

MINUTES
Dreamland Villa Retirement Community Board of Directors
August 8, 2023, 9:30 AM Meeting

Welcome: Dan Martens, Vice President

Pledge of Allegiance

Call to Order: Dan connected with Steve and Kevin via phone with microphone and speakers set up. The meeting was called to order at 9:30 AM by VP Dan Martens.

General Announcements: Dan mentioned a number of upcoming activities; Coffee Social 2nd and 4th Saturday each month, Community Potluck 7/20, Card Bingo 2nd and 4th Thursday, Singles Meeting 2nd and 4th Wednesday, Social Committee Happy Hour 9/8, and Music Bingo 8/26.

Roll Call: Joyce Canino, Secretary. Present were Steve Malone, Ward Jennings, Dan Martens, Kevin Brueback, Betty Mazza, Wendell (Sonny) Allison and Joyce Canino. All directors were present.

Ratification of Minutes: Dan motioned to ratify the July 11, 2023, Board of Directors Meeting minutes, with corrections, including changing Rural Metro to Metro Fire Equipment and address change for Butte Street Separation from 6118 to 6116 E Butte Street. The motion passed unanimously.

Treasurer's Report: Ward presented a Comparison of DVRC Financial Data sheet for the last 6 years. All financial reports are available in office upon request.

Office Manager and Standing Committee Reports: No reports were given.

OLD BUSINESS:

Fire Sprinkler Systems: Completed.

Farnsworth Hall Pool Lights: Completed

Palm Tree Removal at Read Hall: Completed

Door Access: Currently up and working.

Separation Of Butte Street Property: Ward stated a survey is in process with a Paralegal preparing the legal documents. Steve said he has selected 2 of the 3 members for the Ad Hoc committee to evaluate Realtors to represent DVRC in the possible sale of the Farnsworth properties. A third member is still being sought.

DVRC Website Payments: No update at this time.

NEW BUSINESS:

Nature Trail Stinknet Weed: Mel Brown, Nature Trail Chairperson, presented a quote from a professional of \$9,300.00 to eradicate the invasive weed. It was mentioned that we could do the weed spraying ourselves. A DVRC member, Kati Searcy, volunteered to research grants for financial help; other suggestions were made, and Sonny and Mel will look into.

Budget and Accounting Policy and Procedure: Ward made a motion to replace the existing Budget and Accounting Policy and Procedure, amended 12/13/2022. Kevin seconded and passed unanimously.

DVRC Board's Agenda and Meeting Minutes: Ward made a motion to approve adding a new paragraph to the Policy and Procedure titled Directors, Board of, last amended 1/14/2023, so that all meetings will be in accordance with the By-Laws. Betty seconded and passed unanimously.

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By-Law Revisions: Ward made a motion to amend the request for Policy and Procedure Committee to include the revisions to the By-Laws, to be included at the January 2024, Annual Membership Meeting, instead of the November 4, 2023, Special Meeting, to vote for adoption by the membership. Betty seconded and passed unanimously.

Policy and Procedures Committee: Brief discussion was held regarding the revised Facility Rental Fee and Special Event procedures resulting in needing some additional adjustments.

The meeting was adjourned at 10:54 AM with a brief intermission before the Open Forum.
Submitted by: Joyce Canino, Secretary

**Comparison of DVRC Financial Data for the most recent six years
As of July 31, 20XX**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Cash	321,424	570,519	155,243	194,507	205,794	186,714
Annual Fees	299,833	302,407	285,979	305,401	301,593	341,584
Transfer Fees	41,600	31,600	19,775	25,986	29,164	25,650
Total Revenue	444,443	431,111	347,476	389,950	403,559	442,873
Total Expenses	299,012	284,115	255,785	250,628	260,133	243,475
Profit at 7/31	145,431	146,996	91,691	139,322	143,426	199,398

	to 7/31/23	For the entire Calendar Year				
	<u>2023 (A)</u>	<u>2022 (A)</u>	<u>2021 (A)</u>	<u>2020 (B)</u>	<u>2019 (B)</u>	<u>2018 (B)</u>
Read Hall Rental Income	4,178	17,041	8,314	10,163	10,430	18,057

Notes:

2022's Total Revenue includes \$2.142, Other Income, Gain on Sale of Asset.

2022's spike in cash resulted from the December 2021 sale of the former library building. Without the sale, DVRC would have had a CY 2021 operating loss of \$3,370.

7/31/23 Total Expenses include a \$7,524 non-cash & non-recurring Loss on Retirement of Assets

A For Calendar Years 2021, 2022 & 2023, Read Hall Rental is reported in QuickBooks account 4100.

B For calendar year 2020 and prior years, Rental Income was reported in PROMAS account 4315. Because the account title is Rental Income, possibly some Farnsworth Hall rental income may be included.

MAJOR SOURCES OF FUNDS ADDED TO THE MONEY MARKET ACCOUNTS
Money market funds are used to pay for Capital Improvements.
Capital Improvements must cost more than \$2,500 and extend the useful life of
facilities or equipment greater than one year.

Contribution from the estate of Reda Duehr¹:	\$ 62,031
Sale of 5502 E Butte St (former library building):	
Total proceeds from the sale:	\$175,000
IRS taxes, including \$699 in interest and late fees: paid In October 2022 ²	(\$ 31,863)
Arizona Department of Revenue (AZDOR): \$7,321 in taxes paid in October 2022. \$407 interest and late fees paid in May 2023.	
Total AZ DOR taxes, interest, and late fees:.	(\$7,728)
LESS: Total taxes, interest, and late fees paid:	(\$ 39,591)
Net proceeds after taxes, interest and late fees paid:	<u>\$135,409</u>
Money Market Increase, NOT from members:	<u>\$197,440</u>
Money market accounts balance at 7/31/23	<u>\$172,763</u>
Difference:	<u>\$ 24,677</u>

Conclusion: The above 2018 contribution and the 2021 sale of the library building, made it possible for DVRC to have at 7/31/2023, \$172,763 in its money market funds and \$147,742 in the operating account (assuming no changes in the capital expenditures).

Without the 2018 contribution and 2021 sale, at 7/31/2023, DVRC would have zero money market funds and \$123,065 in its operating account; \$123,065 would be insufficient to pay DVRC's recurring automatic payments for the remainder of CY 2023..

¹ The minutes of the December 5, 2018 Study Session state that the estate of Reda Duehr made a one-time "\$62,000" contribution to DVRC. The March 13, 2019 Board of Directors minutes state that the contribution will be moved to the money market account. Page 6, March 31, 2019 financial statements posted on the DVRC website show the estate's \$62,031.21 contribution added to the Money Market Account.

² To avoid late payment interest and penalties, the taxes on the December 2021 5502 E Butte St sale, were due the IRS and AZDOR not later than January 15, 2022. Sale of real property is taxed by the IRS at corporate tax rates. Corporations are not taxed at a separate capital gains tax rate.