



January 1, 2023

Big Canoe Property Owners,

On behalf of the entire staff, I would like to thank all the Property Owners that contributed to the Employee Holiday Fund. We would like to wish everyone a very prosperous New Year!

The POA Board of Directors passed the 2023 Operating and Capital Budgets at the November 17, 2022 meeting. This was accomplished after five months of work and meetings by staff, the Finance Committee, and the Board of Directors.

The 2023 Budget Philosophy was based on:

- Managers focused on the five strategic plan objectives when building their plans.
- Maintained 2023 headcount equal to 2022 year-end.
- Cover community wide cost increases with general operating assessments.
- Cover increased amenity costs within each amenity with increased membership fees where needed and selective day use fees. There were no guest fee increases since we increased the guest fees significantly in 2022.

The approved Operating Budget includes the changes outlined below:

- Infrastructure
  - Tree trimming along overgrown road shoulders, enhanced invasive species removal, 40 miles of ditch cleaning, and 15 percent increase in Property/Liability/Auto/D&O insurance.
- Safety
  - Cyber security/MaintainX/Architectural Control Software
- Governance
  - New updated website with searchable features for covenants and rules, searchable activities calendar, faster communication of road closures, construction work, etc.
- Employees
  - Salary survey benchmarking was conducted using Glassdoor focused on job titles, job functions, employer size and the Jasper, GA area
  - Positions below minimum were brought closer to minimum, key employees were brought closer to mid-point and a 4% merit pool was established for the remaining employees
  - Benefits – Health benefits were negotiated to an 11% increase and transitioned from a Traditional 401(k) to a Safe Harbor Plan
- Property Owner Experience
  - All amenities will focus on selecting and marketing merchandise.
  - Food & Beverage – Later hours at the Clubhouse in season, Full-time event planner, more entertainment on Friday nights and more food/bar options at the Beach Club.
  - Golf – 17 percent increase in chemicals and fertilizer and increased price in course landscaping materials. Annual fees increase by five (5) percent to offset expense increases and cart fees increase by 50¢ for 18-holes.
  - Wellness Center – Revenue increases due to higher membership level and no change to any fees including memberships.
  - Aquatics – plumbing repairs at the Wildcat kiddie pool, repairs at Beach Club, sand at Beach club and annual fees increase by three (3) percent to offset expense increases.

- Racquet Club – May – September the pro shop will be open until 7 p.m., Pickleball open play limited to four sessions, no guest passes for Pickleball and Tennis, Pickleball and Tennis annual fees increase by 4% to offset increases and no increase for Bocce members.
- Marina – Fish stocking cost has increased, **refurbished** Pontoon Boats, Property Owner pontoon boat rental increases by \$10 per hour and no increase to annual fishing membership fees.
- Other Expense Impacts
  - Garbage collections increase by 43 percent, Property Owner transfer fees decline due to less closings, increase in legal fees and increase in interest expense that is partially offset by increased interest income.

The approved assessment increase is \$13/Lot and \$20/Lot with Dwelling. The Lot increase is \$10 for operations and \$3 for capital. The Lot with Dwelling increase is \$15 for operations and \$5 for capital. In addition, the Board approved to increase the Capital Contribution Fee \$500. This increase is effective January 1 in the amount of \$3,500.

The budgeted net income before depreciation is \$4,207,750. This pays for our debt service and replacement capital. The POA continues to be in strong financial health. The Operating and Capital budgets have been posted on the POA website under Property Owners/POA & Governance/Financials or use the following link <https://drive.google.com/file/d/1LX0HSRh-GchSWDtFfaS1SAooJ2OEhne6/view>. The 10-year cash flow statement reviewed by the Board of Directors and Finance Committee shows strong financial health for the POA in the upcoming years.

The two pie charts below demonstrate where your assessment increase dollars are spent and assessments are spent.

Happy New Year!

Jayne Hagan, Director of Finance

Where does my assessment increase go?

Where does my total assessments go?

