

**POOKS HILL COURTYARD  
A COMPONENT UNIT OF THE HOUSING OPPORTUNITIES COMMISSION  
OF MONTGOMERY COUNTY, MARYLAND**

**FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 AND 2020  
AND  
INDEPENDENT AUDITOR'S REPORT**

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Pooks Hill Courtyard, a Component Unit  
of the Housing Opportunities Commission  
of Montgomery County, Maryland

### Report on the Financial Statements

We have audited the accompanying financial statements of Pooks Hill Courtyard, a Component Unit of Housing Opportunities Commission of Montgomery County, Maryland (the Property), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, changes in net deficit, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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***

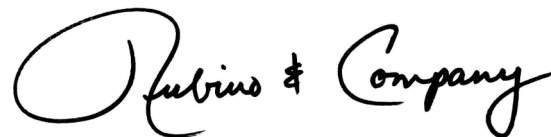
In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Pooks Hill Courtyard, as of June 30, 2021 and 2020, and the changes in its net deficit and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the June 30, 2021 and 2020 financial statements as a whole. The accompanying detailed schedules of revenues and expenses for the years ended June 30, 2021 and 2020 are presented for purposes of additional analysis and are 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 audits 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021, on our consideration of the Property's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style.

December 10, 2021  
Bethesda, Maryland

**POOKS HILL COURTYARD, A COMPONENT UNIT OF HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020**

**ASSETS AND DEFERRED OUTFLOWS**

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 194,666	\$ 158,714
Accounts receivable, prepaids, and other assets, net	<u>13,369</u>	<u>27,645</u>
Total current assets	<u>208,035</u>	<u>186,359</u>
Restricted cash and equivalents	757,075	728,631
Customer deposits	<u>19,594</u>	<u>18,789</u>
Total deposits held in trust - funded	776,669	747,420
Property and equipment, net of depreciation	<u>2,641,486</u>	<u>2,761,808</u>
Total long term assets	<u>2,641,486</u>	<u>2,761,808</u>
Total assets	<u>\$ 3,626,190</u>	<u>\$ 3,695,587</u>

**LIABILITIES, DEFERRED INFLOWS AND NET ASSETS**

Accounts payable and accrued liabilities	\$ 34,539	\$ 36,071
Unearned revenue	15,830	8,307
Accrued interest payable	10,015	8,621
Loans payable to Montgomery County - current	17,193	17,024
Mortgage notes and loans payable - current	212,005	201,787
Interfund payable	<u>50,117</u>	<u>45,326</u>
Total current liabilities	<u>339,699</u>	<u>317,136</u>
Customer deposit payable	<u>18,611</u>	<u>17,809</u>
Total current liabilities payable from restricted assets	<u>18,611</u>	<u>17,809</u>
Loans payable to Montgomery County - non-current	217,886	218,056
Mortgage notes and loans payable - net of unamortized issuance costs	1,232,354	1,444,360
Less: Deferred charges, net of accumulated amortization	<u>(65,955)</u>	<u>(74,749)</u>
Total non-current liabilities	<u>1,384,285</u>	<u>1,587,667</u>
Total liabilities	1,742,595	1,922,612
Net investment in capital assets	962,048	880,581
Restricted net assets	758,058	729,611
Unrestricted net assets	<u>163,489</u>	<u>162,783</u>
Total net assets	<u>1,883,595</u>	<u>1,772,975</u>
Total liabilities, deferred inflow of resources and net assets	<u>\$ 3,626,190</u>	<u>\$ 3,695,587</u>

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

**POOKS HILL COURTYARD, A COMPONENT UNIT OF HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Operating Revenue		
Dwelling rental	\$ 892,506	\$ 908,777
Management fees and other income	<u>2,674</u>	<u>369</u>
Total operating revenues	<u>895,180</u>	<u>909,146</u>
 Operating Expenses		
Administrative	87,630	90,609
Maintenance	97,391	107,982
Depreciation	120,322	120,322
Utilities	72,778	59,413
Fringe Benefits	15,718	17,138
Interest expense	87,964	97,860
Bad debt expense	-	9,378
Other	<u>76,488</u>	<u>68,235</u>
Total operating expenses	<u>558,291</u>	<u>570,937</u>
Operating loss income	336,889	338,209
 Non-Operating Revenue (Expenses)		
Investment income	<u>117</u>	<u>6,312</u>
Total non-operating revenue (expense)	<u>117</u>	<u>6,312</u>
 Net Income (Loss)	 <u>\$ 337,006</u>	 <u>\$ 344,521</u>

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

**POOKS HILL COURTYARD, A COMPONENT UNIT OF HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
STATEMENTS OF CHANGES IN NET DEFICIT  
YEARS ENDED JUNE 30, 2021 AND 2020**

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<b>Balance, July 1, 2019</b>	\$ 1,664,598
Change in net deficit	344,521
Distributions	<u>(236,144)</u>
<b>Balance, June 30, 2020</b>	1,772,975
Change in net deficit	337,006
Distributions	<u>(226,386)</u>
<b>Balance, June 30, 2021</b>	<u>\$ 1,883,595</u>

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

**POOKS HILL COURTYARD, A COMPONENT UNIT OF HOUSING**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from Operating Activities</b>		
Cash received from tenants	\$ 917,905	\$ 896,707
Cash paid to suppliers and employees	<u>(330,501)</u>	<u>(348,144)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>587,404</u>	<u>548,563</u>
<b>Cash flows from Capital and Related Financing Activities</b>		
Interest paid	(77,776)	(89,981)
Principal repayments of mortgage note payable	(218,158)	(192,061)
Principal repayments of notes payable	-	(16,855)
Distributions	<u>(226,386)</u>	<u>(236,144)</u>
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(522,320)</u>	<u>(535,041)</u>
<b>Cash flows from Investing Activities</b>		
Investment income (expense)	<u>117</u>	<u>6,312</u>
<b>Net Cash Provided by Investing Activity</b>	<u>117</u>	<u>6,312</u>
 Net Increase in Cash and Cash Equivalents	 <u>65,201</u>	 <u>19,834</u>
 Cash and Cash Equivalents - Beginning	 <u>906,134</u>	 <u>886,300</u>
Cash and Cash Equivalents - Ending	<u>\$ 971,335</u>	<u>\$ 906,134</u>
 <b>Reconciliation of changes in net assets to net cash provided by Operating activities</b>		
Change in net assets	\$ 337,006	\$ 344,521
Reconciling adjustments:		
Depreciation	120,322	120,322
Interest and amortization of deferred charges	87,847	91,548
Changes in operating assets and liabilities		
Accounts receivable and other assets	14,276	(19,885)
Accounts payable and accrued expense	14,837	4,847
Unearned revenue	7,523	-
Interfund payable	4,791	6,183
Tenant security deposit payable	<u>802</u>	<u>1,027</u>
Net cash provided by operating activities	<u>\$ 587,404</u>	<u>\$ 548,563</u>

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



**POOKS HILL COURTYARD, A COMPONENT UNIT OF THE HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 and 2020**

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**1. Organization**

Pooks Hill Courtyard, a Component Unit of the Housing Opportunities Commission of Montgomery County, Maryland (HOC) (Pooks Hill Courtyard or Property) was formed under the laws of the State of Maryland on January 19, 1999 for the purpose of acquiring a 50-unit apartment complex to provide rental housing, some of which are for low and moderate income families.

Pooks Hill Courtyard's dwelling units are located in Montgomery County, Maryland which constitutes a concentration of credit risk. The Property's collateral for rents receivable is one month's rent held as a security deposit.

**2. Summary of Significant Accounting Policies**

Basis of Presentation

Financial statement presentation follows the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Section 958, Not-for-Profit Entities. Under those standards, net assets and revenues, gain and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire.
- Permanently restricted net assets – Net assets subject to donor imposed stipulations that they are to be maintained permanently by the Organization to use all or part of the income earned on assets.

Method of Accounting

The Property prepares its financial statements on the accrual basis of accounting. Under this basis, revenues are recognized when earned and expenses are recognized when incurred. The accounting policies conform to accounting principles generally accepted in the United States of America.

**POOKS HILL COURTYARD, A COMPONENT UNIT OF THE HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 and 2020**

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**2. Summary of Significant Accounting Policies (continued)**

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

Cash and Cash Equivalents

Short-term liquid investments (including securities purchased under agreements to resell) with original maturities of less than three months are considered to be cash equivalents. The Property considers the following as cash and cash equivalents: the reserve for replacement fund, operating reserve fund, and customer deposits.

Rental Income

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Property and tenants of the Property are operating leases with terms of twelve months or less.

Rental Subsidies

The Property receives rental subsidies from the county and state for making units available for low-income tenants

Deferred Charges

Under ASC-835, Interest, as issued by the Financial Accounting Standards Board (FASB), the deferred charges are recorded as a reduction of the related debt balance and the amortization of the charges is included in interest expense.

Amortization included in interest expense for these loan and mortgage financing fees for the years ended June 30, 2021 and 2020 are both \$8,794, and accumulated amortization is \$196,683 and \$187,889, respectively.

**POOKS HILL COURTYARD, A COMPONENT UNIT OF THE HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 and 2020**

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**2. Summary of Significant Accounting Policies (continued)**

Accounts Receivable

Accounts receivable are stated at outstanding balances, less an allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income. Accounts deemed to be uncollectible are charged against the allowance and subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management's periodic evaluation of the adequacy of the allowance is based on past experience, aging of the receivables, adverse situations that may affect a tenant's ability to pay, current economic conditions, and other relevant factors. This evaluation is inherently subjective as it requires estimates that may be susceptible to significant change. Unpaid balances remaining after the stated payment terms are considered past due.

Property and Equipment

Property and equipment are stated at cost and are depreciated on the straight-line method over the estimated average useful lives of the assets as follows: buildings and building renovations, forty years; and miscellaneous equipment, five to ten years.

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

Maintenance, repairs, and minor renewals which do not significantly improve or extend the lives of the respective assets are charged against operations when incurred. Additions, improvements, and major renewals are capitalized.

Subsequent Events

Management has evaluated subsequent events through December 10, 2021, which is the date the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provide evidence about conditions that existed at the statement of position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of position date, but disclosures of such events, if any, are included in the accompanying notes.

**POOKS HILL COURTYARD, A COMPONENT UNIT OF THE HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 and 2020**

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**3. Cash and Cash Equivalents**

Cash and cash equivalents, including restricted cash and cash equivalents, consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Operating cash and cash equivalents	\$ 194,666	\$ 158,714
Replacement reserve	\$ 388,325	\$ 369,920
Operating reserve	368,750	358,711
Customer deposits	<u>19,594</u>	<u>18,789</u>
Restricted cash and cash equivalents	<u>776,669</u>	<u>747,420</u>
Total cash and cash equivalents	<u>\$ 971,335</u>	<u>\$ 906,134</u>

**4. Property and Equipment**

Property and equipment is comprised of the following at June 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 628,400	\$ 628,400
Building	4,633,373	4,633,373
Building renovations	29,355	29,355
Miscellaneous equipment	12,382	12,382
Site improvement	<u>67,025</u>	<u>67,025</u>
	5,370,535	5,370,535
Accumulated depreciation	<u>(2,729,049)</u>	<u>(2,608,727)</u>
	<u>\$ 2,641,486</u>	<u>\$ 2,761,808</u>

Depreciation expense for the years ended June 30, 2021 and 2020, totaled \$120,322 and \$120,322, respectively.

**POOKS HILL COURTYARD, A COMPONENT UNIT OF THE HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 and 2020**

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**5. Deferred Charges**

Deferred charges consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Deferred title, underwrite fee and record charges	\$ 54,319	\$ 54,319
Cost of issuance charges	<u>208,319</u>	<u>208,319</u>
	262,638	262,638
Accumulated amortization	<u>(196,683)</u>	<u>(187,889)</u>
Total Deferred Charges	<u>\$ 65,955</u>	<u>\$ 74,749</u>

Unamortized loan costs are deducted from the face amount of the related mortgage loan payable on the statements of financial position. Amortization of loan costs are included in interest expense on the statements of activities. Amortization expense on loan costs for 2021 and 2020 are \$8,794 and \$8,794, and the accumulated amortization was \$196,683 and \$187,889, respectively.

**6. Income Taxes**

The Property is a component unit of the Housing Opportunities Commission of Montgomery County, Maryland (HOC) and is therefore exempt from income taxation. Therefore, the accompanying financial statements do not include a provision for income taxes.

**7. Pooled Investments**

As of June 30, 2021, the Property has \$388,325 of replacement reserve cash of which \$80,901 is in a pooled fund with other properties that are controlled by HOC, and on deposit with the Montgomery County Government.

As of June 30, 2020, the Property has \$369,920 of replacement reserve cash of which \$75,025 is in a pooled fund with other properties that are controlled by HOC, and on deposit with the Montgomery County Government.

**8. Reserve for Replacement**

In accordance with the Regulatory Agreement with HOC, disbursement from the replacement reserve for the purpose of maintenance, improvements, or renovations of the Project cannot be made without prior written consent of HOC. For each of the years ended June 30, 2021 and 2020, the required monthly deposits of \$3,938 were funded per

**POOKS HILL COURTYARD, A COMPONENT UNIT OF THE HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 and 2020**

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**8. Reserve for Replacement (continued)**

the Regulatory Agreement. The cash and investments restricted for replacement consists of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 369,920	\$ 319,369
Deposit	47,256	47,256
Interest	30	3,295
Withdrawals	<u>(28,881)</u>	<u>-</u>
Ending balance	<u>\$ 388,325</u>	<u>\$ 369,920</u>
Operating cash and cash equivalents	\$ 80,901	\$ 75,025
Restricted cash and cash equivalents	<u>307,424</u>	<u>294,895</u>
Total	<u>\$ 388,325</u>	<u>\$ 369,920</u>

**9. Operating Reserve**

The operating reserve has been established for the purpose of funding operation expenses of the Property to the extent that the Property's collected gross receipts are insufficient for such purpose. For each of the years ended June 30, 2021 and 2020, monthly deposits of \$717 were funded at the discretion of HOC. The cash and investments restricted for operating reserves consists of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 358,711	\$ 348,586
Deposit	9,958	7,250
Interest	<u>81</u>	<u>2,875</u>
Ending balance	<u>\$ 368,750</u>	<u>\$ 358,711</u>

**10. Mortgage Note Payable**

Mortgage note payable to Housing Opportunity Commission of Montgomery County consists of an original amount, \$4,247,578; requiring monthly principal and interest payments of \$23,228 with an interest rate of 4.95%, due June 1, 2027.

**POOKS HILL COURTYARD, A COMPONENT UNIT OF THE HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 and 2020**

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**10. Mortgage Note Payable (continued)**

The note is secured by a mortgage on the buildings and improvements. The Property entered into a regulatory agreement with HOC in conjunction with obtaining the mortgage.

Aggregate maturities required on mortgage payable, assuming no change in the current terms, consist of the following for each of the years ending June 30:

2022	\$	212,005	
2023		222,741	
2024		234,020	
2025		245,870	
2026		258,324	
2027		271,399	
		1,444,359	
Less: Current portion		(212,005)	
Less: Deferred charges (Note 5)		(65,955)	
Total	\$	1,166,399	

Note payable consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Note payable to Montgomery County, Maryland;		
Original amount, \$500,000; requiring annual principal and interest payments of \$19,374; interest rate of 1%; collateralized by the building and improvements; matures during 2033.	\$ 235,079	\$ 235,080
Note payable to Montgomery County - Current	(17,193)	(17,023)
Note payable to Montgomery County - Long-Term	\$ 217,886	\$ 218,057

Aggregate maturities required on notes payable, assuming no change in current terms, consist of the following for each of the years ending June 30:

2022	\$	17,193	
2023		17,365	
2024		17,539	
2025		17,714	
2026		17,891	
Thereafter		147,377	
	\$	235,079	

**POOKS HILL COURTYARD, A COMPONENT UNIT OF THE HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 and 2020**

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**11. Net Assets**

The Property is required to report on a fund basis and the net assets for the years ended June 30:

	<b>2021</b>	<b>2020</b>
Invested in capital assets, net of related debt	\$ 962,048	\$ 880,581
Restricted net assets	758,058	729,611
Unrestricted net assets	163,489	162,783
	<b>\$ 1,883,595</b>	<b>\$ 1,772,975</b>

**12. Concentration of Cash Risk**

As of June 30, 2021 and 2020, account balances were \$971,335 (consisted of \$663,911 in PNC bank and \$307,424 in Wells Fargo bank) and \$906,134 (consisted of \$513,115 in PNC bank and \$393,019 in Wells Fargo bank), respectively. The FDIC insured limit is \$250,000 per customer per bank. However, amounts held in trust accounts and other demand accounts are either invested in United States treasury securities or are collateralized at a level of at least 100% of market value of principal and accrued interest. The collateral is held by the bank's agent in HOC's name.



## **SUPPLEMENTAL INFORMATION**

**POOKS HILL COURTYARD, A COMPONENT UNIT OF HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
DETAILED SCHEDULES OF REVENUE AND EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Rent: Current Residents	\$ 929,001	\$ 925,493
Rent: Subsidies	9,984	10,536
Concessions	(10,575)	(836)
Vacancy Loss	(43,153)	(33,158)
Other Rent Fees	7,249	5,721
Miscellaneous Income	2,674	369
Late Fees/NSF	-	1,021
<b>TOTAL OPERATING INCOME</b>	<b><u>\$ 895,180</u></b>	<b><u>\$ 909,146</u></b>
 <b>ADMINISTRATIVE EXPENSES</b>		
Contract Admin Salary	\$ 32,333	\$ 33,359
Auditing Services	8,020	7,980
Contract Management Fee	25,402	26,453
Misc Operating Expenses	3,388	1,846
Postage	331	295
Printing/Reproduction	486	617
Other Office Supplies	608	799
Food and Beverages	72	45
Legal Services-General	55	1,827
Advertising	5,471	5,660
Credit Check Services	-	1,263
Local Phone Bill	2,686	2,930
Bank Fees	461	329
Computer Software	5,347	3,921
Rental License Fees	2,556	2,899
Security Deposit Interest Expense	281	242
Professionanl Assoc Dues	133	144
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b><u>\$ 87,630</u></b>	<b><u>\$ 90,609</u></b>

**POOKS HILL COURTYARD, A COMPONENT UNIT OF HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
DETAILED SCHEDULES OF REVENUE AND EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>MAINTENANCE</b>		
Salary - Maintenance	\$ 27,083	\$ 23,723
Electrical Supplies	1,645	844
Appliance Supplies	567	1,128
Plumbing Supplies	288	380
Employee Uniforms	1,105	805
Cleaning and Janitorial Supplies	125	236
Hardware Supplies	510	804
HVAC Supplies	208	2,515
Miscellaneous Equipment	8	-
Electrical Contracts	2,090	909
Plumbing Contracts	1,020	1,080
Cleaning and Janitorial Contracts	15,695	18,873
Grounds and Landscaping Contracts	9,546	10,443
HVAC Contracts	1,158	-
Flooring and Carpeting Contracts	600	260
Paint/Wallcoverings Int. Contracts	4,914	10,260
Elevator Contracts	7,348	6,941
Exterminating Contracts	1,338	1,258
Snow Removal Contracts	4,008	1,780
Swimming Pool Contracts	900	2,754
Miscellaneous Contracts	5,649	2,451
Kitchen and Bath Supplies-Capital	160	4,547
Flooring and Carpeting-Capital	2,974	4,492
Plumbing Equipment-Capital	4,127	1,805
Appliance Equipment-Capital	3,305	6,497
Miscellaneous Equipment-Capital	344	-
Miscellaneous Contracts-Capital	-	2,629
COVID-19 - Coronavirus Expense	676	568
<b>TOTAL MAINTENANCE EXPENSE</b>	<b><u>\$ 97,391</u></b>	<b><u>\$ 107,982</u></b>

**POOKS HILL COURTYARD, A COMPONENT UNIT OF HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
DETAILED SCHEDULES OF REVENUE AND EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>UTILITIES</b>		
Water Bill	\$ 51,126	\$ 33,249
Electric Bill	11,956	15,472
Natural Gas	623	360
Trash Collection	8,369	8,892
Trash Collection - Bulk	<u>704</u>	<u>1,440</u>
<b>TOTAL UTILITIES EXPENSE</b>	<b><u>\$ 72,778</u></b>	<b><u>\$ 59,413</u></b>
 <b>FRINGE BENEFITS</b>		
Contract Managed Benefits	\$ 15,624	\$ 16,889
Contract Other Training	<u>94</u>	<u>249</u>
<b>TOTAL FRINGE BENEFITS</b>	<b><u>\$ 15,718</u></b>	<b><u>\$ 17,138</u></b>
 <b>OTHER EXPENSES</b>		
Fire and Hazard Insurance	\$ 6,240	\$ 4,800
Liability Insurance	7,257	5,610
Environmental Insurance	117	-
Security Contracts	6,754	3,279
Solid Waste	1,040	1,016
Insurance Reserve	1,580	-
Asset Management Fee Expense - Non-Federal	<u>53,500</u>	<u>53,530</u>
<b>TOTAL OTHER EXPENSES</b>	<b><u>\$ 76,488</u></b>	<b><u>\$ 68,235</u></b>

**POOKS HILL COURTYARD  
SCHEDULES OF EXCESS CASH  
JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 951,741	\$ 887,345
Customer deposits	19,594	18,789
Accounts receivable, prepaids, and other assets, net	<u>13,369</u>	<u>27,645</u>
Total Available to Fulfill Current Obligations	<u>984,704</u>	<u>933,779</u>
Less:		
Interfund payable	50,117	45,326
Accrued mortgage interest payable	10,015	8,621
Accounts payable and accrued liabilities	34,539	36,071
Customer deposit payable	18,611	17,809
Deferred revenue	15,830	8,307
Loans and notes payable - current	<u>229,198</u>	<u>218,811</u>
Total Current Obligations	<u>358,310</u>	<u>334,945</u>
<b>EXCESS CASH</b>	<u><u>\$ 626,394</u></u>	<u><u>\$ 598,834</u></u>



**RUBINO**

STRENGTH IN NUMBERS

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Commissioners  
Pooks Hill Courtyard, a Component Unit  
of the Housing Opportunities Commission  
of Montgomery County, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Pooks Hill Courtyard (the Property), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, changes in net deficit, and cash flows for the year ended, and the related notes to the financial statements, which collectively comprise the Property's basic financial statements, and have issued our report thereon dated December 10, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Property's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Property's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Rubins & Company".

December 10, 2021  
Bethesda, Maryland

6903 Rockledge Drive  
Suite 300  
Bethesda, MD 20817  
301-564-3636



**RUBINO**

*STRENGTH IN NUMBERS*

1950 Old Gallows Road  
Suite 440  
Vienna, VA 22182  
703-506-9700

## **Independent Auditor's Report on Compliance with Specific Requirements Applicable to Fair Housing and Non-Discrimination**

Board of Commissioners  
Pooks Hill Courtyard, a Component Unit  
of the Housing Opportunities Commission  
of Montgomery County, Maryland

We have applied procedures to test the Pooks Hill Courtyard, a Component Unit of the Housing Opportunities Commission of Montgomery County, Maryland (the Property)'s compliance with Fair Housing and Non-Discrimination requirements applicable to its HUD-assisted programs, for the years ended June 30, 2021 and 2020.

Our procedures were limited to the applicable compliance requirement described in the Consolidated Audit Guide for Audits of HUD Programs issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General. Our procedures were substantially less in scope than an audit, the objective of which would be the expression of an opinion on the Property's compliance with the Fair Housing and Non-Discrimination requirements. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of non-compliance that are required to be reported herein under the Guide.

This report is intended solely for the information and use of management, the Housing Opportunities Commission of Montgomery County, Maryland, and the federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

December 10, 2021  
Bethesda, Maryland