

Leisure World Community Corporation
Financial Statement Highlights
Period ending 6/30/17

I. Statement of Operations:

Overall -

For the six months ending 6/30/17, net operating expenses are approximately \$14,000 over budget.

Analysis of the first six months:

Net revenue from operations is under budget estimate by approximately \$70,700. Loss of rental income from bank space accounts for \$66,300.

Salaries and benefits are under the budget estimate by approximately \$91,100. Security and Transportation department is \$61,000 under budget.

Overhead expenses are over budget approximately \$34,500.

- *Taxes are over budget approximately &\$10,400 due to retro-active payment of personal property taxes.*
- *Professional fees are over budget approximately\$22,600 due to the engagement of an IT consultant.*
- *Vehicle fuel expense is under budget approximately \$28,200.*

Summary:

*After a slow first quarter, demand for services increased in the second quarter. In particular, **the maintenance division rebounded in May and June.***

Revenue from property transfers was positive in the first six months as was interest income.

Personnel expense shows a small positive variance. This trend should continue in the second half of the operating year.

Overall:

	<i>Actual</i>	<i>Budget</i>	
<u>Net Revenue</u>	\$3,389,884	3,460,648	70,764 under budget
<u>Salaries/Benefits</u>	\$5,133,429	5,224,537	91,108 under budget
<u>Overhead</u>	\$4,238,638	4,204,184	34,454 over budget

Divisional Breakdown:

- Administration	<u>Over</u>	\$65,816
- Clubhouses/Food Service	<u>Over</u>	24,272
- Health Services	<u>Under</u>	6,296
- Physical Properties	<u>Over</u>	12,622
- Community Services	<u>Under</u>	9,573
- Security/Transportation	<u>Under</u>	73,626
- Golf	<u>Over</u>	895

II. Balance Sheet :

Operating cash balance 6/30/16 - approximately \$ 585,038
 6/30/17 - approximately \$ 85,315

Reserve Fund balance 6/30/16 - approximately \$7,603,079
 6/30/17 - approximately \$5,976,663

NOTE:

In the first six months of 2016, there were 186 property transfers that generated \$722,453 in deposits to the Facility Enhancement Fund.

In the first six months of 2017, there were 205 property transfers that generated \$829,996 in deposits to the Facility Enhancement Fund.

7/14/17

3701 Rossmoor Blvd.
Silver Spring MD 20906

TITLE	Current Month	Prior Month	Variance
Cash	85,315	460,768	(375,453)
ACCOUNTS RECEIVABLE			
Mutuals	449,694	564,499	(114,805)
Chargeable Service	278,910	302,903	(23,992)
Allowance	(44,509)	(44,509)	0
Due to From-Reserves	(200,000)	0	(200,000)
TOTAL CURRENT ASSETS	569,410	1,283,661	(714,250)
OTHER			
Construction In Progress	623,551	248,008	375,543
Inventories	450,738	474,712	(23,974)
Prepaid	470,477	517,664	(47,187)
TOTAL OTHER	1,544,766	1,240,383	304,383
RESTRICTED FUNDS			
Capital Equipment Fund	266,383	240,047	26,336
Facilities Replacement Fund	941,008	906,432	34,576
Facilities Enhancement Fund	4,165,860	4,214,308	(48,448)
Facilities Maintenance Fund	27,926	31,730	(3,804)
Snow and Storm Fund	64,574	57,897	6,678
Contingency Fund	301,747	299,257	2,490
Salary Fund	209,164	206,845	2,319
TOTAL RESTRICTED FUNDS	5,976,663	5,956,516	20,147
FIXED ASSETS			
Community Facilities	28,389,822	28,389,822	0
Capital Equipment	5,915,626	5,912,151	3,475
Offsite Improvements	442,581	442,581	0
Less: Accumulated Depreciation	(19,361,859)	(19,338,635)	(23,224)
TOTAL FIXED ASSETS	15,386,169	15,405,919	(19,749)
TOTAL ASSETS	23,477,009	23,886,478	(409,470)

3701 Rossmoor Blvd.
 Silver Spring MD 20906

TITLE	Current Month	Prior Month	Variance
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
A/P Trade	584,125	1,027,061	(442,937)
Accounts Payable-Other	547,723	504,632	43,091
Accrued Salaries	241,024	225,212	15,812
Accrued Annual Leave (Depart)	579,276	579,276	0
Accrued Annual Leave/Salaries (Mutuals)	239,782	224,373	15,410
Unearned Other	148,098	154,698	(6,600)
Unearned Showroom	37,844	40,326	(2,482)
Service Agreement	295,000	359,435	(64,436)
TOTAL CURENT LIABILITIES	2,672,871	3,115,013	(442,141)
LONG-TERM LIABILITIES			
Deferred Revenue-Comcast	237,289	243,372	(6,083)
TOTAL LONG-TERM LIABILITIES	237,289	243,372	(6,083)
EQUITY AND ACCOUNTABILITIES			
RESTRICTED ACCOUNTABILITY			
Capital Equipment Fund	266,383	240,047	26,336
Facilities Replacement Fund	941,008	906,432	34,576
Facilities Enhancement Fund	3,899,460	3,947,908	(48,448)
Facilities Maintenance Fund	27,926	31,730	(3,804)
Snow And Storm Fund	64,574	57,897	6,678
Contingency Fund	301,747	289,257	2,490
Salary Fund	209,164	206,845	2,319
TOTAL RESTRICTED ACCOUNTABILITY	5,710,262	5,690,115	20,147

3701 Rossmoor Blvd.
 Silver Spring MD 20906

TITLE	Current Month	Prior Month	Variance
IMPROVEMENT FUND CONTRIBUTIONS			
Trust Contributions			
Facility Improvements	13,605,518	13,605,518	0
Acquisition of Furniture & Equipment	15,781,512	15,781,512	0
Acquisition Offsite Improvements	230,800	230,800	0
Donated Community Facilities	442,581	442,581	0
Operating Surplus/(Deficit)	404,500	404,500	0
Accum Depreciation	81,331	98,472	(17,141)
	(15,693,145)	(15,693,145)	0
TOTAL IMPROVEMENT FUND CONTRIBUTIONS	14,853,097	14,870,238	(17,141)
Current Surplus/Deficit	3,489	(32,260)	35,748
TOTAL LIABILITIES AND EQUITY	23,477,009	23,886,478	(409,470)

LEISURE WORLD COMMUNITY CORPORATION - TRUST FUNDS

	<u>I.</u>	<u>II.</u>	<u>III.</u>	<u>IV.</u>	<u>V.</u>	<u>VI.</u>	<u>VII.</u>	<u>VIII.</u>
	CAPITAL	FACILITIES	FACILITIES	FACILITIES	FACILITIES	SNOW/	CONTINGENCY	SALARY
	EQUIPMENT	REPLACE.	ENHANCE.	ENH.(newsales)	MAINTEN.	STORM		
	(disbursed based on approved budget. Funded by depreciation).	(component in excess of \$25,000. Disbursements are scheduled).	(funding is 2% of selling price. Disb are part of Board approv plan).	(funding based on Agreement with Developer).	(Funding approve operational budget. Disbursements are scheduled).	(Funding approve operational budget. Disbursements as required).	(Funding approve operational budget. Disbursements approv Board)	(Funding approve operational budget)

BALANCE 5/31/17	240,047	906,432	3,947,908	266,401	31,730	57,897	299,257	206,845
ADDITIONS	(A) 26,336	(A) 34,576	(B) 191,552	(A) 126,196	(A) 6,678	(A) 2,490	(A) 2,319	
DEDUCTIONS			(C) (240,000)	(D) (130,000)				
BALANCE 6/30/17	266,383	941,008	3,899,460	266,401	27,926	64,574	301,747	209,164
COMMITMENTS	(130,000)	(366,500)	(1,100,000)	(785,100)	(15,000)	(10,000)	(10,000)	
CONTRIBUTIONS	(E) 158,018	(E) 207,459	(F) 820,000	(F) 43,050	(E) 757,174	(E) 40,066	(E) 14,940	(E) 13,913
EST. 12/31/17 BAL.	294,401	781,967	3,619,460	309,451	(0)	89,640	306,687	223,077

- (A) APPROVED ANNUAL BUDGET TRANSFERS Annual Funding : I. -\$316,035, II. -\$414,917, III- \$1,514,348, IV- \$80,131, V- \$29,879, VI - \$27,826
- (B) CONTRIBUTIONS FROM SALES
- (C) WITHDRAW TO REIMBURSE OPERATING CASH FOR FACILITIES ENHANCEMENT PROJECTS
- (D) WITHDRAW TO REIMBURSE OPERATING CASH FOR FACILITIES MAINTENANCE PROJECTS
- (E) APPROVED ANNUAL BUDGET TRANSFERS REMAINING MONTHS
- (F) ESTIMATED PROCEEDS FROM PROPERTY TRANSFERS

LEISURE WORLD OF MARYLAND CORPORATION
CASH INVESTMENT STATEMENT
 June 30, 2017

INSTITUTION	APR	Purchase Date	Maturity Date	I. Capital Equipment	II. Facilities Replace.	III. Facilities Enhance.	IV. Facilities (newsales) Enh.	V. Facilities Maint.	VI. Snow/Storm	VII. Contingency	VIII. Salary	Total
Money Markets												
Bank of Ozarks	0.85%			26,383	100,000							
Access National Bank	1.00%			240,000								
B of I Federal	0.80%				241,752							
Congressional Bank	0.70%				19,256							
State Farm	0.45%					25,457						
Revere Bank	0.85%					204,411						
****Essex Bank	0.00%					40,000						
Capital Bank	1.00%					240,000						
Pacific National Bank	1.00%					240,000						
New Dominion Bank	0.80%					240,000						
Bank of America	0.15%							27,926				
Sandy Spring	0.08%								64,574			
TD Bank	0.25%									25,000		
EH National Bank	0.85%									140,000		
Harbor Bank	0.25%										34,164	
MM Mutual Funds												
Federated (State Street)	0.10%					9,591	26,401					
TOTAL MONEY MARKET				266,383	361,008	999,460	26,401	27,926	64,574	201,747	34,164	1,981,663
Weighted Average - MM	0.79%											
EverBank	1.10%	08/11/16	08/10/17			240,000						
GlennBank	1.00%	08/15/16	08/15/17			240,000						
CalFirst	0.93%	08/24/16	08/24/17			240,000	240,000					
*Discover Bank	1.40%	09/18/14	09/18/17			100,000						
*American Express	1.45%	10/16/14	10/16/17			100,000						
*Key Bank	1.05%	10/16/15	10/16/17			240,000						
State Bank of Texas	1.00%	11/04/16	11/04/17		240,000							
First Internet	1.35%	05/07/16	11/06/17			240,000						
*Wells Fargo Bank NA Sioux	1.00%	11/02/16	02/02/18			100,000						
Bank of China	1.20%	06/07/17	03/07/18			240,000						
Beal Bank	0.91%	03/23/17	03/23/18			240,000						
****Essex Bank	1.50%	04/05/17	05/05/18			200,000						
****Woori America Bank	1.00%	05/02/16	05/02/18			240,000						
**John Marshall Bank	0.95%	05/23/17	05/23/18		240,000							
United Bank	1.30%	07/06/15	07/06/18			240,000						
Cardinal Bank	1.25%	07/27/16	07/27/18			240,000						175,000
Synchrony Bank	1.25%	03/03/17	09/03/18			240,000						
Sona Bank	1.41%	04/25/17	10/25/18			240,000						
TOTAL CERTIFICATE DEP.				0	480,000	2,900,000	240,000	0	0	0	175,000	3,795,000
Weighted Average - CD	1.15%											
Due to From-Reserves					100,000							200,000
				266,383	941,008	3,899,460	266,401	27,926	64,574	301,747	209,164	5,976,663

*Investments held at Merrill Lynch Wealth Management

** No penalty for early redemption

*** No penalty for early redemption after one year

**** Combined APY 1.25%

LEISURE WORLD COMMUNITY CORPORATION

SUMMARY OF OPERATIONS

JANUARY 1, 2017 TO JUNE 30, 2017

	C.F.		C.M.O.		CONSOLIDATED		
	Actual	Budget	Actual	Budget	Actual	Budget	Variance
ADMINISTRATION	1,129,409	1,090,578	784,844	757,859	1,914,253	1,848,437	(65,816)
RECREATION/FOODSERVICE							
CLUBHOUSE I	420,861	417,707			420,861	417,707	(3,154)
CLUBHOUSE II	366,098	346,410			366,098	346,410	(19,688)
LEISURE WORLD NEWS	(12,445)	(18,452)			(12,445)	(18,452)	(6,007)
FOOD SERVICE	24,547	29,124			24,547	29,124	4,577
SUBTOTAL	799,061	774,789			799,061	774,789	(24,272)
HEALTH SERVICES							
CLINIC	(205,222)	(209,100)			(205,222)	(209,100)	(3,878)
SOCIAL SERVICE	110,533	120,707			110,533	120,707	10,174
SUBTOTAL	(94,689)	(88,393)			(94,689)	(88,393)	6,296
PHYSICAL PROPERTIES							
MANAGEMENT	30,461	19,638			30,461	19,638	(10,823)
SPECIAL PROJECTS			(15,376)	266	(15,376)	266	15,642
VEHICLE MAINTENANCE			1,296	298	1,296	298	(998)
AFTER HOURS			28,352	9,892	28,352	9,892	(18,460)
ELECTRICAL			3,200	(394)	3,200	(394)	(3,594)
PLUMBING			(12,582)	(824)	(12,582)	(824)	11,758
CARPENTRY			9,580	(467)	9,580	(467)	(10,047)
HVAC MAINTENANCE			(20,207)	(634)	(20,207)	(634)	19,573
APPLIANCE MAINTENANCE			15,300	(373)	15,300	(373)	(15,673)
SUBTOTAL	30,461	19,638	9,563	7,764	40,024	27,402	(12,622)
COMMUNITY SERVICES							
GROUNDS	222,183	226,433	543,965	554,371	766,148	780,804	14,656
REFUSE/RECYCLING	256,655	263,980			256,655	263,980	7,325
COMMUNITY SERVICES			57,589	49,855	57,589	49,855	(7,734)
HOUSEKEEPING			0	0	0	0	0
CABLE SERVICE	1,055,661	1,052,502			1,055,661	1,052,502	(3,159)
STREET LIGHTS	95,486	89,682			95,486	89,682	(5,804)
COMMUNITY CALL SYSTEM	13,711	18,000			13,711	18,000	4,289
SUBTOTAL	1,643,696	1,650,597	601,554	604,226	2,245,250	2,254,823	9,573
SECURITY/TRANSPORTATION							
BUS SERVICE	161,896	169,130			161,896	169,130	7,234
SECURITY	733,592	799,984			733,592	799,984	66,392
SUBTOTAL	895,488	969,114			895,488	969,114	73,626
GOLF							
GOLF COURSE	149,282	147,855			149,282	147,855	(1,427)
GOLF PRO SHOP	33,514	34,046			33,514	34,046	532
SUBTOTAL	182,796	181,901			182,796	181,901	(895)
TOTAL NET EXPENSES	4,586,222	4,598,224	1,395,961	1,369,849	5,982,183	5,968,073	(14,110)
<i>Payments from Mutuals</i>	4,604,162	4,603,365	1,381,509	1,373,677	5,985,671	5,977,042	(8,630)
<i>Payments vs Net Expenses</i>	17,940	5,141	(14,452)	3,828	3,488	8,969	(5,480)

Legend:

C.F. -Community Facilities

C.M.O.- Combined Mutual Operations

In both the "Actual" and "Budget" columns, a figure in () indicates operating income exceeds operating expenses.

In the variance, Actual vs. Budget, a figure in (), indicates a negative variance (over budget estimates).

U900 Leisure World of Maryland
Department Revenue and Expense
06/30/2017

CURRENT PERIOD	MONTHLY	VARIANCE		YTD	YTD	VARIANCE
ACTUAL	BUDGET			ACTUAL	BUDGET	
REVENUE						
INCOME						
5,000	16,050	(11,050)	Administrative Income	30,000	96,300	(66,300)
20,090	15,417	4,673	Rent	109,180	92,502	16,678
15,127	14,250	877	Resales	81,862	85,500	(3,638)
637	833	(196)	Services	4,481	4,998	(517)
			Other			
40,854	46,550	(5,696)	Total Administrative Income	225,523	279,300	(53,777)
Recreational Income						
425	417	8	Rent	2,550	2,502	48
19,715	20,874	(1,160)	Classes and Events	130,197	125,244	4,953
27,318	29,583	(2,265)	News Paper Advertising	175,351	177,498	(2,147)
47	391	(344)	Photocopying	2,295	2,346	(51)
47,504	51,265	(3,761)	Total Recreational Income	310,393	307,590	2,803
Medical Center Income						
45,789	45,667	122	Rent	274,735	274,002	733
45,789	45,667	122	Total Medical Center Income	274,735	274,002	733
Maintenance Income						
129,354	114,544	14,810	Mutuals	649,999	644,944	5,055
175,032	198,177	(23,145)	Residents	1,026,045	1,092,002	(65,957)
76,473	83,375	(6,902)	Administrative and Refuse	447,341	460,000	(12,659)
74,331	63,613	10,718	Contract Services	407,050	354,998	52,052
130,821	125,248	5,573	Cost Centers	768,203	737,110	31,093
18,750	13,750	5,000	Facilities Enhancement Project	105,000	82,500	22,500
6,157	7,083	(926)	Interdepartment Vehicle Maint	29,650	42,498	(12,848)
610,918	605,790	5,128	Total Maintenance Income	3,433,289	3,414,052	19,237
Security & Transportation Income						
15,145	14,366	779	Security & Transportation	88,691	86,196	2,495
15,145	14,366	779	Total Security & Transp Income	88,691	86,196	2,495
Golf Operations Income						
7,800	8,333	(533)	Memberships	48,125	49,998	(1,873)
2,500	3,000	(500)	Associate Membership	16,900	18,000	(1,100)
10,899	8,000	2,899	Daily Greens Fees	27,074	27,000	74

U900 Leisure World of Maryland
 Department Revenue and Expense
 06/30/2017

CURRENT PERIOD ACTUAL	MONTHLY BUDGET	VARIANCE		YTD		VARIANCE
				ACTUAL	BUDGET	
EXPENSES						
PAYROLL EXPENSES						
689,748	689,223	(525)	T6100	4,067,907	4,140,275	72,368
69,220	69,729	509	Salaries/Wages	453,782	458,180	4,398
103,218	104,347	1,129	Payroll Taxes	611,740	626,082	14,342
			Payroll Benefits			
862,185	863,299	1,114	Total Payroll Expenses	5,133,429	5,224,537	91,108
OVERHEAD						
4,173	3,245	(928)	Administration	23,401	19,470	(3,931)
140	216	76	Uniforms	752	1,296	544
4,156	2,893	(1,263)	Mileage	19,082	17,358	(1,724)
23,380	23,217	(163)	Postage	141,280	139,302	(1,978)
23,224	22,375	(849)	Insurance	139,344	134,250	(5,094)
1,101	1,413	312	Depreciation	6,686	8,478	1,792
175,661	175,417	(244)	Events & Functions	1,055,661	1,052,502	(3,159)
38,926	38,926	0	Cable TV	233,556	233,556	0
114,066	115,000	934	Janitorial Contract	684,394	690,000	5,606
17,607	17,300	(307)	Grounds Contract	86,036	85,050	(986)
4,882	4,850	(32)	Swimming Pool Outsourcing	28,813	29,100	287
5,583	6,949	1,366	Physical Fitness Outsourcing	30,199	41,694	11,495
376	230	(146)	Contracted Labor	2,672	1,380	(1,292)
3,127	3,858	731	Dues/Memberships	19,412	23,148	3,736
19,128	7,725	(11,403)	Training / Education	56,782	46,350	(10,432)
11,587	8,770	(2,817)	Taxes	74,226	51,620	(22,606)
795	4,325	3,530	Professional Fees	3,841	25,950	22,109
0	0	0	Public Relations	48,500	48,500	0
5,958	3,333	(2,625)	Audit	29,639	19,998	(9,641)
558	558	0	Legal	3,348	3,348	0
963	667	(296)	Pension Fund Administration	6,859	4,002	(2,857)
1,067	1,067	0	Employment Advertisement	6,402	6,402	0
			Advertising-Food Service			
456,456	442,334	(14,122)	Total Administration Expenses	2,700,883	2,682,754	(18,129)
42,185	42,699	514	Utilities	287,115	282,314	(4,801)
13,074	12,373	(701)	Electric	75,633	72,438	(3,195)
10,105	12,387	2,282	Water	76,695	74,322	(2,373)
5,110	3,167	(1,943)	Telephone	21,943	19,002	(2,941)
			Gas			

U900 Leisure World of Maryland
Department Revenue and Expense
06/30/2017

CURRENT PERIOD	MONTHLY	VARIANCE		YTD	YTD	VARIANCE
ACTUAL	BUDGET			ACTUAL	BUDGET	
70,473	70,626	153	Total Utilities	461,386	448,076	(13,310)
513	491	(22)	Building Expenses	4,382	2,946	(1,436)
34,431	34,431	0	Pest Control	211,955	206,586	(5,369)
13,686	14,333	647	Janitorial	83,457	85,998	2,541
1,028	1,028	0	Dumping Fees	6,168	6,168	0
2,257	667	(1,590)	Trash	4,331	4,002	(329)
9,127	6,379	(2,748)	Shredding	45,733	38,274	(7,459)
			Building Repair & Maintenance			
61,043	57,329	(3,714)	Total Building Expenses	356,027	343,974	(12,053)
9,474	12,169	2,695	Equipment Expenses	67,499	73,014	5,515
10,913	19,055	8,142	Equipment Repair	86,130	114,330	28,200
10,954	8,504	(2,450)	Vehicle Fuel/Oil	64,353	51,024	(13,329)
54,192	54,072	(120)	Equipment Rent	323,853	324,432	579
			InterCo Vehicle Rent			
85,533	93,800	8,267	Total Equipment Expenses	541,835	562,800	20,965
12,582	13,745	1,163	Supplies	98,966	82,470	(16,496)
8,970	5,667	(3,303)	Supplies/Materials	39,664	34,002	(5,662)
522	2,343	1,821	Computer Support	6,553	14,058	7,505
8,330	7,925	(405)	Computer Hardware/Software	33,324	36,050	2,726
			Golf Course			
30,404	29,680	(724)	Total Supplies	178,507	166,580	(11,927)
703,909	693,769	(10,140)	TOTAL OVERHEAD	4,238,638	4,204,184	(34,454)
1,566,094	1,557,068	(9,026)	TOTAL EXPENSES	9,372,066	9,428,721	56,655
(966,451)	(952,812)	(13,639)	NET REVENUE	(5,982,182)	(5,968,073)	(14,109)