



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

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total CC</u>
Revenue	\$ 1,862,806	\$ 5,329	\$ 5,038	\$ 1,873,173
Expenses	1,359,491	87,024	36,978	1,483,493
Operating Income/(Loss)	\$ 503,315	\$ (81,695)	\$ (31,940)	\$ 389,681
Depreciation	-	-	14,773	14,773
Total Income/(Loss)	\$ 503,315	\$ (81,695)	\$ (46,713)	\$ 374,908
Transfers In/(Out)	(121,000)	103,500	17,500	-
Total Surplus/(Deficit)	\$ 382,315	\$ 21,805	\$ (29,213)	\$ 374,908

Revenue

Operating revenue for May totaled \$288k, lower than budget by \$77k (21%). Year-to-date revenue is favorable to budget by \$116k (7%). Significant variances to budget include:

- Community Benefit Fees came in \$82k (49%) lower than forecast for May, however there is still a \$148k revenue surplus YTD.
- Covenant Commission Reimbursement for shared expenses (management fee) is \$53,000 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 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 May came in \$32k (11%) less than anticipated, with year-to-date expense \$272k lower (16%) than budget. Notable variances include:

- Personnel costs are \$8k higher than estimated in the budget for YTD. Included in this amount is approximately \$37k in expenses for the Covenant Commission staff, which are part of the management fee. There is a savings in personnel costs of \$29k in other departments YTD - \$25k in the Community Centers partially due to a temporary reduction in staff and an open position on the accounting team.
- Management Fee expenses are over budget YTD by \$5k 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 \$220k 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 - \$20k savings in Legal/Professional Fees, Public Affairs, Special Projects and Information Technology.
 - Communications/Community Engagement - \$20k savings in Collateral Printing/Postage and Community Relations.
 - Community Center Operations - \$33k savings in various supplies and services related to facility maintenance.
 - Programming – \$121k 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 – \$10k savings YTD.
 - Paths & Trails - \$4k savings in supplies and projects.

Balance Sheet/Cash Flow

- Operating cash on hand is equal to 6.82 months as of 5/31/20. 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.
- 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 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>
June 2020	\$271,143*	\$139,094
July 2020	\$73,375	\$130,433

**This amount includes the sale of a commercial property, resulting in a \$110k transfer fee.*

Community Council continues a positive financial position through May with a \$382k 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 May 31, 2020

	MAY ACTUAL	MAY BUDGET	BUDGET VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	2020 BUDGET
REVENUE							
Community Benefit - Transfer Fee	\$ 83,883	\$ 165,619	\$ (81,737)	\$ 815,866	\$ 668,177	\$ 147,689	\$ 1,500,000
Residential Assessments (2,688 units)	139,802	139,750	52	699,166	698,750	416	1,677,131
Commercial/Apartment Assessments (970 Commercial units)	50,440	50,440	-	252,200	252,200	-	605,280
Charitable Events (Dinner in the Desert / Tour de Scottsdale)	-	-	-	0	50,000	(50,000)	192,000
Event/Club/Class Registrations	500	220	280	13,370	19,390	(6,020)	54,379
Community Center Rentals	200	3,300	(3,100)	8,433	20,100	(11,668)	43,200
Other (Interest, CFD from city, processing fees, misc.)	1,360	3,258	(1,898)	9,975	16,290	(6,315)	46,796
Arts/Education Program Registrations/Ticket Sales	-	-	-	3,517	14,905	(11,388)	26,570
Covenant Commission Expense Reimbursement	10,600	-	10,600	53,000	-	53,000	-
Advertising (website)	360	1,080	(720)	2,880	2,760	120	7,080
Community Garden Leases	880	880	-	4,400	4,400	-	10,560
TOTAL REVENUE	\$ 288,025	\$ 364,547	\$ (76,522)	\$ 1,862,806	\$ 1,746,972	\$ 115,834	\$ 4,162,996
EXPENSE							
Administrative (office rent, phones, IT, admin staff)	\$ 95,905	\$ 103,868	\$ (7,963)	\$ 528,078	\$ 526,658	\$ 1,420	\$ 1,250,429
Community Center Operations (utilities, upkeep, center staff)	71,498	80,183	(8,685)	356,641	414,610	(57,969)	1,006,257
Events/Clubs/Classes (instructors, supplies, rentals, catering, planning staff)	29,427	37,785	(8,358)	210,046	301,705	(91,659)	665,860
Communication/New Residents (website, newspaper, merchants, tours, staff)	41,130	46,655	(5,525)	206,043	227,500	(21,457)	514,900
Management Fees (reimbursement to Ranch Association)	1,275	298	977	6,375	1,490	4,885	3,576
Charitable Events (Dinner in the Desert / Tour de Scottsdale)	-	-	-	1,252	50,000	(48,748)	189,100
Seasonal Decorations (supplies, storage, labor)	-	-	-	9,275	19,500	(10,225)	64,500
Arts and Education Programs (instructors, supplies, rentals)	475	120	355	10,833	43,550	(32,717)	64,725
Employee Relations and Training (mileage, conferences, dues, uniforms)	149	2,460	(2,311)	15,015	26,775	(11,760)	61,360
Market Street Park / Paths and Trails (utilities, upkeep)	1,013	1,495	(482)	5,258	9,590	(4,332)	28,155
Insurance & Taxes	2,037	1,932	105	10,676	10,160	516	23,734
TOTAL EXPENSE	\$ 242,908	\$ 274,796	\$ (31,888)	\$ 1,359,491	\$ 1,631,538	\$ (272,047)	\$ 3,872,596
NET OPERATING INCOME/(LOSS)	\$ 45,117	\$ 89,751	\$ (44,634)	\$ 503,315	\$ 115,434	\$ 387,881	\$ 290,400
TRANSFERS IN/OUT							
Reserve & Capital Fund Contributions (Transfer Out)	24,200	24,200	-	121,000	121,000	-	290,400
NET SURPLUS (DEFICIT)	\$ 20,917	\$ 65,551	\$ (44,634)	\$ 382,315	\$ (5,566)	\$ 387,881	\$ -

DC Ranch Community Council, Inc.
Balance Sheet Comparison Report
As Of 5/31/2020

	<u>Balance</u> <u>5/31/2020</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Change</u>
Assets			
<u>Cash</u>			
111025 - BOK Operating Cash - Council	\$2,365,569.12	\$1,338,659.93	\$1,026,909.19
119000 - Petty Cash	\$700.00	\$700.00	\$0.00
<u>Cash Total</u>	<u>\$2,366,269.12</u>	<u>\$1,339,359.93</u>	<u>\$1,026,909.19</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	\$1,215,959.35	\$1,258,435.29	(\$42,475.94)
<u>Capital Fund Total</u>	<u>\$1,312,822.07</u>	<u>\$1,327,261.81</u>	<u>(\$14,439.74)</u>
<u>Reserve Fund</u>			
129420 - BOK Reserve Fund	\$1,491,384.55	\$1,469,579.37	\$21,805.18
<u>Reserve Fund Total</u>	<u>\$1,491,384.55</u>	<u>\$1,469,579.37</u>	<u>\$21,805.18</u>
<u>Accounts Receivable</u>			
141200 - Community Council Accounts Receivable	\$5,580.75	\$4,942.75	\$638.00
141300 - Accounts Receivable - Benefit Fees	\$35,620.00	\$15,800.00	\$19,820.00
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	\$20,624.00	\$1,127.00	\$19,497.00
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>\$60,470.46</u>	<u>\$27,983.36</u>	<u>\$32,487.10</u>
<u>Prepaid Expenses</u>			
135000 - Due From Check Front	\$0.00	\$0.00	\$0.00
151000 - Prepaid Insurance	\$15,849.63	\$8,859.38	\$6,990.25
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	\$118.34	\$732.11	(\$613.77)
154000 - Prepaid Expenses	\$1,430.00	\$240.00	\$1,190.00
<u>Prepaid Expenses Total</u>	<u>\$40,183.90</u>	<u>\$17,599.51</u>	<u>\$22,584.39</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
174000 - Homestead Remodel & Capital			

DC Ranch Community Council, Inc.
Balance Sheet Comparison Report
As Of 5/31/2020

	<u>Balance</u> <u>5/31/2020</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Change</u>
Assets			
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	(\$523,075.45)	(\$508,302.17)	(\$14,773.28)
<u>Property and Equipment Total</u>	<u>\$191,499.95</u>	<u>\$206,273.23</u>	<u>(\$14,773.28)</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>	 \$5,462,630.05	 \$4,445,511.51	 \$1,017,118.54
 Liabilities and Equity			
<u>Current Liabilities</u>			
210000 - Accounts Payable	\$29,737.36	\$80,060.99	(\$50,323.63)
211000 - Insurance Payable	\$0.00	\$0.00	\$0.00
212000 - Payroll / Month End Accrual	\$79,755.57	\$90,937.79	(\$11,182.22)
213000 - Accrued Expenses	\$0.00	\$0.00	\$0.00
216000 - Insurance Claim Payable	\$0.00	\$0.00	\$0.00
220000 - Prepaid Assessments	\$18,384.00	\$68,676.00	(\$50,292.00)
220500 - Prepaid Event Registration	\$8,215.35	\$0.00	\$8,215.35
221500 - Prepaid Facility Rental	\$3,275.00	\$7,620.00	(\$4,345.00)
221600 - Deposit Facility Rental	\$2,605.00	\$3,805.00	(\$1,200.00)
222000 - Section 125 Liability	(\$565.67)	\$426.64	(\$992.31)
<u>Current Liabilities Total</u>	<u>\$141,406.61</u>	<u>\$251,526.42</u>	<u>(\$110,119.81)</u>
 <u>Intercompany Payable</u>			
231000 - Due to Covenant Commission	\$0.00	\$9,752.68	(\$9,752.68)
233000 - Due to DC Ranch Association	\$222.83	\$0.00	\$222.83
<u>Intercompany Payable Total</u>	<u>\$222.83</u>	<u>\$9,752.68</u>	<u>(\$9,529.85)</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>	 \$374,907.63	 \$540,059.32	 (\$165,151.69)
 <i>Liabilities & Equity Total</i>	 \$5,462,630.05	 \$4,867,772.08	 \$594,857.97

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

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (deficit) for period	\$ 20,917
Adjustments to reconcile net income (deficit)	
Accounts receivable	(5,348)
Prepaid insurance	2,106
Prepaid programs and expense	-
Prepaid expenses	39,183
Intercompany Receivable	-
Accounts payable	(3,982)
Accrued payroll expenses	(56,347)
Deferred revenue - facility rentals	
Prepaid assessments	(3,068)
Prepaid event registration	472
Note payable	-
Other liabilities	(194)
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NET CASH FROM OPERATING ACTIVITIES	(6,260)
CASH, BEGINNING OF PERIOD	<hr/> 2,372,529
CASH, END OF PERIOD	<hr/> <u>\$ 2,366,269</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: **6.82**

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>\$ 1,325,520</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>\$ 284,771</u>	<u>N/A</u>

DC Ranch Community Council Resale Benefit Fee Trend - May 2020

Resale Benefit Fee							
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	257,893		139,094	(139,094)	(217,543)
Jul	91,893	118,113	49,520		130,433	(130,433)	(118,113)
Aug	141,858	133,747	10,715		104,436	(104,436)	(133,747)
Sep	115,775	98,697	14,975		60,171	(60,171)	(98,697)
Oct	195,948	137,713			131,642	(131,642)	(137,713)
Nov	* 424,955	160,508			177,164	(177,164)	(160,508)
Dec	** 95,424	292,800			88,883	(88,883)	(292,800)
Annual Total	\$ 2,481,459	\$ 1,973,957	\$ 333,103	\$ 815,867	\$ 1,500,000	\$ (684,134)	\$ (1,158,091)

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

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

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

Property Sale Breakdown					
Location	May	YTD	Average Price	YTD Average	
Desert Parks Village - House	2	21	732,000	732,933	
Desert Camp Village - House	8	28	636,063	836,464	
Country Club - House	3	21	1,041,333	1,682,214	
Silverleaf - House	2	30	2,475,000	2,706,467	
Silverleaf - Land	3	9	1,666,667	1,537,789	
Commercial	-	2	-	1,087,500	
Total/Average	18	111	1,090,361	1,543,677	

