



FRANCISCAN OWNERS' ASSOCIATION



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May 15, 2016

RE: ANNUAL PRO FORMA BUDGET, DISCLOSURES, AND DUES COUPON BOOKS

Dear Franciscan Owners,

This past year has continued to be a year of positive changes for our association. We continue to increase fiscal accountability and visibility. Our budgets are more accurately based on actual expenses and income rather than the "best guess" practice of the past. We can now correctly track each expense and charge it to the proper account, entity (rental program, association or individual owner). For example, we have found that many of the expenses paid by the rental program, were the responsibility of the association. Additionally, the association was covering service and repairs costs to units that in reality should have been paid for by the individual unit owner. Granlibakken Management Company (GMC) has done an outstanding job in helping achieve this higher level of accountability. GMC's diverse staff has also been able to manage both the association and the rental program to a much more advanced level of professionalism and productivity. Those of us in the Franciscan Lakeside Lodge rental program (FLRP) have enjoyed increased income through more efficient use of staff, better marketing, increased online accessibility, controlled expenses and many other positive improvements.

Beginning July 1, 2016, the monthly dues will increase by 5% to cover the projected inflationary increase in maintenance, repairs, utilities, services, and reserves for 2016/17. The Annual Owners Meeting will be held on Saturday, October 15, 2016, in Kings Beach. Please plan to attend this important meeting.

Please find enclosed two items for your review and use:

1. **Annual Pro Forma Budget and Disclosures.** California Civil Code requires that our owners' association provide you this package every year. It includes a compiled financial forecast of our operating and reserve funds and various financial reports provided by our accountant, McClintock Accountancy Corporation, Tahoe City. We have also included the required Reserve Study by Browning Reserve Group. This study helps the association project for the next 30 years the funds we need to save for major replacements (roof, decks, etc). The package also includes many required disclosures such as our *Dues Delinquency Policy, Dispute Resolution procedures, FHA/VA Certification status, Fines and Discipline Policy, Parking Policy, Buoy Policy and Architectural Guidelines and Improvement Application*. Please review this package and keep for your files. We have included an e-mail consent form for those of you who would like to help the association save on paper and mailing expenses by opting-out of mailed hard copies of notices and selecting e-mail as your preferred method of receiving communication for the Association

2. **Monthly Dues Coupons.**

- Included in this package are the next twelve monthly dues coupons. They are BLUE in color.

Begin using these coupons July 1, 2016.

- Also included are the final nine months of coupons for the *Reserve Fund Assessment*. They are **GREEN** in color. Begin using these coupons July 1, 2016. PLEASE discard your old **Orchid** color *Reserve Fund Assessment coupons* for the months July through March. The mailing address on the old coupons is incorrect (see below).

As with last year, please send the appropriate month's coupon and payment (please include your unit # on your check) in the provided window remittance envelope. **PLEASE NOTE THE ADDRESS FOR DUES AND RESERVE PAYMENTS HAVE CHANGED: Franciscan Owners' Association, C/O Bank Of The West, PO Box 5759, Tahoe City, CA 96145.** All payments are due on the 1st of the month, and late on the 15th. If your payment will be late, add the noted late fee amount to your monthly dues amount. As with last year, you may combine your monthly dues and reserve assessment into a single payment check (send both coupons with your payment in one envelope). If you have any questions regarding your account, please contact Alice Hahn, McClintock Accountancy Agency, 530-412-7086 or Alice@mcclintockaccountancy.com
Online or electronic payment users: Be sure and notify your bank or online service of your new monthly dues amount and the mailing address effective July 1, 2016

As a reminder, last year, association President, Craig Evans, produced three informative videos about the Franciscan. He calls them the "Franciscan Fireside Chats." The videos are available for viewing on YouTube. Fireside Chat #1 is an overview of the Franciscan operations. Fireside Chat #2 focuses in more detail about the Franciscan Owners' Association. And Chat #3 is specific to the Franciscan Lakeside Lodge Rental program. The links are as follows:

Fireside Chat #1 <https://www.youtube.com/watch?v=WfUzcI5gsRA>
Fireside Chat #2 <https://www.youtube.com/watch?v=wN2saNyKQkg>
Fireside Chat #3 https://www.youtube.com/watch?v=eqRo9_djV8o

Please be specific when typing in the YouTube links, as these videos are not public and cannot be searched on YouTube.

If you have any questions regarding the operation of the owners' association, please e-mail us at FranciscanHOA@Hotmail.com or use the letterhead address above (e-mail will receive a quicker response).

Thank you for your continued support.



Board of Directors
Franciscan Owners' Association