



DC Ranch Association

Financial Summary Report

for period ending June 30, 2023

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 5,158,433	\$ 150,985	\$ -	\$ 5,309,418
Expenses	3,681,874	560,242	-	4,242,116
Operating Income/(Loss)	\$ 1,476,559	\$ (409,257)	\$ -	\$ 1,067,302
Depreciation	-	-	29,445	29,445
Total Income/(Loss)	\$ 1,476,559	\$ (409,257)	\$ (29,445)	\$ 1,037,856
Transfers In/(Out)	(1,008,624)	1,008,624	-	-
Total Surplus/(Deficit)	\$ 467,935	\$ 599,367	\$ (29,445)	\$ 1,037,856

Revenue

Operating revenue for June totaled \$887k, favorable to budget by \$8k (1%). Year-to-date revenue is favorable to budget by \$15k (<1%). Significant variances to budget are as follows:

- Interest income is \$10k favorable to budget YTD.
- Non-Assessment income is \$4k over budget YTD.

Expense

Operating expenses for June came in \$75k (8%) favorable to budget, with year-to-date expenses \$324k (6%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are under budget by \$89k (6%) YTD due to open positions in Community Standards and Landscape. Temporary labor costs are \$5k YTD.
- There is an initial combined savings of \$153k due to the timing of expenses in Landscape, Maintenance, Community Standards, Fleet and Security. This number will ebb and flow as expenditures are made.
- Insurance expense is \$14k favorable to budget due to the auto policy renewing lower than anticipated, this savings will continue through this year.
- Utilities are favorable to budget by \$72k YTD.

Balance Sheet/Cash Flow

- Operating cash is \$1.99 mil at 6/30/23, equal to 2.33 months of cash on hand.
- There is currently \$10.6 mil in reserve funds and \$69k in the capital fund.

Individual Neighborhoods

- Employee costs are 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 Director of Operations review this data in detail to ensure the figures are correct.

- All neighborhoods have a favorable variance to budget, except Terrace Homes East, that has a small net loss due to higher landscape/maintenance hours and utilities expenses.

Reserves

- Reserve expenses came in at \$79k for the month of June. YTD reserve expenses are at \$560k, lower than budget by \$238k.
- 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. Reserve interest income is \$151k YTD.

DC RANCH ASSOCIATION

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending June 30, 2023

	June 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	\$ 2,799,048	\$ 2,794,320	\$ 4,728	\$ 5,588,640
Master Assessments	331,347	330,981	366	1,988,082	1,985,886	2,196	3,971,772
Builder & Developer Assessments	8,134	9,279	(1,145)	48,805	55,674	(6,869)	111,348
Total Assessment Revenue	805,989	805,980	9	4,835,935	4,835,880	55	9,671,760
Lot Sale Fees	12,900	7,500	5,400	51,600	45,000	6,600	90,000
Management Fees (Cost Sharing)	360	360	-	2,160	2,160	-	4,320
Fines/Fees (Violations, Mods etc.)	26,800	28,700	(1,900)	168,637	172,200	(3,563)	343,200
Security Monitoring Unmanned Gates	3,660	3,660	-	21,960	21,960	-	43,920
Cell Tower Lease(s)	6,600	6,415	185	39,159	38,490	669	76,980
Other Income (CFD, Interest, Misc)	31,022	26,563	4,459	38,981	27,813	11,168	55,626
Total Non-Assessment Income	81,343	73,198	8,145	322,498	307,623	14,875	614,046
Total Operating Income	887,332	879,178	8,154	5,158,433	5,143,503	14,930	10,285,806
EXPENSES							
Reserve Contributions	168,104	168,104	-	1,008,624	1,008,624	-	2,017,248
Capital Contribution	-	-	-	-	-	-	-
Total Reserve Expense	168,104	168,104	-	1,008,624	1,008,624	-	2,017,248
Personnel Expenses	241,641	254,313	(12,672)	1,436,877	1,525,878	(89,001)	3,196,036
Administration	18,232	14,810	3,422	122,653	109,260	13,393	200,620
Information Technology	12,873	14,635	(1,762)	93,029	92,887	142	181,700
Human Resources	7,931	1,325	6,606	21,582	16,620	4,962	35,350
Total Administrative Expense	280,677	285,083	(4,406)	1,674,141	1,744,645	(70,504)	3,613,706
Landscape Services	20,610	53,032	(32,422)	178,941	252,600	(73,659)	550,370
Facilities Maintenance	9,706	25,451	(15,745)	97,919	128,033	(30,114)	254,567
Utilities	61,606	69,658	(8,052)	205,306	277,070	(71,764)	637,363
Fleet	18,913	23,765	(4,852)	119,857	132,840	(12,983)	250,005
Total Maintenance Expense	110,834	171,906	(61,072)	602,023	790,543	(188,520)	1,692,305
Security	220,404	228,287	(7,883)	1,295,857	1,339,597	(43,740)	2,659,844
Community Standards	47	35	12	2,573	7,710	(5,137)	8,220
Community Relations	474	925	(451)	6,191	8,050	(1,859)	23,300
Total Community Program Expense	220,925	229,247	(8,322)	1,304,621	1,355,357	(50,736)	2,691,364
Insurance (non-EE) & Taxes	17,611	19,020	(1,409)	101,089	115,120	(14,031)	229,325
Other Expenses	-	-	-	-	-	-	-
Total General Expense	17,611	19,020	(1,409)	101,089	115,120	(14,031)	229,325
Total Operating Expense	798,151	873,360	(75,208)	4,690,498	5,014,289	(323,791)	10,243,948
Operating Income/(Loss)	89,181	5,819	83,362	467,935	129,214	338,721	41,858
Reserve Net Income/(Loss)	115,148	94,087	21,061	599,367	285,161	314,206	(91,885)
Capital Net Income/(Loss)	(4,908)	-	(4,908)	(29,445)	-	(29,445)	-
Reserve/Capital Net Income/(Loss)	110,241	94,087	16,154	569,922	285,161	284,761	(91,885)
Total Net Income/(Loss)	\$ 199,422	\$ 99,906	\$ 99,516	\$ 1,037,857	\$ 414,375	\$ 623,482	\$ (50,027)

DC RANCH ASSOCIATION

BALANCE SHEET

As Of June 30, 2023

	<u>6/30/2023</u>	<u>12/31/2022</u>	<u>Y/Y Change</u>
ASSETS			
CASH			
Cash - Operating	\$ 1,985,173	\$ 1,056,616	\$ 928,557
Petty Cash	350	350	-
TOTAL CASH	<u>1,985,523</u>	<u>1,056,966</u>	<u>928,557</u>
CAPITAL FUND	69,168	69,168	-
RESERVE FUND	10,642,948	10,112,659	530,289
Accounts Receivable (Net)	135,093	318,660	(183,567)
Intercompany Receivable	-	9,713	(9,713)
Prepaid Expenses	304,654	261,358	43,296
Operating Lease Right-to-Use Asset	148,167	148,167	-
Other Current Assets	2,206	36,528	(34,322)
TOTAL CURRENT ASSETS	<u>590,119</u>	<u>774,426</u>	<u>(184,306)</u>
PROPERTY, PLANT & EQUIPMENT			
Property & Equipment	360,678	356,062	4,616
Construction In Progress	-	-	-
TOTAL PROPERTY, PLANT & EQUIP	<u>360,678</u>	<u>356,062</u>	<u>4,616</u>
Less Accumulated Depreciation	<u>(288,800)</u>	<u>(259,354)</u>	<u>(29,445)</u>
PROPERTY, PLANT AND EQUIPMENT, NET	<u>71,879</u>	<u>96,708</u>	<u>(24,829)</u>
TOTAL ASSETS	<u>\$ 13,359,636</u>	<u>\$ 12,109,926</u>	<u>\$ 1,249,710</u>
LIABILITIES			
Accounts Payable	\$ 331,999	\$ 384,101	\$ (52,103)
Intercompany Payable	284,859	147,688	137,171
Accrued Expenses	101,028	119,459	(18,431)
Prepaid Assessments	413,535	291,988	121,547
Deferred Revenue	-	-	-
Operating Lease Right-to-Use Liability	148,167	148,167	-
Other Current Liabilities	26,877	3,207	23,670
TOTAL CURRENT LIABILITIES	<u>1,306,464</u>	<u>1,094,611</u>	<u>211,854</u>
TOTAL LONG-TERM LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u>\$ 1,306,464</u>	<u>\$ 1,094,611</u>	<u>\$ 211,854</u>
NET ASSETS			
Operating Equity	418,352	418,352	-
Capital Equity	165,876	165,876	-
Reserve Equity	10,431,088	10,431,088	-
Current Year Profit/Loss	1,037,856	-	1,037,856
TOTAL NET ASSETS	<u>\$ 12,053,172</u>	<u>\$ 11,015,316</u>	<u>\$ 1,037,856</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 13,359,636</u>	<u>\$ 12,109,926</u>	<u>\$ 1,249,710</u>

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended June 30, 2023

	<u>Current Month</u> Month Ended June 2023	<u>Year-to-Date</u> Year Ended June 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 199,421	\$ 1,037,856
Adjustments to reconcile net income (deficit)		
Depreciation	4,908	29,445
<i><u>(Increase)/Decrease in:</u></i>		
Accounts receivable	55,782	183,567
Intercompany receivables	8,116	9,713
Prepaid expenses	29,636	(43,296)
<i><u>Increase/(Decrease) in:</u></i>		
Accounts payable	(94,635)	(52,103)
Accrued expenses	(16)	(2,488)
Accrued payroll expenses	(28,404)	(15,942)
Deferred revenue	-	-
Prepaid assessments	7,023	38,840
Prepaid Council assessments	1,756	82,707
Intercompany payables	(33,702)	137,171
Other liabilities/	8,979	57,992
NET CASH FROM OPERATING ACTIVITIES	<u>158,863</u>	<u>1,463,462</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant & Equipment	-	(4,616)
NET CASH FROM INVESTING ACTIVITIES	<u>-</u>	<u>(4,616)</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	158,863	1,458,846
CASH, BEGINNING OF PERIOD	<u>12,538,775</u>	<u>11,238,793</u>
CASH, END OF PERIOD	<u><u>\$ 12,697,639</u></u>	<u><u>\$ 12,697,639</u></u>