



**DC Ranch Community Council
Financial Highlights – Director Analysis
for period ending February 29, 2020**

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total CC</u>
Revenue	\$ 810,134	\$ 3,272	\$ 3,132	\$ 816,538
Expenses	561,676	10,998	5,289	577,963
Operating Income/(Loss)	\$ 248,458	\$ (7,726)	\$ (2,157)	\$ 238,575
Depreciation	-	-	6,209	6,209
Total Income/(Loss)	\$ 248,458	\$ (7,726)	\$ (8,366)	\$ 232,366
Transfers In/(Out)	(48,400)	41,400	7,000	-
Total Surplus/(Deficit)	\$ 200,058	\$ 33,674	\$ (1,366)	\$ 232,366

Revenue

Operating revenue for February totaled \$509k, higher than budget by \$194k (62%). Year-to-date revenue is favorable to budget by \$200k (33%). Significant variances to budget include:

- Community Benefit Fees came in \$181k (174%) higher than forecast for February.
- Covenant Commission Reimbursement for shared expenses (management fee) is \$21,200 higher than budget YTD. This will cumulatively be the case for the remainder of the fiscal year. When the budget was approved, the function and partnership between Covenant Commission and Community Council had not yet been finalized. As such, the budget reflects no shared expenses between organizations. The final agreement will result in an approximate budget surplus of \$30k to Council. This amount reflects the difference between the funds we will be receiving from the Covenant Commission for shared costs, less the amount of personnel costs Council will pay for one (1) FTE to Covenant.
- Recreation Programming is \$7k higher than budget due to the timing of event payments. This amount will even out during the course of the year.
- There will be some impact to revenue in March and beyond due to the adjustments made during the COVID-19 pandemic. More detailed data will be provided in the March financial statements.

Expense

Operating expenses for February came in \$23k (8%) less than anticipated, with year-to-date expense \$35k lower (5%) than budget. Notable variances include:

- Personnel costs are \$4k higher than estimated in the budget for YTD. Included in this amount is approximately \$17k in expenses for the Covenant Commission staff, which are part of the management fee. So, there is a savings in personnel costs of \$13k in other departments YTD.
- In addition, there is a cumulative savings of \$41k YTD across all departments for various services and supplies. We are just beginning the fiscal year, so this amount is largely due to timing and will fluctuate as the year progresses. Savings by department is as follows:

- Administration - \$16k savings in Legal/Professional Fees, Public Affairs, Special Projects and Information Technology.
- Communications/Community Engagement - \$3k savings in Collateral Printing and Postage.
- Community Center Operations - \$16k savings in various supplies and services related to facility maintenance.
- Programming – \$3k in savings due to the timing of a couple of programs.
- Paths & Trails - \$3k savings in supplies and projects.

Balance Sheet/Cash Flow

- Operating cash on hand is equal to 5.3 months as of 2/29/20.
- There are currently \$1.3 mil in capital funds and \$1.5 mil in reserve funds.
- The amount 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>
March 2020	\$280,403	\$165,081
April 2020	\$106,880	\$135,512

Community Council continues through February with a \$235k favorable variance to the operating budget. Community Benefit Fees and expense timing/savings are the main drivers for this number so far this year.



DC Ranch Community Council Statement of Revenue and Expense For the month and YTD ended February 29, 2020

	FEBRUARY ACTUAL	FEBRUARY BUDGET	BUDGET VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	2020 BUDGET
REVENUE							
Community Benefit - Transfer Fee	\$ 284,943	\$ 104,046	\$ 180,897	\$ 378,505	\$ 201,965	\$ 176,540	\$ 1,500,000
Residential Assessments (2,647 units)	139,854	139,750	104	279,656	279,500	156	1,677,131
Commercial/Apartment Assessments (970 Commercial units)	50,440	50,440	-	100,880	100,880	-	605,280
Charitable Events (Habitat for Humanity / Tour de Scottsdale)	-	-	-	-	-	-	192,000
Event/Club/Class Registrations	9,111	2,980	6,131	10,194	3,875	6,319	54,379
Community Center Rentals	4,870	7,000	(2,130)	6,253	7,500	(1,248)	43,200
Other (Interest, CFD from city, processing fees, misc.)	4,114	3,258	856	6,436	6,516	(80)	46,796
Arts/Education Program Registrations/Ticket Sales	3,760	6,375	(2,615)	3,810	6,500	(2,690)	26,570
Covenant Commission Expense Reimbursement	10,600	-	10,600	21,200	-	21,200	-
Advertising (website)	720	360	360	1,440	1,320	120	7,080
Community Garden Leases	880	880	-	1,760	1,760	-	10,560
TOTAL REVENUE	\$ 509,291	\$ 315,089	\$ 194,202	\$ 810,134	\$ 609,816	\$ 200,318	\$ 4,162,996
EXPENSE							
Administrative (office rent, phones, IT, admin staff)	\$ 100,591	\$ 102,413	\$ (1,822)	\$ 203,225	\$ 204,840	\$ (1,615)	\$ 1,250,429
Community Center Operations (utilities, upkeep, center staff)	72,629	81,346	(8,717)	147,552	168,291	(20,740)	1,006,257
Events/Clubs/Classes (instructors, supplies, rentals, catering, planning staff)	36,427	43,160	(6,733)	100,849	104,580	(3,731)	665,860
Communication/New Residents (website, newspaper, merchants, tours, staff)	40,413	44,405	(3,992)	85,826	90,055	(4,229)	514,900
Management Fees (reimbursement to Ranch Association)	1,275	298	977	2,550	596	1,954	3,576
Charitable Events (Habitat for Humanity / Tour de Scottsdale)	-	-	-	-	-	-	189,100
Seasonal Decorations (supplies, storage, labor)	-	-	-	-	-	-	64,500
Arts and Education Programs (instructors, supplies, rentals)	1,020	1,270	(250)	1,425	1,690	(265)	64,725
Employee Relations and Training (mileage, conferences, dues, uniforms)	4,116	4,460	(344)	13,958	17,605	(3,647)	61,360
Market Street Park / Paths and Trails (utilities, upkeep)	984	3,240	(2,256)	2,042	4,755	(2,713)	28,155
Insurance & Taxes	1,988	1,932	56	4,250	4,364	(115)	23,734
TOTAL EXPENSE	\$ 259,444	\$ 282,524	\$ (23,080)	\$ 561,676	\$ 596,776	\$ (35,100)	\$ 3,872,596
NET OPERATING INCOME/(LOSS)	\$ 249,848	\$ 32,565	\$ 217,283	\$ 248,458	\$ 13,040	\$ 235,418	\$ 290,400
TRANSFERS IN/OUT							
Reserve & Capital Fund Contributions (Transfer Out)	24,200	24,200	-	48,400	48,400	-	290,400
NET SURPLUS (DEFICIT)	\$ 225,648	\$ 8,365	\$ 217,283	\$ 200,058	\$ (35,360)	\$ 235,418	\$ -

DC Ranch Community Council, Inc.
Balance Sheet Comparison Report
As Of 2/29/2020

	<u>Balance</u> <u>2/29/2020</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Change</u>
Assets			
<u>Cash</u>			
111020 - AAB Operating Cash - Council	\$0.00	\$422,260.57	(\$422,260.57)
111025 - BOK Operating Cash - Council	\$1,839,177.46	\$1,338,659.93	\$500,517.53
119000 - Petty Cash	\$700.00	\$700.00	\$0.00
<u>Cash Total</u>	<u>\$1,839,877.46</u>	<u>\$1,761,620.50</u>	<u>\$78,256.96</u>
<u>Capital Fund</u>			
112100 - BOK Capital Fund - Council - Current Projects	\$68,826.52	\$68,826.52	\$0.00
112150 - BOK Capital Fund - Council - Savings	\$1,263,278.12	\$1,258,435.29	\$4,842.83
<u>Capital Fund Total</u>	<u>\$1,332,104.64</u>	<u>\$1,327,261.81</u>	<u>\$4,842.83</u>
<u>Reserve Fund</u>			
129420 - BOK Reserve Fund	\$1,503,253.58	\$1,469,579.37	\$33,674.21
<u>Reserve Fund Total</u>	<u>\$1,503,253.58</u>	<u>\$1,469,579.37</u>	<u>\$33,674.21</u>
<u>Accounts Receivable</u>			
141200 - Community Council Accounts Receivable	\$4,780.65	\$4,942.75	(\$162.10)
141300 - Accounts Receivable - Benefit Fees	\$62,739.10	\$15,800.00	\$46,939.10
141400 - Accounts Receivable - Event Brite	\$0.00	\$874.98	(\$874.98)
142000 - Accounts Receivable - Other	\$0.00	\$6,592.92	(\$6,592.92)
144500 - Commercial Assessments Receivable	\$20,832.00	\$1,127.00	\$19,705.00
144900 - Allowance for Bad Debt	(\$1,354.29)	(\$1,354.29)	\$0.00
159000 - Accounts Receivable Clearing Account	\$0.00	\$0.00	\$0.00
<u>Accounts Receivable Total</u>	<u>\$86,997.46</u>	<u>\$27,983.36</u>	<u>\$59,014.10</u>
<u>Prepaid Expenses</u>			
135000 - Due From Check Front	\$0.00	\$0.00	\$0.00
151000 - Prepaid Insurance	\$21,420.81	\$8,859.38	\$12,561.43
151500 - Prepaid Programs & Events	\$24,952.21	\$6,028.02	\$18,924.19
151700 - Prepaid Expense - Charitable Events	\$5,075.49	\$0.00	\$5,075.49
151800 - Prepaid Expense - Arts & Education	\$3,634.10	\$1,740.00	\$1,894.10
152000 - Prepaid Utilities	\$138.86	\$0.00	\$138.86
153000 - Prepaid Postage	\$350.56	\$732.11	(\$381.55)
154000 - Prepaid Expenses	\$40.00	\$240.00	(\$200.00)
<u>Prepaid Expenses Total</u>	<u>\$55,612.03</u>	<u>\$17,599.51</u>	<u>\$38,012.52</u>
<u>Intercompany Receivable</u>			
131000 - Due From Covenant Commission	\$0.00	\$0.00	\$0.00
133000 - Due From DC Ranch Association	\$0.00	\$57,122.33	(\$57,122.33)
<u>Intercompany Receivable Total</u>	<u>\$0.00</u>	<u>\$57,122.33</u>	<u>(\$57,122.33)</u>
<u>Property and Equipment</u>			
171000 - Furniture & Fixtures	\$165,918.57	\$165,918.57	\$0.00
172000 - Property & Equipment	\$191,471.23	\$191,471.23	\$0.00
172500 - Leasehold Improvement - Community Garden	\$137,041.53	\$137,041.53	\$0.00

DC Ranch Community Council, Inc.
Balance Sheet Comparison Report
As Of 2/29/2020

	<u>Balance</u> <u>2/29/2020</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Change</u>
Assets			
174000 - Homestead Remodel & Capital Improvement	\$121,771.49	\$121,771.49	\$0.00
175000 - Desert Camp Remodel Capital Improvement	\$98,372.58	\$98,372.58	\$0.00
179000 - Accumulated Depreciation	(\$514,511.11)	(\$508,302.17)	(\$6,208.94)
<u>Property and Equipment Total</u>	<u>\$200,064.29</u>	<u>\$206,273.23</u>	<u>(\$6,208.94)</u>
<u>Other</u>			
162000 - Interfund Transfer - From Operating Fund	\$0.00	\$0.00	\$0.00
162050 - Interfund Transfer - To Capital Fund	\$0.00	\$0.00	\$0.00
<u>Other Total</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
 <i>Assets Total</i>	 \$5,017,909.46	 \$4,867,440.11	 \$150,469.35
Liabilities and Equity			
<u>Current Liabilities</u>			
210000 - Accounts Payable	\$36,126.32	\$80,060.99	(\$43,934.67)
211000 - Insurance Payable	\$0.00	\$0.00	\$0.00
212000 - Payroll / Month End Accrual	\$118,513.67	\$90,937.79	\$27,575.88
213000 - Accrued Expenses	\$0.00	\$0.00	\$0.00
216000 - Insurance Claim Payable	\$0.00	\$0.00	\$0.00
220000 - Prepaid Assessments	\$8,088.00	\$68,676.00	(\$60,588.00)
220500 - Prepaid Event Registration	\$0.00	\$0.00	\$0.00
221500 - Prepaid Facility Rental	\$11,092.50	\$7,620.00	\$3,472.50
221600 - Deposit Facility Rental	\$5,305.00	\$3,805.00	\$1,500.00
222000 - Section 125 Liability	\$257.24	\$426.64	(\$169.40)
<u>Current Liabilities Total</u>	<u>\$179,382.73</u>	<u>\$251,526.42</u>	<u>(\$72,143.69)</u>
<u>Intercompany Payable</u>			
231000 - Due to Covenant Commission	\$0.00	\$9,752.68	(\$9,752.68)
233000 - Due to DC Ranch Association	\$0.00	\$0.00	\$0.00
<u>Intercompany Payable Total</u>	<u>\$0.00</u>	<u>\$9,752.68</u>	<u>(\$9,752.68)</u>
<u>Capital and Reserve Equity</u>			
311000 - Capital Equity	\$1,513,697.21	\$1,413,286.40	\$100,410.81
320100 - Reserve Equity	\$1,489,417.20	\$1,380,175.85	\$109,241.35
<u>Capital and Reserve Equity Total</u>	<u>\$3,003,114.41</u>	<u>\$2,793,462.25</u>	<u>\$209,652.16</u>
 <u>Retained Earnings</u>	 \$1,603,046.60	 \$1,272,971.41	 \$330,075.19
 <u>Net Income</u>	 \$232,365.72	 \$539,727.35	 (\$307,361.63)
 <i>Liabilities & Equity Total</i>	 \$5,017,909.46	 \$4,867,440.11	 \$150,469.35

DC RANCH COMMUNITY COUNCIL
STATEMENT OF CASH FLOWS
MONTH OF FEBRUARY 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (deficit) for period	\$ 225,648
Adjustments to reconcile net income (deficit)	
Accounts receivable	(40,481)
Prepaid insurance	1,586
Prepaid programs and expense	(19,524)
Prepaid expenses	(171)
Intercompany Receivable	10,600
Accounts payable	(13,033)
Accrued payroll expenses	666
Deferred revenue - facility rentals	(2,448)
Prepaid assessments	2,080
Prepaid event registration	-
Other liabilities	<u>(13,873)</u>
NET CASH FROM OPERATING ACTIVITIES	151,050
 CASH, BEGINNING OF PERIOD	 <u>1,688,827</u>
 CASH, END OF PERIOD	 <u><u>\$ 1,839,877</u></u>

ADDITIONAL INFORMATION - OPERATING FUNDS REQUIREMENTS:

Per Board policy, operating funds should be between three months and six months of average budgeted annual operating expenses.

Number of months budgeted expenses in cash, end of period: **5.30**

Total 2020 operating budget expenses	<u>\$ 4,162,996</u>	
MINIMUM - Average of three months	<u>\$ 1,040,749</u>	
	Amount over minimum	Amount under minimum
	<u>\$ 799,128</u>	<u>N/A</u>
 MAXIMUM - Average of six months	 <u>\$ 2,081,498</u>	
	Amount over maximum	Amount under maximum
	<u>N/A</u>	<u>\$ 241,621</u>

