



Wellington Community Housing Board of Directors - February 1, 2024 Agenda

Feb 1st 2024 6:00pm - 7:00pm

Virtual meeting via Zoom: [https://us06web.zoom.us/j/87577184059?](https://us06web.zoom.us/j/87577184059?pwd=jEFFeGO89IU85x4m40r1A2o1brQtDSG.1)

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Julie Francis is inviting you to a scheduled Zoom meeting.

Topic: Wellington Community Housing Board of Directors - February 1, 2024

Time: Feb 1, 2024 06:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

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Meeting ID: 875 7718 4059

Passcode: 558237

One tap mobile

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Meeting ID: 875 7718 4059

Find your local number: <https://us06web.zoom.us/j/kdw06Grd1A>

I. Call to Order Wellington Community Housing Board of Directors (6:00-6:05)	Bob Novascone	6:00pm
a. Mindful Moment		
b. Citizen Input		
II. Approval of Minutes from November 27, 2023 (6:05-6:10)	Bob Novascone	6:05pm
 Minutes WCH Nov 27 2023.pdf		
III. Action Items (6:10-6:20)		6:10pm
a. Election of Officers	Bob Novascone	6:10pm
IV. Updates (6:20-6:50)		6:20pm
a. 2023 Property Management Report	Justin Corey	6:20pm
b. Year-End 2023 Financial Report	Tonya Frammolino	6:30pm
 WCH.WHA - Q4 2023 Financial Report v1.0.pdf		
c. Waitlist Update	Michele Christensen	6:40pm
V. Legislative Issues Update (6:50-6:55)	Julie Brewen	6:50pm
VI. Adjourn Wellington Community Housing Board of Directors	Bob Novascone	

**VII. Call to Order Wellington Housing Authority
Board of Directors**

Bob Novascone

/III. Election of Officers (6:55-7:00)

Bob Novascone

6:55pm

IX. Adjourn Wellington Housing Authority Board of Directors

X. Next Meeting Date: Thursday, May 2, 2024

END
7:00pm

Wellington Community Housing Board of Directors November 27, 2023 – Minutes

I. Attendees

Directors: Amy Comstock–Chair, Calar Chaussee, Mishie Daknis

Staff: Julie Brewen

Guest: Aaron Jackson

II. Call to Order

Chair Amy Comstock called the meeting to order at 6:00 pm.

a. Mindful Moment

Chief Executive Officer Julie Brewen led the group in a Mindful Moment.

b. Citizen Input

Incoming Board member, Aaron Jackson was welcomed, and he briefly introduced himself. His term on this Board will begin in December 2023.

III. Approval of Minutes from October 19, 2023

Commissioner and Mayor Calar Chaussee moved to accept the minutes of the October 19, 2023 meeting. Director Mishie Daknis seconded, and the motion was passed unanimously.

IV. Action Items

a. Approval to Revise Bylaws to Address Town Component Unit Issue

Ms. Brewen presented the revised bylaws for approval, and explained the changes proposed to address the issue of being a component unit of the Town of Wellington. Director and Mayor Chaussee provided additional context as to why the bylaws change is needed to specify that the Town of Wellington Board of Trustees can remove a seated director for cause in a public forum. This approach is consistent with Colorado Revised Statutes Housing Authorities law and is consistent with the intent to operate Wellington Community Housing in this manner.

Director Daknis moved to approve Resolution WCH-RES-2023-11-01 Amended and Restated Bylaws of Wellington Community Housing. Director and Mayor Chaussee seconded, and the motion was passed unanimously.

V. Other Business

a. Vacant Board Seat Update

Director and Mayor Chaussee discussed the Town Board of Trustees' process for appointing a new Wellington Housing Authority/Wellington Community Housing

Director in light of John Evans' resignation. He noted that Amy Comstock has submitted her application and will be interviewed by the Board of Trustees.

b. Draft 2024 Meeting Dates for Review

The Board discussed and decided the 2024 meetings will be February 1, May 2, August 1, and November 7.

VI. Adjournment – Next Meeting Date: February 1, 2024

Chair Comstock adjourned the meeting at 6:30 pm.



Wellington Housing Authority | Wellington Community Housing

FINANCIAL REPORT | Q4 2023

PREPARED AND PRESENTED BY:



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Executive Summary

Wellington Housing Authority through Wellington Community Housing provides housing for eligible low-income individuals and families. Wellington Community Housing contracts with Housing Catalyst to manage the 42 family units located in Wellington and corporate management of both Wellington Housing Authority and Wellington Community Housing.

Presented are both the Wellington Housing Authority and Wellington Community Housing Financial Statements for the year ending December 31, 2023. These entities are presented separately for your review since they do not meet the criteria for consolidation.

Wellington Housing Authority

Wellington Housing Authority will remain active despite transferring its owned real estate to Wellington Community Housing. The Wellington Housing Authority board of commissioners is independently appointed by the City of Wellington.

BALANCE SHEET

There are no transactions to report for 2023 for Wellington Housing Authority.

BUDGET COMPARISON

There are no transactions to report for 2023 for Wellington Housing Authority.

Wellington Community Housing

Wellington Community Housing was formed in 2019 and during 2021 received all the assets in the form of a contribution from the Wellington Housing Authority. It also was awarded IRS 501(c)(3) non-profit status effective October 17, 2019. This designation enables the entity the ability to receive tax deductible bequests, devises, transfers, and gifts. The Wellington Community Housing nonprofit entity was further designated by the IRS as a public charity and will be required to file annual 990 tax forms. The Board of Directors for Wellington Community Housing is separately appointed by the City of Wellington and will be reported using guidance provided by the Governmental Accounting Standards Board (GASB.)

BALANCE SHEET

Exhibit 1 represents the standard Balance Sheet presentation showing the year-end totals compared to the totals at the beginning of the year. Total assets ended the year at \$644,312 which represents an increase of \$17,643 or 2.8%. The primary factor impacting the total asset value is the increase in cash offset by normal depreciation on fixed assets.

Current Assets:

Total cash at the end of the period was \$223,791 which represents an increase of \$50,489 or 29.1% year-to-date.

Of the funds in the bank, \$14,946 are restricted for security deposits.

Accounts receivable decreased by \$2,354 or 17.5% year over year due to better collection timelines.

Noncurrent Assets:

Net fixed assets are the real property assets owned by the entity net of accumulated depreciation. The assets were contributed from Wellington Housing Authority at net book value as of the financial year ended December 31, 2021.

The book value of the net fixed assets closed the year at \$406,057, which represents a decline of \$28,821 or 6.6%. The decline is due to regular depreciation of the assets.

Current Liabilities:

The accounts payable balance at the end of the year is \$57,859. This represents an increase of \$44,931 or 347% due to the timing of invoices being recorded prior to year-end. No part of the accounts payable balance is past due.

Equity:

Cumulative retained earnings at the end of the year were \$569,943 which represents a decrease of \$26,690 or 4.4%.

BUDGET COMPARISON

Exhibit 2 contains the budget comparison report for Wellington Community Housing. This report is a standard presentation of the Income Statement activity presented in a budget variance format. It includes the total annual budget figures for informational purposes.

Operating Revenue:

Net rental income for 2023 is unfavorable to budgeted targets by \$68,524 or 9.1%. The primary reasons for this variance are due to the write-off variance of \$25,569 and gross potential rent variance of \$100,384, offset by subsidy income variance of \$58,017.

At the end of the year the occupancy was 97.4% with 1 of the 42 units vacant.

Operating Expenses:

Total 2023 operating expenses were higher than target by \$44,934 or 7.5%. Factors contributing to this variance were:

- Administrative Expenses were lower than budget by \$28,038 due to:
 - Management fees came in under budget by \$6,296; management fees are a percentage of operating income thus when operating income is less than budgeted the corresponding management fees go down
 - Other administrative expenses were less than budget by \$3,294
- Utilities Expenses were under budget by \$1,180
- Unplanned maintenance expenses caused this expense category to exceed budget by \$75,612 due to the following:
 - Lower than anticipated materials expenses of \$2,930
 - Offset by higher than anticipated contract costs in grounds, HVAC repairs, and general of \$69,659
 - Higher than anticipated turn costs exceeding budget by \$8,883
- Technology expenses ended the year with a favorable variance of \$18,006

Net Operating Income:

Net operating income or “NOI” represents the net income or loss before non-operating income and expenses are considered. This is a key indicator for the success of a rental property.

The year-end NOI of \$54,839 is \$105,753 or 66% below the budgeted target of \$160,592. NOI has been negatively impacted mostly by variances in maintenance costs and write-offs.

Non-Operating Income (Expenses):

Net non-operating items were unfavorable to budget by \$12,353 due to depreciation expense higher than budget of \$44,240, or 28%.

Net Income:

Net income represents the bottom-line representation of an entity’s earnings or losses.

The year-end net loss of \$26,690 is below the budgeted target of \$118,106.

EXHIBIT 1: Wellington Community Housing – Balance Sheet

Wellington Community Housing (wellich) Balance Sheet (With Period Change)

Period = Jan 2023-Dec 2023

Book = Accrual ; Tree = summary.bs

	Balance	Beginning	Net
	Current Period	Balance	Change
ASSETS			
CURRENT ASSETS:			
CASH			
Unrestricted Cash	208,845	159,507	49,338
Restricted Cash	14,946	13,795	1,151
TOTAL CASH	223,791	173,302	50,489
ACCOUNTS AND NOTES RECEIVABLE			
Accounts Receivable	11,106	13,459	-2,354
Intra-Dept: Due To/From	0	2,713	-2,713
TOTAL ACCOUNTS AND NOTES RECEIVABLE	11,106	16,172	-5,066
OTHER CURRENT ASSETS			
Prepaid Expenses and Other Assets	3,358	2,317	1,041
TOTAL OTHER CURRENT ASSETS	3,358	2,317	1,041
TOTAL CURRENT ASSETS	238,255	191,791	46,464
NONCURRENT ASSETS:			
NET FIXED ASSETS	406,057	434,878	-28,821
TOTAL NONCURRENT ASSETS	406,057	434,878	-28,821
TOTAL ASSETS	644,312	626,669	17,643
LIABILITIES & EQUITY			
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable	57,859	12,928	44,931
Tenant Security Deposits	14,946	13,795	1,151
Tenant Prepaid Rents	1,564	3,314	-1,750
TOTAL CURRENT LIABILITIES	74,369	30,037	44,333
TOTAL LIABILITIES	74,369	30,037	44,333
EQUITY			
RETAINED EARNINGS:			
Invested in Capital Assets-Net of Debt	434,878	434,878	0
Current Year Income	-26,690	0	-26,690
Unrestricted Net Assets	161,754	161,754	0
TOTAL RETAINED EARNINGS:	569,943	596,632	-26,690
TOTAL EQUITY	569,943	596,632	-26,690
TOTAL LIABILITIES AND EQUITY	644,312	626,669	17,643

EXHIBIT 2: Wellington Community Housing – Budget Comparison (pages 5-7)

Wellington Community Housing (welch)

Budget Comparison

Period = Jan 2023-Dec 2023

Book = Accrual ; Tree = welch

	YTD Actual	YTD Budget	Variance	% Var
OPERATING REVENUES				
RENTAL INCOME				
Gross Potential Rent	752,880	790,524	-37,644	-5
(Loss) Gain to Lease	-31,400	-23,520	-7,880	-34
NET POTENTIAL RENT	721,480	767,004	-45,524	-6
RENT ADJUSTMENTS				
Less: Vacancies	-29,056	-23,716	-5,340	-23
Less: Concessions	0	-204	204	100
Less: Write-offs	-20,569	5,000	-25,569	-511
Repayment Agreement 1	9,714	2,846	6,868	241
Repayment Agreement 2	837	0	837	N/A
TOTAL RENT ADJUSTMENTS	-39,073	-16,074	-23,000	-143
NET RENTAL INCOME	682,407	750,930	-68,524	-9
OTHER TENANT INCOME				
Andillary Income	409	397	12	3
Late Charges	1,966	858	1,108	129
Legal Fees - Tenant	962	520	442	85
NSF Charges	50	0	50	N/A
Tenant Owed Utilities	1,410	1,489	-80	-5
Misc.Tenant Income	25	569	-544	-96
Tenant Work Orders	10,927	4,210	6,718	160
TOTAL OTHER TENANT INCOME	15,750	8,044	7,706	96
EFFECTIVE GROSS INCOME	698,156	758,974	-60,818	-8
OTHER INCOME				
Miscellaneous Income	0	0	0	-100
TOTAL OTHER INCOME	0	0	0	-100
TOTAL OPERATING REVENUE	698,156	758,975	-60,819	-8

Wellington Community Housing (welch)

Budget Comparison

Period = Jan 2023-Dec 2023

Book = Accrual ; Tree = welch

	YTD Actual	YTD Budget	Variance	% Var
OPERATING EXPENSES				
ADMINISTRATIVE				
Labor Expenses				
Compensation				
Management Labor	51,393	51,374	-19	0
Total Compensation	51,393	51,374	-19	0
Total Labor Expenses	51,393	51,374	-19	0
Legal Expense				
Legal-Tenant Screening	227	250	23	9
Legal-General Expense	2,565	3,000	435	14
Total Legal Expense	2,792	3,250	458	14
Management Related Expense				
Property Management Expense	57,514	60,662	3,148	5
Accounting/Bookkeeping Expense	57,514	60,662	3,148	5
Total Management Related Expenses	115,028	121,324	6,296	5
Other Administrative Expenses				
Staff Training & Conferences	214	0	-214	N/A
Compliance Services - Internal	7,463	7,463	0	0
Compliance Services - Consultants	0	2,100	2,100	100
Auditing & Tax Services	10,355	5,250	-5,105	-97
Resident Relocation	558	4,710	4,152	88
Office Rent	0	989	989	100
Security Services	640	2,000	1,360	68
Miscellaneous Admin Expenses	0	12	12	100
Total Other Administrative Expenses	19,230	22,524	3,294	15
Technology Expenses				
Managed Services - Internal	5,331	5,331	0	0
Telephone - Landline/Virtual	683	1,000	317	32
Internet Services	5,351	24,000	18,649	78
Cellular - Phones Tablets	960	0	-960	N/A
Total Technology Expenses	12,324	30,331	18,006	59
TOTAL ADMINISTRATIVE EXPENSES	200,768	228,803	28,035	12

Wellington Community Housing (welch)

Budget Comparison

Period = Jan 2023-Dec 2023

Book = Accrual ; Tree = welch

	YTD Actual	YTD Budget	Variance	% Var
GENERAL EXPENSES				
Resident Services				
Resident Services - Internal	33,800	33,600	-200	-1
Total Resident Services	33,800	33,600	-200	-1
Utilities Expense				
Water	75,798	76,989	1,191	2
Electricity	10,329	7,068	-3,261	-46
Electricity-Vacant Units	223	622	399	64
Gas	11,660	14,857	3,197	22
Trash Removal Services	12,074	11,728	-346	-3
Total Utility Expenses	110,084	111,264	1,180	1
Maintenance Expenses				
Supplies	11,028	13,959	2,930	21
Contracts	235,660	166,001	-69,659	-42
Unit Turn Costs	20,101	11,218	-8,883	-79
Total Maintenance Expenses	266,790	191,178	-75,612	-40
Insurance & Taxes Expenses				
Insurance - Property	31,856	30,725	-1,131	-4
Total Tax & Insurance Expenses	31,856	30,725	-1,131	-4
Other General Expenses				
Membership and Fees	10	0	-10	N/A
Bank Fees	0	4	4	100
Filing Fees	10	10	0	0
Office Supplies	0	732	732	100
Small Office Equipment	0	1,168	1,168	100
Miscellaneous General Expense	0	900	900	100
Total Other General Expenses	20	2,813	2,793	99
TOTAL GENERAL EXPENSES	442,550	369,580	-72,969	-20
TOTAL OPERATING EXPENSES	643,317	598,383	-44,934	-8
NET OPERATING INCOME	54,839	160,592	-105,753	-66
NON-OPERATING INCOME EXPENSE				
NON OPERATING INCOME				
Interest Income - Unrestricted	239	65	174	267
TOTAL NON OPERATING INCOME	239	65	174	267
NON OPERATING EXPENSES				
Depreciation Amortization Expense	56,767	44,240	-12,527	-28
Other Non-Operating Expenses				
Corporate Management Expense	25,000	25,000	0	0
Total Other Non-Operating Expenses	25,000	25,000	0	0
TOTAL NON OPERATING EXPENSES	81,767	69,240	-12,527	-18
NET NON-OPERATING INCOME EXPENSE	-81,528	-69,175	-12,353	-18
NET INCOME (LOSS)	-26,690	91,416	-118,106	-129

