

EXHIBIT JN-02
Capitalization Policy

The below is an excerpt from the 2018 Audited Financial Statements. Note 1 – page 11.

Property, Boats, and Equipment

Building, boats, furnishings and equipment are carried at cost. Depreciation and amortization of these assets is provided by the straight-line method over the assets' estimated useful lives which range from 3 to 39 years.

Effective January 1, 2014, PSP instituted a policy under which expenditures of \$5,000 or more representing major improvements, replacements or extension of useful lives of property, boats, furnishings and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Major boat and engine repairs are expensed as incurred. Upon sale or retirement of property, boats, furnishings and equipment, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in the results of operations. Depreciation and amortization for the years ended December 31, 2018 and 2017, was \$162,429 and \$402,210, respectively.