



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

Date: March 15, 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, Curt Loomis

Finance Committee Meetings/Actions:

Several small meetings have been held by committee members working on the reconciliation and budgets over the past few weeks, the last to be held prior to the Board meeting is scheduled for 3/16 with all 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 primarily with Operations, Lake Health and Long Term Planning Committees.

The Rate Schedule is in preparation for the 2021-2022 budget. There are cost items that need confirmation, 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. Selina Davis has volunteered to work on this item.

Discussions continue with Lauren Miremont at CWCB on the loan pay-down process. CWCB has been notified that we are expecting additional funds from Boulder County. They will hold off on producing the amended contract until 6/15/21. Currently, the new loan payment will be \$60,080 per year, as we had expected. The new loan balance is \$1,216,580. We will keep a small reserve fund (approx. \$24k) in the Reconstruction Account for any incidental costs we may incur, as we do know that GEI will need to certify the gate once Sunset lake fills.

Budget for next year is basically completed and will be in final review with the Committee on 3/16. 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 also increased funding for Lake Health (from \$20k to \$35k) and added \$5k for the experimental road base. 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. QuickBooks is looking good with account balances starting to zero out as they should. A few minor tweaks and this will be complete. The audit needs to be completed by November 30, 2021. There were a number of data entry issues for payables in QuickBooks made over the last 9 months. The entry issues were related primarily to posting costs to wrong accounts or to summary accounts. A full review was conducted by the Treasurer with corrected postings made. The Treasurer's Report should better reflect the line items where the monies have been spent this year.

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. Preparation for tax audit with CPA. Final stages Paul Cyphers Bobby Clevenger
3. Finalize 2021/2022 Budget - Finance Committee, Board
4. The Rate Schedule for 2021/2022 is in process. Selina Davis



5. Bobby Clevenger will work with the contact at CWCB on the final documentation - paydown period closes on 6/15/21
6. Curt Loomis has submitted a request to be on the Finance Committee. Complete

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 February, 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.