



DC Ranch Association Financial Summary Report for period ending February 28, 2023

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 1,695,960	\$ 49,391	\$ -	\$ 1,745,351
Expenses	1,150,286	116,429	-	1,266,715
Operating Income/(Loss)	\$ 545,674	\$ (67,037)	\$ -	\$ 478,637
Depreciation	-	9,623	-	9,623
Total Income/(Loss)	\$ 545,674	\$ (76,660)	\$ -	\$ 469,014
Transfers In/(Out)	(336,208)	336,208	-	-
Total Surplus/(Deficit)	\$ 209,466	\$ 259,548	\$ -	\$ 469,014

Revenue

Operating revenue for February totaled \$851k, unfavorable to budget by \$2k (<1%). Year-to-date revenue is unfavorable to budget by \$10k (<1%). Significant variances to budget are as follows:

- Non-Assessment Revenue is \$10k unfavorable to budget YTD.

Expense

Operating expenses for February came in \$62k (8%) favorable to budget, with year-to-date expenses \$109k (7%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are under budget by \$49k (10%) YTD due to open positions in Community Standards and Landscape.
- There is an initial combined savings of \$36k due to the timing of expenses in Landscape, Maintenance, Utilities, Community Standards, Fleet and Security. The year is just beginning, so this number will ebb and flow as expenditures are made.
- Insurance expense is \$5k favorable to budget due to the auto policy renewing lower than anticipated.
- Utilities are favorable to budget by \$17k YTD.

Balance Sheet/Cash Flow

- Operating cash is \$1.7 mil at 2/28/23, equal to 1.93 months of cash on hand.
- There is currently \$10.3 mil in reserve funds and \$69k in the capital fund.

Individual Neighborhoods

- Employee cost is being allocated to the neighborhoods using actual payroll data each month. Variances to budget are to be expected, as the need for staff time changes according to the needs of the neighborhoods. The Director of Community Services and

Landscape/Maintenance Managers review this data in detail to ensure the figures are correct.

- Most neighborhoods are beginning the year with a favorable variance to budget. Only Terrace Homes East, Rosewood and Horseshoe have small net losses due to higher security costs for gate personnel and higher than anticipated landscape/maintenance hours.

Reserves

- Reserve expenses came in at \$52k for the month of February. YTD reserve expenses are at \$116k, higher than budget by \$103k.
- 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.
- Reserve interest is surpassing budget estimates due to the availability of higher earnings rates for the reinvestment of maturing treasury notes.

DC RANCH ASSOCIATION

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending February 28, 2023

	February 2023			Year-to-Date			Annual
	Current Month	Budget	Budget Variance	Year to Date	Budget	Budget Variance	2023 Budget
INCOME							
Neighborhood Assessments	\$ 466,508	\$ 465,720	\$ 788	933,016	931,440	\$ 1,576	\$ 5,588,640
Master Assessments	331,347	330,981	366	662,694	661,962	732	3,971,772
Builder & Developer Assessments	8,134	9,279	(1,145)	16,268	18,558	(2,290)	111,348
Total Assessment Revenue	805,989	805,980	9	1,611,978	1,611,960	18	9,671,760
Lot Sale Fees	8,400	7,500	900	12,100	15,000	(2,900)	90,000
Management Fees (Cost Sharing)	360	360	-	720	720	-	4,320
Fines/Fees (Violations, Mods etc.)	26,572	28,700	(2,128)	50,670	57,400	(6,730)	343,200
Security Monitoring Unmanned Gates	3,660	3,660	-	7,320	7,320	-	43,920
Cell Tower Lease(s)	4,917	6,415	(1,498)	11,369	12,830	(1,461)	76,980
Other Income (CFD, Interest, Misc)	994	250	744	1,802	500	1,302	55,626
Total Non-Assessment Income	44,902	46,885	(1,983)	83,982	93,770	(9,788)	614,046
Total Operating Income	850,891	852,865	(1,974)	1,695,960	1,705,730	(9,770)	10,285,806
EXPENSES							
Reserve Contributions	168,104	168,104	-	336,208	336,208	-	2,017,248
Capital Contribution	-	-	-	-	-	-	-
Total Reserve Expense	168,104	168,104	-	336,208	336,208	-	2,017,248
Personnel Expenses	220,915	254,313	(33,398)	459,490	508,626	(49,136)	3,196,036
Administration	19,463	14,810	4,653	35,174	30,620	4,554	200,620
Information Technology	15,954	14,318	1,636	32,781	29,404	3,377	181,700
Human Resources	3,852	3,010	842	9,376	6,235	3,141	35,350
Total Administrative Expense	260,185	286,451	(26,266)	536,821	574,885	(38,064)	3,613,706
Landscape Services	25,364	26,646	(1,282)	44,868	54,827	(9,959)	550,370
Facilities Maintenance	26,157	20,165	5,992	43,376	38,171	5,205	254,567
Utilities	21,930	32,640	(10,710)	44,340	61,723	(17,383)	637,363
Fleet	15,495	21,140	(5,645)	31,075	42,280	(11,205)	250,005
Total Maintenance Expense	88,946	100,591	(11,645)	163,659	197,001	(33,342)	1,692,305
Security	196,704	213,287	(16,583)	413,586	438,774	(25,188)	2,659,844
Community Standards	329	535	(206)	1,221	7,395	(6,174)	8,220
Community Relations	790	925	(135)	1,776	1,850	(74)	23,300
Total Community Program Expense	197,824	214,747	(16,923)	416,583	448,019	(31,436)	2,691,364
Insurance (non-EE) & Taxes	16,473	19,020	(2,547)	33,223	39,040	(5,817)	229,325
Depreciation	(4,811)	-	(4,811)	-	-	-	-
Other Expenses	-	-	-	-	-	-	-
Total General Expense	11,662	19,020	(7,358)	33,223	39,040	(5,817)	229,325
Total Operating Expense	726,720	788,913	(62,193)	1,486,494	1,595,153	(108,659)	10,243,948
Operating Income/(Loss)	124,171	63,953	60,219	209,466	110,577	98,889	41,858
Reserve Income	186,658	180,604	6,054	385,599	361,208	24,391	2,167,248
Depreciation	9,623	-	9,623	9,623	-	9,623	-
Reserve Expenses	51,523	-	51,523	116,429	13,200	103,229	2,259,133
Reserve Net Income/(Loss)	125,513	180,604	(55,091)	259,548	348,008	(88,460)	(91,885)
Total Net Income/(Loss)	\$ 249,684	\$ 244,557	\$ 5,127	\$ 469,014	\$ 458,585	\$ 10,429	\$ (50,027)

DC RANCH ASSOCIATION

BALANCE SHEET

As Of February 28, 2023

	<u>2/28/2023</u>	<u>12/31/2022</u>	<u>Y/Y Change</u>
ASSETS			
CASH			
Cash - Operating	\$ 1,651,448	\$ 1,056,616	\$ 594,832
Petty Cash	350	350	-
TOTAL CASH	<u>1,651,798</u>	<u>1,056,966</u>	<u>594,832</u>
CAPITAL FUND	69,168	69,168	-
RESERVE FUND	10,275,461	10,112,659	162,802
Accounts Receivable (Net)	187,340	318,149	(130,809)
Intercompany Receivable	-	1,597	(1,597)
Prepaid Expenses	383,407	261,358	122,048
Other Current Assets	36,466	36,528	(62)
TOTAL CURRENT ASSETS	<u>607,213</u>	<u>617,632</u>	<u>(10,419)</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	(268,977)	(259,354)	(9,623)
PROPERTY, PLANT AND EQUIPMENT, NET	<u>87,085</u>	<u>96,708</u>	<u>(9,623)</u>
TOTAL ASSETS	<u><u>\$ 12,690,725</u></u>	<u><u>\$ 11,953,132</u></u>	<u><u>\$ 737,592</u></u>
LIABILITIES			
Accounts Payable	\$ 259,733	\$ 384,101	\$ (124,368)
Intercompany Payable	454,806	147,688	307,118
Accrued Expenses	119,918	118,021	1,897
Prepaid Assessments	373,202	291,477	81,725
Deferred Revenue	-	-	-
Other Current Liabilities	5,414	3,207	2,207
TOTAL CURRENT LIABILITIES	<u>1,213,073</u>	<u>944,494</u>	<u>268,578</u>
TOTAL LONG-TERM LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u><u>\$ 1,213,073</u></u>	<u><u>\$ 944,494</u></u>	<u><u>\$ 268,578</u></u>
NET ASSETS			
Operating Equity	447,177	447,177	-
Capital Equity	69,168	69,168	-
Reserve Equity	10,492,293	10,492,293	-
Current Year Profit/Loss	469,014	-	469,014
TOTAL NET ASSETS	<u><u>\$ 11,477,652</u></u>	<u><u>\$ 11,008,638</u></u>	<u><u>\$ 469,014</u></u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 12,690,725</u></u>	<u><u>\$ 11,953,132</u></u>	<u><u>\$ 737,592</u></u>

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended February 28, 2023

	<u>Current Month</u> Month Ended February 2023	<u>Year-to-Date</u> Year Ended February 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 249,684	\$ 469,014
Adjustments to reconcile net income (deficit)		
Depreciation	4,811	9,623
<i><u>(Increase)/Decrease in:</u></i>		
Accounts receivable	69,269	130,809
Intercompany receivables	1,597	1,597
Prepaid expenses	15,686	(122,048)
<i><u>Increase/(Decrease) in:</u></i>		
Accounts payable	(19,291)	(124,368)
Accrued expenses	(318)	(875)
Accrued payroll expenses	(2,697)	2,772
Deferred revenue	-	-
Prepaid assessments	(22,955)	(44,251)
Prepaid Council assessments	(5,739)	125,976
Intercompany payables	283,947	307,118
Other liabilities	544	2,269
NET CASH FROM OPERATING ACTIVITIES	<u>574,538</u>	<u>757,634</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		
Acquisition of long-term debt	-	-
Principal payments of long-term debt	-	-
NET CASH FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	574,538	757,634
CASH, BEGINNING OF PERIOD	<u>11,421,889</u>	<u>11,238,793</u>
CASH, END OF PERIOD	<u>\$ 11,996,427</u>	<u>\$ 11,996,427</u>