



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

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 6,557,964	\$ 290,086	\$ -	\$ 6,848,051
Expenses	5,026,488	536,328	-	5,562,815
Operating Income/(Loss)	\$ 1,531,477	\$ (246,241)	\$ -	\$ 1,285,236
Depreciation	-	-	19,994	19,994
Total Income/(Loss)	\$ 1,531,477	\$ (246,241)	\$ (19,994)	\$ 1,265,242
Transfers In/(Out)	(1,286,477)	1,261,477	25,000	-
Total Surplus/(Deficit)	\$ 245,000	\$ 1,015,236	\$ 5,006	\$ 1,265,242

Revenue

Operating revenue for July totaled \$983k, favorable to budget by \$47k (5%). Year-to-date revenue is unfavorable to budget by \$19k (<1%). Significant variances to budget are as follows:

- There was a special assessment billed to one neighborhood for requested tree trimming services, which will be added to the operating budget next year.
- Shared staff costs in the management fee agreement 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 favorable to budget YTD.
- Interest income is \$17k favorable to budget YTD.

Expense

Operating expenses for July came in \$40k (4%) favorable to budget, with year-to-date expenses \$127k (2%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are under budget by \$330k (15%) 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 \$51k above the budgeted amount.
- Management fees are \$235k higher than the original budget amount; however, are offset by the cost savings in personnel (see notes above).
- There are combined savings of \$137k 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 \$49k YTD.

Balance Sheet/Cash Flow

- Operating cash is \$2.2 mil at 7/31/2024, equal to 2.33 months of cash on hand.
- There is currently \$12.8 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, Camelot, Market Street Villas 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 \$112k for the month of July. YTD reserve expenses are at \$536k, lower than budget by \$493k.
- 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 \$290k YTD.

DC RANCH ASSOCIATION

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending July 31, 2024

	July 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)	\$ 3,533,290	\$ 3,533,446	\$ (156)	\$ 6,057,336
Special Assessments	30,507	-	30,507	30,507	-	30,507	-
Master Assessments	364,989	364,944	45	2,554,923	2,554,608	315	4,379,328
Builder & Developer Assessments	8,905	8,904	1	62,337	62,328	9	106,848
Total Assessment Revenue	909,157	878,626	30,531	6,181,057	6,150,382	30,675	10,543,512
Lot Sale Fees	7,000	7,500	(500)	64,000	52,500	11,500	90,000
Management Fees (Cost Sharing)	535	12,125	(11,590)	3,745	84,875	(81,130)	145,500
Fines/Fees (Violations, Mods etc.)	22,987	25,550	(2,563)	175,379	178,850	(3,471)	305,400
Security Monitoring Unmanned Gates	3,840	3,840	-	26,880	26,880	-	46,080
Cell Tower Lease(s)	6,791	6,791	(0)	47,079	46,929	150	80,923
Other Income (CFD, Interest, Misc)	32,279	1,500	30,779	59,824	36,813	23,011	70,622
Total Non-Assessment Income	73,431	57,306	16,125	376,907	426,847	(49,940)	738,525
Total Operating Income	982,588	935,932	46,656	6,557,964	6,577,229	(19,265)	11,282,037
EXPENSES							
Reserve Contributions	180,211	180,211	-	1,261,477	1,261,477	-	2,162,532
Capital Contribution	-	-	-	25,000	25,000	-	25,000
Total Reserve Expense	180,211	180,211	-	1,286,477	1,286,477	-	2,187,532
Personnel Expenses	231,206	305,471	(74,265)	1,808,634	2,138,297	(329,663)	3,842,931
Administration	48,890	8,335	40,555	383,631	99,425	284,206	167,150
Information Technology	22,410	21,603	807	136,396	142,076	(5,680)	217,646
Human Resources	4,838	2,854	1,984	26,532	21,384	5,148	37,453
Total Administrative Expense	307,345	338,263	(30,918)	2,355,193	2,401,182	(45,989)	4,265,180
Landscape Services	27,187	36,644	(9,457)	366,102	378,094	(11,992)	633,369
Facilities Maintenance	15,597	21,994	(6,397)	115,310	154,724	(39,414)	265,560
Utilities	87,489	78,824	8,665	354,964	306,704	48,260	635,227
Fleet	19,529	22,370	(2,841)	137,047	160,588	(23,541)	268,220
Total Maintenance Expense	149,802	159,832	(10,030)	973,422	1,000,110	(26,688)	1,802,376
Community Patrol & Gate Access	226,439	226,317	122	1,564,485	1,613,254	(48,769)	2,780,103
Community Standards	241	110	131	676	3,970	(3,294)	7,720
Community Relations	274	850	(576)	3,206	10,375	(7,169)	22,125
Total Community Program Expense	226,954	227,277	(323)	1,568,367	1,627,599	(59,232)	2,809,948
Insurance (non-EE) & Taxes	18,766	17,648	1,118	129,506	125,036	4,470	217,001
Other Expenses	-	-	-	-	-	-	-
Total General Expense	18,766	17,648	1,118	129,506	125,036	4,470	217,001
Total Operating Expense	883,078	923,231	(40,153)	6,312,965	6,440,404	(127,439)	11,282,037
Operating Income/(Loss)	99,511	12,701	86,810	245,000	136,825	108,175	-
Reserve Net Income/(Loss)	129,196	(57,406)	186,602	1,015,236	406,968	608,268	281,831
Capital Net Income/(Loss)	(2,856)	(2,857)	1	5,006	5,001	5	-
Reserve/Capital Net Income/(Loss)	126,340	(60,263)	186,603	1,020,242	411,969	608,273	281,831
Total Net Income/(Loss)	\$ 225,850	\$ (47,562)	\$ 273,412	\$ 1,265,242	\$ 548,794	\$ 716,448	\$ 281,831

DC RANCH ASSOCIATION

BALANCE SHEET

As Of July 31,2024

	<u>7/31/2024</u>	<u>12/31/2023</u>	<u>Y/Y Change</u>
ASSETS			
CASH			
Cash - Operating	\$ 2,187,388	\$ 1,601,798	\$ 585,590
Petty Cash	350	350	-
TOTAL CASH	<u>2,187,738</u>	<u>1,602,148</u>	<u>585,590</u>
CAPITAL FUND	90,668	65,668	25,000
RESERVE FUND	12,759,299	11,711,519	1,047,780
Accounts Receivable (Net)	120,423	99,735	20,688
Intercompany Receivable	-	237	(237)
Prepaid Expenses	139,572	103,802	35,770
Operating Lease Right-to-Use Asset	208,791	208,791	-
Other Current Assets	2,206	156,069	(153,864)
TOTAL CURRENT ASSETS	<u>470,991</u>	<u>568,634</u>	<u>(97,642)</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	(338,239)	(318,245)	(19,994)
PROPERTY, PLANT AND EQUIPMENT, NET	<u>22,439</u>	<u>42,433</u>	<u>(19,994)</u>
TOTAL ASSETS	<u>\$ 15,531,136</u>	<u>\$ 13,990,402</u>	<u>\$ 1,540,734</u>
LIABILITIES			
Accounts Payable	\$ 406,929	\$ 437,543	\$ (30,614)
Intercompany Payable	562,357	225,360	336,997
Accrued Expenses	152,666	160,781	(8,116)
Prepaid Assessments	357,055	274,964	82,091
Deferred Revenue	-	-	-
Operating Lease Right-to-Use Liability	208,791	208,791	-
Other Current Liabilities	43,691	148,558	(104,867)
TOTAL CURRENT LIABILITIES	<u>1,731,488</u>	<u>1,455,997</u>	<u>275,492</u>
Long-term Liabilities	-	-	-
TOTAL LONG-TERM LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 1,731,488</u>	<u>\$ 1,455,997</u>	<u>\$ 275,492</u>
NET ASSETS			
Operating Equity	737,860	737,860	-
Capital Equity	108,101	108,101	-
Reserve Equity	11,688,444	11,688,444	-
Current Year Profit/Loss	1,265,242	-	1,265,242
TOTAL NET ASSETS	<u>\$ 13,799,647</u>	<u>\$ 12,534,405</u>	<u>\$ 1,265,242</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 15,531,135</u>	<u>\$ 13,990,402</u>	<u>\$ 1,540,733</u>

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended July 2024

	<u>Current Month</u> Month Ended July 2024	<u>Year-to-Date</u> Year Ended July 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 225,850	\$ 1,265,242
Adjustments to reconcile net income (deficit)		
Depreciation	2,856	19,994
<i><u>(Increase)/Decrease in:</u></i>		
Accounts receivable	(19,042)	(20,688)
Intercompany receivables	3,210	237
Prepaid expenses	13,310	(35,770)
<i><u>Increase/(Decrease) in:</u></i>		
Accounts payable	41,341	(30,614)
Accrued expenses	-	(7,945)
Accrued payroll expenses	23,462	(171)
Deferred revenue	-	-
Prepaid assessments	3,276	(44,313)
Prepaid Council assessments	140	126,404
Intercompany payables	10,336	336,997
Other liabilities	(60)	48,997
NET CASH FROM OPERATING ACTIVITIES	<u>304,681</u>	<u>1,658,369</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	304,681	1,658,369
CASH, BEGINNING OF PERIOD	<u>14,733,024</u>	<u>13,379,335</u>
CASH, END OF PERIOD	<u>\$ 15,037,704</u>	<u>\$ 15,037,704</u>