

An aerial photograph of a golf course and surrounding forest. The top half of the image shows a wide expanse of forest with trees in various shades of green, yellow, and orange, indicating autumn. A large, dark, rounded hill rises in the background under a clear blue sky with a few wispy clouds. The middle section of the image is a dark, semi-transparent horizontal band containing white text. The bottom half of the image shows a closer aerial view of a golf course, featuring several green tennis courts and a parking lot with a few cars. The surrounding trees are dense and show vibrant autumn colors.

2024 Budget Meeting

Thursday, November 9

FINANCE & AUDIT COMMITTEE



Bill Thurber
Finance & Audit Committee Chair

FINANCE & AUDIT COMMITTEE MEMBERS

Comprised of current & former Business Execs, Financial/Operational Execs, & CPA leaders:

- Bill Thurber, Chair
 - Gene Morgia, Vice-Chair
 - Terry Stewart, Treasurer, Board Liaison
 - Christi Cohen
 - Jim Conneely
 - Ron Durst
 - Jerry Wercholak
 - Roger Hackler
 - Bob Baird, incoming
 - Fred Beyer, incoming
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HIGH LEVEL STRATEGIC OBJECTIVES

- Continuous improvement of all **amenities** and **infrastructure**, and preservation of the natural environment.
- Enhance the **safety** and **security** of our property owners, guests, and employees.
- Make decisions for the **governance** of Big Canoe in a transparent, ethical, and fiscally responsible manner.
- Create a culture that attracts and retains engaged and motivated **employees**.
- Enhance every aspect of property owner and guest **experience** at Big Canoe.

2024 BUDGET PHILOSOPHY

- Safety, maintaining our assets and employee recruitment/retention are the main focus
- Maintain 2024 headcount equal to 2023 year-end unless justified with Finance Committee & Board
- Managers focused on the five strategic objectives when building their plans



Infrastructure

WHAT'S NEW IN PUBLIC WORKS/LANDSCAPING



- Forest Management Plan execution – increase oaks and decrease invasives
- Road striping on all primary roads including gate to gate
- Dam inspections for all lakes – not mandated but good practice

Financial Impact (\$102k)

WHAT'S NEW IN PROTECTING OUR ASSETS



- 15% increase in Property/Liability/Auto/D&O Insurance

Financial Impact (\$57k)



Our Safety & Security

WHAT'S NEW IN SAFETY AND SECURITY

- Cyber security
 - Server software updates
 - DNS filtering service to block malware, phishing, and spam domains
 - Expanded email phishing staff training
 - New firewall equipment
- Architectural Control Software



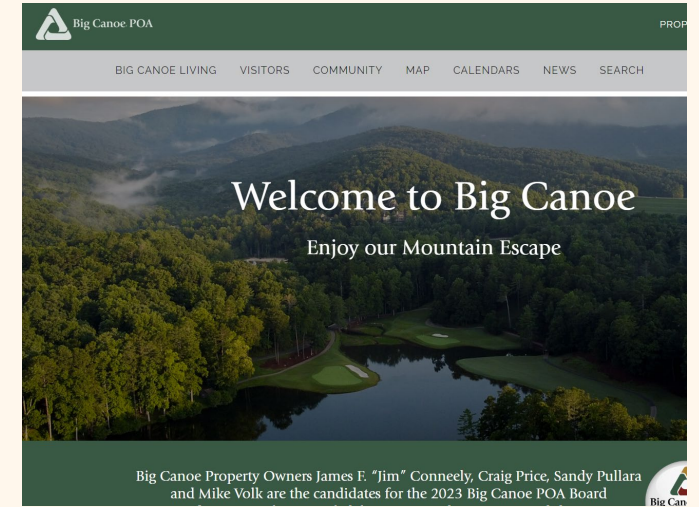
Financial Impact (\$46k)



Our Governance

WHAT'S NEW IN COMMUNICATIONS

- POA website continuous improvement
- Communications department's 2024 focus:
 - Improve Property Owner Clubhouse and event experiences
 - Improve Property Owner knowledge of amenity opportunities
 - Enhance quality/selection of Big Canoe branded merchandise
 - Support HR and employee communications
- Focus communications on the "Big Canoe Living" experience



Financial Impact \$0



Our Employees

2023 SALARY SURVEY

- Survey Goal – Assess Big Canoe POA employee compensation against the current local labor market.
 - Survey Process – The following steps were taken:
 - Salary survey benchmarking was conducted through Glassdoor
 - Benchmarking survey focused on job titles, job functions, employer size & Jasper, GA area
 - Survey included salaries based on minimum/mid point/maximum and average salaries
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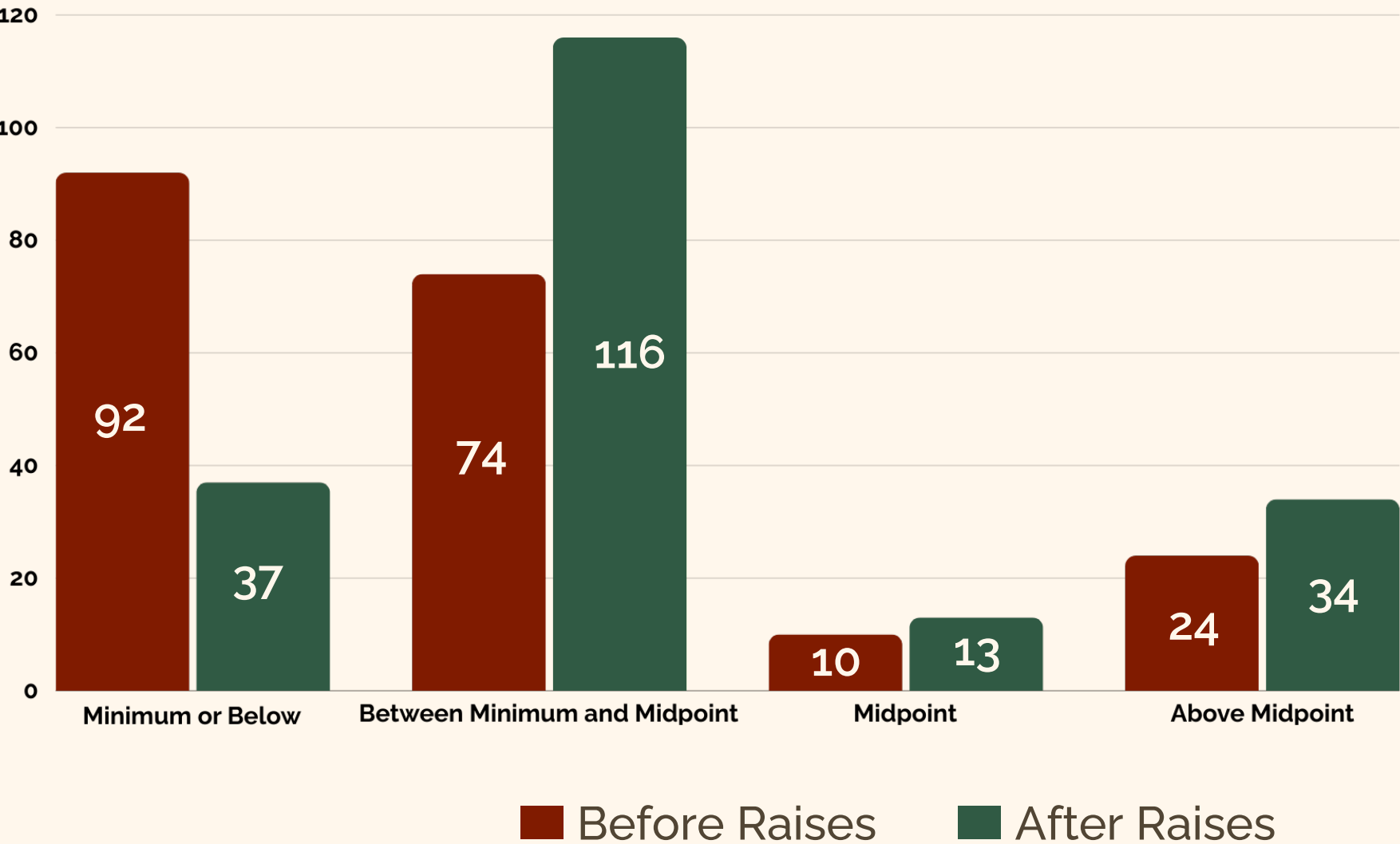
WHAT'S NEW FOR OUR EMPLOYEES

- Positions found below minimum were brought to minimum
- Many positions brought closer to mid-point
- Society of HR Management is predicting an overall employee salary increase of 3.8% for 2024
- A 3.8% merit pool was established for the remaining employees



Financial Impact (\$313k)

EMPLOYEE SALARIES ON PAY GRID



This reflects a 3.8% merit pool

WHAT'S NEW FOR OUR EMPLOYEES



- Impact of two new people \$120k
 - Clubhouse Manager
 - Renew Big Canoe Project Manager – budgeted in 2023, but deferred until 2024



- 2024 impact of full year staffing based on 2023 year-end head count and 2023 mid-year salary adjustments \$193k

Financial Impact (\$313k)

WHAT'S NEW FOR OUR EMPLOYEES



- Health Insurance - 13% negotiated increase
- Recruiting – decrease due to fully staffed Food & Beverage team
- Employee paid short-term disability
- Health insurance increase absorbed by POA
- POA incenting employees toward HSA Plan

Financial Impact (\$149k)



The Property Owner Experience

WHAT'S NEW AT THE AMENITIES

GOLF

- New carts expected in June
- Cart fees increase \$1
- 1781 less rounds with Choctaw rejuvenation
- Less sod budgeted – no predicted winter deep freeze
- Less chemicals/fertilizer due to Choctaw rejuvenation



Financial Impact (\$94k)

WHAT'S NEW AT THE AMENITIES



ALL OTHER AMENITIES

- No membership fee increases
- Number of members increase in all amenities
- Food & Beverage results flat to 2023
- No large banquets after August 1
- Lower setup costs for inflatable waterpark
- New clay for all six tennis courts
- Marina, Wellness, Aquatics no change from 2023

Financial Impact \$70k



The Other Impacts

OTHER EXPENSE IMPACTS

- Increase in legal fees (\$13k)
- Increase in utilities (\$22k)
- Increase in interest expense partially offset by increased interest income (\$19k)
- Decrease in fines and fees (\$81k)
- Professional carpet cleaning (\$15k)



Financial Impact (\$204k)

CAPITAL BUDGET



2024 MAJOR CAPITAL ITEMS OVER \$100,000

Petit Dam	\$1,704,000
Road Paving incl. Rejuvenation/Road Shoulders/Striping	\$835,000
Road Shoulder Rehab and Replace	\$750,000
Golf Course Irrigation Pumps and Pump House	\$400,000
Clubhouse Retaining Wall	\$350,000
Road Culvert Replacement	\$250,000
North/Main Gate Openers, Operators and Transponders	\$221,000
China, glassware and silverware (new designs)	\$206,000
All other Projects under \$100k	\$1,035,000
2024 Capital Budget	\$5,751,000

2024 MAJOR CAPITAL ITEMS UNDER \$100,000

Pontoon Boat Reserve	\$100,000
Wildcat Pool Replaster	\$62,000
Security Cameras	\$61,500
Beach Club Pool Replaster	\$60,000
Golf Course Restroom Renovations	\$60,000
Vehicle	\$55,000
Walk-in Freezer Flooring	\$50,000
All other Projects under \$50,000	\$586,500
2024 Capital Budget \$100,000 and under	\$1,035,000



2024 Budget

Summary

2024 ASSESSMENT CHANGES

ASSESSMENT INCREASES

- \$25.00/month for operations
- \$0/month for capital

	2023	2024
Lot	\$230	\$255
Dwelling	\$126	\$126
Total	\$356	\$381

HISTORICAL ASSESSMENT INCREASES

	2024	2023	2022	2021	2020
Operations	\$25	\$15	\$15	\$0	\$0
Capital	\$0	\$5	\$15	\$0	\$25
Total Increase	\$25	\$20	\$30	\$0	\$25
Percentage Increase	7%	6%	9.8%	0%	8.9%

2024 CHANGES TO OTHER INCOME

CAPITAL CONTRIBUTION FEE

- Increases \$500 to \$4,000 for all homes closed on January 1 and after

LEASE ADMINISTRATION FEE

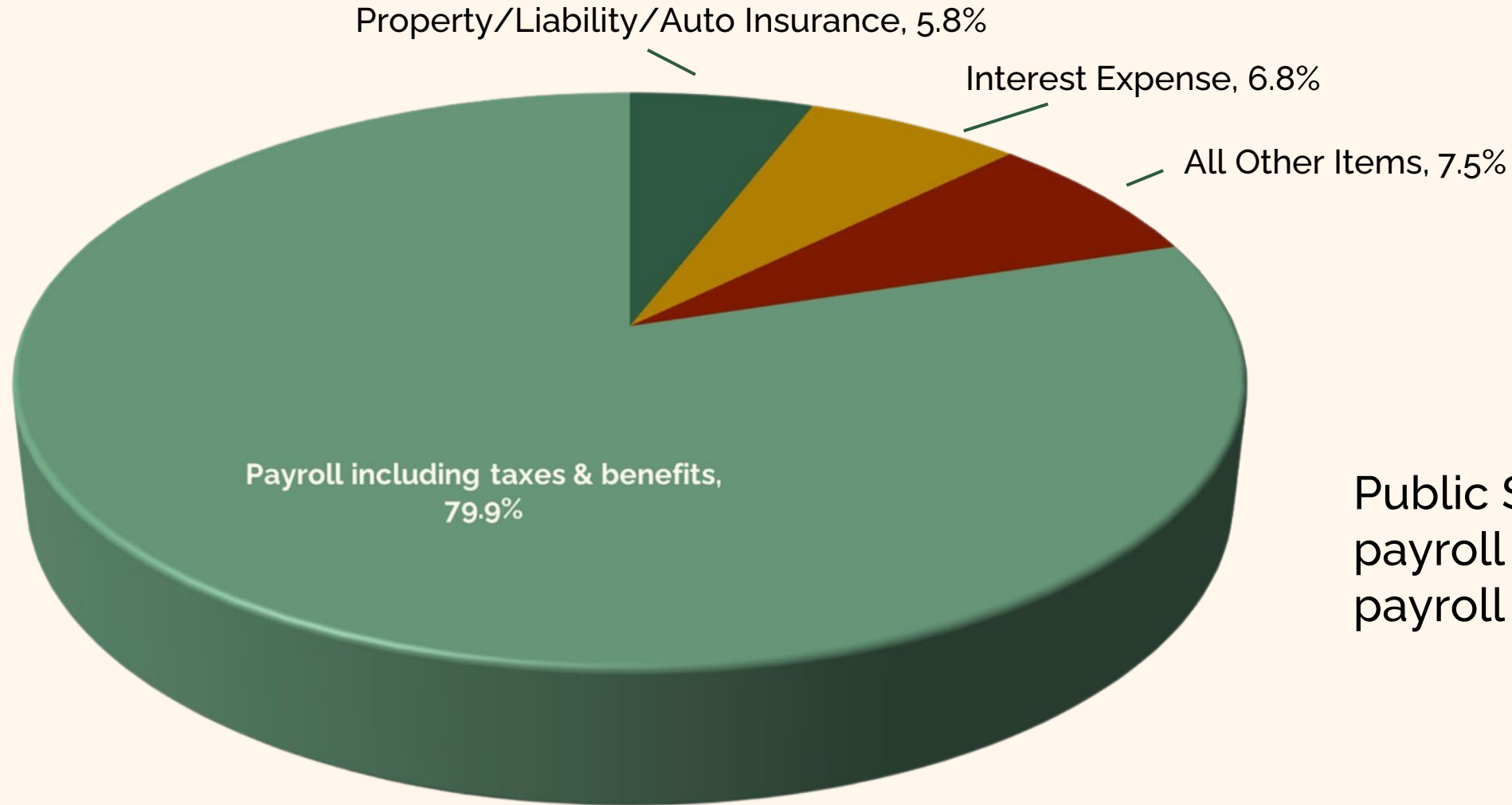
- Increases \$12 to \$187

THE BOTTOM LINE

	2024 Budget	2023 Forecast
General Operating Revenue	\$13,427,284	\$12,407,508
Operating Expenses	(\$9,417,354)	(\$8,390,664)
Amenity Net Income/(Loss)	\$181,426	\$412,429
Net Income before Depreciation	\$4,191,356	\$4,429,273
Depreciation	(\$3,937,783)	(\$3,383,384)
Net Income from Operations	\$253,573	\$1,045,890
CCF & Capital Assessment Fees	\$2,485,450	\$2,527,279
Comprehensive Net Income	\$2,739,023	\$3,573,169

NI from operations before depreciation is \$4.2M

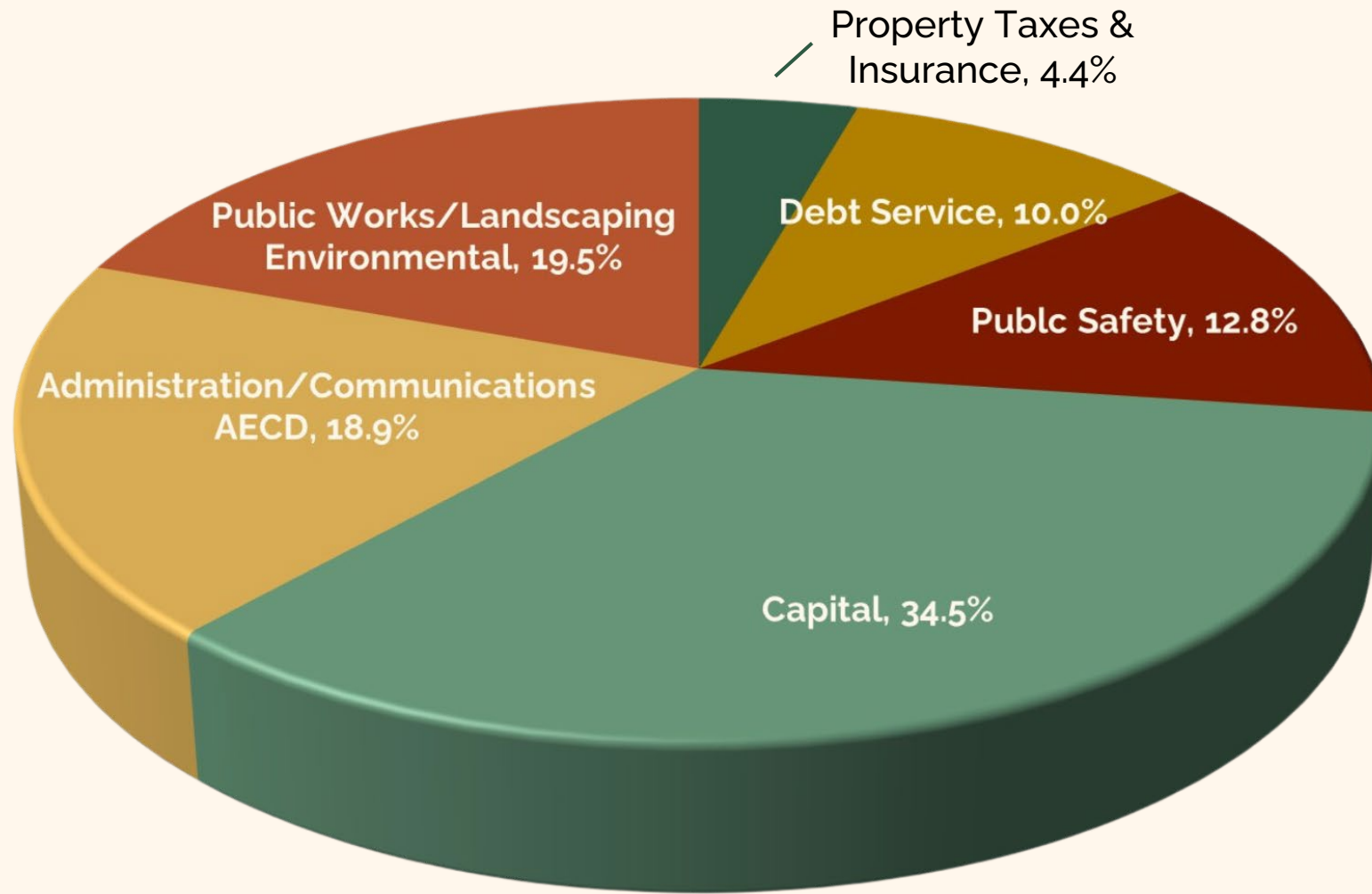
WHERE DOES MY ASSESSMENT INCREASE GO? _____



Public Safety
payroll is 25% of the
payroll increase

Assessment Increase \$971k

WHERE DOES TOTAL INCOME GO?



Assessments \$15.4MM

Other General Revenue \$0.4MM

Amenities Net Income \$0.2MM

Total Income \$16MM

Total Income \$16 MM



Finance Committee Recommendations

FINANCE COMMITTEE RECOMMEDATION

- Finance Committee unanimously recommends \$25/month increase in total assessment – 7% increase

