



**GLENMONT CROSSING DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE HOUSING
OPPORTUNITIES COMMISSION OF
MONTGOMERY COUNTY, MARYLAND)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2020 AND 2019

GLENMONT CROSSING DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY, MARYLAND)

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INDEPENDENT AUDITOR'S REPORT

May 17, 2021

To the Commissioners
Housing Opportunities Commission
of Montgomery County, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of Glenmont Crossing Development Corporation, which comprise the balance sheet as of June 30, 2020, and the related statements of operations, changes in net assets, and cash flows for the year 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 audit. We conducted our audit 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

To the Commissioners
Housing Opportunities Commission
of Montgomery County, Maryland

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.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, in fiscal year 2020, the Glenmont Crossing Development Corporation adopted the provisions of Financial Accounting Standards Board Accounting Standards Update 2016-18, *Statement of Cash Flows (Topic 230)*. Our opinion is not modified with respect to that matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Glenmont Crossing Development Corporation as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The 2019 financial statements were compiled by us and our report thereon, dated February 4, 2020, stated that we did not audit or review those financial statements and, accordingly, express no opinion or other form of assurance on them.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 2020 data in the supplementary information on pages 16 and 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 2020 data in the supplementary information on pages 16 and 17 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 data in the supplementary information on pages 16 and 17 is fairly stated in all material respects in relation to the financial statements as a whole.

The 2019 data in the supplementary information on pages 16 and 17 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.


BARBACANE, THORNTON & COMPANY LLP

GLENMONT CROSSING DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY, MARYLAND)
BALANCE SHEETS
JUNE 30, 2020 AND 2019

	<u>Audited</u> 2020	<u>Unaudited</u> 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 850,731	\$ 1,228,982
Accounts receivable and other assets, net	30,912	33,295
Total Current Assets	<u>881,643</u>	<u>1,262,277</u>
RESTRICTED CASH AND CASH EQUIVALENTS:		
Restricted deposits and funded reserves	2,642,274	694,111
Tenant deposits	32,364	32,764
Total Restricted Cash and Cash Equivalents	<u>2,674,638</u>	<u>726,875</u>
NONCURRENT ASSETS:		
Property and equipment, net	13,667,063	13,946,243
Total Noncurrent Assets	<u>13,667,063</u>	<u>13,946,243</u>
TOTAL ASSETS	<u><u>\$ 17,223,344</u></u>	<u><u>\$ 15,935,395</u></u>

The accompanying notes are an integral part of the these financial statements.

GLENMONT CROSSING DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY, MARYLAND)
BALANCE SHEETS
JUNE 30, 2020 AND 2019

	<u>Audited</u> <u>2020</u>	<u>Unaudited</u> <u>2019</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 147,498	\$ 50,344
Interest payable	38,009	46,873
Mortgage payable - HOC - current, net	223,169	8,623,534
Note payable - CBRE - current	-	1,909,630
Total Current Liabilities	<u>408,676</u>	<u>10,630,381</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:		
Tenant deposits payable	<u>30,986</u>	<u>32,164</u>
Total Current Liabilities Payable from Restricted Assets	<u>30,986</u>	<u>32,164</u>
NONCURRENT LIABILITIES:		
Note payable - HOC	2,850,000	2,023,400
Mortgage payable, net - HOC	13,409,528	-
Total Noncurrent Liabilities	<u>16,259,528</u>	<u>2,023,400</u>
TOTAL LIABILITIES	<u>16,699,190</u>	<u>12,685,945</u>
NET ASSETS WITHOUT DONOR RESTRICTION	<u>524,154</u>	<u>3,249,450</u>
Total Net Assets	<u>524,154</u>	<u>3,249,450</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 17,223,344</u>	<u>\$ 15,935,395</u>

The accompanying notes are an integral part of the these financial statements.

GLENMONT CROSSING DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY, MARYLAND)
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Audited 2020	Unaudited 2019
OPERATING REVENUE		
Dwelling rental	\$ 1,886,889	\$ 2,118,836
Other revenue	405	12,809
TOTAL OPERATING REVENUE	<u>1,887,294</u>	<u>2,131,645</u>
OPERATING EXPENSES		
Management and general:		
Administration	196,606	189,079
Fringe benefits	26,736	28,282
Program activities:		
Maintenance	211,428	391,329
Depreciation	300,645	299,222
Utilities	169,691	261,476
Interest expense	510,949	594,355
Other expenses	322,368	154,771
Bad debt expense	27,168	11,790
TOTAL OPERATING EXPENSES	<u>1,765,591</u>	<u>1,930,304</u>
Net operating income	121,703	201,341
Investment income	3,001	4,187
Change in net assets	<u>\$ 124,704</u>	<u>\$ 205,528</u>

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GLENMONT CROSSING DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY, MARYLAND)
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Net assets, June 30, 2018	\$ 3,043,922
Change in net assets (unaudited)	<u>205,528</u>
Net assets, June 30, 2019	3,249,450
Change in net assets	124,704
Repayment of capital contribution to HOC	<u>(2,850,000)</u>
Net assets, June 30, 2020	<u><u>\$ 524,154</u></u>

The accompanying notes are an integral part of the these financial statements.

GLENMONT CROSSING DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY, MARYLAND)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Audited 2020	Unaudited 2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 124,704	\$ 205,528
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	300,645	299,222
Amortization of mortgage issuance costs	14,341	17,720
Bad debt expense	27,168	11,790
Increase in accounts receivable and other assets	(24,785)	(32,559)
Increase (Decrease) in accounts payable and accrued liabilities	97,154	(22,849)
Decrease in interest payable	(8,864)	(1,118)
(Decrease) Increase in tenant deposits payable	(1,178)	1,687
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>529,185</u>	<u>479,421</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for the purchase of property and equipment	(21,465)	(6,997)
NET CASH USED BY INVESTING ACTIVITIES	<u>(21,465)</u>	<u>(6,997)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt, net of cost of issuance	16,584,628	-
Principal payments on long-term debt	(12,672,836)	(251,161)
Repayment of capital contribution to HOC	(2,850,000)	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>1,061,792</u>	<u>(251,161)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,569,512	221,263
CASH AND CASH EQUIVALENTS, BEGINNING	<u>1,955,857</u>	<u>1,734,594</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 3,525,369</u>	<u>\$ 1,955,857</u>
Cash and cash equivalents, unrestricted	\$ 850,731	\$ 1,228,982
Cash and cash equivalents, restricted	<u>2,674,638</u>	<u>726,875</u>
	<u>\$ 3,525,369</u>	<u>\$ 1,955,857</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid	<u>\$ 505,472</u>	<u>\$ 577,757</u>

The accompanying notes are an integral part of the these financial statements.

GLENMONT CROSSING DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Glenmont Crossing Development Corporation (“the Corporation”) was formed on October 9, 2012 under the laws of the State of Maryland for the purpose of acquiring and operating 97 townhouse units (“the property”) in Wheaton, Maryland. The purchase of the property was financed through the assumption of the existing debt to CBRE Multifamily Capital, Inc. on the property, a new loan from CBRE Multifamily Capital, Inc., a loan from the Housing Opportunities Commission of Montgomery County (“HOC”) to the Corporation, and a capital contribution to the Corporation by the HOC.

The Corporation is a nonprofit corporation and is not authorized to issue stock. The Corporation’s Board of Directors must be commissioners of the HOC and, therefore, the HOC can significantly influence the programs, projects, activities of, and the level of service performed by the Corporation.

The property is managed by Edgewood Management Company.

Basis of Accounting

The Corporation prepares its financial statements on the accrual basis of accounting.

Property and Equipment

Property and equipment is carried at cost. Depreciation of the property and equipment is calculated on the straight-line method based on the estimated useful lives of the property and equipment, which is forty years for the building and seven to ten years for the building renovations and equipment.

Depreciation expense for the years ended June 30, 2020 and 2019 amounted to \$300,645 and \$299,222, respectively.

The Corporation’s policy is to capitalize property and equipment expenditures of \$5,000 or more.

Expenditures for maintenance and repairs necessary to maintain the real estate in efficient operating condition are charged to operations. Expenditures which increase the useful lives of the assets are capitalized.

GLENMONT CROSSING DEVELOPMENT CORPORATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Rental Income

Rental income is recognized as rental charges are due. Rental payments received in advance are reported as a liability, prepaid revenue, until earned.

Accounts Receivable

Accounts receivable are reported net of an allowance for doubtful accounts. An allowance for doubtful accounts is established for receivables that are 90 or more days past due. Unpaid balances remaining after the stated payment terms are considered past due. An allowance is established through a charge to income. Recoveries of previously charged-off accounts are recorded when received. The allowance for doubtful accounts at June 30, 2020 and 2019 amounted to \$6,054 and \$4,335, respectively.

Advertising Costs

Advertising costs are expensed when incurred. Advertising expense for the years ended June 30, 2020 and 2019 amounted to \$8,696 and \$18,025, respectively, and is included in administration expense.

Mortgage Issuance Costs

Mortgage issuance costs are being amortized to interest expense over the term of the debt. For the years ended June 30, 2020 and 2019, amortization expense for mortgage issuance cost was \$14,341 and \$17,720, respectively.

Income Taxes

The Corporation is exempt from taxes under Section 115 of the Internal Revenue Code.

In accordance with the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Section 740 regarding accounting for uncertainty in income taxes, the Corporation is required to recognize the financial statement effects of a tax position if it is more likely than not that the position will not be sustained upon examination. The Corporation has no uncertain tax positions that qualify for recognition in the financial statements.

GLENMONT CROSSING DEVELOPMENT CORPORATION
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OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Corporation's tax returns will not be challenged by the taxing authorities and that the Corporation will not be subject to additional tax penalties and interest as a result of such challenge. The Corporation's tax returns for 2017, 2018, and 2019 remain open for federal income tax examination for three years from the date of filing.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allocation of Functional Expenses

The costs of providing the program and other activities have been reported on a functional basis in the statement of operations. Accordingly, certain costs have been allocated among the program and supporting services benefited when not readily traceable to a specific function.

Implementation of FASB ASU 2016-18

During the year ended June 30, 2020, the Corporation implemented Financial Accounting Standards Board Accounting Standards Update ("FASB ASU") 2016-18, *Statement of Cash Flows (Topic 230)*. FASB ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash and cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents are now included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.

NOTE 2 RESTRICTED DEPOSITS AND FUNDED RESERVES

In accordance with the regulatory agreement with the HOC, the Corporation is required to maintain a replacement reserve escrow, a renovation escrow, an operating reserve escrow, and a mortgage escrow. These funds are restricted for uses approved by the HOC. The aggregate balance of these escrows totaled \$2,642,274 and \$694,111 as of June 30, 2020 and 2019, respectively.

GLENMONT CROSSING DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 PROPERTY AND EQUIPMENT

As of June 30, 2020 and 2019, property and equipment consisted of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 4,072,421	\$ 4,072,421
Buildings and building renovations	11,823,554	11,823,554
Equipment	<u>41,521</u>	<u>20,056</u>
Total Capital Assets	<u>15,937,496</u>	<u>15,916,031</u>
Accumulated depreciation	<u>(2,270,433)</u>	<u>(1,969,788)</u>
	<u>\$ 13,667,063</u>	<u>\$ 13,946,243</u>

NOTE 4 MORTGAGE PAYABLE – CBRE MULTIFAMILY CAPITAL, INC.

The mortgage payable to CBRE Multifamily Capital, Inc. assumed by the Corporation was collateralized by a deed of trust on the property. Principal and interest were payable in monthly installments of \$58,492 and was due in full on November 1, 2019. The note accrued interest at the rate of 5.59 percent per annum. The outstanding balance as of June 30, 2020 and 2019 was \$0 and \$8,630,916, respectively. The mortgage outstanding as of June 30, 2019 was reported on the balance sheet net of unamortized mortgage issuance costs of \$7,382.

NOTE 5 NOTE PAYABLE – CBRE MULTIFAMILY CAPITAL, INC.

The unsecured note payable to CBRE Multifamily Capital, Inc. required monthly principal and interest installments of \$10,584 and was due in full on November 1, 2019. The note accrued interest at the rate of 4.19 percent per annum. The outstanding balance as of June 30, 2020 and 2019 was \$0 and \$1,909,630, respectively.

NOTE 6 MORTGAGE PAYABLE - HOC

On November 1, 2019, the Corporation entered into a mortgage payable to the HOC in the original amount of \$14,100,000 collateralized by a deed of trust on the property. One interest payment was due on November 1, 2019 followed by monthly principal and interest payments of \$56,330 starting December 1, 2019. Final maturity is on December 2054. Any remaining principal and interest is due on November 1, 2054. The mortgage accrues interest at the rate of 3.26 percent per annum. The outstanding balance as of June 30, 2020 was \$13,991,110. The mortgage outstanding as of June 30, 2020 is reported on the balance sheet net of unamortized mortgage issuance costs of \$358,413.

GLENMONT CROSSING DEVELOPMENT CORPORATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6 MORTGAGE PAYABLE – HOC (cont'd)

The annual maturity of the mortgage payable is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2021	\$ 223,169
2022	230,554
2023	238,184
2024	246,066
2025	254,208
Thereafter	<u>12,798,929</u>
Total	<u>\$ 13,991,110</u>

NOTE 7 NOTE PAYABLE – HOC

On October 9, 2012, the Corporation entered into a note payable to the HOC. The note was unsecured, did not accrue interest, and the repayment terms had not been specified. The balance due as of June 30, 2020 and 2019 was \$0 and \$2,023,400, respectively.

On November 1, 2019, the Corporation entered into a note payable with HOC in the amount of \$2,850,000. This note is secured by a Deed of Trust, Security Agreement and Assignment of Rents. The term of the note is twenty-eight years and eight months. No interest shall accrue on the outstanding principal balance of the note, and no payments shall be due for the initial nine years and five months of the note term. Thereafter, commencing on April 1, 2029 and on the anniversary date each year thereafter until such time as the note is paid in full, the Corporation shall make annual payments equal to the lesser of 50 percent of the net cash flow as defined in the note agreement or \$142,500 per year, the amount which when applied to the reduction of principal will amortize the principal debt over 20 years. The entire unpaid principal balance shall be due in full on July 1, 2048.

The Corporation must reserve 30 of the units for households at or below the CDBG low-income limit for Montgomery County as periodically updated by the United States Department of Housing and Urban Development ("HUD"), with the understanding that the name of the category ("CDBG 80 percent Low-Income Units" or "CDBG Units") may be arithmetically less than 80 percent of Local Area Median Income ("AMI"), and reserve 20 units for households whose income is at or below 50 percent of AMI, as more fully described in a Regulatory Agreement between HOC and the Corporation.

GLENMONT CROSSING DEVELOPMENT CORPORATION
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OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 7 NOTE PAYABLE – HOC (cont'd)

The balance due as of June 30, 2020 was \$2,850,000.

The annual maturity of the note payable is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2021	\$ -
2022	-
2023	-
2024	-
2025	-
Thereafter	<u>2,850,000</u>
Total	<u>\$ 2,850,000</u>

NOTE 8 RELATED PARTY TRANSACTIONS

The HOC borrowed \$2,850,000 from Montgomery County through their CDBG program. The loan proceeds were contributed to the Corporation under a contribution agreement for the acquisition of the property. Under the contribution agreement, the Corporation must operate the property so that for a period of no more than 36 months, beginning on the date of the contribution agreement of April 2013, at least 50 units are leased or held available for lease to households with incomes at or below the CDBG low-income limit for Montgomery County as periodically updated by HUD.

After the initial period, the Corporation must operate the property so that 30 of the units are leased or held available for lease to households with incomes at or below the CDBG low-income limit for Montgomery County as periodically updated by HUD.

During the year ended June 30, 2020, the previously recognized capital contribution of \$2,850,000 was repaid to HOC.

The Corporation has entered into an asset management agreement with the HOC under which the Corporation agrees to pay the net cash flow (as defined in the agreement) to the HOC as fees for the HOC's services to the Corporation. Asset management fees paid to the HOC for the years ended June 30, 2020 and 2019 amounted to \$103,850 and \$109,670, respectively.

As part of the approved budget, the Corporation was required to pay the HOC a development fee of \$146,850 and \$31,275 for the years ended June 30, 2020 and 2019, respectively.

See Notes 6 and 7 for the note and mortgage payable to HOC.

GLENMONT CROSSING DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9 NET ASSETS

The HOC follows the reporting requirements of the Governmental Accounting Standards Board ("GASB") and reclassifies the net assets of the Corporation as follows:

	2020	2019
Net investment in capital assets	\$ (2,815,634)	\$ 1,389,679
Restricted net position	2,643,652	694,711
Unrestricted net position	696,136	1,165,060
	\$ 524,154	\$ 3,249,450

NOTE 10 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Corporation's financial assets consist of cash and cash equivalents, including restricted cash and cash equivalents, accounts receivable and other assets, net.

The following reflects the Corporation's financial assets as of June 30, 2020 and 2019, reduced by amounts not available for general use because of contractual restrictions within one year of the balance sheet date.

	2020	2019
Financial assets, at year-end	\$ 3,556,281	\$ 1,989,152
Less those unavailable for general expenditures within one year due to:		
Contractual restrictions	2,674,638	726,875
Financial assets available to meet cash needs for general expenditures within one year	\$ 881,643	\$ 1,262,277

The Corporation has a goal to maintain financial assets on hand to meet, at a minimum, 90 days of normal operating expenses. The Corporation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 11 CONCENTRATION OF CREDIT RISK

The cash accounts are held in the name of the HOC and are included as part of the public funds which the bank has insured through a collateral pledge held by the Federal Reserve Bank of Boston.

GLENMONT CROSSING DEVELOPMENT CORPORATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 12 UNCERTAINTIES

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact the Corporation's income in fiscal year 2021. Other financial impacts could occur though such potential impacts are unknown at this time.

NOTE 13 SUBSEQUENT EVENTS

The Corporation has evaluated all subsequent events through May 17, 2021, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

GLENMONT CROSSING DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY, MARYLAND)
SELECTED LINE ITEM DETAIL
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ADMINISTRATION		
Accounting services	\$ 6,610	\$ 6,670
Advertising	8,696	18,025
Bank fees	7,850	100
Cable charges	409	713
Computer software	15,479	-
Contract administrative salaries	68,022	77,114
Contract management fee	49,321	53,838
Credit check services	-	3,012
Decorations	-	73
Food and beverages	111	1,707
Information management services	-	517
Internet access charges	383	-
Local milage and travel	59	-
Legal services	3,570	7,360
Local phone	3,772	4,895
Miscellaneous operating expenses	14,168	4,824
Miscellaneous program supplies	-	3,429
Office equipment rent	-	3,430
Office supplies	4,798	365
Other operating professional services	-	175
Paper, pads, etc.	-	835
Postage	221	61
Professional association dues	175	-
Printing/reproduction	2,684	1,475
Rental license fee	4,560	-
Security deposit interest	1,729	461
Temp agency - administrative	3,989	-
Total Administration	<u>\$ 196,606</u>	<u>\$ 189,079</u>
FRINGE BENEFITS		
Contract employee appreciation	\$ -	\$ 1,018
Contract housing allowance	-	1,667
Contract managed benefits	26,369	24,993
Contract other training	367	604
Total Fringe Benefits	<u>\$ 26,736</u>	<u>\$ 28,282</u>
OTHER EXPENSES		
Asset management fee expense	\$ 103,850	\$ 109,670
COVID-19 Coronavirus expense	747	-
Development fee	146,850	31,275
Fire and hazard insurance	9,320	1,564
Liability insurance	5,898	3,790
Mortgage insurance	2,791	-
Security system	-	919
Solid waste tax	1,971	1,954
Temp pool - tenant services	45,342	-
Water quality protect charge (RFSA)	5,599	5,599
Total Other Expenses	<u>\$ 322,368</u>	<u>\$ 154,771</u>

GLENMONT CROSSING DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY, MARYLAND)
SELECTED LINE ITEM DETAIL
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
MAINTENANCE		
Appliance equipment	\$ 32,760	\$ 22,122
Appliance supplies	1,210	5,657
Asphalt/concrete contracts	-	1,472
Cleaning and janitorial contracts	4,500	28,386
Cleaning and janitorial supplies	1,303	1,046
Contracted labor	39,584	45,716
Doors	-	1,150
Electrical contracts	2,368	2,475
Electrical supplies	3,043	5,448
Employee uniforms	291	1,147
Exterminating contracts	12,672	13,331
Flooring and carpeting contracts	29,046	55,181
Grounds and landscaping contracts	16,220	27,921
Grounds and landscaping supplies	102	209
Hardware supplies	3,170	2,823
HVAC contracts	11,647	5,211
HVAC equipment	8,091	-
HVAC supplies	859	2,123
Kitchen and bath supplies	-	14,395
Locks and keys	-	296
Miscellaneous contracts	3,779	19,854
Miscellaneous equipment	724	-
Paint and wallcoverings	273	1,200
Paint/wallcoverings interior contracts	17,883	69,215
Plumbing contracts	11,372	23,537
Plumbing supplies	3,242	4,950
Roofing and gutter contracts	-	18,525
Security contracts	460	-
Snow removal contracts	5,667	14,096
Tools	-	190
Windows and glass	1,162	3,653
Total Maintenance	<u>\$ 211,428</u>	<u>\$ 391,329</u>
 UTILITIES		
Electric	\$ 13,411	\$ 14,949
Natural gas	52,023	83,915
Trash collection	23,817	22,571
Trash collection - bulk	5,267	2,981
Water	75,173	137,060
Total Utilities	<u>\$ 169,691</u>	<u>\$ 261,476</u>