



DC Ranch Association Financial Summary Report for period ending February 29, 2024

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 1,852,063	\$ 84,011	\$ -	\$ 1,936,074
Expenses	1,439,573	111,685		1,551,259
Operating Income/(Loss)	\$ 412,489	\$ (27,675)	\$ -	\$ 384,815
Depreciation	-	-	5,713	5,713
Total Income/(Loss)	\$ 412,489	\$ (27,675)	\$ (5,713)	\$ 379,102
Transfers In/(Out)	(385,422)	360,422	25,000	-
Total Surplus/(Deficit)	\$ 27,067	\$ 332,747	\$ 19,287	\$ 379,102

Revenue

Operating revenue for February totaled \$928k, unfavorable to budget by \$8k (<1%). Year-to-date revenue is unfavorable to budget by \$19k (1%). Significant variances to budget are as follows:

- The 2024 cost sharing agreement between Ranch, Council and Covenant is in process of being revised, due to the governance restructure and realignment of shared staff. Management fees have not been paid or received YTD, but will be caught up in a future month. This has resulted in a \$24k temporary revenue shortfall to budget YTD.
- Interest income is \$2k favorable to budget YTD.

Expense

Operating expenses for February came in \$126k (15%) unfavorable to budget, with year-to-date expenses \$70k (4%) unfavorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are over budget by \$102k (16%) YTD due to a contractual obligation, but this will continue to be offset by savings for open and transitioning positions.
- Administrative costs reflect additional legal fees incurred \$13k above the budgeted amount.
- There is an initial combined savings of \$51k due to the timing of expenses in Landscape, Maintenance and CPGA. This number will ebb and flow as expenditures are made.
- Insurance expense is \$4k higher than budget, which will continue through year end. This is mainly due to a necessary adjustment to property values in Market Street Villas, but also reflects slightly higher premiums for D&O, flood and auto policies.
- Utilities are unfavorable to budget by \$11k YTD.
- Management fees of \$8k have not been YTD – see note in Revenue section.

Balance Sheet/Cash Flow

- Operating cash is \$1.7 mil at 2/29/24, equal to 1.84 months of cash on hand.
- There is currently \$12 mil in reserve funds and \$91k 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 Operations reviews this data in detail to ensure the figures are correct.
- Most neighborhoods are beginning the year with a favorable variance to budget. Ranch Master has a significant loss due to a contractual obligation. Market Street Villas, Montelana and Horseshoe have smaller losses due to higher landscape hours, increased insurance premiums and water usage.

Reserves

- Reserve expenses came in at \$49k for the month of February. YTD reserve expenses are at \$112k, higher than budget by \$110k.
- 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 \$84k YTD.

DC RANCH ASSOCIATION

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending February 29, 2024

	February 2024			Year-to-Date			Annual
	Current Month	Budget	Budget Variance	Year to Date	Budget	Budget Variance	2024 Budget
INCOME							
Neighborhood Assessments	\$ 504,756	\$ 504,778	\$ (22)	\$ 1,009,512	\$ 1,009,556	\$ (45)	\$ 6,057,336
Master Assessments	364,989	364,944	45	729,978	729,888	90	4,379,328
Builder & Developer Assessments	8,905	8,904	1	17,811	17,808	3	106,848
Total Assessment Revenue	878,650	878,626	24	1,757,300	1,757,252	48	10,543,512
Lot Sale Fees	8,000	7,500	500	15,800	15,000	800	90,000
Management Fees (Cost Sharing)	-	12,125	(12,125)	-	24,250	(24,250)	145,500
Fines/Fees (Violations, Mods etc.)	26,920	25,550	1,370	51,773	51,100	673	305,400
Security Monitoring Unmanned Gates	3,840	3,840	-	7,680	7,680	-	46,080
Cell Tower Lease(s)	6,639	6,639	(0)	13,278	13,278	(1)	80,923
Other Income (CFD, Interest, Misc)	3,697	1,500	2,197	6,233	3,000	3,233	70,622
Total Non-Assessment Income	49,095	57,154	(8,059)	94,763	114,308	(19,545)	738,525
Total Operating Income	927,745	935,780	(8,035)	1,852,063	1,871,560	(19,497)	11,282,037
EXPENSES							
Reserve Contributions	180,211	180,211	-	360,422	360,422	-	2,162,532
Capital Contribution	-	-	-	25,000	25,000	-	25,000
Total Reserve Expense	180,211	180,211	-	385,422	385,422	-	2,187,532
Personnel Expenses	446,252	305,471	140,781	712,797	610,942	101,855	3,842,931
Administration	8,121	15,740	(7,619)	24,932	24,255	677	167,150
Information Technology	19,555	14,360	5,195	33,730	28,720	5,010	217,646
Human Resources	1,426	2,445	(1,019)	2,733	5,672	(2,939)	37,453
Total Administrative Expense	475,353	338,016	137,337	774,192	669,589	104,603	4,265,180
Landscape Services	23,372	25,530	(2,158)	54,488	72,384	(17,896)	633,369
Facilities Maintenance	16,283	20,127	(3,844)	33,205	44,321	(11,116)	265,560
Utilities	25,767	24,269	1,498	59,413	48,910	10,503	635,227
Fleet	21,599	21,395	204	40,563	46,181	(5,618)	268,220
Total Maintenance Expense	87,020	91,321	(4,301)	187,670	211,796	(24,126)	1,802,376
Community Patrol & Gate Access	215,221	224,814	(9,593)	436,696	450,317	(13,621)	2,780,103
Community Standards	136	35	101	160	145	15	7,720
Community Relations	747	575	172	1,141	1,850	(709)	22,125
Total Community Program Expense	216,103	225,424	(9,321)	437,997	452,312	(14,315)	2,809,948
Insurance (non-EE) & Taxes	19,857	17,648	2,209	39,715	35,596	4,119	217,001
Other Expenses	-	-	-	-	-	-	-
Total General Expense	19,857	17,648	2,209	39,715	35,596	4,119	217,001
Total Operating Expense	978,545	852,620	125,925	1,824,995	1,754,715	70,280	11,282,037
Operating Income/(Loss)	(50,800)	83,160	(133,960)	27,067	116,845	(89,778)	-
Reserve Net Income/(Loss)	165,134	204,011	(38,877)	332,747	409,222	(76,475)	281,831
Capital Net Income/(Loss)	(2,856)	(2,857)	1	19,287	19,286	1	-
Reserve/Capital Net Income/(Loss)	162,278	201,154	(38,876)	352,035	428,508	(76,473)	281,831
Total Net Income/(Loss)	\$ 111,478	\$ 284,314	\$ (172,836)	\$ 379,102	\$ 545,353	\$ (166,251)	\$ 281,831

DC RANCH ASSOCIATION

BALANCE SHEET

As Of February 29, 2024

	<u>2/29/2024</u>	<u>12/31/2023</u>	<u>Y/Y Change</u>
ASSETS			
CASH			
Cash - Operating	\$ 1,729,092	\$ 1,601,798	\$ 127,293
Petty Cash	350	350	-
TOTAL CASH	<u>1,729,442</u>	<u>1,602,148</u>	<u>127,293</u>
CAPITAL FUND	90,668	65,668	25,000
RESERVE FUND	12,001,660	11,711,519	290,141
Accounts Receivable (Net)	103,019	89,553	13,466
Intercompany Receivable	-	237	(237)
Prepaid Expenses	302,641	100,511	202,130
Operating Lease Right-to-Use Asset	148,167	148,167	-
Other Current Assets	2,341	115,993	(113,652)
TOTAL CURRENT ASSETS	<u>556,167</u>	<u>454,460</u>	<u>101,706</u>
PROPERTY, PLANT & EQUIPMENT			
Property & Equipment	360,678	360,678	-
Construction In Progress	-	-	-
TOTAL PROPERTY, PLANT & EQUIP	<u>360,678</u>	<u>360,678</u>	<u>-</u>
Less Accumulated Depreciation	(323,958)	(318,245)	(5,713)
PROPERTY, PLANT AND EQUIPMENT, NET	<u>36,721</u>	<u>42,433</u>	<u>(5,713)</u>
TOTAL ASSETS	<u>\$ 14,414,657</u>	<u>\$ 13,876,229</u>	<u>\$ 538,428</u>
LIABILITIES			
Accounts Payable	\$ 298,163	\$ 437,543	\$ (139,379)
Intercompany Payable	406,959	222,069	184,890
Accrued Expenses	235,044	159,425	75,619
Prepaid Assessments	423,989	274,964	149,025
Deferred Revenue	-	-	-
Operating Lease Right-to-Use Liability	148,167	148,167	-
Other Current Liabilities	40,101	150,929	(110,829)
TOTAL CURRENT LIABILITIES	<u>1,552,423</u>	<u>1,393,096</u>	<u>159,326</u>
TOTAL LONG-TERM LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u>\$ 1,552,423</u>	<u>\$ 1,393,096</u>	<u>\$ 159,326</u>
NET ASSETS			
Operating Equity	685,948	685,948	-
Capital Equity	108,101	108,101	-
Reserve Equity	11,689,082	11,689,082	-
Current Year Profit/Loss	379,102	-	379,102
TOTAL NET ASSETS	<u>\$ 12,862,234</u>	<u>\$ 12,483,132</u>	<u>\$ 379,102</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 14,414,657</u>	<u>\$ 13,876,229</u>	<u>\$ 538,428</u>

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended February 2024

	<u>Current Month</u> Month Ended February 2024	<u>Year-to-Date</u> Year Ended February 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 111,478	\$ 379,102
Adjustments to reconcile net income (deficit)		
Depreciation	2,856	5,713
<u>(Increase)/Decrease in:</u>		
Accounts receivable	(25,975)	(13,466)
Intercompany receivables	237	237
Prepaid expenses	(23,327)	(202,130)
<u>Increase/(Decrease) in:</u>		
Accounts payable	(41,789)	(139,379)
Accrued expenses	(2,448)	(6,588)
Accrued payroll expenses	67,851	82,208
Deferred revenue	-	-
Prepaid assessments	(2,852)	9,235
Prepaid Council assessments	(713)	139,791
Intercompany payables	246,487	184,890
Other liabilities	617	2,824
NET CASH FROM OPERATING ACTIVITIES	<u>332,423</u>	<u>442,435</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant & Equipment	-	-
NET CASH FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</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	332,423	442,435
CASH, BEGINNING OF PERIOD	<u>13,489,347</u>	<u>13,379,335</u>
CASH, END OF PERIOD	<u><u>\$ 13,821,770</u></u>	<u><u>\$ 13,821,770</u></u>