



# Housing Opportunities Commission

OF MONTGOMERY COUNTY



## Annual Comprehensive Financial Report

For the Fiscal Year Ended on June 30, 2021





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**HOUSING OPPORTUNITIES COMMISSION OF  
MONTGOMERY COUNTY, MARYLAND**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Issued by  
Finance Department  
Cornelia Kent, Chief Financial Officer  
Eugenia Pascual, Controller



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## I. INTRODUCTORY SECTION



Government Finance Officers Association

Certificate of  
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in Financial  
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Presented to

**Housing Opportunities Commission  
of Montgomery County, Maryland**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO





November 3, 2021

Members of the Commission

Housing Opportunities Commission of Montgomery County

We are pleased to present the Annual Comprehensive Financial Report (“ACFR”) of the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC” or “Agency”) for the fiscal year ending June 30, 2021. The report was prepared by the Commission’s Finance Division staff and audited by the independent public accounting firm of CliftonLarsonAllen LLP.

The data presented in this report are the responsibility of the management of the Commission. To the best of our knowledge and belief, the data is accurate in all material respects, presented in a manner designed to fairly state the financial position and state of operations of the Commission. Further, all necessary disclosures have been included to allow a complete understanding of the Commission’s financial affairs.

The ACFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes this transmittal letter, the organizational chart of the Commission and a list of principal officers. The Financial section includes the independent auditors’ report on the basic financial statements, management’s discussion and analysis, the basic financial statements, notes to financial statements and supplementary information consisting of financial statements for the Commission’s sub-funds. The Statistical section offers, on a multi-year basis, selected financial and demographic information for the Commission and Montgomery County.

This report includes all funds and component units of the Commission. The Commission’s Financial Statements include five enterprise sub-funds: General Sub-Fund, Opportunity Housing Sub-Fund, Public Sub-Fund, Single Family Sub-Fund, and the Multifamily Sub-Fund. In addition, 14 Low-Income Housing Tax Credit partnerships (“LIHTC”) and five Limited Liability Company (“LLC”) are consolidated and presented as discrete component units in the Financial Statements.

In 1966, the Montgomery County Council activated the Housing Authority of Montgomery County (“HAMC”). In 1974, parallel State and County legislation were enacted to establish a broader housing mission for the County and restructure HAMC into the Housing Opportunities Commission of Montgomery County, Maryland. HOC is Montgomery County’s designated Public Housing Authority (“PHA”) and Housing Finance Agency (“HFA”). HOC’s governing body is the Board of Commissioners comprised of seven members, who are appointed by the County Executive and confirmed by the County Council. The Commission appoints an Executive Director to administer the operations of the Commission. The primary sources of funds for Commission activities are dwelling rental income from Commission-owned properties, interest on mortgage and construction loans earned by the Single Family and Multifamily mortgage loan programs, as well as Housing Assistance Payments funded by the U.S. Department of Housing and Urban Development (“HUD”).

The Commission's mission is to provide affordable housing and supportive services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County, Maryland. To accomplish these objectives, the Commission participates in a number of programs, which are discussed in the Management's Discussion and Analysis ("MD&A") and in the notes to financial statements sections of this report.

### **COVID-19 Pandemic**

According to the World Health Organization, data published as of October 3, 2021 shows that globally, the numbers of weekly COVID-19 cases and deaths continued to decline, a trend that has been observed since August 2021. Over 3.1 million new cases and approximately 54 000 new deaths were reported during the week of September 27 to October 3, 2021. The cumulative number of confirmed cases reported globally is now over 234 million and the cumulative number of deaths is just under 4.8 million.

The Maryland State of Emergency was lifted July 1, 2021, subject to a forty-five-day administrative grace period for certain restrictions. The forty-five-day grace period which included the previous order prohibiting the eviction of tenants suffering substantial loss of income due to COVID-19 ended as of August 15, 2021.

The average daily rate of cases, hospitalizations and deaths from Covid-19 are on the decline both nationally and within the State of Maryland. As of October 12, 2021, the State of Maryland's COVID-19 statewide seven-day positivity rate dropped to 3.85%, as compared to a month earlier at 4.73% and the daily positivity rate dropped from 4.32% to 3.79% over the same period. Although the Delta variant appears to be on the decline there is still uncertainty as we move into the fall and winter seasons, mainly due to vaccine hesitancy and the continued debate over mask usage throughout the Country.

Due to the prolonged duration of the COVID-19 pandemic and its economic impact on many of HOC's customers combined with the eviction moratorium through August 15, 2021, HOC has experienced a reduction in rent collection. HOC also continues to look for opportunities to provide rent supplement for its customers and offset some of the increased operating expenses brought on by the pandemic.

The Federal Government in response to the ongoing COVID-19 pandemic established the Emergency Rental Assistance Program ("ERAP") which makes funding available to assist households that are unable to pay rent or utilities. Two separate programs were established: ERAP 1 provides up to \$25 billion under the Consolidated Appropriations Act, 2021, which was enacted on December 27, 2020, and ERAP 2 provides up to \$21.55 billion under the American Rescue Plan Act of 2021, which was enacted on March 11, 2021. The funds are provided directly to states, U.S. territories and local governments. Grantees use the funds to aid eligible households through existing or newly created rental assistance programs.

Montgomery County has received its \$59.6MM in ERAP 1 funding in two components: a direct amount of \$31.4MM and a \$28.2MM amount via funds provided to the State for allocation to its various counties and municipalities. To date HOC has applied for approximately \$4.2 million in ERAP 1 funds and received approximately \$1.3 million as of October 29, 2021.

HOC has also been applying to FEMA for reimbursement of COVID-19 related expenses for prevention and remediation because of the pandemic. FEMA will reimburse 100% of all eligible expenses.

HOC is closely monitoring the cash flow needs of the agency and does not anticipate cash flow shortages at this time.

## State & Local Economy

The U.S. Department of Labor's Bureau of Labor Statistics ("BLS") released state jobs and unemployment data. According to the preliminary survey data, as of June 30, 2021, Maryland's total jobs decreased by 6,400 and the unemployment rate increased to 6.2%.<sup>1</sup> The BLS reported that Montgomery County reached its peak unemployment rate of 9.0% in May 2020.<sup>2</sup> As of June 2021, the Montgomery County unemployment rate stood at 6.4%.<sup>3</sup> This represents a 2.6% decline over the May 2020 numbers at the start of the pandemic. In March 2021, there were 30,554 people unemployed in the County. That number increased to 35,185 in June 2021. These figures represent an increase of 15.2% quarter over quarter. The Washington DC Metro area unemployment rate as of June 30, 2021 was 5%.<sup>4</sup>

The national unemployment rate as of June 30, 2021 was 5.9%. The national unemployment rate, when compared to March 2021, declined 0.1%. This is down from the peak of 14.7% reached in April 2020; however, still well above the 3.5% posted in February 2020.<sup>5</sup>

The State's economy is currently facing a serious labor shortage. Businesses across the state are hiring and jobs are available, with over 250,000 jobs available on the Maryland Workforce Exchange, the most job postings of any month in the past five years. The Education and Health Services sector experienced the most growth with an increase of 3,500 jobs from the Educational Services (2,800) and Health Care and Social Assistance (700) subsectors. The Leisure and Hospitality sector increased by 1,400 jobs from the Accommodation and Food Services (1,300) and Arts, Entertainment, and Recreation (100) subsectors. Other sectors that experienced growth include Information [Technology?] (600); Other Services (600); and Financial Activities (500). Sectors that experienced a decline last month include; Professional and Business Services (9,700); Mining, Logging, and Construction (1,800); Manufacturing (1,100); and Trade, Transportation, and Utilities (500).<sup>6</sup>

According to the Delta Associates Second Quarter 2021 Apartment Market Report ("Delta Report") the Washington Metro Area has a 2.6% stabilized vacancy rate for all classes of apartments, down 170 basis points from a year ago. Metro-Wide Class A and B vacancies are 3.0% and 2.3%, respectively. Class A is down 190 basis points and Class B is down 160 basis points from the prior quarter.

The Suburban Maryland development pipeline for Class A product for the next 36 months is projected to be 8,658 units, down 2.1% year over year.<sup>7</sup> This is comprised of Montgomery County and Prince George's County.

Montgomery County overall effective rents have decreased 180 basis points in the first quarter of CY 2021 compared to 12 months ago. Vacancy in Class A decreased 270 basis points and Class B decreased 70 basis points compared to 12 months. Concessions over the past 12 months have increased by 230 basis points (2.30%). Vacancy in Class A decreased 240 basis points (2.40%) and Class B decreased 20 basis points (0.20%) respectively, compared to last quarter.<sup>8</sup> HOC vacancy has decreased 20 basis points (0.20%).

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<sup>1</sup> Division of Workforce Development & Adult Learning Office, Maryland Department of Labor

<sup>2</sup> Bureau of Labor Statistics

<sup>3</sup> Bureau of Labor Statistics

<sup>4</sup> Delta Associates Second Quarter 2021 Report

<sup>5</sup> Bureau of Labor Statistics

<sup>6</sup> Division of Workforce Development & Adult Learning Office, Maryland Department of Labor

<sup>7</sup> Delta Associates Second Quarter Report, June 2021

<sup>8</sup> Delta Associates Second Quarter Report, June 2021

In Montgomery County, this year's deliveries and construction starts are greatest in Bethesda/Chevy Chase, which also has the largest 36-month pipeline at 2,067 units. For the second quarter of CY21, no construction starts are scheduled in the submarkets of Gaithersburg/Germantown, Rockville/Bethesda, or Silver Spring/Wheaton. Other than Bethesda/Chevy Chase, only Gaithersburg/Germantown has a project in the 36-month pipeline (Black Hill Germantown – Phase 2).<sup>1</sup>

### **HOC Housing Path**

In early FY 2016, HOC launched HOC Housing Path, effectively re-imagining wait list management, designed to extend greater access to people in need of affordable housing, while improving operational efficiency. Unlike the previous wait lists, HOC Housing Path allows customers to complete one application and be considered for every HOC program for which they may potentially be eligible. The electronic wait list ensures data remain accurate by keeping the list perpetually open and providing applicants with online access to update their information. As of September 2021, more than 43,000 households affirmed their need for affordable housing by applying to the HOC Housing Path wait list. HOC Housing Path connects customers with Housing Choice Vouchers, opportunity and tax-credit housing units, as well as Project-Based Vouchers. Early in FY'18, HOC's new Call Center became the central point of entry for all incoming inquiries from the former wait list phone line. Throughout the year, divisions have been working to integrate Housing Path Customer Relationship Management, Yardi and Housing Path systems to support data exchange between systems and to prepare for the development and launch of a Customer Relationship Management self-service tool. In FY'19, a property-listing page on the Housing Path site was deployed to enable wait list customers to check property details and availability outside of wait list opportunities. Additionally, the agency continues to add new site-based wait lists to the Housing Path site, enabling applicants to extend their housing preferences beyond general geographic location to specific properties within HOC's portfolio.

### **Housing Choice Voucher and Public Housing Operating Subsidy**

As of August 1, 2021, HOC manages a baseline 7,659 vouchers. The voucher assistance is provided to families throughout the County, in apartments, townhouses, single-family homes, mid- and high-rise buildings, and senior apartment communities. Federal funding for rental assistance programs has been increasingly uncertain in recent years. The Federal government has not provided Public Housing Authorities with the full funding needed to administer the Housing Choice Voucher program since FY'03. The CY'20 PHA proration was 80% of the funding needed to administer the program. The current CY'21 proration is 85%. While previous appropriations cycles have enabled the renewal of existing vouchers, PHA administrative fees, which ensure PHAs can effectively serve voucher holders, remain underfunded. It is therefore critically important that HOC continues to advance solutions that reduce reliance on Federal funding.

During FY'20, HOC completed the conversion of its multifamily Public Housing units to project-based subsidies through the Rental Assistance Demonstration ("RAD") program. RAD converts multifamily Public Housing Operating and Capital Fund grants to Section 8 Project-Based subsidy. Additionally, RAD allows HOC to transfer these properties into ownership entities to access private capital for the purpose of rehabilitating or redeveloping the properties. The units' deep affordability is preserved with Project-Based Vouchers ("PBV") or Project-Based Rental Assistance ("PBRA") subsidy – both forms of Federal Section 8 subsidy.

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<sup>1</sup> Delta Associates Second Quarter Report, June 2021

HOC is currently working with the Homeowners' Association at Tobytown to transfer the Tobytown community center and common areas to the Home Owners Association. Once completed, HOC will have left the Federal Public Housing program in favor of not only more stable subsidy, but also a financial model that promotes improved cost management and sustainability. HOC continues to refine operations with respect to Federal housing programs to ensure strong financial performance, efficient delivery of services as well as full compliance with program regulations.

### **Property Management and Property Maintenance**

HOC's focus is on improving customer service and increasing leasing efforts through improvements to processes in its Property Management and Property Maintenance divisions (the "Divisions"). With the continuation of the COVID-19 pandemic, the Divisions continue to focus their efforts to ensure the safety and well-being of employees and residents alike. HOC continues to promote and follow Federal, State and Local guidelines related to disinfecting common areas, practicing social distancing and mask wearing at all multifamily properties. HOC also continues to refocus its efforts on continued leasing efforts and process improvements to stabilize Alexander House and Barclay Development Corporation, in addition to focusing leasing efforts for any other properties experiencing occupancy below 90 percent. Part of this outreach includes identifying relevant third party managed properties to coordinate solutions such as special leasing events and extended hours to boost occupancy.

### **Real Estate Development**

The Commission believes that its acquisition and rehabilitation efforts create strong communities and contribute to the overall economic well-being of Montgomery County. During FY'21, construction and renovation continued on several of the Commission's multifamily and scattered site developments.

- **Brooke Park:** In October 2013, the Commission approved the acquisition of the Brooke Park Apartments by the assumption of a purchase contract, which the Montgomery County Department of Housing and Community Affairs ("DHCA") executed in accordance with the County's Right of First Refusal Ordinance. Built in 1956, Brooke Park consists of 17 units, eleven (11) 1-bedroom units and six (6) 2-bedroom units. The property was approximately 50% occupied and in need of substantial renovation. The occupied units were vacated due to the poor physical condition and the occupants relocated to suitable HOC-owned units. On-site renovation activities started in December 2019 and have now been completed by Hooten Construction; the units are ready for occupancy. The development was funded with County Housing Initiative Funds and HOME funds totaling \$3.8 million (excluding acquisition cost).
- **Upton II:** The Upton II development sits next to the fully leased Phase I of the Upton, developed by Duball, LLC and delivered in 2015. Upton I has two completely independent components: a 263-unit, 15-story, Class A multifamily tower and a 140-unit, eight-story Cambria Suites hotel wrapped around the northern face of the tower. With nearly the same design, when completed, the Upton II will include a 250-unit, 18-story, Class A multifamily tower and a 150-unit, eight-story replacement housing for nearby Town Center Apartments (and new market rate age-restricted units) wrapped around the northern face of the tower. Among other strengths, the site of the relocation housing for Town Center Apartments (112 units) surpasses in desirability that of the already attractively located Town Center Apartments. The final development plan including syndicator selection and tax-exempt construction note were presented to the Commission and approved in January 2019. The construction and related loans closed in March 2019. The LIHTC tax credit closing occurred in November 2019. Construction of the core and shell are through floor 18 and interior units are beginning to be worked on. Units are expected to be delivered in fall 2021 with resident moves from Town Center Apartments occurring shortly after delivery. Funding is from a number of sources including, LIHTC Equity Proceeds, Tax-



exempt Bond Loan from M&T Bank, Montgomery County Housing Initiative Fund (“County HIF”) Loan, and Developer Equity.

- **Elizabeth House III & IV:** Elizabeth House is one of the 11 multifamily Public Housing properties, which were approved for conversion to project-based subsidy under the HUD’s Rental Assistance Demonstration program. On August 13, 2013, the Commission approved the submission of feasibility applications to HUD for approval of the conversion of the entire multifamily portfolio. Elizabeth House, located in downtown Silver Spring, is a 160-unit senior housing development built in 1966. The building is at the end of its useful life and is functionally obsolete. The building is adjacent to another site, Fenwick Professional Park (“FPP”), owned by the Lee Development Group. Together with both Alexander House, Elizabeth House, and FPP, the entire site is known as Elizabeth Square. On July 23, 2015, an original Preliminary Plan for the redevelopment of Elizabeth Square was approved by the Maryland-National Capital Park and Planning Commission (“M-NCPP”). On December 7, 2017, the M-NCPP approved the revised Preliminary Plan, Sketch Plan, and Site Plan for the Elizabeth Square development.

The approved site plan is a mixed-use project consisting of three buildings: the new, senior-housing focused Elizabeth House III building, the new, multifamily Elizabeth House IV building, and the renovated Alexander House, which includes 122 affordable units and 183 market rate units. Elizabeth House III is the first phase of new construction projects. Financial closing occurred in October 2019 and construction began shortly thereafter, to be completed in September 2022. As with Alexander House, R4 Capital is the LIHTC syndicator. Construction of Elizabeth House IV is projected to start in 2024, market conditions permitting.

In addition to the residential developments, Elizabeth Square will deliver a 127,000 square foot state of the art recreational and public use facility that will be the focal point of the square, including the new South County Regional Recreation and Aquatic Center to be operated by Montgomery County Recreation and a Senior Resource Center/Primary Care Facility to be operated by Holy Cross Hospital. Together, the Elizabeth Square development represents a significant investment by HOC and Montgomery County inside the beltway, a mere walk from the Silver Spring Red Line Metro station and future Silver Spring Purple Line Metro station.

- **Westside Shady Grove:** The Commission entered into a Joint Venture with EYA & Bozzuto Development to develop a 268-unit mixed-income property, to include 80 affordable housing units and mixed use development adjacent to the Shady Grove Metro Station. Once complete, the 7-story building will feature 268 apartments, 21,000 square feet of street-level retail and 7,400 square feet of office space. The Commission closed on the land on December 20, 2019 and progressed through the entitlements, predevelopment and financing plan through CY2020. The Final Development Plan and Financing Plan were approved at the December 2020 Commission Meeting. The most recent Commission approval occurred on January 13, 2021 where the Commission approved HOC to enter into a gross maximum price (“GMP”) Contract with Bozzuto Construction in an amount not to exceed \$76.4M. On January 28, 2021, HOC successfully closed on the \$121.3 million financing to acquire, construct and permanently finance the Westside Shady Grove Apartments, which consisted of a (i.) bond funded FHA insured senior mortgage of \$99.25 million to fund the majority of the development costs (ii.) a \$14.3 million subordinate construction bridge loan from Montgomery County’s Housing Initiative Fund, and (iii) \$7.72 million of equity from HOC Westside Shady Grove, LLC (the “Owner/Borrower”). Building permit approval from Montgomery County was granted on February 10, 2021. Construction is expected to take 24 months, and stabilization is anticipated to occur

on or about February 2024. Upon stabilization and conversion, which should occur no later than August 2024, the 40-year amortization of the Mortgage Loan would commence, with a balloon maturity in January 2052. The project is approximately 15% complete with recent construction in-place activities including installation of the pre-cast garage and building footers.

- **Bauer Park:** Bauer Park Apartments is located in Rockville, Maryland. The property was constructed in 1977 and its 142-unit senior garden community are housed in three three-story buildings across the 3.88-acre site. The property offers the best of suburban Montgomery County living: proximate shopping, immediate access to bus service, yet substantial private outdoor space on site. Residents also have access to the Bauer Drive Community Recreation Center next door. The RAD 2 “Conversion” out of 236 financing will allow for preservation of subsidy while allowing renovations to occur at the property and bring much-needed long-term subsidy to seniors on fixed incomes. On July 1, 2020, Series A Non-AMT bonds for \$25,665,000 were issued and deposited into a mortgage loan account to finance the acquisition, rehabilitation, and equipping of Bauer Park Apartments. LIHTC equity and HOC equity are also financing the renovation. Closing of the real estate transaction occurred on September 1, 2020, providing funds for the renovation of the property, which is expected to be completed in 22 months (approximately May 2022). No off-site tenant relocation is anticipated, as sufficient vacancies were been created on-site, allowing for renovation in batches of vacant units by moving existing residents around until the work is complete. Renovation work is complete in Building 3, the first building of 49 units, as of June 2021. Building 2 is under renovation and work on the Community Room located in Building 1 will begin in November 2021. The development is 60% complete. The installation of a Trigeration system will significantly lower utility costs for the property and residents, while creating positive impacts for the environment.

### ***The Year Ahead:***

- **Fenwick & Second:** HOC received approval from the Commission on April 3, 2019, to execute a ground lease with Fenwick Silver Spring, LLC for the development and ownership of HOC’s new headquarters building located in downtown Silver Spring, Maryland at Fenwick Lane and Second Avenue. The 9-story HOC headquarters building, approximately 82,220 gross square feet, will house staff currently at the 10400 Detrick Avenue, Kensington office, staff from its East Deer Park office, as well as staff in the Silver Spring Service Center. HOC formally closed on the ground lease on August 2, 2019, and on May 6, 2020, the Commission approved the submission of a development application under Mandatory Referral provision of the Planning Commission. On August 7, 2020, the first application of the two-step Mandatory Referral process, the Location Review Application, was submitted to Montgomery County Planning Board and on November 12, 2020, it was unanimously approved. Subsequently, the Mandatory Referral Site Design and Architecture Application was approved on April 15, 2021 and the Administrative Subdivision Plan was approved on May 17, 2021. Currently, the design team has completed Design Development and is posed to begin Construction Documents, with the goal of finalizing permitting and starting construction sometime in June 2022, which would place building completion around May 2024.
- **Willow Manor at Clopper’s Mill; Willow Manor at Fair Hill Farm; Willow Manor at Colesville:** On November 1, 2018, HOC acquired three properties; Willow Manor at Clopper’s Mill, Willow Manor at Fair Hill Farm, and Willow Manor at Colesville in accordance with Article 53A of the Montgomery County Code, the Right of First Refusal Ordinance. The Willow Manor at Clopper’s Mill is a 102-unit age-restricted (62+) apartment development in Germantown, Maryland. The Willow Manor at Fair Hill Farm is a 101-unit age-restricted (62+) apartment

development located in Olney, Maryland. The Willow Manor at Colesville is an 83-unit age-restricted (62+) apartment development located in Silver Spring, Maryland. The properties have approximately \$48.9 million in existing debt, consisting of senior loans of \$29.1 million and subordinate County HIF loans in the amount of \$19.8 million. The properties have all reached the end of their initial 15-year LIHTC compliance periods and the project team is currently preparing for the upcoming LIHTC resyndication and renovation. The transaction is currently projected to close in December 2021, with renovation to start in November 2021 for a 24-month duration. The renovations will modernize residential units, update common area amenities, increase energy efficiency and improve site conditions. Total costs for the transactions are approximately \$99.5 million and will be funded with an FHA Risk Share mortgage of \$47.2 million, 4% LIHTC equity proceeds of \$29.6 million, a subordinate County HIF loan of \$13.7 million and a seller note of \$8.9 million. The existing debt of senior loans in the amount of \$29.1 million will be paid off completely and approximately \$6.1 million of the existing County HIF loan will be paid at LIHTC closing. The balance of the County HIF debt will be refinanced as part of the resyndication.

- **Wheaton Gateway:** All the properties have been aggregated and contributed to Wheaton Venture for redevelopment into Wheaton Gateway. This includes the former Ambassador Apartments condominium and the retail condominium below, the Mattress Firm parcel, and the Lindsay Ford parcels on the west side of Veirs Mill Road and University Boulevard in Wheaton. The retail condominium and the Mattress Firm parcel were owned by Willco, and Willco with HOC and The Duffie Companies or their affiliate entities form partners in Wheaton Venture. The former Ambassador Apartments and retail shops were demolished in May 2020. The Commission approved use of remaining County Capital Improvement Program (“CIP”) funds to demolish the Mattress Firm parcel on May 6, 2020, and also amended the Wheaton Venture Operating Agreement. The Mattress Firm demolition was completed in September 2020. Previously, to maximize the redevelopment effort, HOC staff negotiated the acquisition of the Lindsay Ford dealership, consisting of 11 parcels, totaling approximately 5.4 acres, and generally located at 11250 Veirs Mill Road, as well as a small patch of ground across East Avenue at the corner of Upton Drive and approximately 1.6 acres across Veirs Mill Road. HOC closed on the acquisition of the eleven parcels comprising the Lindsay Ford site on January 17, 2019. Feasibility and conceptual site designs are ongoing and the Commission with its partners have been engaged in significant community outreach to optimize the outcome for the redevelopment and the community. The design phase is ongoing through 2021, and entitlements will continue through 2022. Construction start is planned for 2023.
- **Emory Grove and Camp Hill Square:** Emory Grove is former Public Housing development, which converted its subsidy under the RAD program and is now planned for redevelopment. All Emory Grove residents have been relocated to newly renovated homes throughout Montgomery County, along with their subsidies and the property is now vacant. The adjacent Camp Hill Square was developed via the Section 236 mortgage program. The Section 236 financing has expired and project based vouchers have been awarded to the 12 units that qualify; the remaining 39 units are unsubsidized. HOC assumed the HAP contract and took ownership of the property in March 2014. In accordance with the RAD program, Emory Grove must continue to be offered as affordable housing under a redevelopment scenario. HOC is evaluating both properties for continued use as mixed income rental and/or home ownership communities. The County has appropriated CIP funds for the demolition of Emory Grove in the FY 2020-21 budget to commence demolition on the property. In July 2021, the Commission approved the selection of a contractor to demolish Emory Grove. Demolition is expected to be completed during the fourth quarter of CY 2021. Given the historical significance of both properties in the Emory



Grove community, HOC will continue to explore the efficacy of a joint redevelopment and/or collaboration with neighboring landowners with the goal of promoting race, equity, and inclusion initiatives across Montgomery County. The planning notwithstanding, Camp Hill Square would require a significant investment of capital to improve the physical plant, modernize the units, and increase energy efficiency at the property.

- **Hillandale Gateway:** Hillandale Gateway will be a new mixed-use, mixed income community located on the site of Holly Hall Apartments (“Holly Hall”), a former 96-unit Public Housing property, located in the Hillandale neighborhood of Silver Spring. The community will consist of 155 age-restricted apartments, 308 multifamily apartments, retail, and parking. The age-restricted apartment building, which will have 96 affordable units and 59 market-rate units, will be built using equity proceeds from the syndication of 4% LIHTCs and tax-exempt bonds. The building age-restricted building will strive to achieve Zero Net Energy and the multifamily building Passive House, through construction techniques, energy efficient mechanical systems, and the installation of solar panels on the site. HOC anticipates closing on LIHTC and construction financing on or around the fourth quarter of fiscal year 2022.
- **Shady Grove Apartments:** Shady Grove Apartments was constructed in 1980 on two parcels totaling 11.87 acres in Derwood, just east of the Shady Grove Metro Station. The property was renovated in 1998 using tax-exempt bonds and LIHTC equity proceeds. As a consequence, the property is currently under an extended-use agreement set to expire on December 31, 2028. All of the 144 units at the garden-style community are subject to a Project-Based Rental assistance contract with all units restricted for households at or below 50% of area median income. On September 1, 2021, the Commission approved the final development plan estimated at \$60.7 million to acquire, renovate and equip the property with improvements to energy-efficiency, common areas, building exteriors and in-unit upgrades of finishes and appliances in kitchens and bathrooms. Phased renovations are projected to take up to 24 months for completion by November 2023. HOC will retain controlling interest of the Borrower and General Partner entities. The property is expected to be awarded an allocation of 4% LIHTCs and Boston Financial Investment Management has been selected to be the LIHTC Syndicator. The Financing Plan sources include a combination of short-term and long-term private activity bonds to fund an FHA Risk Share mortgage loan, LIHTC equity, and a subordinate loan from the seller entity.
- **Georgian Court Apartments:** Georgian Court Apartments, located in Silver Spring was constructed in 1976, and is located on 6.75 acres. The property contains a total of 147-units within 13 all-brick garden-style apartment structures ranging from 3-4 stories in height. The property was renovated in 2001 using LIHTC equity proceeds. The property is currently under an extended use covenant, which is set to expire on December 31, 2030. It requires the units to be restricted as follows: 1) 29-units set aside at or below 50% of area median income (“AMI”) and subject to a Project-Based Rental Assistance Contract, and 2) 118 units set aside at or below 60% of AMI. On September 1, 2021, the Commission approved the final development plan estimated at \$72.3 million to acquire, renovate and equip the property with improvements to energy-efficiency, common areas, building exteriors, and in-unit upgrades of finishes and appliances in bathrooms and kitchens. Phased renovations are projected to take up to 24 months for completion in November 2023. HOC will retain controlling interest of the Borrower and General Partner entities. The property is expected to be awarded an allocation of 4% LIHTCs and Boston Financial Investment Management has been selected to be the LIHTC Syndicator. The Financing Plan sources include a combination of short-term and long-term

private activity bonds to fund an FHA Risk Share mortgage loan, LIHTC equity, and a subordinate loan from the seller entity.

- **Stewartown Homes:** Stewartown Homes (“Stewartown”) was constructed in 1977. The property contains 94 townhome units within 12 structures located in Gaithersburg, Maryland. Stewartown has not undergone any major renovation since 2000. On December 9, 2020, staff presented a Final Development Plan to the Commission estimated at \$38.1 million to acquire, renovate, and equip the property with in-unit upgrades of finishes and equipment, conversion of five units to Uniform Federal Accessibility Standards accessible, expansion of select half baths to full baths, as well as external improvements to lighting, paving, landscaping, building envelope and an upgraded playground. Renovations are projected to take up to 16 months for completion by August 2022. HOC will retain controlling interest of the Borrower and General Partner entities. The property was awarded 4% tax credits with Boston Financial Investment Management as the LIHTC Syndicator. In June 2021, the Commission issued \$16.5 million in Multifamily Housing Development bonds to fund an FHA Risk Share Mortgage to finance the acquisition, and renovation costs of the transaction. Additional funding is from LIHTC equity, assignment of a previously issued County loan, and a seller loan.
- **Metropolitan Apartments:** The Metropolitan Apartments (“Metropolitan”) was constructed in 1997. The property is a 14-story, 308-unit high-rise apartment building located in Bethesda, Maryland. Metropolitan currently provides 92 affordable units and 216 market rate units. The 216 market rate units completed some minor renovations in 2013, but the affordable units have not been updated since they were initially placed in service. In September 2020, staff received Commission approval to engage third party due diligence and feasibility consultants to investigate and document the details of the existing condition of the building and systems in order to develop the scope of the renovation. One of the goals for these studies is to identify and quantify the features of this renovation that could encompass an increase in energy efficiency and extend the property’s remaining useful life. In January 2021, the Commission approved the selection of an Architect Firm for the pre-development phase of the renovation to include architectural and interior design services for Metropolitan.
- **Scattered Sites:** HOC owns and manages approximately 1,600 scattered site units. These units are located throughout the County, consisting mostly of townhomes and condominiums with some single-family homes, which HOC has purchased over the years under the County’s Moderately Priced Dwelling Unit (“MPDU”) program. About 900 of these need some level of renovation. Staff has been inspecting the units and taking inventory of required renovation needs, with the goal of completing full renovations and returning the units to service where they have been offline or improving the physical conditions generally, for occupied units. Exterior improvements to the roofs, gutters, insulation, siding and windows/shutters will provide protection from water damage and tighten the seal of the homes. Making these changes along with upgrading the HVAC systems and water heaters with high efficiency units will reduce energy loss and provide cost savings to our residents. During the evaluation, staff will also assess the potential for sale of units based on specified criteria to be developed. During 2021, renovation was completed for 13 scattered site units and 23 are currently undergoing renovations. HOC is working on a plan to continue to utilize CIP funds for full unit renovations and other improvements where there are urgent needs.

**Resident Services and Other Supportive Programming:** HOC offers expanded customer services designed to help families and children break the cycle of inter-generational poverty. HOC's Resident Services and Housing Resources divisions offer supportive programming for HOC households to remain stably housed and gain knowledge and skills that help them become upwardly mobile.

HOC's Family Self-Sufficiency Program ("FSS") helps families in the Housing Choice Voucher ("Section 8" or "HCV") programs move toward financial independence. Funded by HUD, the program relies on volunteer services, referrals and grants from partners to connect customers to training and educational opportunities. HOC's program provides ongoing case management, resources, and financial support to help low-income families increase job skills, education and vocational training to obtain better employment. At the end of FY 2021, the program had graduated 995 participants since its inception in 1993. The average earned income of the FY 2021 graduates more than doubled – from an average of \$21,687 to \$58,271 annually – and 100% were gainfully employed for at least 12 months. There were three homeowners, with one graduate utilizing the HCV Homeownership program and five graduates who are no longer receiving subsidy assistance. The program continues to seek new ways to support the growth of FSS participants, including strengthening partnerships with other service providers in the County through the Program Coordinating Committee, ensuring FSS and other providers can take a holistic approach towards supporting upward mobility of FSS participants.

HOC works to empower its households in accessing services and programs designed to create opportunities that break the cycle of intergenerational poverty and promote stability and sustainable upward mobility.

HOC also supports parents through Fatherhood Initiative and HOC Academy. HOC was the first Public Housing Authority to be awarded the Fatherhood Initiative grant from the U.S. Department of Health and Human Services Administration for Children and Families. HOC received a second five-year award in 2021 for \$998,000, which provides resources for classes, counseling, workforce development training, and other services to fathers and their families. HOC's Fatherhood Initiative program has served over 600 fathers since its 2015 inception. Fatherhood Initiative has coordinated 24/7 Dad Workshops, job preparation boot camps, health workshops, and a financial well-being curriculum in collaboration with partners such as Montgomery County's Department of Health and Human Resources, Montgomery College, African American Health Program, and PNC Bank.

The Fatherhood Initiative program was awarded \$125K for its participation in a research study by "*Manpower Demonstration Research Corporation*") MDRC's Strengthening the Implementation of Responsible Fatherhood Program ("SIRF"). The SIRF study will operate from July of 2021 through September 30, 2022, and address emerging best practices in recruiting, engaging, and retaining fatherhood participants and methods for implementing rapid cycle evaluations within Responsible Fatherhood programs.

HOC Academy began in 2014, with the expressed purpose of offering expanded customer services designed to help families and children break the cycle of intergenerational poverty. These services include an adult educational and workforce development program ("AEWD") that has provided over \$175,000 in scholarships for residents to pursue a degree/certification and training programs to advance career goals. In FY'21, AEWD provided career and small business development training in collaboration with Career Catchers, WorkSource Montgomery, and ALSTNTEC, LLC. In FY'22, the workforce development opportunities will include paid summer internships with Bozzuto Construction and KTG Architecture.

The youth enrichment program has offered over 50 camps and annual Back-to-School Fests since its inception accommodating over 600 youth annually. In response to the COVID-19 pandemic, HOC Academy was able to offer a virtual program option for all scheduled programs to include a STEM Camp for rising third through fifth graders and a Young Science Explorers Camp (included at home science experiments) for sixth through eighth graders. In FY'22, HOC Academy ("HOCA") will host a modified version of its annual Back-to-School Fest with the goal of distributing backpacks filled with school supplies, masks, and hand sanitizer to 800 youth. Further, with the support of Housing Opportunities Community Partners and other grantees, HOCA will launch its new middle and high school initiative, STEAM Forward Academy, which will include Saturday STEM enrichment and HOC's College Success Program administered in partnership with First Generation College Bound, Inc. ("FGCB"). The Saturday Academy is a vigorous STEM Curriculum and will include opportunities for youth to participate in related electives such as social entrepreneurship, technical writing and public speaking. The HOC College Success Program will work with 20 juniors and seniors in FY'22 to provide college preparation and admission assistance, and will provide mentorship and general support to those youth post-secondary education. The FGCB partnership allows Resident Services to track long-term success of our youth and families.

### **Housing Opportunities Community Partners (HOCP)**

In 1999, HOC formed HOCP, a non-profit corporation whose mission is to provide services that strengthen the housing stability and increase the self-sufficiency of low- and moderate-income families and individuals living in Montgomery County's affordable housing so that:

- No one has unmet needs that threaten their housing stability;
- Adults and children have the tools that help them reach their fullest potential; and
- Households can attain their vision for a more fulfilling quality of life.

### **HOCP programming:**

- Kids' STEM Summer Day Camps offer youth the opportunity for "out of school" learning experiences that encourage alternative ways of learning complex math and science material and that expand their appreciation of arts and culture.
- The Back-To-School Supply Drive is a collaborative effort with HOC, county businesses, local organizations and congregations. Annually, this program provides essential school supplies for nearly 1,000 low-income youth served by HOC affordable housing programs.
- Housing Counseling Plus Program provides moving cost assistance to homeless families relocating to permanent housing.
- Matched Savings Account programs provide asset building assistance with financial literacy education to help low-income households pursue homeownership, create small businesses, increase their post-secondary education and to better prepare for emergency expenses.
- Adult Education Workforce Development programs provide tuition assistance and workforce development coaching to HOC customers seeking vocational training and certifications. AEWD programs also provide training and coaching in small business development to HOC customers who seek to create or enhance their own small businesses.

HOCP's gross income for FY 2021 was \$228,750 and total expenses were \$78,025. The organization's budget for FY 2022 is \$277,600. Throughout the course of FY21, HOCP funds supported summer STEM camps, HOC's Back to School supply drive, matched savings accounts programming to help participants increase their assets, AEWD programming, and small business development opportunities for adult customers.

## **Financial Information**

The Commission's management is responsible for establishing and maintaining a proper internal control structure to safeguard its assets and ensure accounting data is accurately stated and presented in the financial statements in conformity with generally accepted accounting principles. To ensure the cost of internal controls does not outweigh the benefit, the internal control structure provides reasonable assurance rather than absolute assurance that these objectives are met. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Commission is a recipient of Federal and Montgomery County grants and must ensure the proper internal control structure for compliance with applicable laws and regulations related to these programs. The Federal programs are subject to periodic review by an internal compliance department as well as an internal auditor.

**Budgeting Process:** The Commission, on an annual basis in conjunction with division heads and Executive Staff, prepares an annual Agency-wide budget by department and program. The annual budget is submitted to the Executive Director for approval and then presented to the Budget, Finance and Audit Committee (BF&A, a subset of the full Commission) for review and subsequently recommended to the full Commission for approval. During the year, budget amendments for all accounts and divisions are presented to the BF&A Committee for review and the Commission for approval. Each Division Director or program head is responsible for monitoring budget to actual performance. On a quarterly basis, budget to actual reports are prepared and presented to the BF&A Committee for review and the Commission for approval.

**Component Units:** The Commission has 19 discretely presented component units, which consist of 14 LIHTC limited partnerships and five Limited Liability Companies. Each LIHTC limited partnership represents a property, which provide rental housing to eligible households. As the initial 15-year compliance period for the LIHTC partnerships expire, HOC has the right of first refusal to purchase the properties or purchase the interests of the Investor Limited Partners. These properties are typically absorbed into the Commission's Opportunity Housing Fund and continue to provide affordable housing for the Commission's target population, in accordance with Extended Use Covenants.

**Acknowledgements:** The preparation of this report has been accomplished by the efforts of the Finance Division in conjunction with the support of various division heads and staff throughout the Agency. We would also like to thank the Board of Commissioners for their continued support and guidance throughout the year.

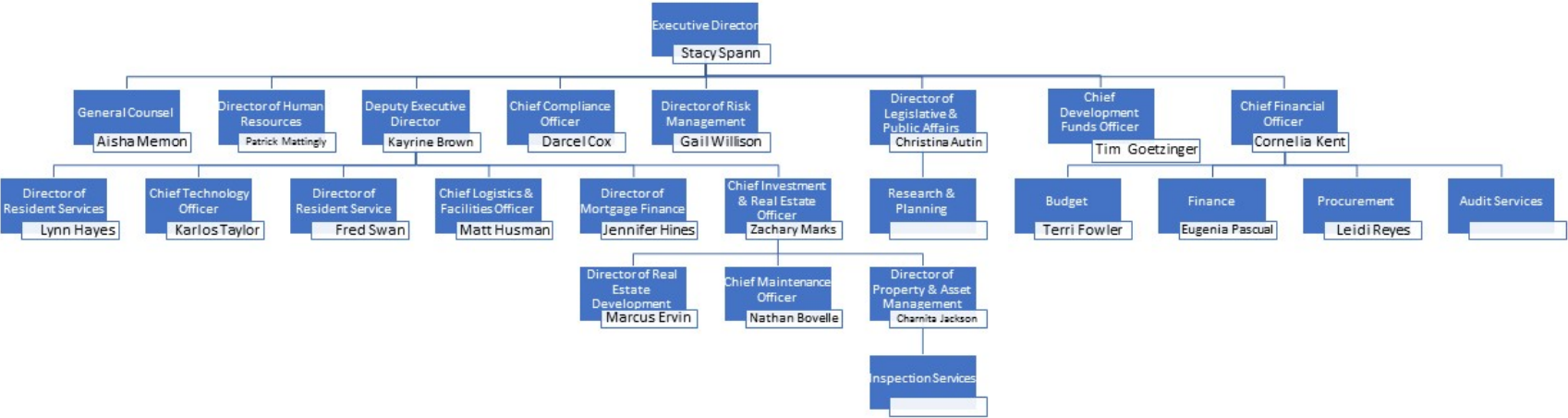
Respectfully submitted,

*Cornelia Kent*

Cornelia Kent  
Chief Financial Officer

[www.hocmc.org](http://www.hocmc.org)

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
ORGANIZATIONAL CHART**





**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
LIST OF PRINCIPAL OFFICERS**

<b>Name, Title</b>	<b>Expiration of Term</b>
<b>BOARD OF COMMISSIONERS</b>	
Roy Priest, Chair	August, 2024
Frances Kelleher, Vice Chair	August, 2024
Richard Y. Nelson, Jr., Chair Pro Tem	August, 2023
Pamela Byrd, Commissioner	August, 2023
Linda Croom, Commissioner	August, 2022
Jeffrey Merkowitz, Commissioner	August, 2021
Jackie Simon, Commissioner	Serving until replacement/reappointment

**SENIOR MANAGEMENT**

Stacy L. Spann, Executive Director  
Aisha Memon, General Counsel

**EXECUTIVE STAFF**

Kayrine Brown, Deputy Executive Director  
Lynn Hayes, Director of Housing Resources  
Charnita Jackson, Director of Property Management  
Cornelia Kent, Chief Financial Officer  
Patrick Mattingly, Director of Human Resources  
Fred Swan, Director of Resident Services  
Karlos Taylor, Chief Technology Officer  
Gail Willison, Director of Risk Management  
Christina Autin, Director of Legislative and Public Affairs  
Darcel Cox, Chief Compliance Officer  
Nathan Bovelie, Chief Maintenance Officer  
Zachary Marks, Chief Real Estate Officer

## II. FINANCIAL SECTION





## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Housing Opportunities Commission of  
Montgomery County, Maryland  
Kensington, Maryland

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Opportunities Commission of Montgomery County, Maryland (the Commission), a component unit of Montgomery County, Maryland, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### ***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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of 900 Thayer Limited Partnership, Alexander House Apartments Limited Partnership, Arcola Towers RAD Limited Partnership, Bauer Park Apartments Limited Partnership, CCL Multifamily LLC, Forest Oak Towers Limited Partnership, Greenhills Apartments Limited Partnership, 4913 Hampden Lane Limited Partnership, HOC at Upton II LLC, Spring Garden One Associate Limited Partnership, Tanglewood and Sligo Limited Partnership, Waverly House RAD Limited Partnership, and Wheaton Metro Limited Partnership, which represent 78%, 56% and 98% respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us. We have applied limited audit procedures on the conversion adjustments to conform the presentation of the financial statements of the discretely presented component units which conform those financial statements to accounting standards issued by the Government Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for the discretely presented component units prior to these conversion adjustments, is based solely on the reports of the other auditors.

Board of Commissioners  
Housing Opportunities Commission of  
Montgomery County, Maryland

We conducted our audit 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 State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The audits of Alexander House Apartments Limited Partnership, Bauer Park Apartments Limited Partnership, CCL Multifamily LLC, Elizabeth House III Limited Partnership, Greenhills Apartments Limited Partnership, 4913 Hampden Lane Limited Partnership, Hillandale Gateway LLC, HOC at 11250 Veirs Mill Road LLC, HOC at Stewartown Homes LLC, HOC at Westside Shady Grove LLC, HOC at Upton II LLC, Spring Garden One Associate Limited Partnership, and Wheaton Venture LLC were not performed in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 opinions.

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Commission as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-15, the Schedule of the Commission's Proportionate Share of the Net Pension Liability on page 98, the Schedule of Commission Pension Contributions on page 99, the Schedule of Changes in the Commission's Net OPEB Liability and related ratios on page 100 and the Schedule of Commission OPEB Contributions on page 101 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing

Board of Commissioners  
Housing Opportunities Commission of  
Montgomery County, Maryland

the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The Sub-Fund financial statements, the Introductory and the Statistical sections as referenced in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Sub-Fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

The Introductory section and Statistical section as listed in the table of contents have 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 them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Commission's basic financial statements as of and for the year ended June 30, 2020, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the business-type activities and the aggregate discretely presented component units. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements as a whole. The Sub-Fund Financial Statements for the year ended June 30, 2020, are presented for purposes of additional analysis and are not a required part of the basic 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 2020 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 Sub-Fund Financial Statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Board of Commissioners  
Housing Opportunities Commission of  
Montgomery County, Maryland

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2021 on our consideration of the Commission’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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission’s 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 Commission’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
November 3, 2021

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

As management of the Housing Opportunities Commission of Montgomery County, Maryland (the Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in the audited basic financial statements and related notes. This discussion and analysis is focused on the activities of the Commission as a primary governmental entity.

**Financial Highlights**

The Commission's net position increased by \$21.0 million during fiscal year 2021, compared to the \$214.9 million balance at June 30, 2020.

The Commission's current ratio (ratio of current assets to current liabilities) decreased from 3.89 at June 30, 2020 to 2.01 at June 30, 2021 due primarily to an increase in the undrawn mortgage proceeds payable within the Multifamily Sub-fund.

Outstanding mortgage and construction loans receivable increased from \$389.6 million at June 30, 2020 to \$519.7 million at June 30, 2021. This is mainly attributed to several Multifamily Housing Development Bonds and the corresponding issuance of mortgages for the acquisition of Westside Shady Grove and the Bauer Park Apartments and Stewartown Homes transactions. Also contributing to the increase is the Seller Note for Bauer Park and Stewartown, the new loan from the Federal Financing Bank for 900 Thayer LP and additional advances from the PNC Bank, N.A. Real Estate Line of Credit ("RELOC") to finance the construction cost of the HOC at Upton II. The RELOC will be paid back at the completion of the project. The increase is partially offset by the repayment of the RELOC loan of 900 Thayer LP as well as the principal amortizations and mortgage loan payoffs in both the Single Family and the Multifamily Sub-fund.

The amount of U.S. Department of Housing and Urban Development (HUD) Section 8 Housing Assistance Payments (HAP) administered by the Commission increased by 6.6% from \$112.8 million in fiscal year 2020 to \$120.3 million in fiscal year 2021.

During fiscal year 2021, the Multifamily Sub-fund retired and refunded bonds in the amount of \$58.9 million which consisted of \$41.9 million from the 1996 indenture, \$15.4 million from the 2002 Multipurpose Bonds and \$1.6 million from the other indentures.

The Single Family Sub-fund retired and refunded bonds in the amount of \$35.8 million which consisted of \$19.6 million from the 1979 indenture, \$7.1 million from the 2009 indenture and \$9.1 million from the Program Revenue 2019 Indenture.

**Overview of Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The annual financial report is comprised of three components: management's discussion and analysis, the financial statements, and notes to the financial statements.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

The financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business. These statements are prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to governmental units using the economic resources measurement focus and the accrual basis of accounting. Under this basis of accounting, revenues are recognized in the period they are earned, while expenses are recognized in the period they are incurred. Depreciation and amortization of capital and deferred assets are recognized in the statement of revenues, expenses, and changes in net position.

The statement of net position presents information on all of the Commission's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the residual amount reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information on how the Commission's net position changed during the fiscal year.

The statement of cash flows explains the sources and uses of cash during the fiscal year.

The Commission maintains only proprietary funds. Such funds are accounted for in a manner similar to that of businesses operating in the private-sector. Proprietary funds provide both long- and short-term financial information. The following is a brief description of the activity accounted for in each of the sub-funds.

### **Sub-Funds**

**General Sub-Fund** – the Commission's primary operating sub-fund. The entire administration and overhead of the Commission is maintained within this sub-fund. In addition, in FY 2014, HUD required all public housing authorities to implement a Central Office Cost Center (COCC). As a result, the General Sub-fund was split into two components: one to reflect Agency overhead related to Federal programs and corresponding Fee Income, and one to reflect the Agency overhead related to Non-Federal Programs. All activities are consolidated for reporting purposes under the General Sub-Fund.

**Opportunity Housing Sub-Fund** – accounts for properties that provide affordable housing to low and moderate income residents. Properties owned by the Commission make up the primary assets in this sub-fund.

**Public Sub-Fund** – accounts for grants from federal, state, and county governments. These grants are used to provide Housing Assistance Payments and supportive services for residents. Activities related to the Housing Choice Voucher Programs are maintained in this sub-fund.

**Single Family Sub-Fund** – accounts for taxable and non-taxable bonds. These bonds are used to finance mortgage loans for qualifying first-time homebuyers. The primary assets are mortgage loans receivable and restricted cash and investments.

**Multifamily Sub-Fund** – accounts for taxable and non-taxable bonds. These bonds are used to finance the acquisition, rehabilitation, and/or construction of affordable multifamily housing. The primary assets are mortgage loans receivable and restricted cash and investments.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Discretely Presented Component Units**

Real Estate Limited Partnerships – The Commission is the managing general partner in 14 real estate limited partnerships. All of the partnerships have calendar year ends.

The Commission is the sole member and 100% owner of HOC at Hillandale Gateway LLC (HOC Hillandale), a Maryland limited liability company, which is addressed as a blended component unit. HOC Hillandale is an owner member of Hillandale Gateway LLC, which has a calendar year end and is included as a discrete component unit.

The Commission is the managing member and 50% owner of CCL Multifamily LLC, a Maryland limited liability company, which is addressed as a partnership with a private foundation. CCL Multifamily LLC, in turn, owns the Lindley, a 200-unit mixed-income apartment building. This entity has a calendar year end and is included as a discrete component unit.

The Commission is a partner of a joint venture known as Wheaton Venture LLC which will undertake the redevelopment of Wheaton Gateway, consisting of the Lindsay Ford parcels, Ambassador Apartments and Mattress Firm property located in Wheaton, Maryland. This entity has a calendar year end and is included as a discrete component unit.

The Commission is a partner of a joint venture known as HOC at West Side Shady Grove LLC which will develop a 268-unit mixed-income building, to include 81 affordable housing units and mixed use development adjacent to the Shady Grove Metro Station. This entity has a calendar year end and is included as a discrete component unit.

HOC at 11250 Veirs Mill Road – this is part of the Wheaton Venture LLC redevelopment project. This entity has a calendar year end and is included as a discrete component unit.

Accordingly, the amounts that comprise the aggregate Balance Sheet and Statement of Operations of the discretely presented component units described above are as of and for the respective year ends that fall within the year ended June 30, 2021.

**Blended Component Units**

Development Corporation – The Commission has 53 properties that are considered blended component units and presented with the Opportunity Housing Sub-Fund in the appropriate fund financial statement and combining statements.

**Financial Analysis of the Commission as a Whole**

The Commission's total net position in fiscal year 2021 increased by 9.8%.

Net investment in capital assets is -55.6% of the Commission's net position. These capital assets are used primarily to provide housing to low-income residents.

48.5% of the Commission's net position reflects cash and investments, which are restricted as to their use. The preponderance of these restricted assets are used to finance and fund low-income housing.

107.1% of the Commission's net position is unrestricted. These non-restricted resources are used in the operations of the Commission.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Housing Opportunities Commission's Net Position**  
*(In millions of dollars)*

	2021	2020	Change (\$)	Change (%)
<b>Assets:</b>				
Current Assets	\$ 462.9	\$ 286.6	\$ 176.3	61.5%
Other Assets	200.7	214.0	(13.3)	(6.2)%
Capital Assets	691.2	634.7	56.5	8.9%
Mortgage and Construction Loans Receivable, Net of Current	511.3	382.1	129.2	33.8%
<b>Total Assets</b>	<b>1,866.1</b>	<b>1,517.4</b>	<b>348.7</b>	<b>23.0%</b>
Deferred Outflows of Resources	81.0	69.9	11.1	15.9%
<b>Liabilities:</b>				
Current Liabilities	148.7	42.3	106.4	251.5%
Current Portion of Long-Term Debt and Bonds Payable	81.8	31.3	50.5	161.3%
<b>Total Current Liabilities</b>	<b>230.5</b>	<b>73.6</b>	<b>156.9</b>	<b>213.2%</b>
<b>Noncurrent Liabilities:</b>				
Bonds Payable	612.1	515.0	97.1	18.9%
Other Liabilities	809.3	731.1	78.2	10.7%
<b>Total Liabilities</b>	<b>1,651.9</b>	<b>1,319.7</b>	<b>332.2</b>	<b>25.2%</b>
Deferred Inflows of Resources	59.3	52.7	6.6	12.5%
<b>Net Position</b>				
Net Investment in Capital Assets	(131.2)	(108.6)	(22.6)	20.8%
Restricted for:				
Debt Service	110.2	119.1	(8.9)	(7.5)%
Customer Deposits and Other	2.3	5.1	(2.8)	(54.9)%
Closing Cost Assistance Program	1.9	1.0	0.9	90.0%
Unrestricted	252.7	198.3	54.4	27.4%
<b>Total Net Position</b>	<b>\$ 235.9</b>	<b>\$ 214.9</b>	<b>\$ 21.0</b>	<b>9.8%</b>



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

Total assets of the Commission increased by \$348.7 million or 23.0%, with a corresponding increase in total liabilities of \$332.2 million or 25.2% from fiscal year 2020.

The increase in total assets was largely attributed to an increase in mortgage and construction loans receivable, restricted and unrestricted cash and cash equivalents and capital assets. The increase in mortgage and construction loans receivable was mainly due to an increase in loans financed through the General Sub-fund and the Multifamily Sub-fund for discrete component units, which include HOC at Westside Shady Grove LLC ("Westside Shady Grove"), Bauer Park Apartments LP ("Bauer Park"), HOC at Stewartown Homes LLC (Stewartown), 900 Thayer LP and HOC at Upton II LLC. The increase in restricted cash and cash equivalents is attributed primarily to the issuance of new Multifamily Housing Development Bonds for Westside Shady Grove, Bauer Park and Stewartown, and 2021 Mortgage Revenue Bonds within the Single Family Sub-fund.

The increase in capital assets of \$56.5 million is largely attributed to the acquisition of Bradley Crossing LLC, the predevelopment expenses at HOC Fenwick and Second Headquarters, the renovation costs at Brooke Park Apartments and site improvements at Cider Mill Apartments. The increase in capital assets is partially offset by the transfer of HOC at 11250 Veirs Mill Road LLC and Westside Shady Grove to discrete component units, the sale of Stewartown and Holly Hall Apartments, the demolition of the Ambassador building and the transfer of land as equity to Wheaton Venture LLC, as well as the fiscal year normal depreciation of assets.

The increase in liabilities resulted from the issuance of bonds to finance mortgage loans receivable and entering mortgage loans payable for the acquisition, rehabilitation, or construction of properties. Current liabilities increased by \$106.4 million, which is mostly attributable to the \$104.0 million increase in undrawn mortgage proceeds payable. These bond proceeds are drawn by the borrower as needed during construction and the liability is offset by restricted cash.

Current debt increased by \$50.5 million while noncurrent liabilities (including bonds and mortgage loans payable) increased by \$332.2 million. The Commission issued bonds totaling \$222.5 million and retired bonds totaling \$95.7 million during the year. The issuance of \$121.9 million in mortgage loans payable also contributed to the increase in liabilities. The new mortgage loans consist of \$81.2 million for the acquisition of Bradley Crossing LLC, \$16.0 million for 900 Thayer and a \$24.8 million draw on the PNC line of credit.

Based on Government Accounting Standards Board (GASB) 53, *Accounting and Financial Reporting for Derivative Instruments*, the termination value of all swaps, either negative or positive, are presented as either deferred outflows or inflows in the statement of net position. HOC had a negative fair value of \$9.6 million on June 30, 2021 compared to a negative fair value of \$15.1 million on June 30, 2020.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2021**

**Housing Opportunities Commission's Changes in Net Position**  
*(In millions of dollars)*

	2021	2020	Change (\$)	Change (%)
<b>Operating Revenues</b>				
Dwelling Rental	\$ 99.3	\$ 97.2	\$ 2.1	2.2%
Governmental Grants	142.1	140.9	1.2	0.9%
Investment Income	7.4	10.0	(2.6)	(26.0)%
Unrealized (Losses) Gains on Investments	(4.5)	7.2	(11.7)	(162.5)%
Interest on Mortgage and Construction Loans Receivable	6.3	7.2	(0.9)	(12.5)%
Management Fees and Other Income	15.9	16.0	(0.1)	(0.6)%
<b>Total Operating Revenues</b>	<b>266.5</b>	<b>278.5</b>	<b>(12.0)</b>	<b>(4.3)%</b>
<b>Operating Expenses</b>				
Housing Assistance Payments	120.3	112.8	7.5	6.6%
Administration	44.7	47.4	(2.7)	(5.7)%
Maintenance	24.1	24.7	(0.6)	(2.4)%
Depreciation and Amortization	20.8	20.1	0.7	3.5%
Utilities	7.1	6.2	0.9	14.5%
Fringe Benefits	16.2	19.4	(3.2)	(16.5)%
Interest Expense	32.6	31.2	1.4	4.5%
Other Expenses	13.4	15.4	(2.0)	(13.0)%
<b>Total Operating Expenses</b>	<b>279.2</b>	<b>277.2</b>	<b>2.0</b>	<b>0.7%</b>
Operating (Loss) Income	(12.7)	1.3	(14.0)	(1076.9)%
Nonoperating Revenues, Net	18.3	6.1	12.2	200.0%
Income Before Contributions and Transfers	5.6	7.4	(1.8)	(24.3)%
Transfers From (To) Discrete Component Units	0.2	(25.3)	25.5	(100.8)%
Capital Contributions	15.2	1.7	13.5	794.1%
<b>Change in Net Position</b>	<b>21.0</b>	<b>(16.2)</b>	<b>37.2</b>	<b>(229.6)%</b>
Total Net Position - Beginning of Year	214.9	231.1	(16.2)	(7.0)%
<b>Total Net Position - End of Year</b>	<b>\$ 235.9</b>	<b>\$ 214.9</b>	<b>\$ 21.0</b>	<b>9.8%</b>

In January 2006, HUD issued PIH Notice 2006-03, which requires that the Annual Budget Authority (ABA) that the Commission receives be reported as income in the same fiscal year regardless of the total housing assistance payments incurred. As of June 30, 2021, the Commission has recorded all ABA received as income.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

Dwelling rent increased by \$2.1 million and is mainly attributed to Cider Mill Apartments, Elizabeth House RAD Interim, The Willows of Gaithersburg Assoc. LP and Bradley Crossing. The transfer of Barclay One Associates Partnership, Georgian Court Silver Spring LP, Metropolitan of Bethesda LP, MV Affordable Housing Associates LP and Strathmore Court Associates LP (five former discrete component units) from discretely presented component units to blended component units in the Opportunity Housing portfolio in November 2019 also contributed to the increase.

Governmental grants increased by \$1.2 million as a result of an increase in Housing Assistance Payments (HAP) revenue, and HAP administrative fee income.

Investment income and unrealized gains on investments decreased by \$14.3 million in FY 2021 due to changes in interest rates and the investing environment.

HAP expense increased by \$7.5 million in FY 2021 due to an increase in HOC's per unit cost attributable to the impact of COVID-19 as well as new programs.

Administrative expense decreased by \$2.7 million in FY 2021 attributed primarily to a decrease in cost of issuance and temporary agency services within the Opportunity Housing Sub-fund, a decrease in operating professional and temporary agency services within the General Sub-fund, partially offset by an increase in contract administrative salaries within the Opportunity Housing Sub-fund.

Fringe benefits decreased by \$3.2 million due to a decrease in pension expense and other postemployment benefits ("OPEB") based on an actuarial study provided by the County. As a participating employer, the Commission is required to follow Governmental Accounting Standards Board ("GASB") Statement 68 and 75 to report the Commission's proportionate share of the net pension and OPEB liability.

Other expenses decreased by \$2.0 million due to a decrease in development corporation fees, incentive management fees, insurance and other expenses within the Opportunity Housing Sub-fund.

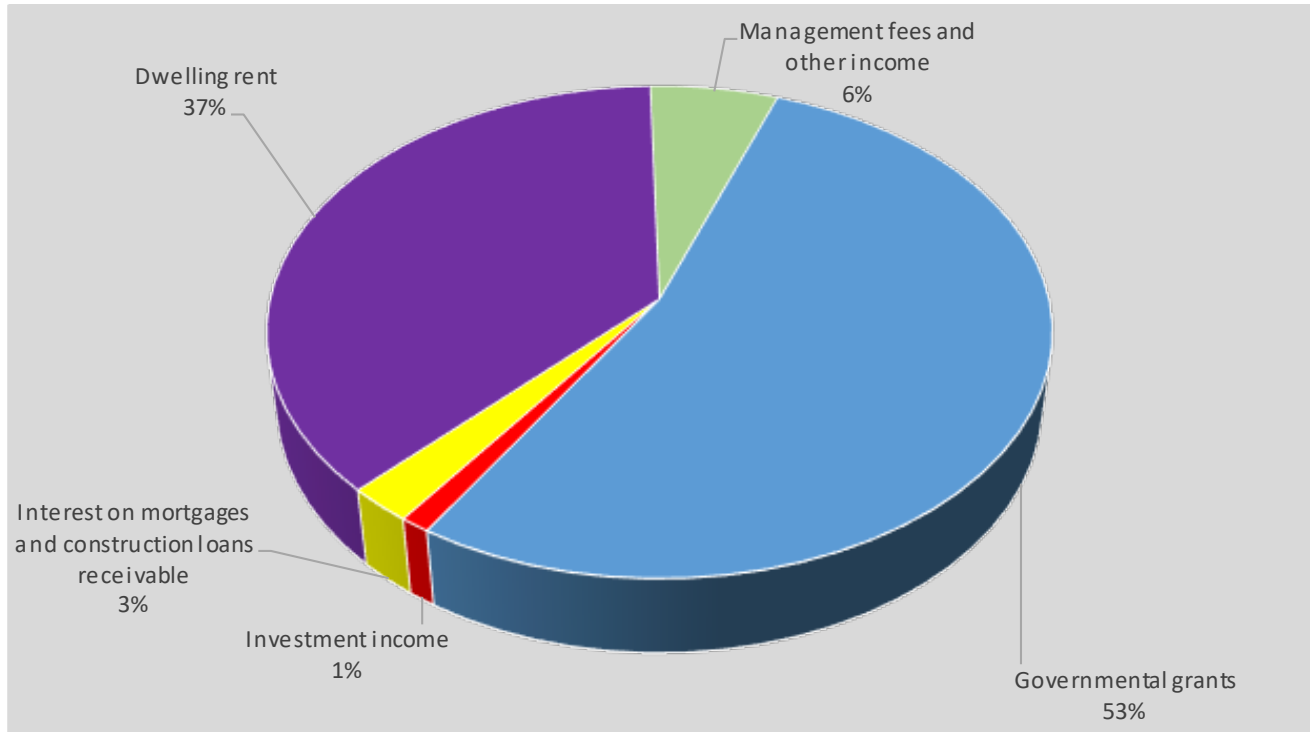
Nonoperating revenue increased by \$12.2 million mainly due to the net gain from the sale of Stewartown and the Holly Hall site.

In addition, transfers to/from component units in fiscal year 2021 resulted in an increase in net position of approximately \$15.4 million compared with a decrease in net position of approximately \$25.3 million in fiscal year 2020.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

The following chart illustrates the Commission's sources of revenue as a percentage of total operating revenue. The primary sources of operating revenue for the Commission are grants from federal, state, and local governments, and dwelling rental income.

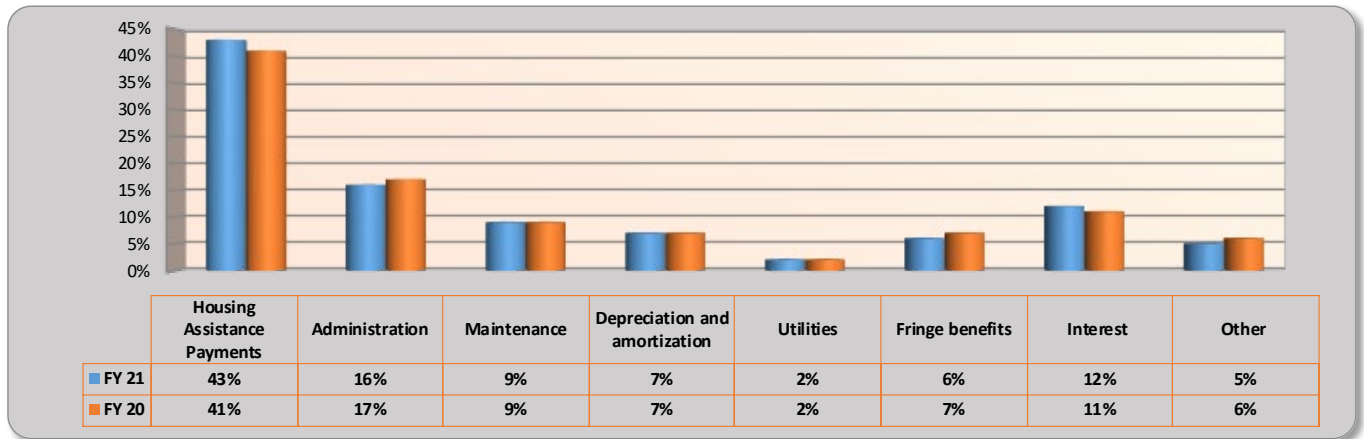
**FY 2021 SOURCES OF OPERATING REVENUE**



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

The following chart is a comparison of the Commission's current and prior year operating expenses as a percentage of total expenses:

**FY 2021 vs. FY 2020 OPERATING EXPENSES**



Housing Assistance Payments are the major contributor to the total operating expenses of the Commission and increased to 43% of the total operating expenses.

The proportionate shares of administrative expenses, maintenance, depreciation and amortization, fringe benefits, interest expense and other expense categories have not changed significantly from the prior year.

**Housing Opportunities Commission's Capital Assets  
Net of Accumulated Depreciation  
(In millions of dollars)**

	2021	2020	Change (\$)	Change (%)
Property and Equipment, Net of Depreciation	\$ 691.2	\$ 634.7	\$ 56.5	8.9%

The increase in capital assets is primarily driven by the Bradley acquisition partially offset by the normal depreciation of assets. The increase in capital assets is also partly reduced by the sale of Stewarttown and the Holly Hall site, the transfer of Westside Shady Grove and 11250 Veirs Mill Road to discrete component units and the Ambassador building demolition as well as the equity contribution of land to Wheaton Venture LLC.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Housing Opportunities Commission's Outstanding Debt**  
*(In millions of dollars)*

	2021	2020	Change (\$)	Change (%)
Multifamily Bonds	\$ 442.6	\$ 318.7	\$ 123.9	38.9%
Single Family Mortgage Purchase Program Bonds	224.6	221.7	2.9	1.3%
Mortgage Notes and Loans Payable	634.7	552.2	82.5	14.9%
Loans Payable to Montgomery County	105.0	105.3	(0.3)	(0.3)%
<b>Total</b>	<b>\$ 1,406.9</b>	<b>\$ 1,197.9</b>	<b>\$ 209.0</b>	<b>17.4%</b>

The following are key elements of the Commission's outstanding debt as of June 30, 2021:

- As of June 30, 2021, \$442.6 million of Multifamily mortgage bonds was outstanding. Sources of payments for the bonds are Multifamily mortgages receivable of \$385.2 million and restricted cash, cash equivalents and investments of \$199.7 million.
- As of June 30, 2021, \$224.6 million of Single Family mortgage bonds was outstanding. Sources of payment for the bonds are Single Family mortgages receivable of \$47.3 million and restricted cash, cash equivalents and investments of \$214.5 million.

The outstanding debt is secured by real estate or by first mortgages on real estate. The exception is the closing cost assistance program.

Note 8 (Bonds, Mortgage Notes, and Loans Payable) provides detailed information about long-term debt activity.

**Economic Outlook**

HOC's FY 2022 budget reflects a continued commitment to our work as Housers and the focus areas established in the agency's 2018 – 2022 Strategic Plan: Getting People Housed; Keeping People Housed; and Helping Customers Reach Their Fullest Potential. HOC remains dedicated to developing Community Connected Housing, providing pathways to opportunity through equitable and inclusive community development that capitalizes on the assets and potential of a community and creates spaces that promote residents' health, happiness, and well-being.

While the Strategic Plan goals reinforce our mission and approach for serving customers, HOC's FY 2022 budget also demonstrates our awareness of, and strategy for, adapting to the COVID-19 pandemic environment and the imminent housing instability and economic distress that many of our customers will face. The COVID-19 pandemic laid bare the social, racial, and economic inequities facing the population we serve. We have seen some of the strongest advocacy in years for addressing those gaps: the fight to raise the national minimum wage; an infrastructure package that recognizes critical supports like senior and childcare; and the recent increase in the area median income limit in Montgomery County. Many customers faced job and wage loss, underemployment, and financial hardship throughout the past year, and that has been reflected in people's ability to pay routine bills, like rent. These families have felt these impacts twofold because they lack the savings to help them weather an emergency or economic downturn.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

Despite the challenges, we are hopeful, and cautiously optimistic, as our elected officials address our nation's burgeoning housing crisis. We know that in this economic downturn, it is very likely evictions and foreclosures will escalate. In order to continue to serve our customers and community as effectively and efficiently as possible, HOC will need to be innovative in its service delivery. Crucial to this work are the partners – big and small; government, private and nonprofit – who demonstrate an enduring commitment to bettering Montgomery County and serving its residents. Working together, we are able to help more families and communities determine the trajectory of their own lives. HOC will continue to pursue a vision of Montgomery County where individuals can improve their economic status, remain stably housed and reach their definition of success. In FY 2022, HOC will continue to be a champion for affordable housing and related policies that positively impact those with the greatest need.

**Request for information**

This financial report is designed to provide a general overview of the Commission's finances for interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, 10400 Detrick Avenue, Kensington, Maryland, 20895.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2021**

**ASSETS**

	Primary Government	Discrete Component Units
<b>CURRENT ASSETS</b>		
Unrestricted:		
Cash and Cash Equivalents	\$ 114,255,018	\$ 10,324,160
Advances to Component Units	2,292,242	-
Accounts Receivable and Other Assets, Net	29,193,066	6,083,610
Due From Related Parties	-	855,408
Accrued Interest Receivable	10,229,505	-
Mortgage and Construction Loans Receivable, Current	8,404,989	-
Total Unrestricted Current Assets	164,374,820	17,263,178
Restricted Cash, Cash Equivalents and Investments:		
Restricted Cash and Cash Equivalents	223,822,777	17,101,465
Restricted Short-Term Investments	6,590,395	-
Restricted for Current Bonds Payable	62,991,620	-
Restricted for Customer Deposits	5,165,927	529,598
Total Restricted Cash, Cash Equivalents, and Investments	298,570,719	17,631,063
Total Current Assets	462,945,539	34,894,241
<b>NONCURRENT ASSETS</b>		
Restricted Long-Term Investments	167,277,397	-
Mortgage and Construction Loans Receivable, Net of Current Portion	511,248,638	-
Capital Assets, Net of Depreciation	691,208,857	421,764,829
Other Noncurrent Assets	-	10,153,845
Investment in Partnership	-	16,372,488
Investment in Component Units	33,441,589	-
Total Noncurrent Assets	1,403,176,481	448,291,162
Total Assets	1,866,122,020	483,185,403
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Derivative Instrument	21,902,486	-
Fair Value of Hedging Derivatives	9,606,640	-
Employer-Related Pension Activities	43,170,695	-
Employer-Related OPEB Activities	6,329,917	-
Total Deferred Outflows of Resources	81,009,738	-
Total Assets and Deferred Outflows of Resources	\$ 1,947,131,758	\$ 483,185,403

See accompanying Notes to Financial Statements.



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**STATEMENTS OF NET POSITION (CONTINUED)**  
**JUNE 30, 2021**

**LIABILITIES AND NET POSITION**

	<u>Primary Government</u>	<u>Discrete Component Units</u>
<b>CURRENT LIABILITIES</b>		
Current Unrestricted Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 22,879,628	\$ 9,036,751
Undrawn Mortgage Proceeds Payable	103,957,909	-
Accrued Interest Payable	9,753,133	14,492,738
Loans Payable to Montgomery County - Current	445,585	-
Mortgage Notes and Loans Payable - Current	26,284,984	4,245,221
Due To Related Parties	-	8,194,649
Total Current Unrestricted Liabilities	163,321,239	35,969,359
Current Liabilities Payable from Restricted Assets:		
Customer Deposits Payable	4,240,817	421,287
Accrued Interest Payable	7,896,462	-
Bonds Payable - Current	55,095,158	-
Total Current Liabilities Payable from Restricted Assets	67,232,437	421,287
Total Current Liabilities	230,553,676	36,390,646
<b>NONCURRENT LIABILITIES</b>		
Bonds Payable	612,121,337	-
Mortgage Notes and Loans Payable	608,388,948	319,866,788
Loans Payable to Montgomery County	104,585,051	22,873,296
Unearned Revenue	28,374,987	5,764
Advances Due to Primary Government	-	1,950,573
Other Noncurrent Liabilities	-	10,632,323
Escrow and Other Deposits	17,098,349	-
Net Pension Liability	21,355,806	-
Net OPEB Liability	19,893,437	-
Derivative Instruments - Hedging	9,606,640	-
Total Noncurrent Liabilities	1,421,424,555	355,328,744
Total Liabilities	1,651,978,231	391,719,390
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unamortized Pension Net Difference	44,832,002	-
Unamortized OPEB Net Difference	14,459,638	-
Total Deferred Inflows of Resources	59,291,640	-
<b>NET POSITION</b>		
Net Investment in Capital Assets	(131,205,426)	81,980,741
Restricted for:		
Debt Service	110,183,032	-
Customer Deposits and Other	2,337,567	17,209,776
Closing Cost Assistance Program	1,869,243	-
Unrestricted	252,677,471	(7,724,504)
Total Net Position	235,861,887	91,466,013
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,947,131,758	\$ 483,185,403

See accompanying Notes to Financial Statements.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2021**

	Primary Government	Discrete Component Units
<b>OPERATING REVENUES</b>		
Dwelling Rental	\$ 99,291,398	\$ 18,461,633
Investment Income	7,401,324	-
Unrealized Losses on Investments	(4,470,524)	-
Interest on Mortgage and Construction Loans Receivable	6,257,481	-
Management Fees and Other Income	15,945,903	1,316,118
U.S. Department of Housing and Urban Development Grants:		
Housing Assistance Payments (HAP)	115,115,799	-
HAP Administrative Fees	9,542,757	-
Other Grants	5,537,664	-
State and County Grants	11,922,676	-
Total Operating Revenues	266,544,478	19,777,751
<b>OPERATING EXPENSES</b>		
Housing Assistance Payments	120,292,490	-
Administration	44,668,915	3,651,705
Maintenance	24,127,944	2,948,560
Depreciation and Amortization	20,766,087	9,243,797
Utilities	7,068,692	1,722,453
Fringe Benefits	16,231,881	815,701
Interest Expense	32,559,770	10,154,223
Other Expenses	13,463,824	1,558,474
Bad Debt Expense	-	118,639
Total Operating Expenses	279,179,603	30,213,552
Total Operating Loss	(12,635,125)	(10,435,801)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Income	857,242	47,851
Interest on Mortgage and Construction Loans Receivable	5,854,982	-
Interest Expense	(3,877,311)	-
Other Grants	267,891	-
Gain on Sale of Assets	15,150,844	-
Total Nonoperating Revenue	18,253,648	47,851
Income (Loss) Before Contributions and Transfers	5,618,523	(10,387,950)
Transfers from Discrete Component Units	166,727	-
Partner Equity Distributions	-	(987,895)
Capital Contributions	15,185,752	50,970,838
<b>CHANGE IN NET POSITION</b>	20,971,002	39,594,993
Total Net Position - Beginning of Year	214,890,885	51,871,020
<b>TOTAL NET POSITION - END OF YEAR</b>	\$ 235,861,887	\$ 91,466,013

See accompanying Notes to Financial Statements.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**STATEMENT OF CASH FLOWS – BUSINESS-TYPE ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ 93,814,466
Intergovernmental Revenue	141,771,199
Investment Income Received	6,739,285
Mortgage Interest Received	6,299,289
Mortgage Loan Principle Received	42,491,128
Management Fees and Other Income	27,591,990
Mortgage Loans Issued	(50,058,813)
Payments to Suppliers	(35,038,021)
Payments to Employees	(57,352,099)
Interest Paid	(33,677,082)
Housing Assistance Payments	(120,292,490)
Net Cash Provided by Operating Activities	22,288,852
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Advances to Component Units	5,940,204
Issuance of Notes Receivable	(63,215,079)
Receipt of Payments on Notes Receivable	22,016,685
Investments Sold	42,317,539
Investments Purchased	(10,079,068)
Investment Income Received	857,242
Mortgage Interest Received	12,908,996
Net Cash Provided by Investing Activities	10,746,519
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Proceeds from Sale of Bonds	221,175,089
Bond Repayments	(94,720,002)
Intergovernmental Revenue	(179,879)
Net Cash Provided by Noncapital Financing Activities	126,275,208
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Payments for Property and Equipment	(104,565,535)
Proceeds from Sale of Capital Assets	30,759,139
Proceeds from Loans Payable to Montgomery County	5,503,630
Payments on Loans Payable to Montgomery County	(6,556,269)
Proceeds from New Mortgage Notes and Loans Payable	104,146,317
Payments on Mortgage Notes and Loans Payable	(18,608,877)
Interest Paid on Mortgages	(9,875,095)
Capital Contributions and Transfers	15,494,093
Net Cash Provided by Capital and Related Financing Activities	16,297,403
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	175,607,982
Cash and Cash Equivalents - Beginning of Year	230,627,360
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 406,235,342

See accompanying Notes to Financial Statements.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**STATEMENT OF CASH FLOWS – BUSINESS-TYPE ACTIVITIES (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS, END OF YEAR TO AMOUNTS IN THE STATEMENT OF NET POSITION</b>	
Current Unrestricted Cash and Cash Equivalents	\$ 114,255,018
Restricted Cash and Cash Equivalents	223,822,777
Restricted Current Bonds Payable	62,991,620
Restricted Customer Deposits	5,165,927
Total Cash and Cash Equivalents	\$ 406,235,342
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (12,635,125)
Adjustments to Reconcile Operating Loss Net Cash Provided by Operating Activities:	
Depreciation	20,752,991
Amortization	317,713
Unrealized Losses on Investments	4,470,524
Gain on Sale of Assets	11,695,588
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivable and Other Assets	(9,254,589)
Mortgage and Construction Loans Receivables	(7,216,378)
Accrued Interest Receivable	(613,889)
Prepaid Expenses and Other Assets	(300,541)
Deferred Outflows of Resources - Pension	(20,684,412)
Deferred Outflows of Resources - OPEB	3,416,270
Interfund Receivable/Payable	201,460
Accounts Payable	2,718,154
Unearned Revenue	6,430,881
Accrued Interest Payable	(681,572)
Derivative Instrument	632,287
Net OPEB Liability	95,518
Net Pension Liability	15,037,320
Deferred Inflows of Resources - Pension	(8,583,628)
Deferred Inflows of Resources - OPEB	15,198,151
Escrow and Other Deposits	1,292,129
Net Cash Provided by Operating Activities	\$ 22,288,852

See accompanying Notes to Financial Statements.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**COMBINING STATEMENTS OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS**  
**JUNE 30, 2021**

	12/31 FYE Alexander House	12/31 FYE Greenhills	12/31 FYE Elizabeth House III LP	12/31 FYE Spring Garden	12/31 FYE Wheaton Venture	12/31 FYE HOC at 11250 Veirs Mill	12/31 FYE Wheaton Metro	12/31 FYE Forest Oak	12/31 FYE Tanglewood/ Sligo	12/31 FYE Hampden Lane
<b>Assets</b>										
Current Assets:										
Cash and Cash Equivalents	\$ 1,973,608	\$ 603,559	\$ 6,319	\$ 395,575	\$ 1,321	\$ -	\$ 523,259	\$ 2,553,873	\$ 1,278,959	\$ 214,746
Accounts Receivable and Other Assets, Net	434,122	69,767	3,965,981	48,003	148,520	-	31,687	50,718	57,443	3,436
Interfund Receivable (Payable)	-	14,754	-	-	467,364	-	-	-	-	-
Total Unrestricted Current Assets	<u>2,407,730</u>	<u>688,080</u>	<u>3,972,300</u>	<u>443,578</u>	<u>617,205</u>	<u>-</u>	<u>554,946</u>	<u>2,604,591</u>	<u>1,336,402</u>	<u>218,182</u>
Restricted Cash and Cash Equivalents:										
Customer Deposits	26,697	28,519	-	41,416	-	-	26,952	46,010	72,204	3,856
Restricted Cash and Cash Equivalents	707,804	865,295	-	518,824	-	-	395,839	540,149	2,104,215	449,660
Total Restricted Cash and Cash Equivalents	<u>734,501</u>	<u>893,814</u>	<u>-</u>	<u>560,240</u>	<u>-</u>	<u>-</u>	<u>422,791</u>	<u>586,159</u>	<u>2,176,419</u>	<u>453,516</u>
Noncurrent Assets:										
Investment in Partnership	-	-	-	-	16,372,488	-	-	-	-	-
Property and Equipment, Net of Depreciation	37,241,816	21,322,416	35,483,870	7,034,476	1,553,958	16,954,565	8,442,377	19,545,183	23,733,152	3,147,325
Deferred Charges and Other Noncurrent Assets	185,532	725,251	2,093,825	315,813	18,540	-	354,840	411,873	240,059	7,208
Total Noncurrent Assets	<u>37,427,348</u>	<u>22,047,667</u>	<u>37,577,695</u>	<u>7,350,289</u>	<u>17,944,986</u>	<u>16,954,565</u>	<u>8,797,217</u>	<u>19,957,056</u>	<u>23,973,211</u>	<u>3,154,533</u>
Total Assets	<u>\$ 40,569,579</u>	<u>\$ 23,629,561</u>	<u>\$ 41,549,995</u>	<u>\$ 8,354,107</u>	<u>\$ 18,562,191</u>	<u>\$ 16,954,565</u>	<u>\$ 9,774,954</u>	<u>\$ 23,147,806</u>	<u>\$ 27,486,032</u>	<u>\$ 3,826,231</u>
<b>Liabilities</b>										
Current Unrestricted Liabilities:										
Accounts Payable and Accrued Liabilities	\$ 356,568	\$ 35,383	\$ 2,148,657	\$ 42,045	\$ 188,662	\$ 590,001	\$ 67,523	\$ 213,996	\$ 156,891	\$ 304,506
Accrued Interest Payable	2,971,194	523,134	1,061,812	3,350,960	-	-	14,571	66,131	458,471	-
Mortgage Notes and Loans Payable - Current	198,661	165,446	-	209,609	-	-	34,816	529,814	233,752	-
Advances from Primary Government	526,327	37,311	293,729	151,359	-	158,804	-	237,267	567,913	543,752
Total Unrestricted Current Liabilities	<u>4,052,750</u>	<u>761,274</u>	<u>3,504,198</u>	<u>3,753,973</u>	<u>188,662</u>	<u>748,805</u>	<u>116,910</u>	<u>1,047,208</u>	<u>1,417,027</u>	<u>848,258</u>
Current Liabilities Payable from Restricted Assets:										
Customer Deposits Payable	22,238	26,738	-	41,835	-	-	25,692	41,569	61,680	2,965
Total Current Liabilities Payable from Restricted Assets	<u>22,238</u>	<u>26,738</u>	<u>-</u>	<u>41,835</u>	<u>-</u>	<u>-</u>	<u>25,692</u>	<u>41,569</u>	<u>61,680</u>	<u>2,965</u>
Noncurrent Liabilities:										
Mortgage Notes and Loans Payable	32,309,019	19,160,203	28,285,397	7,778,178	-	-	4,709,739	12,426,345	15,640,985	385,724
Advances Due to Primary Government	-	-	-	-	-	-	1,950,573	-	-	-
Loans Payable to Montgomery County	-	-	8,000,000	1,382,000	-	-	865,279	1,293,581	-	944,829
Unearned Revenue	-	-	-	-	-	-	2,704	-	-	-
Other Noncurrent Liabilities	1,488,082	243,474	-	-	-	-	1,474,562	326,342	-	230,468
Total Noncurrent Liabilities	<u>33,797,101</u>	<u>19,403,677</u>	<u>36,285,397</u>	<u>9,160,178</u>	<u>-</u>	<u>-</u>	<u>9,002,857</u>	<u>14,046,268</u>	<u>15,640,985</u>	<u>1,561,021</u>
Total Liabilities	<u>37,872,089</u>	<u>20,191,689</u>	<u>39,789,595</u>	<u>12,955,986</u>	<u>188,662</u>	<u>748,805</u>	<u>9,145,459</u>	<u>15,135,045</u>	<u>17,119,692</u>	<u>2,412,244</u>
Net Position										
Investment in Capital Assets, Net of Related Debt	4,907,144	2,695,758	(801,527)	(2,019,498)	1,553,958	16,954,565	3,179,511	5,610,957	8,038,628	1,816,772
Restricted Net Position	712,263	867,076	-	518,405	-	-	397,099	544,590	2,114,739	450,551
Unrestricted Net Position	(2,921,917)	(124,962)	2,561,927	(3,100,786)	16,819,571	(748,805)	(2,947,115)	1,857,214	212,973	(853,336)
Total Net Position	<u>2,697,490</u>	<u>3,437,872</u>	<u>1,760,400</u>	<u>(4,601,879)</u>	<u>18,373,529</u>	<u>16,205,760</u>	<u>629,495</u>	<u>8,012,761</u>	<u>10,366,340</u>	<u>1,413,987</u>
Total Liabilities and Net Position	<u>\$ 40,569,579</u>	<u>\$ 23,629,561</u>	<u>\$ 41,549,995</u>	<u>\$ 8,354,107</u>	<u>\$ 18,562,191</u>	<u>\$ 16,954,565</u>	<u>\$ 9,774,954</u>	<u>\$ 23,147,806</u>	<u>\$ 27,486,032</u>	<u>\$ 3,826,231</u>

See accompanying Notes to Financial Statements.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**COMBINING STATEMENTS OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)**  
**JUNE 30, 2021**

	12/31 FYE	12/31 FYE	12/31 FYE	12/31 FYE	12/31 FYE	12/31 FYE	12/31 FYE	12/31 FYE	12/31 FYE	Totals
	Arcola	Waverly	Hillandale	Multifamily CCL	900 Thayer LP	Upton II LLC HOC at	Park LP Bauer	Side Shady Grove HOC at West	Stewartown HOC at	
<b>Assets</b>										
Current Assets:										
Cash and Cash Equivalents	\$ 766,354	\$ 1,214,375	\$ 19,450	\$ 126,505	\$ 474,685	\$ -	\$ 171,572	\$ -	\$ -	\$ 10,324,160
Accounts Receivable and Other Assets, Net	78,898	269,921	13,152	183,874	88,861	-	414,340	96,154	128,733	6,083,610
Interfund Receivable (Payable)	-	-	-	-	-	-	373,290	-	-	855,408
Total Unrestricted Current Assets	845,252	1,484,296	32,602	310,379	563,546	-	959,202	96,154	128,733	17,263,178
Restricted Cash and Cash Equivalents:										
Customer Deposits	42,121	51,172	-	68,367	57,317	-	64,967	-	-	529,598
Restricted Cash and Cash Equivalents	1,461,365	2,696,839	-	745,750	5,149,952	1,144,974	320,799	-	-	17,101,465
Total Restricted Cash and Cash Equivalents	1,503,486	2,748,011	-	814,117	5,207,269	1,144,974	385,766	-	-	17,631,063
Noncurrent Assets:										
Investment in Partnership	-	-	-	-	-	-	-	-	-	16,372,488
Property and Equipment, Net of Depreciation	25,258,814	38,803,587	4,365,711	66,463,054	42,814,463	25,467,303	21,789,529	5,311,762	17,031,468	421,764,829
Deferred Charges and Other Noncurrent Assets	782,440	1,183,728	12,136	1,290,828	684,546	480,000	1,296,220	71,006	-	10,153,845
Total Noncurrent Assets	26,041,254	39,987,315	4,377,847	67,753,882	43,499,009	25,947,303	23,085,749	5,382,768	17,031,468	448,291,162
Total Assets	\$ 28,389,992	\$ 44,219,622	\$ 4,410,449	\$ 68,878,378	\$ 49,269,824	\$ 27,092,277	\$ 24,430,717	\$ 5,478,922	\$ 17,160,201	\$ 483,185,403
<b>Liabilities</b>										
Current Unrestricted Liabilities:										
Accounts Payable and Accrued Liabilities	\$ 152,805	\$ 271,432	\$ 106,360	\$ 101,508	\$ 74,160	\$ 2,985,700	\$ 1,225,413	\$ 1,827	\$ 13,314	\$ 9,036,751
Accrued Interest Payable	1,524,086	3,393,157	-	-	433,173	506,380	189,669	-	-	14,492,738
Mortgage Notes and Loans Payable - Current	1,983,404	117,184	-	500,134	272,401	-	-	-	-	4,245,221
Advances from Primary Government	571,310	686,372	-	737,221	3,364,176	2,264	66,891	89,488	160,465	8,194,649
Total Unrestricted Current Liabilities	4,231,605	4,468,145	106,360	1,338,863	4,143,910	3,494,344	1,481,973	91,315	173,779	35,969,359
Current Liabilities Payable from Restricted Assets:										
Customer Deposits Payable	37,775	37,610	-	67,461	55,724	-	-	-	-	421,287
Total Current Liabilities Payable from Restricted Assets	37,775	37,610	-	67,461	55,724	-	-	-	-	421,287
Noncurrent Liabilities:										
Mortgage Notes and Loans Payable	18,829,859	32,402,344	2,438,954	61,311,614	33,496,156	14,352,758	21,463,628	-	14,875,885	319,866,788
Advances Due to Primary Government	-	-	-	-	-	-	-	-	-	1,950,573
Loans payable to Montgomery County	-	-	-	-	-	5,000,000	-	5,387,607	-	22,873,296
Unearned Revenue	-	-	-	-	-	-	3,060	-	-	5,764
Other Noncurrent Liabilities	-	953,546	-	-	2,600,000	2,913,496	402,353	-	-	10,632,323
Total Noncurrent Liabilities	18,829,859	33,355,890	2,438,954	61,311,614	36,096,156	22,266,254	21,869,041	5,387,607	14,875,885	355,328,744
Total Liabilities	23,099,239	37,861,645	2,545,314	62,717,938	40,295,790	25,760,598	23,351,014	5,478,922	15,049,664	391,719,390
Net Position										
Investment in Capital Assets, Net of Related Debt	5,069,767	7,223,054	1,926,757	5,942,134	9,640,599	6,594,545	1,567,879	(75,845)	2,155,583	81,980,741
Restricted Net Position	1,465,711	2,710,401	-	746,656	5,151,545	1,144,974	385,766	-	-	17,209,776
Unrestricted Net Position	(1,244,725)	(3,575,478)	(61,622)	(528,350)	(5,818,110)	(6,407,840)	(873,942)	75,845	(45,046)	(7,724,504)
Total Net Position	5,290,753	6,357,977	1,865,135	6,160,440	8,974,034	1,331,679	1,079,703	-	2,110,537	91,466,013
Total Liabilities and Net Position	\$ 28,389,992	\$ 44,219,622	\$ 4,410,449	\$ 68,878,378	\$ 49,269,824	\$ 27,092,277	\$ 24,430,717	\$ 5,478,922	\$ 17,160,201	\$ 483,185,403

See accompanying Notes to Financial Statements.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**YEAR ENDED JUNE 30, 2021**

	12/31 FYE Alexander House	12/31 FYE Greenhills	12/31 FYE Elizabeth House III LP	12/31 FYE Spring Garden	12/31 FYE Wheaton Venture	12/31 FYE HOC at 11250 Veirs Mill	12/31 FYE Wheaton Metro	12/31 FYE Forest Oak	12/31 FYE Tanglewood/ Sligo	12/31 FYE Hampden Lane
<b>Operating Revenues:</b>										
Dwelling Rental	\$ 1,880,455	\$ 1,396,747	\$ -	\$ 1,114,725	\$ -	\$ -	\$ 813,183	\$ 2,875,870	\$ 1,885,101	\$ 186,549
Management Fees and Other Income	59,641	4,034	-	169	9,652	323,720	1,297	3,327	122,693	36,364
Total Operating Revenues	<u>1,940,096</u>	<u>1,400,781</u>	<u>-</u>	<u>1,114,894</u>	<u>9,652</u>	<u>323,720</u>	<u>814,480</u>	<u>2,879,197</u>	<u>2,007,794</u>	<u>222,913</u>
<b>Operating Expenses:</b>										
Administration	245,896	287,583	-	159,127	327	-	214,656	441,266	303,967	101,629
Maintenance	242,496	135,172	-	169,877	-	-	115,048	359,271	441,242	56,602
Depreciation and Amortization	1,482,947	557,036	-	400,481	-	-	548,757	534,605	728,349	149,852
Utilities	158,380	64,010	-	84,794	-	-	47,476	172,669	195,826	28,143
Fringe Benefits	32,680	35,247	-	43,723	-	1	42,351	131,472	132,305	31,130
Interest Expense	1,482,120	721,013	-	544,131	-	-	224,182	684,411	587,617	9,448
Other	143,559	128,611	-	96,520	-	-	87,579	264,645	137,520	17,514
Bad Debt Expense	3,612	37,093	-	2,500	-	-	5,011	13,374	9,615	3,985
Total Operating Expenses	<u>3,791,690</u>	<u>1,965,765</u>	<u>-</u>	<u>1,501,153</u>	<u>327</u>	<u>1</u>	<u>1,285,060</u>	<u>2,601,713</u>	<u>2,536,441</u>	<u>398,303</u>
Operating (Loss) Income	<u>(1,851,594)</u>	<u>(564,984)</u>	<u>-</u>	<u>(386,259)</u>	<u>9,325</u>	<u>323,719</u>	<u>(470,580)</u>	<u>277,484</u>	<u>(528,647)</u>	<u>(175,390)</u>
<b>Nonoperating Revenues:</b>										
Investment Income	583	324	-	980	34,296	-	2,072	1,672	1,392	183
Total Nonoperating Revenue	<u>583</u>	<u>324</u>	<u>-</u>	<u>980</u>	<u>34,296</u>	<u>-</u>	<u>2,072</u>	<u>1,672</u>	<u>1,392</u>	<u>183</u>
Capital Contributions	-	3,300,533	-	-	17,103,307	16,372,488	-	-	-	-
Partner Equity Distributions	-	-	-	-	-	(490,447)	-	-	(35,144)	-
<b>Change in Net Position</b>	<u>(1,851,011)</u>	<u>2,735,873</u>	<u>-</u>	<u>(385,279)</u>	<u>17,146,928</u>	<u>16,205,760</u>	<u>(468,508)</u>	<u>279,156</u>	<u>(562,399)</u>	<u>(175,207)</u>
Net Position - Beginning of Year	<u>4,548,501</u>	<u>701,999</u>	<u>1,760,400</u>	<u>(4,216,600)</u>	<u>1,226,601</u>	<u>-</u>	<u>1,098,003</u>	<u>7,733,605</u>	<u>10,928,739</u>	<u>1,589,194</u>
<b>Net Position - End of Year</b>	<u>\$ 2,697,490</u>	<u>\$ 3,437,872</u>	<u>\$ 1,760,400</u>	<u>\$ (4,601,879)</u>	<u>\$ 18,373,529</u>	<u>\$ 16,205,760</u>	<u>\$ 629,495</u>	<u>\$ 8,012,761</u>	<u>\$ 10,366,340</u>	<u>\$ 1,413,987</u>

See accompanying Notes to Financial Statements.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	12/31 FYE	12/31 FYE	12/31 FYE	12/31 FYE	12/31 FYE	12/31 FYE	12/31 FYE	12/31 FYE	12/31 FYE	Totals
	Arcola	Waverly	Hillandale	CCL Multifamily	900 Thayer LP	HOC at Upton II LLC	Bauer Park LP	HOC at West Side Shady Grove	HOC at Stewarttown	
<b>Operating Revenues:</b>										
Dwelling Rental	\$ 1,379,614	\$ 1,624,697	\$ -	\$ 3,594,332	\$ 1,153,095	\$ -	\$ 557,265	\$ -	\$ -	\$ 18,461,633
Management Fees and Other Income	121,834	112,844	73,155	305,021	139,802	-	2,565	-	-	1,316,118
Total Operating Revenues	<u>1,501,448</u>	<u>1,737,541</u>	<u>73,155</u>	<u>3,899,353</u>	<u>1,292,897</u>	<u>-</u>	<u>559,830</u>	<u>-</u>	<u>-</u>	<u>19,777,751</u>
<b>Operating Expenses:</b>										
Administration	381,426	412,785	32	767,488	243,475	1,750	90,298	-	-	3,651,705
Maintenance	300,163	237,338	-	572,282	243,029	-	76,040	-	-	2,948,560
Depreciation and Amortization	701,586	1,130,566	2,484	1,829,250	1,039,659	-	138,225	-	-	9,243,797
Utilities	214,386	345,717	-	234,595	99,397	-	77,060	-	-	1,722,453
Fringe Benefits	80,405	80,622	-	114,248	42,057	-	49,460	-	-	815,701
Interest Expense	654,021	1,106,639	-	3,299,376	651,596	-	189,669	-	-	10,154,223
Other	113,589	129,115	12,230	219,823	144,640	-	63,129	-	-	1,558,474
Bad Debt Expense	-	-	-	43,449	-	-	-	-	-	118,639
Total Operating Expenses	<u>2,445,576</u>	<u>3,442,782</u>	<u>14,746</u>	<u>7,080,511</u>	<u>2,463,853</u>	<u>1,750</u>	<u>683,881</u>	<u>-</u>	<u>-</u>	<u>30,213,552</u>
Operating Income (Loss)	<u>(944,128)</u>	<u>(1,705,241)</u>	<u>58,409</u>	<u>(3,181,158)</u>	<u>(1,170,956)</u>	<u>(1,750)</u>	<u>(124,051)</u>	<u>-</u>	<u>-</u>	<u>(10,435,801)</u>
<b>Nonoperating Revenues:</b>										
Investment Income	1,715	2,053	-	2,580	1	-	-	-	-	47,851
Total Nonoperating Revenue	<u>1,715</u>	<u>2,053</u>	<u>-</u>	<u>2,580</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,851</u>
Capital Contributions	-	1,291,539	-	896,317	8,667,363	-	1,228,754	-	2,110,537	50,970,838
Partner Equity Distributions	-	-	-	(437,304)	-	-	(25,000)	-	-	(987,895)
<b>Change in Net Position</b>	<u>(942,413)</u>	<u>(411,649)</u>	<u>58,409</u>	<u>(2,719,565)</u>	<u>7,496,408</u>	<u>(1,750)</u>	<u>1,079,703</u>	<u>-</u>	<u>2,110,537</u>	<u>39,594,993</u>
Net Position - Beginning of Year	<u>6,233,166</u>	<u>6,769,626</u>	<u>1,806,726</u>	<u>8,880,005</u>	<u>1,477,626</u>	<u>1,333,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,871,020</u>
<b>Net Position - End of Year</b>	<u>\$ 5,290,753</u>	<u>\$ 6,357,977</u>	<u>\$ 1,865,135</u>	<u>\$ 6,160,440</u>	<u>\$ 8,974,034</u>	<u>\$ 1,331,679</u>	<u>\$ 1,079,703</u>	<u>\$ -</u>	<u>\$ 2,110,537</u>	<u>\$ 91,466,013</u>

See accompanying Notes to Financial Statements.



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Description of the Commission**

The Housing Opportunities Commission of Montgomery County, Maryland (a component unit of Montgomery County, Maryland) (the Commission) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law. In addition, Chapter 41 of the laws of Montgomery County, Maryland, known as the Housing Opportunities Act, permits Montgomery County (the County) to authorize the Commission to perform various housing functions either through a Memorandum of Understanding with the County or by local law.

Specific powers of the Commission include:

- Acquiring land,
- Utilizing federal/state housing subsidies,
- Making mortgage loans and rent subsidy payments,
- Making construction loans,
- Providing permanent mortgage financing,
- Purchasing mortgages, and
- Issuing bonds.

Housing activities sponsored by the Commission include:

- Housing Choice Voucher (HCV) Program, sponsored by the U.S. Department of Housing and Urban Development (HUD), through which eligible persons may seek housing in the private marketplace. The HCV program allows eligible families to obtain adequate rental housing while paying a minimum of 30% of their monthly income for rent.
- Opportunity Housing Program, which is a local program administered by the Commission for families of eligible income and includes both sales and rental housing.
- Tax Credit Partnerships, which provide rental housing for low and moderate income households. The Commission manages these properties and is a 1% or less general partner.
- Home-Ownership Program, whereby families pay a minimum of 30% of their adjusted gross income each month to the Commission. A portion of this monthly payment is placed in an earned home-payment account, and another sum is placed in a nonroutine maintenance reserve. Once a family's income is high enough to secure a mortgage, these reserve accounts can be used for the down payment and/or closing costs. Title to the home is then transferred to the family, and they assume ownership of the home along with all rights and responsibilities of home ownership.

The above activities are supported by a network of tenant services. Funding for these services is provided by federal, state, and county government agencies.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**(a) Description of the Commission (Continued)**

Bonds issued by the Commission include Single Family Mortgage Revenue Bonds, Program Revenue Bonds and Multifamily Housing Revenue Bonds. Single Family Mortgage Revenue Bonds and Program Revenue Bonds provide below-market interest rate mortgage loans for the purchase of single family homes for low- to moderate-income families on an equal opportunity basis. The Multifamily Housing Revenue Bonds provide below-market rental units within multifamily developments for low- to moderate-income families.

Except as noted below, the Single Family Mortgage Revenue Bonds, Program Revenue Bonds and the Multifamily Housing Revenue Bonds do not constitute a liability or obligation, either direct or indirect, of the County, the state of Maryland (the State) or any political subdivision thereof and are not backed by the full faith and credit of the County, the State or any political subdivision thereof, but are limited obligations of the Commission payable solely from the revenue and other assets of the Commission pursuant to individual Bond Resolutions. The Multifamily Housing Revenue Bonds, 1998 Issue A, are guaranteed as general obligation bonds of the County.

The County has determined that the Commission is a discretely presented component unit of the County. Accordingly, the County is required to report the financial data of the Commission in a column separate from the financial data of the County, to emphasize that the Commission is legally separate from the County.

**(b) Financial Reporting Entity**

In determining how to define the reporting entity, management has considered all potential component units. The decision to include component units in the reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus — an amendment of GASB Statements No. 14 and No. 34*. These include financial accountability, imposition of will, financial burden or benefit on the primary organization, and financial accountability as a result of fiscal dependency.

The Commission determined, based on the criteria above, that the entities described below should be presented as either blended component units or discretely presented component units in the Commission's financial statements.

**BLENDING COMPONENT UNITS (Development Corporations and Other Entities)**

The Development Corporations (the Corporations) and other entities operate exclusively for nonprofit purposes and were created to assist in carrying out housing projects for persons of eligible income. Housing projects undertaken, financed, or assisted by the Corporations and other entities, and their related expenditures must be approved by the Commission. The Corporations and other entities are legally separate from the Commission and are included in the Opportunity Housing Sub-Fund as blended component units, since the Commission can significantly influence the programs, projects, or activities of, or the level of service performed by the Corporations and other entities, and their boards of directors are substantially the same as the Commission. The 53 blended component units report on a June 30 year-end unless indicated below.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**(b) Financial Reporting Entity (Continued)**

**BLENDING COMPONENT UNITS (Continued)**

HOC YR 15 LLC is a wholly owned and controlled entity of HOC. It holds the individual investor limited partnership interests in several LIHTC-financed properties (Barclay One Associates LP, Georgian Court Silver Spring LP, Metropolitan of Bethesda LP, MV Affordable Housing Associates LP and Strathmore Court Associates LP) which are now considered blended component units of HOC. The components of HOC YR 15 LLC are shown on the blended component unit combining schedule by property.

**900 Thayer GP LLC** – 900 Thayer GP LLC is HOC’s investment in the 900 Thayer Limited Partnership.

**Alexander House Development Corporation** - Owns and operates 183 units located in Silver Spring, Maryland, to serve market and low to moderate income residents.

**Alexander House GP LLC** – Alexander House GP LLC is HOC’s investment in the Alexander House Apartments Limited Partnership.

**Ambassador One Associates, LP** – The Ambassador was originally constructed as a hotel but converted into a 162-unit apartment building in 1994. The Ambassador is an aging structure and was demolished in preparation of significant future renovations.

**Arcola Tower RAD GP LLC** – Arcola Tower RAD GP LLC is HOC’s investment in the Arcola Towers RAD Limited Partnership.

**Barclay Development Corporation** – Owns and operates 76 condominium units located in Chevy Chase, Maryland, to serve market and low to moderate income residents. The units are subject to a ground lease held by Montgomery County.

**Barclay One Associates Partnership** – Owns and operates 81 rental unit apartments for low and moderate income families located in Bethesda, Maryland.

**Bradley Crossing LLC** – Owns and operates 401 naturally affordable housing units in Bethesda, Maryland.

**Brookside Glen Limited Partnership (The Glen)** – Owns and operates 90 apartment units located in Wheaton, Maryland, to serve market and low to moderate income residents.

**Camp Hill Square** – Owns and operates 51 apartment units located in Gaithersburg, Maryland, to serve market and low to moderate income elderly residents.

**Chevy Chase Development Corporation** – The site has been redeveloped into the Lindley – an 11-story structure with 200 units that includes affordable housing, work-force housing and market rate units.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**(b) Financial Reporting Entity (Continued)**

**BLENDDED COMPONENT UNITS (Continued)**

**Diamond Square Limited Partnership** – Owns and operates 124 furnished single room occupancy units located in Silver Spring, Maryland, to serve market and low to moderate income residents.

**Elizabeth House III GP LLC** – Elizabeth House III GP LLC is HOC's investment in the Elizabeth House III Limited Partnership.

**Georgian Court Silver Spring Limited Partnership** – Owns and operates a 147-unit apartment rental complex in Silver Spring, Maryland for low and moderate income renters.

**Glenmont Crossing Development Corporation** – Owns and operates 97 townhouse units located in Silver Spring, Maryland to serve market and low to moderate income residents.

**Glenmont Westerly Development Corporation** – Owns and operates 102 garden style apartment units located in Silver Spring, Maryland to serve market and low to moderate income residents.

**Greenhill's Apartments GP** – Greenhills Apartments GP is HOC's investment in the Greenhills Apartments Limited Partnership.

**HOC at CCL Multifamily, LLC** – HOC at Multifamily LLC is HOC's investment in the CCL Multifamily LLC (the Lindley) joint venture project.

**HOC at Hillandale Gateway, LLC** – 70% owner member of Hillandale Gateway LLC, a venture entity between The Duffie Companies and HOC. HOC is the sole member of HOC at Hillandale Gateway, LLC.

**HOC MM at Upton II, LLC** – HOC MM at Upton II, LLC is HOC's investment in the HOC at the Upton II, LLC.

**HOC MM at Westside Shady Grove LLC** – HOC MM at Westside Shady Grove LLC is HOC's investment in HOC at Westside Shady Grove LLC.

**HOC at Wheaton Gateway LLC** – Created to acquire, hold and develop land located in Wheaton, Maryland.

**Housing Opportunities Community Partners, Inc.** – A nonprofit corporation formed in 1998 which qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. It was formed to assist the Commission in its goals of providing affordable housing and self-sufficiency services of various types to residents of Montgomery County, Maryland.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**(b) Financial Reporting Entity (Continued)**

**BLENDING COMPONENT UNITS (Continued)**

**Magruder's Discovery Development Corporation** - Owns and operates 134 apartment units located in Bethesda, Maryland to serve low income families and receives federal rent subsidies under a Project Based Rental Assistance Section 8 Housing Assistance Payment (HAP) contract with HUD.

**Manchester Manor Apartments Limited Partnership** – Owns and operates a 53-unit apartment rental complex for low and moderate income families located in Silver Spring, Montgomery County, Maryland.

**Metropolitan of Bethesda Limited Partnership** - Owns and operates 92 luxury residential apartment units for low and moderate income families in Bethesda, Maryland.

**The Metropolitan Development Corporation** - Owns and operates 216 luxury condominium units, a retail rental area, a public plaza and metro office space, and the top level parking garage of the building, located in Bethesda, Maryland to serve market and low to moderate income residents.

**Montgomery Arms Development Corporation** – Owns and operates 129 apartment units located in Silver Spring, Maryland serving market and low to moderate income residents.

**Montgomery Homes Limited Partnership VII (MHLP VII)** – Owns and operates 35 moderately priced dwelling units located in various parts of Montgomery County, Maryland to be operated as rental housing for low to moderate income families.

**Montgomery Homes Limited Partnership VIII (MHLP VIII)** – Owns and operates 49 moderately priced dwelling units located in various parts of Montgomery County, Maryland to be operated as rental housing for low to moderate income families.

**Montgomery Homes Limited Partnership IX (MHLP IX)** – Owns and operates 116 moderately priced dwelling units located in various parts of Montgomery County, Maryland to be operated as rental housing for low to moderate income families.

**Montgomery Homes Limited Partnership X (MHLP X)** – Owns and operates 75 moderately priced dwelling units located in various parts of Montgomery County, Maryland to be operated as rental housing for low to moderate income families.

**MV Affordable Housing Associates Limited Partnership** – Owns and operates 94 moderately priced dwelling units known as Stewartown Homes for low and moderate income families located in Gaithersburg, Maryland. This entity was sold to HOC at Stewartown Homes LLC on June 30, 2021.

**MV Gateway LLC (Cider Mill)** – Owns and operates an 861-unit garden style multifamily apartment community located in Gaithersburg, Maryland.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**(b) Financial Reporting Entity (Continued)**

**BLENDING COMPONENT UNITS (Continued)**

**Oaks at Four Corner Development Corporation (The Oaks)** – Owns and operates 120 apartment units located in Silver Spring, Maryland, to serve market and low to moderate income residents and rentals to persons 62 years of age or older or who are disabled.

**Paddington Square Development Corporation** – Owns and operates 165 garden style apartment units located in Silver Spring, Maryland to serve market and low to moderate income residents.

**Pooks Hill Development Corporation** – Owns and operates 189 apartment units located in Bethesda, Maryland and serves market and low to moderate income residents.

**RAD 6 Development Corporation** – Owns and operates 268 former public housing multifamily apartment units located in various parts of Montgomery County, Maryland and serves low to moderate income residents.

**Scattered Site One Development Corporation** - Owns and operates 190 units, located in various parts of Montgomery County, Maryland and serves low to moderate income residents.

**Scattered Site Two Development Corporation** - Owns and operates 54 units, located in various parts of Montgomery County, Maryland and serves low to moderate income residents.

**Shady Grove Apartments Limited Partnership** – Owns and operates a 144-unit apartment rental complex for low and moderate income families located in Derwood, Maryland.

**Sligo Hill Development Corporation (MPDU III)** – Owns and operates 23 units, located in various parts of Montgomery County, Maryland and serves low to moderate income residents.

**Strathmore Court Associates Limited Partnership** – Owns and operates 51 rental unit apartments for low and moderate income families located in Rockville, Maryland.

**TPP - Timberlawn Pomander Properties LLC (TPP LLC)** – Owns and operates 131 apartment units and townhouses in Bethesda and Silver Spring, Maryland.

**TPM Development Corporation (MPDU II)** – Owns and operates 59 MPDU's located throughout Montgomery County.

**VPC One Development Corporation** - Owns and operates 399 former public housing scattered site units, located in various parts of Montgomery County, Maryland approved for disposition by HUD to serve persons of eligible income.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**(b) Financial Reporting Entity (Continued)**

**BLENDED COMPONENT UNITS (Continued)**

**VPC Two Development Corporation** - Owns and operates 280 former public housing scattered site units, located in various parts of Montgomery County, Maryland approved for disposition by HUD to serve persons of eligible income.

**Waverly House GP LLC** – Waverly House GP LLC is HOC’s investment in the Waverly House RAD Limited Partnership.

**Wheaton Metro Development Corporation** – Owns and operates 120 apartment units, two retail spaces and one parking garage to serve market and low to moderate income residents.

**Willow Manor at Clopper’s Mill** – This is a 102-unit age-restricted (62+) apartment development located in Germantown, Maryland.

**Willow Manor at Colesville** – This is an 83-unit age-restricted (62+) apartment development located in Silver Spring, Maryland.

**Willow Manor at Fair Hill** – This is a 101-unit age-restricted (62+) apartment development located in Olney, Maryland.

**Willows of Gaithersburg Associates Limited Partnership** – Owns and operates 195-unit rental unit apartments for low income families located in Gaithersburg, Maryland.

**DISCRETELY PRESENTED COMPONENT UNITS**

**Real Estate Limited Partnerships.** The Commission is the managing general partner in 14 real estate limited partnerships. The limited partnership interests are held by third parties unrelated to the Commission. As managing general partner, the Commission has certain rights and responsibilities, which enable it to impose its will on the limited partnerships. Additionally, the Commission is financially accountable for the limited partnerships as the Commission is legally obligated to fund operating deficits in accordance with the terms of the partnership agreements. All of the partnerships have calendar year ends. Accordingly, the amounts included for each discretely presented component unit that comprise the aggregate component units column in the combined financial statements are as of, and for the respective year ends that fall within the year ended June 30, 2021. Separate financial statements for the individual limited partnerships can be obtained from the Commission.

The Commission has five other discretely presented component units other than real estate limited partnerships (CCL Multifamily LLC, Hillandale Gateway LLC, HOC at 11250 Veirs Mill Road, HOC at West Side Shady Grove LLC and Wheaton Venture LLC). Four of these five entities do not have separately available financial statements.

**900 Thayer Limited Partnership** – Owns and operates a 124-unit apartment rental complex for low and moderate income families located in Silver Spring, Maryland.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**(b) Financial Reporting Entity (Continued)**

**DISCRETELY PRESENTED COMPONENT UNITS (Continued)**

**Alexander House Apartments Limited Partnership** – Owns and operates a 122-unit apartment rental complex for low and moderate income families located in Silver Spring, Maryland.

**Arcola Towers RAD Limited Partnership** – Owns and operates a 141-unit apartment rental complex for low and moderate income families located in Silver Spring, Maryland.

**Bauer Park Apartments Limited Partnership** – Owns and operates a 142-unit senior garden community for low and moderate income seniors located in Rockville, Maryland.

**CCL Multifamily LLC (The Lindley)** – HOC is the managing member and 50% owner of CCL Multifamily LLC, which in turn, owns the Lindley. HOC, working with Eakin-Youngentob and Associates (EYA), developed an 11-story structure with 200 units that include affordable housing, workforce housing, and market rate units. Plans also include an underground garage and a walkway that connects the neighborhood park with the future site of the Purple Line Metro station.

**Elizabeth House III Limited Partnership** – This is a new senior housing building located in Silver Spring currently under construction with an estimated completion date of September 2022.

**Forest Oak Towers Limited Partnership** – Owns and operates a 175-unit apartment rental complex for elderly low and moderate income renters located in Gaithersburg, Maryland.

**Greenhills Apartments Limited Partnership** – Owns and operates a 7- unit apartment rental complex for low and moderate income families located in Damascus, Maryland.

**Hampden Lane Limited Partnership** – Owns and operates 12 rental unit apartments for low and moderate income families located in Bethesda, Maryland.

**Hillandale Gateway LLC** – The Commission is the sole member and 100% owner of HOC at Hillandale Gateway LLC, which serves as the managing member and 70% owner of Hillandale Gateway LLC. Hillandale Gateway LLC currently owns an approximately one-acre site located in Silver Spring with no improvements. It is anticipated that HOC's Holly Hall property, once converted out of Public Housing via the Rental Assistance Demonstration program, would also be contributed to this entity for a redevelopment of the two sites into a mixed-use, mixed-income property. The entity reports on a calendar year-end.

**HOC at Stewartown Homes LLC** – Owns and operates 94 townhomes units within 12 structures for low and moderate income families in Montgomery Village, Maryland.

**HOC at 11250 Veirs Mill Road** – this is part of the Wheaton Venture LLC redevelopment project. This entity has a calendar year end and is included as a discrete component unit.



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**(b) Financial Reporting Entity (Continued)**

**DISCRETELY PRESENTED COMPONENT UNITS (Continued)**

**HOC at the Upton II LLC** – This will be a 150 unit, eight-story replacement housing for nearby Town Center Apartments located in Rockville, Maryland with a projected delivery date in 2022.

**HOC at West Side Shady Grove LLC** – A new mixed-use, mixed-income 268-unit development, with 81 affordable units located in Rockville, Maryland. The structure will also house the HOC Upcounty Service Center.

**Spring Garden One Associates Limited Partnership** – Owns and operates 82 low-income tax credit apartment units and 24 units at market rate for low and moderate income families in Silver Spring, Maryland.

**Tanglewood-Sligo Hills** – Owns and operates 132 rental unit apartments for low and moderate income families located in Silver Spring, Maryland.

**Waverly House RAD Limited Partnership** – Owns and operates a 157-unit apartment rental complex for low and moderate income families located in Bethesda, Maryland.

**Wheaton Venture LLC** – The Commission is a partner of a joint venture which will undertake the redevelopment of Wheaton Gateway, consisting of the Lindsay Ford parcels, Ambassador Apartments and Mattress Firm property located in Wheaton, Maryland.

**Wheaton Metro Limited Partnership** – Owns and operates 53 rental unit apartments for low income families located in Wheaton, Maryland.

**(c) Basis of Presentation**

The financial statements of the Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission is a Special Purpose Government engaged only in business-type activities and, therefore, presents only the financial statements required for an enterprise fund, in accordance with GASB Statement 34 paragraph 138.

The Commission has multiple programs which are accounted for in one enterprise fund. In accordance with the enterprise fund method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This requires the Commission to account for operations in a manner similar to private business.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**(d) Basis of Accounting**

The financial activities of the Commission are recorded in five sub-funds as shown in the schedules provided in the Supplementary Information section. A brief description of each of the Commission's sub-funds follows:

- *General Sub-Fund* – Includes all operations with the exception of publicly-funded programs, opportunity housing programs, and bond-funded activities. This sub-fund also includes any private grants received and the development costs of tax credit partnerships.
- *Opportunity Housing Sub-Fund* – Includes all operating, capital improvements and capital development related to the Commission's opportunity housing portfolio.
- *Public Sub-Fund* – Includes all funds the HOC receives from federal, state, and local government agencies, and related activities.
- *Multifamily Sub-Fund* – Used to account for the proceeds of Multifamily Housing Revenue Bonds, the debt service requirements on the bonds, investments held pursuant to the indenture authorizing the issuance of the bonds and the related mortgage-loan financing for newly constructed or rehabilitated multifamily rental housing in the County.
- *Single Family Sub-Fund* – Used to account for the proceeds of Single Family Mortgage Revenue Bonds and Program Revenue Bonds, the debt service requirements on the bonds, investments held pursuant to the indenture authorizing the issuance of the bonds and debt service collected from mortgage loans purchased for the financing of owner-occupied, single family residences in the County.

The Commission's financial statements distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with a sub-fund's principal ongoing operations. The principal operating revenues of the General and Opportunity Housing Sub-Funds are dwelling rental, management fees and other income. The principal operating revenues of the Public Sub-Fund are intergovernmental grants. The principal operating revenues of the Single Family and Multifamily Sub-Funds are investment income and interest on mortgage and construction loans receivable. Operating expenses for the General, Opportunity Housing and Public Sub-Funds include administrative, maintenance, depreciation and amortization, utilities, and other expenses. Interest expense is included as an operating expense of the Opportunity Housing Sub-Fund. Housing Assistance Payments are considered operating expenses of the Public Sub-Fund. The principal operating expenses of the Single Family and Multifamily Sub-Funds are interest and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The effect of inter-subfund activity has been eliminated from the combined financial statements.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**(e) Use of Estimates in Preparing Financial Statements**

The preparation of financial statements in conformity with GAAP 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 expenditures during the reporting period. Actual results could differ from those estimates.

**(f) Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Commission considers all cash on hand, cash in checking, cash in money market accounts and all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Cash on hand is not included in the calculation of required collateral.

**(g) Investments**

Investments of the General Sub-Fund, the Public Sub-Fund, and the Opportunity Housing Sub-Fund consist of those permitted by the Commission's investment policy including obligations of the U.S. Government and federal agencies, bankers' acceptances, repurchase agreements, certificates of deposit, money market mutual funds, investments in the Maryland Local Government Investment Pool, commercial paper, and investments in the Montgomery County investment pool. Investments of the Multifamily Sub-Fund and the Single Family Sub-Fund consist of those permitted by the respective bond trust indentures adopted by the Commission providing for the issuance of bonds. Investments are recorded at fair value. Fair value is based upon quoted market prices. The Commission classifies its investments as current or noncurrent based on the maturity dates. Short-term investments have maturities within one year.

**(h) Mortgage and Construction Loans Receivable**

Mortgage and construction loans are carried at amounts advanced, net of collections and reserves for loan losses, if any. As of June 30, 2021, there were no reserves for loan losses. Loans that become past due as to principal and interest are evaluated for collectability. Generally, loans are placed on nonaccrual status when the mortgage insurance claim has settled. The Commission continually monitors the collectability of all loans in foreclosure and REO status against the sales proceeds and mortgage insurance held by the Commission in determining the need for an allowance for loan loss. Additionally, the Commission has an active loan mitigation procedure in place which ensures that servicer activities are monitored and losses to the Commission are minimized. Historically, the Commission's loan losses have been insignificant.

**(i) Allowance for Doubtful Accounts**

Receivables from tenants and others are reported net of an allowance for doubtful accounts. Management estimates this allowance based on historical collection experience. Management believes amounts due from federal, state and local governments are fully collectable.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**(j) Mortgage Risk-Sharing Agreement**

The Commission participates in a mortgage risk-sharing agreement with HUD to provide for full mortgage insurance through the Federal Housing Administration (FHA) of loans for affordable housing. The Commission was approved by HUD as both a Level I and Level II participant. Level I participants assume 50% or more, in 10% increments of the risk of loss from mortgage default and Level II participants assume either 25% or 10% of the risk of loss from mortgage default.

The Commission also participates in the HUD / Federal Financing Bank (FFB) Risk Sharing Initiative Program, under which FFB provides capital for multifamily loans insured under FHA's Risk Sharing program. The program is available to Housing Finance Agencies (HFAs) that a) participate in 542(c) Risk Sharing lending at Level I; b) are in good standing with HUD; c) have and maintain an independent agency rating of "A" or better; and d) agree to assume 50% of the risk on all loans originated under the FFB initiative. Loans are available at significantly lower interest rates than tax-exempt bond financing.

Upon default of a mortgage and the filing of a claim with FHA by the Commission, HUD will pay the claim in full, so the Commission can redeem the bonds. Upon receipt of the cash payment from FHA, the Commission will execute a debenture with HUD for the full amount of the claim within 30 calendar days of the initial claim payment. The instrument will be dated as of the date that the initial claim payment is issued. The debenture shall have a term of five years. The Commission will agree to reimburse HUD the full amount of the debenture upon maturity. The Commission must pay annual interest on the debenture at HUD's published debenture rate as of the earlier of the initial endorsement date or the final endorsement date. Upon the sale of the project and settlement of the claim, the Commission will assume a portion of the loss based on the proportion of risk borne by the Commission. The Commission's maximum potential risk of loss as of June 30, 2021 is \$308,641,176 which is collateralized primarily by the underlying properties. As of June 30, 2021, the Commission had \$13,086,228 of mortgage insurance premium deposits on hand for any future loss.

**(k) Grants/Contributions from Governmental Agencies**

The Commission receives reimbursement from federal, state, and county governmental agencies for the cost of sponsored projects, including administrative costs. Revenue is recognized to the extent of reimbursable costs incurred subject to limitations in the agreements with the sponsoring governmental agencies.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**(l) Capital Assets**

Capital assets include property held for and under development, operating properties, and capital assets used in operations that cost \$5,000 or more and have an estimated useful life of at least two years. Donated capital assets are recorded at the estimated acquisition value at the date of donation.

The Commission capitalizes costs associated with properties held for and under development, including interest costs during the construction period. The carrying amount of such properties does not exceed the estimated net realizable value.

Operating properties are carried at cost and are depreciated on a straight-line basis. Estimated useful lives are 40 years for buildings and 3 to 15 years for building improvements, site improvements and furniture and equipment.

The Commission is exempt from county property taxes under specific payment-in-lieu of taxes (PILOT) agreements for all Public Housing and Opportunity Housing properties.

**(m) Bond Discounts and Premiums**

Bond discounts and premiums are amortized using a method which approximates the effective interest method.

**(n) Compensated Absences and Severance**

The Commission's policy provides for the accrual of annual leave only. The accrual is based on the employee's current leave balance and the current hourly rate of pay. The outstanding annual leave accrual as of June 30, 2021 amounted to \$2,677,911 and is included in accounts payable and accrued liabilities in the accompanying statement of net position. The Commission adopted a personnel policy for senior executive staff which provides for a severance package including payments of up to twenty-six weeks of wages and other benefits.

**(o) Deferred Inflows and Outflows of Resources**

Deferred inflows of resources, reported after total liabilities, is defined by GASB as an acquisition of net position that applies to future periods. The revenue is recognized in the applicable future period(s). The Commission has one item that is required to be reported in this category: (1) the deferred inflow from pension/OPEB. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until the future period. The Commission has three items that are required to be reported in this category: (1) the deferred outflow from pension/OPEB, (2) the fair value of hedging derivatives, and (3) a derivative instrument.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**(p) Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from its fiduciary net position have been determined on the same basis as they are reported by the pension system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension system reports investments at fair value.

**(q) Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Montgomery County Retiree Health Benefit Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest-earning investment contracts with a maturity at time of purchase of one year or less, which are reported at cost.

**(r) Net Position**

It is the Commission's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Net position is displayed in three components as follows:

*Net investment in capital assets* – this component of net position consists of all capital assets, reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted net position* – this component of net position consists of restricted assets when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

*Unrestricted net position* – this component of net position consists of resources that do not meet the definition of net investment in capital assets or restricted net position.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

**Business-Type Activities**

**(a) Cash**

The Commission's cash balances as of June 30, 2021 were entirely insured or collateralized with securities held by the Commission's agent in the Commission's name.

	Carrying Amount	Bank Balances
Cash:		
General Sub-Fund	\$ 25,439,638	\$ 25,595,709
Opportunity Housing Sub-Fund	72,835,733	72,825,255
Public Sub-Fund	8,831,587	9,045,910
Total Cash	\$ 107,106,958	\$ 107,466,874

**(b) Cash Equivalents & Investments**

The General Sub-Fund cash and cash equivalents balance at June 30, 2021 includes \$1,721,304 of cash and cash equivalents restricted for closing cost programs, the Single Family Mortgage Purchase Program and various escrows. The Opportunity Housing Sub-Fund cash and cash equivalents balance at June 30, 2021 includes \$46,860,440 of cash and cash equivalents restricted in accordance with various loan agreements with agencies of the state of Maryland and Montgomery County, in bond indentures and security deposits. The Public Sub-Fund cash and cash equivalent balance includes \$3,076,496 as of June 30, 2021, of security deposits, housing choice voucher funding and home ownership reserves restricted in accordance with the HUD regulations.

*Interest Rate Risk:* The Commission's investment policy which applies to the General, Public and Opportunity Housing Sub-Funds requires that the majority of the investments of the Commission must be on a short-term basis (less than one year); however, a portion of the portfolio may be invested in investments with longer maturities (up to two years). The investment requirements for the Multifamily and Single Family Sub-Funds are specified within each of the bond trust indentures. The bond trustee is required to invest money in obligations with the objective that sufficient money will be available to pay the interest due on the Bonds and will mature or be subject to redemption with the objective that sufficient money will be available for the purposes intended in accordance with the Indenture.

*Credit Risk:* The Commission's investment policy for the General, Public and Opportunity Housing Sub-Funds permit the following investment types: U.S. Government and federal agencies; repurchase agreements; bankers acceptances; money market mutual funds; Maryland Local Government Investment Pool; Montgomery County Local Government Investment Pool; certificate of deposits and time deposits; and commercial paper. Bankers acceptances of domestic banks and commercial paper must maintain the highest rating from one of the Nationally Recognized Statistical Rating Organizations (NRSRO) as designated by the SEC or State Treasurer. Repurchase agreements require collateralization at 102% of the principal amount by an obligation of the United States, its agencies or instrumentalities provided the collateral is held by a custodian other than the seller. Certificates of deposit or time deposits must be collateralized at 102% of the fair value and held by a custodian other than the seller. At June 30, 2021, the Commission had sufficient collateral to meet requirements.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**(b) Cash Equivalents & Investments (Continued)**

The Commission invests in the Maryland Local Government Investment Pool (MLGIP). The pool is not subject to regulatory oversight by the SEC. The State Legislature created MLGIP with the passage of Article 95 22G, of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, has been managed by PNC Bank. The pool has a AAAM rating from Standard and Poors, maintains a \$1.00 per share value, and measures all investments at amortized cost for reporting purposes. GASB 79 enables MLGIP to utilize amortized costs for valuation and financial reporting so that the \$1.00 per unit value they pursue will not need to change due to fluctuating prices. There are no limitations or restrictions on withdrawals. An MLGIP Advisory Committee of current participants was formed to review, on a semi-annual basis, the activities of the fund and to provide suggestions to enhance the pool. The fair value of the pool is the same as the value of the pool shares. The MLGIP issues a publicly available financial report that includes financial statements and required supplementary information for the MLGIP. This report can be obtained online at <https://www.mlgip.pnc.com/Public/AnnualReport>.

The Single Family and Multifamily Sub-Funds require that the Trustee invest moneys on deposit under the respective Indentures in Investment Obligations as defined by the respective Bond Indenture Agreements. Investment Obligations are defined as the following: (i) Government obligations; (ii) bond debentures or other obligation issued by government agencies or corporations; (iii) time deposits or certificate of deposits insured by the Federal Deposit Insurance Corporation; (iv) repurchase agreements backed by obligations described in (i) and (ii) above; (v) investment agreements; (vi) tax exempt obligations; and (vii) money market funds.

*Concentration of Credit Risk:* The Commission places no limits on the amount that it may invest in any one issuer provided the investments meet the requirements of any applicable Bond resolutions. The Commission does not have a formal policy for concentration of credit risk.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Amounts held in trust accounts and other demand accounts within the General, Opportunity Housing and Public Sub-Funds are covered by federal depository insurance, or collateralized at a level of at least 100% of fair value of principal and accrued interest. The collateral is held by the bank's agent in the Commission's name, with the exception of the repurchase agreement collateral for the MLGIP which is segregated and held in the name of PNC Bank's Safe Deposit and Trust's account at the Federal Reserve Bank. The cash and cash equivalents held by PNC Bank for the General, Opportunity Housing and Public Sub-Funds are in bank money market accounts and interest bearing accounts. These accounts are not rated by an independent rating agency. The Moody's rating for PNC Bank short-term deposits as of June 30, 2021 was P-1.



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**(b) Cash Equivalents & Investments (Continued)**

Amounts held in money market funds and investment agreements within the Multifamily and Single Family Sub-Funds are typically collateralized at 102% by either U.S. Treasuries or other government guaranteed securities. The Bond Indenture agreements permit investments in funds that contain agency debt which are not collateralized by U.S. Treasuries or other guaranteed government securities. As of June 30, 2021, the Commission held investments in agency securities which were not collateralized but were rated Aaa, AA+, Aa2, and AAAm.

As of June 30, 2021 the Commission had the following cash equivalents and investments with maturities of one year or less:

Cash Equivalents	Fair Value	Ratings
<b>Cash Equivalents</b>		
General Sub-Fund:		
Money Market Accounts	\$ 25,333,176	N/A
Opportunity Housing Sub-Fund:		
Investment in Maryland Local Government Investment Pool	2,740,548	AAAm
Money Market Accounts	25,491,015	N/A
Public Sub-Fund:		
Investment in Maryland Local Government Investment Pool	2,011,008	AAAm
Multifamily Sub-Fund:		
Money Market Accounts	136,814,333	N/A
Single Family Sub-Fund:		
Money Market Accounts	106,738,304	N/A
Total Cash Equivalents	<u>\$ 299,128,384</u>	
<b>Short-Term Investments</b>		
Single Family Sub-Fund:		
Federal Home Loan Mtg Corp	\$ 491,533	Aaa
FNMA Pass-through Certificates	3,039,607	Aaa
GNMA Pass-through Certificates	3,059,255	Aaa
Total Short-Term Investments	<u>\$ 6,590,395</u>	

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**(b) Cash Equivalents & Investments (Continued)**

As of June 30, 2021, the Commission had the following investments with maturities greater than one year:

Long-Term Investments	Fair Value	1-5 Years	6-10 Years	Greater Than 10 Years	Rating
Multifamily Sub-Fund:					
Bank One Investment Agreement	\$ 591,525	\$ -	\$ 591,525	\$ -	AA/Aa2
Fannie Mae	3,211,073	-	3,211,073	-	Aaa
Federal Farm Credit Banks	2,794,300	638,549	746,642	1,409,109	Aaa
Federal Home Loan Banks	1,008,215	-	1,008,215	-	Aaa
Federal Home Loan Mtg Corp	960,726	-	-	960,726	Aaa
Mass Mutual Life Ins GIC	55,000,000	55,000,000	-	-	-
US Treasuries	1,272,798	1,272,798	-	-	N/A
Single Family Sub-Fund:					
Fannie Mae	496,168	-	496,168	-	Aaa
Federal Farm Credit Banks	7,106,397	-	7,106,397	-	Aaa
Federal Home Loan Banks	10,516,466	-	-	10,516,466	Aaa
Federal Home Loan Mtg Corp	1,754,584	-	1,254,067	500,517	Aaa
FNMA Pass-through Certificates	44,879,735	-	-	44,879,735	Aaa
GNMA Pass-through Certificates	29,704,270	-	-	29,704,270	Aaa
Tennessee Valley Authority	4,656,449	-	-	4,656,449	AA+
US Treasuries	3,324,691	1,984,323	1,340,368	-	N/A
Total Long-Term Investments	<u>\$ 167,277,397</u>	<u>\$ 58,895,670</u>	<u>\$ 15,754,455</u>	<u>\$ 92,627,272</u>	
Total Cash, Cash Equivalents and Investments					
	<u>\$ 580,103,134</u>				
Reconciliation of Cash, Cash Equivalents and Investments to Amounts in the Statement of Net Position:					
Current Unrestricted Cash and Cash Equivalents	\$ 114,255,018				
Restricted Cash and Cash Equivalents	223,822,777				
Restricted Short-Term Investments	6,590,395				
Restricted Cash and Cash Equivalents for Current Liabilities	62,991,620				
Restricted Customer Deposits	5,165,927				
Noncurrent Restricted Investments	167,277,397				
Total	<u>\$ 580,103,134</u>				

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**(b) Cash Equivalents & Investments (Continued)**

The following table details types of investments if they represent 5% or more of total investments in accordance with accounting guidance issued by GASB:

Investment Category	Fair Value	Percentage of Total Investments
Federal Home Loan Banks	\$ 11,524,681	6.63%
Mass Mutual Life Ins GIC	55,000,000	31.63%
GNMA Pass-Through Certificates	32,763,525	18.84%
FNMA Pass-Through Certificates	47,919,342	27.56%

*Fair Value Measurements:* The Commission categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs such as prices for similar assets; Level 3 inputs are significant unobservable inputs. As of June 30, 2021, fair value of investments is as follows:

	June 30, 2021	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>Investments by Fair Value Level</b>			
Debt Securities:			
Fannie Mae	\$ 3,707,241	\$ -	\$ 3,707,241
Federal Farm Credit Banks	9,900,697	-	9,900,697
Federal Home Loan Banks	11,524,681	-	11,524,681
Federal Home Loan Mortgage Corp	3,206,843	-	3,206,843
FNMA Pass-Through Certificates	47,919,342	-	47,919,342
GNMA Pass-Through Certificates	32,763,525	-	32,763,525
Investment Agreements	591,525	-	591,525
Mass Mutual Life Insurance GIC	55,000,000	-	55,000,000
Tennessee Valley Authority	4,656,449	-	4,656,449
U.S. Treasuries	4,597,489	4,597,489	-
Subtotal - Debt Securities	173,867,792	4,597,489	169,270,303
Investment Derivative Instruments:			
Hedging Derivative Instrument	(9,606,640)	-	(9,606,640)
Total Investments by Fair Value Level	<u>\$ 164,261,152</u>	<u>\$ 4,597,489</u>	<u>\$ 159,663,663</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**(c) Discretely Presented Component Units**

The Discretely Presented Component unit cash and cash equivalents balances are as follows:

	Fair Value	Rating
Cash	\$ 21,555,295	N/A
Cash Equivalents:		
Money Market Accounts	6,399,928	N/A
Total Cash, Cash Equivalents, and Investments	\$ 27,955,223	
Reconciliation of Cash and Cash Equivalents to Amounts in the Statement of Net Position:		
Current Unrestricted Cash and Cash Equivalents	\$ 10,324,160	
Restricted Cash and Cash Equivalents for Current Liabilities	17,101,465	
Restricted Cash and Cash Equivalents for Customer Deposits	529,598	
Total	\$ 27,955,223	

All cash equivalents have maturities of three months or less. The Discretely Presented Component Units follow the Commission's investment policy.

**NOTE 3 MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE**

Mortgage and construction loans receivable are secured by deeds of trust evidencing first mortgage liens on applicable real property and are either insured by private mortgage insurance, the U.S. Federal Housing Administration or the Maryland Housing Fund or are guaranteed by the U.S. Department of Veterans Affairs.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 3 MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE (CONTINUED)**

Mortgage and construction loans receivable as of June 30, 2021 consisted of the following:

Description	Interest Rate	Balance
<b>General Sub-Fund</b>		
Closing Cost Assistance Loans	5.00%	\$ 4,731,096
Component Unit Loans	-	142,251,146
Woodfield Commons	-	10,362,290
	Subtotal	<u>157,344,532</u>
<b>Opportunity Housing Sub-Fund</b>		
900 Thayer LP	-	14,030,843
Alexander House Limited Partnership	-	14,218,641
Bauer Park Apartments LP	-	7,112,596
Elizabeth House III	-	18,894,765
Fenwick Silver Spring	-	2,005,925
Greenhills LP	-	7,523,156
Hampden Lane Limited Partnership	-	138,281
Hillandale Gateway Limited Liability Company	-	1,887,500
HOC at 11250 Veirs Mill Road LLC	-	322,152
HOC at Stewartown Homes LLC	-	9,044,340
HOC at Upton II	-	7,367,760
Rental Assistance Security Deposit Loan	-	14,040
Spring Garden One Associates Limited Partnership	-	3,274,431
Tanglewood Apartments	-	3,190,410
Town Center	-	196,957
Wheaton Gateway LLC	-	169,234
Wheaton Venture LLC	-	90,300
Woodfield Commons	-	350,000
	Subtotal	<u>89,831,331</u>
<b>Multifamily Sub-Fund</b>		
Arcola	4.55%	5,811,551
Argent	3.50%	3,220,000
Argent A-2	3.92%	8,040,000
Bauer Park LP	3.75%	25,665,000
Charter House	4.98%	10,130,616
Forest Oak	4.93%	12,694,508
Greenhills	4.10%	11,720,616
HOC at Westside Shady Grove	2.20%	99,250,000
HOC at Stewartown Homes LLC	2.95%	16,045,000
Landing's Edge	4.95%	2,703,419
MetroPointe LP	6.50%	2,673,114
Ring House	6.10%	9,491,110
Rockville Housing	5.21%	3,154,806
Spring Garden	4.55%	4,609,741
Waverly	4.55%	8,005,056
	Subtotal	<u>223,214,537</u>
<b>Single Family Sub-Fund</b>		
Mortgage Loans Receivable, Net	3.21 to 5.19%	<u>47,257,612</u>
<b>Public Sub-Fund</b>		
Arcola Towers RAD LP	-	1,898,330
Tobytown Homeownership	-	107,285
	Subtotal	<u>2,005,615</u>
	Total	<u>\$ 519,653,627</u>
	Current	\$ 8,404,989
	Long-term	511,248,638
		<u>\$ 519,653,627</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 3 MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE (CONTINUED)**

As of June 30, 2021, the amount available or committed for additional advances or new loans is \$33,794,430 for the Single Family Sub-Fund. There are no available funds for additional advances or new loans for the Multifamily Sub-Fund.

Included in the mortgage and construction loans receivable balance of the General Sub-Fund at June 30, 2021 are inter sub-fund mortgage loans receivable from the Opportunity Housing Sub-Fund and General Sub-Fund amounting to \$308,807,367 and \$1,186,016, respectively, which have been eliminated in the accompanying financial statements. The related interest revenue, amounting to \$5,997,784 for the year ended June 30, 2021 has also been eliminated.

Included in the mortgage and construction loans receivable balance of the Opportunity Housing Sub-Fund at June 30, 2021 are inter sub-fund mortgage loans receivables from several Opportunity Housing properties amounting to \$36,999,430 and inter sub-fund mortgage loans receivable from the General Sub-Fund amounting to \$336,496 which have been eliminated in the accompanying financial statements.

Included in the mortgage and construction loans receivable balance of the Multifamily Sub-Fund are inter sub-fund mortgage loans receivable from the Opportunity Housing Sub-Fund amounting to \$161,985,008 as of June 30, 2021, which have been eliminated. The related interest revenue, amounting to \$8,326,455 for the year ended June 30, 2021 has also been eliminated.

Construction loans in the Opportunity Housing and Multifamily Sub-Funds generally have maturities of less than one year. Mortgage loans receivable in the Single Family Sub-Fund and the Multifamily Sub-Fund have maturities extending up to 40 years.

**Single Family Sub-Fund**

Currently the Commission has conventional and FHA single family mortgage loans in its portfolio. FHA mortgage loans are insured 100% by HUD. Conventional mortgage loans with a loan to value greater than 80% are insured with primary mortgage insurance. All conventional loans are insured with pool insurance. Three of the mortgage pool insurance policies carry a 1% deductible against losses. The amount of each deductible is 1% of the bond issue. Each of the three deductible amounts is approximately \$300,000. The Commission absorbs losses up to the 1% amount for each individual pool policy before the pool insurance begins to pay on claims. The deductible does not apply to the primary insurance on the conventional loans.

Management takes into consideration the potential for loan losses based on the number of loans in foreclosure and other real estate owned status against the sale proceeds from properties sold as well as the mortgage insurance received in determining if an allowance for loan losses is necessary. It employs an active loss mitigation process to ensure that servicer activities are monitored and losses to the Commission are minimized. Based on the history of loan losses and the potential exposure to the Commission after sales proceeds and mortgage insurance receipts, the Commission does not believe that an allowance for loan losses is necessary at this time. Further, based on prior analysis, losses are not expected to reach a material threshold for establishing an allowance at this time.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 CAPITAL ASSETS**

**(a) Capital Assets of Business-Type Activities**

The Commission's capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Capitalization	Transfer In / (Out)	Ending Balance
<b>Land</b>						
General Sub-Fund	\$ 3,464,437	\$ -	\$ -	\$ -	\$ -	\$ 3,464,437
Opportunity Housing Sub-Fund	131,991,306	18,037,080	(2,094,555)	-	(10,844,163)	137,089,668
Public Sub-Fund	973,267	-	(249,193)	-	-	724,074
<b>Total Land</b>	<b>136,429,010</b>	<b>18,037,080</b>	<b>(2,343,748)</b>	<b>-</b>	<b>(10,844,163)</b>	<b>141,278,179</b>
<b>Site Improvements:</b>						
Public Sub-Fund	748,079	-	(355,779)	-	-	392,300
Accumulated Depreciation	(748,079)	-	355,779	-	-	(392,300)
<b>Total Site Improvements, Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Building and Improvements:</b>						
General Sub-Fund	8,689,842	-	-	-	-	8,689,842
Accumulated Depreciation	(4,736,645)	(313,022)	-	-	-	(5,049,667)
Opportunity Housing Sub-Fund	701,308,967	76,365,354	(16,675,160)	482,355	240,753	761,722,269
Accumulated Depreciation	(235,533,469)	(18,760,968)	10,739,649	-	-	(243,554,788)
Public Sub-Fund	22,035,103	-	(7,706,348)	-	-	14,328,755
Accumulated Depreciation	(15,707,288)	(292,310)	5,581,249	-	-	(10,418,349)
<b>Total Building and Improvements, Net</b>	<b>476,056,510</b>	<b>56,999,054</b>	<b>(8,060,610)</b>	<b>482,355</b>	<b>240,753</b>	<b>525,718,062</b>
<b>Furniture and Equipment:</b>						
General Sub-Fund	11,986,390	2,696	-	-	-	11,989,086
Accumulated Depreciation	(11,511,514)	(168,329)	-	-	-	(11,679,843)
Opportunity Housing Sub-Fund	20,375,748	1,715,697	(1,180,096)	197,362	-	21,108,711
Accumulated Depreciation	(13,694,236)	(1,217,595)	612,523	-	-	(14,299,308)
Public Sub-Fund	484,976	-	(83,335)	-	-	401,641
Accumulated Depreciation	(483,151)	(767)	82,673	-	-	(401,245)
<b>Total Furniture and Equipment, Net</b>	<b>7,158,213</b>	<b>331,702</b>	<b>(568,235)</b>	<b>197,362</b>	<b>-</b>	<b>7,119,042</b>
<b>Construction in Progress:</b>						
General Sub-Fund	2,135,442	1,111,523	-	-	-	3,246,965
Opportunity Housing Sub-Fund	12,102,534	5,514,314	(1,958,291)	(679,717)	(2,303,044)	12,675,796
Public Sub-Fund	818,487	352,326	-	-	-	1,170,813
<b>Total Construction in Progress</b>	<b>15,056,463</b>	<b>6,978,163</b>	<b>(1,958,291)</b>	<b>(679,717)</b>	<b>(2,303,044)</b>	<b>17,093,574</b>
<b>Total Capital Assets, Net</b>	<b>\$ 634,700,196</b>	<b>\$ 82,345,999</b>	<b>\$ (12,930,884)</b>	<b>\$ -</b>	<b>\$ (12,906,454)</b>	<b>\$ 691,208,857</b>

Commission capital assets not being depreciated include land and construction in progress. The net transfer out relates to the transfer of several blended component units to discrete component units following investment by outside partners.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

**(b) Reconciliation of Net Investment in Capital Assets**

Net Investment in Capital Assets	
Land	\$ 141,278,179
Construction in Progress	17,093,574
Building and Improvements, Net of Depreciation	525,718,062
Furniture and Equipment, Net of Depreciation	7,119,042
Less: Related Bonds, Mortgages and Notes Payable	<u>(822,414,283)</u>
Total Net Investment in Capital Assets	<u><u>\$ (131,205,426)</u></u>

**(c) Discretely Presented Component Units Capital Assets**

	Beginning Balance	Additions	Deletions	Capitalization	Transfer In / (Out)	Ending Balance
<b>Discretely Presented Component Units</b>						
Land	\$ 38,141,226	\$ 10,350,732	\$ -	\$ -	\$ 10,844,163	\$ 59,336,121
Building and Improvements	300,527,873	26,923,759	(104,271)	846,099	-	328,193,460
Accumulated Depreciation	(35,944,594)	(8,771,854)	-	-	-	(44,716,448)
Furniture and Equipment	7,118,795	36,393	-	-	-	7,155,188
Accumulated Depreciation	(1,827,332)	(418,962)	-	-	-	(2,246,294)
Construction in Progress	27,905,055	44,270,606	(251,991)	(846,099)	2,965,231	74,042,802
Net Component Unit Capital Assets	<u>\$ 335,921,023</u>	<u>\$ 72,390,674</u>	<u>\$ (356,262)</u>	<u>\$ -</u>	<u>\$ 13,809,394</u>	<u>\$ 421,764,829</u>

**NOTE 5 ADVANCES TO DISCRETELY PRESENTED COMPONENT UNITS**

Advances to component units represent additional funds provided by the Commission to facilitate the purchase of the rental Moderately Priced Dwelling Units (MPDUs) and to fund operating deficits incurred by the component units. The purchases of the rental MPDUs are collateralized by certain notes receivable of the Partnerships due from the limited partners in connection with the purchase of their limited partnership interests.



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**NOTE 5 ADVANCES TO DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)**

The table below documents Advances to Component Units and Investments in Component Units. Due to differences in fiscal year ends, Advances to Component Units differ from Advances from the Primary Government at June 30, 2021.

Receivable Entity	Payable Entity	Amount
<b>Advances to Component Units</b>		
Primary Government - General Sub-Fund	Component Units - Tax Credit Limited Partnerships	\$ 2,084,199
Primary Government - Opportunity Housing Sub-Fund	Component Units - Tax Credit Limited Partnerships	208,043
		<u>2,292,242</u>
<b>Investment in Component Units</b>		
Primary Government - General Sub-Fund	Component Units - Tax Credit Limited Partnerships	2,073,221 31,368,368
Primary Government - Opportunity Housing Sub-Fund	Component Units - Tax Credit Limited Partnerships	33,441,589
		<u>35,733,831</u>
Total Due from Primary Government and Component Units		<u>\$ 35,733,831</u>

Interfund transfers were made during the fiscal year to reduce the interfund receivable and payables. The transfers occur routinely and are approved by the Board of Commissioners.

**NOTE 6 ACCOUNTS RECEIVABLE AND OTHER ASSETS**

Accounts receivable consists of grants and loans due from HUD and Montgomery County, tenant rents receivable, and amounts due from property managers. All amounts are deemed to be collectible within one year. Accounts receivable and other assets consisted of the following as of June 30, 2021:

	General Sub-Fund	Opportunity Housing Sub-Fund	Public Sub-Fund	Single Family Sub-Fund	Multi Family Sub-Fund	Total
Accounts Receivable:						
HUD	\$ -	\$ -	\$ 306,601	\$ -	\$ -	\$ 306,601
Montgomery County, Maryland	-	107,236	2,790,276	-	-	2,897,512
Tenant Accounts Receivable	-	5,900,091	614,233	-	-	6,514,324
Other Receivables	3,015,408	11,151,909	4,432,968	382,113	-	18,982,398
Prepaid Expenses	2,658,600	2,247,566	-	51,706	334,194	5,292,066
Other Assets	300,529	-	-	-	-	300,529
Total	<u>5,974,537</u>	<u>19,406,802</u>	<u>8,144,078</u>	<u>433,819</u>	<u>334,194</u>	<u>34,293,430</u>
Less: Allowance	(5,163)	(3,381,778)	(1,713,423)	-	-	(5,100,364)
Net Accounts Receivable and Other Assets	<u>\$ 5,969,374</u>	<u>\$ 16,025,024</u>	<u>\$ 6,430,655</u>	<u>\$ 433,819</u>	<u>\$ 334,194</u>	<u>\$ 29,193,066</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 7 INTER SUB-FUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Inter sub-fund receivables and payables result from cash collections and disbursements for all funds being processed through the General Sub-Fund. All amounts are expected to be repaid within one year. All amounts have been eliminated on the basic financial statements.

**NOTE 8 BONDS, MORTGAGE NOTES, AND LOANS PAYABLE – PRIMARY GOVERNMENT**

Bonds and mortgage notes have been issued to provide financing for the Commission's housing programs and are collateralized as follows:

- Mortgage loans receivable made on the related developments or single family residential mortgage loans purchased.
- Substantially all revenue, mortgage payments, and recovery payments received by the Commission from mortgage loans made on the related developments.
- Certain accounts, generally debt service reserve funds, established pursuant to the indenture authorizing issuance of the bonds.
- Interest rates on bonds payable ranged from 0.25% to 11.25% as of June 30, 2021. Maturity dates of the bonds payable range from 2021 to 2064.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 8 BONDS, MORTGAGE NOTES, AND LOANS PAYABLE – PRIMARY GOVERNMENT  
(CONTINUED)**

**(a) Bonds Payable**

The Commission has the following bonds payable outstanding as of June 30, 2021:

	Outstanding Beginning of Year	Issued This Year	Retired/ Refunded This Year	Outstanding End of Year	Amount Due Within One Year
Single Family Sub-Fund Bonds:					
2007 Series E	\$ 8,315,000	\$ -	\$ -	\$ 8,315,000	\$ -
2008 Series D	17,200,000	-	-	17,200,000	-
2013 Series A	17,275,000	-	(4,265,000)	13,010,000	3,675,000
2013 Series B	3,425,000	-	(1,385,000)	2,040,000	-
2016 Series A	22,745,000	-	(4,460,000)	18,285,000	4,960,000
2016 Series B	5,015,000	-	(1,980,000)	3,035,000	2,010,000
2017 Series A	18,800,000	-	(2,660,000)	16,140,000	5,800,000
2017 Series B	9,210,000	-	(825,000)	8,385,000	845,000
2018 Series A	28,125,000	-	(4,010,000)	24,115,000	2,265,000
2018 Series B	8,450,000	-	-	8,450,000	-
2021 Series A	-	22,750,000	-	22,750,000	-
2021 Series B	-	5,650,000	-	5,650,000	210,000
2021 Series C	-	10,000,000	-	10,000,000	-
NIBP 2009 Series C-1	5,320,000	-	(430,000)	4,890,000	4,890,000
NIBP 2009 Series C-2	8,760,000	-	(910,000)	7,850,000	7,850,000
NIBP 2009 Series C-3	1,960,000	-	-	1,960,000	1,960,000
NIBP 2009 Series C-4	6,430,000	-	(2,310,000)	4,120,000	1,350,000
NIBP 2009 Series C-5	2,370,000	-	-	2,370,000	-
NIBP 2010 Series A	1,225,000	-	(425,000)	800,000	800,000
NIBP 2011 Series A	3,320,000	-	(995,000)	2,325,000	2,325,000
NIBP 2012 Series A	5,725,000	-	(2,065,000)	3,660,000	1,380,000
PRB 2019 Series A	27,950,000	-	(5,280,000)	22,670,000	2,635,000
PRB 2019 Series B	4,610,000	-	(1,100,000)	3,510,000	425,000
PRB 2019 Series C	11,205,000	-	(2,680,000)	8,525,000	1,010,000
	<u>217,435,000</u>	<u>38,400,000</u>	<u>(35,780,000)</u>	<u>220,055,000</u>	<u>44,390,000</u>
Add: Unamortized Premium	4,217,786	1,362,995	(1,058,378)	4,522,403	-
Total Single Family Bonds Payable	<u>\$ 221,652,786</u>	<u>\$ 39,762,995</u>	<u>\$ (36,838,378)</u>	<u>\$ 224,577,403</u>	<u>\$ 44,390,000</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 8 BONDS, MORTGAGE NOTES, AND LOANS PAYABLE – PRIMARY GOVERNMENT  
(CONTINUED)**

**(a) Bonds Payable (Continued)**

	Outstanding Beginning of Year	Issued This Year	Retired/ Refunded This Year	Outstanding End of Year	Amount Due Within One Year
Multi Family Sub-Fund Bonds:					
1984 Series A - Accretions	\$ 303,357	\$ 35,089	\$ -	\$ 338,446	\$ 305,158
1995 Series A	940,000	-	(940,000)	-	-
1998 Issue A	5,970,000	-	(540,000)	5,430,000	570,000
2002 Series A	15,385,000	-	(15,385,000)	-	-
2004 Series A	10,030,000	-	(385,000)	9,645,000	405,000
2004 Series B	3,295,000	-	(70,000)	3,225,000	75,000
2005 Series B	3,900,000	-	(195,000)	3,705,000	205,000
2005 Series C	22,010,000	-	(840,000)	21,170,000	875,000
2007 Series A	14,205,000	-	(14,205,000)	-	-
2007 Series C-1	2,865,000	-	(2,865,000)	-	-
2009 Series A-2	8,040,000	-	-	8,040,000	-
2010 Series A	3,520,000	-	(200,000)	3,320,000	205,000
2010 Series A	10,175,000	-	(10,175,000)	-	-
2011 Series A	30,155,000	-	(525,000)	29,630,000	545,000
2011 Series B	2,730,000	-	(45,000)	2,685,000	50,000
2012 Series A	18,070,000	-	(985,000)	17,085,000	1,005,000
2012 Series B	6,515,000	-	(4,750,000)	1,765,000	250,000
2012 Series C	13,050,000	-	(2,835,000)	10,215,000	1,130,000
2012 Series D	27,255,000	-	(1,160,000)	26,095,000	1,185,000
2014 Series A	22,190,000	-	(535,000)	21,655,000	545,000
2015 Series A-1	14,415,000	-	(240,000)	14,175,000	250,000
2017 Series A	11,940,000	-	(210,000)	11,730,000	210,000
2019 Series A-1	51,420,000	-	-	51,420,000	-
2019 Series A-2	3,580,000	-	-	3,580,000	-
2019 Series B	7,565,000	-	(400,000)	7,165,000	400,000
2019 Series C	9,840,000	-	(510,000)	9,330,000	520,000
2020 Series A	-	25,665,000	-	25,665,000	-
2020 Series B	-	25,270,000	(535,000)	24,735,000	1,120,000
2020 Series C	-	16,410,000	(410,000)	16,000,000	855,000
2021 Series A	-	99,250,000	-	99,250,000	-
2021 Series B	-	16,145,000	-	16,145,000	-
	<u>319,363,357</u>	<u>182,775,089</u>	<u>(58,940,000)</u>	<u>443,198,446</u>	<u>10,705,158</u>
Less: Unamortized Discount	(652,579)	-	93,225	(559,354)	-
Total Multi Family Bonds Payable	<u>318,710,778</u>	<u>182,775,089</u>	<u>(58,846,775)</u>	<u>442,639,092</u>	<u>10,705,158</u>
Total Bonds Payable	<u>\$ 540,363,564</u>	<u>\$ 222,538,084</u>	<u>\$ (95,685,153)</u>	<u>\$ 667,216,495</u>	<u>\$ 55,095,158</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 8 BONDS, MORTGAGE NOTES, AND LOANS PAYABLE – PRIMARY GOVERNMENT  
(CONTINUED)**

**(b) Mortgage Notes and Loans Payable**

The Commission has the following Opportunity Housing Sub-Fund and General Sub-Fund mortgage notes and loans payable as of June 30, 2021:

	Outstanding Beginning of Year	Issued This Year	Retired This Year	Outstanding End of Year	Amount Due Within One Year
<b>Opportunity Housing Sub-Fund:</b>					
9845 Lost Knife Road	\$ 1,967,318	\$ -	\$ (82,896)	\$ 1,884,422	\$ -
Bradley Crossing LLC	-	81,200,000	-	81,200,000	-
CDBG-9611 McAlpine Road	107,493	-	-	107,493	-
Dale Drive	600,000	-	-	600,000	-
Diamond Square	2,000,000	-	-	2,000,000	-
Montgomery Arms	89,140	-	(4,982)	84,158	5,134
MV Gateway II LLC	12,048,970	-	-	12,048,970	-
Paddington Square Dev. Corp.	18,971,572	-	(366,181)	18,605,391	379,583
Scattered Site Two Dev. Corp.	4,196,800	-	(117,000)	4,079,800	-
Southbridge	1,867,571	-	(40,652)	1,826,919	42,570
State Partnership Rental Programs	8,795,567	-	-	8,795,567	-
State Partnership VII	4,712,864	-	-	4,712,864	-
The Glen	1,211,707	-	-	1,211,707	-
The Manor at Cloppers Mill	10,579,464	-	(218,304)	10,361,160	65,821
The Manor at Colesville	7,756,098	-	(160,038)	7,596,060	48,224
The Manor at Fair Hill Farm	11,575,194	-	(238,840)	11,336,354	72,016
VPC One Corp.	29,104,820	-	(532,914)	28,571,906	674,635
VPC Two Corp.	20,713,389	-	(373,094)	20,340,295	500,601
Westwood Tower	20,400,000	-	-	20,400,000	20,400,000
	<u>156,697,967</u>	<u>81,200,000</u>	<u>(2,134,901)</u>	<u>235,763,066</u>	<u>22,188,584</u>
<b>General Sub-Fund:</b>					
Alexander Dev Corp (FFB)	51,250,437	-	(623,809)	50,626,628	645,594
Alexander House LP (FFB)	18,385,417	-	(194,712)	18,190,705	202,690
Cider Mill (FFB)	122,126,304	-	(1,576,430)	120,549,874	1,631,734
Glenmont Crossing (FFB)	13,991,110	-	(223,169)	13,767,941	230,554
Glenmont Westerly (FFB)	13,891,883	-	(221,587)	13,670,296	228,919
The Lindley (FFB)	62,091,620	-	(485,082)	61,606,538	511,171
Timberlawn (FFB)	19,406,408	-	(238,678)	19,167,730	247,984
Woodfield Commons (FFB)	10,480,669	-	(118,379)	10,362,290	122,797
900 Thayer (FFB)	-	16,000,000	(180,472)	15,819,528	274,957
Line of Credit with PNC Bank	83,901,758	24,778,240	(33,530,662)	75,149,336	-
	<u>395,525,606</u>	<u>40,778,240</u>	<u>(37,392,980)</u>	<u>398,910,866</u>	<u>4,096,400</u>
<b>Total Mortgage Notes and Loans Payable</b>	<u><b>\$ 552,223,573</b></u>	<u><b>\$ 121,978,240</b></u>	<u><b>\$ (39,527,881)</b></u>	<u><b>\$ 634,673,932</b></u>	<u><b>\$ 26,284,984</b></u>

Interest rates on mortgage notes and loans payable ranged from 1.00% to 4.51% as of June 30, 2021.

Included in the mortgage notes and loans payable balance of the Opportunity Housing Sub-Fund at June 30, 2021 are inter sub-fund mortgage loans payable to the Multifamily Sub-Fund amounting to \$161,985,008 which have been eliminated in the accompanying financial statements. The related interest expense, amounting to \$8,326,455 for the year ended June 30, 2021 has also been eliminated.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 8 BONDS, MORTGAGE NOTES, AND LOANS PAYABLE – PRIMARY GOVERNMENT  
(CONTINUED)**

**(b) Mortgage Notes and Loans Payable (Continued)**

Included in the mortgage notes and loans payable balance of the Opportunity Housing Sub-Fund at June 30, 2021 are inter sub-fund mortgage loans payable to the General Sub-Fund amounting to \$308,807,367, which have been eliminated in the accompanying financial statements. The related interest expense, amounting to \$5,997,784 for the year ended June 30, 2021 has also been eliminated.

Included in the mortgage notes and loans payable balance of the Opportunity Housing Sub-Fund at June 30, 2021 are inter sub-fund mortgage loans payable to the Opportunity Housing Reserve Fund (OHRF), Multipurpose Indenture Bond Fund (OH Bond Fund) and other Opportunity Housing properties amounting to \$36,999,430, which have been eliminated in the accompanying financial statements.

Included in the mortgage notes and loans payable balance of the General Sub-Fund at June 30, 2021 are inter-subfund mortgage loans payable to the Opportunity Housing Sub-Fund and General Sub-Fund amounting to \$336,496 and \$1,186,016, respectively, which have been eliminated in the accompanying financial statements.

The Commission's outstanding notes and mortgages of \$634,673,932 from direct borrowings are secured with collateral of the related land and/or structures. These notes also contain provisions that in the event of default, outstanding amounts are due immediately.

The Commission also has three lines of credit with unused amounts totaling \$144,860,997 as of June 30, 2021.

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**NOTE 8 BONDS, MORTGAGE NOTES, AND LOANS PAYABLE – PRIMARY GOVERNMENT  
(CONTINUED)**

**(c) Maturities**

Bonds, mortgage notes, and loans payable mature in the years and in the principal and interest amounts as follows:

	Notes from Direct Borrowings		Bonds		
	Principal				
	General Sub-Fund	Opportunity Housing Sub-Fund	Single Family Sub-Fund	Multifamily Sub-Fund	Combined
<u>Year Ending June 30</u>					
2022	\$ 4,096,400	\$ 22,188,574	\$ 44,390,000	\$ 10,705,158	\$ 81,380,132
2023	79,395,962	77,448,245	8,990,000	10,592,009	176,426,216
2024	4,402,617	85,649,352	8,555,000	11,487,820	110,094,789
2025	4,564,601	627,312	5,720,000	16,048,725	26,960,638
2026	4,732,820	539,503	5,855,000	13,189,734	24,317,057
2027-2031	26,423,770	16,368,885	29,220,000	68,825,000	140,837,655
2032-2036	31,721,883	3,257,247	26,295,000	62,740,000	124,014,130
2037-2041	38,139,746	3,877,091	51,120,000	42,520,000	135,656,837
2042-2046	45,926,748	4,650,785	22,780,000	37,695,000	111,052,533
2047-2051	55,390,841	3,835,926	17,130,000	24,290,000	100,646,767
2052-2056	64,844,976	-	-	117,125,000	181,969,976
2057-2061	39,270,502	-	-	16,720,000	55,990,502
2062-2065	-	-	-	11,260,000	11,260,000
Upon Sale of Property	-	17,320,146	-	-	17,320,146
	398,910,866	235,763,066	220,055,000	443,198,446	1,297,927,378
Unamortized Bond Discount/Premium	-	-	4,522,403	(559,354)	3,963,049
Total	<u>\$ 398,910,866</u>	<u>\$ 235,763,066</u>	<u>\$ 224,577,403</u>	<u>\$ 442,639,092</u>	<u>\$ 1,301,890,427</u>

	Notes from Direct Borrowings		Bonds		
	Interest				
	General Sub-Fund	Opportunity Housing Sub-Fund	Single Family Sub-Fund	Multifamily Sub-Fund	Combined
<u>Year Ending June 30</u>					
2022	\$ 9,177,977	\$ 4,848,861	\$ 4,060,542	\$ 9,671,151	\$ 27,758,531
2023	9,066,365	6,198,912	3,856,484	13,431,657	32,553,418
2024	8,334,558	3,758,669	3,665,790	9,317,942	25,076,959
2025	8,214,593	1,298,605	3,530,810	9,011,908	22,055,916
2026	8,090,211	1,277,992	3,406,502	8,672,295	21,447,000
2027-2031	38,418,595	4,647,568	14,964,653	37,459,174	95,489,990
2032-2036	34,541,572	2,562,083	11,402,883	27,359,044	75,865,582
2037-2041	29,886,848	1,915,657	8,475,389	18,847,545	59,125,439
2042-2046	24,291,881	1,141,912	5,070,391	13,299,263	43,803,447
2047-2051	17,558,605	257,912	913,600	9,011,544	27,741,661
2052-2056	9,476,161	-	-	5,967,330	15,443,491
2057-2061	1,500,543	-	-	3,328,691	4,829,234
2062-2065	-	-	-	679,436	679,436
Total	<u>\$ 198,557,909</u>	<u>\$ 27,908,171</u>	<u>\$ 59,347,044</u>	<u>\$ 166,056,980</u>	<u>\$ 451,870,104</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 9 DERIVATIVE INSTRUMENTS**

At June 30, 2021, the Commission had several derivative instruments outstanding as noted in the table below. The Commission used the synthetic instrument method to evaluate the hedge effectiveness of some interest rate swaps. This method evaluates effectiveness by combining the cash flows on the derivative with the cash flows on the hedged item to create a new instrument. The synthetic rate on the cash flows is calculated based on the combination of all the cash flows and is compared against the fixed rate on the derivative. A potential hedging derivative instrument is effective if the actual synthetic rate is within a range of 90% to 111% of the fixed rate of the potential hedging derivative instrument to be substantially fixed.

The Commission also used the regression analysis method to evaluate the hedge effectiveness of the forward starting interest rate swaps. This method evaluates effectiveness by utilizing statistical regression analysis to compare quantitative information about the relationship between the price of the hedged item and that of the hedging derivative.

At June 30, 2021, all hedging derivative instruments shown on the next page met the criteria for effectiveness.

*Objective of the swaps:* In order to protect against the potential of rising interest rates, the Commission entered into six separate pay-fixed, receive variable interest rate swaps. The net interest paid on the swaps and variable rate debt is anticipated to be less than the interest paid had the Commission issued fixed-rate debt.

*Terms:* The notional amounts of the swaps match the principal amounts of the associated variable rate debt. Except as discussed under rollover risk, the swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated "bonds payable" category during the period that the bonds are hedged. The Commission may terminate the swap at fair value at any time.

*Fair value:* The termination value of all swaps had either a negative or positive fair value as of June 30, 2021. Because the coupons on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value changes. The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 9 DERIVATIVE INSTRUMENTS (CONTINUED)**

Associated Bond Issue	Notional Amounts	Trade Date	Terms	Fair Values	Swap Termination Date	Counterparty/ Credit Rating
Single Family 2018 Series B	\$ 8,450,000	6/10/2008	Receive 63.6% LIBOR + 0.31%, pay 2.405%	\$ (698,809)	7/1/2039	MLDP Aa3/AA/NR
Multifamily 2011 Series A	28,600,000	4/3/2006	Receive 64.0% LIBOR + 0.19%, pay 4.02%	(2,567,249)	1/1/2049	MLCS, A2/A-/AA- (MLDP, Aa3/AA/NR)
Multifamily 2011 Series B	2,545,000	4/3/2006	Receive 100% LIBOR + 0.10%, pay 6.067%	(355,626)	1/1/2049	MLCS, A2/A-/AA- (MLDP, Aa3/AA/NR)
Elizabeth House III MHDB 2019 A Hedge	52,673,471	11/20/2019	Receive 100% LIBOR, pay 1.402%	(1,903,776)	5/1/2024	Wells Fargo Aa1/A+/AA-
Upton II (Construction)	20,575,178	3/6/2019	Receive 80% LIBOR, pay 2.006%	(486,612)	7/1/2022	Royal Bank of Canada Aa2/AA-/AA
Upton II (Permanent)	<u>27,000,000</u>	3/6/2019	Receive 70% LIBOR, pay 2.39%	<u>(3,594,568)</u>	7/1/2062	Royal Bank of Canada Aa2/AA-/AA
Total	<u>\$ 139,843,649</u>			<u>\$ (9,606,640)</u>		

*Credit risk:* The Commission's counterparties may become unable to meet their obligations under the swap agreement. The counterparties for the Commission's swaps are Merrill Lynch Capital Services (MLCS), Merrill Lynch Derivative Products AG (MLDP), RBC Capital Markets, and Wells Fargo. Merrill Lynch Derivative Products (MLDP), a Aaa rated structured entity, guarantees termination payments under all of the Multifamily and Single Family swap agreements. As of June 30, 2021, the Commission was not exposed to credit risk with respect to termination payments on its swap agreements that had negative fair value on this date. The Commission was exposed to credit risk on its swap agreements that had positive fair value in the amount of the corresponding fair value. The swap agreements do not contain any collateral agreements with the counterparties.

*Interest Rate Risk:* The Commission is exposed to interest rate risk on its pay-fixed, receive variable interest rate swaps as the Commission's net payment increases as the LIBOR or the SIFMA swap index decreases.

*Basis Risk:* The Commission is exposed to basis risk on its pay-fixed interest rate swaps because the variable rate payments received on these derivative instruments are based on a rate or index other than interest rates the Commission pays on its hedged variable-rate debt, which is remarketed every 7 days. Should the relationship between the floating rate received on the swap and the floating rate paid on the bonds diverge from historical relationships, the Commission pays more interest than originally anticipated. The Commission considered basis risk when it structured its interest rate swaps and has experienced little basis risk over time.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 9 DERIVATIVE INSTRUMENTS (CONTINUED)**

*Rollover Risk:* The Commission is not exposed to rollover risk on its hedging derivative instruments.

*Market-access Risk:* The objectives of the hedging derivative instruments do not involve any plans to issue or refund bonds, so the Commission is not exposed to market-access risk.

*Foreign Currency Risk:* The Commission is not exposed to foreign currency risk on its hedging derivative instruments.

HOC had in place two interest rate hedges with Royal Bank of Canada (RBC) for Alexander House and Barclays Bank, PLC (Barclay) for The Lindley which were both terminated on September 1, 2019. Both hedges were issued with a termination date to coincide with the expected closing of the permanent financing with a FFB mortgage loan for both properties. Both hedges performed as expected, however interest rates were volatile and declined significantly over the last few months leading up to the swap termination date due to macro events as the U.S./China trade war, currency manipulations, interest rate cuts by the Federal Reserve Bank of the United States and concern of a recession. As a result, HOC was required to make termination payments on the interest rate hedge agreements with both RBC and Barclay. HOC's termination payment to RBC was \$12,590,000 and the termination amount to Barclays was \$12,701,474. HOC recorded the termination payments as a deferred outflow of resources and will amortize the payments over 40 years to coincide with the amortization of the FFB mortgage loans. As of June 30, 2021, the balance of deferred outflows of resources related to these derivative instruments was \$21,902,486.

**NOTE 10 LONG-TERM DEBT – DISCRETELY PRESENTED COMPONENT UNITS**

The long-term debt of the discretely presented component units are primarily nonrecourse debt of each of the limited partnerships, which is collateralized by the land, structures, and equipment of each limited partnership and have varying repayment terms and interest rates ranging from 0.68% to 6.50%.

The annual maturities of the discretely presented component units' long-term debt are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 4,245,221	\$ 6,814,275
2022	12,259,503	6,711,361
2023	46,284,036	6,603,641
2024	2,736,922	6,490,878
2025	2,854,947	6,372,831
Thereafter	255,731,380	126,042,916
Total	<u>\$ 324,112,009</u>	<u>\$ 159,035,902</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 11 LONG-TERM DEBT – COMPENSATED ABSENCES**

A summary of changes in compensated absences which is included in Accounts Payable and Accrued Liabilities are as follows:

	Outstanding Beginning of Year	Additions	Deletions	Outstanding End of Year	Amount Due Within One Year
Compensated Absences	\$ 2,479,368	\$ 826,590	\$ (628,047)	\$ 2,677,911	\$ 2,677,911

**NOTE 12 LOANS PAYABLE TO MONTGOMERY COUNTY**

The County advances funds to the Commission and the real estate limited partnership component units (RELP component units) through two Capital Improvement Program Funds. The Commission and the RELP component units use County funds to purchase or construct various housing developments in expectation that permanent financing will be provided through a combination of state, county, or federal grants or that loans or bonds will be issued by the Commission or the RELP component units. If the development is funded from another source, the Commission or the RELP component units repay the County. If no alternative funding is found for a development, the County may agree to forgive the Commission's or the RELP component unit's debt. The Commission and the RELP component units paid no interest on funds received from the County for the year ended June 30, 2021. There is no set maturity date or repayment term on borrowings from the County for the projects.

The Commission has the following Opportunity Housing Sub-Fund, General Sub-Fund and discrete component unit loans payable to Montgomery County as of June 30, 2021:

	Outstanding Beginning of Year	Issued This Year	Retired This Year	Transfers In / (Out)	Outstanding End of Year	Amount Due Within One Year
Opportunity Housing Sub-Fund	\$ 79,912,051	\$ 5,503,630	\$ (2,608,074)	\$ (3,948,195)	\$ 78,859,412	\$ 445,585
General Sub-Fund	25,293,571	1,000,000	(122,347)	-	26,171,224	-
Total	<u>\$ 105,205,622</u>	<u>\$ 6,503,630</u>	<u>\$ (2,730,421)</u>	<u>\$ (3,948,195)</u>	<u>\$ 105,030,636</u>	<u>\$ 445,585</u>
Real Estate Limited Partnership Component Units	<u>\$ 17,555,181</u>	<u>\$ 1,439,409</u>	<u>\$ (69,489)</u>	<u>\$ 3,948,195</u>	<u>\$ 22,873,296</u>	<u>\$ -</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 13 OPERATING LEASE COMMITMENTS**

On November 21, 2007, the Commission signed a ten-year lease with Professional Equity Limited Partnership for a customer service center located in Gaithersburg, Maryland. The lease term expired on April 30, 2018 and was first amended for two months through June 30, 2018. The lease term was amended again on July 17, 2018 for a period of five years, expiring on June 30, 2023. The new base annual rent is \$219,230 with an annual adjustment to the base annual rent of 3% per annum.

Lease expense for the year ended June 30, 2021 for all office space was \$235,754. Future minimum lease obligations under the leases is as follows:

<u>Years Ending June 30</u>	<u>Amount</u>
2022	\$ 239,559
2023	246,745
Total	<u>\$ 486,304</u>

**NOTE 14 UNRESTRICTED NET POSITION**

A certain portion of the unrestricted net position has been committed by the Commission for specific purposes and are therefore not available for general operating purposes. This nonspendable fund balance is comprised of the FHA Risk Sharing Fund and the Opportunity Housing Reserve Fund (OHRF).

*FHA Risk Sharing*

As of June 30, 2021, the Commission committed the following obligations from the FHA Risk Share account in the General Sub-Fund by resolutions of the Board of Commissioners:

HOC at Upton II	\$ 632,240
Westside Shady Grove	1,255,412
Willow Manor Properties	1,461,200
Total	<u>\$ 3,348,852</u>

*OHRF*

The Commission established the OHRF in 1980 initially to address the use of revenues generated from the sale of bonds under the Single Family Mortgage Purchase Program. The OHRF is now a repository of proceeds from various activities of the agency. The Commission makes the final decisions about how funds from the OHRF are spent by a resolution of the Board of Commissioners. By policy, the Commission has chosen to use the OHRF primarily for future affordable housing production.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 14 UNRESTRICTED NET POSITION (CONTINUED)**

As of June 30, 2021, the Commission committed the following OHRF obligations in the Opportunity Housing Sub-Fund by resolutions of the Board of Commissioners:

Ambassador	\$ 122,871
Barclay Apartments	76,688
Bradley Crossing	150,000
Commercial Property	16,076
Elizabeth House IV	31,058
Emory Grove	150,000
Fenwick Silver Spring, LLC	994,075
Georgian Court	216,361
Hillandale Gateway	5,722,137
Holly Hall	843,700
Lindsay Ford	109,630
Metropolitan	919,622
Pre-development Fund (Real Estate Division)	808,764
Sandy Spring Meadow	1,010,000
Shady Grove	208,956
Stewartown Homes	233,111
Town Center Apartments	200,332
Westwood Towers	360,381
Wheaton Gateway	731,525
Willow Manor Properties	400,000
Willows RAD	96,250
Total	\$ 13,401,537

**NOTE 15 PENSION PLAN**

**(a) Employees' Retirement System**

**Plan Description**

All of the Commission's full-time employees hired before October 1, 1994 participate in the Employees' Retirement System of Montgomery County (the ERS), a cost-sharing multiple-employer defined benefit pension plan. The ERS was established under Chapter 33 of the Montgomery County Code (Code), 1965, as amended. In July 2009, a new retirement option, the Guaranteed Retirement Income Plan (GRIP), was implemented for employees hired on or after October 1, 1994. During fiscal year 2009, employees participating in the Retirement Savings Plan (RSP) were provided a one-time irrevocable election opportunity to transfer from the RSP to the GRIP effective July 1, 2009. New employees hired on or after July 1, 2009 have the option to participate in RSP or GRIP with a six (6) month waiting period beginning with date of hire. If no election is made, the employee defaults into the RSP. The one time irrevocable election must be made within 150 days of date of hire. Membership begins after 180 days from date of hire. Participation is mandatory for full-time employees and optional for part-time employees. Membership for part-time employees begins with their election to join either the RSP or the GRIP after the waiting period.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 15 PENSION PLAN (CONTINUED)**

**(a) Employees' Retirement System (Continued)**

**Benefits Provided**

Benefit provisions are established under the Code beginning with Section 33-35. All benefits vest at five years of service. There are different retirement groups within the ERS. Members enrolled before July 1, 1978, belong to either the optional nonintegrated group or the optional integrated group. Members enrolled on or after July 1, 1978, belong to the mandatory integrated group. Within the groups are different retirement membership classes. The retirement group assigned depends upon the job classification of the member. Normal and early retirement eligibility, the formula for determining the amount of benefit, and the cost of living adjustment varies depending upon the retirement group, retirement membership class and retirement date. Normal retirement is 2% of average final earnings (AFE) multiplied by years of credited service. AFE for optional, nonintegrated group members and optional integrated group members is defined as the highest consecutive 12 months and for mandatory integrated plan members, the highest consecutive 36 months. The AFE, maximum years of credited service, and the cost of living adjustment varies depending upon the retirement membership class, group, and date of retirement. Members who retire early receive normal retirement benefits reduced by a minimum of 0.17% to a maximum of 60% depending on the number of years and months early retirement precedes normal retirement. The ERS provides options for disability and death benefits to eligible participants. Annual cost-of-living adjustments are provided to retirees and beneficiaries based on the percentage change in the Consumer Price Index and the date of retirement.

For the members of the GRIP, employee contributions and earnings thereon vest immediately, and employer contributions and earnings thereon are vested after three years of membership in the plan or upon death, disability, or reaching normal retirement age. At separation, a participant's benefit is the account balance which includes employee contributions and earnings along with employer contributions and earnings, if vested. No loans or rollover from other retirement plans are allowed.

**Employees Covered by Benefit Terms**

At June 30, 2020, the date of the latest actuarial valuation, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Receiving Benefits	6,783
Terminated Plan Members Entitled to, but Not Yet Receiving Benefits	529
Active Plan Members	<u>6,204</u>
Total Plan Members	<u><u>13,516</u></u>

**Contributions**

The ERS is a contributory plan with employees contributing a percentage of their base annual salary. Contribution rates range from 6% to 11.25% of regular earnings annually based on group classifications and contributions earn interest at the rate of 4% per annum as specified under Section 33-39(b) of the Code. The Commission is required to contribute the remaining amounts necessary to fund the ERS using the actuarial basis as specified in Section 33-40 of the Code.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 15 PENSION PLAN (CONTINUED)**

**(a) Employees' Retirement System (Continued)**

**Contributions (Continued)**

The GRIP plan requires all participants to contribute 4% of their salary. Participants earning salaries exceeding the Social Security wage base must contribute 8% of the excess over the wage base. Section 33-40 of the Code requires the Commission as a participating agency to contribute 8% of regular earnings for all participants. For the year ended June 30, 2021, the Commission paid 6.1% and the balance came from plan earnings.

**Net Pension Liability**

The Commission's net pension liability (NPL) of \$21,355,806 was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The net pension liability is allocated among all employers which includes the County and participating agencies. Each employer's portion of the net pension liability was determined by the respective employer's share of the unfunded actuarial accrued liability, which is based on the number of participants each employer had participating in the System, relative to all participants in the System, as of July 1, 2020. The Commission's employer allocation percentage is 19.4749%.

Actuarial Assumptions

Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Individual entry age normal
Amortization Method for Funding	Level percentage of payroll, separate closed period bases
Amortization Period for Funding	For Public Safety and GRIP: Initial amortization period of 20 years for the base established July 1, 2015. Initial amortization period of 20 years for subsequent bases. For non-Public Safety: Single closed amortization period of nine years established July 1, 2015. Average amortization period of 7.0 years for total ERS.
Asset Valuation Method	Fair Market value
Investment Rate of Return	7.50%
Projected Salary Increases	3.25%-9.50%
Cost-of-Living (Inflation Rate) Adjustments	2.50% on the benefit attributable to credited service earned prior to June 30, 2011. 2.20% on the benefit attribution to credited service earned thereafter, reflecting the 2.5% cap.
Post-Retirement Increases	Consumer Price Index – by Group
Mortality Rates After Retirement	Pub-2010 Public Sector Mortality Table (for General and Safety Employees), sex-distinct with rates projected from 2010 using projection scale MP-2018.

An experience study was conducted for the period July 1, 2014 to July 1, 2018 in September 2019. An actuarial experience study is conducted every five years. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 15 PENSION PLAN (CONTINUED)**

**(a) Employees' Retirement System (Continued)**

**Net Pension Liability (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 (see the discussion of the System's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities	2.70%
International Equities	3.70%
Emerging Market Equities	6.70%
Global Equities	3.91%
Private Equity	6.23%
Credit Opportunities	4.42%
High Yield Bonds	1.85%
Directional Hedge Funds	2.58%
Long Duration Fixed Income	3.35%
Cash	-0.49%
Diversifying Hedge Funds	2.78%
Global IL's	4.14%
Private Real Assets	5.47%
Public Real Assets	3.09%

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and contributions from the County and other participating agencies will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Additional Financial and Actuarial Information**

Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of Pension amounts by Employer (including the disclosure of the net pension liability and the unmodified opinion on the financial statements) is located in the Montgomery County Employee Retirement Plans' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. The supporting actuarial information is included in the June 30, 2020 GASB Statements No. 67 and 68, *Accounting and Financial Reporting for Pensions* actuarial valuation for the System. The additional financial and actuarial information is available at: Montgomery County Employee Retirement Plans, 101 Monroe Street, 15th Floor, Rockville, Maryland 20850 or by calling 240-777-8220.



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 15 PENSION PLAN (CONTINUED)**

**(a) Employees' Retirement System (Continued)**

*Sensitivity of the Commission's proportionate share of the net pension liability to changes in the discount rate*

The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Commission share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease (6.50)%	Current Discount (7.50)%	1% Increase (8.50)%
Total System Net Pension Liability (Asset)	\$ 586,291,705	\$ 109,657,893	\$ (291,574,107)
Commission's Proportionate Share	114,179,953	21,355,806	(56,783,880)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended June 30, 2021, the Commission recognized pension expense of \$6,734,153. At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 14,947,772
Changes of Assumptions	-	11,167,670
Net Differences Between Projected and Actual Earning on Pension Plan Investments	11,597,890	-
Change in Proportionate Share	30,195,289	18,716,560
Contributions Made Subsequent to the Measurement Date	1,377,516	-
Total	\$ 43,170,695	\$ 44,832,002

The \$1,377,516 reported as deferred outflows of resources related to Commission pension contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ (2,693,322)
2023	(992,509)
2024	(146,431)
2025	793,439

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 15 PENSION PLAN (CONTINUED)**

**(b) Defined Contribution Plan**

Full-time employees and part-time employees of the Commission who elect to participate in a retirement plan, hired after October 1, 1994 who did not elect to participate in the GRIP, participate in the Montgomery County Government Employees' Retirement Savings Plan (RSP), a cost sharing multiple-employer defined contribution plan. The Plan was established by Montgomery County under Chapter 33 of the Montgomery County Code.

The plan requires all participants to contribute 4% of their salaries. Participants earning salaries exceeding the Social Security wage base as determined each year by Social Security must contribute 8% of the excess over the wage base. The plan provides that the Commission must contribute 8% of each participant's annual salary. Employee and employer contributions must remain in the participant's account until retirement or termination of employment. No loans are allowed. Rollovers from qualified retirement plans are allowed.

Payroll from the Commission covered by the plan for the year ended June 30, 2021 totaled \$13,048,009. Commission and employee contributions to the plan totaled \$1,043,761 and \$535,494, respectively, for the year ended June 30, 2021.

**NOTE 16 POSTRETIREMENT HEALTH CARE BENEFITS**

**Plan Description**

The Commission is a component unit of Montgomery County, Maryland and a participant in the Montgomery County Retiree Health Benefit Plan (the Plan), a cost-sharing multiple-employer defined healthcare plan sponsored by the County. The benefits, benefit levels, employee contributions and employer contributions are governed by and can be amended by the Montgomery County Council. The Plan is considered part of the County's financial reporting entity and is included in the County's basic financial statements under Other Postemployment Benefits (OPEB). Separate financial statements are also issued for the Plan.

**Benefits Provided**

Substantially all retirees of Montgomery County Government, Montgomery County Revenue Authority, Housing Opportunities Commission of Montgomery County, Washington Suburban Transit Commission, Strathmore Hall Foundation, Village of Friendship Heights, SkyPoints Federal Credit Union and certain retirees of the State Department of Assessments and Taxation, are provided postemployment benefits such as medical, life, dental, vision, and prescription coverage under the Plan. These benefits are provided through the Montgomery County Group Insurance Plan. Retirees may also elect coverage for their eligible dependents. Postemployment benefit provisions and eligibility requirements for retirees are described in the Montgomery County Group Insurance Summary Plan Description.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 16 POSTRETIREMENT HEALTH CARE BENEFITS (CONTINUED)**

Employees Covered by Benefit Terms

At June 30, 2020, the date of the latest actuarial valuation, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	7,179	
Active Plan Members	10,439	
Total Plan Members	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">17,618</td> </tr> </table>	17,618
17,618		

Contributions

The County Council has the authority to establish and amend contribution requirements of the Plan's members and the County. The Plan is a contributory plan in which the County and the retired members and beneficiaries contribute, based on an actuarial valuation, certain amounts toward the current cost of healthcare benefits. The Plan contributes percentages ranging from 50% to 80% of the cost of group medical and life insurance premiums of retirees, depending on years of service in the plan. Expenditures for postretirement health care benefits are recognized as the County bills the Commission on a monthly basis. The annual pay-as-you-go expenditures amounted to \$1,143,838 during fiscal year 2021. The Commission prepaid the fiscal year 2021 annual required contribution in fiscal year 2020. On May 13, 2020, the County Council approved the savings plan submitted by the Montgomery County Government for their General Fund fiscal year 2020 contribution to OPEB, as part of the County fiscal year 2021 budget process. The savings plan adopted the actuarial valuation and actuarially determined contribution prepared by a new actuary versus the actuarial valuation prepared by the prior actuary. At the time of the County's savings plan decision, participating agencies' contributions had already been made to the Trust based on the prior actuarial valuation. This resulted in the participating agencies effectively having over contributed to the Trust for fiscal year 2020. The Commission prepaid contribution amounted to \$295,750.

Net OPEB Liability

The Commission's net OPEB liability of \$19,893,437 was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The net OPEB liability is allocated among all employers which includes the County and participating agencies. Each employer's portion of the net OPEB liability was based on the proportion of each agency's actuarially determined contribution as of June 30, 2020. The Commission's employer allocation percentage is 1.9667%.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 16 POSTRETIREMENT HEALTH CARE BENEFITS (CONTINUED)**

Actuarial Assumptions

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Amortization	30-Year Open
Discount Rate	5.68%
20 Yr. Municipal Bond Rate	2.45%
Municipal Bond Rate Basis	20-year tax exempt general obligation municipal bond with average rating of AA/Aa
Expected Return on Assets	7.50%
Salary Increases	4.25%-8.25%, depending on service
General Inflation	3.00%
Mortality:	
Healthy Retirees	Group A,H,J, GRIP – Pub-2010 Healthy Mortality, Headcount weighted, General Employees, Sex Distinct, Fully Generational projected from 2010 using scale MP-2018.
	Group E,F,G – Pub-2010 Healthy Mortality, Headcount weighted, Public Safety Employees, Sex Distinct, Fully Generational projected from 2010 using scale MP-2018.
Disabled Retirees	Group A,H,J, GRIP – Pub-2010 Disabled Mortality, Headcount weighted, General Employees, Sex Distinct, Fully Generational projected from 2010 using scale MP-2018.
	Group E,F,G – Pub-2010 Disabled Mortality, Headcount weighted, Public Safety Employees, Sex Distinct, Fully Generational projected from 2010 using scale MP-2018.
Health care cost trend rates:	The medical trend assumption was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model, version 2019 b. The model was adjusted to include the effects of the Cadillac tax set to take effect in 2022. The initial rate is 5.40% and the ultimate rate is 3.68%.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 16 POSTRETIREMENT HEALTH CARE BENEFITS (CONTINUED)**

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2020 valuation, with the exception of the mortality assumptions, were based on the results of an actuarial experience study for the period July 1, 2014 to July 1, 2018 in September 2019.

The long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equities	2.70%
International Equities	3.70%
Emerging Market Equities	6.70%
Global Equities	3.91%
Private Equity	6.23%
Credit Opportunities	4.42%
High Yield Bonds	1.85%
Directional Hedge Funds	2.58%
Long Duration Fixed Income	3.35%
Cash	-0.49%
Diversifying Hedge Funds	2.78%
Global IL's	4.14%
Private Real Assets	5.47%
Public Real Assets	3.09%

*Discount Rate.* A single discount rate of 5.68% was used to measure the total OPEB liability as of June 30, 2020. This single discount rate was blended based on the expected long-term rate of return on OPEB plan investments of 7.50% and the municipal long term high quality bond index yield (at the measurement date) of 2.45% as described under the terms of the GASB standard. The projection of cash flows used to determine the single discount rate assumes that employer contributions will be made based on the current funding policy (contributions equal to the employer normal cost plus a 30-year open level percent of pay amortization of the unfunded employer liability). Based on these assumptions, the OPEB plan's fiduciary net position was projected to not be sufficient to make all projected future benefit payments on behalf of current plan members. Therefore, the long-term expected rate of return on plan investments was applied only to those payments prior to the depletion of the fiduciary net position and the bond yield index rate was applied to those benefit payments subsequent to the projected depletion of the fiduciary net position. For this valuation, the bond rate used as of June 30, 2020 was 2.45%. Therefore, the blended discount rate used as of June 30, 2020 was 5.68%.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 16 POSTRETIREMENT HEALTH CARE BENEFITS (CONTINUED)**

*Additional Financial and Actuarial Information*

Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of OPEB Amounts by Employer (including the disclosure of the net OPEB liability and the unmodified audit opinion on the financial statements) is located in the Montgomery County Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. The supporting actuarial information is included in the June 30, 2020 actuarial valuation titled GASB Statements No. 74 and 75 *Accounting and Financial Reporting for OPEB*. The additional financial and actuarial information is available at: Montgomery County Employee Retirement Plans, 101 Monroe Street, 15th floor, Rockville, Maryland 20850 or by calling 240-777-8220.

*Sensitivity of the Commission's proportionate share of the net OPEB liability to changes in the discount rate*

The following presents the Commission's proportionate share of the net OPEB liability calculated using the discount rate of 5.68%, as well as what the Commission's share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.68%) or one percentage point higher (6.68%) than the current discount rate:

	1% Decrease (4.68)%	Current Discount (5.68)%	1% Increase (6.68)%
Total Net OPEB Liability	\$ 1,247,253,720	\$ 1,011,513,610	\$ 819,426,227
Commission's Proportionate Share	24,529,739	19,893,437	16,115,656

*Sensitivity of the Commission's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates*

The following presents the Commission's proportionate share of the net OPEB liability as well as what the Commission's share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (2.68%) or one percentage point higher (4.68%) than the current healthcare cost trend rates:

	1% Decrease (2.68)%	Current Discount (3.68)%	1% Increase (4.68)%
Total Net OPEB Liability	\$ 798,256,979	\$ 1,011,513,610	\$ 1,279,813,098
Commission's Proportionate Share	15,699,320	19,893,437	25,170,085

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 16 POSTRETIREMENT HEALTH CARE BENEFITS (CONTINUED)**

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2021, the Commission recognized an OPEB expense of \$1,504,340. At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,275,901	\$ 5,049,167
Changes of Assumptions	1,161,252	8,119,229
Net Differences Between Projected and Actual Investment		
Earnings on OPEB Plan Investments	-	464
Differences Between Employer Contributions and Proportionate Share of Contributions	2,748,925	1,290,778
Contributions Made Subsequent to the Measurement Date	1,143,839	-
Total	<u>\$ 6,329,917</u>	<u>\$ 14,459,638</u>

The \$1,143,839 reported as deferred outflows of resources related to Commission OPEB contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (2,352,585)
2023	(2,300,424)
2024	(2,277,766)
2025	(2,036,664)
2026	(541,784)
Total Thereafter	235,663

**NOTE 17 CONTINGENCIES**

**(a) Litigation**

There is no pending or, to the Commission's knowledge, threatened litigation pending against the Commission, which is not insured or, if uninsured, if concluded unfavorably to the Commission would have a materially adverse effect upon the ability of the Commission to meet its obligations or conduct its business.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 17 CONTINGENCIES (CONTINUED)**

**(b) HUD Program Grants**

The Commission participates in a number of Federal, State and County assisted grant programs, principal of which are the Department of Housing and Urban Development Housing Assistance Payments (Housing Choice Voucher), Low Rent Public Housing, Comprehensive Grants, Lower Income Housing Assistance Program (Housing Choice Voucher Moderate Rehabilitation), Public Housing Capital Fund and Supportive Housing. These programs are subject to financial and compliance audits by grantors or their representatives.

**NOTE 18 RISK MANAGEMENT**

The Commission is exposed to various risks of losses related to torts; thefts of, damages to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Commission participates in Montgomery County's self-insurance fund or purchases insurance to address such exposures. The County fund is maintained for property, comprehensive general liability (CGL), automobile and professional liability, fire and theft, the liability for errors, omissions, worker's compensation and other selected areas which require coverage. Additionally, commercial insurance is purchased for property, CGL, excess umbrella insurance cyber liability insurance, sexual abuse and molestation insurance and automobile claims that are not covered by the County self-insurance fund. The Commission's liability for claims includes a deductible of up to \$250,000 for property claims. In fiscal year 2021 when the Commission renewed CGL, as part of the renewal negotiations, all properties, with the exception of Hillandale Gateway LLC are subject to a deductible of up to \$1,000. Hillandale Gateway LLC is subject to a \$2,500 deductible.

During the year, there were no significant reductions in commercial insurance coverage. For the past five years, no insurance settlements exceeded commercial insurance coverage.

**NOTE 19 CONDUIT DEBT OBLIGATIONS**

Conduit debt obligations refer to certain limited-obligation revenue bonds or similar debt instruments issued by the Commission for the purpose of providing capital financing for a third party that is not part of the Commission's reporting entity. The Commission has issued a number of individual bonds for financing for multifamily developments for which the Commission has no legal liability for repayment or administration. The Commission participates in such issuances in order to increase the availability of affordable housing in the County. The bonds are secured by the facilities financed and are payable from revenues or monies made available to the Commission for such purpose. The bonds do not constitute a debt or charge against the general credit of the Commission, the County, the State, or a political subdivision thereof.



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**NOTE 19 CONDUIT DEBT OBLIGATIONS (CONTINUED)**

Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The bonds outstanding at June 30, 2021 are summarized below:

Bonds Outstanding, Beginning of Year	\$ 188,958,893
Issuances During the Year	-
Redemptions During the Year	<u>(45,342,229)</u>
Bonds Outstanding, End of Year	<u>\$ 143,616,664</u>

**NOTE 20 ARBITRAGE**

The Internal Revenue Code of 1986 placed significant restrictions regarding arbitrage on housing finance agencies throughout the United States. Arbitrage occurs when investments of bond proceeds not used to purchase mortgage loans earn more than the interest rate on the bonds or when the housing finance agency has net earnings of more than 1.125% on mortgages purchased with bond proceeds. Under the IRS regulations, payment of any positive arbitrage on a bond issue must be made no later than five years after the original issuance and every five years thereafter. At June 30, 2021, there was an arbitrage rebate liability of \$766,509 which is included in accounts payable.

**NOTE 21 SUBSEQUENT EVENTS**

***Multifamily Housing Development Bonds, Series 2021C; Series 2021D***

HOC anticipates issuing \$108,665,000 of 2021 Series CD Multifamily Housing Development Bonds (the MHDB) in November 2021. The proceeds from the bonds will finance newly originated Mortgage Loans ( 2021 CD Mortgage Loans) to fund a portion of the acquisition, rehabilitation, and permanent financing of a 286-unit multifamily housing development located on three noncontiguous sites in Olney, Maryland known as Willow Manor Properties, a 144-unit multifamily housing development in Derwood, Maryland known as Shady Grove apartments, and a 147-unit multifamily housing development in Silver Spring, Maryland known as Georgian Court. The 2021 CD Mortgage Loans are expected to be endorsed by the United States Department of Housing and Urban Development for issuance under the FHA Risk Sharing Program, providing credit enhancement for the MHDB. Equity interests in the 2021 CD Mortgage Loans are expected to be sold to investors who will be allocated low income housing tax credits (LIHTC) related to the 2021 CD Developments.

One 2021 CD Mortgage Loan is expected to be made to HOC at Willow Manor, a Maryland limited liability company, the managing member of which is controlled by the Commission. The Mortgage Loan is expected to be in the amount of \$46,780,000 amortized over 40 years in equal monthly installments of principal and interest beginning January 1, 2025, with a balloon payment in the 25th year. A portion of the proceeds of the Mortgage Loan will be used to acquire the Willow Manor Properties from the Commission. The proceeds of the sale will be used by the Commission to pay a draw on a line of credit provided by PNC Bank, N.A.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 21 SUBSEQUENT EVENTS (CONTINUED)**

***Multifamily Housing Development Bonds, Series 2021C; Series 2021D (Continued)***

A second 2021 CD Mortgage Loan is expected to be made to HOC at Georgian Court, a Maryland limited liability company, the managing member of which is controlled by the Commission. The Mortgage Loan is expected to be in the amount of (1) \$11,975,000 to be repaid on or before January 1, 2025 from tax credit investor equity and (2) \$17,280,000 amortized over 35 years in equal monthly installments of principal and interest beginning July 1, 2024, with a balloon payment in the 25th year. A portion of the proceeds of the Mortgage Loan will be used to acquire Georgian Court from the Commission. The proceeds of the sale will be used by the Commission to pay in full a Mortgage Loan financed with a prior series of Bonds.

A third 2021 CD Mortgage Loan is expected to be made to HOC at Shady Grove, a Maryland limited liability company, the managing member of which is controlled by the Commission. The Mortgage Loan is expected to consist of \$28,610,000 amortized over 35 years in equal monthly installments of principal and interest beginning July 1, 2024, with a balloon payment in the 25th year. A portion of the proceeds of such Mortgage Loan will be used to acquire Shady Grove from the Commission. The proceeds of the sale will be used by the Commission to pay in full a Mortgage Loan financed with a prior series of Bonds.

***Housing Production Fund Bond Issuance Series 2021***

On August 17, 2021, HOC in conjunction with Montgomery County, issued Limited Obligation Bonds in the amount of \$50 million (the "Series 2021 Bonds") to create a Housing Production Fund (HPF). The bonds were issued for 20 years maturing in June 2041. The Series 2021 Bonds are payable solely from Contract Payments paid by the County and deposited with the Trustee in the Sinking Fund, pursuant to the Funding Agreement and Master Resolution. The Contract Payments will not exceed \$3.4 million annually and all amounts payable by the County under the Funding Agreement, including the Contract Payments, are subject in each year to appropriation by County Council. Contract Payments by the County are not secured by any lien on housing or other assets that may be constructed, acquired or renovated with proceeds of the Series 2021 Bonds.

The HPF is a new revolving fund that will support the production of affordable housing developments through construction bridge financing. Over the past decade, HOC has established a consistent, new construction pipeline of housing units, and, since 2016, HOC has commenced construction on at least one ground-up development each year. Most of these developments were highly subsidized destination properties under the HUD Rental Assistance Demonstration program. However, some were HOC's standard mixed-income developments, which combined private conventional equity with HOC's own resources.

The County's funding of the HPF will create the leverage to fund multiple projects rather than invest once as is the case with traditional HIF loans; establish a revolving source of funding over 20 years; create an innovative way of providing construction period equity funding that is reusable; and allow HOC and the County to continue their legacy of the creating mixed income developments and economically diverse communities.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 21 SUBSEQUENT EVENTS (CONTINUED)**

***Housing Production Fund Bond Issuance Series 2021 (Continued)***

HOC's housing developments funded from the HPF must set aside 20% of total dwelling units, which are priced to be affordable to households earning 50% or less of the area median income adjusted for household size and an additional 10% of all units affordable priced to be affordable to households with incomes eligible for a Moderately Price Dwelling Unit (65-70% of the AMI).

**COVID-19**

Prior to fiscal year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. COVID-19 is having significant effects on global markets, supply chains and businesses. As of the end of the fiscal year, the Commission did not observe any material impacts on its operations or its financial position as a result of COVID-19 and management believes they are taking appropriate actions to mitigate any potential negative impacts. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated at this time as these events are still developing.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS**

	Blended Component Units							
	The Oaks	Alexander House	Sligo MPDU III	Metropolitan Dev Corp	TPM Dev MPDU II / 59	TPP LLC	Pooks Hill Highrise	Montgomery Arms
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
Cash	\$ 321,091	\$ 254,652	\$ 3,112	\$ 3,322,387	\$ 9,039	\$ 2,124,347	\$ 420,908	\$ 373,628
Restricted Cash	601,370	1,326,473	36,730	1,178,009	89,795	945,293	1,348,846	296,018
Current Assets	17,365	3,509,622	437,675	14,322,174	541,216	73,769	157,965	1,048,234
Noncurrent Assets	-	16,157,483	1,273,367	277,885	-	-	-	196,517
Capital Assets	2,538,645	26,902,401	1,065,474	15,092,633	57,390	17,547,658	14,549,048	8,237,873
Deferred Outflows	-	-	-	-	59,312	-	-	-
Total Assets and Deferred Outflows	<u>3,478,471</u>	<u>48,150,631</u>	<u>2,816,358</u>	<u>34,193,088</u>	<u>756,752</u>	<u>20,691,067</u>	<u>16,476,767</u>	<u>10,152,270</u>
<b>LIABILITIES AND DEFERRED INFLOWS</b>								
Current Liabilities	628,904	1,916,295	17,504	1,341,144	47,398	2,400,140	693,263	2,771,128
Noncurrent Liabilities	2,370,941	50,159,171	-	20,621,488	68,473	18,558,080	14,199,519	7,839,869
Deferred Inflows	-	-	128,137	-	-	-	-	-
Total Liabilities and Deferred Inflows	<u>2,999,845</u>	<u>52,075,466</u>	<u>145,641</u>	<u>21,962,632</u>	<u>115,871</u>	<u>20,958,220</u>	<u>14,892,782</u>	<u>10,610,997</u>
<b>NET POSITION</b>								
Net Investment in Capital Assets	(266,188)	(23,902,364)	1,065,474	(6,015,287)	57,390	(1,620,071)	(130,333)	(1,299,873)
Restricted	474,997	1,283,575	31,482	985,297	68,030	865,494	1,287,967	227,444
Unrestricted	269,817	18,693,954	1,573,761	17,260,446	515,461	487,424	426,351	613,702
Total Net Position	<u>478,626</u>	<u>(3,924,835)</u>	<u>2,670,717</u>	<u>12,230,456</u>	<u>640,881</u>	<u>(267,153)</u>	<u>1,583,985</u>	<u>(458,727)</u>
Total Liabilities and Net Position	<u>\$ 3,478,471</u>	<u>\$ 48,150,631</u>	<u>\$ 2,816,358</u>	<u>\$ 34,193,088</u>	<u>\$ 756,752</u>	<u>\$ 20,691,067</u>	<u>\$ 16,476,767</u>	<u>\$ 10,152,270</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							
	Wheaton Metro	Paddington Square	HOC at Hillandale Gateway	Chevy Chase	Barclay Apartments	Scattered Site One	Scattered Site Two	
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
Cash	\$ 287,689	\$ 522,401	\$ -	\$ 469,326	\$ 8,933	\$ -	\$ 1,370,879	\$ -
Restricted Cash	424,147	964,252	-	14,633	539,638	3,775,814	21,605	3,855,755
Current Assets	1,441,302	117,823	-	-	104,747	6,215,015	6,188	3,415,358
Noncurrent Assets	169,768	-	1,820,619	-	1,057,843	-	2,886,948	-
Capital Assets	25,091,197	18,543,845	104,682	86,555	5,258,578	9,754,994	4,212,304	38,478,788
Deferred Outflows	-	456,158	-	-	-	-	171,642	1,129,368
Total Assets and Deferred Outflows	<u>27,414,103</u>	<u>20,604,479</u>	<u>1,925,301</u>	<u>570,514</u>	<u>6,969,739</u>	<u>19,745,823</u>	<u>8,669,566</u>	<u>46,879,269</u>
<b>LIABILITIES AND DEFERRED INFLOWS</b>								
Current Liabilities	764,221	2,521,783	84,829	216,291	483,428	758,688	85,467	1,862,598
Noncurrent Liabilities	35,856,401	23,144,486	2,328,473	-	9,036,130	7,275,334	4,780,045	31,169,883
Deferred Inflows	-	478,253	63,613	-	-	-	181,101	1,203,174
Total Liabilities and Deferred Inflows	<u>36,620,622</u>	<u>26,144,522</u>	<u>2,476,915</u>	<u>216,291</u>	<u>9,519,558</u>	<u>8,034,022</u>	<u>5,046,613</u>	<u>34,235,655</u>
<b>NET POSITION</b>								
Net Investment in Capital Assets	(7,113,335)	(5,257,778)	(2,223,790)	86,555	(4,258,823)	2,248,130	(476,603)	7,480,714
Restricted	355,841	875,030	-	14,633	487,745	3,723,216	5,407	3,765,709
Unrestricted	(2,449,025)	(1,157,295)	1,672,176	253,035	1,221,259	5,740,455	4,094,149	1,397,191
Total Net Position	<u>(9,206,519)</u>	<u>(5,540,043)</u>	<u>(551,614)</u>	<u>354,223</u>	<u>(2,549,819)</u>	<u>11,711,801</u>	<u>3,622,953</u>	<u>12,643,614</u>
Total Liabilities and Net Position	<u>\$ 27,414,103</u>	<u>\$ 20,604,479</u>	<u>\$ 1,925,301</u>	<u>\$ 570,514</u>	<u>\$ 6,969,739</u>	<u>\$ 19,745,823</u>	<u>\$ 8,669,566</u>	<u>\$ 46,879,269</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							
	VPC Two	Glenmont Crossing	Glenmont Westerly	Magruders	RAD 6	Community Partners	Ambassador	MHLP VII
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
Cash	\$ -	\$ 842,033	\$ 1,357,363	\$ 43,319	\$ 783,975	\$ 523,376	\$ 141,561	\$ 12,409
Restricted Cash	2,483,531	2,671,979	2,292,523	526,453	232,619	-	830,967	49,564
Current Assets	1,111,429	66,409	50,216	544,456	2,389,113	-	-	57,371
Noncurrent Assets	-	323,163	309,367	-	-	-	-	-
Capital Assets	26,470,810	13,375,333	10,624,944	4,896,272	26,472,314	-	133,973	1,666,133
Deferred Outflows	943,993	-	-	331,003	1,041,272	-	-	-
Total Assets and Deferred Outflows	<u>31,009,763</u>	<u>17,278,917</u>	<u>14,634,413</u>	<u>6,341,503</u>	<u>30,919,293</u>	<u>523,376</u>	<u>1,106,501</u>	<u>1,785,477</u>
<b>LIABILITIES AND DEFERRED INFLOWS</b>								
Current Liabilities	1,355,207	387,004	367,280	794,940	4,973,762	362	3,542,027	2,963,819
Noncurrent Liabilities	22,148,737	16,387,387	14,951,627	9,337,677	21,156,088	-	4,060,106	-
Deferred Inflows	983,250	-	-	335,540	1,303,894	-	-	-
Total Liabilities and Deferred Inflows	<u>24,487,194</u>	<u>16,774,391</u>	<u>15,318,907</u>	<u>10,468,157</u>	<u>27,433,744</u>	<u>362</u>	<u>7,602,133</u>	<u>2,963,819</u>
<b>NET POSITION</b>								
Net Investment in Capital Assets	4,434,028	(3,242,608)	(4,555,602)	(4,961,834)	4,804,626	-	(3,926,133)	1,143,408
Restricted	2,426,658	2,643,900	2,271,280	454,722	130,637	-	830,967	39,911
Unrestricted	(338,117)	1,103,234	1,599,828	380,458	(1,449,714)	523,014	(3,400,466)	(2,361,661)
Total Net Position	<u>6,522,569</u>	<u>504,526</u>	<u>(684,494)</u>	<u>(4,126,654)</u>	<u>3,485,549</u>	<u>523,014</u>	<u>(6,495,632)</u>	<u>(1,178,342)</u>
Total Liabilities and Net Position	<u>\$ 31,009,763</u>	<u>\$ 17,278,917</u>	<u>\$ 14,634,413</u>	<u>\$ 6,341,503</u>	<u>\$ 30,919,293</u>	<u>\$ 523,376</u>	<u>\$ 1,106,501</u>	<u>\$ 1,785,477</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							
	MHLP VIII	Diamond Square	Brookside Glen	MV Gateway	HOC at Wheaton Gateway	Manchester Manor	Shady Grove Apartments	Willows of Gaithersburg
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
Cash	\$ 6,206	\$ 447,132	\$ 681,469	\$ 1,495,172	\$ -	\$ 261,710	\$ 820,024	141,239
Restricted Cash	71,854	2,887,475	1,085,934	6,520,727	-	56,534	1,341,002	1,601,234
Current Assets	95,786	35,966	241,856	927,006	-	22,470	143,652	232,912
Noncurrent Assets	-	-	106,759	-	15,246,691	26,731	71,743	36,793
Capital Assets	2,070,033	3,098,965	6,209,309	136,342,674	3,000,028	1,290,263	4,467,129	3,963,046
Deferred Outflows	-	14,022	-	-	-	-	-	-
Total Assets and Deferred Outflows	<u>2,243,879</u>	<u>6,483,560</u>	<u>8,325,327</u>	<u>145,285,579</u>	<u>18,246,719</u>	<u>1,657,708</u>	<u>6,843,550</u>	<u>5,975,224</u>
<b>LIABILITIES AND DEFERRED INFLOWS</b>								
Current Liabilities	3,201,493	171,831	645,751	3,988,619	928	1,623,324	569,425	1,505,507
Noncurrent Liabilities	-	5,683,455	5,590,449	134,460,529	13,511,290	1,732,112	3,634,014	2,170,980
Deferred Inflows	-	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows	<u>3,201,493</u>	<u>5,855,286</u>	<u>6,236,200</u>	<u>138,449,148</u>	<u>13,512,218</u>	<u>3,355,436</u>	<u>4,203,439</u>	<u>3,676,487</u>
<b>NET POSITION</b>								
Net Investment in Capital Assets	2,070,033	(2,649,793)	340,839	(2,207,199)	(10,511,262)	(576,491)	455,516	1,635,590
Restricted	58,345	2,824,151	1,029,413	6,368,592	-	27,037	1,281,353	1,447,468
Unrestricted	(3,085,992)	453,916	718,875	2,675,038	15,245,763	(1,148,274)	903,242	(784,321)
Total Net Position	<u>(957,614)</u>	<u>628,274</u>	<u>2,089,127</u>	<u>6,836,431</u>	<u>4,734,501</u>	<u>(1,697,728)</u>	<u>2,640,111</u>	<u>2,298,737</u>
Total Liabilities and Net Position	<u>\$ 2,243,879</u>	<u>\$ 6,483,560</u>	<u>\$ 8,325,327</u>	<u>\$ 145,285,579</u>	<u>\$ 18,246,719</u>	<u>\$ 1,657,708</u>	<u>\$ 6,843,550</u>	<u>\$ 5,975,224</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							
	Camp Hill Square	HOC at CCL Multifamily	MHLP IX	MHLP X	Willow Manor at Fair Hill	Willow Manor at Cloppers Mill	Willow Manor at Colesville	Metropolitan of Bethesda LP
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
Cash	\$ -	\$ -	\$ 19,058	\$ 15,017	\$ 115,302	\$ 411,400	\$ 163,360	\$ 280,016
Restricted Cash	515,115	-	229,538	195,452	688,960	645,533	540,023	75,254
Current Assets	801,521	988,560	102,139	116,380	22,540	1,597	24,673	24,724
Noncurrent Assets	-	7,593,993	60,486	38,489	-	-	-	-
Capital Assets	413,890	-	3,673,584	1,418,515	17,393,541	16,726,705	12,994,539	5,042,027
Deferred Outflows	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows	<u>1,730,526</u>	<u>8,582,553</u>	<u>4,084,805</u>	<u>1,783,853</u>	<u>18,220,343</u>	<u>17,785,235</u>	<u>13,722,595</u>	<u>5,422,021</u>
<b>LIABILITIES AND DEFERRED INFLOWS</b>								
Current Liabilities	64,915	426,481	4,985,120	338,710	834,802	1,107,246	855,096	312,151
Noncurrent Liabilities	-	-	5,248,183	5,044,217	18,317,004	18,076,071	13,746,444	19,969,402
Deferred Inflows	-	-	366,867	-	-	-	-	-
Total Liabilities and Deferred Inflows	<u>64,915</u>	<u>426,481</u>	<u>10,600,170</u>	<u>5,382,927</u>	<u>19,151,806</u>	<u>19,183,317</u>	<u>14,601,540</u>	<u>20,281,553</u>
<b>NET POSITION</b>								
Net Investment in Capital Assets	413,890	-	(1,913,470)	(2,585,696)	(995,479)	(1,415,187)	(800,129)	(1,050,202)
Restricted	487,776	-	194,133	172,549	638,736	612,781	505,579	29,294
Unrestricted	763,945	8,156,072	(4,796,028)	(1,185,927)	(574,720)	(595,676)	(584,395)	(13,838,624)
Total Net Position	<u>1,665,611</u>	<u>8,156,072</u>	<u>(6,515,365)</u>	<u>(3,599,074)</u>	<u>(931,463)</u>	<u>(1,398,082)</u>	<u>(878,945)</u>	<u>(14,859,532)</u>
Total Liabilities and Net Position	<u>\$ 1,730,526</u>	<u>\$ 8,582,553</u>	<u>\$ 4,084,805</u>	<u>\$ 1,783,853</u>	<u>\$ 18,220,343</u>	<u>\$ 17,785,235</u>	<u>\$ 13,722,595</u>	<u>\$ 5,422,021</u>



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units						
	Strathmore Court LP	900 Thayer Avenue	Greenhills Apartments GP	Barclay One Assoc Ptrshp	Georgian Court Silver Spring LP	MV Affordable Hsng Assoc LP	Arcola Tower RAD GP LLC
<b>ASSETS AND DEFERRED OUTFLOWS</b>							
Cash	\$ 80,365	\$ -	\$ -	\$ 557,848	\$ 753,024	\$ 777,952	\$ -
Restricted Cash	222,664	-	-	503,248	1,585,127	292,668	-
Current Assets	14,012	-	-	310,953	221,817	4,165,061	-
Noncurrent Assets	-	-	-	211,739	63,437	9,044,240	-
Capital Assets	1,795,205	-	-	5,038,004	4,404,493	-	-
Deferred Outflows	-	-	-	-	-	-	-
Total Assets and Deferred Outflows	<u>2,112,246</u>	<u>-</u>	<u>-</u>	<u>6,621,792</u>	<u>7,027,898</u>	<u>14,279,921</u>	<u>-</u>
<b>LIABILITIES AND DEFERRED INFLOWS</b>							
Current Liabilities	468,767	4,131	3,200	532,678	633,323	163,939	3,500
Noncurrent Liabilities	10,261,725	92	189	7,230,875	3,438,489	1,500,706	306
Deferred Inflows	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows	<u>10,730,492</u>	<u>4,223</u>	<u>3,389</u>	<u>7,763,553</u>	<u>4,071,812</u>	<u>1,664,645</u>	<u>3,806</u>
<b>NET POSITION</b>							
Net Investment in Capital Assets	(2,777,542)	(92)	(189)	(2,404,570)	606,498	(1,500,706)	(306)
Restricted	198,809	-	-	455,936	1,474,257	245,840	-
Unrestricted	(6,039,513)	(4,131)	(3,200)	806,873	875,331	13,870,142	(3,500)
Total Net Position	<u>(8,618,246)</u>	<u>(4,223)</u>	<u>(3,389)</u>	<u>(1,141,761)</u>	<u>2,956,086</u>	<u>12,615,276</u>	<u>(3,806)</u>
Total Liabilities and Net Position	<u>\$ 2,112,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,621,792</u>	<u>\$ 7,027,898</u>	<u>\$ 14,279,921</u>	<u>\$ -</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							Total
	Waverly House GP LLC	Alexander House GP LLC	Elizabeth House III GP LLC	HOC MM Upton II LLC	HOC MM Westside Shady Grove LLC	Bradley Crossing LLC	Primary Government	
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 541,998	\$ 93,494,298	\$ 114,255,018
Restricted Cash	-	-	-	-	-	287,530	248,128,438	291,980,324
Current Assets	-	-	1,241,618	-	-	501,797	10,845,710	56,710,197
Noncurrent Assets	-	-	-	-	5,486,300	1,440,838	648,066,425	711,967,624
Capital Assets	-	-	-	-	-	94,058,581	96,646,482	691,208,857
Deferred Outflows	-	-	-	-	-	-	76,862,968	81,009,738
Total Assets and Deferred Outflows	-	-	1,241,618	-	5,486,300	96,830,744	1,174,044,321	1,947,131,758
<b>LIABILITIES AND DEFERRED INFLOWS</b>								
Current Liabilities	1,500	2,900	-	900	-	3,570,766	173,559,191	230,553,676
Noncurrent Liabilities	713	886	-	-	-	93,676,677	742,679,832	1,421,424,555
Deferred Inflows	-	-	-	-	-	-	54,247,811	59,291,640
Total Liabilities and Deferred Inflows	2,213	3,786	-	900	-	97,247,443	970,486,834	1,711,269,871
<b>NET POSITION</b>								
Net Investment in Capital Assets	(713)	(886)	-	-	-	(1,938,096)	(55,469,487)	(131,205,426)
Restricted	-	-	-	-	-	(19,902)	73,107,753	114,389,842
Unrestricted	(1,500)	(2,900)	1,241,618	(900)	5,486,300	1,541,299	185,919,221	252,677,471
Total Net Position	(2,213)	(3,786)	1,241,618	(900)	5,486,300	(416,699)	203,557,487	235,861,887
Total Liabilities and Net Position	\$ -	\$ -	\$ 1,241,618	\$ -	\$ 5,486,300	\$ 96,830,744	\$ 1,174,044,321	\$ 1,947,131,758

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							
	The Oaks	Alexander House	Sligo MPDU III	Metropolitan Dev Corp	TPM Dev MPDU II / 59	TPP LLC	Pooks Hill Highrise	Montgomery Arms
<b>OPERATING REVENUES</b>								
Tenant Revenue	\$ 1,415,579	\$ 3,404,176	\$ 262,172	\$ 6,045,584	\$ 831,214	\$ 2,710,749	\$ 2,782,174	\$ 1,883,574
Other Revenues	7,174	759,608	31,673	559,754	22,776	13,185	47,472	9,170
Total Operating Revenues	<u>1,422,753</u>	<u>4,163,784</u>	<u>293,845</u>	<u>6,605,338</u>	<u>853,990</u>	<u>2,723,934</u>	<u>2,829,646</u>	<u>1,892,744</u>
<b>OPERATING EXPENSES</b>								
Housing Assistance Payments	-	-	-	-	-	-	-	-
Administrative	256,240	408,697	78,156	800,240	180,147	262,558	310,573	256,616
Utilities	97,635	216,713	886	411,823	10,568	245,204	137,090	119,176
Ordinary Maintenance and Operations	369,701	421,287	148,424	614,570	284,817	326,074	309,807	298,339
General Expenses	371,978	4,003,198	60,364	3,484,571	457,824	1,040,281	1,434,189	1,016,326
Depreciation	195,976	1,225,042	58,688	1,123,306	13,417	414,078	527,843	357,089
Total Operating Expenses	<u>1,291,530</u>	<u>6,274,937</u>	<u>346,518</u>	<u>6,434,510</u>	<u>946,773</u>	<u>2,288,195</u>	<u>2,719,502</u>	<u>2,047,546</u>
Operating Income (Loss)	<u>131,223</u>	<u>(2,111,153)</u>	<u>(52,673)</u>	<u>170,828</u>	<u>(92,783)</u>	<u>435,739</u>	<u>110,144</u>	<u>(154,802)</u>
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>54</u>	<u>59,886</u>	<u>890</u>	<u>10</u>	<u>13</u>	<u>21</u>	<u>39,141</u>
Income (Loss) before Contributions and Transfers	131,223	(2,111,099)	7,213	171,718	(92,773)	435,752	110,165	(115,661)
Transfers From Discrete Component Units	-	-	-	-	-	-	-	-
Capital Contributions (Distributions)	-	-	-	-	-	(603,365)	-	-
Operating Transfers In (Out)	-	-	2,511,063	-	-	118,730	-	(56,361)
<b>CHANGE IN NET POSITION</b>	131,223	(2,111,099)	2,518,276	171,718	(92,773)	(48,883)	110,165	(172,022)
Total Net Position - Beginning of Year	<u>347,403</u>	<u>(1,813,736)</u>	<u>152,441</u>	<u>12,058,738</u>	<u>733,654</u>	<u>(218,270)</u>	<u>1,473,820</u>	<u>(286,705)</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 478,626</u>	<u>\$ (3,924,835)</u>	<u>\$ 2,670,717</u>	<u>\$ 12,230,456</u>	<u>\$ 640,881</u>	<u>\$ (267,153)</u>	<u>\$ 1,583,985</u>	<u>\$ (458,727)</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							
	Wheaton Metro	Paddington Square	HOC at Hillandale Gateway	Chevy Chase	Barclay Apartments	Scattered Site One	Scattered Site Two	
<b>OPERATING REVENUES</b>								
Tenant Revenue	\$ 2,442,562	\$ 2,865,658	\$ -	\$ -	\$ 1,155,563	\$ 2,559,523	\$ 725,283	\$ 6,743,809
Other Revenues	128,506	49,905	7,501	9	2,169	183,028	20,958	695
Total Operating Revenues	<u>2,571,068</u>	<u>2,915,563</u>	<u>7,501</u>	<u>9</u>	<u>1,157,732</u>	<u>2,742,551</u>	<u>746,241</u>	<u>6,744,504</u>
<b>OPERATING EXPENSES</b>								
Housing Assistance Payments	-	-	-	-	-	-	-	-
Administrative	348,260	358,566	-	2,192	138,583	627,790	171,760	1,175,650
Utilities	55,526	277,374	-	-	109,089	12,465	1,595	27,587
Ordinary Maintenance and Operations	379,879	565,220	-	-	279,260	1,026,914	244,397	1,621,678
General Expenses	1,626,798	1,497,576	2,417	-	562,278	856,197	247,811	2,651,799
Depreciation	957,438	621,277	-	-	392,116	308,823	91,435	958,987
Total Operating Expenses	<u>3,367,901</u>	<u>3,320,013</u>	<u>2,417</u>	<u>2,192</u>	<u>1,481,326</u>	<u>2,832,189</u>	<u>756,998</u>	<u>6,435,701</u>
Operating Income (Loss)	<u>(796,833)</u>	<u>(404,450)</u>	<u>5,084</u>	<u>(2,183)</u>	<u>(323,594)</u>	<u>(89,638)</u>	<u>(10,757)</u>	<u>308,803</u>
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>740</u>	<u>-</u>	<u>-</u>	<u>52</u>	<u>(76)</u>	<u>-</u>	<u>-</u>
Income (Loss) before Contributions and Transfers	<u>(796,833)</u>	<u>(403,710)</u>	<u>5,084</u>	<u>(2,183)</u>	<u>(323,542)</u>	<u>(89,714)</u>	<u>(10,757)</u>	<u>308,803</u>
Transfers From Discrete Component Units	-	-	-	-	-	-	-	-
Capital Contributions (Distributions)	126,443	923,038	-	-	-	-	-	-
Operating Transfers In (Out)	-	-	-	-	(62,900)	-	-	(828,708)
<b>CHANGE IN NET POSITION</b>	<u>(670,390)</u>	<u>519,328</u>	<u>5,084</u>	<u>(2,183)</u>	<u>(386,442)</u>	<u>(89,714)</u>	<u>(10,757)</u>	<u>(519,905)</u>
Total Net Position - Beginning of Year	<u>(8,536,129)</u>	<u>(6,059,371)</u>	<u>(556,698)</u>	<u>356,406</u>	<u>(2,163,377)</u>	<u>11,801,515</u>	<u>3,633,710</u>	<u>13,163,519</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ (9,206,519)</u>	<u>\$ (5,540,043)</u>	<u>\$ (551,614)</u>	<u>\$ 354,223</u>	<u>\$ (2,549,819)</u>	<u>\$ 11,711,801</u>	<u>\$ 3,622,953</u>	<u>\$ 12,643,614</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							
	VPC Two	Glenmont Crossing	Glenmont Westerly	Magruders	RAD 6	Community Partners	Ambassador	MHLP VII
<b>OPERATING REVENUES</b>								
Tenant Revenue	\$ 4,550,805	\$ 1,862,201	\$ 1,639,040	\$ 2,423,418	\$ 3,660,250	\$ -	\$ -	\$ 448,611
Other Revenues	485	10,903	10,326	147,500	316,326	228,750	133,973	35,888
Total Operating Revenues	<u>4,551,290</u>	<u>1,873,104</u>	<u>1,649,366</u>	<u>2,570,918</u>	<u>3,976,576</u>	<u>228,750</u>	<u>133,973</u>	<u>484,499</u>
<b>OPERATING EXPENSES</b>								
Housing Assistance Payments	-	-	-	-	-	-	-	-
Administrative	912,655	168,640	184,972	195,329	532,094	78,025	374	119,878
Utilities	29,743	168,094	58,590	142,046	451,477	-	-	11,762
Ordinary Maintenance and Operations	1,021,492	230,585	234,617	272,608	939,581	-	-	136,305
General Expenses	1,796,513	1,024,682	761,823	1,743,269	1,954,212	-	89,667	112,138
Depreciation	649,438	300,729	224,552	295,847	836,934	-	-	88,751
Total Operating Expenses	<u>4,409,841</u>	<u>1,892,730</u>	<u>1,464,554</u>	<u>2,649,099</u>	<u>4,714,298</u>	<u>78,025</u>	<u>90,041</u>	<u>468,834</u>
Operating Income (Loss)	<u>141,449</u>	<u>(19,626)</u>	<u>184,812</u>	<u>(78,181)</u>	<u>(737,722)</u>	<u>150,725</u>	<u>43,932</u>	<u>15,665</u>
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>444,905</u>	<u>-</u>
Income (Loss) before Contributions and Transfers	141,449	(19,626)	184,812	(78,146)	(737,722)	150,725	488,837	15,665
Transfers From Discrete Component Units	-	-	-	-	-	-	-	-
Capital Contributions (Distributions)	-	-	-	106,212	-	-	(4,735,400)	(76,513)
Operating Transfers In (Out)	<u>(580,188)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,927)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>(438,739)</u>	<u>(19,626)</u>	<u>184,812</u>	<u>28,066</u>	<u>(764,649)</u>	<u>150,725</u>	<u>(4,246,563)</u>	<u>(60,848)</u>
Total Net Position - Beginning of Year	<u>6,961,308</u>	<u>524,152</u>	<u>(869,306)</u>	<u>(4,154,720)</u>	<u>4,250,198</u>	<u>372,289</u>	<u>(2,249,069)</u>	<u>(1,117,494)</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 6,522,569</u>	<u>\$ 504,526</u>	<u>\$ (684,494)</u>	<u>\$ (4,126,654)</u>	<u>\$ 3,485,549</u>	<u>\$ 523,014</u>	<u>\$ (6,495,632)</u>	<u>\$ (1,178,342)</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							
	MHL P VIII	Diamond Square	Brookside Glen	MV Gateway	HOC at Wheaton Gateway	Manchester Manor	Shady Grove Apartments	Willows of Gaithersburg
<b>OPERATING REVENUES</b>								
Tenant Revenue	\$ 624,507	\$ 1,340,496	\$ 1,523,826	\$ 12,980,651	\$ -	\$ 753,434	\$ 2,497,500	\$ 2,294,730
Other Revenues	114,197	-	39,542	249,779	-	16,541	36,331	53,098
Total Operating Revenues	<u>738,704</u>	<u>1,340,496</u>	<u>1,563,368</u>	<u>13,230,430</u>	<u>-</u>	<u>769,975</u>	<u>2,533,831</u>	<u>2,347,828</u>
<b>OPERATING EXPENSES</b>								
Housing Assistance Payments	-	-	-	-	-	-	-	-
Administrative	176,146	179,614	164,325	1,565,093	-	161,393	317,088	360,236
Utilities	6,356	138,527	143,741	716,994	-	132,812	188,210	441,227
Ordinary Maintenance and Operations	212,089	265,413	235,718	2,695,082	-	208,955	437,312	431,008
General Expenses	173,581	202,078	444,669	7,375,080	900	202,017	775,001	508,998
Depreciation	139,482	206,347	350,021	2,975,439	-	161,721	407,892	286,438
Total Operating Expenses	<u>707,654</u>	<u>991,979</u>	<u>1,338,474</u>	<u>15,327,688</u>	<u>900</u>	<u>866,898</u>	<u>2,125,503</u>	<u>2,027,907</u>
Operating Income (Loss)	<u>31,050</u>	<u>348,517</u>	<u>224,894</u>	<u>(2,097,258)</u>	<u>(900)</u>	<u>(96,923)</u>	<u>408,328</u>	<u>319,921</u>
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>982</u>	<u>-</u>	<u>(4,176)</u>	<u>-</u>	<u>199</u>	<u>298</u>	<u>-</u>
Income (Loss) before Contributions and Transfers	31,050	349,499	224,894	(2,101,434)	(900)	(96,724)	408,626	319,921
Transfers From Discrete Component Units	-	-	-	-	-	-	-	-
Capital Contributions (Distributions)	(101,139)	-	-	(595,691)	4,735,400	-	(748,152)	-
Operating Transfers In (Out)	-	-	-	703,429	166,727	(11,195)	-	5,502
<b>CHANGE IN NET POSITION</b>	<u>(70,089)</u>	<u>349,499</u>	<u>224,894</u>	<u>(1,993,696)</u>	<u>4,901,227</u>	<u>(107,919)</u>	<u>(339,526)</u>	<u>325,423</u>
Total Net Position - Beginning of Year	<u>(887,525)</u>	<u>278,775</u>	<u>1,864,233</u>	<u>8,830,127</u>	<u>(166,726)</u>	<u>(1,589,809)</u>	<u>2,979,637</u>	<u>1,973,314</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ (957,614)</u>	<u>\$ 628,274</u>	<u>\$ 2,089,127</u>	<u>\$ 6,836,431</u>	<u>\$ 4,734,501</u>	<u>\$ (1,697,728)</u>	<u>\$ 2,640,111</u>	<u>\$ 2,298,737</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
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**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							
	Camp Hill Square	HOC at CCL Multifamily	MHLP IX	MHLP X	Willow Manor at Fair Hill	Willow Manor at Cloppers Mill	Willow Manor at Colesville	Metropolitan of Bethesda LP
<b>OPERATING REVENUES</b>								
Tenant Revenue	\$ 715,813	\$ -	\$ 1,440,836	\$ 1,139,093	\$ 1,420,579	\$ 1,437,997	\$ 1,155,249	\$ 799,358
Other Revenues	14,476	-	260,703	55,391	9,064	156	137	33,321
Total Operating Revenues	<u>730,289</u>	<u>-</u>	<u>1,701,539</u>	<u>1,194,484</u>	<u>1,429,643</u>	<u>1,438,153</u>	<u>1,155,386</u>	<u>832,679</u>
<b>OPERATING EXPENSES</b>								
Housing Assistance Payments	-	-	-	-	-	-	-	-
Administrative	80,343	-	386,154	235,926	234,136	213,164	173,730	216,407
Utilities	103,847	-	17,820	1,689	87,778	78,152	77,453	153,091
Ordinary Maintenance and Operations	186,702	-	469,992	326,424	223,961	235,734	225,329	242,223
General Expenses	225,951	-	561,743	351,188	811,821	829,853	633,272	480,598
Depreciation	71,739	-	396,686	294,317	385,200	380,872	287,903	319,071
Total Operating Expenses	<u>668,582</u>	<u>-</u>	<u>1,832,395</u>	<u>1,209,544</u>	<u>1,742,896</u>	<u>1,737,775</u>	<u>1,397,687</u>	<u>1,411,390</u>
Operating Income (Loss)	<u>61,707</u>	<u>-</u>	<u>(130,856)</u>	<u>(15,060)</u>	<u>(313,253)</u>	<u>(299,622)</u>	<u>(242,301)</u>	<u>(578,711)</u>
Total Nonoperating Revenues (Expenses)	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>
Income (Loss) before Contributions and Transfers	61,715	-	(130,856)	(15,060)	(313,253)	(299,622)	(242,301)	(578,694)
Transfers From Discrete Component Units	-	-	-	-	-	-	-	-
Capital Contributions (Distributions)	123,800	760,865	27,244	(185,987)	(28,240)	(181,581)	(143,508)	-
Operating Transfers In (Out)	(247,599)	-	(98,339)	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	<u>(62,084)</u>	<u>760,865</u>	<u>(201,951)</u>	<u>(201,047)</u>	<u>(341,493)</u>	<u>(481,203)</u>	<u>(385,809)</u>	<u>(578,694)</u>
Total Net Position - Beginning of Year	<u>1,727,695</u>	<u>7,395,207</u>	<u>(6,313,414)</u>	<u>(3,398,027)</u>	<u>(589,970)</u>	<u>(916,879)</u>	<u>(493,136)</u>	<u>(14,280,838)</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 1,665,611</u>	<u>\$ 8,156,072</u>	<u>\$ (6,515,365)</u>	<u>\$ (3,599,074)</u>	<u>\$ (931,463)</u>	<u>\$ (1,398,082)</u>	<u>\$ (878,945)</u>	<u>\$ (14,859,532)</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units						
	Strathmore Court LP	900 Thayer Avenue	Greenhills Apartments GP	Barclay One Assoc Ptrshp	Georgian Court Silver Spring LP	MV Affordable Hsng Assoc LP	Arcola Tower RAD GP LLC
<b>OPERATING REVENUES</b>							
Tenant Revenue	\$ 639,978	\$ -	\$ -	\$ 1,030,088	\$ 1,587,369	\$ 1,481,703	\$ -
Other Revenues	13,874	-	-	8,561	161,999	111,185	-
Total Operating Revenues	<u>653,852</u>	<u>-</u>	<u>-</u>	<u>1,038,649</u>	<u>1,749,368</u>	<u>1,592,888</u>	<u>-</u>
<b>OPERATING EXPENSES</b>							
Housing Assistance Payments	-	-	-	-	-	-	-
Administrative	113,445	1,000	500	135,107	277,411	261,891	2,500
Utilities	73,100	-	-	160,976	119,758	147,294	-
Ordinary Maintenance and Operations	121,399	-	-	169,763	276,180	239,618	-
General Expenses	455,074	600	600	435,985	367,497	374,015	300
Depreciation	262,953	-	-	458,286	330,605	364,280	-
Total Operating Expenses	<u>1,025,971</u>	<u>1,600</u>	<u>1,100</u>	<u>1,360,117</u>	<u>1,371,451</u>	<u>1,387,098</u>	<u>2,800</u>
Operating Income (Loss)	<u>(372,119)</u>	<u>(1,600)</u>	<u>(1,100)</u>	<u>(321,468)</u>	<u>377,917</u>	<u>205,790</u>	<u>(2,800)</u>
Total Nonoperating Revenues (Expenses)	<u>7</u>	<u>(193)</u>	<u>(189)</u>	<u>-</u>	<u>21</u>	<u>11,250,231</u>	<u>(93)</u>
Income (Loss) before Contributions and Transfers	<u>(372,112)</u>	<u>(1,793)</u>	<u>(1,289)</u>	<u>(321,468)</u>	<u>377,938</u>	<u>11,456,021</u>	<u>(2,893)</u>
Transfers From Discrete Component Units							-
Capital Contributions (Distributions)	25,768	-	-	(131,625)	-	-	-
Operating Transfers In (Out)	-	-	300	2,283,582	-	-	(913)
<b>CHANGE IN NET POSITION</b>	<u>(346,344)</u>	<u>(1,793)</u>	<u>(989)</u>	<u>1,830,489</u>	<u>377,938</u>	<u>11,456,021</u>	<u>(3,806)</u>
Total Net Position - Beginning of Year	<u>(8,271,902)</u>	<u>(2,430)</u>	<u>(2,400)</u>	<u>(2,972,250)</u>	<u>2,578,148</u>	<u>1,159,255</u>	<u>-</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ (8,618,246)</u>	<u>\$ (4,223)</u>	<u>\$ (3,389)</u>	<u>\$ (1,141,761)</u>	<u>\$ 2,956,086</u>	<u>\$ 12,615,276</u>	<u>\$ (3,806)</u>



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							Total
	Waverly House GP LLC	Alexander House GP LLC	Elizabeth House III GP LLC	HOC MM Upton II LLC	HOC MM		Primary Government	
					Westside Shady Grove LLC	Bradley Crossing LLC		
<b>OPERATING REVENUES</b>								
Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 582,409	\$ 13,433,837	\$ 99,291,398
Other Revenues	-	-	1,242,618	-	-	-	162,104,373	167,253,080
Total Operating Revenues	-	-	1,242,618	-	-	582,409	175,538,210	266,544,478
<b>OPERATING EXPENSES</b>								
Housing Assistance Payments	-	-	-	-	-	-	120,292,490	120,292,490
Administrative	500	2,000	1,000	300	-	106,806	31,734,705	44,668,915
Utilities	-	-	-	-	-	37,940	1,657,484	7,068,692
Ordinary Maintenance and Operations	-	-	-	-	-	103,084	7,096,403	24,127,944
General Expenses	300	300	-	-	-	567,974	19,680,169	62,255,475
Depreciation	-	-	-	-	-	158,402	2,886,667	20,766,087
Total Operating Expenses	800	2,300	1,000	300	-	974,206	183,347,918	279,179,603
Operating Income (Loss)	(800)	(2,300)	1,241,618	(300)	-	(391,797)	(7,809,708)	(12,635,125)
Total Nonoperating Revenues (Expenses)	(165)	(163)	-	-	-	(24,902)	6,486,095	18,253,648
Income (Loss) before Contributions and Transfers	(965)	(2,463)	1,241,618	(300)	-	(416,699)	(1,323,613)	5,618,523
Transfers From Discrete Component Units							166,727	166,727
Capital Contributions (Distributions)	-	-	-	-	(131,625)	-	16,019,808	15,185,752
Operating Transfers In (Out)	(1,248)	(1,323)	-	(600)	5,617,925	-	(9,490,957)	-
<b>CHANGE IN NET POSITION</b>	(2,213)	(3,786)	1,241,618	(900)	5,486,300	(416,699)	5,371,965	20,971,002
Total Net Position - Beginning of Year	-	-	-	-	-	-	198,185,522	214,890,885
<b>TOTAL NET POSITION - END OF YEAR</b>	<b>\$ (2,213)</b>	<b>\$ (3,786)</b>	<b>\$ 1,241,618</b>	<b>\$ (900)</b>	<b>\$ 5,486,300</b>	<b>\$ (416,699)</b>	<b>\$ 203,557,487</b>	<b>\$ 235,861,887</b>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							
	The Oaks	Alexander House	Sligo MPDU III	Metropolitan Dev Corp	TPM Dev MPDU II / 59	TPP LLC	Pooks Hill Highrise	Montgomery Arms
<b>Net Cash Provided (Used) by</b>								
Operating Activities	\$ 317,088	\$ (396,616)	\$ (85,620)	\$ 524,033	\$ (67,005)	\$ 1,023,532	\$ 451,076	\$ 262,125
Investing Activities	-	502,942	36,315	(365,969)	90,664	(126,032)	(8,330)	-
Noncapital Financing Activities	(190,761)	(445,672)	58,930	(954,160)	-	(842,044)	(464,654)	(341,694)
Capital and Related Financing Activities	-	-	-	-	-	-	-	-
<b>Net Increase/(Decrease) in Cash</b>	126,327	(339,346)	9,625	(796,096)	23,659	55,456	(21,908)	(79,569)
Cash and Cash Equivalents - Beginning of Year	796,134	1,920,471	30,217	5,296,492	75,175	3,014,184	1,791,662	749,215
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 922,461</u>	<u>\$ 1,581,125</u>	<u>\$ 39,842</u>	<u>\$ 4,500,396</u>	<u>\$ 98,834</u>	<u>\$ 3,069,640</u>	<u>\$ 1,769,754</u>	<u>\$ 669,646</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units								
	Wheaton Metro	Paddington Square	HOC at		Chevy Chase	Barclay Apartments	Scattered Site One	Scattered Site Two	VPC One
			Hillandale Gateway	- -					
<b>Net Cash Provided (Used) by</b>									
Operating Activities	\$ 281,405	\$ 115,021	\$ 5,083	\$ -	\$ 29,735	\$ 449,863	\$ 217,125	\$ 2,286,876	
Investing Activities	132,796	(19,221)	(76,874)	9	216,437	(112,294)	(51,207)	234	
Noncapital Financing Activities	(382,733)	(366,180)	71,791	-	(316,482)	(222,577)	(117,000)	(2,166,715)	
Capital and Related Financing Activities	-	-	-	-	-	-	-	-	
<b>Net Increase/(Decrease) in Cash</b>	31,468	(270,380)	-	9	(70,310)	114,992	48,918	120,395	
Cash and Cash Equivalents - Beginning of Year	680,368	1,757,033	-	483,950	618,881	3,660,822	1,343,566	3,735,360	
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 711,836</u>	<u>\$ 1,486,653</u>	<u>\$ -</u>	<u>\$ 483,959</u>	<u>\$ 548,571</u>	<u>\$ 3,775,814</u>	<u>\$ 1,392,484</u>	<u>\$ 3,855,755</u>	

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							
		Glenmont	Glenmont			Community		
	VPC Two	Crossing	Westerly	Magruders	RAD 6	Partners	Ambassador	MHLP VII
<b>Net Cash Provided (Used) by</b>								
Operating Activities	\$ 1,543,521	\$ 137,440	\$ 299,531	\$ 829,648	\$ 1,749,944	\$ 151,087	\$ (4,787,532)	\$ 114,121
Investing Activities	-	74,372	37,200	(719,708)	(268,752)	-	9,522,795	(24,129)
Noncapital Financing Activities	(1,459,035)	(223,169)	(221,587)	(129,655)	(1,668,231)	-	(4,735,400)	(76,513)
Capital and Related Financing Activities	-	-	-	-	-	-	-	-
<b>Net Increase/(Decrease) in Cash</b>	84,486	(11,357)	115,144	(19,715)	(187,039)	151,087	(137)	13,479
Cash and Cash Equivalents - Beginning of Year	2,399,045	3,525,369	3,534,742	589,487	1,203,633	372,289	972,665	48,494
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 2,483,531</u>	<u>\$ 3,514,012</u>	<u>\$ 3,649,886</u>	<u>\$ 569,772</u>	<u>\$ 1,016,594</u>	<u>\$ 523,376</u>	<u>\$ 972,528</u>	<u>\$ 61,973</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							
	HOC at							
	MHLP VIII	Diamond Square	Brookside Glen	MV Gateway	Wheaton Gateway	Manchester Manor	Shady Grove Apartments	Willows of Gaithersburg
<b>Net Cash Provided (Used) by</b>								
Operating Activities	\$ 127,369	\$ 521,025	\$ 433,212	\$ 2,075,631	\$ 927	\$ 266,659	\$ 685,423	\$ 121,231
Investing Activities	-	(56,000)	(75,682)	(1,139,909)	(15,247,618)	-	110,235	3,283
Noncapital Financing Activities	(101,139)	(62,341)	(244,200)	(2,172,121)	15,246,691	(136,019)	(1,106,663)	(51,287)
Capital and Related Financing Activities	-	-	-	-	-	-	-	-
<b>Net Increase/(Decrease) in Cash</b>	26,230	402,684	113,330	(1,236,399)	-	130,640	(311,005)	73,227
Cash and Cash Equivalents - Beginning of Year	51,830	2,931,923	1,654,073	9,252,298	-	187,604	2,472,031	1,669,246
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 78,060</u>	<u>\$ 3,334,607</u>	<u>\$ 1,767,403</u>	<u>\$ 8,015,899</u>	<u>\$ -</u>	<u>\$ 318,244</u>	<u>\$ 2,161,026</u>	<u>\$ 1,742,473</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units							
	Camp Hill Square	HOC at CCL Multifamily	MHLP IX	MHLP X	The Manors at Fair Hill	The Manors at Cloppers Mill	The Manors at Colesville	Metropolitan of Bethesda LP
<b>Net Cash Provided (Used) by</b>								
Operating Activities	\$ 189,905	\$ (221,638)	\$ 561,801	\$ 371,277	\$ 175,966	\$ 299,309	\$ 169,731	\$ (252,856)
Investing Activities	(50,797)	988,560	(245,895)	(44,573)	-	(74,291)	(60,935)	(158,779)
Noncapital Financing Activities	(123,800)	(766,922)	(291,764)	(288,307)	(267,080)	(256,483)	(186,362)	410,878
Capital and Related Financing Activities	-	-	-	-	-	-	-	-
<b>Net Increase/(Decrease) in Cash</b>	15,308	-	24,142	38,397	(91,114)	(31,465)	(77,566)	(757)
Cash and Cash Equivalents - Beginning of Year	499,807	-	224,454	172,072	895,376	1,088,398	780,949	356,027
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 515,115</u>	<u>\$ -</u>	<u>\$ 248,596</u>	<u>\$ 210,469</u>	<u>\$ 804,262</u>	<u>\$ 1,056,933</u>	<u>\$ 703,383</u>	<u>\$ 355,270</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Blended Component Units						
	Strathmore	900 Thayer	Greenhills	Barclay One	Georgian Court	MV Affordable	Arcola Tower
	Court LP	Avenue	Apartments GP	Assoc Ptrshp	Silver Spring LP	Hsng Assoc LP	RAD GP LLC
<b>Net Cash Provided (Used) by</b>							
Operating Activities	\$ (124,385)	\$ -	\$ -	\$ 193,133	\$ 295,568	\$ (230,459)	\$ (93)
Investing Activities	(20,439)	-	-	-	(165,168)	4,796,227	93
Noncapital Financing Activities	160,772	-	-	(203,022)	(9,228)	(15,923,289)	-
Capital and Related Financing Activities	-	-	-	-	-	11,250,919	-
<b>Net Increase/(Decrease) in Cash</b>	15,948	-	-	(9,889)	121,172	(106,602)	-
Cash and Cash Equivalents - Beginning of Year	287,081	-	-	1,070,985	2,216,979	1,177,222	-
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 303,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,061,096</u>	<u>\$ 2,338,151</u>	<u>\$ 1,070,620</u>	<u>\$ -</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 22 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Waverly House GP LLC	Alexander House GP LLC	Elizabeth House III GP LLC	HOC MM Upton II LLC	HOC MM Westside Shady Grove LLC	Bradley Crossing LLC	Primary Government	Total
<b>Net Cash Provided (Used) by</b>								
Operating Activities	\$ (165)	\$ (163)	\$ -	\$ -	\$ -	\$ 877,532	10,301,431	\$ 22,288,852
Investing Activities	165	163	-	-	-	3,283	13,343,348	10,746,519
Noncapital Financing Activities	-	-	-	-	-	(51,287)	147,891,722	126,275,208
Capital and Related Financing Activities	-	-	-	-	-	-	5,046,484	16,297,403
<b>Net Increase/(Decrease) in Cash</b>	-	-	-	-	-	829,528	176,582,985	175,607,982
Cash and Cash Equivalents - Beginning of Year	-	-	-	-	-	-	165,039,751	230,627,360
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 829,528</u>	<u>\$ 341,622,736</u>	<u>\$ 406,235,342</u>



**REQUIRED SUPPLEMENTARY INFORMATION**

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
YEAR ENDED JUNE 30, 2021**

Last 10 Fiscal Years\*

Employees' Retirement and Pension System:

	2020	2019	2018	2017	2016	2015
Commission's proportion of the net pension liability	19.48%	12.03%	3.87%	3.10%	2.16%	1.82%
Commission's proportionate share of the net pension liability	\$ 21,355,806	\$ 6,318,486	\$ 7,459,885	\$ 10,595,603	\$ 11,681,661	\$ 7,661,755
Commission's covered payroll	\$ 10,071,749	\$ 10,289,742	\$ 9,718,539	\$ 9,231,794	\$ 8,319,336	\$ 7,802,241
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	212.04%	61.41%	76.76%	109.02%	126.54%	98.20%
Plan fiduciary net position as a percentage of the total pension liability	97.53%	98.80%	95.55%	92.00%	87.06%	89.69%

\*The amounts presented for each fiscal year were determined as of July 1 of two years prior, using membership data as of that day, projected forward to June 30 of the previous year. Additionally, the Commission implemented GASB 68 during Fiscal Year 2015. As such, only six years of information is available.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF COMMISSION PENSION CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2021**

**Employees' Retirement and Pension System**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	\$ 623,273	\$ 593,105	\$ 571,897	\$ 515,352	\$ 1,088,949	\$ 1,782,014	\$ 1,849,962	\$ 1,452,873	\$ 1,724,145	\$ 1,339,118
Contributions in Relation to the Contractually Required Contribution	1,377,516	1,347,348	1,501,891	515,352	1,088,949	1,782,014	1,849,962	1,452,873	1,724,145	1,339,118
Contribution Deficiency (Excess)	<u>\$ (754,243)</u>	<u>\$ (754,243)</u>	<u>\$ (929,994)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's Covered Payroll	\$ 10,253,470	\$ 10,071,749	\$ 10,289,742	\$ 9,718,539	\$ 9,231,794	\$ 8,319,336	\$ 7,802,241	\$ 3,272,000	\$ 4,292,000	\$ 4,487,000
Contributions as a Percentage of Covered Payroll	13.43%	13.38%	14.60%	5.30%	11.80%	21.42%	23.71%	44.40%	40.17%	29.84%

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
SCHEDULE OF CHANGES IN THE COMMISSION'S NET OPEB LIABILITY AND RELATED RATIOS  
YEAR ENDED JUNE 30, 2021**

Last 10 Fiscal Years\*

Employees' Retirement and Pension System:

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Commission's proportion of the net OPEB liability	1.9667%	2.3198%	2.0856%	1.7637%						
Commission's proportionate share of the net OPEB liability	\$ 19,893,437	\$ 19,797,919	\$ 27,760,241	\$ 26,847,382						
Commission's covered payroll	\$ 10,071,749	\$ 10,289,742	\$ 9,718,539	\$ 9,231,794						
Commission's proportionate share of the net OPEB liability as a percentage of its covered payroll	197.52%	192.40%	285.64%	290.81%						
Plan fiduciary net position as a percentage of the total OPEB liability	38.02%	39.35%	26.99%	22.38%						

\*Information prior to fiscal year 2018 was not available. The Commission will accumulate each year until ten years of data becomes available.

\*The amounts presented for each fiscal year were determined as of July 1 of the prior year, using membership data as of that day, projected forward to June 30 of the previous year. Additionally, the Commission implemented GASB 75 during Fiscal Year 2018. As such, only four years of information is available.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
 SCHEDULE OF THE COMMISSION'S OPEB CONTRIBUTIONS  
 YEAR ENDED JUNE 30, 2021**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	\$ 1,143,838	\$ 1,595,063	\$ 2,050,985	\$ 1,910,942	Information prior to fiscal year 2018 was not available. The Commission will accumulate each year until 10 years of data becomes available.					
Contributions in Relation to the Contractually Required Contribution	1,143,838	1,595,063	2,050,985	1,910,942						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
Commission's Covered Payroll	\$ 10,253,470	\$ 10,071,749	\$ 10,289,742	\$ 9,718,539						
Contributions as a percentage of Covered Payroll	11.16%	15.84%	19.93%	19.66%						

## **SUPPLEMENTARY INFORMATION**

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF NET POSITION – SUB-FUNDS**  
**JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	General	Opportunity	Public	Single Family	Multifamily	Eliminations	Combined Totals	
	Sub-Fund	Housing Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		2021	2020
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Unrestricted:								
Cash and Cash Equivalents	\$ 49,051,510	\$ 54,206,856	\$ 7,766,099	\$ 1,280,866	\$ 1,949,687	\$ -	\$ 114,255,018	83,502,630
Interfund Receivable	-	21,675,343	187,523	-	-	(21,862,866)	-	-
Advances to Component Units	2,084,199	208,043	-	-	-	-	2,292,242	8,232,446
Accounts Receivable and Other Assets, Net	5,969,374	16,025,024	6,430,655	433,819	334,194	-	29,193,066	19,637,938
Accrued Interest Receivable	4,884,288	4,246,515	-	873,245	1,188,397	(962,940)	10,229,505	10,671,846
Mortgage and Construction Loans Receivable, Current	4,982,011	1,423,793	-	3,966,739	9,810,592	(11,778,146)	8,404,989	7,526,532
Total Unrestricted Current Assets	<u>66,971,382</u>	<u>97,785,574</u>	<u>14,384,277</u>	<u>6,554,669</u>	<u>13,282,870</u>	<u>(34,603,952)</u>	<u>164,374,820</u>	<u>129,571,392</u>
Restricted Cash, Cash Equivalents and Investments:								
Restricted Cash and Cash Equivalents	1,721,304	43,358,552	1,412,457	58,589,668	118,740,796	-	223,822,777	108,382,929
Restricted Short-Term Investments	-	-	-	6,590,395	-	-	6,590,395	9,892,645
Restricted for Current Bonds Payable	-	-	-	46,867,770	16,123,850	-	62,991,620	34,305,709
Restricted for Customer Deposits	-	3,501,888	1,664,039	-	-	-	5,165,927	4,436,092
Total Restricted Cash, Cash Equivalents and Investments	<u>1,721,304</u>	<u>46,860,440</u>	<u>3,076,496</u>	<u>112,047,833</u>	<u>134,864,646</u>	<u>-</u>	<u>298,570,719</u>	<u>157,017,375</u>
Total Current Assets	<u>68,692,686</u>	<u>144,646,014</u>	<u>17,460,773</u>	<u>118,602,502</u>	<u>148,147,516</u>	<u>(34,603,952)</u>	<u>462,945,539</u>	<u>286,588,767</u>
<b>NONCURRENT ASSETS</b>								
Restricted Long-Term Investments	-	-	-	102,438,760	64,838,637	-	167,277,397	200,684,143
Mortgage and Construction Loans Receivable, Net of Current	462,355,904	125,743,462	2,005,615	43,290,873	375,388,954	(497,536,170)	511,248,638	382,084,627
Capital Assets, Net of Depreciation	10,660,820	674,742,348	5,805,689	-	-	-	691,208,857	634,700,195
Investment in Component Units	2,073,221	31,368,368	-	-	-	-	33,441,589	13,320,803
Total Noncurrent Assets	<u>475,089,945</u>	<u>831,854,178</u>	<u>7,811,304</u>	<u>145,729,633</u>	<u>440,227,591</u>	<u>(497,536,170)</u>	<u>1,403,176,481</u>	<u>1,230,789,768</u>
Total Assets	<u>543,782,631</u>	<u>976,500,192</u>	<u>25,272,077</u>	<u>264,332,135</u>	<u>588,375,107</u>	<u>(532,140,122)</u>	<u>1,866,122,020</u>	<u>1,517,378,535</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Derivative Instrument	-	21,902,486	-	-	-	-	21,902,486	22,534,773
Fair Value of Hedging Derivatives	-	2,390,388	-	698,809	6,517,443	-	9,606,640	15,099,583
Employer-Related Pension Activities	24,568,210	4,210,972	14,391,513	-	-	-	43,170,695	22,499,379
Employer-Related OPEB Activities	4,577,769	318,331	1,433,817	-	-	-	6,329,917	9,746,187
Total Deferred Outflows of Resources	<u>29,145,979</u>	<u>28,822,177</u>	<u>15,825,330</u>	<u>698,809</u>	<u>6,517,443</u>	<u>-</u>	<u>81,009,738</u>	<u>69,879,922</u>
Total Assets and Deferred Outflows	<u>\$ 572,928,610</u>	<u>\$ 1,005,322,369</u>	<u>\$ 41,097,407</u>	<u>\$ 265,030,944</u>	<u>\$ 594,892,550</u>	<u>\$ (532,140,122)</u>	<u>\$ 1,947,131,758</u>	<u>\$ 1,587,258,457</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
SCHEDULE OF NET POSITION – SUB-FUNDS (CONTINUED)**

**JUNE 30, 2021**

**(With Comparative Totals for June 30, 2020)**

	Opportunity					Eliminations	Combined Totals	
	General Sub-Fund	Housing Sub-Fund	Public Sub-Fund	Single Family Sub-Fund	Multifamily Sub-Fund		2021	2020
<b>LIABILITIES</b>								
<b>CURRENT LIABILITIES</b>								
Accounts Payable and Accrued Liabilities	\$ 7,410,544	\$ 12,262,961	\$ 2,228,129	\$ 884,937	\$ 93,057	\$ -	\$ 22,879,628	\$ 20,266,171
Undrawn Mortgage Proceeds Payable					103,957,909		103,957,909	
Interfund Payable	21,473,354	-	-	262,237	127,275	(21,862,866)	-	-
Accrued Interest Payable	-	10,716,073	-	-	-	(962,940)	9,753,133	9,453,773
Loans Payable to Montgomery County - Current	-	445,585	-	-	-	-	445,585	378,006
Mortgage Notes and Loans Payable - Current	4,096,400	33,966,730	-	-	-	(11,778,146)	26,284,984	5,548,014
Total Current Unrestricted Liabilities	<u>32,980,298</u>	<u>57,391,349</u>	<u>2,228,129</u>	<u>1,147,174</u>	<u>104,178,241</u>	<u>(34,603,952)</u>	<u>163,321,239</u>	<u>35,645,964</u>
Current Liabilities Payable from Restricted Assets:								
Customer Deposits Payable	-	3,102,295	1,138,522	-	-	-	4,240,817	3,606,252
Accrued Interest Payable	-	-	-	2,477,771	5,418,691	-	7,896,462	8,970,621
Bonds Payable - Current	-	-	-	44,390,000	10,705,158	-	55,095,158	25,335,088
Total Current Liabilities Payable from Restricted Assets	<u>-</u>	<u>3,102,295</u>	<u>1,138,522</u>	<u>46,867,771</u>	<u>16,123,849</u>	<u>-</u>	<u>67,232,437</u>	<u>37,911,961</u>
Total Current Liabilities	<u>32,980,298</u>	<u>60,493,644</u>	<u>3,366,651</u>	<u>48,014,945</u>	<u>120,302,090</u>	<u>(34,603,952)</u>	<u>230,553,676</u>	<u>73,557,925</u>
<b>NONCURRENT LIABILITIES</b>								
Bonds Payable	-	-	-	180,187,403	431,933,934	-	612,121,337	515,028,476
Mortgage Notes and Loans Payable	396,336,977	709,588,141	-	-	-	(497,536,170)	608,388,948	546,675,559
Loans Payable to Montgomery County	26,171,224	78,413,827	-	-	-	-	104,585,051	104,827,616
Unearned Revenue	16,058,569	9,059,417	3,257,001	-	-	-	28,374,987	21,944,106
Escrow and Other Deposits	14,884,512	-	-	-	2,213,837	-	17,098,349	16,440,785
Net Pension Liability	12,621,634	2,072,755	6,661,417	-	-	-	21,355,806	6,318,486
Net OPEB Liability	9,250,335	1,179,857	9,463,245	-	-	-	19,893,437	19,797,919
Derivative Instruments - Hedging	-	2,390,388	-	698,809	6,517,443	-	9,606,640	15,099,583
Total Noncurrent Liabilities	<u>475,323,251</u>	<u>802,704,385</u>	<u>19,381,663</u>	<u>180,886,212</u>	<u>440,665,214</u>	<u>(497,536,170)</u>	<u>1,421,424,555</u>	<u>1,246,132,530</u>
Total Liabilities	<u>508,303,549</u>	<u>863,198,029</u>	<u>22,748,314</u>	<u>228,901,157</u>	<u>560,967,304</u>	<u>(532,140,122)</u>	<u>1,651,978,231</u>	<u>1,319,690,455</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unamortized Pension Net Difference	28,416,318	3,554,192	12,861,492	-	-	-	44,832,002	33,218,096
Unamortized OPEB Net Difference	8,218,784	1,104,204	5,136,650	-	-	-	14,459,638	19,459,021
Total Deferred Inflows of Resources	<u>36,635,102</u>	<u>4,658,396</u>	<u>17,998,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,291,640</u>	<u>52,677,117</u>
<b>NET POSITION</b>								
Net Investment in Capital Assets	10,660,820	(147,671,935)	5,805,689	-	-	-	(131,205,426)	(108,608,231)
Restricted for:								
Debt Service	-	43,358,552	-	34,848,921	31,975,559	-	110,183,032	119,132,001
Customer Deposits and Other	-	399,593	1,937,974	-	-	-	2,337,567	5,097,932
Closing Cost Assistance Program	1,869,243	-	-	-	-	-	1,869,243	979,404
Unrestricted	15,459,896	241,379,734	(7,392,712)	1,280,866	1,949,687	-	252,677,471	198,289,779
Total Net Position	<u>27,989,959</u>	<u>137,465,944</u>	<u>350,951</u>	<u>36,129,787</u>	<u>33,925,246</u>	<u>-</u>	<u>235,861,887</u>	<u>214,890,885</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 572,928,610</u>	<u>\$ 1,005,322,369</u>	<u>\$ 41,097,407</u>	<u>\$ 265,030,944</u>	<u>\$ 594,892,550</u>	<u>\$ (532,140,122)</u>	<u>\$ 1,947,131,758</u>	<u>\$ 1,587,258,457</u>



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – SUB-FUNDS**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	General	Opportunity	Public	Single Family	Multifamily	Eliminations	Combined Totals	
	Sub-Fund	Housing Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		2021	2020
<b>OPERATING REVENUES</b>								
Dwelling Rental	\$ 288	\$ 98,549,115	\$ 741,995	\$ -	\$ -	\$ -	\$ 99,291,398	\$ 97,195,902
Investment Income	-	-	-	4,702,127	2,699,197	-	7,401,324	9,983,462
Unrealized (Losses) Gains on Investments	-	-	-	(3,953,456)	(517,068)	-	(4,470,524)	7,211,811
Interest on Mortgage and Construction Loans Receivable	-	-	-	2,193,729	12,390,207	(8,326,455)	6,257,481	7,200,335
Management Fees and Other Income	23,531,819	12,847,265	1,993,986	-	-	(22,427,167)	15,945,903	16,026,727
U.S. Department of Housing and Urban Development Grants:								
Housing Assistance Payments (HAP)	-	-	115,115,799	-	-	-	115,115,799	113,580,367
HAP Administrative Fees	-	-	9,542,757	-	-	-	9,542,757	8,399,973
Other Grants	347,697	-	5,189,967	-	-	-	5,537,664	6,333,829
State and County Grants	-	-	11,922,676	-	-	-	11,922,676	12,570,640
Total Operating Revenues	<u>23,879,804</u>	<u>111,396,380</u>	<u>144,507,180</u>	<u>2,942,400</u>	<u>14,572,336</u>	<u>(30,753,622)</u>	<u>266,544,478</u>	<u>278,503,046</u>
<b>OPERATING EXPENSES</b>								
Housing Assistance Payments	-	-	120,292,490	-	-	-	120,292,490	112,758,509
Administration	13,751,448	17,319,579	16,881,077	1,614,589	2,005,896	(6,903,674)	44,668,915	47,496,728
Maintenance	2,996,044	21,116,327	15,573	-	-	-	24,127,944	24,729,701
Depreciation and Amortization	481,351	19,991,659	293,077	-	-	-	20,766,087	20,081,582
Utilities	157,511	6,641,017	270,164	-	-	-	7,068,692	6,253,441
Fringe Benefits	8,349,382	3,780,503	3,779,544	119,112	203,340	-	16,231,881	19,373,064
Interest Expense	-	24,759,264	-	4,328,377	11,798,584	(8,326,455)	32,559,770	31,159,600
Other Expenses	2,783,085	14,094,211	11,670,212	439,809	-	(15,523,493)	13,463,824	15,420,713
Total Operating Expenses	<u>28,518,821</u>	<u>107,702,560</u>	<u>153,202,137</u>	<u>6,501,887</u>	<u>14,007,820</u>	<u>(30,753,622)</u>	<u>279,179,603</u>	<u>277,273,338</u>
Operating (Loss) Income	<u>(4,639,017)</u>	<u>3,693,820</u>	<u>(8,694,957)</u>	<u>(3,559,487)</u>	<u>564,516</u>	<u>-</u>	<u>(12,635,125)</u>	<u>1,229,708</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – SUB-FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	General	Opportunity	Public	Single Family	Multifamily	Eliminations	Combined Totals	
	Sub-Fund	Housing Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		2021	2020
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Investment Income	\$ 519,231	\$ 333,559	\$ 4,452	\$ -	\$ -	\$ -	\$ 857,242	\$ 1,583,784
Interest on Mortgage and Construction Loans Receivable	10,934,760	918,006	-	-	-	(5,997,784)	5,854,982	2,519,844
Interest Expense	(9,242,808)	(632,287)	-	-	-	5,997,784	(3,877,311)	(6,422,301)
Other Grants	-	267,891	-	-	-	-	267,891	169,986
Gain on Sale of Assets	-	11,695,588	3,455,256	-	-	-	15,150,844	8,230,038
Total Nonoperating Revenues (Expenses)	<u>2,211,183</u>	<u>12,582,757</u>	<u>3,459,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,253,648</u>	<u>6,081,351</u>
 (Loss) Income Before Contributions and Transfers	 <u>(2,427,834)</u>	 <u>16,276,577</u>	 <u>(5,235,249)</u>	 <u>(3,559,487)</u>	 <u>564,516</u>	 <u>-</u>	 <u>5,618,523</u>	 <u>7,311,059</u>
Transfer to/from Discrete Component Units	-	166,727	-	-	-	-	166,727	(25,309,362)
Capital Contributions	-	15,327,366	-	-	(141,614)	-	15,185,752	1,735,763
Operating Transfers In (Out)	<u>530,720</u>	<u>(224,564)</u>	<u>-</u>	<u>-</u>	<u>(306,156)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN NET POSITION</b>	<u>(1,897,114)</u>	<u>31,546,106</u>	<u>(5,235,249)</u>	<u>(3,559,487)</u>	<u>116,746</u>	<u>-</u>	<u>20,971,002</u>	<u>(16,262,540)</u>
Total Net Position - Beginning of Year	<u>29,887,073</u>	<u>105,919,838</u>	<u>5,586,200</u>	<u>39,689,274</u>	<u>33,808,500</u>	<u>-</u>	<u>214,890,885</u>	<u>231,153,425</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 27,989,959</u>	<u>\$ 137,465,944</u>	<u>\$ 350,951</u>	<u>\$ 36,129,787</u>	<u>\$ 33,925,246</u>	<u>\$ -</u>	<u>\$ 235,861,887</u>	<u>\$ 214,890,885</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF CASH FLOWS – SUB-FUNDS**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	General Sub-Fund	Opportunity Housing Sub-Fund	Public Sub-Fund	Single Family Sub-Fund	Multifamily Sub-Fund	Eliminations	Combined Totals	
							2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from Customers	\$ 288	\$ 92,712,520	\$ 1,101,658	\$ -	\$ -	\$ -	\$ 93,814,466	\$ 103,591,300
Intergovernmental Revenue	-	-	141,771,199	-	-	-	141,771,199	140,660,171
Investment Income Received	-	-	-	4,786,212	1,953,073	-	6,739,285	10,479,797
Mortgage Interest Received	-	-	-	2,185,972	12,480,177	(8,366,860)	6,299,289	7,523,053
Mortgage Loan Principal Received	-	-	-	11,477,645	31,013,483	-	42,491,128	28,663,907
Management Fees and Other Income	32,146,938	15,824,652	2,047,567	-	-	(22,427,167)	27,591,990	18,843,276
Mortgage Loans Issued	-	-	-	1,666,885	(51,725,698)	-	(50,058,813)	(7,416,673)
Payments to Suppliers	(4,433,861)	(30,027,093)	(11,955,949)	(1,732,159)	(2,412,452)	15,523,493	(35,038,021)	(63,260,102)
Payments to Employees	(16,977,922)	(28,365,429)	(18,912,422)	-	-	6,903,674	(57,352,099)	(63,981,872)
Interest Paid	-	(25,240,666)	-	(4,754,397)	(12,048,879)	8,366,860	(33,677,082)	(29,144,808)
Housing Assistance Payments	-	-	(120,292,490)	-	-	-	(120,292,490)	(112,758,509)
Net Cash Provided (Used) by Operating Activities	10,735,443	24,903,984	(6,240,437)	13,630,158	(20,740,296)	-	22,288,852	33,199,540
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Advances to Component Units	5,205,084	735,120	-	-	-	-	5,940,204	41,534,626
Issuance of Notes Receivable	(38,562,394)	(24,652,685)	-	-	-	-	(63,215,079)	(240,990,981)
Repayments of Notes Receivable	42,137,471	(20,120,786)	-	-	-	-	22,016,685	39,995,484
Investments Sold	-	-	-	42,317,539	-	-	42,317,539	11,438,321
Investments Purchased	-	-	-	(10,079,068)	-	-	(10,079,068)	(83,075,682)
Investment Income Received	519,231	333,559	4,452	-	-	-	857,242	1,583,784
Interest Received on Notes Receivable	11,990,990	918,006	-	-	-	-	12,908,996	10,692,311
Net Cash (Used) Provided by Investing Activities	21,290,382	(42,786,786)	4,452	32,238,471	-	-	10,746,519	(218,822,137)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Proceeds from Sale of Bonds	-	-	-	38,400,000	182,775,089	-	221,175,089	118,266,088
Payments on Mortgage	-	-	-	-	-	-	-	-
Bond Repayments	-	-	-	(35,780,000)	(58,940,002)	-	(94,720,002)	(55,085,000)
Proceeds from Issuance of Mortgage	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	267,891	-	-	(447,770)	-	(179,879)	2,516,994
Net Cash Provided (Used) by Noncapital Financing Activities	-	267,891	-	2,620,000	123,387,317	-	126,275,208	65,698,082

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF CASH FLOWS – SUB-FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	General Sub-Fund	Opportunity Housing Sub-Fund	Public Sub-Fund	Single Family Sub-Fund	Multifamily Sub-Fund	Eliminations	Combined Totals	
							2021	2020
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Payments for Property, Equipment and Capital	\$ (1,114,219)	\$ (103,098,990)	\$ (352,326)	\$ -	\$ -	\$ -	\$ (104,565,535)	\$ (18,661,315)
Proceeds from Sale of Capital Assets	-	24,928,929	5,830,210	-	-	-	30,759,139	12,166,991
Proceeds from Loans Payable to Montgomery County	-	5,503,630	-	-	-	-	5,503,630	10,939,174
Payments on Loans Payable to Montgomery County	-	(6,556,269)	-	-	-	-	(6,556,269)	(13,084,763)
Proceeds from New Mortgage Notes and Loans Payable	5,378,943	100,976,802	-	-	-	(2,209,428)	104,146,317	222,838,198
Payments on Mortgage Notes and Loans Payable	-	(20,818,305)	-	-	-	2,209,428	(18,608,877)	(46,438,801)
Interest Paid on Mortgages	(9,242,808)	(632,287)	-	-	-	-	(9,875,095)	(6,422,301)
Capital Contributions and Transfers	-	15,494,093	-	-	-	-	15,494,093	(23,457,745)
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,978,084)	15,797,603	5,477,884	-	-	-	16,297,403	137,879,438
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>27,047,741</b>	<b>(1,817,308)</b>	<b>(758,101)</b>	<b>48,488,629</b>	<b>102,647,021</b>	<b>-</b>	<b>175,607,982</b>	<b>17,954,923</b>
Cash and Cash Equivalents - Beginning of Year	23,725,073	102,884,604	11,600,696	58,249,675	34,167,312	-	230,627,360	212,672,437
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 50,772,814</b>	<b>\$ 101,067,296</b>	<b>\$ 10,842,595</b>	<b>\$ 106,738,304</b>	<b>\$ 136,814,333</b>	<b>\$ -</b>	<b>\$ 406,235,342</b>	<b>\$ 230,627,360</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS, END OF YEAR TO AMOUNTS IN THE STATEMENT OF NET POSITION</b>								
Current Unrestricted Cash and Cash Equivalents	\$ 49,051,510	\$ 54,206,856	\$ 7,766,099	\$ 1,280,866	\$ 1,949,687	\$ -	\$ 114,255,018	\$ 83,502,630
Restricted Cash and Cash Equivalents	1,721,304	43,358,552	1,412,457	58,589,668	118,740,796	-	223,822,777	108,382,929
Restricted Current Bonds Payable	-	-	-	46,867,770	16,123,850	-	62,991,620	34,305,709
Restricted Customer Deposits	-	3,501,888	1,664,039	-	-	-	5,165,927	4,436,092
Total Cash and Cash Equivalents	\$ 50,772,814	\$ 101,067,296	\$ 10,842,595	\$ 106,738,304	\$ 136,814,333	\$ -	\$ 406,235,342	\$ 230,627,360

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**SCHEDULE OF CASH FLOWS – SUB-FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	General Sub-Fund	Opportunity Housing Sub-Fund	Public Sub-Fund	Single Family Sub-Fund	Multifamily Sub-Fund	Eliminations	Combined Totals	
							2021	2020
<b>RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>								
Operating Income (Loss)	\$ (4,639,017)	\$ 3,693,820	\$ (8,694,957)	\$ (3,559,487)	\$ 564,516	\$ -	\$ (12,635,125)	\$ 1,229,708
Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used) Provided by Operating Activities:								
Increase in Capital Appreciation Bonds	-	-	-	-	-	-	-	-
Depreciation	481,351	19,978,563	293,077	-	-	-	20,752,991	20,081,582
Amortization	-	13,096	-	304,617	-	-	317,713	(601,830)
Unrealized Losses (Gains) on Investments	-	-	-	3,953,456	517,068	-	4,470,524	(7,211,813)
Gain on Sale of Assets	-	11,695,588	-	-	-	-	11,695,588	8,230,038
Effects of Changes in Operating Assets and Liabilities:								
Accounts Receivable and Other Assets	(1,441,336)	(6,111,497)	(1,448,965)	(252,791)	-	-	(9,254,589)	4,517,625
Mortgage and Construction Loans Receivable	-	-	-	13,397,321	(20,613,699)	-	(7,216,378)	21,251,231
Accrued Interest Receivable	-	(740,357)	-	76,328	90,545	(40,405)	(613,889)	(591,557)
Prepaid Expenses and Other Assets	-	-	-	-	(300,541)	-	(300,541)	2,467
Deferred Outflows - Pension	(13,037,309)	(1,786,616)	(5,860,487)	-	-	-	(20,684,412)	(17,059,800)
Deferred Outflows - OPEB	2,162,569	291,257	962,444	-	-	-	3,416,270	(2,456,963)
Interfund Receivable / (Payable)	7,757,810	(7,624,081)	(84,341)	152,072	-	-	201,460	(2,462,862)
Other Real Estate Owned	-	-	-	-	-	-	-	-
Accounts Payable and Accrued Liabilities	2,231,120	(503,413)	603,843	289,279	97,325	-	2,718,154	1,158,895
Unearned Revenue	1,950,948	2,977,387	1,502,546	-	-	-	6,430,881	(1,838,099)
Accrued Interest Payable	-	258,955	-	(730,637)	(250,295)	40,405	(681,572)	3,506,566
Derivative Instrument	-	632,287	-	-	-	-	632,287	(22,534,773)
Net OPEB Liability	60,464	8,144	26,910	-	-	-	95,518	(7,962,322)
Net Pension Liability	9,518,934	1,282,021	4,236,365	-	-	-	15,037,320	(1,141,399)
Deferred Inflows - Pension	(12,845,691)	990,155	3,271,908	-	-	-	(8,583,628)	16,089,630
Deferred Inflows - OPEB	17,032,821	(426,227)	(1,408,443)	-	-	-	15,198,151	19,492,249
Escrow and Other Deposits	1,502,779	274,902	359,663	-	(845,215)	-	1,292,129	1,500,967
Net Cash Provided (Used) by Operating Activities	\$ 10,735,443	\$ 24,903,984	\$ (6,240,437)	\$ 13,630,158	\$ (20,740,296)	\$ -	\$ 22,288,852	\$ 33,199,540

### **III. STATISTICAL SECTION**

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**STATISTICAL SECTION NARRATIVE**  
**FISCAL YEAR ENDED JUNE 30, 2021**

This part of the Commission's comprehensive annual financial report presents detailed information as a context for understanding the information in the management's discussion and analysis, financial statements, notes and required supplementary information in relation to the Commission's overall financial health.

**Contents**

**Financial Trends**

These schedules contain trend information to assist the reader in understanding how the Commission's financial performance and well-being have changed over time. See pages 112-113.

**Revenue Capacity**

These schedules contain information to assist the reader in assessing the factors affecting the Commission's ability to generate its own source revenue. See pages 114-116.

**Debt Capacity**

These schedules present information to assist the reader in assessing the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future. See pages 117-121.

**Operating Information**

These schedules contain information about the Commission's operations and resources to assist the reader in understanding how the Commission's financial information relates to the services the Commission provides and the activities it performs. See pages 122-126.

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to assist the reader in understanding the environment within the Commission's financial activities and to assist in making comparisons over time with other housing authorities. See pages 127-129.

**Source:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

Fiscal Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2012	\$ 28,827,815	\$ 65,819,359	\$ 101,755,151	\$ 196,402,325
2013	21,051,981	61,935,432	112,406,902	195,394,315
2014	16,074,021	76,183,757	88,379,877	180,637,655
2015	(10,442,753)	78,479,015	113,739,608	181,775,870
2016	(19,296,755)	83,955,847	155,769,239	220,428,331
2017	(12,002,563)	86,190,974	173,458,770	247,647,181
2018	(37,987,591)	91,803,524	180,485,391	234,301,324
2019	(86,013,198)	102,120,635	215,045,988	231,153,425
2020	(108,608,231)	125,209,337	198,289,779	214,890,885
2021	(131,205,426)	114,389,842	252,677,471	235,861,887



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**CHANGE IN NET POSITION BY ENTERPRISE SUB-FUND**  
**LAST TEN FISCAL YEARS**

Fiscal Year	General Sub-Fund			Opportunity Housing Sub-Fund			Public Sub-Fund		
	Operating and Nonoperating Revenues	Operating and Nonoperating Expenses	Change in Net Position	Operating and Nonoperating Revenues	Operating and Nonoperating Expenses	Change in Net Position	Operating and Nonoperating Revenues	Operating and Nonoperating Expenses	Change in Net Position
2012	\$ 17,333,709	\$ 16,257,318	\$ 1,076,391	\$ 56,348,180	\$ 54,860,040	\$ 1,488,140	\$ 113,904,951	\$ 118,512,902	\$ (4,607,951)
2013	14,693,427	27,663,976	(12,970,549)	80,487,987	56,472,382	24,015,605	118,477,738	121,685,876	(3,208,138)
2014	17,821,727	27,858,709	(10,036,982)	65,624,561	61,731,480	3,893,081	112,756,686	122,710,906	(9,954,220)
2015	28,025,115	21,513,649	6,511,466	110,071,212	70,725,192	39,346,020	121,446,115	160,654,836	(39,208,721)
2016	19,693,992	21,421,529	(1,727,537)	77,134,168	75,659,074	1,475,094	158,327,659	124,274,422	34,053,237
2017	60,238,382	23,160,320	37,078,062	100,660,125	81,349,017	19,311,108	121,388,721	157,557,358	(36,168,637)
2018	44,217,823	24,401,561	19,816,262	100,831,789	88,112,430	12,719,359	135,676,139	147,284,664	(11,608,525)
2019	31,520,231	31,132,278	387,953	88,703,507	98,478,407	(9,774,900)	144,175,736	144,101,670	74,066
2020	46,909,279	31,132,278	15,777,001	113,162,649	144,429,879	(31,267,230)	144,755,080	148,291,553	(3,536,473)
2021	35,864,515	37,761,629	(1,897,114)	140,105,517	108,559,411	31,546,106	147,966,888	153,202,137	(5,235,249)

Fiscal Year	Single Family Sub-Fund			Multifamily Sub-Fund		
	Operating and Nonoperating Revenues	Operating and Nonoperating Expenses	Change in Net Position	Operating and Nonoperating Revenues	Operating and Nonoperating Expenses	Change in Net Position
2012	\$ 17,881,445	\$ 14,206,488	\$ 3,674,957	\$ 27,130,176	\$ 22,212,803	\$ 4,917,373
2013	9,731,627	15,907,696	(6,176,069)	16,650,293	19,319,152	(2,668,859)
2014	18,082,818	10,597,451	7,485,367	18,662,498	15,105,122	3,557,376
2015	10,207,010	9,516,276	690,734	16,685,755	15,409,579	1,276,176
2016	11,282,058	8,761,396	2,520,662	15,475,153	13,144,148	2,331,005
2017	5,171,633	7,187,364	(2,015,731)	13,850,518	13,463,134	387,384
2018	4,569,599	8,072,371	(3,502,772)	14,246,940	13,672,081	574,859
2019	12,931,920	8,302,633	4,629,287	14,594,643	13,058,948	1,535,695
2020	19,008,454	8,371,319	10,637,135	17,469,715	15,348,718	2,120,997
2021	2,942,400	6,501,887	(3,559,487)	14,572,336	14,455,590	116,746

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>OPERATING REVENUES</b>										
Dwelling Rental	\$ 99,291,398	\$ 97,195,902	\$ 90,166,092	\$ 77,458,610	\$ 67,965,004	\$ 68,309,329	\$ 68,471,662	\$ 65,395,495	\$ 62,210,614	\$ 58,531,965
Investment Income	7,401,324	9,983,462	6,094,363	4,445,182	3,818,167	3,520,175	5,523,274	3,711,854	7,274,297	7,720,354
Unrealized Gains (Losses) on Investments	(4,470,524)	7,211,811	4,738,484	(2,928,181)	(3,560,708)	3,420,019	(379,610)	798,251	(8,251,610)	9,190,260
Interest on Mortgage and Construction Loans Receivable	6,257,481	7,200,335	8,770,360	9,699,259	11,109,346	12,135,882	13,933,659	14,979,124	16,877,656	16,880,359
Management Fees and Other Income	15,945,903	16,026,727	12,366,617	13,126,870	12,801,771	10,186,560	11,139,945	11,181,613	18,504,567	9,180,604
U.S. Department of Housing and Urban Development Grants;										
Housing Assistance Payments (HAP)	115,115,799	113,580,367	108,622,547	100,265,523	92,038,041	89,041,875	88,010,013	81,090,732	84,760,830	77,868,323
HAP Administrative Fees	9,542,757	8,399,973	7,913,123	6,998,217	6,984,926	6,583,770	6,158,651	5,385,511	5,352,487	5,799,380
Other Grants	5,537,664	6,333,829	5,849,318	6,148,090	6,953,599	8,421,269	9,629,839	9,601,698	10,152,883	11,249,981
State and County Grants	11,922,676	12,570,640	11,619,715	15,116,301	12,511,780	11,893,150	11,399,128	9,639,934	10,158,784	10,831,271
Total Operating Revenues	<u>266,544,478</u>	<u>278,503,046</u>	<u>256,140,619</u>	<u>230,329,871</u>	<u>210,621,926</u>	<u>213,512,029</u>	<u>213,886,561</u>	<u>201,784,212</u>	<u>207,040,508</u>	<u>207,252,497</u>
<b>OPERATING EXPENSES</b>										
Housing Assistance Payments	120,292,490	\$ 112,758,509	\$ 110,109,543	\$ 102,470,927	95,523,485	91,387,603	90,324,278	89,425,241	86,882,476	83,980,027
Administration	44,668,915	47,496,728	43,820,160	43,817,962	39,442,722	35,563,087	34,514,669	33,983,811	33,869,057	33,932,375
Maintenance	24,127,944	24,729,701	22,305,874	18,737,186	16,972,165	17,395,244	16,965,337	16,845,515	15,810,786	15,554,691
Depreciation and Amortization	20,766,087	20,081,582	18,247,474	15,570,948	14,273,372	13,882,152	15,684,194	17,440,751	19,428,350	16,607,553
Utilities	7,068,692	6,253,441	6,207,588	5,890,629	4,912,538	5,406,906	5,832,573	5,309,368	5,342,576	6,180,231
Fringe Benefits	16,231,881	19,373,064	12,307,209	10,841,963	11,262,349	11,215,320	9,712,384	11,145,646	10,086,973	8,372,560
Interest Expense	32,559,770	31,159,600	23,896,447	22,727,232	21,946,813	22,328,322	23,766,914	24,157,117	29,306,374	31,544,664
Other Expenses	13,463,824	15,420,713	13,986,247	13,100,212	11,626,153	9,928,960	9,854,552	9,054,221	8,134,409	6,363,970
Bad Debt Expense	-	-	-	-	-	-	-	-	1,067,155	784,371
Total Operating Expenses	<u>279,179,603</u>	<u>277,273,338</u>	<u>250,880,542</u>	<u>233,157,059</u>	<u>215,959,597</u>	<u>207,107,594</u>	<u>206,654,901</u>	<u>207,361,670</u>	<u>209,928,156</u>	<u>203,320,442</u>
Operating Income (Loss)	<u>(12,635,125)</u>	<u>1,229,708</u>	<u>5,260,077</u>	<u>(2,827,188)</u>	<u>(5,337,671)</u>	<u>6,404,435</u>	<u>7,231,660</u>	<u>(5,577,458)</u>	<u>(2,887,648)</u>	<u>3,932,055</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>										
Investment Income	857,242	1,583,784	2,304,096	2,378,528	2,019,037	1,096,003	1,008,868	420,759	452,092	577,972
Interest on Mortgage and Construction Loans Receivable	5,854,982	2,519,844	1,223,632	1,031,590	289,597	179,651	177,022	188,841	203,121	166,394
Interest Expense	(3,877,311)	(6,422,301)	(7,580,560)	(2,543,362)	(937,167)	(545,782)	(430,115)	(188,415)	(108,011)	(115,534)
Gain (Loss) on Transfer of Component Unit Entities	-	-	-	-	-	-	197,129	(774,123)	-	-
Other Grants	267,891	169,986	461,470	192,661	352,264	204,554	244,484	33,359	42,325	41,229
State and County Grants	-	-	-	-	-	4,536	4,536	371,962	241,004	765,279
Gain on Sale of Assets	15,150,844	8,230,038	4,152,550	13,512,924	30,574,480	27,896,767	-	-	-	-
Total Nonoperating Revenues	<u>18,253,648</u>	<u>6,081,351</u>	<u>561,188</u>	<u>14,572,341</u>	<u>32,298,211</u>	<u>28,835,729</u>	<u>1,201,924</u>	<u>52,383</u>	<u>830,531</u>	<u>1,435,340</u>
Income (Loss) Before Contributions and Transfers	5,618,523	7,311,059	5,821,265	11,745,153	26,960,540	35,240,164	8,433,584	(5,525,075)	(2,057,117)	5,367,395
Transfers From Discrete Component Units	166,727	(25,309,362)	(9,170,539)	4,269,759	-	-	-	-	-	-
Capital Contributions	15,185,752	1,735,763	201,375	1,984,271	258,310	3,412,297	182,091	469,697	1,049,107	1,181,515
<b>CHANGES IN NET POSITION</b>	<u>\$ 20,971,002</u>	<u>\$ (16,262,540)</u>	<u>\$ (3,147,899)</u>	<u>\$ 17,999,183</u>	<u>\$ 27,218,850</u>	<u>\$ 38,652,461</u>	<u>\$ 8,615,675</u>	<u>\$ (5,055,378)</u>	<u>\$ (1,008,010)</u>	<u>\$ 6,548,910</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
SIGNIFICANT OWN-SOURCE REVENUE  
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ending</u>	<u>Dwelling Rental Revenue Total</u>	<u>% Total Operating Revenue</u>
2012	\$ 58,531,965	28.24%
2013	62,210,614	30.05%
2014	65,395,495	32.41%
2015	68,471,662	32.01%
2016	68,309,329	31.99%
2017	67,965,004	32.27%
2018	77,458,610	33.63%
2019	90,166,092	35.20%
2020	97,195,902	34.90%
2021	99,291,398	37.25%
Average	<u>\$ 75,499,607</u>	<u>33.03%</u>

*Revenue Base: Opportunity Housing Sub-Fund and Public Sub-Fund  
Principal Payors: Low and Moderate Income Residents*

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
OPERATING REVENUES BY SOURCES  
LAST TEN FISCAL YEARS**

Fiscal Year	Dwelling Rental		Investment Income		Unrealized Gains (Losses) on Investments		Interest on Mortgage and Construction Loans Receivable	
	Amount	% Total Op Revenue	Amount	% Total Op Revenue	Amount	% Total Op Revenue	Amount	% Total Op Revenue
	2012	\$ 58,531,965	28.24%	\$ 7,720,354	3.73%	\$ 9,190,260	4.43%	\$ 16,880,359
2013	62,210,614	30.05%	7,274,297	3.51%	(8,251,610)	(3.99)%	16,877,656	8.15%
2014	65,395,495	32.41%	3,711,854	1.84%	798,251	0.40%	14,979,124	7.42%
2015	68,471,662	32.01%	5,523,274	2.58%	(379,610)	(0.18)%	13,933,659	6.51%
2016	68,309,329	31.99%	3,520,175	1.65%	3,420,019	1.60%	12,135,882	5.68%
2017	67,965,004	32.27%	3,818,167	1.81%	(3,560,708)	(1.69)%	11,109,346	5.27%
2018	77,458,610	33.63%	4,445,182	1.93%	(2,928,181)	(1.27)%	9,699,259	4.21%
2019	90,166,092	35.20%	6,094,363	2.38%	4,738,484	1.85%	8,770,360	3.42%
2020	97,195,902	34.90%	9,983,462	3.58%	7,211,811	2.59%	7,200,335	2.59%
2021	99,291,398	37.25%	7,401,324	2.78%	(4,470,524)	(1.68)%	6,257,481	2.35%

Fiscal Year	Management Fees and Other Income		Housing Assistance Payment Subsidies		State, County and Other Federal Grants		Total Operating Revenue	
	Amount	% Total Op Revenue	Amount	% Total Op Revenue	Amount	% Total Op Revenue	Amount	% Total Op Revenue
	2012	\$ 9,180,604	4.43%	\$ 83,667,703	40.37%	\$ 22,081,252	10.65%	\$207,252,497
2013	18,504,567	8.94%	90,113,317	43.52%	20,311,667	9.81%	207,040,508	100.00%
2014	11,181,613	5.54%	86,476,243	42.86%	19,241,632	9.54%	201,784,212	100.00%
2015	11,139,945	5.21%	94,168,664	44.03%	21,028,967	9.83%	213,886,561	100.00%
2016	10,186,560	4.77%	95,625,645	44.79%	20,314,419	9.51%	213,512,029	100.00%
2017	12,801,771	6.08%	99,022,967	47.01%	19,465,379	9.24%	210,621,926	100.00%
2018	13,126,870	5.70%	107,263,740	46.57%	21,264,391	9.23%	230,329,871	100.00%
2019	12,366,617	4.83%	116,535,670	45.50%	17,469,033	6.82%	256,140,619	100.00%
2020	16,026,727	5.75%	121,980,340	43.80%	18,904,469	6.79%	278,503,046	100.00%
2021	15,945,903	5.98%	124,658,556	46.77%	17,460,340	6.55%	266,544,478	100.00%

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**LONG-TERM DEBT**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Bonds Payable	Mortgage Notes and Loans Payable	Loans Payable to Montgomery County	Capitalized Lease Obligations	Other	Total	Percent Net Position to Debt	Dollar Total Debt Per Capita	Percent Total Debt to Personal Income
2012	\$ 732,670,865	\$ 36,372,309	\$ 62,916,742	\$ 20,478,214	\$ 4,112,218	\$ 856,550,348	22.93%	\$ 852	1107%
2013	610,041,974	59,366,795	61,900,801	20,308,586	13,377,243	764,995,399	25.54%	754	1024%
2014	579,609,553	57,250,235	73,591,111	20,133,711	13,922,795	744,507,405	24.26%	727	970%
2015	527,757,419	124,737,678	64,500,829	19,953,420	13,991,621	750,940,967	24.21%	727	911%
2016	564,245,749	144,587,849	66,661,759	19,949,804	14,340,488	809,785,649	27.22%	780	927%
2017	512,653,341	165,616,533	62,918,123	19,945,907	14,792,410	775,926,314	31.92%	741	862%
2018	526,647,756	356,126,796	58,095,542	-	15,365,427	956,235,521	24.50%	912	1040%
2019	477,681,952	422,420,506	107,351,211	-	15,115,489	1,022,569,158	22.61%	973	1080%
2020	540,363,564	552,223,573	105,205,622	-	16,440,785	1,214,233,544	17.70%	1,143	1239%
2021	667,216,495	634,673,932	105,030,636	-	17,098,349	1,424,019,412	16.56%	1,332	1496%

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**PROPERTY RELATED DEBT**  
**FISCAL YEAR ENDED JUNE 30, 2021**

Property	Purpose	Amount Outstanding	Property	Purpose	Amount Outstanding
<u>Intra-Commission mortgages made from bond issues</u>			<u>Other Mortgages</u>		
Barclay Development Corporation	Mortgage	\$ 7,056,484	9845 Lost Knife Road	Sandy Spring Bank	\$ 1,884,422
Barclay One Associates LP	Mortgage	4,551,171	Bradley Crossing LLC	Eagle Bank	81,200,000
Brookside Glen LP	Mortgage	4,049,675	MV Gateway II, LLC	Cafritz	12,048,970
Diamond Square	Mortgage	1,033,838	Paddington Square	Love Funding	18,605,392
Georgian Court Silver Spring LP	Mortgage	2,273,116	Scattered Site Two Dev Corp	PNC Bank	4,079,800
Magruder's Discovery	Mortgage	9,858,106	Southbridge	Sandy Spring Bank	1,826,913
Manchester Manor Apts	Mortgage	1,151,518	The Manor At Cloppers Mill LLC	PNC Bank	10,361,160
Metropolitan Bethesda LP	Mortgage	5,115,230	The Manor At Colesville LLC	PNC Bank	7,596,060
Metropolitan Development Corp.	Mortgage	21,517,986	The Manor At Fair Hill Farm LLC	PNC Bank	11,336,354
MHLP IX-MPDU	Mortgage	1,539,858	VPC One Development Corporation	PNC Bank	28,571,907
MHLP IX-Pond Ridge	Mortgage	902,351	VPC Two Development Corporation	PNC Bank	20,340,296
MHLP X	Mortgage	2,065,566	Westwood Tower	United Bank	20,400,000
Montgomery Arms	Mortgage	6,414,245		Subtotal	218,251,274
MPDUs (64)	Mortgage	-			
MV Affordable Housing LP (Stewartown)	Mortgage	-	<u>Notes Payable to State of Maryland</u>		
Pooks Hill Highrise	Mortgage	14,718,950	CDBG McAlpine Road	Rehab	\$ 107,493
Pooks Hill Midrise	Mortgage	1,444,360	Dale Drive	RHPP	600,000
RAD 6	Mortgage	21,667,688	Diamond Square	RHPP	2,000,000
Scattered Site One Dev Corp	Mortgage	7,506,864	Montgomery Arms	RHPP	84,158
Shady Grove Apts LP	Mortgage	3,601,689	State Rental Consolidated	PHRP	8,795,567
Strathmore Court at White Flint	Mortgage	12,059,567	State Rental VII	PHRP	4,712,863
Strathmore Court Associates LP	Mortgage	2,391,739	The Glen	RHPP	1,211,706
The Oaks at Four Corners	Mortgage	1,224,117		Subtotal	17,511,787
The Willows of Gaithersburg Assoc. LP	Mortgage	1,416,531			
Wheaton Metro Development Corporation	Mortgage	28,424,358	<u>Other Loans/OHRF</u>		
	Subtotal	161,985,007	9845 Lost Knife Road	Acquisition	\$ 50,000
<u>Notes Payable to Montgomery County</u>			Alexander House Dev	Rehab	178,138
Ambassador	Acquisition	2,000,000	Ambassador	Rehab	197,612
Bradley Crossing	Acquisition	4,200,000	Barclay Development Corporation	Rehab	119,765
Brooke Park Apartments	Acquisition	4,959,179	Bradley Development Crossing	Acquisition	1,000,000
CDBG	Acquisition	604,275	Development in Process	Rehab	1,077,693
CDBG McAlpine Road	Acquisition	101,168	Elizabeth House IV	Acquisition	1,782,300
Chelsea Towers	Acquisition	1,219,114	Georgian Court	Rehab	133,639
Chelsea Towers	Home Funds	225,000	HOC at Hillandale Gateway	Acquisition	2,328,473
County Revolving CCAP	Acquisition	1,583,158	HOC at Wheaton Gateway	Acquisition	1,980,409
Dale Drive	Construction	1,738,012	Metropolitan Bethesda LP	Acquisition	977,000
Diamond Square	Rehab	2,746,344	Montgomery Arms	Rehab	1,340,036
Glenmont Crossing	Rehab	2,850,000	MV Gateway, LLC (Cider Mill)	Acquisition	3,000,000
Glenmont Westerly	Rehab	1,510,250	Paddington Square	Rehab	923,038
Georgian Court SilverSpring LP		1,391,238	Shady Grove Apts LP	Acquisition	141,043
HOC/HOP	Acquisition/Rehab	156,163	The Willows of Gaithersburg Assoc LP	Acquisition	43,750
Jubilee Housing	Predevelopment	965,231	Wheaton Metro Development Corporation	Rehab	1,379,283
King Farm Village Center	Acquisition & Rehab	1,697,078		Subtotal	16,652,179
Manchester Manor Apts	Housing Initiative Funds	715,236	<u>Other Loans</u>		
McHAF (MC Homeownership Assistance Fund)	Acquisition	3,000,000	8800 Brookville Road	Acquisition	10,850,000
Mchome	Acquisition & Rehab	2,005,645	Alexander House Development Corp.	Construction-FFB	50,626,628
MHLP IX- MPDU		800,000	Ambassador	Line of Credit	1,862,495
MHLP IX- Pond Ridge		605,500	Avondale Apartments	Acquisition	7,037,704
MHLP X		800,000	Barclay Development Corporation	Rehab	2,341,154
Montgomery Arms	Acquisition & Rehab	1,699,307	Barclay One Associates LP	Rehab	2,891,404
MV Affordable Housing LP (Stewartown)		(26,328)	Bradley Crossing	Acquisition	9,596,677
MV Gateway LLC	Acquisition	15,000,000	Brooke Park	Acquisition	2,903,688
NCI I	Acquisition & Rehab	4,039,753	Development in process	Note Payable	18,565,537
NSP I	Acquisition & Rehab	1,993,071	Development in process - Yrs 15 Properties	Note Payable	1,844,176
Oaks @ Four Corners	Acquisition & Rehab	1,580,714	Fairfax Court	Refinancing	326,582
Paddington Square	Acquisition	5,196,232	Glenmont Crossing	Rehab/Purchase-FFB	13,767,941
Pooks Hill Midrise	Acquisition	235,080	Glenmont Westerly	Rehab/Purchase-FFB	13,670,296
Scattered Site Two Development Corp	Acquisition	609,108	HOC Fenwick & Second Headquarters	Acquisition	1,186,016
Shady Grove Apts LP	Home Funds	268,883	HOC at Wheaton Gateway	Acquisition	11,530,881
Southbridge	Acquisition & Rehab	5,974,031	Metropolitan Bethesda LP	Loan/advance	12,933,683
State rental combined	Acquisition	60,000	MHLP IX- MPDU- Note payable	Acquisition	1,324,889
State Rental VII	Acquisition	1,668,050	MHLP IX- Pond Ridge- HOC Note payable	Acquisition	414,446
The Glen	Acquisition	607,090	MHLP VII	Refinancing	522,725
The Manor At Fair Hill Farm LLC	Acquisition	6,576,505	MHLP X- Note payable	Acquisition	1,138,645
The Manor At Cloppers Mill LLC	Acquisition	7,345,532	MPDU 64	Refinancing	895,819
The Manor At Colesville LLC	Acquisition	5,879,550	MV Affordable Housing LP (Stewartown)	Acquisition	1,527,035
The Willows of Gaithersburg Assoc. LP	Home Funds	573,994	MV Gateway , LLC (Cider Mill)	Acquisition - FFB	135,549,873
Wheaton Metro Dev Corp.	Rehab	2,984,722	Strathmore Court Associates LP	Loan/advance	2,181,008
	Subtotal	98,137,885	The Manor At Cloppers Mill LLC (HOC Mortgage)	Acquisition	435,200
<u>Loans from Montgomery County Revolving Fund</u>			The Manor At Colesville LLC (HOC Mortgage)	Acquisition	319,058
Ambassador	Interim Financing	2,284,066	The Manor At Fair Hill Farm LLC (HOC Mortgage)	Acquisition	476,161
Bonifant Office	Interim Financing	4,304,000	The Willows of Gaithersburg Assoc. LP	Rehab/purchase	293,182
Holiday Park Townhouse	Interim Financing	304,685	TPP LLC - Pomander	Rehab-FFB	3,511,528
	Subtotal	6,892,751	TPP LLC - Timberlawn	Rehab-FFB	15,656,202
			VPC One Development Corporation	Rehab	2,446,913
			VPC Two Development Corporation	Rehab	1,713,089
				Subtotal	330,340,635
			<b>Total Property Related Debt</b>		<b>\$ 849,771,518</b>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**SINGLE FAMILY BONDS – DEBT OUTSTANDING, ISSUED, AND RETIRED**  
**FISCAL YEAR ENDED JUNE 30, 2021**

Series	Authorized	Outstanding Beginning of Year	Issued		Retired/Refunded		Outstanding End of Year	Interest Expensed This Year	Current Maturities
			Prior Years	This Year	Prior Years	This Year			
Single Family Sub-Fund Bonds:									
2007 Series E	\$ 13,000,000	\$ 8,315,000	\$ 13,000,000	\$ -	\$ 4,685,000	\$ -	\$ 8,315,000	\$ 14,618	\$ -
2008 Series D	17,200,000	17,200,000	17,200,000	-	-	-	17,200,000	30,239	-
2013 Series A	38,645,000	17,275,000	38,645,000	-	21,370,000	4,265,000	13,010,000	454,208	3,675,000
2013 Series B	14,825,000	3,425,000	14,825,000	-	11,400,000	1,385,000	2,040,000	107,644	-
2016 Series A	32,805,000	22,745,000	32,805,000	-	10,060,000	4,460,000	18,285,000	591,679	4,960,000
2016 Series B	9,850,000	5,015,000	9,850,000	-	4,835,000	1,980,000	3,035,000	67,909	2,010,000
2017 Series A	22,000,000	18,800,000	22,000,000	-	3,200,000	2,660,000	16,140,000	640,784	5,800,000
2017 Series B	11,300,000	9,210,000	11,300,000	-	2,090,000	825,000	8,385,000	242,016	845,000
2018 Series A	29,435,000	28,125,000	29,435,000	-	1,310,000	4,010,000	24,115,000	903,540	2,265,000
2018 Series B	8,450,000	8,450,000	8,450,000	-	-	-	8,450,000	178,890	-
2021 Series A	22,750,000	-	-	22,750,000	-	-	22,750,000	3,125	-
2021 Series B	5,650,000	-	-	5,650,000	-	-	5,650,000	260	210,000
2021 Series C	10,000,000	-	-	10,000,000	-	-	10,000,000	22	-
NIBP 2009 Series C-1	9,000,000	5,320,000	9,000,000	-	3,680,000	430,000	4,890,000	159,738	4,890,000
NIBP 2009 Series C-2	16,170,000	8,760,000	16,170,000	-	7,410,000	910,000	7,850,000	200,935	7,850,000
NIBP 2009 Series C-3	2,450,000	1,960,000	2,450,000	-	490,000	-	1,960,000	48,412	1,960,000
NIBP 2009 Series C-4	9,770,000	6,430,000	9,770,000	-	3,340,000	2,310,000	4,120,000	165,991	1,350,000
NIBP 2009 Series C-5	2,610,000	2,370,000	2,610,000	-	240,000	-	2,370,000	67,071	-
NIBP 2010 Series A	6,000,000	1,225,000	6,000,000	-	4,775,000	425,000	800,000	37,791	800,000
NIBP 2011 Series A	12,425,000	3,320,000	12,425,000	-	9,105,000	995,000	2,325,000	97,253	2,325,000
NIBP 2012 Series A	12,545,000	5,725,000	12,545,000	-	6,820,000	2,065,000	3,660,000	145,725	1,380,000
PRB 2019 Series A	28,280,000	27,950,000	28,280,000	-	330,000	5,280,000	22,670,000	786,215	2,635,000
PRB 2019 Series B	4,610,000	4,610,000	4,610,000	-	-	1,100,000	3,510,000	97,330	425,000
PRB 2019 Series C	11,220,000	11,205,000	11,220,000	-	15,000	2,680,000	8,525,000	316,695	1,010,000
Subtotal	350,990,000	217,435,000	312,590,000	38,400,000	95,155,000	35,780,000	220,055,000	5,358,090	44,390,000
Add: Unamortized Premium	-	4,217,786	-	1,362,995	1,074,924	1,058,378	4,522,403	(1,058,381)	-
<b>Total Single Family Bonds Payable</b>	<b>\$ 350,990,000</b>	<b>\$ 221,652,786</b>	<b>\$ 312,590,000</b>	<b>\$ 39,762,995</b>	<b>\$ 96,229,924</b>	<b>\$ 36,838,378</b>	<b>\$ 224,577,403</b>	<b>\$ 4,299,709</b>	<b>\$ 44,390,000</b>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND**  
**MULTIFAMILY BONDS – DEBT OUTSTANDING, ISSUED, AND RETIRED**  
**FISCAL YEAR ENDED JUNE 30, 2021**

	Authorized	Unissued	Outstanding Beginning of Year	Issued		Retired/Refunded		Outstanding End of Year	Interest Expensed This Year	Current Maturities
				Prior Years	This Year	Prior Years	This Year			
Multi Family Sub-Fund Bonds:										
1984 Series A - Accretions	\$ 585,000	\$ -	\$ 303,357	\$ 249,900	\$ 35,089	\$ -	\$ -	\$ 338,446	\$ 35,088	\$ 305,158
1995 Series A	23,910,000	-	940,000	23,910,000	-	22,970,000	940,000	-	32,443	-
1998 Issue A	12,900,000	-	5,970,000	12,900,000	-	6,930,000	540,000	5,430,000	274,215	570,000
2002 Series A	22,325,000	-	15,385,000	22,325,000	-	6,940,000	15,385,000	-	55,404	-
2004 Series A	13,700,000	-	10,030,000	13,700,000	-	3,670,000	385,000	9,645,000	450,616	405,000
2004 Series B	4,085,000	-	3,295,000	4,085,000	-	790,000	70,000	3,225,000	156,040	75,000
2005 Series B	5,440,000	-	3,900,000	5,440,000	-	1,540,000	195,000	3,705,000	179,325	205,000
2005 Series C	28,630,000	-	22,010,000	28,630,000	-	6,620,000	840,000	21,170,000	1,045,054	875,000
2007 Series A	19,055,000	-	14,205,000	19,055,000	-	4,850,000	14,205,000	-	40,415	-
2007 Series C-1	5,110,000	-	2,865,000	5,110,000	-	2,245,000	2,865,000	-	7,821	-
2009 Series A-2	8,040,000	-	8,040,000	8,040,000	-	-	-	8,040,000	315,168	-
2010 Series A	4,860,000	-	3,520,000	4,860,000	-	1,340,000	200,000	3,320,000	137,866	205,000
2010 Series A	12,375,000	-	10,175,000	12,375,000	-	2,200,000	10,175,000	-	27,868	-
2011 Series A	33,585,000	-	30,155,000	33,585,000	-	3,430,000	525,000	29,630,000	1,100,415	545,000
2011 Series B	3,020,000	-	2,730,000	3,020,000	-	290,000	45,000	2,685,000	152,290	50,000
2012 Series A	24,935,000	-	18,070,000	24,935,000	-	6,865,000	985,000	17,085,000	617,991	1,005,000
2012 Series B	18,190,000	-	6,515,000	18,190,000	-	11,675,000	4,750,000	1,765,000	101,773	250,000
2012 Series C	24,230,000	-	13,050,000	24,230,000	-	11,180,000	2,835,000	10,215,000	439,439	1,130,000
2012 Series D	34,975,000	-	27,255,000	34,975,000	-	7,720,000	1,160,000	26,095,000	784,090	1,185,000
2014 Series A	24,000,000	-	22,190,000	24,000,000	-	1,810,000	535,000	21,655,000	801,734	545,000
2015 Series A-1	15,010,000	-	14,415,000	15,010,000	-	595,000	240,000	14,175,000	542,843	250,000
2017 Series A	12,000,000	-	11,940,000	12,000,000	-	60,000	210,000	11,730,000	403,393	210,000
2019 Series A-1	51,420,000	-	51,420,000	51,420,000	-	-	-	51,420,000	1,577,553	-
2019 Series A-2	3,580,000	-	3,580,000	3,580,000	-	-	-	3,580,000	64,440	-
2019 Series B	7,565,000	-	7,565,000	7,565,000	-	-	400,000	7,165,000	155,820	400,000
2019 Series C	9,840,000	-	9,840,000	9,840,000	-	-	510,000	9,330,000	231,060	520,000
2020 Series A	25,665,000	-	-	-	25,665,000	-	-	25,665,000	660,349	-
2020 Series B	25,270,000	-	-	-	25,270,000	-	535,000	24,735,000	427,131	1,120,000
2020 Series C	16,410,000	-	-	-	16,410,000	-	410,000	16,000,000	349,281	855,000
2021 Series A	99,250,000	-	-	-	99,250,000	-	-	99,250,000	538,431	-
2021 Series B	16,145,000	-	-	-	16,145,000	-	-	16,145,000	-	-
Subtotal	606,105,000	-	319,363,357	423,029,900	182,775,089	103,720,000	58,940,000	443,198,446	11,705,356	10,705,158
Less: Unamortized Discount	-	-	(652,579)	-	-	(93,227)	(93,225)	(559,354)	-	-
Total Multi Family Bonds Payable	\$ 606,105,000	\$ -	\$ 318,710,778	\$ 423,029,900	\$ 182,775,089	\$ 103,626,773	\$ 58,846,775	\$ 442,639,092	\$ 11,705,356	\$ 10,705,158



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
MULTIFAMILY BONDS – NONOBLIGATION DEBT  
FISCAL YEAR ENDED JUNE 30, 2021**

Current Property Name	Owner	Final Maturity	Original Bonds Issued	Amount Outstanding
Blair Park	Private	10/14/2032	\$ 2,700,000	\$ 1,559,343
Covenant Village	Private	11/30/2044	6,418,000	5,742,610
Victory Forest	Private	9/1/2045	6,600,000	1,166,795
Draper Lane	Private	3/1/2040	35,000,000	35,000,000
Draper Lane	Private	3/1/2040	11,000,000	11,000,000
Draper Lane	Private	3/1/2040	6,000,000	6,000,000
Victory Court	Private	1/1/2030	8,400,000	7,480,360
Hillside Senior Living	Private	2/1/2060	26,270,000	20,170,000
Olde Towne Gaithersburg Apts ( Y-Site)	Private	3/31/2044	25,525,000	24,250,994
Lakeview House Apts.	Private	7/1/2050	34,225,000	31,246,562
		<b>TOTAL</b>	<u>\$ 162,138,000</u>	<u>\$ 143,616,664</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
NUMBER OF UNITS BY PROGRAM  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Public Housing Rental</u>	<u>Public Housing Homeownership</u>	<u>Housing Choice Voucher</u>	<u>Opportunity Housing</u>	<u>Transitional Housing</u>	<u>Specialized Program</u>	<u>Component Units</u>	<u>Total</u>
2012	1,553	9	6,165	3,496	165	566	1,760	13,714
2013	1,546	7	6,461	3,638	165	557	1,893	14,267
2014	1,094	7	7,044	3,992	165	538	1,892	14,732
2015	557	7	7,050	4,585	165	559	1,808	14,731
2016	256	7	7,174	4,533	227	511	2,106	14,814
2017	256	7	7,174	4,406	217	521	2,227	14,808
2018	136	-	7,179	5,519	228	687	1,861	15,610
2019	136	-	7,271	5,978	243	378	1,870	15,876
2020	-	-	7,611	6,482	240	374	1,529	16,236
2021	-	-	7,657	6,871	239	288	1,527	16,582

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
PROPERTY CHARACTERISTICS AND DWELLING UNIT COMPOSITION  
FISCAL YEAR ENDED JUNE 30, 2021**

<b>Housing Choice Voucher/Transitional Housing</b>		
<b>Name of Development</b>	<b>Address</b>	<b>Number of Units</b>
Housing Choice Voucher	Various	7,657
Transitional Housing Program	Various	239
Specialized Program	Various	288
<i>Total Housing Choice Voucher/Transitional Housing Units</i>		<u>8,184</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
PROPERTY CHARACTERISTICS AND DWELLING UNIT COMPOSITION (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2021**

<b>Opportunity Housing</b>		
Name of Development	Address	Number of Units
<b>Elderly Communities</b>		
Elizabeth House RAD Interim Property	1400 Fenwick Avenue, Silver Spring MD 20910	59
The Oaks at Four Corners	321 University Boulevard West, Silver Spring MD 20901	120
The Manor at Cloppers Mill, LLC	18003 Mateny Road, Germantown, MD 20874	102
The Manor at Colesville, LLC	601 East Randolph Road, Silver Spring, MD 20904	83
The Manor at Fair Hill Farm, LLC	18301 Georgia Avenue, Olney, MD 20832	101
	<i>Total Elderly Communities</i>	<u>465</u>
<b>Family Communities</b>		
617 Olney Sandy Spring	617 Sandy Spring Road Olney MD 20860	1
Alexander House	8560 Second Avenue, Silver Spring MD 20910	183
Avondale Street Apartments	4507-4511 Avondale Street, Bethesda MD 20814	25
The Barclay	4716 Bradley Boulevard, Chevy Chase MD 20815	76
Barclay Affordable	4716 Bradley Boulevard, Chevy Chase, MD 20815	81
Bradley Crossing	4816 Bradley Blvd, Bethesda, MD 20815	402
Brooke Park Apartments	6301-6307 MacArthur Blvd, Bethesda, MD 20816	17
Brookside Glen (The Glen)	2399 Jones Lane, Wheaton MD 20902	90
Camp Hill Square	17825 Washington Grove RD, Gaithersburg, MD 20877	50
Chelsea Towers	7401 Westlake Terrace, Bethesda MD 20817	21
Cider Mill Apartments	18205 Lost Knife Circle, Montgomery Village, MD 20886	861
Dale Drive	527 Dale Drive, Silver Spring MD 20910	10
Diamond Square	80 Bureau Drive, Gaithersburg MD 20878	124
Fairfax Court Apts	1 Fairfax Court, Chevy Chase MD 20815	18
Georgian Court Affordable	3600 Bel Pre Road, Silver Spring, MD 20906	147
Glenmont Crossing (Dev. Corp.)	2301 Shorefield Road, Silver Spring, MD 20902	97
Glenmont Westerly (Dev. Corp.)	2309 Shorefield Road, Silver Spring, MD 20902	102
Jubilee Falling Creek	2408 Falling Creek Road, Silver Spring MD 20904	3
Jubilee Hermitage	2305 Hermitage Avenue, Silver Spring MD 20902	3
Jubilee Horizon	10 Horizon Court, Derwood, MD 20855	3
Jubilee Woodedge	2715 Woodedge Road, Silver Spring MD 20906	3
King Farm Village Center	404 King Farm Boulevard #9, Rockville, MD 20850	1
Magruder's Discovery	10508 Westlake Drive, Bethesda MD 20817	134
Manchester Manor Apartments	8401 Manchester Road, Silver Spring, MD 20901	53
MetroPointe	11175 Georgia Avenue, Silver Spring MD 20902	120
The Metropolitan	7620 Old Georgetown Road, Bethesda MD 20814	216
Metropolitan Affordable	7620 Old Georgetown Road, Bethesda MD 20814	92
Montgomery Arms	8615 Fenton Street, Silver Spring MD 20910	129
Paddington Square	8800 Lanier Drive, Silver Spring MD 20910	165
TPP LLC Pomander	1620 University Boulevard West, Silver Spring MD 20902	24
Pooks Hill High-rise	3 Pooks Hill Road, Bethesda MD 20814	189
Pooks Hill Mid-rise	3 Pooks Hill Road, Bethesda MD 20814	50
RAD 6 - Ken Gar	Shaftsbury Street, Kensington, MD 20895	19
RAD 6 - Parkway Woods	12933 Twinbrook Parkway, Rockville, MD 20851	24
RAD 6 - Sandy Spring	1 Branchwood Court, Sandy Spring, MD 20860	55
RAD 6 - Seneca Ridge	19568 Scenery Drive, Germantown, MD 20876	71
RAD 6 - Towne Center Place	3502 Morningwood Drive, Olney, MD 20832	49
RAD 6 - Washington Square	8343 Fairhaven Drive, Gaithersburg, MD 20877	50
Shady Grove Apartments	16125 Crabbs Branch Way, Derwood, MD 20855	144
Southbridge	7423 Aspen Court, Tacoma Park MD 20912	39
Stewartown Affordable	9310 Merust Lane, Gaithersburg, MD 20879	94
Strathmore Court @ White Flint	5440 Marinelli Drive, North Bethesda MD 20852	151
Strathmore Affordable	5440 Marinelli Drive, North Bethesda MD 20852	51
TPP LLC Timberlawn	5707 Luxemburg Street, Rockville MD 20852	107
Westwood Towers	5401 Westbard Avenue, Bethesda MD 20816	212
The Willows of Gaithersburg	429 West Diamond Avenue, Gaithersburg, MD 20877	195
	<i>Total Family Communities</i>	<u>4,751</u>
<b>Scattered Units</b>		
CDBG Units	Various addresses throughout Montgomery County	3
Holiday Park	Various addresses throughout Montgomery County	20
McHome	Various addresses throughout Montgomery County	38
McKendree	Various addresses throughout Montgomery County	13
MPDU 2007 - Phase II	Various addresses throughout Montgomery County	6
MPDU I	Various addresses throughout Montgomery County	64
MPDU II	Various addresses throughout Montgomery County	59
MPDU III	Various addresses throughout Montgomery County	23
NCI Units	Various addresses throughout Montgomery County	14
NSP Units	Various addresses throughout Montgomery County	7
Paint Branch	Various addresses throughout Montgomery County	14
Scattered Site One Dev Corp	Various addresses throughout Montgomery County	190
Scattered Site Two Dev Corp	Various addresses throughout Montgomery County	54
VPC One Development Corporation	Various addresses throughout Montgomery County	399
VPC Two Development Corporation	Various addresses throughout Montgomery County	280
Montgomery Homes Limited Partnership VII	Various addresses throughout Montgomery County	35
Montgomery Homes Limited Partnership VIII	Various addresses throughout Montgomery County	49
Montgomery Homes Limited Partnership IX - MPDU units	Various address spread throughout Montgomery County	76
Montgomery Homes Limited Partnership IX - Pond Ridge	18100 Pond Ridge Court, Olney, MD 20832	40
Montgomery Homes Limited Partnership X	Various addresses throughout Montgomery County	75
State Rental Combined	Various addresses throughout Montgomery County	196
	<i>Total Scattered Sites</i>	<u>1,655</u>
	<i>Total Opportunity Housing Units</i>	<u>6,871</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
PROPERTY CHARACTERISTICS AND DWELLING UNIT COMPOSITION (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2021**

<b>Component Units</b>		
<b>Name of Development</b>	<b>Address</b>	<b>Number of Units</b>
<b>Elderly Communities</b>		
Arcola Towers RAD LP	1135 University Boulevard, Silver Spring MD 20902	141
Bauer Park	14635 Bauer Park Drive, Rockville, MD 20853	142
Town Center Apartments	90 Monroe Street, Rockville, MD 20850	110
Waverly House RAD LP	4521 East West Highway, Bethesda MD 20814	157
	<i>Total Elderly Communities</i>	<u>550</u>
<b>Family Communities</b>		
Wheaton Metro LP	11175 Georgia Avenue, Silver Spring, MD 20902	53
Spring Garden One Associates LP	8007-A Eastern Avenue, Silver Spring, MD 20910	82
Hampden Lane Apartments LP	4913 Hampden Lane, Bethesda, MD 20814	12
Forest Oak Towers LP	101 Odenhal Road, Gaithersburg, MD 20877	175
Greenhills LP	10560 Tralee Terrace, Damascus MD 20872	77
Tanglewood/Sligo Hills LP	8902 Manchester Road, Silver Spring, MD 20901	132
Alexander House LP	8560 Second Avenue, Silver Spring MD 20910	122
Fenton Silver Spring LP	8240 Fenton St, Silver Spring, MD 20910	124
CCL Multifamily LLC (The Lindley)	8405 Chevy Chase Lake Drive, Chevy Chase, MD 20815	200
	<i>Total Family Communities</i>	<u>977</u>
	<i>Total units - Component Units</i>	<u><u>1,527</u></u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
REGULAR STAFF HEADCOUNT BY DEPARTMENT  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Executive</b>	<b>Finance</b>	<b>Property Management</b>	<b>Maintenance *</b>	<b>Housing Resources</b>	<b>Mortgage Finance</b>	<b>Real Estate</b>	<b>Resident Services</b>	<b>Total</b>
2012	41.00	42.00	139.10	-	50.00	14.50	6.00	91.20	383.80
2013	41.00	46.00	138.10	-	48.00	14.50	6.00	89.70	383.30
2014	53.00	52.00	94.60	-	54.00	15.50	9.00	87.70	365.80
2015	60.00	49.00	94.00	-	55.00	13.50	11.00	82.20	364.70
2016	82.00	52.00	22.00	64.00	52.00	14.00	13.00	68.10	367.10
2017	80.00	50.00	27.00	63.00	52.00	14.00	13.00	67.60	366.60
2018	77.00	50.00	24.00	63.00	51.00	14.00	14.00	73.60	366.60
2019	80.50	52.00	26.00	61.00	54.00	14.00	14.00	65.60	367.10
2020	73.50	52.00	33.00	61.00	54.00	14.00	14.00	65.60	367.10
2021	78.00	52.00	33.00	61.00	54.00	14.00	14.00	66.60	372.60

*Note: Staff headcount is expressed in terms of full-time equivalent workers*

*\* Maintenance division was created in FY2016; maintenance was previously part of Property Management*

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS ENDED DECEMBER 31**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income (\$ thousands) (2)</b>	<b>Per Capita Income (3)</b>	<b>Civilian Labor Force (4)</b>	<b>Resident Employment (5)</b>	<b>Unemployment Rate (6)</b>	<b>Average Registered Number of Pupils as of September (7)</b>
2012	1,005,079	\$ 77,350,599	\$ 76,960	540,810	513,193	5.10%	146,497
2013	1,015,172	74,736,876	73,620	543,134	516,469	4.90%	148,779
2014	1,024,617	76,751,191	74,907	544,271	520,698	4.30%	151,298
2015	1,032,814	82,460,250	79,840	547,229	526,310	3.80%	153,852
2016	1,038,846	87,319,432	84,054	544,649	526,510	3.30%	156,447
2017	1,046,822	90,014,129	85,988	554,112	536,053	3.30%	159,010
2018	1,048,478	91,903,198	87,654	556,234	539,139	3.10%	161,545
2019	1,050,688	94,708,400	90,139	565,463	549,296	2.90%	162,680
2020	1,062,061	98,000,000	92,273	548,398	513,663	6.30%	165,267
2021	1,069,320	95,200,000	89,029	537,620	506,133	5.90%	160,564

**NOTES:**

- (1) Sources: Data for 2008-2015 from the Bureau of Economic Analysis (BEA), U.S. Department of Commerce Data for 2016 and 2017 are estimated by the Montgomery County Department of Finance from Round 8.4 Cooperative Estimates and pertain to population in households. Data for 2007-2015 were published by the BEA.
- (2) Source: Bureau of Economic Analysis (BEA), U.S. Department of Commerce Personal income includes money income from wages and salaries; transfer payments such as social security and public assistance; income from rent, interest, and dividends Data for 2008-2015 were revised by BEA Data for 2016 through 2017 are estimates derived by the Montgomery County Department of Finance.
- (3) Per capita income is derived by dividing personal income by population.
- (4) Source: Bureau of Labor Statistics (BLS), U.S. Department of Labor Civilian labor force data include all persons in the civilian non-institutional population classified as either employed or unemployed and counted by place of residence and are revised by BLS for 2012 - 2016 Data for 2017 estimated by Montgomery County Department of Finance based on the percent change from the average of the first five months of CY16 to average of the first five months of CY17.
- (5) Source: Bureau of Labor Statistics (BLS), U.S. Department of Labor Resident employment includes all persons who during the survey week (a) did any work as paid employees, worked in their own business or profession or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of their family, or (b) were not working but who had jobs from which they were temporarily absent because of vacation, illness, bad weather etc. Each employed person is counted only once, even if he or she holds more than one job and is counted by place of residence and not by place of employment Data for 2012-2016 were revised by BLS Data for 2017 is estimated by Montgomery County Department of Finance based on the percent change from the average of the first five months of CY16 to the average of the first five months of CY17.
- (6) The unemployment rates for 2012 through 2016 were revised by the Bureau of Labor Statistics, U.S. Department of Labor Unemployment rate for 2017 is estimated by Montgomery County Department of Finance based on the estimate of the civilian labor force and the estimate of resident employment.
- (7) Source: County Executive's Recommended FY18 Operating Budget, Office of Management and Budget, Montgomery County, pages 5-16.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO**

Employer	Fiscal Year 2021			Fiscal Year 2012		
	Rank	Employees (1)	Percentage of Total County Employees (2,3)	Rank	Employees (1)	Percentage of Total County Employees (2,3)
U.S. Department of Health and Human Services	1	25,000 - 30,000	6.24%	1	25,000 - 30,000	5.85%
Montgomery County Public Schools	2	25,000 - 30,000	5.11%	2	20,000 - 25,000	4.79%
Montgomery County Government	3	10,000 - 15,000	2.84%	4	5,000 - 10,000	1.60%
U.S. Department of Defense	4	5,000 - 10,000	1.70%	3	10,000 - 15,000	2.66%
Adventist Healthcare	5	5,000 - 10,000	1.70%	6	5,000 - 10,000	1.60%
Holy Cross Hospital of Silver Spring	6	2,500 - 5,000	0.85%		*	-
Marriott International Admin Srvs, Inc.	7	2,500 - 5,000	0.85%	7	5,000 - 10,000	1.60%
Montgomery Community College	8	2,500 - 5,000	0.85%	10	2,500 - 5,000	0.80%
Government Employees Insurance Co.	9	2,500 - 5,000	0.85%		*	-
U.S. Department of Commerce	10	2,500 - 5,000	0.85%	5	5,000 - 10,000	1.60%
Lockheed Martin Corporation		*	-	8	5,000 - 10,000	1.60%
Verizon		*	-	9	2,500 - 5,000	0.80%
Total			<u>21.84%</u>			<u>22.90%</u>

NOTES:

\* Employer is not one of the ten largest employers during the year noted.

Source: Department of Labor, Licensing and Regulation

Analysis and Information - Major Employer List - 4th quarter CY2020 and CY2012

- (1) Information such as the actual number of employees is not available for disclosure
- (2) Percentages are based on the midpoint of the employment range and average total Montgomery County employment of FY 21 and FY 12 according to Bureau of Labor Statistics, U.S. Department of Labor. Employee counts for federal and military facilities excludes contractors to the extent possible.
- (3) Total average payroll employment in FY21 was 440,368, and in FY12, 467,700.



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND  
HOUSING CHOICE VOUCHER STATISTICS – ALL PROPERTIES  
AS OF JUNE 30, 2021**

Income Source	# of Households
Business	265
Child Support	1159
Federal Wage	23
General Assistance	399
Imputed Welfare	4
Military	8
Other Non-Wage Income	665
Other Wage	4447
Pension	513
Social Security	3510
SSI	2674
TANF	340
Unemployment	1141

Gender	Male	Female	Total
Count of Head of Household	1,542	6,142	7,684
% of Head of Households	20.07%	79.93%	100%
Count of All Family Members	6,273	10,854	17,127
% of All Family Members	36.63%	63.37%	100%

Disabled	
Count of Head of Household	2698
Count of All Family Members	3434

**Housing Choice Voucher  
Statistics  
As of 06/30/2021  
Includes Homeownership & Portables**

Seniors	Under 62	62 +	Totals
Count of HOH	5,113	2,571	7,684
% of HOH	66.54%	33.46%	100%
Count All Members	14,181	2,946	17,127
% All Members	82.80%	17.20%	100%

Income Ranges	Under \$5,000	\$5,000 - \$9,999	\$10,000 - \$14,999	\$15,000 - \$19,999	\$20,000 - \$24,999	\$25,000 - \$29,999	\$30,000 - \$34,999	\$35,000 - \$40,000	Over \$40,000	Totals
# of Families	1001	1856	1228	926	650	439	385	346	853	7,684
Average Income in Range	\$ 1,207	\$ 8,971	\$ 12,553	\$ 17,422	\$ 22,294	\$ 27,479	\$ 32,386	\$ 37,303	\$ 53,243	\$ 19,099
Cumulative % of Families	13.03%	37.18%	53.16%	65.21%	73.67%	79.39%	84.40%	88.90%	100.00%	

Age Ranges	Under 21	21-29	30-39	40-49	50-61	62-69	70-79	80-99	100+	Totals
Count of Head of Household	5	264	1,341	1,652	1,851	1,116	867	583	5	7,684
Count of All Family Members	6,920	1,746	1,651	1,850	2,014	1,236	1,033	671	6	17,127

Race	American Indian	Asian	Black	Multiple	Pacific Islander	Unknown	White	Totals
Count of Head of Household	49	403	5,212	29	42	0	1,949	7,684
% of Head of Household	0.64%	5.24%	67.83%	0.38%	0.55%	0.00%	25.36%	100%
Count of All Family Members	107	674	12,663	80	98	265	3,240	17,127
% of All Family Members	0.62%	3.94%	73.94%	0.47%	0.57%	1.55%	18.92%	100%

Ethnicity	Hispanic	Non-Hispanic	Not Reported	Totals
HOH	857	6,827	0	7,684
% HOH	11.15%	88.85%	0.00%	100%
Fam Mbrs	1,916	14,802	409	17,127
% FM	11.19%	86.42%	2.39%	100%

Family Size by Bedroom Size	# of HCV Units	Occupied Units	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8+ People
Efficiency	N/A	364	236	80	48	0	0	0	0	0
1 Bedroom	N/A	2,597	2,402	190	4	1	0	0	0	0
2 Bedrooms	N/A	2,489	595	1,233	548	92	17	4	0	0
3 Bedrooms	N/A	1,754	81	227	393	634	313	83	20	3
4 Bedrooms	N/A	402	6	11	38	81	65	125	48	28
5 Bedrooms	N/A	67	1	1	1	6	10	11	11	26
6 Bedrooms or Larger	N/A	11	0	0	1	0	2	0	0	8
<b>Total # of HCV Units</b>	N/A	7,684	3,321	1,742	1,033	814	407	223	79	65

Average Family Size
1.5 Person
1.1 Person
2.1 Person
3.7 Person
5.2 Person
6.4 Person
7.0 Person
2.3 Person