

LEISURE WORLD OF MARYLAND TRUST

SILVER SPRING, MARYLAND

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011



Independent Auditors' Report

To the Board of Directors of
Leisure World of Maryland Trust
Silver Spring, Maryland

We have audited the accompanying financial statements of Leisure World of Maryland Trust, which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of revenues, expenses, trust equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Directors of
Leisure World of Maryland Trust

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Leisure World of Maryland Trust as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Councilor, Buchanan + Mitchell, P.C.

Bethesda, Maryland
April 2, 2013

Certified Public Accountants

Leisure World of Maryland Trust

Balance Sheets December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Current Assets		
Cash	\$ 827,972	\$ 743,313
Accounts Receivable, Net	1,147,552	1,241,112
Inventories	472,365	550,232
Prepaid Expenses and Other Current Assets	<u>167,459</u>	<u>178,133</u>
Total Current Assets	2,615,348	2,712,790
Designated Assets	5,373,743	4,278,597
Property and Equipment,		
Net of Accumulated Depreciation	<u>14,060,922</u>	<u>14,824,828</u>
Total Assets	<u><u>\$ 22,050,013</u></u>	<u><u>\$ 21,816,215</u></u>
Liabilities and Trust Equity		
Current Liabilities		
Due to Designated Assets	\$ 350,000	\$ 350,000
Accounts Payable and Accrued Liabilities	977,060	1,446,271
Accrued Payroll and Related Liabilities	983,106	856,702
Deferred Revenues - Current	<u>728,452</u>	<u>665,529</u>
Total Current Liabilities	3,038,618	3,318,502
Deferred Revenues - Long-Term	492,774	565,774
Trust Equity	<u>18,518,621</u>	<u>17,931,939</u>
Total Liabilities and Trust Equity	<u><u>\$ 22,050,013</u></u>	<u><u>\$ 21,816,215</u></u>

See accompanying Notes to Financial Statements.

Leisure World of Maryland Trust

Statements of Revenues and Expenses
For the Years Ended December 31, 2012 and 2011

	2012					2011				
	Community Facilities Operations	Combined Mutual Operations	Combined Total before Interdepartmental Eliminations	Interdepartmental Rental Eliminations	Total	Community Facilities Operations	Combined Mutual Operations	Combined Total before Interdepartmental Eliminations	Interdepartmental Rental Eliminations	Total
Revenues										
Assessments	\$ 9,135,494	\$ 2,279,484	\$ 11,414,978	\$ -	\$ 11,414,978	\$ 8,874,139	\$ 2,281,718	\$ 11,155,857	\$ -	\$ 11,155,857
Net Revenues from Cost Centers	<u>3,858,501</u>	<u>3,738,948</u>	<u>7,597,449</u>	<u>(489,200)</u>	<u>7,108,249</u>	<u>3,859,990</u>	<u>3,653,790</u>	<u>7,513,780</u>	<u>(499,648)</u>	<u>7,014,132</u>
Total Revenues	<u>12,993,995</u>	<u>6,018,432</u>	<u>19,012,427</u>	<u>(489,200)</u>	<u>18,523,227</u>	<u>12,734,129</u>	<u>5,935,508</u>	<u>18,669,637</u>	<u>(499,648)</u>	<u>18,169,989</u>
Operating Expenses										
Salaries and Wages	6,215,964	2,952,486	9,168,450	-	9,168,450	6,049,018	2,944,525	8,993,543	-	8,993,543
Contracted Services	2,794,239	1,251,460	4,045,699	-	4,045,699	2,657,122	1,210,174	3,867,296	-	3,867,296
Employee Benefits	1,453,399	735,305	2,188,704	-	2,188,704	1,386,425	736,083	2,122,508	-	2,122,508
Equipment Rental	458,603	246,695	705,298	(489,200)	216,098	476,606	251,805	728,411	(499,648)	228,763
Materials and Supplies	337,247	71,647	408,894	-	408,894	329,108	69,196	398,304	-	398,304
Electric	449,223	36,328	485,551	-	485,551	509,759	48,104	557,863	-	557,863
Janitorial	325,212	21,181	346,393	-	346,393	316,747	21,767	338,514	-	338,514
Repairs and Maintenance	184,642	10,243	194,885	-	194,885	232,028	12,088	244,116	-	244,116
Professional Fees	187,514	70,451	257,965	-	257,965	177,015	67,346	244,361	-	244,361
Telephone	130,349	37,922	168,271	-	168,271	118,928	34,991	153,919	-	153,919
Depreciation	143,630	73,548	217,178	-	217,178	133,378	106,359	239,737	-	239,737
Insurance	107,827	125,410	233,237	-	233,237	106,384	123,834	230,218	-	230,218
Water	99,479	22,576	122,055	-	122,055	89,525	22,045	111,570	-	111,570
Postage	35,906	9,581	45,487	-	45,487	30,198	6,565	36,763	-	36,763
Other	23,454	29,747	53,201	-	53,201	18,168	48,871	67,039	-	67,039
Vehicle Fuel and Oil	25,265	255,238	280,503	-	280,503	16,994	244,068	261,062	-	261,062
Gas	26,203	2,765	28,968	-	28,968	40,389	2,269	42,658	-	42,658
Total Operating Expenses	<u>12,998,156</u>	<u>5,952,583</u>	<u>18,950,739</u>	<u>(489,200)</u>	<u>18,461,539</u>	<u>12,687,792</u>	<u>5,950,090</u>	<u>18,637,882</u>	<u>(499,648)</u>	<u>18,138,234</u>
Excess (Deficiency) of Revenues over Expenses from Operations	<u>(4,161)</u>	<u>65,849</u>	<u>61,688</u>	<u>-</u>	<u>61,688</u>	<u>46,337</u>	<u>(14,582)</u>	<u>31,755</u>	<u>-</u>	<u>31,755</u>
Nonoperating Revenue and Expenses										
Royalty Revenue	72,996	-	72,996	-	72,996	72,997	-	72,997	-	72,997
Loss on Sale of Medical Center Assets	(139,163)	-	(139,163)	-	(139,163)	-	-	-	-	-
Community Facilities Depreciation	<u>(621,812)</u>	<u>-</u>	<u>(621,812)</u>	<u>-</u>	<u>(621,812)</u>	<u>(622,998)</u>	<u>-</u>	<u>(622,998)</u>	<u>-</u>	<u>(622,998)</u>
Nonoperating Excess of Expenses over Revenue	<u>(687,979)</u>	<u>-</u>	<u>(687,979)</u>	<u>-</u>	<u>(687,979)</u>	<u>(550,001)</u>	<u>-</u>	<u>(550,001)</u>	<u>-</u>	<u>(550,001)</u>
Excess (Deficiency) of Revenue over Expenses	<u>\$ (692,140)</u>	<u>\$ 65,849</u>	<u>\$ (626,291)</u>	<u>\$ -</u>	<u>\$ (626,291)</u>	<u>\$ (503,664)</u>	<u>\$ (14,582)</u>	<u>\$ (518,246)</u>	<u>\$ -</u>	<u>\$ (518,246)</u>

See accompanying Notes to Financial Statements.

Leisure World of Maryland Trust

Statements of Trust Equity
For the Years Ended December 31, 2012 and 2011

	Operating Surplus (Deficit)	Reserves	Mutuals' Investment in the Trust	Offsite Improvements	Community Facilities Purchased with Reserves	Community Facilities Equity	Valuation Equity	Depreciation	Tele- Communications Fund	Equipment Purchase Fund	New Sales Facility Fund	Total
Balance, January 1, 2012	\$ (880,707)	\$ 3,074,630	\$ 392,575	\$ 442,581	\$ 12,705,327	\$ 13,239,119	\$ 404,500	\$ (12,650,051)	\$ 684,682	\$ 386,582	\$ 132,701	\$ 17,931,939
Community Facilities Depreciation	-	-	-	-	-	-	-	(621,812)	-	-	-	(621,812)
Nonoperating Royalty Revenue	72,996	-	-	-	-	-	-	-	-	-	-	72,996
Transfers between Funds	1,273	31,755	-	-	-	-	-	-	-	(33,028)	-	-
Capitalized Work in Progress	-	-	-	-	116,552	-	-	-	-	-	-	116,552
Gain (Loss) on Sale of Medical Center Assets	129,071	-	-	-	(268,234)	-	-	-	-	-	-	(139,163)
Excess of Revenues over Expenses from Operations	61,688	-	-	-	-	-	-	-	-	-	-	61,688
Withdrawals	-	(1,646,869)	-	-	-	-	-	-	-	(217,178)	-	(1,864,047)
Contributions	-	2,723,083	-	-	-	-	-	-	-	237,385	-	2,960,468
Balance, December 31, 2012	\$ (615,679)	\$ 4,182,599	\$ 392,575	\$ 442,581	\$ 12,553,645	\$ 13,239,119	\$ 404,500	\$ (13,271,863)	\$ 684,682	\$ 373,761	\$ 132,701	\$ 18,518,621
Balance, January 1, 2011	\$ (891,065)	\$ 1,890,980	\$ 392,575	\$ 442,581	\$ 12,659,994	\$ 13,239,119	\$ 404,500	\$ (12,027,053)	\$ 730,015	\$ 284,978	\$ 132,701	\$ 17,259,325
Community Facilities Depreciation	-	-	-	-	-	-	-	(622,998)	-	-	-	(622,998)
Nonoperating Royalty Revenue	72,997	-	-	-	-	-	-	-	-	-	-	72,997
Transfers between Funds	(94,394)	2,893	-	-	45,333	-	-	-	(45,333)	91,501	-	-
Excess of Revenues over Expenses from Operations	31,755	-	-	-	-	-	-	-	-	-	-	31,755
Withdrawals	-	(1,504,313)	-	-	-	-	-	-	-	-	-	(1,504,313)
Contributions	-	2,685,070	-	-	-	-	-	-	-	10,103	-	2,695,173
Balance, December 31, 2011	\$ (880,707)	\$ 3,074,630	\$ 392,575	\$ 442,581	\$ 12,705,327	\$ 13,239,119	\$ 404,500	\$ (12,650,051)	\$ 684,682	\$ 386,582	\$ 132,701	\$ 17,931,939

See accompanying Notes to Financial Statements.

Leisure World of Maryland Trust

**Statements of Cash Flows
For the Years Ended December 31, 2012 and 2011**

	2012	2011
Cash Flows from Operating Activities		
Excess of Expenses over Revenues	\$ (626,291)	\$ (518,246)
Adjustments to Reconcile Excess of Expenses over Revenues to Net Cash Provided by Operating Activities		
Depreciation	838,992	862,737
Loss on Sale of Medical Center Assets	139,163	-
<u>(Increase) Decrease in Assets</u>		
Accounts Receivable, Net	93,560	146,465
Inventories	77,867	(16,899)
Prepaid Expenses and Other Current Assets	10,674	100,070
<u>Increase (Decrease) in Liabilities</u>		
Due to Designated Assets	-	(150,000)
Accounts Payable and Accrued Liabilities	(469,211)	(150,613)
Accrued Payroll and Related Liabilities	126,404	195,261
Deferred Revenues	(10,077)	(111,222)
Net Cash Provided by Operating Activities	181,081	357,553
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(366,760)	(193,572)
Proceeds of Sale of Medical Center Assets	152,511	-
Withdrawals from Designated Assets	1,864,047	1,504,313
Contributions to Designated Assets	(2,959,193)	(2,744,234)
Net Cash Used in Investing Activities	(1,309,395)	(1,433,493)
Cash Flows from Financing Activities		
Capitalized Work in Progress	116,552	-
Funded Reserve Contributions	2,960,468	2,695,173
Funded Reserve Withdrawals	(1,864,047)	(1,504,313)
Net Cash Provided by Financing Activities	1,212,973	1,190,860
Increase in Cash	84,659	114,920
Cash, Beginning of Year	743,313	628,393
Cash, End of Year	\$ 827,972	\$ 743,313

See accompanying Notes to Financial Statements.

Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

1. NATURE OF ORGANIZATION

Leisure World of Maryland Trust (the "Trust") is governed by two trust documents, Leisure World of Maryland Trust, dated March 9, 1966, and Leisure World of Maryland Trust Number Two, dated April 27, 1979. The Trust was formed for the general purposes of acquiring, constructing, owning, and operating various community properties located within the Leisure World Community (the "Community"), and incurring debt to further these purposes. The Trust holds the community properties in trust for the benefit of the cooperative, condominium, and homeowners association housing organizations, the "Mutuals," that are trustors and beneficiaries of the Trust.

Leisure World Community Corporation (LWCC) is trustee of the Trust, and as such is empowered with all the rights, powers, duties, and authority conferred and charged upon the Trustee per the respective Trust Agreements referred to above. LWCC is a non-stock, membership corporation whose members are the Mutuals, as identified in Article Seven of the Articles of Incorporation. The Trustee has appointed Leisure World of Maryland Corporation (LWMC) as the management agent of LWCC. LWMC is a wholly-owned subsidiary of LWCC. In February 2009, at the advice of legal counsel, the board of directors requested the general manager to provide counsel with the necessary documents to be placed in the Homeowners Association Depository maintained by the Clerk of the Circuit Court of Montgomery County, Maryland, in accordance with the Homeowners Association Act (HOA) of 1988. In addition, the board of directors agreed to comply with all requirements of the HOA.

Due to the inseparable nature of the financial activities of the Trust, LWCC, and LWMC in carrying out the purposes of the Trust and the close legal relationships of the three entities as trust, trustee, and wholly-owned subsidiary of the trustee, management does not distinguish among the three entities for accounting purposes and preparation of the Trust's financial statements. The accompanying financial statements of the Trust include the financial transactions and account balances of all three entities as a single whole.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of asset classification and reporting cash flows, cash and cash equivalents include cash-on-hand and in banks and amounts invested in short-term U.S. government securities with maturities of 90 days or less. Cash on the balance sheets excludes accounts reported as designated assets.

Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable arise from credit transactions with residents and Mutuals located in the Community. All accounts receivable are granted on an unsecured basis.

Accounts receivables are due under normal trade terms requiring payment within 30 days of the invoice date. Accounts receivable are stated at the amount billed to the resident or mutual. Account balances over 120 days past due are considered delinquent and, unless strong mitigating factors exist, a dollar-for-dollar allowance is established in addition to other losses estimated by management. Accounts receivable in delinquent status at December 31, 2012 and 2011, totaled \$51,911 and \$41,652, respectively. The allowance for uncollectible accounts at December 31, 2012 and 2011, was \$58,778 and \$66,160, respectively. Accounts receivable are written off based on management's case-by-case determination that they are uncollectible.

Inventories

Inventories are stated at the lower of cost or market, with cost determined principally by the first-in, first-out method.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist primarily of work in process associated with community facility construction and/or renovation projects that are not yet reimbursed from the applicable designated fund responsible for payment of the associated project's costs. Also included are the prepayments of insurance policies and taxes.

Designated Assets

The designated assets are funds set aside for specific purposes such as the purchase of equipment, the construction of new facilities, and payment for repairs and maintenance of community properties. These funds are used only with approval of the board of directors. The designated assets consist of cash that is deposited primarily with 23 financial institutions and also with a mutual fund consisting of short-term U.S. Government Treasury securities. The Trust's policy is to record investments at cost, which approximates fair value.

Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Trust capitalizes property and equipment with a cost of \$2,000 or more, including smaller amounts purchased in a group when the total cost is \$2,000 or more. Community facilities are being depreciated using the straight-line method over 40 years, once the asset is placed in service. Furniture and equipment are depreciated using the straight-line method over ten years, except for computer equipment, which uses a five-year useful life. Vehicles are depreciated using the straight-line method over ten years for cars and smaller trucks and seven years for large or heavy duty trucks. Offsite improvements consist of land improvements that the Trust considers as non-depreciable.

Depreciation of furniture, equipment, and vehicles is included in operating expenses and depreciation of community facilities is included in non-operating expenses in the accompanying statements of revenues and expenses.

Deferred Revenues

Payments received for revenues before they are earned are deferred and recognized over the periods to which the payments relate.

Assessments

The major source of revenue for the Trust is assessments made to the Mutuals. These assessments are used to pay the current and future operating expenses of the Trust.

Income Taxes

Accounting principles generally accepted in the United States of America require the Trustee to evaluate tax positions taken by the Trust and recognize a tax liability (or asset) if the Trust has taken an uncertain position that more likely than not would not be sustained upon examination by the federal and State of Maryland authorities. The Trustee has analyzed the tax positions taken by the Trust, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Trust is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Trust's 2011, 2010, and 2009 Forms 1041 that have been filed with the Internal Revenue Service as of December 31, 2012, are subject to audit, generally for three years after the date they were filed.

Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

3. CONCENTRATION OF CREDIT RISK

The Trust maintains its cash accounts in banks that are insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2012, the uninsured portion of the Trust's deposits was \$186,951.

4. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following:

	2012	2011
Chargeable Service/Intercompany Charges		
Mutuals	\$ 761,530	\$ 837,290
Residents	129,140	131,340
	890,670	968,630
Pharmacy Receivables	41,271	84,568
Medical Receivables	196,446	228,356
	237,717	312,924
Less Allowance for Uncollectible Accounts	(58,778)	(66,160)
	178,939	246,764
Other Receivables	77,943	25,718
Total Accounts Receivable	\$ 1,147,552	\$ 1,241,112

5. INVENTORIES

Inventories consisted of the following:

	2012	2011
Physical Properties	\$ 341,468	\$ 306,771
Pharmacy Drugs	-	111,780
Supplies		
Grounds Maintenance	40,408	46,562
Snow Chemicals	24,632	29,665
Golf Pro Shop	15,688	11,760
Administrative	13,271	5,385
Restaurant	10,807	10,807
Vehicle Maintenance	4,261	4,261
Golf Maintenance	2,579	2,579
Fuel Inventory	19,251	20,662
Total	\$ 472,365	\$ 550,232

Leisure World of Maryland Trust

Notes to Financial Statements
December 31, 2012 and 2011

NOTE 6 - DESIGNATED ASSETS

Summaries of designated asset components and activity for 2012 and 2011, are as follows:

	Reserves											
	Contingency Fund	Capital and Operating Fund	Resale Improvement Fund	Replacement Fund	Snow Removal Fund	Salary Fund	Property Maintenance Fund	Total Reserves	Tele-communications Fund	Equipment Purchase Fund	New Sales Facility Fund	Total Designated Assets
2012												
Cash and Cash Equivalents	\$ 38,211	\$ -	\$ 2,952,007	\$ 520,248	\$ 105,215	\$ 90,595	\$ 126,323	\$ 3,832,599	\$ 684,682	\$ 373,761	\$ 132,701	\$ 5,023,743
Due from Operations	-	-	350,000	-	-	-	-	350,000	-	-	-	350,000
Total	\$ 38,211	\$ -	\$ 3,302,007	\$ 520,248	\$ 105,215	\$ 90,595	\$ 126,323	\$ 4,182,599	\$ 684,682	\$ 373,761	\$ 132,701	\$ 5,373,743
Balance,												
January 1, 2012	\$ 124,900	\$ 12,481	\$ 2,503,075	\$ 314,530	\$ 38,459	\$ 60,978	\$ 20,207	\$ 3,074,630	\$ 684,682	\$ 386,582	\$ 132,701	\$ 4,278,595
Transfers between Funds	94,236	(12,481)	(50,000)	-	-	-	-	31,755	-	(33,028)	-	(1,273)
Contributions	-	-	1,094,435	249,891	74,765	29,617	1,274,375	2,723,083	-	237,385	-	2,960,468
Withdrawals	(180,925)	-	(245,503)	(44,173)	(8,009)	-	(1,168,259)	(1,646,869)	-	(217,178)	-	(1,864,047)
Balance, December 31, 2012	\$ 38,211	\$ -	\$ 3,302,007	\$ 520,248	\$ 105,215	\$ 90,595	\$ 126,323	\$ 4,182,599	\$ 684,682	\$ 373,761	\$ 132,701	\$ 5,373,743
2011												
Cash and Cash Equivalents	\$ 124,900	\$ 12,481	\$ 2,153,075	\$ 314,530	\$ 38,459	\$ 60,978	\$ 20,207	\$ 2,724,630	\$ 684,682	\$ 386,582	\$ 132,701	\$ 3,928,595
Due from Operations	-	-	350,000	-	-	-	-	350,000	-	-	-	350,000
Total	\$ 124,900	\$ 12,481	\$ 2,503,075	\$ 314,530	\$ 38,459	\$ 60,978	\$ 20,207	\$ 3,074,630	\$ 684,682	\$ 386,582	\$ 132,701	\$ 4,278,595
Balance,												
January 1, 2011	\$ 154,400	\$ 12,481	\$ 1,644,418	\$ 49,843	\$ (2,311)	\$ 31,361	\$ 788	\$ 1,890,980	\$ 730,015	\$ 284,978	\$ 132,701	\$ 3,038,674
Transfer between Funds	2,893	-	(165,000)	165,000	-	-	-	2,893	(45,333)	91,501	-	49,061
Contributions	-	-	1,056,422	99,687	125,282	29,617	1,374,062	2,685,070	-	10,103	-	2,695,173
Withdrawals	(32,393)	-	(32,765)	-	(84,512)	-	(1,354,643)	(1,504,313)	-	-	-	(1,504,313)
Balance, December 31, 2011	\$ 124,900	\$ 12,481	\$ 2,503,075	\$ 314,530	\$ 38,459	\$ 60,978	\$ 20,207	\$ 3,074,630	\$ 684,682	\$ 386,582	\$ 132,701	\$ 4,278,595

Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

6. DESIGNATED ASSETS (CONTINUED)

The following are descriptions of the purposes of the various funded reserves:

Contingency Fund

The purpose of this fund is to pay for unplanned expenditures. The monthly per unit contribution to this fund was \$-0- in both 2012 and 2011. In 2012, this fund was used to address legal expenses associated with Healthcare Services negotiations and storm damage clean-up expense in June and July 2012. The board of directors authorized a loan from the Resale Improvement Fund in the amount of \$50,000 to be paid back in 2013.

Capital and Operating Fund

This fund was established for the purpose of purchasing capital equipment required as a result of new units being added to the Community. There has been no activity (deposits or expenditures) from this account. By action of the Board in November 2012, this fund was closed and the balance transferred to the Contingency Fund.

Resale Improvement Fund

The purpose of this fund is to pay for improvements and additions to facilities within the Community. Funding comes from contributions received from the resale of existing units.

Replacement Fund

The purpose of this fund, which was established in 2010, is to fund future improvements and replacements of existing facilities. Funding is based on a facilities reserve study incorporating components costing greater than \$25,000. The current reserve study is a 20-year cash flow projection prepared by LWMC. Funding consisted of \$3.71 per unit in 2012 and \$1.48 per unit in 2011. There was no supplemental transfer approved by the board of directors in 2012.

Snow Removal Fund

The purpose of this fund is to pay for snow removal chemicals used within the Community. Funding during 2012 and 2011 consisted of per unit contributions of \$1.11 and \$1.86, respectively. A recommendation will be made by management, to the board of directors, to expand the purpose of the fund to include expense associated with storm damage clean-up on the property of the Trust.

Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

6. DESIGNATED ASSETS (CONTINUED)

Salary Fund

The purpose of this fund is to accumulate funding for the 27th payroll, which occurs approximately every 11 years. The last year with 27 payrolls was 2009. The next year with 27 payrolls will be 2020. Funding during 2012 and 2011 consisted of per unit contributions of \$0.44.

Property Maintenance Fund

The purpose of this fund is to pay for repairs and maintenance to community property based on the pre-approved plan. Funding during 2012 and 2011 consisted of per unit contributions of \$18.92 and \$20.40, respectively.

Telecommunications Fund

As part of the ten-year extension of the contract to provide cable service in the Community, Comcast agreed to pay the Community \$870,015. Through board action, the Contingency Fund was reimbursed \$140,000 to address both legal and consulting fees incurred as part of the contract negotiations. The telecommunications fund contribution in 2010 is the net \$730,015 paid by Comcast upon full execution of the contract between Comcast of Potomac, LLC, (Comcast) and LWCC on August 19, 2010. Expenditures from this fund are identified and approved by LWCC's board of directors. In 2013 and 2014, requests are expected to be made to the board of directors for information technology enhancements.

Equipment Purchase Fund

The purpose of the equipment purchase fund is to purchase replacement equipment. Contributions to this fund are made annually by transferring, at a minimum, an amount equal to the annual depreciation of equipment. Beginning in 2003, management began transferring a portion of the Mutuals' assessments for each year into the fund.

Equipment depreciation expenses for the years ended December 31, 2012 and 2011, totaled \$217,178 and \$239,739, respectively. Contributions to the fund totaled equipment depreciation expense plus mutual contributions of \$0.30 and \$0.15 per unit in 2012 and 2011, respectively.

New Sales Facility Fund

The new sales facility fund was established to pay for the construction or acquisition of new facilities within the Community. The funding of this reserve is generated from new sales contributions, which are considered capital contributions and, accordingly, included as a part of the trust equity and designated as "Community Facilities Equity" in the statements of trust equity. In addition, earnings designated by the Trustee from the investment of these monies remain in the fund.

Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

6. DESIGNATED ASSETS (CONTINUED)

New Sales Facility Fund (Continued)

On March 20, 2012, LWCC and Villas of Leisure, L.L.C., (developer of Building V of Villa Cortes) entered into an agreement related to, among other things, contributions to the Trust from the settlement of new units for the purpose of funding construction or acquisition of new facilities within the Community. The agreement stipulates that the Trust will receive \$6,150 each for all units settled in Villa Cortese Building V.

With the exception of the earnings generated by the New Sales Facility Fund, all investment earnings are available for operations. The investment earnings available for operations were \$34,117 and \$21,500 in 2012 and 2011, respectively. The earnings were included in net revenues from cost centers on the statements of revenues and expenses.

7. PROPERTY AND EQUIPMENT

The Trust depreciates the Mutuals' investment in community facilities and offsite improvements on a straight-line basis over the estimated useful life of 40 years. This depreciation represents a noncash charge that is not billed to the members and is reflected as a non-operating expense in the statements of revenues and expenses.

Additionally, the Trust owns assets in the form of furniture and equipment and vehicles used for operations. These assets are depreciated on a straight-line basis over the estimated useful lives of the respective assets, ranging from three to ten years. The depreciation recorded on these assets is considered a part of normal operations and is reflected in the statements of revenues and expenses as part of operating expenses.

Property and equipment consisted of the following as of December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Community Facilities	\$ 25,479,035	\$ 25,362,483
Furniture and Equipment	2,570,844	2,999,860
Offsite Improvements	442,581	442,581
Vehicles	<u>1,498,554</u>	<u>1,443,554</u>
	29,991,014	30,248,478
Less Accumulated Depreciation	<u>(15,930,092)</u>	<u>(15,423,650)</u>
	<u>\$ 14,060,922</u>	<u>\$ 14,824,828</u>

Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

7. PROPERTY AND EQUIPMENT (CONTINUED)

Community facilities consisted of the following as of December 31, 2012 and 2011:

	2012	2011
Administration Building	\$ 631,007	\$ 631,007
Clubhouse I	3,673,765	3,557,213
Clubhouse II	12,701,567	12,701,567
Medical Center	4,628,399	4,628,399
Physical Properties, Warehouse, and Office	764,772	764,772
Golf Course	1,450,196	1,450,196
Golf Maintenance	341,000	341,000
Golf Pro Shop	372,058	372,058
Donated Land	490,000	490,000
Main Gatehouse	110,000	110,000
Connecticut Avenue Gate	187,932	187,932
Norbeck Gate	128,339	128,339
	\$ 25,479,035	\$ 25,362,483

Offsite Improvements - Montgomery Mutual, Inc., (the "Mutual") has deeded to the Trust its offsite improvements with no consideration being paid by the Trust. These improvements are recorded at their approximate cost to the Mutual. These offsite improvements include underground utilities, drainage structures, the adjoining land, and the grading of grounds outside the boundaries of the Mutual.

Total depreciation expense for facilities and equipment in 2012 and 2011, was \$838,992 and \$862,737, respectively.

8. DEFERRED REVENUE

Deferred revenues consisted of the following:

	2012	2011
Cable Television Royalties	\$ 565,771	\$ 638,767
Resident Maintenance Service Agreements	448,905	351,407
PPD Deposits	110,800	76,669
Insurance Claims	77,649	164,460
Rent	18,101	-
	\$ 1,221,226	\$ 1,231,303

Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

8. DEFERRED REVENUE (CONTINUED)

Deferred revenue is expected to be earned as follows:

2013	\$	728,452
2014		72,997
2015		72,997
2016		72,997
2017		72,997
2018		72,997
2019		72,997
2020		54,792
		\$ 1,221,226
		\$ 1,221,226

9. TRUST EQUITY

Operating Surplus (Deficit)

It is the practice of the Trust, through board action each year, to decide the disposition of any operating surplus or deficit and any unused or uncommitted amounts in the contingency fund at the end of the fiscal year (Note 6).

The net excess of revenues over expenses from operations for the years ended December 31, 2012 and 2011, consisted of the following:

	Community Facilities Operations	Combined Mutual Operations	Total
<u>December 31, 2012</u>			
Total Revenues	\$ 12,993,995	\$ 6,018,432	\$ 19,012,427
Total Operating Expenses	12,998,156	5,952,583	18,950,739
Excess (Deficiency) of Revenues over Expenses from Operations - Amount Due to (from) Operating Surplus (Deficit)	\$ (4,161)	\$ 65,849	\$ 61,688
	\$ (4,161)	\$ 65,849	\$ 61,688
<u>December 31, 2011</u>			
Total Revenues	\$ 12,734,129	\$ 5,935,508	\$ 18,669,637
Total Operating Expenses	12,687,792	5,950,090	18,637,882
Excess (Deficiency) of Revenues over Expenses from Operations - Amount Due to (from) Operating Surplus (Deficit)	\$ 46,337	\$ (14,582)	\$ 31,755
	\$ 46,337	\$ (14,582)	\$ 31,755

Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

9. TRUST EQUITY (CONTINUED)

Reserves

The governing documents of LWCC (Trust Agreements) were amended in 2005 to allow for the accumulation of reserve funds for future major repairs and replacements. LWCC continues to maintain the Trust assets by budgeting funds for planned property maintenance and replacement on an annual basis. The 2012 budget continues to follow this practice.

Funding of \$1,274,376 and \$1,373,950 was budgeted and contributed to the Property Maintenance Fund as part of the maintenance for 2012 and 2011, respectively. Funding of \$249,891 and \$99,687 was budgeted and contributed to the Replacement Reserve as part of the replacement reserve plan for 2012 and 2011, respectively.

Mutuals' Investment in the Trust

Prior to January 1, 1983, at the time of its settlement, each new unit was required to contribute a stipulated amount to the Trust. This amount represented the Mutuals' investment in the Trust. Effective January 1, 1983, the amount of this contribution is allocated to the New Sales Facility Fund.

Community Facilities Equity

This account represents each unit's one-time contribution to the Trust at the time of the unit's settlement. This amount is representative of the Mutuals' allocable shares of the community facilities under the Trust's control.

Valuation Equity

At the time of the transfer of the golf course, Rossmoor Construction Corporation transferred several buildings, parcels of land, and streets to the Community with no additional cash outlay by the Community. The Trust valued these assets at \$490,000. During 1991 and 1990, portions of these donated community facilities were renovated and sold. The estimated cost of the Community's facilities sold in 1991 and 1990 was \$45,000 and \$40,500, respectively. These amounts were removed from the valuation equity leaving a balance of \$404,500 at December 31, 1991. The balance remained \$404,500 at December 31, 2012 and 2011.

10. LEASES

The Trust is a lessor of space within the Community, as discussed below.

In 2009, the bank branch lease was extended for a five-year period commencing on January 1, 2009, with an additional one-year renewal option. The annual rental for this

Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

10. LEASES (CONTINUED)

space is subject to annual increases based on a percentage of the annual increase in the Consumer Price Index, with a minimum increase of 2% per year under the lease term. Rent charged under the lease was \$120,643 and \$118,277 in 2012 and 2011, respectively.

Effective February 1, 2010, LWMC entered into an agreement to lease office space to Weichert Realtors for a period of five years. The agreement calls for payments of \$40,000 in year one, \$46,000 in year two, and \$50,000 in years three, four, and five. During 2012 and 2011, the total revenue earned from the space was \$49,667 and \$45,500, respectively.

Prior to May 17, 1993, the Trust leased space for the operation of a post office at \$1 per year. Effective May 17, 1993, LWMC entered into an agreement with the United States Postal Service (USPS) for LWMC to operate the Leisure World Post Office. The USPS pays an annual fee of \$10,000 for LWMC to operate the facility.

The space leased to the bank, Weichert Realtors, and the USPS are within the Administration Building, which cost \$631,007 and has an accumulated depreciation of \$631,007.

In 2007, LWMC finished the second floor of the Medical Center at 3305 North Leisure World Boulevard and leased it to Atlantic Physical Therapy and Rehabilitations, Inc., (APT). The lease commenced on November 1, 2007, and expired on November 1, 2010. The lease was extended for a three-year period effective November 1, 2010. As part of the agreement with MedStar, discussed in the next paragraph, the lease with APT will not be extended beyond the current term. Lease terms require a rent of \$8,000 monthly or \$96,000 annually. Rental revenue from this tenant was \$96,000 for 2012 and 2011.

As discussed in Note 14, the Trust will begin leasing space in the Medical Center on January 1, 2013, to MedStar Ambulatory Services, Inc., at \$420,000 annually for a term of five years, with an option for an additional five years.

The Medical Center, which is the space leased to MedStar and APT, cost \$4,628,399 and has an accumulated depreciation of \$2,497,656.

Minimum lease payments to be received from all leases are as follows:

For the Years Ending December 31,

2013	\$ 668,056
2014	470,000
2015	424,167
2016	420,000
2017	420,000
	<hr/>
	\$ 2,402,223
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Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

10. LEASES (CONTINUED)

The Trust is the lessee under several operating leases for equipment. Lease terms range from three to five years. For the years ended December 31, 2012 and 2011, rental and operating costs expense totaled \$705,298 and \$728,411, respectively. The equipment rental expense reported in the accompanying statements of revenues and expenses excludes amounts allocated to the Mutuels but includes interdepartmental rental fees, before eliminations. For the years ended December 31, 2012 and 2011, equipment lease payments to vendors totaled \$216,098 and \$228,763, respectively.

Future minimum lease payments are as follows:

<u>For the Years Ending December 31,</u>	
2013	\$ 163,090
2014	91,471
2015	<u>55,662</u>
	<u>\$ 310,223</u>

11. PENSION PLAN

The Trust maintains a defined contribution pension plan. The Internal Revenue Service advised the Trust on December 1, 1986, that the Plan qualified under Section 401(a) of the Internal Revenue Code. Contributions made to the Plan are, therefore, exempt from federal income taxes.

An employee must be at least 21 years of age and must be employed at least one year to be eligible for participation in this Plan. The Plan is funded by employee and employer contributions. Employees may contribute up to the maximum allowed under Internal Revenue Service regulations. The employer contributes a matching amount up to 4% of the employee's gross salary. The employer's contribution represents the pension expense for the period. Employer contributions to the Plan for the years ended December 31, 2012 and 2011, were \$253,924 and \$264,627, respectively, and are reflected as part of employee benefits in the statements of revenues and expenses.

12. INCOME TAXES

The Trust files fiduciary tax returns for both federal and Maryland income tax purposes. During 2012 and 2011, the Trust did not incur any liability for federal and Maryland income taxes due to its net operating losses for tax purposes in prior years. The Trust has net operating loss carryovers of approximately \$2,388,617 expiring between 2013 and 2024. The deferred tax asset associated with the net operating loss carryovers is \$993,912 as of December 31, 2012. Because of the unlikelihood of realization of any benefit from the loss carryovers, the Trust also recognizes a deferred tax asset valuation allowance in the same amount. The deferred tax asset valuation allowance decreased by \$125,483 from \$1,119,395, because a portion of the net operating loss carryforwards expired in 2012.

Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

13. DISCONTINUED OPERATIONS

As of December 30, 2012, the Trust discontinued its medical center operations and entered into a management agreement with MedStar Ambulatory Services, Inc. The revenues and expenses of the medical center as of December 31, 2012 and 2011, were as follows:

	<u>2012</u>	<u>2011</u>
Revenues	\$ 3,162,765	\$ 3,454,520
Costs of Revenues	<u>1,681,079</u>	<u>1,920,502</u>
Net Revenues	1,481,686	1,534,018
Operating Expenses	<u>1,922,598</u>	<u>1,950,695</u>
Excess of Operating Expenses over Net Revenues	<u>\$ (440,912)</u>	<u>\$ (416,677)</u>

14. COMMITMENTS AND CONTINGENCIES

Commitments

A contract to receive landscaping maintenance and snow removal services effective January 1, 2013, was renewed by the Trust, along with the Mutuals, to the landscape company McFall & Berry. The term of the agreement was from January 1, 2013, through December 31, 2015, with a three-year renewal option. The original contract with the landscape company, as extended, expired December 31, 2012. The contract may be adjusted in the event that a Mutual is deleted from the contract agreement. During the term of the contract and during any renewal term thereafter, either party may give written notice of termination without cause at least 90 days prior to termination or with cause at least 30 days prior to the date on which termination shall be effective. The contract required payments of \$1,178,109 and \$1,155,009 for the years ended December 31, 2012 and 2011, respectively. The contract requires payments of \$1,178,109, \$1,201,560 and \$1,225,600 for the years ending December 31, 2013, 2014, and 2015, respectively.

Proceeds of an exclusive cable television agreement are deferred and being amortized over the ten-year term of the agreement and reflected as royalty revenue on the statements of revenues and expenses. In the event of an LWCC default that is not cured, the right to receive the compensation shall terminate immediately and a prorated refund shall be paid to Comcast.

Leisure World of Maryland Trust

Notes to Financial Statements December 31, 2012 and 2011

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commitments (Continued)

Effective December 30, 2012, the Trustee entered into a Management Agreement with MedStar Ambulatory Services, Inc., for the purpose of providing healthcare services to the residents of the Community in the Medical Facility located at 3305 North Leisure World Boulevard.

The Management Agreement specifies operating hours and services to be provided.

The term of the agreement is for five years, with an option for an additional five years.

In addition, the Trustee entered into a Lease with MedStar Ambulatory Services, Inc. (the "Tenant" or MedStar) effective January 1, 2013. The expiration of the lease is December 31, 2017. The Tenant will lease approximately 20,000 square feet for medical offices and ancillary uses at an annual rental payment of \$420,000.

As part of the negotiations, MedStar Ambulatory Services, Inc., agreed to purchase certain assets owned by the Trustee, including the inventory of pharmaceuticals and Medical Center furniture and equipment, for an agreed upon amount. Valuations were provided by an independent appraiser.

15. SUBSEQUENT EVENTS

The Trust has evaluated subsequent events through April 2, 2013, the date on which the financial statements were available to be issued.



Independent Auditors' Report on Supplementary Information

To the Board of Directors of
Leisure World of Maryland Trust
Silver Spring, Maryland

We have audited the financial statements of Leisure World of Maryland Trust as of and for the year ended December 31, 2012 and 2011, and our report thereon dated April 2, 2013, which expressed an unmodified opinion on those financial statements, appears preceding page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 2012 and 2011 supplementary information in the schedules of cost center revenues and expenses on pages 21-22 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Trust's 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 2012 and 2011 financial statements as a whole.

Councilor, Buchanan + Mitchell, P.C.

Bethesda, Maryland
April 2, 2013

Certified Public Accountants

Leisure World of Maryland Trust

Schedule of Cost Center Revenues and Expenses
For the Year Ended December 31, 2012

	Revenues	Costs of Revenues	Net Revenues	Operating Expenses	Excess of Operating Expenses (over) under Net Revenues	Assessments	Excess of Revenues over (under) Expenses from Operations
Administration	\$ 488,196	\$ -	\$ 488,196	\$ 3,511,916	\$ (3,023,720)	\$ 3,104,439	\$ 80,719
Clubhouse I	348,159	(72,943)	275,216	903,919	(628,703)	662,637	33,934
Clubhouse II	155,367	(77,068)	78,299	747,724	(669,425)	664,039	(5,386)
Food Service	24,000	-	24,000	140,952	(116,952)	114,560	(2,392)
Medical Center	3,162,765	(1,681,079)	1,481,686	1,922,598	(440,912)	362,619	(78,293)
Pharmacy	1,338,760	(1,042,434)	296,326	361,344	(65,018)	62,360	(2,658)
Nurse Service	50,066	-	50,066	245,401	(195,335)	195,401	66
Social Service	60,000	-	60,000	264,854	(204,854)	207,862	3,008
PPD - Management	818,045	-	818,045	891,778	(73,733)	64,936	(8,797)
PPD - Grounds Maintenance	-	-	-	1,343,623	(1,343,623)	1,351,959	8,336
Special Projects	391,891	(39,772)	352,119	360,020	(7,901)	-	(7,901)
Refuse/Recycling	59,482	-	59,482	619,873	(560,391)	561,967	1,576
Vehicle	623,117	(77,096)	546,021	519,813	26,208	-	26,208
Janitorial	420,520	-	420,520	420,520	-	-	-
After Hours Maintenance	148,628	(14,465)	134,163	194,152	(59,989)	48,683	(11,306)
Electrical Maintenance	463,607	(103,022)	360,585	350,886	9,699	-	9,699
Plumbing Maintenance	993,197	(365,894)	627,303	612,856	14,447	-	14,447
Carpentry Maintenance	373,844	(109,000)	264,844	275,155	(10,311)	-	(10,311)
HVAC Maintenance	858,433	(341,701)	516,732	494,498	22,234	-	22,234
Appliance Maintenance	643,748	(327,247)	316,501	330,825	(14,324)	-	(14,324)
Cable Television	-	-	-	1,784,742	(1,784,742)	1,798,799	14,057
Bus Transportation	10,820	-	10,820	297,402	(286,582)	291,825	5,243
Supplemental Transportation	28,825	-	28,825	220,550	(191,725)	163,913	(27,812)
Security	47,360	-	47,360	1,258,075	(1,210,715)	1,239,182	28,467
Community Street Lights	-	-	-	153,834	(153,834)	170,000	16,166
Golf Course Maintenance	258,645	-	258,645	563,826	(305,181)	270,934	(34,247)
Golf Pro Shop	98,267	(16,572)	81,695	159,603	(77,908)	78,863	955
Total	<u>\$ 11,865,742</u>	<u>\$ (4,268,293)</u>	<u>\$ 7,597,449</u>	<u>\$ 18,950,739</u>	<u>\$ (11,353,290)</u>	<u>\$ 11,414,978</u>	<u>\$ 61,688</u>

Leisure World of Maryland Trust

**Schedule of Cost Center Revenues and Expenses
For the Year Ended December 31, 2011**

	Revenues	Costs of Revenues	Net Revenues	Operating Expenses	Excess of Operating Expenses (over) under Net Revenues	Assessments	Excess of Revenues over (under) Expenses from Operations
Administration	\$ 477,303	\$ -	\$ 477,303	\$ 3,306,274	\$ (2,828,971)	\$ 2,990,207	\$ 161,236
Clubhouse I	353,375	(79,903)	273,472	951,396	(677,924)	653,034	(24,890)
Clubhouse II	154,021	(79,015)	75,006	771,750	(696,744)	659,368	(37,376)
Food Service	24,000	-	24,000	146,048	(122,048)	132,960	10,912
Medical Center	3,454,520	(1,920,502)	1,534,018	1,950,695	(416,677)	365,677	(51,000)
Pharmacy	1,512,346	(1,237,311)	275,035	352,969	(77,934)	59,123	(18,811)
Nurse Service	57,715	-	57,715	253,158	(195,443)	207,068	11,625
Social Service	60,000	-	60,000	268,531	(208,531)	210,544	2,013
PPD - Management	795,299	-	795,299	840,272	(44,973)	52,256	7,283
PPD - Grounds Maintenance	-	-	-	1,305,367	(1,305,367)	1,329,099	23,732
Special Projects	402,634	(57,363)	345,271	379,746	(34,475)	6,001	(28,474)
Refuse/Recycling	88,977	-	88,977	644,328	(555,351)	582,396	27,045
Vehicle	642,920	(56,619)	586,301	573,337	12,964	-	12,964
Janitorial	412,276	-	412,276	412,276	-	-	-
After Hours Maintenance	153,607	(21,016)	132,591	192,353	(59,762)	47,697	(12,065)
Electrical Maintenance	447,251	(90,113)	357,138	348,854	8,284	5,003	13,287
Plumbing Maintenance	933,440	(339,726)	593,714	608,437	(14,723)	9,996	(4,727)
Carpentry Maintenance	392,329	(136,182)	256,147	291,048	(34,901)	5,000	(29,901)
HVAC Maintenance	690,957	(235,150)	455,807	467,838	(12,031)	7,999	(4,032)
Appliance Maintenance	710,598	(401,294)	309,304	327,692	(18,388)	6,001	(12,387)
Cable Television	-	-	-	1,683,337	(1,683,337)	1,683,852	515
Bus Transportation	9,210	-	9,210	305,000	(295,790)	288,386	(7,404)
Supplemental Transportation	30,987	-	30,987	182,668	(151,681)	144,660	(7,021)
Security	47,400	-	47,400	1,236,606	(1,189,206)	1,237,573	48,367
Community Street Lights	-	-	-	175,411	(175,411)	149,000	(26,411)
Golf Course Maintenance	245,640	-	245,640	502,592	(256,952)	233,201	(23,751)
Golf Pro Shop	82,661	(11,492)	71,169	159,899	(88,730)	89,756	1,026
Total	<u>\$ 12,179,466</u>	<u>\$ (4,665,686)</u>	<u>\$ 7,513,780</u>	<u>\$ 18,637,882</u>	<u>\$ (11,124,102)</u>	<u>\$ 11,155,857</u>	<u>\$ 31,755</u>