



Ad hoc Accounting Clean up Committee Report
November 2023
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Charter: Review and clean up the general accounting for Big Elk Meadows in 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, Blake Wilson, CPA

Committee Meetings

Meetings are held every Thursday with the full committee. Meetings are held intermittently with independent work groups and assigned tasks. Meetings are held regularly with the accountant/CPA for tax preparation.

Progress to Date:

We are nearing the end of the accounting clean-up task. We have been working directly with the tax accountant to complete any final needs to complete all our tax filings for BEWA and BEMA from 2014 forward. The committee will be recommending a full external audit of all accounts after the completion of the tax filings.

Action Plan Status:

- Transaction classification errors/lack of discipline to GAPP [Complete](#)
 - Unable to verify disciplines due to lack of use in QB's.
- Misstated revenues BEMA/BEWA [Complete](#)
 - There are six (6) accounts, plus EM Grants that needed reconciled for revenues.
 - Accounts: BEWA, BEWR, BEMA, BEMR, [Reconciled](#)
 - [Recommend an external audit after tax filings.](#)
 - Water Reserve, BEMA Reserve [Reconciliation 99% complete](#)
 - Numerous transactions within reserve accounts
 - Access to data limited/controlled.
 - [Recommend an external audit after tax filings.](#)
 - BEWA and BEWR Income reconciled for reconstruction 2014 to 2017 for tax prep. [Complete.](#)
- Advances revenues and liabilities [All Items Complete](#)
 - Operating Revenues – taxable income [In-Process with accountant](#)
 - Reconstruction finalized.
 - Reconstruction Revenues – tax exempt income. [In-Process with accountant.](#)
 - All revenue sources identified, and classification corrections completed.
- Miscellaneous Income [All Items Complete](#)
 - Classification errors
 - The Sale of the Cabin will show up after merger tax filings.
- Miscellaneous/Unallocated Expense GAPP [All Items Complete](#)
 - Expense to capitalization
 - Expenses to miscellaneous revenues
- Reconstruction Allocation of Assessment Reimbursements [All Items Complete](#)
 - 25% Special Assessment allocation [Complete](#)

- Assets
 - True value and life of assets are in process and will be completed based on the depreciation schedules that are applicable to each item. [Will be adjusted in QB's by CPA](#)
 - Carryover values from pre to post flood. [Complete](#)
 - Purchase values identified. [Complete](#)
 - Cost to book value corrections in the general ledger will be adjusted based on tax accountants' recommendations. [Will be adjusted in QB's by CPA](#)
 - All tangible and intangible assets have been identified.
 - Non-depreciable assets and correct depreciation schedules are identified.
 - All capital assets, including all the lakes, water distribution system and roads have:
 - Identified start or usage dates of all assets (State of Colorado Certification Dates).
 - Breakout of costs and source revenues for each lake by fiscal year
 - Life expectancy and possible replacement costs.[All Items Complete](#)
- Net operating loss/income for the last 10 years [In-Process](#)
 - Currently the team is meeting regularly with the accountant.
 - [2014 BEWA complete](#)
 - No tax due
 - We can file anytime.
 - 2015 BEWA is in internal draft review at the accountant.
 - Our focus will be on completing the 2014 through 2017 BEWA and BEWR income statements and then filing taxes for those years.
 - Our next step will be to do the same for BEMA and BEMR.
 - We will finish with filings of BEMA from 2018 through 2023 to get current.

Regular meetings are held weekly on Thursday afternoons with the accountant for a review of status. Our next few Google meetings are scheduled for Thursday, November 9th, and 16th at 3:00 pm.