



DC Ranch Association Financial Summary Report for period ending March 31, 2024

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 2,783,644	\$ 91,908	\$ -	\$ 2,875,552
Expenses	2,012,086	201,626		2,213,712
Operating Income/(Loss)	\$ 771,558	\$ (109,719)	\$ -	\$ 661,840
Depreciation	-	-	8,569	8,569
Total Income/(Loss)	\$ 771,558	\$ (109,719)	\$ (8,569)	\$ 653,271
Transfers In/(Out)	(565,633)	540,633	25,000	-
Total Surplus/(Deficit)	\$ 205,925	\$ 430,914	\$ 16,431	\$ 653,271

Revenue

Operating revenue for March totaled \$931k, unfavorable to budget by \$5k (<1%). Year-to-date revenue is unfavorable to budget by \$24k (<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 \$36k temporary revenue shortfall to budget YTD.
- Non-assessment revenue is \$7k favorable to budget YTD.
- Interest income is \$5k favorable to budget YTD.

Expense

Operating expenses for March came in \$136k (15%) favorable to budget, with year-to-date expenses \$65k (2%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are over budget by \$42k (5%) YTD. This figure will fluctuate throughout the year as positions are filled and vacated. This variance will be offset by the management fee agreement (see note above).
- Administrative costs reflect additional professional and legal fees incurred \$21k above the budgeted amount.
- There is a combined savings of \$68k due to the timing of expenses across all departments. This number will ebb and flow as expenditures are made.
- Insurance expense is \$7k 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 \$17k YTD.
- Management fees of \$13k have not been received YTD – see note in Revenue section.

Balance Sheet/Cash Flow

- Operating cash is \$1.7 mil at 3/31/2024, equal to 1.8 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 have a favorable variance to budget at the end of the first quarter. Market Street Villas and Montelana have smaller losses due to higher landscape hours, increased insurance premiums and water usage. Horseshoe has a loss of \$15k, mainly due to the timing of tree trimming expenditures, but this will even out over the year.

Reserves

- Reserve expenses came in at \$33k for the month of March. YTD reserve expenses are at \$202k, higher than budget by \$78k.
- 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 \$92k YTD.

DC RANCH ASSOCIATION

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending March 31, 2024

	March 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)	\$ 1,514,267	\$ 1,514,334	\$ (67)	\$ 6,057,336
Master Assessments	364,989	364,944	45	1,094,967	1,094,832	135	4,379,328
Builder & Developer Assessments	8,905	8,904	1	26,716	26,712	4	106,848
Total Assessment Revenue	878,650	878,626	24	2,635,950	2,635,878	72	10,543,512
Lot Sale Fees	9,200	7,500	1,700	25,000	22,500	2,500	90,000
Management Fees (Cost Sharing)	-	12,125	(12,125)	-	36,375	(36,375)	145,500
Fines/Fees (Violations, Mods etc.)	28,526	25,550	2,976	81,609	76,650	4,959	305,400
Security Monitoring Unmanned Gates	3,840	3,840	-	11,520	11,520	-	46,080
Cell Tower Lease(s)	6,639	6,639	(0)	19,916	19,917	(1)	80,923
Other Income (CFD, Interest, Misc)	4,272	1,500	2,772	9,648	4,500	5,148	70,622
Total Non-Assessment Income	52,476	57,154	(4,678)	147,694	171,462	(23,768)	738,525
Total Operating Income	931,126	935,780	(4,654)	2,783,644	2,807,340	(23,696)	11,282,037
EXPENSES							
Reserve Contributions	180,211	180,211	-	540,633	540,633	-	2,162,532
Capital Contribution	-	-	-	25,000	25,000	-	25,000
Total Reserve Expense	180,211	180,211	-	565,633	565,633	-	2,187,532
Personnel Expenses	161,998	305,471	(143,473)	874,796	916,413	(41,617)	3,842,931
Administration	21,718	20,590	1,128	46,650	44,845	1,805	167,150
Information Technology	19,409	16,370	3,039	53,139	45,090	8,049	217,646
Human Resources	4,227	2,299	1,928	6,960	7,971	(1,011)	37,453
Total Administrative Expense	207,352	344,730	(137,378)	981,545	1,014,319	(32,774)	4,265,180
Landscape Services	44,187	29,300	14,887	100,025	101,684	(1,659)	633,369
Facilities Maintenance	16,734	19,294	(2,560)	49,939	63,615	(13,676)	265,560
Utilities	30,915	24,235	6,680	90,328	73,145	17,183	635,227
Fleet	17,884	24,380	(6,496)	58,447	70,561	(12,114)	268,220
Total Maintenance Expense	109,719	97,209	12,510	298,739	309,005	(10,266)	1,802,376
Community Patrol & Gate Access	233,321	243,314	(9,993)	670,016	693,631	(23,615)	2,780,103
Community Standards	52	35	17	211	180	31	7,720
Community Relations	861	4,450	(3,589)	2,003	6,300	(4,297)	22,125
Total Community Program Expense	234,234	247,799	(13,565)	672,230	700,111	(27,881)	2,809,948
Insurance (non-EE) & Taxes	19,857	17,648	2,209	59,572	53,244	6,328	217,001
Other Expenses	-	-	-	-	-	-	-
Total General Expense	19,857	17,648	2,209	59,572	53,244	6,328	217,001
Total Operating Expense	751,373	887,597	(136,224)	2,577,719	2,642,312	(64,593)	11,282,037
Operating Income/(Loss)	179,753	48,183	131,570	205,925	165,028	40,897	-
Reserve Net Income/(Loss)	98,167	82,686	15,481	430,914	491,908	(60,994)	281,831
Capital Net Income/(Loss)	(2,856)	(2,857)	1	16,431	16,429	2	-
Reserve/Capital Net Income/(Loss)	95,311	79,829	15,482	447,346	508,337	(60,991)	281,831
Total Net Income/(Loss)	\$ 275,064	\$ 128,012	\$ 147,052	\$ 653,271	\$ 673,365	\$ (20,094)	\$ 281,831

DC RANCH ASSOCIATION

BALANCE SHEET

As Of March 31, 2024

	<u>3/31/2024</u>	<u>12/31/2023</u>	<u>Y/Y Change</u>
ASSETS			
CASH			
Cash - Operating	\$ 1,689,108	\$ 1,601,798	\$ 87,310
Petty Cash	350	350	-
TOTAL CASH	<u>1,689,458</u>	<u>1,602,148</u>	<u>87,310</u>
CAPITAL FUND	90,668	65,668	25,000
RESERVE FUND	12,063,907	11,711,519	352,388
Accounts Receivable (Net)	131,052	99,735	31,317
Intercompany Receivable	-	237	(237)
Prepaid Expenses	224,715	103,802	120,913
Operating Lease Right-to-Use Asset	148,167	148,167	-
Other Current Assets	54,551	156,069	(101,518)
TOTAL CURRENT ASSETS	<u>558,485</u>	<u>508,010</u>	<u>50,475</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	(326,814)	(318,245)	(8,569)
PROPERTY, PLANT AND EQUIPMENT, NET	<u>33,864</u>	<u>42,433</u>	<u>(8,569)</u>
TOTAL ASSETS	<u>\$ 14,436,382</u>	<u>\$ 13,929,778</u>	<u>\$ 506,604</u>
LIABILITIES			
Accounts Payable	\$ 287,822	\$ 437,543	\$ (149,721)
Intercompany Payable	198,599	225,360	(26,761)
Accrued Expenses	132,386	160,781	(28,395)
Prepaid Assessments	391,055	274,964	116,091
Deferred Revenue	-	-	-
Operating Lease Right-to-Use Liability	148,167	148,167	-
Other Current Liabilities	90,677	148,558	(57,881)
TOTAL CURRENT LIABILITIES	<u>1,248,706</u>	<u>1,395,373</u>	<u>(146,667)</u>
TOTAL LONG-TERM LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u>\$ 1,248,706</u>	<u>\$ 1,395,373</u>	<u>\$ (146,667)</u>
NET ASSETS			
Operating Equity	737,221	737,221	-
Capital Equity	108,101	108,101	-
Reserve Equity	11,689,082	11,689,082	-
Current Year Profit/Loss	653,271	-	653,271
TOTAL NET ASSETS	<u>\$ 13,187,676</u>	<u>\$ 12,534,405</u>	<u>\$ 653,271</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 14,436,382</u>	<u>\$ 13,929,778</u>	<u>\$ 506,604</u>

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended March 2024

	<u>Current Month</u> Month Ended March 2024	<u>Year-to-Date</u> Year Ended March 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 275,064	\$ 653,271
Adjustments to reconcile net income (deficit)		
Depreciation	2,856	8,569
<i><u>(Increase)/Decrease in:</u></i>		
Accounts receivable	(17,851)	(31,317)
Intercompany receivables	-	237
Prepaid expenses	81,217	(120,913)
<i><u>Increase/(Decrease) in:</u></i>		
Accounts payable	(11,692)	(149,721)
Accrued expenses	-	(6,588)
Accrued payroll expenses	(104,014)	(21,807)
Deferred revenue	-	-
Prepaid assessments	(26,347)	(17,113)
Prepaid Council assessments	(6,587)	133,204
Intercompany payables	(211,651)	(26,761)
Other liabilities	40,813	43,637
NET CASH FROM OPERATING ACTIVITIES	<u>21,808</u>	<u>464,698</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	21,808	464,698
CASH, BEGINNING OF PERIOD	<u>13,822,225</u>	<u>13,379,335</u>
CASH, END OF PERIOD	<u>\$ 13,844,033</u>	<u>\$ 13,844,033</u>