



2022 Annual Report

Communication, Advocacy and Protection of BHI Property Values

Annual Review

“Whatever life throws at us, our individual responses will be all the stronger for working together and sharing the load.” ~ Queen Elizabeth II

Each year, Bald Head Association’s Board of Directors meets at its annual retreat to discuss and agree on priorities for the coming year. The priorities selected for 2022 helped set the stage for a year of fruitful cooperation and making strong relationships even stronger. Cooperation with Island Entities, Improve the ARC Process, Communications and Transparency, Education before Fining, Welcome and Integrate New Homeowners and Members, Support the Staff and Continue the Financial Reserves and Stability Program were all priorities that focused the work of both the Board and Staff. Of course, gauging success on those priorities in any meaningful way can be difficult. Success with some of the priorities is easier to determine; others not as much.

At the January Annual Meeting, John Kinney was re-elected to the Board and Joe Brawner was elected for a three-year term. The prior slate of officers was re-elected — Alan Briggs, President; John Kinney, Vice President; and, Robert Drumheller, Secretary/Treasurer. The other two members, Tiffany Williams and Jennifer Lucas, round out this year’s diverse, high-functioning Board. The Board met 27 times in person and via Zoom, and spent substantial time discussing items, challenging each other and finding ways to resolve

whatever issue was at hand.

This year saw several staff changes. Long-time staffer Karen Mosteller was finally allowed to retire and replaced by Kim Bandera. Kim does a masterful job of managing the Harbour Association and Middle Island Property Owners’ Association’s (MIPOA) architectural review processes, as well as completes the field work to finalize new construction projects across the Island. Two other staff members retired — Carol Collins and Denise Eidal — each of whom retired with aspirations of traveling the U.S. Dora Richey and Leigh Ann Fink replaced Carol and Denise, respectively, as our Covenants Compliance Associate and Bookkeeper. Working with property owners on compliance issues and keeping the organization’s finances in top shape drive Dora’s and Leigh Ann’s daily work and have both already added great value to the Association. Sharon Beasley joined the staff after serving in a temporary role and is another welcome addition who adeptly keeps the architectural review process organized.

Throughout the year, keeping the BHA membership informed utilizing its communications vehicles — *BHA’s Compass*, the *Island Report* and the website — is always

Continued on page 4

Focus your smartphone’s camera on this QR code to go to the voting website

Vote online:

<https://baldhead.ivotehoa.com/login>

December 28, 2022, 8:00am EST – January 25, 2023, 4:00pm EST



Full candidate platform/questionnaire answers are online at www.BaldHeadAssociation.com.

Paul Carey



Profession and education: M.B.A. University of Maryland, College Park. B.A. in Economics and Finance, The Catholic University of America.

Spouse name: Lori.

What is your history with Bald Head Island that has brought you to ownership and now a candidate for BHA? We have owned a home on Bald Head Island since 2001. In that time I have served as a board member of the Bald Head Island Stage Two Association, where I served as president during the transition from developer controlled to homeowner control. Then we focused on the core tasks of the Association and were able to reduce homeowners' annual dues. I also was elected and served for six years as a board member of the Bald Head Island Club, serving as treasurer for five years and as president for one year. In that period we hired new senior management of the club and managed through Covid. Also, we successfully negotiated the purchase of the Shoals Club and Swans Quarters from the Mitchell family.

What professional skills and life experiences do you feel would be most valued as a member of the BHA Board? I have been fortunate to experience success in my professional career. From a business perspective, I have been a senior executive of a NYSE listed company. I have served as CEO of a technology company and as an active owner of a few other companies. I know how to get things done.

As a BHI property owner, what aspect of Island life is most important to you as a key to BHI's future and, if elected, how would you help craft that future? Bald Head Island is in a transition since the passing of George Mitchell. The island now has 700 unbuilt homesites, so the growth in population will continue for the foreseeable future. The BHA needs to be an effective representative of the property owners working with the Village and the commercial businesses to ensure the expected growth will be accommodated by island infrastructure including transportation. The Association must get back to basics of managing the architectural control process more effectively and to become an effective advocate for the property owners in the area of transportation.

Bob Keiger



Profession and education: Property Casualty Insurance; University of Delaware - BS Math.

Spouse name and background: Bonnie; Bucknell University - BA Economics.

What is your history with Bald Head Island that has brought you to ownership and now a candidate for BHA? Came to BHI 22 years ago on a Passport weekend and bought property. Purchased a home 15 years ago. The island was a refuge for slowing down, relaxing and enjoying the beach while at the same time respecting the environment and its wildlife. Now that I am retired, I can devote more volunteer time in service to BHI's future.

What professional skills and life experiences do you feel would be most valued as a member of the BHA Board? I have been fortunate to have some great mentors in my career who helped me create a framework for both my business and personal life. As a result, I have adopted 3 tenets that keep me focused and balanced on issues, challenges and goals — 1) It is always better to do the right thing than to do things

right, 2) Delay is anathema to excellence and 3) Don't fail to act on the truth. I have been active in citizen's associations and PTA's, served on the Vestry of several churches, managed the origination of GEICO's entry as the first insurance company to offer 24-hour service, served on the BHA post-Florence insurance panel and currently serve on the BHA Community Wide Standards committee.

As a BHI property owner, what aspect of Island life is most important to you as a key to BHI's future and, if elected, how would you help craft that future? I see the most important aspect of BHI's future being focused on balancing the growth of both commercial and residential development to be more in sync with its infrastructure supporting any development. For example, transportation, public safety, utilities and services do not appear to be keeping pace with the increasing demands of renters, visitors and owners. The difficult question here is just how does the BHA play a role in helping the village manage this. I would work hard to create a more collaborative relationship with ALL "governing" groups and their constituencies to try to balance all future development with the original vision set out for the island.

Full candidate platform/questionnaire answers are online at www.BaldHeadAssociation.com.

Nathan McBrayer



Profession and education: PE Chief Financial Officer- MBA, BS, CPA, CMA, CGMA, CITP.

Spouse name and background: Lori. Her background is in marketing, but her passion is animals. She created the Dogs of BHI group focusing on the rescue of lost island animals.

What is your history with Bald Head Island that has brought you to ownership and now a candidate for BHA? Lori introduced me to BHI. She said it was unlike anywhere, but you must see if the island calls you. Between arriving on the ferry and the tram I fell in love with BHI. After years of being renters, we bought our first property.

We bought our first home in Flora's Bluff as a vacation rental. Hurricane Florence severely damaged our home after our purchase and had to be extensively renovated. This gave us a new perspective to ownership on BHI. It provided us insight to the challenges of living on the island. In 2020 we purchased our permanent residence. My experience as a renter; a rental homeowner and a resident gives me a multi-

faceted view for the BHA. I have a deep love and respect of BHI and the unique relationship between the homeowners and the land. I want to be a part of the future while honoring the past.

What professional skills and life experiences do you feel would be most valued as a member of the BHA Board? As a CFO, I bring a strong financial background. My experience working with limited resources and multiple stakeholders is a key skill. I have extensive knowledge in fiscal matters and budgeting. My job is to fiscally work in the present while planning for future growth. I'm a member of BHI's Commercial Area Master Plan Committee (CAMPC).

As a BHI property owner, what aspect of Island life is most important to you as a key to BHI's future and, if elected, how would you help craft that future? BHI is at a crossroads as Ltd divests. Establishing a vision for the future community and how we fit into that vision while honoring the conservation of BHI is crucial. My role would be to listen and work with residents and the village to guide the community to continue to live in harmony with the island.

Christine Osborne



Profession and education: Real Estate Assistant, retired. Wake Tech Community College.

Spouse name and background: Rex Osborne. Managing Partner and Broker in Charge Windjam Properties-Commercial, Residential and Development. Bowling Green University.

What is your history with Bald Head Island that has brought you to ownership and now a candidate for BHA? My husband, Rex, and I first visited BHI in 1997 and fell in love with the uniqueness of the island. We purchased a lot and built our home in 2003, which we now reside in as full-time residents. Our boys, Collin and Harrison, enjoyed island life every summer of their childhood. I have watched the island evolve over the years and have grown with it while inserting myself whenever possible in areas I felt I would best be of service.

What professional skills and life experiences do you feel would be most valued as a member of the BHA Board? I have a background which involves three HOA's in Wake County, NC. One at its conception and the other two serving on each Board. I believe this lends me the experience for this particular roll. Speaking of service, I believe that it is important to give back to our island. To date, I serve as well as lead The Chapel's BHI Meal Outreach Program, volunteer with the PSA as an emergency Site Team Leader, serve on the BHIC House Committee and Co-Chair the BHI Holiday Parade.

As a BHI property owner, what aspect of Island life is most important to you as a key to BHI's future and, if elected, how would you help craft that future? As an island homeowner and your neighbor, I believe we share some of the same concerns. First and foremost, concerns from some of overreach should be addressed. Finally, my focus would be to not only discuss what improvements/changes are to be made but to also be clear about the cost incurred.

Open, clear communication between the BHA and its membership is key.

Candidate bio continues next page

Full candidate platform/questionnaire answers are online at www.BaldHeadAssociation.com.

Tiffany Williams



Profession and education: Broker-In-Charge/Owner (since 2000) of Tiffany's Beach Properties, a property management and real estate company on Bald Head Island, and owner of Room Service Home Furnishings store and interior design studio, also on the island. B.S. Degree in Journalism from the University of Miami, Florida.

What is your history with Bald Head Island that has brought you to ownership and now a candidate for BHA? I have been a property owner since 1996 and a full-time resident since 2016. I have volunteered for many boards and committees during this time including the BHA Architectural Review Committee, Village Chapel hospitality committee member. Formerly served on the BHI Club Temporary Membership Committee, the BHI Club Recreation Committee and as President of the BHI Chamber of Commerce.

What professional skills and life experiences do you feel would be most valued as a member of the BHA Board? Through my property management skills over the past 20+ years on the island and working with property owners over those years, I have lived through and experienced many real estate and community changes as the island has grown. Quite literally, I have devoted a large portion of my life working and living on this island and am passionate about the place I call home. Additionally, I served as my own general contractor while building my house and have experienced many of the challenges of the ARC process as a property owner and am acutely aware of processes that need to be improved.

As a BHI property owner, what aspect of Island life is most important to you as a key to BHI's future and, if elected, how would you help craft that future? The most important aspect of island life is to continue conservation, preservation and oversight of property development.

••• Annual Review, continued from page 1

a primary focus. This year, there was a particular emphasis on new property owners to help them understand how Bald Head Island functions, learn about Bald Head Association in relation to other Island entities and find out how to navigate the ins and outs of property ownership on the Island. And, several public information sessions, in addition to regular Board meetings, were held both in person and online to help facilitate understanding of various issues.

As of this writing, there were 154 changes in property ownership during 2022, with 10+ closings scheduled for December. This number of closings is significantly less than the past two years which have been runaway years — 273 in 2021 and 245 in 2020. Nonetheless, many of the new owners have visited the Association office to introduce themselves and ask questions related to their properties. We appreciated the chance to meet them.

With the community's apparent corralling of COVID-19 and its effects, more events were sponsored around the Island this year by most all Island entities. For BHA, there were 366 meetings/events held at the Association Center — all held in the Generator Society Hall since the other two smaller conference rooms were converted to staff space by necessity in 2021.

For several years now, BHA has assisted the Harbour Association and the MIPOA with their respective architectural review processes. This year was spent bringing a new MIPOA ARC chair and a new BHA staff member up-to-speed and strengthening those relationships to serve the members of those areas. Regular meetings of both of these associations provide a transparent process for their members and the architects, vendors

and contractors who work for them.

In the area of communication and transparency, emphasis was made to keep the BHA membership engaged on several areas of importance to BHA and to the membership as a whole. Early in the year, there were proposed changes to the use of BHA common area that were presented to the membership for feedback. Decisions related to the selection of an appropriate location for a special needs beach access and the relocation of existing driveways across common area were made by the Board after member feedback and input. We appreciate member participation in both of those instances.

Of note, BHA also spent a good amount of time this year helping property owners receive approval to remove dead, damaged or potentially dangerous trees near their homes. Staff facilitated approval to remove 95 trees, as well as trimming of regulation-sized branches near homes. Experts tell us that many of these trees failed as a result of the flooding from Hurricane Florence in 2018. Our hope is that this phenomenon will dissipate in the next couple of years.

The sale of the Island's transportation system garnered significant attention by most property owners and Island entities, including BHA. The smooth and efficient operation of the system affects owners, employees, visitors and businesses alike. Throughout the year, BHA has sent out numerous notifications through *BHA's Compass* email bulletin, keeping members informed of the status of the Village of BHI's request to regulate the BHI Transportation's barge and parking, and the sale of the ferry and tram operation. The Board held a public

Continued on page 10

BHA'S 2023 Annual Meeting, Voting and Smith Island Social

The 2023 Annual Meeting will be held on Saturday, January 28, 2023, at 9:00am. Below are specific instructions for voting online and participating in the 2023 Annual Meeting. Contact BHA with any questions at 910-457-4676, ext. 21.

Annual Meeting

BHA's 2023 Annual Meeting will be held in-person (at BHA's Association Center, 111 Lighthouse Wynd) and online on Saturday, January 28, 2023, at 9:00am. The meeting will be recorded and posted online for viewing on your own schedule. Information about joining the live meeting will be available on BHA's website in mid-January. Visit www.BaldHeadAssociation.com.

Voting

BHA is utilizing the software Vote HOA Now for online voting for the 2023 Annual Meeting. A paper proxy is also included in this Annual Packet, should you prefer. If you own multiple properties, please see the special instructions for voting on BHA's website (www.BaldHeadAssociation.com). Members who cannot or prefer not to vote online should contact BHA (Diane@BaldHeadAssociation.com) to request a paper proxy be mailed or emailed if needed.

To vote online, visit the secure web address listed in the box (or the QR code) found on the front cover. You'll be taken to a secure site specific to BHA's election. Enter your unique registration code found on the label on the front cover. Online voting will begin at 8:00am on Wednesday, December 28, 2022, and end at 4:00pm on Wednesday, January 25, 2023. All paper proxies must also be received by 4:00pm on January 25, 2023, in order to be counted. Voting on the day of the Annual Meeting will be via ballot using the same website and unique registration code. No motions will be taken from the floor.

Again, note that special instructions will be available for owners of multiple properties on the website. Questions? Contact Carrie Moffett, BHA Executive Director, at 910-457-4676, ext. 26 or Carrie@BaldHeadAssociation.com.

BHA's Smith Island Social

BHA's Smith Island Social, a long-running annual tradition held at the BHI Club the evening after BHA's Annual Meeting, will return this year after a short hiatus due to COVID-19. The event will be held Saturday, January 28, 2023. More details will be forthcoming. Mark your calendars now to attend!



**Bald Head Association
Balance Sheet
As of December 31, 2021**

	2021			2020 Comparative Total
	Operating Fund	Repair & Replacement Reserve Fund	Total	
ASSETS				
Current Assets				
Cash & cash equivalents	\$ 690,709	\$ 676,693	\$ 1,367,402	\$ 1,476,740
Membership assessments & interest/penalties/fines receivable, net of \$55,535 allowance	50,453	-	50,453	18,950
Accounts receivable, net of \$7,750 allowance	2,400	-	2,400	163
Prepaid expenses	14,834	-	14,834	3,603
Total Current Assets	<u>758,396</u>	<u>676,693</u>	<u>1,435,089</u>	<u>1,499,456</u>
Land - Battery 4 creek lot	651,801	-	651,801	651,801
Property & equipment, net of \$643,487 accumulated depreciation	960,803	-	960,803	712,348
Total Property & Equipment, Net (Note 2)	<u>1,612,604</u>	<u>-</u>	<u>1,612,604</u>	<u>1,364,149</u>
Total Assets	<u>\$ 2,371,000</u>	<u>\$ 676,693</u>	<u>\$ 3,047,693</u>	<u>\$ 2,863,605</u>
LIABILITIES & FUND BALANCE				
Current Liabilities				
Accounts payable	\$ 12,212	\$ -	\$ 12,212	\$ 23,902
Deferred revenue	48,334	-	48,334	15,080
Security bonds & deposits	344,500	-	344,500	239,000
Total Current Liabilities/Total Liabilities	<u>405,046</u>	<u>-</u>	<u>405,046</u>	<u>277,982</u>
Fund Balance				
Undesignated	353,350	-	353,350	173,219
Investment in property & equipment, net of related debt	1,612,604	-	1,612,604	1,364,149
Repair & replacement reserve fund balance (Note 9)	-	676,693	676,693	1,048,255
Total Fund Balance	<u>1,965,954</u>	<u>676,693</u>	<u>2,642,647</u>	<u>2,585,623</u>
Total Liabilities & Fund Balance	<u>\$ 2,371,000</u>	<u>\$ 676,693</u>	<u>\$ 3,047,693</u>	<u>\$ 2,863,605</u>

Bald Head Association
Statement of Revenues, Expenses, and Changes in Fund Balance
For the Year Ended December 31, 2021

	2021			2020
	Operating Fund	Repair & Replacement Reserve Fund	Total	Comparative Total
REVENUES				
Membership assessments & fees - ordinary	\$ 746,031	\$ 196,173	\$ 942,204	\$ 925,290
Special assessment	-	112,277	112,277	-
Association Center fees	7,300	-	7,300	1,600
Architectural review committee	180,500	-	180,500	104,400
Penalties & interest	60,417	-	60,417	31,498
Interest income	131	296	427	4,178
Gain (loss) on disposal of assets	-	-	-	(535)
Island Report advertising	72,225	-	72,225	56,942
Boat park annual leases	34,750	-	34,750	33,031
Garden plot annual leases	2,267	-	2,267	1,555
Other income	74,639	-	74,639	11,729
Total Revenues	<u>1,178,260</u>	<u>308,746</u>	<u>1,487,006</u>	<u>1,169,688</u>
EXPENSES				
Operating & Administrative Expenses				
Wages & benefits	495,375	-	495,375	389,095
Transportation	19,772	-	19,772	13,669
Computer & software expense	30,487	-	30,487	25,612
Other administrative	4,886	-	4,886	4,537
Bank charges	331	-	331	618
Bad debt	38,950	-	38,950	21,054
Equipment lease & repairs	3,204	-	3,204	3,118
Exterminator services	1,364	-	1,364	3,585
Assessment expense	1,467	-	1,467	1,455
Office supplies	4,542	-	4,542	4,623
Office postage	1,836	-	1,836	1,815
Communications media expense	7,980	-	7,980	10,136
Consulting	11,070	-	11,070	10,953
Miscellaneous	205	-	205	250
Total Operating & Administrative Expenses	<u>621,469</u>	<u>-</u>	<u>621,469</u>	<u>490,520</u>
Depreciation	<u>44,242</u>	<u>-</u>	<u>44,242</u>	<u>41,567</u>
Association Center				
Repairs & maintenance	60,093	-	60,093	41,013
Utilities	16,704	-	16,704	17,155
Taxes - property	17,860	-	17,860	17,850
Association Center building insurance	7,538	-	7,538	13,820
Member services	180	-	180	26
Total Association Center	<u>102,375</u>	<u>-</u>	<u>102,375</u>	<u>89,864</u>
Other Service Areas				
Common area & reserve expense	160,040	416,401	576,441	206,540
Committees	6,429	-	6,429	6,310
Island Report	26,272	-	26,272	23,759
Boat park	7,012	-	7,012	3,838
Battery Park - maintenance	1,750	-	1,750	1,925
Insurance	6,442	-	6,442	10,972
Audit & accounting	7,000	-	7,000	9,200
Legal	30,550	-	30,550	27,114
Total Other Service Areas	<u>245,495</u>	<u>416,401</u>	<u>661,896</u>	<u>289,658</u>
Total Expenses	<u>1,013,581</u>	<u>416,401</u>	<u>1,429,982</u>	<u>911,609</u>
Excess (Deficit) of Revenues Over (Under) Expenses				
	164,679	(107,655)	57,024	258,079
Fund Balance, Beginning				
Purchase of fixed assets from reserve fund	1537,368	1,048,255	2,585,623	2,327,544
Transfer to/from operating fund	145,000	(145,000)	-	-
	118,907	(118,907)	-	-
Fund Balance, Ending	<u>\$ 1,965,954</u>	<u>\$ 676,693</u>	<u>\$ 2,642,647</u>	<u>\$ 2,585,623</u>

**Bald Head Association
Statement of Cash Flows
For the Year Ended December 31, 2021**

	2021			2020
	Operating Fund	Repair & Replacement Reserve Fund	Total	Comparative Total
Cash Flows From Operating Activities				
Cash Collections for:				
Membership assessments & fees - ordinary	\$ 745,545	\$ 196,173	\$ 941,718	\$ 922,701
Special assessment	-	112,277	112,277	-
Association Center fees	7,300	-	7,300	1,600
Architectural review committee	180,500	-	180,500	104,400
Penalties & interest	60,417	-	60,417	31,498
Interest income	131	296	427	4,178
Gain (loss) on disposal of assets	-	-	-	(535)
Island report advertising	72,225	-	72,225	56,942
Boat park annual leases	34,750	-	34,750	33,031
Garden plot annual leases	2,267	-	2,267	1,555
Other income	74,639	-	74,639	11,729
Less: Cash Payments for:				
Total expenses	(886,763)	(416,401)	(1,303,164)	(864,108)
Net Cash Provided (Used) By Operating Activities	291,011	(107,655)	183,356	302,991
Cash Flows From Investing Activities				
Purchase of fixed assets	(28,790)	(263,904)	(292,694)	(103,689)
Net Cash Provided (Used) By Investing Activities	(28,790)	(263,904)	(292,694)	(103,689)
Cash Flows From Financing Activities				
Net Cash Provided (Used) By Financing Activities	-	-	-	-
Net Increase (Decrease) in Cash	262,221	(371,559)	(109,338)	199,302
Cash & Cash Equivalents, Beginning	428,488	1,048,252	1,476,740	1,277,438
Cash & Cash Equivalents, Ending	\$ 690,709	\$ 676,693	\$ 1,367,402	\$ 1,476,740
Reconciliation of Cash Flows From Operating Activities:				
Excess (deficit) of revenues over (under) expenses	\$ 164,679	\$ (107,655)	\$ 57,024	\$ 258,079
Adjustments to Reconcile Excess (Deficit) of Revenues to Net Cash Provided (Used) By Operating Activities:				
Depreciation	44,242	-	44,242	41,567
Loss on disposal of recorded assets	-	-	-	535
Prior period adjustment	-	-	-	2,200
(Increase) Decrease in:				
Membership assessments & interest/penalties/fines receivable	(31,503)	-	(31,503)	(9,448)
Accounts receivable	(2,237)	-	(2,237)	9,372
Prepaid expenses	(11,234)	-	(11,234)	(3,600)
Increase (Decrease) in:				
Accounts payable	(11,690)	-	(11,690)	(17,001)
Deferred revenue	33,254	-	33,254	(2,513)
Security bonds & deposits	105,500	-	105,500	23,800
Net Cash Provided (Used) By Operating Activities	\$ 291,011	\$ (107,655)	\$ 183,356	\$ 302,991
Supplemental Disclosure				
Interest paid			\$ -	\$ -
Income taxes paid			\$ 250	\$ -

**Bald Head Association
Notes to Financial Statements
December 31, 2021**

**8. REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE – BY LOCATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Master	Palmetto Cove	The Grove	Cedar Court	Palm Court	Braemar Highlands	Loggerhead Trail	Cape Fear Station	Keeper's Landing	Surfman's Walk	Sumner's Crescent	Total
Operating Fund REVENUES												
Assessments	\$ 585,160	\$ 1,119	\$ 3,864	\$ -	\$ -	\$ -	\$ -	\$ 10,775	\$ 81,305	\$ 37,540	\$ 26,268	\$ 746,031
Fees & other	432,098	-	-	-	-	-	-	-	-	-	-	432,098
Interest income	131	-	-	-	-	-	-	-	-	-	-	131
Total Revenues	<u>1,017,389</u>	<u>1,119</u>	<u>3,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,775</u>	<u>81,305</u>	<u>37,540</u>	<u>26,268</u>	<u>1,178,260</u>
Management fees	26,622	(355)	(2,612)	-	-	-	-	(1,645)	(12,000)	(6,008)	(4,002)	-
Other expenditures	(881,852)	(689)	(1,375)	(125)	(125)	-	-	(7,330)	(71,089)	(30,221)	(20,775)	(1,013,581)
Net Operating Fund Surplus (Deficit)	162,159	75	(123)	(125)	(125)	-	-	1,800	(1,784)	1,311	1,491	164,679
Fund Balance, Beginning - Operating	1,476,969	1,213	4,016	334	1,509	(67)	4,021	23,022	14,198	6,995	5,159	1,537,368
Transfers from reserves	120,840	-	-	-	-	67	-	-	1,000	(2,000)	(1,000)	118,907
Reserve purchase of fixed assets	145,000	-	-	-	-	-	-	-	-	-	-	145,000
Fund Balance, Ending - Operating	<u>\$ 1,904,968</u>	<u>\$ 1,288</u>	<u>\$ 3,893</u>	<u>\$ 209</u>	<u>\$ 1,384</u>	<u>\$ -</u>	<u>\$ 4,021</u>	<u>\$ 24,822</u>	<u>\$ 13,414</u>	<u>\$ 6,306</u>	<u>\$ 5,650</u>	<u>\$ 1,965,954</u>
Repair & Replacement Reserve Fund REVENUES												
Assessments	\$ 45,250	\$ 10,750	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 90,073	\$ 37,000	\$ 4,000	\$ 4,100	\$ 196,173
Special assessment	112,277	-	-	-	-	-	-	-	-	-	-	112,277
Interest income	98	19	15	1	1	1	2	76	53	23	8	296
Total Revenues	<u>157,625</u>	<u>10,769</u>	<u>5,015</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>90,149</u>	<u>37,053</u>	<u>4,023</u>	<u>4,108</u>	<u>308,746</u>
Expenditures	(3,639)	(3,335)	-	-	-	-	-	(404,845)	(4,582)	-	-	(416,401)
Asset acquisition	(145,000)	-	-	-	-	-	-	-	-	-	-	(145,000)
Net Repair & Replacement Reserve Fund Surplus (Deficit)	8,986	7,434	5,015	1	1	1	2	(314,696)	32,470	4,023	4,108	(252,655)
Fund Balance, Beginning - Repair & Replacement Reserve	199,440	48,232	39,840	1,516	3,599	2,580	5,861	533,448	115,007	68,894	29,839	1,048,255
Transfers to operating	(120,840)	-	-	-	-	(67)	-	-	(1,000)	2,000	1,000	(118,907)
Fund Balance, Ending - Repair & Replacement Reserve	<u>\$ 87,586</u>	<u>\$ 55,665</u>	<u>\$ 44,855</u>	<u>\$ 1,517</u>	<u>\$ 3,600</u>	<u>\$ 2,514</u>	<u>\$ 5,862</u>	<u>\$ 218,751</u>	<u>\$ 146,477</u>	<u>\$ 74,917</u>	<u>\$ 34,947</u>	<u>\$ 676,693</u>
Total Fund Balance	<u>\$ 1,992,554</u>	<u>\$ 56,953</u>	<u>\$ 48,748</u>	<u>\$ 1,726</u>	<u>\$ 4,984</u>	<u>\$ 2,514</u>	<u>\$ 9,883</u>	<u>\$ 243,573</u>	<u>\$ 159,891</u>	<u>\$ 81,223</u>	<u>\$ 40,597</u>	<u>\$ 2,642,647</u>

••• *Annual Review, continued from page 4*

information session mid-year with BHI Limited and prospective buyers/operators of the system. As of this writing, more than 420 individuals have viewed the YouTube recording of the event. In addition to meeting with the North Carolina Utilities Commission (NCUC) Public Staff regarding the two dockets, the Board sent out two opinion surveys to property owners to understand how BHA's membership prefers those issues be resolved. BHA is committed to keeping the membership informed of happenings related to the regulation request and the sale as those issues progress into the new year.

Committees

As is always the case, the fulfillment of the management responsibilities mandated in our governing documents is made possible with the help of the organization's committees and the 54 current volunteers who joined them. We remain deeply grateful for their commitment and dedication.

Architectural Review Committee (ARC) — With the overwhelming number of new construction projects the past two years, the ARC and staff have struggled to keep up. In past years, the two sections of the ARC reviewed an average of 12-15 submittals at each meeting containing items such as new construction, landscaping and remodeling projects. During 2022 (through November) the committee reviewed an average of 25-30 (more than double!) submittals each month, and plans for 39 new construction projects were approved. An additional 5 new construction projects were submitted for consideration in December. According to the Village of BHI, 57 homes are currently under construction. The dedication and professionalism of our ARC staff and volunteers is unparalleled. We can't thank the ARC volunteers enough for the hours and hours they contribute to making this process work smoothly.

Community Wide Standards (CWS) Committee — The CWS Committee successfully completed its first full year of existence. Believing that, over time, a major responsibility of BHA will be helping property owners keep aging homes maintained to a shared standard. Six volunteers identify homes that might be in need of some level of maintenance and, along with a staff member, work with the owners of those properties to bring their homes into compliance. There were 28 homes that were identified in 2021 that have brought their homes back into compliance, whether it was painting, minor repair work or even pressure washing. CWS members will begin their annual review of the homes in early 2023.

Education and Recreation (ER) Committee — The ER Committee had a very active year, coming back from some COVID delays. ER held community potlucks from January to May, then resumed in September. Hurricane Ian canceled the October potluck, but again resumed in November and December. The April potluck was the largest attendance, with 42 people.

A game night, first-ever Island-wide picnic at the Marina Park, charcuterie demonstration, calligraphy class, Pirate's Weekend, autumn cooking demonstration and the first Island-wide holiday cookie exchange are all events sponsored by the ER, in addition

to the regular activities of yoga, handmade card-making, the sewing/knitting group and the men's Bible Study group. Nearly all of these events were held at the Association Center.

For 2023, the ER Committee is planning for the Smith Island Social, considering an all-Island Easter egg hunt, is discussing adding some educational events mixed into venues and will continue sponsoring the regular activities throughout the coming year. We thank the committee for their hard work planning these activities for BHA's members.

Finance Committee — The Finance Committee plays a crucial role in helping ensure all of BHA's financial goals are met, particularly through the annual budget. The most recent professional reserves study determined the value of the assets that BHA manages is \$3.5 million. The committee met several times throughout the year to discuss the reserves requirements and assessment of all aspects of the complex budget, which is initially developed by the staff. We appreciate their advice and careful evaluation that helps keep our finances in top shape.

Resource Conservation and Beautification (RCB) Committee — The RCB Committee's charge is to help keep Bald Head Island beautiful. The primary way RCB does that is through litter sweeps and Operation ReForest — We Forest. Several litter sweeps are typically held throughout the year, providing "grabbers" and trash bags for volunteers to pick up litter along BHI's streets and wynds. Through Operation ReForest — We Forest, volunteers plant trees and other vegetation mostly on BHA Common Area. BHA also allows property owners wanting to plant trees to piggyback their purchase onto our larger order, which lets them purchase the trees at a discounted price. In 2022, volunteers planted 27 live oak trees and 6 wax myrtles. Additionally, many trees were ordered by property owners for planting on their own properties — 25 live oaks, 35 wax myrtles, 19 yaupon hollies and 15 sabal minor palms. In all, the effort was a great success, and we are grateful for the volunteers willing to get dirty to get the trees in the ground. Special thanks to Dale Giera of Trinity Builders for the donation of the labor to dig the holes, to BHI Limited for the donation of the barge fees to bring the trees to the Island and to Duke Energy for the grant that helped purchase and transport the trees to the Island.

In all, there were many successes to celebrate this year — all because the Board, committees, volunteers and staff all worked toward a common goal of serving the community. If you are interested in volunteering (we always need volunteers!), please visit our website at www.BaldHeadAssociation.com to learn more about the committees and download a volunteer application.

Please reach out to us if we can help you in any way. We look forward to continuing to serve you in the coming year with the same high-quality customer service you've come to expect.

Respectfully,

Carrie Moffett, Mary Anne Arata, Kim Bandera, Sharon Beasley, Leigh Ann Fink, Pam Henson, Diane Mesaris, Fran Pagliaro, Pam Rainey and Dora Richey



BHA Committee Descriptions

Consider sharing your knowledge, skills and time by serving on an Association committee. The committees' general goals are defined below to help you identify areas of interest. Please be a part of these efforts. This is your Association and your Island! Additional information is at www.BaldHeadAssociation.com.

Architectural Review Committee (ARC)

The ARC has the crucial charge of reviewing home plans and administering the Design Guidelines, with typically hundreds of reviews handled each year for home plans, landscaping and renovation-related submittals. Comprising two sections — Section A and Section B. Nine volunteers serve on each ARC section.

Community Wide Standards (CWS) Committee

This committee evaluates BHI properties to help ensure homes are compliant with the Community Wide Standards.

Education and Recreation (ER) Committee

This committee discusses, devises, recommends and/or implements educational and recreational programs for property owners, renters and visitors.

Finance Committee

This committee assists with developing the annual budget and helps the Board monitor the Association's financial status. It also oversees the annual audit process and makes recommendations on financial policy to the Board.

Long-Range Planning (LRP) Committee

This committee reviews and evaluates past long-range plans and summarizes progress toward stated goals. They recommend actions that help fulfill Association purposes and responsibilities.

Nominating Committee

This committee has the crucial job of identifying qualified candidates to run for future BHA Board positions and continue the tradition of strong leadership for the BHA.

Resource Conservation and Beautification (RCB) Committee

This committee makes recommendations for the maintenance and development of Common Areas, spearheads "Operation Re-Forest — We Forest" annually and coordinates Litter Sweeps each year.

Thank you for your interest in your Association!



BHA Committee Volunteer Form

Bald Head Association (BHA)
P.O. Box 3030 / Bald Head Island, NC 28461
Phone 910-457-4676 / Fax 910-457-4677
Email: *Carrie@BaldHeadAssociation.com*

Name _____

BHI Address _____

Alternate Address _____

City, State, Zip _____

BHI Phone _____

Off-Island Phone _____

Cell Phone _____

Email _____

Profession _____

I am interested in the:

- Architectural Review Committee (ARC)
- Finance Committee
- Nominating Committee
- Community Wide Standards (CWS) Committee
- Long-Range Planning (LRP) Committee
- Education and Recreation (ER) Committee
- Resource Conservation and Beautification (RCB) Committee

I want to serve as a committee member because: _____

I feel I could contribute the following skills or perspective: _____

If I am not chosen for this committee, I would be willing to serve on the (check all that apply):

- Architectural Review Committee (ARC)
- Finance Committee
- Nominating Committee
- Community Wide Standards (CWS) Committee
- Long-Range Planning (LRP) Committee
- Education and Recreation (ER) Committee
- Resource Conservation and Beautification (RCB) Committee

Thank you!

Feel free to attach additional pages, if needed. Emailed or faxed submissions are welcome.



APPOINTMENT OF PROXY

I, _____, hereby appoint Robert Drumheller, Secretary of the 2022 BHA Board of Directors (the "Board Secretary"), proxy with full power of substitution to act and vote on my behalf at the Annual Meeting of members of the BHA to be held in-person and electronically on January 28, 2023, at 9am, and at any adjournment or adjournments thereof, as fully as the undersigned member would be entitled to act and vote if personally present. The undersigned directs the Board Secretary to vote as follows:

SELECT EITHER OPTION A OR OPTION B. *If you do not indicate option A or B but have signed your name on the reverse, BHA will presume this proxy to direct the BHA Board to vote as it deems appropriate.**

- _____ A. I direct the Board Secretary to cast all of my votes as directed by a majority of the 2022 BHA Board.
- _____ B. I direct the Board Secretary to cast my votes as follows:

I. FOR THE ELECTION OF DIRECTORS:

- | | |
|------------------------|-------------------------|
| _____ J. Paul Carey | _____ Bob Keiger |
| _____ Nathan McBrayer | _____ Christine Osborne |
| _____ Tiffany Williams | |

Note: There are two vacancies on the BHA Board for 2023.

**(Members are entitled to one vote per lot. Cumulative voting is permitted. Whole numbers only, please. Any proxy previously made by the undersigned for such meeting is hereby revoked. This proxy shall be effective only for the meeting and may be revoked at any time upon written notice to the Secretary or agent authorized to tabulate votes from the undersigned member.)*

**PLEASE SEE REVERSE TO LIST PROPERTIES OWNED AND SIGN THE PROXY.
ONLY SIGNED PROXIES WILL BE COUNTED.**

List below the BHA properties you own by Lot Number OR Street Address.
Use a separate piece of paper if necessary.

Dated: _____, 20____

Signature: _____ Printed Name: _____

(By signing above, I certify that I am authorized to execute this proxy on behalf of all owners of the above listed property(ies).)

**THIS PROXY MUST BE RECEIVED BY THE BHA OFFICE BY 4PM
ON WEDNESDAY, JANUARY 25, 2023, IN ORDER TO BE COUNTED.**

MAIL TO:

**Bald Head Association
P.O. Box 3030
Bald Head Island, NC 28461**

EMAIL TO:

Diane@BaldHeadAssociation.com

FAX TO:

1-888-375-4676