



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

Financial statements are preliminary, pending year-end adjustments and audit review.

Summary by Fund - YTD				
	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 10,333,394	\$ 772,446	\$ 4,616	\$ 11,110,456
Expenses	7,966,447	1,594,650	3,500	9,564,597
Operating Income/(Loss)	\$ 2,366,947	\$ (822,204)	\$ 1,116	\$ 1,545,859
Depreciation	-	-	58,891	58,891
Total Income/(Loss)	\$ 2,366,947	\$ (822,204)	\$ (57,775)	\$ 1,486,968
Transfers In/(Out)	(2,017,248)	2,017,248	-	-
Total Surplus/(Deficit)	\$ 349,699	\$ 1,195,044	\$ (57,775)	\$ 1,486,968

Revenue

Operating revenue for December totaled \$884k, favorable to budget by \$6k (<1%). Year-to-date revenue is favorable to budget by \$48k (<1%). Significant variances to budget are as follows:

- Interest income is \$42k favorable to budget YTD due to higher interest rates.

Expense

Operating expenses for December came in \$48k (5%) unfavorable to budget, with year-to-date expenses \$260k (3%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are under budget by \$81k (2.5%) YTD due to open positions throughout the year. Temporary labor costs are \$5k YTD.
- Administrative costs reflect additional legal fees incurred \$17k above the budgeted amount.
- There is an initial combined savings of \$151k 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 \$31k 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 \$55k YTD.
- Bad debt expense was increased by \$35k at 12/31/23 to raise the Allowance for Bad Debt, due to a higher amount of past due balances related to the Arcadia Sissoo tree billing and other resident related construction fines/fees.

Balance Sheet/Cash Flow

- Operating cash is \$1.6 mil at 12/31/23, equal to 1.88 months of cash on hand.
- There is currently \$11.8 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.
- Most neighborhoods were over budget in expenses for December. Reasons include bad debt expense (Ranch Master), tree trimming services (Windgate/Horseshoe), post painting, Landscape/Maint hours for the month and utilities.
- All neighborhoods with a net loss for the year include; Terrace Homes West, Country Club, Terrace Homes East, Rosewood, Haciendas, Windgate and Horseshoe Canyon.

Reserves

- Reserve expenses came in at \$217k for the month of December. YTD reserve expenses are at \$1.6 mil, lower than budget by \$661k.
- 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 \$316k YTD.

DC RANCH ASSOCIATION

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending December 31, 2023

	December 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	\$ 5,598,095	\$ 5,588,640	\$ 9,455	\$ 5,588,640
Master Assessments	331,347	330,981	366	3,976,164	3,971,772	4,392	3,971,772
Builder & Developer Assessments	8,134	9,279	(1,145)	97,610	111,348	(13,738)	111,348
Total Assessment Revenue	805,989	805,980	9	9,671,870	9,671,760	110	9,671,760
Lot Sale Fees	7,800	7,500	300	87,300	90,000	(2,700)	90,000
Management Fees (Cost Sharing)	360	360	-	4,320	4,320	-	4,320
Fines/Fees (Violations, Mods etc.)	29,451	27,500	1,951	349,323	343,200	6,123	343,200
Security Monitoring Unmanned Gates	3,660	3,660	-	43,920	43,920	-	43,920
Cell Tower Lease(s)	6,639	6,415	224	78,838	76,980	1,858	76,980
Other Income (CFD, Interest, Misc)	30,495	26,563	3,932	97,823	55,626	42,197	55,626
Total Non-Assessment Income	78,405	71,998	6,407	661,524	614,046	47,478	614,046
Total Operating Income	884,394	877,978	6,416	10,333,394	10,285,806	47,588	10,285,806
EXPENSES							
Reserve Contributions	168,104	168,104	-	2,017,248	2,017,248	-	2,017,248
Capital Contribution	-	-	-	-	-	-	-
Total Reserve Expense	168,104	168,104	-	2,017,248	2,017,248	-	2,017,248
Personnel Expenses	375,075	398,593	(23,518)	3,115,415	3,196,036	(80,621)	3,196,036
Administration	62,137	14,810	47,327	273,853	200,620	73,233	200,620
Information Technology	11,333	15,002	(3,669)	170,128	181,700	(11,572)	181,700
Human Resources	4,347	3,875	472	35,895	35,350	545	35,350
Total Administrative Expense	452,891	432,280	20,611	3,595,291	3,613,706	(18,415)	3,613,706
Landscape Services	61,875	26,523	35,352	472,353	550,370	(78,017)	550,370
Facilities Maintenance	24,845	17,059	7,786	220,349	254,567	(34,218)	254,567
Utilities	40,497	32,166	8,331	582,610	637,363	(54,753)	637,363
Fleet	9,993	20,090	(10,097)	253,218	250,005	3,213	250,005
Total Maintenance Expense	137,209	95,838	41,372	1,528,529	1,692,305	(163,776)	1,692,305
Community Patrol & Gate Access	218,018	228,287	(10,269)	2,620,435	2,659,844	(39,409)	2,659,844
Community Standards	101	35	66	3,199	8,220	(5,021)	8,220
Community Relations	6,360	8,125	(1,765)	20,384	23,300	(2,916)	23,300
Total Community Program Expense	224,478	236,447	(11,969)	2,644,018	2,691,364	(47,346)	2,691,364
Insurance (non-EE) & Taxes	17,319	19,020	(1,701)	198,608	229,325	(30,717)	229,325
Other Expenses	-	-	-	-	-	-	-
Total General Expense	17,319	19,020	(1,701)	198,608	229,325	(30,717)	229,325
Total Operating Expense	1,000,002	951,689	48,313	9,983,695	10,243,948	(260,253)	10,243,948
Operating Income/(Loss)	(115,608)	(73,711)	(41,897)	349,699	41,858	307,841	41,858
Reserve Net Income/(Loss)	(29,878)	138,787	(168,665)	1,195,044	(91,885)	1,286,929	(91,885)
Capital Net Income/(Loss)	(291)	-	(291)	(57,775)	-	(57,775)	-
Reserve/Capital Net Income/(Loss)	(30,169)	138,787	(168,956)	1,137,269	(91,885)	1,229,154	(91,885)
Total Net Income/(Loss)	\$ (145,777)	\$ 65,077	\$ (210,853)	\$ 1,486,968	\$ (50,027)	\$ 1,536,995	\$ (50,027)

DC RANCH ASSOCIATION

BALANCE SHEET

As Of December 31, 2023

	12/31/2023	12/31/2022	Y/Y Change
ASSETS			
CASH			
Cash - Operating	\$ 1,601,798	\$ 1,056,616	\$ 545,183
Petty Cash	350	350	-
TOTAL CASH	1,602,148	1,056,966	545,183
CAPITAL FUND	65,668	69,168	(3,500)
RESERVE FUND	11,711,519	10,112,659	1,598,859
Accounts Receivable (Net)	89,553	318,660	(229,107)
Intercompany Receivable	-	9,713	(9,713)
Prepaid Expenses	100,511	261,358	(160,847)
Operating Lease Right-to-Use Asset	148,167	148,167	-
Other Current Assets	2,377	36,528	(34,150)
TOTAL CURRENT ASSETS	340,608	774,426	(433,817)
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	(318,245)	(259,354)	(58,891)
PROPERTY, PLANT AND EQUIPMENT, NET	42,433	96,708	(54,275)
TOTAL ASSETS	\$ 13,762,377	\$ 12,109,926	\$ 1,652,450
LIABILITIES			
Accounts Payable	\$ 437,543	\$ 384,101	\$ 53,441
Intercompany Payable	205,436	147,688	57,748
Accrued Expenses	152,836	119,459	33,377
Prepaid Assessments	274,964	291,988	(17,024)
Deferred Revenue	-	-	-
Operating Lease Right-to-Use Liability	148,167	148,167	-
Other Current Liabilities	41,147	3,207	37,940
TOTAL CURRENT LIABILITIES	1,260,093	1,094,611	165,482
Other Long-Term Liabilities	-	-	-
TOTAL LONG-TERM LIABILITIES	0	0	0
TOTAL LIABILITIES	\$ 1,260,093	\$ 1,094,611	\$ 165,482
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	1,486,968	-	1,486,968
TOTAL NET ASSETS	\$ 12,502,284	\$ 11,015,316	\$ 1,486,968
TOTAL LIABILITIES & NET ASSETS	\$ 13,762,377	\$ 12,109,926	\$ 1,652,450

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended December 31, 2023

	<u>Current Month</u> Month Ended December 2023	<u>Year-to-Date</u> Year Ended December 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ (145,777)	\$ 1,486,968
Adjustments to reconcile net income (deficit)		
Depreciation	4,908	58,891
<i>(Increase)/Decrease in:</i>		
Accounts receivable	107,665	229,107
Intercompany receivables	-	9,713
Prepaid expenses	12,665	160,847
<i>Increase/(Decrease) in:</i>		
Accounts payable	42,933	53,441
Accrued expenses		(2,488)
Accrued payroll expenses	(739)	35,866
Deferred revenue	-	-
Prepaid assessments	33,233	(17,024)
Prepaid Council assessments	(60,433)	-
Intercompany payables	88,298	57,748
Other liabilities	29,956	72,090
NET CASH FROM OPERATING ACTIVITIES	112,708	2,145,158
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant & Equipment	-	(4,616)
NET CASH FROM INVESTING ACTIVITIES	-	(4,616)
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of long-term debt	-	-
Principal payments of long-term debt	-	-
NET CASH FROM FINANCING ACTIVITIES	-	-
NET INCREASE (DECREASE) IN CASH	112,708	2,140,542
CASH, BEGINNING OF PERIOD	13,266,627	11,238,793
CASH, END OF PERIOD	\$ 13,379,335	\$ 13,379,335