

NOTICE OF MEETING AND AGENDA

GHI FINANCE COMMITTEE

THURSDAY, NOVEMBER 12, 2020, TIME 5:30 PM

VIRTUAL ZOOM MEETING

1. Discussion of agenda
2. Discussion of minutes – September 24, 2020
3. Discussion of aged receivables – October 2020
4. Review 3rd Quarter Financial Statements GDC & GHI

Supporting Documents:

- a) Minutes – September 24, 2020
- b) Aged receivables – October 2020
- c) 3rd Quarter Financial Statements GDC & GHI

Chuck Hess
Chair

Distribution:

Committee Members: Bozzi, Hess, James, Jones, Miller
Board of Directors and Audit Committee
Caruso, Fishler, T. Jones, Kahn, Kroll, Lester, McClellan, Morse, Schmidt, Wilhelm
Eldon Ralph, General Manager
Joe Perry, Director of Finance (Staff Liaison)
Greg Eck, Accounting Manager

GHI FINANCE COMMITTEE MEETING NOTES 2020

Date of Meeting: September 24, 2020

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Attending:

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

Guest: Molly Lester

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

Greg Eck, Accounting Manager

Eldon Ralph, General Manager

Meeting called to order by Chair, Chuck Hess, at 5:00 pm.

1. Agenda: Was it revised? No.

Motion to approve by: Jones

Seconded: Miller

Motion carried: 5-0

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

Move to approve the minutes of the September 10, 2020 meeting.

Motion by: Bozzi

Seconded: Jones

Motion carried: 5-0

3. Aged Receivables

No Action

4. Agenda item description: Discussion of Summary Fee Schedule

Action Taken: The Finance Committee recommends the Board of Directors implement the following fees for permits: Permits for additions be charged \$300 and permits for other modifications be charged \$100.

Motion by: Jones

Seconded: Miller

Motion carried: 5-0

Action Taken: The Finance Committee recommends the Board of Directors implement the following rent increase for GDC: Efficiency size apartments should be increased from \$809 to \$850 for leases of 1 year or more and month to month leases be increased to \$884.

Motion by: Jones

Seconded: Bozzi

Motion carried: 5-0

5. Agenda item description: Discussion and recommendation for unreserved operating fund

No Action Taken

6. Next Meeting: Will be held on October 8, 2020 at 7:00 pm.

7. Meeting adjourned at 7:01 pm.

Move to adjourn.

Motion by: Jones

Seconded: Bozzi

Motion carried: 5-0

Respectfully submitted,

Joseph Perry, Jr.

Greenbelt Homes Inc.
Accounts Receivable Aging
Report as of 10/31/2020

Home Type	Totals	30 Days	60 Days	>60 Days
Frame Homes	\$ 57,140	\$ 33,797	\$ 6,227	\$ 17,117
Larger Homes	123	123	-	-
Masonry Homes	15,218	6,169	2,384	6,666
Totals	<u>\$ 72,482</u>	<u>\$ 40,089</u>	<u>\$ 8,610</u>	<u>\$ 23,783</u>

COVID-19 - \$16,258 (11-frame, 4-masonry)

Greenbelt Homes Inc.
Accounts Receivable Aging Distressed Units
Report as of 10/31/2020

Home Type	Totals	30 Days	60 Days	>60 Days
Frame Homes	\$ 26,776	\$ 1,334	\$ 1,334	\$ 24,108
Larger Homes	-	-	-	-
Masonry Homes	16,295	1,092	1,062	14,142
Totals	<u>\$ 43,072</u>	<u>\$ 2,426</u>	<u>\$ 2,396</u>	<u>\$ 38,250</u>

Consists of 4 units (2-frame, 2-masonry)

Greenbelt Development Corporation
Accounts Receivable Aging
Report as of 10/31/2020

Home Type	Totals	30 Days	60 Days	>60 Days
Parkway Apts.	\$ 3,511	\$ 3,281	\$ 230	\$ -
	<u>\$ 3,511</u>	<u>\$ 3,281</u>	<u>\$ 230</u>	<u>\$ -</u>

GHI	Totals	30 Days	60 Days	>60 Days
As of 10/31/2020	\$ 115,554	\$ 42,515	\$ 11,006	\$ 62,033
As of 9/30/2020	\$ 110,177	\$ 33,940	\$ 16,307	\$ 59,930
As of 8/31/2020	\$ 134,056	\$ 34,493	\$ 48,124	\$ 51,439
As of 7/31/2020	\$ 231,751	\$ 196,372	\$ 8,593	\$ 26,786

GDC	Totals	30 Days	60 Days	>60 Days
As of 10/31/2020	\$ 3,511	\$ 3,281	\$ 230	\$ -
As of 9/30/2020	\$ 1,292	\$ 1,144	\$ 148	\$ -
As of 8/31/2020	\$ 3,146	\$ 3,071	\$ 75	\$ -
As of 7/31/2020	\$ 447	\$ 421	\$ 26	\$ -

GHI	Totals	30 Days	60 Days	>90 Days
includes 4 units	\$ 43,072	\$ 2,426	\$ 2,396	\$ 38,250
includes 10 units	\$ 47,573	\$ 6,442	\$ 10,535	\$ 30,595
includes 10 units	\$ 57,883	\$ 7,802	\$ 9,161	\$ 40,921
includes 10 units	\$ 50,082	\$ 9,161	\$ 18,235	\$ 22,686

Greenbelt Development Corporation
Financial Statements
September 2020

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Greenbelt Development Corporation
Balance Sheet
As of 9/30/2020

CURRENT ASSETS:		
Cash	\$ 256,398	
Accounts receivable (net)	<u>922</u>	
	257,320	
Total current assets		\$ 257,320
PROPERTY & EQUIPMENT		
Buildings & improvements (net)	134,291	
Boiler equipment (net)	<u>167,507</u>	
Total property and equipment	301,798	
Total property, equipment & other assets		<u>301,798</u>
TOTAL ASSETS		<u><u>\$ 559,118</u></u>
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
Accounts payable & accrued expenses	\$ 38,670	
Deposits & deferred revenue	<u>53,699</u>	
Total current liabilities	92,369	
Total liabilities		\$ 92,369
EQUITY		
Capital stock	150	
Accumulated equity	401,167	
Net Income	<u>65,432</u>	
Total equity		<u>466,749</u>
TOTAL LIABILITIES & EQUITY		<u><u>\$ 559,118</u></u>

**Greenbelt Development Corporation
Income Statement
or the Period Ending 9/30/2020**

	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	484,857	484,857	\$ -	0.0%
Vacancy Loss	(A) <u>(18,742)</u>	<u>(16,974)</u>	<u>(1,768)</u>	10.4%
	466,115	467,883	(1,768)	-0.4%
OTHER INCOME				
Garage Fee Income	32,377	33,354	(977)	-2.9%
Other Income	<u>6,793</u>	<u>6,939</u>	<u>(146)</u>	-2.1%
Total Income	<u>505,285</u>	<u>508,176</u>	<u>(2,891)</u>	-0.6%
EXPENSES:				
Contract Work	(B) 44,963	40,275	4,688	11.6%
Materials	41,217	38,502	2,715	7.1%
Electricity	10,446	11,250	(804)	-7.1%
Gas	10,157	12,850	(2,693)	-21.0%
Water	14,529	14,125	404	2.9%
Licenses/Permits	5,400	5,400	-	0.0%
Insurance	15,570	15,570	-	0.0%
Telephone	533	900	(367)	-40.8%
Real Estate Taxes	44,850	44,847	3	0.0%
Labor	81,165	81,162	3	0.0%
Management Fee	129,758	129,762	(4)	0.0%
Legal/Professional	5,773	6,075	(302)	-5.0%
Bad Debts Expense	(C) 6,967	2,627	4,340	>100%
Depreciation	22,875	22,878	(3)	0.0%
Miscellaneous	30	73	(43)	-58.9%
Total Operating Expense	<u>434,233</u>	<u>426,296</u>	<u>7,937</u>	1.9%
Taxes	(D) 5,620	-	5,620	>100%
Net Income	<u>\$ 65,432</u>	<u>\$ 81,880</u>	<u>\$ (16,448)</u>	-20.1%

**Greenbelt Development Corporation
Notes to Income Statement
or the Period Ending 9/30/2020**

(A) Vacancy Loss (Down 10.4%) \$ (1,768)

The number of vacant units by month are as follows: January (5), February (5), March (3) April (3), May (3), June (5), July (4), August (7), and September (4).

(B) Contract Work (Up 11.6%) \$ 4,689

Contract work for through September consists of the following components:

	<u>Actual</u>	<u>Annual Budget</u>
●Janitorial	\$ 15,205	\$ 17,700
●Fire protection	683	3,000
●Boiler maintenance & repair	890	5,000
●Home inspection (lead testing)	2,454	2,500
●Solid Waste Disposal	3,787	5,000
●Chemical management	1,755	2,600
●Landscape work	4,107	5,300
●Unit patch, paint and renovation	13,442	10,000
●Bathtub reglazing	578	1,200
●Eviction Costs	2,047	-
Total contract work	\$ 44,963	\$ 53,700

(C) Bad Debts Expense (Up > 100%) \$ 4,340

This unfavorable variance is due to the write off of two tenants accounts that exceed the current balance in the allowance for doubtful accounts.

(D) Taxes (up > 100%) \$ 5,620

This unfavorable variance is due to estimated state income taxes which will be included in the 2021 budget.

Greenbelt Homes, Inc.
Financial Statements
September 2020

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Greenbelt Homes, Inc.
Balance Sheet
9/30/2020

ASSETS

CURRENT ASSETS:

Cash	(A) \$ 8,933,594	
Accounts receivable (net)	153,475	
Notes receivable	62,292	
Prepaid expenses	68,600	
	9,217,961	

OTHER CURRENT ASSETS

Accrued bond interest	37,653	
GHI controlled homes for sale	(B) 177,953	
Inventory	133,973	
	349,579	

Total current assets \$ 9,567,540

PROPERTY & EQUIPMENT

Land, buildings & improvements (net)	21,508,791	
Vehicles & operating equipment (net)	94,531	
	21,603,322	
Property and equipment		
Total property and equipment		21,603,322

OTHER ASSETS:

Investment in Sub-GDC	466,749	
Investment in NCB	885,137	
Investments (Bonds & Bond Fund)	(C) 3,065,861	
	4,417,747	
Total investments		

Total other assets 4,417,747

TOTAL ASSETS **\$ 35,588,609**

LIABILITIES & MEMBER EQUITY

CURRENT LIABILITIES

Accounts payable & accrued expenses	861,496	
Payroll liabilities	160,700	
Deposits & deferred revenue	330,688	
	1,352,884	
Total current liabilities		

Total liabilities 1,352,884

MEMBER EQUITY

Replacement reserves	(D) 8,811,073	
Contingency reserves	440,242	
Working capital	1,786,323	
Accumulated equity	(E) 23,198,087	
	34,235,725	

Total members equity 34,235,725

TOTAL LIABILITIES & MEMBER EQUITY **\$ 35,588,609**

Greenbelt Homes, Inc.
Notes to Balance Sheet
As of 9/30/2020

Assets

(A) Cash

Cash balance includes \$8,289,369 of Federal Money Market fund on 9/30/2020.

(B) GHI Controlled Homes for Sale

As of 9/30/2020, GHI has three units for sale. Accumulated costs of \$177,953 to acquire as well as costs to prepare the units for resale will be recovered at settlement.

(C) Investments

Corporate bonds are scheduled to mature from 2021 through 2023 as follows: 2021-\$1.1M, 2022-\$1.6M, 2023-\$0.2M. Bond fund valued at \$152K.

Equity

(D) Replacement Reserves

As of 9/30/2020 the components that make up replacement reserves are as follows:

Replacement Reserves	7,664,208
Replacement Reserves-Additions	<u>1,146,865</u>
Total	<u>8,811,073</u>

(E) Accumulated Equity

As of 9/30/2020 the components that make up accumulated equity are as follows:

Unreserved Fund - Property and Equipment	21,603,322
Other Equity (includes unreserved operating and optional replacement reserves.)	<u>1,594,765</u>
Total	<u>23,198,087</u>

Greenbelt Homes, Inc.
Income Statement Summary
For the Period Ending 9/30/2020

	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	\$ 9,165,411	\$ 9,123,948	\$ 41,463	0.5%
	<u>9,165,411</u>	<u>9,123,948</u>	<u>41,463</u>	<u>0.5%</u>
Service income	(A) 434,268	406,962	27,306	6.7%
Other income	(B) 546,983	260,622	286,361	>100%
	<u>981,251</u>	<u>667,584</u>	<u>313,667</u>	<u>47.0%</u>
Total receipts	<u>10,146,662</u>	<u>9,791,532</u>	<u>355,130</u>	<u>3.6%</u>
<u>EXPENSES:</u>				
Real estate taxes	3,278,304	3,278,304	-	0.0%
Trash collection	339,561	339,561	-	0.0%
Insurance	423,122	426,105	(2,983)	-0.7%
Admin/BOD/Comm/Mbr	(C) 1,036,588	1,102,059	(65,471)	-5.9%
Maintenance operations	(D) 2,350,611	2,782,798	(432,187)	-15.5%
Transfer to reserves	1,822,108	1,822,104	4	0.0%
Total expenses	<u>9,250,294</u>	<u>9,750,931</u>	<u>(500,637)</u>	<u>-5.1%</u>
Receipts over (under) expenses	<u>\$ 896,368</u>	<u>\$ 40,601</u>	<u>\$ 855,767</u>	<u>>100%</u>
Depreciation member units	(E) \$ 809,263	\$ 519,750	\$ 289,513	55.7%

Greenbelt Homes, Inc.
Notes to Income Statement Summary
For the Period Ending 9/30/2020

INCOME

(A)	Service Income (Up 6.7%)	\$ 27,306
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This favorable variance is due to collections for optional improvements.		
(B)	Other Income (Up >100%)	\$ 286,361
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This favorable variance is primarily due to the collection of HIP optional improvement Income which will be offset by related HIP option expenses.		

EXPENSES

(C)	Admin/BOD/Comm/Mbr (Down 6.0%)	\$ (65,471)
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This favorable variance is primarily due to labor, fringe, hiring and training being below budgeted amounts.		
(D)	Maintenance Operations (Down 15.7%)	\$ (432,187)
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This favorable variance is due to job vacancies and the timing of contract work.		
(E)	Depreciation Member Units (Up 55.7 %)	\$ 289,513
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This unfavorable variance is due to a correction for depreciation which will continue through the end of 2020.		

Greenbelt Homes, Inc.
Administration Summary
For the Period Ending 9/30/2020

		<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	(A)	\$ 657,263	\$ 678,807	\$ (21,544)	-3.2%
Fringe benefits	(B)	116,161	151,963	(35,802)	-23.6%
Office supplies/postage		28,785	28,650	135	0.5%
Copier		10,675	11,550	(875)	-7.6%
Telephone		16,512	17,550	(1,038)	-5.9%
Hiring & training	(C)	18,011	27,450	(9,439)	-34.4%
Temp & prof help		25,644	26,350	(706)	-2.7%
Legal		31,630	29,700	1,930	6.5%
Annual audit		14,569	14,571	(2)	0.0%
Assoc. dues & conferences		4,770	2,500	2,270	90.8%
Board/Audit/Committees	(D)	17,323	22,383	(5,060)	-22.6%
Members' expenses		8,161	6,000	2,161	36.0%
Utilities	(E)	19,109	25,424	(6,315)	-24.8%
Personal Property tax		3,375	3,375	-	0.0%
Depreciation		9,038	9,036	2	0.0%
Other	(F)	1,016	5,200	(4,184)	-80.5%
Information technology services	(G)	54,546	41,550	12,996	31.3%
Total admin		<u>\$ 1,036,588</u>	<u>\$ 1,102,059</u>	<u>\$ (65,471)</u>	<u>-5.9%</u>

Greenbelt Homes, Inc.
Notes to Administration Summary
For the Period Ending 9/30/2020

(A) Labor (Down 3.2%)	\$ (21,544)
This favorable variance is primarily due to a timing difference which will offset in October which is a three payroll month.	
(B) Fringe (Down 23.6%)	\$ (35,802)
This favorable variance is primarily due to the actual number of employees enrolled and the actual medical, dental, and life insurance costs being below budgeted amount. This favorable variance will continue through year end.	
(C) Hiring and Training	\$ (9,439)
This favorable variance is due to the cancellation of Micromain training and other trainings that were cancelled due to Corvid.	
(D) Board/Audit/Committees (Down 22.6%)	\$ (5,060)
This favorable variance is related to timing of Board, audit, and other committee expenses which will be incurred in the third quarter.	
(E) Utilities (Down 24.8%)	\$ (6,315)
This favorable variance primarily due to timing differences in actual electrical usage.	
(F) Other (Down 80.5%)	\$ (4,184)
This favorable variance is due to timing differences of membership renewals.	
(G) Information technology services (Up 31.3%)	\$ 12,996
This unfavorable variance is due to the purchase and setup of laptops for the management team, advanced multifactor security setup, and the installation of an additional wireless router.	

Greenbelt Homes, Inc.
Maintenance Summary
For the Period Ending 9/30/2020

	<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>MAINT SUMMARY</u>				
Labor	(A) \$ 1,394,108	\$ 1,524,461	\$ (130,353)	-8.6%
Fringe benefits	398,803	411,939	(13,136)	-3.2%
Materials	(B) 124,743	191,259	(66,516)	-34.8%
Contract work	(C) 309,991	515,592	(205,601)	-39.9%
Vehicles	72,982	79,004	(6,022)	-7.6%
Dumpsters	(D) 16,630	29,259	(12,629)	-43.2%
Uniforms	10,714	12,753	(2,039)	-16.0%
Submeter court lights	6,560	6,597	(37)	-0.6%
Depreciation	16,080	11,934	4,146	34.7%
Total maintenance	<u>\$ 2,350,611</u>	<u>\$ 2,782,798</u>	<u>\$ (432,187)</u>	<u>-15.5%</u>

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Notes to Maintenance Summary
For the Period Ending 9/30/2020

(A) Labor (Down 8.6%) **\$ (130,353)**

This variance is primarily due to the following vacant positions: project manager, carpenter, and (2) plumbers.

(B) Materials (Down 34.8%) **\$ (66,516)**

Lower material usage corresponds with a higher inventory value.

(C) Contract Work (Down 39.9%) **\$ (205,601)**

Contract work performed through September::

	Y-T-D Actual	Annual Budget
Bathtub reglazing	\$ 29,518	\$ 18,000
Swale & drainage	\$ -	55,000
Janitorial	\$ 19,071	23,000
Landscaping	\$ 43,121	67,000
Gutter cleaning	\$ 28,470	60,000
Parking lot repairs	\$ -	40,000
Fire and security	\$ -	2,450
Pest control	\$ 25,138	36,000
Fee for service	\$ 4,931	26,000
Renovations/repairs	\$ 21,111	80,000
Tree trimming	\$ 134,991	160,000
Asbestos remediation	\$ 2,424	40,000
HIP Frame Optional improvements	\$ 1,217	-
	<u>\$ 309,991</u>	<u>\$ 687,450</u>

(D) Depreciation (Up 34.7%) **\$ 4,146**

This unfavorable variance is being researched by staff.