

NOTICE OF MEETING AND AGENDA
GHI FINANCE COMMITTEE
Monday, April 24, 2023, 5:45 PM
Virtual Zoom Meeting

1. Discussion of agenda
2. Member comment period
3. Discussion of minutes – March 9, 2023
4. March 2023 aged receivables
5. Review 2022 Financial Statements GDC and GHI

Supporting Documents:

- a) Minutes – March 9, 2023
- b) March aged receivables
- c) 2022 Year-end 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)

GHI FINANCE COMMITTEE MEETING NOTES 2022

Date of Meeting: March 9, 2023

DRAFT

Attending:

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

Board/Audit Guests: C. Jones, S. Legendre, M. Lester

Staff: Joe Perry, Director of Finance (Staff Liaison)

Meeting called to order by Chair, Chuck Hess, at 5:45 pm.

1. Agenda: Was it revised? No.

Motion by: James

Seconded: Holland

Motion passed: 5-0

2. Member comment period

M. Lester – loss of members of the committee should the committee be extended?

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

Move to approve the minutes of the February 9, 2023 meeting (as presented, as revised, as amended).

Motion by: James

Seconded: Jones

Motion passed: 4-0-1 with Holland abstaining

4. Aged Receivables

No action taken

5. Agenda item description: Discussion of the optional replacement program

Staff will gather additional information and calculate amounts contributed by participants in this program and the amount of the existing balance in this reserve account. Based on that information the Finance Committee may make a recommendation to the Board of Directors regarding how much, if any should be refunded to the members who elect to opt out of the program

No action to be taken until the committee receives solid numbers from staff.

6. Agenda item description: Future agenda items: future

- Review GHI's program to encourage GHI Staff to purchase into the cooperative
- Review the delinquency letters
- Applying for and using grant funds
- Rent stabilization act

7. Next Meeting: April 26, 2023

8. Meeting adjourned at 6:38 pm.

Motion by: Holland

Seconded: James

Motion passed: 5-0

Respectfully submitted,

Joseph Perry, Jr.

Aged Receivables

Age As Of: 03/31/2023 Post To: 03/2023

Property	Property Name	Total Unpaid Charges	0-30 days	31-60 days	61-90 days	Over 90 days	Prepays	Balance
frame	GHI Frame Homes	115,704.46	65,487.05	17,280.40	10,003.65	22,933.36	-118,575.89	-2,871.43
larger	GHI Larger Homes	3,085.70	1,351.71	1,675.00	0.00	58.99	-3,915.49	-829.79
masonry	GHI Masonry Homes	45,853.72	34,707.99	5,173.77	3,026.49	2,945.47	-115,634.97	-69,781.25
parkwy01	Greenbelt Development Corp	8,082.70	4,818.45	2,832.25	338.38	93.62	-19,289.86	-11,207.16
Total		172,726.58	106,365.20	26,961.42	13,368.52	26,031.44	-257,416.21	-94,689.63

Greenbelt Development Corporation
Financial Statements
December 2022

Greenbelt Development Corporation
Balance Sheet
As of 12/31/2022

CURRENT ASSETS:		
Cash	\$ 376,936	
Accounts receivable (net)	(3,541)	
Intercompany receivable (GHI)	<u>46,877</u>	
	420,272	
Total current assets		\$ 420,272
 LAND	 26,573	
 PROPERTY & EQUIPMENT		
Buildings & improvements (net)	217,166	
Boiler equipment (net)	<u>131,962</u>	
Total property and equipment	349,129	
 OTHER ASSETS:		
Prepaid expenses	<u>3,425</u>	
Total land, property, equipment & other assets		<u>379,127</u>
TOTAL ASSETS		<u><u>\$ 799,399</u></u>
 LIABILITIES & EQUITY		
CURRENT LIABILITIES		
Accounts payable & accrued expenses	\$ 135,359	
Deposits & deferred revenue	<u>94,084</u>	
Total current liabilities	229,443	
Total liabilities		\$ 229,443
 EQUITY		
Capital stock	150	
Accumulated equity	550,598	
Net Income	<u>19,208</u>	
Total equity		<u>569,956</u>
TOTAL LIABILITIES & EQUITY		<u><u>\$ 799,399</u></u>

Greenbelt Development Corporation
Income Statement
For the Period Ending 12/31/2022

	Year-To-Date Actuals	Year-To-Date Budgets	Y-T-D Dollar Variance	Y-T-D % Variance	
INCOME					
Rental Income	\$ 659,820	\$ 659,820	\$ (0)	0.0%	tried to zero ou
Vacancy Loss	(17,176)	(25,730)	8,554	-33.2%	
	<u>642,643</u>	<u>634,090</u>	<u>8,553</u>	<u>1.3%</u>	
OTHER INCOME					
Garage Fee Income	44,470	44,470	-	0.0%	
Other Income	6,526	8,000	(1,474)	-18.4%	
Total Income	<u>693,640</u>	<u>686,560</u>	<u>7,080</u>	<u>1.0%</u>	
EXPENSES:					
Contract Work	(A) 68,198	66,570	1,628	2.4%	
Materials	(B) 63,426	54,590	8,836	16.2%	
Electricity	(C) 20,291	15,000	5,291	35.3%	
Gas	18,377	16,700	1,677	10.0%	
Water	(D) 26,479	16,500	9,979	60.5%	
Licenses/Permits	7,200	7,200	-	0.0%	
Insurance	23,530	23,530	0	0.0%	
Telephone	2,057	1,200	857	71.4%	
Real Estate Taxes	(E) 67,175	90,000	(22,825)	-25.4%	
Labor	108,258	108,000	258	0.2%	
Management Fee	202,260	202,260	-	0.0%	
Legal/Professional	8,085	8,100	(16)	-0.2%	
Bad Debts Expense	(F) 16,550	3,500	13,050	>100%	
Interest Expense	708	0	708	>100%	
Depreciation	37,542	38,170	(628)	-1.6%	
Miscellaneous	0	100	(100)	-100.0%	
Total Operating Expense	<u>670,135</u>	<u>651,420</u>	<u>18,715</u>	<u>2.9%</u>	
Taxes	4,297	2,900	1,397	>100%	
Net Income	<u>\$ 19,208</u>	<u>\$ 32,240</u>	<u>\$ (13,032)</u>	<u>-40.4%</u>	

Greenbelt Development Corporation
Notes to Income Statement
For the Period Ending 12/31/2022

(A) Contract Work (Up 2.4%) \$ 1,628

Contract work through December consists of the following components:

	<u>Actual</u>	<u>Annual Budget</u>
• Janitorial	\$16,605	\$18,000
• Fire protection	1,075	1,850
• Boiler maintenance & repair	15,829	6,000
• Home inspection (lead testing)	3,561	4,720
• Solid Waste Disposal	2,527	5,300
• Chemical management	2,480	2,400
• Landscape work	5,368	6,500
• Unit patch, paint and renovation	13,039	14,000
• Bathtub reglazing	1,914	1,500
• Parking Lot Repairs	5,800	-
• Vinyl composition hallways	-	6,300
Total contract work	\$68,198	\$66,570

(B) Materials (Up 16.2%) \$ 8,836

The unfavorable variance is due to higher costs of materials used in maintenance of the parkway apartments.

(C) Electricity (Up 35.3%) \$ 5,291

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

(D) Water (Up 60.5%) \$ 9,979

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

(E) Real Estate Taxes (Down 25.4%) \$(22,825)

This favorable variance reflects the actual bill significantly less than the budgeted amount.

(F) Bad debts (Up >100%) \$ 13,050

This unfavorable variance is due to the write off of uncollectible accounts. In these cases staff will seek to collect through a collection agency or attorney to recover a portion of the bad debt.

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

Greenbelt Homes, Inc.
Balance Sheet
12/31/2022

ASSETS

CURRENT ASSETS:

Cash	332,559	
Accounts receivable (net)	140,886	
Notes receivable	47,878	
Prepaid expenses	13,813	
	535,136	

OTHER CURRENT ASSETS

Accrued bond interest	54,404	
GHI controlled homes for sale	(A) 463,082	
Inventory	(B) 186,898	
	704,384	

Total current assets \$ 1,239,520

PROPERTY & EQUIPMENT

Land, buildings & improvements (net)	27,732,449	
Vehicles & operating equipment (net)	172,052	
	27,904,501	
Property and equipment		
Total property and equipment		27,904,501

OTHER ASSETS:

Investment in Sub-GDC	576,783	
Investment in NCB	885,137	
Investments (Bonds & Bond Fund)	(C) 13,383,233	
Total investments	14,845,153	

Total other assets 14,845,153

TOTAL ASSETS **\$ 43,989,174**

LIABILITIES & MEMBER EQUITY

CURRENT LIABILITIES

Accounts payable & accrued expenses	1,606,037	
Payroll liabilities	262,432	
Deposits & deferred revenue	228,934	
Total current liabilities	2,097,403	

Total liabilities 2,097,403

MEMBER EQUITY

Replacement reserves	(D) 8,670,891	
Contingency reserves	1,296,473	
Working capital	1,946,057	
Accumulated equity	(E) 29,978,350	

Total members equity 41,891,771

TOTAL LIABILITIES & MEMBER EQUITY **\$ 43,989,174**

Greenbelt Homes, Inc.
Notes to Balance Sheet
As of 12/31/2022

Assets

(A) 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.

(B) Inventory

A year end inventory count was performed the first week of January.

(C) Investments

Included in this line item are corporate bonds, treasury and agency securities which are listed at face value below:

Bond Issuer	Rate	Maturity	Face Value	Yield to
US T Bills (zero coup)	0.00%	2/23/23	3,600,000	4.20%
Allergan Inc	2.80%	3/15/23	200,000	3.70%
US T Bills (zero coup)	0.00%	4/27/23	3,000,000	4.40%
US T Bills (zero coup)	0.00%	11/2/23	1,000,000	4.70%
Fed Home Loan BA	4.75%	3/8/24	1,500,000	4.80%
Truist Bk	1.50%	3/10/25	750,000	5.00%
Lowes Cos	4.40%	9/8/25	750,000	4.70%
Mondelez Intl	3.63%	2/13/26	750,000	5.10%
Goldman Sachs	1.45%	9/14/26	500,000	5.90%
Fed Farm Cr Bks Bonc	5.48%	10/25/27	<u>1,500,000</u>	5.50%
Total			<u>13,550,000</u>	

The discount associated with these investments totaled \$318,930 at 12/31/2022. Also included is the Vanguard Short Term Bond Fund with a book value of \$152,163.

Equity

(D) Replacement Reserves

The components that make up replacement reserves are as follows:

Replacement Reserves- Frame	\$ 4,296,145
Replacement Reserves- Masonry	\$ 2,884,933
Replacement Reserves- Larger	\$ 198,741
Replacement Reserves-Additions	<u>1,291,072</u>
Total	<u><u>\$ 8,670,891</u></u>

(E) Accumulated Equity

The components that make up accumulated equity are as follows:

Unreserved Fund - Property and Equipment	\$ 27,904,501
Other Equity (includes unreserved operating and optional replacement reserves.)	<u>2,073,849</u>
Total	<u><u>\$ 29,978,350</u></u>

Greenbelt Homes, Inc.
Income Statement Summary
For the Period Ending 12/31/2022

	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	13,026,698	12,629,950	\$ 396,748	3.1%
	<u>13,026,698</u>	<u>12,629,950</u>	<u>396,748</u>	<u>3.1%</u>
Service income	(A) 673,427	577,660	95,767	16.6%
Other income	(B) 472,932	343,620	129,312	37.6%
	<u>1,146,359</u>	<u>921,280</u>	<u>225,079</u>	<u>24.4%</u>
Total receipts	<u>14,173,057</u>	<u>13,551,230</u>	<u>621,827</u>	<u>4.6%</u>
<u>EXPENSES:</u>				
Real estate taxes	4,819,899	4,622,651	197,248	4.3%
Trash collection	448,240	452,750	(4,510)	-1.0%
Insurance	555,350	566,040	(10,690)	-1.9%
Admin/BOD/Comm/Mbr	1,619,868	1,561,325	58,543	3.7%
Maintenance operations	4,144,167	4,000,101	144,066	3.6%
Transfer to reserves	2,550,954	2,550,954	-	0.0%
Total expenses	<u>14,138,479</u>	<u>13,753,821</u>	<u>384,657</u>	<u>2.8%</u>
Receipts over (under) expenses	<u>\$ 34,579</u>	<u>\$ (202,591)</u>	<u>\$ 237,170</u>	<u><-100%</u>
Depreciation member units	<u>\$ 1,238,420</u>	<u>\$ 1,214,000</u>	<u>\$ 24,420</u>	<u>2.0%</u>

Greenbelt Homes, Inc.
Notes to Income Statement Summary
For the Period Ending 12/31/2022

INCOME

(A)	Service Income (Up 16.6%)	\$	95,767
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This favorable variance is primarily due to collections for optional improvements.			
(B)	Other Income (Up 37.6%)	\$	129,312
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This favorable variance is primarily due to interest income which exceeded budget for the year and was partially offset by lower than budgeted income from Fee For Service activities.			

Greenbelt Homes, Inc.
Administration Summary
For the Period Ending 12/31/2022

	<u>Year-To-Date</u> <u>Actuals</u>	<u>Year-To-Date</u> <u>Budgets</u>	<u>Y-T-D Dollar</u> <u>Variance</u>	<u>Y-T-D %</u> <u>Variance</u>
<u>ADMIN EXPENSES:</u>				
Labor	913,629	912,400	\$ 1,229	0.1%
Fringe benefits	218,961	231,250	(12,289)	-5.3%
Office supplies/postage	34,259	35,500	(1,241)	-3.5%
Copier	14,580	15,250	(670)	-4.4%
Telephone	34,598	38,200	(3,602)	-9.4%
Hiring & training	(A) 40,245	32,000	8,245	25.8%
Temp & prof help	(B) 58,474	21,900	36,574	>100%
Legal	(C) 34,775	28,000	6,775	24.2%
Annual audit	16,500	19,000	(2,500)	-13.2%
Assoc. dues & conferences	(D) 5,948	2,500	3,448	>100%
Board/Audit/Committees	(E) 33,685	51,975	(18,290)	-35.2%
Members' expenses	8,585	8,000	585	7.3%
Utilities	(F) 41,551	26,000	15,551	59.8%
Personal Property tax	(G) 12,893	5,500	7,393	>100%
Depreciation	36,115	28,800	7,315	25.4%
Other	7,507	7,850	(343)	>100%
Information technology services	(H) 107,564	97,200	10,364	10.7%
Total admin	<u>\$ 1,619,868</u>	<u>\$ 1,561,325</u>	<u>\$ 58,543</u>	<u>3.7%</u>

Greenbelt Homes, Inc.
Notes to Administration Summary
For the Period Ending 12/31/2022

(A) Hiring & Training (Up 25.8%)	\$ 8,245
This unfavorable variance is directly related to filling vacant positions in this difficult employment market. As a result, job posting costs and background check costs are higher.	
(B) Temp & Prof Help (Up >100%)	\$ 36,574
This unfavorable variance results from temporary staffing necessary to meet the operational needs of the organization due to vacancies.	
(C) Legal (Up 24.2%)	\$ 6,775
This unfavorable variance is directly related to increased legal activities during 2022 than budgeted.	
(D) Assoc. Dues & Conferences (Up >100%)	\$ 3,448
This unfavorable variance is primarily due to charges for I Contact. None in 2021.	
(E) Board/Audit/Committee (Down 40.6%)	\$ (18,290)
This favorable variance is results from expenses not incurred by various committees during 2022.	
(F) Utilities (Up 59.8%)	\$ 15,551
This unfavorable variance is a combinations of rate increases as well as the additional time it has taken to receive solar credits. Distribution Charge rate increased 60% and Energy Charge rate increased 13%. We began recieving solar credits in early 2023.	
(G) Personal Property (Up >100%)	\$ 7,315
This unfavorable variance is due personal property taxes billed by the City of Greenbelt which were notpreviously budgeted.	

Greenbelt Homes, Inc.
Maintenance Summary
For the Period Ending 12/31/2022

	<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	2,100,832	2,117,000	\$ (16,168)	-0.8%
Fringe benefits	718,966	713,600	5,366	0.8%
Materials	310,959	264,300	46,659	17.7%
Contract work	(A) 845,429	704,076	141,353	20.1%
Vehicles	(B) 108,676	128,225	(19,549)	-15.2%
Dumpsters	(C) 21,661	30,000	(8,339)	-27.8%
Uniforms	(D) 13,301	17,000	(3,699)	-21.8%
Submeter court lights	(E) 13,186	10,000	3,186	31.9%
Depreciation	11,156	15,900	(4,744)	-29.8%
Total maintenance	<u>\$ 4,144,167</u>	<u>\$ 4,000,101</u>	<u>\$ 144,066</u>	<u>3.6%</u>

Greenbelt Homes, Inc.
Notes to Maintenance Summary
For the Period Ending 12/31/2022

(A) Contract Work (Up 20.1%) **\$ 141,353**

Contract work performed through December:

	Y-T-D Actual	Annual Budget
Bathtub reglazing	\$ 23,311	\$ 18,000
Swale & drainage	14,681	25,000
Janitorial	25,977	26,750
Landscaping	57,250	67,275
Gutter cleaning	77,820	77,000
Parking lot repairs	61,000	45,500
Fire and security	5,689	5,750
Pest control	40,061	36,000
Fee for service	12,036	69,000
Renovations/repairs	98,029	137,800
Tree trimming	429,051	175,000
Asbestos remediation	-	2,000
Miscellaneous	524	19,000
	\$ 845,429	\$ 704,075

(B) Vehicles (Down 15.2%) **\$ (19,549)**

This favorable variance is primarily due to repairs were lower than expected.

(C) Dumpsters (Down 27.8%) **\$ (8,339)**

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

(D) Uniforms (Down 21.8%) **\$ (3,699)**

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

(E) Submeter Lights (Up 31.9%) **\$ 3,186**

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