

# EXPLANATION OF HOW SEASONAL FEES ARE DETERMINED

One portion of your annual assessment is based on the real estate tax bill. Each cottage is assigned a real estate charge based on the size of the cottage. Real Estate equivalency units have been assigned to each cottage (see below). The latest real estate tax bill of \$89,725.38 is divided by the total number of equivalency units (486) to arrive at a value per equivalency unit of \$185. Please refer to the chart below.

<u># of Cottages</u>	<u>Size</u>	<u>Equivalency Units</u>	<u>Real Estate Units</u>
50	1	1.0	50.0
102	1.5	1.5	153.0
94	2	2.0	188.0
20	RFT A	3.5	70.0
5	RFT B	5.0	25.0
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271			486.0

Another portion of the ground lease is assessed equally to all cottages based on operating expenses. This year our expenses exceeded income by \$246,038, which is then divided by the number of cottages (271) to derive the per cottage operating charge of \$908.

Fixed fees are added to the real estate and operating charges to form the seasonal fee per cottage for 2022-2023. The fixed fees cover the pool tags for the cottage owner, spouse, and their children under the age of eighteen, and one coupon book. The Capital Improvement fee reflects the balance of the increase in the ground lease based on cottage size. The \$\$ collected for capital improvements are earmarked for major projects (waterline repair/replacement) vs operating expenses (wages, utilities, general maintenance, trash/disposal, etc.). The charts below provide a comparison of 2022-2023 and the prior year, 2021-2022.

## COMPARISON OF SEASONAL FEES FOR 2022-2023 and 2021-2022

2022-2023					
Real Estate	Operating Charge		Fixed Fees	Capital Improve	Total
188	908	1,096	210	216	1,522
282	908	1,190	210	224	1,625
377	908	1,285	210	233	1,728
659	908	1,567	210	258	2,035
942	908	1,849	210	284	2,343

2021-2022					
Real Estate	Operating Charge		Fixed Fees	Capital Improve	Total
181	746	927	210	216	1,353
272	746	1,018	210	224	1,452
363	746	1,109	210	233	1,552
634	746	1,380	210	258	1,848
906	746	1,652	210	284	2,146

The District Council expects to send your ground lease invoice in early November via the US mail. Ground lease fees are due by December 1, 2022. Interest will be charged at 1% per month for late payments. If fees are not paid by March 1, 2023, it may result in termination of your ground lease. In addition, a \$50 late fee will be imposed to any fees that are not paid in full by March 1, 2022.