

**Pooks Hill Development Corporation**

**Financial Statements  
(With Supplementary Information)  
and Independent Auditor's Report**

**June 30, 2020 and 2019**

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# Pooks Hill Development Corporation

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Independent Auditor's Report

To the Management  
Pooks Hill Development Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of Pooks Hill Development Corporation, which comprise the balance sheets as of June 30, 2020 and 2019, and the related statements of operations, changes in net assets 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 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 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 Pooks Hill Development Corporation as of June 30, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The June 30, 2020 and 2019 accompanying supplementary information on pages 17 and 18 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 information 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

*CohnReznick LLP*

Baltimore, Maryland  
December 1, 2020

**Pooks Hill Development Corporation**

**Balance Sheets  
June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 523,564	\$ 458,210
Interfund receivable	10,276	31,576
Accounts receivable and other assets	58,571	53,707
Total current assets	<u>592,411</u>	<u>543,493</u>
Restricted cash and cash equivalents		
Customer deposits - funded security deposits	66,582	65,182
Restricted cash and cash equivalents	1,201,516	1,037,902
Total restricted cash and cash equivalents	<u>1,268,098</u>	<u>1,103,084</u>
Noncurrent assets		
Rental property, net of accumulated depreciation	<u>15,076,891</u>	<u>15,580,420</u>
Total noncurrent assets	<u>15,076,891</u>	<u>15,580,420</u>
Total assets	<u>\$ 16,937,400</u>	<u>\$ 17,226,997</u>

**Pooks Hill Development Corporation**

**Balance Sheets**  
**June 30, 2020 and 2019**

Liabilities and Net Assets

	<u>2020</u>	<u>2019</u>
Current liabilities		
Accounts payable and accrued liabilities	\$ 215,141	\$ 108,971
Mortgage payable - current	464,654	449,927
Accrued interest payable	40,806	42,015
	<u>720,601</u>	<u>600,913</u>
Total current liabilities		
Current liabilities payable from restricted cash and cash equivalents		
Customer deposits payable - tenant security deposits	65,432	61,189
	<u>65,432</u>	<u>61,189</u>
Noncurrent liabilities		
Mortgage payable, net of unamortized debt issuance costs of \$41,403 and \$43,236 and net of current maturities, respectively	14,677,547	15,140,368
	<u>14,677,547</u>	<u>15,140,368</u>
Total noncurrent liabilities		
Total liabilities	15,463,580	15,802,470
Net assets	<u>1,473,820</u>	<u>1,424,527</u>
Total liabilities and net assets	<u>\$ 16,937,400</u>	<u>\$ 17,226,997</u>

See Notes to Financial Statements.

**Pooks Hill Development Corporation**

**Statements of Operations**  
**Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Operating revenue		
Dwelling rental	\$ 2,919,336	\$ 2,858,286
Commercial rental	33,760	30,203
Other income	945	16,505
	<u>2,954,041</u>	<u>2,904,994</u>
Total operating revenue		
Operating expenses		
Administration	325,609	316,540
Maintenance	341,075	395,212
Bad debt	16,874	39,988
Depreciation	527,058	527,893
Utilities	165,697	153,703
Fringe benefits	68,280	61,568
Interest expense	498,194	512,492
Other	963,167	900,079
	<u>2,905,954</u>	<u>2,907,475</u>
Total operating expenses		
Operating income (loss)	48,087	(2,481)
Nonoperating revenues		
Investment income	1,206	1,696
	<u>1,206</u>	<u>1,696</u>
Net income (loss)	<u>\$ 49,293</u>	<u>\$ (785)</u>

See Notes to Financial Statements.

**Pooks Hill Development Corporation**

**Statements of Changes in Net Assets  
Years Ended June 30, 2020 and 2019**

Balance, July 1, 2018	\$ 1,425,312
Net loss	<u>(785)</u>
Balance, June 30, 2019	1,424,527
Net income	<u>49,293</u>
Balance, June 30, 2020	<u><u>\$ 1,473,820</u></u>

See Notes to Financial Statements.



**Pooks Hill Development Corporation**

**Statements of Cash Flows  
Years Ended June 30, 2020 and 2019**

	2020	2019
Cash flows from operating activities		
Net income (loss)	\$ 49,293	\$ (785)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation	527,058	527,893
Amortization of debt issuance costs	1,833	1,834
(Increase) decrease in assets		
Accounts receivable and other assets	(4,864)	26,596
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	106,170	741
Accrued interest payable	(1,209)	(1,171)
Customer deposits payable	4,243	2,753
	682,524	557,861
Net cash provided by operating activities		
Cash flows from investing activities		
Decrease in interfund receivable	21,300	424
Purchase of fixed asset property	(23,529)	-
	(2,229)	424
Net cash (used in) provided by investing activities		
Cash flows from financing activities		
Payments on mortgage payable	(449,927)	(435,667)
	(449,927)	(435,667)
Net cash used in financing activities		
Net increase in cash, cash equivalents and restricted cash	230,368	122,618
Cash, cash equivalents, and restricted cash, beginning	1,561,294	1,438,676
Cash, cash equivalents, and restricted cash, ending	\$ 1,791,662	\$ 1,561,294
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 497,570	\$ 511,829

See Notes to Financial Statements.

# Pooks Hill Development Corporation

## Notes to Financial Statements June 30, 2020 and 2019

### Note 1 - Organization

Pooks Hill Development Corporation (the "Corporation") was formed as a nonstock corporation under the laws of the State of Maryland on October 4, 2012. The Corporation is a component unit of the Housing Opportunities Commission of Montgomery County, Maryland (the "Commission"). It was formed for the purpose of acquiring a 190-unit apartment complex to provide rental housing to persons of low and moderate income and is located in Bethesda, Maryland operating under the name Pooks Hill Apartment Tower (the "Project").

### Note 2 - Summary of significant accounting policies

#### Use of estimates

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### Accounts receivable and bad debts

Tenant receivables are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of tenant accounts receivable. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2020 and 2019, the allowance was \$1,902 and \$0, respectively.

#### Rental property

Rental property is carried at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives by use of the straight-line method for financial reporting purposes. For income tax purposes, accelerated lives and methods are used.

	<u>Method</u>	<u>Estimated useful lives</u>
Buildings and improvements	Straight-line	40 years
Site improvements	Straight-line	15 years
Furniture and equipment	Straight-line	10 years

#### Impairment of long-lived assets

The Corporation reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the years ended June 30, 2020 and 2019.

#### Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related mortgage.

## Pooks Hill Development Corporation

### Notes to Financial Statements June 30, 2020 and 2019

#### Income taxes

The Corporation is a component unit of the Commission and is therefore exempt from income taxation. Accordingly, the financial statements do not include a provision for income taxes.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Corporation to report information regarding its exposure to various tax positions taken by the Corporation. Management has determined whether any tax positions have met the recognition threshold and has measured the Corporation's exposure to those tax positions. Management believes that the Corporation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. As of June 30, 2020, returns for the tax years 2017 through 2019 generally remain subject to examination by taxing authorities.

#### Rental income

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Corporation and tenants of the property are operating leases.

Commercial lease income is recognized as earned in accordance with the respective lease terms. GAAP requires commercial lease income to be recognized on a straight-line basis over the terms of the respective leases. Rental income recorded on the straight-line method in excess of the rents billed is recognized as deferred rent asset.

#### Advertising costs

The Corporation's policy is to expense advertising costs when incurred.

#### Cash equivalents

Short-term liquid investments with original maturities of less than three months are considered to be cash equivalents. As of June 30, 2020 and 2019, there were no cash equivalents.

#### Change in accounting principles

In November 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-18, *Statement of Cash Flows (Topic 230) - Restricted Cash* ("ASU 2016-18") to address diversity in practice with respect to the cash flows presentation of changes in amounts described as restricted cash and cash equivalents. ASU 2016-18 requires a reporting entity to include amounts described as either restricted cash or restricted cash and cash equivalents (collectively referred to as "restricted cash" herein) when reconciling beginning and ending balances in its statement of cash flows. The update also amends Topic 230 to require disclosures about the nature of restricted cash and provide a reconciliation of cash and restricted cash between the balance sheet and the statement of cash flows. ASU 2016-18 was adopted retrospectively during the year ended June 30, 2020. Consequently, ending cash, cash equivalents and restricted cash as of June 30, 2019 and 2018 was increased from \$458,210 to \$1,561,294 and \$446,366 to \$1,438,676, respectively.

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"). Effective July 2019, the Company adopted ASU 2014-09 on a retrospective basis. The modifications under ASU 2014-09 were applied to all of the Company's contracts with customers. No practical expedients were applied. The majority of the Company's revenue is derived from leases with tenants of the Project generally for terms of one year or less, which are accounted for in accordance with *Leases*

## Pooks Hill Development Corporation

### Notes to Financial Statements June 30, 2020 and 2019

(Topic 840). Therefore, adoption of ASU 2014-09 had no impact on the recognition of rental revenue of the Project during the periods presented or on the opening balances of net assets as of July 1, 2019 and 2018.

#### Note 3 - Restricted cash and cash equivalents

##### Replacement reserve

In accordance with the Regulatory Agreement with the Commission, disbursements from the reserve for replacement for the purpose of maintenance, improvements, or renovations of the Project cannot be made without prior consent of the Commission. The reserve for replacement is pooled with other properties that are controlled by the Commission and deposited with Montgomery County, Maryland. Monthly deposits of \$65 per unit commenced on the date of the first installment of principal and interest. This amount shall be adjusted annually by 3%. As of June 30, 2020 and 2019, the balance in the reserve was \$869,826 and \$708,293, respectively.

##### Renovation reserve

The Corporation has an additional renovation reserve to be used to fund capital improvements or major repairs. As of June 30, 2020 and 2019, the balance in the reserve was \$285,063 and \$285,063, respectively.

##### Mortgage escrow

Under the agreements with the affiliate of the Commission, the Corporation is required to make monthly escrow deposits for mortgage insurance. As of June 30, 2020 and 2019, the escrow was \$46,627 and \$44,546, respectively.

#### Note 4 - Statements of cash flows

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the balance sheets that sum to the total of the same such amounts in the statements of cash flows:

	2020	2019
Cash and cash equivalents	\$ 523,564	\$ 458,210
Customer deposits - funded security deposits	66,582	65,182
Replacement reserve	869,826	708,293
Renovation escrow	285,063	285,063
Mortgage escrow	46,627	44,546
Total cash, cash equivalents and restricted cash shown in statements of cash flows	<u>\$ 1,791,662</u>	<u>\$ 1,561,294</u>

Amounts included in restricted cash are comprised of security deposits held in trust for the future benefit of tenants upon moving out of the property, the replacement reserve used for paying the cost of any major repair and replacement to the property, a renovation reserve used to fund capital improvements, and an escrow for mortgage insurance deposits.

## Pooks Hill Development Corporation

### Notes to Financial Statements June 30, 2020 and 2019

#### Note 5 - Rental property

Property held by the Corporation at June 30, 2020 and 2019 consists of the following:

	2020	2019
Land	\$ 3,726,400	\$ 3,726,400
Buildings and improvements	19,405,185	19,405,185
Site improvements	426,732	403,203
Furniture and equipment	337,162	337,162
Accumulated depreciation	(8,818,588)	(8,291,530)
	<u>\$ 15,076,891</u>	<u>\$ 15,580,420</u>

#### Note 6 - Mortgage payable

The Corporation obtained financing from the Commission through the issuance of multi-family housing development bonds, in an aggregate amount not to exceed \$18,200,000. The loan converted to permanent financing on December 18, 2012, at which time monthly payments of principal and interest in the amount of \$78,958 commenced. The loan bears interest at 3.225% and matures on January 1, 2043. The Project serves as collateral for the loan. As of June 30, 2020 and 2019, the outstanding principal and accrued interest payable was \$15,183,604 and \$15,633,531, and \$40,806 and \$42,015, respectively.

As discussed in Note 2, debt issuance costs, net of accumulated amortization, totaled \$41,403 and \$43,236 as of June 30, 2020 and 2019, respectively, and are related to the mortgage payable. Debt issuance costs on the above mortgage are being amortized using an imputed rate of 3.249%. For the years ended June 30, 2020 and 2019, amortization expense related to debt issuance costs was \$1,833 and \$1,834, respectively, and is included in interest expense in the statements of operations.

Aggregate maturities of the mortgage payable for the five years following June 30, 2020 and every five years thereafter are as follows:

2021	\$ 464,654
2022	479,862
2023	495,568
2024	511,789
2025	528,540
2026-2030	2,913,802
2031-2035	3,422,915
2036-2040	4,020,983
2041-2043	2,345,491
	<u>\$ 15,183,604</u>

## **Pooks Hill Development Corporation**

### **Notes to Financial Statements June 30, 2020 and 2019**

#### **Note 7 - Related party transactions**

##### **Development corporation fee payable**

The Commission earns an annual noncumulative development corporation fee. The fee is based off of the property's annual budget and is payable from available cash flow. For the years ended June 30, 2020 and 2019, development corporation fees of \$573,168 and \$530,000, respectively, were incurred and are included in other expenses on the statements of operations. As of June 30, 2020 and 2019, development corporation fees of \$100,000 and \$0, respectively, remain payable and are included in accounts payable and other accrued liabilities on the balance sheets.

##### **Intercompany receivable**

The Corporation made advances to affiliates which do not bear interest and are due on demand. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. As of June 30, 2020 and 2019, \$10,276 and \$31,576, respectively, were due to the Corporation.

##### **Asset management fee**

Pursuant to Section 7 of the Asset Management Fee Agreement (the "Agreement"), the Corporation agreed to pay an annual asset management fee to the Commission equal to the proportionate share of the asset management agent's indirect overhead expense attributable to the Project for the preceding year as determined annually as part of the asset management agent's annual budget. The Agreement renews automatically without notice. For the years ended June 30, 2020 and 2019, asset management fees of \$202,340 and \$213,680, respectively, were incurred and paid and are included in other expenses on the statements of operations.

##### **Loan management fees**

In accordance with the Regulatory Agreement with the Commission, the Corporation is required to pay the Commission an annual monitoring fee of 0.25% of the original principal balance of the loan. For the years ended June 30, 2020 and 2019, loan management fees of \$45,500, respectively, were incurred and paid and are included in other expenses on the statements of operations.

##### **Shared expenses**

The Corporation shares certain operating costs with affiliated projects within its geographical region. As of June 30, 2020 and 2019, the Organization has no amounts due to or from related parties for shared costs with affiliated projects.

#### **Note 8 - Property management fee**

The Corporation has an agreement with Vantage Management Inc., an unrelated party, to provide property management services, effective September 1, 2013 through September 30, 2016. After that date the agreement automatically renews annually unless terminated by the parties. The agreement provides for a fee of \$42 per unit per month increasing annually for the change in CPI. Effective January 2020 through December 2020, the fee was increased to \$44.10 per month per occupied unit. Management fees charged to operations under this agreement for the years ended June 30, 2020 and 2019 were \$100,223 and \$101,604, respectively. As of June 30, 2019 and 2018, \$8,247 and \$8,495, respectively, remained payable and are included in accounts payable and other accrued liabilities on the balance sheets.

## Pooks Hill Development Corporation

### Notes to Financial Statements June 30, 2020 and 2019

#### Note 9 - Payment in lieu of taxes ("PILOT")

The Corporation entered into an agreement with Montgomery County, Maryland for a PILOT. Under the agreement, the Corporation received a 100% reduction of the county and special area real property taxes. The agreement may be terminated by the county as of June 30 of any tax year upon 30 days' written notice to the Corporation, as defined. During the years ended June 30, 2020 and 2019, the Corporation did not incur or pay property taxes to Montgomery County, Maryland under this agreement.

#### Note 10 - Net assets

The Commission, the Corporation's controlling entity, is required to report on a fund basis. The Corporation, therefore has reported net assets on a fund basis to conform to the Commission's presentation. This presentation does not conform with generally accepted accounting principles, but is not materially different. Below is a summary of the Corporation's net assets as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Investment in capital assets, net of related debt	\$ (106,713)	\$ (53,111)
Restricted net assets	1,202,666	1,041,895
Unrestricted net assets	<u>377,867</u>	<u>435,743</u>
	<u>\$ 1,473,820</u>	<u>\$ 1,424,527</u>

#### Note 11 - Rental income under operating lease

The Project has a commercial lease that commenced on August 1, 2017 with the Cellco Partnership for a term of five years. The Agreement shall automatically be extended for three additional five-year terms through August 1, 2037, unless terminated by the lessee, as defined. The following is a schedule of minimum future rental income on the commercial lease for each of the next five years and thereafter as of June 30, 2020:

2021	\$ 34,604
2022	<u>29,435</u>
	<u>\$ 64,039</u>

#### Note 12 - Concentration of credit risk

The Corporation, at times, will have cash in banking institutions in excess of the \$250,000 insured by the Federal Deposit Insurance Corporation ("FDIC"). Cash balances in excess of the FDIC insured amounts are collateralized with the Federal Reserve Bank and, therefore, are not at risk.

## **Pooks Hill Development Corporation**

### **Notes to Financial Statements June 30, 2020 and 2019**

#### **Note 13 - Risks and uncertainties**

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of lease revenue and other material adverse effects to the Company's financial position, results of operations, and cash flows. The Company is not able to reliably estimate the length or severity of this outbreak and therefore the related financial impact.

#### **Note 14 - Subsequent events**

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Corporation through December 1, 2020 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



## **Supplementary Information**

**Pooks Hill Development Corporation**

**Selected Line Item Detail  
Years Ended June 30, 2020 and 2019**

	2020	2019
<b>Administration</b>		
Marketing and lease-up	\$ 30,296	\$ 28,707
Contract administration salary	132,732	128,162
Professional association dues	560	610
Contract management fee	100,223	101,604
Miscellaneous operating expenses	1,972	2,160
Postage	525	495
Printing/reproduction	2,203	2,083
Office supplies	2,941	4,664
Auditing services	12,845	12,750
Legal services	3,154	2,448
Food and beverages	180	-
Credit check services	1,578	-
Telephone	11,918	10,932
Software	13,426	11,728
Rental license fees	8,986	8,413
Bank fees	281	379
Internet access charges	180	-
Security deposit interest	1,609	1,405
	\$ 325,609	\$ 316,540
<b>Total administration expenses</b>		
<b>Maintenance</b>		
Contract maintenance salary	\$ 93,768	\$ 99,711
Electrical supplies	4,713	7,768
Appliance supplies	5,502	2,122
Plumbing supplies	3,506	2,533
Employee uniforms	3,605	4,533
Cleaning and janitorial supplies	1,410	1,216
Grounds and landscaping supplies	-	126
Windows and glass	7	810
Doors	1,650	114
Hardware supplies	3,838	4,375
HVAC supplies	9,399	15,088
Flooring and carpeting	16,034	35,263
Miscellaneous equipment	-	3,800
Kitchen and bath supplies	8,695	-
Appliance equipment	1,427	1,059
Plumbing contracts	1,710	7,158
Cleaning and janitorial contracts	75,249	69,509
Grounds and landscaping contracts	12,465	16,747
HVAC contracts	352	-
Paint and wall coverings contracts	37,820	42,427
Elevator contracts	15,505	17,283
Exterminating contracts	5,926	5,682
Asphalt/concrete contracts	-	3,540
Snow removal contracts	2,810	3,795
Swimming pool contracts	11,016	20,586
Miscellaneous contracts	15,541	12,132
Electrical contracts	3,962	713
Plumbing contracts capital	5,165	17,122
	\$ 341,075	\$ 395,212
<b>Total maintenance expenses</b>		

**Pooks Hill Development Corporation**

**Selected Line Item Detail  
Years Ended June 30, 2020 and 2019**

	2020	2019
Utilities		
Water	\$ 62,159	\$ 48,897
Electric	57,642	62,141
Natural gas	26,689	20,981
Trash collection	19,207	21,684
Total utility expenses	\$ 165,697	\$ 153,703
Fringe benefits		
Contract managed benefits	\$ 67,513	\$ 60,147
Contract other training	767	1,421
Total fringe benefits	\$ 68,280	\$ 61,568
Other		
Mortgage insurance	\$ 76,946	\$ 79,163
Other taxes	3,035	4,780
Property insurance	36,021	23,327
Water quality protection charge	2,721	-
Security contracts	22,048	3,629
Asset management fee	202,340	213,680
Development corporation fee	573,168	530,000
Coronavirus expense	1,388	-
Loan management fee	45,500	45,500
Total other expenses	\$ 963,167	\$ 900,079

See Independent Auditor's Report.



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