



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

Summary by Fund - YTD

| | <u>Operating</u> | <u>Reserve</u> | <u>Capital</u> | <u>Total</u> |
|--------------------------------|-----------------------|---------------------|--------------------|-----------------------|
| Revenue | \$ 9,328,466 | \$ 401,983 | \$ - | \$ 9,730,449 |
| Expenses | 10,802,460 | 942,358 | - | 11,744,818 |
| Operating Income/(Loss) | \$ (1,473,994) | \$ (540,375) | \$ - | \$ (2,014,369) |
| Depreciation | - | - | 28,563 | 28,563 |
| Total Income/(Loss) | \$ (1,473,994) | \$ (540,375) | \$ (28,563) | \$ (2,042,932) |
| Transfers In/(Out) | 1,827,110 | 1,802,110 | 25,000 | 3,654,220 |
| Total Surplus/(Deficit) | \$ 353,116 | \$ 1,261,735 | \$ (3,563) | \$ 1,611,288 |

Revenue

Operating revenue for October totaled \$920k, unfavorable to budget by \$16k (2%). Year-to-date revenue is unfavorable to budget by \$57k (<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 even with budget YTD.
- Interest income is \$28k favorable to budget YTD.

Expense

Operating expenses for October came in \$97k (10%) favorable to budget, with year-to-date expenses \$310k (3%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are under budget by \$536k (18%) 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 \$74k above the budgeted amount.
- Management fees are \$335k higher than the original budget amount; however, are offset by the cost savings in personnel (see notes above).
- There are combined savings of \$247k due to the timing of expenses across departments. This number will ebb and flow as expenditures are made.
- Insurance expense is \$9k 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 \$54k YTD.

Balance Sheet/Cash Flow

- Operating cash is \$2.2 mil at 10/31/2024, equal to 2.3 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 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 \$213k for the month of October. YTD reserve expenses are at \$942k, lower than budget by \$1 mil.
- 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 \$402k YTD.

DC RANCH ASSOCIATION

STATEMENT OF REVENUE AND EXPENSE For the Month and YTD Ending October 31, 2024

| | October 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) | \$ 5,047,558 | \$ 5,047,780 | \$ (223) | \$ 6,057,336 |
| Special Assessments | - | - | - | 30,507 | - | 30,507 | |
| Master Assessments | 364,989 | 364,944 | 45 | 3,649,890 | 3,649,440 | 450 | 4,379,328 |
| Builder & Developer Assessments | 8,905 | 8,904 | 1 | 89,053 | 89,040 | 13 | 106,848 |
| Total Assessment Revenue | 878,650 | 878,626 | 24 | 8,817,007 | 8,786,260 | 30,747 | 10,543,512 |
| Lot Sale Fees | 9,840 | 7,500 | 2,340 | 82,840 | 75,000 | 7,840 | 90,000 |
| Management Fees (Cost Sharing) | 535 | 12,125 | (11,590) | 5,350 | 121,250 | (115,900) | 145,500 |
| Fines/Fees (Violations, Mods etc.) | 17,623 | 25,550 | (7,927) | 248,894 | 255,500 | (6,606) | 305,400 |
| Security Monitoring Unmanned Gates | 3,840 | 3,840 | - | 38,400 | 38,400 | - | 46,080 |
| Cell Tower Lease(s) | 5,216 | 6,791 | (1,575) | 65,877 | 67,302 | (1,425) | 80,923 |
| Other Income (CFD, Interest, Misc) | 4,486 | 1,500 | 2,986 | 70,097 | 41,313 | 28,784 | 70,622 |
| Total Non-Assessment Income | 41,540 | 57,306 | (15,766) | 511,458 | 598,765 | (87,307) | 738,525 |
| Total Operating Income | 920,190 | 935,932 | (15,742) | 9,328,466 | 9,385,025 | (56,559) | 11,282,037 |
| EXPENSES | | | | | | | |
| Reserve Contributions | 180,211 | 180,211 | - | 1,802,110 | 1,802,110 | - | 2,162,532 |
| Capital Contribution | - | - | - | 25,000 | 25,000 | - | 25,000 |
| Total Reserve Expense | 180,211 | 180,211 | - | 1,827,110 | 1,827,110 | - | 2,187,532 |
| Personnel Expenses | 217,710 | 305,471 | (87,761) | 2,519,044 | 3,054,710 | (535,666) | 3,842,931 |
| Administration | 54,939 | 9,965 | 44,974 | 539,918 | 139,820 | 400,098 | 167,150 |
| Information Technology | 10,139 | 14,360 | (4,221) | 183,577 | 187,166 | (3,589) | 217,646 |
| Human Resources | 2,043 | 4,250 | (2,207) | 37,734 | 32,319 | 5,415 | 37,453 |
| Total Administrative Expense | 284,831 | 334,046 | (49,215) | 3,280,273 | 3,414,015 | (133,742) | 4,265,180 |
| Landscape Services | 57,999 | 81,394 | (23,395) | 523,906 | 575,764 | (51,858) | 633,369 |
| Facilities Maintenance | 13,626 | 23,394 | (9,768) | 162,688 | 222,639 | (59,951) | 265,560 |
| Utilities | 48,945 | 50,442 | (1,497) | 561,214 | 506,979 | 54,235 | 635,227 |
| Fleet | 17,259 | 21,095 | (3,836) | 191,442 | 224,723 | (33,281) | 268,220 |
| Total Maintenance Expense | 137,829 | 176,325 | (38,496) | 1,439,250 | 1,530,105 | (90,855) | 1,802,376 |
| Community Patrol & Gate Access | 219,977 | 227,748 | (7,771) | 2,236,067 | 2,312,958 | (76,891) | 2,780,103 |
| Community Standards | 125 | 110 | 15 | 1,320 | 7,650 | (6,330) | 7,720 |
| Community Relations | 1,199 | 1,550 | (351) | 5,269 | 13,075 | (7,806) | 22,125 |
| Total Community Program Expense | 221,301 | 229,408 | (8,107) | 2,242,656 | 2,333,683 | (91,027) | 2,809,948 |
| Insurance (non-EE) & Taxes | 18,766 | 20,148 | (1,382) | 186,062 | 180,505 | 5,557 | 217,001 |
| Other Expenses | - | - | - | - | - | - | - |
| Total General Expense | 18,766 | 20,148 | (1,382) | 186,062 | 180,505 | 5,557 | 217,001 |
| Total Operating Expense | 842,937 | 940,138 | (97,201) | 8,975,350 | 9,285,418 | (310,068) | 11,282,037 |
| Operating Income/(Loss) | 77,253 | (4,206) | 81,459 | 353,116 | 99,607 | 253,509 | - |
| Reserve Net Income/(Loss) | (2,332) | (62,934) | 60,602 | 1,258,879 | 77,117 | 1,181,762 | 281,831 |
| Capital Net Income/(Loss) | (2,856) | (2,857) | 1 | (706) | (713) | 7 | - |
| Reserve/Capital Net Income/(Loss) | (5,188) | (65,791) | 60,603 | 1,258,173 | 76,404 | 1,181,769 | 281,831 |
| Total Net Income/(Loss) | \$ 72,065 | \$ (69,997) | \$ 142,062 | \$ 1,611,288 | \$ 176,011 | \$ 1,435,277 | \$ 281,831 |

DC RANCH ASSOCIATION

BALANCE SHEET

As Of October 31, 2024

| | 10/31/2024 | 12/31/2023 | Y/Y Change |
|---|----------------------|----------------------|---------------------|
| ASSETS | | | |
| CASH | | | |
| Cash - Operating | \$ 2,160,680 | \$ 1,601,798 | \$ 558,882 |
| Petty Cash | 350 | 350 | - |
| TOTAL CASH | 2,161,030 | 1,602,148 | 558,882 |
| CAPITAL FUND | 90,646 | 65,668 | 24,978 |
| RESERVE FUND | 12,985,475 | 11,711,519 | 1,273,957 |
| Accounts Receivable (net) | 109,512 | 99,735 | 9,777 |
| Intercompany Receivable | - | 237 | (237) |
| Prepaid Expenses | 77,305 | 103,802 | (26,497) |
| Operating Lease Right-to-Use Asset | 208,791 | 208,791 | - |
| Other Current Assets | 3,462 | 156,069 | (152,607) |
| TOTAL CURRENT ASSETS | 399,070 | 568,634 | (169,564) |
| PROPERTY, PLANT & EQUIPMENT | | | |
| Property & Equipment | 360,678 | 360,678 | - |
| Construction In Progress | - | - | - |
| TOTAL PROPERTY, PLANT & EQUIP | 360,678 | 360,678 | - |
| Less Accumulated Depreciation | (346,808) | (318,245) | (28,563) |
| PROPERTY, PLANT AND EQUIPMENT, NET | 13,871 | 42,433 | (28,563) |
| TOTAL ASSETS | \$ 15,650,091 | \$ 13,990,402 | \$ 1,659,690 |
| LIABILITIES | | | |
| Accounts Payable | \$ 377,301 | \$ 437,543 | \$ (60,242) |
| Intercompany Payable | 422,103 | 225,360 | 196,743 |
| Accrued Expenses | 158,181 | 160,781 | (2,600) |
| Prepaid Assessments | 335,510 | 274,964 | 60,546 |
| Deferred Revenue | - | - | - |
| Operating Lease Right-to-Use Liability | 208,791 | 208,791 | - |
| Other Current Liabilities | 2,512 | 148,558 | (146,046) |
| TOTAL CURRENT LIABILITIES | 1,504,398 | 1,455,997 | 48,401 |
| TOTAL LONG-TERM LIABILITIES | - | - | - |
| TOTAL LIABILITIES | \$ 1,504,398 | \$ 1,455,997 | \$ 48,401 |
| 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 | 1,611,288 | - | 1,611,288 |
| TOTAL NET ASSETS | \$ 14,145,694 | \$ 12,534,405 | \$ 1,611,288 |
| TOTAL LIABILITIES & NET ASSETS | \$ 15,650,091 | \$ 13,990,402 | \$ 1,659,690 |

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended October 31, 2024

| | <u>Current Month</u> Month Ended October 2024 | <u>Year-to-Date</u> Year Ended October 2024 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income (deficit) for period | \$ 72,065 | \$ 1,611,288 |
| Adjustments to reconcile net income (deficit) | | |
| Depreciation | 2,856 | 28,563 |
| <i>(Increase)/Decrease in:</i> | | |
| Accounts receivable | (34,952) | (9,777) |
| Intercompany receivables | - | 237 |
| Prepaid expenses | 15,158 | 26,497 |
| <i>Increase/(Decrease) in:</i> | | |
| Accounts payable | (16,814) | (60,242) |
| Accrued expenses | - | (7,945) |
| Accrued payroll expenses | 14,034 | 5,345 |
| Deferred revenue | - | - |
| Prepaid assessments | 9,721 | (61,549) |
| Prepaid Council assessments | 2,429 | 122,095 |
| Intercompany payables | 203,700 | 196,743 |
| Other liabilities | (43,182) | 6,561 |
| NET CASH FROM OPERATING ACTIVITIES | <u>225,017</u> | <u>1,857,816</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 | 225,017 | 1,857,816 |
| CASH, BEGINNING OF PERIOD | <u>15,012,134</u> | <u>13,379,335</u> |
| CASH, END OF PERIOD | <u>\$ 15,237,151</u> | <u>\$ 15,237,151</u> |