000.00 | (2,620.00) |
| Wire Fees | 25.00 | 50.00 | (25.00) |
| Total Administrative | 135,959.79 | 208,108.11 | (72,148.32) |
| Total Expenditures | 135,959.79 | 208,108.11 | (72,148.32) |
| Net Operating Revenue | 179,864,040.21 | 179,791,891.89 | 72,148.32 |
| Net Revenue | \$ 179,864,040.21 | \$ 179,791,891.89 | \$ 72,148.32 |