

December 9, 2022

To: White Bluff Property Owners

From: White Bluff POA Board of Directors

Re: 2023 Annual Budget and Maintenance Fee Increases

The White Bluff Board of Directors met in a special called meeting on November 30th to review and discuss the proposed 2023 operating budget. Generally Accepted Accounting Principles of using an actual 10 months and projection for 2 months were used to estimate revenues and expenses through the end of 2022 and develop detailed projections for 2023. Based on this review, the WBPOA will incur an operating deficit of \$860,870.

General Maintenance Fees have not increased in nine years or since 2013, and the WBPOA has maintained a balanced budget for each of the nine years through 2022. This was possible because of (1) a low annual inflation rate during that period, (2) improved operational efficiencies, and (3) in recent years since purchasing the amenities from Double Diamond, increased revenues from the revenue-producing amenities.

Your staff and Board of Directors have worked diligently to increase revenues from our amenities. Revenues for 2023 from lodging operations, food and beverage sales, golf operations, and marina operations are projected to be \$2,601,000, an increase of \$914,377 (35.1%). This compares to amenity income of \$0 in 2018 when they were acquired from Double Diamond.

Despite revenue increases and efforts to maintain operational efficiencies to minimize costs, the impacts of inflation on the operations in 2022 have been the most significant in nine years. The U.S. Bureau of Labor Statistics (https://www.bls.gov/news.release/archives/cpi_09132022.htm) estimated the overall CPI (Consumer Price Index) increased 8.3 percent for the 12 months ending August 2022, with the energy index having increased 23.8 percent during that period. Examples of WBPOA projected major cost increases for 2023 largely due to inflation include:

- Chemicals (\$176,000 - a 104.1% increase)
- Gas, Oil & Lube (\$87,000 - a 111.8% increase)
- Fertilizers (\$39,000 – a 32.7% increase)
- Road Repairs and Maintenance (\$69,000 – a 40.4% increase)
- Equipment Repairs and Maintenance (\$38,000 – a 79.9% increase)
- Sand and Soil (\$35,800 – a 107.2% increase)
- Utilities (\$131,554 – a 29% increase)
- Insurance (\$303,630 – a 314.2% increase)

The above cost increases total \$879,984.

Based on projected 2023 revenue and operating cost largely due to inflation, **the projected deficit without a maintenance fee increase is \$860,870**. Our only remaining option for covering this operating deficit for 2023 is a maintenance fee increase.

The members of the Board of Directors regret the necessity of maintenance fee increases during these inflationary times, and each of us will be paying these increases. We will continue to work with the management company and staff to enhance revenues and contain costs to efficiently and effectively provide services for all property owners at the lowest costs possible.

The special assessment passed in 2021 to repay the debt owed to Double Diamond for acquisition of the amenities will expire in 2023. The final billing for that assessment will be mailed in November 2023. With the Maintenance Fee increase to balance the 2023 operating budget and the final payments to Double Diamond, the WBPOA will end 2023 with full ownership and control of all WBPOA amenities free of debt as well as a balanced operating budget.

Best regards,

Your White Bluff POA Board of Directors

White Bluff POA Maintenance Fees/Home Occupancy Fees

	Annual	Bi Annual	Annual	Bi Annual	Annual	Bi-Annual	Annual	Bi-Annual	Annual	Bi-Annual	Annual
Number of Lots	Total for 1 Lot		Total for 2 Lots		Total for 3 Lots		Total for 4 Lots		Total for 5 Lots		Annual
Maintenance Fee per Lot	\$1,200.00	\$600.00	\$1,800.00	\$900.00	\$2,100.00	\$1,050.00	\$2,250.00	\$1,125.00	\$2,324.00	\$1,162.00	For 6 or more Lots Add \$2.00 for each Additional Lot Plus Special Assessment of \$300.00 for Each Lot
With \$300.00 Special Assessment	\$1,500.00	\$750.00	\$2,400.00	\$1,200.00	\$3,000.00	\$1,500.00	\$3,450.00	\$1,725.00	\$3,824.00	\$1,912.00	
Lots with 1 Home with Occupancy Fee	\$1,800.00	\$900.00	\$2,400.00	\$1,200.00	\$2,700.00	\$1,350.00	\$2,850.00	\$1,425.00	\$2,924.00	\$1,462.00	
Total with \$1000.00 Special Assessment	\$2,800.00	\$1,400.00	\$3,700.00	\$1,850.00	\$4,300.00	\$2,150.00	\$4,750.00	\$2,375.00	\$5,124.00	\$2,562.00	

* Home Occupancy Fee is \$600.00 Annual.\$300.00 Bi-Annual

** Special Assessment will continue thru October 2023