



**DC Ranch Association
Board Report 5-3-2021 #3**

Subject Matter: PPP Funds Status

Background: Ranch Association received \$492k in funds from the Payroll Protection Program (PPP) through the Small Business Administration in April 2020. At the time, the Board's position was to hold the funds, as the impacts from the pandemic were yet to be understood or realized.

In executive session with legal counsel present on October 5, 2020, the Board discussed the fate of the PPP funds. The decision was to hold the funds through the June 2021 board meeting, but to also review the fund's status monthly. At the time, it was our understanding that if the funds were to be kept, the forgiveness request would need to be submitted by the end of June. At about that same time, the Board was informed that the Community Council Board decided to return its PPP funds.

The PPP funds in the Association's possession are classified as a note payable on the balance sheet until such time as forgiveness is determined, or the funds are returned.

Director of Financial Operations Dee Nortman was recently informed by the Association's bank representative that the decision to apply for loan forgiveness would need to be made now to facilitate the appropriate filing before the end of May. To that end, it is time for the Board to make its decision. Although Covid had a minimal impact financially on the organization (less than \$25,000), keeping a portion of the funds is not an option. It is either 1) keep all the funds or 2) return all the funds. If the funds are returned, a one percent interest rate on those funds will need to be paid.

The Association's Budget and Finance Committee met on April 26 to among other things discuss the status of the PPP Funds. The Committee was unanimous in its position that the PPP funds should be returned.

Recommendation: No recommendation is offered regarding this matter.



Darren Shaw, Executive Director