



## **Belfair Acreage Tracts Association**

### **NEWSLETTER – March 2026**

Greetings BATA neighbors! We have some important information on the CPA audit requirement and it is that time of year again to open nominations for Board elections. Please review this newsletter carefully and the key dates provided. As always there are more details in the minutes and documents on the website, [www.bataowners.org](http://www.bataowners.org). Thank you for your attention!

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#### **1. CPA Third Party Audit**

As you know, the combined amount of annual dues we collect exceeds the \$50,000 threshold in the state law which requires us to have a third-party CPA conduct an audit unless the members waive it. The actual wording in RCW 64.38.045 is “The financial statements of associations with annual assessments of \$50,000 or more shall be audited at least annually by an independent certified public accountant, but the audit may be waived if 67 percent of the votes cast by owners, in person or by proxy, at a meeting of the association at which a quorum is present, vote each year to waive the audit.” The waiver option only applies until 2028 when RCW 64.38 goes away and RCW 64.90 is required in full. After that the annual audit becomes mandatory.

We voted to waive the audit of the 2024 books because the cost was too high (\$15,000-\$20,000). We tried to find lower cost options in 2025, but were again unsuccessful. We did get some helpful information from a CPA firm manager that explains the cost and he also provided some recommendations. A summary of his conversation with our secretary follows:

*BATA Secretary had explained to him that we were an HOA that collected more dues than the \$50K threshold in the law, but not a lot more and we were getting quotes for an audit that would cost us \$20K. That buys a lot of gravel and while our community likes the idea of a third-party check on our books, we have concerns about the cost. We voted to waive it last year.*

*The manager agreed that firms would likely charge that much because of what is involved with a formal audit. He said the intent of the law is good but the \$50K requirement has not been raised in the 30 years he’s been in the CPA business. Meanwhile CPA costs have increased with inflation and labor costs. It would be better if the law allowed a “review” for mid-range HOA’s and only require the full formal “audit” for the higher end HOAs. There are HOAs that collect dues in the millions and should have formal audits.*

*A formal audit is expensive and firms don’t make much unless they do a lot of them. Many smaller firms have stopped doing them for that reason. It takes someone full time for about 3 weeks, then the added peer review and costs for firms to be certified to conduct audits. We’re talking 80-100 billable hours.*

*The question is could you survive an audit. It’s not just checking that the books balance. It involves reviewing your rules, internal controls, flow charting processes, assessing fraud risk. Not every association is CPA audit ready. Even before the audit, you have to spend money for consulting services to prepare. You don’t want to go to the expense of an audit only to fail and*



*have added expense for corrective actions and follow-up analysis until you pass. Even if your books are good, you could fail because you don't have proper procedures and segregation of duties, so it's best to prepare. I would recommend your community waive the audit this year and next and start reviewing your books and procedures. Then maybe have a consultant review (called a "compilation") in 2027 to be ready for an actual audit in 2028/2029. He offered to have his firm provide a quote for a compilation.*

The Board agrees with this approach due to the expense. We have made the books available for community review and allow individual appointments for people to look at the books, but have seen very little interest or concerns. We'll have to do the audit in 2028 unless the law changes because after that, we won't be able to waive it.

The firm sent an estimate to do a consultation review called a "compilation" to prepare for an audit. The estimate for the compilation is \$5k if we were to do the compilation this year, but that will likely go up a bit also, assuming we wait until next year for the review. The Board recommends we conduct the vote to waive the audit of the 2025 books as suggested. Then work on our procedures and process documentation this year and have a consultant do a preparatory "compilation" review next year (2027). Then if the law hasn't changed, proceed with the audit after it becomes mandatory.

If the community does **not** waive the audit this year, we will have to hire a CPA and have the audit done. It is likely we will not pass the first run and will end up paying even more than the initial \$20,000. This is not in the budget this year, so we would either have to charge a special assessment or cut off road maintenance or both. If you agree with the idea that the law should be changed, it might be helpful for multiple people to contact our representatives in the state legislator to request changes. We'll try to put some information on the website to help with this. In the meantime, please see the following vote information and attached ballot.

As we did for the 2024 books, we need to call a "special meeting" of the Association to get votes on whether or not to waive the third-party audit of the 2025 books. According to the law, we need a quorum before we can hold the vote. We will hold the Special Meeting on the CPA Third Party Audit during the half hour prior to each next monthly meeting until we have a quorum. If we do not have a quorum (in person and submitted ballots), at a meeting, the vote is delayed until the next meeting where the quorum requirement is 50% of the previous meeting. This happens until we have a quorum and then we count the votes. The meeting dates and quorum requirements for the Special Meeting on the CPA Third Party Audit would be as follows:

- (1) April 12, 2026 – 4:00 to 4:30 pm – Quorum for this first meeting is 62 tracts
- (2) May 17, 2026 – 4:00 to 4:30 pm – If special meeting still needed, quorum is 31 tracts
- (3) June 14, 2026 – 4:00 to 4:30 pm – If special meeting still needed, quorum is 16 tracts
- (4) July 12, 2026 – 4:00 to 4:30 pm – If special meeting still needed, quorum is 8 tracts

These meeting dates are set in advance and this is your official notification. Once quorum is achieved and the issue can be voted on, the remaining Special Meeting dates can be canceled. Community members will be notified if meetings are rescheduled or cancelled by posting on the



website. The Special meeting will start at 4:00 where we will record attendance for quorum determination, answer questions on the issue, then hold a vote if we have a quorum. The Special meeting will then adjourn and the regular board meeting will start at the usual time 4:30 pm. We have also included a vote form (ballot) with this newsletter that you can submit in advance if you would prefer or cannot attend the meeting(s). Ballots received in advance of the meeting will count toward the quorum and will be retained and included at each follow-on meeting until quorum is achieved. Please read it carefully.

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### **ELECTIONS for Board of Director positions:**

As you know, we are still operating under our 1979 Bylaws and C&Rs, which means that all five (5) board positions are up for re-election. The Bylaws Committee is working hard on revisions to the governance documents, but it's a long process. In order to hold our election ballot count at our annual meeting, May 17th, we are following the timeline below:

1. Board sends out newsletter requesting self-nomination\* information..... (done with this newsletter)
2. Self-nomination information due to Board by mail or email.....April 6, 2026
3. Board sends out newsletter with candidate nomination information and ballots.....April 13, 2026
4. Unopened ballots mailed back to Board if not brought to May Annual meeting.....May 11, 2026
5. Ballot counting at May 17th meeting by volunteer Association members who are not running for Board.

\* Should an association member want to nominate another member of the Association, they may submit that nomination but the nominee must sign the nomination or send an email with a statement that they would be willing to serve on the Board if elected. Nominations may also happen in person at the May meeting prior to ballot counting, however; those candidates will obviously not be eligible for mail-in-ballot or proxy votes that were turned in prior to the meeting.

Nominations – If you would like to put your name in as a candidate to serve on the Board, please send a letter to BATA, PO Box 1725, Belfair, WA 98528 or email to [bata.hoa@gmail.com](mailto:bata.hoa@gmail.com). The nomination should contain a paragraph or two with the following information: (1) Your name and a little bit about yourself, (2) why you want to serve on the board including what your vision is for the roads and HOA and how you believe you can contribute. Nominees must be current on their dues and their letter or email must be received by April 6, so we can include you on the ballot in time for printing and mailing.

[Things to know about serving on the Board: The Board members are not paid and do not receive any discounts or waiver of dues. Board members pay full dues as all other owners pay. Board members are not compensated for their time and may put in 10 to 40 hours a month depending on the position they are filling. All Board members will be required to fulfill the work in good faith, exercising the degree of care and loyalty required of an officer of a non-profit corporation per state law. New Board members may have to provide their name, address and driver's license for upload to the Treasury Department to meet Beneficial Ownership Information reporting requirements under the federal Corporate Transparency Act.]



Election ballot counting will be held at the Annual meeting on May 17th. The five candidates with the most votes will be elected to the Board and will take office at the close of that meeting. The elected board members will determine who will fill each officer position and arrange for transition.

### **Other Updates:**

Road work has gone well this winter and we have received many positive comments. Our current contractor is doing a great job, so please be kind and slow down when you pass them working on the roads. Updates on roadwork are provided at every board meeting and captured in the minutes posted on the website. Contact the board or join the road committee if you have suggestions or feedback. Remember, it is all of our responsibility collectively to keep the roads passable, not just the unpaid volunteers on the board and committees. We expend our funds to hire intermittent contract work, but we don't have a full-time, paid crew working our roads every day. We can't afford that! So, if you see branches or debris on the road, please help out and move them off the road, if you can do so safely. You are all part of the team! If the object on the road is too big or you can't get by, please call or text the board phone line or reach out to a board member. Also, sometimes the grading process pulls up some of the larger rocks that were put down in the past to fill potholes. If you have time to stop and toss or kick them off, your neighbors appreciate it!

The board is also continuing to communicate with the sheriff's office regarding the proposal to enter into an agreement for speed enforcement on our roads. Initial documentation has been submitted and we will keep you informed of progress in meeting minutes. Please refer to the August 2025 newsletter if you need a reminder of the details on this topic. The newsletter was posted on the website in the file downloads section if you don't have a copy.

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**Meeting reminders:** As we do every year, the May meeting is planned for the **third** Sunday (so it doesn't conflict with Mother's Day) and serves as the Annual Association Meeting. Meetings are being held at the HUB senior center during the library remodel. According to the library website, this could be into June. This information was also put on the website and on signs.

The Board thanks you for your attention and input. Stay safe out there!

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BATA Contact info:

PO Box 1725  
Belfair, WA 98528-1725

Cell phone: (360) 552-8259  
WEBSITE: [www.bataowners.org](http://www.bataowners.org)  
EMAIL: [bata.hoa@gmail.com](mailto:bata.hoa@gmail.com)



## VOTE RESPONSE FOR CPA THIRD-PARTY AUDIT

This form may be filled out and submitted to the Board if you do not plan to attend the special meeting regarding the CPA third-party audit. Please read carefully before completing. After completing and signing, return to BATA Board of Directors by one of the following methods:

- handing off to a board member prior to the Special Meeting
- dropping off at the meeting
- mailing to the HOA address: BATA, PO Box 1725, Belfair, WA 98528-1725
- scan or take photo and email as an attachment to [bata.hoa@gmail.com](mailto:bata.hoa@gmail.com).

**If you have questions and would prefer to attend the meeting and get more information before voting, it is not necessary to mail or email your vote in advance, as you can vote at the meeting.**

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Vote for one option and sign below to have your input counted.

NO – I do not want the Belfair Acreage Tracts Association to spend our funds (estimated at \$20,000 or more) to hire a CPA to conduct a third-party audit of the 2025 BATA financial records. I am okay with the community having access to review the books and agree with waiving the independent CPA audit requirement this year.

YES – I do want the Belfair Acreage Tracts Association to spend our funds (estimated at \$20,000 or more) to hire a CPA to conduct an independent audit of the 2025 BATA financial records.

I \_\_\_\_\_ am an owner of Tract(s) \_\_\_\_\_  
(print name)

and by my signature below, I attest that this is the consensus vote of all joint owners of the above tract(s) and authorize this vote to be counted as a proxy toward a quorum if I/we are not there in person at the special meeting or any follow-on special meetings convened on this topic for this year until a quorum is attained.

Signed \_\_\_\_\_ Date \_\_\_\_\_  
(sign here)

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*Note: If you would also like to provide input and do not plan to attend the meeting, please feel free to write comments on this form, additional paper, or provide input by email. Thank you!*