



**DC Ranch Community Council
Financial Highlights – Director Analysis
for period ending May 31, 2022**

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total CC</u>
Revenue	\$ 2,591,090	\$ 480	\$ 4,830	\$ 2,596,400
Expenses	1,520,952	117,434	76,903	1,715,288
Operating Income/(Loss)	\$ 1,070,138	\$ (116,953)	\$ (72,073)	\$ 881,112
Depreciation	-	-	18,735	18,735
Total Income/(Loss)	\$ 1,070,138	\$ (116,953)	\$ (90,808)	\$ 862,376
Transfers In/(Out)	(828,030)	118,030	710,000	-
Total Surplus/(Deficit)	\$ 242,108	\$ 1,077	\$ 619,192	\$ 862,376

Revenue

Operating revenue for May totaled \$431k, higher than budget by \$75k (21%). Year-to-date revenue is favorable to budget by \$793k (44%). Significant variances to budget include:

- Community Benefit Fees came in \$76k (60%) higher than forecast for May, resulting in a \$782k (120%) revenue surplus YTD.
- Assessments are slightly higher than budget due to the lots that were estimated to be added (nine Camelot lots) and subtracted (commercial lots for new maintenance facility). The net result will be additional revenue for the equivalent of seventeen (17) lots until those transactions are finalized.
- Program revenue is \$9k favorable to budget YTD, due to high attendance in the fitness classes and a well-attended Spring Production.

Expense

Operating expenses for May came in \$9k (3%) favorable to budget, with year-to-date expense \$225k (13%) lower than budget. In March, a transfer of \$700k was made to the capital fund, over and above the budgeted amount. Notable variances include:

Administration

- Personnel costs are \$111k lower than estimated in the budget through May due to open and transitioning positions.
- Administration is \$8k under budget YTD due to the timing of special projects for the year.
- Employee Relations & Training is favorable to budget by \$13k YTD due to deferred or reduced in-person meetings, professional development and uniform purchases.

Programs

- Program expenses are favorable to budget by \$80k YTD due to a savings in the Spring Festival event (due to reduced capacity); timing of expense for the Milestone Anniversary Program; communications collateral and photography/videography; and savings on smaller events and recreation programming.

Facilities

- Facilities expense overall is \$13k below budget YTD due to the timing of supply purchases, service expenditures and holiday decoration costs, which will be spent at a later date. Desert Camp expense is over budget due to use of contracted maintenance staff while we recruit to fill an on-staff custodial position that has been open since late 2021. This variance to budget is offset by a savings in personnel costs.

Balance Sheet/Cash Flow

- Operating cash on hand is equal to 5.12 months as of 5/31/2022. Cash balances are reviewed monthly to determine if a transfer is needed to stay under six (6) months of operating cash on hand.
- There are \$6.6 mil in capital funds and \$2.0 mil in reserve funds. Reserves are currently 91.8% 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>
June 2022	\$663,190	\$165,712
July 2022	\$74,495	\$91,159

Community Council is beginning the year strong with \$1 mil in net income and favorable variance to the operating budget through May, which allowed Council to transfer \$700k to the capital fund over and above the budgeted monthly transfer amount. Community Benefit Fees continue to perform above budget, which may result in additional transfers to the reserve and capital funds.

DC RANCH COMMUNITY COUNCIL

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending May 31, 2022

	May 2022			Year-to-Date			Annual
	Current Month	Budget	Budget Variance	Year to Date	Budget	Budget Variance	2022 Budget
INCOME							
Residential Assessments	\$ 141,362	\$ 141,908	\$ (546)	\$ 706,810	\$ 709,540	\$ (2,730)	\$ 1,702,896
Commercial Assessments	50,440	49,140	1,300	252,200	245,700	6,500	589,680
Community Benefit Fees	201,745	125,854	75,891	1,435,081	653,191	781,890	1,650,000
Total Assessment Revenue	393,547	316,902	76,645	2,394,091	1,608,431	785,660	3,942,576
Event/Club/Class Registrations	4,821	2,844	1,977	29,472	22,564	6,908	54,810
Charitable Events	-	-	-	-	-	-	123,750
Arts & Education	224	6,300	(6,076)	16,345	14,295	2,050	23,741
Total Program Revenue	5,045	9,144	(4,099)	45,817	36,859	8,958	202,301
Community Center Rentals	3,578	1,000	2,578	10,248	11,000	(753)	20,200
Community Garden	-	880	(880)	3,520	4,400	(880)	5,280
Total Facilities Revenue	3,578	1,880	1,698	13,768	15,400	(1,633)	25,480
Management Fee	26,205	26,205	-	131,025	131,025	-	314,460
Advertising	-	1,080	(1,080)	-	3,600	(3,600)	7,200
Interest	276	35	241	419	175	244	433
Other Income (CFD, key fobs, misc)	1,890	500	1,390	5,970	2,500	3,470	14,450
Total Other Income	28,371	27,820	551	137,414	137,300	114	336,543
Total Operating Income	430,541	355,746	74,795	2,591,090	1,797,990	793,100	4,506,900
EXPENSES							
Personnel Expenses	198,388	207,482	(9,094)	926,076	1,037,410	(111,334)	2,493,974
Administration	32,256	32,989	(733)	173,402	181,024	(7,622)	419,624
Employee Relations & Training	1,394	2,234	(840)	19,242	32,334	(13,092)	63,419
Total Administrative Expense	232,037	242,705	(10,668)	1,118,720	1,250,768	(132,048)	2,977,017
Events/Clubs/Classes	13,204	11,806	1,398	118,507	160,222	(41,715)	343,954
Charitable Events	-	-	-	-	-	-	117,500
Communications/Community Eng	3,727	11,792	(8,065)	37,333	63,084	(25,751)	129,913
Arts & Education Programs	2,560	-	2,560	30,904	43,875	(12,971)	61,225
Total Program Expense	19,491	23,598	(4,107)	186,744	267,181	(80,437)	652,592
Desert Camp Community Center	30,316	24,032	6,284	138,355	131,361	6,994	301,080
The Homestead Community Center	8,868	9,603	(735)	42,306	51,103	(8,797)	124,188
Seasonal Decorations	-	-	-	10,065	19,275	(9,210)	66,775
Market St Park/Paths & Trails	2,841	2,419	422	7,997	9,867	(1,870)	39,394
Total Facilities Expense	42,026	36,054	5,972	198,724	211,606	(12,882)	531,437
Insurance (non-EE) & Taxes	3,326	3,146	180	16,764	16,005	759	38,582
Other Expenses	-	-	-	-	-	-	-
Total General Expense	3,326	3,146	180	16,764	16,005	759	38,582
Total Operating Expense	296,880	305,503	(8,623)	1,520,952	1,745,560	(224,608)	4,199,628
Net Operating Income/(Loss)	133,661	50,243	83,418	1,070,138	52,430	1,017,708	307,272
Reserve & Capital Contributions	(25,606)	(25,606)	-	(828,030)	(128,030)	(700,000)	(307,272)
Transfers In/(Out)	(25,606)	(25,606)	-	(828,030)	(128,030)	(700,000)	(307,272)
Net Operating Surplus/(Deficit)	\$ 108,055	\$ 24,637	\$ 83,418	\$ 242,108	\$ (75,600)	\$ 317,708	\$ -

DC RANCH COMMUNITY COUNCIL

BALANCE SHEET

At May 31, 2022

	<u>5/31/2022</u>	<u>12/31/2021</u>	<u>Y/Y Change</u>
ASSETS			
CASH			
Cash - Operating	\$ 1,924,010	\$ 1,754,711	\$ 169,299
Petty Cash	500	500	-
TOTAL CASH	<u>1,924,510</u>	<u>1,755,211</u>	<u>169,299</u>
CAPITAL FUND			
Capital Fund - Current Projects	858,850	104,373	754,477
Capital Fund - Savings	5,758,699	5,876,822	(118,123)
TOTAL CAPITAL FUND	<u>6,617,549</u>	<u>5,981,195</u>	<u>636,354</u>
RESERVE FUND			
Accounts Receivable (Net)	47,348	17,560	29,788
Intercompany Receivable	102,946	206,348	(103,402)
Prepaid Expenses	55,968	51,715	4,254
Other Current Assets	-	1,427	(1,427)
TOTAL CURRENT ASSETS	<u>206,262</u>	<u>277,050</u>	<u>(70,788)</u>
PROPERTY, PLANT & EQUIPMENT			
Furniture & Fixtures	28,459	28,459	-
Property & Equipment	141,249	141,249	-
Leasehold Improvements - Comm Garden	137,042	137,042	-
Homestead Remodel & Improvements	110,112	110,112	-
Desert Camp Remodel & Improvements	161,479	161,479	-
Construction In Progress	7,849	7,849	-
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>586,189</u>	<u>586,189</u>	<u>-</u>
Less Accumulated Depreciation	(352,675)	(333,940)	(18,735)
PROPERTY, PLANT AND EQUIPMENT, NET	<u>233,514</u>	<u>252,249</u>	<u>(18,735)</u>
TOTAL ASSETS	<u>\$ 11,003,874</u>	<u>\$ 10,287,210</u>	<u>\$ 716,663</u>
LIABILITIES			
Accounts Payable	\$ 40,657	\$ 63,530	\$ (22,872)
Intercompany Payable	-	18,420	(18,420)
Accrued Expenses	114,429	128,284	(13,854)
Prepaid Assessments	3,588	89,252	(85,664)
Deferred Revenue	1,930	3,300	(1,370)
Other Current Liabilities	(456)	3,077	(3,533)
TOTAL CURRENT LIABILITIES	<u>160,149</u>	<u>305,862</u>	<u>(145,713)</u>
TOTAL LIABILITIES	<u>\$ 160,149</u>	<u>\$ 305,862</u>	<u>\$ (145,713)</u>
NET ASSETS			
Capital Equity	6,138,912	6,138,912	-
Reserve Equity	2,090,895	2,090,895	-
Operating Equity	1,751,541	1,751,541	-
Current Year Profit/Loss	862,376	-	862,376
TOTAL NET ASSETS	<u>\$ 10,843,725</u>	<u>\$ 9,981,348</u>	<u>\$ 862,376</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 11,003,874</u>	<u>\$ 10,287,210</u>	<u>\$ 716,663</u>

DC RANCH COMMUNITY COUNCIL

STATEMENT OF CASH FLOW

Year-To-Date May 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net income (deficit) for period	\$	242,108
Adjustments to reconcile net income (deficit)		
Accounts receivable		(29,788)
Prepaid insurance		(30,350)
Prepaid programs and expense		13,108
Prepaid expenses		12,989
Intercompany Receivable		103,402
Accounts payable		(19,329)
Accrued payroll expenses		(13,854)
Deferred revenue - facility rentals		(1,370)
Prepaid assessments		(85,664)
Prepaid event registration		-
Intercompany Payable		(18,420)
Transfer of funds from Operating to Reserve/Capital Accounts		-
Other liabilities		(3,533)
NET CASH FROM OPERATING ACTIVITIES		169,299

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property, Plant & Equipment		-
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NET INCREASE (DECREASE) IN CASH

169,299

CASH, BEGINNING OF PERIOD		1,755,211
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CASH, END OF PERIOD	\$	1,924,510
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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:

5.12

Total 2022 operating budget expenses	\$	4,506,900
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MINIMUM - Average of three months	\$	1,126,725
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Amount over minimum		Amount under minimum
\$ 797,785		N/A

MAXIMUM - Average of six months	\$	2,253,450
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Amount over maximum		Amount under maximum
N/A		\$ 328,940

DC Ranch Community Council Resale Benefit Fee Trend - May 2022

Resale Benefit Fee							
Month	2020 Actual	2021 Actual	In Process	2022 Actual	2022 Budget	Budget Variance	Change from Prior Year
Jan	\$ 93,563	\$ 283,272	\$ -	\$ 165,815	\$ 61,657	\$ 104,158	\$ (117,457)
Feb	284,943	530,781	-	397,845	171,248	226,597	(132,936)
Mar	215,236	491,131	-	311,878	182,870	129,008	(179,253)
Apr	138,243	564,467	-	357,798	111,562	246,236	(206,670)
May	83,883	526,293	-	201,745	125,854	75,891	(324,548)
Jun	251,064	654,990	663,190	-	165,712	-	-
Jul	185,835	717,439	74,495	-	91,159	-	-
Aug	207,587	251,248	18,750	-	111,024	-	-
Sep	232,947	301,195	-	-	100,647	-	-
Oct	390,122	242,518	-	-	161,327	-	-
Nov	271,763	196,165	-	-	194,309	-	-
Dec	342,891	157,487	-	-	172,631	-	-
Annual Total	\$ 2,698,074	\$ 4,916,984	\$ 756,435	\$ 1,435,081	\$ 1,650,000	\$ 781,890	\$ (960,863)

Property Sale Breakdown					
Location	May	YTD	Average Price	YTD Average	
PU 1 - House	3	21	\$ 1,101,333	\$ 1,147,762	
PU 2 - House	4	27	\$ 1,131,250	\$ 1,188,911	
PU 4 - House	2	19	\$ 3,397,500	\$ 2,214,184	
Silverleaf - House	2	28	\$ 4,937,500	\$ 5,019,393	
PU 4 - Land	-	1	-	\$ 2,800,000	
Silverleaf - Land	-	4	-	\$ 3,737,500	
Commercial	2	4	\$ 7,925,000	\$ 7,612,500	
Total/Average	13	104	\$ 3,103,769	\$ 2,759,770	

