

**Pecan Plantation Owners Association
Capital Expenditures Budget Operations - Fiscal Year 2009**

As of : 09/29/08

Department	Description	New/Replace	Asset #	Amount
Airport				
Airport Total				
Communications	Phone System - Administration	Replacement		75,000
	Jonas File Server	Replacement		20,000
Communications Total				95,000
Facility Maint	Washing Machine & Dryer - Laundry	Replacement		14,000
	Ceiling Tile - Main Kitchen	Replacement		10,000
	Pool Pump and Filter Medium	Replacement		8,000
	A/C Kitchen	Replacement		20,000
	GFI Electrical System - Guest Rooms	Replacement		25,000
	Kitchen Vent Hood - Repair	Replacement		9,500
	Clubhouse Rooftop A/C Compressors	Replacement		15,000
Facility Maint Total				101,500
F&B	Frozen Drink Machine	Replacement		2,500
	Banquet Tables	Replacement		5,000
	Kitchen Frontline (Includes Internal Labor)	Replacement		51,000
	Walkin Cooler	Replacement		12,000
F&B Total				70,500
Golf				
Golf Total				
Roads & Grounds	Truck Mounted Auger	New		5,000
	Toro Commercial Zero Mower	Replacement		14,000
	Erosion Control	Replacement		165,000
	Road Sealcoat Project	Replacement		175,000
Roads & Grounds Total				359,000
Security	Patrol Vehicles - Kia (2)	Replacement		30,000
	Gate Access Control Equipment	Replacement		25,000
Security Total				55,000
House	Womens' Bathroom - East Hallway	Replacement		10,000
	Mens' Bathroom East Hallway	Replacement		10,000
	Administrative Offices Renovation	Replacement		30,000
	Board Room	Replacement		7,500
	Card Room	Replacement		7,100
House Total				64,700
Marina	Boat Slip - Electrical	Replacement		3,000
Marina Total				3,000
Sports & Recreation	Tennis Court Resurfacing (5)	Replacement		20,000
	Guest Lockers - PAC	New		2,500
Sports & Recreation Total				22,500
Total 2009 Capital Budget				771,200

New Capital Beg. Bal.
Less: 2009 New Capital
Remaining Balance

50,000
7,500
42,500

2009 PPOA Operating Budget
(Based on PPOA Revenue & Expense Data, Courtesy of PPCMA)

<u>Department</u>	<u>Revenue</u>	<u>Cost of Sales</u>	<u>Labor</u>	<u>Other Expenses</u>	<u>2009 Budgeted Income</u>	<u>Department</u>
ACC	\$ 3,010	\$ (1,120)	\$ (51,818)	\$ (1,800)	\$ (51,728)	ACC
Communications	\$ 167,871	\$ -	\$ (114,355)	\$ (130,084)	\$ (76,568)	Communications
Facility Maintenance	\$ -	\$ -	\$ (94,556)	\$ (92,538)	\$ (187,094)	Facility Maintenance
Food & Beverage	\$ 1,059,321	\$ (457,962)	\$ (538,642)	\$ (165,856)	\$ (103,139)	Food & Beverage
Golf	\$ 551,230	\$ (172,118)	\$ (521,604)	\$ (269,777)	\$ (412,269)	Golf
Inn	\$ 126,469	\$ -	\$ (164,506)	\$ (20,391)	\$ (58,428)	Inn
Marina	\$ 708,706	\$ (521,171)	\$ (93,063)	\$ (37,146)	\$ 57,326	Marina
Membership Services	\$ -	\$ -	\$ -	\$ (42,203)	\$ (42,203)	Membership Services
PPOA/PPCC/Assessments	\$ 3,040,459	\$ -	\$ (760,636)	\$ (574,251)	\$ 1,705,572	PPOA/PPCC/Assessments
Roads & Grounds	\$ 271,656	\$ -	\$ (276,371)	\$ (51,010)	\$ (55,725)	Roads & Grounds
Security	\$ 81,680	\$ -	\$ (469,622)	\$ (101,249)	\$ (489,191)	Security
Sports & Recreation	\$ 13,675	\$ -	\$ (220,055)	\$ (96,344)	\$ (302,724)	Sports & Recreation
Stables	\$ 43,200	\$ -	\$ (2,640)	\$ (19,932)	\$ 20,628	Stables
Total	\$ 6,067,277	\$ (1,152,371)	\$ (3,307,868)	\$ (1,602,581)	\$ 4,457	Total

**Pecan Plantation Owner's Association
Consolidated Income Statement
For the Budget Year Ending October 31, 2009**

Description	Year-To-Date			
	Budget 2009	2008 Forecast	Variance	% Change
Operating Revenues				
Operations Assessment	2,766,000	2,724,455	41,545	1.5%
Operating Department Revenue	3,301,277	3,211,490	89,787	2.7%
Total Operating Revenues	6,067,277	5,935,945	131,332	2.2%
Cost of Goods Sold				
Operating Departments	(1,152,371)	(1,148,399)	(3,972)	0.3%
Gross Operating Profit	4,914,906	4,787,546	127,359	2.6%
Operating Expenses				
Labor, Taxes and Benefits	(3,307,868)	(3,163,008)	(144,860)	4.4%
Operating Departments	(1,602,581)	(1,669,192)	66,611	-4.2%
Total Operating Expenses	(4,910,449)	(4,832,200)	(78,249)	1.6%
Net Income Before Depreciation	4,457	(44,654)	49,111	-110.0%

Pecan Plantation Owner's Association					
Consolidated Income Statement (Unaudited)					
For the Budget Year Ending October 31, 2009					
					09/22/08
Description	Year-To-Date				
	2009 Budget	2008 Forecast	Variance		
Revenues					
Operations Assessment	2,766,000	2,724,455	41,545		
Total Assessment Income	2,766,000	2,724,455	41,545	1.5%	
ACC	3,010	2,775	235	8.5%	
Communications	167,871	164,512	3,359	2.0%	
Food & Beverage	1,059,321	997,457	61,864	6.2%	
Golf	551,230	547,930	3,300	0.6%	
Inn	126,469	124,360	2,109	1.7%	
Marina	708,706	698,496	10,210	1.5%	
PPOA/PPCC Other	274,459	299,835	(25,376)	-8.5%	
Roads & Grounds	271,656	239,641	32,015	13.4%	
Security	81,681	78,455	3,226	4.1%	
Sports & Recreation	13,675	18,066	(4,391)	-24.3%	
Stables	43,200	39,963	3,237	8.1%	
Total Operating Revenues	6,067,277	5,935,945	131,332	2.2%	

Major Factors Affecting Revenue

Operations Assessment – Increase of \$41,545. Projected @ 45 new assessment memberships

Food and Beverage – \$61,864 increase over 2008. 1-2% increase in covers combined with semi-annual pricing increases. 6.2% total revenue increase.

PPOA/PPCC Corporate – Decrease of \$25,376 in other revenues. Lot sales down \$11,000 from 2008 due to reduced inventory, Interest income down due to rate reductions, miscellaneous income down \$4,000.

Roads & Grounds – Increase of \$32,015. Road Maintenance Fees and Building Permits are budgeted at 79 with fee increases planned for January 2009 (Road Maintenance - \$1,786.00 increasing to \$1,875.00 and Building Permits - \$1,191.00 increasing to \$1,251.00).

Pecan Plantation Owner's Association						
Consolidated Income Statement (Unaudited)						
For the Budget Year Ending October 31, 2009						
					09/22/08	
Description	Year-To-Date			Variance		
	2009 Budget	2008 Forecast				
Cost of Goods Sold						
ACC	(1,120)	(930)	(190)			20.4%
Food & Beverage	(457,962)	(443,726)	(14,236)			3.2%
Golf	(172,118)	(171,167)	(951)			0.6%
Marina	(521,171)	(532,576)	11,405			-2.1%
Total Cost of Goods Sold	(1,152,371)	(1,148,399)	(3,972)			0.3%

Major Factors Affecting Cost of Sales

Food & Beverage - Cost of Sales – Overall projected price increases 5-6%. Cost of sales increases will be passed on through menu price increases.

Golf – Cost of sales to be maintained at the FY 2008 experience of 82%

Marina – Gasoline maintained at \$.07 per gallon over cost except on the boat dock pump.

Pecan Plantation Owner's Association				
Consolidated Income Statement (Unaudited)				
For the Budget Year Ending October 31, 2009				
				09/22/08
Description	Year-To-Date			
	2009 Budget	2008 Forecast	Variance	
Cost of Labor				
ACC	(51,818)	(47,324)	(4,494)	9.5%
Communications	(114,355)	(104,031)	(10,324)	9.9%
Facility Maintenance	(94,556)	(93,090)	(1,466)	1.6%
Food & Beverage	(538,642)	(524,879)	(13,763)	2.6%
Golf	(521,604)	(467,449)	(54,155)	11.6%
Inn	(164,506)	(163,661)	(845)	0.5%
Marina	(93,063)	(94,939)	1,876	-2.0%
PPOA/PPCC	(760,636)	(724,578)	(36,058)	5.0%
Roads & Grounds	(276,371)	(270,526)	(5,845)	2.2%
Security	(469,622)	(488,183)	18,561	-3.8%
Sports & Recreation	(220,055)	(181,753)	(38,302)	21.1%
Stables	(2,640)	(2,595)	(45)	1.7%
Total Operating Labor Cost	(3,307,868)	(3,163,008)	(144,860)	4.6%

Major Factors Affecting Cost of Labor

All Departments – 5.25% labor pool increase based upon regional CPI.

Group insurance premiums increased 10% Employer share increased to \$388 per employee/per month. Employee share increased from \$19.00 to \$25.00.

Security – Eliminated 2nd evening patrol (\$39,000). Eliminated Sheriff's Deputy patrols on weekends (\$8,800).

Sports & Recreation – Increased \$26,500 for PAC pool seasonal labor.

Pecan Plantation Owner's Association					
Consolidated Income Statement (Unaudited)					
For the Budget Year Ending October 31, 2009					
					09/22/08
Description	Year-To-Date				
	2009 Budget	2008 Forecast	Variance		
Other Expenses					
ACC	(1,800)	(492)	(1,308)	265.9%	
Communications	(130,084)	(122,031)	(8,053)	6.6%	
Facility Maintenance	(92,538)	(78,418)	(14,120)	18.0%	
Food & Beverage	(165,856)	(158,781)	(7,075)	4.5%	
Golf	(269,777)	(262,901)	(6,876)	2.6%	
Inn	(20,391)	(23,835)	3,444	-14.5%	
Marina	(37,146)	(45,036)	7,890	-17.5%	
Membership Services	(42,203)	(57,262)	15,059	-26.3%	
PPOA/PPCC	(574,251)	(623,847)	49,596	-8.0%	
Roads & Grounds	(51,010)	(110,412)	59,402	-53.8%	
Security	(101,249)	(88,966)	(12,283)	13.8%	
Sports & Recreation	(96,344)	(79,651)	(16,693)	21.0%	
Stables	(19,932)	(17,560)	(2,372)	13.5%	
Total Other Expenses	(1,602,581)	(1,669,192)	66,611	-4.0%	

Major Factors Affecting Cost of Other Expenses

All Departments – Overall 4-5% increase in operating expenses, 7% increase in electrical costs and 7.6% in water.

Roads & Grounds – Closure of the Granbury IESI recycling operation reduces roll-off containers to two per month. Reduction of \$57,600 in annual cost.

PPOA/PPCC – Legal fees budgeted at \$75,000.

Sports & Recreation - \$14,400 additional cost for annual PAC pool maintenance, Utility costs for PAC pool estimated at \$15,200 annually.