

**FINANCE COMMITTEE**  
**AGENDA**  
**Wednesday, May 26, 2021**

1. GJM Audit Staff - Pre-audit meeting
2. Review of EDEN Financial Statement
3. Summary of LIHTC Financial Statements
4. New Grants
  - \$500K increase in ADAMHS Board HAP funding
  - \$287K From the Cleveland Foundation for COVID Rapid Relief Funding
  - \$200K from Cleveland Foundation for Expansion Phase I
  - \$90K O'Neill Foundation - (\$45K in 2021 and \$45K in 2022)
5. Miscellaneous Discussion
  - Insurance Renewal
  - Day One Funding - Approve to use \$400K for Expansion Phase I
  - County Level Funds – Ask of \$721,980
  - Front desk and security costs at LIHTCs
6. Next meeting – July 28, 2021 1:00-2:00 p.m.

**EDEN, INC. - FINANCE COMMITTEE REPORT**  
**BOARD OF DIRECTORS MEETING**  
**Wednesday, May 26, 2021**

**Meeting date/time:** May 26, 2021 @ 1:00pm

**Present:** Ken Saggese and Hayden Neese from Gilmore Jasion Mahler, LTD (Audit Firm) Beth Adams, John Mark Tichar, Elaine Gimmel, Sharon Parks

**Pre-audit discussion**

Ken Saggese and Hayden Neese from Gilmore Jasion Mahler, LTD (GJM) met with the committee to discuss the upcoming 2020 EDEN audit. The intent of the meeting was to discuss scope and planning of the EDEN consolidated statements for the Year ended December 31, 2020.

Areas discussed with the committee regarding the audit included:

- Communication between GJM, EDEN Finance Committee and EDEN staff
- Independence policies and procedures of the firm
- Audit Planning – including materiality in planning and execution of the audit
- Internal controls and Compliance relevant to the audit
- Determination of risk levels

Fieldwork will begin in early June with a draft audit to be presented to the Finance Committee at the monthly meeting on July 28, 2021.

**Review of EDEN Financial statement**

Due to extended session with the Audit Team, financial statement highlights only were reviews. Additional narratives on the financial statements will be provided to the Committee by the CFO.

### **New Grants**

- \$500,000 - increase in ADAMHS Board HAP funding
- \$287,000 - Cleveland Foundation COVID Rapid Relief Funding
- \$200,000 - Cleveland Foundation for Expansion Phase I
- \$90,000 – O’Neill Foundation (\$45,000 in 2021 and \$45,000 in 2022)

### **Miscellaneous Discussion**

- EDEN has been notified by Westfield Insurance of their intent not to renew the organization’s General Liability Insurance due to current market conditions and the increase in incidents in the past year. Oswald is working with other agencies to replace the general liability coverage and will be providing quotes in the next couple of weeks. Coverages other than General Liability will be renewed by Westfield.
- EDEN has received approval to use \$400,000 Day One Funding for construction under Expansion Phase I
- Final RFP has been submitted for County Levy Funds in the amount of \$721,980 for use by the PSH buildings for increase in staff salaries, additional staff, third party security costs and landscaping. Front desk staffing and security costs are increasing rapidly. Increases in salaries and fees are necessary to recruit and retain personnel in these areas. This is currently one of the major challenges facing our PSH portfolio.

**EDEN and Subsidiaries  
Operating Results**

**April, 2021**

**April, 2020**

	Monthly Actual	YTD Actual	YTD Budget	Variance	Variance %	Explanation (10%)	Year To Date	YTD Budget	YTD Budget Variance	Prior Year % YTD Variance
Contract Revenue										
ADAMHS Board Revenue	\$174,604.33	\$640,169.50	\$619,580.18	\$20,589.32	3%		\$641,326.93	\$619,580.20	\$50,868.14	8%
United Way	\$3,383.00	\$13,532.00	\$16,916.60	(\$3,384.60)	-25%	UWS Funding reduced by approximately \$15K for the year after budget was completed. Funding will be discontinued after June 2021.	\$33,832.00	\$33,833.20	\$2.20	0%
Other Contract Revenue	\$48,052.44	\$255,736.82	\$190,073.24	\$65,663.58	26%	\$37,262 Mini Grant from ADAMHS Board was not included in the budget, \$13,719 more than budgeted for St Joseph and \$14,652 more than budgeted for NHWC	\$1,055,529.47	\$165,531.00	\$418,554.37	40%
Total Contract revenue	\$226,039.77	\$909,438.32	\$826,570.02	\$82,868.30	9%		\$1,730,688.40	\$818,944.40	\$469,424.71	27%
Rent Revenue										
Tenant Rent	\$52,034.00	\$238,621.84	\$217,451.39	\$21,170.45	9%		\$221,206.53	\$197,743.45	(\$24,610.82)	-11%
Other Income	\$9,557.90	\$27,570.55	\$21,803.56	\$5,766.99	21%	Work order revenue is greater than the budget anticipated.	\$23,266.90	\$26,689.08	\$20,575.73	88%
Rental Subsidies	\$28,138.00	\$117,052.00	\$117,559.26	(\$507.26)	0%		\$121,635.00	\$122,251.58	(\$1,442.86)	-1%
Bad Debt	(\$5,781.92)	(\$8,320.60)	(\$11,343.12)	\$3,022.52	-36%	Tenants have been able to obtain assistance due to COVID funding that otherwise would not have been available.	(\$2,544.54)	(\$11,870.55)	(\$7,767.28)	305%
Total Rent Revenue	\$83,947.98	\$374,923.79	\$345,471.09	\$29,452.70	8%		\$363,563.89	\$334,813.56	(\$13,245.23)	-4%
Other Revenue										
Program Reimbursements	\$2,538,794.79	\$9,823,173.75	\$11,185,263.26	(\$1,362,089.51)	-14%	Several of our grants are currently underperforming causing the variance in program revenue. Programs is working to add more people onto these grants to spend out the contracts thereby reducing the variance. Last month the variance was 15%.	\$9,100,531.80	\$8,956,082.16	(\$420,739.69)	-5%
Rental Income	\$12,917.39	\$61,363.01	\$69,861.40	(\$8,498.39)	-14%	Actual Office Space Rental was less than anticipated.	\$40,147.40	\$60,574.11	\$12,019.93	30%
Administrative Fees	\$198,187.45	\$694,873.20	\$718,245.70	(\$23,372.50)	-3%		\$473,258.16	\$506,917.91	(\$82,702.39)	-17%
Management Fees	\$32,595.78	\$133,902.29	\$129,078.81	\$4,823.48	4%		\$118,651.73	\$115,820.00	(\$5,344.62)	-5%
Developer Fee	\$793.52	\$2,980.96	\$53,612.00	(\$50,631.04)	-1698%	Developer Fees not yet collected for projects. City of Cleveland and OHFA are delayed in closing out Phase IV.	\$0.00	\$25,000.00	(\$5,283.91)	#DIV/0!
Compliance Monitoring	\$2,533.34	\$10,133.36	\$9,933.28	\$200.08	2%		\$9,233.36	\$9,233.29	\$2,500.08	27%
Private	(\$98,701.04)	\$100,116.22	\$107,952.90	(\$7,836.68)	-8%		\$421,153.00	\$330,482.06	(\$187,233.73)	-44%
Fundraising Events - Net	(\$2,254.00)	(\$2,254.00)	\$0.00	(\$2,254.00)	100%	Expenses for our Fundraiser which will not take place until September	(\$1,908.50)	\$0.00	\$101.00	-5%

Other Income	\$7,878.33	\$41,812.30	\$11,618.64	\$30,193.66	72%	<b>\$106,616 Insurance Payment for the fire at Parkhurst offset the \$77,395.95 in Workers Comp rebates paid back to the grants and LIHTC buildings in February neither of which are included in the budget. There was also \$4394 in hazard pay reimbursed to NR by the Cleveland Foundation COVID emergency funds.</b>	\$96,248.52	\$25,151.60	\$212,692.47	221%
Total Other Revenue	\$2,692,745.56	\$10,866,101.09	\$12,285,565.99	(\$1,419,464.90)	-13%		\$10,257,315.47	\$10,029,261.13	(\$473,990.86)	-5%
Total Revenue	\$3,002,733.31	\$12,150,463.20	\$13,457,607.10	(\$1,307,143.90)	-11%		\$12,351,567.76	\$11,183,019.09	(\$17,811.38)	0%
Personnel Cost										
Salaries & Wages	\$474,300.38	\$1,792,119.77	\$1,783,079.21	\$9,040.56	1%		\$1,405,581.13	\$1,578,344.83	\$28,469.95	2%
Taxes & Benefits	\$132,338.36	\$451,527.11	\$488,453.09	(\$36,925.98)	-8%		\$391,894.14	\$443,107.70	\$53,769.66	14%
Total Personnel Cost	\$606,638.74	\$2,243,646.88	\$2,271,532.30	(\$27,885.42)	-1%		\$1,797,475.27	\$2,021,452.53	\$82,239.61	5%
Administrative Expenses										
Consulting & Professional Fees	\$14,288.56	\$63,854.91	\$138,907.59	(\$75,052.68)	-118%	<b>Filling open positions rather than using temp agencies has reduced the spending on contract services and having in house council reduces our legal expenses as well. No expenses charged yet to the Cleveland Foundation cost center and their budget is just under \$13,000 thus far.</b>	\$76,452.58	\$57,650.46	(\$87,358.47)	-114%
Office Supplies	\$7,201.87	\$23,629.13	\$34,444.63	(\$10,815.50)	-46%	<b>Less office supplies needed with more staff working remotely.</b>	\$25,763.67	\$31,970.60	(\$5,997.30)	-23%
Computer Supplies & Software	\$18,241.56	\$61,346.20	\$43,759.40	\$17,586.80	29%	<b>Increase in staffing due to new funding sources has caused and increase in the need for computer supplies and licenses</b>	\$67,005.42	\$58,951.63	\$22,069.07	33%
Mileage & Travel	\$90.98	\$115.92	\$9,029.34	(\$8,913.42)	-7689%	<b>Travel suspended during pandemic.</b>	\$6,070.88	\$14,265.64	(\$2,843.21)	-47%
Conferences & Training	\$226.94	\$7,000.94	\$18,382.31	(\$11,381.37)	-163%	<b>The number of employees going to training due to the pandemic is way down. Perhaps with the county opening up, more conferences will be attended.</b>	\$6,402.91	\$22,164.01	\$14,129.07	221%
Meetings & Events	\$139.90	\$349.62	\$2,533.32	(\$2,183.70)	-625%	<b>Events not currently taking place due to the pandemic.</b>	\$1,576.29	\$1,983.67	\$631.85	40%
Uniforms	\$107.99	\$278.74	\$900.00	(\$621.26)			\$1,192.72	\$900.00	\$231.41	19%
Supportive Services Admin	\$11,644.84	\$64,795.22	\$50,196.13	\$14,599.09	23%	<b>Timing of invoices from our partner agencies and the speed at which they are spending their awards.</b>	\$27,990.66	\$28,193.55	\$4,700.62	17%
Other Overhead	\$208,877.55	\$526,537.92	\$416,806.91	\$109,731.01	21%	<b>\$97,777 over budget for Front Desk staffing contribution to affiliates and just under \$21,000 Republic Waste Grant for furniture for HP not included in budget.</b>	\$424,783.36	\$395,721.67	(\$66,042.29)	-16%
Total Administrative	\$260,820.19	\$747,908.60	\$714,959.63	\$32,948.97	4%		\$637,238.49	\$611,801.23	(\$120,479.25)	-19%
Property Expenses										
Management Fees	\$2,014.70	\$7,719.16	\$7,983.32	(\$264.16)	-3%		\$7,907.24	\$7,898.64	\$324.66	4%
Compliance Fees				\$0.00	0%					
Utilities	\$57,330.61	\$254,282.70	\$260,235.48	(\$5,952.78)	-2%		\$269,454.29	\$248,198.44	\$22,373.36	8%

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Depreciation	\$58,870.37	\$235,972.62	\$205,921.34	\$30,051.28	13%		\$211,811.97	\$184,974.00	(\$63,645.14)	-30%
Change In Net Assets After Depreciation	(\$241,652.19)	(\$760,106.14)	(\$293,090.54)	(\$467,015.60)	61%		\$968,977.85	(\$317,737.26)	\$441,223.26	46%

**EDEN, Inc.**  
**Balance Sheet**  
**April 30, 2021**

	April 30, 2021	April 30, 2020	
Assets			
Current Assets			
Cash and Equivalents			
Operating	\$ 375,223.35	\$ 277,830.64	
Restricted	\$ 3,753,149.73	\$ 5,014,776.06	
Custodial Cash - Grants	\$ 3,042,128.08	\$ 2,968,780.84	
Total Cash and Equivalents	\$ 7,170,501.16	\$ 8,261,387.54	
Receivables			
Grants and Contracts	\$ 6,814,364.43	\$ 5,744,636.86	
Other	\$1,635,280.24	\$1,291,090.86	
Allowance for Doubtful Accounts	\$ (67,777.23)	\$ (52,597.47)	
Prepaid Expenses	\$ 18,353.45	\$14,183.43	
Total Current Assets	\$ 15,570,722.05	\$ 15,258,701.22	
Property and Equipment			
Land & Improvements	\$ 1,202,228.98	\$ 1,212,228.98	
Buildings & Improvements	\$ 24,676,395.49	\$ 23,188,030.35	
Furniture & Equipment	\$ 1,124,650.28	\$ 1,124,650.28	
Vehicles	\$ 190,538.57	\$ 164,653.87	
Accumulated Depreciation	\$ (12,412,603.03)	\$ (11,824,804.60)	
Construction in Progress	\$ 806,887.68	\$ 1,087,821.29	
Finance/Loan Costs, Net of Amortization	\$ 6,511.11	\$ 6,777.78	
Net Property and Equipment	\$ 15,594,609.08	\$ 14,959,357.95	
Other Assets			
Notes Receivable - LIHTCs	\$ 6,085,989.46	\$ 5,785,389.46	
Inventory	\$ -	\$ -	
Total Other Assets	\$ 6,085,989.46	\$ 5,785,389.46	
Intercompany, net	\$ (746,200.91)	\$ 134,893.70	
<b>Total Assets</b>	<b>\$ 36,505,119.68</b>	<b>\$ 36,138,342.33</b>	
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 779,591.23	\$ 503,418.59	
Line of Credit	\$ -	\$ -	
Custodial Cash - HAP	\$ 77,659.39	\$ 85,934.53	



Accrued Expenses	\$ 1,539,300.51	\$ 692,851.58	
Deferred Revenue	\$ 1,044,584.24	\$ 1,203,835.61	
Resident Security Deposits	\$ 62,608.19	\$ 62,728.67	
Total Current Liabilities	\$ 3,503,743.56	\$ 2,548,768.98	
Long Term Liabilities			
Notes Payable	\$ 6,776,707.38	\$ 6,243,248.59	
Other Liabilities	\$ -		
Total Long Term Liabilities	\$ 6,776,707.38	\$ 6,243,248.59	
Total Liabilities	\$ 10,280,450.94	\$ 8,792,017.57	
Net Assets			
Unrestricted	\$ 26,778,113.23	\$ 26,170,679.96	
Temporarily Restricted	\$ 206,661.95	\$ 206,661.95	
Current Year Change in Net Assets	\$ (760,106.44)	\$ 968,982.85	
Total Net Assets	\$ 26,224,668.74	\$ 27,346,324.76	
<b>Total Liabilities and Net Assets</b>	<b>\$ 36,505,119.68</b>	<b>\$ 36,138,342.33</b>	

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# All LIHTCs Operating Results

Year to Date as of Apr 30, 2021

	Year To Date	YTD Budget	YTD Budget Variance
Total Rental Revenue	1,762,535	1,729,692	32,843
ODSA Revenue	412,220	373,542	38,678
Interest Income	5,124	7,331	(2,207)
Utility Income	4,435	4,632	(197)
Work Orders	22,855	25,269	(2,415)
Donations	0	0	0
Other Income	77,274	73,399	3,875
<b>Total Income</b>	<b>2,284,443</b>	<b>2,213,865</b>	<b>70,578</b>
<b>Personnel Expenses</b>			
Salaries	515,808	566,903	51,095
Taxes & Benefits	131,870	129,107	(2,763)
<b>Total Personnel Expense</b>	<b>647,678</b>	<b>696,010</b>	<b>48,332</b>
<b>Admin Expenses</b>			
Legal	2,525	3,866	1,340
Audit Fees	35,924	27,427	(8,497)
Contract Services	59,550	34,729	(24,821)
Office Supplies	6,397	3,253	(3,145)
Copier/Computer Expense	6,538	11,330	4,792
Mileage	1,292	3,330	2,038
Dues and Subscriptions	0	1,003	1,003
Training	101	2,333	2,233
Building Functions	407	2,200	1,793
Bank Fees	4,523	6,139	1,616
<b>Total Admin Expenses</b>	<b>117,256</b>	<b>95,610</b>	<b>(21,647)</b>
<b>Property Expenses</b>			
Security	259,082	221,961	(37,121)
Management Fees	115,102	112,261	(2,841)
Partnership/Admin Fees	70,608	70,275	(333)
Compliance Fees	10,133	10,133	(0)
Gas	44,705	47,602	2,898
Electricity	218,361	244,718	26,357
Water & Sewer	168,991	147,573	(21,417)
Cable	(125)	0	125
Telephone	59,209	73,881	14,672
Trash Removal	14,845	11,119	(3,726)
Snow Removal	15,357	14,114	(1,243)
Landscaping	5,037	6,077	1,040
Safety Systems	21,098	22,553	1,455

# All LIHTCs Operating Results

Year to Date as of Apr 30, 2021

	Year To Date	YTD Budget	YTD Budget Variance
Elevator	26,901	27,459	558
HVAC	65,440	72,527	7,087
Repairs and Maintenance	19,089	29,279	10,191
Maintenance Supplies	43,896	36,047	(7,849)
Custodial Supplies	6,771	7,618	847
Cleaning	5,567	5,333	(234)
Furniture/Decorating	3,392	4,085	693
Pest Control	3,706	5,431	1,725
Appliances	13,584	6,579	(7,005)
Uniforms	310	1,000	690
Insurance	134,412	140,010	5,597
Taxes & Assessments	220	2,428	2,208
Other Property Expense	9,155	14,014	4,859
<b>Total Property Expense</b>	1,334,846	1,334,079	(767)
<b>Total Expenses</b>	2,099,780	2,125,699	25,919
<b>Net Income (Loss) from Operations</b>	184,663	88,166	96,497
Interest	143,729	107,810	(35,919)
Depreciation	1,462,773	1,457,824	(4,950)
Ground Lease	5,116	5,116	(0)
<b>Net Income (Loss)</b>	(1,426,955)	(1,482,584)	55,628
Capital Reserve	92,277	-	-