

NOTICE OF MEETING AND AGENDA
GHI FINANCE COMMITTEE
Thursday, January 12, 2023, 5:45 PM
Virtual Zoom Meeting

1. Discussion of agenda
2. Member comment period
3. Discussion of minutes – December 8, 2022
4. December aged receivables
5. Review 3rd quarter financial statements
6. Discussion of replacement reserve studies
7. Items of information

Note of future agenda topics

- *Optional improvement program*

Supporting Documents:

- a) Minutes – December 8, 2022
- b) December aged receivables
- c) 3rd quarter financial statements GDC & GHI

Chuck Hess
Chair

Distribution:

Committee Members: Hess, Holland, James, Jones, Luly, Miller
Board of Directors and Audit Committee
Caruso, Fischler, T. Jones, Kahn, Kroll, Lester, Legendre, McClellan, Morse, Schmidt,
Wilhelm
Eldon Ralph, General Manager
Joseph Perry, Jr., CPA, Director of Finance (Staff Liaison)
Rick Carter, Accounting Manager

GHI FINANCE COMMITTEE MEETING NOTES 2022

Date of Meeting: December 8, 2022

DRAFT

Attending:

Committee: (circle attendees) Pam Bozzi, Chuck Hess, Stephen Holland, Ed James, Bill Jones, Jason Luly,
Silvia Maria Miller

Board/Audit Guests: M. Lester

Staff: Rick Carter, Accounting Manager
Eldon Ralph, General Manager

Meeting called to order by Chair, Chuck Hess, at 5:32 pm.

1. Agenda: Was it revised? No.

Motion by to approve: Jones

Seconded: James

Motion passed: 6-0

2. Member comment period

No comments

3. Minutes: Were there changes to the minutes? No.

Move to approve the minutes of the November 10, 2022, meeting as presented.

Motion by: Holland

Seconded: Jones

Motion passed: 6-0

4. Discussion of compensation for member disposition due to the pipe replacement program.

The Finance Committee discussed these items during the meeting to provide to the Board of Directors as follows: The Finance Committee offers these options to the Board of Directors for consideration as compensation and additional actions related to the pilot program of the pipe replacement program. These options may also be considered for the overall program once the pilot program concludes:

1. Pay each unit the same amount, e.g., \$2000 (roughly the cost of 20 hotel days at \$100/day).
- ~~2. Pay each unit an amount proportional to the Replacement Reserves they have paid, e.g., \$1800 for each one-bedroom frame up to \$2200 for each three-bedroom frame.~~
3. Pay each unit a per diem of a fixed amount times the number of days the unit is unusable plus 2 additional days for moving out of and into their unit. ~~and, e.g., \$130 times (N+2), where N is the unusable days. That would be \$1300 for 8 days or \$2600 for 18 days.~~ The extra 2 days are because people will generally have to move out the day before work starts and may not move back in until the day after work ends.
4. Same as #3 except the per diem would depend on the number of residents and or pets in the unit, ~~e.g., instead of a flat \$130 per day, make it \$120/day for up to 3 people, plus \$30/day for each additional person, plus another \$30/day if there are dogs or cats.~~
- ~~5. Same as #4 except that people who have relatives or friends they can stay with only get a flat \$500 to cover extra food costs and such.~~
6. GHI to provide hotel room options on behalf of the membership. Members who choose the hotel rooms would not receive any other compensation. Members who do not to select hotel room options provided by GHI will receive monetary compensation commensurate with the average value of hotel stay.
7. Relating to the overall project itself, before the Board of Directors makes a decision, try and get some input from the members.
8. Offer bonus will be given to memberships who volunteer to be part of the pilot program.

Agreed by consensus

5. Next Meeting: January 12, 2023 at 5:45pm .

6. Meeting adjourned at 6:33 pm.

Move to adjourn

Motion by: Jones

Seconded: Bozzi

Motion passed: 6-0

Respectfully submitted,

Joseph Perry, Jr.

Aged Receivables

Age As Of: 12/31/2022 Post To: 12/2022

Property	Property Name	Total Unpaid Charges	0-30 days	31-60 days	61-90 days	Over 90 days	Prepays	Balance
frame	GHI Frame Homes	112,873.67	61,319.95	19,868.73	-527.93	32,212.92	-123,689.38	-10,815.71
larger	GHI Larger Homes	787.84	787.84	0.00	0.00	0.00	-3,135.51	-2,347.67
masonry	GHI Masonry Homes	66,192.00	42,155.18	6,729.52	-2,805.61	20,112.91	-70,924.05	-4,732.05
parkwy01	Greenbelt Development Corp	23,383.51	3,386.13	2,612.98	93.00	17,291.40	-32,925.73	-9,542.22
Total		203,237.02	107,649.10	29,211.23	-3,240.54	69,617.23	-230,674.67	-27,437.65

Greenbelt Development Corporation
Financial Statements
September 2022

Greenbelt Development Corporation
Balance Sheet
As of 9/30/2022

CURRENT ASSETS:		
Cash	\$ 234,760	
Accounts receivable (net)	25,524	
Intercompany receivable (GHI)	<u>130,599</u>	
	390,883	
Total current assets		\$ 390,883
 LAND	 26,573	
PROPERTY & EQUIPMENT		
Buildings & improvements (net)	80,056	
Boiler equipment (net)	<u>157,638</u>	
Total property and equipment	237,694	
OTHER ASSETS:		
Prepaid expenses	<u>7,385</u>	
Total land, property, equipment & other assets		<u>271,652</u>
TOTAL ASSETS		<u><u>\$ 662,535</u></u>
 LIABILITIES & EQUITY		
CURRENT LIABILITIES		
Accounts payable & accrued expenses	\$ 3,738	
Deposits & deferred revenue	<u>80,527</u>	
Total current liabilities	84,265	
Total liabilities		\$ 84,265
EQUITY		
Capital stock	150	
Accumulated equity	550,598	
Net Income	<u>27,522</u>	
Total equity		<u>578,270</u>
TOTAL LIABILITIES & EQUITY		<u><u>\$ 662,535</u></u>

Greenbelt Development Corporation
Income Statement
For the Period Ending 09/30/2022

	Year-To-Date <u>Actuals</u>	Year-To-Date <u>Budgets</u>	Y-T-D Dollar <u>Variance</u>	Y-T-D % <u>Variance</u>
INCOME				
Rental Income	491,830	494,865	\$ (3,035)	-0.6%
Vacancy Loss	(7,330)	(19,296)	11,966	-62.0%
	<u>484,500</u>	<u>475,569</u>	<u>8,931</u>	<u>1.9%</u>
OTHER INCOME				
Garage Fee Income	33,354	33,354	-	0.0%
Other Income	4,869	6,003	(1,134)	-18.9%
Total Income	<u>522,723</u>	<u>514,926</u>	<u>7,797</u>	<u>1.5%</u>
EXPENSES:				
Contract Work	(A) 43,115	49,932	(6,817)	-13.7%
Materials	39,527	40,941	(1,414)	-3.5%
Electricity	(B) 14,681	11,250	3,431	30.5%
Gas	(C) 16,552	12,528	4,024	32.1%
Water	(D) 18,617	12,375	6,242	50.4%
Licenses/Permits	5,400	5,400	-	0.0%
Insurance	17,648	17,649	(1)	0.0%
Telephone	1,272	900	372	41.3%
Real Estate Taxes	67,809	67,500	309	0.5%
Labor	81,293	81,000	293	0.4%
Management Fee	151,695	151,695	-	0.0%
Legal/Professional	5,921	6,075	(154)	-2.5%
Bad Debts Expense	2,625	2,628	(3)	-0.1%
Depreciation	28,628	28,629	(1)	0.0%
Miscellaneous	0	72	(72)	-100.0%
Total Operating Expense	<u>495,201</u>	<u>488,574</u>	<u>6,627</u>	<u>1.4%</u>
Taxes	0	2,178	(2,178)	>100%
Net Income	<u>\$ 27,522</u>	<u>\$ 24,174</u>	<u>\$ 3,348</u>	<u>13.8%</u>

**Greenbelt Development Corporation
Notes to Income Statement
For the Period Ending 09/30/2022**

(A) Contract Work (Down 13.7%) \$ (6,817)

Contract work through September consists of the following components:

	<u>Actual</u>	<u>Annual Budget</u>
• Janitorial	\$10,273	\$18,000
• Fire protection	1,075	1,850
• Boiler maintenance & repair	11,329	6,000
• Home inspection (lead testing)	3,061	4,720
• Solid Waste Disposal	1,473	5,300
• Chemical management	1,637	2,400
• Landscape work	3,608	6,500
• Unit patch, paint and renovation	8,746	14,000
• Bathtub reglazing	1,914	1,500
• Vinyl composition hallways	-	6,300
Total contract work	\$43,115	\$66,570

(B) Electricity (Up 30.5%) \$ 3,431

The unfavorable variance is due to an increase in rates compared to 2021. Rates increased by 9%.

(C) Gas (Up 32.1%) \$ 4,024

The unfavorable variance is due to an increase in both rates and usage compared to 2021. Rates increased by 30% and usage increased 24%.

(D) Water (Up 50.4%) \$ 6,242

The unfavorable variance is due to an increase in both rates and usage compared to 2021. Rates increased 6% and usage increased 10%.

Blank Page

**Greenbelt Homes, Inc.
Financial Statements
September 2022**

Greenbelt Homes, Inc.
Balance Sheet
09/30/2022

ASSETS

CURRENT ASSETS:

Cash	(A)	14,375,189	
Accounts receivable (net)		84,637	
Notes receivable		48,895	
Prepaid expenses		44,996	
		14,553,717	

OTHER CURRENT ASSETS

Accrued bond interest		6,833	
GHI controlled homes for sale	(B)	182,436	
Inventory	(C)	149,786	
		339,055	

Total current assets			\$ 14,892,772
----------------------	--	--	---------------

PROPERTY & EQUIPMENT

Land, buildings & improvements (net)		26,286,589	
Vehicles & operating equipment (net)		121,164	
Property and equipment		26,407,753	
Total property and equipment			26,407,753

OTHER ASSETS:

Investment in Sub-GDC		550,748	
Investment in NCB		885,137	
Investments (Bonds & Bond Fund)	(D)	543,599	
Total investments		1,979,484	

Total other assets			1,979,484
--------------------	--	--	-----------

TOTAL ASSETS			\$ 43,280,009
---------------------	--	--	---------------

LIABILITIES & MEMBER EQUITY

CURRENT LIABILITIES

Accounts payable & accrued expenses		1,919,031	
Payroll liabilities		(53,567)	
Deposits & deferred revenue		(61,205)	
Total current liabilities		1,804,259	

Total liabilities			1,804,259
-------------------	--	--	-----------

MEMBER EQUITY

Replacement reserves	(E)	8,866,531	
Contingency reserves		569,406	
Working capital		1,952,572	
Accumulated equity	(F)	30,087,242	

Total members equity			41,475,750
----------------------	--	--	------------

TOTAL LIABILITIES & MEMBER EQUITY			\$ 43,280,009
--	--	--	---------------

Greenbelt Homes, Inc.
Notes to Balance Sheet
As of 9/30/2022

Assets

(A) Cash

Cash balance includes \$14,739,522.68 of Federal Money Market fund.

(B) GHI controlled homes for sale

This balance represents costs associated with taking back units assigned to GHI for repair, marketing and sale to new members. There are seven units included in this balance.

(C) Inventory

An inventory count was performed in September. An entry was completed to true up the Inventory with the count.

(D) Investments

Included in this line item are corporate bonds which are listed below:

Bond Issuer	Rate	Maturity	Face Value
General Dynamics	2.25%	11/15/22	200,000
Allergan Inc	2.80%	3/15/23	200,000
Total			\$ 400,000

Equity

(E) Replacement Reserves

The components that make up replacement reserves are as follows:

Replacement Reserves	\$ 7,712,395
Replacement Reserves-Additions	<u>1,154,136</u>
Total	<u>\$ 8,866,531</u>

(F) Accumulated Equity

The components that make up accumulated equity are as follows:

Unreserved Fund - Property and Equipment	\$ 26,407,753
Other Equity (includes unreserved operating and optional replacement reserves.)	<u>3,679,489</u>
Total	<u>\$ 30,087,242</u>

Greenbelt Homes, Inc.
Income Statement Summary
For the Period Ending 9/30/2022

	Year-To-Date <u>Actuals</u>	Year-To-Date <u>Budgets</u>	Y-T-D Dollar <u>Variance</u>	Y-T-D % <u>Variance</u>
<u>RECEIPTS</u>				
Member charges	9,278,847	9,288,171	\$ (9,324)	-0.1%
	<u>9,278,847</u>	<u>9,288,171</u>	<u>(9,324)</u>	<u>-0.1%</u>
Service income	447,786	433,251	14,535	3.4%
Other income	(A) 302,080	250,715	51,365	20.5%
	<u>749,866</u>	<u>683,966</u>	<u>65,900</u>	<u>9.6%</u>
Total receipts	<u>10,028,713</u>	<u>9,972,137</u>	<u>56,576</u>	<u>0.6%</u>
<u>EXPENSES:</u>				
Real estate taxes	3,466,988	3,466,989	(1)	0.0%
Trash collection	342,427	339,561	2,866	0.8%
Insurance	435,536	420,530	15,006	3.6%
Admin/BOD/Comm/Mbr	1,177,977	1,169,418	8,559	0.7%
Maintenance operations	2,886,328	2,999,572	(113,244)	-3.8%
Transfer to reserves	1,913,216	1,913,220	(4)	0.0%
Total expenses	<u>10,222,472</u>	<u>10,309,290</u>	<u>(86,818)</u>	<u>-0.8%</u>
Receipts over (under) expenses	<u>\$ (193,759)</u>	<u>\$ (337,153)</u>	<u>\$ 143,394</u>	<u>-42.5%</u>
Depreciation member units	<u>\$ 793,673</u>	<u>\$ 910,503</u>	<u>\$ (116,830)</u>	<u>-12.8%</u>

Greenbelt Homes, Inc.
Notes to Income Statement Summary
For the Period Ending 9/30/2022

INCOME

(A) Other Income (Up 20.5%)	\$ 51,365
------------------------------------	------------------

This favorable variance is primarily due to Interest Income better than budget for the year, partially offset by lower than budgeted Fee for Service.

Greenbelt Homes, Inc.
Administration Summary
For the Period Ending 9/30/2022

	<u>Year-To-Date Actuals</u>	<u>Year-To-Date Budgets</u>	<u>Y-T-D Dollar Variance</u>	<u>Y-T-D % Variance</u>
<u>ADMIN EXPENSES:</u>				
Labor	684,655	687,297	\$ (2,642)	-0.4%
Fringe benefits	158,475	173,439	(14,964)	-8.6%
Office supplies/postage	(A) 17,001	25,622	(8,621)	-33.6%
Copier	(B) 8,318	11,439	(3,121)	-27.3%
Telephone	(C) 23,274	27,647	(4,373)	-15.8%
Hiring & training	20,512	23,440	(2,928)	-12.5%
Temp & prof help	(D) 43,959	16,425	27,534	>100%
Legal	22,350	20,997	1,353	6.4%
Annual audit	14,247	14,247	-	0.0%
Assoc. dues & conferences	3,296	1,872	1,424	76.1%
Board/Audit/Committees	35,349	36,979	(1,630)	-4.4%
Members' expenses	7,289	6,003	1,286	21.4%
Utilities	(E) 33,473	19,503	13,970	71.6%
Personal Property tax	4,125	4,122	3	0.1%
Depreciation	21,600	21,600	-	0.0%
Other	3,124	5,886	(2,762)	>100%
Information technology services	76,930	72,900	4,030	5.5%
Total admin	<u>\$ 1,177,977</u>	<u>\$ 1,169,418</u>	<u>\$ 8,559</u>	<u>0.7%</u>

Greenbelt Homes, Inc.
Notes to Administration Summary
For the Period Ending 9/30/2022

(A) Office Supplies/Postage (Down 33.6%) **\$ (8,621)**

This favorable variance is primarily due to less purchases of supplies.

(B) Copier (Down 27.3%) **\$ (3,121)**

This favorable variance is partly due to two September 2021 invoices for Marlin voided in May 2022 and timing differences.

(C) Telephone (Down 15.8%) **\$ (4,373)**

This favorable variance is due to timing of charges associated with Mobile Radios. Charges will be reflected in 4th quarter.

(D) Temp & Prof Help (Up >100%) **\$ 27,534**

This unfavorable variance results from temporary staffing necessary to meet the operational needs of the organization due to vacancies.

(E) Utilities (Up 71.6%) **\$ 13,970**

This unfavorable variance is primarily due to rate increases. Distribution Charge rate increased 60% and Energy Charge rate increased 13%. We are awaiting a solar credit.

Greenbelt Homes, Inc.
Maintenance Summary
For the Period Ending 9/30/2022

	<u>Year-To-Date Actuals</u>	<u>Year-To-Date Budgets</u>	<u>Y-T-D Dollar Variance</u>	<u>Y-T-D % Variance</u>
<u>MAINT SUMMARY</u>				
Labor	1,527,408	1,587,753	\$ (60,345)	-3.8%
Fringe benefits	562,953	535,203	27,750	5.2%
Materials	211,170	198,225	12,945	6.5%
Contract work	(A) 469,703	528,057	(58,354)	-11.1%
Vehicles	(B) 70,421	95,668	(25,247)	-26.4%
Dumpsters	(C) 10,218	22,500	(12,282)	-54.6%
Uniforms	(D) 8,883	12,744	(3,861)	-30.3%
Submeter court lights	(E) 11,067	7,497	3,570	47.6%
Depreciation	14,505	11,925	2,580	21.6%
Total maintenance	<u>\$ 2,886,328</u>	<u>\$ 2,999,572</u>	<u>\$ (113,244)</u>	<u>-3.8%</u>

Greenbelt Homes, Inc.
Notes to Maintenance Summary
For the Period Ending 9/30/2022

(A) Contract Work (Down 11.1%) **\$ (58,354)**

Contract work performed through September:

	Y-T-D Actual	Annual Budget
Bathtub reglazing	\$ 19,746	\$ 18,000
Swale & drainage	500	25,000
Janitorial	17,748	26,750
Landscaping	54,558	67,275
Gutter cleaning	35,510	77,000
Parking lot repairs	-	45,500
Fire and security	5,618	5,750
Pest control	32,591	36,000
Fee for service	5,574	69,000
Renovations/repairs	13,864	137,800
Tree trimming	280,338	175,000
Asbestos remediation	-	2,000
Miscellaneous	3,656	19,000
	<u>\$ 469,703</u>	<u>\$ 704,075</u>

(B) Vehicles (Down 26.4%) **\$ (25,247)**

This favorable variance is primarily timing differences. Through September needed repairs has been lower than expected.

(C) Dumpsters (Down 54.6%) **\$ (12,282)**

This favorable variance is partially due to timing differences of invoicing for Goode Trash Removal.

(D) Uniforms (Down 30.3%) **\$ (3,861)**

This favorable variance is primarily due to slightly lower invoices than 2021.

(E) Submeter Lights (Up 47.6%) **\$ 3,570**

This unfavorable variance is primarily due to rate increases. Distribution Charge rate increased 60% and Energy Charge rate increased 13%.