

CHICKASAW ASSOCIATION BOARD OF DIRECTOR'S MONTHLY MEETING SUMMARY MINUTES
December 19, 2022

Board Members Absent: None

POA Members Present: 6 in person, 16 by Zoom

President Pat Dennis called the meeting to order at 6:00 p.m.

ADMINISTRATION/OPERATIONS (Pat Dennis): Pat announced that the Golf Course and Pro Shop staff would now report directly to the CPGA Management Team, relieving Lisa Rose of that responsibility.

FINANCE (Becky Black): Becky reviewed the 2023 Budgets for Chickasaw Association, Chickasaw Utility and CPGA. The following changes had been made since the first presentation: POA Road Use Fee Income was reduced, and Pro Shop Credit Card Fees and Overlook Credit Card Fees were added back into expense. Becky also reviewed the questions received from property owners in the prior two weeks and the Board's responses. The presentation in its entirety is included as part of the minutes.

At the conclusion of the presentation, Bill Callahan moved, Rick Cochell seconded, and the Board unanimously approved the 2023 Budgets as presented.

The meeting adjourned at 6:50 p.m.

Annual Budget Development 2023

Chickasaw Property Owners Association

Chickasaw Utility Company

Chickasaw Point Golf Association

Current State of Reserves and Community needs

As part of the 2023 budget review process, the POA Board has done a focused review of our current status as well as looked at future critical needs. We thought it important to review those details with the community at this time.

	As of 10/31/2022	As of 9/30/2022
<i>Cash Balances:</i>		
<i>Total operational cash as of month end (all entities)</i>	<i>\$1,092,415</i>	<i>\$1,304,585</i>
<i>Total cash (including operational cash noted above)</i>	<i>\$1,673,729</i>	<i>\$1,877,926</i>
<i>As of October 31, 2021:</i>		
<i>Total operational cash as of month end</i>	<i>\$853,335</i>	
<i>Total cash (including operational cash noted above)</i>	<i>\$1,388,376</i>	
<i>Total operational cash as of month end (all entities)</i>	<i>\$1,092,415</i>	
Less Special earmarked items:		
All entities: Hold for operational needs for Nov 22 - Apr 23	(\$574,800)	
POA: Reserved for Roads (includes carryover from prior years)	(217,374)	
POA: Reserved from 2022 for Pool Capital Needs	(32,155)	
POA: Reserved from 2022 for Tennis Court Capital Needs	(9,000)	
POA: Reserve 2022 EC & loan assessment dollars to be reserved	(24,000)	
CUCO: Reserve net increase from 2022 rate incr for future capital	(81,167)	
CUCO: Reserve unspent 2022 Capital funds	(39,000)	
CUCO: Reserve 2022 loan assessment dollars to be reserved	(31,000)	
Total Earmarked funds as of 10-31-2022	(\$1,008,496)	
Balance available for other needs	\$83,919	

Detail of Reserved Funds as of 10-31-2022:			
Event Center Fund	\$292,451	Bulk is owed to the POA	
Capital Reserve (General Reserve for Catastrophic needs)	182,961		
Building Escrow	15,318		
Reserved to Cover Loan Payments	70,460		
Miscellaneous Other Reserves	20,125		
Total Reserved Funds at 10-31-2022	\$581,314		

Critical Reserves/Needs Analysis for Next 5-10 years

Entity	Asset name/group	Asset Cost	Total Depreciation at 12-31-2021	%age depreciated	Average Age Range for depreciation (in years)	Is replacement or Upgrade likely?	Estimated Investment Required	Special Notes	
POA	Clubhouse/Community Center & Improvements	424,179	391,127	92.21%	10	Yes	175,000	Future use under review by Long Range Planning Team	
POA	Pool & Fencing	143,226	142,679	99.62%	10	Yes	300,000	Pool repair is not likely, replacement is needed	
POA	Various Equipment & Maintenance/Lawn Eqmt	142,633	128,675	90.21%	7	Yes/Partial	100,000	Is normally addressed via annual use of capital assessment & operating dollars	
Utility	Wastewater Treatment Plant/meters, tanks, lift stations, main/lines	3,007,345	1,484,694	49.37%		Yes/Partial	4,000,000	Estimates on replacement of the other areas of the wastewater treatment plant (besides the EQ Basins that were replaced in 2021) range from \$3.6M and up	
CPGA	Open Barn Building (Cart Barn)	112,370	101,152	90.02%	20	Yes	25,000	Maintenance needed & pending for 2022/2023	
CPGA	Irrigation System	131,435	127,159	96.75%	7	Yes	1,500,000	Critical to support disbursement of the effluent from the Wastewater treatment plant, doubles as irrigation for golf course	
CPGA	New Greens - 2006	96,362	96,362	100.00%	7	Yes	2,000,000	Likely needed in next 2-5 years (we are already beyond expected life)	
CPGA	Paving - Remainder of cart paths	60,682	55,645	91.70%	7	Yes	75,000	Requested as part of 2023 budget	
CPGA	Bunker/Range Refurbishment	112,947	48,572	43.00%	7	Yes	105,000	7 bunkers left to do at \$15k each	
Estimated Total Capital Reserve needed within next 5 - 10 years								\$8,280,000	

Note: No additional spending needs for Roads has been included in this analysis because we currently have a dedicated Roads Assessment included in the annual budget. If, however, we determine additional critical needs related to roads and determine that such needs cannot be covered by the current annual assessment, then, we would have to revisit this exercise and the related total needs.

WHERE DO WE CURRENTLY STAND?

Estimated Total Capital Reserve needed within next 5 - 10 years							\$8,280,000
				Amount per year	Amount generated over 10 year period		
Resources to pay for above items (assume 10 years):							
Annual Capital Assessment (2022 rate) for POA Capital needs				88,600	\$886,000		
Annual Capital Assessment (2022 rate) for CUCO Capital needs				44,300	443,000		
Annual Capital Assessment (2022 rate) for CPGA Capital needs				55,375	553,750		
CUCO: Net increase from 2022 rate incr reserved for future Utility capital needs				81,167	811,670		
TOTAL ESTIMATED DOLLARS AVAILABLE TO COVER NEEDS FOR NEXT 10 YEARS							2,694,420
Estimated shortfall at 10 year mark							(5,585,580)

Note: We are including ALL of the capital assessment dollars currently in our annual budget in this exercise, which means that other year to year requests would not be funded. This is actually not reasonable as it would create another line item of needs within the above analysis but for this exercise we assumed those dollars could be used for these needs with additional year to year funds set aside for lesser needs.

How do we address this need?

10 YEAR SCENARIO		Developed Lot Annual Rate	Developed Lot Year-to-Year \$ Increase	Undeveloped Lot Annual Rate (60% of Developed Rate)	Undeveloped Lot Year-to-Year \$ Increase	Amount generated per year - developed lots	Amount generated per year - undeveloped lots	Total additional assessment dollars
Assumed number of lots: 450 developed/450 undeveloped								
Money raised by additional assessments	Year 1	100	\$100	60	\$60	45,000	27,000	72,000
	Year 2	300	\$200	180	\$120	135,000	81,000	216,000
	Year 3	500	\$200	300	\$120	225,000	135,000	360,000
	Year 4	700	\$200	420	\$120	315,000	189,000	504,000
	Year 5	900	\$200	540	\$120	405,000	243,000	648,000
	Year 6	1,000	\$100	600	\$60	450,000	270,000	720,000
	Year 7	1,000	\$0	600	\$0	450,000	270,000	720,000
	Year 8	1,000	\$0	600	\$0	450,000	270,000	720,000
	Year 9	1,100	\$100	660	\$60	495,000	297,000	792,000
	Year 10	1,150	\$50	690	\$30	517,500	310,500	828,000
	Total at year 10							5,580,000

The Finance Committee has recommended the above funding consideration to the POA Board. By starting with a minimal amount of funding in 2023, it will allow us to reassess the results of operation for The Overlook after year one (and the related impact for the golf course). If operational results are more positive than originally expected in the pro forma models related to the project, we may be able to redirect a portion of that assessment to the above needs and then would recalculate the annual need going forward

*Thank you to Shelya Thacker & Ron
Moeckel for their assistance with this
needs review!*

Budget 2023 – Key points/new items

POA/General (Community Operations):

▪ Assessments

- Base Assessment will increase based on a very significant change in the CPI* (11.7%) and as provided for in Section 19 of the Covenants. Base assessment to change from \$608 to \$678 per single developed lot and from \$225 to \$251 per undeveloped lot.
- Added \$100 Capital Reserves Assessment for developed lots and \$60 for undeveloped lots. This is a new assessment based on the critical needs review and will be a reserve intended to be set aside to grow and used only for certain critical needs and only if approved by the Board.
- Added \$100 Roads Assessment to undeveloped lots. Previously this group paid \$0 towards the maintenance of our roads
- Added \$50 Capital Replacement Assessment (annual capital needs assessment) for undeveloped lots. Previously this group paid \$0 toward routine upkeep of POA capital assets.
- Event Center assessment will remain the same at \$391 per single developed lot and \$156 per undeveloped

* For annual budget purposes we use the Atlanta GA metro area CPI index as of August each year. See: <https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-metro-area>.

Budget 2023 – Key points/new items

POA/General (Community Operations):

- **Revenue budget:**
 - The Overlook operational budget indicates a positive net income impact of >\$80k. This is not fully absorbed cost. The net impact is significantly more than originally anticipated in the original proforma models although we were extremely conservative in our projections. For conservatism purposes, we will not earmark these added funds for any immediate needs but will be constantly monitoring as the opportunity in this area is much greater but dependent on utilization.
 - No change to any other fees for water/sewer/storage

Budget 2022 – Key points/new items

POA/General (Community Operations):

- Wages/salary increases – Budget includes a 5% increase for most positions (recent new hires excluded)
- Continued funding with 5% increase toward healthcare reimbursement programs for salaried staff utilizing this program. (Note: The Board will look at possibly adding this benefit for hourly/non-salaried staff in 2024)
- Routine costs include increases in insurance, electricity & waste management (dumpster) primarily driven by bringing the new center online. These increases were anticipated as part of the previous proformas; however, we have seen inflationary increases of up to 20% during 2022 impact these line item expenses as well.
- POA budget includes capital dollars to cover paving the remainder of the current parking lot and purchase of building generator that will be done over a 5 year period through Blue Ridge
- Maintenance related dollars for Pool and Tennis Courts have again been included in the budget although we don't expect to spend the bulk of those dollars in 2023. We will again roll unused funds to create additional special “reserves” that will cover much needed maintenance on these areas when the work is performed

Budget 2022 – Key points/new items

CUCO (Utility):

- Water/sewer rates and tap fees for new construction remain the same
- Wages/salary increases – Budget includes a 5% increase (recent new hires excluded)
- Increases in routine operational expenses for waste management, repairs and maintenance, chemicals, electricity, phones and purchased water. All of these areas have been hit with inflationary increases during 2022.
- All Excess RDA loan assessment dollars, if any, will continue to be placed into sinking fund/reserved for loan payoff.
- Note: CUCO profit margins will continue to be reserved at each year end for future major reinvestment in plant and facility in accordance with understanding when water/sewer rates were raised in 2022.

Budget 2022 – Key points/new items

CPGA (Golf Course):

- Increased budget for income from memberships and non-member greens fees (reflective of continued growth in play and activity) and recent increase in fee structures
- Wages/salary increases – Budget includes a 5% increase (recent new hires excluded)
- Budget for The Overlook - fully operational for 2023. Budget has been developed using a very conservative approach with volume, etc. We anticipate that we will exceed these budget targets; however, we went with a conservative approach since we had no track record to gauge projections. Any excess net results from these operations will be set aside as special reserves to be utilized for critical/special needs as determined by the POA Board
- Routine costs increased to cover costs for new building (electricity, trash, maintenance/janitorial).
- Maintenance dollars to address roof and siding issues with cart barn.
- Dollars from capital assessment will be earmarked for additional cart paving needs

Changes made after original budget presentation

- Reduced ACC road use income fees due to anticipated change in that fee structure and application
- Added back in fees related to credit card costs for The Overlook and Pro Shop. The original budget proposal had anticipated this cost being passed on to patrons using credit cards as their payment methodology but we have opted not to pass this fee on to the end user at this time

2023 BUDGET APPROVAL - 12/19/2022	9/30/2022 ACTUAL	Oct-Dec EST INC/EXP	2022 Total EST ACTUAL	2022 BUDGET	2023 BUDGET
CHICKASAW ASSOCIATION, INC.					
INCOME					
ASSESSMENT INCOME					
Base	398,531	9,134	407,665	388,482	427,711
Capital Project Assessment	85,014	1,660	86,674	88,600	113,775
Administrative	42,655	810	43,465	44,300	44,000
Roads	85,113	1,660	86,773	88,600	133,500
Event Center/RDA Payoff Loan Assessment	253,160	5,367	258,527	255,815	252,458
Capital Reserve Assessment					74,930
New Owner Capital Reserve	43,500	3,000	46,500	20,000	35,000
TOTAL ASSESSMENT INCOME	907,973	21,631	929,604	885,797	1,081,374
NON-ASSESSMENT INCOME					
Installment Plan Fees/Late Fees	2,318	840	3,158	1,700	2,500
Road Use/ACC Fees	26,250	1,000	27,250	20,000	10,000
Camp Fees Income	2,417	600	3,017	7,000	3,000
Other Income	4,691	450	5,141	3,000	5,000
Land Sales	46,885	0	46,885	20,000	20,000
Uncovered Drydock Rental	26,926	500	27,426	25,000	25,000
Covered Drydock-Deferred	0	700	700	700	0
Covered Drydock Rental	32,881	0	32,881	24,910	25,820
TOTAL NON-ASSESSMENT INCOME	142,368	4,090	146,458	102,310	91,320
TOTAL INCOME	1,050,341	25,721	1,076,062	988,107	1,172,694

2023 BUDGET APPROVAL - 12/19/2022	9/30/2022 ACTUAL	Oct-Dec EST INC/EXP	2022 Total EST ACTUAL	2022 BUDGET	2023 BUDGET
EXPENSE					
FINANCE & ADMINISTRATIVE					
Salaries/Wages	77,117	24,909	102,026	99,650	104,633
F&A Payroll Taxes	6,000	1,905	7,905	8,470	8,894
Health Reimbursement Arrangement (ICHRA)	0	0	0	3,600	3,600
Electricity	0	0	0	2,500	2,500
Telephone/Internet	1,915	564	2,479	1,500	3,000
Postage/Mail	2,311	500	2,811	3,000	3,000
Dues/Subscriptions	952	0	952	1,000	1,000
Office Supplies	2,970	1,250	4,220	4,500	4,500
Office Equipment	4,486	1,166	5,652	7,000	7,000
Mileage	0	0	0	750	750
Accounting Fees	11,398	1,002	12,400	15,000	15,000
Bank Fees	2,135	453	2,588	3,500	3,500
Credit Card Costs	2,036	600	2,636	3,500	3,500
Legal Fees	10,595	3,750	14,345	25,000	25,000
Property Taxes	134	5,800	5,934	6,000	6,000
Taxes & Licenses	542	0	542	1,000	1,000
Insurance	23,128	11,525	34,653	35,000	46,000
CPGA Office O/H Reimb	(9,000)	(3,000)	(12,000)	(12,000)	(12,000)
CUCo Office O/H Reimb	(9,000)	(3,000)	(12,000)	(12,000)	(12,000)
Event Center Loan Interest	46,540	44,013	90,553	81,661	138,495
Depreciation Expense	14,985	4,995	19,980	20,000	20,000
TOTAL FINANCE & ADMIN EXPENSES	189,244	96,432	285,676	298,631	373,371
COMMUNICATIONS & PUBLIC RELATIONS					
Supplies/Hardware/Software	1,008	0	1,008	1,000	1,500
Advertising/Public Relations	5,336	1,500	6,836	7,000	7,000
Website	1,685	500	2,185	2,000	2,000
TOTAL COMM & PR EXPENSES	8,029	2,000	10,029	10,000	10,500
POOL					
Pool Wages	8,177	0	8,177	12,540	2,000
Pool Payroll Taxes	680	0	680	1,066	170
Pool Electricity	8,785	1,900	10,685	10,000	11,000
Pool Water/Sewer	4,724	2,000	6,724	3,500	7,000
Pool Telephone	1,486	150	1,636	500	2,000
Pool Concession Supplies	0	0	0	500	0
Pool Supplies	1,300	0	1,300	2,500	2,500
Chemicals	13,304	0	13,304	12,500	14,000
Pool Equipment	230	0	230	1,000	1,000
Pool Maintenance	2,845	15,000	17,845	50,000	50,000
TOTAL POOL EXPENSES	41,531	19,050	60,581	94,106	89,670

2023 BUDGET APPROVAL - 12/19/2022	9/30/2022 ACTUAL	Oct-Dec EST INC/EXP	2022 Total EST ACTUAL	2022 BUDGET	2023 BUDGET
GATE					
Gate Wages	39,516	12,827	52,343	47,736	57,494
Gate Payroll Taxes	3,225	830	4,055	4,058	4,887
Gate Electricity	4,514	1,200	5,714	6,500	6,000
Gate Water/Sewer	909	202	1,111	1,250	1,250
Gate Telephone	3,239	1,054	4,293	1,500	4,500
Gate Supplies	1,072	250	1,322	1,000	2,000
Bar Code Decals	3,871	0	3,871	2,600	3,200
Gate Maintenance	2,382	925	3,307	3,000	8,200
TOTAL GATE EXPENSES	58,728	17,288	76,016	67,644	87,531
OPERATIONS					
Ops Salaries/Wages	29,802	8,139	37,941	35,000	57,120
Ops Payroll Taxes	2,379	623	3,002	2,975	4,855
Ops Electricity	2,649	750	3,399	4,000	4,900
Campground Electricity	1,300	326	1,626	6,000	2,500
Ops Water/Sewer	1,600	279	1,879	1,800	2,000
Campground Water/Sewer	1,034	345	1,379	1,650	1,500
Ops Telephone	2,403	756	3,159	1,140	3,500
Campground Internet	559	345	904	750	1,000
Ops Maintenance	820	1,225	2,045	2,500	2,500
Tree Removal	2,300	1,400	3,700	5,000	5,000
Fuel	1,753	1,763	3,516	3,750	3,750
Waste Management	4,048	1,650	5,698	4,750	7,200
Grounds Maintenance	3,008	1,000	4,008	3,000	5,000
Ops Tools & Equipment	1,498	450	1,948	1,500	2,000
Power Tools Maintenance	400	600	1,000	2,200	2,000
Mower/Tractor Maintenance	3,423	500	3,923	2,000	5,000
Vehicle Maintenance	2,115	1,200	3,315	4,500	4,500
Beach/Pavilion/Courtesy Dock	4,279	500	4,779	7,000	7,000
Tennis Courts	0	9,000	9,000	9,000	9,000
Security Upgrades	13,103	0	13,103	12,500	0
RV Park	1,515	0	1,515	3,500	2,500
Papoose Park/Dog Park	201	0	201	1,500	1,500
TOTAL OPERATIONS EXPENSES	80,189	30,851	111,040	116,015	134,325
ROADS					
Roads Resurface/Roadside Maintenance	58,293	0	58,293	95,000	133,200
Roads Culvert Maintenance	1,737	0	0	2,500	2,500
TOTAL ROADS EXPENSES	60,030	0	58,293	97,500	135,700

2023 BUDGET APPROVAL - 12/19/2022	9/30/2022 ACTUAL	Oct-Dec EST INC/EXP	2022 Total EST ACTUAL	2022 BUDGET	2023 BUDGET
COMMUNITY CENTER					
Electricity	7,876	1,300	9,176	10,500	10,500
Water/Sewer	1,288	345	1,633	1,500	1,700
Internet & Telephone	1,787	1,065	2,852	1,500	3,000
Maintenance	8,895	2,200	11,095	17,000	15,000
Supplies	6,196	500	6,696	6,000	3,000
TOTAL COMMUNITY CENTER EXPENSES	26,042	5,410	31,452	36,500	33,200
SPECIAL PROJECTS					
Men's Restroom Upgrade	719	0	719	4,000	0
Purchase Maintenance Truck	43,626	0	43,626	45,000	0
Purchase Tax Sale Lots	0	0	0	3,000	0
Event Center Misc Expenses	17,176	3,000	20,176	17,500	0
Event Center Generator					30,160
Event Center Parking Lot Paving					40,000
Capital Project Assessment Balance Remaining	47,205	32,075	79,280	36,600	43,615
Capital Reserve Assessment-Transfer to Capital Reserve	0	0	0	0	74,930
TOTAL SPECIAL PROJECTS EXPENSES	108,726	35,075	143,801	106,100	188,705
TOTAL EXPENSES	572,519	206,106	776,888	826,496	1,053,002
OPERATING PROFIT / (LOSS)	477,822	(180,385)	299,174	161,611	119,691
POA CASH FLOW					
Reverse Depreciation			20,000	20,000	20,000
Kubota Mowers Payment			(4,128)	(4,128)	(4,128)
Event Center Loan Principal			0	(26,999)	(86,562)
Roads Carryover			(217,374)		
Pool 2022 Unspent Budget			(32,155)		
Event Center Assessment Sinking Fund			(104,428)	(129,665)	(69,775)
YEAR END NET CASH			(38,911)	20,819	(20,774)

2023 BUDGET APPROVAL - 12/19/2022	9/30/2022 ACTUAL	Oct-Dec EST INC/EXP	2022 Total EST ACTUAL	2022 BUDGET	2023 BUDGET
CHICKASAW UTILITY COMPANY					
INCOME					
Water Billings	262,946	88,500	351,446	335,560	350,000
Adjustments	0		0	(500)	0
Sewer Billings	285,630	95,550	381,180	379,680	380,000
Late Fees - Water	4,225	1,500	5,725	3,500	5,000
Late Fees - Sewer	4,225	1,500	5,725	3,500	5,000
Tap Fee Income - Water	6,000	1,500	7,500	7,500	4,500
Tap Fee Income - Sewer	4,500	1,500	6,000	7,500	4,500
TOTAL UTILITY INCOME	567,526	190,050	757,576	736,740	749,000
EXPENSE					
Water Repairs & Supplies	18,023	11,958	29,981	30,000	30,000
Cost of Water	98,178	40,200	138,378	125,000	140,000
Contract Services	65,250	21,750	87,000	87,000	87,000
New Service Installation	5,066	1,500	6,566	15,000	7,500
Utility Wages	78,679	28,405	107,084	105,930	111,731
Payroll Taxes	6,120	2,015	8,135	9,004	9,497
Health Reimbursement Arrangement (ICHRA)	0	0	0	3,600	3,600
Water Tower Maintenance	13,147	0	13,147	12,000	14,500
Waste Management	4,143	1,650	5,793	4,500	7,200
Sewer Repairs & Supplies	22,763	13,312	36,075	20,000	40,000
Chemicals	11,019	3,500	14,519	18,000	15,000
Sewer Electric	26,358	9,285	35,643	40,000	40,000
Telephone	3,237	1,446	4,683	2,400	4,750
Sludge Removal	12,940	1,200	14,140	13,500	13,500
Road Repairs	2,050	3,700	5,750	5,000	5,000
Lab Fees	2,400	0	2,400	2,500	2,500
Office Overhead	9,000	3,000	12,000	12,000	12,000
Legal & Accounting	8,044	300	8,344	8,500	8,500
Insurance	10,477	2,217	12,694	12,850	12,850
Licenses & Fees	4,041	1,165	5,206	4,200	5,200
Equipment/Equipmnt Mtc	8,359	1,500	9,859	6,500	10,000
Fuel	1,468	1,012	2,480	2,500	2,500
Postage & Stationary	2,585	650	3,235	2,600	3,500
Munibilling	1,953	1,250	3,203	2,600	3,200
Bank/Crdt Crd Fees	1,403	300	1,703	2,000	2,000
Bad Debt	0	0	0	500	500
Property Taxes	0	1,500	1,500	1,500	1,500
TOTAL OPERATING EXPENSES	416,703	152,815	569,518	549,184	593,528
OPERATING PROFIT/(LOSS)	150,823	37,235	188,058	187,556	155,472

2023 BUDGET APPROVAL - 12/19/2022	9/30/2022 ACTUAL	Oct-Dec EST INC/EXP	2022 Total EST ACTUAL	2022 BUDGET	2023 BUDGET
NON-OPERATING INC/(EXP)					
RDA Loan Assessment	101,662	810	102,472	93,360	91,728
Capital Assessment	42,641	810	43,451	44,300	44,000
GC Irrigation Mtc	9,000	3,000	12,000	12,000	12,000
Depreciation	(67,500)	(22,500)	(90,000)	(90,000)	(90,000)
RDA Loan Payoff Interest	(21,788)	(10,750)	(32,538)	(38,569)	(45,149)
Capital Projects	(1,136)		(1,136)	(44,300)	(44,000)
TOTAL NON-OPERATING INC/(EXP)	62,879	(28,630)	34,249	(23,209)	(31,421)
TOTAL PROFIT/(LOSS)	213,702	8,605	222,307	164,347	124,051
CASH FLOW					
Reverse Depreciation			90,000	90,000	90,000
RDA Loan Payoff Principal			0	(9,215)	(28,219)
RDA Assessment Sinking Fund			(31,008)	(45,576)	(19,694)
YEAR END NET CASH			281,299	199,556	166,138

2023 BUDGET APPROVAL - 12/19/2022	9/30/2022 ACTUAL	Oct-Dec EST INC/EXP	2022 Total EST ACTUAL	2022 BUDGET	2023 BUDGET
CPGA, INC.					
INCOME					
MEMBER FEES					
Annual Memberships	32,866	44,978	77,844	70,000	82,430
Handicap Fee	2,208	100	2,308	2,300	2,300
Trail Fees	39,028	41,235	80,263	70,000	87,215
TOTAL MEMBER FEES	74,102	86,313	160,415	142,300	171,945
NON-MEMBER FEES					
Green Fees	181,285	64,260	245,545	240,000	269,500
Tournament Income	5,287	10,500	15,787	17,500	17,500
TOTAL NON-MEMBER FEES	186,572	74,760	261,332	257,500	287,000
PRO SHOP SALES					
Range Balls	8,304	3,200	11,504	10,500	11,000
Range Membership	5,044	3,000	8,044	8,000	8,000
General Merchandise	26,098	9,000	35,098	30,000	60,000
Food - Snacks & Candy	2,497	2,130	4,627	13,000	5,000
Beverages	5,485	2,110	7,595	8,500	9,500
Beer & Wine	16,638	8,600	25,238	20,000	20,000
TOTAL PRO SHOP SALES	64,066	28,040	92,106	90,000	113,500
OVERLOOK SALES					
Overlook Food Revenue	0	0	0	65,200	559,650
Overlook Bar Revenue	0	0	0	51,131	199,550
Overlook Catering	0	0	0	0	6,000
TOTAL OVERLOOK SALES				116,331	765,200
TOTAL INCOME	324,740	189,113	513,853	606,131	1,337,645

2023 BUDGET APPROVAL - 12/19/2022	9/30/2022 ACTUAL	Oct-Dec EST INC/EXP	2022 Total EST ACTUAL	2022 BUDGET	2023 BUDGET
EXPENSE					
GOLF COURSE MAINTENANCE					
Golf Course Wages	105,775	62,515	168,290	159,740	180,562
Golf Course Payroll Taxes	9,499	5,015	14,514	13,578	15,348
Health Reimbursement Arrangement (ICHRA)	3,904	2,000	5,904	6,000	6,300
Irrigation Maintenance	9,982	5,000	14,982	15,000	15,000
Golf Course Maintenance	19,923	4,200	24,123	25,000	25,000
Equipment Maintenance	10,957	7,000	17,957	18,000	18,000
Chemicals	57,523	6,500	64,023	65,000	70,000
Irrigation Contract	8,000	4,000	12,000	12,000	12,000
Tools	1,115	0	1,115	1,000	1,000
Fuel	23,876	11,700	35,576	40,000	40,000
Cell Phones	1,491	640	2,131	2,000	2,200
Equipment Lease	28,610	14,152	42,762	42,500	41,862
TOTAL GOLF COURSE EXPENSES	280,655	122,722	403,377	399,818	427,272
COST OF SALES					
General Merchandise	14,590	4,500	19,090	19,500	25,000
Tournament/Special Event Expenses	3,093	2,300	5,393	5,500	5,500
Pro Shop Food	1,859	800	2,659	10,000	5,000
Pro Shop Beverages	2,329	2,200	4,529	7,000	7,000
Pro Shop Alcohol	6,666	3,200	9,866	10,000	5,000
TOTAL COST OF SALES	28,537	13,000	41,537	52,000	47,500
PRO SHOP EXPENSES					
Pro Shop Wages	73,426		73,426	114,095	119,799
Pro Shop Payroll Taxes	6,975		6,975	9,698	10,183
Health Reimbursement Arrangement (ICHRA)	3,762	1,880	5,642	6,000	6,300
TOTAL PRO SHOP EXPENSES	84,163	1,880	86,043	129,793	136,282

2023 BUDGET APPROVAL - 12/19/2022	9/30/2022 ACTUAL	Oct-Dec EST INC/EXP	2022 Total EST ACTUAL	2022 BUDGET	2023 BUDGET
OVERLOOK RESTAURANT EXPENSES					
Overlook Wages	6,692	0	6,692	80,244	323,298
Overlook P/R Taxes	667	0	667	7,386	30,264
Health Reimbursement Arrangement (ICHRA)	0	0	0	3,000	10,080
Miscellaneous (Staff T-Shirts, extra cleaning, etc)					2,200
Supplies	2,105	0	2,105	2,500	0
Aramark (paper product supplies contract)					14,560
Fire Safety	0	0	0	625	400
Propane Gas	0	0	0	4,550	18,240
AirGas					3,600
Food Costs	0	0	0	24,776	201,474
Bar Costs	0	0	0	10,226	42,718
EcoLab Dishwasher Lease					2,940
Licenses & Fees	0	3,500	3,500	3,500	500
Credit Card Costs	0	0	0	2,443	19,970
Furniture & Equipment	14,492	0	14,492	20,000	7,500
Hood Cleaning					1,200
Grease Trap Cleanout					750
Maintenance/Repair	0	0	0	1,450	5,000
TOTAL OVERLOOK EXPENSES	23,956	3,500	27,456	160,700	684,694
FACILITY EXPENSES					
Electricity	21,663	10,260	31,923	30,000	48,800
Water & Sewage	3,776	2,500	6,276	7,000	7,000
Waste Management	3,534	1,480	5,014	4,500	7,200
Telephone	1,783	1,392	3,175	1,500	4,200
Pest Control	205	300	505	500	1,000
General Supplies	2,908	3,500	6,408	10,000	10,000
Building Maintenance & Repairs	2,664	5,245	7,909	20,200	30,000
TOTAL FACILITY EXPENSES	36,533	24,677	61,210	73,700	108,200

2023 BUDGET APPROVAL - 12/19/2022	9/30/2022 ACTUAL	Oct-Dec EST INC/EXP	2022 Total EST ACTUAL	2022 BUDGET	2023 BUDGET
ADMINISTRATIVE EXPENSES					
Cart Lease	17,265	9,945	27,210	29,835	29,835
Advertising	100	?	100	25,000	25,000
Depreciation	40,000	20,000	60,000	60,000	60,000
Insurance	12,984	10,200	23,184	30,000	30,000
Professional Dues & Fees	192	1,900	2,092	2,500	2,500
Bank Fees	174	100	274	300	300
Credit Card Costs	6,015	4,500	10,515	10,000	14,940
Office Overhead	8,000	4,000	12,000	12,000	12,000
ClubCaddie Fee	0	2,197	2,197	0	6,588
Cash Short or Over	66	0	66	250	250
Handicap Fees	2,502	0	2,502	2,400	2,500
Legal Fees	0	0	0	1,000	1,000
Accounting Fees	4,284	1,236	5,520	4,360	5,500
TOTAL ADMINISTRATIVE EXPENSES	91,582	54,078	145,660	177,645	190,413
TAXES					
Property Tax	2,242	4,500	6,742	5,000	6,750
SC Income Tax	1,356	0	1,356	1,356	1,356
TOTAL TAXES	3,598	4,500	8,098	6,356	8,106
TOTAL OPERATING EXPENSES	549,024	224,357	773,381	1,000,012	1,602,467
OPERATING PROFIT/(LOSS)	(224,284)	(35,244)	(259,528)	(393,881)	(264,822)
NON-OPERATING INCOME/(EXPENSE)					
Assessment Income	212,710	6,205	218,915	213,133	212,627
Capital Assessment Income	52,573	2,892	55,465	55,375	55,000
Hole #4 Culvert Project	(117,087)	0	(117,087)	0	0
Capital Projects or Transfer to Reserve	(14,663)	(55,210)	(69,873)	(55,375)	(55,000)
TOTAL NON-OPERATING INC/(EXP)	133,533	(46,113)	87,420	213,133	212,627
NET INCOME/(LOSS)	(90,751)	(81,357)	(172,108)	(180,748)	(52,195)
CASH FLOW					
Reverse Depreciation				60,000	60,000
Wells Fargo Snake Lease				(8,480)	(1,292)
Kubota Tractor Payment				(5,790)	(966)
YEAR END NET CASH				(135,018)	5,547

COMBINED INCOME/(LOSS)	
NET INCOME/(LOSS)- POA	119,691
NET INCOME/(LOSS)-CUCO	124,051
NET INCOME/(LOSS) - CPGA	(52,195)
TOTAL COMBINED INCOME/(LOSS)	191,547
COMBINED CASH FLOW	
Reverse Depreciation	170,000
Loan Principal payments (Event Ctr & RDA)	(114,781)
Loan Assessment Sinking Fund	(89,469)
Wells Fargo Snake Lease	(1,292)
Kubota Tractor/Mower Payments	(966)
YEAR END NET CASH FROM ROUTINE OPERATIONS	155,039

ASSESSMENTS				
ASSESSMENT CATEGORY	DEVELOPED		UNDEVELOPED	
	2022	2023	2022	2023
POA BASE ASSESSMENT	\$608	\$678	\$225	\$251
POA CAPITAL REPLACEMENT ASSESSMENT	200	200	0	50
POA CAPITAL RESERVES ASSESSMENT	0	100	0	60
POA ADMINISTRATIVE ASSESSMENT	100	100	0	0
POA ROADS ASSESSMENT	200	200	0	100
UTILITY CAPITAL ASSESSMENT	100	100	0	0
UTILITY RDA LOAN PAYOFF ASSESSMENT	96	96	96	96
GOLF COURSE OPERATIONS ASSESSMENT	358	358	103	103
GOLF COURSE CAPITAL ASSESSMENT	125	125	0	0
EVENT CENTER LOAN ASSESSMENT	391	391	156	156
TOTAL ASSESSMENT	\$2,178	\$2,348	\$580	\$816

2023 Budget Review

Q & A related to proposed budget

Questions

- I'm sure many of you get around to driving around the undeveloped parts of the neighborhood in late summer and notice all the green "seized" signs post by Oconee County. When the taxes and POA costs become more of a financial burden than the land value, then people just let these go and they get seized by the county. Let's not make this problem worse by increasing rates on undeveloped property. Once seized, the likelihood of any development happening on that land in a near future scenario is very slim due to the process involved in the tax auctions, re-payment grace periods, etc.
- Please reconsider your budget and vote on this matter. It seems like your 10 year scenario budget is based on the concept that everyone will pay their bill, when anyone with half a brain knows that isn't going to happen
- What Chickasaw should do in my opinion is give away lots for free they own to home builders if they contract to build in a certain time frame as an incentive to foster growth for development.

Responses

- In the budget presentation, we did speak to the risk that is attached to raising the rates on the undeveloped lots. The Board clearly understands that risk. The flip side of that risk is that it will prompt turnover of some of those lots via sale or quit claim deed back to the POA (we've had several of those over the last several years). When lots are returned to the POA, they are reviewed for salability or whether it makes more sense for them to become part of the beautiful green space that all residents can enjoy. The salable lots become part of the inventory we can sell. In the last 22 months we have had lot sales of \$64,000. After the sale of those lots, we have seen those lots almost immediately go into construction mode; thereby bringing a new fully developed lot into the Chickasaw family.
- The Board did not make this decision lightly, we clearly understand the risks. We also recognize, in comparison, that those lots have not fairly shared in supporting the infrastructure costs of the neighborhood yet often reap the benefits when selling their lots. In similar gated communities, undeveloped lot owners generally pay >50% of the rate that developed lots pay.....or, they pay a full fee and/or are required to pay some type of membership fees. Even with these current increases, the undeveloped lot rate will be less than 35% of the developed rate; the developed lot owners are still paying the lion's share of the assessments.

Questions

- Where in the budget does it show the cost of the new security camera system and wages? \$120k? Along with the cost blue ridge is charging monthly (estimate of 16 lights at \$35.00/per light monthly)? Also as we all have known for years “as we were reminded” the infrastructure is dated then WHY didn’t the board think about this before building a 3million dollar building and set aside funds to rebuild part it?? This was brought up 5 years ago!
- Requesting a 5% increase for employees at golf course when the golf course is in the negative does not make any sense. The golf course (cogs) is not treating this as a business which it should be! If it is not profitable, why would you increase the wages that is just stupid as a business person. The security question was asked at the board meeting and it was ignored. I hope to hear from you regarding my questions because this is a personal checkbook. This community cannot depend on the homeowners to continue to support with the board. It looks to do I need to look out side the community for support to make this successful.
- What is the Wells Fargo snake fee?

Responses

- The cost of the new Gatehouse system is included in the line item costs under POA-Gatehouse maintenance. The monthly fee of \$700 per month will begin in July 2023. The first year was included in the purchase of the overall system. It is unclear what your reference to \$120k relates to as the annual maintenance cost is \$8,400. The 2022 costs for the Gatehouse system are shown within the **Special Projects-Capital Project Assessment** label. This includes \$70,217 for the contract payment for year one to TEMS for the equipment and installation, \$3,484 for a computer that met Gatehouse system requirements, \$3,765 for materials and labor to retrofit the gate drive up window and \$1,052 for signage, cables and another printer and computer for the security position
- Electrical costs for the added lighting installed as part of the overall update for community security is split between electricity costs for the Gate and Operations (under the POA)
- Wages related to the security position is under the POA Operations wages category. Please recall that this was not a new position but one that previously existed and was budgeted in the prior year but not filled. Duties related to the Gatehouse system are currently borne by the Gate Supervisor, as well as the POA Manager and the position handling other security responsibilities, so it best falls under the POA Operations area.
- The Board, over the last decade, has consistently shared concerns with the community regarding the needs for additional reserves....this was just a focused review to set us on an appropriate path forward. Please recall that the community held a vote to move forward with the building of the Event Center; this was not a decision made by the Board, but the Board acting upon community demands.

Responses

- Salary needs, across all areas, have been heavily impacted by 40-year high inflation and our current economic environment. The CPI increase to the base assessment rate was 11.7% and should appropriately be used to address such needs. The 5% increase is allowing us to at least stay somewhat competitive so that we don't continue to lose staff because of wage rates. The golf course continues to improve its' bottom-line position and the addition of The Overlook will only improve the overall bottom-line results. Changes, such as the recent increases in member & non-member rates, continue to be made, as with operations in all areas in order to focus on more positive outcomes. To not allow wage increases for staff in this area simply because they work under the CPGA banner is shortsighted, as we must remain competitive in order to maintain appropriate staffing levels without experiencing costly and continuous turnover.
- The security related question that was asked during the annual budget presentation meeting was posed by an "anonymous" submitter. The Board, along with the community, has agreed that such questions will not be fielded if the individual will not disclose their identity. When a question is submitted, please do not select the option to remain anonymous as your question will not be fielded.
- We do not understand your comment/question about "this is a personal checkbook". We'd be happy to address the question if it's posed in a format that we can better respond to.
- The Board feels that it has laid out a very realistic plan that is focused on appropriately moving Chickasaw in a positive direction. The Board takes its responsibility seriously related to protecting the assets of our community and by doing so, thereby, maintaining property values for now and the future for all Chickasaw residents/future residents.
- The snake fee is related to the capital lease on the rotary mower used to mow the fairways. It is shown as a unique line item because it is treated differently for cash flow purposes (for principal payments),

Question & Response

- Question: What is the HOA fee this year? Are you increasing golf course fee in poa fee what is the breakdown
- Response: The 2022 assessment for a developed lot is \$2178 and \$580 for an undeveloped lot. The 2022 and 2023 assessments are shown for comparison purposes on the last page of the budget presentation. The golf course related assessments were not increased in 2023.

Questions

- Is there a plan in place to have the current full time staff meet with the board on a regular basis to discuss, by priority, what are the needed repairs and replacement items? Do you require the staff to provide a line item budget request on the cost of these critical repairs? By prioritizing this list with the staff and the board, can a timeline be developed for these necessary repairs and replacements? Can this be relayed to property owners ASAP? We are being asked to pony up assessment after assessment with no real knowledge of what actually needs to be done and when it should happen. It seems the construction of the center has sidelined all these essential repairs/replacements. It's time to make them our number one priority.

Responses

- The additional Capital Reserves assessment was based upon a Critical Reserves/Needs Survey. Such surveys review key critical asset classes within an entity and project future repair and/or replacement costs only for purposes of establishing amounts that should be set aside as reserves (rainy day funds). In the past, we have only looked year to year and not taken a realistic and hard look at what funds this community may actually need to have on hand to address future needs. This is a prudent financial exercise to go through in order to be prepared for any unexpected needs. The projects listed in the critical needs study, as explained in the first budget meeting, are not set in stone and would only be undertaken as the actual needs arise. Chickasaw will continue to work to maintain the existing infrastructure as to the best of our ability in order to get the most out of every asset we have on our books. However, having reserves saved away to address those critical needs when they do arise is just prudent financial management.
- During every annual budget cycle, input is sought from all key areas related to current (one year) needs. In recent years, we have asked that needs beyond that one year mark be developed and submitted to the Board in an endeavor to more appropriately plan for upcoming needs. Ms. Rose and her key managers are routinely involved in such discussions and their expertise on such matters is often used to develop budgetary goals that are provided to the board. The critical needs exercise did not include a lot of the more routine, year to year, maintenance type items as those are routinely addressed in annual budgets. This exercise, again, was for purposes of future needs planning to allow funds to be set aside to avoid shortfalls in future years in the event any of these major components (sewer/water, etc.) have a key failure that must be immediately addressed.

Responses

- In essence, this exercise is similar to the appropriate financial planning any individual should follow in advance of their retirement...i.e. setting aside funds for those future needs in lieu of waiting until it's too late and ending up with inadequate funds on hand to meet the needs of the future.
- The construction of The Overlook was a project that was recommended many years ago as part of a long-range plan and ultimately voted on and approved by the membership of Chickasaw. The goal of this center is to provide an additional revenue stream and a means to attract additional golfers and residents to ultimately lessen the load for all of us. The recommended Capital Reserve assessment is being initiated using lower assessment numbers in the first years because we will reexamine the impact this new operation has on the future needs and adjust accordingly. The most critical routine repairs and maintenance were not sidelined in order to do this major project. The Board has been bringing up the issue of the need for additional assessments for many years based on the fact that, for 45 years, little to no major enhancements or even critical updates were done within the community and unfortunately, we cannot continue to deny these future needs. To do so would be to invite a financial catastrophe that would require an unplanned assessment levied on all homeowners.