

CHANGE OF ACCOUNTING FRAMEWORK

WHEREAS the Revised Code of Washington section 64.38.045 requires that at least annually the association shall prepare a financial statement of the association which shall be audited by an independent certified public accountant, and

WHEREAS the Board of Directors of Pinebrook Homeowners Association has the authority under the Association's Bylaws Article VII Section I to exercise for the Association all powers, duties and authority not expressly reserved to the membership and necessary and proper for the governance and operation of the Association, and

WHEREAS the revenue recognition standards (ASC 606) for Generally Accepted Accounting Principles (GAAP) has changed significantly for fiscal years beginning after December 15, 2018, and

WHEREAS the association would like to maintain consistency in its financial reporting framework, and

WHEREAS the Financial Reporting Framework for Small and Medium Sized Entities (FRF-SME) most closely aligns with the historical accounting principles used by the Association

WHEREAS the cost to adopt revenue recognition standards (ASC 606) would be cost prohibitive for the Association

BE IT RESOLVED that the Association's financial reporting framework for the fiscal year ending December 31, 2019 and all subsequent years will be FRF-SME

ADOPTED this 28th day of April, 2020 with the following Directors being present and voting:

ABSENT
Beth Barber

[Signature]
Scott Eastman

ABSENT
Wayne Hockett

[Signature]
Larry Kennedy

[Signature]
Joanna Sickels

[Signature]
Judy Burri

[Signature]
Annette Frawley

[Signature]
Constance Homoly

[Signature]
Tim Olsen