



**DC Ranch Community Council
Financial Highlights – Director Analysis
for period ending June 30, 2021**

Summary by Fund - YTD

| | <u>Operating</u> | <u>Reserve</u> | <u>Capital</u> | <u>Total CC</u> |
|--------------------------------|---------------------|--------------------|---------------------|---------------------|
| Revenue | \$ 4,385,344 | \$ 635 | \$ 1,123 | \$ 4,387,101 |
| Expenses | 1,700,379 | 69,696 | 26,708 | 1,796,783 |
| Operating Income/(Loss) | \$ 2,684,964 | \$ (69,061) | \$ (25,585) | \$ 2,590,318 |
| Depreciation | - | - | 21,338 | 21,338 |
| Total Income/(Loss) | \$ 2,684,964 | \$ (69,061) | \$ (46,923) | \$ 2,568,980 |
| Transfers In/(Out) | (2,334,118) | 322,118 | 2,012,000 | - |
| Total Surplus/(Deficit) | \$ 350,846 | \$ 253,057 | \$ 1,965,077 | \$ 2,568,980 |

Revenue

Operating revenue for June totaled \$878k, higher than budget by \$509k (138%). Year-to-date revenue is favorable to budget by \$2.13 mil (95%). Significant variances to budget include:

- Community Benefit Fees came in \$514k (365%) higher than forecast for June, resulting in a \$2.2 mil (260%) revenue surplus YTD.
- Programming revenue is \$82k under budget, due to the following – 1) postponement of DC Ranch Day to the fall, 2) cancellation of Dinner in the Desert to 2022 and 3) reduced capacity at the Eggstravaganza event.

Expense

Operating expenses for June came in \$21k (6%) favorable to budget, with year-to-date expense \$378k (18%) lower than budget. Additional transfers to the capital and reserve funds total \$2.2 mil YTD, above the budgeted amount. Notable variances include:

Administration

- Personnel costs are \$63k lower than estimated in the budget through June due to a couple of open positions, the transition of the Facilities and Recreation Director and less than normal rental/event hours YTD.
- Employee Relations & Training is under budget YTD due to the timing of professional development that has not resumed in person.
- Other YTD savings in Administrative costs include Legal/Professional Fees (\$17k), Special Projects (\$6k), Office Lease (\$8k) and IT Expenses (\$4k).

Programs

- Program expenses are favorable to budget by \$203k YTD largely due to events and programs that were cancelled, postponed or reduced, such as DC Ranch Day (\$25k), Dinner in the Desert (\$62,500),

Eggstravaganza (\$26k), Spring Production (\$20k), Starlight Concerts (\$15k) and Programming/Classes (\$14k).

- There is also savings in Community Engagement expenses due to postponed activities, meetings and recognition.
- Communications will have an ongoing savings for the year due to a reduced number of collateral pieces (ex. program guides).

Facilities

- Facilities expense is \$61k below budget due to the timing of seasonal decoration costs and the timing of supplies and service expenses.

Balance Sheet/Cash Flow

- Operating cash on hand is equal to 4.94 months as of 6/30/2021.
- There are \$4.6 mil in capital funds and \$2.0 mil in reserve funds. Reserves are currently at 95.04% funded.
- The balance in Capital Fund-Current Projects represents the amount of funds remaining to complete Board approved projects.

Looking Forward

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

| <u>Month</u> | <u>Currently in escrow</u> | <u>Budgeted Benefit Fees</u> |
|--------------|----------------------------|------------------------------|
| July 2021 | \$754,189 | \$70,040 |
| August 2021 | \$65,135 | \$97,480 |

Community Council is continuing the 2021 year in a positive position with \$2.7 mil in net income and \$2.5 mil favorable variance to the operating budget. This has made it possible to transfer an additional \$2.2 mil to reserve and capital funds over and above budgeted amounts. Community Benefit Fees continue to come in extraordinarily high in the first half of the year and there is substantial savings due to postponed or reduced event offerings year-to-date.

DC RANCH COMMUNITY COUNCIL

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending June 30, 2021

| | June 2021 | | | Year-to-Date | | | Annual |
|--|-------------------|------------------|-------------------|--------------------|------------------|--------------------|------------------|
| | Current Month | Budget | Budget Variance | Year to Date | Budget | Budget Variance | 2021 Budget |
| INCOME | | | | | | | |
| Residential Assessments | \$ 141,440 | \$ 141,440 | \$ - | \$ 849,004 | \$ 848,640 | \$ 364 | \$ 1,697,280 |
| Commerical Assessments | 50,440 | 50,440 | - | 302,640 | 302,640 | - | 605,280 |
| Community Benefit Fees | 654,990 | 140,871 | 514,119 | 3,050,933 | 848,810 | 2,202,123 | 1,500,000 |
| Total Assessment Revenue | 846,870 | 332,751 | 514,119 | 4,202,577 | 2,000,090 | 2,202,487 | 3,802,560 |
| Event/Club/Class Registrations | 315 | 5,820 | (5,505) | 14,192 | 30,497 | (16,305) | 61,864 |
| Charitable Events | - | - | - | 484 | 62,500 | (62,016) | 220,500 |
| Arts & Education | 4,550 | 3,800 | 750 | 15,138 | 18,705 | (3,567) | 25,545 |
| Total Program Revenue | 4,865 | 9,620 | (4,755) | 29,814 | 111,702 | (81,888) | 307,909 |
| Community Center Rentals | 180 | - | 180 | 180 | - | 180 | 15,000 |
| Community Garden | 880 | - | 880 | 5,280 | - | 5,280 | - |
| Total Facilities Revenue | 1,060 | - | 1,060 | 5,460 | - | 5,460 | 15,000 |
| Management Fee | 21,960 | 21,960 | - | 131,760 | 131,760 | - | 263,520 |
| Advertising | 720 | 1,080 | (360) | 4,320 | 3,840 | 480 | 7,080 |
| Interest | 24 | 350 | (326) | 243 | 2,100 | (1,857) | 4,192 |
| Other Income (CFD, key fobs, misc) | 2,738 | 3,950 | (1,212) | 11,170 | 5,050 | 6,120 | 12,400 |
| Total Other Income | 25,442 | 27,340 | (1,898) | 147,492 | 142,750 | 4,742 | 287,192 |
| Total Operating Income | 878,237 | 369,711 | 508,526 | 4,385,344 | 2,254,542 | 2,130,802 | 4,412,661 |
| EXPENSES | | | | | | | |
| Personnel Expenses | 186,334 | 190,554 | (4,220) | 1,109,902 | 1,172,592 | (62,690) | 2,318,869 |
| Administration | 29,893 | 35,422 | (5,529) | 196,723 | 234,040 | (37,317) | 456,996 |
| Employee Relations & Training | 6,291 | 3,460 | 2,831 | 23,834 | 38,304 | (14,470) | 66,179 |
| Total Administrative Expense | 222,518 | 229,436 | (6,918) | 1,330,459 | 1,444,936 | (114,477) | 2,842,044 |
| Events/Clubs/Classes | 10,965 | 17,505 | (6,540) | 84,355 | 181,910 | (97,556) | 327,600 |
| Charitable Events | - | - | - | 0 | 62,500 | (62,500) | 219,600 |
| Communications/Community Eng | 4,625 | 9,380 | (4,755) | 37,058 | 61,555 | (24,497) | 113,672 |
| Arts & Education Programs | 3,474 | 3,420 | 54 | 28,185 | 46,970 | (18,785) | 64,725 |
| Total Program Expense | 19,063 | 30,305 | (11,242) | 149,598 | 352,935 | (203,337) | 725,597 |
| Desert Camp Community Center | 30,221 | 30,074 | 147 | 140,465 | 159,305 | (18,840) | 303,944 |
| The Homestead Community Center | 8,577 | 10,088 | (1,511) | 45,888 | 66,849 | (20,961) | 133,397 |
| Seasonal Decorations | - | 500 | (500) | 9,275 | 19,775 | (10,500) | 66,775 |
| Market St Park/Paths & Trails | 1,322 | 2,436 | (1,114) | 7,673 | 18,650 | (10,977) | 40,819 |
| Total Facilities Expense | 40,120 | 43,098 | (2,978) | 203,301 | 264,579 | (61,278) | 544,935 |
| Insurance (non-EE) & Taxes | 2,905 | 2,627 | 278 | 17,022 | 16,037 | 985 | 31,849 |
| Other Expenses | (110) | - | (110) | - | - | - | - |
| Total General Expense | 2,795 | 2,627 | 168 | 17,022 | 16,037 | 985 | 31,849 |
| Total Operating Expense | 284,496 | 305,466 | (20,970) | 1,700,379 | 2,078,487 | (378,108) | 4,144,425 |
| Net Operating Income/(Loss) | 593,740 | 64,245 | 529,495 | 2,684,964 | 176,055 | 2,508,909 | 268,236 |
| Reserve & Capital Contributions | (22,353) | (22,353) | - | (2,334,118) | (134,118) | (2,200,000) | (268,236) |
| Transfers In/(Out) | (22,353) | (22,353) | - | (2,334,118) | (134,118) | (2,200,000) | (268,236) |
| Net Operating Surplus/(Deficit) | \$ 571,387 | \$ 41,892 | \$ 529,495 | \$ 350,846 | \$ 41,937 | \$ 308,909 | \$ - |

DC RANCH COMMUNITY COUNCIL

BALANCE SHEET

As Of June 30, 2021

| | <u>6/30/2021</u> | <u>12/31/2020</u> | <u>Y/Y Change</u> |
|--|----------------------------|----------------------------|----------------------------|
| ASSETS | | | |
| CASH | | | |
| Cash - Operating | \$ 1,817,361 | \$ 1,591,637 | \$ 225,724 |
| Petty Cash | 500 | 500 | - |
| TOTAL CASH | <u>1,817,861</u> | <u>1,592,137</u> | <u>225,724</u> |
| CAPITAL FUND | | | |
| Capital Fund - Current Projects | 179,905 | 88,939 | 90,965 |
| Capital Fund - Savings | 4,421,934 | 2,535,778 | 1,886,156 |
| TOTAL CAPITAL FUND | <u>4,601,839</u> | <u>2,624,718</u> | <u>1,977,121</u> |
| RESERVE FUND | | | |
| Accounts Receivable (Net) | 311,670 | 145,378 | 166,292 |
| Intercompany Receivable | - | 159,847 | (159,847) |
| Prepaid Expenses | 69,676 | 31,860 | 37,815 |
| Other Current Assets | - | 9,999 | (9,999) |
| TOTAL CURRENT ASSETS | <u>381,345</u> | <u>347,084</u> | <u>34,262</u> |
| PROPERTY, PLANT & EQUIPMENT | | | |
| Furniture & Fixtures | 28,459 | 28,459 | - |
| Property & Equipment | 130,779 | 107,743 | 23,035 |
| Leasehold Improvements - Comm Garden | 137,042 | 137,042 | - |
| Homestead Remodel & Improvements | 110,112 | 110,112 | - |
| Desert Camp Remodel & Improvements | 146,355 | 146,355 | - |
| Construction In Progress | 7,562 | 7,562 | - |
| TOTAL PROPERTY, PLANT & EQUIPMENT | <u>560,308</u> | <u>537,272</u> | <u>23,035</u> |
| Less Accumulated Depreciation | (306,087) | (284,749) | (21,338) |
| PROPERTY, PLANT AND EQUIPMENT, NET | <u>254,221</u> | <u>252,523</u> | <u>1,697</u> |
| TOTAL ASSETS | <u>\$ 9,058,046</u> | <u>\$ 6,556,186</u> | <u>\$ 2,501,860</u> |
| LIABILITIES | | | |
| Accounts Payable | \$ 56,233 | \$ 52,448 | \$ 3,785 |
| Intercompany Payable | - | 8,264 | (8,264) |
| Accrued Expenses | 134,808 | 138,963 | (4,155) |
| Prepaid Assessments | 19,448 | 71,230 | (51,782) |
| Deferred Revenue | 3,490 | - | 3,490 |
| Other Current Liabilities | 148 | 10,342 | (10,194) |
| TOTAL CURRENT LIABILITIES | <u>214,127</u> | <u>281,247</u> | <u>(67,120)</u> |
| TOTAL LIABILITIES | <u>\$ 214,127</u> | <u>\$ 281,247</u> | <u>\$ (67,120)</u> |
| NET ASSETS | | | |
| Capital Equity | 2,808,108 | 1,533,535 | 1,274,572 |
| Reserve Equity | 1,809,562 | 1,469,579 | 339,983 |
| Operating Equity | 1,657,269 | 1,603,374 | 53,895 |
| Current Year Profit/Loss | 2,568,980 | 1,668,450 | 900,530 |
| TOTAL NET ASSETS | <u>\$ 8,843,919</u> | <u>\$ 6,274,938</u> | <u>\$ 2,568,980</u> |
| TOTAL LIABILITIES & NET ASSETS | <u>\$ 9,058,046</u> | <u>\$ 6,556,185</u> | <u>\$ 2,501,861</u> |

DC RANCH COMMUNITY COUNCIL

STATEMENT OF CASH FLOW

Year-To-Date June 2021

CASH FLOWS FROM OPERATING ACTIVITIES

| | | |
|--|----|-----------|
| Net income (deficit) for period | \$ | 350,846 |
| Adjustments to reconcile net income (deficit) | | |
| Accounts receivable | | (166,292) |
| Prepaid insurance | | (21,877) |
| Prepaid programs and expense | | (10,846) |
| Prepaid expenses | | (5,091) |
| Intercompany Receivable | | 159,847 |
| Accounts payable | | 3,785 |
| Accrued payroll expenses | | (4,155) |
| Deferred revenue - facility rentals | | 3,490 |
| Prepaid assessments | | (51,782) |
| Prepaid event registration | | - |
| Intercompany Payable | | (8,264) |
| Transfer of funds from Operating to Reserve/Capital Accounts | | - |
| Other liabilities | | (900) |

NET CASH FROM OPERATING ACTIVITIES 248,759

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property, Plant & Equipment (23,035)

NET INCREASE (DECREASE) IN CASH **225,724**

CASH, BEGINNING OF PERIOD 1,592,137

CASH, END OF PERIOD \$ 1,817,861

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: **4.94**

Total 2021 operating budget expenses \$ 4,412,661

MINIMUM - Average of three months \$ 1,103,165

| | | |
|------------------------|--|-------------------------|
| Amount over minimum | | Amount under minimum |
| <u>\$ 714,696</u> | | <u>N/A</u> |

MAXIMUM - Average of six months \$ 2,206,331

| | | |
|------------------------|--|-------------------------|
| Amount over maximum | | Amount under maximum |
| <u>N/A</u> | | <u>\$ 388,470</u> |

DC Ranch Community Council Resale Benefit Fee Trend - June 2021

| Resale Benefit Fee | | | | | | | |
|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|------------------------|
| Month | 2019 Actual | 2020 Actual | In Process | 2021 Actual | 2021 Budget | Budget Variance | Change from Prior Year |
| Jan | \$ 77,187 | \$ 93,563 | | 283,272 | 89,936 | \$ 193,336 | \$ 189,710 |
| Feb | 201,978 | 284,943 | | 530,781 | 139,866 | 390,915 | 245,839 |
| Mar | 240,099 | 215,236 | | 491,131 | 183,398 | 307,733 | 275,895 |
| Apr | 160,733 | 138,243 | | 564,467 | 127,824 | 436,643 | 426,225 |
| May | 134,839 | 83,883 | | 526,293 | 166,915 | 359,378 | 442,410 |
| Jun | 217,543 | 251,064 | | 654,989 | 140,871 | 514,118 | 403,926 |
| Jul | 118,113 | 185,835 | 754,189 | | 70,040 | | |
| Aug | 133,747 | 207,587 | 65,315 | | 97,480 | | |
| Sep | 98,697 | 232,947 | 81,125 | | 74,071 | | |
| Oct | 137,713 | 390,122 | | | 99,620 | | |
| Nov | 160,508 | 271,763 | | | 189,035 | | |
| Dec | 292,800 | 342,891 | | | 120,944 | | |
| Annual Total | \$ 1,973,957 | \$ 2,698,074 | \$ 900,628 | \$ 3,050,933 | \$ 1,500,000 | \$ 2,202,123 | \$ 1,984,003 |

| Property Sale Breakdown | | | | | |
|-------------------------|-----------|------------|---------------------|---------------------|--|
| Location | June | YTD | Average Price | YTD Average | |
| PU 1 - House | 14 | 50 | \$ 1,170,186 | \$ 914,014 | |
| PU 2 - House | 7 | 47 | 920,714 | 919,167 | |
| PU 4 - House | 7 | 36 | 3,213,000 | 2,619,333 | |
| Silverleaf - House | 12 | 82 | 5,369,525 | 4,380,116 | |
| PU 4 - Land | - | 2 | - | 2,312,500 | |
| Silverleaf - Land | 4 | 24 | 5,311,250 | 2,967,202 | |
| Commercial | - | 7 | - | 2,079,629 | |
| Total/Average | 44 | 248 | \$ 2,977,225 | \$ 2,551,461 | |

