



## DC Ranch Community Council Financial Highlights – Director Analysis for period ending December 30, 2020

*Financial statements are preliminary, pending year-end adjustments and audit review*

### Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total CC</u>
Revenue	\$ 5,204,137	\$ 6,937	\$ 6,546	\$ 5,217,620
Expenses	3,399,684	175,194	105,984	3,680,861
<b>Operating Income/(Loss)</b>	<b>\$ 1,804,453</b>	<b>\$ (168,256)</b>	<b>\$ (99,438)</b>	<b>\$ 1,536,758</b>
Depreciation	-	-	35,456	35,456
<b>Total Income/(Loss)</b>	<b>\$ 1,804,453</b>	<b>\$ (168,256)</b>	<b>\$ (134,894)</b>	<b>\$ 1,501,302</b>
Transfers In/(Out)	(1,836,000)	448,400	1,387,600	-
<b>Total Surplus/(Deficit)</b>	<b>\$ (31,547)</b>	<b>\$ 280,144</b>	<b>\$ 1,252,706</b>	<b>\$ 1,501,302</b>

#### Revenue

Operating revenue for December totaled \$555k, higher than budget by \$253k (84%). Year-to-date revenue is favorable to budget by \$1.04 mil (25%). Significant variances to budget include:

- Community Benefit Fees came in \$254k (286%) higher than forecast for December, resulting in a \$1.2 mil revenue surplus YTD.
- Covenant Commission Reimbursement for shared expenses (management fee) is \$127k higher than budget YTD, due to the timing for finalizing the cost sharing agreement for 2020.
- Programming and facility rentals came in lower than budget by approximately \$94k due to the cancellation of programs, 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 has 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 \$188k; this is offset by expense savings of \$179k.

#### Expense

Operating expenses for December came in \$1.1 mil over budget, due to the \$1 mil transfer to the capital fund. Without taking into account the additional transfers to reserve and capital this year, YTD operating expenses are \$474k favorable to budget. Notable variances include:

- The Board approved the additional transfer of \$1 mil in operating funds in December over and above budgeted contribution amounts. This is in addition to the \$545,600 transferred in September.
- Personnel costs are a net \$27k higher than estimated in the budget YTD. An additional \$30k was added to the vacation accrual liability as a year-end adjustment, due to a higher amount of staff accumulated PTO this year. Also included in this amount are the additional expenses for the Covenant Commission staff, which are part of the management fee reimbursement. Conversely, there is a savings in personnel costs of \$57k in other departments YTD.

- Management Fee expenses are over budget YTD by \$12k – see explanation above in the Revenue section.
- There is a cumulative net savings of \$512k YTD across all departments. Material savings amounts by department are as follows:
  - Administration - \$54k savings in Legal/Professional Fees, Public Affairs, Special Projects, IT and Employee Relations (ex. meetings, seminars etc.).
  - Communications/Community Engagement - \$24k savings in Collateral Printing/Postage and Community Relations.
  - Community Center Operations - \$78k savings in various supplies and services related to facility maintenance.
  - Programming – \$171k in savings due to the cancellation of events, clubs and classes.
  - Charitable Events - \$179k savings due to the cancellation of Desert Affair (new event in 2020) and Tour de Scottsdale.
  - Paths & Trails - \$7k 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 4.59 months as of 12/31/20.
- The Note Payable was removed, due to the return of the PPP funds, since the terms of the loan were satisfied.
- There are \$2.62 mil in capital funds and \$1.74 mil in reserve funds. Reserves are currently 103% 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:

<b><u>Month</u></b>	<b><u>Currently in escrow</u></b>	<b><u>Budgeted Benefit Fees</u></b>
January 2021	\$309,435	\$89,936
February 2021	\$332,894	\$139,866

***Community Council ended the year in a very positive financial position with a \$1.5 mil favorable variance to the operating budget, which allowed additional transfers to the reserve and capital funds of \$1.55 mil. Community Benefit Fees and expense savings are the main drivers of the increased net income this year.***



# DC Ranch Community Council

## Statement of Revenue and Expense

### For the month and YTD ending 12/31/2020

	DECEMBER ACTUAL	DECEMBER BUDGET	BUDGET VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	2020 BUDGET
<b>REVENUE</b>							
<b>Community Benefit - Transfer Fee</b>	\$ 342,891	\$ 88,883	\$ 254,008	\$ 2,698,074	\$ 1,500,000	\$ 1,198,074	\$ 1,500,000
<b>Residential Assessments</b> (2,688 units)	141,388	139,777	\$ 1,611	1,685,788	1,677,131	8,657	1,677,131
<b>Commercial/Apartment Assessments</b> (970 Commercial units)	50,440	50,440	-	605,280	605,280	-	605,280
<b>Charitable Events</b> (Dinner in the Desert / Tour de Scottsdale)	-	-	-	3,940	192,000	(188,060)	192,000
<b>Event/Club/Class Registrations</b>	2,386	6,970	(4,584)	23,514	54,379	(30,865)	54,379
<b>Community Center Rentals</b>	-	7,000	(7,000)	10,438	43,200	(32,763)	43,200
<b>Other</b> (Interest, CFD from city, processing fees, misc.)	4,839	7,108	(2,269)	23,793	46,796	(23,003)	46,796
<b>Arts/Education Program Registrations/Ticket Sales</b>	660	550	110	7,269	26,570	(19,301)	26,570
<b>Covenant Commission Expense Reimbursement</b>	10,600	-	10,600	127,200	-	127,200	-
<b>Advertising</b> (website)	1,080	720	360	8,280	7,080	1,200	7,080
<b>Community Garden Leases</b>	880	880	-	10,560	10,560	-	10,560
<b>TOTAL REVENUE</b>	<b>\$ 555,165</b>	<b>\$ 302,328</b>	<b>\$ 252,837</b>	<b>\$ 5,204,137</b>	<b>\$ 4,162,996</b>	<b>\$ 1,041,141</b>	<b>\$ 4,162,996</b>
<b>EXPENSE</b>							
<b>Administrative</b> (office rent, phones, IT, admin staff)	\$ 132,470	\$ 101,470	\$ 31,000	\$ 1,289,834	\$ 1,250,429	\$ 39,405	\$ 1,250,429
<b>Community Center Operations</b> (utilities, upkeep, center staff)	91,450	86,762	4,688	888,776	1,006,257	(117,481)	1,006,257
<b>Events/Clubs/Classes</b> (instructors, supplies, rentals, catering, planning staff)	59,302	55,290	4,012	538,468	665,860	(127,392)	665,860
<b>Communication/New Residents</b> (website, newspaper, merchants, tours, staff)	51,065	39,210	11,855	488,806	514,900	(26,094)	514,900
<b>Management Fees</b> (reimbursement to Ranch Association)	1,275	298	977	15,300	3,576	11,724	3,576
<b>Charitable Events</b> (Dinner in the Desert / Tour de Scottsdale)	-	-	-	9,665	189,100	(179,435)	189,100
<b>Seasonal Decorations</b> (supplies, storage, labor)	25,686	9,500	16,186	62,266	64,500	(2,234)	64,500
<b>Arts and Education Programs</b> (instructors, supplies, rentals)	1,059	2,325	(1,266)	19,811	64,725	(44,914)	64,725
<b>Employee Relations and Training</b> (mileage, conferences, dues, uniforms)	4,309	9,135	(4,826)	38,697	61,360	(22,663)	61,360
<b>Market Street Park / Paths and Trails</b> (utilities, upkeep)	4,983	1,745	3,238	21,234	28,155	(6,921)	28,155
<b>Insurance &amp; Taxes (Interest)</b>	2,049	1,932	117	26,825	23,734	3,091	23,734
<b>TOTAL EXPENSE</b>	<b>\$ 373,647</b>	<b>\$ 307,667</b>	<b>\$ 65,980</b>	<b>\$ 3,399,683</b>	<b>\$ 3,872,596</b>	<b>\$ (472,913)</b>	<b>\$ 3,872,596</b>
<b>NET OPERATING INCOME/(LOSS)</b>	<b>\$ 181,517</b>	<b>\$ (5,339)</b>	<b>\$ 186,856</b>	<b>\$ 1,804,453</b>	<b>\$ 290,400</b>	<b>\$ 1,514,053</b>	<b>\$ 290,400</b>
<b>TRANSFERS IN/OUT</b>							
<b>Reserve &amp; Capital Fund Contributions (Transfer Out)</b>	1,024,200	24,200	1,000,000	1,836,000	290,400	1,545,600	290,400
<b>NET SURPLUS (DEFICIT)</b>	<b>\$ (842,683)</b>	<b>\$ (29,539)</b>	<b>\$ (813,144)</b>	<b>\$ (31,547)</b>	<b>\$ -</b>	<b>\$ (31,547)</b>	<b>\$ -</b>

**DC Ranch Community Council, Inc.**  
**Balance Sheet Comparison Report**  
**As Of 12/31/2020**

	<u>Balance</u> <u>12/31/2020</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	\$1,591,637.30	\$1,338,659.93	\$252,977.37
119000 - Petty Cash	\$500.00	\$700.00	(\$200.00)
<u>Cash Total</u>	<u>\$1,592,137.30</u>	<u>\$1,761,620.50</u>	<u>(\$169,483.20)</u>
<u>Capital Fund</u>			
112100 - BOK Capital Fund - Council - Current Projects	\$101,842.10	\$68,826.52	\$33,015.58
112150 - BOK Capital Fund - Council - Savings	\$2,522,875.54	\$1,258,435.29	\$1,264,440.25
<u>Capital Fund Total</u>	<u>\$2,624,717.64</u>	<u>\$1,327,261.81</u>	<u>\$1,297,455.83</u>
<u>Reserve Fund</u>			
129420 - BOK Reserve Fund - Council	\$1,739,723.78	\$1,469,579.37	\$270,144.41
<u>Reserve Fund Total</u>	<u>\$1,739,723.78</u>	<u>\$1,469,579.37</u>	<u>\$270,144.41</u>
<u>Accounts Receivable</u>			
141200 - Accounts Receivable - Residential Assessments	\$5,461.58	\$4,942.75	\$518.83
141300 - Accounts Receivable - Benefit Fees	\$108,705.79	\$15,800.00	\$92,905.79
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	\$32,861.00	\$1,127.00	\$31,734.00
144900 - Allowance for Bad Debt	(\$2,885.09)	(\$1,354.29)	(\$1,530.80)
159000 - Accounts Receivable Clearing Account	\$934.35	\$0.00	\$934.35
<u>Accounts Receivable Total</u>	<u>\$145,077.63</u>	<u>\$27,983.36</u>	<u>\$117,094.27</u>
<u>Prepaid Expenses</u>			
135000 - Due From Check Front	\$0.00	\$0.00	\$0.00
151000 - Prepaid Insurance	\$5,850.60	\$8,859.38	(\$3,008.78)
151500 - Prepaid Expense - Programs & Events	\$6,808.32	\$6,028.02	\$780.30
151700 - Prepaid Expense - Charitable Events	\$0.00	\$0.00	\$0.00
151800 - Prepaid Expense - Arts & Education	\$1,698.04	\$1,740.00	(\$41.96)
152000 - Prepaid Utilities	\$0.00	\$0.00	\$0.00
153000 - Prepaid Expense - Postage	\$407.89	\$732.11	(\$324.22)
154000 - Prepaid Expenses	\$17,181.20	\$240.00	\$16,941.20
<u>Prepaid Expenses Total</u>	<u>\$31,946.05</u>	<u>\$17,599.51</u>	<u>\$14,346.54</u>
<u>Intercompany Receivable</u>			
131000 - Due From Covenant Commission	\$0.00	\$0.00	\$0.00
133000 - Due From DC Ranch Association	\$74,206.98	\$57,454.30	\$16,752.68
<u>Intercompany Receivable Total</u>	<u>\$74,206.98</u>	<u>\$57,454.30</u>	<u>\$16,752.68</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 -			

**DC Ranch Community Council, Inc.**  
**Balance Sheet Comparison Report**  
**As Of 12/31/2020**

	<u>Balance</u> <u>12/31/2020</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Change</u>
<b>Assets</b>			
Community Garden	\$137,041.53	\$137,041.53	\$0.00
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	(\$543,758.07)	(\$508,302.17)	(\$35,455.90)
<u>Property and Equipment Total</u>	<u>\$170,817.33</u>	<u>\$206,273.23</u>	<u>(\$35,455.90)</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>	 \$6,378,626.71	 \$4,867,772.08	 \$1,510,854.63
<b>Liabilities and Equity</b>			
<u>Current Liabilities</u>			
210000 - Accounts Payable	\$52,447.59	\$80,060.99	(\$27,613.40)
211000 - Insurance Payable	\$0.00	\$0.00	\$0.00
212000 - Payroll / Month End Accrual	\$138,546.54	\$90,937.79	\$47,608.75
213000 - Accrued Expenses	\$0.00	\$0.00	\$0.00
216000 - Insurance Claim Payable	\$0.00	\$0.00	\$0.00
220000 - Prepaid Assessments	\$71,229.84	\$68,676.00	\$2,553.84
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	\$342.90	\$426.64	(\$83.74)
<u>Current Liabilities Total</u>	<u>\$262,566.87</u>	<u>\$251,526.42</u>	<u>\$11,040.45</u>
<u>Intercompany Payable</u>			
231000 - Due to Covenant Commission	\$0.00	\$9,752.68	(\$9,752.68)
233000 - Due to DC Ranch Association	\$8,264.49	\$0.00	\$8,264.49
<u>Intercompany Payable Total</u>	<u>\$8,264.49</u>	<u>\$9,752.68</u>	<u>(\$1,488.19)</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>	 \$1,501,302.37	 \$540,059.32	 \$961,243.05
 <i>Liabilities &amp; Equity Total</i>	 \$6,378,626.71	 \$4,867,772.08	 \$1,510,854.63

**DC RANCH COMMUNITY COUNCIL**  
**STATEMENT OF CASH FLOWS**  
**YTD THROUGH DECEMBER 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Net income (deficit) for period	\$	(31,547)
Adjustments to reconcile net income (deficit)		
Accounts receivable		(117,094)
Prepaid insurance		3,009
Prepaid programs and expense		(414)
Prepaid expenses		(16,941)
Intercompany Receivable		(16,753)
Accounts payable		(27,613)
Accrued payroll expenses		47,609
Deferred revenue - facility rentals		(11,509)
Prepaid assessments		2,554
Prepaid event registration		-
Intercompany payable		(1,488)
Transfer of funds from Cash to Reserve/Capital Accounts		-
Other liabilities		705

NET CASH FROM OPERATING ACTIVITIES (169,483)

CASH, BEGINNING OF PERIOD 1,761,621

CASH, END OF PERIOD \$ 1,592,137

**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:* **4.59**

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

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

	Amount over minimum	Amount under minimum
	<u>\$ 551,388</u>	<u>N/A</u>

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

	Amount over maximum	Amount under maximum
	<u>N/A</u>	<u>\$ 489,361</u>

**DC Ranch Community Council  
Resale Benefit Fee Trend - December 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		\$ 271,763	\$ 177,164	\$ 94,599	\$ 111,255
Dec	** 95,424	292,800		\$ 342,891	\$ 88,883	\$ 254,008	\$ 50,091
<b>Annual Total</b>	<b>\$ 2,481,459</b>	<b>\$ 1,973,957</b>	<b>\$ -</b>	<b>\$ 2,698,074</b>	<b>\$ 1,500,000</b>	<b>\$ 1,198,074</b>	<b>\$ 724,117</b>

\* 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		December	YTD	Average Price	YTD Average
PU 1 - House	15	80	782,993	798,529	798,529
PU 2 - House	16	94	827,822	905,383	905,383
PU 4 - House	3	39	1,911,667	1,765,103	1,765,103
Silverleaf - House	9	90	2,897,133	3,114,007	3,114,007
PU 4 - Land	-	1	-	2,650,000	2,650,000
Silverleaf - Land	5	31	1,930,800	1,690,973	1,690,973
Corporate Center	1	6	3,425,000	5,600,000	5,600,000
<b>Total</b>	<b>49</b>	<b>341</b>	<b>1,426,087</b>	<b>1,720,698</b>	<b>1,720,698</b>

