



October 24, 2013

The elected members of the Board of Trustees are fellow lot owners who volunteer their services to oversee the management of the affairs of the association. They often work long and thankless hours on your behalf to ensure the operation is run smoothly and efficiently, and strive to keep your (and their own) association dues as low as possible.

Below the: [**READ THIS FIRST!**](#) link are additional links to the association's detailed budgets for (3) years (the previous, the current and the projected), followed by additional links to the current long range planning spread sheets, which the board takes into consideration (as a guide) during the budgeting process.

The State of Washington has mandated that home owner associations show how they will fund the depreciation of their capital assets. To be in compliance, the association developed this long range planning spread sheet (as a guide) to not only aide in the budgeting process, but to also project the revenues necessary to fund the depreciation of the association capital assets, and support the day to day operations.

This long range planning spread sheet anticipates the lifecycles and projected replacement costs of the association's capital assets, it takes into consideration the current general fund requirement (including inflation going forward). It also factors in the anticipated revenue from the golf course, the transfer fees (collected from lots sales), and projects the future dues requirements.

Our capital replacement fund is the account that holds these funds until needed. Our C.P.A. has recommended maintaining an average balance of \$450,000 in this fund, which should be grown as needed to fund larger replacement items such as roads resurfacing and water line replacement, and then rebuilt to the recommended balance when/if depleted. If adequately funded, this replacement fund should negate the necessity for capital replacement assessments in the future.

Sincerely,

Mac Macomber
Association Treasurer

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