



Greenbelt Homes, Inc.
ANNUAL REPORT
2020-2021

BOARD OF DIRECTORS

Stefan Brodd, President
Steve Skolnik, Vice President
Chuck Hess, Treasurer
Ed James, Secretary
Bill Jones
Deborah McKinley
Susan Ready
Anna Socrates
Zoe Carter-Woodbridge

AUDIT COMMITTEE

Christopher Carbone
Sam Lee
Kathleen McNamara

MANAGEMENT

Eldon Ralph, General Manager
Tom Sporney, Assistant General Manager
George Bachman, Director of Maintenance
Neron Adams-Escalera, Director of Member Services
Maesha McNeill, Human Resources Manager
Joseph Perry Jr., Director of Finance
Joe Wiehagen, Director of Homes Improvement Program
Stuart Caplan, Director of Technical Services

2020-2021 Annual Report

TABLE OF CONTENTS

	Page
President's Report →	1
General Manager's Report →	2
Audit Committee Report →	9
Treasurer's Report →	10
Investment Committee's Report →	12
Independent Auditor's Report →	13

Financial Statements:

Consolidated Balance Sheet →	15
Consolidated Statements of Income →	16
Consolidated Statements of Members' Equity →	17
Consolidated Statements of Cash Flow →	18
Notes to Financial Statements →	19
Future Major Repairs and Replacements →	28

GHI Mission Statement *(on back cover)*

President's Report

Dear fellow GHI members,

I suppose every possible adjective has been employed in describing the year 2020. Though I served as your President only for the last two months of it, it is my privilege to offer you a report for the entire year.

To begin, I offer my sincere thanks to our dedicated GHI staff who, except for a necessary pause at the beginning of the pandemic, worked so diligently throughout the year, adhering to strict protocols with the safety of both members and staff in mind. I hope you will join me in expressing your gratitude to all of our employees and, in particular, to our General Manager Eldon Ralph, who persevered in maintaining the operations of our cooperative in as close to normal a manner as possible through such difficult circumstances.

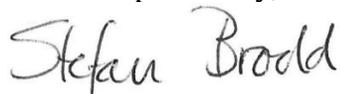
Second, I would invite us all to celebrate the successful completion of our Homes Improvement Program, the largest and most comprehensive such program we have undertaken in almost forty years. I hope that each of you is enjoying the improvements to your home, as well as the beautiful appearance we present to members and visitors alike. Many thanks to our dedicated HIP staff, especially Director Joe Wiehagen, for their fortitude, patience, and hours of challenging work.

Third, I would acknowledge the generosity of many GHI members in contributing funds to help members who were financially affected by the pandemic. This effort, I believe, was an example of cooperative living at its best. Thanks to all of those who organized this program and to those who contributed to it.

Fourth, thanks to my fellow Board members, especially Steve Skolnik who served us so well as President, members of the Audit and Nominations and Elections Committees, and all of our members who served on the committees and task forces that are so important to our successful functioning.

The year 2021 will, as every year, bring its share of challenges and rewards. I close with an appeal to each of you to consider how you can offer your gifts and talents this year to make the cooperative we all cherish an even better place to live, grow, and enjoy.

Yours cooperatively,



Stefan



2020 General Manager's Annual Report

2020 was the kind of year that we never could have imagined. Due to the Covid-19 pandemic, Maryland Governor Larry Hogan declared a state of emergency and a statewide “lockdown” on March 23, 2020, that required closure of all “non-essential” businesses. Building and property maintenance companies such as GHI were exempt from closure. However, in the interest of preserving the health and safety of our staff and members, we implemented the following measures from March 23, 2020, until June 8, 2020, when Prince George’s County lifted the “lockdown”:

- The Administration Building was closed to members and visitors. Department Directors communicated with members via email and by telephone.
- Maintenance employees and contractors provided only emergency services to members. Reviews of new permit applications for building improvements were suspended.
- The start of the 2020 Homes Improvement Program was postponed.

By instituting Covid-19 risk control procedures in the workplace, we were able to fully reopen for business on June 8, 2020, and provide uninterrupted services for the remainder of the year.

Despite the unique challenges of the past year; we accomplished most of our goals. This report provides a snapshot of our major accomplishments.

Homes Improvement Program (HIP)

The 2020 phase of the HIP began in mid-June, shortly after the coronavirus lockdown was lifted. Prior to the start of the work, the Buildings Committee and staff conducted three virtual meetings with members to discuss the work scope and protocols that would be followed as a result of the coronavirus, and to assist them in making timely selections of optional components.

Due to the late start in 2020, the HIP will be completed in April 2021. Planning for the HIP began in 2008 when the Board of Directors, Buildings Committee, Finance Committee, staff, and the Homes Innovation Research Labs (H.I.R.L.) engaged in a thorough and collaborative process to determine its scope. The construction phase began in 2016; its successful accomplishment can be attributed to several factors:

- The prudent decision by the Board and membership to hire contractors on multi-year contracts.
- Dedicated HIP staff who administered the project, comprised of HIP Director Joe Wiehagen, Assistant Manager Tom Sporney, Project Managers Daniel Cuervo, Sowah Odoi-Atsem, James Thorpe, and Technical Assistant Joe Robbins.
- Maintenance support staff who spent over 2,000 hours each year, removing and

reinstalling items in members' units, undertaking structural repairs and electrical alterations, repainting electric meter panel assemblies, and landscape restoration.

- Competent HIP contractors.

In 2019, the Board decided to allow members whose units received improvements during the first four years of the HIP the opportunity to select components during the final HIP Year in 2020. The table below is a summary of the contracted costs of the various components installed in homes included in the year 2020 cohort and in homes that previously received improvements in 2016 to 2019.

HIP Cost Summary	2020 Cohort	For Homes that Previously Received Improvements
Reserves Total	\$2,674,422	\$38,230
Windows	\$957,378	\$10,112
Doors	\$503,883	\$23,486
Siding	\$635,431	\$0
Baseboard Heaters	\$249,408	\$2,133
Addition Maintenance Program (AMP) - Envelope	\$314,337	\$2,499
AMP - Baseboard Heaters	\$13,985	
Member Options Total	\$1,807,537	\$636,117
Wall Insulation Option	\$247,390	\$6,601
Envelope Options	\$279,695	\$70,102
Electric Options	\$145,992	\$39,004
Heat Pump Option	\$831,340	\$431,440
Attic Insulation Option	\$303,120	\$88,970
Rebate Value	(\$609,340)	(\$203,993)
Total HIP (without rebates)	\$4,481,959	\$674,347
Total HIP (including rebates)	\$3,872,619	\$470,354

Asbestos Remediation/ Improvement Projects for Crawlspace

During 2017-2019, GHI hired contractors to remove and dispose of asbestos materials from the crawlspaces of masonry and frame homes. The final phase of the work in 2020 involved the removal of asbestos materials from crawlspaces of four (4) frame buildings. In addition, asbestos materials were removed from an abandoned heating pipe in the attic of one single family home on Woodland Way. The overall cost of this work in 2020 was \$105,495.

During 2021, the crawlspace improvement program will be completed after new vapor barrier materials are installed in crawlspaces of the following buildings:

- Four (4) frame buildings.
- Four (4) single-family units located on Woodland Way.
- Two additions to masonry units that were inaccessible at the time improvements were done to crawlspaces of the main units.

During 2021, members in the frame home group are contributing \$220,000 for crawlspace improvements and asbestos remediation work that were done; staff estimates that at this rate of annual contributions, the financial obligations for these projects will be fully satisfied by the end of 2026, at which time the contingency reserve fund balance for frame homes will be fully restored to ten percent of the annual operating budget.

Human Resource Management

The 2020 budget included salaries and benefits for 45.5 full-time employees. Due to employee attrition, ten (10) new employees were hired, and all job vacancies filled by December 1, 2020. Peter Joseph, a Project Manager in the Technical Services Department retired in May 2020 after serving GHI for 19 years. John French was hired to replace him.

In-person attendance at training seminars was restricted because of the Covid-19 pandemic; however, employees undertook the following training programs:

Certified Professional Purchasing Manager	One employee
Community Association Institute Webinar - Mental Illness	One employee
Business Writing & Grammar Skills	One employee
Management & Leadership skills	One employee
Managing Multiple Priorities, Projects, Deadlines	One employee
Continuing Education for the Certified Public Accounting Designation	One employee
Community Association Institute Exposition and Conference	One employee
CAI webinar re: executing virtual Board and membership meetings	Two employees
National Association of Housing Cooperatives Virtual Summit	One employee
Common Ownership Community Conference re: COVID-19	One employee
Three (3) safety meetings	All maintenance employees

HR Director Maesha McNeill implemented BambooHR - a computerized human resource information system (HRIS) that is being used to manage all aspects of the employee lifecycle.

The HR department hosted a virtual appreciation luncheon in September and a virtual holiday party in December for staff.

Financial Services

GHI's Finance Department is staffed by four persons who provided the following services:

- Processed 21,725 accounts receivable transactions.
- Handled 6,654 accounts payable transactions.
- Processed 2,318 payroll and employee benefit transactions.
- Reconciled differences between actual and monthly payments and real estate tax invoices for 1,697 accounts.
- Processed 105 Intent to Sell forms. Facilitated settlements for 93 units that were sold and prepared 15 new Mutual Ownership Contracts for units that were refinanced.
- Conducted 48 pre-purchase orientation meetings; forty-four (44) of these were virtual presentations due to restrictions on in-person meetings imposed by the COVID-19 pandemic.

Staff and the Board continued to closely monitor and take appropriate actions to keep our accounts receivables to a low level. The total GHI accounts receivable balance excluding HIP optional invoices at the end of 2020 was \$87,440. The Board of Directors implemented a fee-deferral program for members who were financially affected because of the Covid-19 pandemic.

In 2020, GHI was unsuccessful in its efforts to obtain loans from the Federal Paycheck Protection Program (PPP) and Prince George's County's version of the PPP; however, earlier in 2021, we received a Federal PPP loan of \$689,575 after housing co-ops became eligible during the second round of disbursements.

Greenbelt Development Corporation (GDC), a subsidiary of GHI, owns 60 apartments that are located on Parkway. The GDC accounts receivable balance at the end of 2020 was \$3,027, which was a favorable position, considering a GDC budgeted rental income of \$646,470 in 2020 and the severe financial effects that other apartment complexes across the nation have experienced as a result of the Covid-19 pandemic. GDC earned a net income of \$85,373 in 2020.

The external auditor's report regarding the consolidated financial statements of GHI for the year ending December 31, 2020, did not cite any significant deficiencies or difficulties while performing and completing the audit.

Member Services

GHI's Member Services Department is staffed by three persons who were involved in the handling of: 22 neighbor relations issues, 23 yard maintenance complaints, 7 animal related complaints, 24 interior home inspections, 9 complaints about unoccupied units, 69 parking issues, 33 leases of garages, 2 leases of boat lots, 8 leases of GHI units, 6 member complaint panel hearings, 3 informal complaint hearings, and 2 formal complaint hearings.

Last October, the Manager’s office and Member Services Department coordinated the logistics for GHI’s first ever hybrid (in-person and virtual) annual membership meeting, which allowed a large number of members to participate from remote locations.

Several senior management staff served on a Board-appointed task force that recommended the selection of Yardi Voyager, an integrated property management system that contains an outward-facing member portal to allow members to make certain requests, update contact information on a timely basis, and receive information and updates from staff. With GHI’s current public-facing website, GHI displays a large amount of information, accessible to any person on the web. The member portal on Yardi will limit access to this type of information to members only. The Yardi system will be installed this year.

GHI took possession of 2 units and one member voluntarily assigned a unit to GHI; the units were repaired and resold.

Maintenance Services

Maintenance staff completed 12,437 work orders in 2020. A breakdown of some of the major work categories is as follows:

After-hours emergency services (work orders)	365
Crawlspace inspections (work orders)	502
Fee-for-service requests (work orders)	332
HVAC and boiler repairs (work orders)	146
Miscellaneous plumbing repairs (work orders)	3951
Pest control services (work orders)	931
Sump pumps repaired/replaced (quantity)	187
Tree maintenance services (work orders)	416
Tubs reglazed (quantity)	60
Water heaters replaced (quantity)	71

Maintenance staff administered contractors who provided the following services:

- Common area mowing and landscaping.
- Janitorial services at GDC and the GHI Administration building.
- Monthly inspections of trees in common areas to identify hazards.
- Maintenance of fire alarm systems at GDC and the GHI Administration building.
- Pest and wildlife control.
- Planting 41 sapling trees in parcel 2 behind the Administration building to replace trees that Pepco removed during its community-wide vegetation management program in 2019-20; Pepco financed this project.
- Pre-sale repairs of three GHI units and pre-rental repairs of seven GDC apartments.
- Servicing of HVAC equipment at the GDC apartments and larger homes.

- Solid waste disposal services at GDC and the GHI Administration Building.
- Tub reglazing.

Technical Services

Technical Services staff prepared specifications, obtained bids, and administered the following contracts during 2020:

Administration Building access control & security system (see 1 below)	\$85,286.50
Administration Building HVAC – design services and installation (see 2 below)	\$198,414.50
Electronic key management system (see 3 below)	\$33,514.44
Masonry crack repairs for 22 units	\$59,375.00
Parking lot rehabilitation program	\$35,840.00
Replacement of air conditioners for 3 larger homes	\$9,520.00
Replacement of roofs for 3 additions	\$24,422.40
Replacement of roofs for 64 frame units	\$169,757.00
Spring and fall concrete sidewalk repairs	\$62,595.58
Spring and fall gutter cleaning	\$63,690.00
Underground utilities & storm water drainage improvements	\$231,645.00
Water damage repairs at 4 units	\$103,542.71
Total cost	\$1,077,603.13

1. In 2018, the Board created an Administration Building Security Task Force to investigate and consider how best to address issues related to the physical security and workplace safety of GHI staff and members in and around the GHI administration building. The task force recommended the installation of an access control system for doors and gates within the Administration Building Complex.
2. The HVAC system for the Administration Building was originally installed in 2001. The new design is a constant air volume control system that integrates hydronic baseboard heaters within five zones with a rooftop heat pump unit for each zone.
3. The new electronic key management system greatly enhances the security of keys for members’ homes. The software keeps track of keys that are out, and the employees with those keys.

Technical Services staff also reviewed and issued a total of 114 permits to members for various home improvements as follows:

Additions	2
General alterations	13
Roof	1
Bathrooms	11
Decks	3
Electrical	14
Exterior	8
Fences	9
Handicap fixtures	1

HVAC	11
Insulation Improvements	1
Kitchens	13
Laundries	2
Patios	5
Plumbing	1
Porches	2
Sheds	12
Windows/doors	5

Conclusion

In the 2017-2018 annual report, I stated that two long-time members had remarked that the pace of GHI's operations was the most demanding that they had witnessed in over thirty years, primarily because of "once-in-a lifetime" projects such as the Homes Improvement Program and Asbestos Abatement Projects that were underway. I mentioned that such heightened activity would continue until the end of 2020 when those projects were completed. Working together in a cooperative spirit, we (the Board, committees, staff, and the membership) have successfully navigated the challenges of the past five years and the state of our cooperative is strong and healthy. I thank you for supporting our staff and continually welcome your feedback about the services you receive and ideas about ways they can be improved.

Sincerely yours,



2021 Annual Audit Committee Report

Generally, the Audit Committee consists of three members elected to serve a one-year term. In this unusual year, GHI's annual meeting was not held until October 29, 2020. Therefore, this year's Audit Committee members served an approximately six-month term. All three members were first-year committee members. Our duties were to monitor the operations of GHI, as described in Article VII Section 2 of the GHI bylaws. The Audit Committee has an annual budget of \$7,500, of which nothing was spent this year.

Committee Actions:

Each action was completed via remote video conference.

- At least one Audit Committee member attended:
 - Each Board of Directors Executive and Regular Session meetings.
 - All Complaint Panel meetings
- The Audit Committee met with the financial auditor ahead of the annual audit.

Committee Suggestions:

As GHI members who serve as observers in both open and closed board and panel sessions, we have provided the Board with a list of suggestions that we hope they may consider. A high-level report of those recommendations are:

- *Improve GHI Communication:* We recommend that the GHI website should be updated to make it easy for members to find information, including which staff or volunteers should be contacted in specific scenarios.
- *Clarify and Streamline Rules:* We recommend that the Board review or direct a taskforce to review GHI rules with the goal of streamlining, modernizing, and where possible, eliminating unnecessary regulations. We believe the Board should be conscientious of creating a system that relies on exceptions as the perception of an arbitrary application of rules to different members could pose a liability to GHI.
- *Shorten Board Meetings:* We recommend that the Board take steps to reduce the length of Board of Directors Regular and Executive Session meetings to make it easier for more members to participate in meetings and in elected positions.
- *Improve GHI Staffing Levels:* It has come to our attention that GHI has had trouble recruiting and retaining talent in certain roles. We recommend that the Board take action to better understand the causes and develop actionable solutions to the issue.

Respectfully Submitted by Audit Committee Members:

Christopher Carbone
Sam Lee
Kathleen McNamara



Treasurer's Report 2020/2021

Financial Condition

The 2020 GHI Summary Income Statement is included with this report. There are notes concerning the variances from the 2020 Budget of 10% and \$10,000. Details of each budgeted line item are included in the 2020 Budget booklet that is available to all members at the GHI Administration Office and www.ghi.coop.

The overall financial condition of GHI remains strong. In April of 2021 we will have finished the Homes Improvement Program with total expenditures exceeding \$21,378,150 all of which were funded from our replacement reserves. That means there was no need to borrow money for this program, which is a tremendous accomplishment.

2021 Budget:

The 2021 Budget of \$13,892,651 was adopted on November 19, 2020, with member fee increases averaging 2.9% for frame homes, 3.8%, for larger homes, and 2.1% for masonry homes. The variation between home groups was because of differences in the projected real estate taxes and specific maintenance activity for each of the three home groups.

Real Estate Taxes:

Real estate taxes are based on the actual Prince George's County invoice for each home. In September, members were notified of a reconciliation adjustment which occurred at the end of the year. That reconciliation adjusted the amount paid by the member for the year to their actual cost. The Finance Department completed applying reconciliation amounts for each unit in November so they could be reflected in member accounts in December. Those who paid too much during the year had a credit and therefore paid less in December while those who did not had to pay more in December.

Home Sales:

In 2020 we had ninety-three homes sold compared to the eighty-four in 2019. First quarter activity in 2021 is nearly as high as the same time in 2020 which was extraordinary considering it all occurred during a worldwide pandemic. GHI remains an attractive community for people in all stages of life.

Future Activity:

In February 2021, the cooperative received \$689,575 in funding from National Cooperative Bank as part of the Paycheck Protection Program sponsored through the Small Business Administration. The funding is a low interest loan which can qualify as a grant if used for approved business expenses. We fully expect the utilization of these funds to be approved thereby qualifying this loan to be converted into a grant for the cooperative.

Chuck Hess, 2020/2021 Treasurer

Greenbelt Homes, Inc.
Income Statement Summary
For the Period Ending 12/31/2020

	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	\$ 12,137,679	\$ 12,165,265	\$ (27,586)	-0.2%
	12,137,679	12,165,265	(27,586)	-0.2%
Service income	580,760	542,610	38,150	7.0%
Other income	(A) 1,386,710	356,740	1,029,970	>100%
	1,967,470	899,350	1,068,120	>100%
Total receipts	14,105,149	13,064,615	1,040,534	8.0%
<u>EXPENSES:</u>				
Real estate taxes	4,321,143	4,371,073	(49,930)	-1.1%
Trash collection	452,748	452,750	(2)	0.0%
Insurance	(B) 494,121	568,140	(74,019)	-13.0%
Admin/BOD/Comm/Mbr	(C) 1,892,289	1,495,325	396,964	26.5%
Maintenance operations	3,625,159	3,747,850	(122,691)	-3.3%
Transfer to reserves	2,429,477	2,429,477	-	0.0%
Total expenses	13,214,937	13,064,615	150,322	1.2%
Receipts over (under) expenses	\$ 890,212	\$ -	\$ 890,212	N/A
Depreciation member units	(D) \$ 1,067,384	\$ 693,000	\$ 374,384	54.0%

Greenbelt Homes, Inc.
Notes to Income Statement Summary
For the Period Ending 12/31/2020

INCOME

(A)	Other Income (Up > 100%)	\$ 1,029,970
	This favorable variance is due to HIP optional improvements. The HIP optional improvements which were purchased have been capitalized.	

EXPENSES

(B)	Insurance (Down 13%)	\$ (74,019)
	This favorable variance is due lower premiums than budgeted.	

(C)	Admin/BOD/Comm/Mbr (Up 26.5%)	\$ 396,964
	This unfavorable variance is directly related to an adjustment to significantly reduce the cooperative's deferred tax benefit. Since the likelihood that GHI will have to pay federal income taxes in the foreseeable future is remote, the deferred tax asset has been reduce accordingly.	

(D)	Depreciation member units (Up 54%)	\$ 374,384
	This unfavorable variance is related to adjustments made to the depreciation schedule of member units which were not included at the time the 2020 budget was approved in November 2019.	

Investment Committee Report as of December 31, 2020

The Investment Committee has the responsibility of investing funds on behalf of Greenbelt Homes, Inc. (GHI). Those funds include amounts that are set aside for replacement reserves. Building components (roofs, windows, doors, hot water heaters, for example) wear out. GHI has a plan for their replacement, and has set up a replacement reserve fund to take care of future capital costs. Members' coop fees include the cost of maintaining an adequate reserve to meet this need. The replacement reserve plan was updated by a consultant in 2018.

As of December 31, 2020, GHI held \$9,935,960 in investments and cash equivalents. Our investment portfolio was comprised of individual corporate bonds, Vanguard Short Term Investment Grade Fund Admiral Shares (VFSUX), a Federal Money Market Fund (VMFXX), and a bank sweep account with Lafayette Investments.

Net income from Greenbelt Development Corporation (The Parkway Apartments) totaled \$85,373 for 2020.

GHI income from investments totaled \$140,917 for 2020. The interest rates on individual bonds held in GHI's bond ladder currently range between 2.25% and 5.5% of face value for a weighted average of 3.75%. The aggregate market value of these bonds was \$2,991,372. As of December 31, 2020, the one-year return was 5.25% for the VFSUX and 0.45% for the VMFXX. Cash sweep account annual percentage yield earned was 0.01%.

We have received legal advice that we must keep most of the funds in investments backed by the US government unless we hire a suitable investment advisor. The Investment Committee is currently looking into addressing this matter.

Corporate Bond Investments					
<u>Face Value</u>	<u>Company Name</u>	<u>Coupon</u>	<u>Maturity</u>		
300,000	General Electric Cap	5.300%	02/11/21	\$ 2,900,000	Total Corporate Bonds
100,000	Kinder Morgan Energy	3.500%	03/01/21	15,007	Unamortized Bond Premium
200,000	Nextera Energy Capital	4.500%	06/01/21	(7,437)	Unamortized Bond Discount
300,000	Reinsurance Group of Ame	5.000%	06/01/21	153,117	Vanguard ST Investment Grade Fund (VFSUX)
200,000	Hewlett-Packard Co	4.650%	12/09/21	3,060,687	Total Investments
300,000	Occidental Petroleum	3.125%	02/15/22		
300,000	Apache Corp	3.250%	04/15/22		Cash & Cash Equivalent
100,000	Omnicom Group Inc.	3.625%	05/01/22	6,839,975	Vanguard Federal Money Market (VMFXX)
300,000	Baxter International	2.400%	08/15/22	35,298	Cash sweep (Lafayette)
200,000	Broadcom Corp	2.500%	08/15/22	6,875,273	Total Cash & Cash Equivalent
200,000	Block Financial	5.500%	11/01/22		
200,000	General Dynamics	2.250%	11/15/22	\$ 9,935,960	Total Investments and Cash Equivalents
200,000	Allergan Inc.	2.800%	03/15/23		
\$ 2,900,000				Total Corporate Bonds	

National Cooperative Bank stock of \$885,000 recorded at cost not included above.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Greenbelt Homes, Inc.
Greenbelt, Maryland

We have audited the accompanying financial statements of Greenbelt Homes, Inc., which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of income, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

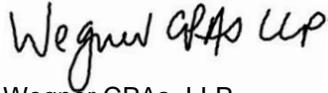
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greenbelt Homes, Inc. as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements on page 16 be presented to supplement the financial statements. Such information, which is the responsibility of management, is presented for the purpose of additional analysis. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, flowing style.

Wegner CPAs, LLP
Madison, Wisconsin
April 9, 2021

GREENBELT HOMES, INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash (Note 2)	\$ 7,623,727	\$ 7,462,525
Accounts receivable - net	632,911	547,042
Inventory	124,378	90,753
Prepaid expenses	13,038	27,484
Current portion of notes receivable	3,811	4,234
Total current assets	8,397,865	8,132,038
OTHER ASSETS		
Accounts receivable - noncurrent (Note 3)	34,225	33,303
Notes receivable - less current portion	18,668	22,087
Homes for sale (Note 4)	66,729	2,831
Investments (Note 5)	3,060,687	4,169,346
Property and equipment - net (Note 6)	26,065,244	22,657,508
Investment in NCB (Note 7)	885,137	885,137
Deferred taxes (Note 10)	10,000	366,000
Total other assets	30,140,690	28,136,212
Total assets	\$ 38,538,555	\$ 36,268,250
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 978,538	\$ 1,307,537
Accounts payable - other	291,174	289,702
Deposits and deferred revenue	377,356	337,785
Prepaid rents	15,481	16,091
Accrued expenses	354,284	295,106
Total liabilities	2,016,833	2,246,221
MEMBERS' EQUITY		
Replacement reserve	5,148,742	5,842,100
Contingency reserve	569,406	440,242
Addition maintenance reserve	1,090,093	1,146,865
Working capital fund	1,803,980	1,739,296
Property and equipment	26,065,244	22,657,508
Unreserved operating fund	1,844,257	2,196,018
Total members' equity	36,521,722	34,022,029
Total liabilities and members' equity	\$ 38,538,555	\$ 36,268,250

See accompanying notes.

GREENBELT HOMES, INC.
CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31, 2020 and 2019

	2020	2019
REVENUE		
Member charges	\$ 12,504,963	\$ 12,096,103
Less: contributions to reserves	(2,429,477)	(2,353,163)
Home improvement program	1,136,211	2,132,154
Apartment rental income	629,792	621,619
Garage income	239,729	239,957
Contract processing	189,956	132,328
Fee for service	33,321	61,452
Investment return (Note 5)	140,917	365,192
Miscellaneous	38,219	130,166
Total revenue	12,483,631	13,425,808
OPERATING EXPENSES		
Real estate taxes	4,380,943	4,233,815
Maintenance	3,855,697	4,870,749
Administrative	1,778,961	1,506,760
Insurance	500,880	502,478
Trash collection	452,748	448,843
Depreciation on operating assets	65,739	60,190
Member services	11,456	22,211
Total operating expenses	11,046,424	11,645,046
Net income before depreciation on members' units and income taxes	1,437,207	1,780,762
Depreciation on members' units	1,067,384	911,555
Net income before income taxes	369,823	869,207
Provision for income taxes (Note 10)	(364,291)	351,796
Net income	\$ 5,532	\$ 1,221,003

See accompanying notes.

GREENBELT HOMES, INC.
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
Years Ended December 31, 2020 and 2019

	Replacement Reserve	Contingency Reserve	Addition Maintenance Reserve	Crawlspace Improvements Fund	Asbestos Remediation Fund	Working Capital Fund	Property and Equipment	Unreserved Operating Fund	Total
Balance December 31, 2018	\$ 8,467,576	\$ 400,242	\$ 1,281,206	\$ 304,902	\$ 780,971	\$ 1,683,443	\$ 16,772,130	\$ 701,540	\$ 30,392,010
Net additions to working capital account	-	-	-	-	-	55,853	-	-	55,853
Member capitalizations of reserve accounts	1,899,233	-	193,930	160,000	100,000	-	-	-	2,353,163
Interest income	218,410	-	36,920	-	-	-	-	(255,330)	-
Transfers	-	40,000	9,037	944,009	(34,431)	-	5,885,378	(6,843,993)	-
Utilization of reserves	(4,743,119)	-	(374,228)	(1,408,911)	(846,540)	-	-	7,372,798	-
Net income	-	-	-	-	-	-	-	1,221,003	1,221,003
Balance December 31, 2019	5,842,100	440,242	1,146,865	-	-	1,739,296	22,657,508	2,196,018	34,022,029
Net additions to working capital account	-	-	-	-	-	64,684	-	-	64,684
Member capitalizations of reserve accounts	1,972,057	-	197,420	160,000	100,000	-	-	-	2,429,477
Interest income	77,750	-	15,690	-	-	-	-	(93,440)	-
Transfers	(396)	129,164	14,420	(160,000)	(100,000)	-	3,407,736	(3,290,924)	-
Utilization of reserves	(2,742,769)	-	(284,302)	-	-	-	-	3,027,071	-
Net income	-	-	-	-	-	-	-	5,532	5,532
Balance December 31, 2020	\$ 5,148,742	\$ 569,406	\$ 1,090,093	\$ -	\$ -	\$ 1,803,980	\$ 26,065,244	\$ 1,844,257	\$ 36,521,722

See accompanying notes.

GREENBELT HOMES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 5,532	\$ 1,221,003
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	1,133,123	971,745
Amortization of bond premiums and discounts	15,775	69,500
Bad debts	13,179	4,917
Deferred taxes	356,000	(362,000)
(Increase) decrease in assets		
Accounts receivable	(99,970)	(268,064)
Inventory	(33,625)	(1,982)
Prepaid expenses	14,446	(18,281)
Homes for sale	(63,898)	8,467
Increase (decrease) in liabilities		
Accounts payable	(328,999)	147,896
Accounts payable - other	1,472	(2,466)
Deposits and deferred revenue	39,571	40,559
Prepaid rents	(610)	8,019
Accrued expenses	59,178	35,248
Net cash provided by operating activities	1,111,174	1,854,561
CASH FLOWS FROM INVESTING ACTIVITIES		
Collections on notes receivable	3,842	5,273
Purchases of property and equipment	(4,540,859)	(6,857,123)
Interest retained in investments	(7,116)	(8,057)
Proceeds from sales of investments	1,100,000	2,500,000
Net cash used in investing activities	(3,444,133)	(4,359,907)
CASH FLOWS FROM FINANCING ACTIVITIES		
Member capitalizations of reserve accounts	2,429,477	2,353,163
Member additions to working capital account	165,970	207,264
Member redemptions from working capital account	(101,286)	(151,411)
Net cash provided by financing activities	2,494,161	2,409,016
Net change in cash	161,202	(96,330)
Cash at beginning of year	7,462,525	7,558,855
Cash at end of year	\$ 7,623,727	\$ 7,462,525
SUPPLEMENTAL DISCLOSURES		
Cash paid for income taxes	\$ 11,240	\$ 8,578

See accompanying notes.

GREENBELT HOMES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Greenbelt Homes, Inc. (the Cooperative) is a non-stock housing cooperative incorporated in Maryland in 1949. The Cooperative provides community facilities, services, and benefits for the welfare of its members and the usefulness of the community. Each of its 1,600 members has entered into a mutual ownership contract with the Cooperative, which in turn entitles the member to occupy, as a principal residence, a dwelling unit in the buildings owned by the Cooperative, which are located in Greenbelt, Maryland. Greenbelt Development Corporation owns and operates 60 apartment units and 52 garages, also located in Greenbelt, Maryland.

Basis of Consolidation

The financial statements include the accounts of Greenbelt Homes, Inc. (GHI) and its wholly owned subsidiary, Greenbelt Development Corporation (GDC). All material intra-entity transactions have been eliminated.

Receivables

The Cooperative uses the allowance method to account for uncollectible receivable balances. The allowance is based on management's estimate of potential uncollectible receivable amounts, which stem from historical experience. When accounts become uncollectible they are charged to the allowance reserve. At December 31, 2020 and 2019 the allowance for doubtful accounts was \$11,377 and \$25,604.

Accounts receivable consist of charges due from members (GHI) and rent and other charges due from tenants (GDC). Management writes off an account when all reasonable collection efforts have been exhausted, and the member or tenant has been evicted. GDC tenant accounts receivable are secured by tenant security deposits, which may be applied to unpaid balances.

Inventory

Inventory, which consists of items for repair and replacement of buildings and improvements, is valued at the lower of cost or net realizable value determined using the first-in, first-out (FIFO) method.

Investments

All "held to maturity" securities are reported at amortized cost with realized gains and losses included in earnings. The cost of securities sold is determined by the specific identification method. All "available for sale" securities are reported at aggregate fair value with unrealized gains and losses excluded from earnings and reported as a separate component of the Cooperative's equity.

Property and Equipment

Purchases of property and equipment are recorded at cost. Depreciation is provided using the straight-line method over 5 to 35 years, the estimated useful lives of the assets.

GREENBELT HOMES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions to Reserves

The Cooperative treats the components of member charges designated for its capital expenditures and major repairs reserve funds as contributions to members' equity. These amounts are deducted from member charges in the consolidated statements of income.

Income Tax Status

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the bases of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will be taxable when the assets and liabilities are settled. The Cooperative files income tax returns in the U.S. federal jurisdiction and the state of Maryland jurisdiction.

Members' Equity

The Cooperative designates members' equity into the following reserve funds:

Replacement reserve—The replacement reserve is used to account for funds accumulated for capital expenditures and major repairs and replacement of property. Amounts received by the reserve are derived from periodic member collections and allocations of budgetary surpluses as determined by the board of directors, as well as interest earned on investment of reserve assets.

Contingency reserve—The contingency reserve is used to account for unplanned major expenditures, unbudgeted expenses, and operating deficits. Amounts received by this reserve result from surpluses from operations unless otherwise directed by the board of directors.

Addition maintenance reserve—The addition maintenance reserve is used to account for major repair and maintenance expenditures associated specifically to added structures made to members' homes. Amounts received by this reserve are derived from collections from members who are part of the addition maintenance program as well as interest earned on investment of reserve assets.

Crawlspace improvements fund—The Crawlspace improvements fund was established in 2016 for the remediation of deteriorated crawlspaces in members' homes.

Asbestos remediation fund—The Asbestos remediation fund was established in 2017 for the removal of asbestos in members' homes.

Working capital fund—In 1952 the Cooperative established a working capital requirement in the amount of 3% of the purchase price of each unit to provide sufficient financial resources to operate the Cooperative and meet acquisition costs. In 1994 the board of directors reduced the working capital collected with the purchase of a unit to 1%. In 2010 the board of directors eliminated the collection of working capital. For purchases beginning April 1, 2015 the board of directors reinstated the collection of 1% of the purchase price of each unit as a contribution to the working capital fund.

GREENBELT HOMES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unreserved operating fund—The unreserved operating fund is used to account for the day-to-day activities of the Cooperative, including the general management and upkeep of the common property. Amounts received by this reserve are derived from the periodic member collections as determined by the board of directors. This reserve accounts for any surpluses and deficits not otherwise accounted for in the Cooperative’s equity.

Members’ Equity Transactions

Member capitalizations in the consolidated statements of members’ equity reflect the members’ contributions to the various reserve accounts. Transfers reflect the allocations among accounts that were approved by the board of directors of the Cooperative.

Revenue Recognition

Member charges, as well as Home Improvement Program charges, are recognized when GHI member assessments pertaining to their units are due. Apartment rental income is recognized when rent is due from GDC residents. Other revenues include garage rental income, contract processing fee, fees for service, and other charges to members and tenants. These other revenues are generally recognized when services are provided to members and tenants.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Date of Management’s Review

Management has evaluated subsequent events through April 9, 2021, the date which the financial statements were available to be issued.

NOTE 2—CASH

Cash accounts at December 31, 2020 and 2019 consisted of the following:

	2020	2019
Greenbelt Federal Credit Union - money market	\$ 25	\$ 25
Greenbelt Federal Credit Union - savings	552	3,473
Greenbelt Federal Credit Union - security deposit escrow	55,977	52,237
Lafayette - cash sweep	35,298	28,670
National Cooperative Bank - operating cash	645,477	1,229,100
National Cooperative Bank - trustee cash	46,537	40,998
Vanguard - money market	6,839,861	6,108,022
	\$ 7,623,727	\$ 7,462,525
Cash		

GREENBELT HOMES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 3—ACCOUNTS RECEIVABLE - NONCURRENT

Prior to January 1, 1999, the Cooperative performed rehabilitation projects that were funded by loans from the U.S. Department of Housing and Urban Development and National Cooperative Bank (NCB). Members who met predetermined qualifications were allowed to participate in the Rehabilitation Loan Deferral Program (RLDP) whereby they could defer the increases in monthly charges. Participants were required to be recertified annually. Simple interest is assessed at 3% on the unpaid principal balance. The entire balance consisting of principal and interest is due when participants terminate their memberships. The RLDP accounts receivable balance at December 31, 2020 and 2019 was \$28,864 and \$28,416.

The Cooperative established a Fee Increased Deferral Program in 1988 which allowed members who met predetermined qualifications to defer increases in their monthly charges. Participants were required to be recertified annually. Simple interest is assessed at a rate of 2% less than the last NCB rehab loan rate on the amount deferred until the money is repaid. No balances were due to the Cooperative under this program at December 31, 2020 and 2019.

The Cooperative's board of directors voted to discontinue the member deferral programs described above effective January 1, 1999. In November 2015, the board of directors started a new Fee Deferral Program to assist members below certain income levels to defer payments associated with their crawlspace improvements assessments through 2025. The interest rate of 4.5% compounds and resets every five years. The accounts receivable balance from this program at December 31, 2020 and 2019 was \$5,361 and \$4,887.

NOTE 4—HOMES FOR SALE

Homes for sale represents units of housing that the Cooperative now controls from former members. The units are being held for resale. The Cooperative recognizes these assets held for sale at the historical costs the Cooperative has expended on each unit.

NOTE 5—INVESTMENTS

Held to maturity securities, consisting of bonds, are recorded at amortized cost. The bonds have various maturity dates through 2023 and various interest rates ranging from 2.25% to 5.5%. The aggregate fair value of the bonds at December 31, 2020 and 2019 was \$2,991,372 and \$4,073,314.

Available for sale marketable securities, consisting of corporate bond mutual funds, are recorded at fair value, with the change in fair value during the year excluded from earnings and recorded as a separate component of members' equity. Such differences were immaterial at December 31, 2020 and 2019 and not recorded in the financial statements.

Investment return for 2020 and 2019 was comprised of interest income.

GREENBELT HOMES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 5—INVESTMENTS (continued)

The following summarizes the information relating to investments at December 31, 2020 and 2019:

	2020	2019
HELD TO MATURITY		
Face value	\$ 2,900,000	\$ 4,000,000
Unamortized premiums	15,007	35,111
Unamortized discounts	(7,437)	(11,766)
	2,907,570	4,023,345
AVAILABLE FOR SALE		
Fair value	153,117	146,001
Investments	\$ 3,060,687	\$ 4,169,346

The investments are uninsured and are subject to changes in economic market conditions. The Cooperative's investment policy attempts to minimize market risk through portfolio diversification.

NOTE 6—PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2020 and 2019 consisted of the following:

	2020	2019
Land	\$ 26,573	\$ 26,573
Equipment	1,015,033	997,040
Buildings and improvements	56,560,063	52,051,307
Vehicles and operating equipment	623,969	609,859
	58,225,638	53,684,779
Less accumulated depreciation	32,160,394	31,027,271
Property and equipment - net	\$ 26,065,244	\$ 22,657,508

Depreciation expense for 2020 and 2019 was \$1,133,123 and \$971,745.

NOTE 7—INVESTMENT IN NCB

Under the terms of its former loan with NCB, the Cooperative was required to purchase stock in NCB which served as additional collateral for the mortgage. The stock is carried at the cost of the purchased shares. The investment in NCB has not been increased nor have dividends been recorded for any stock dividend received in 2020 and 2019.

GREENBELT HOMES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 8—REPLACEMENT RESERVE AND ADDITION MAINTENANCE RESERVE

The Cooperative revised its replacement reserve plan in 2013 and 2011 to estimate the remaining useful lives and the replacement costs of the common property components. The addition maintenance reserve study was conducted in 2008. The Cooperative is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may materially vary from the estimated amounts. Therefore, amounts accumulated in the replacement fund may or may not be adequate to meet future needs.

Accordingly, the replacement reserve funding requirements of \$1,972,057 and \$1,899,233 were assessed to members of the Cooperative in 2020 and 2019, and these amounts were contributed to the replacement reserve in those years. The Cooperative also added \$197,420 and \$193,930 of funding into the addition maintenance reserve in 2020 and 2019.

NOTE 9—NET INCOME OF BUSINESS COMPONENTS

The net income of Cooperative's business components for 2020 and 2019 was as follows:

	2020	2019
Net income (loss) of GHI - excluding net income derived from GDC	\$ (79,841)	\$ 1,121,062
Net income of GDC	85,373	99,941
Net income	\$ 5,532	\$ 1,221,003

NOTE 10—INCOME TAXES

The Cooperative files a consolidated federal income tax return. GHI and GDC file separate income tax returns with the State of Maryland. GDC's net income is subject to taxation at the normal corporation rates.

The Cooperative's deferred tax asset and liability at December 31, 2020 and 2019 consisted of the following:

	2020	2019
Total deferred tax asset	\$ 626,000	\$ 459,000
Deferred tax asset valuation allowance	(570,000)	-
Total deferred tax liability	(46,000)	(93,000)
Net deferred tax asset	\$ 10,000	\$ 366,000

GREENBELT HOMES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 10—INCOME TAXES (continued)

The total deferred tax asset primarily relates to federal and state net operating loss carryforwards which totaled approximately \$2,071,000 at December 31, 2020. The net loss carryforwards begin to expire in 2034. For 2020, management concluded that the likelihood of utilizing the net operating loss carryforward against future taxable income is remote, and a valuation allowance for \$570,000, the full amount of the deferred tax asset stemming from the net loss carryforwards, was recorded. The total deferred tax asset also relates to timing differences between expenses recorded in the financial statements and deducted for income tax purposes. The deferred tax liability relates to differences in depreciation methods utilized for income tax and financial statement reporting purposes.

The provision for income taxes for 2020 and 2019 consisted of the following:

	2020	2019
Federal income taxes - current year	\$ -	\$ -
Maryland income taxes - current year	(8,291)	(10,204)
Deferred tax (expense) benefit	(356,000)	362,000
Provision for income taxes	\$ (364,291)	\$ 351,796

NOTE 11—FUTURE MAJOR REPAIRS, REPLACEMENTS, AND CONTINGENCIES

The Cooperative's board of directors requires funds to be accumulated for future major repairs, replacements, and contingencies. The funds are not maintained in separate bank accounts. Instead, these amounts are reserves of the Cooperative's members' equity.

The reserved amounts as of December 31, 2020 and 2019 were as follows:

	2020	2019
Replacement reserve fund	\$ 5,148,742	\$ 5,842,100
Contingency reserve fund	569,406	440,242
Addition maintenance reserve fund	1,090,093	1,146,865
Total reserved amounts	\$ 6,808,241	\$ 7,429,207

Reserves are created when board of directors allocates equity for specific purposes. The contingency reserve and the replacement reserve were established by the board of directors in 1987. In 1995 the board of directors created the addition maintenance reserve. In 2016 the board of directors created the crawlspace improvements fund. In 2017 the board of directors created the asbestos remediation fund.

GREENBELT HOMES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 12—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2020 and 2019 were as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bond mutual funds 2020	\$ 153,117	\$ 153,117	\$ -	\$ -
Bond mutual funds 2019	\$ 146,001	\$ 146,001	\$ -	\$ -

Fair values of bond mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions.

NOTE 13—COMMITMENTS

The Cooperative has entered into numerous contracts to receive various maintenance and repair services for its properties over multiple years at fixed prices.

NOTE 14—CONCENTRATION OF CREDIT RISK

The Cooperative maintains cash balances at several financial institutions located in Greenbelt, Maryland and Washington, DC. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2020 and 2019, the Cooperative's uninsured cash balances totaled approximately \$544,000 and 1,056,000. The entire amount of cash in the Vanguard money market is uninsured.

NOTE 15—PENSION PLAN

The Cooperative sponsors a 401(k) pension plan. All employees of the Cooperative who have completed one year of service and have attained age 21 are eligible to participate in the plan. Eligible employees may defer up to 90% of their compensation not to exceed IRS limitations. Employer contributions to the plan are based on a predetermined formula as set forth in the plan document. Pension expense was \$104,002 and \$104,131 for 2020 and 2019.

GREENBELT HOMES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 16—LEASING ARRANGEMENTS

The Cooperative leases apartment units to tenants through GDC. The Cooperative collects a security deposit from each tenant that may be retained due to nonpayment of rent and damages to the leased premises in excess of ordinary wear and tear.

Property and equipment held for leasing purposes at December 31, 2020 and 2019 consisted of the following:

	2020	2019
Land	\$ 26,573	\$ 26,573
Equipment	740,173	740,173
Buildings and improvements	889,836	889,836
Property and equipment	1,656,582	1,656,582
Less accumulated depreciation	1,362,409	1,331,909
Property and equipment held for leasing purposes - net	\$ 294,173	\$ 324,673

NOTE 17—COVID-19 PANDEMIC

The COVID-19 outbreak in the United States which escalated in spring 2020 has resulted in possible economic hardships for the Cooperative's members. This development could potentially have an adverse effect on the Cooperative's future revenue. However, the financial impact and duration cannot be reasonably estimated at this time.

GREENBELT HOMES, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
(UNAUDITED)
December 31, 2020

In 2018 the board of directors hired an independent advisor to conduct a comprehensive study of the reserve plan. The information has been updated for 2020. The following information is based on that analysis and presents significant information about the components of common property.

Component	Estimated future repair and replacement costs			
	Estimated Useful Life (Years)	Frame Homes	Masonry Homes	Larger Homes
HVAC, larger homes	20	\$ -	\$ -	\$ 356,580
Attached garage roofs & doors	25	-	284,615	-
Baseboard heaters	35	182,581	117,675	-
Ceiling heaters	25	345,434	201,476	-
Drainage systems, larger townhomes	50	-	-	244,394
Electrical systems	70 - 90	2,721,899	1,630,806	279,428
Porch stoops, frame	25	667,446	-	-
Entrance doors	35-40	443,995	245,016	92,249
Porch roofs, masonry	25	-	1,500,663	-
Roots (main & porch), frame	25	2,294,725	-	-
Roots, larger homes	25	-	-	196,108
Roots, masonry	24-75	-	1,503,923	-
Siding (vinyl)	35-45	822,896	144,470	76,532
Sump pumps	20	97,962	-	-
Water heaters	15	1,339,947	778,993	39,265
Water supply and waste piping	90-95	7,440,000	8,686,675	-
Window sets	35-40	690,880	634,520	210,201
* Shared Components				
<i>Administrative building - windows, roofs, baseboard heaters, water heaters</i>				
	15-40	220,027	128,432	6,423
<i>Concrete sidewalks</i>				
	75	853,698	498,312	24,923
<i>Parking lots</i>				
	25	776,733	453,387	22,675
<i>Playground renovations (seven playgrounds)</i>				
	25	111,250	64,938	3,248
<i>Retaining walls at 60-E Crescent Rd, 3-D Eastway, 13-P Hillside, and 2A-E and 2G-M Plateau Place</i>				
	19-100	157,254	91,791	4,591
<i>Rental garage doors</i>				
	25	111,753	65,231	3,263
<i>Rental garage roofs</i>				
	20	347,288	202,715	10,139
<i>Underground sewer piping</i>				
	75	1,782,767	1,040,618	52,045
<i>Vehicles</i>				
	20-25	1,035,585	604,481	30,233
Total future costs		\$ 22,444,120	\$ 18,878,737	\$ 1,652,297

* Shared Components - In addition to the dedicated components for the three home groups, there are a number of shared components that are not directly related to any one home type. The costs for these shared components are apportioned among the three dedicated accounts in proportion to the number of homes in each. GHI contains 1,600 homes and the proportionate shared cost for each housing type is calculated as follows:

- Frame Homes: 992 homes / 1,600 = 62%
- Masonry Homes: 579 homes / 1,600 = 36.19%
- Larger Homes: 29 homes / 1,600 = 1.81%

MISSION STATEMENT

GHI is a cooperative that provides quality homes for our members and fosters opportunities for community. We will accomplish this by celebrating and respecting the historical legacy and ideals of the original Greenbelt plan.

We will maintain, protect and enhance the assets of the cooperative including the buildings, architectural design, open space plan (woods, walkways, playgrounds), while preserving the financial stability and sustainability of our cooperative community.

We will promote member diversity, member and community involvement, and education regarding our rights and responsibilities as co-op members.

We are the keepers of our property, and we have the right to expect that all of us will act responsibly to protect and care for that which each own and treasure together.

Adopted March 9, 2006

