



DC Ranch Association Financial Summary Report for period ending February 28, 2022

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 1,506,074	\$ 25,412	\$ -	\$ 1,531,487
Expenses	1,109,419	40,875	-	1,150,293
Operating Income/(Loss)	\$ 396,655	\$ (15,462)	\$ -	\$ 381,193
Depreciation	-	10,716	-	10,716
Total Income/(Loss)	\$ 396,655	\$ (26,178)	\$ -	\$ 370,477
Transfers In/(Out)	(336,500)	311,500	25,000	-
Total Surplus/(Deficit)	\$ 60,155	\$ 285,322	\$ 25,000	\$ 370,477

Revenue

Operating revenue for February totaled \$753k, unfavorable to budget by \$3k (<1%). Year-to-date revenue is unfavorable to budget by \$9k (1%). Significant variances to budget are as follows:

- Non-Assessment Revenue came in \$7k unfavorable to budget for the month, \$8k favorable YTD.
- Assessment Revenue will be \$554 under budget each month through the end of the year. Three lots were transferred from Declarant to Builder, allowing ½ assessment payments for one year.

Expense

Operating expenses for February came in \$10k (1%) favorable to budget, with year-to-date expenses \$4k (<1%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are lower than budget by \$17k (4%) YTD, due to open staff positions. In addition, temporary staff labor that was anticipated for staff shortages has come in \$12k under budget YTD.
- Landscape contract services for tree trimming (\$31k) that was anticipated to be done in 2021 was completed in January.
- There are some initial savings or possible timing of expenditures in Administration, Facilities, and Fleet costs.
- Security expenses are favorable to budget in February due to contract gate maintenance (\$7k) that was deferred, but will even out when completed.
- Insurance expense adjusted due to a premium payment made in February and will now be accurate going forward.

Balance Sheet/Cash Flow

- Operating cash is \$1.2 mil at 2/28/22, equal to 1.58 months of cash on hand.
- There is currently \$9.9 mil in reserve funds and \$75k in the capital fund.
- The note payable for the Kubota AT vehicles is a 0% financing arrangement for the equipment purchased in 2019, which will be repaid before the end of 2022.

Individual Neighborhoods

- Payroll is now being allocated in accordance with the two-year average calculated during budget development. The reconciliation to actual expenses will be analyzed and recorded at year end. The Maintenance Services Director and Landscape/Maintenance Managers continue to review this data in detail to ensure the time is correct.
- Most neighborhoods have a small unfavorable variance to budget, which may just be timing of expenses. Unplanned expenses in February included lighting replacement, sign repair and an overage in water usage. Arcadia, has a loss of \$30k YTD, mainly due to \$31k in tree trimming expenses in January.

Reserves

- Reserve expenses came in at \$28k for the month of February. YTD expenses are \$41k, lower than budget by \$12k.
- Reserve spending will vary from budget depending on the continual assessment of expenditures and scheduling of projects. Some projects are completed early, while others are pushed into the next year.
- Estimated reserve interest was adjusted to reflect the low interest rates due to the unusual economic environment caused by the pandemic. An additional \$4.5 mil of cash was invested in February, which will boost earnings by \$67k annually.

DC RANCH ASSOCIATION

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending February 28, 2022

	February 2022			Year-to-Date			Annual
	Current Month	Budget	Budget Variance	Year to Date	Budget	Budget Variance	2022 Budget
INCOME							
Neighborhood Assessments	\$ 424,029	\$ 423,659	\$ 370	848,059	847,318	\$ 741	\$ 5,083,908
Master Assessments	275,953	275,859	94	551,906	551,718	188	3,310,308
Builder & Developer Assessments	5,950	6,968	(1,019)	11,899	13,936	(2,037)	83,616
Total Assessment Revenue	705,932	706,486	(554)	1,411,864	1,412,972	(1,108)	8,477,832
Lot Sale Fees	11,750	12,000	(250)	20,450	25,153	(4,703)	150,918
Management Fees (Cost Sharing)	475	480	(5)	950	960	(10)	5,760
Fines/Fees (Violations, Mods etc.)	23,082	26,850	(3,768)	49,587	53,700	(4,113)	322,200
Sub-Association Fees	4,575	4,575	-	9,150	9,150	-	54,900
Cell Tower Lease(s)	6,272	6,235	37	12,544	12,470	74	74,820
Other Income (CFD, Interest, Misc)	1,369	325	1,044	1,530	650	880	56,526
Total Non-Assessment Income	47,523	50,465	(2,942)	94,211	102,083	(7,872)	665,124
Total Operating Income	753,455	756,951	(3,496)	1,506,074	1,515,055	(8,981)	9,142,956
EXPENSES							
Reserve Contributions	155,750	155,750	-	311,500	311,500	-	1,869,000
Capital Contribution	25,000	25,000	-	25,000	25,000	-	25,000
Total Reserve Expense	180,750	180,750	-	336,500	336,500	-	1,894,000
Personnel Expenses	211,889	221,572	(9,683)	426,143	443,144	(17,001)	2,777,842
Administration	8,578	11,910	(3,332)	20,526	23,875	(3,349)	202,950
Information Technology	14,705	12,004	2,701	27,125	24,008	3,117	144,448
Human Resources	908	3,100	(2,192)	2,340	6,200	(3,860)	37,500
Total Administrative Expense	236,079	248,586	(12,507)	476,134	497,227	(21,093)	3,162,740
Landscape Services	24,017	36,552	(12,535)	93,039	72,744	20,295	607,963
Facilities Maintenance	23,092	15,630	7,462	38,175	39,233	(1,058)	223,621
Utilities	30,765	24,208	6,557	58,180	55,254	2,926	589,797
Fleet	15,592	16,955	(1,363)	30,165	33,910	(3,745)	207,460
Total Maintenance Expense	93,466	93,345	121	219,559	201,141	18,418	1,628,841
Security	173,510	182,133	(8,623)	376,853	377,666	(813)	2,239,196
Community Standards	1,940	135	1,805	1,940	270	1,670	5,920
Community Relations	474	1,038	(564)	1,668	2,576	(908)	16,456
Total Community Program Expense	175,924	183,306	(7,382)	380,461	380,512	(51)	2,261,572
Insurance (non-EE) & Taxes	26,821	16,863	9,958	33,265	34,726	(1,461)	203,441
Other Expenses	-	-	-	-	-	-	-
Total General Expense	26,821	16,863	9,958	33,265	34,726	(1,461)	203,441
Total Operating Expense	713,040	722,850	(9,810)	1,445,919	1,450,106	(4,187)	9,150,594
Operating Income/(Loss)	40,415	34,101	6,314	60,155	64,949	(4,794)	(7,638)
Reserve Income	203,792	184,500	19,292	361,912	344,000	17,912	1,939,000
Depreciation	5,358	5,358	0	10,716	10,716	0	64,296
Reserve Expenses	27,606	48,652	(21,046)	40,875	52,733	(11,858)	1,328,661
Reserve Net Income/(Loss)	170,829	130,490	40,339	310,322	280,551	29,771	546,043

DC RANCH ASSOCIATION

BALANCE SHEET

As Of February 28, 2022

	<u>2/28/2022</u>	<u>12/31/2021</u>	<u>Y/Y Change</u>
ASSETS			
CASH			
Cash - Operating	\$ 1,203,839	\$ 1,321,073	\$ (117,234)
Petty Cash	350	350	-
TOTAL CASH	<u>1,204,189</u>	<u>1,321,423</u>	<u>(117,234)</u>
CAPITAL FUND	75,000	50,000	25,000
RESERVE FUND	9,903,762	9,685,520	218,243
Accounts Receivable (Net)	220,791	14,488	206,303
Intercompany Receivable	-	18,420	(18,420)
Prepaid Expenses	223,299	129,149	94,150
Other Current Assets	-	3,869	(3,869)
TOTAL CURRENT ASSETS	<u>444,090</u>	<u>165,926</u>	<u>278,164</u>
PROPERTY, PLANT & EQUIPMENT			
Property & Equipment	356,062	356,062	-
Construction In Progress	-	-	-
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>356,062</u>	<u>356,062</u>	<u>-</u>
Less Accumulated Depreciation	(205,774)	(195,058)	(10,716)
PROPERTY, PLANT AND EQUIPMENT, NET	<u>150,288</u>	<u>161,004</u>	<u>(10,716)</u>
TOTAL ASSETS	<u>\$ 11,777,330</u>	<u>\$ 11,383,873</u>	<u>\$ 393,456</u>
LIABILITIES			
Accounts Payable	\$ 231,341	\$ 326,423	\$ (95,082)
Intercompany Payable	373,337	221,988	151,348
Accrued Expenses	99,381	106,125	(6,744)
Prepaid Assessments	305,185	274,737	30,448
Deferred Revenue	-	-	-
Other Current Liabilities	(10,863)	41,093	(51,956)
TOTAL CURRENT LIABILITIES	<u>998,381</u>	<u>970,367</u>	<u>28,014</u>
Note Payable - Kubota Vehicles	22,659	27,695	(5,035)
Note Payable - PPP Funds	-	-	-
TOTAL LONG-TERM LIABILITIES	<u>22,659</u>	<u>27,695</u>	<u>(5,035)</u>
TOTAL LIABILITIES	<u>\$ 1,021,041</u>	<u>\$ 998,062</u>	<u>\$ 22,979</u>
NET ASSETS			
Operating Equity	793,005	793,005	0
Capital Equity	50,000	50,000	-
Reserve Equity	9,542,807	9,542,807	(0)
Current Year Profit/Loss	370,477	-	370,477
TOTAL NET ASSETS	<u>\$ 10,756,289</u>	<u>\$ 10,385,812</u>	<u>\$ 370,477</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 11,777,330</u>	<u>\$ 11,383,873</u>	<u>\$ 393,456</u>

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended February 2022

	<u>Current Month</u> Month Ended February 2022	<u>Year-to-Date</u> Year Ended February 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 211,243	\$ 370,477
Adjustments to reconcile net income (deficit)		
Depreciation	5,358	10,716
<i><u>(Increase)/Decrease in:</u></i>		
Accounts receivable	(181,737)	(206,303)
Intercompany receivables	18,420	18,420
Prepaid expenses	(101,372)	(94,150)
<i><u>Increase/(Decrease) in:</u></i>		
Accounts payable	(151,875)	(95,082)
Accrued expenses	-	-
Accrued payroll expenses	(2,555)	(6,744)
Deferred revenue	-	-
Prepaid assessments	(29,762)	(30,589)
Prepaid Council assessments	(7,440)	61,037
Intercompany payables	265,465	151,348
Other liabilities	(10,866)	(48,088)
NET CASH FROM OPERATING ACTIVITIES	<u>14,879</u>	<u>131,044</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant & Equipment	-	-
NET CASH FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Note Payable PPP Funds	-	-
Acquisition of long-term debt	-	-
Principal payments of long-term debt	(2,518)	(5,035)
NET CASH FROM FINANCING ACTIVITIES	<u>(2,518)</u>	<u>(5,035)</u>
NET INCREASE (DECREASE) IN CASH	12,361	126,009
CASH, BEGINNING OF PERIOD	<u>11,170,590</u>	<u>11,056,943</u>
CASH, END OF PERIOD	<u>\$ 11,182,952</u>	<u>\$ 11,182,952</u>