



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

Financial statements are preliminary, pending year-end adjustments and audit review.

Summary by Fund - YTD				
	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 11,183,384	\$ 565,851	\$ -	\$ 11,749,235
Expenses	8,607,953	1,088,268	-	9,696,221
Operating Income/(Loss)	\$ 2,575,431	\$ (522,417)	\$ -	\$ 2,053,013
Depreciation	-	-	34,275	34,275
Total Income/(Loss)	\$ 2,575,431	\$ (522,417)	\$ (34,275)	\$ 2,018,738
Transfers In/(Out)	(2,187,532)	2,162,532	25,000	-
Total Surplus/(Deficit)	\$ 387,899	\$ 1,640,115	\$ (9,275)	\$ 2,018,738

Revenue

Operating revenue for December totaled \$931k, unfavorable to budget by \$30k (3%). Year-to-date revenue is unfavorable to budget by \$99k (<1%). Significant variances to budget are as follows:

- There was a special assessment (\$31k) 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 \$29k unfavorable to budget YTD.
- Interest income is \$33k favorable to budget YTD.

Expense

Operating expenses for December came in \$132k (12%) favorable to budget, with year-to-date expenses \$487k (4%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are under budget by \$793k (21%) 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 \$76k above the budgeted amount.
- Management fees are \$402k higher than the original budget amount; however, are offset by the cost savings in personnel (see notes above).
- There are combined savings of \$275k due to the timing of expenses across departments. This number will ebb and flow as expenditures are made.

- Insurance expense is \$11k 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 \$75k YTD.
- Bad debt expense was increased by \$17k at 12/31/24 to raise the Allowance for Bad Debt, due to a higher amount of past due balances related to the Arcadia Sissoo tree billing and other resident fines/fees.

Balance Sheet/Cash Flow

- Operating cash is \$2.1 mil at 12/31/2024, equal to 2.19 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 and Horseshoe. Reasons include the overage in water usage, additional landscape and/or maintenance hours and materials, and legal fees.

Reserves

- Reserve expenses came in at \$92k for the month of December. YTD reserve expenses are at \$1.1 mil, lower than budget by \$1.1 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 \$493k YTD.

DC RANCH ASSOCIATION

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending December 31, 2024

	December 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)	\$ 6,057,069	\$ 6,057,336	\$ (267)	\$ 6,057,336
Special Assessments	-	-	-	30,507	-	30,507	
Master Assessments	365,126	364,944	182	4,380,141	4,379,328	813	4,379,328
Builder & Developer Assessments	8,769	8,904	(135)	106,590	106,848	(258)	106,848
Total Assessment Revenue	878,650	878,626	24	10,574,307	10,543,512	30,795	10,543,512
Lot Sale Fees	8,740	7,500	1,240	96,781	90,000	6,781	90,000
Management Fees (Cost Sharing)	535	12,125	(11,590)	6,420	145,500	(139,080)	145,500
Fines/Fees (Violations, Mods etc.)	23,754	24,350	(596)	295,886	305,400	(9,514)	305,400
Security Monitoring Unmanned Gates	3,840	3,840	-	46,080	46,080	-	46,080
Cell Tower Lease(s)	6,830	6,830	0	81,111	80,923	188	80,923
Other Income (CFD, Interest, Misc)	8,363	27,809	(19,446)	82,798	70,622	12,176	70,622
Total Non-Assessment Income	52,063	82,454	(30,391)	609,076	738,525	(129,449)	738,525
Total Operating Income	930,713	961,080	(30,367)	11,183,384	11,282,037	(98,653)	11,282,037
EXPENSES							
Reserve Contributions	180,211	180,211	-	2,162,532	2,162,532	-	2,162,532
Capital Contribution	-	-	-	25,000	25,000	-	25,000
Total Reserve Expense	180,211	180,211	-	2,187,532	2,187,532	-	2,187,532
Personnel Expenses	296,641	482,750	(186,109)	3,049,895	3,842,931	(793,036)	3,842,931
Administration	68,419	10,890	57,529	655,338	167,150	488,188	167,150
Information Technology	17,518	16,120	1,398	211,749	217,646	(5,897)	217,646
Human Resources	5,302	3,799	1,503	45,400	37,453	7,947	37,453
Total Administrative Expense	387,880	513,559	(125,679)	3,962,382	4,265,180	(302,798)	4,265,180
Landscape Services	27,183	25,505	1,678	583,756	633,369	(49,613)	633,369
Facilities Maintenance	9,868	20,244	(10,376)	191,581	265,560	(73,979)	265,560
Utilities	50,184	45,005	5,179	710,245	635,227	75,018	635,227
Fleet	16,444	22,402	(5,958)	224,493	268,220	(43,727)	268,220
Total Maintenance Expense	103,679	113,156	(9,477)	1,710,075	1,802,376	(92,301)	1,802,376
Community Patrol & Gate Access	245,283	240,817	4,466	2,698,167	2,780,103	(81,936)	2,780,103
Community Standards	335	35	300	1,655	7,720	(6,065)	7,720
Community Relations	6,510	7,675	(1,165)	12,053	22,125	(10,072)	22,125
Total Community Program Expense	252,129	248,527	3,602	2,711,875	2,809,948	(98,073)	2,809,948
Insurance (non-EE) & Taxes	18,766	18,848	(82)	223,622	217,001	6,621	217,001
Other Expenses	-	-	-	-	-	-	-
Total General Expense	18,766	18,848	(82)	223,622	217,001	6,621	217,001
Total Operating Expense	942,665	1,074,301	(131,636)	10,795,485	11,282,037	(486,552)	11,282,037
Operating Income/(Loss)	(11,952)	(113,221)	101,269	387,899	-	387,899	-
Reserve Net Income/(Loss)	128,745	205,211	(76,466)	1,640,115	291,115	1,349,000	281,831
Capital Net Income/(Loss)	(2,856)	(2,857)	1	(9,275)	(9,284)	9	-
Reserve/Capital Net Income/(Loss)	125,889	202,354	(76,465)	1,630,840	281,831	1,349,009	281,831
Total Net Income/(Loss)	\$ 113,937	\$ 89,133	\$ 24,804	\$ 2,018,738	\$ 281,831	\$ 1,736,907	\$ 281,831

DC RANCH ASSOCIATION

BALANCE SHEET

As Of December 31, 2024

	12/31/2024	12/31/2023	Y/Y Change
ASSETS			
CASH			
Cash - Operating	\$ 2,057,824	\$ 1,601,798	\$ 456,025
Petty Cash	350	350	-
TOTAL CASH	2,058,174	1,602,148	456,025
CAPITAL FUND	90,668	65,668	25,000
RESERVE FUND	13,343,091	11,711,519	1,631,572
Accounts Receivable (Net)	12,797	99,735	(86,938)
Intercompany Receivable	-	237	(237)
Prepaid Expenses	104,425	103,802	623
Operating Lease Right-to-Use Asset	208,791	208,791	-
Other Current Assets	54,892	156,069	(101,177)
TOTAL CURRENT ASSETS	380,905	568,634	(187,729)
PROPERTY, PLANT & EQUIPMENT			
Property & Equipment	360,678	360,678	-
Construction In Progress	-	-	-
TOTAL PROPERTY, PLANT & EQUIP	360,678	360,678	-
Less Accumulated Depreciation	(352,520)	(318,245)	(34,275)
PROPERTY, PLANT AND EQUIPMENT, NET	8,158	42,433	(34,275)
TOTAL ASSETS	\$ 15,880,995	\$ 13,990,402	\$ 1,890,594
LIABILITIES			
Accounts Payable	\$ 410,933	\$ 437,543	\$ (26,609)
Intercompany Payable	181,748	225,360	(43,613)
Accrued Expenses	120,726	160,781	(40,055)
Prepaid Assessments	325,561	274,964	50,597
Deferred Revenue	-	-	-
Operating Lease Right-to-Use Liability	208,791	208,791	-
Other Current Liabilities	80,093	148,558	(68,465)
TOTAL CURRENT LIABILITIES	1,327,852	1,455,997	(128,145)
TOTAL LONG-TERM LIABILITIES	-	-	-
TOTAL LIABILITIES	\$ 1,327,852	\$ 1,455,997	\$ (128,145)
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	2,018,738	-	2,018,738
TOTAL NET ASSETS	\$ 14,553,143	\$ 12,534,405	\$ 2,018,738
TOTAL LIABILITIES & NET ASSETS	\$ 15,880,995	\$ 13,990,402	\$ 1,890,594

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended December 31,2024

	<u>Current Month</u> Month Ended December 2024	<u>Year-to-Date</u> Year Ended December 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 113,937	\$ 2,018,738
Adjustments to reconcile net income (deficit)		
Depreciation	2,856	34,275
<u>(Increase)/Decrease in:</u>		
Accounts receivable	133,187	86,938
Intercompany receivables	-	237
Prepaid expenses	17,927	(623)
<u>Increase/(Decrease) in:</u>		
Accounts payable	13,006	(26,609)
Accrued expenses	-	(7,945)
Accrued payroll expenses	(9,932)	(32,110)
Deferred revenue	-	-
Prepaid assessments	90,481	(69,698)
Prepaid Council assessments	(32,429)	120,295
Intercompany payables	(144,540)	(43,613)
Other liabilities	(17,787)	32,713
NET CASH FROM OPERATING ACTIVITIES	166,706	2,112,597
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant & Equipment	-	-
NET CASH FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of long-term debt	-	-
Principal payments of long-term debt	-	-
NET CASH FROM FINANCING ACTIVITIES	-	-
NET INCREASE (DECREASE) IN CASH	166,706	2,112,597
CASH, BEGINNING OF PERIOD	15,325,227	13,379,335
CASH, END OF PERIOD	\$ 15,491,933	\$ 15,491,933