

April 28, 2022

TO: White Bluff Property Owners
FROM: Board of Directors
RE: Special Called Meeting of the White Bluff Board of Directors

**Minutes of the
Special Called Meeting of the White Bluff POA Board of Directors
Invitees: Members of the WBPOA
Location: Conference Center – White Bluff Resort
Date: Saturday, March 26, 2022 – 10:00 AM**

1) Call to Order – Leonard Critcher, President

The meeting was called to order at 10:00 AM.

- a) Confirmation of a Quorum – Jim Fletcher, Secretary A quorum of the Board of Directors was present – Leonard Critcher, John Bass, Jim Fletcher, Jeff Williams, Joe Manders, and Trena Chagnon were in attendance. Teal Lang granted her proxy to Jeff Williams, and Mark Hepworth and Gerry Mayer granted their proxies to Trena Chagnon.

2) Open Forum

- a) Discussion of Agenda Items by attending members (limited to 4 minutes per member and a total of 20 minutes).
No one came forward with discussion items.
- b) Questions for the Board
No one in the audience asked questions of the Board.

3) Unfinished Work Session Business

Leonard Critcher announced that three board positions are open for election in May. To date, four property owners have indicated their interest in running for one of these positions – Chris Acker, Trena Chagnon, Mark Hepworth, and Jeff Williams.

The Marina Committee recommended converting the covered day slips to annual rentals. This change would generate more annual revenue from these slips and reduce staff costs for administering daily rentals. The four uncovered slips will not be converted and will remain available for daily rentals.

Open house will be held at the Inn at White Bluff from 4:00 to 7:00 PM this afternoon, Saturday, March 26.

4) Ratification of Board Actions previously taken via email and during Board workshops (see attached list) – Leonard Critcher

John Bass moved and Jeff Williams seconded a motion to approve the ratification items. The motion passed unanimously on a voice vote.

5) Agenda/Discussion Items

a) Financial Report – Jeff Williams, Treasurer

Annual Audit

The WBPOA audit was completed by Timothy DeVolt, CPA, on February 9th. Mr. DeVolt provided a clear opinion on the audit. A copy of the audit will be posted on the WBPOA website at www.whitebluffpoa.com.

2021 Financials (Balance Sheet)

The WBPOA ended the year with \$1,712,232.47 in operating cash and a cash reserve fund of \$1,389,533.21. Thus, total cash at the end of 2021 was \$3,101,765.

2021 Financials (Income Statement)

Revenues from golf operations and the restaurant totaled well above the budgeted amounts. Actual golf revenues totaled \$929,831, 46.4% above the budgeted amount of \$635,189. The restaurant revenues totaled \$458,678, double the \$227,755 budgeted.

Revenues for 2021 totaled \$10,033,096, and expenses totaled \$7,484,280. Thus, operating cash flow for the year totaled \$2,548,816.

2021 Net Cash Flow

Mr. Williams reported \$2,548,816 cash flow for 2021 less a principal payment on the Double Diamond loan for the purchase of the White Bluff assets in the amount of \$1,575,692 for a cash flow balance of \$973,124.

2021 Capital Improvements

The POA spent \$1,969,204 in capital improvements including the Inn at White Bluff. Insurance proceeds on the Inn in the amount of \$1,050,000 were paid to offset the restoration costs. This left a net negative cash flow balance of \$996,080 for 2021. However, the Inn at White Bluff is complete and paid off without any debt financing.

2022 Financials

The WBPOA is experiencing similar trends in revenues and expenses for the beginning of 2022. The POA disbursed \$210,000 to the White Bluff Volunteer Fire Department for the purchase of a replacement fire engine. These funds represent the monies collected from the \$100 annual fee collected from each homeowner that are dedicated to assisting the WBVFD fund equipment replacement.

As of the end of February 2022, the POA's liquidity position remains strong. We have \$2,131,686 in operating cash and \$1,209,799 in cash reserves for a total of \$3,341,485.

Trends in revenues and expenses continue to be in line with the budget. While the financial numbers for February are still preliminary, it appears we have free cash flow of slightly more than \$100,000. However, while operations are solid, we anticipate that extraordinary expenses related to defending the Walkinshaw lawsuit will result in a negative cash flow for the year.

On a final note, by the end of March, the POA will have reduced the outstanding debt owed to Double Diamond on the purchase of the White Bluff assets to \$1,857,343.

b) Acquisition of Double Diamond lots – Leonard Critcher

The CFO of Double Diamond approached Leonard Critcher earlier this year offering to donate the company's remaining 21 lots to the WBPOA. These lots are encumbered with easements and other limitations, such as golf cart paths across them, which make them unbuildable. After a careful evaluation of these lots, Teal Lang recommended acceptance of the lots to the Board.

c) Roads Report – John Bass

The costs for road rebuilding and replacement have skyrocketed due to higher oil prices and inflation. The POA can save a lot of money by completing these roads in-house instead of contracting out the work. Rick Aston, Roads Maintenance Supervisor, and the road crew are currently working on crack sealing roads, repairing potholes, and rebuilding shoulders to reduce edge erosion. Improving roads increases property values and helps to increase property sales. Over time, this will likely increase collection rates and improve cash flow for the WBPOA.