



DC Ranch Association Financial Summary Report for period ending August 31, 2026

<u>Summary by Fund – YTD</u>				
	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total</u>
Revenue	\$ 8,152,816	\$ 297,053	\$ -	\$ 8,449,869
Expenses	6,001,848	836,290	-	6,838,138
Operating Income/(Loss)	\$ 2,150,967	\$ (539,237)	\$ -	\$ 1,611,731
Depreciation	-	-	10,789	10,789
Total Income/(Loss)	\$ 2,150,967	\$ (539,237)	\$ (10,789)	\$ 1,600,941
Transfers In/(Out)	(1,491,454)	1,491,454	-	-
Total Surplus/(Deficit)	\$ 659,514	\$ 952,217	\$ (10,789)	\$ 1,600,941

Revenue

Operating revenue for August totaled \$1,008k, favorable to budget by \$6k (Less than 1.0%). Year-to-date revenue is favorable to budget by \$135k (approximately 1.7%). Significant variances to budget are as follows:

- Non-assessment revenue is \$141k favorable to budget YTD.
- Interest income is \$23k favorable to budget YTD.

Expense

Operating expenses for August came in \$121k unfavorable to budget, with year-to-date expenses \$418k (5.3%) favorable to budget. Notable variances to budget include:

- Payroll and employee-related expenses are under budget by \$161k (7.0%) YTD. While this figure will fluctuate throughout the year as positions are filled and vacated, in April we received a credit back from UHC that we were not anticipating in the amount of approximately \$37k. This is due to participants utilizing less healthcare services and UHC passing on the savings to DC Ranch.
- Administrative costs reflect additional professional and legal fees incurred \$86k above the budgeted amount, of which none is neighborhood specific.
- Cost share fees are now \$17k below budget. This is due to removing both the Accounts Payable position and HR manager position from the cost sharing agreement. We will see higher administrative payroll costs because these positions are now paid full-time positions for the Association.
- Landscape contracted services are under budget by \$80k. This spend will increase in the upcoming months.
- Security expense is \$8k (<1%) unfavorable to budget.
- Insurance expense is \$2,031 (<1%) favorable to budget YTD.
- Utilities are favorable to budget by \$17k YTD.

- Fleet Expense now has a negative variance of \$44k (24%). The two drivers of this are Vehicle maintenance with a negative variance of \$30k and Vehicle leases with a negative variance of \$14K YTD.
- There is a YTD \$222k contingency built into the budget for unexpected events.

Balance Sheet/Cash Flow

- Operating cash is \$3.3M at 8/31/2026, equal to 3.3 months of cash on hand.
- There is currently \$14.4M 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 Landscape and Maintenance Managers review this data in detail to ensure the figures are correct.
- There are currently two neighborhoods which currently have unfavorable variances to budget YTD – Country Club and Sterling Estates. In both cases, the variances are less than \$1k.

Reserves

- Reserve expenses were \$501k for the month of August. The main expenses include \$44k in Gate repairs at both Country Club and Horseshoe, Asphalt/ Pavement repairs for \$337K at Windgate, and Playground replacement for \$27K at Desert Hacienda. YTD reserve expenses were \$836k.
- Reserve spending will vary from projections 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 income is \$297k YTD.

DC RANCH ASSOCIATION

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending August 31, 2026

	August 2026			Year-to-Date			Annual
	Current Month	Budget	Budget Variance	Year to Date	Budget	Budget Variance	2026 Budget
INCOME							
Master Assessments	\$ 383,730	\$ 386,278	\$ (2,548)	\$ 3,063,323	\$ 3,090,224	\$ (26,901)	\$ 4,635,335
Neighborhood Assessments	514,501	514,483	18	4,115,163	4,115,864	(701)	6,173,791
Builder & Developer Assessments	2,881	676	2,205	31,107	5,408	25,699	8,110
Clubhouse Cost Share	56,305	56,804	(499)	450,442	454,432	(3,990)	681,649
Total Assessment Revenue	957,418	958,241	(823)	7,660,034	7,665,928	(5,894)	11,498,885
Lot Sale Fees	5,700	9,167	(3,467)	105,798	73,336	32,462	110,000
Modification Submittal Fees	11,475	6,000	5,475	95,850	48,000	47,850	72,000
Other Fees	8,249	5,486	2,763	80,934	43,888	37,046	59,540
Gate Transponders	13,209	14,583	(1,374)	116,177	116,664	(487)	175,000
Cell Tower Lease(s)	7,188	7,188	0	57,022	56,856	166	85,650
Other Income (CFD, Interest, Misc)	4,633	1,667	2,966	37,001	13,336	23,665	26,300
Total Non-Assessment Income	50,453	44,091	6,362	492,782	352,080	140,702	528,490
Total Operating Income	1,007,871	1,002,332	5,539	8,152,816	8,018,008	134,808	12,027,375
EXPENSES							
Reserve Contributions	186,432	186,430	2	1,491,454	1,491,440	14	2,237,181
Capital Contribution	-	4,167	(4,167)	-	33,336	(33,336)	50,000
Total Reserve Expense	186,432	190,597	(4,165)	1,491,454	1,524,776	(33,322)	2,287,181
Personnel Expenses	286,024	277,322	8,702	2,143,286	2,304,417	(161,131)	3,493,372
Administration	51,337	27,602	23,735	309,519	230,376	79,143	330,262
Information Technology	17,152	10,203	6,949	94,406	85,924	8,482	128,333
Human Resources	5,428	3,476	1,952	27,247	32,108	(4,861)	54,600
Total Administrative Expense	359,941	318,603	41,338	2,574,458	2,652,825	(78,367)	4,006,567
Landscape Services	120,863	44,115	76,748	391,162	486,348	(95,186)	787,173
Facilities Maintenance	13,469	19,353	(5,884)	139,791	149,474	(9,683)	221,660
Utilities	79,579	66,004	13,575	510,671	528,032	(17,361)	792,008
Fleet	38,638	21,828	16,810	218,387	174,624	43,763	261,936
Total Maintenance Expense	252,549	151,300	101,249	1,260,011	1,338,478	(78,467)	2,062,777
Community Patrol & Gate Access	251,860	242,405	9,455	1,967,034	1,959,240	7,794	2,952,410
Community Standards	2,642	1,392	1,250	5,587	11,136	(5,549)	16,700
Community Relations	68	875	(807)	4,848	10,378	(5,530)	17,053
Total Community Program Expense	254,570	244,672	9,898	1,977,470	1,980,754	(3,284)	2,986,163
Insurance (non-EE) & Taxes	23,903	23,985	(82)	189,910	193,330	(3,420)	289,299
Other Expenses	-	27,698	(27,698)	-	221,584	(221,584)	332,378
Total General Expense	23,903	51,683	(27,780)	189,910	414,914	(225,004)	621,677
Total Operating Expense	1,077,394	956,855	120,539	7,493,302	7,911,747	(418,445)	11,964,365
Operating Income/(Loss)	(69,523)	45,477	(115,000)	659,514	106,261	553,253	63,010
Reserve Net Income/(Loss)	(275,894)	-	(275,894)	952,217	-	952,217	-
Capital Net Income/(Loss)	(1,156)	-	(1,156)	(10,789)	-	(10,789)	-
Reserve/Capital Net Income/(Loss)	(277,050)	-	(277,050)	941,428	-	941,428	-
Total Net Income/(Loss)	\$(346,573)	\$ 45,477	\$ (392,050)	\$ 1,600,941	\$ 106,261	\$ 1,494,680	\$ 63,010

DC RANCH ASSOCIATION

BALANCE SHEET

As Of August 31, 2026

	8/31/2026	12/31/2025	Y/Y Change
ASSETS			
CASH			
Cash - Operating	\$ 3,272,763	\$ 2,659,860	\$ 612,903
Petty Cash	125	125	-
TOTAL CASH	<u>3,272,888</u>	<u>2,659,985</u>	<u>612,903</u>
CAPITAL FUND	90,668	90,668	-
RESERVE FUND	14,417,320	14,414,720	2,600
Accounts Receivable (Net)	130,550	111,841	18,710
Intercompany Receivable	7,786	53,128	(45,342)
Prepaid Expenses	104,644	199,438	(94,795)
Operating Lease Right-to-Use Asset	144,531	144,531	-
Other Current Assets	461	460	1
TOTAL CURRENT ASSETS	<u>387,972</u>	<u>509,398</u>	<u>(121,426)</u>
PROPERTY, PLANT & EQUIPMENT			
Property & Equipment	386,522	386,522	-
Construction In Progress	-	-	-
TOTAL PROPERTY, PLANT & EQUIP	<u>386,522</u>	<u>386,522</u>	<u>-</u>
Less Accumulated Depreciation	(331,031)	(320,242)	(10,789)
PROPERTY, PLANT AND EQUIPMENT, NET	<u>55,491</u>	<u>66,280</u>	<u>(10,789)</u>
TOTAL ASSETS	<u>\$ 18,224,339</u>	<u>\$ 17,741,051</u>	<u>\$ 483,288</u>
LIABILITIES			
Accounts Payable	\$ 678,131	\$ 1,640,568	\$ (962,437)
Intercompany Payable	249,435	371,735	(122,300)
Accrued Expenses	130,551	131,547	(996)
Prepaid Assessments	354,366	376,287	(21,921)
Deferred Revenue	-	-	-
Other Current Liabilities	115,000	125,000	(10,000)
TOTAL CURRENT LIABILITIES	<u>1,527,483</u>	<u>2,645,137</u>	<u>(1,117,654)</u>
Operating Lease Right-to-Use Liability	144,531	144,531	-
TOTAL LONG-TERM LIABILITIES	<u>144,531</u>	<u>144,531</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 1,672,014</u>	<u>\$ 2,789,668</u>	<u>\$ (1,117,654)</u>
NET ASSETS			
Operating Equity	1,681,039	1,681,039	0
Capital Equity	87,585	87,585	-
Reserve Equity	13,182,760	13,182,760	-
Current Year Profit/Loss	1,600,941	-	1,600,941
TOTAL NET ASSETS	<u>\$ 16,552,325</u>	<u>\$ 14,951,384</u>	<u>\$ 1,600,942</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 18,224,340</u>	<u>\$ 17,741,051</u>	<u>\$ 483,288</u>

DC RANCH ASSOCIATION

STATEMENT OF CASH FLOW

For the Period Ended August 31, 2026

	<u>Current Month</u> Month Ended August 2026	<u>Year-to-Date</u> Year Ended August 2026
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ (346,573)	\$ 1,600,941
Adjustments to reconcile net income (deficit)		
Depreciation	1,156	10,789
<u>(Increase)/Decrease in:</u>		
Accounts receivable	(73,203)	(18,710)
Intercompany receivables	-	45,342
Prepaid expenses	5,380	94,795
<u>Increase/(Decrease) in:</u>		
Accounts payable	336,374	(962,437)
Accrued expenses	-	-
Accrued payroll expenses	20,450	1,324
Deferred revenue	-	-
Prepaid assessments	(38,504)	(17,673)
Prepaid Council assessments	(10,045)	(4,248)
Intercompany payables	(255,315)	(122,300)
Other liabilities	(12,139)	(12,320)
NET CASH FROM OPERATING ACTIVITIES	(372,419)	615,503
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	-	-
Disposal 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	(372,419)	615,503
CASH, BEGINNING OF PERIOD	18,153,296	17,165,373
CASH, END OF PERIOD	\$ 17,780,876	\$ 17,780,876