



DC Ranch Association Financial Summary Report for period ending August 31, 2023

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 6,879,049	\$ 661,822	\$ -	\$ 7,540,871
Expenses	5,033,862	1,173,677	-	6,207,540
Operating Income/(Loss)	\$ 1,845,187	\$ (511,856)	\$ -	\$ 1,333,331
Depreciation	-	-	39,261	39,261
Total Income/(Loss)	\$ 1,845,187	\$ (511,856)	\$ (39,261)	\$ 1,294,071
Transfers In/(Out)	(1,344,832)	1,344,832	-	-
Total Surplus/(Deficit)	\$ 500,355	\$ 832,976	\$ (39,261)	\$ 1,294,071

Revenue

Operating revenue for August totaled \$866k, favorable to budget by \$14k (2%). Year-to-date revenue is favorable to budget by \$30k (<1%). Significant variances to budget are as follows:

- Interest income is \$21k favorable to budget YTD due to higher interest rates.

Expense

Operating expenses for August came in \$56k (7%) unfavorable to budget, with year-to-date expenses \$326k (5%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are under budget by \$88k (4%) YTD due to open positions in Community Standards and Landscape. Temporary labor costs are \$5k YTD.
- There is an initial combined savings of \$123k 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 \$22k 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 \$96k YTD.

Balance Sheet/Cash Flow

- Operating cash is \$2 mil at 8/31/23, equal to 2.39 months of cash on hand.
- There is currently \$10.7 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.

- Some neighborhoods were over budget in expenses for August. Reasons include tree trimming expenses, gate personnel at gatehouses, Landscape/Maint hours for the month, legal fees and other repairs.
- All neighborhoods have a favorable variance to budget YTD, except Desert Haciendas, Terrace Homes East and Arcadia.

Reserves

- Reserve expenses came in at \$552k for the month of August. YTD reserve expenses are at \$1.18 mil, lower than budget by \$133k.
- 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 \$206k YTD.

DC RANCH ASSOCIATION

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending August 31, 2023

	August 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	\$ 3,732,064	\$ 3,725,760	\$ 6,304	\$ 5,588,640
Master Assessments	331,347	330,981	366	2,650,776	2,647,848	2,928	3,971,772
Builder & Developer Assessments	8,134	9,279	(1,145)	65,074	74,232	(9,158)	111,348
Total Assessment Revenue	805,989	805,980	9	6,447,913	6,447,840	73	9,671,760
Lot Sale Fees	4,500	7,500	(3,000)	61,200	60,000	1,200	90,000
Management Fees (Cost Sharing)	360	360	-	2,880	2,880	-	4,320
Fines/Fees (Violations, Mods etc.)	37,535	28,700	8,835	261,056	255,913	5,143	343,200
Security Monitoring Unmanned Gates	3,660	3,660	-	29,280	29,280	-	43,920
Cell Tower Lease(s)	8,136	6,415	1,721	52,360	51,320	1,040	76,980
Other Income (CFD, Interest, Misc)	6,217	250	5,967	24,360	2,000	22,360	55,626
Total Non-Assessment Income	60,408	46,885	13,523	431,136	401,393	29,743	614,046
Total Operating Income	866,397	852,865	13,532	6,879,049	6,849,233	29,816	10,285,806
EXPENSES							
Reserve Contributions	168,104	168,104	-	1,344,832	1,344,832	-	2,017,248
Capital Contribution	-	-	-	-	-	-	-
Total Reserve Expense	168,104	168,104	-	1,344,832	1,344,832	-	2,017,248
Personnel Expenses	275,277	254,313	20,964	1,946,116	2,034,504	(88,388)	3,196,036
Administration	24,364	14,810	9,554	161,038	138,680	22,358	200,620
Information Technology	16,365	14,318	2,047	119,172	122,291	(3,119)	181,700
Human Resources	758	2,700	(1,943)	23,989	21,655	2,334	35,350
Total Administrative Expense	316,763	286,141	30,622	2,250,315	2,317,130	(66,815)	3,613,706
Landscape Services	46,831	37,679	9,152	251,902	331,223	(79,321)	550,370
Facilities Maintenance	24,172	21,692	2,480	140,613	170,018	(29,405)	254,567
Utilities	65,563	75,819	(10,256)	330,960	427,384	(96,424)	637,363
Fleet	24,302	19,340	4,962	167,313	171,520	(4,207)	250,005
Total Maintenance Expense	160,868	154,530	6,338	890,789	1,100,145	(209,356)	1,692,305
Security	233,728	213,287	20,441	1,750,252	1,771,521	(21,269)	2,659,844
Community Standards	155	35	120	2,779	7,905	(5,126)	8,220
Community Relations	1,948	925	1,023	8,894	9,900	(1,006)	23,300
Total Community Program Expense	235,831	214,247	21,584	1,761,925	1,789,326	(27,401)	2,691,364
Insurance (non-EE) & Taxes	16,473	19,020	(2,547)	130,833	153,160	(22,327)	229,325
Other Expenses	-	-	-	-	-	-	-
Total General Expense	16,473	19,020	(2,547)	130,833	153,160	(22,327)	229,325
Total Operating Expense	898,039	842,042	55,997	6,378,694	6,704,593	(325,899)	10,243,948
Operating Income/(Loss)	(31,642)	10,824	(42,466)	500,355	144,640	355,715	41,858
Reserve Net Income/(Loss)	99,832	(134,869)	234,701	832,976	137,965	695,011	(91,885)
Capital Net Income/(Loss)	(4,908)	-	(4,908)	(39,261)	-	(39,261)	-
Reserve/Capital Net Income/(Loss)	94,924	(134,869)	229,793	793,716	137,965	655,751	(91,885)
Total Net Income/(Loss)	\$ 63,282	\$ (124,046)	\$ 187,328	\$ 1,294,071	\$ 282,605	\$ 1,011,466	\$ (50,027)

DC RANCH ASSOCIATION

BALANCE SHEET

As Of August 31, 2023

	<u>8/31/2023</u>	<u>12/31/2022</u>	<u>Y/Y Change</u>
ASSETS			
CASH			
Cash - Operating	\$ 2,036,568	\$ 1,056,616	\$ 979,952
Petty Cash	350	350	-
TOTAL CASH	<u>2,036,918</u>	<u>1,056,966</u>	<u>979,952</u>
CAPITAL FUND	69,168	69,168	-
RESERVE FUND	10,646,334	10,112,659	533,674
Accounts Receivable (Net)	358,452	318,660	39,792
Intercompany Receivable	-	9,713	(9,713)
Prepaid Expenses	162,514	261,358	(98,844)
Operating Lease Right-to-Use Asset	148,167	148,167	-
Other Current Assets	2,206	36,528	(34,322)
TOTAL CURRENT ASSETS	<u>671,339</u>	<u>774,426</u>	<u>(103,087)</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>(298,615)</u>	<u>(259,354)</u>	<u>(39,261)</u>
PROPERTY, PLANT AND EQUIPMENT, NET	62,063	96,708	(34,644)
TOTAL ASSETS	<u>\$ 13,485,822</u>	<u>\$ 12,109,926</u>	<u>\$ 1,375,896</u>
LIABILITIES			
Accounts Payable	\$ 225,887	\$ 384,101	\$ (158,214)
Intercompany Payable	105,799	147,688	(41,889)
Accrued Expenses	359,453	119,459	239,994
Prepaid Assessments	335,096	291,988	43,108
Deferred Revenue	-	-	-
Operating Lease Right-to-Use Liability	148,167	148,167	-
Other Current Liabilities	2,033	3,207	(1,174)
TOTAL CURRENT LIABILITIES	<u>1,176,436</u>	<u>1,094,611</u>	<u>81,825</u>
TOTAL LONG-TERM LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u>\$ 1,176,436</u>	<u>\$ 1,094,611</u>	<u>\$ 81,825</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	1,294,071	-	1,294,071
TOTAL NET ASSETS	<u>\$ 12,309,386</u>	<u>\$ 11,015,316</u>	<u>\$ 1,294,071</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 13,485,822</u>	<u>\$ 12,109,926</u>	<u>\$ 1,375,896</u>

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended August 31, 2023

	<u>Current Month</u> Month Ended August 2023	<u>Year-to-Date</u> Year Ended August 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 63,282	\$ 1,294,071
Adjustments to reconcile net income (deficit)		
Depreciation	4,908	39,261
<u>(Increase)/Decrease in:</u>		
Accounts receivable	(293,533)	(39,792)
Intercompany receivables	-	9,713
Prepaid expenses	132,010	98,844
<u>Increase/(Decrease) in:</u>		
Accounts payable	(121,922)	(158,214)
Accrued expenses	194,243	209,189
Accrued payroll expenses	34,337	27,598
Deferred revenue	-	-
Prepaid assessments	60,993	(23,911)
Prepaid Council assessments	(67,459)	67,019
Intercompany payables	(252,449)	(41,889)
Other liabilities/	(577)	36,355
NET CASH FROM OPERATING ACTIVITIES	<u>(246,167)</u>	<u>1,518,243</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	(246,167)	1,513,627
CASH, BEGINNING OF PERIOD	<u>12,998,586</u>	<u>11,238,793</u>
CASH, END OF PERIOD	<u>\$ 12,752,420</u>	<u>\$ 12,752,420</u>