Finance Committee

2025 Annual Meeting Presentation

Welcome to the most anticipated event of Annual Meeting weekend, the Finance Committee Presentation!

Your Finance Committee –

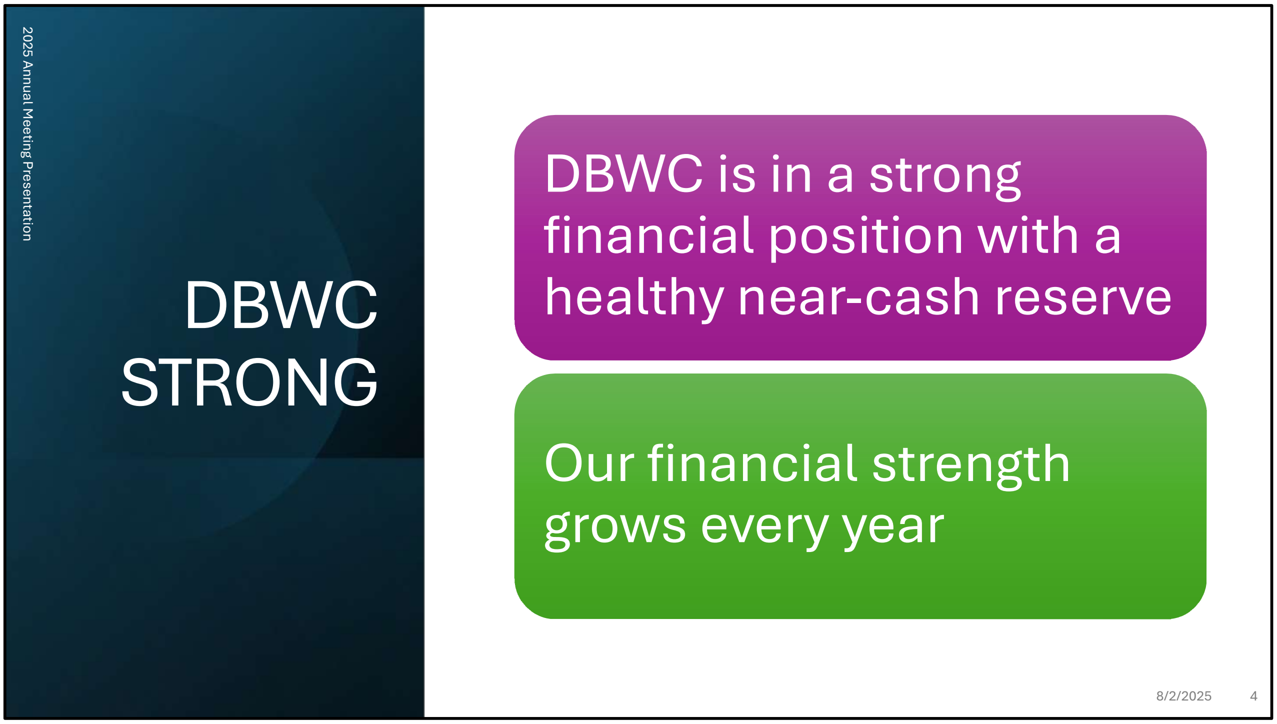
Where everyone counts!

Finance is a team sport and on our team everyone counts!

Finance Committee Members

- Paula Cassano, Chairperson
- Michele Ransom
- Kate Higgins
- Janet Baker (Moss)
- Sheryl Haller
- Annie Haller
- Barb Gilger
- Karen Jeanne, DBWC Bookkeeper
- Sam Blake, BOD Treasurer
- Judith Wright, BOD President

Meet the team. We have a broad range of experience including accountancy, bookkeeping, entrepreneurship, auditing, corporate and government management, facilities management, and even a couple of people who just love numbers!



This slide was inspired by the Safety Committee's awesome disaster preparedness presentation on Thursday. Finance is another area where DBWC STRONG!

DBR COMPLEXITY = $$

- Water
- Sewer
- Roads
- Drainage
- Electric Grid
- Wet and windy
- Amenities
- Trash and recycling

2025 Annual Meeting Presentation 5

DBR is an expensive property to maintain. We are essentially running a small town where we're operating our own water source and distribution, sewer lines and wastewaster management, roads, electric grid, drainage, trash, recycling and amenities. And we're doing so in a very wet and windy climate in a facility that was originally designed to rest each season from Labor Day to Memorial Day.

The Finance Committee’s mission?

1- To work with the DBWC Staff and BOD Treasurer to prepare an annual budget

The Finance Committee's mission?

2- To assist the Treasurer and Bookkeeper with monthly budget, income, and expenditure reviews

The Finance Committee’s mission?

3- To help the Treasurer and the Bookkeeper to update the Reserve Study annually

The Finance Committee's mission?

4- To provide advice, analysis and recommendations to the Board as needed or requested

And the actual work?

- 2025 Update of the Reserve Study with on-site visit

And the actual work?

- Joint study session with BOD

And the actual work?

- Monthly in-depth review of the major financial reports:
  - Profit & Loss (Income & Expense)
  - Budget Performance
  - Balance Sheet
  - Reconciliations

Reserve & Capital Expenditures 2024

Reserve Expenditures			
	2/5/2024	Mini-split heat pump for office	$ 4,985.23
	2/15/2024	Final payment for retiring Septic Field A	$ 8,109.27
	4/3/2024	2023 Kawasaki Mule	$18,956.01
	9/10/2024	Partial payment for mini-split heat pump for Radclyffe	$ 2,100.00
	9/12/2024	Transfer switch for Septic Field B	$ 1,455.52
	12/4/2024	Deposit on new fence	$ 6,151.00
	12/6/2024	Septic Repairs	$ 1,368.44
Total			$43,125.47
Capital Improvement Expenditures			
	7/15/2024	Laundry ramp	$ 2,030.38
	7/17/2024	Simple pump installation	$ 2,584.68
	8/28/2024	Partial payment for mini-split heat pump for Radclyffe	$ 2,937.59
Total			$ 7,552.65

Our finances run on a calendar year, January-December. Because our Annual Meeting is in August, the reports that follow will show final numbers for 2024 and year to date numbers (January to June) for 2025. Reserve expenditures are for replacement of existing items. Capital Improvement expenditures are for improvement of existing items or new items. For example, the Radclyffe furnace was in the Reserve Study for replacement in 2024. We used the allocated Reserve funds plus Capital Improvement funds to upgrade to a mini-split heat pump with air conditioning feature. Repairing existing fence and adding new fence used similar strategy. The fence cost was spread over 2024 and 2025.

Note also that the “surprise” or unplanned septic repairs in 2024 are minimal: $1368.44

Reserve and capital expenditures 2025 YTD

Reserve Expenditures			
	1/8/2025	Final payment on new fence	$ 6,151.21
	1/20/2025	Septic Repairs	$ 3,195.42
	1/24/2025	Pump septic tank	$ 2,267.57
	2/11/2025	Install new septic pump	$ 7,205.01
	2/14/2025	Replace well pump	$ 3,586.26
	3/6/2025	Septic Repairs	$ 1,339.36
	5/9/2025	Install rebuilt septic pump	$ 4,745.47
	6/18/2025	Stain for new fence	$ 723.42
Total			$29,213.72

8/2/2025 2025 Annual Meeting Presentation 14

This report reflects January to June of 2025. We had $10,460.89 of planned/expected expenses and $18,752.83 of septic "surprises" (unplanned septic repairs). Note that there are no Capital Improvement expenditures YTD in 2025. This is deliberate so that we are as conservative as possible with expenses until we know what the septic price tag will be.

Income & Expense (P&L) Summary 2024

INCOME	Actual	Budget
Rent ($210.80 x 115 x 12)	$290,904.00	$290,904.00
Assessment ($14.20 x 115 x 12)	$ 19,596.00	$ 19,596.00
Other income	$ 9,140.00	$ 6,530.00
Less payments to Reserves	$ (88,044.00)	$ (88,044.00)
Total Operations Income	$231,596.00	$228,986.00
Income Actual vs. Budget		
OVER Budget	$ 2,610.00	
EXPENSES		
Wages	$ 96,876.00	$102,075.00
Non-wage payroll expenses	$ 2,398.00	$ 2,800.00
Administrative/General	$ 55,720.00	$ 43,820.00
Contract Services	$ 13,763.00	$ 9,850.00
Repairs and Maintenance	$ 27,251.00	$ 20,650.00
Parts & Supplies	$ 2,067.00	$ 2,250.00
Utilities	$ 25,137.00	$ 31,200.00
Taxes	$ 11,472.00	$ 11,600.00
Total Operations Expense	$234,684.00	$224,245.00
Expenses Actual vs. Budget		
OVER Budget	$ 10,439.00	
NET INCOME	$ (3,088.00)	$ 4,741.00

2024 Year End Income

INCOME	Actual	Budget
Rent ($210.80 x 115 x 12)	$290,904.00	$290,904.00
Assessment ($14.20 x 115 x 12)	$ 19,596.00	$ 19,596.00
Other income	$ 9,140.00	$ 6,530.00
Less payments to Reserves	$ (88,044.00)	$ (88,044.00)
Total Operations Income	$231,596.00	$228,986.00
Income Actual vs. Budget		
OVER Budget	$ 2,610.00	

For year end 2024, our income exceeded budget by $2,610. Our income was over budget in several areas including various fees, notary services and reserve fund donations.

2024 YTD Expenses

EXPENSES	ACTUAL	BUDGET
Wages	$ 96,876.00	$102,075.00
Non-wage payroll expenses	$ 2,398.00	$ 2,800.00
Administrative/General	$ 55,720.00	$ 43,820.00
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Expenses Actual vs. Budget		
OVER Budget	$ 10,439.00	
NET INCOME	$ (3,088.00)	$ 4,741.00

In 2024, our expenses were under budget in the area of wages by $5,874 because we changed our janitorial service to a contract service increasing our contract services by $3,913 and giving us an overall savings in this area of $1961. We saw healthy savings in utilities (electric & propane).

There is also significant overage in Administrative/General. This is primarily due to legal fees. Overages in repairs and maintenance reflect unexpected expenses in landscape maintenance, septic and water system repairs.

Income & Expense (P&L) Summary 2025 YTD

INCOME	Actual	Budget
Rent ($217.33 x 115 x 12)	$149,958.00	$149,958.00
Assessment ($32.67 x 115 x 12)	$ 22,542.00	$ 22,542.00
Interest Income	$ 13,010.00	$ 8,200.00
Other Income	$ 4,193.00	$ 4,193.00
Less payments to Reserves	$ (47,562.00)	$ (47,562.00)
Total Operations Income	$142,141.00	$137,331.00
Income Actual vs. Budget		
OVER Budget	$ 4,810.00	
EXPENSES		
Wages	$ 67,431.00	$ 58,305.00
Non-wage payroll expenses	$ 263.00	$ 150.00
Administrative/General	$ 20,555.00	$ 28,650.00
Contract Services	$ 13,531.00	$ 12,578.00
Repairs and Maintenance	$ 13,841.00	$ 13,690.00
Parts & Supplies	$ 1,630.00	$ 2,475.00
Utilities	$ 17,624.00	$ 17,920.00
Taxes	$ 5,463.00	$ 5,500.00
Total Operations Expense	$140,338.00	$139,268.00
Expenses Actual vs. Budget		
OVER Budget	$ 1,070.00	
NET INCOME	$ 1,803.00	$ (1,937.00)

2025 YTD Income

INCOME	Actual	Budget
Rent ($217.33 x 115 x 12)	$149,958.00	$149,958.00
Assessment ($32.67 x 115 x 12)	$ 22,542.00	$ 22,542.00
Interest Income	$ 13,010.00	$ 8,200.00
Other Income	$ 4,193.00	$ 4,193.00
Less payments to Reserves	$ (47,562.00)	$ (47,562.00)
Total Operations Income	$142,141.00	$137,331.00
Income Actual vs. Budget		
OVER Budget	$ 4,810.00	

For YTD 2025, our income has exceeded budget primarily due to our investments earning more interest than projected in the budget.

2025 YTD Expenses

EXPENSES	ACTUAL	BUDGET
Wages	$ 67,431.00	$ 58,305.00
Non-wage payroll expenses	$ 263.00	$ 150.00
Administrative/General	$ 20,555.00	$ 28,650.00
Contract Services	$ 13,531.00	$ 12,578.00
Repairs and Maintenance	$ 13,841.00	$ 13,690.00
Parts & Supplies	$ 1,630.00	$ 2,475.00
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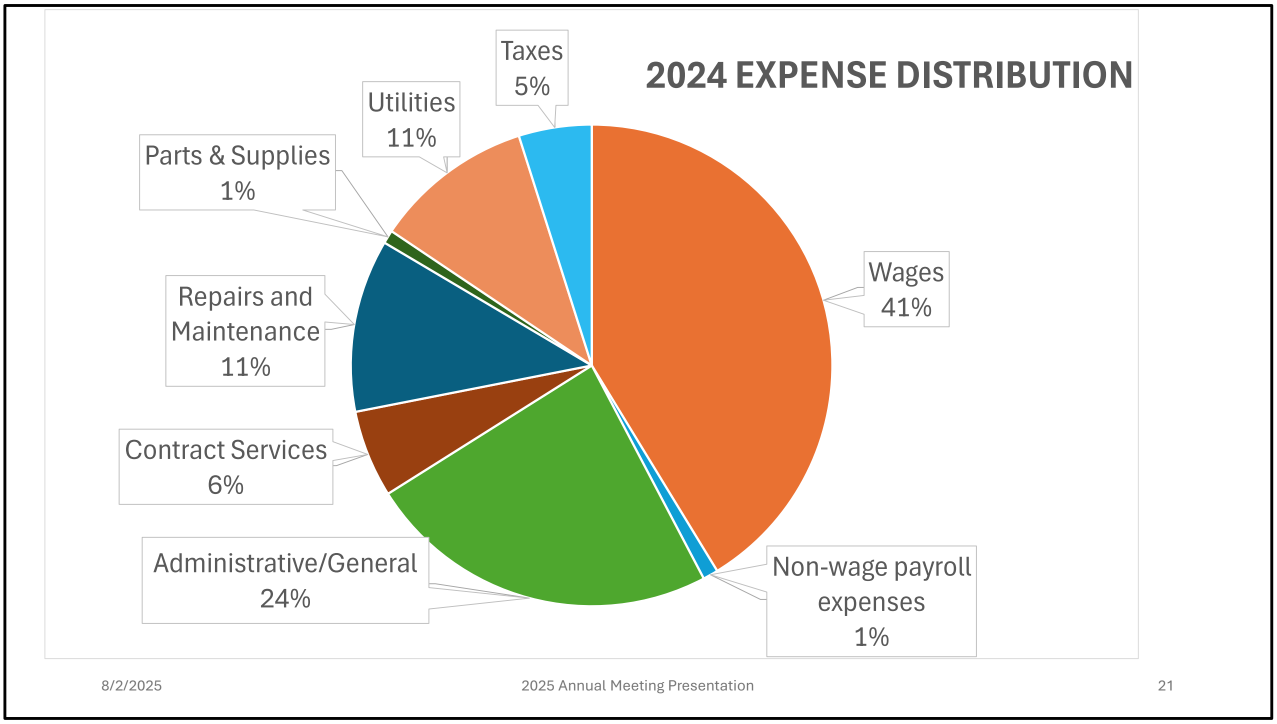
Taxes	$ 5,463.00	$ 5,500.00
Total Operations Expense	$140,338.00	$139,268.00
Expenses Actual vs. Budget		
OVER Budget	$ 1,070.00	
NET INCOME	$ 1,803.00	$ (1,937.00)

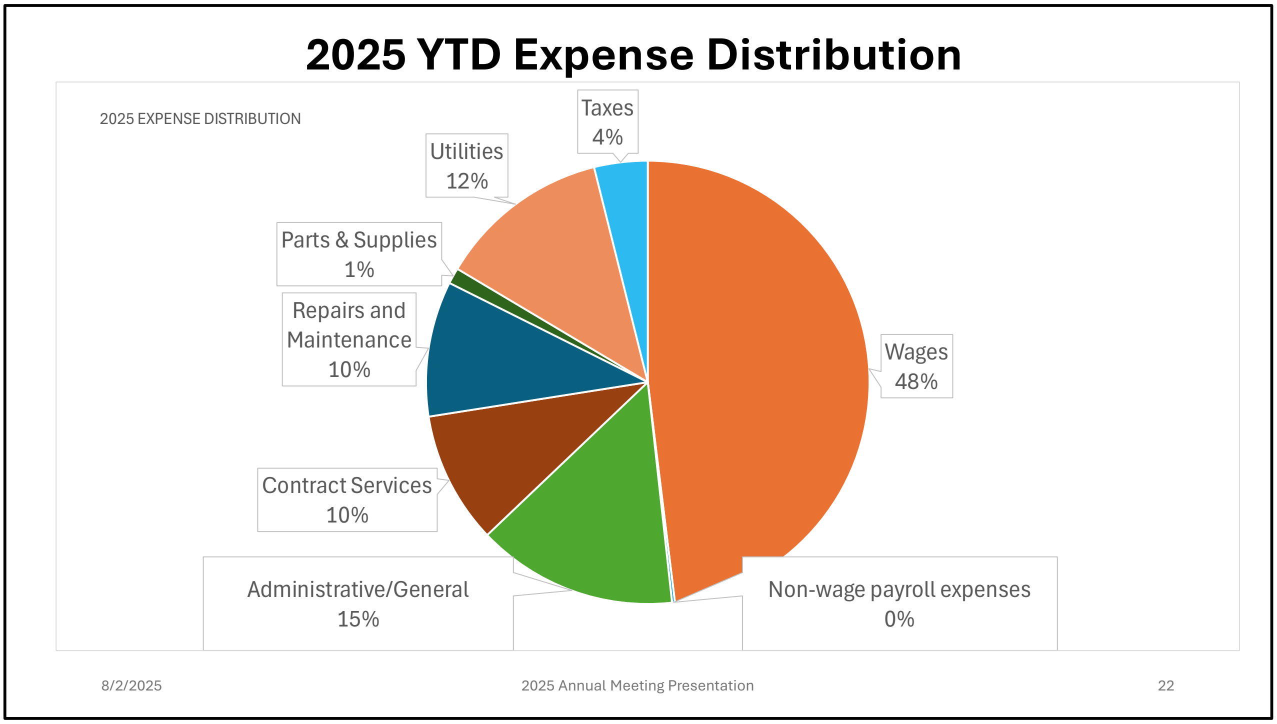
8/2/2025 2025 Annual Meeting Presentation 20

We are also over budget in expenses primarily in payroll (staff transitions requiring overlap for training purposes), septic management and maintenance. Fortunately, we were significantly under budget in Administrative/General (legal fees, office related supplies and equipment, accounting fees). The net result is $1,937 over budget YTD.



Notice that the largest portion of the financial pie goes to wages and contract services, which combined make up 48% of the budget. Labor costs, which encompass wages, salaries, benefits, payroll taxes, training, and other expenses related to maintaining a workforce, can account for a significant portion of a business's total expenses. According to the U.S. Bureau of Labor Statistics (BLS), labor costs can be as high as 70% of total business costs.

Considering that our workforce is maintaining the infrastructure and services of that small city I mentioned earlier, we are doing quite well.



In 2025, we can see that wages and contract services combined have increased to 58% which is still within normal business parameters. Our administrative/general category has dropped, which is primarily because we have not needed as much legal service in 2025 as we did in 2024.

Summary of Cash and Near-Cash Assets
Source: Balance Sheet

CASH:	TOTALS 2024	TOTALS 2025 YTD
Committee Fundraising	$ 4,650.44	$ 7,571.26
Operating Cash	$ 26,256.12	$ 18,305.75
Operating Reserve	$ 26,945.42	$ 29,951.30
Safe/Laundry/Petty Cash	$ 386.00	$ 386.00
Total Operating Cash	$ 58,237.98	$ 56,214.31
NEAR-CASH:		
Reserve for Capital Maintenance	$ 794,048.29	$ 813,884.64
Reserve for Capital Improvement	$ 18,890.44	$ 18,913.89
Total Reserves	$ 812,938.73	$ 832,798.53
Total Cash and Near-Cash Assets	$ 871,176.71	$ 889,012.84

Cash refers to the funds we use for our day-to-day operations. This would be comparable to your household checking account. Near-cash refers to the reserve and capital improvement funds that are invested in CDs. These are less liquid than cash, but due to the “laddering” strategy of CDs that the Treasurer does, a portion of these funds are still relatively easy to access with no or minimal penalty. Our near-cash assets allow us to act as our own banker. When we need money, we can borrow from ourselves without paying interest. The rest of the time our money is working for us.

DBWC STRONG

- DBWC is in a very solid financial position

DBWC STRONG

- Because our reserves are strong and getting stronger year after year, we can weather crises without the penalty of interest charges on a bank loan.

DBWC STRONG

- Our reserves remain strong because we pay back any “loan” we take from Reserves rather than burdening our future sisters.

Thank you for your time