

Dreamland Villa Retirement Community 2023 Year End Report

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Dreamland Villa Retirement Community
Profit and Loss YTD Comparison - Cash Basis
December 2023 and January 1 to December 31, 2023
NOT YET AUDITED

	Total	
	<u>Dec 2023</u>	<u>Jan - Dec 2023 (YTD)</u>
Income		
4000 Annual Fee Revenue		
4000.1 Annual Fee Revenue	202.85	304,115.39
Total 4000 Annual Fee Revenue	\$ 202.85	\$ 304,115.39
4001 55+ Donation Income	1,125.99	11,966.59
4003 Donations - Unrestricted	316.73	3,852.02
4101 Read Hall Event/Kitchen Income	45.00	823.71
4102 Special Events Revenue	2,209.87	23,377.78
4208 Entertainment-TAD		
4208.1 Ticket Sales	958.00	10,801.00
4208.2 Lease Payment	2,500.00	30,000.00
4208.3 Utility Reimbursement	1,785.43	21,051.86
Total 4208 Entertainment-TAD	\$ 5,243.43	\$ 61,852.86
4300 Administrative Related Income		
4002 Transfer & Escrow Fees		
4002.1 Transfer Fee	6,400.00	64,000.00
4002.2 Escrow Fees	2,400.00	25,250.00
Total 4002 Transfer & Escrow Fees	\$ 8,800.00	\$ 89,250.00
4100 Read Hall Rental Income	675.00	8,080.50
4300.2 Commissions & Misc Revenue	80.00	936.60
4300.3 Kee Card Replacement	30.00	700.00
4300.4 Defendant Legal Fees Contrib		8,677.55
4501 Activity Fees	30.00	630.00
Total 4300 Administrative Related Income	\$ 9,615.00	\$ 108,274.65
4400 Restricted Accounts Income		169.61
4405 Nature Walk Income	268.00	1,604.39
Total 4400 Restricted Accounts Income	\$ 268.00	\$ 1,774.00
4502 Interest Earned	259.49	3,181.95
4503 Crown Castle Lease Income	1,200.00	14,400.00
Services		0.00
Total Income	\$ 20,486.36	\$ 533,618.95
Gross Profit	\$ 20,486.36	\$ 533,618.95
Expenses		
5001 55+ Compliance Expense		1,822.49
5300 Admin & Office Expenses		
5300.1 Postage	9.56	1,825.51

**Please read the financial statement footnotes. These are an
integral part of the monthly DVRC financial statements**

Dreamland Villa Retirement Community

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NOT YET AUDITED Profit and Loss YTD Comparison - Cash Basis December 2023 and January 1 to December 31, 2023

	<u>Dec 2023</u>	<u>Jan - Dec 2023 (YTD)</u>
5300.2 Copy Machine Expense	190.60	2,736.82
5300.3 Supplies	140.11	5,590.97
5300.5 Telephone, Internet & Website Exp	632.02	7,849.62
5300.6 Accounting Expense		1,285.00
5300.8 Permits, Licenses & Fees	270.00	1,455.00
5300.9 Advertising		869.16
5300.95 Computer & Camera Systems		5,006.91
5300.97 Volunteer Benefits		1,064.37
5501.1 Property Tax		15.66
5502 Bank Charges		14.35
5503 Credit Card Fees		
5503.1 Intuit Credit Card Fees ONLY	-35.12	64.74
5503.2 Credit Card Fees NOT Intuit	68.97	856.70
Total 5503 Credit Card Fees	\$ 33.85	\$ 921.44
5601.2 Citizen	550.00	6,300.00
5601.3 Blast & Graphic Design	350.00	250.00
5801 Legal Expense		2,453.00
5901 Parcel Split/FH Appraisal		6,140.00
Total 5300 Admin & Office Expenses	\$ 2,176.14	\$ 43,777.81
5350 Membership Marketing Expense		8,008.85
5400 Restricted Accounts Expense		
5405 Nature Walk Expense	147.80	2,041.60
5407 Woodshop Expense		399.04
Total 5400 Restricted Accounts Expense	\$ 147.80	\$ 2,440.64
5501.5 Income Tax Expense		11,052.66
5900 Insurance		
5900.1 Fire Protection		7,812.40
5900.2 General Insurance		45,891.00
Total 5900 Insurance	\$ 0.00	\$ 53,703.40
5950 Read Hall Expenses		
5950.1 Read Kitchen Exp	88.94	860.06
5950.2 Special Events Expenses	167.00	9,224.14
Total 5950 Read Hall Expenses	\$ 255.94	\$ 10,084.20
6201 Bldg & Grounds Maintenance		
6201.1 Parts & Building Repair	583.19	2,579.17
6201.2 Consumable Supplies	1,776.05	9,770.74
6201.3 Contractor Work		7,140.55
6201.4 Vehicle Expense	96.00	1,218.01
Total 6201 Bldg & Grounds Maintenance	\$ 2,455.24	\$ 20,708.47

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Dreamland Villa Retirement Community
Profit and Loss YTD Comparison - Cash Basis
December 2023 and January 1 to December 31, 2023
NOT YET AUDITED

	<u>Dec 2023</u>	<u>Jan - Dec 2023 (YTD)</u>
6300 Swimming Pools Expenses		
6300.1 Gas - Pools	8,918.75	59,299.40
6300.2 Pool Repairs	1,229.87	9,085.29
6300.3 Pool Chemicals	1,991.05	13,557.74
6300.4 Pool / Hot Tub Permits		1,360.00
Total 6300 Swimming Pools Expenses	\$ 12,139.67	\$ 83,302.43
6400 Utilities		
6400.2 Electric	2,800.25	38,985.47
6400.3 Water/Sewer	1,981.67	18,358.61
6400.4 Trash Collection	150.33	1,777.30
Total 6400 Utilities	\$ 4,932.25	\$ 59,121.38
7000 Payroll & Related Expenses		
7001 Maintenance Payroll Costs		0.00
7001.1 Maintenance Gross Wages	7,758.90	106,562.29
7002.1 Maintenance Payroll Tax Exp	585.55	9,199.90
Total 7001 Maintenance Payroll Costs	\$ 8,344.45	\$ 115,762.19
7002 Office Payroll Costs		0.00
7001.2 Office Gross Wages	6,774.55	65,401.76
7002.2 Office Payroll Tax Exp	581.89	5,757.79
Total 7002 Office Payroll Costs	\$ 7,356.44	\$ 71,159.55
7004 Workers Comp Ins.	101.01	1,246.50
7005 Payroll Processing	332.44	2,227.37
7050 Contract Agency		8,997.78
Total 7000 Payroll & Related Expenses	\$ 16,134.34	\$ 199,393.39
Total Expenses	\$ 38,241.38	\$ 493,415.72
Net Operating Income	-\$ 17,755.02	\$ 40,203.23
Other Income		
1255 Loss on Retirement of Assets	-11,673.00	-19,197.00
Total Other Income	-\$ 11,673.00	-\$ 19,197.00
Net Other Income	-\$ 11,673.00	-\$ 19,197.00
Net Income	-\$ 29,428.02	\$ 21,006.23

**Please read the financial statement footnotes. These are an
integral part of the monthly DVRC financial statements**

**Financial statements are prepared and submitted by Ward
Jennings, Director and Treasurer**

Not Yet Audited

Dreamland Villa Retirement Community
Balance Sheet - Cash Basis
As of December 31, 2023

Not Yet Audited

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 Checking Account	55,753.17
1011 Petty Cash	920.00
1200 Money Market Accounts	0.00
1210 Chase Checking	38,563.30
1215 Chase CD	250,000.00
Total 1200 Money Market Accounts	\$ 288,563.30
Total Bank Accounts	\$ 345,236.47
Total Current Assets	\$ 345,236.47
Fixed Assets	
1100 Equipment	83,628.23
1110 Land	69,174.00
1120 Buildings	877,114.00
1130 Building Improvements	246,235.00
1140 Swimming Pools	351,248.73
1150 Furniture and Fixtures	35,841.13
1170 Accumulated Depreciation	-1,294,092.00
Total Fixed Assets	\$ 369,149.09
TOTAL ASSETS	\$ 714,385.56
LIABILITIES AND EQUITY	
Liabilities	
Other Current Liabilities	
2000 Advance Dues Payments	162,656.71
2100 Facility Use Deposits	0.00
2100.1 Farnsworth Hall Deposits	2,500.00
2100.2 Read Hall Deposits	440.00
Total 2100 Facility Use Deposits	\$ 2,940.00
2200 Accrued Income Tax Payable	11,835.37
Total Other Current Liabilities	\$ 177,432.08
Total Current Liabilities	\$ 177,432.08
Total Liabilities	\$ 177,432.08
Equity	
3030 Retained Earnings	515,947.25
Net Income	21,006.23
Total Equity	\$ 536,953.48
TOTAL LIABILITIES AND EQUITY	\$ 714,385.56

Please read the financial statement footnotes. They are an integral part of
the montly DVRC financial statements

**DREAMLAND VILLA RETIREMENT COMMUNITY
CY 2023 CHANGES IN FIXED ASSETS
FOR CALENDAR YEAR 2023**

General Ledger		<u>12/31/2022</u>	<u>12/31/2023</u>	<u>Change</u>	<u>Notes</u>
<u>Account</u>	<u>Description</u>				
GL					
1100	Equipment	98,980.71	83,628.23	(15,352.48)	A/G/J
1110	Land	69,174.00	69,174.00	-	
1120	Building	877,114.00	877,114.00	-	
1130	Bldg Improvements	234,578.00	246,235.00	11,657.00	B/C
1140	Swimming Pools	164,506.00	351,248.73	186,742.73	D/E/H/I
1150	Furniture & Fixtures	35,841.13	35,841.13	-	
1170	Accumulated Depreciation	(1,265,237.00)	(1,294,092.00)	(28,855.00)	F/G/J
		<u>214,956.84</u>	<u>369,149.09</u>		

Notes:

A	New door access system	15,129.52		
G	See July 2023 Financial Statement Footnote: WIN-PAC door access system taken out of service	(8,060.00)		
J	See December 2023 Footnote: FH Audio and Projector equipment taken out of service	(22,422.00)	(15,352.48)	
B	Reroof west end of Read Hall	4,437.00		
C	A/C Unit Read Hall	7,220.00	\$ 11,657.00	
D	Davis Pools Heater Replacment	2,974.59		
E	Remodel Read Hall swimming pools/hot tub	146,817.00		
H	Farnworth Hall Pool Heater Replacement	31,404.36		
I	Read Hall Spa Heater	5,546.78	186,742.73	
F	2022 Depreciation per 2022 Tax Return	(40,140.00)		
G	See July 2023 Financial Statement Footnote: \$536 in accumulted depreciation written off.	536.00		
J	See December 2023 Financial Footnote	10,749.00	(28,855.00)	

DECEMBER and YEAR END 2023 FINANCIAL STATEMENT FOOTNOTES

1. Change in Accounting Methods:

a. Unrelated business income: The revenue received by DVRC from its Farnsworth Hall lease to T2 Presents, LLC, as well as the cell phone tower lease are considered by the IRS as “unrelated business income”, revenue received by DVRC from sources other than its corporate members. “Unrelated business income” is *taxable* income at both the federal and state levels. To reduce the taxable income, expenses incurred to earn the “unrelated business income”, including depreciation, may be deducted from the “unrelated business income”.

b. Revenue recognition: DVRC uses a modified cash accounting method. The IRS requires that revenue be recognized as income when received with one exception: the IRS will allow the 2024 annual fees revenue received in 2023, to be recognized as income in 2024. The balance sheet account 2000, Advanced Fees Payable, records this amount. The IRS requires other revenue received in calendar year 2023, but received as part of the 2024 annual fee campaign to be reported as 2023 revenue. Examples: unrestricted donations, 55+ Fees and Nature Walk donations.

2. **CDs:** On December 26, 2023, DVRC invested \$250,000 in six laddered CDs: two nine month CDs are for \$100,000 and \$50,000 each at 4% interest, two \$25,000 six-month CDs and two \$25,000 three-month CDs each at 3% interest. Should additional cash flow for capital improvement or operations be required, one or more CDs may be redeemed early without loss of principal. The capital reserve portion of the \$250,000 is \$128,128.50, the remaining portion of the CD’s principal is a part of the 2024 annual fee revenue received in 2023. It is anticipated that the 2024 annual fee revenue received in 2024 will be sufficient to meet the cash flow requirements until the three and six month CDs mature.

3. **Income Tax Expense (Accrued), P & L account 5501.5 and Balance Sheet Accrued Income Tax Payable, account 2200:** The IRS charged DVRC \$11,835.37 in penalties and interest (1) for DVRC’s failure to pay by January 15, 2022, the income taxes due on the December 15, 2021 sale of the 5502 E Butte Street property and (2) DVRC’s failure to file its 2021 tax return by April 15, 2022. DVRC has an abatement request pending with the IRS. The IRS has responded twice advising they need more time to provide a response to DVRC’s abatement request. Additional details were reported in the September 2023 financial statement footnotes.

4. **Loss on Retirement of Assets (assets no longer in service):** DVRC property recorded as assets on its balance sheet but no longer being used are removed from the balance sheet’s fixed asset accounts.

a. The WIN-PAC system \$8,060 *upgrade*, completed September 8, 2022, was capitalized in balance sheet account 1100, Equipment. Calendar year 2022 depreciation expense was \$536 and increased the balance sheet account 1170, Accumulated Depreciation. This resulted in that asset having a 12/31/2022 net book value of \$7,524. Since the WIN-PAC door access system is no longer in service, the July 31, 2023 financial statements recorded the \$7,524 non-cash flow write-off expense in P & L account 1255, Loss on Retirement of Assets. The balance sheet accounts 1100 and 1170 were adjusted accordingly.

b. During 2020, DVRC spent \$22,422 for a new projector and audio equipment for use in its Farnsworth Hall entertainment programs. With the December 2021 Farnsworth Hall lease to T2 Presents, LLC, the equipment was no longer in use. (The equipment was relocated to “storage” at Read Hall.) The December 2023 financial statements record a \$22,422 reduction in assets from the balance sheet account 1100, Equipment; \$10,749 reduction in Accumulated Depreciation, account 1170 and created a non-cash flow one-time \$11,673 expense.

RECURRING INFORMATIONAL FOOTNOTE: Telephone, Internet & Website Costs: P & L account 5300.5. CenturyLink provides internet to Farnsworth Hall. Quantum Fiber provides internet to Read Hall. VOIPCOM provides telephone service. Other recurring monthly services are provided by DropBox paid through PayPal, Adobe, Mailchimp, and Intuit (QuickBooks). Quarterly, DVRC pays Advantex, LLC \$143.52 to host the DreamlandVilla.org website. Through August (charged to the September credit card bill), DVRC had paid GoDaddy \$27.05 per month to host DVRC’s Property Management System (PMS). Starting in September 2023 DVRC paid GoDaddy \$272.66 to host the PMS for 12 months, an annual savings of \$51.94.

**DREAMLAND VILLA RETIREMENT COMMUNITY
CY 2023 MONEY MARKET (MM) (CAPITAL RESERVE) TRANSACTIONS**

Beginning Balance January 1, 2023		\$ 320,890.05
Additional Deposits:		
NBAZ Money Market Interest	\$ 41.56	
Chase CD Interest	\$ 3,128.50	
2024 Annual Fees - Recurring Income	\$ 150,913.50	
Transfer from Operating Account	\$ 11,404.77	
Total Additional Deposits added to MM		\$ 165,488.33
Disbursements:		
Checks & Deposit Slips	\$ (28.00)	
Funds Used for Fixed Assets Expenditures:	\$ (197,787.08)	
Total Payments from the MM funds:		\$ (197,815.08)
Ending MM Balance at December 31, 2023		\$ 288,563.30

SOURCE OF FUNDS

2024 Annual Fees (Operating Income)		\$ 150,913.50
Transfer from Operating Account	\$ 11,404.77	
Total Operating Acct Funds held in CDs		\$ 162,318.27
Balance of Original Capital Reserve Funds		\$ 126,245.03
Ending MM Balance at December 31, 2023		\$ 288,563.30
NBAZ Money Market Account		\$ -
Chase CD's		\$ 250,000.00
Chase Operating Account		\$ 38,563.30
		\$ 288,563.30

FYI: \$15,714.17 of capital reserve expenditures were paid from the NBAZ operating funds checking account.

In prior years, the annual fees income was held in a non-interest bearing account. Starting November 2023, a portion of the annual fee operating revenue is being held in laddered CDs. The operating revenue monies held in the Chase CDs will be transferred to the NBAZ operating account when needed to maintain a positive NBAZ operating checking account balance.