



**DC Ranch Community Council
Financial Highlights – Director Analysis
for period ending August 31, 2020**

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total CC</u>
Revenue	\$ 3,126,689	\$ 6,219	\$ 5,847	\$ 3,138,756
Expenses	2,159,266	100,591	46,910	2,306,767
Operating Income/(Loss)	\$ 967,423	\$ (94,372)	\$ (41,063)	\$ 831,988
Depreciation	-	-	23,637	23,637
Total Income/(Loss)	\$ 967,423	\$ (94,372)	\$ (64,700)	\$ 808,351
Transfers In/(Out)	(193,600)	165,600	28,000	-
Total Surplus/(Deficit)	\$ 773,823	\$ 71,228	\$ (36,700)	\$ 808,351

Revenue

Operating revenue for August totaled \$413k, higher than budget by \$108k (35%). Year-to-date revenue is favorable to budget by \$396k (15%). Significant variances to budget include:

- Community Benefit Fees came in \$103k (99%) higher than forecast for August, resulting in a \$418k revenue surplus YTD.
- Covenant Commission Reimbursement for shared expenses (management fee) is \$85k higher than budget YTD. This will cumulatively be the case for the remainder of the fiscal year. When the budget was approved, the partnership between Covenant Commission and Community Council had not yet been finalized. As such, the budget does not reflect the shared expenses between organizations.
- Programming and facility rentals have been lower than budget by approximately \$49k due to the cancellation of programs and the temporary closure of the community centers and suspension of the rental program, 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 August came in \$28k (9%) less than anticipated, with year-to-date expense \$332k lower (12%) than budget. Notable variances include:

- Personnel costs are a net \$12k lower than estimated in the budget YTD. Included in this amount are the additional expenses for the Covenant Commission staff, which are part of the management fee. There is a savings in personnel costs of \$32k in other departments YTD.
- Management Fee expenses are over budget YTD by \$8k and will cumulatively be the case for the remainder of the year – see explanation above in the Revenue section.
- There is a cumulative savings of \$328k 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 impact of Coronavirus. Material savings amounts by department are as follows:

- Administration - \$35k savings in Legal/Professional Fees, Public Affairs and Special Projects and Employee Relations (ex. meetings, seminars etc.).
- Communications/Community Engagement - \$31k savings in Collateral Printing/Postage and Community Relations.
- Community Center Operations - \$58k savings in various supplies and services related to facility maintenance.
- Programming – \$137k in savings due to the cancellation of events, clubs and classes.
- Charitable Events - \$49k savings due to the cancellation of Desert Affair (new event in 2020).
- Seasonal Decorations – \$8k savings YTD.
- Paths & Trails - \$7k savings in supplies and projects.

Balance Sheet/Cash Flow

- Operating cash on hand is equal to 8.04 months as of 8/31/20. The Board has temporarily approved cash to rise above six (6) months of cash on hand due to recent events relating to COVID-19.
- In addition to cost savings, the significant increase in cash is also 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 \$1.3 mil in capital funds and \$1.5 mil in reserve funds. Reserves are currently 91.42% 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>
September 2020	\$259,372	\$60,171
October 2020	\$292,253	\$131,642

Community Council continues a positive financial position through August with a \$774k 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 August 31, 2020

	AUGUST ACTUAL	AUGUST BUDGET	BUDGET VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	2020 BUDGET
REVENUE							
Community Benefit - Transfer Fee	\$ 207,587	\$ 104,436	\$ 103,151	\$ 1,460,352	\$ 1,042,140	\$ 418,212	\$ 1,500,000
Residential Assessments (2,688 units)	141,414	139,776	\$ 1,638	1,120,236	1,118,026	2,210	1,677,131
Commercial/Apartment Assessments (970 Commercial units)	50,440	50,440	-	403,520	403,520	-	605,280
Charitable Events (Dinner in the Desert / Tour de Scottsdale)	-	-	-	(1,245)	50,000	(51,245)	192,000
Event/Club/Class Registrations	500	2,195	(1,695)	15,058	29,085	(14,027)	54,379
Community Center Rentals	-	1,000	(1,000)	10,438	23,200	(12,763)	43,200
Other (Interest, CFD from city, processing fees, misc.)	810	3,258	(2,448)	16,074	29,914	(13,840)	46,796
Arts/Education Program Registrations/Ticket Sales	-	1,750	(1,750)	5,017	21,955	(16,938)	26,570
Covenant Commission Expense Reimbursement	10,600	-	10,600	84,800	-	84,800	-
Advertising (website)	720	1,080	(360)	5,400	5,640	(240)	7,080
Community Garden Leases	880	880	-	7,040	7,040	-	10,560
TOTAL REVENUE	\$ 412,952	\$ 304,815	\$ 108,137	\$ 3,126,689	\$ 2,730,520	\$ 396,169	\$ 4,162,996
EXPENSE							
Administrative (office rent, phones, IT, admin staff)	\$ 99,746	\$ 103,688	\$ (3,942)	\$ 844,542	\$ 838,603	\$ 5,939	\$ 1,250,429
Community Center Operations (utilities, upkeep, center staff)	74,985	82,740	(7,755)	571,754	666,077	(94,323)	1,006,257
Events/Clubs/Classes (instructors, supplies, rentals, catering, planning staff)	29,389	36,270	(6,881)	316,276	419,610	(103,334)	665,860
Communication/New Residents (website, newspaper, merchants, tours, staff)	37,054	47,410	(10,356)	318,525	350,850	(32,325)	514,900
Management Fees (reimbursement to Ranch Association)	1,275	298	977	10,200	2,384	7,816	3,576
Charitable Events (Dinner in the Desert / Tour de Scottsdale)	100	-	100	1,352	50,000	(48,648)	189,100
Seasonal Decorations (supplies, storage, labor)	2,978	-	2,978	31,047	39,000	(7,953)	64,500
Arts and Education Programs (instructors, supplies, rentals)	200	2,070	(1,870)	12,825	50,860	(38,035)	64,725
Employee Relations and Training (mileage, conferences, dues, uniforms)	4,530	4,550	(20)	27,049	42,235	(15,186)	61,360
Market Street Park / Paths and Trails (utilities, upkeep)	1,012	2,250	(1,238)	8,871	15,895	(7,024)	28,155
Insurance & Taxes	2,049	1,932	117	16,824	15,956	868	23,734
TOTAL EXPENSE	\$ 253,318	\$ 281,208	\$ (27,890)	\$ 2,159,266	\$ 2,491,470	\$ (332,204)	\$ 3,872,596
NET OPERATING INCOME/(LOSS)	\$ 159,633	\$ 23,607	\$ 136,026	\$ 967,423	\$ 239,050	\$ 728,373	\$ 290,400
TRANSFERS IN/OUT							
Reserve & Capital Fund Contributions (Transfer Out)	24,200	24,200	-	193,600	193,600	-	290,400
NET SURPLUS (DEFICIT)	\$ 135,433	\$ (593)	\$ 136,026	\$ 773,823	\$ 45,450	\$ 728,373	\$ -

DC Ranch Community Council, Inc.
Balance Sheet Comparison Report
As Of 8/31/2020

	<u>Balance</u> <u>8/31/2020</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Change</u>
Assets			
<u>Cash</u>			
111025 - BOK Operating Cash - Council	\$2,788,675.63	\$1,338,659.93	\$1,450,015.70
119000 - Petty Cash	\$710.30	\$700.00	\$10.30
<u>Cash Total</u>	<u>\$2,789,385.93</u>	<u>\$1,339,359.93</u>	<u>\$1,450,026.00</u>
<u>Capital Fund</u>			
112100 - BOK Capital Fund - Council - Current Projects	\$86,930.31	\$68,826.52	\$18,103.79
112150 - BOK Capital Fund - Council - Savings	\$1,227,268.43	\$1,258,435.29	(\$31,166.86)
<u>Capital Fund Total</u>	<u>\$1,314,198.74</u>	<u>\$1,327,261.81</u>	<u>(\$13,063.07)</u>
<u>Reserve Fund</u>			
129420 - BOK Reserve Fund - Council	\$1,540,807.77	\$1,469,579.37	\$71,228.40
<u>Reserve Fund Total</u>	<u>\$1,540,807.77</u>	<u>\$1,469,579.37</u>	<u>\$71,228.40</u>
<u>Accounts Receivable</u>			
141200 - Accounts Receivable - Residential Assessments	\$9,651.75	\$4,942.75	\$4,709.00
141300 - Accounts Receivable - Benefit Fees	\$19,962.50	\$15,800.00	\$4,162.50
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	\$12,740.00	\$1,127.00	\$11,613.00
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>\$40,999.96</u>	<u>\$27,983.36</u>	<u>\$13,016.60</u>
<u>Prepaid Expenses</u>			
135000 - Due From Check Front	\$0.00	\$0.00	\$0.00
151000 - Prepaid Insurance	\$10,217.34	\$8,859.38	\$1,357.96
151500 - Prepaid Expense - Programs & Events	\$34,989.78	\$6,028.02	\$28,961.76
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 Expense - Postage	\$415.53	\$732.11	(\$316.58)
154000 - Prepaid Expenses	\$12,749.60	\$240.00	\$12,509.60
<u>Prepaid Expenses Total</u>	<u>\$62,534.14</u>	<u>\$17,599.51</u>	<u>\$44,934.63</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 8/31/2020

	<u>Balance</u> <u>8/31/2020</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	(\$531,939.43)	(\$508,302.17)	(\$23,637.26)
<u>Property and Equipment Total</u>	<u>\$182,635.97</u>	<u>\$206,273.23</u>	<u>(\$23,637.26)</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>	 \$5,930,562.51	 \$4,445,511.51	 \$1,485,051.00
Liabilities and Equity			
<u>Current Liabilities</u>			
210000 - Accounts Payable	\$32,201.70	\$80,060.99	(\$47,859.29)
211000 - Insurance Payable	\$0.00	\$0.00	\$0.00
212000 - Payroll / Month End Accrual	\$124,618.09	\$90,937.79	\$33,680.30
213000 - Accrued Expenses	\$0.00	\$0.00	\$0.00
216000 - Insurance Claim Payable	\$0.00	\$0.00	\$0.00
220000 - Prepaid Assessments	\$18,356.00	\$68,676.00	(\$50,320.00)
220500 - Deferred Revenue - Prepaid Event Registration	\$1,165.00	\$0.00	\$1,165.00
221500 - Deferred Revenue - Prepaid Facility Rental	\$0.00	\$7,620.00	(\$7,620.00)
221600 - Deferred Revenue - Deposit Facility Rental	\$0.00	\$3,805.00	(\$3,805.00)
222000 - Section 125 Liability	(\$222.40)	\$426.64	(\$649.04)
<u>Current Liabilities Total</u>	<u>\$176,118.39</u>	<u>\$251,526.42</u>	<u>(\$75,408.03)</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 - 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>	 \$808,351.14	 \$540,059.32	 \$268,291.82
 <i>Liabilities & Equity Total</i>	 \$5,930,562.51	 \$4,867,772.08	 \$1,062,790.43

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

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (deficit) for period	\$ 135,433
Adjustments to reconcile net income (deficit)	
Accounts receivable	29,716
Prepaid insurance	1,877
Prepaid programs and expense	(22,183)
Prepaid expenses	(13,839)
Intercompany Receivable	-
Accounts payable	(13,412)
Accrued payroll expenses	7,658
Deferred revenue - facility rentals	-
Prepaid assessments	11,024
Prepaid event registration	1,165
Note payable	
Other liabilities	185
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NET CASH FROM OPERATING ACTIVITIES	137,624
CASH, BEGINNING OF PERIOD	<hr/> 2,651,762
CASH, END OF PERIOD	<hr/> <u>\$ 2,789,386</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: **8.04**

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>\$ 1,748,637</u>	<u>N/A</u>

MAXIMUM - Average of six months	<u>\$ 2,081,498</u>
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Amount over maximum	Amount under maximum
<u>\$ 707,888</u>	<u>N/A</u>



DC Ranch Community Council Resale Benefit Fee Trend - August 2020

Month	2018 Actual	2019 Actual	In Process	2020 Actual	2020 Budget	Budget Variance	Change from Prior Year
Jan	\$ 95,098	\$ 77,187		\$ 93,563	\$ 97,919	\$ (4,357)	\$ 16,376
Feb	256,655	201,978		284,943	104,046	180,897	82,965
Mar	325,277	240,099		215,236	165,081	50,155	(24,863)
Apr	174,139	160,733		138,243	135,512	2,731	(22,491)
May	321,167	134,839		83,883	165,619	(81,737)	(50,957)
Jun	***	243,270	217,543	251,064	139,094	111,970	33,521
Jul	91,893	118,113		185,835	130,433	55,402	67,722
Aug	141,858	133,747		207,587	104,436	103,151	73,840
Sep	115,775	98,697	248,090		60,171	(60,171)	(98,697)
Oct	195,948	137,713	220,860		131,642	(131,642)	(137,713)
Nov	*	424,955	160,508	32,375		177,164	(160,508)
Dec	**	95,424	292,800	3,375		88,883	(292,800)
Total	\$ 2,481,459	\$ 1,973,957	\$ 504,700	\$ 1,460,352	\$ 1,500,000	\$ (39,648)	\$ (513,605)

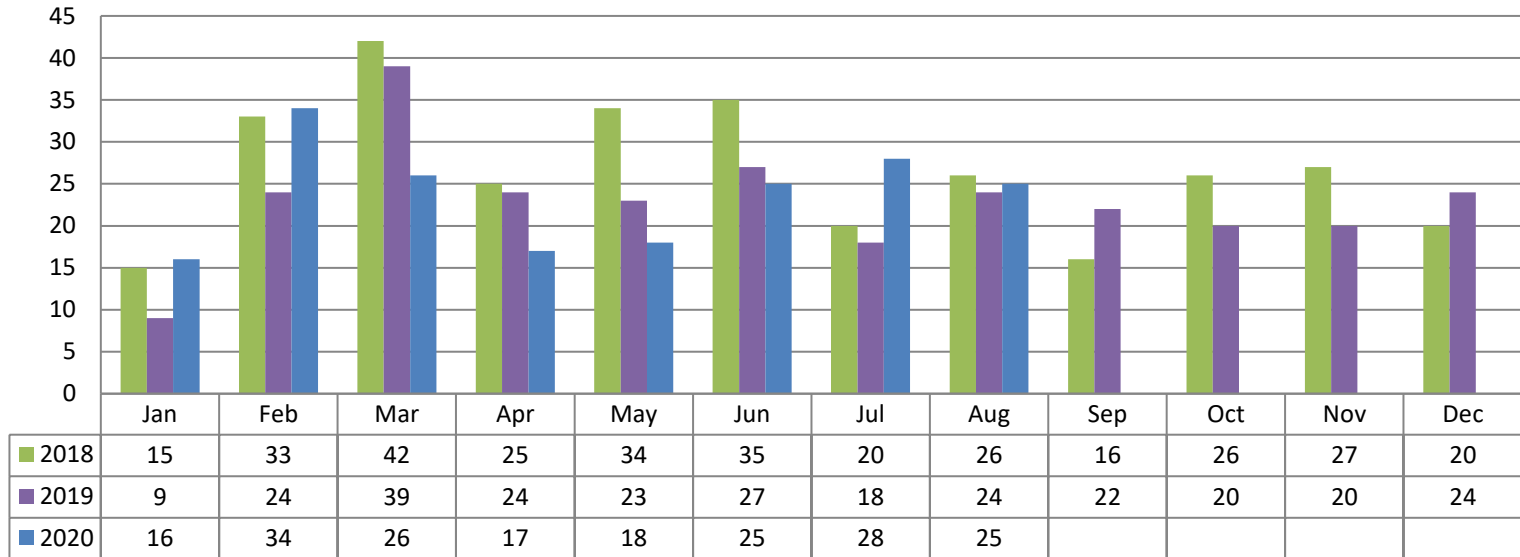
* The November 2018 benefit fee amount includes a fee of \$260,000 from the sale of Desert Parks Vista Apartments.

** The December 2019 benefit fee amount includes a fee of \$102,500 from the sale of corporate center property.

*** The June 2020 benefit fee amount includes a fee of \$110,000 from the sale of commercial property.

Property Sale Breakdown				
Location	August	YTD	Average Price	YTD Average
Desert Parks Village - House	7	42	831,707	810,346
Desert Camp Village - House	6	49	637,500	853,540
Country Club - House	3	29	1,718,333	1,716,086
Silverleaf - House	7	50	3,242,947	2,773,467
Country Club - Land	-	1	-	2,650,000
Silverleaf - Land	1	13	766,500	1,347,708
Commercial	1	3	3,250,000	10,058,333
Total/Average	25	187	1,660,763	1,682,583

Count of Property Sales



Property Sales by Month in Millions

