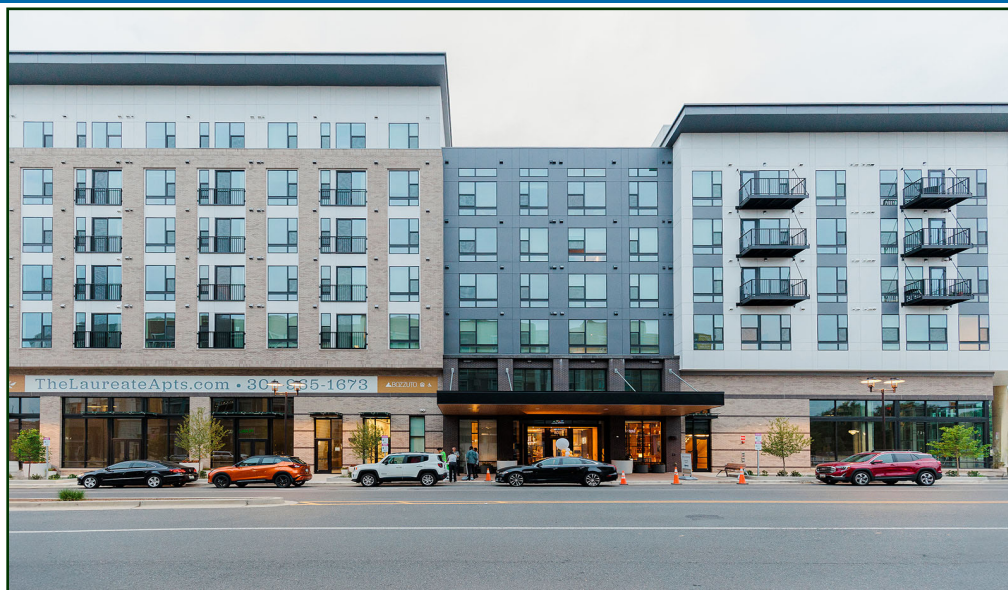




(A Component Unit of Montgomery County, Maryland)

Annual Comprehensive Financial Report

For the Fiscal Year Ended on June 30, 2023





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**HOUSING OPPORTUNITIES COMMISSION OF
MONTGOMERY COUNTY, MARYLAND
(A Component Unit of Montgomery County, Maryland)**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Issued by
Finance Department
Timothy Goetzinger, CDFO & Acting Chief Financial Officer
Eugenia Pascual, Controller

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
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(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
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I. INTRODUCTORY SECTION



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



November 14, 2023

Members of the Housing Opportunities Commission of Montgomery County and
Residents of Montgomery County, Maryland

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, 2023. 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 and presented in a manner designed to fairly state the financial position and operations of the Commission. Further, all necessary disclosures have been included to allow a complete understanding of the Commission’s financial affairs and position.

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 its 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, twenty-two (22) discrete component units are included 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 and Administrative Fees 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

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 significant reduction in rent collection. HOC launched an ambitious and successful rental relief initiative, providing its customers emergency rental assistance and offsetting 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 made funding available to assist households that are unable to pay rent or utilities. Two separate programs were established: ERAP 1 provided up to \$25 billion under the Consolidated Appropriations Act, 2021, which was enacted on December 27, 2020, and ERAP 2 provided up to \$21.55 billion under the American Rescue Plan Act of 2021, which was enacted on March 11, 2021. The funds were provided directly to states, U.S. territories and local governments. Grantees used the funds to aid eligible households through existing or newly created rental assistance programs.

Montgomery County received its \$60.4 million in ERAP 1 funding in two components: \$32.3 million in direct funding and \$28.1 million via funds provided to the State for allocation to its counties and municipalities. Additionally, Montgomery County received \$41 million in ERAP 2 funding. Furthermore, the County Executive recommended and the County Council approved a \$3 million arrearage relief package for HOC, and the agency was allowed to utilize \$2.2 million in unspent Housing Initiative Fund moneys, previously allocated for the Rent Supplement Program, towards rental arrearages. Finally, HOC administered a \$3.4 million State pass-through grant to the County through the CDBG-CV emergency rental assistance program to help with arrearages. This funding was allocated to reduce arrearages for HOC and Montgomery County non-profit housing developers.

Additionally, HOC received \$7.4 million in funding from HUD through the CARES Act. The majority of this funding was earmarked for housing assistance payments. Administrative funding was also received, which was prioritized to enhance IT and to help monitor the program.

HOC has 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 as a result of COVID.

National, 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 August 2023, Maryland’s total jobs increased by 12,400 (month over month) and the unemployment rate decreased to 1.7%, the lowest reported in the country.¹ The BLA reported that Montgomery County reached its peak unemployment rate of 6.1% in August 2021.² As of August 2023, the Montgomery County unemployment rate stood at 1.6% equating to 8,869 unemployed.³ The Washington DC Metro area unemployment rate as of August 2023 was 2.6% down from 3.3% in August 2022.⁴

The national unemployment rate as of September 2023 was 3.8%. By comparison, the national unemployment rate in September 2021 was 4.8%. This is down from the peak of 14.7% reached in April 2020, and is comparable to the unemployment rate of 3.5% posted in February 2020.⁵

The following charts, updated in September 2023, provide additional insight to the national, state, and local economy.⁶

¹ Division of Workforce Development & Adult Learning Office, Maryland Department of Labor (<https://www.bls.gov/news.release/laus.nr0.htm>)

² Bureau of Labor Statistics (<https://www.bls.gov/news.release/laus.nr0.htm>)

³ Maryland Department of Labor

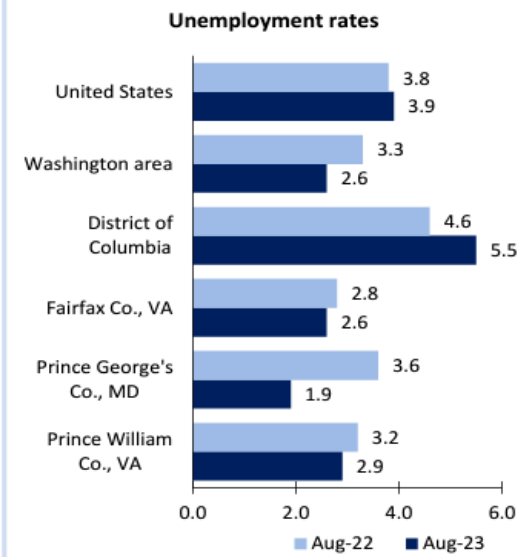
(https://mwejobs.maryland.gov/admin/gsipub/htmlarea/uploads/MonthlyLaborReview08_Aug23.pdf)

⁴ Bureau of Labor Statistics (https://www.bls.gov/regions/mid-atlantic/dc_washington_msa.htm)

⁵ Bureau of Labor Statistics (<https://www.bls.gov/news.release/pdf/empsit.pdf>)

⁶ Bureau of Labor Statistics (https://www.bls.gov/regions/mid-atlantic/summary/blssummary_washington.pdf)

Unemployment rates for the nation and selected areas

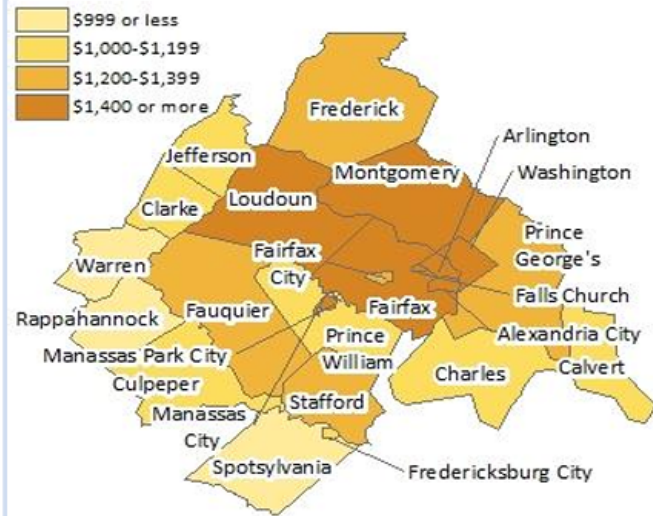


Source: U.S. BLS, Local Area Unemployment Statistics.

Average weekly wages for all industries by county

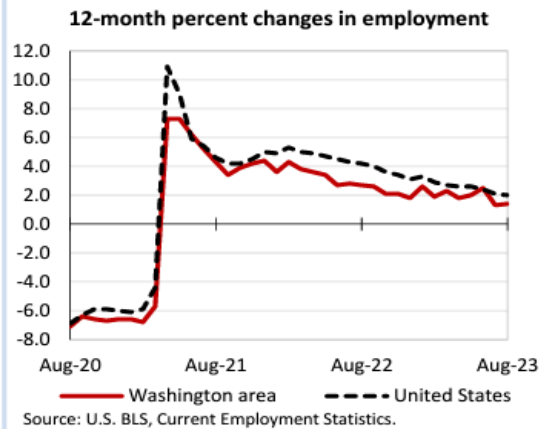
Washington area, first quarter 2023

(U.S. = \$1,465; Area = \$1,908)



Source: U.S. BLS, Quarterly Census of Employment and Wages.

Over-the-year changes in **employment on nonfarm payrolls** and employment by major industry sector

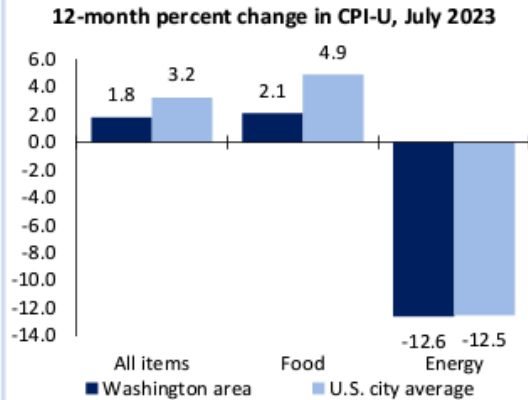


Source: U.S. BLS, Current Employment Statistics.

Washington area employment (number in thousands)	Aug. 2023	Change from Aug. 2022 to Aug. 2023	
		Number	Percent
Total nonfarm	3,369.0	48.0	1.4
Mining, logging, and construction	171.6	7.1	4.3
Manufacturing	56.8	-0.4	-0.7
Trade, transportation, and utilities	397.8	-3.9	-1.0
Information	83.3	1.6	2.0
Financial activities	154.0	-2.4	-1.5
Professional and business services	810.8	-1.6	-0.2
Education and health services	457.5	23.1	5.3
Leisure and hospitality	328.6	12.3	3.9
Other services	199.8	6.8	3.5
Government	708.8	5.4	0.8

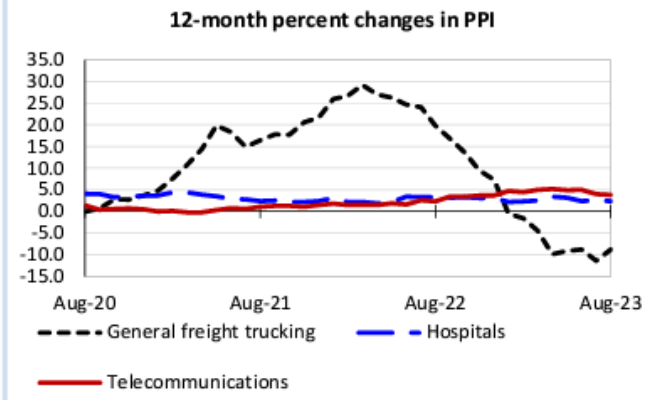
Source: U.S. BLS, Current Employment Statistics.

Over-the-year change in the prices paid by urban consumers for selected categories



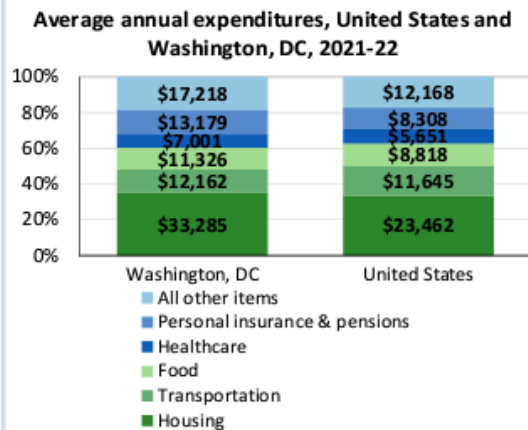
Source: U.S. BLS, Consumer Price Index.

Over-the-year changes in the selling prices received by producers for selected industries nationwide



Source: U.S. BLS, Producer Price Index.

Average annual spending and percent distribution for selected categories



Source: U.S. BLS, Consumer Expenditure Survey.

Average hourly wages for selected occupations

Occupation	Washington area	United States
All occupations	\$40.34	\$29.76
Lawyers	101.85	78.74
Economists	70.46	61.63
Political scientists	66.01	60.64
Statisticians	57.59	50.73
Public relations specialists	54.87	37.76
Social science research assistants	31.04	27.77

Source: U.S. BLS, Occupational Employment and Wage Statistics, May 2022.

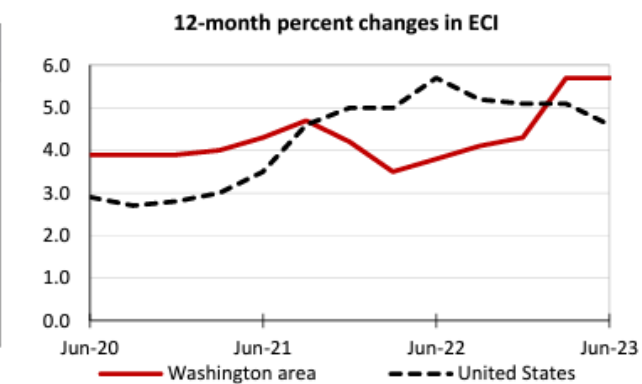
Employer costs per hour worked for wages and selected employee benefits by geographic division

Private industry, June 2023	South Atlantic	United States
Total compensation	\$37.36	\$41.03
Wages and salaries	27.03	28.97
Total benefits	10.33	12.06
Paid leave	2.78	3.05
Vacation	1.44	1.56
Supplemental pay	1.19	1.53
Insurance	2.48	3.02
Retirement and savings	1.09	1.39
Legally required benefits	2.78	3.08

(1) The states that compose the South Atlantic census division are: DE, DC, FL, GA, MD, NC, SC, VA, and WV.

Source: U.S. BLS, Employer Costs for Employee Compensation.

Over-the-year changes in wages and salaries



Source: U.S. BLS, Employment Cost Index.

The above charts illustrate fluctuations in two key macroeconomic factors. First, the unemployment rate greatly improved since the height of the global pandemic, and second, the financial markets are somewhat turbulent – but have become less

turbulent since last year. Previously, the Agency greatly benefitted from a period of unusually and historically low interest rates, which are now normalizing. Rates rose to 5.25%-5.5% in September 2023 after a 25bps increase in July 2023. National economic conditions are still being impacted by inflation containment measures, with inflation beginning to normalize and sitting at 3.7% in August 2023, compared to levels previously in excess of 8% in the summer of 2022. Geopolitical conditions including military conflicts and supply-chain issues continue to plague economies and HOC is not immune to these impacts. Although the Federal Funds rate, which is the interest rate that banks charge each other to borrow or lend has risen—the rate was essentially 0% at the beginning of calendar year 2022—it is expected to begin to reduce over the next few years. This will be favorable for borrowing to fund development projects as well as to promote homeownership opportunities. The opposite will be true for investment yield.

The Agency is prepared to respond to the changing financial markets. Several strategies have or will be instituted. These include 1) planning for fixed rate financing to avoid fluctuating interest rates, 2) building an interest rate cushion into the underwriting of upcoming transactions, 3) utilizing variable rate transactions to lower borrowing costs, 4) managing variable rate risk by utilizing interest rate swaps to fix interest rates, and 5) to be prepared to delay project starts if necessary. These measures will help the Agency to remain financially stable during this period of economic turbulence.

HOC Housing Path

In early FY 2016, HOC launched HOC Housing Path, effectively re-imagining its 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 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 April 2023, more than 31,700 households affirmed their need for affordable housing by applying to the HOC Housing Path wait list. The majority of applicants report incomes at or below 30 percent of the area median income. HOC Housing Path connects customers with Housing Choice Vouchers, opportunity and tax-credit housing units, as well as Project-Based Vouchers. Early in FY 2018, HOC's new Call Center became the central point of entry for all incoming inquiries from the former wait list phone line. In FY 2019, 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 the HOC portfolio. HOC continues to seek new ways to enhance the customer experience and to ensure transparency and compliance with regulatory processes.

Housing Choice Voucher and Public Housing Operating Subsidy

HUD's allocation of vouchers includes Mainstream Disabled ("MSD"), Moderate Rehabilitation ("MR"), Family Unification Program ("FUP"), Rental Assistance Demonstration ("RAD"), Veterans Affairs Supportive Housing ("VASH"), Housing Stability Vouchers, and Emergency Housing Vouchers ("EHV"). The voucher programs provide housing subsidy assistance through an array of categories such as Non-Elderly Disabled ("NED") vouchers, Witness Protection vouchers and Opt-Out vouchers. HOC also administers a Project-Based Voucher ("PBV") program wherein the subsidy is tied to the actual unit. PBV contracts cannot exceed 20% of HOC's program baseline of 7,702 units, granted through the Request for Proposal ("RFP") process. At the end of the fiscal year 2023, HOC had a HAP Utilization Rate of 96.96%, accounting for 7,469 HAP-assisted units. Additionally, HOC supports a Voucher Homeownership program, which allows eligible voucher customers to use their voucher subsidy towards mortgage payments.

HOC is currently working with the Homeowners' Association at Tobytown to transfer the Tobytown community center and common areas to a 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

The Agency has always focused on improving customer service and increasing leasing efforts through refinements to processes. However, coming out of the COVID-19 pandemic, HOC will double down its efforts in those areas as well as

become hyper-focused on third-party management oversight, unit inspections, program compliance, deferred maintenance, and rent collection. Leasing continues to applicants who have been pulled from Housing Path waitlist or from applications made directly to properties, where appropriate. In doing so, we continue to maintain steady occupancy levels and have set a goal for achieving stabilized occupancy of at least 95%, ensuring that all low- and moderate-income units are fully utilized and the market rate units are optimized. During the pandemic, eviction moratoria have precluded lease enforcement actions, but rental assistance was and will continue to be provided for those who are eligible. In collaboration with the Maintenance Division, deferred maintenance is a high priority while ensuring routine maintenance meets all local and federal codes. The time to turn a unit and return it to utility will also be a focus for the division so that vacancies and vacancy loss are minimized and more families can be housed. As well, there are renewed efforts by the division to create and/or update operating procedures and train staff in areas of program compliance. Finally, with a new Asset Management Director, the strategy for operational oversight will be heightened and the division's outcomes will improve. The goals for the division are increased collaboration among the divisions, treating our properties as places our customers call home, viewing them as the valuable and tangible assets they are that enable us to serve and meet our mission, and ensuring that our staff—our most valued asset—are aligned with these goals.

Property Maintenance

The Maintenance Division supervises and coordinates all HUB maintenance operations, fire and safety programs, equipment inventory control, and ensures that the condition and appearance of the properties meet HOC standards and comply with federal and county code and requirements. To ensure the housing stock is well maintained, the Maintenance Division addresses requests for emergency and routine repair requests, creates Requests for Proposals ("RFPs") and Invitations for BID ("IFBs"), generates new service contracts, and approves purchase requisitions for all HOC owned properties. As the units in our portfolio continue to age, annual budget adjustments are made to account for increased maintenance requirements, the replacement of capital items, and the turnover of vacant units within our portfolio.

Like fiscal year 2022, fiscal year 2023 continued to be a particularly challenging year. The Maintenance Division was significantly impacted with the large influx of inspections as multiple agencies resumed work following the shut down due to the Pandemic. The COVID-19 Maintenance Protocols that were put in place in fiscal year 2021 were completely lifted and staff has begun working on the over 2,500 deferred maintenance work orders accumulated during the shutdown period. Despite aggressive efforts to reduce this backlog, the number continues to increase as units are inspected for the first time since the pandemic. This effort has also been impacted by a high volume of staff shortages as a result of retirements, resignations, and terminations.

Additionally, there continues to be a shortage of available supplies across the nation resulting in significant price increases in our materials and equipment products such as HVAC units, stoves, refrigerators, microwaves, hot water heaters and even plywood. The increase in these prices combined with the increase in maintenance work effort and the additional wear and tear on our units has caused increases in maintenance expenses during this fiscal year. These increases also apply to supplies and appliances used for turn-over of vacant units. Notwithstanding the challenges, the Maintenance Division has to uphold standards to ensure safe living conditions for the residents who call HOC's units Home. Therefore, a vigilant preventative maintenance protocol is the mainstay of this division.

Real Estate Development

The Real Estate Development Division ("RED") operates to preserve and expand the number of mixed income rental and for sale homes in Montgomery County. Through partnerships with local government agencies and both non-profit and profit motivated developers, the division creates high-quality affordable housing and increases the capacity of other sponsors to provide affordable housing, resulting in changed lives and communities.

The division acquires existing multifamily housing to create and preserve low- to moderate-income and market-rate housing and to avoid the loss of subsidies for properties developed with federal assistance, as well as to preserve properties with naturally occurring affordable housing. The division also develops new multifamily rental housing, typically for residents with a wide range of incomes. These developments are part of HOC's Opportunity Housing portfolio and serve low-, moderate-income, and market-rate households.

In fiscal year 2024, the Real Estate Development Division will continue its work on several renovation projects and one new construction project. The volume of renovation projects largely stems from RED staff efforts around transitioning existing affordable properties from other concluding subsidy programs – in particular properties with expiring initial Low Income Housing Tax Credit (“LIHTC”) compliance periods and properties with expiring original Section 236 financing.

Highlights of selected projects under construction and in the pipeline are provided below.

Bauer Park (Under Construction)

Built in 1977 under the Section 236 Program, Bauer Park was owned by Banor Housing, Inc. (“BHI,” a non-profit), of which three (3) of the seven (7) board members are HOC Commissioners. The property received subsidy through Rental Assistance Payment (“RAP”) contract, but the subsidy has now converted under Component 2 of the Rental Assistance Demonstration (“RAD 2”) program into a Housing Assistance Payment (“HAP”) contract. In August 2015, the Commission approved the core terms of the Letter of Intent with Victory Housing, Inc. for development services for the renovation of Bauer Park. In July 2018, the Commission approved the preliminary development plan to utilize tax-exempt bonds, LIHTC, HOC equity, and deferred developer fee to finance the renovation. In December 2018, HOC submitted a Purchase and Sale Agreement to acquire the interest in Bauer Park from BHI, which was accepted by BHI on March 14, 2019. The LIHTC application was submitted to CDA in September 2019. Closing of the transaction occurred on September 1, 2020. Operation of the property will continue during the renovation. The original substantial completion date was May 13, 2022. Substantial Completion occurred on September 27, 2022, as of June 30, 2023, occupancy was 95.1%. The Risk Share Promissory Note started amortizing on April 1, 2023. Staff expects permanent financing by the fourth quarter of CY 2023.

Georgian Court (Under Construction)

Developed in 1975 under the FHA 236 Program, on May 2, 2018, the Commission approved a Predevelopment Plan for the renovation and re-syndication of the property. On June 9, 2021, the Commission approved the selection of Hamel Builders as the general contractor. LIHTC submission occurred on June 3, 2021. A Final Development Plan and Financing Plan were approved by the Commission in October 2021, thereafter, building permits were received in November 2021. Closing of the transaction occurred on December 21, 2021, and renovation work began immediately and is ongoing. Substantial completion is expected in October 2023. As of June 30, 2023, occupancy was 80.3%. Subtracting out the 24 units being kept vacant for the renovation yields an occupancy of 96.6%. As of June 30, 2023, construction was 78.1% complete and is on schedule and on budget.

The Laureate (Under Construction)

HOC entered into a Joint Venture with EYA/Bozzuto to develop a 268 unit mixed-use mixed-income development adjacent to the Shady Grove metro station. The project will include a relocation site for the HOC Gaithersburg Customer Service Center that is wholly owned by HOC and more accessible for residents via Metro. On September 3, 2019 the Commission approved the purchase of the land, which closed in December 2019. The Commission authorized approval to issue short-term tax-exempt notes by recycling previously allocated private activity volume cap by CDA and HOC, selection of PNC Bank as the lender, approval of cost issuance budget, adoption of a bond authorizing resolution for issuance of a tax-exempt loan and increase to the predevelopment budget and loan from the County revolving Opportunity Housing Development Fund (“OHDF”) at July 1, 2020 meeting of the Commission. The Final Development Plan and Finance Plan were approved by the Commission at the December 9, 2020 meeting. The bond and construction closings occurred on January 28, 2021, and construction commenced on February 15, 2021. Substantial completion was achieved in mid-February 2023, and Use and Occupancy Certificates have been issued. As of the end of June 2023, construction was 100.0% complete. The project is currently on budget, and is in lease-up, with an occupancy of 42.5% as of June 30, 2023. Staff is anticipating a conversion to permanent financing in July 2024.

The Leggett (Under Construction)

On November 7, 2018, the Commission approved the Final Development Plan and to draw of up to \$23,862,057 from HOC resources for the purpose of making an equity contribution (“HOC Junior Loan”) to the Property, but LIHTC rules require this be made as a loan to the Property to preserve basis eligibility of capital expenditures. The

Commission also approved the selection of Costello Construction as the general contractor. On June 21, 2019, the Commission approved the Financing Plan for the property. The closing of the tax-exempt bond issuance occurred on October 31, 2019. RAD conversion occurred in April 2020. Substantial completion was achieved in early March 2023, and Use and Occupancy Certificates have been issued. As of the end of June 2023, construction was 100% complete. The project is in lease-up, with an occupancy of 21.4% as of June 30, 2023. Staff anticipates permanent conversion to occur in April 2024, subject to achieving the leasing milestones for conversion.

Residences on the Lane (Under Construction)

Residences on the Lane is a new construction, mixed-income senior rental apartment development located in Rockville Town Center that is part of a new mixed-use development by Duball, LLC, a real estate developer. Residences on the Lane (formerly Upton II) includes 150 age-restricted residential units, 112 of which are replacement homes for HOC's nearby Town Center Apartments. Of the 150 units, 30 are restricted to households with income at or below 40% of the AMI (22 of which are subsidized with Project Based Rental Assistance), 82 are restricted to households with income at or below 60% of the AMI, and 23 are restricted to households with income at or below 80% of the AMI. The building opened for occupancy in December 2021 and is nearly 100% occupied. Substantial Completion occurred in January 2022. Stabilized occupancy was reached in November 2022; as of June 30, 2023, occupancy was 99.0%. Permanent conversion occurred on March 3, 2023, with a permanent mortgage of \$27,000,000. Staff are working with the LIHTC investor to receive the Completion and Stabilization payments of equity contribution, which are expected in the first Quarter of FY24. Staff will seek to close out the 8609s for the property by the end of the second Quarter of FY24 (October to December 2023).

Shady Grove (Under Construction)

On May 2, 2018, the Commission approved a Predevelopment Plan for the renovation and re-syndication of the property. On June 9, 2021, the Commission approved the selection of Hamel Builders as the general contractor. LIHTC submission occurred on June 3, 2021. A Final Development Plan and Financing Plan were approved by the Commission in October 2021, and building permits were received shortly thereafter in November 2021. Closing of the transaction occurred on December 21, 2021. Substantial completion is expected in November 2023. As of June 30, 2023, occupancy was 84.0%. Subtracting out the 23 units being kept vacant for the renovation yields an occupancy of 100.0%. Construction was 75.2% complete and is on schedule and on budget.

Stewartown (Under Construction)

On May 2, 2018, the Commission approved a Predevelopment Plan for the renovation and 4% LIHTC re-syndication of the property. General contractor selection concluded in October 2019 and Harkins was selected. Equity raised from the sale of the 4% LIHTC, along with HOC-issued tax-exempt bonds, provided the capital necessary to fund the full scope of work for a comprehensive renovation in 2021. Boston Capital was replaced by CREA LLC as the LIHTC Investor and executed an LOI. The Commission approved the Amended Financing Plan and Bond Authorizing Resolution in March 2021. Tax-exempt bond issuance closed on June 10, 2021, and construction financing closed on June 30, 2021. Renovation began in August 2021 and substantial completion was expected in December 2022, but was achieved on November 22, 2022. The project was completed slightly behind schedule seven (7) days, and construction was completed within budget. The property reached stabilized occupancy in May 2023 and as of June 30, 2023, occupancy was 94.7%. Conversion to permanent financing is expected to occur in September 2023.

Willow Manor Properties (Under Construction)

On November 1, 2018, by exercising its rights under Article 53A of the Montgomery County Code, the Right of First Refusal ("ROFR") Ordinance, HOC acquired the following age-restricted (62+) LIHTC properties (collectively, the "Willow Manor Properties"): Willow Manor at Clopper's Mill ("Clopper's Mill") in Germantown; Willow Manor at Fair Hill Farm ("Fair Hill Farm") in Olney; and Willow Manor at Colesville ("Colesville") in Silver Spring. HOC financed each acquisition using short-term loans -- conventional first mortgages from PNC Bank, N.A. and subordinate loans from the County's Housing Initiative Fund ("HIF"). In March 2020, staff proposed a LIHTC resyndication of the properties, as one consolidated group, and the use of private activity bonds for long-term financing. In April 2020, the Commission approved predevelopment funding of \$400,000 and the pursuit of the resyndication. On April 7, 2021, the Commission approved the selection of Nastos Construction as the GC, and

approved a Preliminary Development Plan. LIHTC submission occurred on May 28, 2021. On September 1, 2021, the Commission approved the Final Development Plan and the Financing Plan. Closing of the transaction occurred on December 17, 2021. Contracted substantial completion is May 2024, and current construction is on track to achieve that milestone. As of June 30, 2023, occupancy was 69.6% at Clopper's Mill (94.1% after subtracting out the 25 units offline for renovation), and construction was at 71.7% completion. Occupancy was 68.7% at Colesville (100.0% after subtracting out the 26 units offline for renovation), and construction was at 13.0% completion. Occupancy was 84.0% at Fair Hill Farm, and construction was at 100% completion. Overall construction is on budget.

Battery Lane (Design/Planning Phase)

On May 25, 2022, HOC purchased three mid-rise apartment buildings on Battery Lane in Bethesda from Aldon Properties. The three properties consist of Glen Wood Apartments at 4857 Battery Lane (50 units), Glen Aldon Apartments at 4858 Battery Lane (66 units), and Glen Dorra Apartments at 4998 Battery Lane (96 units), totaling 212 units. All units are naturally occurring affordable housing ("NOAH"), with rents at 60%-70% of the AMI. In February 2022, the Commission had approved the use of \$2.7 million from the OHRF, as well as the use of the PNC RELOC up to \$6 million, for the transaction. In May 2002, the Commission had authorized the Acting Executive Director to use EagleBank to secure two short-term loans totaling \$48,450,000, and to complete the acquisition. The EagleBank loans mature on May 25, 2025. Staff is seeking to secure long term debt through the FFB/FHA Risk Share program before it sunsets in September 2024, with a targeted closing in March 2024.

Bradley Crossing (Design/Planning Phase)

On June 1, 2021, HOC purchased 401 units at multiple addresses along and near Bradley Boulevard, located in Chevy Chase, from Aldon Properties. All units are naturally occurring affordable housing ("NOAH"), with no legal or regulatory restrictions on rent or household incomes. Upon acquisition, HOC implemented an 80% AMI income restriction on 30% of the units, and upon turnover, another 20% of the units will be restricted to 50% AMI. On November 4, 2020, the Commission had approved the use of \$2.8 million from the OHDF and \$210,000 from the OHRF for earnest money and due diligence for the transaction. On April 20, 2021, the Commission approved the Financing Plan and authorization to complete the transaction, by approving the acceptance of two short-term loans totaling \$81,200,000 from EagleBank, as well as approving additional funding from the PNC RELOC, the OHDF, MPDU/PAF, and OHRF. The EagleBank loans mature on June 1, 2024. Staff is seeking to secure long-term debt through the FFB/FHA Risk Share program before it sunsets in September 2024, with a targeted closing in March 2024.

Hillandale Gateway (Design/Planning Phase)

In July 2014, HOC purchased an acre of land adjacent to Holly Hall (Capital One site) in anticipation of redeveloping the property. The Montgomery County Council approved a rezoning, allowing for mixed use at a higher density. In July 2015, HOC partnered with The Duffie Companies to redevelop the property. The planned Hillandale Gateway will consist of 463 units, including 155 senior and 308 multifamily units, as well as 15,000 sq. ft. of retail and commercial uses. A minimum of 25% of the units will be Moderately Priced Dwelling Units ("MPDUs"). On November 4, 2020, the Commission approved a pre-development budget for the redevelopment of Holly Hall into Hillandale Gateway. The Planning Board approved the site plan on September 23, 2021. The Commission approved a preliminary development plan for the age-restricted building ("AR Building") on March 2, 2022 and a preliminary development plan for the non age-restricted building ("NAR Building") on April 6, 2022. On January 11, 2023, the Commission approved the use of \$14.5 million of HPF funding for Early Start construction work, which would allow for a limited scope of construction (site work, underground utility work, etc.) to proceed prior to the full construction closing. Staff anticipates bringing to the Commission a final development and financing plan in the third quarter of CY 2023. Closing of the construction financing is anticipated to occur in December 2023.

HOC HQ (Design/Planning Phase)

After decades of occupying office space in a former elementary school in residential Kensington, a proposed nine-story building to serve as HOC's Headquarters located across from Elizabeth Square in Silver Spring, MD is planned. Construction documents and plans are in progress and staff have procured the services of a general contractor

with plans to close on the financing and break ground in FY24. Application for Mandatory Referral was approved by the Planning Commission in May 2020, which expedited the entitlement process. Part 1 was submitted to the Planning Commission in fall 2020, and Part 2 was submitted to Planning Commission in March 2021. The building plans to consolidate HOC's existing Silver Spring Customer Service Center located at 880 Bonifant St., HOC's current headquarters at Kensington, and a number of its staff currently housed in its East Deer Park, Gaithersburg location. At the April 2023 meeting, the Commission officially selected Paradigm Contractors, LLC as the general contractor for the project. Additionally, an Early Start budget was approved to facilitate initial phases of the development. The Commission also approved the selection of a third-party tester to ensure quality and compliance throughout the project. Moving forward, staff are now focused on negotiating the Guaranteed Maximum Price ("GMP") contract with Paradigm Contractors, LLC. Concurrently, efforts are being made to finalize the design plans, which will incorporate feedback received from various stakeholders. The Agency is also working diligently on the Final Development Plan and Financing Plan, aiming to secure the necessary funding and approvals in the second quarter of FY2024, to keep the project on track for its anticipated start date in the fall of calendar year 2023. The anticipated construction duration is 23 months.

The Metropolitan Apartments (Design/Planning Phase)

The 308-unit high rise property was constructed in 1997 on the air rights above Montgomery County's Garage 49 in the Bethesda Parking Lot district. The units are owned in a condominium structure, in which 216 market rate units are owned by an instrumentality of HOC and 92 affordable units are owned by a tax credit Limited Partnership, whose general partner is HOC. A moderate renovation of the market rate units and common areas was performed between 2008 and 2011. The initial LIHTC compliance period ended in 2012, and HOC acquired the partnership interest for 92 LIHTC units from M&T Bank. The affordable units have not had any renovations since they were placed in service. HOC seeks to re-syndicate the 92 affordable units as part of a comprehensive renovation, which will include updating the market rate units, common areas, building exterior, and systems. On September 9, 2020, the Commission approved feasibility funding. On January 13, 2021, the Commission approved Miner Feinstein as the architect. On February 2, 2022, the Commission approved the selection of Smislova, Kehnemui & Associates P.A., as structural engineers to complete a plan for evaluation and repair of waterproofing services for the Green Roof Plaza above the county parking garage, which had suffered damage and was in need of immediate repair due to water infiltration. On May 4, 2022, the Commission approved the following: 1) the selection of Contracting Specialists, Incorporated, to repair the green roof structure; 2) approval of a repair contract amount not to exceed \$4,499,450, with a \$450,000 contingency; 3) acceptance of State of Maryland Capital Budget funds totaling \$1.6 million; and, 4) authorizing Metropolitan Development Corporation to fund and complete repairs. Repair work began on September 19, 2022. As of the end of June 2023, construction of the green roof is on budget, but weather delays have pushed completion back a month to November 2023. Real Estate Division staff issued the Request for Proposals for general contractors for the renovation of the property and selection will be brought forth for Commission approval. Closing of the renovation transaction is expected in the second quarter of CY 2024. As of June 30, 2023, occupancy was 90.1%.

Scattered Sites (Design/Planning Phase)

The Total Scattered Sites portfolio of 1,796 units was accumulated over decades through various acquisition methods including ROFR and RAD Section 18 Dispositions. In December 2017, the VPC One and VPC Two' ("VPC I" and "VPC II") Corporations' Board of Directors and the Commission approved a five-year, \$52M loan from PNC Bank, N.A for VPC I and VPC II. In December 2022, the Commission approved a \$47M interest-only extension/refunding of the PNC Facility of VPC I and VPC II to August 2023, and also tasked staff with constructing a comprehensive plan for the entire Scattered Sites portfolio by August 2023. Within that plan, of the 1,796 units in the Total portfolio, 808 units (VPC I, VPC II, Scattered Sites II and MHLP X) were selected for proposed permanent financing. Staff is analyzing proposals for a new bond issuance, with the expectation of recommending approval from the HOC Board of Commissioners in June 2023 in order to close on new financing before the August 2023 maturity of existing PNC financing. As of June 30, 2023, occupancy was as follows: VPC One, 85.5%; VPC Two, 94.6%; Scattered Site Two, 83.3%; and MHLP X, 94.7%.

Wheaton Gateway (Design/Planning Phase)

In 2015, the Commission approved a permanent Relocation Plan for the remaining residents at the Ambassador. The tenant relocation plan was completed and the property was completely vacated on July 7, 2016. On May 4, 2016, the Commission approved authorization of a Letter of Agreement between HOC and Maryland's Department of Housing and Community Development ("DHCD"), regarding satisfaction of LIHTC Extended Use Covenants during the redevelopment of the site. An agreement with DHCD was reached as of May 15, 2018. An operating agreement was negotiated with joint venture partners for redevelopment of the site. The FY 2018 County CIP budget funded demolition costs for two projects of which \$1.3 million was allocated to Ambassador Apartments. In September 2019, the Commission approved the selection of DSI as the Demolition Contractor. The demolition began in September 2019 and was completed in April 2020. The Mattress Firm was demolished in September 2020. A revised predevelopment budget and funding was approved by the Commission in July 2022. Staff and the development team continues to work through the design, site plan entitlement, and permitting process and anticipates construction start sometime in CY 2025.

Resident Services and Other Supportive Programming: HOC offers expanded customer services designed to help families and children to be stably housed while working toward goals that help them to realize their fullest potential. HOC's Resident Services and Housing Resources Divisions offer supportive programming for HOC households to give them access to educational opportunities and help in gaining skills to become upwardly mobile.

HOC's Family Self-Sufficiency Program ("FSS") is funded by HUD and helps families in the Housing Choice Voucher ("Section 8" or "HCV") program move toward financial independence by providing the support they need to enhance their education, training skills, and employment goals, so that they may achieve long-term career success and build wealth. 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, and relies on volunteer services, referrals, and grants from partners to connect with customers for its success. At the end of FY 2023, the program had graduated 1,018 participants since its inception in 1993. The average earned income of the FY 2023 graduates more than doubled and 100% were gainfully employed for at least 12 months. Currently, 353 HOC customers are actively working toward their individualized milestones and goals outlined in their FSS contract of participation. 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 the 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 grant 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 1,300 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.

HOC Academy ("HOCA") 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 Education and Workforce Development Program ("AEWD") that has provided approximately \$191,000 in scholarships for residents to pursue a degree/certification and training programs to advance career goals. In FY 2023, AEWD provided career and small business development training in collaboration with Career Catchers, WorkSource Montgomery, and ALSTNTEC, LLC. The Small Business Development Opportunities began in 2019, and now includes a 10-week Small Business Strategies Course, monthly webinars on a variety of topics including; how to make money on YouTube; government contracting; business taxes 101; how to create a pitch deck; and, business legalization assistance. To date, HOCA has assisted residents with legalizing 29 businesses. In FY 2023, the workforce development opportunities included a collaboration with WorkSource

Montgomery's Mobile Bus that provided workforce development assistance and referrals. HOC Academy plans to continue to provide education and career training, small business development opportunities, training and paid internships in FY 2024.

The Youth Enrichment Program ("YEP") has offered STEM and STEAM programming opportunities via after school and summer programs. YEP has also hosted annual Back-to-School Fests since its inception, accommodating approximately over 800 youth annually. In response to the COVID-19 pandemic, HOC Academy was able to offer a virtual program options for all scheduled programs to include a STEM Camp for rising 3rd through 5th graders and a Young Science Explorers Camp, which included at home science experiments for 6th through 8th graders. In FY 2023, YEP hosted bi-monthly STEM and STEAM fieldtrips, including a trip to iFly indoor skydiving in Gaithersburg for middle school students and their families. In the spring of 2023, YEP hosted a STEM field trip to Top Golf and a Family STEM Fair in collaboration with Metro Warriors STEM organization. Further, with the support of Housing Opportunities Community Partners and other grantors, YEP will continue to provide resources and services to middle and high school students participating in STEAM Forward Academy (SFA), which includes STEM/STEAM enrichment and HOC's College Success Program administered in partnership with First Generation College Bound, Inc. ("FGCB"). SFA is an active community for youth who have a serious interest in STEAM/STEM and live in a household that participates in one of HOC's housing programs. SFA includes scholarship opportunities to participate in regional STEM/STEAM learning opportunities. Participants receive up to \$700 per calendar year to participate in enrichment programs of their choice. In FY 2023, YEP served approximately 20 juniors and seniors providing college preparation and admission assistance, mentoring and general support to youth post-secondary education to career. The FGCB program partnership allows HOCA to track long-term success of our youth and families. HOCA plans to offer all services in FY 2024 and anticipates expanding participation through a hybrid of in-person and virtual programming.

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 includes:

- Kids' STEM Summer Day Camps and After-School Clubs 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, a collaborative effort with HOC, county businesses, local organizations, and congregations, which provides essential school supplies for nearly 1,000 low-income youth served by HOC affordable housing programs.
- Housing Counseling Plus Program, which provides moving cost assistance to homeless families relocating to permanent housing.
- Small Business Development programs, which teach adults various aspects of small business operation ranging from registration and licensing through marketing and inventory. The course is followed up by three months of mentoring to complete business plans and to establish legal entities, if applicable.
- Adult Education/Workforce Development programs, which provide tuition assistance and soft skills development services to adults pursuing degree and vocational certification programs.

HOCP's gross income for FY 2023 was \$362,347 and total expenses were \$267,740. The organization's budget for FY 2024 is \$254,074. Throughout the course of FY 2023, HOCP 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 are 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, 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.

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 ("BF&A") Committee, a subset of the full Commission, for review. It is 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 the '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 22 discretely presented component units. Each LIHTC limited partnership represents a property, which provides 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. They may also be resyndicated to raise new capital for new rounds of renovations.

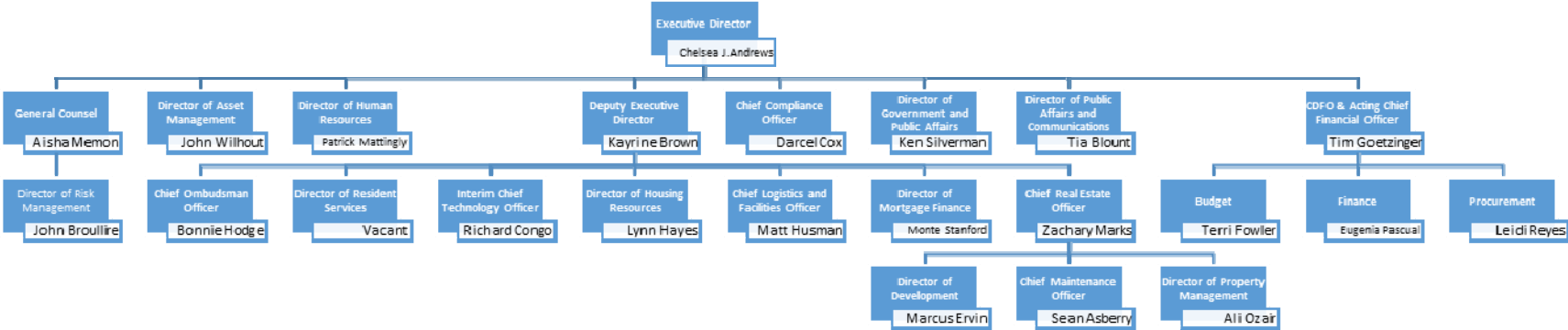
Acknowledgements: The preparation of this report has been accomplished by the efforts of the Finance Division in conjunction with the support of various division directors and staff throughout the Agency. We would also like to thank the Board of Commissioners for their continued support and guidance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

Respectfully submitted,

Tim Goetzinger

Tim Goetzinger
Acting Chief Financial Officer

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
ORGANIZATIONAL CHART**



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
 (A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
 LIST OF PRINCIPAL OFFICERS**

Name, Title	Expiration of Term
BOARD OF COMMISSIONERS	
Roy Priest, Chair	August, 2024
Frances Kelleher, Vice Chair	August, 2024
Jeffrey Merkowitz, Commissioner, Chair Pro Term	August, 2026
Pamela Byrd, Commissioner	August, 2023- Serving until replacement/reappointment
Linda Croom, Commissioner	August, 2027
Richard Y. Nelson, Jr.	August, 2023- Serving until replacement/reappointment
Jackie Simon, Commissioner	Serving until replacement/reappointment

SENIOR MANAGEMENT

Chelsea J. Andrews, Executive Director
 Aisha Memon, General Counsel

EXECUTIVE STAFF

Kayrine Brown, Deputy Executive Director
 Sean Asberry, Director of Maintenance
 Tia Blount, Director of Public Affairs and Communication
 John Broullire, Director of Risk Management
 Richard Congo, Interim Chief Technology Officer
 Darcel Cox, Chief Compliance Officer
 Marcus Ervin, Director of Development
 Timothy Goetzinger, CDFO & Acting Chief Financial Officer
 Lynn Hayes, Director of Housing Resources
 Bonnie Hodge, Chief Ombudsman Officer
 Matt Husman, Chief Logistics and Facilities Officer
 Zachary Marks, Chief Real Estate Officer
 Patrick Mattingly, Director of Human Resources
 Ali Ozair, Director of Property Management
 Ken Silverman, Director of Government and Legislative Affairs
 Monte Stanford, Director of Mortgage Finance
 John Wilhoit, Director of Asset Management
 Vacant, Director of Resident Services

II. FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 (the Commission), a component unit of Montgomery County, Maryland, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, 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, 2023, and the respective changes in financial position, and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Georgian Court LLC, HOC at Shady Grove, LLC, HOC at Stewartown Homes, LLC, HOC Westside Shady Grove, LLC, HOC at Upton II LLC, Spring Garden One Associate Limited Partnership, Tanglewood and Sligo Limited Partnership, Waverly House RAD Limited Partnership, HOC at Willow Manor LLC, Wheaton Metro Limited Partnership, which represent 82%, 61% and 99% 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. 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, HOC at Georgian Court LLC, HOC at Shady Grove, LLC, HOC at Stewartown Homes, LLC, HOC Westside Shady Grove, LLC, HOC at Upton II LLC, Spring Garden One Associate Limited Partnership, Waverly House RAD Limited Partnership, and HOC at Willow Manor LLC were not performed in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 6-16, Schedule of the Commission's Proportionate Share of the Total Pension Liability on page 104, the Schedule of Commission Pension Contributions on page 105, the Schedule of the Commission's Total OPEB Liability and related ratios on page 106 and the Schedule of Commission OPEB Contributions on page 107, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing 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.

Supplementary 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 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

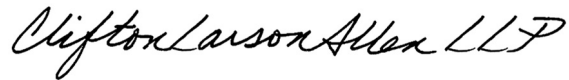
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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, 2022, 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, 2022, 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 2022 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 2022 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 14, 2023, 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 Commission’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
November 14, 2023

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

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, 2023. 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 decreased slightly by \$0.3 million during fiscal year 2023, compared to the \$297.1 million balance at June 30, 2022.

The Commission's current ratio (ratio of current assets to current liabilities) increased from 2.68 at June 30, 2022 to 3.62 at June 30, 2023, attributed primarily to a decrease in the Multifamily Sub-fund undrawn bond proceeds payable due to additional bond draws for HOC at Westside Shady Grove LLC ("Westside Shady Grove"), HOC at Willow Manor LLC ("Willow Manor"), HOC at Stewartown Homes LLC ("Stewartown Homes"), and Bauer Park Apartments LP ("Bauer Park"). Furthermore, the Opportunity Housing Sub-fund current liabilities also decreased largely due to refinancing of Westwood Tower Apartments, short-term debt.

Outstanding mortgage and construction loans receivable increased from \$664.7 million at June 30, 2022 to \$728 million at June 30, 2023. This is mainly due to an increase in mortgage loans receivables from Elizabeth House III LP ("EH III/The Leggett"), HOC at Upton II LLC ("Upton/The Residence Lane"), Willow Manor, Stewartown Homes, HOC at Shady Grove LLC ("Shady Grove") and Hillandale Gateway LLC ("Hillandale"), attributed to additional draws from the PNC Bank, N.A. Real Estate Line of Credit ("RELOC"). The Multifamily Sub-fund also contributed to the increase due to the mortgage receivables on the new bond issued under the Multifamily Housing Development Bonds ("MHDB") 2023 Series A for the Upton/The Residence Lane permanent financing.

The amount of U.S. Department of Housing and Urban Development (HUD) Section 8 Housing Assistance Payments (HAP) administered by the Commission increased by 6.5% from \$125.8 million in fiscal year 2022 to \$135 million in fiscal year 2023.

During fiscal year 2023, the Multifamily Sub-fund issued a \$28.5 million new bond under the Multifamily Housing Development Bonds ("MHDB") 2023 Series A. The Multifamily Sub-fund redeemed and retired bonds in the amount of \$12.5 million which consisted of \$9.1 million from the 1996 indenture, \$2.9 million from the Stand Alone 1998 Issue and \$0.5 million bond defeasance related to 1994 Strathmore Issue.

The Single Family Sub-fund issued a \$30.1 million new bond under the Mortgage Revenue Bonds 2023 Series A&B, and redeemed and retired bonds in the amount of \$25.4 million which consisted of \$18.0 million from the 1979 indenture, \$4.9 million from the 2019 Indenture and \$2.5 million from the 2009 indenture.

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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.

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.

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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.

Discretely Presented Component Units

Real Estate Limited Partnerships – The Commission is the managing general partner in 17 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, 2023.

Blended Component Units

Development Corporation – The Commission has 59 properties that are considered blended component units and presented with the Opportunity Housing Sub-Fund in the appropriate fund financial statement and combining statements.

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Financial Analysis of the Commission as a Whole

The Commission's total net position in fiscal year 2023 decreased by 0.1%.

Net investment in capital assets is -47.1% of the Commission's net position. These capital assets are used primarily to provide housing to low-income residents.

35.8% 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.

111.2% of the Commission's net position is unrestricted. These non-restricted resources are used in the operations of the Commission.

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

	2023	2022	Change (\$)	Change (%)
Assets:				
Current Assets	\$ 416.2	\$ 477.3	\$ (61.1)	(12.8)%
Other Assets	224.5	215.6	8.9	4.1%
Capital Assets	669.1	681.7	(12.6)	(1.8)%
Mortgage and Construction Loans Receivable, Net of Current	716.1	651.6	64.5	9.9%
Total Assets	2,025.9	2,026.2	(0.3)	(0.0)%
Deferred Outflows of Resources	31.7	60.4	(28.7)	(47.5)%
Liabilities:				
Current Liabilities	69.1	119.6	(50.5)	(42.2)%
Current Portion of Long-Term Debt and Bonds Payable	45.9	58.3	(12.4)	(21.3)%
Total Current Liabilities	115.0	177.9	(62.9)	(35.4)%
Noncurrent Liabilities:				
Bonds Payable	755.6	741.6	14.0	1.9%
Other Liabilities	842.7	818.9	23.8	2.9%
Total Liabilities	1,713.3	1,738.4	(25.1)	-1.4%
Deferred Inflows of Resources	47.5	51.1	(3.6)	(7.0)%
Net Position				
Net Investment in Capital Assets	(139.7)	(135.7)	(4.0)	2.9%
Restricted for:				
Debt Service	96.8	99.1	(2.3)	(2.3)%
Customer Deposits and Other	2.2	2.4	(0.2)	(8.3)%
Closing Cost Assistance Program	7.4	6.0	1.4	23.3%
Unrestricted	330.1	325.3	4.8	1.5%
Total Net Position	\$ 296.8	\$ 297.1	\$ (0.3)	(0.1)%

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Total assets of the Commission decreased slightly by \$0.3 million and remained at \$2.03 billion as in fiscal year 2022. Total liabilities decreased by \$25.1 million or 1.5% from \$1.74 billion in fiscal year 2022.

The slight decrease in total assets was largely attributed to a decrease in restricted and unrestricted cash, cash equivalents and investments driven by additional draws of the bond proceeds for Westside Shady Grove, Willow Manor, Shady Grove, Georgian Court, Stewartown Homes and Bauer Park. The net capital assets also decreased primarily attributed to the normal depreciation of fixed assets. The decrease is partially offset by an increase in mortgage and construction loans receivables related to additional RELOC draws for several discrete component units as well as the MHDB 2023 Series A for Upton II/The Residence Lane.

The decrease in total liabilities was mainly driven by a decrease in the current-maturing debts partially offset by an increase in noncurrent debts. Current liabilities decreased by \$62.9 million mainly due to a decrease in undrawn mortgage proceeds payable and current mortgage, notes, loan and bonds payable. Noncurrent liabilities (including bonds and mortgage loans payable) increased by \$37.8 million. The Commission issued bonds totaling \$58.6 million and retired bonds totaling \$36.9 million. The Commission also issued \$65.2 million in mortgage loans payable and paid back \$42.3 million during the fiscal year. The new mortgage loans were draws on the PNC lines of credit for several properties under construction or rehabilitation.

Based on Government Accounting Standards Board State No.(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 positive fair value of \$4.3 million (derivative asset) on June 30, 2023 compared to a net positive value of \$0.5 million (positive fair value of \$2.2 million – derivative asset and negative fair value of \$1.7 million – deferred outflow of resources) on June 30, 2022.

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

	2023	2022	Change (\$)	Change (%)
Operating Revenues				
Dwelling Rental	\$ 103.5	\$ 102.4	\$ 1.1	1.1%
Governmental Grants	167.2	153.6	13.6	8.9%
Investment Income	18.2	11.5	6.7	58.3%
Unrealized (Losses) Gains on Investments	(7.3)	(15.1)	7.8	(51.7)%
Interest on Mortgage and Construction Loans Receivable	9.6	7.1	2.5	35.2%
Management Fees and Other Income	13.0	19.6	(6.6)	(33.7)%
Total Operating Revenues	<u>304.2</u>	<u>279.1</u>	<u>25.1</u>	<u>9.0%</u>
Operating Expenses				
Housing Assistance Payments	135.0	125.8	9.2	7.3%
Administration	53.5	46.6	6.9	14.8%
Maintenance	26.5	28.2	(1.7)	(6.0)%
Depreciation and Amortization	21.7	21.2	0.5	2.4%
Utilities	7.4	7.4	-	0.0%
Fringe Benefits	9.3	11.9	(2.6)	(21.8)%
Interest Expense	43.9	35.8	8.1	22.6%
Other Expenses	12.7	14.7	(2.0)	(13.6)%
Total Operating Expenses	<u>310.0</u>	<u>291.6</u>	<u>18.4</u>	<u>6.3%</u>
Operating Loss	(5.8)	(12.5)	6.7	(53.6)%
Nonoperating Revenues, Net	<u>5.7</u>	<u>74.0</u>	<u>(68.3)</u>	<u>(92.3)%</u>
Income Before Contributions and Transfers	(0.1)	61.5	(61.6)	(100.2)%
Transfers From (To) Discrete Component Units				
Capital Contributions	(0.2)	(0.3)	0.1	(33.3)%
Change in Net Position	(0.3)	61.2	(61.5)	(100.5)%
Total Net Position - Beginning of Year	<u>297.1</u>	<u>235.9</u>	<u>61.2</u>	<u>25.9%</u>
Total Net Position - End of Year	<u><u>\$ 296.8</u></u>	<u><u>\$ 297.1</u></u>	<u><u>\$ (0.3)</u></u>	<u><u>(0.1)%</u></u>

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, 2023, the Commission has recorded all ABA received as income.

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Dwelling rent increased by \$1 million and is mainly attributed to HOC at Battery Lane LLC ("Battery Lane"), 900 Thayer Retail LLC ("Thayer Retail") and HOC at Avondale LLC partly reduced by a decrease from the three Manor Properties (The Manor at Colesville LLC, The Manor at Cloppers Mill LLC and The Manor at Fair Hill Farm LLC), Georgian Court Apartments and Shady Grove Apartments.

Governmental grants increased by \$13.6 million as a result of an increase in Housing Assistance Payments (HAP) revenue, and rental assistance from the County, CDBG and HIF Rental Assistance program.

Investment income and unrealized gains on investments increased by \$14.5 million in FY 2023 due to changes in interest rates and the investing environment.

Interest income on mortgage and construction loans receivable increased by \$2.5 million largely driven by MHDB 2021 Series C & D within the Multifamily Sub-fund.

Management fees and other income decreased by \$6.6 million mainly due to the delays in the receipt of commitment and development fees and a decrease in insurance income under the FHA Risk sharing.

HAP expense increased by \$9.2 million in FY 2023 due to an increase in leasing and leasing cost as well as new programs.

Administrative expense increased by \$6.9 million in FY 2023 mostly due to the disbursement of the rental assistance funding received from the County, CDBG and HIF Rental Assistance Program, online information services, computer software, administrative salaries and recruiting expenses partially offset by a decrease in the COVID-19 expenses.

Fringe benefits decreased by \$2.6 million largely driven by a decrease in pension expense, and other postemployment benefits ("OPEB"), due to the changes in the Commission's proportionate share of the Total Pension Liability and Total OPEB Liability as of the measurement date of June 30, 2022. As a participating employer, the Commission is required to follow Governmental Accounting Standards Board ("GASB") Statement No.'s 68 and 75 to report the Commission's proportionate share of the total pension and OPEB liability.

Interest expense increased by \$8.1 million mainly attributable to Battery Lane acquisition loan, MV Gateway II LLC mezzanine loan, new bonds issued under the Multifamily Sub-fund and Single Family Sub-fund as well as higher variable interest rate.

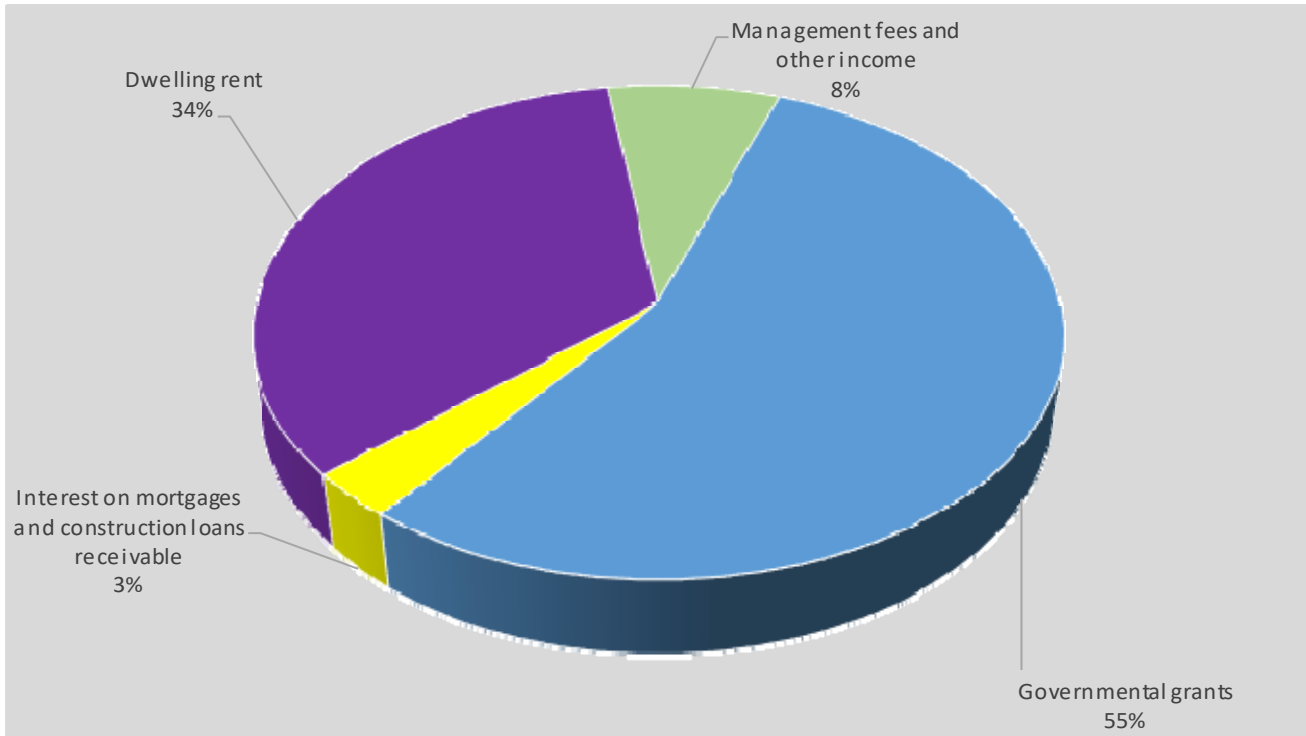
Other expenses decreased by \$2.1 million primarily due to an decrease in the FHA Risk Sharing reserve for loss, COVID-19 expenses, incentive management fees and mortgage insurance.

Non-operating revenue decreased by \$68.3 million mainly due to a decrease in the gain on sale assets from \$69.4 million in fiscal year 2022. The Shady Grove Apartments, Georgian Court Apartments and the three Manor Properties were sold to their respective new special purpose owner entities during the fiscal year 2022.

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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.

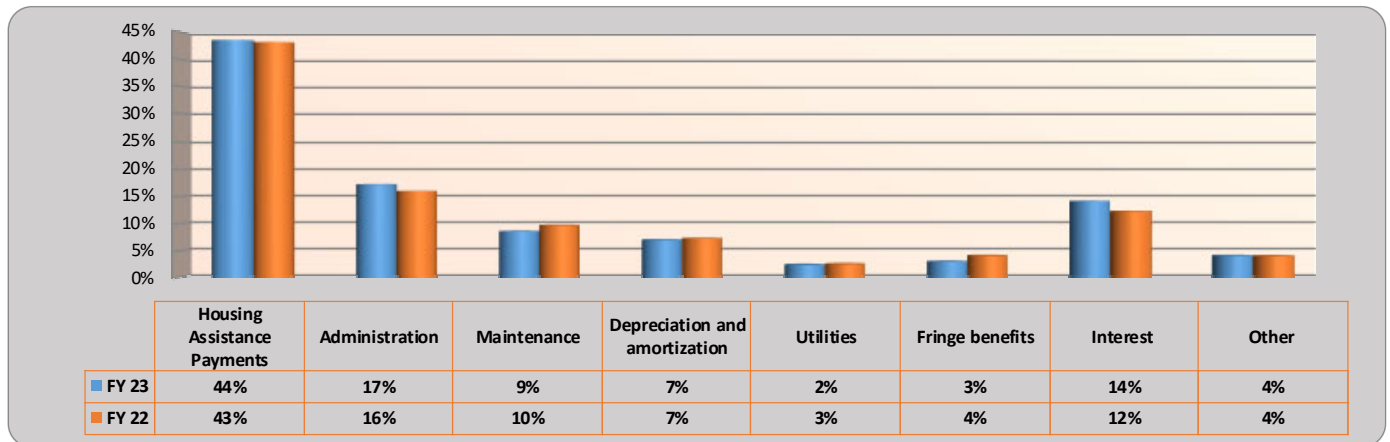
FY 2023 SOURCES OF OPERATING REVENUE



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

FY 2023 vs. FY 2022 OPERATING EXPENSES



Housing Assistance Payments are the major contributor to the total operating expenses of the Commission at 44% 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)

	2023	2022	Change (\$)	Change (%)
Property and Equipment, Net of Depreciation	\$ 669.1	\$ 681.7	\$ (12.6)	(1.8)%

The decrease in capital assets is primarily driven by the normal depreciation of assets.

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

	2023	2022	Change (\$)	Change (%)
Multifamily Bonds	\$ 591.5	\$ 574.5	\$ 17.0	3.0%
Single Family Mortgage Purchase Program Bonds	203.7	199.1	4.6	2.3%
Mortgage Notes and Loans Payable	675.8	652.9	22.9	3.5%
Loans Payable to Montgomery County	94.0	87.8	6.2	7.1%
Total	<u>\$ 1,565.0</u>	<u>\$ 1,514.3</u>	<u>\$ 50.7</u>	<u>3.3%</u>

The following are key elements of the Commission's outstanding debt as of June 30, 2023:

- As of June 30, 2023, \$591.5 million of Multifamily mortgage bonds was outstanding. Sources of payments for the bonds are Multifamily mortgages receivable of \$497.8 million and restricted cash, cash equivalents and investments of \$154.7 million.
- As of June 30, 2023, \$203.7 million of Single Family mortgage bonds was outstanding. Sources of payment for the bonds are Single Family mortgages receivable of \$35.3 million and restricted cash, cash equivalents and investments of \$187.5 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 9 (Bonds, Mortgage Notes, and Loans Payable) provides detailed information about long-term debt activity.

Economic Outlook

As we look ahead to the future, HOC will continue to face many challenges, but will be afforded many opportunities to continue to deliver high-quality affordable housing and programming, and in doing so, accomplish our mission. We will set forth a new Strategic Plan that will address macro- and micro-level challenges that will enable us to meet the needs of County residents over the next five years. We believe addressing the County's affordable housing challenge will require focusing on the "three P's": housing production, preservation and protection of subsidy programs.

At a macro-level, the environment in which we operate will impact our ability to deliver housing opportunities by taking advantage of new and existing housing production tools that advance goals set forth for Montgomery County. We will do so with the development of Hillandale Gateway, which will break ground in the fall of 2023 for the construction of 463 mixed-income, age-restricted and non-age-restricted units in the East County. The production goals are further advanced with the ongoing planning at Wheaton Gateway which, when completed, will deliver at least 770 units at the intersection of University Boulevard and Veirs Mill Road in Wheaton, the renaissance of Heritage Emory Grove in Gaithersburg, as well as the Garnkirk Farms project in Clarksburg, and Sandy Spring Missing Middle project in Olney. At the same time, we must work to preserve housing that already exists so there is no net loss from our acquisition and redevelopment activities. This means continued reinvesting in our existing assets as well as the acquisition of at-risk multifamily developments that are naturally occurring affordable housing. And finally, with 36,000 applicants on the waitlist, 27,000 of which seeking HCVs,

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we must double our efforts at the federal level to protect the number of available vouchers and continue to support legislation at the state level to introduce subsidy programs for those in need.

At the micro-level, HOC must find new ways to grow our revenue, both from real estate and mortgage finance fees, while stabilizing revenue from our properties. Throughout the budget process, we have discerned opportunities whereby stronger management of our properties can result in lower vacancies, lower concessions, and higher net incomes. HOC is uniquely positioned to take advantage of the market because our annual rent increases are limited by the County Executive's VRG, which should attract renters. On the flip side, controlling our expenses, though difficult in a high inflationary environment, will allow us to realize stable cash flow, strengthen our assets, and better serve our residents through some of the Resident Service initiatives funded by our properties.

And while we are focusing squarely on the fiscal aspects of our operations, it is imperative that we use the available financial and educational resources to assist customers to reestablish their housing status and become financially stable. This will enable them to focus more clearly on meeting the needs of their families, repaying delinquent rents that will allow HOC's financial operations to return to normal, and move their families closer to self-sufficiency. Staff are cautiously optimistic that as the environmental effects from the COVID-19 pandemic improve, the risk of evictions from HOC's properties will decrease, allowing our customers to remain housed. If we hope to continue serving our customers and community as effectively and efficiently as possible, HOC will need to continue to be innovative in our 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. Our ability to continue innovating and investing in Montgomery County requires strong partnerships and collaboration with the County Executive and County Council. Finally, with the steady guidance of our Commissioners and the hard work of our staff, 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.

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
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STATEMENTS OF NET POSITION
JUNE 30, 2023

	Primary Government	Discrete Component Units
ASSETS		
CURRENT ASSETS		
Unrestricted:		
Cash and Cash Equivalents	\$ 122,787,629	\$ 15,682,795
Advances to Component Units	7,487,772	-
Accounts Receivable and Other Assets, Net	29,023,057	7,882,115
Due From Related Parties	-	1,559,981
Accrued Interest Receivable	17,633,698	-
Mortgage and Construction Loans Receivable, Current	11,842,353	-
Lease Receivable, Current	1,106,005	-
Total Unrestricted Current Assets	189,880,514	25,124,891
Restricted Cash, Cash Equivalents, and Investments:		
Restricted Cash and Cash Equivalents	168,603,553	23,758,828
Restricted Short-Term Investments	2,139,278	-
Restricted for Current Bonds Payable	49,270,111	-
Restricted for Customer Deposits	6,286,702	884,002
Total Restricted Cash, Cash Equivalents, and Investments	226,299,644	24,642,830
Total Current Assets	416,180,158	49,767,721
NONCURRENT ASSETS		
Restricted Long-Term Investments	175,141,780	-
Mortgage and Construction Loans Receivable, Net of Current Portion	716,135,179	-
Capital Assets Being Depreciated, Net	508,014,018	469,582,790
Capital Assets, Not being Depreciated	160,765,869	308,923,470
Right-to-Use Asset, Net	334,568	-
Lease Receivable	7,438,772	-
Derivative Asset	4,322,996	-
Other Noncurrent Assets	-	9,427,060
Investment in Partnership	-	16,372,489
Investment in Component Units	37,523,980	-
Total Noncurrent Assets	1,609,677,162	804,305,809
Total Assets	2,025,857,320	854,073,530
DEFERRED OUTFLOWS OF RESOURCES		
Derivative Instrument	20,637,912	-
Employer-Related Pension Activities	6,707,859	-
Employer-Related OPEB Activities	4,331,747	-
Total Deferred Outflows of Resources	31,677,518	-
Total Assets and Deferred Outflows of Resources	\$ 2,057,534,838	\$ 854,073,530

See accompanying Notes to Financial Statements.

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LIABILITIES AND NET POSITION

	<u>Primary Government</u>	<u>Discrete Component Units</u>
CURRENT LIABILITIES		
Current Unrestricted Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 28,474,734	\$ 22,682,738
Undrawn Mortgage Proceeds Payable	15,010,336	-
Accrued Interest Payable	10,573,849	18,375,020
Loans Payable to Montgomery County - Current	247,073	-
Lease Payable - Current	126,470	-
Mortgage Notes and Loans Payable - Current	5,985,136	10,584,218
Due To Related Parties	-	7,963,702
Total Current Unrestricted Liabilities	60,417,598	59,605,678
Current Liabilities Payable from Restricted Assets:		
Customer Deposits Payable	5,314,212	767,810
Accrued Interest Payable	9,615,948	-
Bonds Payable - Current	39,654,165	-
Total Current Liabilities Payable from Restricted Assets	54,584,325	767,810
Total Current Liabilities	115,001,923	60,373,488
NONCURRENT LIABILITIES		
Bonds Payable	755,574,475	-
Mortgage Notes and Loans Payable	669,817,703	632,701,340
Loans Payable to Montgomery County	93,710,306	30,388,277
Lease Payable	209,081	-
Unearned Revenue	33,997,564	-
Advances Due to Primary Government	-	1,732,777
Other Noncurrent Liabilities	-	27,347,101
Escrow and Other Deposits	20,561,989	-
Pension Liability	10,257,154	-
OPEB Liability	14,123,111	-
Derivative Instruments - Hedging	-	-
Total Noncurrent Liabilities	1,598,251,383	692,169,495
Total Liabilities	1,713,253,306	752,542,983
DEFERRED INFLOWS OF RESOURCES		
Derivative Instrument	4,322,996	-
Unamortized Pension Net Difference	21,869,285	-
Unamortized OPEB Net Difference	13,181,185	-
Unamortized Lease Receivable	8,113,988	-
Total Deferred Inflows of Resources	47,487,454	-
NET POSITION		
Net Investment in Capital Assets	(139,672,412)	104,832,425
Restricted for:		
Debt Service	96,751,533	-
Customer Deposits and Other	2,193,900	23,875,020
Closing Cost Assistance Program	7,370,324	-
Unrestricted	330,150,733	(27,176,898)
Total Net Position	296,794,078	101,530,547
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 2,057,534,838	\$ 854,073,530

See accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

	Primary Government	Discrete Component Units
OPERATING REVENUES		
Dwelling Rental	\$ 103,417,166	\$ 32,398,805
Investment Income	18,205,365	-
Unrealized Losses on Investments	(7,314,964)	-
Interest on Mortgage and Construction Loans Receivable	9,624,925	-
Management Fees and Other Income	13,018,167	1,096,876
U.S. Department of Housing and Urban Development Grants:		
Housing Assistance Payments (HAP)	132,450,425	-
HAP Administrative Fees	11,055,517	-
Other Grants	6,119,359	-
State and County Grants	17,608,793	-
Total Operating Revenues	304,184,753	33,495,681
OPERATING EXPENSES		
Housing Assistance Payments	135,001,298	-
Administration	53,458,515	6,356,458
Maintenance	26,515,489	5,753,845
Depreciation and Amortization	21,738,346	15,852,657
Utilities	7,487,437	2,897,896
Fringe Benefits	9,274,265	1,163,312
Interest Expense	43,864,639	15,530,764
Other Expenses	12,670,677	4,678,566
Bad Debt Expense	-	469,407
Total Operating Expenses	310,010,666	52,702,905
OPERATING LOSS	(5,825,913)	(19,207,224)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	5,214,415	63,131
Interest on Mortgage and Construction Loans Receivable	4,340,360	-
Interest Expense	(4,295,681)	-
Other Grants	404,347	-
Gain on Sale of Assets	72,097	-
Total Nonoperating Revenue	5,735,538	63,131
LOSS BEFORE DISTRIBUTIONS AND CONTRIBUTIONS	(90,375)	(19,144,093)
Partner Equity Distributions	-	(1,708,481)
Capital Contributions	(216,840)	4,696,839
CHANGE IN NET POSITION	(307,215)	(16,155,735)
Net Position - Beginning of Year	297,101,293	117,686,282
NET POSITION - END OF YEAR	\$ 296,794,078	\$ 101,530,547

See accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
STATEMENT OF CASH FLOWS – BUSINESS-TYPE ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 102,696,666
Intergovernmental Revenue	166,553,947
Investment Income Received	18,580,993
Mortgage Interest Received	9,711,510
Mortgage Loan Principal Received	(15,227,606)
Management Fees and Other Income	2,399,978
Mortgage Escrow Receipts	47,893
Mortgage Loans Issued	639,647
Payoff of Undrawn Proceeds	(53,153,172)
Payments to Suppliers	(49,383,829)
Payments to Employees	(51,345,975)
Interest Paid	(44,882,548)
Housing Assistance Payments	(135,001,298)
Net Cash Used by Operating Activities	(48,363,794)
CASH FLOWS FROM INVESTING ACTIVITIES	
Advances/Investment to Component Units	(5,085,094)
Issuance of Notes Receivable	(80,213,865)
Receipt of Payments on Notes Receivable	21,618,061
Investments Sold	1,451,507
Investments Purchased	(13,068,727)
Investment Income Received	5,214,415
Mortgage Interest Received	13,136,362
Net Cash Used by Investing Activities	(56,947,341)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Sale of Bonds (MF Capital and SF Non-Capital)	58,623,306
Proceeds from Issuance of Mortgage	240,000
Bond Repayments	(36,263,872)
Intergovernmental Revenue	404,489
Net Cash Provided by Noncapital Financing Activities	23,003,923
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for Property and Equipment	(8,319,327)
Proceeds from Sale of Capital Assets	-
Proceeds from Loans Payable to Montgomery County	6,727,677
Payments on Loans Payable to Montgomery County	(561,463)
Proceeds from New Mortgage Notes and Loans Payable	86,382,328
Payments on Mortgage Notes and Loans Payable	(53,897,071)
Interest Paid on Mortgages	(14,236,433)
Capital Contributions and Transfers	(216,840)
Net Cash Provided by Capital and Related Financing Activities	15,878,871
NET DECREASE IN CASH AND CASH EQUIVALENTS	(66,428,341)
Cash and Cash Equivalents - Beginning of Year	413,376,336
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 346,947,995

See accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
STATEMENT OF CASH FLOWS – BUSINESS-TYPE ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2023

	Business-Type Activities
RECONCILIATION OF CASH AND CASH EQUIVALENTS, END OF YEAR TO AMOUNTS IN THE STATEMENT OF NET POSITION	
Current Unrestricted Cash and Cash Equivalents	\$ 122,787,629
Restricted Cash and Cash Equivalents	168,603,553
Restricted Current Bonds Payable	49,270,111
Restricted Customer Deposits	6,286,702
Total Cash and Cash Equivalents	\$ 346,947,995
 RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (5,825,913)
Adjustments to Reconcile Operating Loss Net Cash	
Used by Operating Activities:	
Depreciation	21,738,346
Amortization	(676,639)
Unrealized Losses on Investments	7,314,965
Gain on Sale of Assets	72,097
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivable and Other Assets	(1,334,973)
Mortgage and Construction Loans Receivables	(35,023,469)
Accrued Interest Receivable	(2,401,486)
Prepaid Expenses and Other Assets	(6,900)
Deferred Outflows of Resources - Pension	22,494,720
Deferred Outflows of Resources - OPEB	3,857,388
Interfund Receivable/Payable	6,345
Accounts Payable	(102,436)
Unearned Revenue	(704,954)
Accrued Interest Payable	2,207,462
Undrawn Proceeds	(32,663,830)
Derivative Instrument	(836,447)
OPEB Liability	(2,450,708)
Pension Liability	(21,959,489)
Deferred Inflows of Resources - Pension	(2,132,641)
Deferred Inflows of Resources - OPEB	(2,129,694)
Escrow and Other Deposits	2,194,462
Net Cash Used by Operating Activities	\$ (48,363,794)

See accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
COMBINING STATEMENTS OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2023

	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	12/31 FYE
	Alexander House	Greenhills	Elizabeth House III LP	Spring Garden	Wheaton Venture	HOC at 11250 Veirs Mill	Wheaton Metro	Forest Oak	Tanglewood/ Sligo	Hampden Lane
Assets										
Current Assets:										
Cash and Cash Equivalents	\$ 243,573	\$ 687,383	\$ 294,765	\$ 104,041	\$ 1,321	\$ -	\$ 546,231	\$ 1,977,169	\$ 668,986	\$ 242,404
Accounts Receivable and Other Assets, Net	350,237	105,477	3,766,863	63,327	148,520	101,500	19,252	68,028	94,160	11,491
Interfund Receivable (Payable)	-	3,610	-	-	467,364	282,852	46,193	-	-	-
Total Unrestricted Current Assets	593,810	796,470	4,061,628	167,368	617,205	384,352	611,676	2,045,197	763,146	253,895
Restricted Cash and Cash Equivalents:										
Customer Deposits	26,697	31,946	-	42,175	-	-	27,097	49,022	104,821	4,472
Restricted Cash and Cash Equivalents	2,064,512	899,928	267,000	476,509	-	-	540,598	776,862	2,193,056	459,086
Total Restricted Cash and Cash Equivalents	2,091,209	931,874	267,000	518,684	-	-	567,695	825,884	2,297,877	463,558
Noncurrent Assets:										
Investment in Partnership	-	-	-	-	16,372,489	-	-	-	-	-
Property and Equipment, Net of Depreciation	34,310,782	20,210,551	101,698,369	6,293,283	2,547,284	18,071,046	7,351,523	18,551,826	22,292,277	2,884,394
Deferred Charges and Other Noncurrent Assets	9,360	22,219	1,993,348	-	156,646	-	2,623	-	44,024	4,736
Total Noncurrent Assets	34,320,142	20,232,770	103,691,717	6,293,283	19,076,419	18,071,046	7,354,146	18,551,826	22,336,301	2,889,130
Total Assets	\$ 37,005,161	\$ 21,961,114	\$ 108,020,345	\$ 6,979,335	\$ 19,693,624	\$ 18,455,398	\$ 8,533,517	\$ 21,422,907	\$ 25,397,324	\$ 3,606,583
Liabilities										
Current Unrestricted Liabilities:										
Accounts Payable and Accrued Liabilities	\$ 345,245	\$ 43,238	\$ 2,130,526	\$ 54,868	\$ 228,995	\$ 690,349	\$ 72,714	\$ 149,143	\$ 123,796	\$ 400,225
Accrued Interest Payable	59,948	952,194	2,884,873	3,586,628	-	-	14,181	72,494	323,402	-
Mortgage Notes and Loans Payable - Current	215,275	179,559	-	229,539	-	-	39,636	584,562	249,279	-
Advances from Primary Government	90,363	20,086	1,149,867	48,470	-	-	2,005,351	-	486,084	632,377
Total Unrestricted Current Liabilities	710,831	1,195,077	6,165,266	3,919,505	228,995	690,349	2,131,882	806,199	1,182,561	1,032,602
Current Liabilities Payable from Restricted Assets:										
Customer Deposits Payable	22,109	27,993	-	40,149	-	-	26,123	41,412	65,994	2,992
Noncurrent Liabilities:										
Mortgage Notes and Loans Payable	30,587,279	18,139,086	92,094,679	7,054,337	959,871	749,489	4,310,710	10,825,636	14,927,982	252,324
Advances Due to Primary Government	-	-	-	-	173,390	-	-	-	-	-
Notes Payable to HOC	-	-	-	-	-	-	-	-	-	-
Loans Payable to Montgomery County	-	-	8,000,000	1,382,000	-	-	865,279	1,223,393	-	944,829
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Other Noncurrent Liabilities	3,893,758	69,247	-	-	-	-	1,537,329	328,041	-	230,468
Total Noncurrent Liabilities	34,481,037	18,208,333	100,094,679	8,436,337	1,133,261	749,489	6,713,318	12,377,070	14,927,982	1,427,621
Total Liabilities	35,213,977	19,431,403	106,259,945	12,395,991	1,362,256	1,439,838	8,871,323	13,224,681	16,176,537	2,463,215
Net Position										
Investment in Capital Assets, Net of Related Debt	3,508,228	1,891,906	1,603,690	(2,372,593)	1,587,413	17,321,557	2,135,898	5,918,235	7,115,016	1,687,241
Restricted Net Position	2,069,100	903,881	267,000	478,535	-	-	541,572	784,472	2,231,883	460,566
Unrestricted Net Position	(3,786,144)	(266,076)	(110,290)	(3,522,598)	16,743,955	(305,997)	(3,015,276)	1,495,519	(126,112)	(1,004,439)
Total Net Position	1,791,184	2,529,711	1,760,400	(5,416,656)	18,331,368	17,015,560	(337,806)	8,198,226	9,220,787	1,143,368
Total Liabilities and Net Position	\$ 37,005,161	\$ 21,961,114	\$ 108,020,345	\$ 6,979,335	\$ 19,693,624	\$ 18,455,398	\$ 8,533,517	\$ 21,422,907	\$ 25,397,324	\$ 3,606,583

See accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
COMBINING STATEMENTS OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
JUNE 30, 2023

	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	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 Willow Manor LLC	HOC at Stewartown	HOC at Georgian Court LLC	HOC at Shady Grove LLC		
Assets														
Current Assets:														
Cash and Cash Equivalents	\$ 497,005	\$ 828,243	\$ 19,450	\$ 139,603	\$ 636,568	\$ 1,242,637	\$ 2,487,316	\$ -	\$ 1,472,933	\$ 900,289	\$ 909,869	\$ 1,783,009	\$ 15,682,795	
Accounts Receivable and Other Assets, Net	58,554	326,511	13,152	97,586	298,444	502,425	232,230	609,395	319,831	82,603	367,251	245,278	7,882,115	
Interfund Receivable (Payable)	49,219	-	183,427	-	-	50,791	-	-	-	-	-	476,525	1,559,981	
Total Unrestricted Current Assets	604,778	1,154,754	216,029	237,189	935,012	1,795,853	2,719,546	609,395	1,792,764	982,892	1,277,120	2,504,812	25,124,891	
Restricted Cash and Cash Equivalents:														
Customer Deposits	42,432	51,551	-	59,937	62,017	57,992	65,414	-	90,852	38,290	84,052	45,235	884,002	
Restricted Cash and Cash Equivalents	1,611,828	1,871,286	-	792,080	1,198,461	1,276,782	321,404	7,554,181	348,483	-	255,634	851,138	23,758,828	
Total Restricted Cash and Cash Equivalents	1,654,260	1,922,837	-	852,017	1,260,478	1,334,774	386,818	7,554,181	439,335	38,290	339,686	896,373	24,642,830	
Noncurrent Assets:														
Investment in Partnership	-	-	-	-	-	-	-	-	-	-	-	-	16,372,489	
Property and Equipment, Net of Depreciation	23,965,369	36,627,784	9,517,849	62,833,218	41,134,012	46,782,848	37,044,899	97,714,667	71,532,700	30,381,317	43,896,086	42,864,176	778,506,260	
Deferred Charges and Other Noncurrent Assets	135,902	210,193	12,136	6,125,194	77,017	98,256	65,890	-	185,061	72,480	112,708	99,267	9,427,060	
Total Noncurrent Assets	24,101,271	36,837,977	9,529,985	68,958,412	41,211,029	46,881,104	37,110,789	97,714,667	71,717,761	30,453,797	44,008,794	42,963,443	804,305,809	
Total Assets	\$ 26,360,309	\$ 39,915,568	\$ 9,746,014	\$ 70,047,618	\$ 43,406,519	\$ 50,011,731	\$ 40,217,153	\$ 105,878,243	\$ 73,949,860	\$ 31,474,979	\$ 45,625,600	\$ 46,364,628	\$ 854,073,530	
Liabilities														
Current Unrestricted Liabilities:														
Accounts Payable and Accrued Liabilities	\$ 123,906	\$ 170,819	\$ 696,216	\$ 151,371	\$ 80,308	\$ 134,073	\$ 853,494	\$ 9,671,368	\$ 1,444,908	\$ 1,222,093	\$ 1,672,372	\$ 2,222,711	\$ 22,682,738	
Accrued Interest Payable	21,536	4,757,603	-	-	942,227	1,226,183	1,404,766	293,689	-	1,042,914	508,416	283,966	18,375,020	
Mortgage Notes and Loans Payable - Current	93,163	128,326	-	555,377	282,768	7,789,243	237,491	-	-	-	-	-	10,584,218	
Advances from Primary Government	424,376	387,077	-	-	32,358	554,490	1,523,633	-	148,025	114,139	332,006	15,000	7,963,702	
Total Unrestricted Current Liabilities	662,981	5,443,825	696,216	706,748	1,337,661	9,703,989	4,019,384	9,965,057	1,592,933	2,379,146	2,512,794	2,521,677	59,605,678	
Current Liabilities Payable from Restricted Assets:														
Customer Deposits Payable	38,366	42,673	-	59,031	59,059	53,764	44,212	-	87,519	34,751	78,449	43,214	767,810	
Noncurrent Liabilities:														
Mortgage Notes and Loans Payable	19,961,415	31,272,013	6,634,920	59,016,442	28,625,996	30,136,269	29,918,460	88,255,947	54,750,606	26,431,211	37,388,126	40,408,542	632,701,340	
Advances Due to Primary Government	-	-	-	1,559,387	-	-	-	-	-	-	-	-	1,732,777	
Notes Payable to HOC	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans payable to Montgomery County	-	-	-	-	-	5,000,000	-	-	12,972,776	-	-	-	30,388,277	
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Noncurrent Liabilities	2,163,194	-	-	-	1,018,284	4,855,826	2,750,194	-	1,652,975	2,536,302	3,350,964	2,960,519	27,347,101	
Total Noncurrent Liabilities	22,124,609	31,272,013	6,634,920	60,575,829	29,644,280	39,992,095	32,668,654	88,255,947	69,376,357	28,967,513	40,739,090	43,369,061	692,169,495	
Total Liabilities	22,825,956	36,758,511	7,331,136	61,341,608	31,041,000	49,749,848	36,732,250	98,221,004	71,056,809	31,381,410	43,330,333	45,933,952	752,542,983	
Net Position														
Net Investment in Capital Assets	3,910,791	5,227,445	2,882,929	3,261,399	12,225,248	3,857,336	6,888,948	9,458,720	3,809,318	3,950,106	6,507,960	2,455,634	104,832,425	
Restricted Net Position	1,615,894	1,880,164	-	792,986	1,201,419	1,281,010	342,606	7,554,181	351,816	3,539	261,237	853,159	23,875,020	
Unrestricted Net Position	(1,992,332)	(3,950,552)	(468,051)	4,651,625	(1,061,148)	(4,876,463)	(3,746,651)	(9,355,662)	(1,268,083)	(3,860,076)	(4,473,930)	(2,878,117)	(27,176,898)	
Total Net Position	3,534,353	3,157,057	2,414,878	8,706,010	12,365,519	261,883	3,484,903	7,657,239	2,893,051	93,569	2,295,267	430,676	101,530,547	
Total Liabilities and Net Position	\$ 26,360,309	\$ 39,915,568	\$ 9,746,014	\$ 70,047,618	\$ 43,406,519	\$ 50,011,731	\$ 40,217,153	\$ 105,878,243	\$ 73,949,860	\$ 31,474,979	\$ 45,625,600	\$ 46,364,628	\$ 854,073,530	

See accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED JUNE 30, 2023

	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	12/31 FYE
	Alexander House	Greenhills	Elizabeth House III LP	Spring Garden	Wheaton Venture	HOC at 11250 Veirs Mill	Wheaton Metro	Forest Oak	Tanglewood/ Sligo	Hampden Lane
OPERATING REVENUES										
Dwelling Rental	\$ 1,838,853	\$ 1,449,033	\$ -	\$ 1,123,936	\$ -	\$ 410,800	\$ 799,868	\$ 2,891,085	\$ 1,873,429	\$ 171,690
Management Fees and Other Income	(937)	15,978	-	3,854	-	-	5,010	19,463	6,419	36,928
Total Operating Revenues	1,837,916	1,465,011	-	1,127,790	-	410,800	804,878	2,910,548	1,879,848	208,618
OPERATING EXPENSES										
Administration	210,917	224,672	-	189,372	-	-	209,332	387,195	254,248	69,815
Maintenance	494,344	181,909	-	269,639	-	-	137,477	466,618	474,415	70,639
Depreciation and Amortization	1,451,468	557,635	-	407,512	13,405	-	559,861	536,974	728,348	137,659
Utilities	171,907	66,755	-	114,444	-	-	52,729	236,155	190,180	48,150
Fringe Benefits	28,576	39,680	-	29,948	-	-	44,755	118,953	68,654	14,401
Interest Expense	1,562,796	802,605	-	397,524	-	-	219,640	633,876	570,694	18,897
Other	227,465	141,525	-	162,710	-	300	71,767	195,320	147,532	19,320
Bad Debt Expense	117,423	39,005	-	34,591	-	-	11,174	-	102,611	(1,445)
Total Operating Expenses	4,264,896	2,053,786	-	1,605,740	13,405	300	1,306,735	2,575,091	2,536,682	377,436
OPERATING INCOME (LOSS)	(2,426,980)	(588,775)	-	(477,950)	(13,405)	410,500	(501,857)	335,457	(656,834)	(168,818)
NONOPERATING REVENUES										
Investment Income	2,358	3,953	-	2,987	-	-	5,085	3,983	4,644	641
Total Nonoperating Revenue	2,358	3,953	-	2,987	-	-	5,085	3,983	4,644	641
Capital Contributions	-	-	-	-	-	-	-	-	-	-
Partner Equity Distributions	-	-	-	-	-	-	-	-	(44,225)	-
CHANGE IN NET POSITION	(2,424,622)	(584,822)	-	(474,963)	(13,405)	410,500	(496,772)	339,440	(696,415)	(168,177)
Net Position - Beginning of Year	4,215,806	3,114,533	1,760,400	(4,941,693)	18,344,773	16,605,060	158,966	7,858,786	9,917,202	1,311,545
NET POSITION - END OF YEAR	\$ 1,791,184	\$ 2,529,711	\$ 1,760,400	\$ (5,416,656)	\$ 18,331,368	\$ 17,015,560	\$ (337,806)	\$ 8,198,226	\$ 9,220,787	\$ 1,143,368

See accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
YEAR ENDED JUNE 30, 2023

	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	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 Willow Manor LLC	HOC at Stewartown	HOC at Georgian Court LLC	HOC at Shady Grove LLC	
OPERATING REVENUES													
Dwelling Rental	\$ 1,437,115	\$ 1,548,976	\$ -	\$ 4,663,002	\$ 1,875,292	\$ 2,047,939	\$ 1,481,406	\$ -	\$ 3,282,732	\$ 1,370,633	\$ 1,574,156	\$ 2,558,860	\$ 32,398,805
Management Fees and Other Income	139,073	98,852	-	424,266	140,403	3,964	14,389	3,378	74,373	4,862	106,601	-	1,096,876
Total Operating Revenues	1,576,188	1,647,828	-	5,087,268	2,015,695	2,051,903	1,495,795	3,378	3,357,105	1,375,495	1,680,757	2,558,860	33,495,681
OPERATING EXPENSES													
Administration	259,050	294,029	-	661,382	202,067	713,173	289,417	68,419	659,736	221,904	592,981	848,749	6,356,458
Maintenance	453,028	415,708	-	512,043	260,698	204,880	344,580	-	737,383	214,893	299,128	216,463	5,753,845
Depreciation and Amortization	670,127	1,071,299	-	2,271,707	1,049,658	1,114,001	1,029,917	-	1,427,292	667,372	1,084,970	1,073,452	15,852,657
Utilities	269,103	239,655	-	265,220	140,439	71,335	136,175	-	367,539	190,154	162,903	175,053	2,897,896
Fringe Benefits	81,644	66,197	-	96,864	39,324	30,020	106,293	-	133,728	99,332	66,314	98,629	1,163,312
Interest Expense	665,189	1,133,372	-	3,250,907	692,654	1,584,298	1,111,379	-	-	1,178,675	826,852	881,406	15,530,764
Other	111,633	128,617	1,712	64,182	131,140	598,983	589,190	-	124,773	500,880	786,073	675,444	4,678,566
Bad Debt Expense	5,313	-	-	160,745	-	-	-	-	-	-	369	(379)	469,407
Total Operating Expenses	2,515,087	3,348,877	1,712	7,283,050	2,515,980	4,316,690	3,606,951	68,419	3,450,451	3,073,210	3,819,590	3,968,817	52,702,905
OPERATING INCOME (LOSS)	(938,899)	(1,701,049)	(1,712)	(2,195,782)	(500,285)	(2,264,787)	(2,111,156)	(65,041)	(93,346)	(1,697,715)	(2,138,833)	(1,409,957)	(19,207,224)
NONOPERATING REVENUES													
Investment Income	11,063	16,185	-	6,652	1,007	-	-	-	-	-	2,405	2,168	63,131
Total Nonoperating Revenues	11,063	16,185	-	6,652	1,007	-	-	-	-	-	2,405	2,168	63,131
Capital Contributions	-	-	-	1,682,193	-	79	3,014,567	-	-	-	-	-	4,696,839
Partner Equity Distributions	-	-	-	(1,684,256)	-	-	-	-	-	-	-	-	(1,708,481)
CHANGE IN NET POSITION	(927,836)	(1,684,864)	(1,712)	(2,171,193)	(499,278)	(2,264,708)	903,411	(65,041)	(93,346)	(1,697,715)	(2,136,428)	(1,407,789)	(16,155,735)
Net Position - Beginning of Year	4,462,189	4,841,921	2,416,590	10,877,203	12,864,797	2,526,591	2,581,492	7,722,280	2,986,397	1,791,284	4,431,695	1,838,465	117,686,282
NET POSITION - END OF YEAR	\$ 3,534,353	\$ 3,157,057	\$ 2,414,878	\$ 8,706,010	\$ 12,365,519	\$ 261,883	\$ 3,484,903	\$ 7,657,239	\$ 2,893,051	\$ 93,569	\$ 2,295,267	\$ 430,676	\$ 101,530,547

See accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

A. Description of the Commission (Continued)

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

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. On August 17, 2021, the Commission closed on the issuance of \$50M in Limited Obligation Bonds ("Housing Production Fund" or "HPF") Series 2021 (Federally Taxable). Developments funded by the HPF will incur interest costs at 5% of the loan and such interest will be remitted to the County. The County will pay all bond debt service for 20 years subject to appropriation. 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) Statements relating to reporting entity requirements (Statements No. 90, No. 80, No. 61, 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.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

B. Financial Reporting Entity (Continued)

Blended 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 59 blended component units report on a June 30 year-end unless indicated below.

- **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.
- **900 Thayer Retail LLC** – a limited liability company wholly owned by HOC. The company entered into a Master Lease agreement with 900 Thayer LP for the retail portion of the development.
- **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.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

B. Financial Reporting Entity (Continued)

Blended Component Units (Development Corporations and Other Entities) (Continued)

- **Barclay One Associates Partnership** – Owns and operates 81 rental unit apartments for low- and moderate-income families located in Bethesda, Maryland.
- **Bauer Park GP LLC** – HOC's investment in Bauer Park Apartments Limited Partnership.
- **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.
- **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. The property was sold to HOC at Georgian Court LLC on December 20, 2021.
- **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.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

B. Financial Reporting Entity (Continued)

Blended Component Units (Development Corporations and Other Entities) (Continued)

- **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 MM at Willow Manor LLC** – HOC’s investment in the HOC at Willow Manor LLC.
- **HOC at Wheaton Gateway LLC** – Created to acquire, hold and develop land located in Wheaton, Maryland.
- **HOC at Avondale LLC** – Owns and operates 17 units of rental housing located at Avondale Street, Bethesda Maryland.
- **HOC at Battery Lane LLC** – Owns and operates 212 units of rental housing units located at Battery lane, Bethesda 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.
- **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.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

B. Financial Reporting Entity (Continued)

Blended Component Units (Development Corporations and Other Entities) (Continued)

- **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.
- **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.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

B. Financial Reporting Entity (Continued)

Blended Component Units (Development Corporations and Other Entities) (Continued)

- **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. This property was sold to HOC at Shady Grove LLC on December 20, 2021.
- **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
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

B. Financial Reporting Entity (Continued)

Blended Component Units (Development Corporations and Other Entities) (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. This property was sold to HOC at Willow Manor LLC on December 14, 2021.
- **Willow Manor at Colesville** – This is an 83-unit age-restricted (62+) apartment development located in Silver Spring, Maryland. This property was sold to HOC at Willow Manor LLC on December 14, 2021.
- **Willow Manor at Fair Hill** – This is a 101-unit age-restricted (62+) apartment development located in Olney, Maryland. This property was sold to HOC at Willow Manor LLC on December 14, 2021.
- **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 17 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, 2023. Separate financial statements for the individual limited partnerships can be obtained from the Commission, except for Elizabeth House III Limited Partnership, which do not have separate financial statements.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

B. Financial Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

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). Three 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.
- **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.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

B. Financial Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

- **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 Georgian Court LLC** – Owns and operates a 147-unit apartment rental complex for low and moderate families in Silver Spring, Maryland.
- **HOC at Shady Grove LLC** – Owns and operates a 144-unit apartment rental complex for low and moderate income families in Derwood, Maryland.
- **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.
- **HOC at the Upton II LLC (Residences on the Lane)** – Owns and operates a 150-unit mixed-use, mixed-income senior rent apartments, and a replacement housing for nearby Town Center Apartments in Rockville, Maryland.
- **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.
- **HOC at Willow Manor LLC** -- Owns and operates scattered site units consisting of 102-unit apartments in Germantown, Maryland, 101-unit apartments in Olney, Maryland, and 83-unit apartments in Silver Spring, Maryland.
- **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.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

B. Financial Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

- **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.

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.

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

D. Basis of Accounting (Continued)

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.

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.

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

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, 2023, 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 Real Estate Owned (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.

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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, 2023, is \$355,993,941 which is collateralized primarily by the underlying properties. As of June 30, 2023, the Commission had \$15,389,259 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.

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**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, 2023, amounted to \$2,517,968 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, represent an acquisition of net assets that applies to future periods. The revenue is recognized in the applicable future period(s). The Commission has two items that are required to be reported in this category: (1) the deferred inflow from pension/OPEB and (2) derivative instruments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

O. Deferred Inflows and Outflows of Resources (Continued)

Deferred outflows of resources represent a consumption of net assets 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.

P. Pensions

For purposes of measuring the total 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 total 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.

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

R. Net Position (Continued)

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.

S. Adoption of New Accounting Standards

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The Commission elected not to adopt the requirements of the guidance in FY23 due to the immateriality of the prospective SBITA's.

T. Leases

The Commission is the lessee for noncancelable leases of office space and office equipment. The Commission recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the Statement of Net Position. The Commission recognizes lease liabilities with an initial, individual value of \$5,000 or more. The Commission uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Commission generally uses its estimated incremental borrowing rate as the discount rate for leases.

The Commission, acting as lessor, leases office facilities under long-term, non-cancelable lease agreements. The Commission recognizes lease receivables with an initial, individual value of \$5,000 or more. The Commission uses the interest rate charged as the discount rate.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

Business-Type Activities

A. Cash

The Commission's cash balances as of June 30, 2023, were entirely insured or collateralized with securities held by the Commission's agent in the Commission's name.

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

Business-Type Activities (Continued)

A. Cash (Continued)

	Carrying Amount	Bank Balances
Cash Deposits:		
General Sub-Fund	\$ 16,781,071	\$ 16,776,071
Opportunity Housing Sub-Fund	87,126,641	87,117,475
Public Sub-Fund	6,445,868	6,445,868
Total Cash	\$ 110,353,580	\$ 110,339,414

B. Cash Equivalents and Investments

The General Sub-Fund cash and cash equivalents balance at June 30, 2023, includes \$9,118,847 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, 2023, includes \$46,028,451 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 \$4,138,807 as of June 30, 2023, 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, 2023, the Commission had sufficient collateral to meet requirements.

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

Business-Type Activities (Continued)

B. Cash Equivalents and Investments (Continued)

Credit Risk (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.

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

Business-Type Activities (Continued)

B. Cash Equivalents and Investments (Continued)

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, 2023, was P-1.

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, 2023, the Commission held investments in agency securities which were not collateralized but were rated Aaa, AA+, Aa1, Aa2, and AAAm.

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

Business-Type Activities (Continued)

B. Cash Equivalents and Investments (Continued)

Custodial Credit Risk (Continued)

As of June 30, 2023, the Commission had the following cash equivalents and investments with maturities of one year or less:

<u>Cash Equivalents</u>	<u>Fair Value</u>	<u>Ratings</u>
Cash Equivalents		
General Sub-Fund:		
Money Market Accounts	\$ 33,572,641	N/A
Opportunity Housing Sub-Fund:		
Investment in Maryland Local Government Investment Pool	2,628,924	AAAm
Money Market Accounts	26,925,841	N/A
Public Sub-Fund:		
Investment in Maryland Local Government Investment Pool	4,379,093	AAAm
Multifamily Sub-Fund:		
Money Market Accounts	90,059,761	N/A
Single Family Sub-Fund:		
Money Market Accounts	79,028,155	N/A
Total Cash Equivalents	<u>\$ 236,594,415</u>	
Short-Term Investments		
Single Family Sub-Fund:		
FNMA Pass-through Certificates	949,865	Aaa
GNMA Pass-through Certificates	851,672	Aaa
FHLMC MBS	337,741	Aaa
Total Short-Term Investments	<u>\$ 2,139,278</u>	

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

Business-Type Activities (Continued)

B. Cash Equivalents and Investments (Continued)

As of June 30, 2023, 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	2,625,327	2,625,327	-	-	Aaa
Federal Farm Credit Banks	5,291,319	554,266	1,173,096	3,563,957	Aaa
Federal Home Loan Banks	812,122	-	812,122	-	Aaa
Federal Home Loan Mtg Corp	759,719	-	759,719	-	Aaa
Idaho Housing & Finance Association	1,500,000	-	-	1,500,000	Aaa
Mass Mutual Life Ins GIC	55,000,000	55,000,000	-	-	Unrated
U.S. Treasuries	626,067	626,067	-	-	Aaa
Single Family Sub-Fund:					
Fannie Mae	894,475	894,475	-	-	Aaa
Federal Farm Credit Banks	2,146,505	-	2,146,505	-	Aaa
Federal Home Loan Banks	4,172,157	-	-	4,172,157	Aaa
Federal Home Loan Mtg Corp	1,375,822	-	1,375,822	-	Aaa
FHLMC MBS	15,267,517	-	-	15,267,517	Aaa
FNMA Pass-through Certificates	42,938,455	-	-	42,938,455	Aaa
GNMA Pass-through Certificates	38,499,658	-	-	38,499,658	Aaa
Tennessee Valley Authority	2,641,112	-	-	2,641,112	AA+
U.S. Treasuries	-	-	-	-	N/A
Total Long-Term Investments	<u>\$ 175,141,780</u>	<u>\$ 60,291,660</u>	<u>\$ 6,267,264</u>	<u>\$ 108,582,856</u>	
Total Cash, Cash Equivalents, and Investments	<u>\$ 524,229,053</u>				
Reconciliation of Cash, Cash Equivalents, and Investments to Amounts in the Statement of Net Position:					
Current Unrestricted Cash and Cash Equivalents	\$ 122,787,629				
Restricted Cash and Cash Equivalents	168,603,553				
Restricted Short-Term Investments	2,139,278				
Restricted Cash and Cash Equivalents for Current Liabilities	49,270,111				
Restricted Customer Deposits	6,286,702				
Noncurrent Restricted Investments	175,141,780				
Total	<u>\$ 524,229,053</u>				

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

Business-Type Activities (Continued)

B. Cash Equivalents and 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:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>
FHLMC Pass-Through Certificates	\$ 15,605,258	8.80%
Mass Mutual Life Ins GIC	55,000,000	31.02%
GNMA Pass-Through Certificates	39,351,330	22.20%
FNMA Pass-Through Certificates	43,888,320	24.76%

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, 2023, fair value of investments is as follows:

<u>Investments by Fair Value Level</u>	<u>June 30, 2023</u>	<u>Fair Value Measurements Using</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Debt Securities:			
Fannie Mae	\$ 3,519,802	\$ -	\$ 3,519,802
Federal Farm Credit Banks	7,437,824	-	7,437,824
Federal Home Loan Banks	4,984,279	-	4,984,279
Federal Home Loan Mortgage Corp	2,135,541	-	2,135,541
FNMA Pass-Through Certificates	43,888,320	-	43,888,320
GNMA Pass-Through Certificates	39,351,330	-	39,351,330
FHLMC Pass-Through Certificates	15,605,258	-	15,605,258
Investment Agreements	591,525	-	591,525
Idaho Housing & Finance Association	1,500,000	-	1,500,000
Mass Mutual Life Insurance GIC	55,000,000	-	55,000,000
Tennessee Valley Authority	2,641,112	-	2,641,112
U.S. Treasuries	626,067	626,067	-
Subtotal - Debt Securities	<u>177,281,058</u>	<u>626,067</u>	<u>176,654,991</u>
Investment Derivative Instruments:			
Hedging Derivative Instrument - Asset	4,322,996	-	4,322,996
Total Investments by Fair Value Level	<u>\$ 181,604,054</u>	<u>\$ 626,067</u>	<u>\$ 180,977,987</u>

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

Business-Type Activities (Continued)

C. Discretely Presented Component Units

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

	Fair Value	Rating
Cash	\$ 34,069,120	N/A
Cash Equivalents:		
Money Market Accounts	6,256,505	N/A
Total Cash, Cash Equivalents, and Investments	\$ 40,325,625	
Reconciliation of Cash and Cash Equivalents to Amounts in the Statement of Net Position:		
Current Unrestricted Cash and Cash Equivalents	\$ 15,682,795	
Restricted Cash and Cash Equivalents for Current Liabilities	23,758,828	
Restricted Cash and Cash Equivalents for Customer Deposits	884,002	
Total	\$ 40,325,625	

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.

Mortgage and construction loans receivable as of June 30, 2023, consisted of the following:

Description	Interest Rate	Balance
General Sub-Fund:		
Closing Cost Assistance Loans	5.00%	\$ 7,334,637
Component Unit Loans	-	174,426,084
Emory Grove Redevelopment	-	660,110
Woodfield Commons	-	10,112,113
Subtotal		192,532,944

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NOTE 3 MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE (CONTINUED)

Description	Interest Rate	Balance
Opportunity Housing Sub-Fund:		
900 Thayer LP	-	\$ 14,030,843
Alexander House Limited Partnership	-	14,218,641
Bauer Park Apartments LP	-	7,112,596
Elizabeth House III	-	18,894,665
Fenwick Silver Spring	-	2,005,925
Greenhills LP	-	7,523,156
Hampden Lane Limited Partnership	-	138,281
Hillandale Gateway Limited Liability Company	-	8,585,156
HOC at 11250 Veirs Mill Road LLC	-	719,806
HOC at Georgian Court LLC	-	19,773,652
HOC at Shady Grove LLC	-	18,709,766
HOC at Stewartown Homes LLC	-	9,044,240
HOC at Upton II	-	7,367,760
HOC at Willow Manor LLC	-	7,670,962
Rental Assistance Security Deposit Loan	-	14,040
Spring Garden One Associates Limited Partnership	-	3,274,431
Tanglewood/Sligo LP	-	3,190,410
Town Center	-	196,957
Wheaton Gateway LLC	-	432,023
Wheaton Venture LLC	-	268,350
Woodfield Commons	-	350,000
Subtotal		<u>143,521,660</u>
Multifamily Sub-Fund:		
Arcola	4.55%	5,633,453
Bauer Park LP	3.75%	25,586,478
Charter House	4.98%	9,329,539
Forest Oak	4.93%	11,581,141
Greenhills	4.10%	11,375,829
HOC at Georgian Court LLC	2.77%	28,990,000
HOC at Shady Grove LLC	2.77%	28,700,000
HOC at Stewartown Homes LLC	2.95%	16,045,000
HOC at Upton II LLC	3.40%	26,922,997
HOC at Westside Shady Grove	2.20%	99,250,000
HOC at Westside Shady Grove	-	14,300,000
HOC at Willow Manor LLC	2.79%	49,550,000
Landing's Edge	4.95%	1,889,702
MetroPointe LP	6.50%	2,598,779
Ring House	6.10%	7,884,661
Rockville Housing	5.21%	3,012,110
Spring Garden	4.55%	4,170,932
Waverly	4.55%	7,759,733
Subtotal		<u>354,580,354</u>
Single Family Sub-Fund:		
Mortgage Loans Receivable, Net	3.67 to 5.55%	35,336,959
Public Sub-Fund:		
Arcola Towers RAD LP	-	1,898,330
Tobytown Homeownership	-	107,285
Subtotal		<u>2,005,615</u>
Total		<u>\$ 727,977,532</u>
Current		\$ 11,842,353
Long-Term		716,135,179
Total		<u>\$ 727,977,532</u>

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NOTE 3 MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE (CONTINUED)

As of June 30, 2023, the amount available or committed for additional advances or new loans is \$41,771,927 for the Single Family Sub-Fund and \$15,010,336 for the Multifamily Sub-Fund.

Included in the mortgage and construction loans receivable balance of the General Sub-Fund at June 30, 2023 are inter sub-fund mortgage loans receivable from the Opportunity Housing Sub-Fund, General Sub-Fund and Single Family Sub-Fund amounting to \$320,044,641, \$2,712,087, and \$240,000 respectively, which have been eliminated in the accompanying financial statements. The related interest revenue, amounting to \$9,940,752 for the year ended June 30, 2023, has also been eliminated.

Included in the mortgage and construction loans receivable balance of the Opportunity Housing Sub-Fund at June 30, 2023, are inter sub-fund mortgage loans receivables from several Opportunity Housing properties amounting to \$46,710,945 and inter sub-fund mortgage loans receivable from the General Sub-Fund amounting to \$318,496 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 \$143,193,447 as of June 30, 2023, which have been eliminated. The related interest revenue, amounting to \$6,618,431 for the year ended June 30, 2023, 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.

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NOTE 4 CAPITAL ASSETS

A. Capital Assets of Business-Type Activities

The Commission's capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Capitalization	Transfer In / (Out)	Ending Balance
Land:						
General Sub-Fund	\$ 3,464,437	\$ -	\$ -	\$ -	\$ -	\$ 3,464,437
Opportunity Housing Sub-Fund	136,473,210	177,979	-	-	-	136,651,189
Public Sub-Fund	1,496,785	-	-	-	-	1,496,785
Total Land	<u>141,434,432</u>	<u>177,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,612,411</u>
Site Improvements:						
Public Sub-Fund	77,027	-	-	-	-	77,027
Accumulated Depreciation	<u>(77,027)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,027)</u>
Total Site Improvements, Net	-	-	-	-	-	-
Building and Improvements:						
General Sub-Fund	8,689,842	-	-	-	-	8,689,842
Accumulated Depreciation	(5,343,415)	(280,982)	-	-	(1,162,188)	(6,786,585)
Opportunity Housing Sub-Fund	757,829,630	1,707,308	-	427,967	-	759,964,905
Accumulated Depreciation	(245,992,535)	(19,845,315)	236,720	-	-	(265,601,130)
Public Sub-Fund	10,967,994	-	-	-	-	10,967,994
Accumulated Depreciation	<u>(7,362,797)</u>	<u>(22,283)</u>	<u>116,429</u>	<u>-</u>	<u>-</u>	<u>(7,268,651)</u>
Total Building and Improvements, Net	518,788,719	(18,441,272)	353,149	427,967	(1,162,188)	499,966,375
Furniture and Equipment:						
General Sub-Fund	12,081,707	2,993	-	-	-	12,084,700
Accumulated Depreciation	(11,774,886)	(72,829)	-	-	1,162,188	(10,685,527)
Opportunity Housing Sub-Fund	19,907,382	921,621	-	506,988	-	21,335,991
Accumulated Depreciation	(13,516,689)	(1,172,340)	-	-	-	(14,689,029)
Public Sub-Fund	351,241	1,116	-	-	-	352,357
Accumulated Depreciation	<u>(350,845)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(350,845)</u>
Total Furniture and Equipment, Net	6,697,910	(319,439)	-	506,988	1,162,188	8,047,647
Construction in Progress:						
General Sub-Fund	4,205,352	493,935	-	-	-	4,699,287
Opportunity Housing Sub-Fund	9,226,875	5,387,789	(82,309)	(934,955)	-	13,597,400
Public Sub-Fund	<u>791,796</u>	<u>64,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>856,767</u>
Total Construction in Progress	14,224,023	5,946,695	(82,309)	(934,955)	-	19,153,454
Right-of-Use Assets:						
General Sub-Fund	1,591,890	142,609	-	-	-	1,734,499
Accumulated Amortization	<u>(1,055,334)</u>	<u>(344,597)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,399,931)</u>
Total Right-of-Use Assets	<u>536,556</u>	<u>(201,988)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,568</u>
Total Capital Assets, Net	<u>\$ 681,681,640</u>	<u>\$ (12,838,025)</u>	<u>\$ 270,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 669,114,455</u>

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NOTE 4 CAPITAL ASSETS (CONTINUED)

A. Capital Assets of Business-Type Activities (Continued)

Commission capital assets not being depreciated include land and construction in progress. The net transfer out relates to the reclassification of accumulated depreciation.

B. Reconciliation of Net Investment in Capital Assets

Net Investment in Capital Assets:

Land	\$ 141,612,411
Construction in Progress	19,153,448
Building and Improvements, Net of Depreciation	499,966,375
Furniture and Equipment, Net of Depreciation	8,047,647
Right-To-Use Assets	334,568
Less: Related Bonds, Mortgages, and Notes Payable	(808,451,310)
Less: Lease Payables	(335,551)
Total Net Investment in Capital Assets	\$ (139,672,412)

C. Discretely Presented Component Units Capital Assets

	Beginning Balance	Additions	Deletions	Capitalization	Transfer In / (Out)	Ending Balance
Discretely Presented Component Units:						
Land	\$ 70,436,121	\$-	\$ (95,315)	\$ 84,025	\$ -	\$ 70,424,831
Building and Improvements	458,938,307	96,536	-	73,183,118	(1,958,970)	530,258,991
Accumulated Depreciation	(54,152,657)	(14,236,504)	-	-	2,731,815	(65,657,346)
Furniture and Equipment	7,111,516	99,203	-	3,297,936	1,370,874	11,879,529
Accumulated Depreciation	(2,674,403)	(1,079,984)	-	-	(2,731,815)	(6,486,202)
Construction in Progress	189,592,962	132,660,424	(8,189,946)	(76,565,079)	588,096	238,086,457
Net Component Unit Capital Assets	\$ 669,251,846	\$ 117,539,675	\$ (8,285,261)	\$ -	\$ -	\$ 778,506,260

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NOTE 5 LEASES

Lessee

The Commission leases vehicles as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2027 and provide for renewal options ranging from one years to six years.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 126,470	\$ 1,198	\$ 127,668
2025	94,708	703	95,411
2026	81,904	303	82,207
2027	31,152	55	31,207
2028	1,317	-	1,318
Total	<u>\$ 335,551</u>	<u>\$ 2,259</u>	<u>\$ 337,810</u>

Lessor

The Commission, acting as lessor, leases office facilities under long-term, non-cancelable lease agreements. The leases expire at various dates through 2042 and provide for renewal options ranging from one years to six years. During the year ended June 30, 2023, the Commission recognized \$1,305,017 and \$41,023 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,106,005	\$ 35,653	\$ 1,141,658
2025	1,034,400	30,970	1,065,370
2026	775,925	26,739	802,664
2027	614,601	23,816	638,417
2028	588,304	21,133	609,437
2029-2033	2,978,471	66,015	3,044,486
2034-2038	1,383,925	10,192	1,394,117
2039-2043	63,146	85	63,231
Total	<u>\$ 8,544,777</u>	<u>\$ 214,604</u>	<u>\$ 8,759,381</u>

NOTE 6 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 6 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, 2023.

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Advances to Component Units:		
Primary Government - General Sub-Fund	Component Units - Tax Credit Limited Partnerships	\$ 7,097,306
Primary Government - Opportunity Housing Sub-Fund	Component Units - Tax Credit Limited Partnerships	<u>390,466</u>
Total		<u>7,487,772</u>
Investment in Component Units:		
Primary Government - General Sub-Fund	Component Units - Tax Credit Limited Partnerships	2,073,221
Primary Government - Opportunity Housing Sub-Fund	Component Units - Tax Credit Limited Partnerships	<u>35,450,759</u>
Total		<u>37,523,980</u>
Total Due from Primary Government and Component Units		<u><u>\$ 45,011,752</u></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 7 ACCOUNTS RECEIVABLE AND OTHER ASSETS

Accounts receivable consist 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, 2023:

	<u>General Sub-Fund</u>	<u>Opportunity Housing Sub-Fund</u>	<u>Public Sub-Fund</u>	<u>Single Family Sub-Fund</u>	<u>Multi Family Sub-Fund</u>	<u>Total</u>
Accounts Receivable:						
HUD	\$ -	\$ -	\$ 1,170,216	\$ -	\$ -	\$ 1,170,216
Montgomery County, Maryland	-	107,150	2,250,009	-	-	2,357,159
Tenant Accounts Receivable	-	9,473,226	656,511	-	-	10,129,737
Other Receivables	4,794,734	7,523,669	6,837,849	447,502	-	19,603,754
Prepaid Expenses	1,248,494	1,663,380	-	68,443	33,496	3,013,813
Other Assets	317,942	145	-	-	-	318,087
Total	<u>6,361,170</u>	<u>18,767,570</u>	<u>10,914,585</u>	<u>515,945</u>	<u>33,496</u>	<u>36,592,766</u>
Less: Allowance	<u>(5,163)</u>	<u>(5,819,451)</u>	<u>(1,745,095)</u>	<u>-</u>	<u>-</u>	<u>(7,569,709)</u>
Net Accounts Receivable and Other Assets	<u><u>\$ 6,356,007</u></u>	<u><u>\$ 12,948,119</u></u>	<u><u>\$ 9,169,490</u></u>	<u><u>\$ 515,945</u></u>	<u><u>\$ 33,496</u></u>	<u><u>\$ 29,023,057</u></u>

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NOTE 8 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 9 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 0.45% to 11.25% as of June 30, 2023. Maturity dates of the bonds payable range from 2023 to 2064.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 9 BONDS, MORTGAGE NOTES, AND LOANS PAYABLE – PRIMARY GOVERNMENT (CONTINUED)

A. Bonds Payable

The Commission has the following bonds payable outstanding as of June 30, 2023:

	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	\$ 8,315,000
2008 Series D	17,200,000	-	-	17,200,000	5,360,000
2013 Series A	8,795,000	-	(4,190,000)	4,605,000	3,735,000
2013 Series B	2,015,000	-	-	2,015,000	-
2016 Series A	12,330,000	-	(3,650,000)	8,680,000	2,175,000
2016 Series B	1,025,000	-	(1,025,000)	-	-
2017 Series A	8,115,000	-	(2,840,000)	5,275,000	650,000
2017 Series B	7,540,000	-	(865,000)	6,675,000	885,000
2018 Series A	19,595,000	-	(2,425,000)	17,170,000	1,515,000
2018 Series B	8,310,000	-	(290,000)	8,020,000	305,000
2021 Series A	21,920,000	-	(1,550,000)	20,370,000	700,000
2021 Series B	5,440,000	-	(720,000)	4,720,000	840,000
2021 Series C	10,000,000	-	-	10,000,000	-
2022 Series A	14,660,000	-	(10,000)	14,650,000	95,000
2022 Series B	2,940,000	-	-	2,940,000	-
2022 Series C	3,000,000	-	-	3,000,000	75,000
2022 Series D	11,000,000	-	-	11,000,000	-
2023 Series A	-	21,405,000	-	21,405,000	-
2023 Series B	-	8,000,000	-	8,000,000	-
NIBP 2009 Series C-4	2,750,000	-	(1,240,000)	1,510,000	-
NIBP 2009 Series C-5	2,370,000	-	-	2,370,000	-
NIBP 2012 Series A	2,250,000	-	(1,195,000)	1,055,000	410,000
PRB 2019 Series A	17,125,000	-	(2,905,000)	14,220,000	1,570,000
PRB 2019 Series B	2,485,000	-	(540,000)	1,945,000	-
PRB 2019 Series C	6,040,000	-	(1,320,000)	4,720,000	-
Total	<u>195,220,000</u>	<u>29,405,000</u>	<u>(24,765,000)</u>	<u>199,860,000</u>	<u>26,630,000</u>
Add: Unamortized Premium	<u>3,849,700</u>	<u>714,574</u>	<u>(676,640)</u>	<u>3,887,634</u>	<u>-</u>
Total Single Family Bonds Payable	<u>\$ 199,069,700</u>	<u>\$ 30,119,574</u>	<u>\$ (25,441,640)</u>	<u>\$ 203,747,634</u>	<u>\$ 26,630,000</u>

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**NOTE 9 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
Multifamily Sub-Fund Bonds:					
1984 Series A - Accretions	\$ 32,274	\$ 3,732	\$ -	\$ 36,006	\$ 4,165
1998 Issue A	4,860,000	-	(595,000)	4,265,000	625,000
2004 Series A	9,240,000	-	(425,000)	8,815,000	445,000
2004 Series B	3,150,000	-	(80,000)	3,070,000	80,000
2005 Series B	3,500,000	-	(210,000)	3,290,000	220,000
2005 Series C	20,295,000	-	(910,000)	19,385,000	950,000
2011 Series A	29,085,000	-	(570,000)	28,515,000	595,000
2011 Series B	2,635,000	-	(50,000)	2,585,000	50,000
2012 Series A	16,080,000	-	(1,035,000)	15,045,000	1,065,000
2012 Series B	1,515,000	-	(260,000)	1,255,000	265,000
2012 Series C	3,725,000	-	(375,000)	3,350,000	395,000
2012 Series D	24,910,000	-	(1,210,000)	23,700,000	1,245,000
2014 Series A	21,110,000	-	(555,000)	20,555,000	575,000
2015 Series A-1	13,925,000	-	(250,000)	13,675,000	260,000
2017 Series A	11,520,000	-	(210,000)	11,310,000	215,000
2019 Series A-1	51,420,000	-	-	51,420,000	-
2019 Series A-2	3,580,000	-	-	3,580,000	-
2019 Series B	6,765,000	-	(405,000)	6,360,000	410,000
2019 Series C	8,810,000	-	(530,000)	8,280,000	540,000
2020 Series A	25,665,000	-	-	25,665,000	400,000
2020 Series B	23,615,000	-	(1,180,000)	22,435,000	1,230,000
2020 Series C	15,145,000	-	(895,000)	14,250,000	935,000
2021 Series A	99,250,000	-	-	99,250,000	-
2021 Series B	16,145,000	-	-	16,145,000	80,000
2021 Series C	104,245,000	-	-	104,245,000	-
2021 Series D	7,115,000	-	-	7,115,000	-
2023 Series A	-	28,500,000	-	28,500,000	215,000
Series 2021 A (50M)	47,605,000	-	(2,220,000)	45,385,000	2,225,000
	574,942,274	28,503,732	(11,965,000)	591,481,006	13,024,165
Less: Unamortized Discount	(466,128)	-	466,128	-	-
Total Multifamily Bonds Payable	574,476,146	28,503,732	(11,498,872)	591,481,006	13,024,165
Total Bonds Payable	<u>\$ 773,545,846</u>	<u>\$ 58,623,306</u>	<u>\$ (36,940,512)</u>	<u>\$ 795,228,640</u>	<u>\$ 39,654,165</u>

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**NOTE 9 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, 2023:

	Outstanding Beginning of Year	Issued This Year	Retired This Year	Outstanding End of Year	Amount Due Within One Year
Opportunity Housing Sub-Fund:					
9845 Lost Knife Road	\$ 1,846,689	\$ -	\$ (38,514)	\$ 1,808,175	\$ -
Bradley Crossing LLC	81,200,000	-	-	81,200,000	-
CDBG-9611 McAlpine Road	101,168	-	-	101,168	-
Dale Drive	600,000	-	-	600,000	-
Diamond Square	2,000,000	-	-	2,000,000	-
HOC at Battery Lane LLC	48,450,000	-	-	48,450,000	-
Montgomery Arms	79,247	-	(5,514)	73,733	5,451
MV Gateway II LLC	12,048,970	-	-	12,048,970	-
Paddington Square Dev. Corp.	18,588,234	-	(315,901)	18,272,333	325,120
Scattered Site Two Dev. Corp.	3,958,100	-	(126,200)	3,831,900	-
Southbridge	1,784,350	-	(44,551)	1,739,799	44,520
State Partnership Rental Programs	8,861,522	-	-	8,861,522	-
State Partnership VII	4,712,864	-	-	4,712,864	-
The Glen	1,211,707	-	-	1,211,707	-
The Manor at Cloppers Mill	-	-	-	-	-
The Manor at Colesville	-	-	-	-	-
The Manor at Fair Hill Farm	-	-	-	-	-
VPC One Corp.	28,024,178	-	(280,404)	27,743,774	684,591
VPC Two Corp.	19,951,612	-	(199,515)	19,752,097	522,837
Westwood Tower	20,273,204	-	(20,273,204)	-	-
Total	<u>253,691,845</u>	<u>-</u>	<u>(21,283,803)</u>	<u>232,408,042</u>	<u>1,582,519</u>
General Sub-Fund:					
Alexander Dev Corp (FFB)	49,981,034	-	(668,140)	49,312,894	691,472
Alexander House LP (FFB)	17,988,015	-	(210,996)	17,777,019	219,641
Cider Mill (FFB)	118,918,141	-	(1,688,978)	117,229,163	1,748,231
Glenmont Crossing (FFB)	13,537,387	-	(238,184)	13,299,203	246,066
Glenmont Westerty (FFB)	13,441,376	-	(236,495)	13,204,881	244,321
The Lindley (FFB)	61,095,367	-	(538,662)	60,556,705	567,633
Timberlawn (FFB)	18,919,746	-	(257,652)	18,662,094	267,698
Woodfield Commons (FFB)	10,239,493	-	(127,380)	10,112,113	132,134
900 Thayer (FFB)	15,544,571	-	(280,033)	15,264,538	285,421
Line of Credit with PNC Bank	79,562,491	65,155,547	(16,741,851)	127,976,187	-
Total	<u>399,227,621</u>	<u>65,155,547</u>	<u>(20,988,371)</u>	<u>443,394,797</u>	<u>4,402,617</u>
Total Mortgage Notes and Loans Payable	<u>\$ 652,919,466</u>	<u>\$ 65,155,547</u>	<u>\$ (42,272,174)</u>	<u>\$ 675,802,839</u>	<u>\$ 5,985,136</u>

Interest rates on mortgage notes and loans payable ranged from 1% to 6% as of June 30, 2023.

Included in the mortgage notes and loans payable balance of the Opportunity Housing Sub-Fund at June 30, 2023, are inter sub-fund mortgage loans payable to the Multifamily Sub-Fund amounting to \$143,193,447 which have been eliminated in the accompanying financial statements. The related interest expense, amounting to \$6,618,431 for the year ended June 30, 2023, has also been eliminated.

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**NOTE 9 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, 2023, are inter sub-fund mortgage loans payable to the General Sub-Fund amounting to \$320,044,641, which have been eliminated in the accompanying financial statements. The related interest expense, amounting to \$9,940,752 for the year ended June 30, 2023, has also been eliminated.

Included in the mortgage notes and loans payable balance of the Opportunity Housing Sub-Fund at June 30, 2023, 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 \$46,710,945, which have been eliminated in the accompanying financial statements.

Included in the mortgage notes and loans payable balance of the Single Family Sub-Fund at June 30, 2023, are inter sub-fund mortgage loans payable to the General Sub-Fund amounting to \$240,000

Included in the mortgage notes and loans payable balance of the General Sub-Fund at June 30, 2023, are inter-subfund mortgage loans payable to the Opportunity Housing Sub-Fund and General Sub-Fund amounting to \$318,496 and \$2,712,087, respectively, which have been eliminated in the accompanying financial statements.

The Commission's outstanding notes and mortgages of \$675,802,841 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 two lines of credit with unused amounts totaling \$82,023,912 as of June 30, 2023.

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NOTE 9 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>					
2024	\$ 4,402,617	\$ 1,582,519	\$ 26,630,000	\$ 13,024,165	\$ 45,639,301
2025	132,540,787	180,244,567	5,360,000	18,800,501	336,945,855
2026	4,732,820	445,596	5,745,000	29,011,653	39,935,069
2027	4,907,526	460,039	6,075,000	18,628,848	30,071,413
2028	5,088,977	474,592	5,640,000	19,032,990	30,236,559
2029 - 2033	28,422,532	15,828,539	27,910,000	95,326,008	167,487,079
2034 - 2038	34,141,858	2,641,568	25,810,000	86,473,257	149,066,683
2039 - 2043	41,074,457	3,060,565	38,670,000	72,150,417	154,955,439
2044 - 2048	49,491,612	3,562,411	30,960,000	58,196,420	142,210,443
2049 - 2053	59,728,564	3,612,724	27,060,000	130,451,747	220,853,035
2054 - 2058	66,553,749	3,007,659	-	21,460,000	91,021,408
2059 - 2063	12,309,298	101,168	-	25,130,000	37,540,466
2064 - 2068	-	-	-	3,795,000	3,795,000
Upon Sale of Property	-	17,386,095	-	-	17,386,095
Total	443,394,797	232,408,042	199,860,000	591,481,006	1,467,143,845
Unamortized Bond Discount/Premium	-	-	3,887,634	-	3,887,634
Total	<u>\$ 443,394,797</u>	<u>\$ 232,408,042</u>	<u>\$ 203,747,634</u>	<u>\$ 591,481,006</u>	<u>\$ 1,471,031,479</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>					
2024	\$ 15,533,357	\$ 7,358,458	\$ 5,026,648	\$ 14,423,099	\$ 42,341,562
2025	15,413,392	6,036,421	4,898,706	14,131,264	40,479,783
2026	8,090,212	1,176,767	4,772,195	13,698,342	27,737,516
2027	7,961,245	1,162,323	4,623,261	12,812,451	26,559,280
2028	7,827,518	1,147,770	4,478,420	12,760,745	26,214,453
2029 - 2033	36,951,980	2,909,543	20,372,456	56,523,300	116,757,279
2034 - 2038	32,781,397	2,186,927	16,611,942	43,850,161	95,430,427
2039 - 2043	27,771,908	1,756,523	12,935,313	33,515,196	75,978,940
2044 - 2048	21,747,626	1,254,678	8,694,063	25,842,296	57,538,663
2049 - 2053	14,494,102	705,700	3,094,402	15,772,236	34,066,440
2054 - 2058	5,932,625	173,586	-	4,849,466	10,955,677
2059 - 2063	205,807	1,858	-	2,203,894	2,411,559
2064 - 2068	-	-	-	121,852	121,852
Total	<u>\$ 194,711,169</u>	<u>\$ 25,870,554</u>	<u>\$ 85,507,406</u>	<u>\$ 250,504,302</u>	<u>\$ 556,593,431</u>

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NOTE 10 DERIVATIVE INSTRUMENTS

At June 30, 2023, 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, 2023, 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 seven 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, 2023. 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.

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NOTE 10 DERIVATIVE INSTRUMENTS (CONTINUED)

Fair Value (Continued)

Associated Bond Issue	Notional Amounts	Trade Date	Terms	Fair Values	Swap Termination Date	Counterparty/ Credit Rating
Single Family 2018 Series B	\$ 8,020,000	6/28/2018	Receive 63.6% LIBOR + 0.31%, pay 2.41%	\$ 373,121	7/1/2039	BANA Aa1 / A+ / AA
Single Family 2021 Series C	10,000,000	7/1/2022	70% SOFR +0.08% 2.61%	376,456	1/1/2041	BANA Aa1 / A+ / AA
Single Family 2022 Series D	11,000,000	6/29/2022	70% SOFR +0.08% 2.68%	513,345	1/1/2049	BANA Aa1 / A+ / AA
Multifamily 2011 Series A	27,525,000	10/1/2008	Receive 64.0% LIBOR + 0.19%, pay 4.02%	(164,833)	1/1/2049	BANA Aa1 / A+ / AA
Multifamily 2011 Series B	2,445,000	10/1/2008	Receive 100% LIBOR + 0.10%, pay 6.067%	(22,327)	1/1/2049	BANA Aa1 / A+ / AA
Upton II (Permanent)	26,800,000	7/1/2022	Receive 70% LIBOR, pay 2.39%	1,272,916	7/1/2062	Royal Bank of Canada Aa1/AA-AA
Elizabeth House III MHDB 2019 A Hedge	79,165,240	1/1/2020	Receive 100% LIBOR, pay 1.402%	<u>1,974,318</u>	5/1/2024	Wells Fargo Aa1/A+/AA-
			Derivative Asset	<u>\$ 4,322,996</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), Bank of America (BANA), 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, 2023, 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 SOFR swap index decreases.

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NOTE 10 DERIVATIVE INSTRUMENTS (CONTINUED)

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 seven 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.

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, 2023, the balance of deferred outflows of resources related to these derivative instruments was \$20,637,912.

NOTE 11 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%.

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NOTE 11 LONG-TERM DEBT – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

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>
2023	\$ 10,584,218	\$ 6,532,904
2024	2,670,223	6,420,142
2025	2,788,247	6,512,154
2026	2,978,511	6,388,564
2027	3,107,886	6,259,163
Thereafter	621,156,473	108,380,973
Total	<u>\$ 643,285,558</u>	<u>\$ 140,493,900</u>

NOTE 12 LONG-TERM DEBT – COMPENSATED ABSENCES

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

	<u>Outstanding Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding End of Year</u>	<u>Amount Due Within One Year</u>
Compensated Absences	<u>\$ 2,731,776</u>	<u>\$ 632,457</u>	<u>\$ (846,265)</u>	<u>\$ 2,517,968</u>	<u>\$ 2,517,968</u>

NOTE 13 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, 2023. There is no set maturity date or repayment term on borrowings from the County for the projects.

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NOTE 13 LOANS PAYABLE TO MONTGOMERY COUNTY (CONTINUED)

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, 2023:

	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	\$ 60,119,941	\$ 3,727,677	\$ (465,463)	\$ -	\$ 63,382,155	\$ 247,073
General Sub-Fund	27,671,224	3,000,000	(96,000)	-	30,575,224	-
Total	<u>\$ 87,791,165</u>	<u>\$ 6,727,677</u>	<u>\$ (561,463)</u>	<u>\$ -</u>	<u>\$ 93,957,379</u>	<u>\$ 247,073</u>
Real Estate Limited Partnership Component Units	<u>\$ 30,388,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,388,277</u>	<u>\$ -</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).

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NOTE 14 UNRESTRICTED NET POSITION (CONTINUED)

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.

As of June 30, 2023, the Commission committed the following OHRF obligations in the Opportunity Housing Sub-Fund by resolutions of the Board of Commissioners:

Ambassador	\$ 122,871
Avondale	70,000
Elizabeth House III/IV	531,058
Emory Grove	1,650,075
Fenwick Silver Spring, LLC	994,075
Forest Glen Metro	230,000
Georgian Court	3,500,000
Hillandale Gateway	3,151,380
Lindsay Ford	2,362
Metropolitan	254,790
Pre-development Fund (Real Estate Division)	818,963
Sandy Spring Meadow	1,174,872
Shady Grove	5,934,418
The Lindley	3,517,458
Town Center Apartments	200,332
Westwood Towers	259,300
Willows RAD	96,250
Total	<u>\$ 22,508,204</u>

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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.

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.

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NOTE 15 PENSION PLAN (CONTINUED)

A. Employees' Retirement System (Continued)

Benefits Provided (Continued)

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 earning, if vested. No loans or rollover from other retirement plans are allowed.

Employees Covered by Benefit Terms

At June 30, 2022, the date of the latest actuarial valuation, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Receiving Benefits	6,966
Terminated Plan Members Entitled to, but Not Yet Receiving Benefits	726
Active Plan Members	5,956
Total Plan Members	13,648

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.

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, 2023, the Commission paid 6.12% and the balance came from plan earnings.

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NOTE 15 PENSION PLAN (CONTINUED)

A. Employees' Retirement System (Continued)

Total Pension Liability

The Commission's total pension liability (TPL) of \$10,257,154 was measured as of June 30, 2022, determined by an actuarial valuation as of July 1, 2021. The total pension liability is allocated among all employers which includes the County and participating agencies. Each employer's portion of the total 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, 2021. The Commission's employer allocation percentage is -6.644%.

Actuarial Assumptions:

Valuation Date	July 1, 2021
Measurement Date	June 30, 2022
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 seven years for total ERS.
Asset Valuation Method	Fair Market value
Investment Rate of Return	7.50%
Projected Salary Increases	3.00% - 10.75%
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.

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NOTE 15 PENSION PLAN (CONTINUED)

A. Employees' Retirement System (Continued)

Total 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, 2022 (see the discussion of the System's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equities	2.20%
International Equities	3.00%
Emerging Market Equities	5.90%
Global Equities	3.30%
Private Equity	5.80%
Credit Opportunities	4.20%
High Yield Bonds	0.80%
Emerging Market Debts	1.70%
Directional Hedge Funds	1.80%
Long Duration Fixed Income	-0.60%
Cash	-0.90%
Diversifying Hedge Funds	1.70%
Global IL's	2.45%
Private Real Assets	4.40%
Public Real Assets	2.90%

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.

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NOTE 15 PENSION PLAN (CONTINUED)

A. Employees' Retirement System (Continued)

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 total pension liability and the unmodified opinion on the financial statements) is located in the Montgomery County Employee Retirement Plans' Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The supporting actuarial information is included in the June 30, 2022, 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.

Sensitivity of the Commission's Proportionate Share of the Total Pension Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the total pension liability calculated using the discount rate of 7.5%, as well as what the Commission share of the total 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 Pension Liability (Asset)	\$ 336,548,909	\$ (154,372,645)	\$ (658,198,466)
Commission's Proportionate Share	(22,361,656)	10,257,154	43,733,339

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

For the year ended June 30, 2023, the Commission recognized pension expense of \$954,328. At June 30, 2023, 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	\$ 2,098,893	\$ 412,653
Changes of Assumptions	1,175,103	5,270,366
Net Differences Between Projected and Actual Earnings on Pension Plan Investments		
Change in Proportionate Share	2,139,949	16,186,266
Contributions Made Subsequent to the Measurement Date	1,293,914	
Total	\$ 6,707,859	\$ 21,869,285

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NOTE 15 PENSION PLAN (CONTINUED)

A. Employees' Retirement System (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The \$1,293,914 reported as deferred outflows of resources related to Commission pension contributions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 18,337,984
2024	7,881,557
2025	16,708,730
2026	(59,383,611)
Total	<u>\$ (16,455,340)</u>

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, 2023, totaled \$15,299,940. Commission and employee contributions to the plan totaled \$1,293,839 and \$627,106, respectively, for the year ended June 30, 2023.

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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.

Employees Covered by Benefit Terms

At June 30, 2022, 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	7,441
Active Plan Members	9,962
Total Plan Members	<u>17,403</u>

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 \$1,183,173 during fiscal year 2023.

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NOTE 16 POSTRETIREMENT HEALTH CARE BENEFITS (CONTINUED)

Contributions (Continued)

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.

Total OPEB Liability

The Commission's total OPEB liability of \$14,123,111 was measured as of June 30, 2022, determined by an actuarial valuation as of that date. The total OPEB liability is allocated among all employers which includes the County and participating agencies. Each employer's portion of the total OPEB liability was based on the proportion of each agency's actuarially determined contribution as of June 30, 2022. The Commission's employer allocation percentage is 1.7401%.

Actuarial Assumptions

The total OPEB liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2022
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Amortization	30-Year Open
Discount Rate	6.2%
20-Year Municipal Bond Rate	3.69%
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%

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NOTE 16 POSTRETIREMENT HEALTH CARE BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

Mortality:

Healthy Retirees

Group A,H,J, GRIP - Pub-2010 Healthy Mortality, Headcount weighted, General Employees, Sex-Distinct, Full Generational projected from 2010 using scale MP-2018.

Group E,F,G, GRIP - Pub-2010 Healthy Mortality, Headcount weighted, General Employees, Sex-Distinct, Full 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, Full Generational projected from 2010 using scale MP-2018.

Group E,F,G, GRIP - Pub-2010 Disabled Mortality, Headcount weighted, General Employees, Sex-Distinct, Full Generational projected from 2010 using scale MP-2018.

Healthcare 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%.

The actuarial assumptions used in the June 30, 2022, 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.

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NOTE 16 POSTRETIREMENT HEALTH CARE BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

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, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities	2.20%
International Equities	3.00%
Emerging Market Equities	5.90%
Global Equities	3.30%
Private Equity	5.80%
Credit Opportunities	4.20%
High Yield Bonds	0.80%
Emerging Market Debt	1.70%
Directional Hedge Funds	1.80%
Long Duration Fixed Income	-0.60%
Cash	-0.90%
Diversifying Hedge Funds	1.70%
Global IL's	2.50%
Private Real Assets	4.40%
Public Real Assets	2.90%

Discount Rate

A single discount rate of 6.20% was used to measure the total OPEB liability as of June 30, 2022. 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 3.69% 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, 2022, was 3.69%. Therefore, the blended discount rate used as of June 30, 2022, was 6.20%.

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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 total 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, 2022. The supporting actuarial information is included in the June 30, 2022, OPEB actuarial. 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 Total OPEB Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the total OPEB liability calculated using the discount rate of 6.20%, as well as what the Commission's share of the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (.20%) or one percentage point higher (7.20%) than the current discount rate:

	1% Decrease <u>(5.20)%</u>	Current Discount <u>(6.20)%</u>	1% Increase <u>(7.20)%</u>
Total OPEB Liability	\$ 1,005,700,439	\$ 811,626,424	\$ 650,506,434
Commission's Proportionate Share	19,779,111	14,123,111	12,793,510

Sensitivity of the Commission's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Commission's proportionate share of the total OPEB liability as well as what the Commission's share of the total 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 <u>(2.68)%</u>	Current Discount <u>(3.68)%</u>	1% Increase <u>(4.68)%</u>
Total OPEB Liability	\$ 628,536,039	\$ 811,626,424	\$ 1,037,749,230
Commission's Proportionate Share	12,361,418	14,123,111	20,409,414

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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, 2023, the Commission recognized an OPEB expense of \$2,520,508. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	727,865	\$ 4,040,304
Changes of Assumptions	1,598,149	6,261,529
Net Differences Between Projected and Actual		
Investment Earnings on OPEB Plan Investments	822,559	-
Differences Between Employer Contributions and		
Proportionate Share of Contributions	-	2,879,352
Contributions Made Subsequent to the Measurement	1,183,174	-
Date		
Total	<u>\$ 4,331,747</u>	<u>\$ 13,181,185</u>

The \$1,183,174 reported as deferred outflows of resources related to Commission OPEB contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023.

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>
2024	\$ (3,996,134)
2025	(3,649,901)
2026	(1,503,183)
2027	172,796
2028	(766,864)
Thereafter	(289,326)
Total	<u>\$ (10,032,612)</u>

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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.

B. HUD Program Grant

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), Comprehensive Grants, Lower Income Housing Assistance Program (Housing Choice Voucher Moderate Rehabilitation), 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 with the exception of Residences on the Lane which is subject to a \$50,000 deductible via the policy secured by the COA: 'Master Council of Unit Owners of Rockville Town Center Phase II Master Condominium'. In fiscal year 2022 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.

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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.

Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The bonds outstanding at June 30, 2023, are summarized below:

Bonds Outstanding, Beginning of Year	\$ 142,317,553
Issuances During the Year	(365,307)
Redemptions During the Year	<u>(1,083,600)</u>
Bonds Outstanding, End of Year	<u><u>\$ 140,868,646</u></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, 2023, there was an arbitrage rebate liability of \$486,689 which is included in accounts payable.

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NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

	Blended Component Units							
	The Oaks	Alexander House	Sligo MPDU III	Metropolitan Dev Corp	Metropolitan of Bethesda LP	TPM Dev MPDU II / 59	TPP LLC	Pooks Hill Highrise
ASSETS AND DEFERRED OUTFLOWS								
Cash	\$ 102,841	\$ 248,259	\$ 730	\$ 3,639,466	\$ 102,509	\$ 27,113	\$ 1,485,965	\$ 701,521
Restricted Cash	777,978	1,459,518	53,527	1,242,041	111,212	41,888	1,016,187	1,688,475
Current Assets	18,293	4,857,523	483,293	1,010,828	20,452	463,809	34,672	86,175
Noncurrent Assets	6,456	16,570,225	1,199,403	13,745,499	-	-	-	-
Capital Assets	2,196,900	24,514,691	1,029,782	15,091,008	5,232,769	63,619	16,721,663	13,492,241
Deferred Outflows	-	-	34,392	-	-	59,312	-	-
Total Assets and Deferred Outflows	<u>3,102,468</u>	<u>47,650,216</u>	<u>2,801,127</u>	<u>34,728,842</u>	<u>5,466,942</u>	<u>655,741</u>	<u>19,258,487</u>	<u>15,968,412</u>
LIABILITIES AND DEFERRED INFLOWS								
Current Liabilities	470,401	3,485,111	19,535	1,423,630	326,261	30,798	1,742,695	789,603
Noncurrent Liabilities	1,853,314	48,799,559	-	19,963,645	21,012,660	-	18,052,729	13,231,731
Deferred Inflows	-	-	84,944	-	-	68,473	-	-
Total Liabilities and Deferred Inflows	<u>2,323,715</u>	<u>52,284,670</u>	<u>104,479</u>	<u>21,387,275</u>	<u>21,338,921</u>	<u>99,271</u>	<u>19,795,424</u>	<u>14,021,334</u>
NET POSITION								
Net Investment in Capital Assets	113,252	(24,976,341)	1,029,782	(4,952,276)	(421,065)	63,619	(1,940,431)	260,510
Restricted	644,023	1,406,498	48,474	1,074,467	111,212	41,888	930,971	1,628,584
Unrestricted	21,478	18,935,389	1,618,392	17,219,376	(15,562,126)	450,963	472,523	57,984
Total Net Position	<u>778,753</u>	<u>(4,634,454)</u>	<u>2,696,648</u>	<u>13,341,567</u>	<u>(15,871,979)</u>	<u>556,470</u>	<u>(536,937)</u>	<u>1,947,078</u>
Total Liabilities and Net Position	<u>\$ 3,102,468</u>	<u>\$ 47,650,216</u>	<u>\$ 2,801,127</u>	<u>\$ 34,728,842</u>	<u>\$ 5,466,942</u>	<u>\$ 655,741</u>	<u>\$ 19,258,487</u>	<u>\$ 15,968,412</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Blended Component Units							
	Wheaton Metro	Paddington Square	HOC at Hillandale Gateway	Barclay Apartments	Barclay One Associates LLP	Scattered Site One	Scattered Site Two	
ASSETS AND DEFERRED OUTFLOWS								
Cash	\$ 131,798	\$ 763,220	\$ -	\$ 89,731	\$ 123,387	\$ -	\$ -	\$ -
Restricted Cash	447,884	971,021	-	503,236	479,522	4,117,499	1,367,531	4,232,720
Current Assets	1,513,846	84,997	21,370	745,639	307,639	5,957,230	2,737,793	2,732,049
Noncurrent Assets	67	-	1,820,619	147,634	191,189	-	-	2,335
Capital Assets	23,186,519	17,293,423	-	4,504,320	4,200,150	9,609,205	4,199,221	36,636,414
Deferred Outflows	-	21,418	-	-	-	228,730	93,652	452,101
Total Assets and Deferred Outflows	25,280,114	19,134,079	1,841,989	5,990,560	5,301,887	19,912,664	8,398,197	44,055,619
LIABILITIES AND DEFERRED INFLOWS								
Current Liabilities	840,136	2,522,232	-	546,874	514,494	769,626	119,555	1,565,456
Noncurrent Liabilities	34,948,058	23,175,746	2,328,473	8,482,356	6,777,512	7,031,075	4,501,732	30,026,882
Deferred Inflows	-	235,060	63,613	-	-	402,021	126,465	790,318
Total Liabilities and Deferred Inflows	35,788,194	25,933,038	2,392,086	9,029,230	7,292,006	8,202,722	4,747,752	32,382,656
NET POSITION								
Net Investment in Capital Assets	(7,929,617)	(6,175,141)	(2,328,473)	(3,978,036)	(2,577,362)	2,578,130	(241,839)	6,445,728
Restricted	356,976	896,709	-	469,253	445,864	4,070,000	1,352,206	4,141,239
Unrestricted	(2,935,439)	(1,520,527)	1,778,376	470,113	141,379	5,061,812	2,540,078	1,085,996
Total Net Position	(10,508,080)	(6,798,959)	(550,097)	(3,038,670)	(1,990,119)	11,709,942	3,650,445	11,672,963
Total Liabilities and Net Position	\$ 25,280,114	\$ 19,134,079	\$ 1,841,989	\$ 5,990,560	\$ 5,301,887	\$ 19,912,664	\$ 8,398,197	\$ 44,055,619

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 21 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
ASSETS AND DEFERRED								
OUTFLOWS								
Cash	\$ -	\$ 694,076	\$ 1,450,880	\$ -	\$ 200	\$ 621,800	\$ 140,991	\$ 16,130
Restricted Cash	2,662,309	2,791,902	2,394,391	617,751	1,285,427	-	847,289	46,094
Current Assets	1,240,948	145,808	7,288	484,451	1,796,789	-	-	35,539
Noncurrent Assets		294,866	290,705	-	269,149	-	-	-
Capital Assets	25,215,165	12,801,995	10,226,344	4,361,665	24,909,397	-	-	1,509,581
Deferred Outflows	511,109	-	-	153,532	26,009	-	-	-
Total Assets and Deferred Outflows	<u>29,629,531</u>	<u>16,728,647</u>	<u>14,369,608</u>	<u>5,617,399</u>	<u>28,286,971</u>	<u>621,800</u>	<u>988,280</u>	<u>1,607,344</u>
LIABILITIES AND DEFERRED								
INFLOWS								
Current Liabilities	1,644,382	490,705	645,382	548,230	6,070,731	1,946	3,788,360	509,608
Noncurrent Liabilities	20,941,504	15,903,390	14,471,062	8,811,479	20,067,464	-	4,060,106	2,546,754
Deferred Inflows	1,092,355	-	-	456,549	451,968	-	-	-
Total Liabilities and Deferred Inflows	<u>23,678,241</u>	<u>16,394,095</u>	<u>15,116,444</u>	<u>9,816,258</u>	<u>26,590,163</u>	<u>1,946</u>	<u>7,848,466</u>	<u>3,056,362</u>
NET POSITION								
Net Investment in Capital Assets	4,273,661	(3,101,395)	(4,244,718)	(4,977,044)	4,841,933	-	(4,060,106)	(1,037,173)
Restricted	2,662,309	2,764,990	2,375,371	550,804	1,169,699	-	847,288	36,604
Unrestricted	<u>(984,680)</u>	<u>670,957</u>	<u>1,122,511</u>	<u>227,381</u>	<u>(4,314,824)</u>	<u>619,854</u>	<u>(3,647,368)</u>	<u>(448,449)</u>
Total Net Position	<u>5,951,290</u>	<u>334,552</u>	<u>(746,836)</u>	<u>(4,198,859)</u>	<u>1,696,808</u>	<u>619,854</u>	<u>(6,860,186)</u>	<u>(1,449,018)</u>
Total Liabilities and Net Position	<u>\$ 29,629,531</u>	<u>\$ 16,728,647</u>	<u>\$ 14,369,608</u>	<u>\$ 5,617,398</u>	<u>\$ 28,286,971</u>	<u>\$ 621,800</u>	<u>\$ 988,280</u>	<u>\$ 1,607,344</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 21 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
ASSETS AND DEFERRED OUTFLOWS								
Cash	\$ 43,111	\$ 459,356	\$ 693,738	\$ 1,979,897	\$ -	\$ 61,821	\$ 131,200	\$ 177,116
Restricted Cash	92,362	3,703,492	1,114,192	4,567,452	-	68,525	697,143	1,392,900
Current Assets	83,795	80,869	109,111	1,128,915	411,113	43,267	631,760	159,895
Noncurrent Assets	-	-	88,966	2,306,221	15,246,691	20,121	11,044,184	19,043
Capital Assets	2,022,895	2,719,214	5,577,616	131,948,456	3,173,555	973,429	-	3,567,305
Deferred Outflows	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows	<u>2,242,163</u>	<u>6,962,931</u>	<u>7,583,623</u>	<u>141,930,941</u>	<u>18,831,359</u>	<u>1,167,163</u>	<u>12,504,287</u>	<u>5,316,259</u>
LIABILITIES AND DEFERRED INFLOWS								
Current Liabilities	30,463	237,897	740,568	6,041,219	60,250	1,853,981	32,092	1,583,164
Noncurrent Liabilities	3,299,532	5,548,669	5,001,934	133,480,930	13,511,590	1,439,510	-	1,807,501
Deferred Inflows	-	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows	<u>3,329,995</u>	<u>5,786,566</u>	<u>5,742,502</u>	<u>139,522,149</u>	<u>13,571,840</u>	<u>3,293,491</u>	<u>32,092</u>	<u>3,390,665</u>
NET POSITION								
Net Investment in Capital Assets	(1,276,637)	(2,927,260)	575,682	(1,532,474)	(10,338,035)	(466,081)	-	1,759,804
Restricted	79,204	3,641,142	1,061,804	4,424,981	-	40,718	697,143	1,211,669
Unrestricted	109,601	462,483	203,635	(483,715)	15,597,554	(1,700,965)	11,775,052	(1,045,879)
Total Net Position	<u>(1,087,832)</u>	<u>1,176,365</u>	<u>1,841,121</u>	<u>2,408,792</u>	<u>5,259,519</u>	<u>(2,126,328)</u>	<u>12,472,195</u>	<u>1,925,594</u>
Total Liabilities and Net Position	<u>\$ 2,242,163</u>	<u>\$ 6,962,931</u>	<u>\$ 7,583,623</u>	<u>\$ 141,930,941</u>	<u>\$ 18,831,359</u>	<u>\$ 1,167,163</u>	<u>\$ 12,504,287</u>	<u>\$ 5,316,259</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 21 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	Montgomery Arms
ASSETS AND DEFERRED								
OUTFLOWS								
Cash	\$ -	\$ -	\$ 44,144	\$ 48,997	\$ 104,148	\$ 174,722	\$ 39,398	\$ 304,265
Restricted Cash	540,328	-	291,816	198,349	550,735	559,761	506,704	403,408
Current Assets	863,984	988,560	132,568	96,855	17,587	19,499	12,706	1,016,895
Noncurrent Assets	-	11,356,666	53,426	25,196	2,749,140	2,935,268	1,986,554	167,221
Capital Assets	328,755	-	3,404,944	854,752	-	-	-	7,583,607
Deferred Outflows	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows	<u>1,733,067</u>	<u>12,345,226</u>	<u>3,926,898</u>	<u>1,224,149</u>	<u>3,421,610</u>	<u>3,689,250</u>	<u>2,545,362</u>	<u>9,475,396</u>
LIABILITIES AND DEFERRED								
INFLOWS								
Current Liabilities	67,259	426,481	6,129,735	589,897	142,282	38,874	69,453	3,129,952
Noncurrent Liabilities	-	3,762,673	4,505,745	4,415,225	476,161	435,200	319,057	7,072,653
Deferred Inflows	-	-	103,777	-	-	-	-	-
Total Liabilities and Deferred Inflows	<u>67,259</u>	<u>4,189,154</u>	<u>10,739,257</u>	<u>5,005,122</u>	<u>618,443</u>	<u>474,074</u>	<u>388,510</u>	<u>10,202,605</u>
NET POSITION								
Net Investment in Capital Assets	328,755	(3,762,673)	(1,100,801)	(3,560,473)	(476,160)	(435,200)	(319,057)	510,954
Restricted	515,917	-	257,198	174,196	550,735	559,761	506,704	342,849
Unrestricted	821,136	11,918,745	(5,968,756)	(394,696)	2,728,592	3,090,615	1,969,205	(1,581,012)
Total Net Position	<u>1,665,808</u>	<u>8,156,072</u>	<u>(6,812,359)</u>	<u>(3,780,973)</u>	<u>2,803,167</u>	<u>3,215,176</u>	<u>2,156,852</u>	<u>(727,209)</u>
Total Liabilities and Net Position	<u>\$ 1,733,067</u>	<u>\$ 12,345,226</u>	<u>\$ 3,926,898</u>	<u>\$ 1,224,149</u>	<u>\$ 3,421,610</u>	<u>\$ 3,689,250</u>	<u>\$ 2,545,362</u>	<u>\$ 9,475,396</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Blended Component Units							
	Strathmore Court LP	Chevy Chase	Georgian Court Silver Spring LP	MV Affordable Hsng Assoc LP	Bradley Crossing LLC	HOC at Battery Lane LLC	HOC at Avondale LLC	Other Blended Component Units
ASSETS AND DEFERRED								
OUTFLOWS								
Cash	\$ 595,178	\$ 291,981	\$ 359,464	\$ 573,538	\$ 2,067,275	\$ 695,745	\$ 461,562	\$ -
Restricted Cash	1,636,612	192,968	854,312	291,254	602,324	245,574	532,838	-
Current Assets	33,136	-	1,003,142	1,533,187	150,801	547,334	35,915	453,952
Noncurrent Assets	-	-	19,773,653	9,044,240	480,280	-	-	5,806,828
Capital Assets	9,617,331	86,555	(5,574)	-	90,473,081	53,014,659	12,227,902	300
Deferred Outflows	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows	<u>11,882,257</u>	<u>571,504</u>	<u>21,984,997</u>	<u>11,442,219</u>	<u>93,773,761</u>	<u>54,503,312</u>	<u>13,258,217</u>	<u>6,261,080</u>
LIABILITIES AND DEFERRED								
INFLOWS								
Current Liabilities	2,277,461	222,240	44,495	13,416	2,014,384	770,723	254,654	386,248
Noncurrent Liabilities	13,345,170	-	23,001	-	95,996,677	52,326,598	13,324,451	2,997
Deferred Inflows	-	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows	<u>15,622,631</u>	<u>222,240</u>	<u>67,496</u>	<u>13,416</u>	<u>98,011,061</u>	<u>53,097,320</u>	<u>13,579,105</u>	<u>389,245</u>
NET POSITION								
Net Investment in Capital Assets	(3,727,839)	86,555	(28,575)	-	(5,523,596)	688,062	(1,096,549)	5,485,708
Restricted	1,636,612	192,968	854,312	291,254	328,241	245,574	532,838	-
Unrestricted	<u>(1,649,147)</u>	<u>69,741</u>	<u>21,091,764</u>	<u>11,137,549</u>	<u>958,055</u>	<u>472,356</u>	<u>242,823</u>	<u>386,127</u>
Total Net Position	<u>(3,740,374)</u>	<u>349,264</u>	<u>21,917,501</u>	<u>11,428,803</u>	<u>(4,237,300)</u>	<u>1,405,992</u>	<u>(320,888)</u>	<u>5,871,835</u>
Total Liabilities and Net Position	<u>\$ 11,882,257</u>	<u>\$ 571,504</u>	<u>\$ 21,984,997</u>	<u>\$ 11,442,219</u>	<u>\$ 93,773,761</u>	<u>\$ 54,503,312</u>	<u>\$ 13,258,217</u>	<u>\$ 6,261,080</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Total Blended	Primary Government	Total
ASSETS AND DEFERRED			
OUTFLOWS			
Cash	\$ 19,647,273	\$ 103,140,356	\$ 122,787,629
Restricted Cash	48,198,451	175,961,915	224,160,366
Current Assets	34,341,277	34,890,886	69,232,163
Noncurrent Assets	117,641,845	823,255,430	940,897,275
Capital Assets	584,564,854	84,215,033	668,779,887
Deferred Outflows	1,580,255	30,097,263	31,677,518
Total Assets and Deferred Outflows	805,973,955	1,251,560,883	2,057,534,838
LIABILITIES AND DEFERRED			
INFLOWS			
Current Liabilities	56,022,939	58,978,984	115,001,923
Noncurrent Liabilities	687,082,504	911,168,879	1,598,251,383
Deferred Inflows	3,875,543	43,611,911	47,487,454
Total Liabilities and Deferred Inflows	746,980,986	1,013,759,774	1,760,740,760
NET POSITION			
Net Investment in Capital Assets	(80,470,293)	(59,202,119)	(139,672,412)
Restricted	46,171,249	60,144,508	106,315,757
Unrestricted	93,292,012	236,858,721	330,150,733
Total Net Position	58,992,968	237,801,110	296,794,078
Total Liabilities and Net Position	\$ 805,973,954	\$ 1,251,560,884	\$ 2,057,534,838

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Blended Component Units							
	The Oaks	Alexander House	Sligo MPDU III	Metropolitan Dev Corp	Metropolitan of Bethesda LP	TPM Dev MPDU II / 59	TPP LLC	Pooks Hill Highrise
OPERATING REVENUES								
Tenant Revenue	\$ 1,456,248	\$ 3,600,382	\$ 254,508	\$ 5,764,884	\$ 875,445	\$ 803,281	\$ 2,775,004	\$ 2,905,068
Other Revenues	21,669	834,868	5,972	617,951	19,938	6,676	31,861	408,857
Total Operating Revenues	<u>1,477,917</u>	<u>4,435,250</u>	<u>260,480</u>	<u>6,382,835</u>	<u>895,383</u>	<u>809,957</u>	<u>2,806,865</u>	<u>3,313,925</u>
OPERATING EXPENSES								
Housing Assistance Payments	-	-	-	-	-	-	-	-
Administrative	253,535	341,772	86,359	846,706	231,628	181,076	319,971	366,537
Utilities	99,545	253,244	2,450	374,738	142,861	3,979	228,711	180,985
Ordinary Maintenance and Operations	419,810	613,035	168,013	619,331	233,742	248,593	424,239	545,545
General Expenses	361,088	2,509,726	7,524	2,790,049	463,153	407,839	1,003,340	1,374,790
Depreciation	197,816	1,163,889	66,749	967,285	318,887	13,676	414,904	527,843
Total Operating Expenses	<u>1,331,794</u>	<u>4,881,666</u>	<u>331,095</u>	<u>5,598,109</u>	<u>1,390,271</u>	<u>855,163</u>	<u>2,391,165</u>	<u>2,995,700</u>
OPERATING INCOME (LOSS)	146,123	(446,416)	(70,615)	784,726	(494,888)	(45,206)	415,700	318,225
NONOPERATING REVENUES (EXPENSES)	<u>18,523</u>	<u>12,232</u>	<u>60,272</u>	<u>73,955</u>	<u>2,826</u>	<u>1,923</u>	<u>5,589</u>	<u>1,325</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	164,646	(434,184)	(10,343)	858,681	(492,062)	(43,283)	421,289	319,550
Capital Contributions (Distributions)	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	14,425	-	-	-	-	-
Operating Transfers In (Out)	-	-	-	-	-	-	(586,711)	-
CHANGE IN NET POSITION	164,646	(434,184)	4,082	858,681	(492,062)	(43,283)	(165,422)	319,550
Net Position - Beginning of Year	<u>614,107</u>	<u>(4,200,270)</u>	<u>2,692,566</u>	<u>12,482,886</u>	<u>(15,379,917)</u>	<u>599,753</u>	<u>(371,515)</u>	<u>1,627,528</u>
NET POSITION - END OF YEAR	<u>\$ 778,753</u>	<u>\$ (4,634,454)</u>	<u>\$ 2,696,648</u>	<u>\$ 13,341,567</u>	<u>\$ (15,871,979)</u>	<u>\$ 556,470</u>	<u>\$ (536,937)</u>	<u>\$ 1,947,078</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Blended Component Units							
	Wheaton Metro	Paddington Square	HOC at Hillandale Gateway	Barclay Apartments	Barclay One Associates LP	Scattered Site One	Scattered Site Two	VPC One
OPERATING REVENUES								
Tenant Revenue	\$ 2,737,599	\$ 3,010,110	\$ -	\$ 1,263,983	\$ 1,089,336	\$ 2,665,908	\$ 727,184	\$ 6,412,175
Other Revenues	23,960	63,274	-	10,919	3,807	98,575	65,546	179,485
Total Operating Revenues	<u>2,761,559</u>	<u>3,073,384</u>	<u>-</u>	<u>1,274,902</u>	<u>1,093,143</u>	<u>2,764,483</u>	<u>792,730</u>	<u>6,591,660</u>
OPERATING EXPENSES								
Housing Assistance Payments	-	-	-	-	-	-	-	-
Administrative	374,384	408,915	-	160,827	158,985	646,518	173,921	1,290,091
Utilities	66,980	200,943	-	130,388	79,219	15,616	10,416	48,522
Ordinary Maintenance and Operations	326,876	806,946	-	337,516	291,347	1,102,117	242,001	1,949,850
General Expenses	1,677,257	1,537,412	300	499,667	271,176	604,589	190,720	2,391,182
Depreciation	957,474	623,418	-	395,154	450,192	334,209	91,435	961,822
Total Operating Expenses	<u>3,402,971</u>	<u>3,577,634</u>	<u>300</u>	<u>1,523,552</u>	<u>1,250,919</u>	<u>2,703,049</u>	<u>708,493</u>	<u>6,641,467</u>
OPERATING INCOME (LOSS)	(641,412)	(504,250)	(300)	(248,650)	(157,776)	61,434	84,237	(49,807)
NONOPERATING REVENUES (EXPENSES)	9,144	1,363	-	5,692	7,060	46,732	221	50,935
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(632,268)	(502,887)	(300)	(242,958)	(150,716)	108,166	84,458	1,128
Capital Contributions (Distributions)	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	(62,762)	-	107,501	26,234	189,368
Operating Transfers In (Out)	21,916	-	-	-	(135,815)	-	-	(563,145)
CHANGE IN NET POSITION	(610,352)	(502,887)	(300)	(305,720)	(286,531)	215,667	110,692	(372,649)
Net Position - Beginning of Year	<u>(9,897,728)</u>	<u>(6,296,072)</u>	<u>(549,797)</u>	<u>(2,732,950)</u>	<u>(1,703,588)</u>	<u>11,494,275</u>	<u>3,539,753</u>	<u>12,045,612</u>
NET POSITION - END OF YEAR	<u>\$ (10,508,080)</u>	<u>\$ (6,798,959)</u>	<u>\$ (550,097)</u>	<u>\$ (3,038,670)</u>	<u>\$ (1,990,119)</u>	<u>\$ 11,709,942</u>	<u>\$ 3,650,445</u>	<u>\$ 11,672,963</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
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NOTE 21 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
OPERATING REVENUES								
Tenant Revenue	\$ 4,688,508	\$ 1,849,548	\$ 1,625,087	\$ 2,458,165	\$ 3,473,216	\$ -	\$ -	\$ 369,119
Other Revenues	111,926	4,559	4,700	156,298	406,389	-	-	7,990
Total Operating Revenues	<u>4,800,434</u>	<u>1,854,107</u>	<u>1,629,787</u>	<u>2,614,463</u>	<u>3,879,605</u>	<u>-</u>	<u>-</u>	<u>377,109</u>
OPERATING EXPENSES								
Housing Assistance Payments	-	-	-	-	-	-	-	-
Administrative	894,817	164,144	199,429	181,587	403,407	267,741	298	110,100
Utilities	16,183	164,697	107,841	154,121	545,505	-	-	18,949
Ordinary Maintenance and Operations	1,033,886	297,239	258,104	439,240	1,213,877	-	-	188,025
General Expenses	2,002,164	1,039,642	995,679	1,582,417	1,855,158	-	142,551	186,989
Depreciation	657,745	313,084	224,245	265,294	833,945	-	-	86,983
Total Operating Expenses	<u>4,604,795</u>	<u>1,978,806</u>	<u>1,785,298</u>	<u>2,622,659</u>	<u>4,851,892</u>	<u>267,741</u>	<u>142,849</u>	<u>591,046</u>
OPERATING INCOME (LOSS)	195,639	(124,699)	(155,511)	(8,195)	(972,287)	(267,741)	(142,849)	(213,937)
NONOPERATING REVENUES (EXPENSES)	<u>32,505</u>	<u>22,165</u>	<u>13,207</u>	<u>4,200</u>	<u>5,378</u>	<u>362,347</u>	<u>15,956</u>	<u>911</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	228,144	(102,534)	(142,304)	(3,996)	(966,909)	94,606	(126,893)	(213,026)
Capital Contributions (Distributions)	-	-	-	-	-	-	-	-
Prior Period Adjustment	182,655	3	-	53,751	189,192	-	-	-
Operating Transfers In (Out)	<u>(570,228)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(173,529)</u>	<u>-</u>
CHANGE IN NET POSITION	(159,429)	(102,531)	(142,304)	49,755	(777,717)	94,606	(300,422)	(213,026)
Net Position - Beginning of Year	<u>6,110,719</u>	<u>437,083</u>	<u>(604,532)</u>	<u>(4,248,614)</u>	<u>2,474,525</u>	<u>525,248</u>	<u>(6,559,764)</u>	<u>(1,235,992)</u>
NET POSITION - END OF YEAR	<u>\$ 5,951,290</u>	<u>\$ 334,552</u>	<u>\$ (746,836)</u>	<u>\$ (4,198,859)</u>	<u>\$ 1,696,808</u>	<u>\$ 619,854</u>	<u>\$ (6,860,186)</u>	<u>\$ (1,449,018)</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTES TO FINANCIAL STATEMENTS
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NOTE 21 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
OPERATING REVENUES								
Tenant Revenue	\$ 668,117	\$ 1,279,926	\$ 1,522,829	\$ 12,459,503	\$ 142,500	\$ 773,646	\$ -	\$ 2,388,625
Other Revenues	12,852	3,499	21,071	80,422	-	2,491	3,133	26,092
Total Operating Revenues	<u>680,969</u>	<u>1,283,425</u>	<u>1,543,900</u>	<u>12,539,925</u>	<u>142,500</u>	<u>776,137</u>	<u>3,133</u>	<u>2,414,717</u>
OPERATING EXPENSES								
Housing Assistance Payments	-	-	-	-	-	-	-	-
Administrative	150,982	195,163	167,945	1,561,090	79	151,902	8,282	404,263
Utilities	4,144	188,665	237,064	581,671	-	162,412	-	484,141
Ordinary Maintenance and Operations	285,769	331,711	352,566	2,701,229	-	298,488	846	681,986
General Expenses	164,177	131,013	523,288	5,477,539	600	257,304	(6,289)	526,342
Depreciation	82,191	200,814	358,401	3,241,771	-	161,721	-	294,051
Total Operating Expenses	<u>687,263</u>	<u>1,047,366</u>	<u>1,639,264</u>	<u>13,563,300</u>	<u>679</u>	<u>1,031,827</u>	<u>2,839</u>	<u>2,390,783</u>
OPERATING INCOME (LOSS)	(6,294)	236,059	(95,364)	(1,023,375)	141,821	(255,690)	294	23,934
NONOPERATING REVENUES (EXPENSES)	<u>1,114</u>	<u>113,752</u>	<u>22,155</u>	<u>33,041</u>	<u>-</u>	<u>871</u>	<u>285,688</u>	<u>25,790</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(5,180)	349,811	(73,209)	(990,334)	141,821	(254,819)	285,982	49,724
Capital Contributions (Distributions)	-	-	-	(636,046)	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-
Operating Transfers In (Out)	<u>(113,377)</u>	<u>-</u>	<u>-</u>	<u>(903,927)</u>	<u>173,527</u>	<u>-</u>	<u>(922,089)</u>	<u>(140,751)</u>
CHANGE IN NET POSITION	(118,557)	349,811	(73,209)	(2,530,307)	315,348	(254,819)	(636,107)	(91,027)
Net Position - Beginning of Year	<u>(969,275)</u>	<u>826,554</u>	<u>1,914,330</u>	<u>4,939,099</u>	<u>4,944,171</u>	<u>(1,871,509)</u>	<u>13,108,302</u>	<u>2,016,621</u>
NET POSITION - END OF YEAR	<u>\$ (1,087,832)</u>	<u>\$ 1,176,365</u>	<u>\$ 1,841,121</u>	<u>\$ 2,408,792</u>	<u>\$ 5,259,519</u>	<u>\$ (2,126,328)</u>	<u>\$ 12,472,195</u>	<u>\$ 1,925,594</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTES TO FINANCIAL STATEMENTS
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NOTE 21 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	Montgomery Arms
OPERATING REVENUES								
Tenant Revenue	\$ 551,617	\$ -	\$ 1,500,487	\$ 1,132,898	\$ -	\$ -	\$ -	\$ 1,878,016
Other Revenues	7,884	-	126,640	13,549	31,019	16,851	13,726	6,063
Total Operating Revenues	<u>559,501</u>	<u>-</u>	<u>1,627,127</u>	<u>1,146,447</u>	<u>31,019</u>	<u>16,851</u>	<u>13,726</u>	<u>1,884,079</u>
OPERATING EXPENSES								
Housing Assistance Payments	-	-	-	-	-	-	-	-
Administrative	61,362	-	375,039	227,998	-	-	-	218,965
Utilities	102,327	-	46,209	7,335	300	300	300	166,318
Ordinary Maintenance and Operations	252,638	-	639,034	450,514	-	-	-	311,030
General Expenses	155,541	-	317,169	242,536	-	-	-	980,374
Depreciation	57,640	-	394,882	306,338	-	-	-	346,832
Total Operating Expenses	<u>629,508</u>	<u>-</u>	<u>1,772,333</u>	<u>1,234,721</u>	<u>300</u>	<u>300</u>	<u>300</u>	<u>2,023,519</u>
OPERATING INCOME (LOSS)	(70,007)	-	(145,206)	(88,274)	30,719	16,551	13,426	(139,440)
NONOPERATING REVENUES (EXPENSES)	599	-	4,036	2,619	-	-	-	48,482
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(69,408)	-	(141,170)	(85,655)	30,719	16,551	13,426	(90,958)
Capital Contributions (Distributions)	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-
Operating Transfers In (Out)	-	-	-	-	(31,020)	(16,851)	(13,726)	-
CHANGE IN NET POSITION	(69,408)	-	(141,170)	(85,655)	(301)	(300)	(300)	(90,958)
Net Position - Beginning of Year	<u>1,735,216</u>	<u>8,156,072</u>	<u>(6,671,189)</u>	<u>(3,695,318)</u>	<u>2,803,468</u>	<u>3,215,476</u>	<u>2,157,152</u>	<u>(636,251)</u>
NET POSITION - END OF YEAR	<u>\$ 1,665,808</u>	<u>\$ 8,156,072</u>	<u>\$ (6,812,359)</u>	<u>\$ (3,780,973)</u>	<u>\$ 2,803,167</u>	<u>\$ 3,215,176</u>	<u>\$ 2,156,852</u>	<u>\$ (727,209)</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Blended Component Units							Other Blended Component Units
	Strathmore Court LP	Chevy Chase	Georgian Court Silver Spring LP	MV Affordable Hsng Assoc LP	Bradley Crossing LLC	HOC at Battery Lane LLC	HOC at Avondale LLC	
OPERATING REVENUES								
Tenant Revenue	\$ 4,131,537	\$ -	\$ -	\$ -	\$ 6,831,895	\$ 4,031,335	\$ 581,945	\$ 446,052
Other Revenues	1,487,467	-	6,251	8,025	36,362	10,192	(302,804)	12,286
Total Operating Revenues	<u>5,619,004</u>	<u>-</u>	<u>6,251</u>	<u>8,025</u>	<u>6,868,257</u>	<u>4,041,527</u>	<u>279,141</u>	<u>458,338</u>
OPERATING EXPENSES								
Housing Assistance Payments	-	-	-	-	-	-	-	-
Administrative	609,094	2,500	7,500	21	805,737	347,702	77,273	361,388
Utilities	297,392	-	-	-	467,060	315,159	48,230	-
Ordinary Maintenance and Operations	753,166	114	-	-	937,931	611,305	140,134	-
General Expenses	1,515,745	24	-	4,020	3,984,137	2,954,166	310,237	3,000
Depreciation	703,426	-	-	-	2,392,231	1,191,665	68,751	-
Total Operating Expenses	<u>3,878,823</u>	<u>2,638</u>	<u>7,500</u>	<u>4,041</u>	<u>8,587,096</u>	<u>5,419,997</u>	<u>644,625</u>	<u>364,388</u>
OPERATING INCOME (LOSS)	1,740,181	(2,638)	(1,249)	3,984	(1,718,839)	(1,378,470)	(365,484)	93,950
NONOPERATING REVENUES (EXPENSES)	4,045	970	507,435	738,922	5,932	2,482	8,699	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,744,226	(1,668)	506,186	742,906	(1,712,907)	(1,375,988)	(356,785)	93,950
Capital Contributions (Distributions)	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-
Operating Transfers In (Out)	-	-	(922,087)	(2,035)	(630,797)	-	(18,800)	-
CHANGE IN NET POSITION	1,744,226	(1,668)	(415,901)	740,871	(2,343,704)	(1,375,988)	(375,585)	93,950
Net Position - Beginning of Year	<u>(5,484,600)</u>	<u>350,932</u>	<u>22,333,402</u>	<u>10,687,932</u>	<u>(1,893,596)</u>	<u>2,781,980</u>	<u>54,697</u>	<u>5,777,885</u>
NET POSITION - END OF YEAR	<u>\$ (3,740,374)</u>	<u>\$ 349,264</u>	<u>\$ 21,917,501</u>	<u>\$ 11,428,803</u>	<u>\$ (4,237,300)</u>	<u>\$ 1,405,992</u>	<u>\$ (320,888)</u>	<u>\$ 5,871,835</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
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NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Total Blended	Primary Government	Total
OPERATING REVENUES			
Tenant Revenue	\$ 91,125,686	\$ 12,291,480	\$ 103,417,166
Other Revenues	4,708,291	196,059,296	200,767,587
Total Operating Revenues	<u>95,833,978</u>	<u>208,350,775</u>	<u>304,184,753</u>
OPERATING EXPENSES			
Housing Assistance Payments	-	135,001,298	135,001,298
Administrative	13,797,033	39,661,482	53,458,515
Utilities	5,954,920	1,532,517	7,487,437
Ordinary Maintenance and Operations	20,507,793	6,007,696	26,515,489
General Expenses	41,435,335	24,374,246	65,809,581
Depreciation	19,666,763	2,071,583	21,738,346
Total Operating Expenses	<u>101,361,844</u>	<u>208,648,822</u>	<u>310,010,666</u>
OPERATING INCOME (LOSS)	(5,527,866)	(298,047)	(5,825,913)
NONOPERATING REVENUES (EXPENSES)	<u>2,561,093</u>	<u>3,174,445</u>	<u>5,735,538</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(2,966,774)	2,876,399	(90,375)
Capital Contributions (Distributions)	(636,046)	419,206	(216,840)
Prior Period Adjustment	700,367	(700,367)	-
Operating Transfers In (Out)	<u>(5,549,445)</u>	<u>5,549,445</u>	<u>-</u>
CHANGE IN NET POSITION	(8,451,898)	8,144,683	(307,215)
Net Position - Beginning of Year	<u>67,444,867</u>	<u>229,656,426</u>	<u>297,101,293</u>
NET POSITION - END OF YEAR	<u>\$ 58,992,970</u>	<u>\$ 237,801,108</u>	<u>\$ 296,794,078</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTES TO FINANCIAL STATEMENTS
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NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Blended Component Units							
	The Oaks	Alexander House	Sligo MPDU III	Metropolitan Dev Corp	Metropolitan of Bethesda LP	TPM Dev MPDU II / 59	TPP LLC	Pooks Hill Highrise
NET CASH PROVIDED (USED) BY								
Operating Activities	\$ 325,562	\$ 379,925	\$ (42,236)	\$ 2,298,291	\$ (198,856)	\$ (62,763)	\$ 877,008	\$ 962,949
Investing Activities	(46,553)	-	46,384	(1,622,383)	(697,216)	(10,073)	(27,933)	-
Noncapital Financing Activities	(282,114)	(247,652)	-	(113,602)	1,003,219	32,769	(844,364)	(495,568)
Capital and Related Financing Activities	-	-	-	-	-	-	-	-
NET INCREASE (DECREASE) IN CASH	(3,105)	132,273	4,148	562,306	107,147	(40,067)	4,711	467,381
Cash and Cash Equivalents - Beginning of Year	883,924	1,575,504	50,109	4,319,201	106,574	109,068	2,497,441	1,922,615
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 880,819</u>	<u>\$ 1,707,777</u>	<u>\$ 54,257</u>	<u>\$ 4,881,507</u>	<u>\$ 213,721</u>	<u>\$ 69,001</u>	<u>\$ 2,502,152</u>	<u>\$ 2,389,996</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Blended Component Units							
	Wheaton Metro	Paddington Square	HOC at Hillandale Gateway	Barclay Apartments	Barclay One Associates LP	Scattered Site One	Scattered Site Two	
NET CASH PROVIDED (USED) BY								
Operating Activities	\$ 399,320	\$ 507,460	\$ -	\$ 370,262	\$ 451,086	\$ 551,069	\$ 155,095	\$ 388,223
Investing Activities	-	838	-	(18,100)	(28,600)	(134,950)	26,585	(58,589)
Noncapital Financing Activities	(497,961)	(315,901)	-	(331,408)	(357,350)	(189,625)	(126,200)	(142,482)
Capital and Related Financing Activities	-	-	-	-	-	-	-	-
NET INCREASE (DECREASE) IN CASH	(98,641)	192,397	-	20,754	65,136	226,494	55,480	187,152
Cash and Cash Equivalents - Beginning of Year	678,323	1,541,844	-	572,213	537,773	3,891,005	1,312,051	4,045,568
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 579,682</u>	<u>\$ 1,734,241</u>	<u>\$ -</u>	<u>\$ 592,967</u>	<u>\$ 602,909</u>	<u>\$ 4,117,499</u>	<u>\$ 1,367,531</u>	<u>\$ 4,232,720</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 21 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
NET CASH PROVIDED (USED) BY								
Operating Activities	\$ 611,691	\$ 251,154	\$ 95,499	\$ 287,531	\$ 834,312	\$ 80,458	\$ (46,894)	\$ (12,442)
Investing Activities	(29,877)	-	(30,672)	(22,980)	(100,050)	-	62,552	(8,050)
Noncapital Financing Activities	(501,003)	(267,385)	7,034	(224,400)	(312,233)	-	-	-
Capital and Related Financing Activities	-	-	-	-	-	-	-	-
NET INCREASE (DECREASE) IN CASH	80,811	(16,231)	71,861	40,151	422,029	80,458	15,658	(20,492)
Cash and Cash Equivalents - Beginning of Year	2,581,498	3,502,209	3,773,410	577,600	863,598	541,342	972,622	82,716
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,662,309</u>	<u>\$ 3,485,978</u>	<u>\$ 3,845,271</u>	<u>\$ 617,751</u>	<u>\$ 1,285,627</u>	<u>\$ 621,800</u>	<u>\$ 988,280</u>	<u>\$ 62,224</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 21 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
NET CASH PROVIDED (USED) BY								
Operating Activities	\$ 149,826	\$ 658,588	\$ 299,692	\$ 3,421,600	\$ -	\$ (25,266)	\$ 5,201	\$ 191,141
Investing Activities	(2,493)	(23,260)	(65,710)	(1,317,622)	173,527	-	-	(8,511)
Noncapital Financing Activities	(113,377)	(68,405)	(288,218)	(3,228,952)	(173,527)	(142,145)	(928,377)	(354,645)
Capital and Related Financing Activities	-	-	-	-	-	-	-	-
NET INCREASE (DECREASE) IN CASH	33,956	566,923	(54,236)	(1,124,974)	-	(167,411)	(923,176)	(172,015)
Cash and Cash Equivalents - Beginning of Year	101,517	3,595,925	1,862,166	7,672,323	-	297,757	1,751,519	1,742,031
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 135,473</u>	<u>\$ 4,162,848</u>	<u>\$ 1,807,930</u>	<u>\$ 6,547,349</u>	<u>\$ -</u>	<u>\$ 130,346</u>	<u>\$ 828,343</u>	<u>\$ 1,570,016</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
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NOTE 21 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	
NET CASH PROVIDED (USED) BY								
Operating Activities	\$ (79,404)	\$ -	\$ 588,143	\$ 303,157	\$ 40,665	\$ 33,402	\$ 27,162	\$ 441,064
Investing Activities	(46,002)	(1,664,256)	(159,703)	-	-	-	-	(16,652)
Noncapital Financing Activities	135,304	1,664,256	(382,448)	(310,055)	(30,719)	(16,551)	(13,436)	(374,987)
Capital and Related Financing Activities	-	-	-	-	-	-	-	-
NET INCREASE (DECREASE) IN CASH	9,898	-	45,992	(6,898)	9,946	16,851	13,726	49,425
Cash and Cash Equivalents - Beginning of Year	530,430	-	289,968	254,244	644,937	717,632	532,376	658,248
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 540,328</u>	<u>\$ -</u>	<u>\$ 335,960</u>	<u>\$ 247,346</u>	<u>\$ 654,883</u>	<u>\$ 734,483</u>	<u>\$ 546,102</u>	<u>\$ 707,673</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Blended Component Units							Other Blended Component Units
	Strathmore Court LP	Chevy Chase	Georgian Court Silver Spring LP	MV Affordable Hsng Assoc LP	Bradley Crossing LLC	Hoc at Battery Lane LLC	HOC at Avondale LLC	
NET CASH PROVIDED (USED) BY								
Operating Activities	\$ 930,125	\$ (1,530)	\$ 18,794	\$ 13,805	\$ 1,565,393	\$ 286,682	\$ 619,734	\$ 3,067
Investing Activities	(140,708)	-	(922,088)	-	-	(7,714)	(6,024,417)	714
Noncapital Financing Activities	473,210	2,500	-	(2,036)	(630,797)	268,731	5,884,352	(3,781)
Capital and Related Financing Activities	-	-	-	-	-	-	-	-
NET INCREASE (DECREASE) IN CASH	1,262,627	970	(903,294)	11,769	934,596	547,699	479,669	-
Cash and Cash Equivalents - Beginning of Year	969,163	483,979	2,117,070	853,023	1,735,003	393,620	514,731	-
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,231,790</u>	<u>\$ 484,949</u>	<u>\$ 1,213,776</u>	<u>\$ 864,792</u>	<u>\$ 2,669,599</u>	<u>\$ 941,319</u>	<u>\$ 994,400</u>	<u>\$ -</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Total Blended	Primary Government	Total
NET CASH PROVIDED (USED) BY			
Operating Activities	\$ 18,954,745	\$ (67,318,539)	\$ (48,363,794)
Investing Activities	(12,924,562)	(44,022,779)	(56,947,341)
Noncapital Financing Activities	(2,840,329)	25,844,252	23,003,923
Capital and Related Financing Activities	-	15,878,871	15,878,871
 NET INCREASE (DECREASE) IN CASH	 3,189,854	 (69,618,195)	 (66,428,341)
 Cash and Cash Equivalents - Beginning of Year	 64,655,870	 348,720,466	 413,376,336
 CASH AND CASH EQUIVALENTS - END OF YEAR	 \$ 67,845,724	 \$ 279,102,271	 \$ 346,947,995

REQUIRED SUPPLEMENTARY INFORMATION

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE
OF THE TOTAL PENSION LIABILITY
YEAR ENDED JUNE 30, 2023

Last 10 Fiscal Years*

Employees' Retirement and Pension System:

	2022	2021	2020	2019	2018	2017	2016	2015
Commission's Proportion of the Pension (Liability) Asset	-6.64%	-4.36%	19.48%	12.03%	3.87%	3.10%	2.16%	1.82%
Commission's Proportionate Share of the Pension Liability	\$ 10,257,154	\$ 32,216,643	\$ 21,355,806	\$ 6,318,486	\$ 7,459,885	\$ 10,595,603	\$ 11,681,661	\$ 7,661,755
Commission's Covered Payroll	\$ 9,341,320	\$ 10,253,470	\$ 10,071,749	\$ 10,289,742	\$ 9,718,539	\$ 9,231,794	\$ 8,319,336	\$ 7,802,241
Commission's Proportionate Share of the Pension Liability as a Percentage of its Covered Payroll	109.80%	314.20%	212.04%	61.41%	76.76%	114.77%	140.42%	98.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.30%	116.20%	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 seven years of information is available.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
SCHEDULE OF COMMISSION PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2023

Employees' Retirement and Pension System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 539,671	\$ 579,891	\$ 623,273	\$ 593,105	\$ 571,897	\$ 515,352	\$ 1,088,949	\$ 1,782,014	\$ 1,849,962	\$ 1,452,873
Contributions in Relation to the Contractually Required Contribution	<u>1,293,914</u>	<u>1,334,134</u>	<u>1,377,516</u>	<u>1,347,348</u>	<u>1,501,891</u>	<u>515,352</u>	<u>1,088,949</u>	<u>1,782,014</u>	<u>1,849,962</u>	<u>1,452,873</u>
Contribution Deficiency (Excess)	<u>\$ (754,243)</u>	<u>\$ (754,243)</u>	<u>\$ (754,243)</u>	<u>\$ (754,243)</u>	<u>\$ (929,994)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's Covered Payroll	\$ 8,863,649	\$ 9,341,320	\$ 10,253,470	\$ 10,071,749	\$ 10,289,742	\$ 9,718,539	\$ 9,231,794	\$ 8,319,336	\$ 7,802,241	\$ 3,272,000
Contributions as a Percentage of Covered Payroll	14.60%	14.28%	13.43%	13.38%	14.60%	5.30%	11.80%	21.42%	23.71%	44.40%

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
SCHEDULE OF CHANGES IN THE COMMISSION'S TOTAL OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2023

Last 10 Fiscal Years*

Employees' Retirement and Pension System:

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Commission's Proportion of the OPEB Liability	1.7401%	1.9667%	1.9667%	2.3198%	2.0856%	1.7637%				
Commission's Proportionate Share of the OPEB Liability	\$ 14,123,111	\$ 16,573,819	\$ 19,893,437	\$ 19,797,919	\$ 27,760,241	\$ 26,847,382				
Commission's Covered Employee Payroll	\$ 9,341,320	\$ 10,253,470	\$ 10,071,749	\$ 10,289,742	\$ 9,718,539	\$ 9,231,794				
Commission's Proportionate Share of the OPEB Liability as a Percentage of its Covered Payroll	151.19%	161.64%	197.52%	192.40%	285.64%	290.81%				
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.82%	49.28%	38.02%	39.35%	26.99%	22.38%				

*Information prior to fiscal year 2017 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 five years of information is available.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
SCHEDULE OF THE COMMISSION'S OPEB CONTRIBUTIONS
YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	1,183,173	\$ 1,373,485	\$ 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	<u>1,183,173</u>	<u>1,373,485</u>	<u>1,143,838</u>	<u>1,595,063</u>	<u>2,050,985</u>	<u>1,910,942</u>				
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Commission's Covered Employee Payroll	\$ 8,863,649	\$ 9,341,320	\$ 10,253,470	\$ 10,071,749	\$ 10,289,742	\$ 9,718,539				
Contributions as a percentage of Covered Payroll	13.35%	14.70%	11.16%	15.84%	19.93%	19.66%				

SUPPLEMENTARY INFORMATION

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
SCHEDULE OF NET POSITION – SUB-FUNDS
JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

ASSETS	General	Opportunity	Public	Single Family	Multifamily	Eliminations	Combined Totals	
	Sub-Fund	Housing Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		2023	2022
CURRENT ASSETS								
Unrestricted:								
Cash and Cash Equivalents	\$ 41,234,865	\$ 70,652,955	\$ 6,686,154	\$ 1,644,894	\$ 2,568,761	\$ -	\$ 122,787,629	\$ 141,338,502
Interfund Receivable	-	8,664,026	-	-	-	(8,664,026)	-	-
Advances to Component Units	7,097,306	390,466	-	-	-	-	7,487,772	4,066,220
Accounts Receivable and Other Assets, Net	6,356,007	12,948,119	9,169,490	515,945	33,496	-	29,023,057	27,678,413
Accrued Interest Receivable	8,109,780	8,265,131	-	710,706	1,429,987	(881,906)	17,633,698	14,093,802
Lease Receivable Current	-	1,106,005	-	-	-	-	1,106,005	1,305,017
Mortgage and Construction Loans Receivable, Current	5,601,230	1,437,631	-	5,445,526	11,480,008	(12,122,042)	11,842,353	13,157,945
Total Unrestricted Current Assets	68,399,188	103,464,333	15,855,644	8,317,071	15,512,252	(21,667,974)	189,880,514	201,639,899
Restricted Cash, Cash Equivalents, and Investments:								
Restricted Cash and Cash Equivalents	9,118,847	42,659,146	1,221,410	47,895,262	67,708,888	-	168,603,553	225,725,994
Restricted Short-Term Investments	-	-	-	2,139,278	-	-	2,139,278	3,596,993
Restricted for Current Bonds Payable	-	-	-	29,487,999	19,782,112	-	49,270,111	40,703,219
Restricted for Customer Deposits	-	3,369,305	2,917,397	-	-	-	6,286,702	5,608,621
Total Restricted Cash, Cash Equivalents, and Investments	9,118,847	46,028,451	4,138,807	79,522,539	87,491,000	-	226,299,644	275,634,827
Total Current Assets	77,518,035	149,492,784	19,994,451	87,839,610	103,003,252	(21,667,974)	416,180,158	477,274,726
NONCURRENT ASSETS								
Restricted Long-Term Investments	-	-	-	107,935,701	67,206,079	-	175,141,780	169,381,806
Lease Receivable, Net of Current	-	7,438,772	-	-	-	-	7,438,772	8,296,033
Mortgage and Construction Loans Receivable, Net of Current	509,928,440	189,113,471	2,005,615	29,891,433	486,293,795	(501,097,575)	716,135,179	651,531,537
Capital Assets Being Depreciated, Net	3,302,422	501,010,743	3,700,853	-	-	-	508,014,018	525,490,625
Capital Assets, Not being Depreciated	8,163,732	150,248,583	2,353,554	-	-	-	160,765,869	155,654,459
Right-to-Use Asset	334,568	-	-	-	-	-	334,568	536,556
Derivative Asset	-	1,974,318	-	1,190,071	1,158,607	-	4,322,996	2,193,576
Investment in Component Units	2,073,221	35,450,759	-	-	-	-	37,523,980	35,860,438
Total Noncurrent Assets	523,802,383	885,236,646	8,060,022	139,017,205	554,658,481	(501,097,575)	1,609,677,162	1,548,945,030
Total Assets	601,320,418	1,034,729,430	28,054,473	226,856,815	657,661,733	(522,765,549)	2,025,857,320	2,026,219,756
DEFERRED OUTFLOWS OF RESOURCES								
Derivative Instrument	-	20,637,912	-	-	-	-	20,637,912	21,270,199
Fair Value of Hedging Derivatives	-	-	-	-	-	-	-	1,727,682
Employer-Related Pension Activities	2,578,239	1,570,850	2,558,770	-	-	-	6,707,859	30,990,437
Employer-Related OPEB Activities	3,399,093	169,075	763,579	-	-	-	4,331,747	6,401,277
Total Deferred Outflows of Resources	5,977,332	22,377,837	3,322,349	-	-	-	31,677,518	60,389,595
Total Assets and Deferred Outflows	\$ 607,297,750	\$ 1,057,107,267	\$ 31,376,822	\$ 226,856,815	\$ 657,661,733	\$ (522,765,549)	\$ 2,057,534,838	\$ 2,086,609,351

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
SCHEDULE OF NET POSITION – SUB-FUNDS (CONTINUED)
JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

	General Sub-Fund	Opportunity Housing Sub-Fund	Public Sub-Fund	Single Family Sub-Fund	Multifamily Sub-Fund	Eliminations	Combined Totals	
							2023	2022
LIABILITIES								
CURRENT LIABILITIES								
Accounts Payable and Accrued Liabilities	\$ 8,947,361	\$ 16,768,709	\$ 2,051,334	\$ 590,280	\$ 117,050	\$ -	\$ 28,474,734	\$ 28,684,325
Undrawn Mortgage Proceeds Payable	-	-	-	-	15,010,336	-	15,010,336	68,050,006
Interfund Payable	8,282,056	-	85,550	163,490	132,932	(8,664,028)	-	-
Accrued Interest Payable	-	11,455,753	-	-	-	(881,904)	10,573,849	9,389,990
Loans Payable to Montgomery County - Current	-	247,073	-	-	-	-	247,073	241,243
Lease Payable Current	126,470	-	-	-	-	-	126,470	318,242
Mortgage Notes and Loans Payable - Current	4,402,617	13,704,561	-	-	-	(12,122,042)	5,985,136	26,091,520
Total Current Unrestricted Liabilities	21,758,504	42,176,096	2,136,884	753,770	15,260,318	(21,667,974)	60,417,598	132,775,326
Current Liabilities Payable from Restricted Assets:								
Customer Deposits Payable	-	2,919,542	2,394,670	-	-	-	5,314,212	4,575,032
Accrued Interest Payable	-	-	-	2,858,000	6,757,948	-	9,615,948	8,595,765
Bonds Payable - Current	-	-	-	26,630,000	13,024,165	-	39,654,165	31,988,733
Total Current Liabilities Payable from Restricted Assets	-	2,919,542	2,394,670	29,488,000	19,782,113	-	54,584,325	45,159,530
Total Current Liabilities	21,758,504	45,095,638	4,531,554	30,241,770	35,042,431	(21,667,974)	115,001,923	177,934,856
NONCURRENT LIABILITIES								
Bonds Payable	-	-	-	177,117,634	578,456,841	-	755,574,475	741,557,113
Mortgage Notes and Loans Payable	442,022,765	728,652,513	-	240,000	-	(501,097,575)	669,817,703	626,827,946
Loans Payable to Montgomery County	30,575,224	63,135,082	-	-	-	-	93,710,306	87,549,922
Lease Payable Net of Current	209,081	-	-	-	-	-	209,081	221,748
Unearned Revenue	21,179,985	12,040,611	776,968	-	-	-	33,997,564	34,702,518
Escrow and Other Deposits	17,796,839	-	-	-	2,765,150	-	20,561,989	19,106,708
Pension Liability	6,188,525	1,245,549	2,823,080	-	-	-	10,257,154	32,216,643
OPEB Liability	5,808,221	748,231	7,566,659	-	-	-	14,123,111	16,573,819
Derivative Instruments - Hedging	-	-	-	-	-	-	-	1,727,682
Total Noncurrent Liabilities	523,780,640	805,821,986	11,166,707	177,357,634	581,221,991	(501,097,575)	1,598,251,383	1,560,484,099
Total Liabilities	545,539,144	850,917,624	15,698,261	207,599,404	616,264,422	(522,765,549)	1,713,253,306	1,738,418,955
DEFERRED INFLOWS OF RESOURCES								
Derivative Instrument	-	1,974,318	-	1,190,071	1,158,607	-	4,322,996	2,193,576
Unamortized Lease Receivable	-	8,113,988	-	-	-	-	8,113,988	9,582,722
Unamortized Pension Net Difference	14,635,673	1,835,246	5,398,366	-	-	-	21,869,285	23,992,290
Unamortized OPEB Net Difference	7,473,513	1,008,851	4,698,821	-	-	-	13,181,185	15,320,515
Total Deferred Inflows of Resources	22,109,186	12,932,403	10,097,187	1,190,071	1,158,607	-	47,487,454	51,089,103
NET POSITION								
Net Investment in Capital Assets	8,753,084	(154,479,903)	6,054,407	-	-	-	(139,672,412)	(135,707,939)
Restricted for:								
Debt Service	-	42,659,146	-	16,422,444	37,669,943	-	96,751,533	99,157,634
Customer Deposits and Other	-	449,763	1,744,137	-	-	-	2,193,900	2,385,144
Closing Cost Assistance Program	7,370,324	-	-	-	-	-	7,370,324	5,965,095
Unrestricted	23,526,012	304,628,234	(2,217,170)	1,644,896	2,568,761	-	330,150,733	325,301,359
Total Net Position	39,649,420	193,257,240	5,581,374	18,067,340	40,238,704	-	296,794,078	297,101,293
Total Liabilities, Deferred Inflows, and Net Position	\$ 607,297,750	\$ 1,057,107,267	\$ 31,376,822	\$ 226,856,815	\$ 657,661,733	\$ (522,765,549)	\$ 2,057,534,838	\$ 2,086,609,351

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – SUB-FUNDS
YEAR ENDED JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

	General Sub-Fund	Opportunity Housing Sub-Fund	Public Sub-Fund	Single Family Sub-Fund	Multifamily Sub-Fund	Eliminations	Combined Totals	
							2023	2022
OPERATING REVENUES								
Dwelling Rental	\$ -	\$ 102,568,024	\$ 849,142	\$ -	\$ -	\$ -	\$ 103,417,166	\$ 102,431,660
Investment Income	-	-	-	7,283,991	10,921,374	-	18,205,365	11,460,500
Unrealized (Losses) Gains on Investments	-	-	-	(6,717,406)	(597,558)	-	(7,314,964)	(15,055,059)
Interest on Mortgage and Construction Loans Receivable	-	-	-	1,496,560	14,746,796	(6,618,431)	9,624,925	7,065,206
Management Fees and Other Income	23,731,146	4,073,275	892,426	-	-	(15,678,680)	13,018,167	19,607,700
U.S. Department of Housing and Urban Development Grants:								
Housing Assistance Payments (HAP)	-	-	132,450,425	-	-	-	132,450,425	124,356,627
HAP Administrative Fees	-	-	11,055,517	-	-	-	11,055,517	10,634,727
Other Grants	680,147	-	5,439,212	-	-	-	6,119,359	5,843,650
State and County Grants	-	-	17,608,793	-	-	-	17,608,793	12,814,562
Total Operating Revenues	<u>24,411,293</u>	<u>106,641,299</u>	<u>168,295,515</u>	<u>2,063,145</u>	<u>25,070,612</u>	<u>(22,297,111)</u>	<u>304,184,753</u>	<u>279,159,573</u>
OPERATING EXPENSES								
Housing Assistance Payments	-	-	135,001,298	-	-	-	135,001,298	125,824,236
Administration	15,786,630	16,486,216	25,788,761	1,898,153	2,612,139	(9,113,384)	53,458,515	46,619,931
Maintenance	2,119,389	24,347,242	48,858	-	-	-	26,515,489	28,219,691
Depreciation and Amortization	698,408	21,017,655	22,283	-	-	-	21,738,346	21,156,415
Utilities	205,382	6,967,793	314,262	-	-	-	7,487,437	7,418,333
Fringe Benefits	3,987,731	2,607,326	2,242,830	158,838	277,540	-	9,274,265	11,901,923
Interest Expense	-	28,897,185	-	5,033,791	16,552,094	(6,618,431)	43,864,639	35,782,923
Other Expenses	1,683,587	14,130,405	3,172,643	249,338	-	(6,565,296)	12,670,677	14,664,838
Total Operating Expenses	<u>24,481,127</u>	<u>114,453,822</u>	<u>166,590,935</u>	<u>7,340,120</u>	<u>19,441,773</u>	<u>(22,297,111)</u>	<u>310,010,666</u>	<u>291,588,290</u>
OPERATING INCOME (LOSS)	(69,834)	(7,812,523)	1,704,580	(5,276,975)	5,628,839	-	(5,825,913)	(12,428,717)

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – SUB-FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

	General Sub-Fund	Opportunity Housing Sub-Fund	Public Sub-Fund	Single Family Sub-Fund	Multifamily Sub-Fund	Eliminations	Combined Totals	
							2023	2022
NONOPERATING REVENUES (EXPENSES)								
Investment Income	\$ 2,040,310	\$ 3,106,719	\$ 67,386	\$ -	\$ -	\$ -	\$ 5,214,415	\$ 3,851,428
Interest on Mortgage and Construction								
Loans Receivable	13,394,610	886,502	-	-	-	(9,940,752)	4,340,360	3,515,446
Interest Expense	(13,604,146)	(632,287)	-	-	-	9,940,752	(4,295,681)	(2,976,589)
Other Grants	-	404,347	-	-	-	-	404,347	216,195
Gain on Sale of Assets	-	72,097	-	-	-	-	72,097	69,386,118
Total Nonoperating Revenues (Expenses)	<u>1,830,774</u>	<u>3,837,378</u>	<u>67,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,735,538</u>	<u>73,992,598</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,760,940	(3,975,145)	1,771,966	(5,276,975)	5,628,839	-	(90,375)	61,563,881
Transfer to/from Discrete Component Units	-	-	-	-	-	-	-	-
Capital Contributions	-	(216,840)	-	-	-	-	(216,840)	(324,475)
Operating Transfers In (Out)	<u>2,726,633</u>	<u>(2,726,633)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN NET POSITION	4,487,573	(6,918,618)	1,771,966	(5,276,975)	5,628,839	-	(307,215)	61,239,406
Net Position - Beginning of Year	<u>35,161,847</u>	<u>200,175,858</u>	<u>3,809,408</u>	<u>23,344,315</u>	<u>34,609,865</u>	<u>-</u>	<u>297,101,293</u>	<u>235,861,887</u>
NET POSITION - END OF YEAR	<u>\$ 39,649,420</u>	<u>\$ 193,257,240</u>	<u>\$ 5,581,374</u>	<u>\$ 18,067,340</u>	<u>\$ 40,238,704</u>	<u>\$ -</u>	<u>\$ 296,794,078</u>	<u>\$ 297,101,293</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
SCHEDULE OF CASH FLOWS – SUB-FUNDS
YEAR ENDED JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

	General Sub-Fund	Opportunity Housing Sub-Fund	Public Sub-Fund	Single Family Sub-Fund	Multifamily Sub-Fund	Eliminations	Combined Totals	
							2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from Customers	\$ -	\$ 101,119,807	\$ 1,576,859	\$ -	\$ -	\$ -	\$ 102,696,666	\$ 107,302,460
Intergovernmental Revenue	-	-	166,553,947	-	-	-	166,553,947	153,275,470
Investment Income Received	-	-	-	7,340,503	11,240,490	-	18,580,993	11,607,666
Mortgage Interest Received	-	-	-	1,498,537	14,858,965	(6,645,992)	9,711,510	6,754,013
Mortgage Loan Principal Received	-	-	-	2,676,238	(17,903,844)	-	(15,227,606)	34,743,815
Management Fees and Other Income	15,627,664	3,706,559	(1,255,565)	-	-	(15,678,680)	2,399,978	26,710,293
Mortgage Escrow Receipts	-	-	-	-	47,893	-	47,893	-
Mortgage Loans Issued	-	-	-	-	639,647	-	639,647	(156,684,903)
Payoff of Undrawn Proceeds	-	-	-	-	(53,153,172)	-	(53,153,172)	-
Payments to Suppliers	(2,915,933)	(43,804,359)	(3,535,763)	(2,892,707)	(2,800,363)	6,565,296	(49,383,829)	19,588,842
Payments to Employees	(21,728,457)	(10,356,293)	(28,374,609)	-	-	9,113,384	(51,345,975)	(54,289,867)
Interest Paid	-	(30,286,198)	-	(4,846,225)	(16,396,117)	6,645,992	(44,882,548)	(37,592,727)
Housing Assistance Payments	-	-	(135,001,298)	-	-	-	(135,001,298)	(125,824,236)
Net Cash Provided (Used) by Operating Activities	(9,016,726)	20,379,516	(36,429)	3,776,346	(63,466,501)	-	(48,363,794)	(14,409,174)
CASH FLOWS FROM INVESTING ACTIVITIES								
Advances/Investment to Component Units	(3,472,906)	(1,612,188)	-	-	-	-	(5,085,094)	(4,192,827)
Issuance of Notes Receivable	(66,791,916)	(13,421,949)	-	-	-	-	(80,213,865)	(63,084,868)
Repayments of Notes Receivable	21,417,141	200,920	-	-	-	-	21,618,061	10,105,070
Investments Sold	-	-	-	1,314,507	137,000	-	1,451,507	3,396,948
Investments Purchased	-	-	-	(11,932,212)	(1,136,515)	-	(13,068,727)	(17,563,017)
Investment Income Received	2,040,310	3,106,719	67,386	-	-	-	5,214,415	3,851,428
Interest Received on Notes Receivable	12,249,860	886,502	-	-	-	-	13,136,362	8,280,474
Net Cash (Used) Provided by Investing Activities	(34,557,511)	(10,839,996)	67,386	(10,617,705)	(999,515)	-	(56,947,341)	(59,206,792)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Proceeds from Sale of Bonds	-	-	-	30,119,574	28,503,732	-	58,623,306	192,963,817
Bond Repayments	-	-	-	(24,765,000)	(11,498,872)	-	(36,263,872)	(85,961,763)
Proceeds from Issuance of Mortgage	-	-	-	240,000	-	-	240,000	-
Intergovernmental Revenue	-	404,347	-	142	-	-	404,489	(75,106)
Net Cash Provided (Used) by Noncapital Financing Activities	-	404,347	-	5,594,716	17,004,860	-	23,003,923	106,926,948

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
SCHEDULE OF CASH FLOWS – SUB-FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

	General Sub-Fund	Opportunity Housing Sub-Fund	Public Sub-Fund	Single Family Sub-Fund	Multifamily Sub-Fund	Eliminations	Combined Totals	
							2023	2022
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Payments for Property and Equipment	\$ (843,976)	\$ (7,292,835)	\$ (182,516)	\$ -	\$ -	\$ -	\$ (8,319,327)	\$ (67,536,501)
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	56,443,869
Proceeds from Loans Payable to Montgomery County	3,000,000	3,727,677	-	-	-	-	6,727,677	9,059,456
Payments on Loans Payable to Montgomery County	(96,000)	(465,463)	-	-	-	-	(561,463)	(26,298,927)
Proceeds from New Mortgage Notes and Loans Payable	65,621,296	30,602,916	-	-	-	(9,841,884)	86,382,328	89,336,654
Payments on Mortgage Notes and Loans Payable	(21,006,369)	(42,732,586)	-	-	-	9,841,884	(53,897,071)	(77,027,703)
Interest Paid on Mortgages	(13,604,146)	(632,287)	-	-	-	-	(14,236,433)	(9,822,359)
Capital Contributions and Transfers	-	(216,840)	-	-	-	-	(216,840)	(324,475)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>33,070,805</u>	<u>(17,009,418)</u>	<u>(182,516)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,878,871</u>	<u>(26,169,986)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(10,503,432)	(7,065,551)	(151,559)	(1,246,643)	(47,461,156)	-	(66,428,341)	7,140,996
Cash and Cash Equivalents - Beginning of Year	<u>60,857,144</u>	<u>123,746,957</u>	<u>10,976,520</u>	<u>80,274,798</u>	<u>137,520,917</u>	<u>-</u>	<u>413,376,336</u>	<u>406,235,340</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 50,353,712</u>	<u>\$ 116,681,406</u>	<u>\$ 10,824,961</u>	<u>\$ 79,028,155</u>	<u>\$ 90,059,761</u>	<u>\$ -</u>	<u>\$ 346,947,995</u>	<u>\$ 413,376,336</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS - END OF YEAR TO AMOUNTS IN THE STATEMENT OF NET POSITION								
Current Unrestricted Cash and Cash Equivalents	\$ 41,234,865	\$ 70,652,955	\$ 6,686,154	\$ 1,644,894	\$ 2,568,761	\$ -	\$ 122,787,629	\$ 141,338,502
Restricted Cash and Cash Equivalents	9,118,847	42,659,146	1,221,410	47,895,262	67,708,888	-	168,603,553	225,725,994
Restricted Current Bonds Payable	-	-	-	29,487,999	19,782,112	-	49,270,111	40,703,219
Restricted Customer Deposits	-	3,369,305	2,917,397	-	-	-	6,286,702	5,608,621
Total Cash and Cash Equivalents	<u>\$ 50,353,712</u>	<u>\$ 116,681,406</u>	<u>\$ 10,824,961</u>	<u>\$ 79,028,155</u>	<u>\$ 90,059,761</u>	<u>\$ -</u>	<u>\$ 346,947,995</u>	<u>\$ 413,376,336</u>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
SCHEDULE OF CASH FLOWS – SUB-FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

	General Sub-Fund	Opportunity Housing Sub-Fund	Public Sub-Fund	Single Family Sub-Fund	Multifamily Sub-Fund	Eliminations	Combined Totals	
							2023	2022
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating Income (Loss)	\$ (69,834)	\$ (7,812,523)	\$ 1,704,580	\$ (5,276,975)	\$ 5,628,839	\$ -	\$ (5,825,913)	\$ (12,428,717)
Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used) Provided by Operating Activities:								
Depreciation	698,408	21,017,655	22,283	-	-	-	21,738,346	21,159,850
Amortization	-	-	-	(676,639)	-	-	(676,639)	(672,703)
Unrealized Losses (Gains) on Investments	-	-	-	6,717,407	597,558	-	7,314,965	15,055,061
Gain on Sale of Assets	-	72,097	-	-	-	-	72,097	69,386,118
Effects of Changes in Operating Assets and Liabilities:								
Accounts Receivable and Other Assets	(469,399)	(1,459,680)	647,938	(53,832)	-	-	(1,334,973)	1,204,121
Mortgage and Construction Loans Receivable	-	-	-	2,730,070	(37,753,539)	-	(35,023,469)	(121,913,877)
Accrued Interest Receivable	-	(2,545,311)	-	55,062	116,322	(27,559)	(2,401,486)	(1,785,103)
Prepaid Expenses and Other Assets	-	-	-	-	(6,900)	-	(6,900)	312,061
Deferred Outflows - Pension	14,349,831	-	8,144,889	-	-	-	22,494,720	11,327,994
Deferred Outflows - OPEB	1,221,574	1,942,456	693,358	-	-	-	3,857,388	780,904
Interfund Receivable / (Payable)	(10,771,921)	8,936,668	1,705,273	40,110	96,215	-	6,345	514,371
Other Real Estate Owned	-	-	-	-	-	-	-	(39,600)
Accounts Payable and Accrued Liabilities	(601,064)	2,405,431	(1,280,318)	(626,485)	-	-	(102,436)	5,489,409
Unearned Revenue	2,457,691	(366,716)	(2,795,929)	-	-	-	(704,954)	6,327,531
Accrued Interest Payable	-	1,156,298	-	867,628	155,977	27,559	2,207,462	336,161
Undrawn Proceeds	-	-	-	-	(32,663,830)	-	(32,663,830)	-
Derivative Instrument	-	(836,447)	-	-	-	-	(836,447)	632,287
OPEB Liability	(1,446,571)	(183,072)	(821,065)	-	-	-	(2,450,708)	(3,319,618)
Pension Liability	(12,961,952)	(1,640,402)	(7,357,135)	-	-	-	(21,959,489)	10,860,837
Deferred Inflows - Pension	(1,262,775)	(158,590)	(711,276)	-	-	-	(2,132,641)	(7,794,702)
Deferred Inflows - OPEB	(1,253,139)	(159,811)	(716,744)	-	-	-	(2,129,694)	(12,184,133)
Escrow and Other Deposits	1,092,425	11,463	727,717	-	362,857	-	2,194,462	2,342,574
Net Cash Provided (Used) by Operating Activities	<u>\$ (9,016,726)</u>	<u>\$ 20,379,516</u>	<u>\$ (36,429)</u>	<u>\$ 3,776,346</u>	<u>\$ (63,466,501)</u>	<u>\$ -</u>	<u>\$ (48,363,794)</u>	<u>\$ (14,409,174)</u>

III. STATISTICAL SECTION

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
STATISTICAL SECTION NARRATIVE
FISCAL YEAR ENDED JUNE 30, 2023

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 118-120.

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 121-122.

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 123-127.

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 128-132.

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 133-135.

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
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

Fiscal Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
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)	114,839,842	252,677,471	235,861,887
2022	(135,707,939)	107,507,873	325,301,359	297,101,293
2023	(139,672,412)	106,315,757	330,150,733	296,794,078

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT 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
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)
2022	42,655,073	35,483,180	7,171,893	179,499,666	116,789,762	62,709,904	156,231,325	152,772,866	3,458,459
2023	42,572,846	38,085,273	4,487,573	110,894,124	117,812,742	(6,918,618)	168,362,901	166,590,935	1,771,966

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
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
2022	(7,760,726)	5,024,743	(12,785,469)	18,893,756	18,209,137	684,619
2023	2,063,145	7,340,120	(5,276,975)	25,070,612	19,441,773	5,628,839

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
REVENUES, EXPENSES, AND CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
OPERATING REVENUES										
Dwelling Rental	\$ 103,417,166	\$ 102,431,660	\$ 99,291,398	\$ 97,195,902	\$ 90,166,092	\$ 77,458,610	\$ 67,965,004	\$ 68,309,329	\$ 68,471,662	\$ 65,395,495
Investment Income	18,205,365	11,460,500	7,401,324	9,983,462	6,094,363	4,445,182	3,818,167	3,520,175	5,523,274	3,711,854
Unrealized Gains (Losses) on Investments	(7,314,964)	(15,055,059)	(4,470,524)	7,211,811	4,738,484	(2,928,181)	(3,560,708)	3,420,019	(379,610)	798,251
Interest on Mortgage and Construction Loans Receivable	9,624,925	7,065,206	6,257,481	7,200,335	8,770,360	9,699,259	11,109,346	12,135,882	13,933,659	14,979,124
Management Fees and Other Income	13,018,167	19,607,700	15,945,903	16,026,727	12,366,617	13,126,870	12,801,771	10,186,560	11,139,945	11,181,613
U.S. Department of Housing and Urban Development Grants;										
Housing Assistance Payments (HAP)	132,450,425	124,356,627	115,115,799	113,580,367	108,622,547	100,265,523	92,038,041	89,041,875	88,010,013	81,090,732
HAP Administrative Fees	11,055,517	10,634,727	9,542,757	8,399,973	7,913,123	6,998,217	6,984,926	6,583,770	6,158,651	5,385,511
Other Grants	6,119,359	5,843,650	5,537,664	6,333,829	5,849,318	6,148,090	6,953,599	8,421,269	9,629,839	9,601,698
State and County Grants	17,608,793	12,814,562	11,922,676	12,570,640	11,619,715	15,116,301	12,511,780	11,893,150	11,399,128	9,639,834
Total Operating Revenues	304,184,753	279,159,573	266,544,478	278,503,046	256,140,619	230,329,871	210,621,926	213,512,029	213,886,561	201,784,212
OPERATING EXPENSES										
Housing Assistance Payments	135,001,298	125,824,236	120,292,490	112,758,509	110,109,543	102,470,927	95,523,485	91,387,603	90,324,278	89,425,241
Administration	53,458,515	46,619,931	44,668,915	47,496,728	43,820,160	43,817,962	39,442,722	35,563,087	34,514,669	33,983,811
Maintenance	26,515,489	28,219,691	24,127,944	24,729,701	22,305,874	18,737,186	16,972,165	17,395,244	16,965,337	16,845,515
Depreciation and Amortization	21,738,346	21,159,850	20,766,087	20,081,582	18,247,474	15,570,948	14,273,372	13,882,152	15,684,194	17,440,751
Utilities	7,487,437	7,418,333	7,068,692	6,253,441	6,207,588	5,890,629	4,912,538	5,406,906	5,832,573	5,309,368
Fringe Benefits	9,274,265	11,901,923	16,231,881	19,373,064	12,307,209	10,841,963	11,262,349	11,215,320	9,712,384	11,145,646
Interest Expense	43,864,639	35,782,923	32,559,770	31,159,600	23,896,447	22,727,232	21,946,813	22,328,322	23,766,914	24,157,117
Other Expenses	12,670,677	14,661,403	13,463,824	15,420,713	13,986,247	13,100,212	11,626,153	9,928,960	9,854,552	9,054,221
Total Operating Expenses	310,010,666	291,588,290	279,179,603	277,273,338	250,880,542	233,157,059	215,959,597	207,107,594	206,654,901	207,361,670
OPERATING INCOME (LOSS)	(5,825,913)	(12,428,717)	(12,635,125)	1,229,708	5,260,077	(2,827,188)	(5,337,671)	6,404,435	7,231,660	(5,577,458)
NONOPERATING REVENUES (EXPENSES)										
Investment Income	5,214,415	3,851,428	857,242	1,583,784	2,304,096	2,378,528	2,019,037	1,096,003	1,008,868	420,759
Interest on Mortgage and Construction Loans Receivable	4,340,360	3,515,446	5,854,982	2,519,844	1,223,632	1,031,590	289,597	179,651	177,022	188,841
Interest Expense	(4,295,681)	(2,976,589)	(3,877,311)	(6,422,301)	(7,580,560)	(2,543,362)	(937,167)	(545,782)	(430,115)	(188,415)
Gain (Loss) on Transfer of Component Unit Entities	-	-	-	-	-	-	-	-	197,129	(774,123)
Other Grants	404,347	216,195	267,891	169,986	461,470	192,661	352,264	204,554	244,484	33,359
State and County Grants	-	-	-	-	-	-	-	4,536	4,536	371,962
Gain on Sale of Assets	72,097	69,386,118	15,150,844	8,230,038	4,152,550	13,512,924	30,574,480	27,896,767	-	-
Total Nonoperating Revenues	5,735,538	73,992,598	18,253,648	6,081,351	561,188	14,572,341	32,298,211	28,835,729	1,201,924	52,383
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(90,375)	61,563,881	5,618,523	7,311,059	5,821,265	11,745,153	26,960,540	35,240,164	8,433,584	(5,525,075)
Transfers from Discrete Component Units	-	-	166,727	(25,309,362)	(9,170,539)	4,269,759	-	-	-	-
Capital Contributions	(216,840)	(324,475)	15,185,752	1,735,763	201,375	1,984,271	258,310	3,412,297	182,091	469,697
CHANGES IN NET POSITION	<u>\$ (307,215)</u>	<u>\$ 61,239,406</u>	<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>

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
SIGNIFICANT OWN-SOURCE REVENUE
LAST TEN FISCAL YEARS

<u>Fiscal Year Ending June 30,</u>	<u>Dwelling Rental Revenue Total</u>	<u>% Total Operating Revenue</u>
2014	65,395,495	30.57%
2015	68,471,662	32.07%
2016	68,309,329	32.43%
2017	67,965,004	29.51%
2018	77,458,610	30.24%
2019	90,166,092	32.38%
2020	97,195,902	36.47%
2021	99,291,398	35.57%
2022	102,431,660	36.69%
2023	<u>103,417,166</u>	<u>33.67%</u>
Average	<u>\$ 84,010,232</u>	<u>34.22%</u>

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

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT 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	Amount	% Total Op	Amount	% Total Op	Amount	% Total Op
		Revenue		Revenue		Revenue		Revenue
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%
2022	102,431,660	38.43%	11,460,500	4.30%	(15,055,059)	(5.65)%	7,065,206	2.65%
2023	103,417,166	34.00%	18,205,365	5.98%	(7,314,964)	(2.40)%	9,624,925	3.16%

Fiscal Year	Management Fees and Other Income		Housing Assistance Payment Subsidies		State, County and Other Federal Grants		Total Operating Revenue	
	Amount	% Total Op	Amount	% Total Op	Amount	% Total Op	Amount	% Total Op
		Revenue		Revenue		Revenue		Revenue
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%
2022	19,607,700	7.36%	134,991,354	50.64%	18,658,212	7.00%	266,544,478	100.00%
2023	13,018,167	4.28%	143,505,942	47.18%	23,728,152	7.80%	304,184,753	100.00%

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT 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	Lease Obligations	Other	Total	Percent Net Position to Debt	Dollar Total Debt Per Capita	Percent Total Debt to Personal Income
2014	579,609,553	57,250,235	73,591,111	20,133,711	13,922,795	744,507,405	24.26%	723	974%
2015	527,757,419	124,737,678	64,500,829	19,953,420	13,991,621	750,940,967	24.21%	723	915%
2016	564,245,749	144,587,849	66,661,759	19,949,804	14,340,488	809,785,649	27.22%	775	932%
2017	512,653,341	165,616,533	62,918,123	19,945,907	14,792,410	775,926,314	31.92%	736	869%
2018	526,647,756	356,126,796	58,095,542	-	15,365,427	956,235,521	24.50%	905	1057%
2019	477,681,952	422,420,506	107,351,211	-	15,115,489	1,022,569,158	22.61%	964	1121%
2020	540,363,564	552,223,573	105,205,622	-	16,440,785	1,214,233,544	17.70%	1,144	1308%
2021	667,216,495	634,673,932	105,030,636	-	17,098,349	1,424,019,412	16.56%	1,350	1456%
2022	773,545,846	652,919,466	87,791,165	-	19,106,708	1,533,363,185	19.38%	1,444	1578%
2023	795,228,640	675,802,839	93,957,379	-	20,561,989	1,585,550,847	18.72%	1,483	1560%

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
PROPERTY RELATED DEBT
FISCAL YEAR ENDED JUNE 30, 2023

Property	Purpose	Amount Outstanding	Property	Purpose	Amount Outstanding
Intra-Commission mortgages made from bond issues			Other Mortgages		
Barclay Apartments Dev Corp	Mortgage	\$ 6,379,745	9845 Lost Knife Road	Sandy Spring Bank	\$ 1,808,175
Barclay One Associates LP	Mortgage	4,117,937	Bradley Crossing LLC	Eagle Bank	81,200,000
Brookside Glen (The Glen) LP	Mortgage	3,525,924	HOC at Battery Lane	Eagle Bank	48,450,000
Diamond Square	Mortgage	900,130	MV Gateway II, LLC	Cafritz	12,048,970
Magruder's Discovery	Mortgage	9,338,710	Paddington Square	Love Funding	18,272,333
Manchester Manor Apts	Mortgage	937,478	Scattered Site Two Dev Corp	PNC Bank	3,831,900
Metropolitan Dev Corp	Mortgage	19,780,306	Southbridge	Sandy Spring Bank	1,739,799
Metropolitan of Bethesda LP	Mortgage	4,702,151	VPC One Development Corporation	PNC Bank	27,743,774
MHLP IX-MPDU	Mortgage	1,224,029	VPC Two Development Corporation	PNC Bank	19,752,097
MHLP IX-Pond Ridge	Mortgage	569,888	Subtotal		<u>214,847,048</u>
MHLP X	Mortgage	1,713,242	Other Loans/OHRF		
Montgomery Arms	Mortgage	5,692,077	9845 Lost Knife Road	Acquisition	50,000
Pooks Hill Highrise	Mortgage	13,743,520	Alexander House Dev Corp	Rehab	178,138
Pooks Hill Midrise	Mortgage	1,009,614	Ambassador One Assoc. LP	Rehab	197,612
RAD 6	Mortgage	20,622,982	Barclay Apartments Dev Corp	Rehab	123,050
Scattered Site One Dev Corp	Mortgage	7,034,492	Bradley Crossing LLC	Acquisition	5,200,000
Strathmore Court Associates LP	Mortgage	12,666,536	Development In Process	Rehab	948,487
The Oaks @ Four Corners (Dev Corp)	Mortgage	804,679	EH - IV (Elizabeth House IV)	Acquisition	1,782,300
The Willows of Gaithersburg Assoc. LP	Mortgage	1,095,251	Emory Grove Redevelopment	Rehab	150,000
Wheaton Metro Dev Corp	Mortgage	27,334,756	HOC at 11250 Veirs Mill road	Acquisition	1,980,709
Subtotal		<u>143,193,447</u>	HOC at CCL MF-member	Acquisition	2,550,996
Notes Payable to State of Maryland			HOC at Hillandale Gateway	Acquisition	2,328,473
Brookside Glen (The Glen) LP	RHPP	1,211,707	Holly Hall interim	Rehab	464,914
CDBG-9611 McAlpine Road	Rehab	101,168	Metropolitan Dev Corp	Acquisition	466,057
Dale Drive	RHPP	600,000	Metropolitan of Bethesda LP	Rehab	1,175,775
Diamond Square	RHPP	2,000,000	Montgomery Arms	Acquisition	1,340,037
Montgomery Arms	PHRP	73,732	MV Gateway LLC (Cider Mill)	Acquisition	3,000,000
State Rental Consolidated	PHRP	8,861,522	Paddington Square	Rehab	923,038
State Rental VII	RHPP	4,712,864	Sandy Spring Middle	Acquisition	394,129
Subtotal		<u>17,560,993</u>	The Willows of Gaithersburg Assoc. LP	Rehab/purchase	43,750
Notes Payable to Montgomery County			Westwood Tower	Rehab	40,700
Ambassador	Acquisition	2,000,000	Wheaton Metro Dev Corp	Rehab	1,379,283
Brooke Park Apartments	Acquisition	8,686,857	Subtotal		<u>24,717,448</u>
CDBG	Acquisition	604,275	Other Loans		
CDBG McAlpine Road	Acquisition	107,785	8800 Brookville Road	Acquisition	10,850,000
Chelsea Towers	Acquisition	1,080,114	Alexander House Dev Corp	Construction-FFB	49,312,894
Chelsea Towers	Home Funds	225,000	Ambassador One Assoc. LP	Line of Credit	1,862,495
County Revolving CCAP	Acquisition	1,583,158	Avondale Apartments	Acquisition	5,824,451
Dale Drive	Construction	1,738,012	Barclay Apartments Dev Corp	Rehab	2,341,154
Diamond Square	Rehab	2,746,344	Barclay One Associates LP	Rehab	2,891,404
Glenmont Crossing	Rehab	2,850,000	Bradley Crossing LLC	Acquisition	9,596,677
Glenmont Westerly	Rehab	1,510,250	Development In Process	Note Payable	16,878,337
Georgian Court SilverSpring LP	Rehab	23,001	Emory Grove	Line of Credit	70,484
HOC at Avondale LLC	Acquisition	7,500,000	Fairfax Court Apts	Refinancing	286,598
Jubilee Housing	Predevelopment	965,231	Glenmont Crossing Dev Corp	Rehab/Purchase-FFB	13,299,203
King Farm Village Center	Acquisition & Rehab	1,697,078	Glenmont Westerly Dev Corp	Rehab/Purchase-FFB	13,204,882
Manchester Manor Apts	Housing Initiative Funds	651,013	HOC at Battery Lane	Acquisition	4,410,000
McHAF (MC Homeownership Assistance Fund)	Acquisition	7,500,000	HOC at CCL MF-member	Acquisition	1,211,677
Mchome	Acquisition & Rehab	2,005,646	HOC Fenwick & Second Headquarters	Acquisition	2,712,087
MHLP IX- MPDU		800,000	HOC at Gankirk	Acquisition	1,866,097
MHLP IX- Pond Ridge		605,500	HOC at Wheaton Gateway, LLC	Acquisition	11,530,881
MHLP X		681,913	Metropolitan of Bethesda LP	Loan/advance	13,542,422
Montgomery Arms	Acquisition & Rehab	1,699,307	MHLP IX-MPDU	Acquisition	1,285,349
MV Gateway LLC	Acquisition	15,000,000	MHLP IX-Pond Ridge	Acquisition	403,422
NCI I	Acquisition & Rehab	4,039,752	MHLP VII	Refinancing	488,549
NSP I	Acquisition & Rehab	1,993,071	MHLP X	Acquisition	1,050,874
Oaks @ Four Corners	Acquisition & Rehab	1,278,968	MPDU I / 64	Refinancing	895,819
Paddington Square	Acquisition	5,196,232	MV Gateway LLC (Cider Mill)	Acquisition - FFB	117,229,160
Pooks Hill Midrise	Acquisition	182,555	Strathmore Court Associates LP	Loan/advance	2,006,842
Scattered Site Two Development Corp	Acquisition	609,160	The Manor At Cloppers Mill, LLC	Acquisition	435,200
Shady Grove Apts LP	Home Funds	-	The Manor At Colesville, LLC	Acquisition	319,057
Southbridge	Acquisition & Rehab	5,974,031	The Manor At Fair Hill Farm, LLC	Acquisition	476,161
State rental combined	Acquisition	60,000	The Willows of Gaithersburg Assoc. LP	Rehab/purchase	293,182
State Rental VII	Acquisition	1,668,050	TPP LLC - Pomander	Rehab-FFB	2,053,731
The Glen	Acquisition	567,823	TPP LLC - Timberlawn	Rehab-FFB	16,608,363
The Willows of Gaithersburg Assoc. LP	Home Funds	548,902	VPC One Corp.	Rehab	2,446,912
Wheaton Metro Dev Corp.	Rehab	2,984,721	VPC Two Corp.	Rehab	1,713,088
Subtotal		<u>87,363,750</u>	Westwood Tower	Refinancing	20,352,774
Loans from Montgomery County Revolving Fund			Subtotal		<u>329,750,226</u>
Ambassador	Interim Financing	2,284,066	Total Property Related Debt		
Bonifant Office	Interim Financing	4,208,000			<u>\$ 824,026,541</u>
Holiday Park Townhouse	Interim Financing	101,563			
Subtotal		<u>6,593,629</u>			

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
SINGLE FAMILY BONDS – DEBT OUTSTANDING, ISSUED, AND RETIRED
FISCAL YEAR ENDED JUNE 30, 2023

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	\$ 322,260	\$ 8,315,000
2008 Series D	17,200,000	17,200,000	17,200,000	-	-	-	17,200,000	666,611	5,360,000
2013 Series A	38,645,000	8,795,000	38,645,000	-	34,065,000	4,190,000	4,605,000	185,975	3,735,000
2013 Series B	14,825,000	2,015,000	14,825,000	-	12,810,000	-	2,015,000	78,770	-
2016 Series A	32,805,000	12,330,000	32,805,000	-	20,475,000	3,650,000	8,680,000	247,370	2,175,000
2016 Series B	9,850,000	1,025,000	9,850,000	-	8,825,000	1,025,000	-	-	-
2017 Series A	22,000,000	8,115,000	22,000,000	-	13,885,000	2,840,000	5,275,000	218,675	650,000
2017 Series B	11,300,000	7,540,000	11,300,000	-	3,760,000	865,000	6,675,000	206,491	885,000
2018 Series A	29,435,000	19,595,000	29,435,000	-	9,840,000	2,425,000	17,170,000	629,390	1,515,000
2018 Series B	8,450,000	8,310,000	8,450,000	-	140,000	290,000	8,020,000	176,004	305,000
2021 Series A	22,750,000	21,920,000	22,750,000	-	830,000	1,550,000	20,370,000	509,449	700,000
2021 Series B	5,650,000	5,440,000	5,650,000	-	210,000	720,000	4,720,000	44,619	840,000
2021 Series C	10,000,000	10,000,000	10,000,000	-	-	-	10,000,000	232,716	-
2022 Series A	14,660,000	14,660,000	14,660,000	-	-	10,000	14,650,000	702,133	95,000
2022 Series B	2,940,000	2,940,000	2,940,000	-	-	-	2,940,000	136,425	-
2022 Series C	3,000,000	3,000,000	3,000,000	-	-	-	3,000,000	133,198	-
2022 Series D	11,000,000	11,000,000	11,000,000	-	-	-	11,000,000	265,373	75,000
2023 Series A	21,405,000	-	-	21,405,000	-	-	21,405,000	6,072	-
2023 Series B	8,000,000	-	-	8,000,000	-	-	8,000,000	2,388	-
NIBP 2009 Series C-4	9,770,000	2,750,000	9,770,000	-	7,020,000	1,240,000	1,510,000	48,622	-
NIBP 2009 Series C-5	2,610,000	2,370,000	2,610,000	-	240,000	-	2,370,000	67,071	-
NIBP 2012 Series A	12,545,000	2,250,000	12,545,000	-	10,955,000	1,195,000	1,055,000	35,018	410,000
PRB 2019 Series A	28,280,000	17,125,000	28,280,000	-	16,700,000	2,905,000	14,220,000	524,784	1,570,000
PRB 2019 Series B	4,610,000	2,485,000	4,610,000	-	2,125,000	540,000	1,945,000	46,629	-
PRB 2019 Series C	11,220,000	6,040,000	11,220,000	-	5,315,000	1,320,000	4,720,000	151,475	-
Subtotal	365,950,000	195,220,000	336,545,000	29,405,000	151,880,000	24,765,000	199,860,000	5,637,515	26,630,000
Add: Unamortized Premium	-	3,849,700	-	714,574	-	676,640	3,887,634	(603,727)	-
Total Single Family Bonds Payable	<u>\$ 365,950,000</u>	<u>\$ 199,069,700</u>	<u>\$ 336,545,000</u>	<u>\$ 30,119,574</u>	<u>\$ 151,880,000</u>	<u>\$ 25,441,640</u>	<u>\$ 203,747,634</u>	<u>\$ 5,033,788</u>	<u>\$ 26,630,000</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
MULTIFAMILY BONDS – DEBT OUTSTANDING, ISSUED, AND RETIRED
FISCAL YEAR ENDED JUNE 30, 2023**

	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			
Multifamily Sub-Fund Bonds:										
1984 Series A - Accretions	\$ 585,000	\$ -	\$ 32,274	\$ 342,177	\$ 3,732	\$ 309,989	\$ -	\$ 36,006	\$ 3,733	\$ 4,165
1998 Issue A	12,900,000	-	4,860,000	12,900,000	-	7,500,000	595,000	4,265,000	215,382	625,000
2004 Series A	13,700,000	-	9,240,000	13,700,000	-	4,460,000	425,000	8,815,000	414,946	445,000
2004 Series B	4,085,000	-	3,150,000	4,085,000	-	935,000	80,000	3,070,000	148,720	80,000
2005 Series B	5,440,000	-	3,500,000	5,440,000	-	1,940,000	210,000	3,290,000	162,788	220,000
2005 Series C	28,630,000	-	20,295,000	28,630,000	-	8,335,000	910,000	19,385,000	974,175	950,000
2011 Series A	33,585,000	-	29,085,000	33,585,000	-	4,500,000	570,000	28,515,000	1,091,594	595,000
2011 Series B	3,020,000	-	2,635,000	3,020,000	-	385,000	50,000	2,585,000	150,572	50,000
2012 Series A	24,935,000	-	16,080,000	24,935,000	-	8,855,000	1,035,000	15,045,000	563,825	1,065,000
2012 Series B	18,190,000	-	1,515,000	18,190,000	-	16,675,000	260,000	1,255,000	41,558	265,000
2012 Series C	24,230,000	-	3,725,000	24,230,000	-	20,505,000	375,000	3,350,000	131,465	395,000
2012 Series D	34,975,000	-	24,910,000	34,975,000	-	10,065,000	1,210,000	23,700,000	731,196	1,245,000
2014 Series A	24,000,000	-	21,110,000	24,000,000	-	2,890,000	555,000	20,555,000	774,679	575,000
2015 Series A-1	15,010,000	-	13,925,000	15,010,000	-	1,085,000	250,000	13,675,000	532,918	260,000
2017 Series A	12,000,000	-	11,520,000	12,000,000	-	480,000	210,000	11,310,000	397,198	215,000
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	-	6,765,000	7,565,000	-	800,000	405,000	6,360,000	145,385	410,000
2019 Series C	9,840,000	-	8,810,000	9,840,000	-	1,030,000	530,000	8,280,000	214,796	540,000
2020 Series A	25,665,000	-	25,665,000	25,665,000	-	-	-	25,665,000	673,444	400,000
2020 Series B	25,270,000	-	23,615,000	25,270,000	-	1,655,000	1,180,000	22,435,000	422,928	1,230,000
2020 Series C	16,410,000	-	15,145,000	16,410,000	-	1,265,000	895,000	14,250,000	339,675	935,000
2021 Series A	99,250,000	-	99,250,000	99,250,000	-	-	-	99,250,000	2,084,250	-
2021 Series B	16,500,000	-	16,145,000	16,145,000	-	-	-	16,145,000	369,000	80,000
2021 Series C	104,245,000	-	104,245,000	104,245,000	-	-	-	104,245,000	2,579,188	-
2021 Series D	7,115,000	-	7,115,000	7,115,000	-	-	-	7,115,000	141,738	-
Series 2021 A (50M)	50,000,000	-	47,605,000	50,000,000	-	2,395,000	2,220,000	45,385,000	852,527	2,225,000
2023 Series A	28,500,000	-	-	-	28,500,000	-	-	28,500,000	286,304	215,000
Subtotal	700,645,000	-	574,942,274	671,547,177	28,503,732	96,064,989	11,965,000	591,481,006	16,085,977	13,024,165
Less: Unamortized Discount	-	-	(466,128)	-	-	(93,225)	(466,127)	-	-	-
Total Multi Family Bonds Payable	<u>\$ 700,645,000</u>	<u>\$ -</u>	<u>\$ 574,476,146</u>	<u>\$ 671,547,177</u>	<u>\$ 28,503,732</u>	<u>\$ 95,971,764</u>	<u>\$ 11,498,873</u>	<u>\$ 591,481,006</u>	<u>\$ 16,085,977</u>	<u>\$ 13,024,165</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
MULTIFAMILY BONDS – NONOBLIGATION DEBT
FISCAL YEAR ENDED JUNE 30, 2023**

Current Property Name	Owner	Final Maturity	Original Bonds Issued	Amount Outstanding
Blair Park	Private	10/14/2032	\$ 2,700,000	\$1,412,349
Covenant Village	Private	11/30/2044	6,418,000	5,576,183
Victory Forest	Private	9/1/2045	6,600,000	1,120,612
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	7,128,673
Hillside Senior Living	Private	2/1/2060	26,270,000	20,079,750
Olde Towne Gaithersburg Apts (Y-Site)	Private	3/31/2044	25,525,000	23,482,657
Lakeview House Apts.	Private	7/1/2050	34,225,000	30,068,422
Total			<u>\$ 162,138,000</u>	<u>\$ 140,868,646</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT 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>
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
2022	-	-	7,659	6,420	239	290	2,348	16,956
2023	-	-	7,702	6,411	204	332	2,773	17,422

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
 (A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
 PROPERTY CHARACTERISTICS AND DWELLING UNIT COMPOSITION
 FISCAL YEAR ENDED JUNE 30, 2023**

Housing Choice Voucher/Transitional Housing

Name of Development	Address	Number of Units
Housing Choice Voucher	Various	7,702
Transitional Housing Program	Various	204
Specialized Program	Various	332
<i>Total Housing Choice Voucher/Transitional Housing Units</i>		<u>8,238</u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
PROPERTY CHARACTERISTICS AND DWELLING UNIT COMPOSITION (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2023**

Opportunity Housing			
Name of Development	Address	Number of	
Elderly Communities			
Elizabeth House RAD Interim Property	1400 Fenwick Avenue, Silver Spring MD 20910	45	
The Oaks at Four Corners	321 University Boulevard West, Silver Spring MD 20901	120	
	<i>Total Elderly Communities</i>	<u>165</u>	
Family Communities			
617 Olney Sandy Spring	617 Sandy Spring Road Olney MD 20860	1	
Alexander House	8560 Second Avenue, Silver Spring MD 20910	183	
HOC at Avondale LLC	4500-4522 Avondale Street, Bethesda MD 20814	38	
The Barclay	4716 Bradley Boulevard, Chevy Chase MD 20815	76	
Barclay Affordable	4716 Bradley Boulevard, Chevy Chase, MD 20815	81	
HOC at Battery Lane	4857-4858-4998 Battery Ln, Bethesda, MD 20814	212	
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	
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 Horizen	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	
Southbridge	7423 Aspen Court, Tacoma Park MD 20912	39	
Strathmore Court LP	5440 Marinelli Drive, North Bethesda MD 20852	202	
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>4,591</u>	
Scattered Units			
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>6,411</u>	

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
PROPERTY CHARACTERISTICS AND DWELLING UNIT COMPOSITION (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2023**

Component Units		
Name of Development	Address	Number of Units
Elderly Communities		
Arcola Towers LP	1135 University Boulevard, Silver Spring MD 20902	141
Bauer Park	14635 Bauer Park Drive, Rockville, MD 20853	142
Elizaberth House III LP	1315 Apple Ave, Silver Spring, MD 20910	267
HOC at Willow Manor -Cloppers Mill, LLC	18003 Mateny Road, Germantown, MD 20874	102
HOC at Willow Manor -Colesville, LLC	601 East Randolph Road, Silver Spring, MD 20904	83
HOC at Willow Manor -Fair Hill Farm, LLC	18301 Georgia Avenue, Olney, MD 20832	101
Waverly House LP	4521 East West Highway, Bethesda MD 20814	157
	<i>Total Elderly Communities</i>	<u>993</u>
Family Communities		
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
HOC at Georgian Court LLC	3600 Bel Pre Road, Silver Spring, MD 20906	147
HOC at Shady Grove LLC	16125 Crabbs Branch Way, Derwood, MD 20855	144
HOC at Stewartown Homes LLC	9310 Merust Lane, Gaithersburg, MD 20879	94
HOC at Upton II	2 Helen Heneghan Way, Rockville, MD 20850	150
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
West Side Shady Grove	8005 Gramercy Blvd, Derwood, MD 20855	268
CCL Multifamily LLC (The Lindley)	8405 Chevy Chase Lake Drive, Chevy Chase, MD 20815	200
	<i>Total Family Communities</i>	<u>1,780</u>
	<i>Total units - Component Units</i>	<u><u>2,773</u></u>

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
REGULAR STAFF HEADCOUNT BY DEPARTMENT
LAST TEN FISCAL YEARS**

Fiscal Year	Executive	Finance	Property Management	Maintenance *	Housing Resources	Mortgage Finance	Real Estate	Resident Services	Total
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
2022	83.00	53.00	27.00	61.00	63.00	15.00	14.00	66.00	382.00
2023	88.00	53.00	26.00	62.00	65.00	16.00	14.00	66.60	390.60

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
DEMOGRAPHIC AND ECONOMIC STATISTICS
CURRENT AND NINE YEARS AGO**

Calendar Year	Population (1)	Personal Income (\$ thousands) (2)	Per Capita Income (3)	Civilian Labor Force (4)	Resident Employment (5)	Unemployment Rate (6)	Average Registered Number of Pupils as of September (7)
2014	1,029,222	\$76,436,416	\$74,266	544,271	520,698	4.3%	151,298
2015	1,038,524	82,025,296	78,983	547,229	526,310	3.8	153,852
2016	1,045,476	86,856,827	83,079	544,650	526,510	3.3	156,447
2017	1,054,403	89,327,351	84,718	561,370	543,489	3.2	159,010
2018	1,056,926	90,438,012	85,567	565,885	548,536	3.1	161,545
2019	1,060,230	91,221,261	86,039	576,770	560,710	2.8	162,680
2020	1,061,243	92,866,711	87,507	559,037	525,071	6.1	165,267
2021	1,054,827	97,825,022	92,740	546,559	518,901	5.1	160,564
2022	1,061,814	97,170,000	91,513	546,813	530,944	2.9	158,232
2023	1,068,846	101,660,000	95,112	539,974	528,657	2.1	160,554

NOTES:

- (1) Sources: Data for 2014-2021 is from the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Data for 2022 and 2023 is estimated by the Montgomery County Department of Finance. Data from 2014 through 2020 was revised by BEA.
- (2) Source: Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Personal income includes money from wages and salaries; transfer payments such as social security and public assistance; income from rent, interest, and dividends. Data for 2014-2020 was revised by BEA. Data for 2021 is from BEA, and data for 2022 and 2023 is estimated by the Montgomery County Department of Finance.
- (3) Per capita income is derived by dividing personal income by population and was revised by BEA from 2014 through 2020.
- (4) Source: Bureau of Labor Statistics (BLS), U.S. Department of Labor. Civilian labor force data include all persons in the civilian noninstitutional population classified as either employed or unemployed and counted by place of residence and is published by BLS for 2014-2022. Data from 2018 through 2022 was revised by BLS. Data for 2023 is estimated by the Montgomery County Department of Finance.
- (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 2014-2022 is published by BLS with the revised numbers for 2018-2022. Data for 2023 is estimated by the Montgomery County Department of Finance.
- (6) The unemployment rates for 2014 through 2022 were published by the Bureau of Labor Statistics, U.S. Department of Labor. The unemployment rates for 2018 through 2022 were revised by BLS. The unemployment rate for 2023 is estimated by the Montgomery County Department of Finance based on the estimate of the civilian labor force and the estimate of resident employment.
- (7) Source: Indicators provided by the Montgomery County Public Schools, a component unit organization.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

Employer	Fiscal Year 2023			Fiscal Year 2014		
	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	6.05%	1	25,000 - 30,000	6.09%
Montgomery County Public Schools	2	25,000 - 30,000	6.05%	2	25,000 - 30,000	6.09%
Montgomery County Government	3	10,000-15,000	2.75%	4	10,000 - 15,000	2.77%
U.S. Department of Commerce	4	5,000-10,000	1.65%	5	5,000 - 10,000	1.66%
U.S. Department of Defense	5	5,000-10,000	1.65%	3	10,000 - 15,000	2.77%
Adventist Healthcare	6	5,000-10,000	1.65%	6	2,500 - 5,000	0.83%
AstraZeneca Pharmaceuticals LP	7	2,500-5,000	0.82%		*	-
Holy Cross Hospital of Silver Spring	8	2,500-5,000	0.82%	10	2,500 - 5,000	0.83%
Montgomery College	9	2,500-5,000	0.82%	9	2,500 - 5,000	0.83%
Giant of Maryland, LLC	10	2,500-5,000	0.82%		*	-
Marriott International Admin Svcs, Inc.		*	-	7	2,500 - 5,000	0.83%
Lockheed Martin Corporation		*	-	8	2,500 - 5,000	0.83%
Total			23.08%			23.53%

NOTES:

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

Analysis and Information - Major Employer List - 1st, 2nd and 3rd quarters of FY2023 and 4th quarter of CY2013.

(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 FY23 and FY14 according to the Bureau of Labor Statistics, U.S. Department of Labor. Employee counts for federal and military facilities exclude contractors to the extent possible.

(3) Total average payroll employment was 454,800 in FY23, and 451,809 in FY14.

Source: Maryland Department of Labor, Licensing and Regulation

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, MARYLAND
(A COMPONENT UNIT OF MONTGOMERY COUNTY, MARYLAND)
HOUSING CHOICE VOUCHER STATISTICS – ALL PROPERTIES
AS OF JUNE 30, 2023**

Income Source	# of Households
Business	357
Child Support	1108
Federal Wage	12
General Assistance	364
Imputed Welfare	3
Indian	3
Military	6
Other Non-Wage Income	706
Other Wage	5159
Pension	504
PHA Wage	5
Social Security	3688
SSI	2670
TANF	363
Unemployment	315

Housing Choice Voucher Statistics As of 06/30/2023 Includes Homeownership & Portables
--

Gender	Male	Female	Total
Count of Head of Household	1,598	6,505	8,103
% of Head of Households	19.72%	80.28%	100%
Count of All Family Members	6,706	11,665	18,371
% of All Family Members	36.50%	63.50%	100%

Seniors	Under 62	62 +	Totals
Count of HOH	5,282	2,821	8,103
% of HOH	65.19%	34.81%	100%
Count All Members	15,126	3,245	18,371
% All Members	82.34%	17.66%	100%

Disabled	
Count of Head of Household	2802
Count of All Family Members (Incl HOH)	3618

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 - \$39,999	\$40,000 & Over	Totals
# of Families	1,194	624	1,849	1,003	725	477	447	376	1,408	8,103
Average Income in Range	\$ 1,230	\$ 7,883	\$ 11,535	\$ 17,272	\$ 22,258	\$ 27,384	\$ 32,457	\$ 37,406	\$ 55,640	\$ 21,829
Cumulative % of Families	14.74%	22.44%	45.25%	57.63%	66.58%	72.47%	77.98%	82.62%	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	8	352	1,452	1,691	1,779	1,226	996	598	1	8,103
Count of All Family Members	7,605	1,744	1,849	1,944	1,984	1,384	1,159	700	2	18,371

Race	American Indian	Asian	Black	Multiple	Pacific Islander	Unknown	White	Totals
Count of Head of Household	49	408	5,553	46	53	0	1,994	8,103
% of Head of Household	0.60%	5.04%	68.53%	0.57%	0.65%	0.00%	24.61%	100%
Count of All Family Members	109	664	13,638	128	108	338	3,386	18,371
% of All Family Members	0.59%	3.61%	74.24%	0.70%	0.59%	1.84%	18.43%	0%

Ethnicity	Hispanic	Non-Hispanic	Not Reported	Totals
HOH	952	7,151	0	8,103
% HOH	11.75%	88.25%	0.00%	100%
All Fam Mbrs	2,167	15,816	388	18,371
% FM	11.80%	86.09%	2.11%	100%

Family Size by Bedroom Size	Occupied Units	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8+ People
Efficiency	118	116	2	0	0	0	0	0	0
1 Bedroom	2,867	2,646	211	10	0	0	0	0	0
2 Bedrooms	2,826	680	1,322	655	133	33	3	0	0
3 Bedrooms	1,828	107	244	413	604	345	99	11	5
4 Bedrooms	378	14	15	32	90	68	102	39	18
5 Bedrooms	70	1	3	1	8	6	14	9	28
6 Bedrooms or Larger	16	0	1	1	0	0	1	2	11

Average Family Size
1.0 Person
1.1 People
2.1 People
3.7 People
4.9 People
6.3 People
7.1 People