

BE IT REMEMBERED that the Board of Directors met in the Clubhouse, Hide-A-Way Lake, Pearl River County, Mississippi, on the 15th day of February and the following proceedings were had and done.

The Pledge of Allegiance was recited.

The regular monthly meeting was called to order by President Robin Montalbano.

The roll call is as follows:

Robin Montalbano – President	Present
John Pigott – Vice President	Absent
Tom Gibilterra – Secretary/Treasurer	Present
Jim Wells – Director	Present
Kathy Busco – Director	Present
Chad Hurst – Director	Absent
Elizabeth Ennis – Director	Present

All members of the Board were present or accounted for.

The Security Contractor's Reports for November 2023, December 2023, and January 2024 were presented by Site Supervisor, JoJo Delatte.

The Chair entertained a motion to waive the reading of the Minutes of the Board meeting of November 8, 2023. Jim Wells acknowledged the motion, Elizabeth Ennis seconded the motion. Unanimously approved.

The Chair entertained a motion to approve the Minutes of the Board meeting of November 8, 2023. Kathy Busco acknowledged the motion, Tom Gibilterra seconded the motion. Unanimously approved.

MANAGER'S REPORT – Bruce Devillier

1. The review of all financial statements has been completed by Angela Hertzog of Grantham Poole, Certified Public Accountants. A copy of the report has been given to each Board of Directors member and the report was presented by Angela Hertzog at the February 7, 2024, work session. A copy is available in the HAWL Office for any property owner that would like to review it and it will be posted on our website with the February 15, 2024 board meeting minutes. Filing the tax returns is the only action that remains.
2. The Operational Fee increase of 3.2%, which is \$2.92, began with statements due on January 25, 2024. A resolution is forthcoming that finalized this annual review with the approval process.
3. The property taxes were paid to Pearl River County for 2023 for a total of \$23,178.40.
4. VIF, LLC has completed the project of bulkheading and replacing older docks at both the East and West Marinas. The total cost of this capital improvement project was \$107,177.00.

5. The purchase of 65 water meter total replacements and 20 valves from Ferguson Waterworks was delivered. The total capital improvement cost was \$21,160.37. All meters have been installed by the HAWL Maintenance Staff. The valves are in the process of being replaced.
6. A replacement fire hydrant has been installed at the fire station by the HAWL Maintenance Staff. The total capital improvement cost of \$2,917.64 was paid to Ferguson Waterworks.
7. The main pool pump was replaced and an additional pump was purchased for redundancy. The electrical panel also had to be upgraded to accommodate the new pump. Demco Motors and Gulf South Electric were paid \$8,752.63 for this capital purchase.
8. Trucks bids were opened on January 10, 2024, to replace the 2010 Ford F-150 and 2002 GMC dump truck. A resolution is forthcoming to approve this purchase.
9. The annual software update for the Great Plains accounting system was completed last month. Aims Technology was paid \$4,265.80 for this capital purchase.
10. A replacement computer for the HAWL Office was purchased through NIV Technologies for \$1,332.05.
11. A replacement 12' x 14' rollup door for the Maintenance Shop was purchased from and installed by Picayune Door. The total capital cost was \$3,425.07.
12. New Southgate hours began on December 18, 2023. The new hours are Monday – Friday, 5:00 am – 9:30 am and 2:00 pm – 8:30 pm.
13. 2024/2025 green boat and golf cart decals are on sale for property owners to renew. The red decals expire on April 30, 2024. Beginning with the 2025/2026 decal season, golf carts will require proof of \$100,000.00 liability insurance.
14. Security contract bids were opened on December 5, 2023. A resolution is forthcoming to award the contract to Professional Security Corporation.
15. Shows, Dearman, & Waits, Inc. inspected our dam and spillway in January while the lake was down. The final report will be sent to the DEQ Dam Safety Division once the final report is received. The inspection showed that there is work to be planned out on the spillway.
16. Dungan Engineering performed our bridge inspection. Good conditions were reported and some minor maintenance items need to be completed.
17. Dungan Engineering has been hired to perform an erosion control plan for the 120 acres and the back spillway.
18. The Lake Management Project for 2024 Spring Stocking and Survey through American Sportsfish Hatchery was approved. A resolution is forthcoming.

19. AT&T is undergoing another phase of installing fiber optic for the hyper fast internet option in our community.
20. A Community Meet and Greet with the General Manager is scheduled for Saturday, March 9, 2024, at 9:30 am in Waters Edge Restaurant.
21. The Lead and Copper Tests were done on September 24, 2023, at 10 homes in the community. All results and consumer notices were sent to those property owners on December 20, 2023.
22. Chad Hurst has completed the required Board Training for our water system.
23. Our community is joining the Pearl River County Building Association Board. Architectural Committee Chairperson Paul Niehaus will represent our community.
24. The following is a report of our delinquent accounts as of January 25, 2024:

38 accounts are in the process of being worked in-house	\$9,321.47
4 account has received judgments and/or being worked by an attorney	<u>\$4,234.97</u>
Total	\$13,556.44

STANDING COMMITTEE REPORTS

Architectural Committee – Jim Wells

For November 2023, December 2023, and January 2024, the number of houses to date is 983. The Architectural Committee approved the following: 2 additions, 1 boat lift, 1 deck, 1 dock, 2 driveways, 1 electrical to shed, 1 enclosed carport, 3 fences (1 privacy fence, 1 chain link fence, and 1 metal/wood fence), 5 houses, 1 pool house, and 3 sheds.

Finance Committee Report – Tom Gibilterra

\$107,286.36	BANKPLUS - Operating Account
\$1,000.00	PETTY CASH
\$1,000.00	BANKPLUS - Payroll Account
\$109,286.36	TOTAL CHECKBOOK, PAYROLL, & PETTY CASH
\$82,324.23	BANKPLUS BUSINESS RESOURCE CD (4.625% matures 03/17/2025)
\$123.69	BANKPLUS CAPITAL RESERVE ACCOUNT
\$4,623.70	REGIONS BANK CAPITAL RESERVE ACCOUNT
\$86,321.31	SOUTHERN BANCORP BANK - BOARD CONTINGENCY ACCOUNT
\$36,832.72	FIRST NATIONAL BANK - BOARD CONTINGENCY ACCOUNT
\$210,225.65	TOTAL SAVINGS
\$25,637.22	CD - BANKPLUS - Water System (4.625% matures 03/17/2025)
\$90,080.09	CD - CRESCENT BANK - Water System (4.80% matures 02/28/2025)
\$115,717.31	TOTAL INVESTMENTS

TOTAL RESERVE	\$325,942.96
GRAND TOTAL	\$435,229.32

\$781,407.92 Checks & Debits made 10/26/2023 through 01/25/2024 from BankPlus Operating

\$895,142.00 Deposits made 10/26/2023 through 01/25/2024 from BankPlus Operating

On December 6, 2023, during the work session, the Board of Directors reviewed for the period of 10/26/2023 through 11/25/2023 the Checkbook Register Report for the Operating account, the Capital Reserve accounts, and the Board Contingency accounts.

On February 7, 2024, during the work session, the Board of Directors reviewed for the period of 11/26/2023 through 01/25/2024 the Checkbook Register Report for the Operating account, the Capital Reserve accounts, and the Board Contingency accounts.

At the work session on February 7, 2024, the Board approved Alvin Herbert (AJ Herbert) to the Finance Committee.

Security, Safety, & Fire Committee – Kathy Busco

The Security Committee would like to welcome Professional Security Corporation back to the HAWL Community and looks forward to working together.

Lake Quality – Chad Hurst (read by Bruce Devillier)

Water samples were collected from two locations on February 8, 2024. Test results of both samples were within the Mississippi Standard for Recreational Waters.

Rainfall for the month of January was measured at 12.67 inches which was 7.40 inches above the 30 year January average of 5.27 inches. Rainfall-to-date was 12.67 inches which was 7.40 inches above the 30 year-to-date January average of 5.27 inches.

Christmas trees to be used for fish habitats were collected from Hide-A-Way residents and local businesses. Collectively we received 172 trees to enlarge established sites and develop additional locations. The Lake Quality Committee extends a “Super Thank You” for your support of our effort to use natural materials to construct essential environmental safe zones for our fish populations.

The Lake Quality Committee plans to hold only a Spring Fishing Rodeo this year. The rodeo will be held on May 18, 2024. Details to be published in upcoming issues of *Echoes*.

Long Range Planning – Robin Montalbano

No report given.

Social Committee – Elizabeth Ennis

HAWL’s version of Mardi Gras, the Gaudy Gras Celebration, was held last Saturday, February 10, 2024. Ron Scott and Elaine McAndrew were crowned King and Queen 2024. Thank you to everyone who contributed and enjoyed the festivities.

Mark your calendars for Saturday, April 23, 2024, for Breakfast with the Easter Bunny and the Easter Egg Hunt. Parents and grandparents, please bring your school aged and younger children for breakfast at Waters Edge from 8:00 am – 10:30 am followed by the Easter Egg Hunt at 10:30 am in front of the Lodge.

Public Affairs – John Pigott (read by Bruce Devillier)

The Memorial Tree Fund committee recently planted four trees: two in memory of Esther Long, one in memory of Randy Brown, and one in memory of Gary Stockstill.

UNFINISHED BUSINESS

None.

NEW BUSINESS

A resolution whereby the Board of Directors of Hide-A-Way Lake Club, Inc. amends the annual operational fee increase resolution passed on June 8, 2022.

WHEREAS the Board of Directors determined it was necessary to revise the policy for the annual operational fee increase review and approval, and;

WHEREAS annually, the monthly dues for each lot within the Hide-A-Way Lake Community will be increased in an amount determined by the CPI index as indicated by the Social Security Administration not to exceed six percent (6%). This will be reviewed annually by the Finance Committee and approved by the Board of Directors of Hide-A-Way Lake Club, Inc., and;

NOW THEREFORE be it resolved that the Board of Directors of Hide-A-Way Lake Club, Inc. amends the annual operational fee increase resolution passed on November 13, 2013 as follows: Annually, the monthly dues for each lot within the Hide-A-Way Lake Community will be increased in an amount determined by the CPI index as indicated by the Social Security Administration not to exceed six percent (6%). This will be reviewed annually by the Finance Committee and approved by the Board of Directors of Hide-A-Way Lake Club, Inc.

Resolution offered by Tom Gibilterra seconded by Elizabeth Ennis on this 15th day of February, 2024.

Robin Montalbano – President	For
John Pigott – Vice President	Absent
Tom Gibilterra – Secretary/Treasurer	For
Jim Wells – Director	For
Kathy Busco – Director	For
Chad Hurst – Director	Absent
Elizabeth Ennis – Director	For

A resolution whereby the Board of Directors of Hide-A-Way Lake Club, Inc. ratifies the Board of Director's decision of the January 10, 2024, and January 12, 2024, email polls to purchase two new trucks for the Maintenance Department from Woolwine Dodge to replace the 2010 Ford F-150 and the 2002 GMC Dumptruck.

WHEREAS after six (6) invitations to bid went out and upon receiving bid quotes from the following:

Truck #1: 1 ton 3500 Dumptruck		Truck #2: ½ ton 1500 Crew Cab
<u>Company Name</u>	<u>Bid Amount*</u>	<u>Bid Amount*</u>
Courtesy Ford	Declined to Bid	Declined to Bid
Herring Ford	Declined to Bid	\$37,977.00
Lakeshore Dodge	Declined to Bid	Declined to Bid
Lamarque Ford	\$81,712.00	\$47,347.00
Mossy of Picayune	Declined to Bid	\$47,230.00
Woolwine Dodge	Diesel: \$89,269.00	Gasoline: \$71,625.00
		\$37,967.50

*Price excludes tax, title, license, and accessories.

and;

NOW THEREFORE be it resolved that the Board of Directors of Hide-A-Way Lake Club, Inc. ratifies the Board of Director's email poll decision of the January 10, 2024, and January 12, 2024, email polls to purchase a new gasoline 2023 Dodge Ram 3500 Dumptruck at the cost of \$71,625.00 and a new 2023 Dodge Ram 1500 Crew Cab truck at the cost of \$37,967.50 from Woolwine Dodge. These prices exclude tax, title, license, and accessories. The 2010 Ford F-150 was sold for \$4,500.00 and the 2002 GMC Dumptruck was sold for \$3,500.00.

Resolution offered by Jim Wells seconded by Kathy Busco on this 15th day of February, 2024.

Robin Montalbano – President	For
John Pigott – Vice President	Absent
Tom Gibilterra – Secretary/Treasurer	For
Jim Wells – Director	For
Kathy Busco – Director	For
Chad Hurst – Director	Absent
Elizabeth Ennis – Director	For

A resolution whereby the Board of Directors of Hide-A-Way Lake Club, Inc. ratifies the decision made during the December 6, 2023, Work Session the awarding of the security contract to Professional Security Corporation.

WHEREAS Veteran Security Services sent a rate increase demand that exceeded the increase amount allowed by our contract and;

WHEREAS three (3) invitations for bids went out and upon receiving three (3) bids from the following:

<u>Company Name</u>	<u>Bid Amount</u>
Allied Universal Security Services	\$22.08 hourly plus \$1,000.00 per month per vehicle
Pinnacle Security	\$23.94 hourly plus \$330.00 per week per vehicle
Professional Security Corporation	\$18.91 hourly including vehicles

*HAWL will continue to pay for Security’s fuel.

WHEREAS after reviewing all proposals it was determined that Professional Security Corporation offers the best option for the residents of Hide-A-Way Lake Club, Inc. due to their knowledge of Hide-A-Way Lake that extends over 25 years; and

NOW THEREFORE be it resolved that the Board of Directors of Hide-A-Way Lake Club, Inc. approves awarding the security contract to Professional Security Corporation for a three year term with annual CPI of 4% and review of performance.

Resolution offered by Kathy Busco seconded by Jim Wells_on this 15th day of February, 2024.

Robin Montalbano – President	For
John Pigott – Vice President	Absent
Tom Gibilterra – Secretary/Treasurer	For
Jim Wells – Director	For
Kathy Busco – Director	For
Chad Hurst – Director	Absent
Elizabeth Ennis – Director	For

A resolution whereby the Board of Directors of Hide-A-Way Lake Club, Inc. approves the purchase of fish for the Lake Management project for 2024 for Spring Stocking.

WHEREAS the American Sport Fish Hatchery report for their assessment includes the following purchase:

<u>Type of Fish</u>	<u>Size</u>	<u>Amount</u>	<u>Cost</u>
Blue Gill Bream	3-4"	23,391	\$18,712.80
Threadfin Shad	3-4"	1 load/6000	\$2,000.00
Northern Bass	6-7"	247	\$1,113.50
Delivery			\$600.00
EF Spring Survey			\$1,286.50
		Total:	\$23,713.00

And;

WHEREAS the cost of purchasing fish from American Sport Fish Hatchery for the Lake Management project in 2024 is \$23,713.00 for Spring Stocking, and;

WHEREAS the Lake Quality Committee supports the actions of American Sport Fish and endorses the purchasing of fish from American Sport Fish Hatchery for the Lake Management project in 2024 for Spring Stocking.

NOW THEREFORE be it resolved that the Board of Directors of Hide-A-Way Lake Club, Inc. approves purchasing of fish for the Lake Management project in 2024 to American Sport Fish Hatchery for \$23,713.00 for Spring Stocking.

Resolution offered by Elizabeth Ennis seconded by Tom Gibilterra on this 15th day of February, 2024.

Robin Montalbano – President	For
John Pigott – Vice President	Absent
Tom Gibilterra – Secretary/Treasurer	For
Jim Wells – Director	For
Kathy Busco – Director	For
Chad Hurst – Director	Absent
Elizabeth Ennis – Director	For

ADJOURNMENT

Motion to adjourn given by Elizabeth Ennis, Kathy Busco seconded the motion. The meeting was adjourned by a unanimous vote of the Directors.

ROBIN MONTALBANO, PRESIDENT

TOM GIBILTERRA, SECRETARY/TREASURER

**STATE OF MISSISSIPPI
COUNTY OF PEARL RIVER**

I, Madeline Jacobs, do hereby certify that the foregoing is a true and correct transcription, to the best of my skill and ability, of the Minutes taken at the meeting of the Board of Directors of Hide-A-Way Lake Club, Inc., held in the Clubhouse at Hide-A-Way Lake on the 15th day of February 2024.

THIS, the 16th day of February 2024.

MADELINE JACOBS

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY

Reviewed Financial Statements

September 30, 2023 and 2022

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Hide-A-Way Lake Property Owners' Association and Subsidiary
Carriere, Mississippi

We have reviewed the accompanying financial statements of Hide-A-Way Lake Property Owners' Association and Subsidiary which comprise the consolidated balance sheets as of September 30, 2023 and 2022, and the related consolidated statements of revenues and expenses and changes in fund balance, and changes in fund balance and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility to the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

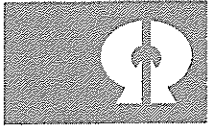
Accountants' Responsibility

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Hide-A-Way Lake Property Owners' Association and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Supplementary Information

The accompanying supplementary information included in Schedules I is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property on page 17 be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We were unable to apply certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America as we were engaged to review the accompanying financial statements and the related schedules. We do not express an opinion or provide any assurance on this information.

Report on 2022 Financial Statements

The consolidated financial statements of Hide-A-Way Lake Property Owners' Association and Subsidiary as of September 30, 2022, were reviewed by other Accountants whose report dated March 1, 2023, stated that based on their procedures, they are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

GranthamPoole PLLC
Hattiesburg, Mississippi
February 2, 2024

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY
Consolidated Balance Sheets
September 30, 2023 and 2022

	2023	2022
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 113,632	\$ 391,661
Cash Designated for Future Repairs and Replacements	89,619	114,715
Cash Investments	198,042	348,595
Accounts Receivable (Net of Allowance for Doubtful Accounts of \$2,394 and \$1,604)	228,510	216,851
Inventory	12,378	12,303
Prepaid Insurance	42,198	45,793
Prepaid Income Tax	768	1,200
Other Current Assets	2,978	2,973
Total Current Assets	688,125	1,134,091
Property and Equipment:		
Buildings and Improvements	1,349,999	1,346,753
Recreational Facilities	838,896	804,610
Streets and Bridges	5,113,086	4,592,144
Dam	374,039	374,039
Furniture, Fixtures and Equipment	745,218	679,491
Trucks, Tractors and Vehicles	162,224	162,215
Perimeter Fence	129,999	111,592
Water System	1,939,114	1,916,373
Land	516,981	242,400
Less: Accumulated Depreciation	(7,459,393)	(7,140,661)
Property and Equipment, Net	3,710,163	3,088,956
Other Assets:		
Loan Cost	1,184	1,317
Non-current Accounts Receivable	2,876	1,908
Total Other Assets	4,060	3,225
Total Assets	\$ 4,402,348	\$ 4,226,272

See accompanying notes to consolidated financial statements and independent accountants' review report.

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY
Consolidated Balance Sheets
September 30, 2023 and 2022

	2023	2022
<u>LIABILITIES AND FUND BALANCE</u>		
Current Liabilities:		
Accounts Payable	\$ 48,797	\$ 78,844
Accrued Payroll Payable	25,708	24,084
Payroll and Sales Taxes Payable	2,525	5,558
Notes Payable - Current Portion	46,495	45,135
Other Current Liabilities	75,836	43,232
Total Current Liabilities	199,361	196,853
Long-Term Liabilities:		
Note Payable, Net of Current Portion	353,876	400,371
Total Long-Term Liabilities	353,876	400,371
Total Liabilities	553,237	597,224
Fund Balance:		
Fund Balance - Board Designated Restrictions	89,619	114,715
Fund Balance	3,759,492	3,514,333
Total Fund Balance	3,849,111	3,629,048
Total Liabilities and Fund Balance	\$ 4,402,348	\$ 4,226,272

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY
Consolidated Statements of Revenues and Expenses and Changes in Fund Balance
Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues:		
Membership	\$ 893,768	\$ 893,619
Restaurant Sales	202,045	205,491
Water System Income	296,876	271,210
Garbage Fees	193,969	186,730
Security Fees	169,014	82,752
Capital Contributions	212,193	206,775
Interest Income	8,929	4,882
Other Income	238,285	282,039
Total Revenues	<u>2,215,079</u>	<u>2,133,498</u>
Expenses:		
Common Facilities	1,210,135	1,213,735
Restaurant	232,260	233,077
Water System	218,493	225,687
Depreciation	318,732	312,392
Interest Expense	12,996	14,345
Income Tax Expense	2,400	4,833
Total Expenses	<u>1,995,016</u>	<u>2,004,069</u>
Excess of Revenues Over Expenses	220,063	129,429
Fund Balance at Beginning of Period	<u>3,629,048</u>	<u>3,499,619</u>
Fund Balance at End of Period	<u>\$ 3,849,111</u>	<u>\$ 3,629,048</u>

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY
Consolidated Statements of Changes in Fund Balance
Years Ended September 30, 2023 and 2022

	<u>Undesignated Operating Fund</u>	<u>Capital Improvements Fund</u>	<u>Real and Personal Property Fund</u>	<u>Total Fund Balance</u>
Fund Balance, September 30, 2021	\$ -	\$ 856,646	\$ 2,642,973	\$ 3,499,619
Transfers to Capital Improvement Fund:				
Depreciation Funding	(235,031)	235,031	-	-
Capital Contributions	(206,775)	206,775	-	-
Interest	(15)	15	-	-
Net Additions to Common				
Facilities and Equipment	-	(269,084)	269,084	-
Net Income	129,429	-	-	129,429
Net Depreciation	312,392	-	(312,392)	-
Subtotal Fund Balances	-	1,029,383	2,599,665	3,629,048
Additional Payments on Prior Year				
Water System Additions	-	(43,785)	43,785	-
Fund Balance, September 30, 2022	-	985,598	2,643,450	3,629,048
Transfers to Capital Improvement Fund:				
Depreciation Funding	(326,602)	326,602	-	-
Capital Contributions	(212,193)	212,193	-	-
Interest	-	-	-	-
Net Additions to Common				
Facilities and Equipment	-	(121,247)	121,247	-
Net Income	220,063	-	-	220,063
Net Depreciation	318,732	-	(318,732)	-
Subtotal Fund Balances	-	417,548	(197,485)	220,063
Additional Payments on Prior Year				
Water System Additions	-	(20,539)	20,539	-
Fund Balance, September 30, 2023	<u>\$ -</u>	<u>\$ 1,382,607</u>	<u>\$ 2,466,504</u>	<u>\$ 3,849,111</u>

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY
Consolidated Statements of Cash Flows
Years Ended September 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities:		
Excess of Revenues Over Expenses	\$ 220,063	\$ 129,429
Adjustments to Reconciled Excess of Revenues Over Expenses to Net Cash Provided by Operating Activities:		
Depreciation	318,732	312,392
Changes in Operating Assets and Liabilities:		
Trade Accounts Receivable	(12,627)	(5,444)
Inventories	(75)	(4,151)
Prepaid Expenses	4,155	(1,494)
Accounts Payable	(30,047)	(21,425)
Accrued Expenses and Current Liabilities	31,195	2,762
Net Cash Provided By Operating Activities	531,396	412,069
Cash Flows From Investing Activities:		
Redemption of Certificates of Deposit	348,595	-
Purchase of Certificates of Deposit	(198,042)	(61,934)
Purchase of Fixed Assets	(939,939)	(269,084)
Net Cash Used By Investing Activities	(789,386)	(331,018)
Cash Flows From Financing Activities:		
Repayment of Note Payable	(45,135)	(43,785)
Net Cash Used By Financing Activities	(45,135)	(43,785)
Net Increase (Decrease) in Cash and Cash Equivalents	(303,125)	37,266
Cash and Cash Equivalents at Beginning of Year	506,376	469,110
Cash and Cash Equivalents at End of Year	\$ 203,251	\$ 506,376
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for Interest	\$ 12,996	\$ 14,345
Cash and Cash Equivalents	\$ 113,632	\$ 391,661
Cash Designated for Future Repairs and Replacements	89,619	114,715
Total Cash and Cash Equivalents	\$ 203,251	\$ 506,376

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY
Notes to Financial Statements
September 30, 2023 and 2022

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Hide-A-Way Lake Property Owners' Association and Subsidiary (the "Association") was incorporated in 1973 as a non-profit corporation to manage, operate, maintain and preserve the common area within the Hide-A-Way Lake residential development located near Picayune, Mississippi, including the operation of its restaurant, water system, and recreational facilities for the use by Association members. The Association is comprised of members representing the owners of the residential units. There are approximately 1,561 lots, covering 1,500 acres in the development, with 1,232 owned by members, 262 owned by the developer and 68 that are state owned. Approximately 977 of the members have built residential dwellings.

Basis of Presentation

The financial statements of the Association have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

Principles of Consolidation

The consolidated financial statements include the accounts of Hide-A-Way Lake Property Owners' Association, Inc. and its wholly-owned subsidiary, Hide-A-Way Lake Club, Inc. There were no inter-company items or transactions during the years 2023 and 2022.

Income Taxes

The Association is classified as a homeowners' association for federal and state income tax purposes. It does not qualify as an exempt organization. The Association is subject to specific rulings and regulations applicable to nonexempt membership organizations. In general, the Association is required to separate its taxable income and deductions into membership transactions, nonmembership transactions, and capital transactions.

For federal tax purposes, the Association is taxed on all net income from nonmembership activities reduced only by losses from nonmembership activities for which a profit motive exists. Nonmembership income may not be offset by membership losses, and any excess membership deductions may only be carried forward to offset membership income of future tax periods. Any net non-membership income is subject to taxation.

The Association files Form 1120, which has an effective tax rate of 21% that is applied to net taxable income.

The Association incurred federal income tax expense of \$2,400 for the year ended September 30, 2023 and \$4,833 for the year ended September 30, 2022. The only periods subject to examination for the Associations income tax returns are 2019 through 2023.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Association's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of these financial statements, the Association considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Certificates of deposit with original maturities over ninety (90) days are classified as cash investments. Cash equivalents and cash investments are stated at cost, which approximates market value. As of

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY
Notes to Financial Statements
September 30, 2023 and 2022

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

September 30, 2023, the Association did not have any cash deposits which exceeded FDIC insured amounts.

Accounts Receivable

Accounts receivable is recorded at the total amount of outstanding balances which are expected to be collected. The allowance for doubtful accounts is estimated based on the amount of time various accounts have remained delinquent beyond sixty days. The net investment in accounts receivable past due more than sixty days totaled \$5,446 and \$5,418 for September 30, 2023 and 2022 respectively. Accounts are written off when it is determined by management and the Board of Directors that there is no longer any possibility of collection, for reasons such as foreclosure and bankruptcy.

Inventory

Inventory is stated at the lower of cost, on a first-in, first-out basis, or market, and consists primarily of food items.

Fair Value of Financial Instruments

The company's financial instruments consist of cash, accounts receivable and accounts payable. The recorded values of cash, accounts receivable and accounts payable approximate their fair values based on their short-term nature.

Property and Equipment

The Association recognizes real and personal property including common property assets at cost. The property is depreciated using the straight-line method of depreciation over the estimated useful lives of the assets, ranging from 5 to 20 years. It is the policy of management to expense all items under \$500 as funds are disbursed. Common Property consists of roads, bridges, recreational areas and buildings.

Funds

The Association is a not-for-profit organization which employs the fund method of accounting to properly account for restrictions on the expenditures resulting from actions of the Board of Directors or the Association voting membership. The financial statements segregate the accounting for such funds as either operating or replacement funds. At the end of the year, excess funds are retained by the fund generating such excess during the year.

The operating fund is used to account for financial resources available for the general operation of the Association. Disbursements from the operating fund are generally at the discretion of the Board of Directors.

The replacements funds are generally used to account for assessments made for major repair and replacement of common property, and related expenses. Disbursements from the replacement funds may only be utilized in accordance with the purposes established by the Board of Directors and the Association membership.

A portion of the fund balance is reserved by the board for future repairs and replacements. This balance is classified separately for reporting purposes in the consolidated balance sheets.

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY
Notes to Financial Statements
September 30, 2023 and 2022

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue recognition is consistent with the Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* as the revenue streams are considered single performance obligations, whether recognized over time or at a point in time. See *Note 7, Revenues from Contracts with Members*.

Property Owners Assessments

The monthly assessments to property owners were as follows:

	2023	2022
Operational Fee (October - November)	\$ 71	\$ 71
Operational Fee (December - September)	\$ 76	\$ 71
Capital Reserve	\$ 15	\$ 15

The annual budget and assessments of owners are determined by the Board of Directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

Future Major Repairs and Replacements

Although the Association's governing documents do not require funds to be accumulated to fund future major repairs and replacements, the Board of Directors has conducted a study of major repair and replacement requirements through the year 2032. In prior years, the Association has funded actual major repairs and replacements from excess operating assessments as expenditures were incurred.

During the year ending September 30, 1993, the Association adopted a program to begin accumulating funds for estimated future repairs and replacements. The Association made an initial designation of \$200,000 to the Major Repair and Replacement Fund and makes additional designations each year equal to the depreciation expense for the year not to exceed the balance available in the undesignated operating fund. The Board of Directors approved with the consent of the members a \$5.00 per month capital assessment effective October 1, 1999. This assessment was increased to \$15.00 effective July 1, 2005. Capital assessments are maintained in separate bank accounts to be used only for capital improvements. At September 30, 2023, the balance in these accounts totaled \$89,619. At **September 30, 2022**, the balance in these accounts totaled \$114,715.

The Association is funding such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of future replacement costs. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

Leases

Effective October 1, 2022, the Association elected to adopt Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which replaced existing lease accounting guidance. The new standard is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use (ROU) assets and corresponding lease liabilities on the Statement of Financial Position. ROU assets represent the Association's right to use an underlying asset for the lease term and lease liabilities

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY
Notes to Financial Statements
September 30, 2023 and 2022

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

represent the Association's obligation to make lease payments arising from the lease. The new guidance requires the Association to continue to classify leases as either an operating or finance lease, with classification affecting the pattern of expense recognition in the income statement. In addition, the new standard requires enhanced disclosure surrounding the amount, timing and uncertainty of cash flows arising from leasing agreements.

During the year ended September 30, 2023, the Association was a lessee for two office equipment leases. Since the future lease payments are immaterial to the financial statements as a whole, there was no need to apply ASC 842. See Note 4, *Operating Leases*.

Functional Allocation of Expenses

The costs of providing the various activities have been summarized on a functional basis in the consolidated statement of functional expenses. The statements present expenses by function and natural classification in accordance with ASU 2016-14. Expenses directly attributable to specific functional areas of the Association are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on revenue for each functional area or time spent on each functional area.

NOTE 2 NON-CURRENT PORTION OF ACCOUNTS RECEIVABLE

The Association has certain lien rights against the property owners' lots to secure collection of its assessments of dues and other charges.

Non-current portion of accounts receivable represents the anticipated value of these lien rights in members' accounts whose collection is doubtful. Doubtful accounts in excess of the anticipated value of lien rights are reserved and charged to bad debt expense.

NOTE 3 STATE INCOME TAXES

In prior years, the state income tax return of Hide-A-Way Lake Club, Inc. was filed claiming exemption from franchise tax. In December 1992, Hide-A-Way Lake Club, Inc. was challenged on the exemption by the State Tax Commission. In February 1994, the Appeals Board of the State Tax Commission upheld Hide-A-Way Lake Club Inc.'s exemption from franchise tax. Also, as a result of the hearing, the State Tax Commission is now interpreting the ruling to cover income tax as well as franchise tax.

NOTE 4 OPERATING LEASES

In June 2020, the Association entered into a lease for a office equipment for 63 months at a rate of \$505 per month. The lease matures in September 2025 and includes a renewal option through September 2026.

In August 2021, the Association entered into a lease for a copier for 51 months at a rate of \$100 per quarter.

The total minimum rental commitment as of September 30, 2023 is due as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2024	\$ 6,461
2025	4,646
	<u>\$ 11,107</u>

Lease payments for the years ending September 30, 2023 and 2022 totaled \$9,223 and \$6,705,

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY
Notes to Financial Statements
September 30, 2023 and 2022

respectively.

NOTE 5 OTHER MATTERS

The sewer system for the community is owned by Pearl River County Utility Authority. Hide-A-Way Lake bills the sewer charges each month and is compensated \$1.00 per customer. Funds collected by Hide-A-Way Lake for sewage are remitted to Pearl River County Utility Authority each month.

NOTE 6 LONG-TERM DEBT

The Association refinanced the water system loan in June 2021 for \$496,412. The loan with CoBank matures in June 2031 and requires 120 monthly payments of \$4,844 with an interest rate of 3%. The loan is secured by all the equity the Association may now own or hereafter acquire.

	2023	2022
Total Debt	\$ 400,371	\$ 445,506
Less Current Portion Long-term Debt	(46,495)	(45,135)
Net Long-Term Debt	\$ 353,876	\$ 400,371

During the years ending September 30, 2023 and 2022, the Association incurred interest expense of \$12,996 and \$14,345, respectively. Maturities for long-term debt consist of the following:

Year Ending September 30,	Amount
2024	\$ 46,495
2025	47,962
2026	49,441
2027	50,966
2028	52,522
Thereafter	152,985
Total	\$ 400,371

NOTE 7 REVENUES FROM CONTRACTS WITH MEMBERS

The Association's performance obligations related to the following revenues are satisfied over time on a daily pro-rata basis, except for the water system revenue which is satisfied as water is provided to the member:

Membership Dues	Horse Stable Fees (Other Income)
Water System Income	Boat Slip Fees (Other Income)
Garbage Fees	Security Fees

The Association's performance obligations related to capital contributions are satisfied when these funds are expended for their designated purpose.

The Association's performance obligations related to the following revenues are satisfied as of a point in time:

- Restaurant Sales
- Other Revenues (including copies, permits, notary fees, pool fees, etc.)

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY
Notes to Financial Statements
September 30, 2023 and 2022

NOTE 7 **REVENUES FROM CONTRACTS WITH MEMBERS (CONTINUED)**

The following table disaggregates the Association's revenue based on the timing of satisfaction of performance obligations for the year ended September 30, 2023.

Performance Obligations Satisfied Over Time	\$ 1,553,627	1,457,043
Prefinance Obligations Satisfied at a Point in Time	440,330	464,798
Performance Obligations Satisfied When		
Expenditures are Made	<u>212,193</u>	<u>206,775</u>
Total	<u>\$ 2,206,150</u>	<u>\$ 2,128,616</u>

NOTE 8 **SUBSEQUENT EVENTS**

Events that occur after the Financial Statement date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Financial Statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Financial Statement date require disclosure in the accompanying notes. Management of the Association evaluated the activity of the Association through February 2, 2024, which is the financial statement issuance date, and determined that no subsequent events require disclosure in the notes to the financial statements.

Other Supplemental Information

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY

Schedule I

**Departmental Analysis of Revenues and Expenses
Years Ended September 30, 2023 and 2022**

	2023				2022			
	Common Facilities	Restaurant	Water System	Total	Common Facilities	Restaurant	Water System	Total
Revenues:								
Members Dues	\$ 893,768	\$ -	\$ -	\$ 893,768	\$ 893,619	\$ -	\$ -	\$ 893,619
Restaurant Sales	-	202,045	-	202,045	-	205,491	-	205,491
Water Service	-	-	296,876	296,876	-	-	271,210	271,210
Garbage Fees	193,969	-	-	193,969	186,730	-	-	186,730
Security Fees	169,014	-	-	169,014	82,752	-	-	82,752
Capital Contributions	212,193	-	-	212,193	206,775	-	-	206,775
Interest Income	8,929	-	-	8,929	4,882	-	-	4,882
Other Income	238,285	-	-	238,285	282,039	-	-	282,039
Total Revenues	\$ 1,716,158	\$ 202,045	\$ 296,876	\$ 2,215,079	\$ 1,656,797	\$ 205,491	\$ 271,210	\$ 2,133,498
Expenses:								
Restaurant, Cost of Food	\$ -	\$ 93,726	\$ -	\$ 93,726	\$ -	\$ 93,587	\$ -	\$ 93,587
Payroll	319,759	89,168	118,326	527,253	313,360	94,644	115,649	523,653
Payroll Taxes	32,281	7,189	8,564	48,034	29,652	7,648	9,345	46,645
Employee Health Insurance	37,562	7,775	9,661	54,998	34,237	8,532	11,141	53,910
Workman's Compensation	2,591	1,894	1,297	5,782	2,305	1,693	1,133	5,131
Restaurant Supplies and Expenses	-	5,398	-	5,398	-	2,264	-	2,264
Insurance Liability	79,628	9,375	13,775	102,778	57,001	7,070	18,129	82,200
Guard Service	328,073	-	-	328,073	334,075	-	-	334,075
Garbage Collection Cost	194,270	-	-	194,270	189,253	-	-	189,253
Repairs and Maintenance	62,278	5,637	20,288	88,203	105,676	7,278	26,816	139,770
Utilities	23,996	10,870	20,334	55,200	27,645	8,318	14,354	50,317
Lodge Supplies	5,767	-	-	5,767	2,130	-	9,053	11,183
Office Supplies and Expense	30,079	-	10,027	40,106	27,160	-	9,848	37,008
Professional Services	22,360	-	11,012	33,372	17,394	-	1,035	18,429
Taxes and Licenses	22,701	-	503	23,204	22,812	-	-	22,812
Public Relations	8,630	50	-	8,680	7,370	25	-	7,395
Music and Entertainment	1,750	-	-	1,750	2,724	-	-	2,724
Fuel and Oil	6,327	-	2,321	8,648	8,177	-	2,321	10,498
Bad Debt Expense	6,537	-	-	6,537	7,843	-	-	7,843

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY

Schedule I

Departmental Analysis of Revenues and Expenses
Years Ended September 30, 2023 and 2022

	2023				2022			
	Common Facilities	Restaurant	Water System	Total	Common Facilities	Restaurant	Water System	Total
Telephone	\$ 7,465	\$ 828	\$ 2,385	\$ 10,678	\$ 9,194	\$ 1,115	\$ 3,156	\$ 13,465
Employee Food	3,205	350	-	3,555	3,813	903	-	4,716
Fire Protection	3,626	-	-	3,626	1,458	-	-	1,458
Interest Expense	-	-	12,996	12,996	-	-	14,345	14,345
Miscellaneous Expense	11,250	-	-	11,250	10,456	-	3,707	14,163
Depreciation	253,397	5,881	59,454	318,732	257,063	6,136	49,193	312,392
Total Expenses	<u>1,463,532</u>	<u>238,141</u>	<u>290,943</u>	<u>1,992,616</u>	<u>1,470,798</u>	<u>239,213</u>	<u>289,225</u>	<u>1,999,236</u>
Income (Loss) from Operations	252,626	(36,096)	5,933	222,463	185,999	(33,722)	(18,015)	134,262
Income Tax	(2,400)	-	-	(2,400)	(4,833)	-	-	(4,833)
Excess of Revenues over Expenses	<u>\$ 250,226</u>	<u>\$ (36,096)</u>	<u>\$ 5,933</u>	<u>\$ 220,063</u>	<u>\$ 181,166</u>	<u>\$ (33,722)</u>	<u>\$ (18,015)</u>	<u>\$ 129,429</u>

HIDE-A-WAY LAKE PROPERTY OWNERS' ASSOCIATION AND SUBSIDIARY
Schedule II
Schedule of Future Major Repairs and Replacements
September 30, 2023

In December 1992, the Long-Range Planning Committee conducted a study of future major repairs and replacements through 2002 to estimate remaining useful lives and the cost for future repairs and replacements. The study has been updated each year since that time and for the year ending September 30, 2023 has been updated through the year 2032. The scope of the study was intended to address the repair and replacement of existing common facilities. Based on this study the committee developed a schedule of repairs and replacements by the categories listed below for the subsequent ten years. The schedule was developed with input from the general manager and engineer. The repair and replacement cost listed below represent estimated future cost and do not reflect any repair and replacement cost beyond the year 2032. Actual cost may vary from these estimates and the variations may be material.

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Replacement Cost through 2032</u>
Club Facilities	1-9	\$ 157,000
Security	1-10	315,500
Recreational Facilities	1-10	810,000
Roads and Bridges	1-10	1,360,000
Sewer and Water System	1-9	490,000
Dam	1-8	17,000
Equipment	1-9	325,000
		<u>\$ 3,474,500</u>

The Board of Directors has not designated funds for individual components of the estimated repairs and replacements, but during the year ending September 30, 1993, they made an initial designation of \$200,000 to the Replacement Fund and plan to make additional designations each year equal to the depreciation expense for the year not to exceed the balance available in the undesignated fund as well as additional designations as required. The Board of Directors, with the consent of the members, assessed a \$5.00 per month capital assessment effective October 1, 1999. This assessment was increased to \$15.00 effective July 1, 2005. At September 30, 2023 and 2022, the designated fund balance for Future Repairs and Replacements totaled \$89,619 and \$114,715, respectively.