



DC Ranch Association Financial Summary Report for period ending September 30, 2023

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 7,727,852	\$ 676,676	\$ -	\$ 8,404,528
Expenses	5,720,506	1,233,664	-	6,954,170
Operating Income/(Loss)	\$ 2,007,346	\$ (556,987)	\$ -	\$ 1,450,359
Depreciation	-	-	44,168	44,168
Total Income/(Loss)	\$ 2,007,346	\$ (556,987)	\$ (44,168)	\$ 1,406,191
Transfers In/(Out)	(1,512,936)	1,512,936	-	-
Total Surplus/(Deficit)	\$ 494,410	\$ 955,949	\$ (44,168)	\$ 1,406,191

Revenue

Operating revenue for September totaled \$849k, unfavorable to budget by \$4k (<1%). Year-to-date revenue is favorable to budget by \$26k (<1%). Significant variances to budget are as follows:

- Interest income is \$27k favorable to budget YTD due to higher interest rates.

Expense

Operating expenses for September came in \$50k (6%) favorable to budget, with year-to-date expenses \$376k (5%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are under budget by \$97k (4%) YTD due to open positions throughout the year. Temporary labor costs are \$5k YTD.
- There is an initial combined savings of \$166k due to the timing of expenses in Landscape, Maintenance, Community Standards, IT and CPGA. This number will ebb and flow as expenditures are made.
- Insurance expense is \$25k 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 \$92k YTD.

Balance Sheet/Cash Flow

- Operating cash is \$2.1 mil at 9/30/23, equal to 2.49 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 September. Reasons include Landscape/Maint hours for the month, utilities and other repairs.
- All neighborhoods have a favorable variance to budget YTD, except Desert Haciendas, Terrace Homes East, Rosewood, Haciendas and Horseshoe Canyon.

Reserves

- Reserve expenses came in at \$60k for the month of September. YTD reserve expenses are at \$1.23 mil, lower than budget by \$587k.
- 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 \$221k YTD.

DC RANCH ASSOCIATION

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending September 30, 2023

	September 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	\$ 4,198,572	\$ 4,191,480	\$ 7,092	\$ 5,588,640
Master Assessments	331,347	330,981	366	2,982,123	2,978,829	3,294	3,971,772
Builder & Developer Assessments	8,134	9,279	(1,145)	73,208	83,511	(10,303)	111,348
Total Assessment Revenue	805,989	805,980	9	7,253,902	7,253,820	82	9,671,760
Lot Sale Fees	4,600	7,500	(2,900)	65,800	67,500	(1,700)	90,000
Management Fees (Cost Sharing)	360	360	-	3,240	3,240	-	4,320
Fines/Fees (Violations, Mods etc.)	21,628	28,700	(7,072)	253,620	258,300	(4,680)	343,200
Security Monitoring Unmanned Gates	3,660	3,660	-	32,940	32,940	-	43,920
Cell Tower Lease(s)	6,600	6,415	185	58,960	57,735	1,225	76,980
Other Income (CFD, Interest, Misc)	5,965	250	5,715	59,389	28,563	30,826	55,626
Total Non-Assessment Income	42,814	46,885	(4,071)	473,950	448,278	25,672	614,046
Total Operating Income	848,803	852,865	(4,062)	7,727,852	7,702,098	25,754	10,285,806
EXPENSES							
Reserve Contributions	168,104	168,104	-	1,512,936	1,512,936	-	2,017,248
Capital Contribution	-	-	-	-	-	-	-
Total Reserve Expense	168,104	168,104	-	1,512,936	1,512,936	-	2,017,248
Personnel Expenses	245,772	254,313	(8,541)	2,191,888	2,288,817	(96,929)	3,196,036
Administration	15,927	14,810	1,117	176,965	153,490	23,475	200,620
Information Technology	10,671	15,003	(4,332)	129,843	137,294	(7,451)	181,700
Human Resources	845	4,975	(4,130)	24,834	26,630	(1,796)	35,350
Total Administrative Expense	273,215	289,101	(15,886)	2,523,530	2,606,231	(82,701)	3,613,706
Landscape Services	46,207	81,883	(35,676)	298,109	413,106	(114,997)	550,370
Facilities Maintenance	21,014	28,091	(7,076)	161,628	198,109	(36,481)	254,567
Utilities	73,438	69,271	4,167	404,399	496,655	(92,256)	637,363
Fleet	25,394	19,715	5,679	192,707	191,235	1,472	250,005
Total Maintenance Expense	166,054	198,960	(32,905)	1,056,843	1,299,105	(242,262)	1,692,305
Security	229,497	228,287	1,210	1,979,749	1,999,808	(20,059)	2,659,844
Community Standards	135	85	50	2,914	7,990	(5,076)	8,220
Community Relations	1,177	925	252	10,071	10,825	(754)	23,300
Total Community Program Expense	230,809	229,297	1,512	1,992,734	2,018,623	(25,889)	2,691,364
Insurance (non-EE) & Taxes	16,566	19,055	(2,489)	147,400	172,215	(24,815)	229,325
Other Expenses	-	-	-	-	-	-	-
Total General Expense	16,566	19,055	(2,489)	147,400	172,215	(24,815)	229,325
Total Operating Expense	854,748	904,517	(49,769)	7,233,442	7,609,110	(375,667)	10,243,948
Operating Income/(Loss)	(5,945)	(51,652)	45,707	494,410	92,989	401,422	41,858
Reserve Net Income/(Loss)	122,972	(333,013)	455,985	955,949	(195,048)	1,150,997	(91,885)
Capital Net Income/(Loss)	(4,908)	-	(4,908)	(44,168)	-	(44,168)	-
Reserve/Capital Net Income/(Loss)	118,065	(333,013)	451,078	911,780	(195,048)	1,106,828	(91,885)
Total Net Income/(Loss)	\$ 112,120	\$ (384,665)	\$ 496,784	\$ 1,406,191	\$ (102,060)	\$ 1,508,250	\$ (50,027)

DC RANCH ASSOCIATION

BALANCE SHEET

As Of September 30, 2023

	9/30/2023	12/31/2022	Y/Y Change
ASSETS			
CASH			
Cash - Operating	\$ 2,126,376	\$ 1,056,616	\$ 1,069,760
Petty Cash	350	350	-
TOTAL CASH	2,126,726	1,056,966	1,069,760
CAPITAL FUND	69,168	69,168	-
RESERVE FUND	10,669,813	10,112,659	557,154
Accounts Receivable (Net)	260,088	318,660	(58,572)
Intercompany Receivable	-	9,713	(9,713)
Prepaid Expenses	77,338	261,358	(184,020)
Operating Lease Right-to-Use Asset	148,167	148,167	-
Other Current Assets	2,206	36,528	(34,322)
TOTAL CURRENT ASSETS	487,798	774,426	(286,627)
PROPERTY, PLANT & EQUIPMENT			
Property & Equipment	360,678	356,062	4,616
Construction In Progress	-	-	-
TOTAL PROPERTY, PLANT & EQUIP	360,678	356,062	4,616
Less Accumulated Depreciation	(303,522)	(259,354)	(44,168)
PROPERTY, PLANT AND EQUIPMENT, NET	57,156	96,708	(39,552)
TOTAL ASSETS	\$ 13,410,661	\$ 12,109,926	\$ 1,300,735
LIABILITIES			
Accounts Payable	\$ 317,365	\$ 384,101	\$ (66,736)
Intercompany Payable	64,270	147,688	(83,418)
Accrued Expenses	107,472	119,459	(11,988)
Prepaid Assessments	329,050	291,988	37,062
Deferred Revenue	-	-	-
Operating Lease Right-to-Use Liability	148,167	148,167	-
Other Current Liabilities	22,831	3,207	19,624
TOTAL CURRENT LIABILITIES	989,155	1,094,611	(105,456)
TOTAL LONG-TERM LIABILITIES	0	0	0
TOTAL LIABILITIES	\$ 989,155	\$ 1,094,611	\$ (105,456)
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	1,406,191	-	1,406,191
TOTAL NET ASSETS	\$ 12,421,506	\$ 11,015,316	\$ 1,406,191
TOTAL LIABILITIES & NET ASSETS	\$ 13,410,661	\$ 12,109,926	\$ 1,300,735

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended September 30, 2023

	<u>Current Month</u> Month Ended September 2023	<u>Year-to-Date</u> Year Ended September 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 112,120	\$ 1,406,191
Adjustments to reconcile net income (deficit)		
Depreciation	4,908	44,168
<i>(Increase)/Decrease in:</i>		
Accounts receivable	98,364	58,572
Intercompany receivables	-	9,713
Prepaid expenses	85,176	184,020
<i>Increase/(Decrease) in:</i>		
Accounts payable	91,478	(66,736)
Accrued expenses	3,639	1,150
Accrued payroll expenses	(40,735)	(13,138)
Deferred revenue	-	-
Prepaid assessments	(4,836)	(28,748)
Prepaid Council assessments	(1,209)	65,810
Intercompany payables	(41,529)	(83,418)
Other liabilities/	(194,087)	53,946
NET CASH FROM OPERATING ACTIVITIES	<u>113,287</u>	<u>1,631,530</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	113,287	1,626,914
CASH, BEGINNING OF PERIOD	<u>12,752,420</u>	<u>11,238,793</u>
CASH, END OF PERIOD	<u>\$ 12,865,707</u>	<u>\$ 12,865,707</u>