

# **Scattered Site One Development Corporation**

## **Financial Statements**

**For the Years Ended  
June 30, 2020 and 2019**

# Scattered Site One Development Corporation

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For the Years Ended June 30, 2020 and 2019

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## Independent Auditor's Report

To the Board of Commissioners  
Scattered Site One Development Corporation  
10400 Detrick Avenue  
Kensington, MD 20895

### Report on the Financial Statements

We have audited the accompanying financial statements of Scattered Site One Development Corporation, which comprise the balance sheet as of June 30, 2020, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Scattered Site One Development Corporation as of June 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 2 of the financial statements, during the year ended June 30, 2020, Scattered Site One Development Corporation adopted Financial Accounting Standards Board Update (ASU) No. 2016-18 – *Statement of Cash Flows (Topic 230): Restricted Cash*. Our opinion is not modified with respect to this matter.

**Other Matter**

The financial statements of Scattered Site One Development Corporation as of June 30, 2019 were audited by other auditors whose report dated October 24, 2019, expressed an unmodified opinion on those statements.

SC+H attest services, P.C.

Sparks, Maryland  
December 10, 2020

# Scattered Site One Development Corporation

Balance Sheets

As of June 30, 2020 and 2019

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	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Current assets</b>		
Accounts receivable, net and other assets	\$ 205,799	\$ 132,282
Interfund receivable	<u>6,231,541</u>	<u>6,438,712</u>
Total unrestricted current assets	<u>6,437,340</u>	<u>6,570,994</u>
<b>Restricted cash and cash equivalents for current liabilities</b>		
Restricted cash and cash equivalents	3,572,113	3,475,414
Tenants' security deposits	<u>88,709</u>	<u>88,105</u>
Total restricted cash and cash equivalents for current liabilities	<u>3,660,822</u>	<u>3,563,519</u>
<b>Property and equipment</b>		
Property and equipment, net of accumulated depreciation	<u>9,951,523</u>	<u>10,010,669</u>
Total assets	<u>\$ 20,049,685</u>	<u>\$ 20,145,182</u>

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

# Scattered Site One Development Corporation

Balance Sheets (Continued)  
As of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 436,943	\$ 416,438
Accrued interest payable	25,443	26,147
Mortgage payable, current maturities	<u>222,577</u>	<u>213,971</u>
Total current liabilities	<u>684,963</u>	<u>656,556</u>
<b>Current liabilities payable from restricted assets</b>		
Tenants' security deposits	<u>56,343</u>	<u>57,697</u>
Total current liabilities payable from restricted assets	<u>56,343</u>	<u>57,697</u>
<b>Long-term liabilities</b>		
Mortgage payable, net of current maturities	<u>7,506,864</u>	<u>7,729,441</u>
Total long-term liabilities	<u>7,506,864</u>	<u>7,729,441</u>
Total liabilities	<u>8,248,170</u>	<u>8,443,694</u>
<b>Net assets</b>		
Investment in capital assets, net of related debt	2,222,082	2,067,257
Restricted net assets	3,604,479	3,505,822
Unrestricted net assets	<u>5,974,954</u>	<u>6,128,409</u>
Total net assets	<u>11,801,515</u>	<u>11,701,488</u>
Total liabilities and net assets	<u>\$ 20,049,685</u>	<u>\$ 20,145,182</u>

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

# Scattered Site One Development Corporation

Statements of Operations  
For the Years Ended June 30, 2020 and 2019

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	<u>2020</u>	<u>2019</u>
<b>Operating revenues</b>		
Dwelling rental income	\$ 2,563,153	\$ 2,458,028
Other income	<u>304,250</u>	<u>17,711</u>
Total operating revenues	<u>2,867,403</u>	<u>2,475,739</u>
<b>Operating expenses</b>		
Administrative	579,199	621,761
Operating and maintenance	904,902	914,433
Depreciation	287,969	287,763
Utilities	15,183	23,224
Fringe benefits	218,348	122,326
Interest expense	310,781	319,082
Other	417,484	344,203
Bad debt expense	<u>46,754</u>	<u>23,870</u>
Total operating expenses	<u>2,780,620</u>	<u>2,656,662</u>
Operating income (loss)	<u>86,783</u>	<u>(180,923)</u>
<b>Nonoperating revenues</b>		
Interest revenue	<u>13,244</u>	<u>21,086</u>
Total nonoperating revenues	<u>13,244</u>	<u>21,086</u>
Net income (loss)	<u>\$ 100,027</u>	<u>\$ (159,837)</u>

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

# Scattered Site One Development Corporation

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

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Balance, July 1, 2018	\$ 11,861,325
Net loss, June 30, 2019	<u>(159,837)</u>
Balance, June 30, 2019	11,701,488
Net income, June 30, 2020	<u>100,027</u>
Balance, June 30, 2020	<u>\$ 11,801,515</u>

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



# Scattered Site One Development Corporation

## Statements of Cash Flows

For the Years Ended June 30, 2020 and 2019

	2020	2019
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ 100,027	\$ (159,837)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	287,969	287,763
(Increase) decrease in operating assets:		
Accounts receivable, net and other assets	(73,517)	(27,204)
Interfund receivable	207,171	34,477
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	20,505	(21,453)
Accrued interest payable	(704)	(677)
Tenants' security deposits	(1,354)	(3,350)
Net cash provided by operating activities	<u>540,097</u>	<u>109,719</u>
<b>Cash flows from investing activities</b>		
Construction costs paid	<u>(228,823)</u>	<u>-</u>
Net cash used in investing activities	<u>(228,823)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Mortgage principal payments	<u>(213,971)</u>	<u>(205,697)</u>
Net cash used in financing activities	<u>(213,971)</u>	<u>(205,697)</u>
<b>Net increase (decrease) in restricted cash and cash equivalents</b>	97,303	(95,978)
Restricted cash and cash equivalents, beginning of year	<u>3,563,519</u>	<u>3,659,497</u>
Restricted cash and cash equivalents, end of year	<u>\$ 3,660,822</u>	<u>\$ 3,563,519</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for interest	<u>\$ 309,918</u>	<u>\$ 318,192</u>
The following table provides a reconciliation of restricted cash and cash equivalents reported within the balance sheets that sum to the total of the same such amounts presented in restricted cash and cash equivalents, end of year, above:		
Restricted cash and cash equivalents	\$ 3,572,113	\$ 3,475,414
Tenants' security deposits	<u>88,709</u>	<u>88,105</u>
Total restricted cash and cash equivalents, end of year	<u>\$ 3,660,822</u>	<u>\$ 3,563,519</u>

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

# Scattered Site One Development Corporation

Notes to Financial Statements  
For the Years Ended June 30, 2020 and 2019

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

### *Nature of Business*

Scattered Site One Development Corporation (the Corporation) is a nonprofit corporation formed in the State of Maryland on October 11, 2011 to acquire, own and operate 190 apartment units to be operated as a housing project for rental to persons of eligible income under the Annotated Code of Maryland (the Project). The units are located in Montgomery County, Maryland.

Housing projects undertaken, financed, or assisted by the Corporation and the projects' related expenditures must be approved by the Housing Opportunities Commission of Montgomery County, Maryland, (a component unit of Montgomery County, Maryland) (HOC). The Corporation is legally separate from HOC, but the Corporation's financial statements are included in the Opportunity Housing Fund of HOC as a blended component unit. The Corporation'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 Corporation.

### *Method of Accounting*

The Corporation'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 Corporation considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents. There were no cash equivalents as of June 30, 2020 and 2019.

### *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 Corporation'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, 2020 and 2019 were \$39,566 and \$16,678, respectively.

### *Property and Equipment*

Land, buildings and improvements are recorded at cost. Building and improvements are depreciated over their estimated useful lives of 7 to 30 years using the straight-line method.

Property and equipment includes property held for and under development, operating properties, and fixed assets used in operations that cost \$5,000 or more and have an estimated useful life of at least two years.

*See independent auditor's report.*

# Scattered Site One Development Corporation

Notes to Financial Statements (Continued)  
For the Years Ended June 30, 2020 and 2019

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

### ***Impairment of Long-Lived Assets***

The Corporation 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, 2020 and 2019.

### ***Net Assets***

HOC, the Corporation's principal investor, is required to report on a fund basis and categorize net assets as the following:

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

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

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

### ***Income Taxes***

The Corporation 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 Corporation and tenants of the properties are operating leases.

### ***Grant Revenue***

Grant revenue is recognized under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 958, *Not-for-profit Entities*, which states that grant revenue should be recognized when the conditions to satisfy the underlying grant have been substantially met. During the year ended June 30, 2020, grants of \$284,032 were received from Montgomery County, Maryland and were recognized as revenue as all conditions were substantially met. During the year ended June 30, 2019, no grants were received.

### ***Advertising***

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

### ***Reclassification***

Reclassifications have been made to the prior year balances to conform to current year presentation.

*See independent auditor's report.*

# Scattered Site One Development Corporation

Notes to Financial Statements (Continued)  
For the Years Ended June 30, 2020 and 2019

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## 2) Accounting Pronouncements Adopted

The Corporation adopted ASU No. 2016-18 – *Statement of Cash Flows (Topic 230): Restricted Cash*, which reduced diversity in practice in the classification and presentation of changes in restricted cash on the statement of cash flows by including restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning of year and end of year total amounts shown on the statement of cash flows. The Corporation adopted the provisions under this ASU on July 1, 2019 on a retrospective basis which resulted in an increase in beginning of year and end of year cash and cash equivalents. Restricted cash was \$3,660,822 and \$3,563,519 as of June 30, 2020 and 2019, respectively, and therefore resulted in an increase in cash, cash equivalents and restricted cash of \$3,660,822 and \$3,563,519 as presented on the statements of cash flows as of June 30, 2020 and 2019, respectively.

## 3) Concentration of Risk

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

## 4) Restricted Cash and Cash Equivalents

Restricted funds are comprised of the following at June 30:

	<u>2020</u>	<u>2019</u>
Mortgage escrow deposits	\$ 40,563	\$ 39,840
Reserve for replacements	614,489	531,900
Renovation escrow	<u>2,917,061</u>	<u>2,903,674</u>
	<u>\$ 3,572,113</u>	<u>\$ 3,475,414</u>

Details of the reserve for replacement account during the years ended June 30 were as follows:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 531,900	\$ 661,038
Monthly deposits (\$9,500 x 12)	114,000	114,000
Reserve releases	<u>(31,411)</u>	<u>(243,138)</u>
Balance, end of year	<u>\$ 614,489</u>	<u>\$ 531,900</u>

*See independent auditor's report.*

# Scattered Site One Development Corporation

Notes to Financial Statements (Continued)  
For the Years Ended June 30, 2020 and 2019

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## 5) Property and Equipment

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

	2020	2019
Land	\$ 4,290,068	\$ 4,290,068
Buildings and improvements	7,766,055	7,745,586
Construction in progress	208,354	-
Total property and equipment	12,264,477	12,035,654
Less: accumulated depreciation	2,312,954	2,024,985
Property and equipment, net	<u>\$ 9,951,523</u>	<u>\$ 10,010,669</u>

## 6) Long-term Debt

### *Mortgage Payable*

The Corporation is obligated to repay a mortgage to HOC. The mortgage loan is provided from HOC's Multifamily Housing Development Bonds 2012 Series A in the original amount of \$9,200,000. There were no financing fees incurred related to this mortgage. The note is secured by a deed of trust on the properties. Beginning on September 1, 2012, the Corporation is required to make monthly principal and interest payments in the amount of \$43,657. The note bears interest at 3.95% per annum and matures on August 1, 2042. The outstanding principal and accrued interest balances as of June 30, 2020 and 2019 are \$7,729,441 and \$25,443, respectively, for 2020 and \$7,943,412 and \$26,147, respectively, for 2019. For the years ended June 30, 2020 and 2019, interest expense of \$310,781 and \$319,082, respectively, was incurred, which includes negative arbitrage of \$1,567 for each year.

Maturities of the mortgage payable are as follows:

2021	\$ 222,577
2022	231,530
2023	240,843
2024	250,530
2025	260,607
2026-2030	1,468,964
2031-2035	1,789,135
2036-2040	2,179,091
2041-2043	<u>1,086,164</u>
Total	<u>\$ 7,729,441</u>

The liability of the Corporation under the mortgages is limited to the underlying value of the real estate collateral and an assignment of rents, plus other amounts deposited with the lender.

*See independent auditor's report.*

# Scattered Site One Development Corporation

Notes to Financial Statements (Continued)  
For the Years Ended June 30, 2020 and 2019

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## 7) Real Estate Taxes

The Corporation has an agreement with Montgomery County, Maryland, to make a payment in lieu of taxes (PILOT). During the year ended June 30, 2013, the Corporation applied for and received an exemption from the state property tax under a similar PILOT agreement.

## 8) Related Party Transactions

### *Interfund Receivable*

The Corporation has numerous transactions with HOC to finance operations and provide services. To the extent that funds to finance certain transactions of the Corporation has not been paid or collected as of year-end, interfund payables and receivables are recorded. In addition, the Corporation is allocated costs from the HOC defined benefit pension plan and other post-employment benefit plan (OPEB) which includes retiree health insurance. The Corporation is allocated a net liability composed of a share of the related plan assets, liabilities, deferred outflows, and deferred inflows. Pension and OPEB expense are based on HOC management's calculation of costs related to employees of HOC that perform activities related to the Corporation. The components of the pension and OPEB liability allocated to the Corporation and included in interfund receivable are \$406,640 of deferred outflows, \$560,515 of deferred inflows, and \$251,512 of net pension and OPEB liability as of June 30, 2020. The components of the pension and OPEB liability allocated to the Corporation and included in interfund receivable are \$169,628 of deferred outflows, \$128,611 of deferred inflows, and \$362,016 of net pension and OPEB liability as of June 30, 2019. The balance of the interfund receivable as of June 30, 2020 and 2019, is \$6,231,541 and \$6,438,712, respectively.

### *Due to Affiliate*

HOC has advanced funds to the Corporation in connection with the initial acquisition of the properties. These funds are noninterest bearing and repayment terms are uncertain. As of June 30, 2020 and 2019, \$385,854 and \$384,308, respectively, remain payable and are included in accounts payable and accrued expenses on the accompanying balance sheets.

### *Property Management Fee*

The Corporation is required to pay a management fee to HOC as determined by HOC. 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, 2020 and 2019, management fees of \$359,510 and \$343,879, respectively, were incurred.

### *Development Corporation Fee*

The Corporation pays an annual fee to HOC in the amount as approved by the HOC Commissioners. The fee is assessed at the end of the fiscal year based on the performance of the property during the fiscal year. For the years ended June 30, 2020 and 2019, development corporation fees of \$313,350 and \$244,064, respectively, were incurred.

## 9) Commitments and Contingencies

### *Rental Regulatory Agreement*

The Corporation is obligated under the terms of a rental regulatory agreement with HOC to provide housing to low to moderate income residents. Under the terms of the agreement, at least 76 of the units of the Project are dedicated for occupancy by tenants whose income is less than 60% of the median income for the Washington Metropolitan Statistical Area (WMSA). The term of the agreement is for the term of the Deed of Trust on the loan, 30 years.

*See independent auditor's report.*

# Scattered Site One Development Corporation

Notes to Financial Statements (Continued)  
For the Years Ended June 30, 2020 and 2019

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## **10) Business Risk Factor**

The Corporation could potentially be affected by natural disasters, public health crisis, such as pandemics and epidemics, or other events outside of their control, which could cause their business and operating results to suffer.

## **11) Subsequent Events**

Management has evaluated events and transactions subsequent to the balance sheet date 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 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 Scattered Site One Development Corporation as of and for the year ended June 30, 2020 and our report thereon dated December 10, 2020, expressed an unmodified opinion on those financial statements, which appears on pages one and two. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules are presented for the purpose 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 presented in all material respects in relation to the financial statements as a whole. The supplemental schedules as of June 30, 2019 were subjected to auditing procedures applied in the audit of the basic financial statements as of June 30, 2019 by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the financial statements as of June 30, 2019.

*SCH Attest Services, P.C.*

Sparks, Maryland  
December 10, 2020



# Scattered Site One Development Corporation

Detail of Selected Balance Sheet Accounts

As of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Accounts receivable, net and other assets</b>		
Rents receivable	\$ 46,044	\$ -
Accounts receivable - subsidy	156,496	99,468
Allowance for doubtful accounts	(39,566)	(16,678)
Insurance claim receivable	-	1,824
Other receivables	-	1,739
Other resident fees receivable	1,199	2,957
Ex-resident workorders receivable	397	-
Prepaid other expense	34,735	36,302
Prepaid mortgage insurance	6,494	6,670
	<u>\$ 205,799</u>	<u>\$ 132,282</u>
<b>Accounts payable and accrued expenses</b>		
Accrued annual leave	\$ 24,919	\$ 18,867
Accounts payable	7,964	3,215
Accrued salaries	3,644	1,751
Accrued utility payments	-	695
Clearing resident refunds	(496)	(1,320)
Due to affiliate	385,854	384,308
Resident prepaid rents	15,058	8,922
	<u>\$ 436,943</u>	<u>\$ 416,438</u>

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

# Scattered Site One Development Corporation

Detailed Statements of Operations  
For the Years Ended June 30, 2020 and 2019

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	<u>2020</u>	<u>2019</u>
<b>Dwelling rental income</b>		
Rent	\$ 2,775,890	\$ 2,728,048
Vacancies and concessions	(227,968)	(286,914)
Tenant charges	15,231	16,894
Total dwelling rental income	<u>\$ 2,563,153</u>	<u>\$ 2,458,028</u>
<b>Other income</b>		
Grants	\$ 284,032	\$ -
Rental license	20,218	17,711
Total other income	<u>\$ 304,250</u>	<u>\$ 17,711</u>
<b>Administrative expenses</b>		
Advertising and marketing	\$ 3	\$ (137)
Loan management fees	23,000	23,000
Management fees	359,510	343,879
Miscellaneous	3,967	5,040
Salaries	133,988	181,179
Office supplies and expense	4,568	7,659
Professional fees	17,872	21,466
Licenses and fees	20,218	17,711
Telephone	754	1,244
Vehicle	15,319	20,720
Total administrative expenses	<u>\$ 579,199</u>	<u>\$ 621,761</u>

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

# Scattered Site One Development Corporation

Detailed Statements of Operations (Continued)  
For the Years Ended June 30, 2020 and 2019

	2020	2019
<b>Operating and maintenance expenses</b>		
Contracts	\$ 156,096	\$ 211,235
Exterminating	7,395	12,026
Grounds maintenance	16,396	13,926
Housing association fees	332,360	328,439
HVAC repairs and maintenance	52,230	33,165
Janitorial	16,517	10,933
Salaries	208,594	200,584
Snow removal	-	1,365
Supplies and repairs	115,314	102,760
Total operating and maintenance expenses	<u>\$ 904,902</u>	<u>\$ 914,433</u>
<b>Utilities expense</b>		
Electricity	\$ 6,972	\$ 11,973
Gas	1,449	686
Trash removal	1,722	1,850
Water	5,040	8,715
Utilities expense	<u>\$ 15,183</u>	<u>\$ 23,224</u>
<b>Fringe benefits</b>		
Accrued leave	\$ 6,052	\$ 1,894
Contract managed benefits	2,181	11,781
Deferred contribution plan	16,551	13,790
FICA	23,333	17,410
Health insurance	66,756	50,857
Other post employment benefits	93,562	19,217
Unemployment	1,394	706
Workers' compensation	8,519	6,671
Total fringe benefits	<u>\$ 218,348</u>	<u>\$ 122,326</u>
<b>Other expenses</b>		
Development corporation fee	\$ 313,350	\$ 244,064
Insurance	28,163	24,808
Mortgage insurance	39,138	40,189
Taxes	36,491	34,827
Water quality protect charge (RFSA)	342	315
Total other expenses	<u>\$ 417,484</u>	<u>\$ 344,203</u>

See independent auditor's report on supplementary information.