



**Ad hoc Accounting Clean up Committee Report**  
**February 2023**  
**Bobby Clevenger, Pat Sorensen, Committee Chairs**  
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**Charter:** Review, audit and clean up the general accounting for Big Elk Meadows for preparation for a CPA to perform our taxes. This work would include implementing accepted GAAP procedures, correcting transaction errors, allocations of expenses and revenues and determination of capital assets lost and gained due to flood and determine the communities net operating profit/loss annually over the last 10 years, since our last tax filing.

**Members:** Bobby Clevenger. Pat Sorenson – Chairs, Paul Cyphers, Dan Wray, Mary Ann Grimes

**Committee Meeting**

Meetings are held every Thursday with the full committee. Meetings are held weekly with independent work groups and assigned tasks.

**Action Plan:**

- Transaction classification errors/lack of discipline to GAPP
- Misstated revenues BEMA/BEWA
  - BEMA BEWA Fair Share
  - Double counting of expenses and reimbursements
  - Would need to correct 2014 to 2017 files
  - Liability transactions versus revenue transactions
- Advances revenues and liabilities
  - Reconstruction activity-based accounting needed
    - We collected monies after paying expenses
    - Revenues should have been deferred
    - Need to go back 9 years
  - Reconstruction Revenues – tax exempt income.
    - Affects capital equipment usage timing
- Miscellaneous Income
  - Classification errors
  - Sale of Cabin was capital gain
- Miscellaneous/Unallocated Expense
  - Expense to capitalization
  - Expenses to miscellaneous revenues
- Reconstruction Allocation of Assessment Reimbursement
  - 25% assessment should have been spread across all reconstruction expenses
- Assets
  - True value and life of assets needed
  - True purchase value needs to be determined for depreciation
  - Cost to book value correction in general ledger
  - Intangible assets
    - Non-depreciable assets
    - tangible assets versus intangible assets

- Net operating loss/income for the last 10 years
  - Ordinary income
  - Capital gains income
  - Non-taxable income

Our next meeting is scheduled for Thursday, February 16, at 3:00. A Google Meets meeting.