

Dreamland Villa Retirement Community

Profit and Loss YTD Comparison

May 2023

	TOTAL	
	MAY 2023	JAN - MAY, 2023 (YTD)
Income		
4000 Annual Fee Revenue		
4000.1 Annual Fee Revenue	4,732.23	294,128.25
Total 4000 Annual Fee Revenue	4,732.23	294,128.25
4001 55+ Donation Income	100.00	7,869.60
4003 Donations - Unrestricted	530.00	1,170.00
4101 Read Hall Event/Kitchen Income	66.00	527.50
4102 Special Events Revenue	1,166.00	14,542.14
4208 Entertainment-TAD		
4208.1 Ticket Sales	1,406.00	7,760.00
4208.2 Lease Payment	2,500.00	12,500.00
4208.3 Utility Reimbursement	1,137.71	5,714.01
Total 4208 Entertainment-TAD	5,043.71	25,974.01
4300 Administrative Related Income		
4002 Transfer & Escrow Fees		
4002.1 Transfer Fee	7,600.00	28,000.00
4002.2 Escrow Fees	3,150.00	11,450.00
Total 4002 Transfer & Escrow Fees	10,750.00	39,450.00
4100 Read Hall Rental Income	400.00	3,265.50
4300.2 Commissions	160.00	400.00
4300.3 Kee Card Replacement	-50.00	181.50
4300.4 Defendant Legal Fees Contrib		8,677.55
4501 Activity Fees	30.00	330.00
Total 4300 Administrative Related Income	11,290.00	52,304.55
4400 Restricted Accounts Income		325.00
4502 Interest Earned	959.12	1,008.30
4503 Crown Castle Lease Income	1,200.00	6,000.00
Services		0.00
Total Income	\$25,087.06	\$403,849.35
GROSS PROFIT	\$25,087.06	\$403,849.35
Expenses		
5001 55+ Compliance Expense		1,467.31
5300 Admin & Office Expenses		
5300.1 Postage		446.22
5300.2 Copy Machine Expense	190.60	1,338.20
5300.3 Supplies	26.82	3,818.99
5300.5 Telephone, Internet & Website Exp	483.91	2,746.10
5300.6 Accounting Expense	294.94	825.12

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5300.8 Permits, Licenses & Fees	55.00	595.00
5300.9 Advertising	393.69	233.50
5300.95 Computer Systems	250.00	2,152.28
5300.97 Volunteer Benefits		1,064.37
5501.5 Income Tax Expense	-1,250.00	-843.15
5502 Bank Charges		26.35
5503 Credit Card Fees		
5503.1 Intuit Credit Card Fees ONLY	-2.32	68.73
5503.2 Credit Card Fees NOT Intuit	159.62	764.28
Total 5503 Credit Card Fees	157.30	833.01
5601.2 Citizen	500.00	2,700.00
5801 Legal Expense		2,453.00
5900 Insurance		
5900.1 Fire Protection	2,936.43	7,812.40
5900.2 General Insurance		24,567.00
Total 5900 Insurance	2,936.43	32,379.40
Total 5300 Admin & Office Expenses	4,038.69	50,768.39
5350 Membership Marketing Expense		3,291.70
5400 Restricted Accounts Expense		
5405 Nature Walk Expense	30.02	185.41
5407 Woodshop Expense		399.04
Total 5400 Restricted Accounts Expense	30.02	584.45
5950 Read Hall Expenses		
5950.1 Read Kitchen Exp		657.68
5950.2 Special Events Expenses	460.02	5,315.82
Total 5950 Read Hall Expenses	460.02	5,973.50
6201 Bldg & Grounds Maintenance		
6201.1 Parts & Building Repair	45.00	1,203.71
6201.2 Consumable Supplies	1,157.57	6,028.39
6201.3 Contractor Work	889.00	2,060.39
6201.4 Vehicle Expense	100.00	469.58
Total 6201 Bldg & Grounds Maintenance	2,191.57	9,762.07
6300 Swimming Pools Expenses		
6300.1 Gas - Pools	4,980.94	42,575.17
6300.2 Pool Repairs	3,631.36	4,611.58
6300.3 Pool Chemicals	1,653.36	4,251.20
Total 6300 Swimming Pools Expenses	10,265.66	51,437.95

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	TOTAL	
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6400 Utilities		
6400.2 Electric	2,231.58	11,267.04
6400.3 Water/Sewer	2,621.21	9,095.10
6400.4 Trash Collection	149.81	723.98
Total 6400 Utilities	5,002.60	21,086.12
7000 Payroll & Related Expenses		
7001 Salaries & Wages	12,735.43	75,165.34
7002 Employer Tax Expense	1,075.77	7,120.80
7004 Workers Comp Ins.	88.28	600.10
7005 Payroll Processing	158.38	813.93
7050 Contract Agency		8,997.78
Total 7000 Payroll & Related Expenses	14,057.86	92,697.95
Total Expenses	\$36,046.42	\$237,069.44
NET OPERATING INCOME	\$ -10,959.36	\$166,779.91
NET INCOME	\$ -10,959.36	\$166,779.91

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Dreamland Villa Retirement Community

Balance Sheet

As of May 31, 2023

	TOTAL
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ASSETS	
Current Assets	
Bank Accounts	
1010 Checking Account	159,674.47
1011 Petty Cash	920.00
1200 NBAZ Capital Reserve Account	7,652.38
1210 Chase Checking	87,638.00
1215 Chase CD	125,000.00
Total 1200 NBAZ Capital Reserve Account	220,290.38
Total Bank Accounts	\$380,884.85
Other Current Assets	
12070 IRS Tax Refund	2,463.00
12071 Chase CD Interest Receivable	956.74
Total Other Current Assets	\$3,419.74
Total Current Assets	\$384,304.59
Fixed Assets	
1100 Equipment	109,214.83
1110 Land	69,174.00
1120 Buildings	877,114.00
1130 Building Improvements	236,715.50
1140 Swimming Pools	279,506.59
1150 Furniture and Fixtures	35,841.13
1170 Accumulated Depreciation	-1,305,377.00
Total Fixed Assets	\$302,189.05
TOTAL ASSETS	\$686,493.64
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LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2000 Advance Dues Payments	380.00
2100 Facility Use Deposits	0.00
2100.1 Farnsworth Hall Deposits	2,500.00
2100.2 Read Hall Deposits	139.48
2409 2023 Contributions	747.00
Total 2100 Facility Use Deposits	3,386.48
Total Other Current Liabilities	\$3,766.48
Total Current Liabilities	\$3,766.48
Total Liabilities	\$3,766.48

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Dreamland Villa Retirement Community

Balance Sheet

As of May 31, 2023

	TOTAL
Equity	
3030 Retained Earnings	515,947.25
Net Income	166,779.91
Total Equity	\$682,727.16
TOTAL LIABILITIES AND EQUITY	\$686,493.64

MAY 2023 FINANCIAL STATEMENT FOOTNOTES

Income Taxes

Federal Income Taxes: The footnotes to the October 2022 financial statements show that DVRC paid the IRS \$12,920 in 2022 estimated income taxes, as recommended by the CPA who prepared DVRC's 2021 federal and state income tax returns. The 2022 estimated income tax amount was based on DVRC's taxes owed for calendar year 2021 when the former library building located at 5502 E Butte Street was sold for \$175,000.

For calendar year 2022, the CPA-prepared federal income tax return showed that that DVRC owed \$5,200 in taxes and \$57 in penalties, totaling \$5,257. The penalties arose since the first two quarters of estimated taxes were not paid until October 2022.

The overpayment in 2022 estimated taxes equaled \$7,663 (\$12,920 less \$5,257).

\$5,200 of the \$7,663 overpayment was applied to DVRC's 2023 estimated taxes.

The IRS shall be refunding \$2,463 to DVRC (\$7,663 less \$5,200).

Arizona State Income Taxes: The 2022 state income tax return showed DVRC owed the Arizona Department of Revenue \$1,213 in 2022 income taxes. The \$1,213 has been paid to the State and is recorded as May 2022 income tax expense.

Summary May 2023 income tax expenses. April 2023 Income Tax expense = \$406.85 (Arizona State interest and penalties from the late tax payment for 5502 E Butte St.'s sale. Add May 2023 Arizona 2022 \$1,213 tax payment = \$1,619.85, less the \$2,463 IRS refund = (\$843.15) tax expense credit.

2022 Net Income, Retained Earnings and Net Assets: DVRC reports its Statement of Revenue and Expenses using the modified cash accounting method, that is, expenses are recorded when they are paid. Depreciation is a non-cash expense, therefore it is not recorded as a monthly or year-end financial statement expense. Rather, depreciation is recorded as an expense when the income taxes are filed in order to reconcile the book financial statements to the IRS income tax returns. The reconciling entries were posted to the May 2023 balance sheet.

The 2022 depreciation expense was \$40,140. The \$40,140 depreciation expense reduced the published \$43,482 (2022 book net income) to \$3,342.41 (2022 net taxable income) (\$43,482 less \$40,140).

The 2022 depreciation expense reduced the published 2022 retained earnings to \$515,947 (2021 tax return retained earnings of \$512,605 plus 2022 net taxable income of \$3,342.41).

The 2022 depreciation expense increased the balance sheet's accumulated depreciation to \$1,305,377, decreased the net assets to \$174,817 and the total assets to \$658,826.

Interest Receivable

To address the publicized volatility of regional banks, March 24, 2022 the directors moved \$250,000 of DVRC's money market account funds from the National Bank of Arizona (a Zion regional bank) to Chase Bank; \$125,000 deposited in a checking account and \$125,000 in a three month CD. The CD earned DVRC \$956.74 in interest as of May 24, 2023. The earned interest has been recorded as Interest Receivable on the May 31, 2023 Balance Sheet and Interest Income on the May 31, 2023 Statement of Revenue and Expenses.

MONEY MARKET ACCOUNT ACTIVITY

MAY 2023

January 1, to May 31, 2023

	<u>NBAZ</u>	<u>Chase Checking</u>	<u>Chase CD</u>
Beginning Balance: 1/1/2023	\$ 320,890.05		
Interest Earned:			
1st Qtr 2023	\$ 37.75		
Apr-23	\$ 1.43		
May-23	\$ 2.38		
Total Interest Earned	\$ 41.56		
Operating Funds	\$ 11,404.77		
Funds Available:	\$ 332,336.38		
Less Disbursements:			
3.23.23 Platinum Pool Care, 1st pmt	\$ (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)	
5.11.2 A Mesa Roofing			
5.31.2 A Sunrize Communication			
5.1.23 A Davis Pools			
5.3.23 Platinum Pool Care, 2nd pmt	\$ (37,342.00)		
5.17.23 Platinum Pool Care, 3rd pmt		\$ (37,342.00)	
Total Disbursements:	\$ (324,684.00)	\$ (37,362.00)	\$ -
Balance at May 31, 2023	\$ 7,652.38	\$ 87,638.00	\$ 125,000.00

Projected Disbursements: Second Quarter 2023

Platinum Pool Care, final payment	\$ 35,241.00
Sunrize: Door Access System, balance	\$ 4,895.40
Mesa Roofing, final payment	\$ 2,299.50
A/C unit replacement, Read Hall	\$ 8,500.00
Total Projected 2nd Qtr Disbursements	\$ 50,935.90

A Capital improvements initially paid with operating funds.

CY 2023 CHANGES IN FIXED ASSETS

MAY 2023

<u>General Ledger</u>		<u>12.31.23</u>	<u>5.31.23</u>	<u>Change</u>	<u>Notes</u>
<u>Account</u>	<u>Description</u>				
1100	Equipment	98,980.71	109,214.83	10,234.12	A
1110	Land	69,174.00	69,174.00	-	
1120	Building	877,114.00	877,114.00	-	
1130	Bldg Improvements	234,578.00	236,715.50	2,137.50	B
1140	Swimming Pools	164,506.00	279,506.59	115,000.59	C
1150	Furniture & Fixtures	35,841.13	35,841.13	-	
1170	Accumulated Depreciation	(1,265,237.00)	(1,305,377.00)	(40,140.00)	
		<u>214,956.84</u>	<u>302,189.05</u>		

- A New door access system
- B Reroof west end of Read Hall
- C Repair/remodel Read Hall swimming pools/hot tub