



**DC Ranch Community Council  
Financial Highlights – Director Analysis  
for period ending April 30, 2020**

**Summary by Fund - YTD**

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total CC</u>
Revenue	\$ 1,574,782	\$ 4,901	\$ 4,649	\$ 1,584,332
Expenses	1,116,583	73,328	36,978	1,226,888
<b>Operating Income/(Loss)</b>	<b>\$ 458,199</b>	<b>\$ (68,427)</b>	<b>\$ (32,328)</b>	<b>\$ 357,444</b>
Depreciation	-	-	11,819	11,819
<b>Total Income/(Loss)</b>	<b>\$ 458,199</b>	<b>\$ (68,427)</b>	<b>\$ (44,147)</b>	<b>\$ 345,625</b>
Transfers In/(Out)	(96,800)	82,800	14,000	-
<b>Total Surplus/(Deficit)</b>	<b>\$ 361,399</b>	<b>\$ 14,373</b>	<b>\$ (30,147)</b>	<b>\$ 345,625</b>

**Revenue**

Operating revenue for April totaled \$342k, lower than budget by \$59k (18%). Year-to-date revenue is favorable to budget by \$192k (14%). Significant variances to budget include:

- Community Benefit Fees came in \$3k (2%) higher than forecast for April, resulting in a \$229k revenue surplus YTD.
- Covenant Commission Reimbursement for shared expenses (management fee) is \$42,400 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.
- Programming and rentals are lower than budget due to the cancellation of programs and the closure of the community centers in March and April in response to the COVID-19 pandemic. Conversely, the reduction in expenses normally incurred to run these programs have resulted in a corresponding cost savings.
- The new charitable event scheduled for this year (Desert Affair) was also cancelled resulting in a revenue loss of \$50k, but is offset by expense savings of \$49k.

**Expense**

Operating expenses for April came in \$166k (34%) less than anticipated, with year-to-date expense \$240k lower (17%) than budget. Notable variances include:

- Personnel costs are \$9k higher than estimated in the budget for YTD. Included in this amount is approximately \$29k in expenses for the Covenant Commission staff, which are part of the management fee. So, there is a savings in personnel costs of \$20k in other departments YTD - \$15k in the Community Centers partially due to a temporary reduction in staff.
- Management Fee expenses are over budget YTD by \$4k and will cumulatively be the case for the remainder of the year – see explanation above in the Revenue section.

- In addition, there is a cumulative savings of \$250k YTD across all departments. Due to the unique circumstances with the pandemic this year, it remains to be determined what part of the savings is due to timing (will be spent before year end) and what amount will result in a surplus for the year due to the restrictions. Material savings amounts by department are as follows:
  - Administration - \$18k savings in Legal/Professional Fees, Public Affairs, Special Projects and Information Technology.
  - Communications/Community Engagement - \$16k savings in Collateral Printing/Postage and Community Relations.
  - Community Center Operations - \$34k savings in various supplies and services related to facility maintenance.
  - Programming – \$115k in savings due to the cancellation of events, clubs and classes YTD.
  - Charitable Events - \$49k savings due to the cancellation of Desert Affair (new event in 2020).
  - Seasonal Decorations – \$10k savings YTD.
  - Paths & Trails - \$4k savings in supplies and projects.

**Balance Sheet/Cash Flow**

- Operating cash on hand is equal to 6.84 months as of 4/30/20. At the March meeting, the Board agreed to allow cash to rise above six (6) months of cash on hand due to recent events relating to COVID-19.
- The main reason for the significant increase in cash is due to the \$340k in Payroll Protection Program Funds Community Council received from the SBA, which is currently classified as a Note Payable.
- There are currently \$1.3 mil in capital funds and \$1.3 mil in reserve funds. Reserves are currently 87.33% funded.
- 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>
May 2020	\$79,288	\$165,619
June 2020	\$60,296	\$139,094

***Community Council continues a positive financial position through April with a \$433k 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 April 30, 2020

	APRIL ACTUAL	APRIL BUDGET	BUDGET VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	2020 BUDGET
<b>REVENUE</b>							
<b>Community Benefit - Transfer Fee</b>	\$ 138,243	\$ 135,512	\$ 2,731	\$ 731,984	\$ 502,558	\$ 229,426	\$ 1,500,000
<b>Residential Assessments</b> (2,688 units)	139,854	139,750	104	559,364	559,000	364	1,677,131
<b>Commercial/Apartment Assessments</b> (970 Commercial units)	50,440	50,440	-	201,760	201,760	-	605,280
<b>Charitable Events</b> (Dinner in the Desert / Tour de Scottsdale)	-	50,000	(50,000)	-	50,000	(50,000)	192,000
<b>Event/Club/Class Registrations</b>	-	9,860	(9,860)	11,745	19,170	(7,425)	54,379
<b>Community Center Rentals</b>	(90)	3,300	(3,390)	8,233	16,800	(8,568)	43,200
<b>Other</b> (Interest, CFD from city, processing fees, misc.)	564	3,258	(2,694)	9,740	13,032	(3,292)	46,796
<b>Arts/Education Program Registrations/Ticket Sales</b>	-	7,500	(7,500)	3,517	14,905	(11,388)	26,570
<b>Covenant Commission Expense Reimbursement</b>	10,600	-	10,600	42,400	-	42,400	-
<b>Advertising</b> (website)	1,080	360	720	2,520	1,680	840	7,080
<b>Community Garden Leases</b>	880	880	-	3,520	3,520	-	10,560
<b>TOTAL REVENUE</b>	<b>\$ 341,570</b>	<b>\$ 400,860</b>	<b>\$ (59,290)</b>	<b>\$ 1,574,782</b>	<b>\$ 1,382,425</b>	<b>\$ 192,357</b>	<b>\$ 4,162,996</b>
<b>EXPENSE</b>							
<b>Administrative</b> (office rent, phones, IT, admin staff)	\$ 124,225	\$ 114,229	\$ 9,996	\$ 432,173	\$ 422,790	\$ 9,383	\$ 1,250,429
<b>Community Center Operations</b> (utilities, upkeep, center staff)	61,127	85,094	(23,967)	285,143	334,427	(49,284)	1,006,257
<b>Events/Clubs/Classes</b> (instructors, supplies, rentals, catering, planning staff)	47,110	116,775	(69,665)	180,619	263,920	(83,301)	665,860
<b>Communication/New Residents</b> (website, newspaper, merchants, tours, staff)	39,210	46,710	(7,500)	164,913	180,845	(15,932)	514,900
<b>Management Fees</b> (reimbursement to Ranch Association)	1,275	298	977	5,100	1,192	3,908	3,576
<b>Charitable Events</b> (Dinner in the Desert / Tour de Scottsdale)	1,252	50,000	(48,748)	1,252	50,000	(48,748)	189,100
<b>Seasonal Decorations</b> (supplies, storage, labor)	9,275	-	9,275	9,275	19,500	(10,225)	64,500
<b>Arts and Education Programs</b> (instructors, supplies, rentals)	6,450	39,020	(32,570)	10,358	43,430	(33,072)	64,725
<b>Employee Relations and Training</b> (mileage, conferences, dues, uniforms)	244	4,865	(4,621)	14,866	24,315	(9,449)	61,360
<b>Market Street Park / Paths and Trails</b> (utilities, upkeep)	1,807	1,555	252	4,244	8,095	(3,851)	28,155
<b>Insurance &amp; Taxes</b>	2,402	1,932	470	8,639	8,228	411	23,734
<b>TOTAL EXPENSE</b>	<b>\$ 294,377</b>	<b>\$ 460,478</b>	<b>\$ (166,101)</b>	<b>\$ 1,116,583</b>	<b>\$ 1,356,742</b>	<b>\$ (240,159)</b>	<b>\$ 3,872,596</b>
<b>NET OPERATING INCOME/(LOSS)</b>	<b>\$ 47,193</b>	<b>\$ (59,618)</b>	<b>\$ 106,811</b>	<b>\$ 458,199</b>	<b>\$ 25,683</b>	<b>\$ 432,516</b>	<b>\$ 290,400</b>
<b>TRANSFERS IN/OUT</b>							
<b>Reserve &amp; Capital Fund Contributions (Transfer Out)</b>	24,200	24,200	-	96,800	96,800	-	290,400
<b>NET SURPLUS (DEFICIT)</b>	<b>\$ 22,993</b>	<b>\$ (83,818)</b>	<b>\$ 106,811</b>	<b>\$ 361,399</b>	<b>\$ (71,117)</b>	<b>\$ 432,516</b>	<b>\$ -</b>

**DC Ranch Community Council, Inc.**  
**Balance Sheet Comparison Report**  
**As Of 4/30/2020**

	<u>Balance</u> <u>4/30/2020</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Change</u>
<b>Assets</b>			
<u>Cash</u>			
111020 - AAB Operating Cash - Council	\$0.00	\$422,260.57	(\$422,260.57)
111025 - BOK Operating Cash - Council	\$2,371,829.19	\$1,338,659.93	\$1,033,169.26
119000 - Petty Cash	\$700.00	\$700.00	\$0.00
<u>Cash Total</u>	<u>\$2,372,529.19</u>	<u>\$1,761,620.50</u>	<u>\$610,908.69</u>
<u>Capital Fund</u>			
112100 - BOK Capital Fund - Council - Current Projects	\$96,862.72	\$68,826.52	\$28,036.20
112150 - BOK Capital Fund - Council - Savings	\$1,212,070.79	\$1,258,435.29	(\$46,364.50)
<u>Capital Fund Total</u>	<u>\$1,308,933.51</u>	<u>\$1,327,261.81</u>	<u>(\$18,328.30)</u>
<u>Reserve Fund</u>			
129420 - BOK Reserve Fund	\$1,483,952.71	\$1,469,579.37	\$14,373.34
<u>Reserve Fund Total</u>	<u>\$1,483,952.71</u>	<u>\$1,469,579.37</u>	<u>\$14,373.34</u>
<u>Accounts Receivable</u>			
141200 - Community Council Accounts Receivable	\$4,402.20	\$4,942.75	(\$540.55)
141300 - Accounts Receivable - Benefit Fees	\$43,775.00	\$15,800.00	\$27,975.00
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	\$8,300.00	\$1,127.00	\$7,173.00
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>\$55,122.91</u>	<u>\$27,983.36</u>	<u>\$27,139.55</u>
<u>Prepaid Expenses</u>			
135000 - Due From Check Front	\$0.00	\$0.00	\$0.00
151000 - Prepaid Insurance	\$17,956.10	\$8,859.38	\$9,096.72
151500 - Prepaid Programs & Events	\$18,624.04	\$6,028.02	\$12,596.02
151700 - Prepaid Expense - Charitable Events	\$4,161.89	\$0.00	\$4,161.89
151800 - Prepaid Expense - Arts & Education	\$0.00	\$1,740.00	(\$1,740.00)
152000 - Prepaid Utilities	\$0.00	\$0.00	\$0.00
153000 - Prepaid Postage	\$39.12	\$732.11	(\$692.99)
154000 - Prepaid Expenses	\$40,692.46	\$240.00	\$40,452.46
<u>Prepaid Expenses Total</u>	<u>\$81,473.61</u>	<u>\$17,599.51</u>	<u>\$63,874.10</u>
<u>Intercompany Receivable</u>			
131000 - Due From Covenant Commission	\$0.00	\$0.00	\$0.00
133000 - Due From DC Ranch Association	\$0.00	\$57,454.30	(\$57,454.30)
<u>Intercompany Receivable Total</u>	<u>\$0.00</u>	<u>\$57,454.30</u>	<u>(\$57,454.30)</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 4/30/2020**

	<u>Balance</u> <u>4/30/2020</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Change</u>
<b>Assets</b>			
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	(\$520,120.79)	(\$508,302.17)	(\$11,818.62)
<u>Property and Equipment Total</u>	<u>\$194,454.61</u>	<u>\$206,273.23</u>	<u>(\$11,818.62)</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>	 \$5,496,466.54	 \$4,867,772.08	 \$628,694.46
<b>Liabilities and Equity</b>			
<u>Current Liabilities</u>			
210000 - Accounts Payable	\$33,719.27	\$80,060.99	(\$46,341.72)
211000 - Insurance Payable	\$0.00	\$0.00	\$0.00
212000 - Payroll / Month End Accrual	\$136,102.73	\$90,937.79	\$45,164.94
213000 - Accrued Expenses	\$0.00	\$0.00	\$0.00
216000 - Insurance Claim Payable	\$0.00	\$0.00	\$0.00
220000 - Prepaid Assessments	\$21,452.00	\$68,676.00	(\$47,224.00)
220500 - Prepaid Event Registration	\$5,003.26	\$0.00	\$5,003.26
221500 - Prepaid Facility Rental	\$5,715.00	\$7,620.00	(\$1,905.00)
221600 - Deposit Facility Rental	\$2,905.00	\$3,805.00	(\$900.00)
222000 - Section 125 Liability	(\$149.09)	\$426.64	(\$575.73)
<u>Current Liabilities Total</u>	<u>\$204,748.17</u>	<u>\$251,526.42</u>	<u>(\$46,778.25)</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>Long-Term Liabilities</u>			
251000 - Note Payable - Available PPP Funds	\$339,600.00	\$0.00	\$339,600.00
<u>Long-Term Liabilities Total</u>	<u>\$339,600.00</u>	<u>\$0.00</u>	<u>\$339,600.00</u>
 <u>Retained Earnings</u>	 \$1,603,378.57	 \$1,272,971.41	 \$330,407.16
 <u>Net Income</u>	 \$345,625.39	 \$540,059.32	 (\$194,433.93)
 <i>Liabilities &amp; Equity Total</i>	 \$5,496,466.54	 \$4,867,772.08	 \$628,694.46

**DC RANCH COMMUNITY COUNCIL**  
**STATEMENT OF CASH FLOWS**  
**MONTH OF APRIL 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (deficit) for period	\$ 22,993
Adjustments to reconcile net income (deficit)	
Accounts receivable	30,531
Prepaid insurance	1,648
Prepaid programs and expense	18,380
Prepaid expenses	(39,904)
Intercompany Receivable	-
Accounts payable	1,167
Accrued payroll expenses	3,080
Deferred revenue - facility rentals	3,578
Prepaid assessments	(3,536)
Prepaid event registration	-
Note payable	339,600
Other liabilities	(827)
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NET CASH FROM OPERATING ACTIVITIES	376,712
CASH, BEGINNING OF PERIOD	<hr/> 1,995,818
CASH, END OF PERIOD	<hr/> <u>\$ 2,372,529</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:* **6.84**

Total 2020 operating budget expenses	<u>\$ 4,162,996</u>
<b>MINIMUM</b> - Average of three months	<u>\$ 1,040,749</u>

Amount over minimum	Amount under minimum
<u>\$ 1,331,780</u>	<u>N/A</u>

<b>MAXIMUM</b> - Average of six months	<u>\$ 2,081,498</u>
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Amount over maximum	Amount under maximum
<u>\$ 291,031</u>	<u>N/A</u>

