



DC Ranch Association Financial Summary Report for period ending November 30, 2022

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 8,316,144	\$ 143,396	\$ -	\$ 8,459,540
Expenses	6,750,824	1,233,078	-	7,983,902
Operating Income/(Loss)	\$ 1,565,319	\$ (1,089,682)	\$ -	\$ 475,638
Depreciation	-	58,938	-	58,938
Total Income/(Loss)	\$ 1,565,319	\$ (1,148,620)	\$ -	\$ 416,700
Transfers In/(Out)	(1,738,250)	1,713,250	25,000	-
Total Surplus/(Deficit)	\$ (172,931)	\$ 564,630	\$ 25,000	\$ 416,700

Revenue

Operating revenue for November totaled \$751k, unfavorable to budget by \$7k (<1%). Year-to-date revenue is unfavorable to budget by \$44k (<1%). Significant variances to budget are as follows:

- Non-Assessment Revenue and other income is \$48k unfavorable to budget YTD.

Expense

Operating expenses for November came in \$14k (2%) unfavorable to budget, with year-to-date expenses \$190k (2%) unfavorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are over budget by \$51k (2%) YTD. We had some savings through July due to open staff positions at the beginning of the year; however, employee costs increased sharply in August with monthly mileage stipends, wage adjustments and additional hours due to storm clean up. Offsetting these amounts, temporary staff labor that was anticipated for staff shortages is coming in \$66k under budget YTD.
- Information Technology is unfavorable to budget by \$51k YTD due to higher than expected third party support contract services, telephone/internet charges and software licensing fees.
- Landscape expenses currently reflect a net \$5k savings due to the timing of contract services.
- Utilities are favorable to budget by \$46k YTD.
- Fleet expenses are over budget by \$15k YTD due to rising costs for fuel and vehicle lease renewals, which will continue through year end.
- Security expenses are \$176k unfavorable to budget YTD through November. The final security contract was not finalized until after the annual 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 \$200k through year end.

Balance Sheet/Cash Flow

- Operating cash is \$1.1 mil at 11/30/22, equal to 1.47 months of cash on hand.
- There is currently \$10.2 mil in reserve funds and \$69k in the capital fund.
- The note payable for the Kubota AT vehicles is a 0% financing arrangement for the equipment purchased in 2019, was fully repaid this month.

Individual Neighborhoods

- Payroll is 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 Director of Community Services 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 YTD, which may partly be timing of expenses. The budget variance for staff costs and security has been growing, increasing the loss for certain neighborhoods. Unplanned expenses YTD include lighting replacement and sign repair. Ranch Master has a YTD loss of \$184k due to lower non-assessment revenue and increased costs across most departments.

Reserves

- Reserve expenses came in at \$130k for the month of November. YTD expenses are at \$1.23 mil, higher than budget by \$142k.
- 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 November 30, 2022

	November 2022			Year-to-Date			Annual
	Current Month	Budget	Budget Variance	Year to Date	Budget	Budget Variance	2022 Budget
INCOME							
Neighborhood Assessments	\$ 424,384	\$ 423,659	\$ 725	4,665,033	4,660,249	\$ 4,784	\$ 5,083,908
Master Assessments	276,212	275,859	353	3,039,834	3,034,449	5,385	3,310,308
Builder & Developer Assessments	6,881	6,968	(87)	71,031	76,648	(5,617)	83,616
Total Assessment Revenue	707,476	706,486	990	7,775,897	7,771,346	4,551	8,477,832
Lot Sale Fees	6,586	13,153	(6,567)	90,661	138,918	(48,257)	150,918
Management Fees (Cost Sharing)	475	475	-	5,225	5,225	-	5,700
Fines/Fees (Violations, Mods etc.)	26,499	26,850	(351)	287,766	295,350	(7,584)	322,200
Sub-Association Fees	3,660	4,575	(915)	43,160	50,325	(7,165)	54,900
Cell Tower Lease(s)	6,453	6,235	218	70,176	68,585	1,591	74,820
Other Income (CFD, Interest, Misc)	344	330	14	43,258	29,943	13,315	56,586
Total Non-Assessment Income	44,018	51,618	(7,600)	540,246	588,346	(48,100)	665,124
Total Operating Income	751,494	758,104	(6,610)	8,316,144	8,359,692	(43,548)	9,142,956
EXPENSES							
Reserve Contributions	155,750	155,750	-	1,713,250	1,713,250	-	1,869,000
Capital Contribution	-	-	-	25,000	25,000	-	25,000
Total Reserve Expense	155,750	155,750	-	1,738,250	1,738,250	-	1,894,000
Personnel Expenses	216,069	221,572	(5,503)	2,488,349	2,437,292	51,057	2,777,842
Administration	10,267	11,910	(1,643)	148,722	171,385	(22,663)	202,950
Information Technology	20,084	13,434	6,650	198,662	147,974	50,688	161,608
Human Resources	4,690	3,100	1,590	50,432	34,100	16,332	37,500
Total Administrative Expense	251,109	250,016	1,093	2,886,166	2,790,751	95,415	3,179,900
Landscape Services	46,670	45,228	1,442	507,573	564,020	(56,447)	607,963
Facilities Maintenance	17,307	16,538	769	212,007	206,308	5,699	223,621
Utilities	55,163	53,837	1,326	513,407	559,710	(46,303)	589,797
Fleet	12,184	16,955	(4,771)	205,624	190,505	15,119	207,460
Total Maintenance Expense	131,325	132,558	(1,233)	1,438,611	1,520,543	(81,932)	1,628,841
Security	194,674	180,703	13,971	2,217,376	2,041,333	176,043	2,222,036
Community Standards	250	135	115	8,981	5,785	3,196	5,920
Community Relations	1,512	1,038	474	10,792	15,418	(4,626)	16,456
Total Community Program Expense	196,436	181,876	14,560	2,237,150	2,062,536	174,614	2,244,412
Insurance (non-EE) & Taxes	16,540	16,913	(373)	188,898	186,578	2,320	203,441
Other Expenses	-	-	-	-	-	-	-
Total General Expense	16,540	16,913	(373)	188,898	186,578	2,320	203,441
Total Operating Expense	751,161	737,113	14,048	8,489,074	8,298,658	190,416	9,150,594
Operating Income/(Loss)	333	20,991	(20,658)	(172,931)	61,034	(233,965)	(7,638)
Reserve Income	167,567	159,500	8,067	1,881,646	1,779,500	102,146	1,939,000
Depreciation	5,358	5,358	0	58,938	58,938	0	64,296
Reserve Expenses	129,988	-	129,988	1,233,078	1,091,317	141,761	1,328,661
Reserve Net Income/(Loss)	32,221	154,142	(121,921)	589,630	629,245	(39,615)	546,043

DC RANCH ASSOCIATION

BALANCE SHEET

As Of Nvoember 30, 2022

	11/30/2022	12/31/2021	Y/Y Change
ASSETS			
CASH			
Cash - Operating	\$ 1,121,693	\$ 1,321,073	\$ (199,380)
Petty Cash	350	350	-
TOTAL CASH	<u>1,122,043</u>	<u>1,321,423</u>	<u>(199,380)</u>
CAPITAL FUND	69,168	50,000	19,168
RESERVE FUND	10,248,452	9,685,520	562,932
Accounts Receivable (Net)	49,214	14,488	34,725
Intercompany Receivable	-	18,420	(18,420)
Prepaid Expenses	67,761	129,149	(61,389)
Other Current Assets	5,160	3,869	1,291
TOTAL CURRENT ASSETS	<u>122,134</u>	<u>165,926</u>	<u>(43,792)</u>
PROPERTY, PLANT & EQUIPMENT			
Property & Equipment	356,062	356,062	-
Construction In Progress	-	-	-
TOTAL PROPERTY, PLANT & EQUIP	<u>356,062</u>	<u>356,062</u>	<u>-</u>
Less Accumulated Depreciation	<u>(253,996)</u>	<u>(195,058)</u>	<u>(58,938)</u>
PROPERTY, PLANT AND EQUIPMENT, NET	<u>102,066</u>	<u>161,004</u>	<u>(58,938)</u>
TOTAL ASSETS	<u>\$ 11,663,863</u>	<u>\$ 11,383,873</u>	<u>\$ 279,990</u>
LIABILITIES			
Accounts Payable	\$ 274,893	\$ 326,423	\$ (51,530)
Intercompany Payable	173,567	222,040	(48,473)
Accrued Expenses	115,273	106,125	9,148
Prepaid Assessments	262,764	274,737	(11,974)
Deferred Revenue	-	-	-
Other Current Liabilities	3,123	9,309	(6,186)
TOTAL CURRENT LIABILITIES	<u>829,619</u>	<u>938,635</u>	<u>(109,015)</u>
Note Payable - Kubota Vehicles	-	27,695	(27,695)
Note Payable - PPP Funds	-	-	-
TOTAL LONG-TERM LIABILITIES	<u>-</u>	<u>27,695</u>	<u>(27,695)</u>
TOTAL LIABILITIES	<u>\$ 829,619</u>	<u>\$ 966,329</u>	<u>\$ (136,710)</u>
NET ASSETS			
Operating Equity	824,737	824,737	-
Capital Equity	50,000	50,000	-
Reserve Equity	9,542,807	9,542,807	-
Current Year Profit/Loss	416,700	-	416,700
TOTAL NET ASSETS	<u>\$ 10,834,244</u>	<u>\$ 10,417,544</u>	<u>\$ 416,700</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 11,663,863</u>	<u>\$ 11,383,873</u>	<u>\$ 279,990</u>

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended November 2022

	<u>Current Month</u> Month Ended November 2022	<u>Year-to-Date</u> Year Ended November 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 32,554	\$ 416,700
Adjustments to reconcile net income (deficit)		
Depreciation	5,358	58,938
<u>(Increase)/Decrease in:</u>		
Accounts receivable	(4,245)	(34,725)
Intercompany receivables	-	18,420
Prepaid expenses	12,887	61,389
<u>Increase/(Decrease) in:</u>		
Accounts payable	(8,287)	(51,530)
Accrued expenses	-	-
Accrued payroll expenses	7,361	9,148
Deferred revenue	-	-
Prepaid assessments	29,262	(64,527)
Prepaid Council assessments	7,316	52,553
Intercompany payables	35,445	(48,473)
Other liabilities	85	(7,478)
NET CASH FROM OPERATING ACTIVITIES	<u>117,735</u>	<u>410,415</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant & Equipment	<u>-</u>	<u>-</u>
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	<u>(2,518)</u>	<u>(27,695)</u>
NET CASH FROM FINANCING ACTIVITIES	<u>(2,518)</u>	<u>(27,695)</u>
NET INCREASE (DECREASE) IN CASH	115,217	382,720
CASH, BEGINNING OF PERIOD	<u>11,324,446</u>	<u>11,056,943</u>
CASH, END OF PERIOD	<u>\$ 11,439,663</u>	<u>\$ 11,439,663</u>