

**Big Canoe Property Owners Association  
Summary of Operations  
December 31, 2015**

**December Operations:** The POA's Income from Operations was \$68,548 for the month of December compared to a budget of \$143,882. This represented a negative variance to budget of \$75,334 or 52.4%. When Income from Operations was compared to December 2014, there was a negative variance of \$69,581 or 50.4%.

**Operating Department Results - December**

The Operating Departments net loss was greater than budget by \$71,232 or 15.3%. The major variances to budget were:

- A. Revenue was under budget by \$27,353 or 60.0%.
  - a. Public Works was under budget by \$3,065 or 22.7% for the month. This related to a negative variance in road impact fees partially offset by positive variances in part sales and transponder revenue.
  - b. Public Works was under budget by \$24,582 related to a timing difference in contribution revenue received earlier in the year.
- B. Payroll expense was over budget by \$25,406 or 8.2%.
  - a. Administration was over budget by \$23,439 or 31.1% related to year-end vacation payable adjustment.
  - b. AECD was over budget by \$1,948 or 27.9%. This negative variance was due to same circumstances as mentioned in Administration payroll.
  - c. Housekeeping was under budget by \$4,361 or 31.3% related to an unfilled part-time position.
  - d. Public Safety was over budget by \$4,595 or 4.3%. Vacation payable adjustment was the reason for this variance.
- C. Operating expenses were over budget by \$15,900 or 9.8%.
  - a. Administration was over budget by \$13,721 or 15.4%. This variance was made up of overages in employee rewards/recognition, legal fees, accounting fees, decorations, professional consulting fees, and property taxes. These negative variances were partially offset by positive variances in professional development and advertising
  - b. Environmental Protection was under budget by \$11,611. The POA did not have to spend as much as anticipated on wild hog control.
  - c. Public works was over budget by \$15,329 or 39.3%. The negative variance was comprised mostly of overages in road striping, operating supplies, borrow pit expense and garbage collections.

**Amenity Results - December**

The Amenities were over budget by \$9,543 or 11.1%. The major contributing factors to this were:

- A. Overall Revenue was under budget for the month by \$4,035 or 1.2%.
  - a. Golf Operations was under budget by \$8,628 or 6.4% related to annual fees. The 18-hole equivalent rounds played were over budget by 76 rounds.
- B. Cost of Sales was over budget by \$2,409 or 3.6%. This variance related to higher sales volume at the Golf Shop. In addition, The Clubhouse COS percentage was 33.33% compared to the budgeted percentage of 35.27%.
- C. Payroll was under projection for the month of December by \$8,659 or 3.1%.
  - a. Clubhouse was under budget by \$12,041 or 10.2%. The Clubhouse payroll percentage compared to budget was 14.10% under budget (76.26% vs. 90.36%).
  - b. POA Activities was over budget by \$7,310 related to the new position.
  - c. Golf Operations was under budget by \$2,461 or 7.0%. Counter and cart staff hours were reduced for the month.
- D. Operating costs were over budget by \$11,758 or 12.6%.
  - a. Golf Maintenance was over budget by \$13,155 or 65.0%. Negative variances in outside services for bunker work and repairs and maintenance made up the majority of this variance.
  - b. Fitness was under budget by \$1,995 or 10.0%, mostly related to repairs and maintenance.

**Year-to-Date Operations:** Income from Operations before the extraordinary item related to storm damage was \$2,742,764 for the year compared to a budget of \$2,821,683. This represents a negative variance to budget of \$78,919 or 2.8%. When Income from Operations is compared to 2014, there is a negative variance of \$112,637 or 4.0%.

### **Operating Department Results – Year-to-Date**

The Operating Departments net loss was better than budget by \$12,533 or 0.3%. The major variances to budget were:

- A. Revenue was under budget by \$949 or 0.3%.
  - a. Grounds & Landscaping was under budget by \$18,746 or 28.2%. Pine straw sales to Property Owners were not as much as anticipated.
  - b. AECD was over budget by \$2,252 or 3.0% related to positive variances in vista pruning and fines/fees partially offset by a negative variance in plan submittal fees.
  - c. Public Works was over budget by \$8,047 or 5.0%. Storage yard rental, part sales and road impact fees made up the majority of this variance offset partially by negative variances in maintenance revenue (Property Owner pontoon renovations and car maintenance) and transponder decal revenue.
  - d. Public Safety was over budget by \$6,398 or 11.9%. Both contribution revenue and transponder revenue were over budget.
- B. Payroll expense was under budget by \$32,343 or 1.0%.
  - a. Housekeeping was under budget by \$32,884 or 24.2%. This positive variance related to an unfilled full-time position early in the year and an unfilled part-time position; a couple of employees on FMLA and wage structure.
  - b. Grounds & Landscaping was under budget by \$13,731 or 4.0% related to unfilled positions.
  - c. Public Safety was over budget by \$14,603 or 1.4%. Hourly wages were over due to training and overtime partially offset by positive variances in taxes and benefits.
- C. Operating expense was over budget by \$13,535 or 0.7%.
  - a. Administration was over budget by \$64,982 or 7.0%. Legal fees, computer equipment/maintenance, operating supplies, consulting fees, minor tools, decorations and employee recognition made up the majority of this variance.
  - b. AECD was over budget by \$5,463 or 18.5% related mostly to vista pruning costs.
  - c. Environmental Protection was under budget by \$24,565 or 43.9%. The majority of this positive variance was related to grounds maintenance and wild hog control.
  - d. Grounds & Landscaping was under budget by \$40,872 or 23.7%. Outside services, chemicals, fertilizer, borrow pit expense, pine straw and vehicle gas were all under projection.
  - e. Public Works was over budget by \$43,706 or 8.1%. Road maintenance, repairs and maintenance and garbage collections were all over budget partially offset by positive variances in operating supplies, minor tools, road trimming, sign maintenance and vehicle gas expense.
  - f. Public Safety was under budget by \$38,025 or 14.1%. This positive variance was related to contractor expense, professional development, propane and vehicle gas offset by overages in computer support/maintenance, operating supplies, building maintenance and taxes on vehicles.

### **Amenity Results – Year-to-Date**

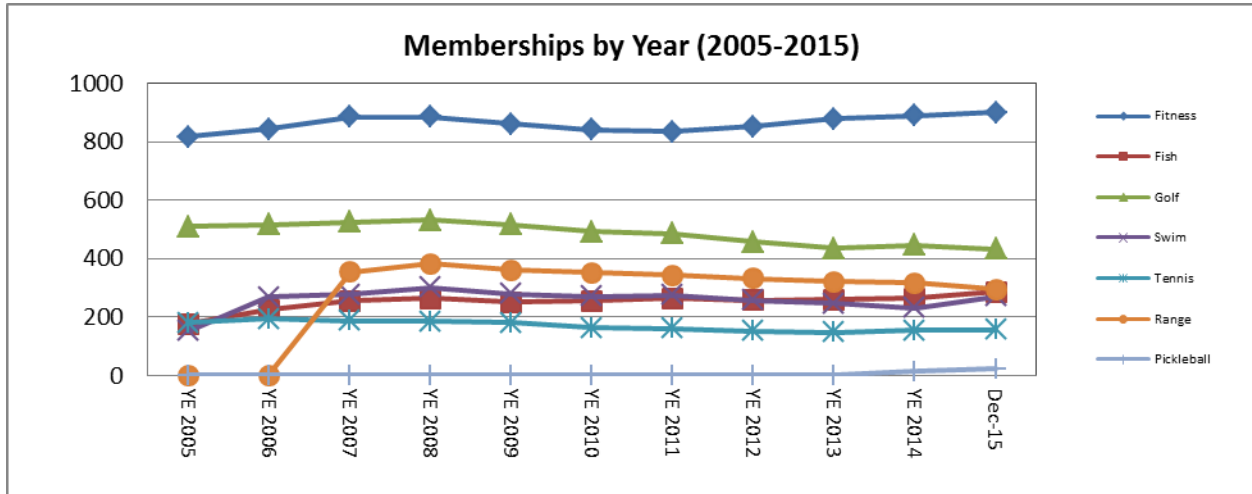
The amenities net loss was more than budget by \$162,751. The major contributing factors to this were:

- A. Revenues were under budget by \$264,943 or 4.4%.
  - a. Total rounds of golf for the year were 29,861 compared to a budget of 34,404. This resulted in cart fees being \$115,100 or 18.4% under budget for the year and greens fees being \$39,809 or 11.3% under budget. This variance was partially related to twenty-six (26) days the golf course had no rounds played due to weather and twenty-six (26) days the golf course had ten (10) or less rounds played earlier in the year.
  - b. Clubhouse revenues were under budget by \$70,198 or 3.1%. Banquets and Black Bear Pub sales were under projection for the year.
  - c. POA Activities was over budget by \$12,730 related to social event revenue not originally budgeted.
  - d. Tennis was under budget by \$18,572 or 8.5%. Merchandise fees and clinic fees did not hit projections.
  - e. Swim was under budget by \$9,633 or 3.8%. The Swim Club was budgeted to be open weekdays the month of August.

e. Annual Fees were under budget by \$31,192 or 1.77% for all amenities. See detail below:

Membership Type	2015 Actual	2015 Budget	Variance to Budget	2014 Actual	Variance to 2014
Fitness	\$539,836	\$529,905	\$9,931	\$518,736	\$21,100
Fish	\$38,803	\$36,566	\$2,237	\$35,705	\$3,098
Golf	\$861,912	\$893,101	(\$31,189)	\$867,734	(\$5,822)
Range	\$74,893	\$86,174	(\$11,281)	\$84,189	(\$9,296)
Swim	\$77,823	\$72,952	\$4,871	\$72,870	\$4,953
Tennis	\$140,111	\$145,873	(\$5,762)	\$129,384	\$10,727

	Dec. 2015	Nov. 2015	Dec. 2014	Dec. 2013	Dec. 2012	Dec. 2011	Dec. 2010	Dec. 2009	Dec. 2008	Dec. 2007
Fitness	900	901	891	878	852	836	842	862	885	885
Fish	286	290	264	259	257	265	256	251	263	255
Golf	434	448	446	436	457	485	493	516	532	525
Pickleball	23	23	13							
Range	294	304	316	322	332	343	351	361	383	355
Swim	271	275	231	247	257	274	270	279	301	278
Tennis	156	158	154	147	152	161	164	180	185	188
<b>Total</b>	<b>2,364</b>	<b>2,399</b>	<b>2,315</b>	<b>2,289</b>	<b>2,307</b>	<b>2,364</b>	<b>2,376</b>	<b>2,449</b>	<b>2,549</b>	<b>2,486</b>



B. Cost of Sales was under budget by \$35,980 or 3.4% for the year. Cost of Sales percentages for the Amenity Departments are detailed in the table below:

Cost-of-Sales	2015 Actual	2015 Budget	2014 Actual
Golf	71.34%	70.00%	68.83%
Marina	67.65%	65.00%	62.55%
Fitness	61.28%	65.00%	66.63%
Tennis	76.36%	67.00%	61.79%
Clubhouse	32.75%	34.43%	35.23%

C. Salary Expense was over budget by \$55,934 or 1.8%.

a. Clubhouse payroll expense was over budget by \$65,025 or 4.8%. Year-to-date, the payroll percentage to revenue was 63.86% compared to a budget of 60.74%. Full-Time Equivalents were six employees over projection.

- b. Golf Operations was under budget by \$48,855 or 11.9%. This variance related to lower rounds played. Counter and cart staff hours were reduced due to inclement weather.
- c. Golf Maintenance was over budget by \$6,630 or 0.8%. The majority of this overage was hiring seasonal employees instead of contract labor and employee benefits.
- d. POA Activities was over budget by \$33,337 related to a new position.
- e. Marina was over budget by \$5,191 or 6.5%.
- D. Operating Expense was under budget \$122,145 or 6.9%.
  - a. Clubhouse was under budget by \$39,925 or 9.3%. Operating expense percentage to revenue was 17.38% for the year compared to a budget of 19.07%.
  - b. Golf Course Maintenance was under budget by \$80,741 or 14.6%. Borrow pit, contract labor, repair and maintenance, golf accessories, electricity and vehicle gas were all under budget offset partially by overages in irrigation maintenance, consulting fees and sod.
  - c. POA Activities was over budget by \$23,722 related to July 4<sup>th</sup>, Mountain Twilight Concert and other Property Owner activities.
  - d. Swim was under budget by \$18,282 or 8.4%. The majority of this positive variance related to sand, repairs and maintenance, minor equipment, contract labor and electricity.
  - e. Marina was over budget by \$18,325 or 24.4% related to overages in repairs and maintenance and promotions partially offset by a positive variance in landscape maintenance.
  - f. Fitness was under budget by \$14,536 or 6.5%. The majority of the positive variance was due to repairs and maintenance and electricity.
  - g. Tennis was under budget by \$5,615 or 10.6% comprised of multiple accounts within the department.

**Other Significant Information:**

**Cash Position:**

	12/31/2015	11/30/2015	12/31/2014
Operating Cash	\$4,271,477	\$4,474,053	\$4,090,088
Restricted Cash	\$4,716,449	\$4,558,559	\$3,734,202
Total Cash	\$8,987,926	\$9,032,612	\$7,824,290

**Long-Term Debt:** Long-Term Debt at the end of December was \$6,238,373. The principal payment for December was \$34,010; 2015 payments were \$372,996.

**Fixed Assets:** Total Fixed Assets after Depreciation for the year was \$27,564,735.

**Year-to-Date Major Additions:**

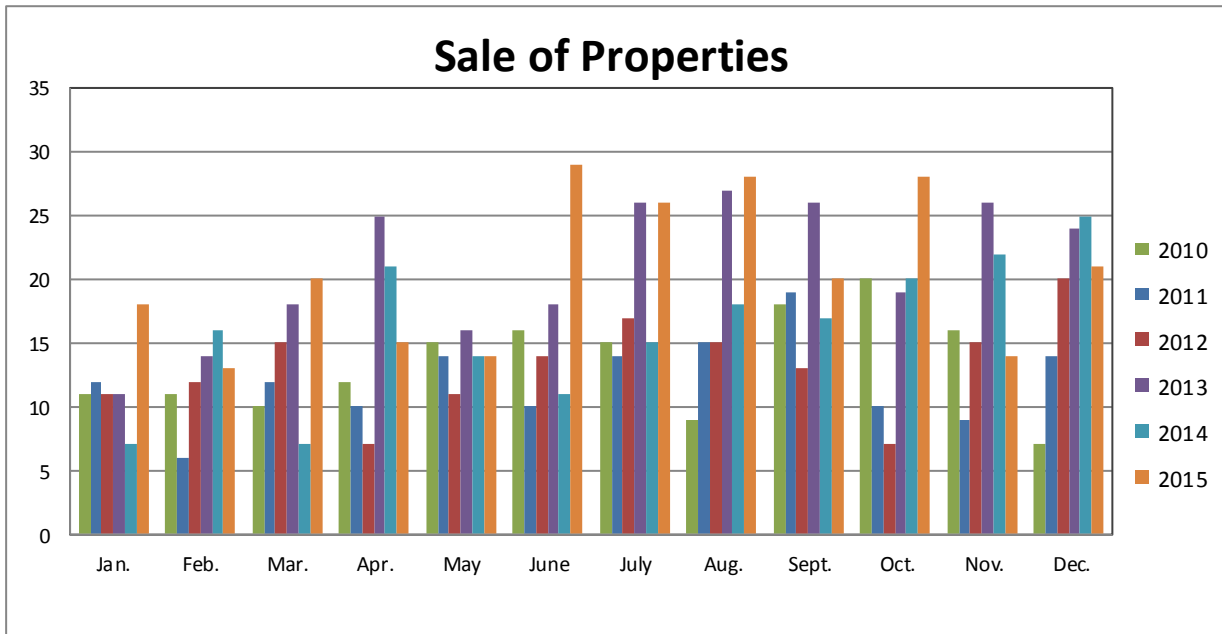
	<b>Actual</b>	<b>Budget</b>
Generator	\$17,512	\$20,000
Computer Equipment	\$31,452	\$35,000
Canoe Lodge Remodel	\$53,257	\$73,663
Guard Rails	\$19,179	\$20,000
Clubhouse Carpet/Draperies	\$46,953	\$50,000
Inflatable Water Park	\$12,119	\$13,000
Golf Course Rock Walls	\$22,410	\$30,000
Billy Better Bunker System	\$76,073	\$80,000
Playground Equipment & Ground Surface	\$53,983	\$60,000
Public Works Vehicles (2)	\$51,696	\$80,000
Screening Buildings	\$35,213	\$36,000
Pontoon Fleet & Re-furbish	\$32,110	\$30,000
3x-Utility Vehicles-Golf Maint.	\$33,352	\$45,000
Skid Steer Road Trimming Sickle	\$19,995	\$22,000
Culvert Replacement	\$32,050	\$90,000
Sink Hole Repair	\$130,752	\$200,000
Tennis Court Clay Re-Surface	\$10,000	0

Golf Maintenance Vehicle	\$31,347	\$35,000
Driving Range	\$24,802	\$410,000
Golf Maint. Equipment	\$68,468	\$90,000
Cherokee Booster Pump	\$12,604	\$13,000
Clubhouse Sound System	\$17,063	0
Fire Truck Equipment	\$32,898	\$36,000
Natorium Flooring	\$37,260	\$40,000
Road Paving/Shoulder Work	\$943,792	\$1,150,000
Clubhouse Kitchen HVAC	\$13,837	0
Public Safety Vehicle	\$35,085	\$35,000
Fitness Center-Pool Deck Grate	\$11,882	\$8,000
Public Safety-Donated -Thermal Cameras	\$24,964	0
Swim Club Fencing	\$20,330	\$22,000
Village Core Plan	\$22,138	\$20,000

**Full-Time Equivalent Employees** totaled 160.82 compared to a budget of 153.50 for the year. The FTE calculation excluding Food & Beverage was 111.49 compared to the budget of 110.24.

**Property Sales:** Year-to-Date total property sales were 246. In comparison, property sales for 2014 and 2013 were 193 and 250 respectively. The graph below depicts sales by month/year.

Description	Actual	Budget	Annual Budget
New Lots	13	12	12
New Homes	25	34	34



**BIG CANOE POA, INC.**  
**COMPARATIVE BALANCE SHEET**  
as of December 31, 2015

**ASSETS**

	Current December 31, 2015	Current November 30, 2015	Prior Year December 31, 2014
CASH	\$ 4,271,477	\$ 4,474,053	\$ 4,090,088
RESTRICTED CASH	4,716,449	4,558,559	3,734,202
ACCOUNTS RECEIVABLE - Net	276,216	153,774	307,730
INVENTORY	270,103	302,664	279,228
OTHER CURRENT ASSETS	219,850	149,689	240,487
FIXED ASSETS (Net of Accum. Depreciation)	27,564,735	27,904,424	28,388,219
<b>TOTAL ASSETS</b>	<b>\$ 37,318,830</b>	<b>\$ 37,543,162</b>	<b>\$ 37,039,955</b>

**LIABILITIES AND PROPERTY OWNERS' EQUITY**

	Current December 31, 2015	Current November 30, 2015	Prior Year December 31, 2014
TRADE ACCOUNTS PAYABLE	\$ 269,640	\$ 317,582	\$ 295,847
SALARY & WAGES PAYABLE	279,382	273,904	230,517
TAXES PAYABLE	46,150	16,634	53,688
OTHER PAYABLES & ACCRUED LIABILITIES	336,356	413,601	439,979
NOTES PAYABLE -CURRENT PORTION	1,767,218	1,780,546	372,096
DEFERRED INCOME	154,164	10,015	134,358
TOTAL LIABILITIES	2,852,910	2,812,282	1,526,485
LONG TERM DEBT	4,471,155	4,491,837	6,238,373
DERIVATIVE FINANCIAL INSTRUMENTS	610,327	648,920	889,145
EQUITY AT END OF FISCAL YEAR	28,385,951	28,385,951	26,840,400
CURRENT YEAR PROFIT (LOSS)	998,486	1,204,172	1,545,552
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 37,318,830</b>	<b>\$ 37,543,162</b>	<b>\$ 37,039,955</b>

\$ -      \$ -      \$ -

Debt to Equity Ratio	0.27	0.27	0.30
Cash Ratio	1.50	1.59	2.68

**BIG CANOE POA, INC.**  
**INCOME FROM OPERATIONS DECEMBER 31, 2015**

Month			
Actual December 2015	Budget December 2015	Variance to Budget	Prior Year December 2014
\$ 662,287	\$ 663,354	\$ (1,067)	\$ 642,941
41,883	35,375	6,508	44,392
<b>\$ 704,170</b>	<b>\$ 698,729</b>	<b>\$ 5,441</b>	<b>\$ 687,333</b>

(162,939)	(132,053)	(30,886)	(122,590)
(6,326)	(4,524)	(1,802)	(6,975)
(12,991)	(16,698)	3,707	(14,683)
8,878	(2,454)	11,332	5,703
(35,591)	(36,245)	654	(30,894)
(117,725)	(99,359)	(18,366)	(86,149)
(132,333)	(104,290)	(28,043)	(118,429)
(80,446)	(72,617)	(7,829)	(76,676)
(539,472)	(468,240)	(71,232)	(450,693)

(49,059)	(60,778)	11,719	(76,257)
(47,725)	(26,693)	(21,032)	(19,246)
19,615	16,192	3,423	18,066
(697)	(1,465)	768	(8,201)
(2,011)	(2,293)	283	(3,429)
2,837	3,203	(366)	5,354
(7,600)	(2,895)	(4,705)	(1,658)
(11,510)	(11,878)	368	(13,141)
(96,150)	(86,607)	(9,543)	(98,511)

68,548	143,882	(75,334)	138,129
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<b>\$ 225,499</b>	<b>\$ 236,811</b>	<b>11,312</b>	<b>\$ 225,851</b>
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<b>(156,951)</b>	<b>(92,929)</b>	<b>(64,022)</b>	<b>(87,722)</b>
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(168,437)	-	(168,437)	(30,631)

<b>\$ (325,387)</b>	<b>\$ (92,929)</b>	<b>\$ (232,458)</b>	<b>\$ (118,353)</b>
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\$ (325,387)	\$ (92,929)	\$ (232,458)	\$ (118,353)
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\$ 393,936	\$ 236,811	\$ 157,125	\$ 256,482
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<b>\$ 68,548</b>	<b>\$ 143,882</b>	<b>\$ (75,334)</b>	<b>\$ 138,129</b>
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Month and Year-to-Date			
Actual December 2015	Budget December 2015	Variance to Budget	Prior Year December 2014
<b>General Operating Revenue</b>			
\$ 7,932,386	\$ 7,939,053	\$ (6,667)	\$ 7,697,892
263,066	185,100	77,966	219,890
<b>\$ 8,195,452</b>	<b>\$ 8,124,153</b>	<b>\$ 71,299</b>	<b>\$ 7,917,782</b>

**Utilization of General Operating Revenue**  
**Operating Department Net Expense**

Administration	(1,433,066)	(1,374,291)	(58,775)	(1,327,064)
Architectural Environmental Control	(38,471)	(33,897)	(4,574)	(18,132)
Housekeeping	(139,362)	(169,414)	30,052	(133,196)
Environmental Protection	(60,588)	(82,909)	22,322	(74,463)
Grounds and Landscaping	(419,862)	(455,719)	35,857	(373,618)
Public Works	(1,145,333)	(1,108,817)	(36,516)	(897,173)
Public Safety	(1,266,281)	(1,296,101)	29,820	(1,276,609)
Property Tax, Insurance, Interest, Taxes	(888,020)	(882,368)	(5,652)	(887,788)
<b>Operating Department Expenditures</b>	<b>(5,390,983)</b>	<b>(5,403,516)</b>	<b>12,533</b>	<b>(4,988,044)</b>

**Amenities Operations**

Clubhouse	(379,084)	(324,811)	(54,273)	(426,183)
Golf Operations, incl. Maintenance	108,965	180,177	(71,212)	154,745
Fitness Center	255,557	233,470	22,087	219,205
Tennis	(11,934)	(3,726)	(8,208)	(14,056)
Swim	15,943	8,012	7,931	4,909
Lakes and Marina	146,709	163,063	(16,354)	146,163
Property Owners' Activities	(70,487)	(26,157)	(44,330)	(13,587)
Amenity Management	(127,374)	(128,982)	1,608	(145,533)
<b>Amenity Gain (Loss) Before Depreciation</b>	<b>(61,705)</b>	<b>101,046</b>	<b>(162,751)</b>	<b>(74,337)</b>

**Net Inc. (Loss) Before Extraordinary Items & Depr.**

2,742,764	2,821,683	(78,919)	2,855,401
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**Depreciation**

\$ 2,687,447	\$ 2,706,240	18,793	2,512,204
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**Net Inc.(Loss) Before Extraordinary Items and Asset Disposal Gain/(Loss)**

55,317	115,443	(60,126)	343,197
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**Extraordinary Items/Storm Damage**

(116,059)	-	(116,059)	-
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**Asset Disposal Gain/(Loss)**

(180,302)	-	(180,302)	23,932
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**Net Income (Loss)**

<b>\$ (241,044)</b>	<b>\$ 115,443</b>	<b>\$ (356,487)</b>	<b>\$ 367,129</b>
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**Cash Summary**

**Net Income/(Loss) from Operations**

\$ (241,044)	\$ 115,443	\$ (356,487)	\$ 367,129
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**Add back Depreciation & Asset Disposal**

\$ 2,867,749	\$ 2,706,240	\$ 161,509	\$ 2,488,272
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**Amount Generated for Funding of Reserves, Debt Retirement, Capital Additions and Improvements before Extrordinary Items**

<b>\$ 2,626,705</b>	<b>\$ 2,821,683</b>	<b>\$ (194,978)</b>	<b>\$ 2,855,401</b>
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**BIG CANOE POA, INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND RESTRICTED FUNDS**  
**DECEMBER 31, 2015**

<u>Month</u>					<u>Month and Year-to-Date</u>			
<u>Actual</u> <u>December 2015</u>	<u>Budget</u> <u>December 2015</u>	<u>Variance</u> <u>to Budget</u>	<u>Prior Year</u> <u>December 2014</u>		<u>Actual</u> <u>December 2015</u>	<u>Budget</u> <u>December 2015</u>	<u>Variance</u> <u>to Budget</u>	<u>Prior Year</u> <u>December 2014</u>
(325,387)	(92,929)	(232,458)	(118,353)	Net Income (Loss) from Operations	(241,044)	115,443	(356,487)	367,129
78,082	78,279	(197)	77,617	Total Restricted Funds Income	935,352	933,508	1,844	929,359
<u>(247,306)</u>	<u>(14,650)</u>	<u>(232,656)</u>	<u>(40,736)</u>		<u>694,308</u>	<u>1,048,951</u>	<u>(354,643)</u>	<u>1,296,487</u>



**Big Canoe POA**  
**Financial Summary of Income from Operations**  
**For the Year Ended December 31, 2015**

December					Year-to-Date					
2015	Budget	Variance % to Budget	2014	Variance % to Last Yr		2015	Budget	Variance % to Budget	2014	Variance % to Last Yr
					<b>General Operating Revenues:</b>					
662,287	663,354	-0.16%	642,941	3.01%	General Assessments	7,932,386	7,939,053	-0.08%	7,054,951	12.44%
41,883	35,375	18.40%	44,392	-5.65%	Other Operating Revenue	263,066	185,100	42.12%	862,831	-69.51%
704,170	698,729	0.78%	687,333	2.45%	<b>Total General Operating Revenues</b>	<b>8,195,452</b>	<b>8,124,153</b>	<b>0.88%</b>	<b>7,917,782</b>	<b>3.51%</b>
(539,472)	(468,240)	-15.21%	(450,693)	-19.70%	<b>Operating Department Expenditures</b>	<b>(5,390,983)</b>	<b>(5,403,516)</b>	<b>0.23%</b>	<b>(4,988,044)</b>	<b>-8.08%</b>
(96,150)	(86,607)	11.02%	(98,511)	-2.40%	<b>Amenity Net Income/(Loss)</b>	<b>(61,705)</b>	<b>101,046</b>	<b>161.07%</b>	<b>(74,337)</b>	<b>16.99%</b>
68,548	143,882	-52.36%	138,129	-50.37%	<b>Net Income/(Loss) Before Depreciation</b>	<b>2,742,764</b>	<b>2,821,683</b>	<b>-2.80%</b>	<b>2,855,401</b>	<b>-3.94%</b>
-	-	0.00%	-	0.00%	<b>Extraordinary Items/Storm Damage</b>	<b>(116,059)</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>
393,936	236,811	-66.35%	256,482	-53.59%	<b>Depreciation &amp; Asset Gain/Loss-Disposal</b>	<b>2,867,749</b>	<b>2,706,240</b>	<b>-5.97%</b>	<b>2,488,272</b>	<b>-15.25%</b>
(325,387)	(92,929)	250.15%	(118,353)	174.93%	<b>Net Income/(Loss)</b>	<b>(241,044)</b>	<b>115,443</b>	<b>308.80%</b>	<b>367,129</b>	<b>-165.66%</b>
<b>Operating Departments Results</b>										
(162,939)	(132,053)	-23.39%	(122,590)	-32.91%	Administration	(1,433,066)	(1,374,291)	-4.28%	(1,327,064)	-7.99%
(6,326)	(4,524)	-39.82%	(6,975)	-9.31%	Architectural Environmental Control	(38,471)	(33,897)	-13.49%	(18,132)	112.17%
(12,991)	(16,698)	22.20%	(14,683)	11.52%	Housekeeping	(139,362)	(169,414)	17.74%	(133,196)	-4.63%
8,878	(2,454)	461.77%	5,703	-55.66%	Environmental Protection	(60,588)	(82,909)	26.92%	(74,463)	18.63%
(35,591)	(36,245)	1.81%	(30,894)	-15.20%	Grounds & Landscaping	(419,862)	(455,719)	7.87%	(373,618)	-12.38%
(117,725)	(99,359)	-18.48%	(86,149)	-36.65%	Public Works	(1,145,333)	(1,108,817)	-3.29%	(897,173)	-27.66%
(132,333)	(104,290)	-26.89%	(118,429)	-11.74%	Public Safety	(1,266,281)	(1,296,101)	2.30%	(1,276,609)	0.81%
(80,446)	(72,617)	-10.78%	(76,676)	-4.92%	Property Tax, Insurance, Interest	(888,020)	(882,368)	-0.64%	(887,788)	-0.03%
(539,472)	(468,240)	-15.21%	(450,693)	-19.70%	<b>Operating Department Expenditures</b>	<b>(5,390,983)</b>	<b>(5,403,516)</b>	<b>0.23%</b>	<b>(4,988,044)</b>	<b>-8.08%</b>
<b>Operating Departments P&amp;L</b>										
<b>Revenues:</b>										
3,876	4,700	-17.53%	4,774	-18.80%	Architectural Environmental Control	78,052	75,800	2.97%	93,531	-16.55%
-	-	0.00%	-	0.00%	Environmental Protection	1,100	-	0.00%	788	0.00%
1,117	-	0.00%	1,046	6.87%	Grounds & Landscaping	47,754	66,500	-28.19%	61,964	-22.93%
10,469	13,534	-22.64%	25,662	-59.20%	Public Works	170,447	162,400	4.96%	262,555	-35.08%
2,838	27,420	-89.65%	8,878	-68.03%	Public Safety	60,438	54,040	11.84%	80,361	-24.79%
18,301	45,654	-59.91%	40,359	-54.65%	<b>Total Revenues</b>	<b>357,791</b>	<b>358,740</b>	<b>-0.26%</b>	<b>499,199</b>	<b>-28.33%</b>
<b>Cost of Sales:</b>										
2,019	1,000	-101.87%	3,154	36.00%	Roads & Trails	17,727	12,000	-47.72%	31,752	44.17%
2,019	1,000	-101.87%	3,154	-101.87%	<b>Total Cost of Sales</b>	<b>17,727</b>	<b>12,000</b>	<b>-47.72%</b>	<b>31,752</b>	<b>-47.72%</b>
<b>Payroll Expenses:</b>										
98,983	75,544	-31.03%	83,711	-18.24%	Administration	848,911	849,079	0.02%	804,903	-5.47%
8,946	6,998	-27.84%	7,647	-16.98%	Architectural Environmental Control	81,408	80,046	-1.70%	77,396	-5.18%
9,601	13,962	31.23%	12,610	23.86%	Housekeeping	103,456	136,340	24.12%	104,088	0.61%
2,649	2,370	-11.79%	3,328	0.00%	Environmental Protection	30,304	26,961	-12.40%	39,285	0.00%
32,851	32,299	-1.71%	26,848	-22.36%	Grounds & Landscaping	335,465	349,196	3.93%	286,776	-16.98%
71,835	72,882	1.44%	63,621	-12.91%	Public Works	709,204	714,073	0.68%	661,297	-7.24%
113,009	108,414	-4.24%	105,333	-7.29%	Public Safety	1,093,399	1,078,796	-1.35%	1,115,530	1.98%
337,875	312,469	-8.13%	303,097	-11.47%	<b>Total Payroll Expenses</b>	<b>3,202,148</b>	<b>3,234,491</b>	<b>1.00%</b>	<b>3,089,276</b>	<b>-3.65%</b>
<b>Operating Expenses:</b>										
63,956	56,509	-13.18%	38,879	-64.50%	Administration	584,155	525,212	-11.22%	522,161	-11.87%
1,256	2,226	43.59%	4,102	69.38%	Architectural Environmental Control	35,114	29,651	-18.42%	34,268	-2.47%
3,390	2,736	-23.90%	2,073	-63.51%	Housekeeping	35,906	33,074	-8.56%	29,108	-23.36%
(11,527)	84	13822.74%	(9,031)	-27.63%	Environmental Protection	31,383	55,948	43.91%	35,966	12.74%
3,857	3,946	2.25%	5,092	24.24%	Grounds & Landscaping	132,151	173,023	23.62%	148,806	11.19%
54,340	39,011	-39.30%	45,036	-20.66%	Public Works	588,850	545,144	-8.02%	466,678	-26.18%
22,162	23,296	4.87%	21,974	-0.85%	Public Safety	233,320	271,345	14.01%	241,440	3.36%
80,446	72,617	-10.78%	76,676	-4.92%	Property Tax, Insurance, Interest	888,020	882,368	-0.64%	887,788	-0.03%
217,880	200,425	-8.71%	184,801	-17.90%	<b>Total Operating Expenses</b>	<b>2,528,899</b>	<b>2,515,765</b>	<b>-0.52%</b>	<b>2,366,215</b>	<b>-6.88%</b>
(539,472)	(468,240)	-15.21%	(450,693)	-19.70%	<b>Operating Department Expenditures</b>	<b>(5,390,983)</b>	<b>(5,403,516)</b>	<b>0.23%</b>	<b>(4,988,044)</b>	<b>-8.08%</b>

**Big Canoe POA**  
**Financial Summary of Income from Operations**  
**For the Year Ended December 31, 2015**

December					Year-to-Date					
2015	Budget	Variance % to Budget	2014	Variance % to Last Yr		2015	Budget	Variance % to Budget	2014	Variance % to Last Yr
<b>Amenity Operating Results</b>										
(49,059)	(60,778)	19.28%	(76,257)	35.67%	Clubhouse	(379,084)	(324,811)	-16.71%	(426,183)	11.05%
62,295	71,736	-13.16%	80,548	-22.66%	Golf Operations	1,411,999	1,557,801	-9.36%	1,426,592	-1.02%
(110,021)	(98,429)	-11.78%	(99,794)	-10.25%	Golf Maintenance	(1,303,035)	(1,377,624)	5.41%	(1,271,847)	-2.45%
19,615	16,192	21.14%	18,066	8.58%	Fitness Center	255,557	233,470	9.46%	219,205	16.58%
(697)	(1,465)	-52.40%	(8,201)	-91.50%	Tennis	(11,934)	(3,726)	-220.28%	(14,056)	-15.10%
(2,011)	(2,293)	-12.32%	(3,429)	-41.37%	Swim	15,943	8,012	-98.99%	4,909	-224.80%
2,837	3,203	-11.43%	5,354	-47.01%	Lakes & Marina	146,709	163,063	-10.03%	146,163	0.37%
(7,600)	(2,895)	-162.51%	(1,658)	-358.34%	POA Activities	(70,487)	(26,157)	-169.47%	(13,587)	-418.79%
(11,510)	(11,878)	3.10%	(13,141)	12.41%	Amenity Management	(127,374)	(128,982)	1.25%	(145,533)	12.48%
(96,150)	(86,607)	11.02%	(98,511)	-2.40%	<b>Amenity Net Income/(Loss)</b>	<b>(61,705)</b>	<b>101,046</b>	<b>161.07%</b>	<b>(74,337)</b>	<b>16.99%</b>
<b>Amenity P&amp;L</b>										
<b>Revenues:</b>										
131,710	131,078	0.48%	148,916	-11.55%	Clubhouse	2,195,988	2,266,186	-3.10%	2,135,438	2.84%
126,340	134,968	-6.39%	140,022	-9.77%	Golf Operations	2,152,290	2,338,672	-7.97%	2,185,820	-1.53%
190	-	0.00%	50	0.00%	Golf Maintenance	478	-	0.00%	379	0.00%
58,432	57,710	1.25%	58,941	-0.86%	Fitness Center	664,754	660,995	0.57%	644,085	3.21%
14,324	15,048	-4.81%	13,932	2.82%	Tennis	200,551	219,123	-8.48%	192,126	4.39%
(2)	-	0.00%	97	-101.65%	Swim	259,220	268,852	0.00%	233,368	11.08%
17,526	16,139	8.59%	16,578	5.72%	Lakes & Marina	338,433	335,560	0.86%	317,152	6.71%
2,493	105	2274.29%	90	2670.00%	POA Activities	38,990	26,260	48.48%	28,763	35.55%
-	-	0.00%	-	0.00%	Amenity Management	-	-	0.00%	-	0.00%
351,013	355,048	-1.14%	378,626	-7.29%	<b>Total Revenues</b>	<b>5,850,705</b>	<b>6,115,648</b>	<b>-4.33%</b>	<b>5,737,130</b>	<b>1.98%</b>
<b>Cost of Sales:</b>										
46,354	46,097	-0.56%	58,087	20.20%	Clubhouse	739,803	780,828	5.25%	749,550	1.30%
33.33%	35.27%	5.50%	42.33%	21.26%	Clubhouse % of Sales	32.75%	34.43%	4.86%	35.23%	7.04%
20,891	18,127	-15.25%	17,160	-21.75%	Golf Operations	238,205	224,261	-6.22%	234,914	-1.40%
74.96%	70.00%	-7.08%	70.44%	-6.41%	Golf Operations % of Sales	71.34%	70.00%	-1.91%	68.83%	-3.64%
-	-	#DIV/0!	-	0.00%	Swim Club	651	895	27.26%	819	0.00%
1,878	2,405	21.91%	2,380	21.09%	Fitness Center	19,414	21,796	10.93%	21,899	11.35%
60.63%	65.00%	6.73%	66.33%	8.60%	Fitness Center % of Sales	61.28%	65.00%	5.73%	66.63%	8.03%
829	1,005	17.53%	1,313	36.87%	Tennis	34,971	36,955	5.37%	31,960	-9.42%
63.98%	67.00%	4.51%	75.80%	15.59%	Tennis % of Sales	76.36%	67.00%	-13.96%	61.79%	-23.57%
546	455	-20.05%	257	-112.40%	Lakes & Marina	13,267	17,556	24.43%	15,615	15.04%
80.98%	65.00%	-24.58%	58.71%	-37.92%	Lakes & Marina % of Sales	67.65%	65.01%	-4.07%	62.55%	-8.16%
70,498	68,089	-3.54%	79,196	10.98%	<b>Total Cost of Sales</b>	<b>1,046,311</b>	<b>1,082,291</b>	<b>3.32%</b>	<b>1,054,757</b>	<b>0.80%</b>
280,515	286,959	-2.25%	299,429	-6.32%	<b>Gross Margin</b>	<b>4,804,394</b>	<b>5,033,357</b>	<b>-4.55%</b>	<b>4,682,373</b>	<b>2.61%</b>
<b>Payroll Expenses:</b>										
106,062	118,103	10.20%	126,281	16.01%	Clubhouse	1,442,620	1,377,595	-4.72%	1,310,383	-10.09%
76.26%	90.36%	15.60%	92.02%	17.13%	Clubhouse % of Sales	63.86%	60.74%	-5.15%	61.59%	-3.69%
32,927	35,388	6.95%	29,339	-12.23%	Golf Operations	364,610	413,465	11.82%	370,390	1.56%
76,805	78,179	1.76%	72,938	-5.30%	Golf Maintenance	828,637	822,007	-0.81%	746,279	-11.04%
18,941	19,120	0.94%	17,833	-6.21%	Fitness Center	177,960	179,370	0.79%	176,862	-0.62%
10,680	11,162	4.32%	15,212	29.79%	Tennis	129,959	132,724	2.08%	121,343	-7.10%
122	341	0.00%	203	0.00%	Swim	42,880	41,916	0.00%	29,715	0.00%
8,206	7,001	-17.21%	7,221	-13.64%	Lakes & Marina	85,043	79,852	-6.50%	75,971	-11.94%
7,310	-	0.00%	-	0.00%	POA Activities	40,610	7,273	0.00%	4,977	0.00%
10,365	10,784	3.88%	9,686	-7.01%	Amenity Management	102,234	104,417	2.09%	76,825	-33.07%
271,419	280,078	3.09%	278,714	2.62%	<b>Total Payroll Expenses</b>	<b>3,214,553</b>	<b>3,158,619</b>	<b>-1.77%</b>	<b>2,912,744</b>	<b>-10.36%</b>
<b>Operating Expenses:</b>										
28,353	27,656	-2.52%	40,805	30.52%	Clubhouse	392,649	432,574	9.23%	501,687	21.73%
10,226	9,717	-5.24%	12,976	21.19%	Golf Operations	137,476	143,145	3.96%	153,924	10.69%
33,405	20,250	-64.96%	26,905	-24.16%	Golf Maintenance	474,876	555,617	14.53%	525,947	9.71%
17,998	19,993	9.98%	20,662	12.89%	Fitness Center	211,823	226,359	6.42%	226,119	6.32%
3,513	4,346	19.16%	5,607	37.35%	Tennis	47,555	53,170	10.56%	52,879	10.07%
1,887	1,952	3.34%	3,324	43.23%	Swim	199,747	218,029	8.39%	197,926	-0.92%
5,936	5,480	-8.33%	3,746	-58.49%	Lakes & Marina	93,414	75,089	-24.40%	79,403	-17.64%
2,782	3,000	7.25%	1,748	-59.18%	POA Activities	88,866	45,144	-52.55%	37,373	-84.27%
1,145	1,094	-4.66%	3,454	66.85%	Amenity Management	25,140	24,565	-2.34%	68,708	63.41%
105,246	93,488	-12.58%	119,227	11.73%	<b>Total Operating Expenses</b>	<b>1,651,547</b>	<b>1,773,692</b>	<b>6.89%</b>	<b>1,843,966</b>	<b>10.44%</b>
(96,150)	(86,607)	-11.02%	(98,511)	2.40%	<b>Amenity Net Income/(Loss)</b>	<b>(61,705)</b>	<b>101,046</b>	<b>161.07%</b>	<b>(74,337)</b>	<b>16.99%</b>