



# DC Ranch Association Financial Summary Report for period ending September 30, 2024

## Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 8,408,276	\$ 371,685	\$ -	\$ 8,779,961
Expenses	6,481,663	729,517	-	7,211,181
<b>Operating Income/(Loss)</b>	<b>\$ 1,926,612</b>	<b>\$ (357,832)</b>	<b>\$ -</b>	<b>\$ 1,568,780</b>
Depreciation	-	-	25,706	25,706
<b>Total Income/(Loss)</b>	<b>\$ 1,926,612</b>	<b>\$ (357,832)</b>	<b>\$ (25,706)</b>	<b>\$ 1,543,074</b>
Transfers In/(Out)	(1,646,899)	1,621,899	25,000	-
<b>Total Surplus/(Deficit)</b>	<b>\$ 279,713</b>	<b>\$ 1,264,067</b>	<b>\$ (706)</b>	<b>\$ 1,543,074</b>

### Revenue

Operating revenue for September totaled \$926k, unfavorable to budget by \$10k (1%). Year-to-date revenue is unfavorable to budget by \$41k (<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 \$7k favorable to budget YTD.
- Interest income is \$25k favorable to budget YTD.

### Expense

Operating expenses for September came in \$85k (9%) favorable to budget, with year-to-date expenses \$217k (3%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are under budget by \$448k (16%) YTD. This figure will fluctuate throughout the year as positions are filled and vacated. This variance is partially offset by the management fee agreement (see note above).
- Administrative costs reflect additional professional and legal fees incurred \$63k above the budgeted amount.
- Management fees are \$302k higher than the original budget amount; however, are offset by the cost savings in personnel (see notes above).
- There are combined savings of \$197k due to the timing of expenses across departments. This number will ebb and flow as expenditures are made.
- Insurance expense is \$8k 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 \$56k YTD.

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

- Operating cash is \$1.9 mil at 9/30/2024, equal to 2.05 months of cash on hand.
- There is currently \$13 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, 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 \$94k for the month of September. YTD reserve expenses are at \$730k, lower than budget by \$974k.
- 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 \$372k YTD.

# DC RANCH ASSOCIATION

## STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending September 30, 2024

	September 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)	\$ 4,542,802	\$ 4,543,002	\$ (200)	\$ 6,057,336
Special Assessments	-	-	-	30,507	-	30,507	-
Master Assessments	364,989	364,944	45	3,284,901	3,284,496	405	4,379,328
Builder & Developer Assessments	8,905	8,904	1	80,148	80,136	12	106,848
<b>Total Assessment Revenue</b>	<b>878,650</b>	<b>878,626</b>	<b>24</b>	<b>7,938,357</b>	<b>7,907,634</b>	<b>30,723</b>	<b>10,543,512</b>
Lot Sale Fees	4,500	7,500	(3,000)	73,000	67,500	5,500	90,000
Management Fees (Cost Sharing)	535	12,125	(11,590)	4,815	109,125	(104,310)	145,500
Fines/Fees (Violations, Mods etc.)	26,738	25,550	1,188	257,584	256,263	1,321	305,400
Security Monitoring Unmanned Gates	3,840	3,840	-	34,560	34,560	-	46,080
Cell Tower Lease(s)	6,791	6,791	(0)	60,661	60,511	150	80,923
Other Income (CFD, Interest, Misc)	4,811	1,500	3,311	39,299	13,500	25,799	70,622
<b>Total Non-Assessment Income</b>	<b>47,215</b>	<b>57,306</b>	<b>(10,091)</b>	<b>469,918</b>	<b>541,459</b>	<b>(71,541)</b>	<b>738,525</b>
<b>Total Operating Income</b>	<b>925,865</b>	<b>935,932</b>	<b>(10,067)</b>	<b>8,408,276</b>	<b>8,449,093</b>	<b>(40,817)</b>	<b>11,282,037</b>
<b>EXPENSES</b>							
Reserve Contributions	180,211	180,211	-	1,621,899	1,621,899	-	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>1,646,899</b>	<b>1,646,899</b>	<b>-</b>	<b>2,187,532</b>
Personnel Expenses	243,399	305,471	(62,072)	2,301,334	2,749,239	(447,905)	3,842,931
Administration	54,579	11,240	43,339	484,979	129,855	355,124	167,150
Information Technology	19,411	16,370	3,041	173,438	172,806	632	217,646
Human Resources	5,949	4,375	1,574	35,691	28,069	7,622	37,453
<b>Total Administrative Expense</b>	<b>323,338</b>	<b>337,456</b>	<b>(14,118)</b>	<b>2,995,442</b>	<b>3,079,969</b>	<b>(84,527)</b>	<b>4,265,180</b>
Landscape Services	42,146	79,801	(37,655)	462,057	494,370	(32,313)	633,369
Facilities Maintenance	17,653	21,344	(3,691)	149,061	199,245	(50,184)	265,560
Utilities	78,198	78,964	(766)	512,269	456,537	55,732	635,227
Fleet	17,562	21,920	(4,358)	174,183	203,628	(29,445)	268,220
<b>Total Maintenance Expense</b>	<b>155,559</b>	<b>202,029</b>	<b>(46,470)</b>	<b>1,297,571</b>	<b>1,353,780</b>	<b>(56,209)</b>	<b>1,802,376</b>
Community Patrol & Gate Access	224,313	246,028	(21,715)	2,016,090	2,085,210	(69,120)	2,780,103
Community Standards	55	3,535	(3,480)	1,195	7,540	(6,345)	7,720
Community Relations	274	575	(301)	4,070	11,525	(7,455)	22,125
<b>Total Community Program Expense</b>	<b>224,642</b>	<b>250,138</b>	<b>(25,496)</b>	<b>2,021,355</b>	<b>2,104,275</b>	<b>(82,920)</b>	<b>2,809,948</b>
Insurance (non-EE) & Taxes	18,858	17,673	1,185	167,296	160,357	6,939	217,001
Other Expenses	-	-	-	-	-	-	-
<b>Total General Expense</b>	<b>18,858</b>	<b>17,673</b>	<b>1,185</b>	<b>167,296</b>	<b>160,357</b>	<b>6,939</b>	<b>217,001</b>
<b>Total Operating Expense</b>	<b>902,609</b>	<b>987,507</b>	<b>(84,898)</b>	<b>8,128,562</b>	<b>8,345,280</b>	<b>(216,718)</b>	<b>11,282,037</b>
<b>Operating Income/(Loss)</b>	<b>23,256</b>	<b>(51,575)</b>	<b>74,831</b>	<b>279,713</b>	<b>103,813</b>	<b>175,900</b>	<b>-</b>
Reserve Net Income/(Loss)	138,229	(195,351)	333,580	1,264,067	142,908	1,121,159	281,831
Capital Net Income/(Loss)	(2,856)	(2,857)	1	(706)	(713)	7	-
<b>Reserve/Capital Net Income/(Loss)</b>	<b>135,373</b>	<b>(198,208)</b>	<b>333,581</b>	<b>1,263,361</b>	<b>142,195</b>	<b>1,121,166</b>	<b>281,831</b>
<b>Total Net Income/(Loss)</b>	<b>\$ 158,629</b>	<b>\$ (249,783)</b>	<b>\$ 408,412</b>	<b>\$ 1,543,074</b>	<b>\$ 246,008</b>	<b>\$ 1,297,066</b>	<b>\$ 281,831</b>

# DC RANCH ASSOCIATION

## BALANCE SHEET

As Of September 30, 2024

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>Y/Y Change</u>
<b>ASSETS</b>			
<b>CASH</b>			
Cash - Operating	\$ 1,924,832	\$ 1,601,798	\$ 323,034
Petty Cash	350	350	-
<b>TOTAL CASH</b>	<u>1,925,182</u>	<u>1,602,148</u>	<u>323,034</u>
<b>CAPITAL FUND</b>	90,668	65,668	25,000
<b>RESERVE FUND</b>	12,996,284	11,711,519	1,284,765
Accounts Receivable (Net)	74,560	99,735	(25,175)
Intercompany Receivable	-	237	(237)
Prepaid Expenses	92,463	103,802	(11,339)
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>378,020</u>	<u>568,634</u>	<u>(190,613)</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	(343,952)	(318,245)	(25,706)
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	<u>16,727</u>	<u>42,433</u>	<u>(25,706)</u>
<b>TOTAL ASSETS</b>	<u>\$ 15,406,881</u>	<u>\$ 13,990,402</u>	<u>\$ 1,416,480</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 390,264	\$ 437,543	\$ (47,278)
Intercompany Payable	218,403	225,360	(6,957)
Accrued Expenses	144,147	160,781	(16,634)
Prepaid Assessments	323,359	274,964	48,395
Deferred Revenue	-	-	-
Operating Lease Right-to-Use Liability	208,791	208,791	-
Other Current Liabilities	44,438	148,558	(104,120)
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,329,402</u>	<u>1,455,997</u>	<u>(126,595)</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 1,329,402</u>	<u>\$ 1,455,997</u>	<u>\$ (126,595)</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	1,543,074	-	1,543,074
<b>TOTAL NET ASSETS</b>	<u>\$ 14,077,479</u>	<u>\$ 12,534,405</u>	<u>\$ 1,543,074</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>\$ 15,406,881</u>	<u>\$ 13,990,402</u>	<u>\$ 1,416,480</u>

# DC RANCH ASSOCIATION

## STATEMENT OF CASH FLOW

For the Period Ended September 30, 2024

	<u>Current Month</u> Month Ended September 2024	<u>Year-to-Date</u> Year Ended September 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (deficit) for period	\$ 158,629	\$ 1,543,074
Adjustments to reconcile net income (deficit)		
Depreciation	2,856	25,706
<i>(Increase)/Decrease in:</i>		
Accounts receivable	26,093	25,175
Intercompany receivables	-	237
Prepaid expenses	26,720	11,339
<i>Increase/(Decrease) in:</i>		
Accounts payable	(34,302)	(47,278)
Accrued expenses	-	(7,945)
Accrued payroll expenses	12,087	(8,689)
Deferred revenue	-	-
Prepaid assessments	(40,102)	(71,270)
Prepaid Council assessments	(10,141)	119,666
Intercompany payables	(129,818)	(6,957)
Other liabilities	(14,707)	49,743
NET CASH FROM OPERATING ACTIVITIES	<u>(2,684)</u>	<u>1,632,799</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>(2,684)</b>	<b>1,632,799</b>
CASH, BEGINNING OF PERIOD	<u>15,014,819</u>	<u>13,379,335</u>
<b>CASH, END OF PERIOD</b>	<b><u>\$ 15,012,134</u></b>	<b><u>\$ 15,012,134</u></b>