



DC Ranch Community Council
Financial Highlights
For period ending August 31, 2026

- ❖ The Community Council continues to operate in a positive position reporting \$1.2m in operating net income through August, which is \$970k favorable to budget. This amount is reduced by transfers of excess Community Benefit Fees to the Capital Fund of \$1.2m YTD.

Summary by Fund - YTD				
	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total CC</u>
Revenue	\$ 6,016,905	\$ 61,491	\$ 17,840	\$ 6,096,236
Expenses	<u>3,139,302</u>	<u>276,271</u>	<u>93,485</u>	<u>3,509,059</u>
Operating Income/(Loss)	\$ 2,877,602	\$ (214,780)	\$ (75,645)	\$ 2,587,177
Depreciation	<u>-</u>	<u>-</u>	<u>119,088</u>	<u>119,088</u>
Total Income/(Loss)	\$ 2,877,602	\$ (214,780)	\$ (194,733)	\$ 2,468,089
Transfers In/(Out)	<u>(1,684,469)</u>	<u>488,272</u>	<u>1,196,197</u>	<u>-</u>
Total Surplus/(Deficit)	\$ 1,193,133	\$ 273,492	\$ 1,001,464	\$ 2,468,089

Revenue

Operating revenue for August totaled \$523k, higher than budget by \$87k (20.0%). Year-to-date revenue is favorable to budget by \$1.8m (42.5%). Significant variances to budget include:

- August Community Benefit Fees including residential and commercial properties came in \$97k (116%) higher than forecast for the month. YTD reflects a revenue surplus of \$1.8m (139%).
- Interest has a \$15k positive variance to budget YTD due to a higher rate on the ICS account (high-yield savings account that is fully FDIC insured) with additional cash generated by excess Community Benefit Fees.
- An amendment to the Inter-Company Cost Sharing Agreement was signed with Ranch Association August 1, 2026 decreasing the monthly reimbursement from \$17.2k to \$7.4k, a reduction of \$9.8k due to hiring a dedicated HR Manager and Accounting Associate.

Expense

Operating expenses were \$308k and \$826k over budget for the month and YTD respectively, due to Capital Contributions by transferring \$350.5k excess Community Benefit Fees to the Capital Fund during the month and \$1.2m YTD. These transfers are offset by a corresponding increase to the Capital Fund net income. Exclusive of these transfers, expenses would have been under budget by \$42.8k and \$370.4k YTD. Notable expense variances include:

Administration

- Personnel costs are \$162.3k (7.7%) lower than estimated in the budget YTD due to open or transitioning positions throughout the year.
- Administrative costs are \$13.6k under budget (37%) for the month due to timing differences of Professional Services and IT Support, while YTD is under budget by \$61.8k (23%).

Programs

- Program expenses are favorable to budget by \$73.6k YTD (16.6%) due to cost savings and certain timing differences.

Facilities

- Facilities expense overall is \$93.5k (17%) below budget YTD, in part due to budgeting for offices at Canyon Village which included costs of the funding plan for the tenant improvements (TIs). In practice, rent is recognized in accordance with ASC 842 on a straight line basis over the life of the lease while TIs are capitalized to fixed assets and depreciated. Desert Camp and The Homestead also have savings in utilities and repairs & maintenance so far this year.

General

- Insurance (non-EE) expense is \$34k over budget YTD primarily due to a budget calculation adjustment. This trend will continue through the year.
- Other Expenses exceeded budget by \$2.5k for the month primarily due to recruiting expenses.

Reserve

- Reserve expenditures total \$276k for the year includes Desert Camp gates, window/doors, painting, stucco, walls & fences, repainting / wood beams, sidewalk ramp, parking lot sealcoating; concrete at Desert Parks, website & brand refresh, holiday decorations, and progress payment on the Desert Camp locker room repair. Current month expenditures of \$9k include \$6.8k for bookcase work & shelf repair and \$2.2k toward the Desert Camp locker room repair.
- Interest income is \$61.5k YTD.

Capital

- Depreciation expense (non-cash) totals \$119k for the year.
- Interest income totals \$17.8k YTD with \$4.3k recorded in the current month; an increase attributable to the transfer of excess Community Benefit Fees during the year.
- The Capital Fund received a \$350.5k transfer from Operating of excess Community Benefit Fees during the month and \$1.2m YTD, resulting in an increase to Capital Net Income.
- Capital expenditures total \$93.5k for the year includes tennis umbrellas & chairs, fitness equipment, Desert Camp concrete path conversion, and basketball and playground lighting project. There were no expenditures during the month.

Balance Sheet/Cash Flow

- Operating cash on hand decreased to 6.3 as of August 31, 2026 in line with transferring excess benefit fees to Capital. The cash on hand requirement is lowered in accordance with the approved tenant improvement funding plan. All additional benefit fees collected will be transferred to Capital through year-end lowering the number of months cash on hand to between the 3 to 6 month standard.
- There is \$2.4m in the Capital Fund and \$3.1m in the Reserve Fund.

Looking Forward

Community Benefit Fees continue to perform strongly, coming in \$1.8m favorable to budget through August, and exceeded the \$1.7m annual budget during May. Accordingly, all Benefit Fee revenue for the balance of the year will be directed to Capital.

- Future escrow amounts *in progress* are as follows:

<u>Month</u>	<u>Currently in escrow</u>	<u>Budgeted Benefit Fees</u>
September 2026	\$148,070	\$78,545
October 2026	\$331,600	\$99,632

DC RANCH COMMUNITY COUNCIL

BALANCE SHEET For the Period Ended

	August 31, 2026	December 31, 2025	Y/Y Change
ASSETS			
OPERATING FUND			
Cash	\$ 3,075,824	\$ 2,695,969	\$ 379,856
Petty Cash	-	-	-
TOTAL OPERATING CASH	3,075,824	2,695,969	379,856
RESERVE FUND			
Cash	1,468,595	1,733,850	(265,256)
Investments (Net)	1,600,617	1,031,955	568,662
TOTAL RESERVE FUND	3,069,211	2,765,805	303,406
CAPITAL FUND			
Cash	1,375,885	350,896	1,024,989
Investments (Net)	986,334	-	986,334
TOTAL CAPITAL FUND	2,362,219	350,896	2,011,323
Accounts Receivable (Net)	63,416	45,049	18,367
Intercompany Receivable	216,896	437,697	(220,801)
Prepaid Expenses	135,992	182,788	(46,796)
Interfund Transfers	70,000	965,000	(895,000)
Operating Lease Right-to-Use Asset	879,321	971,750	(92,429)
OTHER CURRENT ASSETS	1,365,625	2,602,284	(1,236,659)
PROPERTY, PLANT & EQUIPMENT			
Furniture & Fixtures	83,870	83,870	-
Vehicles & Equipment	410,444	407,635	2,809
Leasehold Improvements	416,135	416,135	-
Desert Camp Renovation(s)	75,216	7,562	67,654
Homestead Renovation(s)	110,112	110,112	-
Construction In Progress	-	70,463	(70,463)
TOTAL PROPERTY, PLANT & EQUIPMENT	1,095,777	1,095,777	-
<i>Less Accumulated Depreciation</i>	<i>(522,078)</i>	<i>(402,990)</i>	<i>(119,088)</i>
PROPERTY, PLANT AND EQUIPMENT, NET	573,698	692,786	(119,088)
TOTAL ASSETS	\$ 10,446,577	\$ 9,107,741	\$ 1,338,837
LIABILITIES			
Accounts Payable	\$ 46,484	\$ 95,976	\$ (49,492)
Intercompany Payable	34,518	79,860	(45,342)
Accrued Liabilities	118,391	175,064	(56,673)
Deferred Revenue	26,298	17,011	9,287
Prepaid Assessments	54,282	88,801	(34,519)
Interfund Transfers	70,000	965,000	(895,000)
Operating Lease Right-to-Use Liability	1,032,115	1,089,628	(57,513)
TOTAL CURRENT LIABILITIES	1,382,087	2,511,340	(1,129,252)
TOTAL LIABILITIES	1,382,087	2,511,340	(1,129,252)
NET ASSETS			
Reserve Equity	2,325,678	2,325,678	-
Capital Equity	2,907,251	2,907,251	-
Operating Equity	1,363,472	1,363,472	-
Current Year Profit	2,468,089	-	2,468,089
TOTAL NET ASSETS	9,064,490	6,596,401	2,468,089
TOTAL LIABILITIES & NET ASSETS	\$ 10,446,577	\$ 9,107,741	\$ 1,338,837

DC RANCH COMMUNITY COUNCIL

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							
Residential Assessments	\$ 226,424	\$ 226,507	\$ (83)	\$ 1,811,558	\$ 1,812,056	\$ (498)	\$ 2,718,084
Commercial Assessments	80,510	80,510	-	644,080	644,080	-	966,120
Community Council Benefit Fees	180,725	83,757	96,968	3,091,922	1,293,294	1,798,628	1,700,000
Total Assessment Revenue	487,659	390,774	96,885	5,547,560	3,749,430	1,798,130	5,384,204
Community Celebrations & Events	-	-	-	10,543	10,450	93	19,500
Community Programming	2,658	5,616	(2,958)	64,845	82,261	(17,416)	121,371
Total Program Revenue	2,658	5,616	(2,958)	75,388	92,711	(17,323)	140,871
Community Center Rentals	1,900	250	1,650	20,605	13,750	6,855	20,250
Resident Access	360	360	-	1,890	2,880	(990)	4,320
Total Facilities Revenue	2,260	610	1,650	22,495	16,630	5,865	24,570
Cost Share Reimbursement	24,822	34,735	(9,913)	267,498	277,880	(10,382)	416,821
Advertising	720	720	-	2,880	2,880	-	5,040
Interest	4,871	3,500	1,371	42,984	28,000	14,984	42,000
Other Income	-	-	-	58,100	53,500	4,600	108,940
Total Other Income	30,413	38,955	(8,542)	371,462	362,260	9,202	572,801
Total Operating Income	522,990	435,955	87,035	6,016,905	4,221,031	1,795,874	6,122,446
EXPENSES							
Reserve Contributions	61,034	61,034	-	488,272	488,272	-	732,404
Capital Contributions	350,509	-	350,509	1,196,197	-	1,196,197	-
Total Reserve Expense	411,543	61,034	350,509	1,684,469	488,272	1,196,197	732,404
Personnel Expenses	231,740	258,254	(26,515)	1,942,587	2,104,906	(162,319)	3,188,401
Administration	23,034	36,636	(13,602)	201,617	263,369	(61,752)	395,042
Travel/Mtgs/ERR	5,225	4,517	708	41,850	57,762	(15,912)	87,903
Total Administrative Expense	259,999	299,407	(39,408)	2,186,054	2,426,037	(239,983)	3,671,346
Community Celebrations & Events	1,954	2,092	(138)	183,159	185,436	(2,277)	356,850
Community Programming	6,171	9,525	(3,354)	124,837	158,340	(33,503)	218,175
Community Engagement	895	2,402	(1,507)	30,163	48,051	(17,888)	65,780
Communications	7,549	7,375	174	32,806	52,715	(19,909)	75,077
Total Program Expense	16,569	21,394	(4,825)	370,965	444,542	(73,577)	715,882
Ranch Offices	16,393	19,631	(3,238)	130,294	158,298	(28,004)	238,072
Desert Camp Community Center	22,184	30,158	(7,974)	230,911	274,229	(43,318)	426,042
The Homestead Community Center	12,133	8,426	3,707	52,637	63,573	(10,936)	98,078
MS Park/P&T/Seasonal Décor	3,012	923	2,089	39,212	50,464	(11,252)	105,420
Total Facilities Expense	53,722	59,138	(5,416)	453,054	546,564	(93,510)	867,612
Insurance (non-EE) & Taxes	12,532	8,206	4,326	101,137	67,063	34,074	99,865
Other Expenses	4,649	2,186	2,463	28,093	25,463	2,630	35,337
Total General Expense	17,181	10,392	6,789	129,230	92,526	36,704	135,202
Total Operating Expense	759,013	451,365	307,648	4,823,772	3,997,941	825,831	6,122,446
Operating Income/(Loss)	(236,024)	(15,410)	(220,614)	1,193,133	223,090	970,043	-
Reserve Net Income/(Loss)	60,617	-	60,617	273,492	-	273,492	-
Capital Net Income/(Loss)	339,904	-	339,904	1,001,464	-	1,001,464	-
Reserve & Capital Net Income/(Loss)	400,521	-	400,521	1,274,956	-	1,274,956	-
Total Net Income/(Loss)	\$ 164,497	\$ (15,410)	\$ 179,907	\$ 2,468,089	\$ 223,090	\$ 2,244,999	\$ -

DC RANCH COMMUNITY COUNCIL

STATEMENT OF CASH FLOW

Year-To-Date August 31, 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (deficit) for period	\$	2,468,089
Adjustments to reconcile Net Income (deficit)		
Depreciation		119,088
Noncash lease expense		92,429
<u>(Increase)/Decrease in:</u>		
Accounts Receivable		(18,367)
Intercompany Receivable		220,801
Prepaid Expense		36,740
Prepaid Insurance		10,056
<u>Increase/(Decrease) in:</u>		
Accounts Payable		(49,492)
Intercompany Payable		(45,342)
Accrued Payroll Expenses		(58,627)
Accrued Expenses		1,954
Deferred Revenue		9,287
Prepaid Assessments		(34,519)
Operating Lease Liability		(57,513)

NET CASH FROM OPERATING ACTIVITIES **\$ 2,694,584**

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property, Plant & Equipment	-
Disposal of Property, Plant & Equipment	-

NET INCREASE (DECREASE) IN CASH **\$ 2,694,584**

CASH, BEGINNING OF PERIOD \$ 5,812,670

CASH, END OF PERIOD **\$ 8,507,254**

ADDITIONAL INFORMATION - OPERATING FUNDS REQUIREMENTS:

Per Board policy, operating funds should be between 3-6 months of budgeted annual operating expenses.

Number of months budgeted expenses in cash, end of period: **6.29**

Operating Cash at 8/31/2026 \$ 3,075,824

Total 2026 operating budget expenses \$ 6,122,446

MINIMUM - Average of three months \$ 1,465,883

Amount over
minimum

\$ 1,609,942

Amount under
minimum

N/A

MAXIMUM - Average of six months

\$ 2,931,766

Amount over
maximum

\$ 144,059

Amount under
maximum

N/A

DC Ranch Community Council

Resale Benefit Fee Trend - August 2026

Month	2024 Actual	2025 Actual	In Process	2026 Actual	2026 Budget	Budget Variance	Change from Prior Year
January	\$ 225,406	\$ 348,590	\$ -	\$ 312,588	\$ 100,716	\$ 211,872	\$ (36,002)
February	181,623	222,584	-	364,384	177,913	186,471	141,800
March	250,528	113,805	-	481,425	149,090	332,335	367,620
April	354,636	278,105	-	462,587	189,624	272,963	184,482
May	303,452	225,055	-	600,399	187,578	412,821	375,344
June	296,406	249,963	-	354,306	271,759	82,547	104,344
July	289,095	163,786	-	350,509	132,857	217,652	186,723
August	72,293	169,215	-	180,725	83,757	96,968	11,510
September	168,085	185,940	148,070	-	78,545		
October	185,415	171,748	331,600	-	99,632		
November	76,071	96,725	49,250	-	102,845		
December	185,400	318,675	24,375	-	125,684		
Annual Total	\$ 2,588,409	\$ 2,544,190	\$ 553,295	\$ 3,106,923	\$ 1,700,000	\$ 1,813,629	\$ 1,335,820

**Includes \$30,000 commercial benefit fee for Legacy Crossing LLC recorded in April that is currently under dispute with \$15,000 reserved against the fee.*

Property Sale Breakdown 2026				
Location	August	YTD	Average Price	YTD Average
Desert Parks - House	2	33	\$ 770,000	\$ 1,455,539
Desert Camp - House	4	31	901,250	1,437,258
Country Club - House	1	27	2,600,000	3,706,208
Silverleaf - House	3	63	8,233,333	5,798,481
Country Club - Land	0	2	-	175,000
Silverleaf - Land	1	12	3,700,000	3,710,833
Garages	0	10	-	868,370
Commercial/Corporate	0	3	-	12,168,659
Total/Average	11	181	\$ 3,285,909	\$ 3,580,273

Property Sales 2025	
Annual	Average
56	\$ 1,505,296
53	1,305,919
24	2,531,065
65	5,515,259
-	-
3	3,250,000
4	886,050
2	\$ 5,987,500
207	\$ 2,888,970

