



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

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 752,619	\$ 2,370	\$ -	\$ 754,989
Expenses	577,129	13,269	-	590,398
Operating Income/(Loss)	\$ 175,491	\$ (10,899)	\$ -	\$ 164,592
Depreciation	-	5,358	-	5,358
Total Income/(Loss)	\$ 175,491	\$ (16,257)	\$ -	\$ 159,234
Transfers In/(Out)	(155,750)	155,750	-	-
Total Surplus/(Deficit)	\$ 19,741	\$ 139,493	\$ -	\$ 159,234

Revenue

Operating revenue for January totaled \$753k, unfavorable to budget by \$5k (<1%). Significant variances to budget are as follows:

- Non-Assessment Revenue came in \$5k unfavorable to budget for the month.

Expense

Operating expenses for January came in \$6k (<1%) unfavorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are lower than budget by \$7k (3%) YTD, due to an open position on staff.
- 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 Facilities, Utilities and Fleet costs.
- Security expenses are over budget by \$8k in January due to the purchase of new digital signage, golf cart maintenance and an overage in staffing. This may be just due to timing and will even out over the course of the year.
- Insurance expense is favorable to budget by \$11K due to the timing of premium payments. This figure will adjust in February.

Balance Sheet/Cash Flow

- Operating cash is \$1.3 mil at 1/31/22, equal to 1.76 months of cash on hand.
- There is currently \$9.8 mil in reserve funds and \$50k in the capital fund. An additional \$25k transfer will be made to the capital fund in February.

- 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.
- All neighborhoods have a favorable variance to budget YTD, except a handful of neighborhoods that have a small deficit, which may just be timing of expenses. Arcadia, however, has a loss of \$33k in January, mainly due to \$31k in tree trimming expenses.

Reserves

- Reserve expenses came in at \$13k for the month of January, unfavorable to budget by \$9k.
- 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 January 31, 2022

	January 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	424,029	423,659	\$ 370	\$ 5,083,908
Master Assessments	275,953	275,859	94	275,953	275,859	94	3,310,308
Builder & Developer Assessments	5,950	6,968	(1,019)	5,950	6,968	(1,019)	83,616
Total Assessment Revenue	705,932	706,486	(554)	705,932	706,486	(554)	8,477,832
Lot Sale Fees	8,700	13,153	(4,453)	8,700	13,153	(4,453)	150,918
Management Fees (Cost Sharing)	475	480	(5)	475	480	(5)	5,760
Fines/Fees (Violations, Mods etc.)	26,505	26,850	(345)	26,505	26,850	(345)	322,200
Sub-Association Fees	4,575	4,575	-	4,575	4,575	-	54,900
Cell Tower Lease(s)	6,272	6,235	37	6,272	6,235	37	74,820
Other Income (CFD, Interest, Misc)	160	325	(165)	160	325	(165)	56,526
Total Non-Assessment Income	46,688	51,618	(4,930)	46,688	51,618	(4,930)	665,124
Total Operating Income	752,619	758,104	(5,485)	752,619	758,104	(5,485)	9,142,956
EXPENSES							
Reserve Contributions	155,750	155,750	-	155,750	155,750	-	1,869,000
Capital Contribution	-	-	-	-	-	-	25,000
Total Reserve Expense	155,750	155,750	-	155,750	155,750	-	1,894,000
Personnel Expenses	214,254	221,572	(7,318)	214,254	221,572	(7,318)	2,777,842
Administration	11,948	11,965	(17)	11,948	11,965	(17)	202,950
Information Technology	12,420	12,004	416	12,420	12,004	416	144,448
Human Resources	1,433	3,100	(1,667)	1,433	3,100	(1,667)	37,500
Total Administrative Expense	240,055	248,641	(8,586)	240,055	248,641	(8,586)	3,162,740
Landscape Services	69,022	36,192	32,830	69,022	36,192	32,830	607,963
Facilities Maintenance	15,083	23,603	(8,520)	15,083	23,603	(8,520)	223,621
Utilities	27,415	31,046	(3,631)	27,415	31,046	(3,631)	589,797
Fleet	14,573	16,955	(2,382)	14,573	16,955	(2,382)	207,460
Total Maintenance Expense	126,093	107,796	18,297	126,093	107,796	18,297	1,628,841
Security	203,343	195,533	7,810	203,343	195,533	7,810	2,239,196
Community Standards	-	135	(135)	-	135	(135)	5,920
Community Relations	1,194	1,538	(344)	1,194	1,538	(344)	16,456
Total Community Program Expense	204,537	197,206	7,331	204,537	197,206	7,331	2,261,572
Insurance (non-EE) & Taxes	6,443	17,863	(11,420)	6,443	17,863	(11,420)	203,441
Other Expenses	-	-	-	-	-	-	-
Total General Expense	6,443	17,863	(11,420)	6,443	17,863	(11,420)	203,441
Total Operating Expense	732,879	727,256	5,623	732,878	727,256	5,622	9,150,594
Operating Income/(Loss)	19,741	30,848	(11,107)	19,741	30,848	(11,107)	(7,638)
Reserve Income	158,120	159,500	(1,380)	158,120	159,500	(1,380)	1,939,000
Depreciation	5,358	5,358	0	5,358	5,358	0	64,296
Reserve Expenses	13,269	4,081	9,188	13,269	4,081	9,188	1,328,661
Reserve Net Income/(Loss)	139,493	150,061	(10,568)	139,493	150,061	(10,568)	546,043

DC RANCH ASSOCIATION

BALANCE SHEET

As Of January 31, 2022

	<u>1/31/2022</u>	<u>12/31/2021</u>	<u>Y/Y Change</u>
ASSETS			
CASH			
Cash - Operating	\$ 1,342,720	\$ 1,321,073	\$ 21,646
Petty Cash	350	350	-
TOTAL CASH	<u>1,343,070</u>	<u>1,321,423</u>	<u>21,646</u>
CAPITAL FUND	50,000	50,000	-
RESERVE FUND	9,777,521	9,685,520	92,001
Accounts Receivable (Net)	39,054	14,488	24,565
Intercompany Receivable	18,420	18,420	-
Prepaid Expenses	121,927	129,149	(7,222)
Other Current Assets	10,141	3,869	6,273
TOTAL CURRENT ASSETS	<u>189,542</u>	<u>165,926</u>	<u>23,616</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	(200,416)	(195,058)	(5,358)
PROPERTY, PLANT AND EQUIPMENT, NET	<u>155,646</u>	<u>161,004</u>	<u>(5,358)</u>
TOTAL ASSETS	<u><u>\$ 11,515,778</u></u>	<u><u>\$ 11,383,873</u></u>	<u><u>\$ 131,905</u></u>
LIABILITIES			
Accounts Payable	\$ 383,216	\$ 326,423	\$ 56,793
Intercompany Payable	107,872	221,988	(114,116)
Accrued Expenses	101,936	106,125	(4,189)
Prepaid Assessments	342,388	274,737	67,650
Deferred Revenue	-	-	-
Other Current Liabilities	10,145	41,093	(30,949)
TOTAL CURRENT LIABILITIES	<u>945,556</u>	<u>970,367</u>	<u>(24,811)</u>
Note Payable - Kubota Vehicles	25,177	27,695	(2,518)
Note Payable - PPP Funds	-	-	-
TOTAL LONG-TERM LIABILITIES	<u>25,177</u>	<u>27,695</u>	<u>(2,518)</u>
TOTAL LIABILITIES	<u><u>\$ 970,733</u></u>	<u><u>\$ 998,062</u></u>	<u><u>\$ (27,329)</u></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	159,234	-	159,234
TOTAL NET ASSETS	<u><u>\$ 10,545,046</u></u>	<u><u>\$ 10,385,812</u></u>	<u><u>\$ 159,234</u></u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 11,515,778</u></u>	<u><u>\$ 11,383,873</u></u>	<u><u>\$ 131,905</u></u>

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended January 2022

	<u>Current Month</u> Month Ended January 2022	<u>Year-to-Date</u> Year Ended January 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 159,234	\$ 159,234
Adjustments to reconcile net income (deficit)		
Depreciation	5,358	5,358
<u>(Increase)/Decrease in:</u>		
Accounts receivable	(24,565)	(24,565)
Intercompany receivables	-	-
Prepaid expenses	7,222	7,222
<u>Increase/(Decrease) in:</u>		
Accounts payable	56,793	56,793
Accrued expenses	-	-
Accrued payroll expenses	(4,189)	(4,189)
Deferred revenue	-	-
Prepaid assessments	(827)	(827)
Prepaid Council assessments	68,478	68,478
Intercompany payables	(114,116)	(114,116)
Other liabilities	(37,221)	(37,221)
NET CASH FROM OPERATING ACTIVITIES	<u>116,165</u>	<u>116,165</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)	(2,518)
NET CASH FROM FINANCING ACTIVITIES	<u>(2,518)</u>	<u>(2,518)</u>
NET INCREASE (DECREASE) IN CASH	113,647	113,647
CASH, BEGINNING OF PERIOD	<u>11,056,943</u>	<u>11,056,943</u>
CASH, END OF PERIOD	<u>\$ 11,170,590</u>	<u>\$ 11,170,590</u>