

March 7, 2018

TO: White Bluff Property Owners  
FROM: Jeff Williams, Treasurer  
White Bluff Property Owners Association  
RE: Revised Budget and Financials

A number of our property owners have asked why the 2017 quarterly financials, along with the 2018 Budget for the WBPOA were removed from the website recently. Also, they have rightfully questioned why 2017 year-end numbers have not been published as we are now into March.

As you know First Service Residential, our management company, took over management at the end of the first quarter, 2017. In constructing our financials, they relied on information received from Double Diamond in establishing the new books and records. Some of you (and us) had questioned a significant increase in revenues projected on the 9/30/17 statements that were reviewed in October and were the basis of our 2018 budget projections. We also questioned the more than \$4 million Accounts Receivable balance that was shown as of 9/30, and that was again, taken from the information received by Double Diamond. We were assured at that time that FSR had confidence in their numbers, but that as we got a better sense of actual collections in the last half of the year, they would relook at both of these significant items.

As actual receipts for the last half of 2017 were tallied, it became clear that FSR had misinterpreted Q1-2017 revenue information from Double Diamond. Since late January, FSR has been working to go back to the beginning of their engagement to restate our monthly financials, and based on that, to provide us with a revised budget. That work has been completed. The new financials will show total revenues similar to prior years and will include a significant charge against 2017 earnings to write off uncollectible accounts receivable (a significant portion of which should have been done in 2016).

Once the new financials have been reviewed, they will be made available to all property owners. We will present a revised 2018 at the next Board Meeting.

Although we, our new audit firm, and the Courts have repeatedly instructed Double Diamond to provide us the information to complete the 2016 audit for WBPOA, to date we have not received the information needed. Once received, we will complete the 2016 and 2017 audits as expeditiously as possible.

Your property owners association is in sound financial condition and maintains a healthy cash position. Your Board is working to provide you with the best information possible, as quickly as possible.