



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

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 8,591,619	\$ 721,650	\$ -	\$ 9,313,269
Expenses	6,399,641	1,298,152	3,500	7,701,293
Operating Income/(Loss)	\$ 2,191,978	\$ (576,502)	\$ (3,500)	\$ 1,611,976
Depreciation	-	-	49,076	49,076
Total Income/(Loss)	\$ 2,191,978	\$ (576,502)	\$ (52,576)	\$ 1,562,901
Transfers In/(Out)	(1,681,040)	1,681,040	-	-
Total Surplus/(Deficit)	\$ 510,938	\$ 1,104,538	\$ (52,576)	\$ 1,562,901

Revenue

Operating revenue for October totaled \$864k, favorable to budget by \$11k (1%). Year-to-date revenue is favorable to budget by \$37k (<1%). Significant variances to budget are as follows:

- Interest income is \$33k favorable to budget YTD due to higher interest rates.

Expense

Operating expenses for October came in \$24k (3%) favorable to budget, with year-to-date expenses \$400k (5%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are under budget by \$96k (4%) YTD due to open positions throughout the year. Temporary labor costs are \$5k YTD.
- There is an initial combined savings of \$190k 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 \$28k 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 \$91k YTD.

Balance Sheet/Cash Flow

- Operating cash is \$2.3 mil at 10/31/23, equal to 2.70 months of cash on hand.
- There is currently \$10.9 mil in reserve funds and \$66k 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 October. Reasons include tree trimming services, fertilizer costs, Landscape/Maint hours for the month, utilities and other repairs.
- All neighborhoods have a favorable variance to budget YTD, except Country Club, Terrace Homes East, Rosewood, Haciendas and Horseshoe Canyon.

Reserves

- Reserve expenses came in at \$68k for the month of October. YTD reserve expenses are at \$1.3 mil, lower than budget by \$871k.
- 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 \$266k YTD.

DC RANCH ASSOCIATION

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending October 31, 2023

	October 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	\$ 4,665,080	\$ 4,657,200	\$ 7,880	\$ 5,588,640
Master Assessments	331,347	330,981	366	3,313,470	3,309,810	3,660	3,971,772
Builder & Developer Assessments	8,134	9,279	(1,145)	81,342	92,790	(11,448)	111,348
Total Assessment Revenue	805,989	805,980	9	8,059,892	8,059,800	92	9,671,760
Lot Sale Fees	6,800	7,500	(700)	72,600	75,000	(2,400)	90,000
Management Fees (Cost Sharing)	360	360	-	3,600	3,600	-	4,320
Fines/Fees (Violations, Mods etc.)	30,522	28,700	1,822	284,143	287,000	(2,857)	343,200
Security Monitoring Unmanned Gates	3,660	3,660	-	36,600	36,600	-	43,920
Cell Tower Lease(s)	6,600	6,415	185	65,561	64,150	1,411	76,980
Other Income (CFD, Interest, Misc)	9,835	250	9,585	69,225	28,813	40,412	55,626
Total Non-Assessment Income	57,778	46,885	10,893	531,728	495,163	36,565	614,046
Total Operating Income	863,767	852,865	10,902	8,591,619	8,554,963	36,656	10,285,806
EXPENSES							
Reserve Contributions	168,104	168,104	-	1,681,040	1,681,040	-	2,017,248
Capital Contribution	-	-	-	-	-	-	-
Total Reserve Expense	168,104	168,104	-	1,681,040	1,681,040	-	2,017,248
Personnel Expenses	255,304	254,313	991	2,447,193	2,543,130	(95,937)	3,196,036
Administration	20,213	17,510	2,703	197,178	171,000	26,178	200,620
Information Technology	11,203	14,718	(3,515)	141,046	152,012	(10,966)	181,700
Human Resources	3,785	2,585	1,200	28,619	29,215	(596)	35,350
Total Administrative Expense	290,505	289,126	1,379	2,814,035	2,895,357	(81,322)	3,613,706
Landscape Services	67,608	83,918	(16,310)	365,717	497,024	(131,307)	550,370
Facilities Maintenance	14,943	18,909	(3,966)	176,571	217,017	(40,446)	254,567
Utilities	52,242	51,236	1,006	456,641	547,891	(91,250)	637,363
Fleet	19,066	19,340	(274)	211,773	210,575	1,198	250,005
Total Maintenance Expense	153,860	173,403	(19,543)	1,210,702	1,472,507	(261,805)	1,692,305
Community Patrol & Gate Access	215,534	218,462	(2,928)	2,195,283	2,218,270	(22,987)	2,659,844
Community Standards	183	110	73	3,097	8,100	(5,003)	8,220
Community Relations	2,580	3,425	(845)	12,650	14,250	(1,600)	23,300
Total Community Program Expense	218,297	221,997	(3,700)	2,211,031	2,240,620	(29,589)	2,691,364
Insurance (non-EE) & Taxes	16,473	19,070	(2,597)	163,872	191,285	(27,413)	229,325
Other Expenses	-	-	-	-	-	-	-
Total General Expense	16,473	19,070	(2,597)	163,872	191,285	(27,413)	229,325
Total Operating Expense	847,239	871,700	(24,461)	8,080,681	8,480,809	(400,128)	10,243,948
Operating Income/(Loss)	16,528	(18,835)	35,363	510,938	74,154	436,784	41,858
Reserve Net Income/(Loss)	148,590	(171,326)	319,916	1,104,538	(366,374)	1,470,912	(91,885)
Capital Net Income/(Loss)	(8,408)	-	(8,408)	(52,576)	-	(52,576)	-
Reserve/Capital Net Income/(Loss)	140,182	(171,326)	311,508	1,051,962	(366,374)	1,418,336	(91,885)
Total Net Income/(Loss)	\$ 156,710	\$ (190,161)	\$ 346,871	\$ 1,562,901	\$ (292,220)	\$ 1,855,121	\$ (50,027)

DC RANCH ASSOCIATION

BALANCE SHEET

As Of October 31, 2023

	<u>10/31/2023</u>	<u>12/31/2022</u>	<u>Y/Y Change</u>
ASSETS			
CASH			
Cash - Operating	\$ 2,306,647	\$ 1,056,616	\$ 1,250,031
Petty Cash	350	350	-
TOTAL CASH	<u>2,306,997</u>	<u>1,056,966</u>	<u>1,250,031</u>
CAPITAL FUND	65,668	69,168	(3,500)
RESERVE FUND	10,860,058	10,112,659	747,399
Accounts Receivable (Net)	171,220	318,660	(147,439)
Intercompany Receivable	-	9,713	(9,713)
Prepaid Expenses	76,188	261,358	(185,170)
Operating Lease Right-to-Use Asset	148,167	148,167	-
Other Current Assets	2,206	36,528	(34,322)
TOTAL CURRENT ASSETS	<u>397,781</u>	<u>774,426</u>	<u>(376,644)</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	(308,430)	(259,354)	(49,076)
PROPERTY, PLANT AND EQUIPMENT, NET	<u>52,248</u>	<u>96,708</u>	<u>(44,459)</u>
TOTAL ASSETS	<u>\$ 13,682,753</u>	<u>\$ 12,109,926</u>	<u>\$ 1,572,826</u>
LIABILITIES			
Accounts Payable	\$ 392,099	\$ 384,101	\$ 7,997
Intercompany Payable	114,796	147,688	(32,892)
Accrued Expenses	123,054	119,459	3,595
Prepaid Assessments	320,727	291,988	28,739
Deferred Revenue	-	-	-
Operating Lease Right-to-Use Liability	148,167	148,167	-
Other Current Liabilities	5,694	3,207	2,487
TOTAL CURRENT LIABILITIES	<u>1,104,536</u>	<u>1,094,611</u>	<u>9,925</u>
TOTAL LONG-TERM LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u>\$ 1,104,536</u>	<u>\$ 1,094,611</u>	<u>\$ 9,925</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	1,562,901	-	1,562,901
TOTAL NET ASSETS	<u>\$ 12,578,216</u>	<u>\$ 11,015,316</u>	<u>\$ 1,562,901</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 13,682,753</u>	<u>\$ 12,109,926</u>	<u>\$ 1,572,826</u>

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended October 31, 2023

	<u>Current Month</u> Month Ended October 2023	<u>Year-to-Date</u> Year Ended October 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 156,710	\$ 1,562,901
Adjustments to reconcile net income (deficit)		
Depreciation	4,908	49,076
<u>(Increase)/Decrease in:</u>		
Accounts receivable	88,868	147,439
Intercompany receivables	-	9,713
Prepaid expenses	1,149	185,170
<u>Increase/(Decrease) in:</u>		
Accounts payable	74,733	7,997
Accrued expenses	(3,639)	(2,488)
Accrued payroll expenses	19,221	6,084
Deferred revenue	-	-
Prepaid assessments	(6,659)	(35,407)
Prepaid Council assessments	(1,665)	64,145
Intercompany payables	50,526	(32,892)
Other liabilities	(17,137)	36,809
NET CASH FROM OPERATING ACTIVITIES	<u>367,016</u>	<u>1,998,546</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	367,016	1,993,930
CASH, BEGINNING OF PERIOD	<u>12,865,707</u>	<u>11,238,793</u>
CASH, END OF PERIOD	<u>\$ 13,232,723</u>	<u>\$ 13,232,723</u>