



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

## Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 4,644,555	\$ 202,284	\$ -	\$ 4,846,839
Expenses	3,421,247	400,935		3,822,183
<b>Operating Income/(Loss)</b>	<b>\$ 1,223,308</b>	<b>\$ (198,652)</b>	<b>\$ -</b>	<b>\$ 1,024,656</b>
Depreciation	-	-	14,281	14,281
<b>Total Income/(Loss)</b>	<b>\$ 1,223,308</b>	<b>\$ (198,652)</b>	<b>\$ (14,281)</b>	<b>\$ 1,010,375</b>
Transfers In/(Out)	(926,055)	901,055	25,000	-
<b>Total Surplus/(Deficit)</b>	<b>\$ 297,253</b>	<b>\$ 702,403</b>	<b>\$ 10,719</b>	<b>\$ 1,010,375</b>

### Revenue

Operating revenue for May totaled \$930k, unfavorable to budget by \$6k (<1%). Year-to-date revenue is unfavorable to budget by \$34k (<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 \$61k temporary revenue shortfall to budget YTD.
- Non-assessment revenue is \$14k favorable to budget YTD.
- Interest income is \$11k favorable to budget YTD.

### Expense

Operating expenses for May came in \$113k (11%) favorable to budget, with year-to-date expenses \$194k (4%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are under budget by \$162k (11%) 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 \$41k above the budgeted amount.
- There are combined savings of \$75k due to the timing of expenses across departments. This number will ebb and flow as expenditures are made.
- Insurance expense is \$6k 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 \$21k have not been received YTD – see note in Revenue section.

### Balance Sheet/Cash Flow

- Operating cash is \$1.9 mil at 5/31/2024, equal to 2.06 months of cash on hand.
- There is currently \$12.4 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, except for Country Club, Terrace East, Market Street Villas, Arcadia and Horseshoe. Reasons include the timing of arbor care, overage in water usage, additional landscape and/or maintenance hours and legal fees.

### **Reserves**

- Reserve expenses came in at \$143k for the month of May. YTD reserve expenses are at \$401k, lower than budget by \$87k.
- 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 \$202k YTD.

# DC RANCH ASSOCIATION

## STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending May 31, 2024

	May 2024			Year-to-Date			Annual
	Current Month	Budget	Budget Variance	Year to Date	Budget	Budget Variance	2024 Budget
<b>INCOME</b>							
Neighborhood Assessments	\$ 504,756	\$ 504,778	\$ (22)	\$ 2,523,779	\$ 2,523,890	\$ (111)	\$ 6,057,336
Master Assessments	364,989	364,944	45	1,824,945	1,824,720	225	4,379,328
Builder & Developer Assessments	8,905	8,904	1	44,527	44,520	7	106,848
<b>Total Assessment Revenue</b>	<b>878,650</b>	<b>878,626</b>	<b>24</b>	<b>4,393,250</b>	<b>4,393,130</b>	<b>120</b>	<b>10,543,512</b>
Lot Sale Fees	11,000	7,500	3,500	47,800	37,500	10,300	90,000
Management Fees (Cost Sharing)	-	12,125	(12,125)	-	60,625	(60,625)	145,500
Fines/Fees (Violations, Mods etc.)	25,025	25,550	(525)	131,130	127,750	3,380	305,400
Security Monitoring Unmanned Gates	3,840	3,840	-	19,200	19,200	-	46,080
Cell Tower Lease(s)	6,790	6,791	(1)	33,498	33,347	151	80,923
Other Income (CFD, Interest, Misc)	4,566	1,500	3,066	19,678	7,500	12,178	70,622
<b>Total Non-Assessment Income</b>	<b>51,221</b>	<b>57,306</b>	<b>(6,085)</b>	<b>251,305</b>	<b>285,922</b>	<b>(34,617)</b>	<b>738,525</b>
<b>Total Operating Income</b>	<b>929,871</b>	<b>935,932</b>	<b>(6,061)</b>	<b>4,644,555</b>	<b>4,679,052</b>	<b>(34,497)</b>	<b>11,282,037</b>
<b>EXPENSES</b>							
Reserve Contributions	180,211	180,211	-	901,055	901,055	-	2,162,532
Capital Contribution	-	-	-	25,000	25,000	-	25,000
<b>Total Reserve Expense</b>	<b>180,211</b>	<b>180,211</b>	<b>-</b>	<b>926,055</b>	<b>926,055</b>	<b>-</b>	<b>2,187,532</b>
Personnel Expenses	244,000	305,471	(61,471)	1,365,415	1,527,355	(161,940)	3,842,931
Administration	27,338	25,715	1,623	89,648	80,250	9,398	167,150
Information Technology	25,574	15,160	10,414	93,065	74,610	18,455	217,646
Human Resources	6,413	4,910	1,503	17,664	15,030	2,634	37,453
<b>Total Administrative Expense</b>	<b>303,325</b>	<b>351,256</b>	<b>(47,931)</b>	<b>1,565,791</b>	<b>1,697,245</b>	<b>(131,454)</b>	<b>4,265,180</b>
Landscape Services	91,699	145,289	(53,590)	290,677	287,167	3,510	633,369
Facilities Maintenance	17,210	20,127	(2,917)	82,084	106,786	(24,702)	265,560
Utilities	49,269	52,321	(3,052)	177,268	159,901	17,367	635,227
Fleet	19,035	21,645	(2,610)	98,502	116,432	(17,930)	268,220
<b>Total Maintenance Expense</b>	<b>177,213</b>	<b>239,382</b>	<b>(62,169)</b>	<b>648,531</b>	<b>670,286</b>	<b>(21,755)</b>	<b>1,802,376</b>
Community Patrol & Gate Access	225,351	225,314	37	1,110,060	1,145,959	(35,900)	2,780,103
Community Standards	91	35	56	379	3,825	(3,446)	7,720
Community Relations	380	575	(195)	2,657	8,950	(6,293)	22,125
<b>Total Community Program Expense</b>	<b>225,822</b>	<b>225,924</b>	<b>(102)</b>	<b>1,113,095</b>	<b>1,158,734</b>	<b>(45,639)</b>	<b>2,809,948</b>
Insurance (non-EE) & Taxes	14,400	17,648	(3,248)	93,830	88,540	5,290	217,001
Other Expenses	-	-	-	-	-	-	-
<b>Total General Expense</b>	<b>14,400</b>	<b>17,648</b>	<b>(3,248)</b>	<b>93,830</b>	<b>88,540</b>	<b>5,290</b>	<b>217,001</b>
<b>Total Operating Expense</b>	<b>900,972</b>	<b>1,014,421</b>	<b>(113,449)</b>	<b>4,347,302</b>	<b>4,540,860</b>	<b>(193,558)</b>	<b>11,282,037</b>
<b>Operating Income/(Loss)</b>	<b>28,899</b>	<b>(78,489)</b>	<b>107,388</b>	<b>297,253</b>	<b>138,192</b>	<b>159,061</b>	<b>-</b>
Reserve Net Income/(Loss)	77,338	59,393	17,945	702,403	538,077	164,326	281,831
Capital Net Income/(Loss)	(2,856)	(2,857)	1	10,719	10,715	4	-
<b>Reserve/Capital Net Income/(Loss)</b>	<b>74,482</b>	<b>56,536</b>	<b>17,946</b>	<b>713,122</b>	<b>548,792</b>	<b>164,330</b>	<b>281,831</b>
<b>Total Net Income/(Loss)</b>	<b>\$ 103,381</b>	<b>\$ (21,953)</b>	<b>\$ 125,334</b>	<b>\$ 1,010,375</b>	<b>\$ 686,984</b>	<b>\$ 323,391</b>	<b>\$ 281,831</b>

# DC RANCH ASSOCIATION

## BALANCE SHEET

As Of May 31, 2024

	<u>5/31/2024</u>	<u>12/31/2023</u>	<u>Y/Y Change</u>
<b>ASSETS</b>			
<b>CASH</b>			
Cash - Operating	\$ 1,933,041	\$ 1,601,798	\$ 331,242
Petty Cash	350	350	-
<b>TOTAL CASH</b>	<u>1,933,391</u>	<u>1,602,148</u>	<u>331,242</u>
<b>CAPITAL FUND</b>	90,668	65,668	25,000
<b>RESERVE FUND</b>	12,447,306	11,711,519	735,788
Accounts Receivable (Net)	79,206	99,735	(20,529)
Intercompany Receivable	14,079	237	13,843
Prepaid Expenses	178,260	103,802	74,458
Operating Lease Right-to-Use Asset	208,791	208,791	-
Other Current Assets	2,206	156,069	(153,864)
<b>TOTAL CURRENT ASSETS</b>	<u>482,542</u>	<u>568,634</u>	<u>(86,092)</u>
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>			
Property & Equipment	360,678	360,678	-
Less Accumulated Depreciation	(332,527)	(318,245)	(14,281)
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	<u>28,152</u>	<u>42,433</u>	<u>(14,281)</u>
<b>TOTAL ASSETS</b>	<u>\$ 14,982,058</u>	<u>\$ 13,990,402</u>	<u>\$ 991,657</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 422,998	\$ 437,543	\$ (14,544)
Intercompany Payable	232,024	225,360	6,664
Accrued Expenses	130,612	160,781	(30,169)
Prepaid Assessments	398,565	274,964	123,601
Operating Lease Right-to-Use Liability	208,791	208,791	-
Other Current Liabilities	44,288	148,558	(104,270)
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,437,278</u>	<u>1,455,997</u>	<u>(18,718)</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 1,437,278</u>	<u>\$ 1,455,997</u>	<u>\$ (18,718)</u>
<b>NET ASSETS</b>			
Operating Equity	737,860	737,860	-
Capital Equity	108,101	108,101	-
Reserve Equity	11,688,444	11,688,444	-
Current Year Profit/Loss	1,010,375	-	1,010,375
<b>TOTAL NET ASSETS</b>	<u>\$ 13,544,780</u>	<u>\$ 12,534,405</u>	<u>\$ 1,010,375</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>\$ 14,982,058</u>	<u>\$ 13,990,402</u>	<u>\$ 991,657</u>

# DC RANCH ASSOCIATION

## STATEMENT OF CASH FLOW

For the Period Ended May 2024

	<u>Current Month</u> Month Ended May 2024	<u>Year-to-Date</u> Year Ended May 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (deficit) for period	\$ 103,382	\$ 1,010,375
Adjustments to reconcile net income (deficit)		
Depreciation	2,856	14,281
<i>(Increase)/Decrease in:</i>		
Accounts receivable	48,518	20,529
Intercompany receivables	(14,079)	(13,843)
Prepaid expenses	25,564	(74,458)
<i>Increase/(Decrease) in:</i>		
Accounts payable	81,847	(14,544)
Accrued expenses	-	(7,945)
Accrued payroll expenses	(19,613)	(22,225)
Deferred revenue	-	-
Prepaid assessments	26,264	(11,105)
Prepaid Council assessments	6,566	134,706
Intercompany payables	(78,214)	6,664
Other liabilities	8,687	49,594
NET CASH FROM OPERATING ACTIVITIES	<u>191,777</u>	<u>1,092,030</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property, Plant & Equipment	-	-
NET CASH FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Acquisition of long-term debt	-	-
Principal payments of long-term debt	-	-
NET CASH FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>191,777</b>	<b>1,092,030</b>
CASH, BEGINNING OF PERIOD	<u>14,279,587</u>	<u>13,379,335</u>
<b>CASH, END OF PERIOD</b>	<b><u>\$ 14,471,365</u></b>	<b><u>\$ 14,471,365</u></b>