

# **Timberlawn Pomander Properties LLC**

## **Financial Statements**

**For the Years Ended  
June 30, 2023 and 2022**

# Timberlawn Pomander Properties LLC

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For the Years Ended June 30, 2023 and 2022

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## Independent Auditor's Report

To the Management of  
Timberlawn Pomander Properties LLC  
10400 Detrick Avenue  
Kensington, MD 20895

### Opinion

We have audited the accompanying financial statements of Timberlawn Pomander Properties LLC which comprise the balance sheets as of June 30, 2023 and 2022, and the related statements of operations, changes in net deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Timberlawn Pomander Properties LLC as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Timberlawn Pomander Properties LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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 Timberlawn Pomander Properties LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's 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 auditor's report that includes our opinion. 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 generally accepted 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, including omissions, 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 generally accepted 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 Timberlawn Pomander Properties LLC'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 Timberlawn Pomander Properties LLC'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.

*SC+H attest services, P.C.*

Sparks, Maryland  
November 7, 2023

# Timberlawn Pomander Properties LLC

Balance Sheets

As of June 30, 2023 and 2022

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	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Unrestricted current assets</b>		
Cash	\$ 1,485,965	\$ 1,521,387
Accounts receivable, net and other assets	<u>34,672</u>	<u>183,362</u>
Total unrestricted current assets	<u>1,520,637</u>	<u>1,704,749</u>
<b>Restricted cash and cash equivalents for current liabilities</b>		
Restricted cash and cash equivalents	927,094	883,651
Tenants' security deposits	<u>89,093</u>	<u>92,402</u>
Total restricted cash and cash equivalents for current liabilities	<u>1,016,187</u>	<u>976,053</u>
<b>Property and equipment</b>		
Property and equipment, net of accumulated depreciation	<u>16,721,663</u>	<u>17,132,818</u>
Total property and equipment	<u>16,721,663</u>	<u>17,132,818</u>
Total assets	<u>\$ 19,258,487</u>	<u>\$ 19,813,620</u>

*See independent auditor's report and notes to financial statements.*

# Timberlawn Pomander Properties LLC

Balance Sheets (Continued)  
As of June 30, 2023 and 2022

	2023	2022
<b>Liabilities and Net Deficit</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 90,382	\$ 158,322
Accrued interest payable	59,579	60,401
Interfund payable	1,247,453	1,271,265
Mortgage payable, current maturities	267,698	257,652
Total current liabilities	<u>1,665,112</u>	<u>1,747,640</u>
<b>Current liabilities payable from restricted assets</b>		
Tenants' security deposits	<u>85,216</u>	<u>83,391</u>
Total current liabilities payable from restricted assets	<u>85,216</u>	<u>83,391</u>
<b>Long-term liabilities</b>		
Mortgage payable, net of current maturities and unamortized financing fees of \$341,667 - 2023 and \$351,667 - 2022	<u>18,052,729</u>	<u>18,310,427</u>
Total long-term liabilities	<u>18,052,729</u>	<u>18,310,427</u>
Total liabilities	<u>19,803,057</u>	<u>20,141,458</u>
<b>Net deficit</b>		
Investment in capital assets, net of related debt	(1,940,431)	(1,786,928)
Restricted net assets	930,971	892,662
Unrestricted net assets	<u>464,890</u>	<u>566,428</u>
Total net deficit	<u>(544,570)</u>	<u>(327,838)</u>
Total liabilities and net deficit	<u>\$ 19,258,487</u>	<u>\$ 19,813,620</u>

*See independent auditor's report and notes to financial statements.*

# Timberlawn Pomander Properties LLC

Statements of Operations  
For the Years Ended June 30, 2023 and 2022

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	2023	2022
<b>Operating revenues</b>		
Dwelling rental income	\$ 2,775,003	\$ 2,826,454
Other income	31,862	8,627
Total operating revenues	<u>2,806,865</u>	<u>2,835,081</u>
<b>Operating expenses</b>		
Administrative	319,970	230,602
Operating and maintenance	424,235	460,395
Depreciation	414,905	414,842
Utilities	228,712	203,310
Fringe benefits	52,988	59,778
Interest expense	729,500	739,200
Other	232,500	216,289
Bad debt expense	32,031	24,818
Total operating expenses	<u>2,434,841</u>	<u>2,349,234</u>
Operating income	<u>372,024</u>	<u>485,847</u>
<b>Nonoperating revenues</b>		
Interest revenue	5,589	84
Total nonoperating revenues	<u>5,589</u>	<u>84</u>
Net income	<u>\$ 377,613</u>	<u>\$ 485,931</u>

*See independent auditor's report and notes to financial statements.*

# Timberlawn Pomander Properties LLC

Statements of Changes in Net Deficit  
For the Years Ended June 30, 2023 and 2022

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Balance, July 1, 2021	\$ (267,154)
Distributions to HOC general fund	(546,615)
Net income, June 30, 2022	<u>485,931</u>
Balance, June 30, 2022	(327,838)
Distributions to HOC general fund	(594,345)
Net income, June 30, 2023	<u>377,613</u>
Balance, June 30, 2023	<u><u>\$ (544,570)</u></u>

*See independent auditor's report and notes to financial statements.*



# Timberlawn Pomander Properties LLC

## Statements of Cash Flows

For the Years Ended June 30, 2023 and 2022

	2023	2022
<b>Cash flows from operating activities</b>		
Net income	\$ 377,613	\$ 485,931
Adjustments to reconcile net income to net cash and restricted cash and cash equivalents provided by operating activities:		
Depreciation	414,905	414,842
Amortization of financing fees	10,000	10,000
Bad debt expense	32,031	24,818
(Increase) decrease in operating assets:		
Accounts receivable, net and other assets	116,659	(134,743)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(67,940)	62,956
Accrued interest payable	(822)	(792)
Interfund payable	(23,812)	(644,204)
Tenants' security deposits	1,825	3,591
Net cash and restricted cash and cash equivalents provided by operating activities	<u>860,459</u>	<u>222,399</u>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	<u>(3,750)</u>	<u>-</u>
Net cash and restricted cash and cash equivalents used in investing activities	<u>(3,750)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Distributions to HOC general fund	(594,345)	(546,615)
Mortgage principal payments	<u>(257,652)</u>	<u>(247,985)</u>
Net cash and restricted cash and cash equivalents used in financing activities	<u>(851,997)</u>	<u>(794,600)</u>
<b>Net increase (decrease) in cash and restricted cash and cash equivalents</b>	4,712	(572,201)
Cash and restricted cash and cash equivalents, beginning of year	<u>2,497,440</u>	<u>3,069,641</u>
Cash and restricted cash and cash equivalents, end of year	<u>\$ 2,502,152</u>	<u>\$ 2,497,440</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for interest	<u>\$ 720,322</u>	<u>\$ 729,992</u>

See independent auditor's report and notes to financial statements.

# Timberlawn Pomander Properties LLC

Statements of Cash Flows (Continued)  
For the Years Ended June 30, 2023 and 2022

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

	<u>2023</u>	<u>2022</u>
Cash	\$ 1,485,965	\$ 1,521,387
Restricted cash and cash equivalents	927,094	883,651
Tenants' security deposits	<u>89,093</u>	<u>92,402</u>
Total cash and restricted cash and cash equivalents, end of year	<u>\$ 2,502,152</u>	<u>\$ 2,497,440</u>

*See independent auditor's report and notes to financial statements.*

# Timberlawn Pomander Properties LLC

Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022

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## 1) Nature of Business and Summary of Significant Accounting Policies

### *Nature of Business*

Timberlawn Pomander Properties LLC (the Company) was formed by the Housing Opportunities Commission of Montgomery County, Maryland (HOC) under the laws of the state of Maryland on February 9, 2017. The Company is a nonprofit company and is not authorized to issue stock. The Company was formed for the purpose of acquiring, owning, constructing, operating and providing multifamily housing in Montgomery County. The Company acquired 131 apartment units and townhomes to provide rental housing (the Properties). The Properties known as Timberlawn Crescent and Pomander Court are located in Montgomery County, Maryland.

Housing projects undertaken, financed, or assisted by the Company and the projects' related expenditures must be approved by HOC, a component unit of Montgomery County, Maryland. The Company is legally separate from HOC, but the Company's financial statements are included in the Opportunity Housing Fund of HOC as a blended component unit. The Company's directors must be commissioners of HOC and, therefore, HOC can significantly influence the programs, projects, activities of, and the level of service performed by the Company.

### *Method of Accounting*

The Company's financial statements are prepared on the accrual method of accounting which recognizes income when it is earned and expenses when they are incurred.

### *Cash and Cash Equivalents*

The Company considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

### *Rents Receivable and Bad Debts*

Accounts receivable are reported at their outstanding balances, reduced by an allowance for doubtful accounts.

Management periodically evaluates the need for an allowance for doubtful accounts by considering the Company's past receivables loss experience, known and inherent risks in the accounts receivable population, adverse situations that may affect a debtor's ability to pay, and current economic conditions.

The allowance for doubtful accounts is increased by charges to bad debt expense and decreased by charge offs of the accounts receivable balances. Accounts receivable are considered past due after the tenth of the month in which they were due. Accounts receivable are considered uncollectible if they are outstanding over 90 days. The allowances as of June 30, 2023 and 2022 were \$30,456 and \$41,360, respectively.

### *Property and Equipment*

Land, buildings and improvements are recorded at cost. Building, improvements, and miscellaneous fixed assets are depreciated over their estimated useful lives of 10 to 40 years using the straight-line method.

### *Impairment of Long-Lived Assets*

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. There were no asset impairments during the years ended June 30, 2023 and 2022.

*See independent auditor's report.*

# Timberlawn Pomander Properties LLC

Notes to Financial Statements (Continued)  
For the Years Ended June 30, 2023 and 2022

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## 1) Nature of Business and Summary of Significant Accounting Policies (Continued)

### *Net Assets*

HOC, the Company's sole member, is required to report on a fund basis that categorize net assets as the following:

Investment in capital assets represents the total of property and equipment, net less mortgage payable.

Restricted net assets represent the sum of total restricted cash and cash equivalents and tenant security deposits less the tenant security deposit liability.

Unrestricted net assets represent the balance remaining after investment in capital assets and restricted net assets.

### *Interest*

The Company has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 835, *Interest*, which states that debt issuance costs related to a note shall be reported on the balance sheet as a direct deduction from the face amount of that note, and any amortization of debt issuance costs shall be reported as interest expense. Accordingly, the Company is reporting loan fees related to its mortgage payable as a direct deduction from the principal balance of the mortgage and is reporting amortization of the loan fees as interest expense on the mortgage payable. See Note 5 for more information.

### *Income Taxes*

The Company is exempt from income taxes under Section 115 of the Internal Revenue Code, which excludes from gross income amounts earned by state and local governments.

### *Estimates*

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

### *Rental Revenue*

Rental income is recognized as rents become due from residential tenants. Rental payments received in advance are deferred until earned. All leases between the Company and tenants of the properties are operating leases.

### *Advertising*

The Company's policy is to expense advertising costs when incurred which totaled \$23,303 and \$28,427, respectively, for the years ended June 30, 2023 and 2022.

*See independent auditor's report.*

# Timberlawn Pomander Properties LLC

Notes to Financial Statements (Continued)  
For the Years Ended June 30, 2023 and 2022

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## 2) Concentration of Risk

The Company maintains its cash balances in several accounts at various financial institutions. At times, these balances may exceed the federal insured limits of \$250,000; however, the Company has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at June 30, 2023 and 2022. Cash deposits in excess of the FDIC limit of \$250,000 are collateralized with securities held by the pledging financial institution's trust department or agent.

## 3) Restricted Cash and Cash Equivalents

Restricted funds are comprised of the following at June 30:

	2023	2022
Mortgage escrow deposits	\$ -	\$ 22,229
Reserve for replacements	751,928	691,649
Mortgage loan reserve	175,166	169,773
	<u>\$ 927,094</u>	<u>\$ 883,651</u>

### *Mortgage Escrow Deposits*

Pursuant to the terms of the mortgage note, the Company was required to make monthly deposits into the escrow account to cover mortgage insurance premiums. During the year ended June 30, 2023, it was concluded that the Company is not required to maintain the mortgage escrow account. This was due to the refinancing of the mortgage loan on August 30, 2017, which included the mortgage insurance premium in the interest rate paid by the Company. The balance as of June 30, 2023 and 2022 is \$0 and \$22,229, respectively.

### *Reserve for Replacements*

Pursuant to the regulatory agreement with HOC, the Company is required to maintain a replacement reserve escrow account with HOC as trustee. Disbursements for the purpose of maintenance, improvements or renovations of the Properties cannot be made without prior consent of HOC. The replacement reserve account funds are pooled with other properties that are controlled by HOC and deposited with Montgomery County, Maryland. The balances as of June 30, 2023 and 2022 are \$751,928 and \$691,649, respectively.

### *Mortgage Loan Reserve*

During loan closing, the Company was required to fund a mortgage loan reserve. The purpose of the reserve is to fund any debt service shortfalls that the Company may experience. The balances as of June 30, 2023 and 2022 are \$175,166 and \$169,773, respectively.

*See independent auditor's report.*

# Timberlawn Pomander Properties LLC

Notes to Financial Statements (Continued)  
For the Years Ended June 30, 2023 and 2022

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## 4) Property and Equipment

Property and equipment detail for the years ended June 30 was as follows:

	<u>2023</u>	<u>2022</u>
Land	\$ 4,921,100	\$ 4,921,100
Land improvements	486,732	486,732
Buildings	12,547,708	12,547,708
Building renovations	745,645	741,895
Miscellaneous fixed assets	<u>188,687</u>	<u>188,687</u>
Total property and equipment	18,889,872	18,886,122
Less: accumulated depreciation	<u>(2,168,209)</u>	<u>(1,753,304)</u>
Property and equipment, net	<u>\$ 16,721,663</u>	<u>\$ 17,132,818</u>

## 5) Long-Term Debt

### *Mortgage Payable*

On August 30, 2017, the Company obtained a loan from HOC in the original amount of \$20,000,000. The mortgage is secured by a promissory note, deed of trust, security and assignment of rent agreements, and substantially all assets. Financing fees related to the mortgage were \$400,000 and are being amortized to interest expense on a straight-line basis, the results of which are not materially different than that of the effective interest method, over the term of the loan. The loan provides for interest at a nominal rate of 3.831% per annum and an effective interest rate of 3.910% per annum. Principal and interest of \$81,498 are due monthly with the final balance of principal and accrued interest due October 1, 2057. The outstanding principal and accrued interest balances as of June 30, 2023 and 2022 are \$18,662,094 and \$59,579, respectively, for 2023, and \$18,919,746 and \$60,401, respectively, for 2022. Unamortized financing fees as of June 30, 2023 and 2022 were \$341,667 and \$351,667, respectively. For the years ended June 30, 2023 and 2022, interest incurred on the mortgage was \$729,500 and \$739,200, respectively, including amortization of financing fees of \$10,000 for each year.

*See independent auditor's report.*

# Timberlawn Pomander Properties LLC

Notes to Financial Statements (Continued)  
For the Years Ended June 30, 2023 and 2022

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## 5) Long-Term Debt (Continued)

### *Mortgage Payable (Continued)*

Maturities of the mortgage payable are as follows:

2024	\$	267,698
2025		278,136
2026		288,980
2027		300,248
2028		311,954
2029-2032		1,374,283
2033-2037		2,041,622
2038-2042		2,471,906
2043-2047		2,992,875
2048-2052		3,623,641
2053-2057		4,387,344
2058		323,407
		<hr/>
Total	\$	<u>18,662,094</u>

Estimated financing fees being amortized to interest expense for each of the next five years are \$10,000.

## 6) Related Party Transactions

### *Other Receivables*

During the year ended June 30, 2022, the Company overpaid distributions to the sole member in the amount of \$63,171. This balance was included in accounts receivable net, and other assets on the accompanying balance sheets as of June 30, 2022 and was received during 2023.

### *Interfund Payable*

The Company has numerous transactions with HOC to finance operations and provide services. To the extent that funds to finance certain transactions of the Company have not been paid or collected as of year-end, interfund payables and receivables are recorded. The balance of the interfund payable as of June 30, 2023 and 2022 was \$1,247,453 and \$1,271,265, respectively.

### *Asset Management Fee*

The Company was charged an asset management fee of \$147,520 and \$148,790, respectively, for the years ended June 30, 2023 and 2022, by HOC.

### *Property Management Fee*

The Company is required to pay a management fee to HOC as determined by HOC for the management of Pomander Court. Each year, the amount is approved by HOC based on the agency cost allocation model determined during the budgetary process. For the years ended June 30, 2023 and 2022, management fees of \$55,480 and \$0, respectively, were incurred.

*See independent auditor's report.*

# Timberlawn Pomander Properties LLC

Notes to Financial Statements (Continued)  
For the Years Ended June 30, 2023 and 2022

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## 7) Contract Management Fee

Effective April 1, 2020, the Company is obligated under the terms of a Property Management Agreement with Vantage Management, Inc. for the management of Timberlawn Crescent. Under the terms of the agreement, the Company is required to pay management fees of \$42 per month per occupied unit. In addition, HOC reserves the right to pay Vantage Management, Inc. an annual fee. Payment of the fee is in HOC's sole discretion and there is no guarantee Vantage Management, Inc. will receive the annual fee in any given year. The annual fee will be based on target occupancy levels and rent actually received. The original term of the agreement expired on March 31, 2022, but it includes two renewal options of one year each at the discretion of the Company. The second one-year renewal option has been exercised and is currently in effect. During the years ended June 30, 2023 and 2022, management fees of \$53,641 and \$53,824, respectively, were incurred.

The Company was obligated under the terms of an Amended and Restated Property Assistance Agreement with Edgewood Management Corporation for the management of Pomander Court. The fee was calculated at a flat rate of \$28 per occupied unit per month. In addition, HOC reserved the right to pay Edgewood Management Corporation an annual fee. Payment of the fee was in HOC's sole discretion and there was no guarantee that Edgewood Management Corporation would receive the annual fee in any given year. The annual fee was based on target occupancy levels and rent actually received. The agreement expired on December 31, 2021. For the years ended June 30, 2023 and 2022, management fees of \$0 and \$4,032, respectively, were incurred.

## 8) Real Estate Taxes

HOC, on behalf of the Company, entered into a payment in lieu of taxes (PILOT) agreement on June 2, 2017 with Montgomery County, whereby the Montgomery County portion of the Properties' real estate tax is abated. The abatement will remain in effect unless terminated pursuant to Paragraph 5 of the PILOT agreement.

## 9) Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through the independent auditor's report date, the date the financial statements were available to be issued. There were no material events that required recognition or disclosure in the financial statements.

*See independent auditor's report.*





## Independent Auditor's Report on Supplementary Information

We have audited the financial statements of Timberlawn Pomander Properties LLC as of and for the years ended June 30, 2023 and 2022, and our report thereon dated November 7, 2023, which expressed an unmodified opinion on those financial statements, appears on pages one and two. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*SCH attest services, P.C.*

Sparks, Maryland  
November 7, 2023

# Timberlawn Pomander Properties LLC

Detail of Selected Balance Sheet Accounts

As of June 30, 2023 and 2022

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	2023	2022
<b>Accounts receivable, net and other assets</b>		
Accounts receivable - subsidy	\$ 14,926	\$ 23,101
Allowance for doubtful accounts	(30,456)	(41,360)
Insurance claims receivable	-	43,678
Other receivables	-	63,333
Other resident fees receivable	367	75
Rents receivable	49,835	94,535
	<u>49,835</u>	<u>94,535</u>
Total accounts receivable, net and other assets	<u>\$ 34,672</u>	<u>\$ 183,362</u>
<b>Accounts payable and accrued expenses</b>		
Accounts payable	\$ 17,822	\$ 11,421
Accrued annual leave	1,825	1,770
Accrued salaries	9,779	10,117
Accrued utility payments	14,688	35,600
Clearing resident refunds	2,934	2,250
Other accrued liabilities	11,558	65,194
Resident prepaid rents	31,776	29,252
Subsidy prepaid rents	-	2,718
	<u>-</u>	<u>2,718</u>
Total accounts payable and accrued expenses	<u>\$ 90,382</u>	<u>\$ 158,322</u>

*See independent auditor's report on supplementary information.*

# Timberlawn Pomander Properties LLC

Detailed Statements of Operations  
For the Years Ended June 30, 2023 and 2022

	2023	2022
<b>Dwelling rental income</b>		
Rent	\$ 2,872,793	\$ 2,831,319
Tenant charges	34,042	34,898
Vacancies and concessions	(131,832)	(39,763)
Total dwelling rental income	<u>\$ 2,775,003</u>	<u>\$ 2,826,454</u>
<b>Other income</b>		
Miscellaneous income	\$ 550	\$ 2,430
Rental license	6,157	6,157
Transfers between funds	25,155	40
Total other income	<u>\$ 31,862</u>	<u>\$ 8,627</u>
<b>Administrative expenses</b>		
Advertising and marketing	\$ 23,303	\$ 28,427
Contract management fees	53,641	57,856
Licenses and fees	6,157	6,159
Management fees	55,480	-
Miscellaneous	4,754	6,593
Office supplies and expense	27,812	19,360
Professional fees	12,640	13,778
Resident services	-	209
Salaries	122,552	92,128
Security deposit interest expense	1,380	1,173
Telephone	11,148	3,038
Vehicle	1,103	1,881
Total administrative expenses	<u>\$ 319,970</u>	<u>\$ 230,602</u>
<b>Operating and maintenance expenses</b>		
Contracts	\$ 109,469	\$ 92,705
Exterminating	8,175	5,669
Grounds maintenance	44,282	57,998
HVAC repairs and maintenance	11,231	12,596
Janitorial	53,778	49,875
Salaries	123,129	145,273
Snow removal	500	13,958
Supplies and repairs	73,671	82,321
Total operating and maintenance expenses	<u>\$ 424,235</u>	<u>\$ 460,395</u>

See independent auditor's report on supplementary information.

# Timberlawn Pomander Properties LLC

Detailed Statements of Operations (Continued)  
For the Years Ended June 30, 2023 and 2022

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	2023	2022
<b>Utilities expense</b>		
Electricity	\$ 26,534	\$ 18,874
Gas	656	1,977
Trash removal	18,532	25,901
Water	182,990	156,558
Total utilities expense	<u>\$ 228,712</u>	<u>\$ 203,310</u>
<b>Fringe benefits</b>		
Accrued leave	\$ 55	\$ (872)
Contract managed benefits	46,826	56,448
Deferred contribution plan	1,037	792
FICA	1,322	943
Health insurance	2,214	1,452
Other fringe benefits	233	249
Other post employment benefits	230	170
Unemployment	105	156
Workers' compensation	966	440
Total fringe benefits	<u>\$ 52,988</u>	<u>\$ 59,778</u>
<b>Other expenses</b>		
Asset management fees	\$ 147,520	\$ 148,790
Insurance	54,335	39,831
Security contracts	13,396	11,599
Taxes	9,405	8,619
Water quality protect charge (RFSA)	7,844	7,450
Total other expenses	<u>\$ 232,500</u>	<u>\$ 216,289</u>

*See independent auditor's report on supplementary information.*