



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

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total CC</u>
Revenue	\$ 4,166,987	\$ 6,632	\$ 6,222	\$ 4,179,841
Expenses	2,762,856	125,367	68,556	2,956,778
Operating Income/(Loss)	\$ 1,404,131	\$ (118,735)	\$ (62,334)	\$ 1,223,063
Depreciation	-	-	29,547	29,547
Total Income/(Loss)	\$ 1,404,131	\$ (118,735)	\$ (91,881)	\$ 1,193,516
Transfers In/(Out)	(787,600)	407,000	380,600	-
Total Surplus/(Deficit)	\$ 616,531	\$ 288,265	\$ 288,719	\$ 1,193,516

Revenue

Operating revenue for October totaled \$602k, higher than budget by \$120k (25%). Year-to-date revenue is favorable to budget by \$690k (20%). Significant variances to budget include:

- Community Benefit Fees came in \$258k (196%) higher than forecast for October, resulting in a \$849k revenue surplus YTD.
- Covenant Commission Reimbursement for shared expenses (management fee) is \$106k 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 \$72k 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 (Desert Affair) was cancelled and Tour de Scottsdale was in a virtual format this year, resulting in a revenue loss of \$191k, but is offset by expense savings of \$181k.

Expense

Operating expenses for October came in \$158k less than budget, with year-to-date expense \$46k higher than budget. Notable variances include:

- In September the Board approved transfer of operating funds to the reserve and capital accounts, for which \$200k was moved to reserve and \$346k was moved to capital, which is over and above budgeted contribution amounts.
- Personnel costs are a net \$7k 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 \$48k in other departments YTD.

- Management Fee expenses are over budget YTD by \$10k and will cumulatively be the case for the remainder of the year – see explanation above in the Revenue section.
- There is a cumulative net savings of \$504k YTD across all departments. Material savings amounts by department are as follows:
 - Administration - \$51k savings in Legal/Professional Fees, Public Affairs and Special Projects and Employee Relations (ex. meetings, seminars etc.).
 - Communications/Community Engagement - \$32k savings in Collateral Printing/Postage and Community Relations.
 - Community Center Operations - \$70k savings in various supplies and services related to facility maintenance.
 - Programming – \$160k in savings due to the cancellation of events, clubs and classes.
 - Charitable Events - \$181k savings due to the cancellation of Desert Affair (new event in 2020).
 - Paths & Trails - \$9k savings in supplies and projects.
- Interest expense of \$1,528 was paid during the process of returning the Payroll Protection Program (PPP) loan funds.

Balance Sheet/Cash Flow

- Operating cash on hand is equal to 6.43 months as of 10/31/20.
- The Note Payable was removed, due to the return of the PPP funds, since the terms of the loan was satisfied.
- There are \$1.65 mil in capital funds and \$1.76 mil in reserve funds. Reserves are currently 91.83% 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>
November 2020	\$320,946	\$177,164
December 2020	\$291,125	\$88,883

Community Council continues a positive financial position through October with a \$644k favorable variance to the operating budget, even with additional transfers to the reserve and operating funds. 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 October 31, 2020

REVENUE

	OCTOBER ACTUAL	OCTOBER BUDGET	BUDGET VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	2020 BUDGET
Community Benefit - Transfer Fee	\$ 390,122	\$ 131,642	\$ 258,480	\$ 2,083,420	\$ 1,233,953	\$ 849,467	\$ 1,500,000
Residential Assessments (2,688 units)	141,388	139,776	\$ 1,612	1,403,012	1,397,578	5,434	1,677,131
Commercial/Apartment Assessments (970 Commercial units)	50,440	50,440	-	504,400	504,400	-	605,280
Charitable Events (Dinner in the Desert / Tour de Scottsdale)	2,995	142,000	(139,005)	1,400	192,000	(190,600)	192,000
Event/Club/Class Registrations	3,259	10,610	(7,351)	19,592	45,549	(25,957)	54,379
Community Center Rentals	-	3,500	(3,500)	10,438	29,700	(19,263)	43,200
Other (Interest, CFD from city, processing fees, misc.)	1,188	3,258	(2,070)	17,806	36,430	(18,624)	46,796
Arts/Education Program Registrations/Ticket Sales	473	-	473	5,640	22,980	(17,340)	26,570
Covenant Commission Expense Reimbursement	10,600	-	10,600	106,000	-	106,000	-
Advertising (website)	360	-	360	6,480	5,640	840	7,080
Community Garden Leases	880	880	-	8,800	8,800	-	10,560
TOTAL REVENUE	\$ 601,704	\$ 482,106	\$ 119,598	\$ 4,166,987	\$ 3,477,030	\$ 689,957	\$ 4,162,996

EXPENSE

Administrative (office rent, phones, IT, admin staff)	\$ 107,084	\$ 104,612	\$ 2,472	\$ 1,050,886	\$ 1,043,101	\$ 7,785	\$ 1,250,429
Community Center Operations (utilities, upkeep, center staff)	75,835	87,223	(11,388)	725,487	838,175	(112,688)	1,006,257
Events/Clubs/Classes (instructors, supplies, rentals, catering, planning staff)	96,327	114,560	(18,233)	446,557	570,900	(124,343)	665,860
Communication/New Residents (website, newspaper, merchants, tours, staff)	40,321	38,920	1,401	397,609	431,155	(33,546)	514,900
Management Fees (reimbursement to Ranch Association)	1,275	298	977	12,750	2,980	9,770	3,576
Charitable Events (Dinner in the Desert / Tour de Scottsdale)	5,757	139,100	(133,343)	7,644	189,100	(181,456)	189,100
Seasonal Decorations (supplies, storage, labor)	-	-	-	38,301	39,000	(699)	64,500
Arts and Education Programs (instructors, supplies, rentals)	1,005	20	985	14,389	53,900	(39,511)	64,725
Employee Relations and Training (mileage, conferences, dues, uniforms)	3,745	2,275	1,470	31,731	49,135	(17,404)	61,360
Market Street Park / Paths and Trails (utilities, upkeep)	1,787	4,920	(3,133)	15,287	24,765	(9,478)	28,155
Insurance & Taxes (Interest)	2,049	1,982	67	22,215	19,870	2,345	23,734
TOTAL EXPENSE	\$ 335,185	\$ 493,910	\$ (158,725)	\$ 2,762,856	\$ 3,262,081	\$ (499,225)	\$ 3,872,596
NET OPERATING INCOME/(LOSS)	\$ 266,519	\$ (11,804)	\$ 278,323	\$ 1,404,131	\$ 214,949	\$ 1,189,182	\$ 290,400
TRANSFERS IN/OUT							
Reserve & Capital Fund Contributions (Transfer Out)	24,200	24,200	-	787,600	242,000	545,600	290,400
NET SURPLUS (DEFICIT)	\$ 242,319	\$ (36,004)	\$ 278,323	\$ 616,531	\$ (27,051)	\$ 643,582	\$ -

DC Ranch Community Council, Inc.
Balance Sheet Comparison Report
As Of 10/31/2020

	<u>Balance</u> <u>10/31/2020</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Change</u>
Assets			
<u>Cash</u>			
111025 - BOK Operating Cash - Council	\$2,231,614.86	\$1,338,659.93	\$892,954.93
119000 - Petty Cash	\$710.30	\$700.00	\$10.30
<u>Cash Total</u>	<u>\$2,232,325.16</u>	<u>\$1,339,359.93</u>	<u>\$892,965.23</u>
<u>Capital Fund</u>			
112100 - BOK Capital Fund - Council - Current Projects	\$117,073.28	\$68,826.52	\$48,246.76
112150 - BOK Capital Fund - Council - Savings	\$1,528,454.53	\$1,258,435.29	\$270,019.24
<u>Capital Fund Total</u>	<u>\$1,645,527.81</u>	<u>\$1,327,261.81</u>	<u>\$318,266.00</u>
<u>Reserve Fund</u>			
129420 - BOK Reserve Fund - Council	\$1,757,844.68	\$1,469,579.37	\$288,265.31
<u>Reserve Fund Total</u>	<u>\$1,757,844.68</u>	<u>\$1,469,579.37</u>	<u>\$288,265.31</u>
<u>Accounts Receivable</u>			
141200 - Accounts Receivable - Residential Assessments	\$13,049.04	\$4,942.75	\$8,106.29
141300 - Accounts Receivable - Benefit Fees	\$79,194.50	\$15,800.00	\$63,394.50
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	\$3,276.00	\$1,127.00	\$2,149.00
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>\$94,165.25</u>	<u>\$27,983.36</u>	<u>\$66,181.89</u>
<u>Prepaid Expenses</u>			
135000 - Due From Check Front	\$0.00	\$0.00	\$0.00
151000 - Prepaid Insurance	\$7,244.94	\$8,859.38	(\$1,614.44)
151500 - Prepaid Expense - Programs & Events	\$7,834.76	\$6,028.02	\$1,806.74
151700 - Prepaid Expense - Charitable Events	\$0.00	\$0.00	\$0.00
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	\$648.80	\$732.11	(\$83.31)
154000 - Prepaid Expenses	\$12,251.60	\$240.00	\$12,011.60
<u>Prepaid Expenses Total</u>	<u>\$27,980.10</u>	<u>\$17,599.51</u>	<u>\$10,380.59</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 10/31/2020

	<u>Balance</u> <u>10/31/2020</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	(\$537,848.75)	(\$508,302.17)	(\$29,546.58)
<u>Property and Equipment Total</u>	<u>\$176,726.65</u>	<u>\$206,273.23</u>	<u>(\$29,546.58)</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>	 \$5,934,569.65	 \$4,445,511.51	 \$1,489,058.14
Liabilities and Equity			
<u>Current Liabilities</u>			
210000 - Accounts Payable	\$30,352.43	\$80,060.99	(\$49,708.56)
211000 - Insurance Payable	\$0.00	\$0.00	\$0.00
212000 - Payroll / Month End Accrual	\$81,709.66	\$90,937.79	(\$9,228.13)
213000 - Accrued Expenses	\$0.00	\$0.00	\$0.00
216000 - Insurance Claim Payable	\$0.00	\$0.00	\$0.00
220000 - Prepaid Assessments	\$22,100.00	\$68,676.00	(\$46,576.00)
220500 - Deferred Revenue - Prepaid Event Registration	\$0.00	\$0.00	\$0.00
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	\$398.54	\$426.64	(\$28.10)
<u>Current Liabilities Total</u>	<u>\$134,560.63</u>	<u>\$251,526.42</u>	<u>(\$116,965.79)</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	\$0.00	\$0.00	\$0.00
<u>Long-Term Liabilities Total</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
 <u>Retained Earnings</u>	 \$1,603,378.57	 \$1,272,971.41	 \$330,407.16
 <u>Net Income</u>	 \$1,193,516.04	 \$540,059.32	 \$653,456.72
 <i>Liabilities & Equity Total</i>	 \$5,934,569.65	 \$4,867,772.08	 \$1,066,797.57

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

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (deficit) for period	\$ 242,319
Adjustments to reconcile net income (deficit)	
Accounts receivable	(33,895)
Prepaid insurance	2,110
Prepaid programs and expense	31,976
Prepaid expenses	(83)
Intercompany Receivable	600
Accounts payable	(5,528)
Accrued payroll expenses	(57,808)
Deferred revenue - facility rentals	-
Prepaid assessments	936
Prepaid event registration	(1,870)
Note payable	-
Transfer of funds from Cash to Reserve/Capital Accounts	-
Other liabilities	<u>397</u>
NET CASH FROM OPERATING ACTIVITIES	179,153
 CASH, BEGINNING OF PERIOD	 <u>2,053,172</u>
 CASH, END OF PERIOD	 <u><u>\$ 2,232,325</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:

6.43

Total 2020 operating budget expenses \$ 4,162,996

MINIMUM - Average of three months \$ 1,040,749

Amount over
minimum

\$ 1,191,576

Amount
under
minimum

N/A

MAXIMUM - Average of six months \$ 2,081,498

Amount over
maximum

\$ 150,827

Amount
under
maximum

N/A

DC Ranch Community Council Resale Benefit Fee Trend - October 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		\$ 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		\$ 232,947	\$ 60,171	\$ 172,776	\$ 134,250
Oct	195,948	137,713		\$ 390,122	\$ 131,642	\$ 258,480	\$ 252,409
Nov	* 424,955	160,508	\$ 273,146	\$ 177,164	\$ 177,164	\$ (177,164)	\$ (160,508)
Dec	** 95,424	292,800	\$ 100,255	\$ 88,883	\$ 88,883	\$ (88,883)	\$ (292,800)
Annual Total	\$ 2,481,459	\$ 1,973,957	\$ 373,401	\$ 2,083,420	\$ 1,500,000	\$ 583,420	\$ 109,463

* 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	October	YTD	Average Price	YTD Average
Desert Parks Village - House	9	59	431,333	803,752
Desert Camp Village - House	8	73	445,875	926,341
Country Club - House	3	33	1,855,833	1,728,303
Silverleaf - House	13	69	3,245,692	3,148,612
Silverleaf - Land	4	22	-	1,647,735
Commercial	-	5	-	6,035,000
Total/Average	37	262	2,281,065	1,749,647

