

CHICKASAW ASSOCIATION BOARD OF DIRECTORS
MEETING MINUTES – 12/18/2023

Board Members Absent: None (Becky Black and Karl Reebenacker by Zoom)

POA Members Present: In Person: 72 By Zoom: 104

The meeting was called to order at 4:00 PM by President Pat Dennis.

Administrative: Pat Dennis stated that the restaurant's Food and Beverage Manager and Executive Chef had resigned effective 12/31/23. Both were relieved of their duties immediately and paid out through year end. Nick Rodgers will meet with the remaining staff and more information will be forthcoming as to the restaurant's hours for the remainder of the month.

Finance: Becky Black reviewed the 2024 Proposed Budgets and the 11/30/2023 financial statements for Chickasaw Association, Chickasaw Utility and CPGA, Inc. The reports are attached as a part of these minutes. Becky Black moved, Rick Cochell seconded, and the Board approved an increase in the New Owner Capital Reserve assessment from \$1500 to \$2750 for new buyers of developed lots.

Roads & Covenant/Bylaws Revision: The first vote to revise the Covenants passed as of October 30, 2023. As were the results from the Long-Range Planning Survey, a large majority of our community voted in favor of the proposed changes. As a reminder, a second vote is required not less than three months from then. The second ballots will be mailed out February 1, 2024.

Amenities and Architectural Compliance (ACC): Amenities: Mary Anne Peschier is the Team Lead for The RV Park committee consisting of 7 others. They have made excellent progress in developing a comprehensive program. Components of their plan is as follows: Install Security Cameras, Establish a dedicated RV Park phone number and email address, Develop a sign at the entrance identifying that this is a private park belonging to Chickasaw Point, Create a new rate structure and reservation process, Developing a Beautification plan and landscaping schedule, Establish an RV Park brochure for all campers which will include Rules, Rates, local area, and emergency information. Develop a new marketing plan to connect the RV Park with the Overlook (in progress). We are anticipating announcing our new comprehensive RV Park program starting the first of the year. ACC: Ten applications submitted this month for a total of 166 year-to-date. The exterior application forms for new construction or miscellaneous exterior improvements are available at chickasawpoint.com or in a letter stand outside the Poa office. There are currently seven homes under construction.

No new business.

The meeting adjourned at 6:07 PM.

Annual Budget Development 2024

Chickasaw Property Owners Association
Chickasaw Utility Company
Chickasaw Point Golf Association

Budget 2024 – Key points/new items

POA/General (Community Operations):

▪ Assessments

- Base Assessment will increase 4.4% based on the annual change in the CPI* as provided for in Section 19 of the Covenants. Base assessment to increase \$30 from \$678 to \$708 per single developed lot and will increase \$11 from \$251 to \$262 per undeveloped lot.
- Capital Reserves Assessment (year 2 of our 10 year plan) has been included. In 2024 this amount increases from \$100 to \$300 for developed lots and from \$60 to \$180 for undeveloped lots. This was the new assessment voted on and approved by the Board last year to address the critical needs over a 10 year period. This reserve is to be set aside to grow and used only for certain critical needs and only if approved by the Board.
- Total Assessment rate for fully developed lot for 2024 will change from \$2,348 to \$2,578 (+\$230)
- The Undeveloped lot rate will change from \$816 to \$947 (+\$131)
- All other assessments remain the same as they were in 2023
- Expense budgets were conservatively developed, keeping expense increases at or below CPI increase levels
- Overall combined bottom line for all entities is \$65k with overall positive cash flow of \$102k

* 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>.

Reserves and Community needs

During the 2023 budget process, a focused review of our current critical needs was completed.

Based on that review and as presented to the community last year, a 10 year plan was approved by the Board. Here is a brief review of that study.

Critical Reserves/Needs Analysis for Next 5-10 years (2022 review)

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	

OUR IDENTIFIED NEEDS IN 2022

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.

Our 10 year plan to address capital needs

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

The Finance Committee recommended the above funding consideration to the POA Board, which was adopted in December 2022. We will perform another detailed review at the end of 2024 to reassess the results of operation on cash and modify the plan if needed.

Detail of Reserved Funds as of 10-31-2022:		
Event Center Fund	\$292,451	
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	\$581,315	
Less: Event Center Fund (was owed to POA)	(\$292,451)	
Net Total Reserved Funds at 10-31-2022		\$288,864

Detail of Reserved Funds as of 10-31-2023:		
Capital Reserve (General Reserve for Catastrophic needs)	\$232,027	
Reserved for Pool and Tennis court	56,940	
Building Escrow	3,310	
Reserved to cover loan payments	37,494	
Miscellaneous Other Reserves	8,107	
CUCO Reserves for Capital & Loan payments	234,917	
Total Reserved Funds at 10-31-2023		\$572,795

Note that additional funds will be added to the above totals after the 2023 books are closed and audited. These will primarily be the additional 2023 collections on the special reserve assessment not previously transferred

Proposal to change Impact Fee/rate for 2024

- Thanks to the interests of a very concerned community member & someone knowledgeable of HOA fee structures, we took a look at our current impact fee (paid by new homeowners)
- Many communities are now charging a cost which parallels their annual assessment rate (many charge well more than 1 X their annual assessment rate)
- We are, therefore, proposing to raise our Impact Fee from \$1,500 to \$2,750. We would further seek to add a provision whereby a current homeowner that relocates their personal residence within Chickasaw will have such fee waived if they have already paid such a fee
- Board is hereby asked for a motion and vote on the above suggested change

Budget 2024 – Key points/new items

POA/General (Community Operations):

- Wages/salary increases – Budget includes a 4% increase for most positions
- Continued healthcare reimbursement programs for salaried staff utilizing this program (same coverage levels as 2023). Budget did not allow for expansion to hourly staff
- POA Budget includes additional part time position to assist with the ever growing amount of tasks related to internal communications, marketing and related needs
- Other Routine costs remain level in most areas but do include increases in audit/accounting and legal fees and maintenance contract for the pool.
- POA budget includes \$100k of capital dollars to cover much needed maintenance for the Community Center building plus dollars for reshingling the Pavilion & minor improvements at the RV park . The generator for the new building is also included in these capital dollars (to be paid out over 5 years)
- The Tennis Courts are slated to be resurfaced along with root removal work but that cost will be paid out of reserve funds already earmarked for that purpose, so that expense is not listed as a capital project for 2024
- Projected operating income is \$107k with a cash flow of \$24k after principal payments on loans
- Additional revenue for the impact fee, if approved, will be added to the budget as currently presented

Chickasaw Association, Inc.				
2024 Annual Budget plan				
	2024 BUDGET	ACTUAL EXPENSE		
	Plan for	Projected thru	Total \$	%age
	YE 12/31/2024	YE 12/31/2023	Variance	Variance
Income/Receipts:				
Assessment and Capital Reserve	\$1,239,331	\$1,087,333	\$151,998	14.0%
All Other Revenues	100,320	104,585	(4,265)	-4.1%
Total Income/Receipts	\$1,339,651	\$1,191,918	\$147,733	12.4%
Expenses:				
Finance & Administration	(\$388,536)	(\$314,513)	(\$74,023)	-23.5%
Communications	(11,500)	(12,190)	\$690	5.7%
Pool Operations	(71,590)	(61,824)	(\$9,766)	-15.8%
Gate Operations	(96,635)	(93,558)	(\$3,077)	-3.3%
POA Operations	(131,825)	(122,625)	(\$9,200)	-7.5%
Roads	(140,200)	(349,039)	\$208,839	59.8%
Clubhouse	(33,000)	(28,762)	(\$4,238)	-14.7%
Depreciation	(20,000)	(20,000)	\$0	0.0%
Special Projects/Major Projects	(338,368)	(189,583)	(\$148,785)	-78.5%
Total Expenses	(\$1,231,654)	(\$1,192,094)	(\$39,560)	-3.3%
Projected Net Income	\$107,997	(\$176)	\$108,173	-61461.9%
Cash Flow adjustments:				
Depreciation Expense	\$20,000	\$20,000		
Principal payments on loans	(\$103,735)	(\$75,475)		
Net Cash Flow	\$24,262	(\$55,651)		

Budget 2024

– Key points/new items

CUCO (Utility):

- Water/sewer rates will increase 4% based on CPI factors
- Wages/salary increases – Budget includes a 4% increase
- Non salary related expenses (routine operational expenses) projected to increase only 3.4%
- There are no identified capital costs at this time for CUCO. Any unused capital assessment dollars will be reserved at year end
- 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.
- Projected operating income is \$148k with a cash flow of \$209k after depreciation expense is added back

Chickasaw Utility Company (CUCO)				
2024 Annual Budget plan				
	2024 BUDGET	ACTUAL EXPENSE		
	Plan for	Projected thru	Total \$	%age
	YE 12/31/2024	YE 12/31/2023	Variance	Variance
Income/Receipts:				
Water and Sewer Billings	\$775,000	\$739,459	\$35,541	4.8%
All Other Revenues	21,000	31,902	(\$10,902)	-34.2%
Total Income/Receipts	\$796,000	\$771,361	\$24,639	3.2%
Expenses:				
Cost of Water	(\$145,000)	(145,247)	\$247	0.2%
Water/Sewer Repairs & Supplies	(80,000)	(72,690)	(\$7,310)	-10.1%
Chemicals & Sludge Removal	(29,500)	(28,999)	(\$501)	-1.7%
Wages/Payroll Taxes	(126,658)	(120,315)	(\$6,343)	-5.3%
Contract Services	(87,000)	(87,000)	\$0	0.0%
Electricity	(40,000)	(38,623)	(\$1,377)	-3.6%
Other Expenses	(106,000)	(100,937)	(\$5,063)	-5.0%
Total Expenses	(\$614,158)	(\$593,811)	(\$20,347)	-3.4%
Current Year to Date Net Income	\$181,842	\$177,550	\$4,292	2.4%
Non-Operating Income/Expense:				
RDA Loan and Capital Assessment	\$133,472	\$135,750	(\$2,278)	-1.7%
Other Miscellaneous Income	12,000	12,000	\$0	0.0%
Depreciation	(90,000)	(90,000)	\$0	0.0%
RDA Loan Interest Expense	(44,695)	(45,149)	\$454	1.0%
Capital Projects	(44,000)	(44,000)	\$0	0.0%
Total Non-Operating Income/Expense	(\$33,223)	(\$31,399)	(\$1,824)	-5.8%
Projected Net Income	\$148,619	\$146,151	\$2,468	-1.7%
Cash Flow adjustments:				
Depreciation Expense	\$90,000	\$90,000		
Principal payments on loans	(\$29,066)	(\$28,219)		
Net Cash Flow	\$209,553	\$207,932		

Budget 2023 – Key points/new items

CPGA (Golf Course):

- Budget for income from memberships and non-member greens fees was held relatively flat for 2024.
- Wages/salary increases – Budget includes a 4% increase
- Budget for The Overlook - fully operational for 2024. Budget assumes a break even approach for the year. It is expected with recent changes that we will exceed these budget targets starting in the 2nd quarter of 2024. 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 CPGA/POA Board
- Overall, total costs are projected to increase 3.6%
- No specific capital projects have been earmarked at this time. Any unspent capital dollars will be reserved at year end
- Projected operating income is (\$191k) with a cash flow of (\$131k) after depreciation expense is added back

C.P.G.A				
2024 Annual Budget plan				
	2024 BUDGET	ACTUAL EXPENSE		
	Plan for	Projected thru	Total \$	%age
	YE 12/31/2024	YE 12/31/2023	Variance	Variance
Income/Receipts:				
Member Fees	\$159,800	\$160,178	(\$378)	-0.2%
Non-Member Fees	\$360,000	\$357,873	\$2,127	0.6%
Grill/Event Center Revenues	\$572,205	\$535,643	\$36,562	6.8%
All Other Revenues	105,000	107,374	(\$2,374)	-2.2%
Total Income/Receipts	\$1,197,005	\$1,161,068	\$35,937	3.1%
Expenses:				
Golf Course Expenses	(\$469,843)	(\$441,048)	(\$28,795)	-6.5%
Inside Operations - Cost of Sales	(38,500)	(36,401)	(\$2,099)	-5.8%
Inside Operations - Pro Shop	(183,461)	(147,838)	(\$35,623)	-24.1%
Inside Operations - Grill/Event Center	(571,132)	(606,451)	\$35,319	5.8%
Facility Expenses	(115,018)	(101,192)	(\$13,826)	-13.7%
Administrative Expense	(157,385)	(146,957)	(\$10,428)	-7.1%
Depreciation	(60,000)	(60,000)	\$0	0.0%
Taxes	(8,125)	(8,121)	(\$4)	0.0%
Total Expenses	(\$1,603,464)	(\$1,548,008)	(\$55,456)	-3.6%
Current Year to Date Net Income	(\$406,459)	(\$386,940)	(\$19,519)	-5.0%
Non-Operating Income/Expense:				
Operations and Capital Assessment	270,559	\$266,804	\$3,755	1.4%
Capital Projects	(55,625)	(55,000)	(\$625)	-1.1%
Total Non-Operating Income/Expense	\$214,934	\$211,804	\$3,130	1.5%
Projected Net Income	(\$191,525)	(\$175,136)	(\$16,389)	-9.4%
Cash Flow adjustments:				
Depreciation Expense	\$60,000	\$60,000		
Principal payments on loans	\$0	(\$14,270)		
Net Cash Flow	(\$131,525)	(\$129,406)		

Budget 2024 recap (All Entities):			
All entities - Projected net income	\$65,091		(\$29,161)
All entities - Projected net cash flow	\$102,290		\$22,875

Treasurer's Report – November 2023

Comparative Statements – Nov 2023 & Oct 2023

- Balance Sheet Changes for the month ending 11-30-2023
 - Total Operating Cash is down slightly from \$1.01M to \$941K. This is due to normal use/slow drawdown of cash that occurs throughout the 2nd half of the year, after assessments have been banked.
 - Through 11-30-2023 we have collected over 99% of budgeted assessments for 2023 along with numerous delinquent amounts.
 - Total Cash at 11-30-23 was \$1.52M compared to \$1.51M a year ago. Cash management/cash availability is right on track with prior year
 - No other significant changes on any of the other balance sheets...transactions were all routine related to accounts payable, intercompany liabilities and depreciation allowance booked against fixed assets.

Chickasaw Association, Inc.
Comparative Balance Sheet
As of 11/30/2023 and 10/31/2023

	As of 11/30/2023	As of 10/31/2023	Variance	%age
Assets:				
Operational Checking Accounts	\$483,917	\$528,176	(\$44,259)	-8.4%
Other Money Market & Savings Accounts	338,079	338,078	1	0.0%
Accounts Receivable (net of allowances)	22,481	22,481	0	0.0%
Intercompany Receivables	1,709,560	1,736,529	(26,969)	-1.6%
Fixed Assets (Net of Accum. Depreciation)	3,887,324	3,881,709	5,615	0.1%
Other Assets	1,446,811	1,446,811	0	0.0%
Total Assets	\$7,888,172	\$7,953,784	(\$65,612)	-0.8%
Liabilities & Equity:			0	
Accounts Payable	\$11,352	\$35,013	(\$23,661)	-67.6%
Current Portion of Loans/Notes	2,753	3,097	(344)	-11.1%
Taxes and Payroll Liabilities	64	29	35	122.2%
Other Liabilities	\$14,714	\$14,714	0	0.0%
Intercompany Payables	628,609	611,819	16,791	2.7%
Long Term Notes	3,656,588	3,649,476	7,111	0.2%
Retained Earnings	3,444,111	3,444,111	0	0.0%
Current Year Net Income (Loss)	129,980	195,525	(65,545)	-33.5%
Total Liabilities & Equity	\$7,888,172	\$7,953,784	(\$65,612)	-0.8%

Chickasaw Utility Company

Comparative Balance Sheet

As of 11/30/2023 and 10/31/2023

	As of 11/30/2023	As of 10/31/2023	Variance	%age
Assets:				
Operational Checking Accounts	\$190,115	\$185,838	\$4,277	2.3%
Other Money Market & Savings Accounts	234,917	234,917	0	0.0%
Accounts Receivable (net of allowances)	99,544	94,069	5,475	5.8%
Intercompany Receivables	742,336	719,397	22,938	3.2%
Fixed Assets (Net of Accum. Depreciation)	1,445,716	1,453,216	(7,500)	-0.5%
Total Assets	\$2,712,627	\$2,687,437	\$25,190	0.9%
Liabilities & Equity:				
Accounts Payable	\$36,412	\$43,945	(\$7,532)	-17.1%
Intercompany Payables	120,504	54,648	65,856	120.5%
Intercompany Notes Payable (Long Term)	912,786	1,007,271	(94,485)	-9.4%
Retained Earnings & Contributed Capital	1,418,937	1,418,937	0	0.0%
Current Year Net Income (Loss)	223,988	162,636	61,352	37.7%
Total Liabilities & Equity	\$2,712,627	\$2,687,437	\$25,190	0.9%

CPGA, Inc.				
Comparative Balance Sheet				
As of 11/30/2023 and 10/31/2023				
	As of 11/30/2023	As of 10/31/2023	Variance	%age
Assets:				
Operational Checking Accounts	\$266,764	\$295,079	(\$28,314)	-9.6%
Other Money Market & Savings Accounts	7,556	7,054	502	7.1%
Miscellaneous Receivables	6,047	7,536	(1,489)	-19.8%
Intercompany Receivables	2,366	7,392	(5,026)	-68.0%
Inventory	45,369	42,376	2,994	7.1%
Fixed Assets (Net of Accum. Depreciation)	384,257	389,257	(5,000)	-1.3%
Total Assets	\$712,359	\$748,693	(\$36,334)	-4.9%
Liabilities & Equity:				
Accounts Payable	35,886	42,071	(\$6,185)	-14.7%
Current Portion of Loans/Notes	36	36	0	0.0%
Taxes and Payroll Liabilities	8,260	9,128	(868)	-9.5%
Intercompany Payables	792,241	789,581	2,660	0.3%
Long Term Notes	0	0	0	#DIV/0!
Retained Earnings & Contributed Capital	(23,726)	(23,726)	0	0.0%
Current Year Net Income (Loss)	(100,338)	(68,397)	(31,941)	46.7%
Total Liabilities & Equity	\$712,359	\$748,693	(\$36,334)	-4.9%
	As of	As of		
<i>Cash Balances (all entities) :</i>	11/30/2023	10/31/2023		
<i>Total operational cash as of month end (all entities)</i>	\$940,797	\$1,009,093		
<i>Total cash (including operational cash noted above)</i>	\$1,521,349	\$1,589,142		
As of November 30, 2022:				
<i>Total operational cash as of month end</i>	\$928,560			
<i>Total cash (including operational cash noted above)</i>	\$1,511,421			

Income Statements – Nov 2023

- **Income for the entities is as noted below:**
 - **POA income through November included approximately 99% of 2023 budgeted assessment billings plus collections on several past due balances. Other revenues for the POA are \$23k over budget due to strong impact assessments. Note that land sales have been non-existent this year, certainly driven by the current economic situation.**
 - **CUCO income is running slightly ahead of budget, +23k, due to higher than expected tap fee income for new homes and water/sewer billings being up over the last several months.**
 - **CPGA income year to date is under by (\$164k). Non-Member fees are over by \$+64k while Restaurant and other revenues are running under budget by (\$222k). Golf course non-member fees were over budget for the month of Nov by +\$6k and over for the year by \$64k. We are exploring ways to gain further support of The Overlook from the non-member golfing group.**
 - **Gross revenue for The Overlook was on par with October, which is flat in terms of growth. October/November revenues were both \$10k below the month of September and down almost \$20k compared to our highest month, which was back in June. Gross revenue for the year is under budget by \$214k. This trend is of major concern and is being addressed thru various means (internal/external marketing, changes driven by recent community survey, etc)**

Income Statements – Nov 2023

- **Routine expenses, year-to-date, are as noted below:**
 - **POA expenses are running over budget by \$201k which is almost entirely related to road paving expenses (over by \$214k). The Finance & Administration expense category is over budget due to the higher interest expense we paid earlier this year before conversion to the fixed rate.**
 - **CUCO expenses are under by (\$15k) year to date. This is primarily due to lower than anticipated costs for water and sewer repair costs; which we know are generally a snapshot in time and usually are spent by year end.**
 - **CPGA expenses are under budget overall by (\$70k) through Nov which is partially due to lower than expected costs for fuel, electricity, and advertising costs plus expenses for The Overlook being under by \$48k. The Overlook has been operating at less than full capacity.**
 - **Individual results related to The Overlook are provided. Nov expenses were just slightly over budget but under budget for revenues by \$27k (expenses are disproportionate related to the top line). Year to date, revenues are under by \$214k and expenses are under by \$48k. There was some slight improvement in bar and food cost %ages in November but labor costs were still very high (over 60% of total revenue). All key metrics (food, bar and labor costs) have significant room for improvement and these are the key areas of focus.**
 - **Individual results for The Golf Course are also provided. They continue to show positive variances in all aspects and are \$77k ahead of their year to date budget.**

Income Statements – November 2023

- **Income Statement Highlights for October 2023:**
 - **YTD Net Income is as noted below:**
 - **POA is behind budget by (\$157k) which is totally attributable to the road paving expenses. We bundled/rolled forward several years worth of funding and the total expense hit 2023 although the budget only represents the 2023 budget allotment (prior year funds were included in prior year budgets)**
 - **CUCO is ahead of budget by \$71k. \$23k of this variance is due to excess water/sewer billings plus higher than anticipated tap fee income. They have a positive \$15k expense variance and their non-operating income has a positive \$33k variance (much of this is due to some year to date adjustments to the interest allocation related to the old RDA loan and the new combined loan).**
 - **CPGA overall is behind budget by (\$89k). The Golf Course alone is ahead of budgeted net income projections by \$77k. The Overlook is showing a negative bottom line variance of (\$166k). Overall, CPGA is showing a year to date loss of (\$100k) compared to a budgeted loss of (\$11k).**
 - **The combined net income for all three entities thru 11-30-2023 was \$254k compared to a budgeted income of \$429k. The variance is driven by two key factors; paving costs for POA and higher than budgeted losses for The Overlook.**

Chickasaw Association, Inc.				
Statement of Revenues and Expenses				
For the eleven months ending November 30, 2023				
	ACTUAL	BUDGET		
	For the eleven months ending	For the eleven months ending	Total \$	%age
	11/30/2023	11/30/2023	Variance	Variance
Income/Receipts:				
Assessment and Capital Reserve	\$1,039,888	\$1,019,102	\$20,786	2.0%
All Other Revenues	142,719	119,970	22,749	19.0%
Total Income/Receipts	\$1,182,607	\$1,139,072	\$43,535	3.8%
Expenses:				
Finance & Administration	(\$358,532)	(\$313,516)	(\$45,016)	-14.4%
Communications	(11,038)	(9,605)	(\$1,433)	-14.9%
Pool Operations	(54,600)	(73,000)	\$18,400	25.2%
Gate Operations	(88,459)	(81,155)	(\$7,305)	-9.0%
POA Operations	(102,483)	(119,356)	\$16,873	14.1%
Roads	(349,609)	(135,700)	(\$213,909)	-157.6%
Clubhouse	(25,407)	(31,200)	\$5,793	18.6%
Depreciation	(18,135)	(18,210)	\$75	0.4%
Special Projects/Major Projects	(44,364)	(70,160)	\$25,796	36.8%
Total Expenses	(\$1,052,627)	(\$851,902)	(\$200,725)	-23.6%
Current Year to Date Net Income	\$129,980	\$287,171	(\$157,190)	-54.7%

Chickasaw Utility Company (CUCO)				
Statement of Revenues and Expenses				
For the eleven months ending November 30, 2023				
	ACTUAL	BUDGET		
	For the eleven months ending	For the eleven months ending	Total \$	%age
	11/30/2023	11/30/2023	Variance	Variance
Income/Receipts:				
Water and Sewer Billings	\$673,339	\$666,250	\$7,089	1.1%
All Other Revenues	34,085	18,000	\$16,085	89.4%
Total Income/Receipts	\$707,424	\$684,250	\$23,174	3.4%
Expenses:				
Cost of Water	(\$138,070)	(130,000)	(\$8,070)	-6.2%
Water/Sewer Repairs & Supplies	(47,411)	(64,100)	\$16,689	26.0%
Chemicals & Sludge Removal	(26,768)	(28,500)	\$1,732	6.1%
Wages/Payroll Taxes	(108,868)	(109,572)	\$704	0.6%
Contract Services	(79,750)	(79,750)	\$0	0.0%
Electricity	(36,886)	(36,680)	(\$206)	-0.6%
Other Expenses	(98,037)	(102,005)	\$3,968	3.9%
Total Expenses	(\$535,789)	(\$550,607)	\$14,818	2.7%
Current Year to Date Net Income	\$171,635	\$133,643	\$37,992	28.4%
Non-Operating Income/Expense:				
RDA Loan and Capital Assessment	\$133,633	\$132,338	\$1,295	1.0%
Other Miscellaneous Income	11,000	11,000	\$0	0.0%
Depreciation	(82,500)	(82,500)	\$0	0.0%
RDA Loan Interest Expense	12,289	(41,387)	\$53,676	129.7%
Capital Projects	(22,069)	0	(\$22,069)	#DIV/0!
Total Non-Operating Income/Expense	\$52,353	\$19,451	\$32,901	-169.1%
Current Year to Date Net Income	\$223,988	\$153,094	\$70,894	-46.3%

C.P.G.A				
Statement of Revenues and Expenses				
For the eleven months ending November 30, 2023				
	ACTUAL	BUDGET		
	For the eleven months ending	For the eleven months ending	Total \$	%age
	11/30/2023	11/30/2023	Variance	Variance
Income/Receipts:				
Member Fees	\$159,472	\$164,945	(\$5,473)	-3.3%
Non-Member Fees	\$345,846	\$282,000	\$63,846	22.6%
Grill/Event Center Revenues	\$485,801	\$700,200	(\$214,399)	-30.6%
All Other Revenues	97,134	105,050	(\$7,916)	-7.5%
Total Income/Receipts	\$1,088,254	\$1,252,195	(\$163,941)	-13.1%
Expenses:				
Golf Course Expenses	(\$412,911)	(\$397,777)	(\$15,135)	-3.8%
Inside Operations - Cost of Sales	(26,495)	(44,300)	\$17,805	40.2%
Inside Operations - Pro Shop	(131,894)	(123,259)	(\$8,635)	-7.0%
Inside Operations - Grill/Event Center	(555,324)	(603,540)	\$48,216	8.0%
Facility Expenses	(79,810)	(100,775)	\$20,965	20.8%
Administrative Expense	(133,636)	(140,893)	\$7,257	5.2%
Depreciation	(55,000)	(55,000)	\$0	0.0%
Taxes	(4,547)	(4,106)	(\$441)	-10.8%
Total Expenses	(\$1,399,617)	(\$1,469,650)	\$70,032	4.8%
Current Year to Date Net Income	(\$311,363)	(\$217,455)	(\$93,909)	-43.2%
Non-Operating Income/Expense:				
Operations and Capital Assessment	262,942	\$260,946	\$1,996	0.8%
Capital Projects	(51,916)	(55,000)	\$3,084	5.6%
Total Non-Operating Income/Expense	\$211,025	\$205,946	\$5,079	2.5%
Current Year to Date Net Income	(\$100,338)	(\$11,509)	(\$88,829)	-771.9%

CPGA - Golf Course Only						
Statement of Revenues and Expenses						
ACTUAL	BUDGET			ACTUAL	BUDGET	
For the one month ending	For the one month ending	Total \$		For the eleven months ending	For the eleven months ending	Total \$
11/30/2023	11/30/2023	Variance		11/30/2023	11/30/2023	Variance
			Income/Receipts:			
\$4,774	\$7,000	(\$2,226)	Member Fees	\$159,472	\$164,945	(\$5,473)
\$22,561	\$16,500	\$6,061	Non-Member Fees	\$345,846	\$282,000	\$63,846
7,657	8,950	(\$1,293)	All Other Revenues	97,134	105,050	(\$7,916)
\$34,992	\$32,450	\$2,542	Total Income/Receipts	\$602,453	\$551,995	\$50,458
			Expenses:			
(\$24,337)	(\$26,039)	\$1,702	Golf Course Expenses	(\$412,911)	(\$397,777)	(\$15,135)
(3,807)	(3,000)	(\$807)	Inside Operations - Cost of Sales	(\$26,495)	(\$44,300)	\$17,805
(10,972)	(10,524)	(\$448)	Inside Operations - Pro Shop	(\$131,894)	(\$123,259)	(\$8,635)
(5,722)	(7,275)	\$1,553	Facility Expenses	(\$79,810)	(\$100,775)	\$20,965
(13,317)	(9,230)	(\$4,087)	Administrative Expense	(\$133,636)	(\$140,893)	\$7,257
(5,000)	(5,000)	\$0	Depreciation	(\$55,000)	(\$55,000)	\$0
0	0	\$0	Taxes	(\$4,547)	(\$4,106)	(\$441)
\$ (63,154)	\$ (61,068)	(\$2,086)	Total Expenses	(\$844,293)	(\$866,110)	\$21,817
(\$28,162)	(\$28,618)	\$456	Current Year to Date Net Income	(\$241,840)	(\$314,115)	\$72,274
			Non-Operating Income/Expense:			
1,282	6,695	(\$5,413)	Operations and Capital Assessment	\$262,942	\$260,946	\$1,996
0	0	\$0	Capital Projects	(\$51,916)	(\$55,000)	\$3,084
\$1,282	\$6,695	(\$5,413)	Total Non-Operating Income/Expense	\$211,025	\$205,946	\$5,079
(\$26,881)	(\$21,923)	(\$4,958)	Current Year to Date Net Income	(\$30,815)	(\$108,169)	\$77,354

CPGA - The Overlook Restaurant (Grill & Bar)

Statement of Revenues and Expenses

ACTUAL	BUDGET			ACTUAL	BUDGET	
For the one month ending	For the one month ending			For the eleven months ending	For the eleven months ending	Total \$
11/30/2023	11/30/2023	Total \$		11/30/2023	11/30/2023	Variance
			Income/Receipts:			
\$25,930	\$51,650	(\$25,720)	Food Revenue	\$311,536	\$509,650	(\$198,114)
\$14,703	\$15,550	(\$847)	Bar Revenue	\$169,765	\$184,550	(\$14,785)
\$0	1,000	(\$1,000)	Catering Income	\$4,500	\$6,000	(\$1,500)
\$40,633	\$68,200	(\$27,567)	Total Income/Receipts	\$485,801	\$700,200	(\$214,399)
			Cost of Sales:			
(\$11,291)	(\$17,850)	\$6,559	Food Costs	(\$154,461)	(\$183,650)	\$29,189
(\$3,999)	(3,450)	(\$549)	Bar Costs	(\$62,273)	(\$39,250)	(\$23,023)
(\$15,290)	(21,300)	\$6,010	Total Cost of Sales	(216,734)	(222,900)	\$6,166
			Other Operating Expenses:			
(\$22,197)	(24,869)	\$2,672	Wages	(\$264,983)	(\$292,216)	\$27,233
(\$2,397)	(2,328)	(\$69)	Payroll Taxes	(\$25,005)	(\$27,354)	\$2,349
(\$315)	(840)	\$525	Healthcare Reimbursement (ICHRA)	(\$3,465)	(\$9,240)	\$5,775
\$0	0	\$0	Gift Card Promo Costs	(\$1,850)	\$0	(\$1,850)
\$0	0	\$0	Licenses	\$0	\$0	\$0
(\$1,009)	(1,520)	\$511	Propane Gas	(\$9,019)	(\$16,720)	\$7,701
(\$1,506)	(1,200)	(\$306)	Aramark Services	(\$18,786)	(\$13,360)	(\$5,426)
(\$554)	(300)	(\$254)	AirGas	(\$3,994)	(\$3,300)	(\$694)
(\$1,690)	(500)	(\$1,190)	Furniture & Equipment	(\$8,084)	(\$7,000)	(\$1,084)
(\$529)	(500)	(\$29)	Maintenance/Repairs	(\$1,099)	(\$6,060)	\$4,961
(\$207)	(200)	(\$7)	Miscellaneous Expenses	(\$1,187)	(\$2,200)	\$1,013
\$0	(240)	\$240	Dishwasher Lease	(\$818)	(\$2,690)	\$1,872
(\$30,403)	(\$32,497)	\$2,094	Total Other Operating Expenses	(\$338,290)	(\$380,140)	\$41,850
(\$5,060)	\$14,403	(\$19,463)	Current Year to Date Net Income	(\$69,223)	\$97,160	(\$166,383)

Comparative Income Statements – Current/Prior Year November 2023 vs. November 2022

- Comparative Statements indicate the following differences of note:
 - POA Income is running about \$93k ahead of this time last year which is related to increases in assessment billings (increases in number of homes plus rate changes) but also due to timing of collections, offset by a significant drop off in land sales in 2023.
 - POA expenses are \$332k more than prior year; \$288k is directly related to the paving funds spent in 2023. Interest expense is also higher due to the full loan structure that kicked in early in 2023. Because of delays with the certificate of need we were delayed in the conversion to the 4.9% fixed rate and therefore paid interest for the first few months of 2023 at a much higher rate. There are also positive and negative variances in numerous areas, mostly timing related as to when actual expenses hit plus routine increases, i.e. wages.
 - CUCO revenues are up about \$18k compared to prior year. This is primarily related to tap fees for newly constructed homes.
 - CUCO expenses are slightly ahead of 2022 (by \$6k) which is spread across most of the line items and is mostly due to budgeted increases in salaries, wages, cost of goods, etc. There is also an uptick in the cost of water which parallels higher water billings/revenues seen over the last few months.
 - CPGA revenue is ahead of prior year by \$565k. \$464k is related to The Overlook revenues, the rest is related to strong member/non-member fees & other income, up \$101k compared to 2022. This includes new membership revenue as well as increases in greens fees.
 - CPGA expenses are above prior year by \$564k, \$450k directly related to the opening of The Overlook (this was not operational at this time in 2022). The rest of the variance is related to budgeted repair and maintenance costs for the golf course as well as planned increases in wage costs, utilities and insurance.

Chickasaw Association, Inc.				
Comparative Statement of Revenues and Expenses				
For the eleven months ending Nov 30, 2023 and Nov 30, 2022				
	ACTUAL		ACTUAL	
	For the eleven months ending		For the eleven months ending	
	11/30/2023		11/30/2022	
			Total \$	%age
			Variance	Variance
Income/Receipts:				
Assessment and Capital Reserve	\$1,039,888		\$891,256	\$148,632 16.7%
All Other Revenues	142,719		198,452	(55,732) -28.1%
Total Income/Receipts	\$1,182,607		\$1,089,707	\$92,900 8.5%
Expenses:				
Finance & Administration	(\$358,532)		(\$233,695)	(\$124,837) -53.4%
Communications	(11,038)		(10,267)	(\$771) -7.5%
Pool Operations	(54,600)		(44,629)	(\$9,971) -22.3%
Gate Operations	(88,459)		(72,270)	(\$16,190) -22.4%
POA Operations	(102,483)		(92,350)	(\$10,133) -11.0%
Roads	(349,609)		(61,255)	(\$288,355) -470.7%
Clubhouse	(25,407)		(30,680)	\$5,274 17.2%
Depreciation	(18,135)		(18,315)	\$180 1.0%
Special Projects/Major Projects	(44,364)		(156,979)	\$112,615 71.7%
Total Expenses	(\$1,052,627)		(\$720,439)	(\$332,187) -46.1%
Current Year to Date Net Income	\$129,980		\$369,268	(\$239,288) -64.8%

Chickasaw Utility Company (CUCO)				
Statement of Revenues and Expenses				
For the eleven months ending Nov 30, 2023 and Nov 30, 2022				
	ACTUAL	ACTUAL		
	For the eleven months ending 11/30/2023	For the eleven months ending 11/30/2022	Total \$ Variance	%age Variance
Income/Receipts:				
Water and Sewer Billings	\$673,339	\$668,479	\$4,860	0.7%
All Other Revenues	34,085	20,479	\$13,606	66.4%
Total Income/Receipts	\$707,424	\$688,958	\$18,467	2.7%
Expenses:				
Cost of Water	(\$138,070)	(\$122,017)	(\$16,053)	-13.2%
Water/Sewer Repairs & Supplies	(47,411)	(58,458)	\$11,047	18.9%
Chemicals & Sludge Removal	(26,768)	(30,517)	\$3,749	12.3%
Wages/Payroll Taxes	(108,868)	(101,234)	(\$7,634)	-7.5%
Contract Services	(79,750)	(79,750)	\$0	0.0%
Electricity	(36,886)	(34,333)	(\$2,554)	-7.4%
Other Expenses	(98,037)	(97,066)	(\$970)	-1.0%
Total Expenses	(\$535,789)	(\$523,374)	(\$12,415)	-2.4%
Current Year to Date Net Income	\$171,635	\$165,584	\$6,051	3.7%
Non-Operating Income/Expense:				
RDA Loan and Capital Assessment	\$133,633	\$149,101	(\$15,469)	-10.4%
Other Miscellaneous Income	11,000	11,000	\$0	0.0%
Depreciation	(82,500)	(82,500)	\$0	0.0%
RDA Loan Interest Expense	12,289	(27,163)	\$39,452	145.2%
Capital Projects	(22,069)	(8,219)	(\$13,850)	-168.5%
Total Non-Operating Income/Expense	\$52,353	\$42,219	\$10,134	-24.0%
Current Year to Date Net Income	\$223,988	\$207,803	\$16,185	-7.8%

C.P.G.A				
Statement of Revenues and Expenses				
For the eleven months ending Nov 30, 2023 and Nov 30, 2022				
	ACTUAL		ACTUAL	
	For the eleven months ending		For the eleven months ending	
	11/30/2023		11/30/2022	
			Total \$	%age
			Variance	Variance
Income/Receipts:				
Member Fees	\$159,472		\$145,971	\$13,501 9.2%
Non-Member Fees	\$345,846		\$264,203	\$81,643 30.9%
Grill/Event Center Revenues	\$485,801		\$22,164	\$463,638 2091.9%
All Other Revenues	97,134		91,406	\$5,729 6.3%
Total Income/Receipts	\$1,088,254		\$523,744	\$564,510 107.8%
Expenses:				
Golf Course Expenses	(\$412,911)		(\$381,623)	(\$31,289) -8.2%
Inside Operations - Cost of Sales	(26,495)		(42,123)	\$15,629 37.1%
Inside Operations - Pro Shop	(131,894)		(120,803)	(\$11,091) -9.2%
Inside Operations - Grill/Event Center	(555,324)		(105,005)	(\$450,320) -428.9%
Facility Expenses	(79,810)		(52,619)	(\$27,191) -51.7%
Administrative Expense	(133,636)		(72,361)	(\$61,275) -84.7%
Depreciation	(55,000)		(55,000)	\$0 0.0%
Taxes	(4,547)		(6,123)	\$1,576 25.7%
Total Expenses	(\$1,399,617)		(\$835,657)	(\$563,960) -67.5%
Current Year to Date Net Income	(\$311,363)		(\$311,914)	\$550 0.2%
Non-Operating Income/Expense:				
Operations and Capital Assessment	262,942		276,607	(\$13,666) -4.9%
Capital Projects	(51,916)		(196,374)	\$144,457 73.6%
Total Non-Operating Income/Expense	\$211,025		\$80,234	\$130,792 163.0%
Current Year to Date Net Income	(\$100,338)		(\$231,680)	\$131,342 56.7%