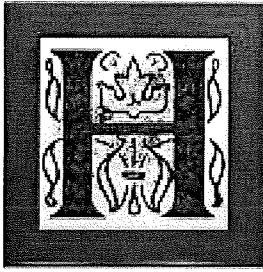


LAKE WILDWOOD ASSOCIATION, INC.
ANNUAL FINANCIAL STATEMENTS
Year Ended September 30, 2016

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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, 2016 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, 2016, 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 – 34 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 35 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.



Granville, Illinois
December 5, 2016

LAKE WILDWOOD ASSOCIATION, INC.
BALANCE SHEET
September 30, 2016

ASSETS	OPERATING FUND	REPLACEMENT FUND	SWIMMING FUND	TOTAL
Current Assets:				
Cash and Money Markets (Note 2)	\$ 849,753	\$ 95,425	\$ 55,228	\$ 1,000,406
Certificate of Deposits (Note 2)	-	610,120	-	610,120
Receivables:				
Member Dues (Note 5)	190,669	21,423	2,143	214,235
Allowance for Doubtful Accounts (Note 5)	(122,799)	(13,711)	(1,371)	(137,881)
Long-Term Assets:				
Capital Assets (Note 3):				
Land, Buildings, & Equipment	-	3,180,730	615,500	3,796,230
Accumulated Depreciation	-	(2,263,827)	-	(2,263,827)
Total Assets	<u>\$ 917,623</u>	<u>\$ 1,630,160</u>	<u>\$ 671,500</u>	<u>\$ 3,219,283</u>
LIABILITIES				
Current Liabilities:				
Accrued Wages (Note 5)	\$ 17,777	\$ -	\$ -	\$ 17,777
Accrued Payroll Taxes (Note 5)	1,655	-	-	1,655
Accrued Vacation Pay (Note 5)	19,279	-	-	19,279
Accrued Sales Tax (Note 5)	1,957	-	-	1,957
Member Deposits (Note 5)	17,686	-	-	17,686
Deferred Member Dues (Note 1)	392,359	46,867	23,333	462,559
Current Portion of Debt (Note 9)	-	20,015	-	20,015
Total Current Liabilities	<u>\$ 450,713</u>	<u>\$ 66,882</u>	<u>\$ 23,333</u>	<u>\$ 540,928</u>
Notes Payable, Less Current Portion (Note 9)	-	6,708	615,500	622,208
Total Liabilities	<u>\$ 450,713</u>	<u>\$ 73,590</u>	<u>\$ 638,833</u>	<u>\$ 1,163,136</u>
FUND BALANCE				
Restricted	\$ -	\$ 1,556,570	\$ 32,667	\$ 1,589,237
Unrestricted	466,910	-	-	466,910
Total Fund Balances	<u>\$ 466,910</u>	<u>\$ 1,556,570</u>	<u>\$ 32,667</u>	<u>\$ 2,056,147</u>
Total Liabilities and Fund Balance	<u>\$ 917,623</u>	<u>\$ 1,630,160</u>	<u>\$ 671,500</u>	<u>\$ 3,219,283</u>

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, 2016

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>SWIMMING FUND</u>	<u>TOTAL</u>
OPERATING REVENUES				
Membership Dues	\$ 939,982	\$ 101,632	\$ 32,667	\$ 1,074,281
Other Income (Sch 1)	337,130	38	-	337,168
Total Operating Revenues	<u>\$ 1,277,112</u>	<u>\$ 101,670</u>	<u>\$ 32,667</u>	<u>\$ 1,411,449</u>
OPERATING EXPENSES				
Administration	\$ 436,416	\$ 3,288	\$ -	\$ 439,704
Market and Promotion	1,289	-	-	1,289
Maintenance	390,601	54,092	-	444,693
Security	135,924	4,553	-	140,477
Sunbeam	36,152	-	-	36,152
Lodge	2,618	2,500	-	5,118
Marina/Pavilion/Bait House/Concession	66,387	-	-	66,387
Campground	7,232	-	-	7,232
Beaches and Recreation	20,325	-	-	20,325
Fish and Wildlife	10,543	-	-	10,543
Lakes	29,967	36,724	-	66,691
Pool	-	-	-	-
Grant Expenses	-	201,393	-	201,393
Total Operating Expenses	<u>\$ 1,137,454</u>	<u>\$ 302,550</u>	<u>\$ -</u>	<u>\$ 1,440,004</u>
EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER OPERATING EXPENSES	<u>\$ 139,658</u>	<u>\$ (200,880)</u>	<u>\$ 32,667</u>	<u>\$ (28,555)</u>
OTHER REVENUES (EXPENSES)				
Interest	\$ -	\$ 10,903	\$ -	\$ 10,903
State of IL Grant	-	96,533	-	96,533
Loss on Capital Asset Disposal	-	(3,350)	-	(3,350)
Bad Debt Expense	(13,467)	-	-	(13,467)
Total Other Revenues (Expenses)	<u>\$ (13,467)</u>	<u>\$ 104,086</u>	<u>\$ -</u>	<u>\$ 90,619</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 126,191</u>	<u>\$ (96,794)</u>	<u>\$ 32,667</u>	<u>\$ 62,064</u>
BEGINNING FUND BALANCES	<u>340,719</u>	<u>1,653,364</u>	<u>-</u>	<u>1,994,083</u>
ENDING FUND BALANCES	<u>\$ 466,910</u>	<u>\$ 1,556,570</u>	<u>\$ 32,667</u>	<u>\$ 2,056,147</u>

See accompanying notes to basic financial statements.

LAKE WILDWOOD ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
September 30, 2016

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>SWIMMING FUND</u>	<u>TOTAL</u>
Cash Flows From Operating Activities:				
Excess (Deficiency) of Revenues Over Expenses	\$ 126,191	\$ (96,794)	\$ 32,667	\$ 62,064
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided by Operating Activities:				
Depreciation	-	73,102	-	73,102
(Increase) Decrease in Receivables	(11,419)	(2,941)	(772)	(15,132)
Increase (Decrease) in Payables	-	-	-	-
Increase (Decrease) in Payroll Liabilities	13,147	-	-	13,147
Increase (Decrease) in Tax Liabilities	1,636	-	-	1,636
Increase (Decrease) in Deferred Member Dues	1,679	10,906	23,333	35,918
Increase (Decrease) in Deposits	1,290	-	-	1,290
Net Cash Provided (Used) by Operating Activities	<u>\$ 132,524</u>	<u>\$ (15,727)</u>	<u>\$ 55,228</u>	<u>\$ 172,025</u>
Cash Flows From Investing Activities:				
Acquisition of Equipment and Other Capital Improvements	\$ -	\$ (114,936)	\$ -	\$ (114,936)
Loss on Disposal of Equipment	-	3,350	-	3,350
Net Cash Provided (Used) by Investing Activities	<u>\$ -</u>	<u>\$ (111,586)</u>	<u>\$ -</u>	<u>\$ (111,586)</u>
Cash Flows From Financing Activities:				
Payments on Backhoe Note	\$ -	\$ (19,232)	\$ -	\$ (19,232)
Net Cash Provided (Used) by Financing Activities	<u>\$ -</u>	<u>\$ (19,232)</u>	<u>\$ -</u>	<u>\$ (19,232)</u>
Net Increase (Decrease) in Cash	\$ 132,524	\$ (146,545)	\$ 55,228	\$ 41,207
Cash and Equivalents, Beginning of Year	<u>717,229</u>	<u>852,090</u>	<u>-</u>	<u>1,569,319</u>
Cash and Equivalents, End of Year	<u>\$ 849,753</u>	<u>\$ 705,545</u>	<u>\$ 55,228</u>	<u>\$ 1,610,526</u>
Supplemental Disclosures				
Interest Paid	\$ -	\$ 1,490	\$ -	\$ 1,490
Income Taxes Paid	\$ 383	\$ -	\$ -	\$ 383

See accompanying notes to basic financial statements.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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 and Capital Improvement Fund for fiscal year 2016.

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.
3. Swimming Pool Fund – This fund is new in fiscal year 2016. This fund will account for dues received to pay off the swimming pool loan.

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, 2016

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 \$694 per lot in 2016. 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, 2016**

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, 2016, the election was made to file as a homeowners association.

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

At September 30, 2016, 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	0.00%	\$ 176,451	\$ 37,895
Payroll Checking	0.00%	52,318	52,188
Money Market 1	0.15%	15,008	15,008
Money Market 2	0.45%	253,277	253,277
Money Market 3	0.75%	242,074	242,074
Money Market 4	0.45%	147,619	147,619
Money Market 5	0.60%	252,190	252,190
Savings	0.00%	5	5
Petty Cash		-	150
Total Cash and Money Market		<u>\$ 1,138,942</u>	<u>\$ 1,000,406</u>

Bank balance is the balance at the bank as of September 30, 2016 and book balance is the balance of Lake Wildwood as of September 30, 2016. 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, 2016.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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%	\$ 152,733	\$ 152,733
First State Bank	1.00%	101,179	101,179
Streator Credit	1.15%	15,227	15,227
Streator Credit	1.15%	237,857	237,857
Bank of Farmington	1.10%	103,124	103,124
Total CD Balances		<u><u>\$ 610,120</u></u>	<u><u>\$ 610,120</u></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	\$ 1,736,689	\$ 1,598,153
Type 2 - Secured by securities pledged to the Association but in the bank's name	-	-
Type 3 - Uncollateralized	12,463	12,463
	<u><u>\$ 1,749,152</u></u>	<u><u>\$ 1,610,616</u></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 John Deer Gator, \$15,676; SW access fencing, \$7,987; SW access cameras, \$4,926; lodge concrete improvements, \$15,422; concession improvements and equipment, \$22,489. Also, as of September 30, 2016, \$663,936 is in Construction in Progress related to the new swimming pool. During the current fiscal year, the original swimming pool was demolished and small older equipment was disposed of.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 3 - Capital Assets (Continued)

	<u>COST BASIS</u>			
	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Land	\$ 277,760	\$ -	\$ -	\$ 277,760
Construction in Progress	-	663,936	-	663,936
Administration				
Office Building	32,450	-	-	32,450
Office Equipment	56,326	-	-	56,326
Fire Station	53,680	-	-	53,680
Maintenance				
Maintenance Building	76,892	-	-	76,892
Automotive Equipment	169,322	-	-	169,322
Maintenance Equipment	295,625	15,676	-	311,301
Security	90,443	12,913	-	103,356
Lake and Recreation				
Bath and Comfort House & Dump Station	128,992	-	-	128,992
Lodge	538,750	15,422	-	554,172
Pavilion	82,142	22,489	-	104,631
Equipment	812,340	-	32,797	779,543
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>\$ 3,113,755</u>	<u>\$ 730,436</u>	<u>\$ 47,961</u>	<u>\$ 3,796,230</u>

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 3 - Capital Assets (Continued)

<u>ACCUMULATED DEPRECIATION</u>				
	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Administration				
Office Building	\$ 18,628	\$ 492	\$ -	\$ 19,120
Office Equipment	51,082	1,748	-	52,830
Fire Station	29,299	778	-	30,077
Maintenance				
Maintenance Building	35,062	1,377	-	36,439
Automotive Equipment	135,105	10,080	-	145,185
Maintenance Equipment	206,383	17,350	-	223,733
Security	72,645	4,553	-	77,198
Lake and Recreation				
Bath and Comfort House & Dump Station	121,428	955	-	122,383
Lodge	272,370	12,490	-	284,860
Pavilion	71,211	2,878	-	74,089
Equipment	784,264	6,766	32,671	758,359
Silt Pond	184,835	7,400	-	192,235
Fish House	15,658	435	-	16,093
Bridge	12,962	-	-	12,962
Road Improvements	39,829	302	-	40,131
Tennis Courts and Fences	61,763	1,621	-	63,384
Boat Ramp/Dock	27,343	50	-	27,393
Pool	11,896	44	11,940	-
Campground	23,926	821	-	24,747
Shaw Creek Basin	16,002	359	-	16,361
Land Improvements	43,645	2,603	-	46,248
GrandTotal	<u>\$ 2,235,336</u>	<u>\$ 73,102</u>	<u>\$ 44,611</u>	<u>\$ 2,263,827</u>

Depreciation is allocated to the following functions: General Administration, \$3,018; Maintenance, \$28,807; Security, \$4,553; Lake and Recreation, \$36,724.

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, 2016, the Association is not holding any lots.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 5 - Other Receivables and Payables

At September 30, 2016, the following receivables and payables recorded are:

- Accounts Receivable (net) – Member dues and fees billed but not paid of \$214,235 offset by the allowance for doubtful accounts of \$137,881.
- 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, 2016, the Association contributed \$9,677 to the plan.

Note 7 - Disbursements in Excess of Budget

For the fiscal year ended September 30, 2016, disbursements exceeded budgeted amounts in the Operating Fund in the following categories; Sunbeam, Lodge, Marina Concession, 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 and Capital Improvement Funds.

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, 2016

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**

Swimming Pool Loan

During fiscal year 2016, the Association obtained a loan with LaSalle State Bank for construction of the new swimming pool. The Association did not receive a lump sum from the loan but rather draws on the loan to pay the contractors. As of September 30, 2016, \$615,500 has been drawn on the loan. The Association expects the loan total to be the lesser of \$1,200,000 or 80% of the construction costs. An interest payment will be due April 2017 and then regular interest and principal payments will begin in April 2018. The loan will have a 20 year maturity with a fixed interest rate of 4.18% the first 10 years and then the rate will adjust to the 10 year US Treasury + 2.39% but no higher than 6.57%. There is no amortization schedule as it will be finalized when the loan balance is finished. The Association started to bill dues for the swimming pool loan in fiscal year 2016 and expects to pay the loan from the collected dues.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 9 - **Long-Term Debt (Continued)**

Backhoe Note Payable

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>
2017	\$ 20,015	\$ 705	\$ 20,720
2018	6,708	55	6,763
Total	\$ 26,723	\$ 760	\$ 27,483

Total Debt Summary for the Fiscal Year:

<u>Loan</u>	<u>10/1/2015</u>	<u>Issued</u>	<u>Payments</u>	<u>9/30/2016</u>
Backhoe Note	\$ 45,955	\$ -	\$ (19,232)	\$ 26,723
Pool Loan	-	615,500	-	615,500
	<u>\$ 45,955</u>	<u>\$ 615,500</u>	<u>\$ (19,232)</u>	<u>\$ 642,223</u>

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 2016, the Association assessed each member \$58.15 which was dedicated to the Replacement Fund and \$12.15 which was dedicated for capital improvements. The Association also assessed \$35 for the swimming pool under construction. 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 \$1,556,570 at September 30, 2016. This fund balance consists of \$705,545 invested in cash and CD's, \$7,712 in net accounts receivable, and fixed assets with a net book value of \$916,903 less deferred member dues of \$46,867, and note payable of \$26,723.

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 6 for estimated useful lives and replacement costs.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 10 - **Replacement Fund (Continued)**

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 \$58.15 for replacement reserve, \$12.15 for capital improvements, and \$35 for the swimming pool in 2016. For 2017, member dues are \$740, of which \$115.36 is for capital improvements and \$70 for the swimming pool project. The Association did not assess replacement reserve dues for 2017.

Note 11 - **Subsequent Events**

The Association has evaluated subsequent events through December 5, 2016, the date which the financial statements were available to be issued.

Note 12 - **Board of Directors**

The Association is governed by a volunteer, elected Board of Directors. As of September 30, 2016 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, 2016

	2016			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
REVENUES				
Administration				
2016 Membership Dues	\$ 949,567	\$ 906,047	\$ (43,520)	\$ 939,982
2015 and Older Membership Dues	4,380	31,230	26,850	-
Boat Slips Rental	26,750	26,300	(450)	26,600
Storage Rental	10,000	10,350	350	10,575
Membership Applications	3,500	7,100	3,600	7,100
Building Fees	2,500	2,255	(245)	2,255
Registration Decals	25,000	25,118	118	25,142
Miscellaneous Income	1,725	3,896	2,171	4,008
2016 Finance & Late Charges	11,500	10,712	(788)	19,107
2015 & Older Late & Finance Charges	-	7,692	7,692	477
Collection Charge	2,500	11,716	9,216	30,366
Credit Card Income	850	1,138	288	1,266
Total Administration	\$ 1,038,272	\$ 1,043,554	\$ 5,282	\$ 1,066,878
Market and Promotion				
Promotional Items	\$ 1,500	\$ 883	\$ (617)	\$ 883
Total Market and Promotion	\$ 1,500	\$ 883	\$ (617)	\$ 883
Maintenance				
Mowing Late Fee	\$ 4,000	\$ 4,238	\$ 238	\$ 6,825
Truck Fill	600	170	(430)	170
Garbage Fee Income	3,000	4,976	1,976	4,976
Lot Mowing Income	35,000	36,917	1,917	38,300
Total Maintenance	\$ 42,600	\$ 46,301	\$ 3,701	\$ 50,271
Security				
Land Fines	\$ 6,000	\$ 7,772	\$ 1,772	\$ 6,159
Marine Fines	500	151	(349)	150
Total Security	\$ 6,500	\$ 7,923	\$ 1,423	\$ 6,309
Sunbeam				
Classified Ad	\$ 300	\$ 390	\$ 90	\$ 390
Placement Ad	14,000	17,189	3,189	16,976
Other Income	800	560	(240)	580
Total Sunbeam	\$ 15,100	\$ 18,139	\$ 3,039	\$ 17,946
SW Access				
SW Access	\$ 15,200	\$ 14,364	\$ (836)	\$ 14,464
Lodge				
Lodge Rental Income	\$ 2,300	\$ 3,340	\$ 1,040	\$ 3,420
Marina/Pavilion/Bait House				
Gas Receipts/Marina	\$ 14,000	\$ 16,958	\$ 2,958	\$ 15,711
Gas Pump - Insurance Claim	-	-	-	-
Total Marina/Pavilion/Bait House	\$ 14,000	\$ 16,958	\$ 2,958	\$ 15,711
Concessions				
Food Sales	\$ 49,000	\$ 41,562	\$ (7,438)	\$ 41,562
Bait	-	942	942	942
Total Concessions	\$ 49,000	\$ 42,504	\$ (6,496)	\$ 42,504

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2016

	2016			
	BUDGETARY		VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
	BUDGET	BASIS ACTUAL		
Revenues (Continued)				
Campground				
Mem Daily Ele Sites	\$ 1,000	\$ 2,311	\$ 1,311	\$ 2,311
Same Site Camping	45,000	40,253	(4,747)	40,253
Summer Seasonal Site	-	7,055	7,055	7,055
Guest Ele Camp Sites	250	555	305	555
Guest Non-ele Sites	500	525	25	525
Primitive Seasonal	600	300	(300)	300
Total Campground	\$ 47,350	\$ 50,999	\$ 3,649	\$ 50,999
Recreation				
October Fest	\$ 700	\$ 1,368	\$ 668	\$ 1,368
NYE Dance	1,900	1,958	58	1,958
Hog Roast	3,000	4,045	1,045	4,045
Recreation Miscellaneous	400	356	(44)	356
Total Recreation	\$ 6,000	\$ 7,727	\$ 1,727	\$ 7,727
Total Revenues	\$ 1,237,822	\$ 1,252,692	\$ 14,870	\$ 1,277,112
EXPENSES				
Administration				
Publications/Dues	\$ 3,500	\$ 3,999	\$ (499)	\$ 3,999
Admin Salaries	130,901	119,548	11,353	125,905
Cell	1,200	2,092	(892)	2,092
S.U.T.A.	10,000	4,970	5,030	4,970
F.U.T.A.	1,350	1,133	217	1,133
Employee Health Insurance	63,000	51,819	11,181	51,819
FICA Employer Share	35,855	35,123	732	35,123
Continuing Education	2,300	637	1,663	637
Employee Pension	12,300	9,677	2,623	9,677
Legal Fees	12,500	49,369	(36,869)	49,369
Audit Fees	6,000	5,500	500	5,500
Bookkeep Fees	4,500	7,050	(2,550)	7,050
Dam Inspections	5,500	4,591	909	4,591
Collection Fees	15,000	51,721	(36,721)	51,721
Office Expenses	6,000	4,879	1,121	4,879
General Liability	51,500	48,868	2,632	48,868
Postage	6,000	6,207	(207)	6,207
Printing	6,000	5,742	258	5,742
Office Tele Bus @ 3	6,800	7,973	(1,173)	7,973
Equipment Repair	2,100	368	1,732	368
Travel	3,000	3,681	(681)	3,681
Property Taxes	600	212	388	212
Admin. Misc. Expense	1,000	851	149	841
State Income Tax	500	383	117	383
Employee Appreciation	1,250	1,823	(573)	1,823
Bad Debt Expense	55,000	-	55,000	13,467
Credit Card Expense	1,500	951	549	951
Refunds & Returns	1,500	902	598	902
Total Administration Expense	\$ 446,656	\$ 430,069	\$ 16,587	\$ 449,883

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2016

EXPENSES (CONTINUED)	2016			
	BUDGET	BUDGETARY	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
		BASIS ACTUAL		
Market and Promotion				
Web Site Fees	\$ 1,000	\$ 757	\$ 243	\$ 757
Promotional Items	1,700	532	1,168	532
Total Market and Promotion Expense	\$ 2,700	\$ 1,289	\$ 1,411	\$ 1,289
Maintenance				
Maintenance Salaries	\$ 176,000	\$ 154,913	\$ 21,087	\$ 158,136
Uniforms	1,200	1,329	(129)	1,329
Electrical	34,000	33,197	803	33,197
Water	14,400	12,325	2,075	12,325
Propane	8,250	5,139	3,111	5,139
Unleaded Gas	5,500	4,708	792	4,708
Diesel Fuel	17,000	6,470	10,530	6,470
Petroleum Products	2,000	327	1,673	327
Vehicle Repair	5,500	3,647	1,853	3,647
Vehicle Licenses	5,300	2,580	2,720	2,580
Cleaning & Sanitation Supplies	8,550	2,470	6,080	2,470
Supplies	2,500	3,592	(1,092)	3,592
Equipment Purchase	3,300	2,006	1,294	2,006
Equipment Repair	8,350	17,505	(9,155)	17,505
Dredge Operator Pay	6,500	-	6,500	-
Dredge	16,000	-	16,000	-
Building Maintenance	5,000	10,759	(5,759)	10,759
Landscaping	4,000	3,800	200	3,800
Gravel and Material	2,500	1,763	737	1,763
Hot/Cold Patch	10,000	13,368	(3,368)	13,368
Salt and Cinders	10,000	6,748	3,252	6,748
Waste Disposal	8,500	9,781	(1,281)	9,781
Contract Services	6,250	8,319	(2,069)	8,319
Chemicals/Water	2,500	1,850	650	1,850
Dredge Maintenance	5,000	-	5,000	-
Remove Dredge Crane/Truck	1,200	-	1,200	-
Road Seal	55,000	64,082	(9,082)	64,082
Maintenance Projects	16,700	16,700	-	16,700
Total Maintenance Expense	\$ 441,000	\$ 387,378	\$ 53,622	\$ 390,601
Security				
Security Salaries	\$ 158,433	\$ 127,853	\$ 30,580	\$ 129,436
Uniforms	600	700	(100)	700
Equipment Repair	-	2,982	(2,982)	2,982
SW Access Repair	2,400	2,558	(158)	2,558
Direct TV	650	248	402	248
Total Security Expense	\$ 162,083	\$ 134,341	\$ 27,742	\$ 135,924
Sunbeam				
Layout Expense	\$ 12,000	\$ 16,794	\$ (4,794)	\$ 17,012
Postage	5,800	5,239	561	5,239
Printing Expense	14,000	13,360	640	13,360
Miscellaneous Expense	1,800	-	1,800	-
Photo Contest	600	541	59	541
Total Sunbeam Expense	\$ 34,200	\$ 35,934	\$ (1,734)	\$ 36,152

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2016

EXPENSES (CONTINUED)	2016			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
Lodge				
Supplies	\$ 500	\$ -	\$ 500	\$ -
Building Maintenance	800	1,568	(768)	1,568
Pest Control	900	1,050	(150)	1,050
Total Lodge Expense	\$ 2,200	\$ 2,618	\$ (418)	\$ 2,618
Marina Concession				
Perishables	\$ 16,000	\$ 18,879	\$ (2,879)	\$ 18,879
Non Perishable Supplies	5,000	2,837	2,163	2,837
Bait Supplies	1,150	690	460	690
Full Time Wages	22,660	23,365	(705)	25,837
Part Time Wages	-	4,971	(4,971)	4,971
Total Marina Concession Expense	\$ 44,810	\$ 50,742	\$ (5,932)	\$ 53,214
Marina/Pavilion/Bait House/Concession				
Equipment Repair	\$ 1,300	\$ 3,195	\$ (1,895)	\$ 3,195
Contract Services	450	-	450	-
Sales Tax	1,200	1,263	(63)	2,899
Gas Dispense	16,000	7,079	8,921	7,079
Total Marina/Pavilion/Bait House	\$ 18,950	\$ 11,537	\$ 7,413	\$ 13,173
Campground				
Equipment Repair	\$ 2,000	\$ 975	\$ 1,025	\$ 975
Chemicals/Land	600	-	600	-
Waste Disposal	2,500	-	2,500	-
Contract Services	2,650	5,030	(2,380)	5,030
Mulch	1,500	1,227	273	1,227
Total Campground Expense	\$ 9,250	\$ 7,232	\$ 2,018	\$ 7,232
Recreation				
Supplies	\$ 600	\$ 548	\$ 52	\$ 548
Coffee Supplies	400	62	338	62
Equipment Purchase	700	1,105	(405)	1,105
Fireworks	6,500	6,000	500	6,000
Halloween	500	437	63	437
Christmas Potluck	1,500	1,359	141	1,359
New Years Eve	2,200	2,591	(391)	2,591
St Patty's Day Dinner	400	507	(107)	507
Easter Egg Hunt	1,000	742	258	742
Fish Derby	600	125	475	125
Fourth of July	500	300	200	300
Pool Party	150	107	43	107
October Fest	1,500	1,003	497	1,003
Parade	250	99	151	99
Travel	350	94	256	94
Fish Fry	800	683	117	683
Hog Roast	3,000	4,563	(1,563)	4,563
Total Recreation Expense	\$ 20,950	\$ 20,325	\$ 625	\$ 20,325
Fish and Wildlife				
Fish	\$ 4,548	\$ 6,569	\$ (2,021)	\$ 6,569
Miscellaneous	5,660	3,974	1,686	3,974
Total Fish and Wildlife	\$ 10,208	\$ 10,543	\$ (335)	\$ 10,543

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2016

EXPENSES (CONTINUED)	2016			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
Pool (Continued)				
Part-Time Lifeguards	\$ 32,445	\$ 26,107	\$ 6,338	\$ 26,107
Equipment Purchase	1,500	392	1,108	392
Equipment Repair	5,500	395	5,105	395
Pool/Chemicals	3,200	2,028	1,172	2,028
Contract Services	1,450	770	680	770
Lifeguard Reimbursement	700	275	425	275
Total Pool Expense	\$ 44,795	\$ 29,967	\$ 14,828	\$ 29,967
Total Expenses	\$ 1,237,802	\$ 1,121,975	\$ 115,827	\$ 1,150,921
Net Income	\$ 20	\$ 130,717	\$ 130,697	\$ 126,191

See accompanying note to budgetary comparison schedules.

LAKE WILDWOOD ASSOCIATION, INC.
CAPITAL IMPROVEMENTS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2016

	2016			
	REVENUES	BUDGETARY		GAAP BASIS
		BUDGET	BASIS ACTUAL	
Capital Improvement Fund				
Membership Dues	\$ 19,600	\$ 19,915	\$ 315	\$ 20,816
State of IL Grant	-	96,533	96,533	96,533
Total Revenues	\$ 19,600	\$ 116,448	\$ 96,848	\$ 117,349
EXPENSES				
Security				
Security Cameras	\$ -	\$ 4,926	\$ (4,926)	\$ -
Total Security Expense	\$ -	\$ 4,926	\$ (4,926)	\$ -
Marina Concession Stand				
Build Out	\$ 7,900	\$ 10,352	\$ (2,452)	\$ -
Equipment	8,200	12,137	(3,937)	-
Total Lodge Expense	\$ 16,100	\$ 22,489	\$ (6,389)	\$ -
Maintenance				
Parking Lot Inlet	\$ 3,500	\$ 1,342	\$ 2,158	\$ 1,342
Total Lake Expense	\$ 3,500	\$ 1,342	\$ 2,158	\$ 1,342
Grant Expense				
Professional Services - LWW	\$ -	\$ 8,214	\$ (8,214)	\$ 8,214
Professional Services - State	-	-	-	-
Construction - LWW	-	93,117		93,117
Construction - State	-	95,562		95,562
Total Lake Expense	\$ -	\$ 196,893	\$ (8,214)	\$ 196,893
Depreciation				
Depreciation Expense	\$ -	\$ -	\$ -	\$ 8,030
Total Expenses	\$ 19,600	\$ 225,650	\$ (17,371)	\$ 206,265
Net Income (Loss)	\$ -	\$ (109,202)	\$ 114,219	\$ (88,916)

See accompanying note to budgetary comparison schedules.

LAKE WILDWOOD ASSOCIATION, INC.
REPLACEMENT RESERVE - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2016

REVENUES	2016			
	BUDGET	BUDGETARY		GAAP BASIS ACTUAL
		BASIS ACTUAL	VARIANCE OVER (UNDER)	
Reserve Fund Amenities				
Membership Dues	\$ 93,803	\$ 91,465	\$ (2,338)	\$ 80,816
Interest	8,000	10,903	2,903	10,903
Insurance Claim	3,217	-	(3,217)	-
Other	-	38	38	38
Total Revenues	\$ 105,020	\$ 102,406	\$ (2,614)	\$ 91,757
EXPENSES				
Admin				
Contract Services	\$ -	\$ 270	\$ (270)	\$ 270
Total Maintenance Expense	\$ -	\$ 270	\$ (270)	\$ 270
Maintenance				
Principal Payments on Back Hoe	\$ 20,720	\$ 19,232	\$ 1,488	\$ -
Interest Payments on Back Hoe	-	1,490	(1,490)	1,490
Green Valley	1,500	1,500	-	1,500
Hidden Valley	2,500	3,500	(1,000)	3,500
Grind & Gravel Streets	12,000	12,000	-	12,000
Snow Plow	3,300	5,453	(2,153)	5,453
Gator	17,000	15,676	1,324	-
Maintenance Shed Roof	18,000	-	18,000	-
	\$ 75,020	\$ 58,851	\$ 16,169	\$ 23,943
Security				
Gates	\$ 5,000	\$ 7,987	\$ (2,987)	\$ -
Total Security Expense	\$ 5,000	\$ 7,987	\$ (2,987)	\$ -
Lodge				
Concrete Work	\$ 15,000	\$ 15,422	\$ (422)	\$ -
Recover Furniture	1,500	2,500	(1,000)	2,500
Total Lodge Expense	\$ 16,500	\$ 17,922	\$ (1,422)	\$ 2,500
319 Grant				
Professional Services	\$ -	\$ 4,500	\$ (4,500)	\$ 4,500
Total Lodge Expense	\$ -	\$ 4,500	\$ (4,500)	\$ 4,500
Lakes				
Lake & Dam Repairs	\$ 8,500	\$ -	\$ 8,500	\$ -
Total Campground Expense	\$ 8,500	\$ -	\$ 8,500	\$ -
Pool				
Pool Options Analysis	\$ -	\$ 48,436	\$ (48,436)	\$ -
Total Pool Expense	\$ -	\$ 48,436	\$ (48,436)	\$ -
Other				
Depreciation Expense	\$ -	\$ -	\$ -	\$ 65,072
Loss on Disposal of Equipment	-	-	-	3,350
	\$ -	\$ -	\$ -	\$ 68,422
Total Expenses	\$ 105,020	\$ 137,966	\$ (32,946)	\$ 99,635
Net Income (Loss)	\$ -	\$ (35,560)	\$ (35,560)	\$ (7,878)

See accompanying note to budgetary comparison schedules.

LAKE WILDWOOD ASSOCIATION, INC.
SWIMMING POOL RESERVE - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2016

	2016			
	BUDGET	BUDGETARY BASIS		GAAP BASIS ACTUAL
		ACTUAL	VARIANCE OVER (UNDER)	
REVENUES				
Swimming Pool Reserve				
Membership Dues	\$ -	\$ 53,857	\$ (53,857)	\$ 32,667
Swimming Pool Loan Proceeds	-	615,500	(615,500)	-
Total Revenues	\$ -	\$ 669,357	\$ (669,357)	\$ 32,667
EXPENSES				
Swimming Pool				
Swimming Pool	\$ -	\$ 615,500	\$ -	\$ -
Total Expenses	\$ -	\$ 615,500	\$ -	\$ -
Net Income (Loss)	\$ -	\$ 53,857	\$ (669,357)	\$ 32,667

See accompanying note to budgetary comparison schedules.

LAKE WILDWOOD
SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
Year Ended September 30, 2016

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:

	<u>Operating Fund</u>	<u>Replacement Reserve</u>	<u>Swimming Reserve</u>
Budgetary basis revenue (inflow)	\$ 1,252,692	\$ 218,854	\$ 669,357
Differences - budget to GAAP:			
Change in gross accounts receivable	23,909	1,158	2,143
Change in deferred members dues	(1,679)	(10,906)	(23,333)
Loan Proceeds	-	-	(615,500)
Other	2,190	-	-
Total revenue (GAAP Basis)	<u>\$ 1,277,112</u>	<u>\$ 209,106</u>	<u>\$ 32,667</u>
Budgetary basis expenditures (outflows)	\$ 1,121,975	\$ 363,616	\$ 615,500
Change in accrued vacation	7,951	-	-
Change in Allowance for Doubtful Accounts	13,467	3,350	-
Change in Payables	7,528	-	-
Principal Payments on Backhoe Note	-	(19,232)	-
Depreciation Expense	-	73,102	-
Capital Asset Purchases	-	(114,936)	(615,500)
Total Expenditures (GAAP Basis)	<u>\$ 1,150,921</u>	<u>\$ 305,900</u>	<u>\$ -</u>

Note B - Budgetary Process

The Operating Budget was approved by the Board on September 30, 2016. 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 2016, 2015, AND 2014

	2016 GAAP	2015 GAAP	2014 GAAP
REVENUES			
Administration			
Membership Dues	\$ 939,982	\$ 905,423	\$ 829,767
Boat Slips Rental	26,600	27,940	24,376
Storage Rental	10,575	6,300	10,613
Overnight Tie-ups	-	-	60
Membership Applications	7,100	7,200	5,800
Building Fees	2,255	2,670	4,450
Registration Decals	25,142	9,835	10,055
Miscellaneous Income	4,008	5,621	3,158
Finance & Late Charge	19,584	18,346	17,122
Collection Charge	30,366	47,662	27,248
Credit Card Income	1,266	1,343	1,187
Total Administration	\$ 1,066,878	\$ 1,032,340	\$ 933,836
Market and Promotion			
Promotional Items	\$ 883	\$ 1,501	\$ 1,866
Total Market and Promotion	\$ 883	\$ 1,501	\$ 1,866
Maintenance			
Mowing Late Fee	\$ 6,825	\$ 3,300	\$ 6,450
Truck Fill	170	-	225
Garbage Fee Income	4,976	4,119	5,107
Lot Mowing Income	38,300	30,675	22,568
Total Maintenance	\$ 50,271	\$ 38,094	\$ 34,350
Security			
Land Fines	\$ 6,159	\$ 20,053	\$ 5,672
Marine Fines	150	650	150
Total Security	\$ 6,309	\$ 20,703	\$ 5,822
Sunbeam			
Classified Ad	\$ 390	\$ 361	\$ 306
Placement Ad	16,976	17,236	15,443
Contractor Register	-	-	850
Other	580	-	-
Total Sunbeam	\$ 17,946	\$ 17,597	\$ 16,599
SW Access			
SW Access	\$ 14,464	\$ 14,599	\$ 15,727
Lodge			
Lodge Rental Income	\$ 3,420	\$ 1,005	\$ 975
Marina/Pavilion/Bait House			
Marina Lease	\$ -	\$ -	\$ 200
Gas Receipts/Marina	15,711	15,377	13,491
Insurance Claim - Gas Pump	-	2,737	-
Total Marina/Pavilion/Bait House	\$ 15,711	\$ 18,114	\$ 13,691
Concessions			
Food Sales	\$ 41,562	\$ 45,746	\$ 42,307
Bait	942	1,407	1,558
Total Total Concessions	\$ 42,504	\$ 47,153	\$ 43,865

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2016, 2015, AND 2014

	2016 GAAP	2015 GAAP	2014 GAAP
Revenues (Continued)			
Campground			
Mem Daily Ele Sites	\$ 2,311	\$ 1,760	\$ 2,090
Same Site Camping	40,253	41,175	42,350
Summer Seasonal Site	7,055	3,000	50
Guest Ele Camp Sites	555	890	1,245
Guest Non-ele Sites	525	675	580
Primitive Seasonal	300	400	200
Total Campground	\$ 50,999	\$ 47,900	\$ 46,515
Recreation			
October Fest	\$ 1,368	\$ 1,540	\$ 746
NYE Dance	1,958	1,854	1,685
Spring Dance	-	-	195
Hog Roast	4,045	4,028	-
Recreation Miscellaneous	356	5	479
Total Recreation	\$ 7,727	\$ 7,427	\$ 3,105
Total Revenues	\$ 1,277,112	\$ 1,246,433	\$ 1,116,351
EXPENSES			
Administration			
Publications/Dues	\$ 3,999	\$ 4,420	\$ 2,854
Admin Salaries	125,905	112,857	103,942
Cell Phone	2,092	1,300	650
S.U.T.A.	4,970	6,824	13,033
F.U.T.A.	1,133	1,042	1,093
Employee Health Insurance	51,819	53,585	59,805
FICA Employer Share	35,123	33,692	34,691
Continuing Education	637	587	124
Employee Pension	9,677	9,535	10,559
Legal Fees	49,369	36,578	4,491
Audit Fees	5,500	5,300	5,300
Bookkeep Fees	7,050	5,337	3,600
Dam Inspections	4,591	2,929	3,900
Collection Fees	51,721	58,763	32,985
Data Process Support	-	-	300
Office Expenses	4,879	3,377	4,214
General Liability	48,868	45,695	56,916
Postage	6,207	5,709	4,830
Printing	5,742	5,723	3,183
Electric Office/Shope (65770)	-	-	1,718
Office Water (1901)	-	-	609

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2016, 2015, AND 2014

	<u>2016</u> <u>GAAP</u>	<u>2015</u> <u>GAAP</u>	<u>2014</u> <u>GAAP</u>
EXPENSES (CONTINUED)			
Administration (Continued)			
Office Tele Bus @ 3	\$ 7,973	\$ 5,771	\$ 5,902
Equipment Purchase	368	-	-
Equipment Repair	-	144	10
Building Maintenance	-	-	256
Annual Meeting/Committee Dinner	-	-	-
Travel	3,681	3,413	2,587
Property Taxes	212	212	242
Lot Expense	-	-	-
Admin. Misc. Expense	841	1,741	267
Employee Appreciation	1,823	480	1,250
Bad Debt Expense	13,467	8,098	15,221
Credit Card Expense	951	2,182	1,405
Refunds & Returns	902	2,349	1,424
State Income Tax	383	187	-
Recording Secretary	-	-	1,488
Total Administration Expense	<u>\$ 449,883</u>	<u>\$ 417,830</u>	<u>\$ 378,849</u>
Market and Promotion			
Web Site Fees	\$ 757	\$ 104	\$ 332
Promotional Items	532	1,416	835
Total Market and Promotion Expense	<u>\$ 1,289</u>	<u>\$ 1,520</u>	<u>\$ 1,167</u>
Maintenance			
Maintenance salaries	\$ 158,136	\$ 145,576	\$ 166,456
Uniforms	1,329	1,147	441
Continuing Education	-	-	120
Inlet and Dam Light Poles	-	-	190
Electrical	33,197	32,647	1,282
Water	12,325	12,869	467
Propane	5,139	5,567	3,120
Unleaded Gas	4,708	5,054	6,411
Diesel Fuel	6,470	11,191	18,452
Petroleum Products	327	1,657	1,647
Vehicle Repair	3,647	4,296	1,791
Vehicle Licenses	2,580	2,125	1,925
Cleaning Supplies	2,470	2,834	-
Telephone	-	-	650
Supplies	3,592	4,933	5,301
Lumber Supplies	-	-	109
Equipment Purchase	2,006	2,672	718
Equipment Repair	17,505	8,816	5,734
Dredge Operator Pay	-	-	4,309

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2016, 2015, AND 2014

	<u>2016</u> <u>GAAP</u>	<u>2015</u> <u>GAAP</u>	<u>2014</u> <u>GAAP</u>
EXPENSES (CONTINUED)			
Maintenance (Continued)			
Dredge	\$ -	\$ 130	\$ 15,150
Building Maintenance	10,759	1,590	795
Chemicals/Land	-	-	90
Landscaping	3,800	100	2,665
Travel	-	-	-
Gravel and Material	1,763	650	335
Hot/Cold Patch	13,368	5,966	7,570
Salt and Cinders	6,748	15,693	7,546
Waste Disposal	9,781	8,709	7,161
Contract Services	8,319	10,369	3,216
Miscellaneous Expense	-	-	694
Chemicals/Water	1,850	582	338
Dredge Maintenance	-	453	901
Remove Dredge Crane/Truck	-	-	1,017
Road Seal	64,082	40,906	44,604
Maintenance Projects	16,700	32,848	-
Dredging Special	-	-	29,300
Total Maintenance Expense	<u>\$ 390,601</u>	<u>\$ 359,380</u>	<u>\$ 340,505</u>
Security			
Security Salaries	\$ 129,436	\$ 127,937	\$ 138,096
Uniforms	700	12	1,149
Office Supplies	-	-	261
Printing	-	-	416
Gate Electric (65260)	-	-	1,724
Water	-	-	382
Equipment Repair	2,982	165	1,246
Supplies	-	-	230
Equipment Purchase	-	-	180
SW Access Repair	2,558	1,239	644
Miscellaneous Expense	-	-	45
Propane Purchase	-	-	90
Direct TV	248	465	573
Total Security Expense	<u>\$ 135,924</u>	<u>\$ 129,818</u>	<u>\$ 145,036</u>

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2016, 2015, AND 2014

EXPENSES (CONTINUED)	2016 GAAP	2015 GAAP	2014 GAAP
Sunbeam			
Layout Expense	\$ 17,012	\$ 14,703	\$ 13,955
Postage	5,239	4,770	4,400
Printing Expense	13,360	12,276	10,810
Photo Contest	-	567	481
Miscellaneous Expense	541	-	-
Total Sunbeam Expense	\$ 36,152	\$ 32,316	\$ 29,646
SW Access			
Electric (67340)	\$ -	\$ -	\$ 624
Equipment Purchase	-	-	-
Equipment Repair	-	-	238
Total SW Access Expense	\$ -	\$ -	\$ 862
Lodge			
Lodge Electric (65210)	\$ -	\$ -	\$ 2,130
Water (1906)	-	-	1,520
Propane	-	-	4,361
Sanitary Supplies	-	-	236
Supplies	-	89	579
Cleaning Supplies	-	-	16
Equipment Repair	-	-	115
Building Maintenance	1,568	1,976	877
Pest Control	1,050	737	573
Total Lodge Expense	\$ 2,618	\$ 2,802	\$ 10,407
Marina Concession			
Perishables	\$ 18,879	\$ 22,475	\$ 19,973
Non Perishable Supplies	2,837	2,842	2,334
Bait Supplies	690	848	971
Personnel Management	30,808	26,400	24,000
Total Marina Concession Expense	\$ 53,214	\$ 52,565	\$ 47,278
Marina/Pavilion/Bait House/Concession			
Electric	\$ -	\$ -	\$ 1,732
Extra @2 Pole Lites	-	-	326
Marina Water (1907)	-	-	1,410
Supplies	-	-	999
Lumber Supplies	-	-	50
Equipment Purchase	-	-	99
Equipment Repair	3,195	2,488	2,780
Building Maintenance	-	-	194
Contract Services	-	665	785
Sales Tax	2,899	410	194
Gas Dispense	7,079	10,150	16,593
Total Marina/Pavilion/Bait House	\$ 13,173	\$ 13,713	\$ 25,162
Campground			
Electric Camp Site (65-4-3)	\$ -	\$ -	\$ 12,788
Electric Bath/Pavilion (420-430)	-	-	4,254
Water (1909)	-	-	2,434
Propane	-	-	699

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2016, 2015, AND 2014

	<u>2016</u> <u>GAAP</u>	<u>2015</u> <u>GAAP</u>	<u>2014</u> <u>GAAP</u>
EXPENSES (CONTINUED)			
Campground (Continued)			
Sanitary Supplies	\$ -	\$ -	\$ -
Supplies	-	20	277
Cleaning Supplies	-	-	-
Equipment Repair	975	307	639
Building Maintenance	-	-	138
Waste Disposal	-	-	802
Contract Services	5,030	324	575
Road Gravel Campground	-	-	257
Mulch	1,227	-	1,497
Total Campground Expense	<u>\$ 7,232</u>	<u>\$ 651</u>	<u>\$ 24,360</u>
Recreation			
Supplies	\$ 548	\$ 679	\$ 379
Coffee Supplies	62	121	34
Equipment Purchase	1,105	-	-
Fireworks	6,000	6,000	5,600
October Fest	1,003	1,621	1,044
Halloween	437	369	39
Christmas Potluck	1,359	1,101	765
New Years Eve	2,591	2,230	2,183
Spring Dance	-	-	701
Easter Egg Hunt	742	848	634
Fish Derby/Garage Sale/Fish Fry	125	346	1,215
Fourth of July	300	600	450
Pool Party	107	16	94
Fish Fry	683	822	-
Parade	99	29	122
Family Movies	-	-	1,500
Hog Roast	4,563	5,037	-
Travel & Miscellaneous	601	706	72
Total Recreation Expense	<u>\$ 20,325</u>	<u>\$ 20,525</u>	<u>\$ 14,832</u>
Fish and Wildlife			
Fish	\$ 6,569	\$ 5,350	\$ 7,115
Miscellaneous	3,974	6,459	481
Total Fish and Wildlife	<u>\$ 10,543</u>	<u>\$ 11,809</u>	<u>\$ 7,596</u>
Pool			
Part-Time Lifeguards	\$ 26,107	\$ 25,469	\$ 26,864
Electric (65230)	-	-	1,509
Water (1903-6)	-	-	4,029
Sanitary Supplies	-	-	-
Supplies	-	-	1,057
Cleaning Supplies	-	-	-

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2016, 2015, AND 2014

	<u>2016</u> <u>GAAP</u>	<u>2015</u> <u>GAAP</u>	<u>2014</u> <u>GAAP</u>
EXPENSES (CONTINUED)			
Pool (Continued)			
Equipment Purchase	\$ 392	\$ 376	\$ -
Equipment Repair	395	2,693	-
Building Maintenance	-	-	363
Pool/Chemicals	2,028	1,709	2,751
Contract Services	770	1,795	1,590
Telephone	-	-	-
Lifeguard Reimbursement	275	170	170
Total Pool Expense	<u>\$ 29,967</u>	<u>\$ 32,212</u>	<u>\$ 38,333</u>
East Beach			
Supplies	\$ -	\$ -	\$ 1,028
Lumber Supplies	-	-	-
Sand	-	-	453
Contract Services	-	-	280
Total East Beach Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,761</u>
West Beach			
Electric (66780)	\$ -	\$ -	\$ 358
Water (1910)	-	-	348
Sanitary Supplies	-	-	-
Beach Supplies	-	-	548
Building Maintenance	-	-	29
Sand	-	-	423
Contract Services	-	-	434
Total West Beach Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,140</u>
ECC			
Building Inspector	\$ -	\$ -	\$ -
Total ECC Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses	<u>\$ 1,150,921</u>	<u>\$ 1,075,141</u>	<u>\$ 1,067,934</u>
Net Income	<u>\$ 126,191</u>	<u>\$ 171,292</u>	<u>\$ 48,417</u>

LAKE WILDWOOD ASSOCIATION, INC.
CAPITAL IMPROVEMENTS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2016, 2015, AND 2014

	<u>2016</u> <u>GAAP</u>	<u>2015</u> <u>GAAP</u>	<u>2014</u> <u>GAAP</u>
REVENUES			
Capital Improvement Fund			
Membership Dues	\$ 20,816	\$ 18,126	\$ 41,309
Lot and Equipment Sales	-	10,300	950
State of IL Grant	96,533	22,166	-
Total Revenues	<u>\$ 117,349</u>	<u>\$ 50,592</u>	<u>\$ 42,259</u>
EXPENSES			
Maintenance			
Parking Lot Inlet	\$ 1,342	\$ -	\$ -
Total Admin Expense	<u>\$ 1,342</u>	<u>\$ -</u>	<u>\$ -</u>
Security			
Expand Parking Lot	\$ -	\$ 98	\$ -
Total Security Expense	<u>\$ -</u>	<u>\$ 98</u>	<u>\$ -</u>
Lodge			
Public Sets Lodge Deck	\$ -	\$ 3,949	\$ -
Total Lodge Expense	<u>\$ -</u>	<u>\$ 3,949</u>	<u>\$ -</u>
Campground			
Dog Run Lattice	\$ -	\$ -	\$ 483
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 483</u>
Lake			
Board Seawall	\$ -	\$ 5,350	\$ -
Shaw Creek Sed. Stab.	-	-	-
Lake Planning & Engineering	-	-	-
Total Lake Expense	<u>\$ -</u>	<u>\$ 5,350</u>	<u>\$ -</u>
Grant			
Professional Services - LWW	\$ 8,214	\$ 5,774	\$ -
Professional Services - State	-	8,305	-
Construction - LWW	93,117	-	-
Construction - State	95,562	-	-
Total Lake Expense	<u>\$ 196,893</u>	<u>\$ 14,079</u>	<u>\$ -</u>
Depreciation			
Depreciation Expense	\$ 8,030	\$ 6,789	\$ 6,661
Total Expenses	<u>\$ 206,265</u>	<u>\$ 30,265</u>	<u>\$ 7,144</u>
Net Income (Loss)	<u>\$ (88,916)</u>	<u>\$ 20,327</u>	<u>\$ 35,115</u>

LAKE WILDWOOD ASSOCIATION, INC.
REPLACEMENT RESERVE - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2016, 2015, AND 2014

	2016 GAAP	2015 GAAP	2014 GAAP
REVENUES			
Reserve Fund Amenities			
Membership Dues	\$ 80,816	\$ 53,396	\$ 38,016
Interest	10,903	10,442	9,919
Insurance Claim	-	18,517	-
State of IL Grant	-	-	6,555
Other	38	-	-
Total Revenues	<u>\$ 91,757</u>	<u>\$ 82,355</u>	<u>\$ 54,490</u>
EXPENSES			
Admin			
Contract Services	\$ 270	\$ -	\$ 45
New Office Siding	-	-	721
Reserve Study	-	8,000	-
	<u>\$ 270</u>	<u>\$ 8,000</u>	<u>\$ 766</u>
Maintenance			
Interest Payments on Backhoe	\$ -	\$ -	\$ 2,964
Interest Payments on Back Hoe	1,490	2,241	-
Green Valley & Hidden Valley	5,000	-	-
Grind & Gravel Streets	12,000	-	-
Snow Plow	5,453	-	-
Building & Dredge Shed Repair	-	13,916	-
Beach Ropes & Buoys	-	6,390	-
Garbage Truck	-	800	-
Total Maintenance Expenses	<u>\$ 23,943</u>	<u>\$ 23,347</u>	<u>\$ 2,964</u>
Security			
Radios	\$ -	\$ -	\$ 94
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94</u>
Marina/Pavilion/Bait House			
Marina Upgrades	\$ -	\$ -	\$ -
Picnic Table	-	1,139	-
Total Marina/Pavilion/Bait Expenses	<u>\$ -</u>	<u>\$ 1,139</u>	<u>\$ -</u>
Campground			
Replace Hydrants	\$ -	\$ -	\$ -
Windows for Bath Housse	-	2,336	-
	<u>\$ -</u>	<u>\$ 2,336</u>	<u>\$ -</u>
Beaches			
Replace Picnic Tables	\$ -	\$ -	\$ 3,195
Total Amenity Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,195</u>
Pool			
Pool Options Analysis	\$ -	\$ 18,707	\$ -
Total Amenity Expenses	<u>\$ -</u>	<u>\$ 18,707</u>	<u>\$ -</u>
Lodge			
Recover Furniture	\$ 2,500	\$ -	\$ -
Total Lakes Expenses	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ -</u>
319 Grant			
Professional Services LWW	\$ 4,500	\$ -	\$ 14,258
Professional Services State	-	-	21,387
	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ 35,645</u>
Depreciation			
Depreciation Expense	\$ 65,072	\$ 112,701	\$ 96,939
Loss on Disposal of Equipment	3,350	-	-
	<u>68,422</u>	<u>112,701</u>	<u>96,939</u>
Total Expenses	<u>\$ 99,635</u>	<u>\$ 166,230</u>	<u>\$ 139,603</u>
Net Income	<u>\$ (7,878)</u>	<u>\$ (83,875)</u>	<u>\$ (85,113)</u>

LAKE WILDWOOD ASSOCIATION, INC.
SWIMMING RESERVE - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEARS ENDED 2016, 2015, AND 2014

	<u>2016 GAAP</u>	<u>2015 GAAP</u>	<u>2014 GAAP</u>
REVENUES			
Reserve Fund Amenities			
Membership Dues	\$ 32,667	\$ -	\$ -
Total Revenues	<u>\$ 32,667</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENSES			
Admin			
Loan Interest	\$ -	\$ -	\$ -
Loan Principal	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Depreciation			
Depreciation Expense	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Income	<u><u>\$ 32,667</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

LAKE WILDWOOD ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
September 30, 2016

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>