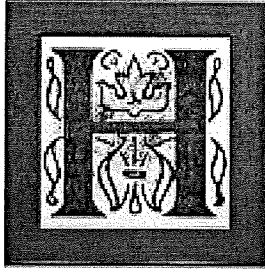


**LAKE WILDWOOD ASSOCIATION, INC.
FINANCIAL STATEMENTS
Year Ended September 30, 2015**

TABLE OF CONTENTS

| | <u>Page Number</u> |
|--|-------------------------------|
| INDEPENDENT AUDITOR’S REPORT | 1 |
| FINANCIAL STATEMENTS | |
| Statement 1 - Balance Sheet | 3 |
| Statement 2 - Statement of Revenues and Expenses and Changes in Fund Balances..... | 4 |
| Statement 3 - Statement of Cash Flows..... | 5 |
| Notes to Financial Statements..... | 6 |
| SUPPORTING STATEMENTS AND SCHEDULES | |
| Schedule 1 - Operations – Comparative Schedule of Revenues and Expenses | 16 |
| Schedule 2 - Cap. Improvements – Comparative Schedule of Revenues and Expenses | 21 |
| Schedule 3 - Replacement Reserve – Comparative Schedule of Revenue and Expenses .. | 22 |
| Notes to Budgetary Comparison Schedules | 23 |
| Schedule 4 - Comparative Schedule of Revenues and Expenses..... | 24 |
| Schedule 5 - Supplementary Information on Future Major Repairs and Replacements..... | 33 |



HOPKINS & ASSOCIATES
Certified Public Accountants

314 S. McCoy St. Box 224
Granville, IL 61326
815-339-6630

1718 Peoria St.
Peru, IL 61354
815-224-4600

Website: www.hopkinsilcpa.com
Email: hopkinsoffice@aol.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lake Wildwood Association, Inc.
Varna, Illinois 61375

We have audited the accompanying balance sheet of Lake Wildwood Association, Inc. as of September 30, 2015 and the related statements of revenues, expenses, and changes in fund balances 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 evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation 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 Lake Wildwood Association as of September 30, 2015, and the changes in its fund balances and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Budgetary Comparison Schedule, Notes to Budgetary Comparison Schedules, and Comparative Schedule of Revenues and Expenses on pages 16 – 32 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Supplementary Information on Future Major Repairs and Replacements on page 33 is not a required part of the basic financial statements of Lake Wildwood Association, Inc. but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Hopkins & Assoc.

Granville, Illinois
November 25, 2015

LAKE WILDWOOD ASSOCIATION, INC.
BALANCE SHEET
September 30, 2015

| ASSETS | OPERATING FUND | REPLACEMENT FUND | TOTAL |
|--|---------------------------|-----------------------------|---------------------|
| Current Assets: | | | |
| Cash and Money Markets (Note 2) | \$ 717,229 | \$ 92,304 | \$ 809,533 |
| Certificate of Deposits (Note 2) | - | 759,786 | 759,786 |
| Receivables: | | | |
| Member Dues (Note 5) | 166,384 | 19,251 | 185,635 |
| Allowance for Doubtful Accounts (Note 5) | (109,933) | (14,480) | (124,413) |
| Long-Term Assets: | | | |
| Capital Assets (Note 3): | | | |
| Land, Buildings, & Equipment | - | 3,113,755 | 3,113,755 |
| Accumulated Depreciation | - | (2,235,336) | (2,235,336) |
| Total Assets | \$ 773,680 | \$ 1,735,280 | \$ 2,508,960 |
| | | | |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accrued Wages (Note 5) | \$ 11,873 | \$ - | \$ 11,873 |
| Accrued Payroll Taxes (Note 5) | 2,363 | - | 2,363 |
| Accrued Vacation Pay (Note 5) | 11,328 | - | 11,328 |
| Accrued Sales Tax (Note 5) | 321 | - | 321 |
| Member Deposits (Note 5) | 16,396 | - | 16,396 |
| Deferred Member Dues (Note 1) | 390,680 | 35,961 | 426,641 |
| Current Portion of Notes Payable (Note 9) | - | 19,232 | 19,232 |
| Total Current Liabilities | \$ 432,961 | \$ 55,193 | \$ 488,154 |
| Notes Payable, Less Current Portion (Note 9) | - | 26,723 | 26,723 |
| Total Liabilities | \$ 432,961 | \$ 81,916 | \$ 514,877 |
| | | | |
| FUND BALANCE | | | |
| Restricted | \$ - | \$ 1,653,364 | \$ 1,653,364 |
| Unrestricted | 340,719 | - | 340,719 |
| Total Fund Balances | \$ 340,719 | \$ 1,653,364 | \$ 1,994,083 |
| Total Liabilities and Fund Balance | \$ 773,680 | \$ 1,735,280 | \$ 2,508,960 |

See accompanying notes to basic financial statements.

LAKE WILDWOOD ASSOCIATION, INC.
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | <u>OPERATING FUND</u> | <u>REPLACEMENT FUND</u> | <u>TOTAL</u> |
|---|---------------------------|-----------------------------|---------------------|
| OPERATING REVENUES | | | |
| Membership Dues | \$ 905,423 | \$ 71,522 | \$ 976,945 |
| Other Income (Sch 1) | 341,010 | 28,817 | 369,827 |
| Total Operating Revenues | <u>\$ 1,246,433</u> | <u>\$ 100,339</u> | <u>\$ 1,346,772</u> |
| OPERATING EXPENSES | | | |
| Administration | \$ 409,732 | \$ 11,119 | \$ 420,851 |
| Market and Promotion | 1,520 | - | 1,520 |
| Maintenance | 359,380 | 69,009 | 428,389 |
| Security | 129,818 | 4,027 | 133,845 |
| Sunbeam | 32,316 | - | 32,316 |
| Lodge | 2,802 | 3,949 | 6,751 |
| Marina/Pavilion/Bait House/Concession | 66,278 | 1,139 | 67,417 |
| Campground | 651 | 2,336 | 2,987 |
| Beaches and Recreation | 20,525 | 66,780 | 87,305 |
| Fish and Wildlife | 11,809 | - | 11,809 |
| Lakes | - | 5,350 | 5,350 |
| Pool | 32,212 | 18,707 | 50,919 |
| Grant Expenses | - | 14,079 | 14,079 |
| Total Operating Expenses | <u>\$ 1,067,043</u> | <u>\$ 196,495</u> | <u>\$ 1,263,538</u> |
| EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER OPERATING EXPENSES | <u>\$ 179,390</u> | <u>\$ (96,156)</u> | <u>\$ 83,234</u> |
| OTHER REVENUES (EXPENSES) | | | |
| Interest | \$ - | \$ 10,442 | \$ 10,442 |
| State of IL Grant | - | 22,166 | 22,166 |
| Bad Debt Expense | (8,098) | - | (8,098) |
| Total Other Revenues (Expenses) | <u>\$ (8,098)</u> | <u>\$ 32,608</u> | <u>\$ 24,510</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | <u>\$ 171,292</u> | <u>\$ (63,548)</u> | <u>\$ 107,744</u> |
| BEGINNING FUND BALANCES | <u>169,427</u> | <u>1,716,912</u> | <u>1,886,339</u> |
| ENDING FUND BALANCES | <u>\$ 340,719</u> | <u>\$ 1,653,364</u> | <u>\$ 1,994,083</u> |

See accompanying notes to basic financial statements.

LAKE WILDWOOD ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
September 30, 2015

| | <u>OPERATING FUND</u> | <u>REPLACEMENT FUND</u> | <u>TOTAL</u> |
|--|---------------------------|-----------------------------|---------------------|
| Cash Flows From Operating Activities: | | | |
| Excess (Deficiency) of Revenues Over Expenses | \$ 171,292 | \$ (63,548) | \$ 107,744 |
| Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided by Operating Activities: | | | |
| Depreciation | - | 119,490 | 119,490 |
| (Increase) Decrease in Receivables | (6,067) | 829 | (5,238) |
| Increase (Decrease) in Payables | (4,465) | - | (4,465) |
| Increase (Decrease) in Payroll Liabilities | 560 | - | 560 |
| Increase (Decrease) in Tax Liabilities | (1,958) | - | (1,958) |
| Increase (Decrease) in Deferred Member Dues | 35,173 | 14,781 | 49,954 |
| Increase (Decrease) in Deposits | 3,400 | - | 3,400 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 197,935</u> | <u>\$ 71,552</u> | <u>\$ 269,487</u> |
| Cash Flows From Investing Activities: | | | |
| Acquisition of Equipment and Other Capital Improvements | \$ - | \$ (127,307) | \$ (127,307) |
| Net Cash Provided (Used) by Investing Activities | <u>\$ -</u> | <u>\$ (127,307)</u> | <u>\$ (127,307)</u> |
| Cash Flows From Financing Activities: | | | |
| Payments on Backhoe Note | \$ - | \$ (18,479) | \$ (18,479) |
| Net Cash Provided (Used) by Financing Activities | <u>\$ -</u> | <u>\$ (18,479)</u> | <u>\$ (18,479)</u> |
| Net Increase (Decrease) in Cash | \$ 197,935 | \$ (74,234) | \$ 123,701 |
| Cash and Equivalents, Beginning of Year | <u>519,294</u> | <u>926,324</u> | <u>1,445,618</u> |
| Cash and Equivalents, End of Year | <u>\$ 717,229</u> | <u>\$ 852,090</u> | <u>\$ 1,569,319</u> |
| Supplemental Disclosures | | | |
| Interest Paid | \$ - | \$ 2,241 | \$ 2,241 |
| Taxes Paid | \$ 187 | \$ - | \$ 187 |

See accompanying notes to basic financial statements.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Note 1 - Summary of Significant Accounting Policies

A. General

Lake Wildwood Association, Inc. ("Lake Wildwood") was incorporated March 22, 1968, in the State of Illinois to further the interests of owners of real estate in the Lake Wildwood subdivision located in Marshall County, Illinois. Lake Wildwood Association is a Homeowners Association, governed by Restrictive Covenants, By-Laws, and Rules and Regulations. The Association has accepted title to certain common properties located within the subdivision from the developer and now operates and maintains these common properties for the benefit and use of its members. The development consists of 1,632 residential units located in Varna, Illinois.

B. Basis of Accounting and Budgeting

The accrual basis of accounting is used by the Association to record activity throughout the year. The accrual basis of accounting is also used for the preparation of financial statements and tax returns. The cash basis of accounting is used by the Association for budgeting purposes. Actual expenses exceeded budgeted expenses in the Replacement Reserve Fund for fiscal year 2015.

C. Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

1. Operating Fund – This fund is used to account for financial resources available for the general operations of the Association. Disbursements from the Operating Fund are generally at the discretion of the Board and General Manager.
2. Replacement Fund – This fund is used to accumulate financial resources designated for future major repairs and replacements. Disbursements from the Replacement Fund are generally restricted to designated purposes.

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the U.S. 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 may differ from those estimates.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Capital Assets

Capital assets are reported at either historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Purchases of capital assets for amounts less than the threshold level are expensed in the year purchased. Other costs, incurred for repairs and maintenance, are expensed as incurred. Real and common area property acquired by the Association at no cost from the developer is not capitalized on the Association's financial statements. Depreciation on all assets that exceed the threshold level of \$500 is provided on the straight-line or declining balance basis over the following estimated useful lives:

| Capital Asset | Years |
|--------------------------|--------------|
| Land Improvements | 12 - 15 |
| Buildings & Improvements | 20 - 39 |
| Autos, Tractors & Trucks | 5 |
| Other Equipment | 5 - 15 |

The Association has considered possible impairments to its capital assets and asserts that there are none known or anticipated.

F. Member Assessments

Assessments are charged to members annually and due on March 1st. Member dues are reflected in income on a prorated monthly basis as earned, causing a deferred member dues liability at year end for five months of dues. Member assessments were \$641 per lot in 2015. To present financial position accurately and match assessments to operating expenses, an allowance for doubtful accounts is established for any March billings not collected at September 30th.

G. Donated Services

Although a substantial number of directors and other volunteers have donated significant amounts of time on behalf of the Association, no amounts have been reflected in the financial statements because no objective basis is available to measure the value of these services.

H. Cash and Cash Equivalents and Interest Income

For purposes of the Statement of Cash Flows, cash and cash equivalents include all cash on hand; cash in checking and money market accounts and cash invested in certificates of deposit. Based on the budget completed by the Board of Directors, interest income received from all bank accounts is allocated to the Replacement Reserve Fund.

**LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

Note 1 - Summary of Significant Accounting Policies (Continued)

I. Income Taxes

In accordance with Section 528 of the Internal Revenue Code, the Association may elect to be treated as a homeowners association or a regular corporation. This section of the Code permits the Association to be treated as a tax-exempt organization with respect to income from dues, fees, and assessments from member owners of residential lots or units. This election is made based on whether a tax savings is realized. For the year ended September 30, 2015, the election was made to file as a homeowners association.

Note 2 - Cash, Money Market, Savings, and Certificates of Deposit

At September 30, 2015, the Association had the following checking and money market accounts:

| <u>Account</u> | <u>Interest Rate</u> | <u>Bank Balance</u> | <u>Book Balance</u> |
|------------------------------------|----------------------|---------------------|---------------------|
| Corporate Checking | 0.03% | \$ 3,758 | \$ 3,758 |
| Payroll Checking | N/A | 11,079 | 10,861 |
| Corporate Checking | 0.00% | 147,724 | 25,251 |
| Money Market 1 | 0.25% | 129,954 | 129,954 |
| Money Market 2 | 0.45% | 252,139 | 252,139 |
| Money Market 3 | 0.75% | 240,261 | 240,261 |
| Money Market 4 | 0.45% | 147,154 | 147,154 |
| Savings | 0.00% | 5 | 5 |
| Petty Cash | | 150 | 150 |
| Total Cash and Money Market | | <u>\$ 932,224</u> | <u>\$ 809,533</u> |

Bank balance is the balance at the bank as of September 30, 2015 and book balance is the balance of Lake Wildwood as of September 30, 2015. The major divergence between book and bank balances consisted of outstanding checks and deposits in transit. Certificates of deposit were held at several financial institutions. The following is a list of certificates of deposits for the Association as of September 30, 2015.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Note 2 - Cash, Money Market, Savings, and Certificates of Deposit (Continued)

| <u>CD</u> | <u>Interest Rate</u> | <u>Bank Balance</u> | <u>Book Balance</u> |
|--------------------------|----------------------|--------------------------|--------------------------|
| First State Bank | 1.20% | \$ 150,909 | \$ 150,909 |
| First State Bank | 0.66% | 100,333 | 100,333 |
| Streator Credit | 1.00% | 15,063 | 15,063 |
| Streator Credit | 0.85% | 235,838 | 235,838 |
| Bank of Farmington | 1.10% | 101,995 | 101,995 |
| Wenona State Bank | 0.80% | 105,045 | 105,045 |
| Wenona State Bank | 0.75% | 50,603 | 50,603 |
| Total CD Balances | | <u>\$ 759,786</u> | <u>\$ 759,786</u> |

Cash and investments are categorized in accordance with risk factors. Deposits are insured by the FDIC to \$250,000 per bank. There is a small excess of \$250,000 at two of the financial institutions that are uncollateralized.

| | <u>Bank Balance</u> | <u>Book Balance</u> |
|---|----------------------------|----------------------------|
| Type 1 - Fully insured by FDIC | \$ 1,689,867 | \$ 1,567,026 |
| Type 2 - Secured by securities pledged to the Association but in the bank's name | - | - |
| Type 3 - Uncollateralized | 2,143 | 2,293 |
| | <u>\$ 1,692,010</u> | <u>\$ 1,569,319</u> |

Note 3 - Capital Assets

The Association's Capital Assets are valued at historical cost or estimated historical cost, if actual cost is not known. A detailed listing is on file with the Association's bookkeeper. All purchases of capital assets are budgeted for and recorded in the Replacement Reserve Fund or Capital Improvements Fund. The related depreciation expense is also recorded in the Replacement Reserve Fund.

The current year additions to capital assets consisted of a 2015 F350 truck with plow, \$44,297; a 2005 squad car, \$6,103; maintenance building roof, \$19,680; Finishing Mower, \$13,582; and concrete work at the lodge, \$43,645. During the current fiscal year, a mower and truck were sold. Both assets were fully depreciated.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Note 3 - Capital Assets (Continued)

| | <u>COST BASIS</u> | | | <u>End of Year</u> |
|---------------------------------------|-------------------------------------|--------------------------|-------------------------|-------------------------------|
| | <u>Beginning of Year</u> | <u>Additions</u> | <u>Deletions</u> | |
| Land | \$ 277,760 | \$ - | \$ - | \$ 277,760 |
| Administration | | | | |
| Office Building | 32,450 | - | - | 32,450 |
| Office Equipment | 56,326 | - | - | 56,326 |
| Fire Station | 53,680 | - | - | 53,680 |
| Maintenance | | | | |
| Maintenance Building | 57,212 | 19,680 | - | 76,892 |
| Automotive Equipment | 151,727 | 44,297 | 26,702 | 169,322 |
| Maintenance Equipment | 291,763 | 13,582 | 9,720 | 295,625 |
| Security | 84,340 | 6,103 | - | 90,443 |
| Lake and Recreation | | | | |
| Bath and Comfort House & Dump Station | 128,992 | - | - | 128,992 |
| Lodge | 495,105 | 43,645 | - | 538,750 |
| Pavilion | 82,142 | - | - | 82,142 |
| Equipment | 812,340 | - | - | 812,340 |
| Silt Pond | 205,038 | - | - | 205,038 |
| Fish House | 19,734 | - | - | 19,734 |
| Bridge | 12,962 | - | - | 12,962 |
| Road Improvements | 41,844 | - | - | 41,844 |
| Tennis Courts and Fences | 77,196 | - | - | 77,196 |
| Boat Ramp/Dock | 27,443 | - | - | 27,443 |
| Pool | 15,164 | - | - | 15,164 |
| Campground | 30,063 | - | - | 30,063 |
| Shaw Creek Basin | 16,900 | - | - | 16,900 |
| Land Improvements | 52,689 | - | - | 52,689 |
| GrandTotal | <u>\$ 3,022,870</u> | <u>\$ 127,307</u> | <u>\$ 36,422</u> | <u>\$ 3,113,755</u> |

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Note 3 - Capital Assets (Continued)

ACCUMULATED DEPRECIATION

| | <u>Beginning of Year</u> | <u>Additions</u> | <u>Deletions</u> | <u>End of Year</u> |
|---------------------------------------|------------------------------|--------------------------|-------------------------|----------------------------|
| Administration | | | | |
| Office Building | \$ 18,065 | \$ 563 | \$ - | \$ 18,628 |
| Office Equipment | 49,334 | 1,748 | - | 51,082 |
| Fire Station | 28,491 | 808 | - | 29,299 |
| Maintenance | | | | |
| Maintenance Building | 33,590 | 1,472 | - | 35,062 |
| Automotive Equipment | 139,932 | 20,654 | 26,702 | 133,884 |
| Maintenance Equipment | 192,567 | 23,536 | 9,720 | 206,383 |
| Security | 69,937 | 3,929 | - | 73,866 |
| Lake and Recreation | | | | |
| Bath and Comfort House & Dump Station | 120,473 | 955 | - | 121,428 |
| Lodge | 263,088 | 9,282 | - | 272,370 |
| Pavilion | 70,332 | 879 | - | 71,211 |
| Equipment | 755,874 | 28,390 | - | 784,264 |
| Silt Pond | 171,511 | 13,324 | - | 184,835 |
| Fish House | 15,211 | 447 | - | 15,658 |
| Bridge | 12,962 | - | - | 12,962 |
| Road Improvements | 37,669 | 2,160 | - | 39,829 |
| Tennis Courts and Fences | 60,142 | 1,621 | - | 61,763 |
| Boat Ramp/Dock | 27,242 | 101 | - | 27,343 |
| Pool | 10,147 | 1,749 | - | 11,896 |
| Campground | 21,411 | 2,515 | - | 23,926 |
| Shaw Creek Basin | 14,426 | 1,576 | - | 16,002 |
| Land Improvements | 39,864 | 3,781 | - | 43,645 |
| GrandTotal | <u>\$ 2,152,268</u> | <u>\$ 119,490</u> | <u>\$ 36,422</u> | <u>\$ 2,235,336</u> |

Depreciation is allocated to the following functions: General Administration, \$3,119; Maintenance, \$45,662; Security, \$3,929; Lake and Recreation, \$66,780.

Note 4 - Lots Acquired From Members for Nonpayment

Under the restriction covenants and by-laws, the Association may acquire members' lots if payment of membership fees and mowing charges are in arrears. These lots are carried at a value of \$125 each on the financial statements. As of September 30, 2015, the Association is not holding any lots.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Note 5 - Other Receivables and Payables

At September 30, 2015, the following receivables and payables recorded are:

- Accounts Receivable (net) – Member dues and fees billed but not paid of \$185,635 offset by the allowance for doubtful accounts of \$124,413.
- Accrued Payroll Tax Liabilities – Federal and state payroll taxes due at year end related to current fiscal year.
- Accrued Wages and Vacation Pay – Unpaid wages and vacation pay for work performed in the current fiscal year.
- Accrued Sales Tax – Sales tax due for current year-end.
- Member Deposits – Refundable deposits to members for lodge use, spot survey, damages, and spot surveys. Also, the campground committee has a small amount of money used for the pancake fundraiser included in Lake Wildwood’s cash. The amount is offset as a liability due to the campground included in member deposits.

Note 6 - Deferred Compensation Program

The Association has a Simplified Employee Pension Plan and contributes 3% of salaries and wages of eligible employees. During the fiscal year ended September 30, 2015, the Association contributed \$9,535 to the plan.

Note 7 - Disbursements in Excess of Budget

For the fiscal year ended September 30, 2015, disbursements exceeded budgeted amounts in the Operating Fund in the following categories; Market & Promotion, Sunbeam, Lodge, Marina Concession, Recreation, Fish and Wildlife. In total, the Operating Fund disbursements did not exceed the budget. Disbursements were also in excess of budget in the Replacement Reserve Fund.

Note 8 - Risk Management

The Association faces several types of risk. The following is a discussion of the nature of the risks, the significance to the Association, and the policies in place to reduce the risk:

- 1) Custodial credit risk for deposits is the risk that in the event of bank failure, the deposits may be in peril. The Association’s policy is to either keep deposit amounts below F.D.I.C. insurance levels at a specific institution or to require the institution pledge securities to insure the deposits in excess of F.D.I.C. levels. The results are disclosed in Note 2. This risk is minimal.

**LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

Note 8 - Risk Management (Continued)

- 2) Interest rate risk is the risk that interest rate changes may adversely affect the fair value of investments and debt. Since the Association's investments are all cash or cash equivalents, the risk to investments is minimal. Sudden increases in interest rates would not adversely affect the Association since there is no long-term debt on the books at year-end. However, need for future loans to replace infrastructure or equipment could make the Association susceptible to interest rate increases. This interest rate risk is minimal at this time.
- 3) Concentration of credit risk is the risk of loss attributed to the magnitude of the Association's financial involvement with a single entity. No particular entity has a significant impact on financial performance. This risk is minimal.
- 4) Risk of loss of fixed assets is the risk that fire, wind, theft, etc. may reduce or eliminate the value of buildings, property, equipment, and other assets. The Association has comprehensive insurance coverage to minimize this risk. During the past three years, settlements have been less than coverage.
- 5) Risks of claims and judgments is the risk that the assets of the Association may be impaired due to an employee or officer's actions or failure to act. This risk is minimized by the comprehensive coverage provided by private carriers.

Note 9 - Long-Term Debt

Long-term debt consists of a note payable on a backhoe dated February 8, 2013. The note is payable in 60 monthly payments ending February 8, 2018 with a 4% interest rate. The monthly payments are \$1,726.66. The repayment schedule is as follows:

| <u>FY Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------|------------------|-----------------|------------------|
| 2016 | \$ 19,232 | \$ 1,488 | \$ 20,720 |
| 2017 | 20,015 | 705 | 20,720 |
| 2018 | 6,708 | 55 | 6,763 |
| Total | \$ 45,955 | \$ 2,248 | \$ 48,203 |

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Note 10 - Replacement Fund

The Association requires the accumulation of funds for major repairs and replacement of Association assets. When funds are needed, the Association has the right to increase annual assessments, pass special assessments, or delay replacement until funds are available. In 2015, the Association assessed each member \$39.74 which was dedicated to the Replacement Fund and \$14.10 which was dedicated for capital improvements. The assessment for capital improvements has been included in the Replacement Reserve Fund for purposes of this report. Replacement funds are accumulated based on estimated future costs to repair or replace, recognizing such estimates could vary and the variances could be material.

The fund balance of the Replacement Reserve Fund was \$1,653,364 at September 30, 2015. This fund balance consists of \$852,090 invested in cash and CD's, \$4,771 in net accounts receivable, and fixed assets with a net book value of \$878,419 less deferred member dues of \$35,961, and note payable of \$45,955.

During the fiscal year ended September 30, 2015, the Association engaged a consulting firm to study the adequacy of the replacement reserve. This study estimated the remaining useful lives and the cost of future major repairs and replacements. See Schedule 5 for estimated useful lives and replacement costs.

The Association defines Capital Improvements as single purchase or construction events to improve membership services within the Association. The Board recognizes that any future capital improvement is discretionary as compared to a capital replacement. Expenditures for a capital improvement are therefore indeterminate until a contractual commitment occurs. This study included only those known near-term capital improvements for reserve analysis together with the estimated future costs to replace the numerous existing common elements.

The study recommended the Board increase reserve contributions by \$32,500 for 2016 through 2020. The Association has diligently funded reserves for capital expenditures in the past and the Association will not allow a deficit in reserves to result. The purpose of the study was to determine the future amounts of reasonable reserve contributions.

Members contributed \$39.74 for replacement reserve and \$14.10 for capital improvements in 2015. For 2016, member dues are \$694, of which \$58.15 is for the replacement reserve, \$12.15 for capital improvements, and \$35 for the swimming pool project expected to begin in fiscal year 2016.

Note 11 - Subsequent Events

The Association has evaluated subsequent events through November 25, 2015, the date which the financial statements were available to be issued.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Note 12 - **Board of Directors**

The Association is governed by a volunteer, elected Board of Directors. As of September 30, 2015 the Board consisted of the following five members:

Chris Martel - Chairman
Manny Singh - Secretary
Joe Kot - Treasurer
Anton Bommersbach
Craig Klatzco

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2015

| | 2015 | | | |
|---|---------------------|------------------------------|--------------------------|----------------------|
| | BUDGET | BUDGETARY BASIS ACTUAL | VARIANCE OVER (UNDER) | GAAP BASIS ACTUAL |
| REVENUES | | | | |
| Administration | | | | |
| Membership Dues | \$ 949,328 | \$ 948,476 | \$ (852) | \$ 905,423 |
| Boat Slips Rental | 26,750 | 28,215 | 1,465 | 27,940 |
| Storage Rental | 12,000 | 6,300 | (5,700) | 6,300 |
| Membership Applications | 3,500 | 7,200 | 3,700 | 7,200 |
| Building Fees | 2,200 | 2,670 | 470 | 2,670 |
| Registration Decals | 9,000 | 9,835 | 835 | 9,835 |
| Miscellaneous Income | 1,725 | 5,202 | 3,477 | 5,621 |
| Finance Charge - Pre FY15 | 1,500 | 2,724 | 1,224 | 469 |
| Late Charge - Pre FY15 | 10,000 | 4,305 | (5,695) | - |
| Finance & Late Charge FY15 | 1,000 | 10,641 | 9,641 | 17,877 |
| Collection Charge | 2,500 | 24,666 | 22,166 | 47,662 |
| Credit Card Income | 850 | 1,343 | 493 | 1,343 |
| Total Administration | \$ 1,020,353 | \$ 1,051,577 | \$ 31,224 | \$ 1,032,340 |
| Market and Promotion | | | | |
| Promotional Items | \$ 1,500 | \$ 1,501 | \$ 1 | \$ 1,501 |
| Total Market and Promotion | \$ 1,500 | \$ 1,501 | \$ 1 | \$ 1,501 |
| Maintenance | | | | |
| Mowing Late Fee | \$ 4,000 | \$ 9,630 | \$ 5,630 | \$ 3,300 |
| Truck Fill | 600 | - | (600) | - |
| Garbage Fee Income | 3,000 | 4,119 | 1,119 | 4,119 |
| Lot Mowing Income | 28,000 | 31,239 | 3,239 | 30,675 |
| Total Maintenance | \$ 35,600 | \$ 44,988 | \$ 9,388 | \$ 38,094 |
| Security | | | | |
| Land Fines | \$ 3,800 | \$ 16,754 | \$ 12,954 | \$ 20,053 |
| Marine Fines | 500 | 250 | (250) | 650 |
| Total Security | \$ 4,300 | \$ 17,004 | \$ 12,704 | \$ 20,703 |
| Sunbeam | | | | |
| Classified Ad | \$ 300 | \$ 361 | \$ 61 | \$ 361 |
| Placement Ad | 14,000 | 17,175 | 3,175 | 17,236 |
| Other Income | 800 | - | (800) | - |
| Total Sunbeam | \$ 15,100 | \$ 17,536 | \$ 2,436 | \$ 17,597 |
| SW Access | | | | |
| SW Access | \$ 15,200 | \$ 14,594 | \$ (606) | \$ 14,599 |
| Lodge | | | | |
| Lodge Rental Income | \$ 2,300 | \$ 1,005 | \$ (1,295) | \$ 1,005 |
| Marina/Pavilion/Bait House | | | | |
| Gas Receipts/Marina | \$ 14,000 | \$ 13,383 | \$ (617) | \$ 15,377 |
| Gas Pump - Insurance Claim | - | 2,737 | 2,737 | 2,737 |
| Total Marina/Pavilion/Bait House | \$ 14,000 | \$ 16,120 | \$ 2,120 | \$ 18,114 |
| Concessions | | | | |
| Food Sales | \$ 49,000 | \$ 45,746 | \$ (3,254) | \$ 45,746 |
| Bait | - | 1,407 | 1,407 | 1,407 |
| Total Concessions | \$ 49,000 | \$ 47,153 | \$ (1,847) | \$ 47,153 |

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2015

| EXPENSES (CONTINUED) | 2015 | | | |
|---|-------------------|------------------------------|--------------------------|----------------------|
| | BUDGET | BUDGETARY BASIS ACTUAL | VARIANCE OVER (UNDER) | GAAP BASIS ACTUAL |
| Market and Promotion | | | | |
| Web Site Fees | \$ - | \$ 104 | \$ (104) | \$ 104 |
| Promotional Items | 1,500 | 1,416 | 84 | 1,416 |
| Total Market and Promotion Expense | \$ 1,500 | \$ 1,520 | \$ (20) | \$ 1,520 |
| Maintenance | | | | |
| Maintenance Salaries | \$ 173,027 | \$ 146,958 | \$ 26,069 | \$ 145,576 |
| Uniforms | 1,200 | 1,147 | 53 | 1,147 |
| Electrical | 33,150 | 32,647 | 503 | 32,647 |
| Water | 13,400 | 12,869 | 531 | 12,869 |
| Propane | 9,200 | 5,567 | 3,633 | 5,567 |
| Unleaded Gas | 4,500 | 5,054 | (554) | 5,054 |
| Diesel Fuel | 17,000 | 11,191 | 5,809 | 11,191 |
| Petroleum Products | 1,200 | 1,657 | (457) | 1,657 |
| Vehicle Repair | 5,500 | 4,296 | 1,204 | 4,296 |
| Vehicle Licenses | 5,300 | 2,125 | 3,175 | 2,125 |
| Cleaning & Sanitation Supplies | 8,550 | 2,834 | 5,716 | 2,834 |
| Supplies | 2,500 | 4,933 | (2,433) | 4,933 |
| Equipment Purchase | 2,200 | 2,672 | (472) | 2,672 |
| Equipment Repair | 8,350 | 8,816 | (466) | 8,816 |
| Dredge Operator Pay | 6,500 | - | 6,500 | - |
| Dredge | 16,000 | 130 | 15,870 | 130 |
| Building Maintenance | 2,350 | 1,590 | 760 | 1,590 |
| Landscaping | 4,000 | 100 | 3,900 | 100 |
| Gravel and Material | 2,500 | 650 | 1,850 | 650 |
| Hot/Cold Patch | 10,000 | 5,966 | 4,034 | 5,966 |
| Salt and Cinders | 6,000 | 15,693 | (9,693) | 15,693 |
| Waste Disposal | 8,500 | 8,709 | (209) | 8,709 |
| Contract Services | 4,250 | 10,369 | (6,119) | 10,369 |
| Chemicals/Water | 2,500 | 582 | 1,918 | 582 |
| Dredge Maintenance | 5,000 | 453 | 4,547 | 453 |
| Remove Dredge Crane/Truck | 1,200 | - | 1,200 | - |
| Road Seal | 55,000 | 40,906 | 14,094 | 40,906 |
| Maintenance Projects | 33,000 | 32,848 | 152 | 32,848 |
| Total Maintenance Expense | \$ 441,877 | \$ 360,762 | \$ 81,115 | \$ 359,380 |
| Security | | | | |
| Security Salaries | \$ 153,837 | \$ 127,574 | \$ 26,263 | \$ 127,937 |
| Uniforms | 500 | 12 | 488 | 12 |
| Vehicle Repair | - | 165 | (165) | 165 |
| SW Access Repair | 3,000 | 1,239 | 1,761 | 1,239 |
| Direct TV | 650 | 465 | 185 | 465 |
| Total Security Expense | \$ 157,987 | \$ 129,455 | \$ 28,532 | \$ 129,818 |
| Sunbeam | | | | |
| Layout Expense | \$ 10,000 | \$ 14,634 | \$ (4,634) | \$ 14,703 |
| Postage | 5,800 | 4,770 | 1,030 | 4,770 |
| Printing Expense | 14,000 | 12,276 | 1,724 | 12,276 |
| Miscellaneous Expense | 1,800 | - | 1,800 | - |
| Photo Contest | 600 | 567 | 33 | 567 |
| Total Sunbeam Expense | \$ 32,200 | \$ 32,247 | \$ (47) | \$ 32,316 |

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2015

| EXPENSES (CONTINUED) | 2015 | | | |
|--|------------------|------------------------------|--------------------------|----------------------|
| | BUDGET | BUDGETARY BASIS ACTUAL | VARIANCE OVER (UNDER) | GAAP BASIS ACTUAL |
| Lodge | | | | |
| Supplies | \$ 400 | \$ 89 | \$ 311 | \$ 89 |
| Building Maintenance | 800 | 1,976 | (1,176) | 1,976 |
| Pest Control | 850 | 737 | 113 | 737 |
| Total Lodge Expense | \$ 2,050 | \$ 2,802 | \$ (752) | \$ 2,802 |
| Marina Concession | | | | |
| Perishables | \$ 15,350 | \$ 22,475 | \$ (7,125) | \$ 22,475 |
| Non Perishable Supplies | 5,000 | 2,842 | 2,158 | 2,842 |
| Bait Supplies | 1,150 | 848 | 302 | 848 |
| Personnel Management | 22,000 | 26,400 | (4,400) | 26,400 |
| Total Marina Concession Expense | \$ 43,500 | \$ 52,565 | \$ (9,065) | \$ 52,565 |
| Marina/Pavilion/Bait House/Concession | | | | |
| Equipment Repair | \$ 1,300 | \$ 2,488 | \$ (1,188) | \$ 2,488 |
| Contract Services | 450 | 665 | (215) | 665 |
| Sales Tax | 1,200 | 111 | 1,089 | 410 |
| Gas Dispense | 16,000 | 10,150 | 5,850 | 10,150 |
| Total Marina/Pavilion/Bait House | \$ 18,950 | \$ 13,414 | \$ 5,536 | \$ 13,713 |
| Campground | | | | |
| Equipment Repair | \$ 2,000 | \$ 307 | \$ 1,693 | \$ 307 |
| Chemicals/Land | 600 | 20 | 580 | 20 |
| Waste Disposal | 2,000 | - | 2,000 | - |
| Contract Services | 850 | 324 | 526 | 324 |
| Road Gravel Campground | 1,800 | - | 1,800 | - |
| Total Campground Expense | \$ 7,250 | \$ 651 | \$ 6,599 | \$ 651 |
| Recreation | | | | |
| Supplies | \$ 600 | \$ 679 | \$ (79) | \$ 679 |
| Coffee Supplies | 350 | 121 | 229 | 121 |
| Equipment Purchase | 600 | 366 | 234 | 366 |
| Fireworks | 6,500 | 6,000 | 500 | 6,000 |
| Halloween | 500 | 369 | 131 | 369 |
| Christmas Potluck | 1,300 | 1,101 | 199 | 1,101 |
| New Years Eve | 2,000 | 2,230 | (230) | 2,230 |
| Garage Sale | - | 20 | (20) | 20 |
| Easter Egg Hunt | 1,000 | 848 | 152 | 848 |
| Fish Derby | 600 | 346 | 254 | 346 |
| Fourth of July | 450 | 600 | (150) | 600 |
| Pool Party | 200 | 16 | 184 | 16 |
| October Fest | 1,500 | 1,621 | (121) | 1,621 |
| Parade | 250 | 29 | 221 | 29 |
| Travel | 350 | 320 | 30 | 320 |
| Fish Fry | 800 | 822 | (22) | 822 |
| Hog Roast | 3,000 | 5,037 | (2,037) | 5,037 |
| Total Recreation Expense | \$ 20,000 | \$ 20,525 | \$ (525) | \$ 20,525 |
| Fish and Wildlife | | | | |
| Fish | \$ 4,548 | \$ 5,350 | \$ (802) | \$ 5,350 |
| Miscellaneous | 5,660 | 6,459 | (799) | 6,459 |
| Total Fish and Wildlife | \$ 10,208 | \$ 11,809 | \$ (1,601) | \$ 11,809 |

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2015

| EXPENSES (CONTINUED) | 2015 | | | |
|---------------------------|---------------------|------------------------------|--------------------------|----------------------|
| | BUDGET | BUDGETARY BASIS ACTUAL | VARIANCE OVER (UNDER) | GAAP BASIS ACTUAL |
| Pool (Continued) | | | | |
| Part-Time Lifeguards | \$ 31,500 | \$ 25,469 | \$ 6,031 | \$ 25,469 |
| Equipment Purchase | 1,500 | 376 | 1,124 | 376 |
| Equipment Repair | 5,950 | 2,693 | 3,257 | 2,693 |
| Pool/Chemicals | 3,000 | 1,709 | 1,291 | 1,709 |
| Contract Services | 1,450 | 1,795 | (345) | 1,795 |
| Lifeguard Reimbursement | 525 | 170 | 355 | 170 |
| Total Pool Expense | \$ 43,925 | \$ 32,212 | \$ 11,713 | \$ 32,212 |
| Total Expenses | \$ 1,210,103 | \$ 1,065,325 | \$ 144,778 | \$ 1,075,141 |
| Net Income | \$ (1,475) | \$ 201,630 | \$ 203,105 | \$ 171,292 |

See accompanying note to budgetary comparison schedules.

LAKE WILDWOOD ASSOCIATION, INC.
CAPITAL IMPROVEMENTS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2015

| | 2015 | | | |
|---------------------------------|--------------------|------------------------------|--------------------------|----------------------|
| | BUDGET | BUDGETARY BASIS ACTUAL | VARIANCE OVER (UNDER) | GAAP BASIS ACTUAL |
| REVENUES | | | | |
| Capital Improvement Fund | | | | |
| Membership Dues | \$ 23,000 | \$ 23,819 | \$ 819 | \$ 18,126 |
| Sale of Lots & Assets | - | 1,600 | 1,600 | 1,600 |
| Sale of Assets - truck, trees | - | 8,700 | 8,700 | 8,700 |
| State of IL Grant | 108,000 | 22,166 | (85,834) | 22,166 |
| Total Revenues | \$ 131,000 | \$ 56,285 | \$ (74,715) | \$ 50,592 |
| EXPENSES | | | | |
| Security | | | | |
| Security Cameras | \$ 6,000 | \$ 98 | \$ 5,902 | \$ 98 |
| Total Security Expense | \$ 6,000 | \$ 98 | \$ 5,902 | \$ 98 |
| Lodge | | | | |
| Public Sets Lodge Deck | \$ 4,000 | \$ 3,949 | \$ 51 | \$ 3,949 |
| Patio Lighting & New Electrical | 3,000 | - | 3,000 | - |
| Total Lodge Expense | \$ 7,000 | \$ 3,949 | \$ 3,051 | \$ 3,949 |
| Lake | | | | |
| Board Seawall at Inlet W. Side | \$ - | \$ 5,350 | \$ (5,350) | \$ 5,350 |
| Total Lake Expense | \$ - | \$ 5,350 | \$ (5,350) | \$ 5,350 |
| Grant Expense | | | | |
| Professional Services - LWW | \$ 10,000 | \$ 5,774 | \$ 4,226 | \$ 5,774 |
| Professional Services - State | 18,000 | 8,305 | 9,695 | 8,305 |
| Construction - LWW | 62,000 | - | - | - |
| Construction - State | 90,000 | - | - | - |
| Total Lake Expense | \$ 180,000 | \$ 14,079 | \$ 13,921 | \$ 14,079 |
| Depreciation | | | | |
| Depreciation Expense | \$ - | \$ - | \$ - | \$ 6,789 |
| Total Expenses | \$ 193,000 | \$ 23,476 | \$ 17,524 | \$ 30,265 |
| Net Income (Loss) | \$ (62,000) | \$ 32,809 | \$ (92,239) | \$ 20,327 |

See accompanying note to budgetary comparison schedules.

LAKE WILDWOOD ASSOCIATION, INC.
REPLACEMENT RESERVE - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2015

| | 2015 | | | |
|------------------------------------|-------------------|---------------------|--------------------------|----------------------|
| | BUDGET | BUDGETARY | VARIANCE OVER (UNDER) | GAAP BASIS ACTUAL |
| | | BASIS ACTUAL | | |
| REVENUES | | | | |
| Reserve Fund Amenities | | | | |
| Membership Dues | \$ 64,159 | \$ 63,313 | \$ (846) | \$ 53,396 |
| Interest | 11,139 | 9,899 | (1,240) | 10,442 |
| Discretionary Funding | 64,275 | - | (64,275) | - |
| Insurance Claim - Maintenance roof | - | 15,300 | 15,300 | 15,300 |
| Insurance Claim - Snow Plow | - | 3,217 | 3,217 | 3,217 |
| Total Revenues | <u>\$ 139,573</u> | <u>\$ 91,729</u> | <u>\$ (47,844)</u> | <u>\$ 82,355</u> |
| EXPENSES | | | | |
| Admin | | | | |
| Reserve Study | \$ - | \$ 8,000 | \$ (8,000) | \$ 8,000 |
| Total Maintenance Expense | <u>\$ -</u> | <u>\$ 8,000</u> | <u>\$ (8,000)</u> | <u>\$ 8,000</u> |
| Maintenance | | | | |
| Principal Payments on Back Hoe | \$ 23,000 | \$ 18,479 | \$ 4,521 | \$ - |
| Interest Payments on Back Hoe | - | 2,241 | (2,241) | 2,241 |
| Building & Dredge Shed Repair | 14,000 | 13,916 | 84 | 13,916 |
| Beach Ropes & Buoys | 6,500 | 6,390 | 110 | 6,390 |
| Finish Mower | 17,000 | 13,582 | 3,418 | - |
| Pickup with Plow | 40,000 | 44,297 | (4,297) | - |
| Garbage Truck | - | 800 | (800) | 800 |
| Maintenance Shed Roof | - | 19,680 | (19,680) | - |
| | <u>\$ 100,500</u> | <u>\$ 119,385</u> | <u>\$ (18,885)</u> | <u>\$ 23,347</u> |
| Security | | | | |
| Security Car | \$ 10,000 | \$ 6,103 | \$ 3,897 | \$ - |
| Total Security Expense | <u>\$ 10,000</u> | <u>\$ 6,103</u> | <u>\$ 3,897</u> | <u>\$ -</u> |
| Lodge | | | | |
| Concrete Work | \$ 22,800 | \$ 43,645 | \$ (20,845) | \$ - |
| Total Lodge Expense | <u>\$ 22,800</u> | <u>\$ 43,645</u> | <u>\$ (20,845)</u> | <u>\$ -</u> |
| Marina | | | | |
| Picnic Table Concession | \$ 1,200 | \$ 1,139 | \$ 61 | \$ 1,139 |
| Total Lodge Expense | <u>\$ 1,200</u> | <u>\$ 1,139</u> | <u>\$ 61</u> | <u>\$ 1,139</u> |
| Campground | | | | |
| Windows for Bath House | \$ 3,000 | \$ 2,336 | \$ 664 | \$ 2,336 |
| Total Campground Expense | <u>\$ 3,000</u> | <u>\$ 2,336</u> | <u>\$ 664</u> | <u>\$ 2,336</u> |
| Pool | | | | |
| Pool Options Analysis | \$ 10,000 | \$ 18,707 | \$ (8,707) | \$ 18,707 |
| Total Pool Expense | <u>\$ 10,000</u> | <u>\$ 18,707</u> | <u>\$ (8,707)</u> | <u>\$ 18,707</u> |
| Depreciation | | | | |
| Depreciation Expense | \$ - | \$ - | \$ - | \$ 112,701 |
| Total Expenses | <u>\$ 147,500</u> | <u>\$ 199,315</u> | <u>\$ (51,815)</u> | <u>\$ 166,230</u> |
| Net Income (Loss) | <u>\$ (7,927)</u> | <u>\$ (107,586)</u> | <u>\$ (99,659)</u> | <u>\$ (83,875)</u> |

See accompanying note to budgetary comparison schedules.

**LAKE WILDWOOD
SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
Year Ended September 30, 2015**

Note A - Budget to Actual Reconciliation

An explanation of the difference between budgetary basis revenues and expenditures and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

| | Operating Fund | Replacement Reserve |
|---|---------------------------|--------------------------------|
| Budgetary basis revenue (inflow) | \$ 1,266,955 | \$ 148,014 |
| Differences - budget to GAAP: | | |
| Change in gross accounts receivable | 6,067 | (829) |
| Change in deferred members dues | (35,173) | (14,781) |
| Other | 8,584 | 543 |
| Total revenue (GAAP Basis) | \$ 1,246,433 | \$ 132,947 |
| Budgetary basis expenditures (outflows) | \$ 1,065,325 | \$ 222,791 |
| Change in accrued vacation | (859) | - |
| Change in Allowance for Doubtful Accounts | 8,098 | - |
| Change in Payables | 2,577 | - |
| Principal Payments on Backhoe Note | - | (18,479) |
| Depreciation Expense | - | 119,490 |
| Capital Asset Purchases | - | (127,307) |
| Total Expenditures (GAAP Basis) | \$ 1,075,141 | \$ 196,495 |

Note B - Budgetary Process

The Operating Budget was approved by the Board on September 30, 2014. The budget was not amended. More information is available in Note 1 (B) to the financial statements.

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2015, 2014, AND 2013

| | <u>2015</u> <u>GAAP</u> | <u>2014</u> <u>GAAP</u> | <u>2013</u> <u>GAAP</u> |
|---|----------------------------|----------------------------|----------------------------|
| REVENUES | | | |
| Administration | | | |
| Membership Dues | \$ 905,423 | \$ 829,767 | \$ 781,506 |
| Boat Slips Rental | 27,940 | 24,376 | 24,425 |
| Storage Rental | 6,300 | 10,613 | 10,375 |
| Overnight Tie-ups | - | 60 | 150 |
| Membership Applications | 7,200 | 5,800 | 6,900 |
| Building Fees | 2,670 | 4,450 | 2,555 |
| Car Decals | - | - | 1,055 |
| Registration Decals | 9,835 | 10,055 | 10,770 |
| Miscellaneous Income | 5,621 | 3,158 | 9,198 |
| Finance Charge - Pre FY15 | 469 | 4,784 | 5,476 |
| Late Charge - Pre FY15 | - | 12,338 | 15,770 |
| Finance & Late Charge FY15 | 17,877 | - | - |
| Collection Charge | 47,662 | 27,248 | - |
| Credit Card Income | 1,343 | 1,187 | 806 |
| Total Administration | <u>\$ 1,032,340</u> | <u>\$ 933,836</u> | <u>\$ 868,986</u> |
| Market and Promotion | | | |
| Promotional Items | \$ 1,501 | \$ 1,866 | \$ 1,776 |
| Total Market and Promotion | <u>\$ 1,501</u> | <u>\$ 1,866</u> | <u>\$ 1,776</u> |
| Maintenance | | | |
| Mowing Late Fee | \$ 3,300 | \$ 6,450 | \$ 11,550 |
| Truck Fill | - | 225 | 210 |
| Garbage Fee Income | 4,119 | 5,107 | 4,509 |
| Lot Mowing Income | 30,675 | 22,568 | 22,724 |
| Total Maintenance | <u>\$ 38,094</u> | <u>\$ 34,350</u> | <u>\$ 38,993</u> |
| Security | | | |
| Land Fines | \$ 20,053 | \$ 5,672 | \$ 5,666 |
| Marine Fines | 650 | 150 | 400 |
| Total Security | <u>\$ 20,703</u> | <u>\$ 5,822</u> | <u>\$ 6,066</u> |
| Sunbeam | | | |
| Classified Ad | \$ 361 | \$ 306 | \$ 276 |
| Placement Ad | 17,236 | 15,443 | 19,086 |
| Contractor Register | - | 850 | - |
| Sunbeam Subscriptions | - | - | 60 |
| Total Sunbeam | <u>\$ 17,597</u> | <u>\$ 16,599</u> | <u>\$ 19,422</u> |
| SW Access | | | |
| SW Access | \$ 14,599 | \$ 15,727 | \$ 15,479 |
| Lodge | | | |
| Lodge Rental Income | \$ 1,005 | \$ 975 | \$ 1,957 |
| Marina/Pavilion/Bait House | | | |
| Marina Lease | | \$ 200 | \$ - |
| Gas Receipts/Marina | 15,377 | 13,491 | 18,743 |
| Insurance Claim - Gas Pump | 2,737 | - | - |
| Total Marina/Pavilion/Bait House | <u>\$ 18,114</u> | <u>\$ 13,691</u> | <u>\$ 18,743</u> |
| Concessions | | | |
| Food Sales | \$ 45,746 | \$ 42,307 | \$ 45,287 |
| Bait | 1,407 | 1,558 | 1,745 |
| Total Total Concessions | <u>\$ 47,153</u> | <u>\$ 43,865</u> | <u>\$ 47,032</u> |

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2015, 2014, AND 2013

| | 2015 GAAP | 2014 GAAP | 2013 GAAP |
|-------------------------------|---------------------|---------------------|---------------------|
| Revenues (Continued) | | | |
| Campground | | | |
| Mem Daily Ele Sites | \$ 1,760 | \$ 2,090 | \$ 1,075 |
| Same Site Camping | 41,175 | 42,350 | 39,550 |
| Summer Seasonal Site | 3,000 | 50 | 2,450 |
| Winter Seasonal Camp | - | - | 400 |
| Guest Ele Camp Sites | 890 | 1,245 | 930 |
| Guest Non-ele Sites | 675 | 580 | 440 |
| Primitive Seasonal | 400 | 200 | 800 |
| Total Campground | \$ 47,900 | \$ 46,515 | \$ 45,645 |
| Recreation | | | |
| October Fest | \$ 1,540 | \$ 746 | \$ 817 |
| NYE Dance | 1,854 | 1,685 | 1,674 |
| Spring Dance | - | 195 | 374 |
| Hog Roast | 4,028 | - | - |
| Recreation Miscellaneous | 5 | 479 | 25 |
| Total Recreation | \$ 7,427 | \$ 3,105 | \$ 2,890 |
| Total Revenues | \$ 1,246,433 | \$ 1,116,351 | \$ 1,066,989 |
| EXPENSES | | | |
| Administration | | | |
| Publications/Dues | \$ 4,420 | \$ 2,854 | \$ 2,579 |
| Admin Salaries | 112,857 | 103,942 | 103,072 |
| Cell Phone | 1,300 | 650 | 650 |
| S.U.T.A. | 6,824 | 13,033 | 14,905 |
| F.U.T.A. | 1,042 | 1,093 | 1,043 |
| Employee Health Insurance | 53,585 | 59,805 | 48,210 |
| FICA Employer Share | 33,692 | 34,691 | 32,071 |
| Continuing Education | 587 | 124 | 643 |
| Employee Pension | 9,535 | 10,559 | 10,068 |
| Legal Fees | 36,578 | 4,491 | 22,295 |
| Audit Fees | 5,300 | 5,300 | 5,000 |
| Bookkeep Fees | 5,337 | 3,600 | 4,220 |
| Dam Inspections | 2,929 | 3,900 | 4,569 |
| Collection Fees | 58,763 | 32,985 | 2,969 |
| Data Process Support | - | 300 | 300 |
| Office Expenses | 3,377 | 4,214 | 3,152 |
| General Liability | 45,695 | 56,916 | 50,742 |
| Postage | 5,709 | 4,830 | 5,050 |
| Printing | 5,723 | 3,183 | 5,761 |
| Electric Office/Shope (65770) | - | 1,718 | 1,655 |
| Office Water (1901) | - | 609 | 530 |

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2015, 2014, AND 2013

| | <u>2015</u> <u>GAAP</u> | <u>2014</u> <u>GAAP</u> | <u>2013</u> <u>GAAP</u> |
|---|----------------------------|----------------------------|----------------------------|
| EXPENSES (CONTINUED) | | | |
| Administration (Continued) | | | |
| Office Tele Bus @ 3 | \$ 5,771 | \$ 5,902 | \$ 5,711 |
| Equipment Purchase | - | - | 600 |
| Equipment Repair | 144 | 10 | 925 |
| Building Maintenance | - | 256 | 565 |
| Annual Meeting/Committee Dinner | - | - | 1,577 |
| Travel | 3,413 | 2,587 | 3,261 |
| Property Taxes | 212 | 242 | 405 |
| Lot Expense | - | - | 627 |
| Admin. Misc. Expense | 1,741 | 267 | 518 |
| Employee Appreciation | 480 | 1,250 | 1,249 |
| Bad Debt Expense | 8,098 | 15,221 | 30,603 |
| Credit Card Expense | 2,182 | 1,405 | 830 |
| Refunds & Returns | 2,349 | 1,424 | 3,224 |
| State Income Tax | 187 | - | - |
| Recording Secretary | - | 1,488 | 2,051 |
| Total Administration Expense | <u>\$ 417,830</u> | <u>\$ 378,849</u> | <u>\$ 371,630</u> |
| Market and Promotion | | | |
| Web Site Fees | \$ 104 | \$ 332 | \$ 806 |
| Promotional Items | 1,416 | 835 | 1,677 |
| Total Market and Promotion Expense | <u>\$ 1,520</u> | <u>\$ 1,167</u> | <u>\$ 2,483</u> |
| Maintenance | | | |
| Maintenance salaries | \$ 145,576 | \$ 166,456 | \$ 143,421 |
| Uniforms | 1,147 | 441 | 959 |
| Continuing Education | - | 120 | 380 |
| Inlet and Dam Light Poles | - | 190 | 194 |
| Electrical | 32,647 | 1,282 | 615 |
| Water | 12,869 | 467 | 455 |
| Propane | 5,567 | 3,120 | 1,791 |
| Unleaded Gas | 5,054 | 6,411 | 6,859 |
| Diesel Fuel | 11,191 | 18,452 | 16,024 |
| Petroleum Products | 1,657 | 1,647 | 886 |
| Vehicle Repair | 4,296 | 1,791 | 3,044 |
| Vehicle Licenses | 2,125 | 1,925 | 1,925 |
| Cleaning Supplies | 2,834 | - | - |
| Telephone | - | 650 | 650 |
| Supplies | 4,933 | 5,301 | 4,777 |
| Lumber Supplies | - | 109 | 473 |
| Equipment Purchase | 2,672 | 718 | 1,655 |
| Equipment Repair | 8,816 | 5,734 | 6,300 |
| Dredge Operator Pay | - | 4,309 | - |

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2015, 2014, AND 2013

| | <u>2015</u> <u>GAAP</u> | <u>2014</u> <u>GAAP</u> | <u>2013</u> <u>GAAP</u> |
|----------------------------------|----------------------------|----------------------------|----------------------------|
| EXPENSES (CONTINUED) | | | |
| Maintenance (Continued) | | | |
| Dredge | \$ 130 | \$ 15,150 | \$ 11,953 |
| Equipment Rental | - | - | 237 |
| Building Maintenance | 1,590 | 795 | 311 |
| Chemicals/Land | - | 90 | 1,046 |
| Landscaping | 100 | 2,665 | 3,238 |
| Travel | - | - | - |
| Gravel and Material | 650 | 335 | 1,217 |
| Hot/Cold Patch | 5,966 | 7,570 | 6,987 |
| Salt and Cinders | 15,693 | 7,546 | 3,205 |
| Waste Disposal | 8,709 | 7,161 | 7,889 |
| Contract Services | 10,369 | 3,216 | 6,078 |
| Miscellaneous Expense | - | 694 | 35 |
| Chemicals/Water | 582 | 338 | 207 |
| Dredge Maintenance | 453 | 901 | 9,058 |
| Remove Dredge Crane/Truck | - | 1,017 | 1,755 |
| Road Seal | 40,906 | 44,604 | 51,922 |
| Maintenance Projects | 32,848 | - | - |
| Dredging Special | - | 29,300 | 2,045 |
| Total Maintenance Expense | <u>\$ 359,380</u> | <u>\$ 340,505</u> | <u>\$ 297,591</u> |
| Security | | | |
| Security Salaries | \$ 127,937 | \$ 138,096 | \$ 124,035 |
| Uniforms | 12 | 1,149 | 332 |
| Continuing Education | - | - | - |
| Office Supplies | - | 261 | 635 |
| Printing | - | 416 | 534 |
| Gate Electric (65260) | - | 1,724 | 1,770 |
| Water | - | 382 | 310 |
| Gate Tele Bus | - | - | 325 |
| Vehicle Repair | 165 | 1,246 | - |
| Supplies | - | 230 | 571 |
| Equipment Purchase | - | 180 | 961 |
| SW Access Repair | 1,239 | 644 | 22 |
| Contract Services | - | - | 298 |
| Miscellaneous Expense | - | 45 | 436 |
| Propane Purchase | - | 90 | 67 |
| Direct TV | 465 | 573 | 537 |
| Total Security Expense | <u>\$ 129,818</u> | <u>\$ 145,036</u> | <u>\$ 130,833</u> |

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2015, 2014, AND 2013

| EXPENSES (CONTINUED) | 2015 GAAP | 2014 GAAP | 2013 GAAP |
|--|------------------|------------------|------------------|
| Sunbeam | | | |
| Layout Expense | \$ 14,703 | \$ 13,955 | \$ 8,708 |
| Postage | 4,770 | 4,400 | 5,544 |
| Printing Expense | 12,276 | 10,810 | 13,603 |
| Photo Contest | 567 | 481 | 387 |
| Miscellaneous Expense | - | - | 38 |
| Total Sunbeam Expense | \$ 32,316 | \$ 29,646 | \$ 28,280 |
| SW Access | | | |
| Electric (67340) | \$ - | \$ 624 | \$ 646 |
| Equipment Purchase | - | - | 161 |
| Equipment Repair | - | 238 | 1,352 |
| Total SW Access Expense | \$ - | \$ 862 | \$ 2,159 |
| Lodge | | | |
| Lodge Electric (65210) | \$ - | \$ 2,130 | \$ 1,649 |
| Water (1906) | - | 1,520 | 902 |
| Propane | - | 4,361 | 2,019 |
| Line Rental | - | - | 114 |
| Sanitary Supplies | - | 236 | 424 |
| Supplies | 89 | 579 | 39 |
| Cleaning Supplies | - | 16 | 322 |
| Equipment Repair | - | 115 | 157 |
| Building Maintenance | 1,976 | 877 | 3,839 |
| Pest Control | 737 | 573 | 381 |
| Total Lodge Expense | \$ 2,802 | \$ 10,407 | \$ 9,846 |
| Marina Concession | | | |
| Perishables | \$ 22,475 | \$ 19,973 | \$ 20,733 |
| Non Perishable Supplies | 2,842 | 2,334 | 2,211 |
| Bait Supplies | 848 | 971 | 961 |
| Personnel Management | 26,400 | 24,000 | 27,119 |
| Total Marina Concession Expense | \$ 52,565 | \$ 47,278 | \$ 51,024 |
| Marina/Pavilion/Bait House/Concession | | | |
| Electric | \$ - | \$ 1,732 | \$ 1,949 |
| Extra @2 Pole Lites | - | 326 | 331 |
| Marina Water (1907) | - | 1,410 | 1,092 |
| Sanitary Supplies | - | - | 173 |
| Supplies | - | 999 | 439 |
| Lumber Supplies | - | 50 | 379 |
| Cleaning Supplies | - | - | 351 |
| Equipment Purchase | - | 99 | 42 |
| Equipment Repair | 2,488 | 2,780 | 978 |
| Building Maintenance | - | 194 | 1,405 |
| Contract Services | 665 | 785 | 1,501 |
| Sales Tax | 410 | 194 | 721 |
| Gas Dispense | 10,150 | 16,593 | 13,879 |
| Total Marina/Pavilion/Bait House | \$ 13,713 | \$ 25,162 | \$ 23,240 |
| Campground | | | |
| Electric Camp Site (65-4-3) | \$ - | \$ 12,788 | \$ 16,298 |
| Electric Bath/Pavilion (420-430) | - | 4,254 | 4,254 |
| Water (1909) | - | 2,434 | 2,202 |
| Propane | - | 699 | 521 |

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2015, 2014, AND 2013

| | <u>2015</u> <u>GAAP</u> | <u>2014</u> <u>GAAP</u> | <u>2013</u> <u>GAAP</u> |
|---------------------------------|----------------------------|----------------------------|----------------------------|
| EXPENSES (CONTINUED) | | | |
| Campground (Continued) | | | |
| Sanitary Supplies | \$ - | \$ - | \$ 582 |
| Supplies | 20 | 277 | 529 |
| Cleaning Supplies | - | - | 346 |
| Equipment Repair | 307 | 639 | 1,456 |
| Building Maintenance | - | 138 | 375 |
| Waste Disposal | - | 802 | 2,019 |
| Contract Services | 324 | 575 | 1,075 |
| Road Gravel Campground | - | 257 | - |
| Blue Mulch | - | 1,497 | - |
| Total Campground Expense | <u>\$ 651</u> | <u>\$ 24,360</u> | <u>\$ 29,657</u> |
| Recreation | | | |
| Supplies | \$ 679 | \$ 379 | \$ 673 |
| Coffee Supplies | 121 | 34 | 131 |
| Fireworks | 6,000 | 5,600 | 5,400 |
| October Fest | 1,621 | 1,044 | 1,039 |
| Halloween | 369 | 39 | 698 |
| Christmas Potluck | 1,101 | 765 | 1,116 |
| New Years Eve | 2,230 | 2,183 | 1,999 |
| Spring Dance | - | 701 | 871 |
| Easter Egg Hunt | 848 | 634 | 1,006 |
| Fish Derby/Garage Sale/Fish Fry | 346 | 1,215 | 1,314 |
| Fourth of July | 600 | 450 | 450 |
| Pool Party | 16 | 94 | 146 |
| Fish Fry | 822 | - | - |
| Parade | 29 | 122 | 187 |
| Family Movies | - | 1,500 | - |
| Hog Roast | 5,037 | - | - |
| Travel & Miscellaneous | 706 | 72 | 274 |
| Total Recreation Expense | <u>\$ 20,525</u> | <u>\$ 14,832</u> | <u>\$ 15,304</u> |
| Fish and Wildlife | | | |
| Fish | \$ 5,350 | \$ 7,115 | \$ 9,844 |
| Miscellaneous | 6,459 | 481 | 3,205 |
| Total Fish and Wildlife | <u>\$ 11,809</u> | <u>\$ 7,596</u> | <u>\$ 13,049</u> |
| Pool | | | |
| Part-Time Lifeguards | \$ 25,469 | \$ 26,864 | \$ 22,354 |
| Electric (65230) | - | 1,509 | 1,561 |
| Water (1903-6) | - | 4,029 | 2,966 |
| Sanitary Supplies | - | - | 69 |
| Supplies | - | 1,057 | 750 |
| Cleaning Supplies | - | - | 128 |

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2015, 2014, AND 2013

| | <u>2015</u> <u>GAAP</u> | <u>2014</u> <u>GAAP</u> | <u>2013</u> <u>GAAP</u> |
|---------------------------------|----------------------------|----------------------------|----------------------------|
| EXPENSES (CONTINUED) | | | |
| Pool (Continued) | | | |
| Equipment Purchase | \$ 376 | \$ - | \$ 341 |
| Equipment Repair | 2,693 | - | 72 |
| Building Maintenance | - | 363 | 289 |
| Pool/Chemicals | 1,709 | 2,751 | 3,055 |
| Contract Services | 1,795 | 1,590 | 1,345 |
| Telephone | - | - | - |
| Lifeguard Reimbursement | 170 | 170 | 345 |
| Total Pool Expense | <u>\$ 32,212</u> | <u>\$ 38,333</u> | <u>\$ 33,275</u> |
| East Beach | | | |
| Supplies | \$ - | \$ 1,028 | \$ 962 |
| Lumber Supplies | - | - | 109 |
| Sand | - | 453 | 272 |
| Contract Services | - | 280 | 150 |
| Total East Beach Expense | <u>\$ -</u> | <u>\$ 1,761</u> | <u>\$ 1,493</u> |
| West Beach | | | |
| Electric (66780) | \$ - | \$ 358 | \$ 412 |
| Water (1910) | - | 348 | 341 |
| Sanitary Supplies | - | - | 173 |
| Beach Supplies | - | 548 | 699 |
| Building Maintenance | - | 29 | 300 |
| Sand | - | 423 | 221 |
| Contract Services | - | 434 | 211 |
| Total West Beach Expense | <u>\$ -</u> | <u>\$ 2,140</u> | <u>\$ 2,357</u> |
| ECC | | | |
| Building Inspector | \$ - | \$ - | \$ - |
| Total ECC Expense | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total Expenses | <u>\$ 1,075,141</u> | <u>\$ 1,067,934</u> | <u>\$ 1,012,221</u> |
| Net Income | <u>\$ 171,292</u> | <u>\$ 48,417</u> | <u>\$ 54,768</u> |

LAKE WILDWOOD ASSOCIATION, INC.
CAPITAL IMPROVEMENTS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2015, 2014, AND 2013

| | <u>2015</u> <u>GAAP</u> | <u>2014</u> <u>GAAP</u> | <u>2013</u> <u>GAAP</u> |
|---------------------------------|----------------------------|----------------------------|----------------------------|
| REVENUES | | | |
| Capital Improvement Fund | | | |
| Membership Dues | \$ 18,126 | \$ 41,309 | \$ 62,479 |
| Lot and Equipment Sales | 10,300 | 950 | 3,208 |
| State of IL Grant | 22,166 | - | - |
| Total Revenues | <u>\$ 50,592</u> | <u>\$ 42,259</u> | <u>\$ 65,687</u> |
| EXPENSES | | | |
| Admin | | | |
| Expand Parking Lot | \$ - | \$ - | \$ 2,413 |
| Total Admin Expense | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,413</u> |
| Security | | | |
| Expand Parking Lot | \$ 98 | \$ - | \$ - |
| Total Security Expense | <u>\$ 98</u> | <u>\$ -</u> | <u>\$ -</u> |
| Lodge | | | |
| Public Sets Lodge Deck | \$ 3,949 | \$ - | \$ - |
| Total Lodge Expense | <u>\$ 3,949</u> | <u>\$ -</u> | <u>\$ -</u> |
| Campground | | | |
| Dog Run Lattice | \$ - | \$ 483 | \$ - |
| | <u>\$ -</u> | <u>\$ 483</u> | <u>\$ -</u> |
| Lake | | | |
| Board Seawall | \$ 5,350 | \$ - | \$ - |
| Shaw Creek Sed. Stab. | - | - | 39,109 |
| Lake Planning & Engineering | - | - | 9,450 |
| Total Lake Expense | <u>\$ 5,350</u> | <u>\$ -</u> | <u>\$ 48,559</u> |
| Grant | | | |
| Professional Services - LWW | \$ 5,774 | \$ - | \$ - |
| Professional Services - State | 8,305 | - | - |
| Total Lake Expense | <u>\$ 14,079</u> | <u>\$ -</u> | <u>\$ -</u> |
| Depreciation | | | |
| Depreciation Expense | \$ 6,789 | \$ 6,661 | \$ 3,858 |
| Total Expenses | <u>\$ 30,265</u> | <u>\$ 7,144</u> | <u>\$ 54,830</u> |
| Net Income (Loss) | <u>\$ 20,327</u> | <u>\$ 35,115</u> | <u>\$ 10,857</u> |

LAKE WILDWOOD ASSOCIATION, INC.
REPLACEMENT RESERVE - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2015, 2014, AND 2013

| | 2015 GAAP | 2014 GAAP | 2013 GAAP |
|--|--------------------|--------------------|--------------------|
| REVENUES | | | |
| Reserve Fund Amenities | | | |
| Membership Dues | \$ 53,396 | \$ 38,016 | \$ 25,065 |
| Interest | 10,442 | 9,919 | 10,853 |
| Insurance Claim | 18,517 | - | - |
| State of IL Grant | - | 6,555 | - |
| Total Revenues | <u>\$ 82,355</u> | <u>\$ 54,490</u> | <u>\$ 35,918</u> |
| EXPENSES | | | |
| Admin | | | |
| New Server & Upgrade Desktop PC | \$ - | \$ 45 | \$ - |
| New Office Siding | - | 721 | - |
| Reserve Study | 8,000 | - | - |
| | <u>\$ 8,000</u> | <u>\$ 766</u> | <u>\$ -</u> |
| Maintenance | | | |
| Interest Payments on Backhoe | \$ - | \$ 2,964 | \$ 2,364 |
| Emergency Flood | - | - | 9,342 |
| Interest Payments on Back Hoe | 2,241 | - | - |
| Building & Dredge Shed Repair | 13,916 | - | - |
| Beach Ropes & Buoys | 6,390 | - | - |
| Garbage Truck | 800 | - | - |
| Total Maintenance Expenses | <u>\$ 23,347</u> | <u>\$ 2,964</u> | <u>\$ 11,706</u> |
| Security | | | |
| Radios | \$ - | \$ 94 | \$ - |
| | <u>\$ -</u> | <u>\$ 94</u> | <u>\$ -</u> |
| Marina/Pavilion/Bait House | | | |
| Marina Upgrades | \$ - | \$ - | \$ 1,177 |
| Picnic Table | 1,139 | - | - |
| Total Marina/Pavilion/Bait Expenses | <u>\$ 1,139</u> | <u>\$ -</u> | <u>\$ 1,177</u> |
| Campground | | | |
| Replace Hydrants | \$ - | \$ - | \$ 613 |
| Windows for Bath House | 2,336 | - | - |
| | <u>\$ 2,336</u> | <u>\$ -</u> | <u>\$ 613</u> |
| Beaches | | | |
| Replace Picnic Tables | \$ - | \$ 3,195 | \$ - |
| Total Amenity Expenses | <u>\$ -</u> | <u>\$ 3,195</u> | <u>\$ -</u> |
| Pool | | | |
| Pool Options Analysis | \$ 18,707 | \$ - | \$ - |
| Total Amenity Expenses | <u>\$ 18,707</u> | <u>\$ -</u> | <u>\$ -</u> |
| Lakes | | | |
| Dam Repairs | \$ - | \$ - | \$ 372 |
| Fish Station Repairs | - | - | 8 |
| Total Lakes Expenses | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 380</u> |
| 319 Grant | | | |
| Professional Services LWW | \$ - | \$ 14,258 | \$ - |
| Professional Services State | - | 21,387 | - |
| | <u>\$ -</u> | <u>\$ 35,645</u> | <u>\$ -</u> |
| Depreciation | | | |
| Depreciation Expense | <u>\$ 112,701</u> | <u>\$ 96,939</u> | <u>\$ 85,561</u> |
| Total Expenses | <u>\$ 166,230</u> | <u>\$ 139,603</u> | <u>\$ 99,437</u> |
| Net Income | <u>\$ (83,875)</u> | <u>\$ (85,113)</u> | <u>\$ (63,519)</u> |

LAKE WILDWOOD ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
September 30, 2015

The Association's Board of Directors authorized the completion of a Full Reserve Study of Lake Wildwood Association, Inc. located in Varna, Illinois. An independent architectural engineering consulting firm completed the study, with an effective date of July 20, 2015. Replacement costs were based on the estimated costs to repair or replace the existing property at the date of the study. Removal and disposal costs were included where applicable. Estimated current replacement costs have been revised since that date. Estimated future replacement costs take into account the effects of inflation on local market rates for materials, labor, and equipment at an annual rate of 2.6% until the date the property will require repair or replacement.

The following information is based on the study and presents significant information about the property.

| <u>Property</u> | <u>Estimated Remaining Useful Life in Years</u> | <u>Estimated Current Replacement Cost</u> | <u>Estimated Future Replacement Cost</u> |
|------------------------------|---|---|--|
| Building Elements | 1 to 30 | \$ 594,500 | \$ 1,316,304 |
| Asphalt Pavement | 7 | 2,966,400 | 6,875,564 |
| Other Property Site Elements | 1 to 26 | 1,810,075 | 3,863,581 |
| Maintenance Equipment | 1 to 24 | 377,500 | 1,148,298 |
| Pool Elements | 1 to 20 | <u>366,725</u> | <u>491,285</u> |
| Totals | | <u><u>\$ 6,115,200</u></u> | <u><u>\$ 13,695,032</u></u> |