



# DC Ranch Association

## Financial Summary Report

### for period ending June 30, 2024

#### Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 5,575,376	\$ 228,999	\$ -	\$ 5,804,375
Expenses	4,323,621	424,225		4,747,846
<b>Operating Income/(Loss)</b>	<b>\$ 1,251,755</b>	<b>\$ (195,226)</b>	<b>\$ -</b>	<b>\$ 1,056,529</b>
Depreciation	-	-	17,138	17,138
<b>Total Income/(Loss)</b>	<b>\$ 1,251,755</b>	<b>\$ (195,226)</b>	<b>\$ (17,138)</b>	<b>\$ 1,039,391</b>
Transfers In/(Out)	(1,106,266)	1,081,266	25,000	-
<b>Total Surplus/(Deficit)</b>	<b>\$ 145,489</b>	<b>\$ 886,040</b>	<b>\$ 7,862</b>	<b>\$ 1,039,391</b>

#### Revenue

Operating revenue for June totaled \$931k, unfavorable to budget by \$31k (<3%). Year-to-date revenue is unfavorable to budget by \$66k (1%). Significant variances to budget are as follows:

- The 2024 cost sharing agreement between Ranch, Council and Covenant was recorded year-to-date in June. Shared staff costs were recalculated in accordance with the restructure; as a result the amount each entity is due/owes will differ from the original budget amount.
- Non-assessment revenue is \$12k unfavorable to budget YTD.
- Interest income is \$14k favorable to budget YTD.

#### Expense

Operating expenses for June came in \$107k (11%) unfavorable to budget, with year-to-date expenses \$87k (2%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are under budget by \$255k (14%) YTD. This figure will fluctuate throughout the year as positions are filled and vacated. This variance is offset by the management fee agreement (see note above).
- Administrative costs reflect additional professional and legal fees incurred \$46k above the budgeted amount.
- Management fees are \$201k higher than the original budget amount; however, are offset by the cost savings in personnel (see notes above).
- There are combined savings of \$124k due to the timing of expenses across departments. This number will ebb and flow as expenditures are made.
- Insurance expense is \$5k 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 \$40k YTD.

### **Balance Sheet/Cash Flow**

- Operating cash is \$2.1 mil at 6/30/2024, equal to 2.2 months of cash on hand.
- There is currently \$12.6 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 Ranch Master, Park & Manor, 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 \$23k for the month of June. YTD reserve expenses are at \$424k, lower than budget by \$343k.
- 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 \$229k YTD.

# DC RANCH ASSOCIATION

## STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending June 30, 2024

	June 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)	\$ 3,028,535	\$ 3,028,668	\$ (134)	\$ 6,057,336
Master Assessments	364,989	364,944	45	2,189,934	2,189,664	270	4,379,328
Builder & Developer Assessments	8,905	8,904	1	53,432	53,424	8	106,848
<b>Total Assessment Revenue</b>	<b>878,650</b>	<b>878,626</b>	<b>24</b>	<b>5,271,900</b>	<b>5,271,756</b>	<b>144</b>	<b>10,543,512</b>
Lot Sale Fees	9,200	7,500	1,700	57,000	45,000	12,000	90,000
Management Fees (Cost Sharing)	3,210	12,125	(8,915)	3,210	72,750	(69,540)	145,500
Fines/Fees (Violations, Mods etc.)	24,413	25,550	(1,137)	155,542	153,300	2,242	305,400
Security Monitoring Unmanned Gates	3,840	3,840	-	23,040	23,040	-	46,080
Cell Tower Lease(s)	6,791	6,791	(0)	40,288	40,138	150	80,923
Other Income (CFD, Interest, Misc)	4,718	27,813	(23,095)	24,395	35,313	(10,918)	70,622
<b>Total Non-Assessment Income</b>	<b>52,171</b>	<b>83,619</b>	<b>(31,448)</b>	<b>303,476</b>	<b>369,541</b>	<b>(66,065)</b>	<b>738,525</b>
<b>Total Operating Income</b>	<b>930,821</b>	<b>962,245</b>	<b>(31,424)</b>	<b>5,575,376</b>	<b>5,641,297</b>	<b>(65,921)</b>	<b>11,282,037</b>
<b>EXPENSES</b>							
Reserve Contributions	180,211	180,211	-	1,081,266	1,081,266	-	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>1,106,266</b>	<b>1,106,266</b>	<b>-</b>	<b>2,187,532</b>
Personnel Expenses	212,013	305,471	(93,458)	1,577,428	1,832,826	(255,398)	3,842,931
Administration	245,093	10,840	234,253	334,741	91,090	243,651	167,150
Information Technology	20,921	45,863	(24,942)	113,986	120,473	(6,487)	217,646
Human Resources	4,030	3,500	530	21,694	18,530	3,164	37,453
<b>Total Administrative Expense</b>	<b>482,057</b>	<b>365,674</b>	<b>116,383</b>	<b>2,047,848</b>	<b>2,062,919</b>	<b>(15,071)</b>	<b>4,265,180</b>
Landscape Services	48,238	54,283	(6,045)	338,915	341,450	(2,535)	633,369
Facilities Maintenance	17,629	25,944	(8,315)	99,713	132,730	(33,017)	265,560
Utilities	90,879	67,979	22,900	267,474	227,880	39,594	635,227
Fleet	19,016	21,786	(2,770)	117,518	138,218	(20,700)	268,220
<b>Total Maintenance Expense</b>	<b>175,761</b>	<b>169,992</b>	<b>5,769</b>	<b>823,620</b>	<b>840,278</b>	<b>(16,658)</b>	<b>1,802,376</b>
Community Patrol & Gate Access	227,987	240,978	(12,991)	1,338,046	1,386,937	(48,891)	2,780,103
Community Standards	56	35	21	435	3,860	(3,425)	7,720
Community Relations	274	575	(301)	2,931	9,525	(6,594)	22,125
<b>Total Community Program Expense</b>	<b>228,317</b>	<b>241,588</b>	<b>(13,271)</b>	<b>1,341,413</b>	<b>1,400,322</b>	<b>(58,909)</b>	<b>2,809,948</b>
Insurance (non-EE) & Taxes	16,910	18,848	(1,938)	110,740	107,388	3,352	217,001
Other Expenses	-	-	-	-	-	-	-
<b>Total General Expense</b>	<b>16,910</b>	<b>18,848</b>	<b>(1,938)</b>	<b>110,740</b>	<b>107,388</b>	<b>3,352</b>	<b>217,001</b>
<b>Total Operating Expense</b>	<b>1,083,257</b>	<b>976,313</b>	<b>106,944</b>	<b>5,429,887</b>	<b>5,517,173</b>	<b>(87,286)</b>	<b>11,282,037</b>
<b>Operating Income/(Loss)</b>	<b>(152,436)</b>	<b>(14,068)</b>	<b>(138,368)</b>	<b>145,489</b>	<b>124,124</b>	<b>21,365</b>	<b>-</b>
Reserve Net Income/(Loss)	183,637	(73,703)	257,340	876,765	455,090	421,675	281,831
Capital Net Income/(Loss)	(2,856)	(2,857)	1	17,138	17,142	(4)	-
<b>Reserve/Capital Net Income/(Loss)</b>	<b>180,780</b>	<b>(76,560)</b>	<b>257,340</b>	<b>893,902</b>	<b>472,232</b>	<b>421,670</b>	<b>281,831</b>
<b>Total Net Income/(Loss)</b>	<b>\$ 28,344</b>	<b>\$ (90,628)</b>	<b>\$ 118,972</b>	<b>\$ 1,039,391</b>	<b>\$ 596,356</b>	<b>\$ 443,035</b>	<b>\$ 281,831</b>

# DC RANCH ASSOCIATION

## BALANCE SHEET

As Of June 30, 2024

	<u>6/30/2024</u>	<u>12/31/2023</u>	<u>Y/Y Change</u>
<b>ASSETS</b>			
<b>CASH</b>			
Cash - Operating	\$ 2,066,890	\$ 1,601,798	\$ 465,091
Petty Cash	350	350	-
<b>TOTAL CASH</b>	<u>2,067,240</u>	<u>1,602,148</u>	<u>465,091</u>
<b>CAPITAL FUND</b>	90,668	65,668	25,000
<b>RESERVE FUND</b>	12,575,116	11,711,519	863,598
Accounts Receivable (Net)	101,381	99,735	1,646
Intercompany Receivable	3,210	237	2,973
Prepaid Expenses	152,882	103,802	49,080
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>468,469</u>	<u>568,634</u>	<u>(100,164)</u>
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>			
Property & Equipment	360,678	360,678	-
Construction In Progress	-	-	-
<b>TOTAL PROPERTY, PLANT &amp; EQUIP</b>	<u>360,678</u>	<u>360,678</u>	<u>-</u>
Less Accumulated Depreciation	(335,383)	(318,245)	(17,138)
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	<u>25,296</u>	<u>42,433</u>	<u>(17,138)</u>
<b>TOTAL ASSETS</b>	<u>\$ 15,226,789</u>	<u>\$ 13,990,402</u>	<u>\$ 1,236,387</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 365,587	\$ 437,543	\$ (71,955)
Intercompany Payable	552,021	225,360	326,660
Accrued Expenses	129,204	160,781	(31,578)
Prepaid Assessments	353,639	274,964	78,675
Deferred Revenue	-	-	-
Operating Lease Right-to-Use Liability	208,791	208,791	-
Other Current Liabilities	43,751	148,558	(104,806)
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,652,993</u>	<u>1,455,997</u>	<u>196,996</u>
Other Long-Term Liabilities	-	-	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 1,652,993</u>	<u>\$ 1,455,997</u>	<u>\$ 196,996</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	1,039,391	-	1,039,391
<b>TOTAL NET ASSETS</b>	<u>\$ 13,573,796</u>	<u>\$ 12,534,405</u>	<u>\$ 1,039,391</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>\$ 15,226,789</u>	<u>\$ 13,990,402</u>	<u>\$ 1,236,387</u>

# DC RANCH ASSOCIATION

## STATEMENT OF CASH FLOW

For the Period Ended June 2024

	<u>Current Month</u> Month Ended June 2024	<u>Year-to-Date</u> Year Ended June 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (deficit) for period	\$ 28,344	\$ 1,039,391
Adjustments to reconcile net income (deficit)		
Depreciation	2,856	17,138
<i><u>(Increase)/Decrease in:</u></i>		
Accounts receivable	(21,858)	(1,646)
Intercompany receivables	10,869	(2,973)
Prepaid expenses	25,378	(49,080)
<i><u>Increase/(Decrease) in:</u></i>		
Accounts payable	(57,411)	(71,955)
Accrued expenses	-	(7,945)
Accrued payroll expenses	(1,408)	(23,633)
Deferred revenue	-	-
Prepaid assessments	(36,129)	(47,589)
Prepaid Council assessments	(8,442)	126,263
Intercompany payables	319,997	326,660
Other liabilities	(537)	49,057
NET CASH FROM OPERATING ACTIVITIES	<u>261,659</u>	<u>1,353,689</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>261,659</b>	<b>1,353,689</b>
CASH, BEGINNING OF PERIOD	<u>14,471,365</u>	<u>13,379,335</u>
<b>CASH, END OF PERIOD</b>	<u><b>\$ 14,733,024</b></u>	<u><b>\$ 14,733,024</b></u>