



DC Ranch Association Financial Summary Report for period ending March 31, 2022

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 2,268,253	\$ 32,850	\$ -	\$ 2,301,103
Expenses	1,732,056	106,605	-	1,838,661
Operating Income/(Loss)	\$ 536,196	\$ (73,755)	\$ -	\$ 462,442
Depreciation	-	16,074	-	16,074
Total Income/(Loss)	\$ 536,196	\$ (89,829)	\$ -	\$ 446,368
Transfers In/(Out)	(492,250)	467,250	25,000	-
Total Surplus/(Deficit)	\$ 43,946	\$ 377,421	\$ 25,000	\$ 446,368

Revenue

Operating revenue for March totaled \$762k, favorable to budget by \$4k (<1%). Year-to-date revenue is unfavorable to budget by \$5k (<1%). Significant variances to budget are as follows:

- Non-Assessment Revenue came in \$2k favorable to budget for the month, \$5k unfavorable 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 rate assessment payments for one year.

Expense

Operating expenses for March came in \$66k (10%) unfavorable to budget, with year-to-date expenses \$62k (3%) unfavorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are lower than budget by \$8k (1%) YTD, due to open staff positions at the beginning of the year. In addition, temporary staff labor that was anticipated for staff shortages has come in \$16k 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 \$34k unfavorable to budget YTD through March. The final security contract was not finalized until after budget had been approved. The renewal amount negotiated is a higher amount than originally estimated. As such, we expect this line item to be over budget by a total of \$100k through year end.

Balance Sheet/Cash Flow

- Operating cash is \$1.3 mil at 3/31/22, equal to 1.70 months of cash on hand.
- There is currently \$10 mil in reserve funds and \$72k 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 an unfavorable variance to budget, which may just be timing of expenses. The budget variance for security costs and utilities has been growing, increasing the loss for certain neighborhoods. Unplanned expenses YTD include lighting replacement, sign repair and an overage in water usage. Arcadia, has a loss of \$41k YTD, mainly due to \$31k in tree trimming expenses in January and \$12k in legal costs YTD.

Reserves

- Reserve expenses came in at \$66k for the month of March. YTD expenses are at \$107k, lower than budget by \$38k.
- 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 March 31, 2022

	March 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	1,272,088	1,270,977	\$ 1,111	\$ 5,083,908
Master Assessments	275,953	275,859	94	827,859	827,577	282	3,310,308
Builder & Developer Assessments	5,950	6,968	(1,019)	17,849	20,904	(3,056)	83,616
Total Assessment Revenue	705,932	706,486	(554)	2,117,795	2,119,458	(1,663)	8,477,832
Lot Sale Fees	13,300	13,153	147	33,750	38,306	(4,556)	150,918
Management Fees (Cost Sharing)	475	480	(5)	1,425	1,440	(15)	5,760
Fines/Fees (Violations, Mods etc.)	25,672	26,850	(1,178)	75,259	80,550	(5,291)	322,200
Sub-Association Fees	4,955	4,575	380	14,105	13,725	380	54,900
Cell Tower Lease(s)	6,272	6,235	37	18,816	18,705	111	74,820
Other Income (CFD, Interest, Misc)	5,573	325	5,248	7,102	975	6,127	56,526
Total Non-Assessment Income	56,246	51,618	4,628	150,457	153,701	(3,244)	665,124
Total Operating Income	762,178	758,104	4,074	2,268,253	2,273,159	(4,906)	9,142,956
EXPENSES							
Reserve Contributions	155,750	155,750	-	467,250	467,250	-	1,869,000
Capital Contribution	-	-	-	25,000	25,000	-	25,000
Total Reserve Expense	155,750	155,750	-	492,250	492,250	-	1,894,000
Personnel Expenses	230,116	221,572	8,544	656,258	664,716	(8,458)	2,777,842
Administration	25,653	12,610	13,043	46,179	36,485	9,694	202,950
Information Technology	18,374	12,004	6,370	45,499	36,012	9,487	144,448
Human Resources	6,099	3,100	2,999	8,439	9,300	(861)	37,500
Total Administrative Expense	280,242	249,286	30,956	756,376	746,513	9,863	3,162,740
Landscape Services	40,259	42,408	(2,150)	133,298	115,152	18,146	607,963
Facilities Maintenance	14,074	17,515	(3,441)	52,250	56,748	(4,498)	223,621
Utilities	29,981	29,074	907	88,160	84,328	3,832	589,797
Fleet	19,014	16,955	2,059	49,179	50,865	(1,686)	207,460
Total Maintenance Expense	103,328	105,952	(2,624)	322,887	307,093	15,794	1,628,841
Security	216,576	182,133	34,443	593,429	559,799	33,630	2,239,196
Community Standards	3,358	135	3,223	5,297	405	4,892	5,920
Community Relations	2,216	2,538	(322)	3,885	5,114	(1,229)	16,456
Total Community Program Expense	222,150	184,806	37,344	602,611	565,318	37,293	2,261,572
Insurance (non-EE) & Taxes	16,918	16,863	55	50,183	51,589	(1,407)	203,441
Other Expenses	-	-	-	-	-	-	-
Total General Expense	16,918	16,863	55	50,183	51,589	(1,407)	203,441
Total Operating Expense	778,387	712,657	65,730	2,224,306	2,162,763	61,543	9,150,594
Operating Income/(Loss)	(16,209)	45,447	(61,656)	43,946	110,396	(66,450)	(7,638)
Reserve Income	163,188	159,500	3,688	525,100	503,500	21,600	1,939,000
Depreciation	5,358	5,358	0	16,074	16,074	0	64,296
Reserve Expenses	65,730	92,224	(26,494)	106,605	144,957	(38,352)	1,328,661
Reserve Net Income/(Loss)	92,100	61,918	30,182	402,421	342,469	59,952	546,043

DC RANCH ASSOCIATION

BALANCE SHEET

As Of March 31, 2022

	<u>3/31/2022</u>	<u>12/31/2021</u>	<u>Y/Y Change</u>
ASSETS			
CASH			
Cash - Operating	\$ 1,293,027	\$ 1,321,073	\$ (28,046)
Petty Cash	350	350	-
TOTAL CASH	<u>1,293,377</u>	<u>1,321,423</u>	<u>(28,046)</u>
CAPITAL FUND	71,796	50,000	21,796
RESERVE FUND	10,001,220	9,685,520	315,700
Accounts Receivable (Net)	105,521	14,488	91,032
Intercompany Receivable	-	18,420	(18,420)
Prepaid Expenses	244,410	129,149	115,260
Other Current Assets	-	3,869	(3,869)
TOTAL CURRENT ASSETS	<u>349,930</u>	<u>165,926</u>	<u>184,004</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	(211,132)	(195,058)	(16,074)
PROPERTY, PLANT AND EQUIPMENT, NET	<u>144,930</u>	<u>161,004</u>	<u>(16,074)</u>
TOTAL ASSETS	<u>\$ 11,861,253</u>	<u>\$ 11,383,873</u>	<u>\$ 477,380</u>
LIABILITIES			
Accounts Payable	\$ 262,097	\$ 326,423	\$ (64,326)
Intercompany Payable	255,918	221,988	33,930
Accrued Expenses	112,114	106,125	5,989
Prepaid Assessments	347,019	274,737	72,282
Deferred Revenue	-	-	-
Other Current Liabilities	-	9,309	(9,309)
TOTAL CURRENT LIABILITIES	<u>977,148</u>	<u>938,583</u>	<u>38,565</u>
Note Payable - Kubota Vehicles	20,142	27,695	(7,553)
Note Payable - PPP Funds	-	-	-
TOTAL LONG-TERM LIABILITIES	<u>20,142</u>	<u>27,695</u>	<u>(7,553)</u>
TOTAL LIABILITIES	<u>\$ 997,290</u>	<u>\$ 966,277</u>	<u>\$ 31,012</u>
NET ASSETS			
Operating Equity	824,789	824,789	-
Capital Equity	50,000	50,000	-
Reserve Equity	9,542,807	9,542,807	-
Current Year Profit/Loss	446,368	-	446,368
TOTAL NET ASSETS	<u>\$ 10,863,964</u>	<u>\$ 10,417,596</u>	<u>\$ 446,368</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 11,861,253</u>	<u>\$ 11,383,873</u>	<u>\$ 477,380</u>

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended March 2022

	<u>Current Month</u> Month Ended March 2022	<u>Year-to-Date</u> Year Ended March 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 75,891	\$ 446,368
Adjustments to reconcile net income (deficit)		
Depreciation	5,358	16,074
<i>(Increase)/Decrease in:</i>		
Accounts receivable	115,270	(91,032)
Intercompany receivables	-	18,420
Prepaid expenses	(21,111)	(115,260)
<i>Increase/(Decrease) in:</i>		
Accounts payable	30,756	(64,326)
Accrued expenses	-	-
Accrued payroll expenses	23,738	16,995
Deferred revenue	-	-
Prepaid assessments	33,467	2,878
Prepaid Council assessments	8,367	69,404
Intercompany payables	(117,418)	33,930
Other liabilities	31,641	(16,446)
NET CASH FROM OPERATING ACTIVITIES	<u>185,959</u>	<u>317,003</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)	(7,553)
NET CASH FROM FINANCING ACTIVITIES	<u>(2,518)</u>	<u>(7,553)</u>
NET INCREASE (DECREASE) IN CASH	183,442	309,450
CASH, BEGINNING OF PERIOD	<u>11,182,952</u>	<u>11,056,943</u>
CASH, END OF PERIOD	<u>\$ 11,366,393</u>	<u>\$ 11,366,393</u>