

**Pecan Plantation  
Owners Association**

**Operating Budget  
Fiscal Year Ending October 31, 2012**



*Pecan Plantation*

*Operating Assumptions*

*Fiscal Year 2012*

## Pecan Plantation Owners Association Operating Assumptions – Budget FY2012

### **General**

*General Insurance is expected to increase up to 8%.*

*In January 2011, we experienced a decrease in State Unemployment Taxes (SUTA). The rate went from 3.97% to 3.58% of the first \$9000 in payroll for each employee. The rate for 2012 is expected to increase slightly, as this rate is based on prior year claims (Company and Statewide). According to the Bureau of Labor Statistics, Texas unemployment rates decreased from 8.3% in December 2010 to 8.0% in April 2011. However, the unemployment rate as of July 2011 has climbed back to 8.4%.*

*In 2011, a merit increase pool was established for all positions. The pool totaled \$47,623 and was distributed based on individual performance. For FY2012, there will be no merit increase pool established. Increases will be distributed based upon individual performance, if funds allow, and will conform to the salary structure. Payroll is expected to increase in part due to 2012 being a leap year, with 1 extra day in February. One administrative position approved for FY2011 as part time will be expanded to full time. One Roads & Grounds position approved for FY2011 as part time will be expanded to full time. The Golf Course Maintenance Department will fill the position of Assistant Golf Course Superintendant, which has been vacant for several years.*

*The employer portion of group insurance coverage was \$380 per month, per employee for FY11. We will have no increase in premiums, as our claims to premium ratio for the prior year was 42%. This marks the first time in several years that claims did not exceed premiums paid. The Association will continue to contribute \$380 per month, per employee. A small rate decrease will be passed along to the employees. We do not anticipate any restructuring of plan designs for FY2012.*

*A CPI Fee increase of 2.48% was instituted June 1, 2011 for Transfer, Initiation and Renter Fees and will be re-evaluated in 2012.*

### **PPOA Corporate**

*For FY2011, we projected an increase of 10 new members. As of 7/31/2011 we have added only 3 members however 4 lots were taken back in foreclosure suits and 1 lot was given back voluntarily. The allocation of member assessments was altered as a result of the project undertaken to restructure the operations of PPOA and PPCC. 100% of the Operations Assessment is now recorded under PPOA. We expect to add 10 new members for FY2012.*

*In FY2011 we booked revenues that were unexpected, such as the unused portion of an insurance claim. We will not have these revenues in FY2012, therefore we project a decrease in Other Revenues for PPOA.*

*Sales of existing lots/homes averaged 10 per month in 2011, which is consistent with activity in 2010. A 2.48% CPI transfer fee increase was instituted in June 2011 – from \$732 to \$750. For FY2012, we are projecting transfer fees to average 10 per month.*

Lot sales are expected to remain flat for FY2012. We have sold 1 lot to date in 2011. An audit of PPOA owned lots was performed in 2011. Some lots previously classified as "drainage lots" may be reclassified as "Lots for Sale". These small, inexpensive, unbuildable lots may be attractive to those wishing to become PPOA members without living within PPOA gates. Other revenue items include finance charges, late fees, interest income and the harvest of pecans in common areas. These line items are projected to produce a minimal revenue increase.

For FY2011, a part time clerical position was added to assist both the Accounting and Administrative Offices. This position will be expanded to a full time position for FY2012. 67% of Accounting and Administrative payroll is allocated to PPOA.

PPOA was charged with unbudgeted expenses approved by the BOD for: (1) Asset Allocation Project (Corporate Restructuring), (2) The payment of a \$25,000 deductible on the Directors & Officers policy due to litigation against former Board of Directors members. Legal and audit fees were reduced significantly in 2011, as compared to 2010, which allowed PPOA to remain within budget overall

Bad debt write-offs are expected to continue to decrease, as all delinquent accounts are turned over to our legal team. We are only writing off foreclosure and bankruptcy accounts. New laws related to collection of delinquent HOA dues were passed by the Texas legislature in 2011. We will be required to offer a payment plan for past due accounts. The allowance for doubtful accounts is expected to stay the same for 2012. In prior years, the cost of the Deer Management was partially subsidized by a non-profit organization. This funding source is now unavailable. The Wildlife Committee will determine in the coming months how many, if any, deer need to be removed from Pecan next year.

Overall, we expect to see a decrease in expenses for FY2012.

### **PPCC Corporate**

In FY2011, as noted above (PPOA) there is no allocation of member assessments to this department.

Renter Fees have averaged 2 per month for the past 3 years – this trend is not expected to change. A CPI rate adjustment was implemented in June 2011, raising this fee from \$820 per tenant to \$840.

Per our contract with IESI, we receive \$1.73 per household in Waste Removal Commission. There are currently 2325 households with trash pickup service. We expect a slight increase due to projected new home construction for 2012.

In FY11, a firm specializing in Club sales tax was engaged to audit the past 3 years of purchases. This resulted in a refund of \$9980 which was unexpected. Therefore, revenues for FY12 will decrease compared to 2011.

33% of Accounting and Administrative payroll is allocated to PPCC. 75% of Housekeeping payroll is allocated to PPCC. This is not expected to change for 2011. The part time clerical position added in FY2011 has been expanded to a full time position.

An estimated State Franchise Tax liability consistent with FY2011 is included in the FY2012 budget. All other expenses are expected to increase minimally.

### **Pro Shop**

Golf operations were negatively impacted by weather in 2011. However, revenue declines in the 1<sup>st</sup> quarter were overcome in subsequent months. For 2012, the reconstruction of Golf Course Greens will negatively impact revenues as the course will be closed from March – October 2012. Historical data for periods of closure indicate a 2/3 decrease in green fees and cart rentals, and 1/3 decrease in merchandise sales. Temporary greens will allow for some play, but we expect a significant decrease in overall revenues. Cost of sales on merchandise will be budgeted at 80%.

The Pro Shop staffing model will be adjusted as a result of the reduced golf course traffic.

The golf cart fleet was scheduled to be replaced in 2012, however this has been delayed due to the course closure. Overall expenses are expected to be consistent with 2011.

### **Golf Course**

Two part time (25 hours per week each) staff members were added to the staffing model in 2011. It has proven difficult to find quality workers on a part time basis. The staffing model will be adjusted to combine 2 part time positions into 1 full time position. The Asst. Golf Course Superintendent position which has been vacant for several years is expected to be filled. Overall payroll is expected to increase.

Expenses in recent years have been cut due to budgetary constraints. Pesticides, fertilizer and other treatments are not being applied as frequently as they should. In July 2011 400 acre feet of water was sold to Orchard Development to be used before September 1, 2011. This resulted in a \$20,000 reduction in BRA water expenses, which we expect to have again in 2012. Overall expenses will decrease, as treatments for the new greens will be part of the capital cost of bringing the asset to working order.

### **Communications**

Columns advertising revenue has decreased from FY10 to FY11. In the past, we had high demand for ad space with many potential advertisers on a lengthy waiting list; however this demand has diminished with the loss of some longtime advertisers. Additional marketing has been required to fill the available space. Columns will also have competition for advertising beginning in FY11 and continuing at least into FY12 with the Granbury Showcase magazine beginning distribution within Pecan. This trend of stagnant advertising revenue is expected to continue into FY2012, with annual revenues remaining consistent with FY2011.

In 2011, a new contract was negotiated with Charter. This resulted in \$413,000 in additional revenues, plus increased quarterly commission payments. Charter agreed to expand their infrastructure, and PPOA members who could not obtain service in the past are now able to subscribe. A \$125 per door marketing fee was also included in this agreement, over a 10 year period. Quarterly Charter commissions are expected to increase 25%. In August 2011, the Board of Directors adopted a resolution to transfer the \$413,000 from Charter to the Reserve & Replacement account, however the revenues are recorded to Operations.

*The staffing level for this department is expected to remain unchanged, however with increasing demands of website expansion, increased member communications and the expansion of Channel 28 services, additional funds for casual labor have been included in the FY2012 budget.*

*Expenses are expected to increase in 2012 due to maintenance and repair of aging equipment. We plan to continue to use the older equipment for another year with a possible capital replacement in 2013. While expenses were greatly reduced in 2010 with a change in printing companies and reduced paper quality in the production and distribution of the Columns, some of this savings will be lost in 2012 with increases in paper costs and rising postal rates. As part of the negotiation of the new Charter agreement, Allegiant Integrated Solutions will receive 30% of additional revenues received from Charter. This will be booked as an expense on the advice of our CPA, therefore expenses will increase due to this new line item.*

### **Security & ACC**

*Revenue sources include fines from traffic violations and rule violations. The average fine is \$60. Members receive two free vehicle decals per household. Additional entry tags are charged at \$25-30, depending upon the type of tag we have in stock. Commercial vehicle decals are charged at \$60 each. These revenues are expected to remain consistent with FY2011, as we expect little growth in membership and some contractors opt to use the guest lane rather than purchase commercial vehicle tags.*

*In 2010, we began random patrols by off-duty Sheriff Deputies. In 2011, the Deputies were no longer permitted to use county-owned vehicles for this purpose. We were able to purchase an out-of-service county vehicle for the Deputies to drive while on duty in PPOA. The staffing level and Deputy patrols are not expected to change for 2012.*

*Expenses for 2012 are expected to increase 5-8% as the current patrol vehicles are out of warranty and will require additional expenditures for repairs. Gate arms are 6 years old and will require additional maintenance as well.*

### **Roads & Grounds**

*In FY2011 we experienced a decrease in building activity, which was expected - road maintenance fee revenues decreased by 54%. We expect to see a similar level of building activity in 2012. In FY2010, rates for penalty lot mowing were increased to encourage the membership to take care of their own properties. Enforcement mowing in 2011 was outsourced at a favorable rate, which allowed PPOA to still generate income. In 2012 we expect to continue outsourcing enforcement mows at the same rate.*

*In FY2011, 100 hours per month of Roads & Grounds payroll was allocated to the Stables operation. This allocation is not expected to change for 2012. In FY2011, one additional part time (25 hours per week) position was added to the staffing model. This position is being expanded to full time (40 hours per week plus benefits).*

*Roads & Grounds operational expenses for FY2011 exceeded FY2010, due in part to the age of equipment and unbudgeted road crack sealing. All 52 miles of PPOA roadways, plus the Airstrip, were crack-sealed in 2011. We expect to continue the crack sealing program therefore expenses are expected to be consistent with 2011.*

Roads & Grounds will be split into two separate operating departments for FY2012. A work order system will be established for tracking of labor hours spent in each department.

### **Facility Maintenance**

With only 1 full time employee maintaining several buildings, Roads & Grounds staff members are utilized to assist when needed. This department would benefit from the addition of a full time staff member, if funds allow. Maintenance personnel would be able to complete needed repairs of the Tennis and Marina facilities, while freeing up Roads & Grounds staff currently assigned those duties.

Expenses are expected to remain consistent with FY2011.

### **Sports and Recreation**

In 2010, a 6<sup>th</sup> Tennis Court was constructed which generated some additional revenue in guest fees. However, revenues from PAC classes & camps have declined over prior year. The 2010 RV park renovation and new rate structure produced a 24% increase in campsite revenues. We expect to see a slight increase in overall revenues for 2012.

There are no changes planned to hours of operation for the PAC. Staffing levels are expected to increase slightly during the summer months. Usage patterns at the pools by the membership have necessitated extending the hours of supervision by lifeguards and attendants. Lifeguards will be added to the PAC pool in addition to the attendant, at a cost of approximately \$12,000.

Operational expenses are expected to increase slightly.

### **Stables**

For most of 2011, the stables were not at full capacity with no prospects for future renters. However, as of September 1, 2011 the stables are once again fully rented. There is no plan to increase the boarding fee at this time. We expect an increase in revenues for FY2012.

As noted above, 100 hours of Roads & Grounds payroll is allocated to the Stable operation. We will also continue the \$200 per month payroll expense for weekend/after hours care and maintenance.

Expenses increased in 2011 due to needed repairs, however hay & feed costs decreased due to a reduction in boarders. Hay costs have skyrocketed due to drought conditions and lack of availability. This drastic increase in hay costs may be passed along to horse owners as a monthly surcharge.

### **Food and Beverage**

As of May 31, 2011 expected revenues were exceeded by 4.2% and produced a 6.1% improvement over prior year. The new a la carte menu was very well received by the membership, as well as the addition of Birthday and Early Bird programs. In June 2011, the Brazos Room was re-opened for lunch and Tuesday & Sunday evening dining. The 19<sup>th</sup> Hole kitchen was closed, with all food now

being prepared in the Main Kitchen. According to the Texas Workforce Commission our region is expected to have a 2.4% job growth next year, adding 20,000 jobs and potentially producing an upward trend in the housing market. If that can be coupled with a sustained or growing stock market in 2012 we may see our predominantly retired membership continue to spend more money at the club. However, the expected closure of the golf course from March – October 2012 will greatly reduce food revenues in the 19<sup>th</sup> Hole. We expect a 4.2% decrease in overall revenues.

The addition of Brazos Room dining hours will increase payroll overall. These expenses were expected to be offset by revenue increases however the golf course closure will produce a decrease in revenues. The 19<sup>th</sup> Hole must still be staffed, even with reduced play on the golf course. Therefore, overall payroll will increase.

Cost-of-Sales percentages for Food and Beverages are expected to remain consistent with FY2011. Cost increases will be offset with menu price adjustments.

Supplies such as cups, lids, popcorn and to go boxes are expected to decrease due to the lack of traffic in the 19<sup>th</sup> Hole. Member gratis will increase due to the success of the Birthday program.

### **Inn**

Over the past several years, we have seen a steady decline in room revenues and occupancy rates. The condition of the rooms did not warrant the rates being charged. In June 2011, the renovation of Inn Rooms was approved and a Marketing Plan was formulated to increase revenues and occupancy. The renovation and marketing effort was expected to increase revenues \$13,000 - \$27,000 in FY2012, however the closure of the golf course from March – October will result in the loss of room revenue-generating tournaments such as Guys & Dolls. The net result will be an increase of approximately 8%.

There are no changes to the staffing models planned for the reception desk or housekeeping department. Housekeeping payroll expenses are allocated 25% to the Inn.

Cleaning supplies and related hotel amenity expenses are expected to be consistent with FY2011. Linens are purchased only as needed.

### **Marina**

The Marina operation saw an increase in gasoline revenues due to sky-rocketing prices. Cooking and grocery sales for 2011 were relatively flat, due in part to a reduction in building within Pecan, unusually high summer temperatures and low lake levels. All storage areas were at or near 100% occupancy. We do not plan any rental fee increases for 2011. Demand for boat slips facilitated the construction of 30 additional slips however the revenues generated are used to repay the capital fund. Summer hours of operation were extended to include Friday and Saturday evenings, with signage placed on the water to draw in more boater traffic. Gasoline is purchased in smaller quantities, enabling us to keep the pricing competitive. We expect to see an increase in revenues of 5% for 2012.

Cost of Sales issues in 2011 are expected to be resolved, therefore we should see a significant decrease in COS.



*There are no staffing model changes planned for 2012. Payroll cost increases are due to this area being understaffed for most of FY2011.*

*Utility expenses are expected to increase slightly, due to the addition of a vent hood in the cooking area. Paper goods, supplies and propane usage are all expected to increase minimally.*

### **Member Services**

*In 2010, the annual Volunteer Luncheon was reinstated and this is expected to continue for FY2012. Election expenses are expected to remain consistent with FY2011, however it is unknown at this time how many items will be included on the ballot. Overall, expenses will remain consistent with prior year.*

### **Summary**

*Departmental revenues are expected to decrease 3.8% due to the closure of the golf course, and unexpected revenues that will not be repeated in 2012.*

*Total labor expenses are expected to increase 5%, which includes:*

- 1) Expansion of the Administrative Clerk to Full Time status.*
- 2) Expansion of 1 Part Time Roads & Grounds staff to Full Time status*
- 3) Combining of 2 Part Time Golf Course staff into 1 Full Time staff.*
- 4) Filling the vacant Asst. Golf Course Superintendent position.*
- 5) Increased labor costs of opening the Brazos Room for lunch and dinner.*

*Operating expenses are projected to be consistent with prior year.*

*The result will be a net loss for Fiscal Year 2012.*



*Pecan Plantation*

*Annual Budget*

*Fiscal Year 2012*

# General

## Revenues

- Member Assessments - Net Increase of 10 to 2889 memberships
- Operating Revenues - Golf Course Closure:
  - 19% Pro Shop Revenue Decrease – Merchandise, green fees, cart fees
  - 4% Food Revenue Decrease – Reduced 19<sup>th</sup> Hole traffic
  - 8% Inn Revenue Increase – 4% less due to loss of Golf Tournament Rooms
- 25% Increase in Charter Revenue
- Net Revenue decrease of 1.8%

## Labor

- 1 Part Time Roads expanded to Full Time
- 2 Part Time Golf Course Maintenance combined to 1 Full Time
- 1 Part Time Administrative Clerk expanded to Full Time
- Addition of Assistant Golf Course Superintendent
- No Merit increase pool established
- Group insurance employer cost remains at \$380 per employee
- Net Labor increase of 5%

\* MANAGEMENT Bonus Pool \$ 53,000

## Operating Expenses

- Legal Fees reduced to \$60,000 based on current spending
- General Insurance 8% premium increase
- Audit Fees budgeted at \$27,000
- Road Repair Materials - \$2400 decrease due to stock remaining from 2011 crack sealing program
- Deer Management - \$30,000
- Deputy Patrols - \$10,000 – Summer
- Overall expenses consistent with prior year

## Consolidated Operating Budget Fiscal Year 2012

	Budget 2012	Forecast 2011	Variance	% Change
<b>Operating Revenues</b>				
Member Assessments	2,768,240	2,763,544	4,696	0.2%
Other Income	2,710,622	2,812,892	(102,270)	-3.6%
<b>Total Operating Revenues</b>	<b>5,478,862</b>	<b>5,576,436</b>	<b>(97,574)</b>	<b>-1.7%</b>
<b>Cost of Goods Sold</b>				
Operating Departments	(813,384)	(899,128)	85,744	-9.5%
<b>Gross Operating Profit</b>	<b>4,665,478</b>	<b>4,677,308</b>	<b>(11,830)</b>	<b>-0.3%</b>
<b>Operating Expenses</b>				
Labor, Taxes & Benefits	(3,155,971)	(3,005,934)	(150,037)	5.0%
Operating Departments	(1,603,756)	(1,609,149)	5,393	-0.3%
<b>Total Operating Expenses</b>	<b>(4,759,727)</b>	<b>(4,615,083)</b>	<b>(144,644)</b>	<b>3.1%</b>
<b>Net Income Before Depreciation</b>	<b>(94,249)</b>	<b>62,225</b>	<b>(156,474)</b>	<b>-251.5%</b>

	<b>2012 Budget</b>	<b>2011 Forecast</b>	<b>Variance</b>	
<b>Roads</b>				
Revenues	53,580	94,588	(41,008)	-43.4%
Payroll & Related	(181,309)	(268,834)	87,525	-32.6%
Other Expenses	(40,070)	(96,352)	56,282	-58.4%
<b>Departmental Income (Loss)</b>	<b>(167,799)</b>	<b>(270,598)</b>	<b>102,799</b>	<b>-38.0%</b>
<b>Grounds</b>				
Revenues	47,130	0	47,130 <sup>✓</sup>	#DIV/0!
Payroll & Related	(106,149)	0	(106,149) <sup>✓</sup>	#DIV/0!
Other Expenses	(41,770)	0	(41,770) <sup>✓</sup>	#DIV/0!
<b>Departmental Income (Loss)</b>	<b>(100,789)</b>	<b>0</b>	<b>(100,789) <sup>✓</sup></b>	<b>#DIV/0!</b>
<b>PPOA Corporate</b>				
Assessments-PPOA	2,768,240	2,763,544	4,696	0.2%
Revenues	134,140	141,951	(7,811)	-5.5%
Payroll & Related	(364,040)	(353,223)	(10,817)	3.1%
Other Expenses	(304,060)	(318,668)	14,608	-4.6%
<b>Departmental Income (Loss)</b>	<b>2,234,280</b>	<b>2,233,604</b>	<b>676</b>	<b>0.0%</b>
<b>Security &amp; ACC</b>				
Revenues	93,020	92,612	408	0.4%
Cost of Sales	(456)	(349)	(107)	30.7%
Payroll & Related	(461,305)	(446,088)	(15,217)	3.4%
Other Expenses	(99,464)	(95,008)	(4,456)	4.7%
<b>Departmental Income (Loss)</b>	<b>(468,205)</b>	<b>(448,833)</b>	<b>(19,372)</b>	<b>4.3%</b>
<b>Communications</b>				
Revenues	249,125	197,694	51,431	26.0%
Payroll & Related	(123,310)	(121,145)	(2,165)	1.8%
Other Expenses	(120,937)	(104,185)	(16,752)	16.1%
<b>Departmental Income (Loss)</b>	<b>4,878</b>	<b>(27,636)</b>	<b>32,514</b>	<b>-117.6%</b>

	<b>2012 Budget</b>	<b>2011 Forecast</b>	<b>Variance</b>	
<b>Food &amp; Beverage</b>				
Revenues	949,026	986,679	(37,653)	-3.8%
Cost of Sales	(366,154)	(388,477)	22,323	-5.7%
Payroll & Related	(560,069)	(524,931)	(35,138)	6.7%
Other Expenses	(140,853)	(132,690)	(8,163)	6.2%
<b>Departmental Income (Loss)</b>	<b>(118,049)</b>	<b>(59,419)</b>	<b>(58,630)</b>	<b>98.7%</b>
<b>Inn</b>				
Revenues	121,705	112,312	9,393	8.4%
Payroll & Related	(165,539)	(166,183)	644	-0.4%
Other Expenses	(21,996)	(22,763)	767	-3.4%
<b>Departmental Income (Loss)</b>	<b>(65,830)</b>	<b>(76,634)</b>	<b>10,804</b>	<b>-14.1%</b>
<b>PPCC Corporate</b>				
Revenues	79,105	87,446	(8,341)	-9.5%
Payroll & Related	(301,046)	(294,726)	(6,320)	2.1%
Other Expenses	(334,999)	(329,421)	(5,578)	1.7%
<b>Departmental Income (Loss)</b>	<b>(556,940)</b>	<b>(536,701)</b>	<b>(20,239)</b>	<b>3.8%</b>
<b>PPCC Member Services</b>				
Expenses	(33,490)	(33,976)	486	-1.4%
<b>Departmental Income (Loss)</b>	<b>(33,490)</b>	<b>(33,976)</b>	<b>486</b>	<b>-1.4%</b>
<b>Stables</b>				
Revenues	50,160	43,798	6,362	14.5%
Payroll & Related	(19,905)	(19,780)	(125)	0.6%
Other Expenses	(27,155)	(25,739)	(1,416)	5.5%
<b>Departmental Income (Loss)</b>	<b>3,100</b>	<b>(1,721)</b>	<b>4,821</b>	<b>-280.1%</b>
<b>Sports &amp; Recreation</b>				
Revenues	35,506	33,724	1,782	5.3%
Payroll & Related	(227,959)	(215,392)	(12,567)	5.8%
Other Expenses	(91,770)	(89,337)	(2,433)	2.7%
<b>Departmental Income (Loss)</b>	<b>(284,223)</b>	<b>(271,005)</b>	<b>(13,218)</b>	<b>4.9%</b>

	<b>2012 Budget</b>	<b>2011 Forecast</b>	<b>Variance</b>	
<b>Facilities Maintenance</b>				
Payroll & Related	(47,112)	(45,107)	(2,005)	4.4%
Other Expenses	(78,775)	(79,432)	657	-0.8%
<b>Departmental Income (Loss)</b>	<b>(125,887)</b>	<b>(124,539)</b>	<b>(1,348)</b>	<b>1.1%</b>
<b>Pro Shop</b>				
Revenues	414,540	513,591	(99,051)	-19.3%
Cost of Sales	(116,800)	(152,000)	35,200	-23.2%
Payroll & Related	(166,991)	(169,945)	2,954	-1.7%
Other Expenses	(43,875)	(43,103)	(772)	1.8%
<b>Departmental Income (Loss)</b>	<b>86,874</b>	<b>148,543</b>	<b>(61,669)</b>	<b>-41.5%</b>
<b>Golf Course</b>				
Payroll & Related	(340,235)	(299,982)	(40,253)	13.4%
Other Expenses	(180,646)	(195,457)	14,811	-7.6%
<b>Departmental Income (Loss)</b>	<b>(520,881)</b>	<b>(495,439)</b>	<b>(25,442)</b>	<b>5.1%</b>
<b>Marina</b>				
Revenues	483,586	508,497	(24,911)	-4.9%
Cost of Sales	(329,975)	(358,302)	28,327	-7.9%
Payroll & Related	(91,003)	(80,598)	(10,405)	12.9%
Other Expenses	(43,896)	(43,018)	(878)	2.0%
<b>Departmental Income (Loss)</b>	<b>18,713</b>	<b>26,579</b>	<b>(7,866)</b>	<b>-29.6%</b>
<b>DEPARTMENTAL INCOME (LOSS)</b>	<b>(94,249)</b>	<b>62,225</b>	<b>(156,474)</b>	<b>-251.5%</b>
<b>Total Assessment Revenues</b>	<b>2,768,240</b>	<b>2,763,544</b>	<b>4,696</b>	<b>0.2%</b>
<b>Total Other Revenues</b>	<b>2,710,622</b>	<b>2,812,892</b>	<b>(102,270)</b>	<b>-3.6%</b>
<b>TOTAL REVENUES</b>	<b>5,478,862</b>	<b>5,576,436</b>	<b>(97,574)</b>	<b>-1.7%</b>
<b>TOTAL COST OF GOODS SOLD</b>	<b>(813,384)</b>	<b>(899,128)</b>	<b>85,744</b>	<b>-9.5%</b>
<b>GROSS MARGIN</b>	<b>4,665,478</b>	<b>4,677,308</b>	<b>(11,830)</b>	<b>-0.3%</b>
<b>TOTAL PAYROLL &amp; RELATED</b>	<b>(3,155,971)</b>	<b>(3,005,934)</b>	<b>(150,037)</b>	<b>5.0%</b>
<b>TOTAL OTHER EXPENSES</b>	<b>(1,603,756)</b>	<b>(1,609,149)</b>	<b>5,393</b>	<b>-0.3%</b>
<b>Departmental Income (Loss)</b>	<b>(94,249)</b>	<b>62,225</b>	<b>(156,474)</b>	<b>-251.5%</b>





*Pecan Plantation*

*Capital Budget*

*Fiscal Year 2012*

## Capital Expenditures Budget - Fiscal Year 2012

<b>Facility Maint</b>	Clubhouse Rooftop A/C Compressors	as needed	Replacement	8,000
<b>Facility Maintenance Total</b>				<b>8,000</b>

<b>Clubhouse</b>	Dish Machine Rebuild	10	Replacement	10,000
	19th Hole & Pro Shop Carpet	9	Replacement	14,000
	Reception Copier	7	Replacement	14,000
<b>Food &amp; Beverage/House Total</b>				<b>38,000</b>

<b>Golf</b>	Golf Course USGA Greens	1	Replacement	940,000
	Golf Course Architect	1	Replacement	56,000
<b>Golf Total</b>				<b>996,000</b>

<b>Roads &amp; Grounds</b>	Drainage	6	Replacement	62,000
	Dump Truck	3	Replacement	75,000
	Backhoe Repair	2	Replacement	10,000
<b>Roads &amp; Grounds Total</b>				<b>147,000</b>

<b>Marina</b>	Dock Repairs	5	Replacement	25,000
<b>Marina Total</b>				<b>25,000</b>

<b>Sports &amp; Recreation</b>	Pool Repairs	4	Replacement	10,000
	Tennis Windscreens	8	Replacement	18,000
	Walking Trail Repair	12	Replacement	7,500
	Horse Trail Fence	11	New	10,000
<b>Sports &amp; Recreation Total</b>				<b>45,500</b>

<b>Total 2011 Capital Budget</b>			<b>\$1,259,500</b>
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<b>\$50,000 New Capital</b>		
New Capital Beginning Balance		50,000
Less: 2012 New Capital		10,000
Remaining Balance		40,000

**02 - Reserve & Replacement: Income Statement**

	Year	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
<b>REVENUES</b>													
73000109 ASSESSMENT - REPLACEMENT	276,824	23,032	23,032	23,040	23,048	23,056	23,064	23,072	23,080	23,088	23,096	23,104	23,112
73000110 BRIDGE ASSESSMENT	198,967	16,554	16,554	16,560	16,566	16,572	16,577	16,583	16,589	16,595	16,600	16,606	16,612
73000111 ROAD ASSESSMENT	657,457	54,701	54,701	54,720	54,739	54,758	54,777	54,796	54,815	54,834	54,853	54,872	54,891
73000114 INITIATION FEE	360,000	27,000	27,000	30,000	30,000	33,000	33,000	33,000	33,000	33,000	27,000	27,000	27,000
73000008 INTEREST INCOME	6,000	500	500	500	500	500	500	500	500	500	500	500	500
73000091 WETSLIP REVENUE - DOCK C	48,600	4,050	4,050	4,050	4,050	4,050	4,050	4,050	4,050	4,050	4,050	4,050	4,050
<b>Total Revenues</b>	<b>1,547,848</b>	<b>125,837</b>	<b>125,837</b>	<b>128,870</b>	<b>128,903</b>	<b>131,936</b>	<b>131,968</b>	<b>132,001</b>	<b>132,034</b>	<b>132,067</b>	<b>126,099</b>	<b>126,132</b>	<b>126,165</b>
9419000 INTEREST EXPENSE	(20,935)	(2,550)	(2,500)	(2,325)	(2,025)	(2,010)	(1,800)	(1,700)	(1,500)	(1,375)	(1,225)	(1,025)	(900)
94170030 BANK CHARGES	(600)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
94170080 PRINTING	0												
<b>TOTAL OTHER EXPENSES</b>	<b>(21,535)</b>	<b>(2,600)</b>	<b>(2,550)</b>	<b>(2,375)</b>	<b>(2,075)</b>	<b>(2,060)</b>	<b>(1,850)</b>	<b>(1,750)</b>	<b>(1,550)</b>	<b>(1,425)</b>	<b>(1,275)</b>	<b>(1,075)</b>	<b>(950)</b>
<b>NET INCOME BEFORE DEPRECIATION</b>	<b>1,526,313</b>	<b>123,237</b>	<b>123,287</b>	<b>126,495</b>	<b>126,828</b>	<b>129,876</b>	<b>130,118</b>	<b>130,251</b>	<b>130,484</b>	<b>130,642</b>	<b>124,824</b>	<b>125,057</b>	<b>125,215</b>

• **Total Capital Funding \$690,824**