

Dreamland Villa Retirement Community

Profit and Loss YTD Comparison

November 2023

	TOTAL	
	NOV 2023	JAN - NOV, 2023 (YTD)
Income		
4000 Annual Fee Revenue		
4000.1 Annual Fee Revenue	741.77	303,912.54
Total 4000 Annual Fee Revenue	741.77	303,912.54
4001 55+ Donation Income	2,050.00	10,840.60
4003 Donations - Unrestricted	1,760.00	3,535.29
4101 Read Hall Event/Kitchen Income	37.00	778.71
4102 Special Events Revenue	2,590.00	21,267.91
4208 Entertainment-TAD		
4208.1 Ticket Sales	512.00	9,843.00
4208.2 Lease Payment	2,500.00	27,500.00
4208.3 Utility Reimbursement	2,150.94	19,266.43
Total 4208 Entertainment-TAD	5,162.94	56,609.43
4300 Administrative Related Income		
4002 Transfer & Escrow Fees		
4002.1 Transfer Fee	4,800.00	57,600.00
4002.2 Escrow Fees	1,800.00	22,850.00
Total 4002 Transfer & Escrow Fees	6,600.00	80,450.00
4100 Read Hall Rental Income	640.00	7,405.50
4300.2 Commissions & Misc Revenue	320.00	856.60
4300.3 Kee Card Replacement	68.50	670.00
4300.4 Defendant Legal Fees Contrib		8,677.55
4501 Activity Fees	80.00	600.00
Total 4300 Administrative Related Income	7,768.50	98,659.65
4400 Restricted Accounts Income		325.00
4405 Nature Walk Income	601.00	1,181.00
Total 4400 Restricted Accounts Income	601.00	1,506.00
4502 Interest Earned	331.39	2,922.46
4503 Crown Castle Lease Income	1,200.00	13,200.00
Services		0.00
Total Income	\$22,182.60	\$513,232.59
GROSS PROFIT	\$22,182.60	\$513,232.59
Expenses		
5001 55+ Compliance Expense	131.02	1,822.49
5300 Admin & Office Expenses		
5300.1 Postage	696.00	1,815.95
5300.2 Copy Machine Expense	245.96	2,546.22
5300.3 Supplies	173.20	5,430.86
5300.5 Telephone, Internet & Website Exp	530.03	6,900.95

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5300.6 Accounting Expense		1,625.12
5300.8 Permits, Licenses & Fees		1,185.00
5300.9 Advertising		869.16
5300.95 Computer & Camera Systems	1,237.40	4,973.62
5300.97 Volunteer Benefits		1,064.37
5501.1 Property Tax		15.66
5502 Bank Charges		26.35
5503 Credit Card Fees		
5503.1 Intuit Credit Card Fees ONLY	-8.62	54.68
5503.2 Credit Card Fees NOT Intuit		775.73
Total 5503 Credit Card Fees	-8.62	830.41
5601.2 Citizen	550.00	5,750.00
5601.3 Blast & Graphic Design	-100.00	-100.00
5801 Legal Expense		2,453.00
5901 Parcel Split/FH Appraisal		6,140.00
Total 5300 Admin & Office Expenses	3,323.97	41,526.67
5350 Membership Marketing Expense	4,234.72	8,008.85
5400 Restricted Accounts Expense		
5405 Nature Walk Expense	1,410.00	1,893.80
5407 Woodshop Expense		399.04
Total 5400 Restricted Accounts Expense	1,410.00	2,292.84
5501.5 Income Tax Expense	60.44	11,052.66
5900 Insurance		
5900.1 Fire Protection		7,812.40
5900.2 General Insurance		45,891.00
Total 5900 Insurance		53,703.40
5950 Read Hall Expenses		
5950.1 Read Kitchen Exp	64.07	771.12
5950.2 Special Events Expenses	1,994.32	9,057.14
Total 5950 Read Hall Expenses	2,058.39	9,828.26
6201 Bldg & Grounds Maintenance		
6201.1 Parts & Building Repair	147.26	1,995.98
6201.2 Consumable Supplies	215.66	7,994.69
6201.3 Contractor Work	225.00	7,908.13
6201.4 Vehicle Expense	100.00	1,122.01
Total 6201 Bldg & Grounds Maintenance	687.92	19,020.81
6300 Swimming Pools Expenses		
6300.1 Gas - Pools	2,649.88	50,380.65
6300.2 Pool Repairs	750.00	7,162.84
6300.3 Pool Chemicals	712.99	11,566.69

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6300.4 Pool / Hot Tub Permits		1,360.00
Total 6300 Swimming Pools Expenses	4,112.87	70,470.18
6400 Utilities		
6400.2 Electric	3,989.79	36,185.22
6400.3 Water/Sewer	1,193.79	16,376.94
6400.4 Trash Collection	152.22	1,626.97
Total 6400 Utilities	5,335.80	54,189.13
7000 Payroll & Related Expenses		
7001 Maintenance Payroll Costs		0.00
7001.1 Maintenance Gross Wages	7,446.92	98,803.39
7002.1 Maintenance Payroll Tax Exp	561.68	8,614.35
Total 7001 Maintenance Payroll Costs	8,008.60	107,417.74
7002 Office Payroll Costs		0.00
7001.2 Office Gross Wages	5,557.15	58,627.21
7002.2 Office Payroll Tax Exp	488.87	5,175.90
Total 7002 Office Payroll Costs	6,046.02	63,803.11
7004 Workers Comp Ins.	90.20	1,145.49
7005 Payroll Processing	167.34	1,894.93
7050 Contract Agency		8,997.78
Total 7000 Payroll & Related Expenses	14,312.16	183,259.05
Total Expenses	\$35,667.29	\$455,174.34
NET OPERATING INCOME	\$-13,484.69	\$58,058.25
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	\$-13,484.69	\$50,534.25

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Dreamland Villa Retirement Community

Balance Sheet

As of November 30, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1010 Checking Account	63,811.66
1011 Petty Cash	1,070.00
1200 Money Market Accounts	0.00
1210 Chase Checking	69,760.30
1215 Chase CD	127,186.47
Total 1200 Money Market Accounts	196,946.77
Total Bank Accounts	\$261,828.43
Other Current Assets	
12071 Chase CD Interest Receivable	682.54
Total Other Current Assets	\$682.54
Total Current Assets	\$262,510.97
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	351,248.73
1150 Furniture and Fixtures	35,841.13
1170 Accumulated Depreciation	-1,304,841.00
Total Fixed Assets	\$386,822.09
TOTAL ASSETS	\$643,333.06
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2000 Advance Dues Payments	60,141.00
2100 Facility Use Deposits	0.00
2100.1 Farnsworth Hall Deposits	2,500.00
2100.2 Read Hall Deposits	425.00
2100.3 Arts & Crafts Deposits	1,775.19
2409 2023 Contributions	175.00
Total 2100 Facility Use Deposits	-4,875.19
2200 Accrued Income Tax Payable	11,835.37
Total Other Current Liabilities	\$76,851.56
Total Current Liabilities	\$76,851.56
Total Liabilities	\$76,851.56

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Dreamland Villa Retirement Community

Balance Sheet

As of November 30, 2023

	TOTAL
Equity	
3030 Retained Earnings	515,947.25
Net Income	50,534.25
Total Equity	\$566,481.50
TOTAL LIABILITIES AND EQUITY	\$643,333.06

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

NOVEMBER 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 is considered by the IRS as “unrelated business income”. The cell phone tower lease is also considered “unrelated business income”. “Unrelated business income” is revenue received by DVRC from sources other than its corporate members. “Unrelated business income” is *taxable* income at both the federal and state levels. Expenses incurred to earn the “unrelated business income” may be deducted from the “unrelated business income” to reduce the taxable 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. This amount is shown on the balance sheet’s account 2000, Advanced Dues Payable. The IRS required other revenue, for example: unrestricted, 55+ and Nature Walk donations to be reported as 2023 revenue.

2. **Interest Earned:** DVRC has a CD (balance sheet account 1215) renewed every 90 days. At November 24, 2023, DVRC earned \$682.54 interest (P & L Account 4502), to be paid December 24, 2023 (interest receivable balance sheet account 12071).

3. **Transfer and Escrow Fees:** As of November 30, 2023, DVRC earned more transfer and escrow fees (\$80,450) than at any time in its history. DVRC has had a history of flip flopping on these fees. In some years they were abolished, or replaced with a fee called “initial club membership fee”. The escrow fee, also known as a disclosure fee, compensates DVRC for its costs to provide to the title companies the documents they request to facilitate a change in ownership of properties located in the Dreamland Villa subdivision. The transfer fee compensates DVRC for its costs to identify the new owners and occupants’ names and date of births, each required by DVRC to legally maintain its status as a 55+ age-restricted community. This process gets time-consuming when new buyers, Realtors and/or title companies fail to cooperate in providing this crucial information.

4. **Graphic Design (P & L account 5601.3):** DVRC is now paying a graphic art designer to create flyers to promote DVRC’s activities and to prepare and distribute a weekly “email blast” informing residents of future DVRC activities and events. The cost incurred to prepare an activity flyer is now internally transferred from account 5601.3 to the activity’s expense account.

5. **Income Tax Expense (Accrued), P & L account 5501.5 and Balance Sheet Accrued Income Tax Payable, account 2200:** An IRS August 2023 notice 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 filed a letter requesting abatement of the penalties and interest. The IRS received the letter on August 19, 2023. As of December 4, 2023 the IRS has not responded to DVRC’s abatement request letter.

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.

Submitted by Ward Jennings, Director and Treasurer, DVRC Board of Directors

MONEY MARKET ACCOUNT ACTIVITY

January 1 to November 30, 2023

	<u>NBAZ & CHASE MM</u>	
	<u>Accts</u>	<u>Chase CD (1)</u>
Beginning Balance: 1/1/2023	\$ 320,890.05	
Interest Earned:		
1st Qtr 2023	\$ 37.75	
2nd Qtr 2	\$ 5.70	
3rd Qtr	\$ 1.89	\$ 1,241.12
4th Qtr		\$ 945.35
Total Interest Earned & Paid	\$ 45.34	\$ 2,186.47
Transferred from Operating Acct to MM Acct	\$ 11,359.85	
Funds Available:	\$ 332,295.24	
Less Disbursements:		
3.24.23 Platinum Pool Care	\$ (37,342.00)	
5.1.23 Transfer to Chase Bank	\$ (125,000.00)	\$ 125,000.00
5.11.23 Checks	\$ (20.00)	
5.31.23 Mesa Roofing	\$ (2,137.50)	
5.1.23 Sunrize Communication	\$ (1,671.40)	
5.3.23 Davis Pools	\$ (2,974.00)	
5.17.23 Platinum Pool Care	\$ (37,342.00)	
6.1.23 Platinum Pool Care	\$ (37,342.00)	
6.1.23 Sunrize Communication	\$ (4,895.40)	
6.26.23 Mesa Roofing	\$ (2,299.50)	
11.23.23 Platinum Pool Care	\$ (34,791.00)	
11.23.23 Farnsworth Hall Pool Heater	\$ (31,404.36)	
11.1.23 Read Hall Spa Heater	\$ (5,546.78)	
Interest transferred to Operating Funds	\$ (7,652.38)	
Less: Money Market Disbursements:	\$ (322,765.94)	
Subtotal:	\$ 9,529.30	
Add: 2024 Annual Fees Deposited in Chase Account	\$ 60,231.00	
Balance at November 30, 2023	\$ 69,760.30	\$ 127,186.47

Footnote 1: Interest on the Chase 90 day CD will be paid at renewal, December 24, 2023.

CY 2023 CHANGES IN FIXED ASSETS

AT NOVEMBER 30, 2023

<u>General Ledger</u>		<u>12/31/2022</u>	<u>11.30.2023</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	351,248.73	186,742.73	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>380,822.09</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		146,817.00		
H	Farnworth Hall Pool Heater Replacement		31,404.36		
I	Read Hall Spa Heater		<u>5,546.78</u>	<u>186,742.73</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>	

* Additional Note: During the second half of CY 2022, DVRC spent \$9,200 on pools and hot tubs repair, remodel or replacement.