



Finance Committee Report
Bobby Clevenger and Paul Cyphers, Committee Co-Chairs
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Written and submitted by: Bobby Clevenger

Date: February 12, 2021

Charter: The Finance Committee shall oversee the accounting of BEMA per the governing documents of the Association including oversight of financial transactions; accounting processes; financial reports; annual budgeting and capital planning; loans and investments; member inquiries related to BEMA finances; and evaluation of expenses and cost effective alternatives.

Members: Bobby Clevenger – Co-Chair, Paul Cyphers – Co-Chair, Scott Johnstone, Cathy Faughnan, Selina Davis

Finance Committee Meetings/Actions:

Several small meetings have been held by committee members working on the reconciliation over the past few weeks, the last on 2/9 with committee members. Discussions centered around reviewing the progress with Quickbooks reconciliation and review of the Treasurer’s Report, as well as work on the FY21-22 Budget with Operations.

A review was conducted on the Rate Schedule in preparation for the 2021-2022 budget. An increase in Late Fees has been proposed and voted on by the Board, but a review was requested before making any changes to the schedule. There are cost items that need review, i.e. water plant costs which have not been reviewed since 2017/2018. We also need to work with Operations to determine dumpster fees for the new year. A Rate Schedule is attached for Board review and comment. **Board Action Required.**

Payment was made for the February due dates on both CWCB loans. \$16,741 for the Old Meadow Dam loan and \$85,407 for the interest due on the new CWCB loan. Conversations have taken place with CWCB to pay down part of the loan to determine our yearly payment for the 2021-2022 budget. The amount was determined to be \$475,000 and was submitted and received. The new loan payment will be \$60,080 per year, as we had expected. The new loan balance is \$1,216,580. Final documents are in BEMA’s hands for signing. We still have some reimbursement monies due, but do not expect them for at least 6 months to a year, particularly with the current COVID situation, though we did get some encouraging news that our documents are moving forward with FEMA. We will keep a small reserve fund (approx. \$24k) for any incidental costs we may incur, as we do know that GEI will need to certify the gate once Sunset lake fills.

Budgets for next year are nearing completion with a few action items left to finalize a few items. Operations and Finance need to work on cost items. Most of the costs increases seen in the budget this year are related to inflationary increases in insurance costs and supplies to support the water plant and road vehicles. We may want to consider an inflationary increase to the budget for next year, which may involve an increase in assessments reflecting cost of living adjustments. Discussions to continue.

We are finalizing Quickbooks adjustments and are starting to work through the audit process with Clausen and Associates. Paul Cyphers is working with our accountant to complete this process.

Open Action Items:

1. Continuing the process of reconciling QB’s with reconstruction expenditures and reimbursements in EM Grants. Final stages - Paul Cyphers Bobby Clevenger
2. Finish asset inventory final review. Operations, Paul Cyphers, Bobby Clevenger Complete
3. Preparation for tax audit with CPA. Final stages Paul Cyphers Bobby Clevenger
4. The 2020-2021 Rate Schedule still listed this at \$200. It was voted on by last year’s Board to increase this to \$500. Changes need to be made to the rate schedule form for the new fiscal year. **In Board Review**
5. Bobby Clevenger will work with the contact at CWCB on the final documentation. Complete



6. Curt Loomis has submitted a request to be on the Finance Committee. **Board Action**

Past Due Accounts

Continue communications with members about past due accounts. Several members have fallen past due and we are working with them and improvements have been made.

Treasurer's Report

The Treasurer's Report for two months ending January, 2021 is attached. Our Bank accounts are strong. There are no concerns with expenses outside of inflationary increases seen in Operations and Water Plant supplies. Most all are tracking as expected.