

**Belfair Acreage Tracts Association (BATA)**  
**Special Meeting on CPA Audit - October 13, 2024**

*DRAFT Meeting Minutes prepared 10-21-2024 by T. Lazo and posted 10-24.  
A few corrections reported and revised draft posted 10-27. Final version posted 11-12-2024.*

**BATA Special Meeting to vote on whether the community should proceed with expending funds to hire an independent CPA to audit the Association's 2024 accounts.**

**Notification of meeting:** Community members were notified of the meeting and the quorum requirements for a vote in advance of the meeting by three methods. A hard copy newsletter was mailed to the property owners via US Postal Service on October 3<sup>rd</sup>. Notice of the meeting and the newsletter were posted to the community website on October 4<sup>th</sup>. A sandwich board sign with meeting date reminder was placed next to the community sign along Alderwood Road at the entrance to the community on October 7<sup>th</sup>. The newsletter explained the reason for the meeting and decision, the quorum requirements for the vote, the scheduled meeting date and scheduled dates for subsequent meetings until quorum achieved. The newsletter also included an attached vote form/ballot for those who wanted to send their vote in by mail or with someone because they were unable to attend the meeting in person.

**Location:** North Mason Timberland Library meeting room

**Attendance:** There were 9 community members in attendance in person, in addition to 4 of the 5 board members. Many community members submitted a vote form by proxy with another member or by mailing to the Board. The Secretary projected a chart on the wall showing the tally of attendance and proxy numbers for quorum as people came into the meeting. Blank vote forms were made available at the meeting.

**Board members in attendance:** Elayne Stodola (President), Mark Case (Vice President), Terilynn Lazo (Secretary), Robert Maxwell (Treasurer)

**Start:** Meeting called to order at 4:12 PM by Board President, Elayne Stodola. Sign In sheet provided at meeting room entrance.

President started the meeting by explaining the reason for the Special meeting and requirement for the independent CPA audit. As explained in the newsletter, this is the first year that we meet the threshold of the state law requirement to have an independent CPA audit our financial records. This is because the higher dues assessed in 2024 put our combined assessments over \$50,000. State law RCW 64.38.045 requires that we hire an independent Certified Public Accountant (CPA) to audit our annual financial statements unless the community votes to waive the independent audit. We'll be required to spend community funds to hire a CPA in January after we close out the books on 2024, unless the community votes to waive the requirement. The Treasurer obtained estimates from CPAs and only a couple responded with estimate of about \$15,000. The ones who responded said it would be costly for the size of our account and recommended we don't spend the money. If the community has to vote if we don't want to do it. This is a lot of money to spend. It is a more involved audit than in the past when we've had a CPA look at our bank account. To comply with the State law, the CPA audit will be very involved including looking at past IRS records.

**Discussion and Q&A:** (Note that in this document “? CM” indicates question or comment from community member. Full names of those not on the board will not be shown unless requested/approved by the commenting attendee.)

?CM – What is the law that requires the audit to go back more than a year? President said that the CPA’s who responded told us that was what they had to do and the reason for the cost.

?CM – Why is it so expensive? Treasurer responded that the CPA told us it would be hours and hours of work. He is not sure what all they have to do. Secretary commented that since it is required by a state law, the CPA is going to do a more thorough job than just looking at our checkbook because they could be held liable if there is an issue and they don’t want to put their license and business at risk of legal action.

Discussion about documents they may have to look at including tax records and easements.

?CM – Does the easement allow dirt bikes? VP explained that easement is for people to traverse the roads and does not specify mode of transportation or limit ways they can travel through.

?CM – Is there a requirement for someone to look at the books every month? President explained that she looks at the books every month. The bylaws require that the accounts are made available for community review. If any community member wants to look at the books they can make arrangements with Robert our treasurer. President has a degree in accounting and reviews the books and has seen no issues so far. She also looked at the books before she was on the board. The previous board scheduled a day at the library for community to come and review the books but Elayne was the only one who attended.

?CM – When she was on the board, they had an independent group of community members look at the books. These were non-Board members. Can we add a requirement like this into the bylaws? Board said that was a good idea and Secretary agreed to add it as part of the revisions of the bylaws for the community to consider.

?CM – Can we leave our ballot and have it count for future meeting so we don’t have to come to each CPA audit special meeting? Secretary said YES, you can leave a ballot and it will count and if you think of another question and want to come back you are welcome. At the time of this question, we did not have a quorum.

?CM – Is this vote like last year’s budget and meaning if we don’t vote, you go ahead with the audit? Pres said no, the ballot for this CPA audit question clearly states whether you vote for conducting the CPA audit or not. Secretary said we will proceed however the community votes.

?CM – Why are we voting on this if the law requires it? (This community member arrived later in the meeting and missed the initial explanation made by the President.) President responded by explaining the requirement by the law also allows in that same law the option for the members to waive the audit requirement. Since it is a lot of money to spend on the audit, the

board wanted to offer it to the community to vote on instead of just going ahead with the expense.

?CM – Why didn't the board last year recognize it when they raised the dues? Treasurer was on the board last year and said the previous board didn't know about it. VP said it was found when they were review the laws for updating the bylaws.

?CM – Didn't the attorneys put it out to the board last year when they advised the board on the new budget process? Treasurer said no the attorney did not.

VP reported that the state legislature just voted on a change to push community associations to go under RCW 64.90 in 2028. He thinks at that time, the CPA audit will be required if we are over \$50K and there is only an option to waive it if the community is under \$50K.

?CM – Is this way of voting on the CPA audit how you will do the budget vote? VP said no because the state laws on the budget vote do not require a quorum. Under the 2018 changes to the law, if people do not vote against the budget, it automatically passes. President said that is why we will discuss budget at the follow-on board meeting so we can get input from the community as much as possible before proposing the budget for next year.

President asked if any other questions or discussion on CPA audit? No additional questions.

Secretary reported that for this first meeting, the total of proxies and in person attendance came to 26 which **does not meet the quorum** requirement of 61 for the October 13<sup>th</sup> meeting. The next meeting will be required at which time the quorum will be 31. Several members in attendance gave their ballot to the secretary. Some wanted more time to think about it. If we can get several more to submit a ballot by the next meeting on October 27, we may not have to hold the third meeting on November 10<sup>th</sup>. At this time, we have enough ballots to meet the Nov 10<sup>th</sup> quorum requirement, so we will for sure not need the fourth meeting on November 24<sup>th</sup>. Votes will not be tabulated until we have a quorum.

President called the special meeting on the CPA audit adjourned at 5:00 pm.