2025.06.24 Finance Committee Meeting Notes

1. Role of Committee
    a. Role of the Finance Committee was discussed. Team agreed that we have two-way communication between the Finance Committee and the Board as to requests and recommendations.
    b. Finance Committee Policies and Procedures were discussed particularly with respect to compliance as a non-profit with the state of Washington and with Jefferson County. Team agreed that we would have a Task Force, which Michele will lead.
2. Review of May Financials and overview of and/or learning about reports used
    a. Karen Jeanne said that she and the Quickbooks consultant are finished cleaning up previous years. Current year and going forward are clean and we match our tax returns.
    b. Moss pointed out that the nomenclature on the reports doesn't match our non-profit structure. She'll discuss further with Karen Jeanne off-line.
    c. Karen Jeanne explained the distinction between cash accounting and accrual accounting. We use accrual accounting as it is the common practice. In accrual accounting, income is recognized as received when billed. Using accrual basis makes it possible to track budget when income comes in at different times (pre-payment for example) than is budgeted. Expenses are paid immediately.
    d. Karen Jeanne explained the Balance Sheet.
    e. Discussion about ongoing need for liquidity in Reserve investments because of septic issues.
    f. We continue to be over budget, with the largest overages in staffing costs as we have gone through multiple transitions in short succession. For example, we have had to pay both the incoming and the outgoing employee in order to accomplish new hire training and transition.
3. Discussion of updated Reserve Study - we have received the updated Reserve Study and have a 60 day window to request changes. The Finance Committee agreed to an additional meeting on Wednesday, July 2 at 11am that will focus only on the updated Reserve Study.
4. We continue planning for a joint study session with the Board of Directors, which will focus on increasing our knowledge and understanding of DBWC financials.