

Dreamland Villa Retirement Community

Profit and Loss YTD Comparison

August 2023

	TOTAL	
	AUG 2023	JAN - AUG, 2023 (YTD)
Income		
4000 Annual Fee Revenue		
4000.1 Annual Fee Revenue	1,541.54	301,374.57
Total 4000 Annual Fee Revenue	1,541.54	301,374.57
4001 55+ Donation Income		7,879.60
4003 Donations - Unrestricted	40.00	1,210.00
4101 Read Hall Event/Kitchen Income	46.26	637.76
4102 Special Events Revenue	709.00	17,603.91
4208 Entertainment-TAD		
4208.1 Ticket Sales	93.00	8,239.00
4208.2 Lease Payment	2,500.00	20,000.00
4208.3 Utility Reimbursement	2,495.93	11,916.88
Total 4208 Entertainment-TAD	5,088.93	40,155.88
4300 Administrative Related Income		
4002 Transfer & Escrow Fees		
4002.1 Transfer Fee	4,800.00	46,400.00
4002.2 Escrow Fees	1,800.00	18,650.00
Total 4002 Transfer & Escrow Fees	6,600.00	65,050.00
4100 Read Hall Rental Income	1,175.00	5,353.00
4300.2 Commissions & Misc Revenue		491.00
4300.3 Kee Card Replacement	100.00	481.50
4300.4 Defendant Legal Fees Contrib		8,677.55
4501 Activity Fees	15.00	435.00
Total 4300 Administrative Related Income	7,890.00	80,488.05
4400 Restricted Accounts Income		325.00
4502 Interest Earned	329.03	2,013.21
4503 Crown Castle Lease Income	1,200.00	9,600.00
Total Income	\$16,844.76	\$461,287.98
GROSS PROFIT	\$16,844.76	\$461,287.98
Expenses		
5001 55+ Compliance Expense		1,467.31
5300 Admin & Office Expenses		
5300.1 Postage	594.00	1,040.22
5300.2 Copy Machine Expense	190.60	1,919.06
5300.3 Supplies	409.55	4,751.43
5300.5 Telephone, Internet & Website Exp	-37.55	4,426.63
5300.6 Accounting Expense		1,625.12
5300.8 Permits, Licenses & Fees		865.00

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5300.9 Advertising	317.83	869.16
5300.95 Computer Systems	150.00	3,054.58
5300.97 Volunteer Benefits		1,064.37
5501.5 Income Tax Expense	11,835.37	10,992.22
5502 Bank Charges		26.35
5503 Credit Card Fees		
5503.1 Intuit Credit Card Fees ONLY	1.50	63.95
5503.2 Credit Card Fees NOT Intuit	0.09	775.73
Total 5503 Credit Card Fees	1.59	839.68
5601.2 Citizen	500.00	4,200.00
5801 Legal Expense		2,453.00
5900 Insurance		
5900.1 Fire Protection		7,812.40
5900.2 General Insurance	10,662.00	35,229.00
Total 5900 Insurance	10,662.00	43,041.40
5901 Parcel Split/FH Appraisal	2,020.00	4,045.00
Total 5300 Admin & Office Expenses	26,643.39	85,213.22
5350 Membership Marketing Expense		3,291.70
5400 Restricted Accounts Expense		
5405 Nature Walk Expense		483.80
5407 Woodshop Expense		399.04
Total 5400 Restricted Accounts Expense		882.84
5950 Read Hall Expenses		
5950.1 Read Kitchen Exp	49.37	707.05
5950.2 Special Events Expenses	601.00	6,412.82
Total 5950 Read Hall Expenses	650.37	7,119.87
6201 Bldg & Grounds Maintenance		
6201.1 Parts & Building Repair	71.42	1,749.41
6201.2 Consumable Supplies	58.62	6,565.78
6201.3 Contractor Work	1,954.38	6,621.38
6201.4 Vehicle Expense		699.59
Total 6201 Bldg & Grounds Maintenance	2,084.42	15,636.16
6300 Swimming Pools Expenses		
6300.1 Gas - Pools	427.73	45,568.56
6300.2 Pool Repairs	451.98	5,846.66
6300.3 Pool Chemicals	1,731.62	7,295.14
6300.4 Pool / Hot Tub Permits		765.00
Total 6300 Swimming Pools Expenses	2,611.33	59,475.36

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6400 Utilities		
6400.2 Electric	5,104.86	22,676.37
6400.3 Water/Sewer	2,266.44	13,791.89
6400.4 Trash Collection	148.82	1,169.31
Total 6400 Utilities	7,520.12	37,637.57
7000 Payroll & Related Expenses		
7001 Salaries & Wages	18,096.14	118,201.84
7002 Employer Tax Expense	1,466.15	10,656.62
7004 Workers Comp Ins.	125.40	873.18
7005 Payroll Processing	167.34	1,399.63
7050 Contract Agency		8,997.78
Total 7000 Payroll & Related Expenses	19,855.03	140,129.05
Total Expenses	\$59,364.66	\$350,853.08
NET OPERATING INCOME	\$-42,519.90	\$110,434.90
Other Income		
1255 Loss on Retirement of Assets		-7,524.00
Total Other Income	\$0.00	\$-7,524.00
NET OTHER INCOME	\$0.00	\$-7,524.00
NET INCOME	\$-42,519.90	\$102,910.90

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Balance Sheet

As of August 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1010 Checking Account	117,156.71
1011 Petty Cash	920.00
1200 Money Market Accounts	172,762.70
Total Bank Accounts	\$290,839.41
Other Current Assets	
12071 Chase CD Interest Receivable	718.64
Total Other Current Assets	\$718.64
Total Current Assets	\$291,558.05
Fixed Assets	
1100 Equipment	106,050.23
1110 Land	69,174.00
1120 Buildings	877,114.00
1130 Building Improvements	246,235.00
1140 Swimming Pools	314,297.59
1150 Furniture and Fixtures	35,841.13
1170 Accumulated Depreciation	-1,304,841.00
Total Fixed Assets	\$343,870.95
TOTAL ASSETS	\$635,429.00
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
2500 NBAZ Credit Card	220.00
Total Credit Cards	\$220.00
Other Current Liabilities	
2000 Advance Dues Payments	380.00
2100 Facility Use Deposits	4,135.48
2200 Accrued Income Tax Payable	11,835.37
Total Other Current Liabilities	\$16,350.85
Total Current Liabilities	\$16,570.85
Total Liabilities	\$16,570.85
Equity	
3030 Retained Earnings	515,947.25
Net Income	102,910.90
Total Equity	\$618,858.15
TOTAL LIABILITIES AND EQUITY	\$635,429.00

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AUGUST 2023 FINANCIAL STATEMENT FOOTNOTES

1. Chase CD Interest Earned, Profit and Loss Statement (P & L) account 4502 and Balance Sheet Interest Receivable, account 12071: Interest earned but not yet paid on the Chase CD renewing September 24, 2023. July's interest \$389.61 and August's interest \$329.03, totaling \$718.64.

2. Telephone, Internet & Website Costs: P & L account 5300.5. CenturyLink provides internet to Farnsworth Hall. Quantum Fiber now provides internet to Read Hall and VOIPCOM provides telephone service. Other recurring monthly services are provided by DropBox paid through PayPal, Adobe, Mailchimp, and Intuit (QuickBooks). GoDaddy hosts DVRC's property management system (PMS) website and provides domain name renewal. In July 2023, GoDaddy charged DVRC's credit card \$467.34 to renew a Microsoft licensed product, available from Microsoft for \$136. The NBAZ credit card reversed GoDaddy \$467.34 charge resulting in the account's credit balance.

Also, DVRC is awaiting a credit for duplicate CenturyLink billings continuing AFTER Quantum Fiber's internet replaced CenturyLink's internet at Read Hall.

3. General Insurance, P & L Account 5900.2: In August 2023, DVRC paid \$10,662, the third of four premium payment installments.

4. Minor Parcel Split and Farnsworth Hall Appraisal, P & L Parcel Split/FH Appraisal, account 5901: Captures the costs to separate a residential lot located between 6116 and 6132 E Butte Street from the larger Farnsworth Hall Property at 6159 E University Drive, Mesa. At the January 2024 general membership meeting, the members shall be asked to approve the sale of the newly created Butte Street residential lot and possibly the entire Farnsworth Hall property.

5. Water/Sewer Utility Bill, P & L Account 6400.3: Read Hall's City of Mesa Water/Sewer bills for the 12 months from June 2022 to May 2023 averaged \$1,012. Read Hall's pools/hot tub were closed for an extensive remodel, with June and July 2023's bills decreasing to \$538.64 and \$317.31 respectively. When two Read Hall pools and hot tub were refilled, the water/sewer bill increased 62%, to \$1,637.52, compared to the cited 12-month average.

6. Payroll: DVRC pays its employees every two weeks or 26 times per year. Each calendar year has ten months with two payroll periods and two months with three payroll periods. August has three payroll periods. The third payroll added \$5,598.02 to August's payroll costs. March 2023 was the prior calendar year month with three payrolls.

7. Income Tax Expense (Accrued), P & L account 5501.5 and Balance Sheet Accrued Income Tax Payable, account 2200: DVRC officers, Johna Sharp, President, and Kim Rogers, Treasurer and Vice-President, handled the December 15, 2021 sale of the 5502 E Butte St property (former library building). Sharp and Rogers did not pay the taxes on the sale, due the IRS not later than January 15, 2022. In addition, they did not file the 2021 IRS Form 990T due the IRS not later than April 15, 2022. As a result, in August 2023 the IRS assessed DVRC \$11,835.37 in Failure to Pay and Failure to File penalties (\$9,225.38) and interest (\$2,609.99). The current Treasurer, Ward Jennings, sent a letter dated August 12, 2023 to the IRS requesting abatement of 2021's penalties and interest. (The IRS received the letter August 19, 2023.) The IRS charges for the 2021 penalties and interest shall be an ongoing challenge for DVRC until the IRS issues a response to the request for abatement.

CY 2023 CHANGES IN FIXED ASSETS

AT AUGUST 31, 2023

<u>General Ledger</u>		<u>12/31/2023</u>	<u>8/31/2023</u>	<u>Change</u>	<u>Notes</u>
<u>Account</u>	<u>Description</u>				
1100	Equipment	98,980.71	106,050.23	7,069.52	A/G
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	314,297.59	149,791.59	D/E
1150	Furniture & Fixtures	35,841.13	35,841.13	-	
1170	Accumulated Depreciation	(1,265,237.00)	(1,304,841.00)	(39,604.00)	F/G
		<u>214,956.84</u>	<u>343,870.95</u>		
A	New door access system		15,129.52		
G	See July 2023 Financial Statement Footnote: \$8,060 door access system taken out of service		<u>(8,060.00)</u>	<u>7,069.52</u>	
B	Reroof west end of Read Hall		4,437.00		
C	A/C Unit Read Hall		<u>7,220.00</u>	<u>\$ 11,657.00</u>	
D	Davis Pools Heater Replacment		2,974.59		
E	Remodel Read Hall swimming pools/hot tub		<u>146,817.00</u>	<u>149,791.59</u>	
F	2022 Depreciation per 2022 Tax Return		(40,140.00)		
G	See July 2023 Financial Statement Footnote: \$536 in accumulted depreciation also written off.		<u>536.00</u>	<u>(39,604.00)</u>	

MONEY MARKET ACCOUNT ACTIVITY

January 1 to August 31, 2023

	Operating <u>Account</u>	<u>NBAZ MM</u>	Chase <u>Checking</u>	Chase <u>CD (1)</u>
Beginning Balance: 1/1/2023		\$ 320,890.05		
Interest Earned:				
1st Qtr 2023		\$ 37.75		
Apr-23		\$ 1.43		
May-23		\$ 2.38		
Jun-23		\$ 1.89		\$ 1,241.12
Total Interest Earned		<u>\$ 43.45</u>		
Operating Funds	\$ (11,404.77)	\$ 11,404.77		
Funds Available:		<u>\$ 332,338.27</u>		
Less Disbursements:				
3.23.23 Platinum Pool Care		\$ (37,342.00)		
3.24.23 Transfer to Chase Bank		\$ (250,000.00)	\$ 125,000.00	\$ 125,000.00
5.1.23 Checks			\$ (20.00)	
5.11.23 Mesa Roofing	\$ (2,137.50)			
5.31.23 Sunrize Communication	\$ (1,671.40)			
5.1.23 Davis Pools	\$ (2,974.00)			
5.3.23 Platinum Pool Care		\$ (37,342.00)		
5.17.23 Platinum Pool Care			\$ (37,342.00)	
6.1.23 Sunrize Communication	\$ (4,895.40)			
6.1.23 Mesa Roofing	\$ (2,299.50)			
6.26.23 Platinum Pool Care	\$ (34,791.00)			
Total Disbursements: Increase Fixed Assets:	\$ (48,768.80)	\$ (324,684.00)	\$ 87,638.00	
Close NBAZ MM Acct to Operating Funds	\$ 7,652.38	\$ (7,652.38)		
Interest transferred to Operating Funds		\$ (1.89)		
Transfer MM funds to Operating Acct	<u>\$ 41,116.42</u>		\$ (41,116.42)	
Operating funds used to pay for Capital Imp	<u>\$ -</u>			
Balance at August 31, 2023		<u>\$ 0.00</u>	<u>\$ 46,521.58</u>	<u>\$ 126,241.12</u>
			<u>\$172,762.70</u>	

There are no projected capital expenditure disbursements planned for the Third Quarter 2023

Footnote 1: Interest on the Chase 90 day CD is paid at renewal.