

**LAKE WILDWOOD ASSOCIATION, INC.**  
**ANNUAL FINANCIAL STATEMENTS**  
**Year Ended September 30, 2018**

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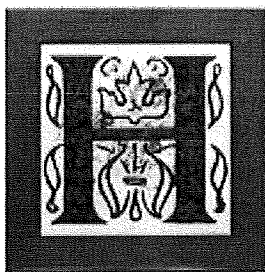
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**INDEPENDENT AUDITOR'S REPORT**

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, 2018 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, Inc. as of September 30, 2018, 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-Matters

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  
January 3, 2019

## LAKE WILDWOOD ASSOCIATION, INC.

## BALANCE SHEET

September 30, 2018

ASSETS	OPERATING FUND	REPLACEMENT FUND	SWIMMING FUND	TOTAL
<b>Current Assets:</b>				
Cash and Money Markets (Note 2)	\$ 467,259	\$ -	\$ -	\$ 467,259
Certificate of Deposits (Note 2)	470,515	178,416	121,415	770,346
Receivables:				
Member Dues (Note 5)	179,182	40,960	9,800	229,942
Allowance for Doubtful Accounts (Note 5)	(127,639)	(27,853)	(2,238)	(157,730)
Lots Held for Sale (Note 4)	2,000	-	-	2,000
<b>Long-Term Assets:</b>				
Capital Assets (Note 3):				
Land, Buildings, & Equipment	-	3,495,667	1,535,936	5,031,603
Accumulated Depreciation	-	(2,426,356)	(77,265)	(2,503,621)
<b>Total Assets</b>	<b>\$ 991,317</b>	<b>\$ 1,260,834</b>	<b>\$ 1,587,648</b>	<b>\$ 3,839,799</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accrued Wages (Note 5)	\$ 16,423	\$ -	\$ -	\$ 16,423
Accrued Payroll Taxes (Note 5)	1,402	-	-	1,402
Accrued Vacation Pay (Note 5)	21,971	-	-	21,971
Accrued Sales Tax (Note 5)	143	-	-	143
Garden Bricks (Note 5)	-	1,031	-	1,031
Member Deposits (Note 5)	18,782	-	-	18,782
Deferred Member Dues (Note 1)	386,230	85,480	46,842	518,552
Current Portion of Debt (Note 9)	-	-	41,001	41,001
<b>Total Current Liabilities</b>	<b>\$ 444,951</b>	<b>\$ 86,511</b>	<b>\$ 87,843</b>	<b>\$ 619,305</b>
Notes Payable, Less Current Portion (Note 9)	-	-	1,119,665	1,119,665
<b>Total Liabilities</b>	<b>\$ 444,951</b>	<b>\$ 86,511</b>	<b>\$ 1,207,508</b>	<b>\$ 1,738,970</b>
<b>FUND BALANCE</b>				
Restricted	\$ -	\$ 1,174,323	\$ 380,140	\$ 1,554,463
Unrestricted	546,366	-	-	546,366
<b>Total Fund Balances</b>	<b>\$ 546,366</b>	<b>\$ 1,174,323</b>	<b>\$ 380,140</b>	<b>\$ 2,100,829</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 991,317</b>	<b>\$ 1,260,834</b>	<b>\$ 1,587,648</b>	<b>\$ 3,839,799</b>

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, 2018**

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>SWIMMING FUND</u>	<u>TOTAL</u>
<b>OPERATING REVENUES</b>				
Membership Dues	\$ 910,395	\$ 196,789	\$ 112,303	\$ 1,219,487
Other Income (Sch 1)	320,223	761	-	320,984
<b>Total Operating Revenues</b>	<u>\$ 1,230,618</u>	<u>\$ 197,550</u>	<u>\$ 112,303</u>	<u>\$ 1,540,471</u>
<b>OPERATING EXPENSES</b>				
Administration	\$ 425,080	\$ 23,333	\$ -	\$ 448,413
Market and Promotion	7,138	-	-	7,138
Maintenance	390,943	149,818	-	540,761
Security	146,079	7,521	-	153,600
Sunbeam	39,448	-	-	39,448
Lodge	2,983	-	-	2,983
Marina/Pavilion/Bait House/Concession	20,600	-	-	20,600
Campground	7,307	-	-	7,307
Beaches and Recreation	21,449	427	-	21,876
Fish and Wildlife	16,776	-	-	16,776
Lakes	-	55,372	-	55,372
Pool	56,343	5,054	39,383	100,780
<b>Total Operating Expenses</b>	<u>\$ 1,134,146</u>	<u>\$ 241,525</u>	<u>\$ 39,383</u>	<u>\$ 1,415,054</u>
<b>EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER OPERATING EXPENSES</b>	<u>\$ 96,472</u>	<u>\$ (43,975)</u>	<u>\$ 72,920</u>	<u>\$ 125,417</u>
<b>OTHER REVENUES (EXPENSES)</b>				
Interest Revenue	\$ -	\$ 11,491	\$ 875	\$ 12,366
Interest Expense	-	-	(50,857)	(50,857)
Sale of Lots	-	13,000	-	13,000
Bad Debt Expense	(62,066)	-	-	(62,066)
<b>Total Other Revenues (Expenses)</b>	<u>\$ (62,066)</u>	<u>\$ 24,491</u>	<u>\$ (49,982)</u>	<u>\$ (87,557)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 34,406</u>	<u>\$ (19,484)</u>	<u>\$ 22,938</u>	<u>\$ 37,860</u>
<b>BEGINNING FUND BALANCES</b>	<u>511,960</u>	<u>1,193,807</u>	<u>357,202</u>	<u>2,062,969</u>
<b>ENDING FUND BALANCES</b>	<u><u>\$ 546,366</u></u>	<u><u>\$ 1,174,323</u></u>	<u><u>\$ 380,140</u></u>	<u><u>\$ 2,100,829</u></u>

See accompanying notes to basic financial statements.

**LAKE WILDWOOD ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
September 30, 2018

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>SWIMMING FUND</u>	<u>TOTAL</u>
<b>Cash Flows From Operating Activities:</b>				
Excess (Deficiency) of Revenues Over Expenses	\$ 34,406	\$ (19,484)	\$ 22,938	\$ 37,860
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided by Operating Activities:				
Depreciation	-	87,288	39,383	126,671
(Increase) Decrease in Receivables	12,276	(1,863)	(2,311)	8,102
Increase (Decrease) in Payables	-	-	-	-
Increase (Decrease) in Payroll Liabilities	387	-	-	387
Increase (Decrease) in Tax Liabilities	(187)	-	-	(187)
Increase (Decrease) in Deferred Member Dues	16,556	8,477	117	25,150
Increase (Decrease) in Deposits	3,441	1,031	-	4,472
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 66,879</u>	<u>\$ 75,449</u>	<u>\$ 60,127</u>	<u>\$ 202,455</u>
<b>Cash Flows From Investing Activities:</b>				
Acquisition of Equipment and Other Capital Improvements	\$ -	\$ (262,298)	\$ (58,538)	\$ (320,836)
Change in Lots Held for Sale	(2,000)	-	-	(2,000)
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>\$ (2,000)</u>	<u>\$ (262,298)</u>	<u>\$ (58,538)</u>	<u>\$ (322,836)</u>
<b>Cash Flows From Financing Activities:</b>				
Principal Payments on Pool Loan	\$ -	\$ -	\$ (39,334)	\$ (39,334)
<b>Net Cash Provided (Used) by Financing Activities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,334)</u>	<u>\$ (39,334)</u>
<b>Net Increase (Decrease) in Cash</b>	\$ 64,879	\$ (186,849)	\$ (37,745)	\$ (159,715)
<b>Cash and Equivalents, Beginning of Year</b>	<u>872,895</u>	<u>365,265</u>	<u>159,160</u>	<u>1,397,320</u>
<b>Cash and Equivalents, End of Year</b>	<u>\$ 937,774</u>	<u>\$ 178,416</u>	<u>\$ 121,415</u>	<u>\$ 1,237,605</u>
<b>Supplemental Disclosures</b>				
Interest Paid	\$ -	\$ -	\$ 50,857	\$ 50,857
Income Taxes Paid	\$ 752	\$ -	\$ -	\$ 752

See accompanying notes to basic financial statements.

**LAKE WILDWOOD ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**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 1,605 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 Operations Fund.

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 was created 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, 2018**

**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:

<b>Capital Asset</b>	<b>Years</b>
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 1<sup>st</sup>. 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 \$775 per lot in fiscal year 2018. 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 30<sup>th</sup>.

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. Interest income is allocated among the Replacement Reserve and Swimming Pool funds.

**LAKE WILDWOOD ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**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, 2018, the election was made to file as a homeowners association.

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

At September 30, 2018, 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%	\$ 77,532	\$ (78,359)
Payroll Checking	0.00%	28,353	27,989
Money Market 1	0.15%	25,747	25,747
Money Market 2	0.13%	119,333	119,333
Money Market 3	0.75%	245,731	245,731
Money Market 5	0.60%	126,663	126,663
Savings	0.25%	5	5
Petty Cash		-	150
<b>Total Cash and Money Market</b>		<u>\$ 623,364</u>	<u>\$ 467,259</u>

Bank balance is the balance at the bank as of September 30, 2018 and book balance is the balance of Lake Wildwood as of September 30, 2018. 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, 2018.

**LAKE WILDWOOD ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**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>
Bank of Speer	1.49%	\$ 153,400	\$ 153,400
Bank of Speer	1.39%	103,725	103,725
TIAA Bank	2.47%	156,490	156,490
CIBC Bank	2.50%	251,546	251,546
Bank of Farmington	0.85%	105,185	105,185
<b>Total CD Balances</b>		<u><u>\$ 770,346</u></u>	<u><u>\$ 770,346</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>
<b>Type 1 -</b>	Fully insured by FDIC	\$ 1,385,039	\$ 1,228,784
<b>Type 2 -</b>	Secured by securities pledged to the Association but in the bank's name	-	-
<b>Type 3 -</b>	Uncollateralized	8,671	8,821
		<u><u>\$ 1,393,710</u></u>	<u><u>\$ 1,237,605</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, Capital Improvements Fund, or Swimming Pool Fund. The related depreciation expense is also recorded in the Replacement Reserve Fund or Swimming Pool Fund.

The current year additions to capital assets consisted of garbage surrounds, \$26,375; lodge kitchen, \$4,614; a soft serve ice cream machine at the marina, \$8,595; final costs for the new swimming pool, \$58,538; security cameras, \$4,510; and improvements to the dam face, \$218,204. During the current fiscal year, 13 lots were sold for \$13,000.

**LAKE WILDWOOD ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**Note 3 - Capital Assets (Continued)**

	<b><u>COST BASIS</u></b>			
	<b><u>Beginning of Year</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>End of Year</u></b>
Land	\$ 277,760	\$ -	\$ 13,000	\$ 264,760
Administration				
Office Building	32,450	-	-	32,450
Office Equipment	56,326	-	-	56,326
Fire Station	53,680	-	-	53,680
Maintenance				
Maintenance Building	76,892	26,375	-	103,267
Automotive Equipment	175,425	-	-	175,425
Maintenance Equipment	311,301	-	-	311,301
Security	143,047	-	-	143,047
Pool	1,525,834	63,048	-	1,588,882
Lake and Recreation				
Bath House & Dump Station	128,992	-	-	128,992
Lodge	561,017	4,614	-	565,631
Pavilion	104,631	8,595	-	113,226
Equipment	779,543	-	-	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
Campground	30,063	-	-	30,063
Shaw Creek Basin	16,900	-	-	16,900
Land Improvements	52,689	218,204	-	270,893
<b>GrandTotal</b>	<b><u>\$ 4,710,767</u></b>	<b><u>\$ 320,836</u></b>	<b><u>\$ 13,000</u></b>	<b><u>\$ 5,018,603</u></b>

**LAKE WILDWOOD ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**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	\$ 19,612	\$ 492	\$ -	\$ 20,104
Office Equipment	54,578	1,748	-	56,326
Fire Station	30,869	739	-	31,608
Maintenance				
Maintenance Building	38,256	3,136	-	41,392
Automotive Equipment	155,265	10,080	-	165,345
Maintenance Equipment	240,865	20,421	-	261,286
Security	84,804	7,521	-	92,325
Pool	39,124	40,741	-	79,865
Lake and Recreation				
Bath and Comfort House & Dump Station	123,338	582	-	123,920
Lodge	298,504	14,054	-	312,558
Pavilion	76,967	4,109	-	81,076
Equipment	762,059	2,223	-	764,282
Silt Pond	200,023	1,864	-	201,887
Fish House	16,573	405	-	16,978
Bridge	12,962	-	-	12,962
Road Improvements	40,672	459	-	41,131
Tennis Courts and Fences	65,005	1,621	-	66,626
Boat Ramp/Dock	27,443	-	-	27,443
Campground	25,406	548	-	25,954
Shaw Creek Basin	16,577	129	-	16,706
Land Improvements	48,048	15,799	-	63,847
<b>GrandTotal</b>	<u>\$ 2,376,950</u>	<u>\$ 126,671</u>	<u>\$ -</u>	<u>\$ 2,503,621</u>

Depreciation is allocated to the following functions: General Administration, \$2,979; Maintenance, \$33,637; Security, \$7,521; Lake and Recreation, \$41,793; and Pool \$40,741.

**Note 4 - Lots Acquired From Members for Nonpayment**

Under the restrictive covenants and by-laws, the Association may acquire members' lots if payment of membership fees and mowing charges are in arrears. As of September 30, 2018, the Association is holding two of these lots at a value of \$1,000 per lot.

**LAKE WILDWOOD ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**Note 5** - **Other Receivables and Payables**

At September 30, 2018, the following receivables and payables recorded are:

- Accounts Receivable (net) – Member dues and fees billed but not paid of \$229,942 offset by the allowance for doubtful accounts of \$157,730.
- 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.
- Garden Bricks – Members paid for bricks to be placed at the old pool site.

**Note 6** - **Deferred Compensation Program**

The Association has a Simplified Employee Pension Plan (defined contribution) and contributes 3% of salaries and wages of eligible employees. During the fiscal year ended September 30, 2018, the Association contributed \$10,165 to the plan.

**Note 7** - **Disbursements in Excess of Budget**

For the fiscal year ended September 30, 2018, disbursements exceeded budgeted amounts in the Operating Fund in the following categories; Admin, Market, Sunbeam, Lodge, and Marina. In total, the Operating Fund disbursements did exceed the budget. Disbursements did exceed expenditures in the Replacement Reserve and Swimming Pool Funds but not the Capital Improvements 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, 2018**

**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 totaling \$1,200,000. Interest and principal payments will begin in May 2018. The loan has 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%. 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. The repayment schedule is as follows:

**LAKE WILDWOOD ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

<u>FY Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 41,001	\$ 49,190	\$ 90,191
2020	42,609	47,582	90,191
2021	44,545	45,646	90,191
2022	46,433	43,758	90,191
2023	48,400	41,790	90,190
2024-2028	273,111	179,872	452,983
2029-2033	335,213	125,875	461,088
2034-2037	329,354	39,516	368,870
<b>Total</b>	<b>\$ 1,160,666</b>	<b>\$ 573,229</b>	<b>\$ 1,733,895</b>

Total Debt Summary for the Fiscal Year:

<u>Loan</u>	<u>Beg. Of Year</u>	<u>Issued</u>	<u>Principal</u>	<u>End of Year</u>	<u>Interest</u>
Pool Loan	\$ 1,200,000	\$ -	\$ (39,334)	\$ 1,160,666	\$ (50,857)
	<u>\$ 1,200,000</u>	<u>\$ -</u>	<u>\$ (39,334)</u>	<u>\$ 1,160,666</u>	<u>\$ (50,857)</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 2018, the Association assessed each member \$0 which was dedicated to the Replacement Fund and \$127.82 which was dedicated for capital improvements. The Association also assessed \$70 for the swimming pool. 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 \$1,161,323 at September 30, 2018. This fund balance consists of \$178,416 invested in cash and CD's, \$13,107 in net accounts receivable, and fixed assets with a net book value of \$1,056,311 less deferred member dues of \$85,480 and \$1,031 in garden brick deposits.

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, 2018**

**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 \$127.82 for capital improvements and \$70 for the swimming pool in 2018. For 2019, member dues are \$800, of which \$127.09 is for capital improvements, \$25 for Replacement Reserve, and \$70 for the swimming pool project. The Association did not assess replacement reserve dues for 2018.

**Note 11** - **Subsequent Events**

The Association has evaluated subsequent events through January 3, 2019, 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, 2018 the Board consisted of the following five members:

Chris Martel - Chairman  
Manny Singh - Secretary  
Brian Eaggleston - Treasurer  
Sue McGrath  
Randy Hart

**LAKE WILDWOOD ASSOCIATION, INC.**  
**OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2018**

	2018			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
<b>REVENUES</b>				
<b>Administration</b>				
2018 Membership Dues	\$ 926,382	\$ 890,006	\$ (36,376)	\$ 910,395
2017 Membership Dues	18,300	15,476	(2,824)	-
2016 Membership Dues	4,000	3,067	(933)	-
2015 and Older Membership Dues	2,000	2,968	968	-
Boat Slips Rental	30,400	31,350	950	30,700
Storage Rental	8,500	9,090	590	9,090
Membership Applications	6,500	8,000	1,500	8,000
Building Fees	2,500	3,650	1,150	3,650
Registration Decals	20,000	27,030	7,030	27,070
Miscellaneous Income	5,000	7,577	2,577	7,156
Finance & Late Charges	9,600	12,355	2,755	17,252
Collection Charge	12,000	10,691	(1,309)	39,638
Credit Card Income	1,000	1,614	614	1,550
<b>Total Administration</b>	<b>\$ 1,046,182</b>	<b>\$ 1,022,874</b>	<b>\$ (23,308)</b>	<b>\$ 1,054,501</b>
<b>Market and Promotion</b>				
Promotional Items	\$ 1,500	\$ 4,085	\$ 2,585	\$ 4,085
<b>Total Market and Promotion</b>	<b>\$ 1,500</b>	<b>\$ 4,085</b>	<b>\$ 2,585</b>	<b>\$ 4,085</b>
<b>Maintenance</b>				
Mowing Late Fee	\$ 6,000	\$ 4,267	\$ (1,733)	\$ 8,300
Truck Fill	600	90	(510)	90
Garbage Fee Income	5,000	5,018	18	5,018
Lot Mowing Income	35,000	35,149	149	36,000
<b>Total Maintenance</b>	<b>\$ 46,600</b>	<b>\$ 44,524</b>	<b>\$ (2,076)</b>	<b>\$ 49,408</b>
<b>Security</b>				
Land Fines	\$ 6,000	\$ 16,237	\$ 10,237	\$ 16,859
Marine Fines	1,000	694	(306)	750
<b>Total Security</b>	<b>\$ 7,000</b>	<b>\$ 16,931</b>	<b>\$ 9,931</b>	<b>\$ 17,609</b>
<b>Sunbeam</b>				
Classified Ad	\$ 300	\$ 472	\$ 172	\$ 491
Placement Ad	14,000	16,313	2,313	15,863
Other Income	800	619	(181)	669
<b>Total Sunbeam</b>	<b>\$ 15,100</b>	<b>\$ 17,404</b>	<b>\$ 2,304</b>	<b>\$ 17,023</b>
<b>Lodge</b>				
Lodge Rental Income	\$ 2,300	\$ 3,765	\$ 1,465	\$ 3,120
<b>Marina/Pavilion/Bait House</b>				
Gas Receipts/Marina	\$ 13,000	\$ 20,423	\$ 7,423	\$ 20,304
<b>Total Marina/Pavilion/Bait House</b>	<b>\$ 13,000</b>	<b>\$ 20,423</b>	<b>\$ 7,423</b>	<b>\$ 20,304</b>
<b>Concessions</b>				
Food Sales	\$ 50,000	\$ 5,299	\$ (44,701)	\$ 5,299
Bait	3,750	-	(3,750)	-
<b>Total Concessions</b>	<b>\$ 53,750</b>	<b>\$ 5,299</b>	<b>\$ (48,451)</b>	<b>\$ 5,299</b>

**LAKE WILDWOOD ASSOCIATION, INC.**  
**OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2018**

	2018			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
<b>Revenues (Continued)</b>				
<b>Campground</b>				
Mem Daily Ele Sites	\$ 1,000	\$ 2,460	\$ 1,460	\$ 2,460
Same Site Camping	46,000	46,038	38	46,400
Summer Seasonal Site	2,500	4,414	1,914	4,027
Winter Seasonal Camp	-	200	200	-
Guest Ele Camp Sites	1,000	1,400	400	1,400
Guest Non-ele Sites	500	445	(55)	445
Primitive Seasonal	250	600	350	600
<b>Total Campground</b>	<b>\$ 51,250</b>	<b>\$ 55,557</b>	<b>\$ 4,307</b>	<b>\$ 55,332</b>
<b>Recreation</b>				
NYE Dance	\$ 2,100	\$ 1,747	\$ (353)	\$ 1,747
Family Beach Day	1,000	920	(80)	920
Adult Pool Party	600	1,270	670	1,270
Recreation Miscellaneous	1,575	-	(1,575)	-
<b>Total Recreation</b>	<b>\$ 5,275</b>	<b>\$ 3,937</b>	<b>\$ (1,338)</b>	<b>\$ 3,937</b>
<b>Uncollectible Dues &amp; Fees</b>	<b>(40,000)</b>	<b>-</b>	<b>40,000</b>	<b>(62,066)</b>
<b>Total Revenues</b>	<b>\$ 1,201,957</b>	<b>\$ 1,194,799</b>	<b>\$ (7,158)</b>	<b>\$ 1,168,552</b>
<b>EXPENSES</b>				
<b>Administration</b>				
Publications/Dues	\$ 4,000	\$ 3,616	\$ 384	\$ 3,616
Admin Salaries	139,050	126,258	12,792	127,438
Cell	2,100	2,210	(110)	2,210
S.U.T.A.	9,637	4,264	5,373	4,264
F.U.T.A.	1,400	1,137	263	1,137
Employee Health Insurance	63,000	46,958	16,042	46,958
FICA Employer Share	37,500	37,483	17	37,483
Continuing Education	2,300	799	1,501	799
Employee Pension	11,000	10,165	835	10,165
Legal Fees	10,000	8,843	1,157	8,843
Audit Fees	6,000	6,380	(380)	6,380
Bookkeep Fees	5,500	9,420	(3,920)	9,420
Dam Inspections	5,500	4,676	824	4,676
Collection Fees	20,000	63,044	(43,044)	63,044
Office Expenses	5,000	5,293	(293)	5,293
General Liability	50,000	59,996	(9,996)	59,996
Postage	6,000	5,508	492	5,508
Printing	6,000	6,532	(532)	6,532
Office Tele Bus @ 3	9,000	9,900	(900)	9,900
Equipment Repair	3,500	-	3,500	-
Travel	4,500	3,561	939	3,561
Property Taxes	600	967	(367)	967
Admin. Misc. Expense	1,000	1,873	(873)	1,908
Employee Appreciation	1,250	727	523	727
Credit Card Expense	1,500	1,727	(227)	1,727
State Income Tax	5,000	752	4,248	752
Refunds & Returns	1,500	1,776	(276)	1,776
<b>Total Administration Expense</b>	<b>\$ 411,837</b>	<b>\$ 423,865</b>	<b>\$ (12,028)</b>	<b>\$ 425,080</b>

**LAKE WILDWOOD ASSOCIATION, INC.**  
**OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2018**

EXPENSES (CONTINUED)	2018			
	BUDGETARY		VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
	BUDGET	BASIS ACTUAL		
<b>Market and Promotion</b>				
Web Site Fees	\$ 1,000	\$ 4,640	\$ (3,640)	\$ 4,640
Promotional Items	1,700	2,498	(798)	2,498
<b>Total Market and Promotion Expense</b>	<b>\$ 2,700</b>	<b>\$ 7,138</b>	<b>\$ (4,438)</b>	<b>\$ 7,138</b>
<b>Maintenance</b>				
Maintenance Salaries	\$ 186,000	\$ 173,428	\$ 12,572	\$ 172,987
Uniforms	2,000	1,297	703	1,297
Electrical	38,000	45,014	(7,014)	45,014
Water	20,000	17,016	2,984	17,016
Propane	14,000	13,483	517	13,483
Unleaded Gas	5,500	5,095	405	5,095
Diesel Fuel	9,000	13,083	(4,083)	13,083
Petroleum Products	2,000	77	1,923	77
Vehicle Repair	9,000	8,985	15	8,985
Vehicle Licenses	3,500	2,007	1,493	2,007
Cleaning & Sanitation Supplies	8,500	3,845	4,655	3,845
Supplies	5,500	5,856	(356)	5,856
Equipment Purchase	3,000	5,592	(2,592)	5,592
Equipment Repair	9,500	4,851	4,649	4,851
Dredge	22,500	22,500	-	22,500
Building Maintenance	7,000	5,413	1,587	5,413
Landscaping	5,000	2,103	2,897	2,103
Gravel and Material	5,000	5,396	(396)	5,396
Hot/Cold Patch	10,000	17,157	(7,157)	17,157
Salt and Cinders	10,000	7,428	2,572	7,428
Waste Disposal	11,000	10,502	498	10,502
Contract Services	13,000	8,544	4,456	8,544
Chemicals/Water	2,500	-	2,500	-
Maintenance Projects	10,000	12,712	(2,712)	12,712
<b>Total Maintenance Expense</b>	<b>\$ 411,500</b>	<b>\$ 391,384</b>	<b>\$ 20,116</b>	<b>\$ 390,943</b>
<b>Security</b>				
Security Salaries	\$ 156,739	\$ 142,905	\$ 13,834	\$ 143,802
Uniforms	600	701	(101)	701
Equipment Repair	1,000	643	357	643
Security Systems	1,000	666	334	666
Dish	500	267	233	267
<b>Total Security Expense</b>	<b>\$ 159,839</b>	<b>\$ 145,182</b>	<b>\$ 14,657</b>	<b>\$ 146,079</b>
<b>Sunbeam</b>				
Layout Expense	\$ 14,431	\$ 19,206	\$ (4,775)	\$ 18,681
Postage	5,800	5,293	507	5,293
Printing Expense	14,000	14,937	(937)	14,937
Photo Contest	600	537	63	537
<b>Total Sunbeam Expense</b>	<b>\$ 34,831</b>	<b>\$ 39,973</b>	<b>\$ (5,142)</b>	<b>\$ 39,448</b>

**LAKE WILDWOOD ASSOCIATION, INC.**  
**OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2018**

EXPENSES (CONTINUED)	2018			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
<b>Lodge</b>				
Supplies	\$ 500	\$ -	\$ 500	\$ -
Building Maintenance	1,500	2,472	(972)	2,472
Pest Control	500	511	(11)	511
<b>Total Lodge Expense</b>	<b>\$ 2,500</b>	<b>\$ 2,983</b>	<b>\$ (483)</b>	<b>\$ 2,983</b>
<b>Marina Concession</b>				
Perishables	\$ 18,000	\$ -	\$ 18,000	\$ -
Non Perishable Supplies	5,000	-	5,000	-
Bait Supplies	1,150	-	1,150	-
Wages	25,000	1,066	23,934	921
<b>Total Marina Concession Expense</b>	<b>\$ 49,150</b>	<b>\$ 1,066</b>	<b>\$ 48,084</b>	<b>\$ 921</b>
<b>Marina/Pavilion/Bait House</b>				
Equipment Repair	\$ 1,300	\$ 363	\$ 937	\$ 363
Contract Services	450	339	111	339
Gas Dispense	15,000	17,592	(2,592)	17,592
Sales Tax	-	1,572	(1,572)	1,385
<b>Total Marina/Pavilion/Bait House</b>	<b>\$ 16,750</b>	<b>\$ 19,866</b>	<b>\$ (3,116)</b>	<b>\$ 19,679</b>
<b>Campground</b>				
Equipment Repair	\$ 3,100	\$ 3,107	\$ (7)	\$ 3,107
Contract Services	1,500	1,572	(72)	1,572
Gravel	1,500	1,478	22	1,478
Mulch	1,500	1,150	350	1,150
<b>Total Campground Expense</b>	<b>\$ 7,600</b>	<b>\$ 7,307</b>	<b>\$ 293</b>	<b>\$ 7,307</b>
<b>Recreation</b>				
Supplies	\$ 700	\$ 996	\$ (296)	\$ 996
Coffee Supplies	450	88	362	88
Equipment Purchase	650	956	(306)	956
Fireworks	6,500	6,500	-	6,500
Halloween	500	510	(10)	510
Christmas Potluck	1,500	1,849	(349)	1,849
New Years Eve	2,300	2,122	178	2,122
Easter Egg Hunt	1,200	1,075	125	1,075
Fish Derby	600	168	432	168
Fourth of July	600	222	378	222
Pool Party	150	262	(112)	262
Autumn Fest	1,500	-	1,500	-
Adult Pool Party	2,800	3,471	(671)	3,471
Family Beach Day	2,500	1,936	564	1,936
Venitian Diet	700	546	154	546
Travel	350	45	305	45
Miscellaneous	450	703	(253)	703
<b>Total Recreation Expense</b>	<b>\$ 23,450</b>	<b>\$ 21,449</b>	<b>\$ 2,001</b>	<b>\$ 21,449</b>
<b>Fish and Wildlife</b>				
Fish	\$ 8,000	\$ 9,277	\$ (1,277)	\$ 9,277
Fish Shocking Survey	5,000	-	5,000	-
Lake Chemical Treatment	6,600	7,499	(899)	7,499
<b>Total Fish and Wildlife</b>	<b>\$ 19,600</b>	<b>\$ 16,776</b>	<b>\$ 2,824</b>	<b>\$ 16,776</b>

**LAKE WILDWOOD ASSOCIATION, INC.**  
**OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2018**

EXPENSES (CONTINUED)	2018			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
<b>Pool (Continued)</b>				
Part-Time Lifeguards	\$ 42,000	\$ 38,722	\$ 3,278	\$ 38,931
Equipment Purchase	1,500	1,748	(248)	1,748
Building Maintenance	2,000	4,823	(2,823)	4,823
Pool/Chemicals	15,000	10,316	4,684	10,316
Contract Services	200	-	200	-
Lifeguard Reimbursement	1,500	525	975	525
<b>Total Pool Expense</b>	<u>\$ 62,200</u>	<u>\$ 56,134</u>	<u>\$ 6,066</u>	<u>\$ 56,343</u>
<b>Total Expenses</b>	<u>\$ 1,201,957</u>	<u>\$ 1,133,123</u>	<u>\$ 68,834</u>	<u>\$ 1,134,146</u>
<b>Net Income</b>	<u>\$ -</u>	<u>\$ 61,676</u>	<u>\$ 61,676</u>	<u>\$ 34,406</u>

See accompanying note to budgetary comparison schedules.

**LAKE WILDWOOD ASSOCIATION, INC.**  
**CAPITAL IMPROVEMENTS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2018**

	2018			
	REVENUES	BUDGETARY		GAAP BASIS
		BUDGET	BASIS ACTUAL	
<b>Capital Improvement Fund</b>				
2018 Membership Dues	\$ 205,158	\$ 197,008	\$ (8,150)	\$ 196,789
2017 Membership Dues	-	3,298	3,298	-
2016 Membership Dues	-	75	75	-
2015 & Older Membership Dues	-	55	55	-
<b>Total Revenues</b>	<u>\$ 205,158</u>	<u>\$ 200,436</u>	<u>\$ (4,722)</u>	<u>\$ 196,789</u>
<b>EXPENSES</b>				
<b>Admin</b>				
50 Year Anniversary	\$ 20,000	\$ 20,354	\$ (354)	\$ 20,354
<b>Total Admin Expense</b>	<u>\$ 20,000</u>	<u>\$ 20,354</u>	<u>\$ (354)</u>	<u>\$ 20,354</u>
<b>Maintenance</b>				
Lodge Kitchen	\$ 7,500	\$ 4,614	\$ 2,886	\$ -
Garbage Surrounds	20,158	26,375	(6,217)	-
Road Project - Chip & Seal	110,000	89,556	20,444	89,556
Road Project - Reconstruct	100,000	26,625	73,375	26,625
<b>Total Lake Expense</b>	<u>\$ 237,658</u>	<u>\$ 147,170</u>	<u>\$ 90,488</u>	<u>\$ 116,181</u>
<b>Beautification Capital</b>				
Renovate Old Pool Site	\$ 10,000	\$ 8,206	\$ 1,794	\$ 3,696
<b>Total Beautification Capital</b>	<u>\$ 10,000</u>	<u>\$ 8,206</u>	<u>\$ 1,794</u>	<u>\$ 3,696</u>
<b>East Beach Capital Fund</b>				
Rope Fence Beach 1 Parking	\$ 1,500	\$ 427	\$ 1,073	\$ 427
<b>Total East Beach Capital</b>	<u>\$ 1,500</u>	<u>\$ 427</u>	<u>\$ 1,073</u>	<u>\$ 427</u>
<b>Lake Capital</b>				
Dam Repairs	\$ 115,000	\$ 218,204	\$ (103,204)	\$ -
Tanglewood Basin A Sediment	6,000	4,586	1,414	4,586
319 Grant Siltation Basin	15,000	7,793	7,207	7,793
Technical Specialist	-	1,200	(1,200)	1,200
Mechanical Dredge Shaw Creek	10,000	-	10,000	-
<b>Total Lake Expense</b>	<u>\$ 146,000</u>	<u>\$ 231,783</u>	<u>\$ (85,783)</u>	<u>\$ 13,579</u>
<b>Depreciation</b>				
Depreciation Expense	\$ -	\$ -	\$ -	\$ 25,491
<b>Total Expenses</b>	<u>\$ 415,158</u>	<u>\$ 407,940</u>	<u>\$ 7,218</u>	<u>\$ 179,728</u>
<b>Other Sources (Uses)</b>				
Transfer In	\$ 210,000	\$ 206,832	\$ (3,168)	\$ 206,832
<b>Net Income (Loss)</b>	<u>\$ -</u>	<u>\$ (672)</u>	<u>\$ (672)</u>	<u>\$ 223,893</u>

See accompanying note to budgetary comparison schedules.

**LAKE WILDWOOD ASSOCIATION, INC.**  
**REPLACEMENT RESERVE - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2018**

	2018			
	REVENUES	BUDGETARY		GAAP BASIS
		BUDGET	BASIS ACTUAL	
<b>Reserve Fund Amenities</b>				
2016 Membership Dues	\$ -	\$ 361	\$ 361	\$ -
2015 & Older Membership Dues	-	165	165	-
Interest	10,000	11,491	1,491	11,491
Lot Sales	-	13,000	13,000	13,000
Soft Serve Ice Cream	-	761	761	761
<b>Total Revenues</b>	<u>\$ 10,000</u>	<u>\$ 25,778</u>	<u>\$ 15,778</u>	<u>\$ 25,252</u>
<b>EXPENSES</b>				
<b>Other</b>				
Soft Serve Machine	\$ -	\$ 8,595	\$ (8,595)	\$ -
Depreciation Expense	-	-	-	61,797
<b>Total Other Expense</b>	<u>\$ -</u>	<u>\$ 8,595</u>	<u>\$ (8,595)</u>	<u>\$ 61,797</u>
<b>Total Expenses</b>	<u>\$ -</u>	<u>\$ 8,595</u>	<u>\$ (8,595)</u>	<u>\$ 61,797</u>
<b>Other Sources (Uses)</b>				
Transfer (Out)	\$ (210,000)	\$ (206,832)	\$ 3,168	\$ (206,832)
<b>Net Income (Loss)</b>	<u>\$ (200,000)</u>	<u>\$ (189,649)</u>	<u>\$ 10,351</u>	<u>\$ (243,377)</u>

See accompanying note to budgetary comparison schedules.



**LAKE WILDWOOD ASSOCIATION, INC.**  
**SWIMMING POOL RESERVE - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2018**

	2018			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
<b>REVENUES</b>				
<b>Swimming Pool Reserve</b>				
2018 Membership Dues	\$ 112,350	\$ 107,961	\$ (4,389)	\$ 112,303
2017 Membership Dues	2,800	1,931	(869)	-
2016 Membership Dues	175	217	42	-
Interest Income	500	875	375	875
<b>Total Revenues</b>	<u>\$ 115,825</u>	<u>\$ 110,984</u>	<u>\$ (4,841)</u>	<u>\$ 113,178</u>
<b>EXPENSES</b>				
<b>Swimming Pool</b>				
Swimming Pool	\$ 30,000	\$ 58,538	\$ (28,538)	\$ -
Loan Principal	39,334	39,334	-	-
Loan Interest	50,857	50,857	-	50,857
Depreciation	-	-	-	39,383
<b>Total Expenses</b>	<u>\$ 120,191</u>	<u>\$ 148,729</u>	<u>\$ (28,538)</u>	<u>\$ 90,240</u>
<b>Net Income (Loss)</b>	<u>\$ (4,366)</u>	<u>\$ (37,745)</u>	<u>\$ (33,379)</u>	<u>\$ 22,938</u>

See accompanying note to budgetary comparison schedules.

**LAKE WILDWOOD  
SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
Year Ended September 30, 2018**

**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:

	<b>Operating Fund</b>	<b>Replacement Reserve</b>	<b>Swimming Reserve</b>
Budgetary basis revenue (inflow)	\$ 1,194,799	\$ 226,214	\$ 110,984
Differences - budget to GAAP:			
Increase (Decrease) in net accounts receivable	(10,276)	1,863	2,311
(Increase) Decrease in deferred members dues	(16,556)	(8,477)	(117)
Other	585	2,441	-
<b>Total revenue (GAAP Basis)</b>	<b>\$ 1,168,552</b>	<b>\$ 222,041</b>	<b>\$ 113,178</b>
Budgetary basis expenditures (outflows)	\$ 1,133,123	\$ 416,535	\$ 148,729
Increase (Decrease) in Payroll Liabilities	387	-	-
Increase (Decrease) in Payables	636	-	-
Principal Payments on Loan	-	-	(39,334)
Depreciation Expense	-	87,288	39,383
Capital Asset Purchases	-	(262,298)	(58,538)
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 1,134,146</b>	<b>\$ 241,525</b>	<b>\$ 90,240</b>

**Note B - Budgetary Process**

The Operating Budget was approved by the Board on September 9, 2017. 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 2018, 2017, AND 2016**

	<u>2018</u> <u>GAAP</u>	<u>2017</u> <u>GAAP</u>	<u>2016</u> <u>GAAP</u>
<b>REVENUES</b>			
<b>Administration</b>			
Membership Dues	\$ 910,395	\$ 909,902	\$ 939,982
Boat Slips Rental	30,700	27,270	26,600
Storage Rental	9,090	6,675	10,575
Membership Applications	8,000	7,500	7,100
Building Fees	3,650	2,035	2,255
Registration Decals	27,070	27,002	25,142
Miscellaneous Income	7,156	10,781	4,008
Finance & Late Charge	17,252	14,226	19,584
Collection Charge	39,638	27,408	30,366
Credit Card Income	1,550	1,412	1,266
<b>Total Administration</b>	<u>\$ 1,054,501</u>	<u>\$ 1,034,211</u>	<u>\$ 1,066,878</u>
<b>Market and Promotion</b>			
Promotional Items	\$ 4,085	\$ 428	\$ 883
<b>Total Market and Promotion</b>	<u>\$ 4,085</u>	<u>\$ 428</u>	<u>\$ 883</u>
<b>Maintenance</b>			
Mowing Late Fee	\$ 8,300	\$ 8,900	\$ 6,825
Truck Fill	90	80	170
Garbage Fee Income	5,018	6,451	4,976
Lot Mowing Income	36,000	36,350	38,300
<b>Total Maintenance</b>	<u>\$ 49,408</u>	<u>\$ 51,781</u>	<u>\$ 50,271</u>
<b>Security</b>			
Land Fines	\$ 16,859	\$ 8,149	\$ 6,159
Marine Fines	750	1,250	150
<b>Total Security</b>	<u>\$ 17,609</u>	<u>\$ 9,399</u>	<u>\$ 6,309</u>
<b>Sunbeam</b>			
Classified Ad	\$ 491	\$ 233	\$ 390
Placement Ad	15,863	16,919	16,976
Other	669	565	580
<b>Total Sunbeam</b>	<u>\$ 17,023</u>	<u>\$ 17,717</u>	<u>\$ 17,946</u>
<b>SW Access</b>			
SW Access	\$ -	\$ -	\$ 14,464
<b>Lodge</b>			
Lodge Rental Income	\$ 3,120	\$ 4,890	\$ 3,420
<b>Marina/Pavilion/Bait House</b>			
Gas Receipts/Marina	\$ 20,304	\$ 15,763	\$ 15,711
<b>Total Marina/Pavilion/Bait House</b>	<u>\$ 20,304</u>	<u>\$ 15,763</u>	<u>\$ 15,711</u>
<b>Concessions</b>			
Food Sales	\$ 5,299	\$ 89,183	\$ 41,562
Bait	-	-	942
<b>Total Total Concessions</b>	<u>\$ 5,299</u>	<u>\$ 89,183</u>	<u>\$ 42,504</u>

**LAKE WILDWOOD ASSOCIATION, INC.**  
**OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**FOR THE YEARS ENDED 2018, 2017, AND 2016**

	2018 GAAP	2017 GAAP	2016 GAAP
<b>Revenues (Continued)</b>			
<b>Campground</b>			
Mem Daily Ele Sites	\$ 2,460	\$ 1,210	\$ 2,311
Same Site Camping	46,400	46,400	40,253
Summer Seasonal Site	4,027	3,077	7,055
Guest Ele Camp Sites	1,400	905	555
Guest Non-ele Sites	445	785	525
Primitive Seasonal	600	400	300
<b>Total Campground</b>	<u>\$ 55,332</u>	<u>\$ 52,777</u>	<u>\$ 50,999</u>
<b>Recreation</b>			
October Fest	\$ -	\$ -	\$ 1,368
NYE Dance	1,747	2,155	1,958
Family Beach Day	920	754	-
Adult Pool Party	1,270	1,454	-
Hog Roast	-	-	4,045
Recreation Miscellaneous	-	603	356
<b>Total Recreation</b>	<u>\$ 3,937</u>	<u>\$ 4,966</u>	<u>\$ 7,727</u>
Bad Debt Expense	<u>(62,066)</u>	<u>(11,715)</u>	<u>(13,467)</u>
<b>Total Revenues</b>	<u>\$ 1,168,552</u>	<u>\$ 1,269,400</u>	<u>\$ 1,263,645</u>
<b>EXPENSES</b>			
<b>Administration</b>			
Publications/Dues	\$ 3,616	\$ 7,090	\$ 3,999
Admin Salaries	127,438	127,868	125,905
Cell Phone	2,210	2,210	2,092
S.U.T.A.	4,264	5,254	4,970
F.U.T.A.	1,137	1,393	1,133
Employee Health Insurance	46,958	54,572	51,819
FICA Employer Share	37,483	38,744	35,123
Continuing Education	799	631	637
Employee Pension	10,165	10,006	9,677
Legal Fees	8,843	11,997	49,369
Audit Fees	6,380	5,500	5,500
Bookkeep Fees	9,420	7,025	7,050
Dam Inspections	4,676	5,755	4,591
Collection Fees	63,044	52,476	51,721
Office Expenses	5,293	5,256	4,879
General Liability	59,996	52,258	48,868
Postage	5,508	4,622	6,207
Printing	6,532	7,272	5,742

**LAKE WILDWOOD ASSOCIATION, INC.**  
**OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**FOR THE YEARS ENDED 2018, 2017, AND 2016**

	<u>2018</u> <u>GAAP</u>	<u>2017</u> <u>GAAP</u>	<u>2016</u> <u>GAAP</u>
<b>EXPENSES (CONTINUED)</b>			
<b>Administration (Continued)</b>			
Office Tele Bus @ 3	\$ 9,900	\$ 8,071	\$ 7,973
Equipment Repair	-	-	368
Travel	3,561	3,376	3,681
Property Taxes	967	565	212
Admin. Misc. Expense	1,908	921	841
Employee Appreciation	727	817	1,823
Credit Card Expense	1,727	1,356	951
Refunds & Returns	1,776	1,672	902
State Income Tax	752	347	383
<b>Total Administration Expense</b>	<u>\$ 425,080</u>	<u>\$ 417,054</u>	<u>\$ 436,416</u>
<b>Market and Promotion</b>			
Web Site Fees	\$ 4,640	\$ 1,396	\$ 757
Promotional Items	2,498	289	532
<b>Total Market and Promotion Expense</b>	<u>\$ 7,138</u>	<u>\$ 1,685</u>	<u>\$ 1,289</u>
<b>Maintenance</b>			
Maintenance salaries	\$ 172,987	\$ 162,557	\$ 158,136
Uniforms	1,297	204	1,329
Electrical	45,014	42,413	33,197
Water	17,016	17,842	12,325
Propane	13,483	11,736	5,139
Unleaded Gas	5,095	3,224	4,708
Diesel Fuel	13,083	5,858	6,470
Petroleum Products	77	905	327
Vehicle Repair	8,985	5,531	3,647
Vehicle Licenses	2,007	1,907	2,580
Cleaning Supplies	3,845	3,305	2,470
Supplies	5,856	2,832	3,592
Equipment Purchase	5,592	550	2,006
Equipment Repair	4,851	9,002	17,505
Dredge	22,500	14,364	-
Building Maintenance	5,413	2,369	10,759
Landscaping	2,103	20,185	3,800
Gravel and Material	5,396	2,276	1,763
Hot/Cold Patch	17,157	9,166	13,368
Salt and Cinders	7,428	8,534	6,748
Waste Disposal	10,502	11,031	9,781
Contract Services	8,544	11,242	8,319
Chemicals/Water	-	2,378	1,850
Road Seal	-	-	64,082
Maintenance Projects	12,712	50,109	16,700
<b>Total Maintenance Expense</b>	<u>\$ 390,943</u>	<u>\$ 399,520</u>	<u>\$ 390,601</u>

**LAKE WILDWOOD ASSOCIATION, INC.**  
**OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**FOR THE YEARS ENDED 2018, 2017, AND 2016**

	2018 GAAP	2017 GAAP	2016 GAAP
<b>EXPENSES (CONTINUED)</b>			
<b>Security</b>			
Security Salaries	\$ 143,802	\$ 131,705	\$ 129,436
Uniforms	701	644	700
Equipment Repair	643	1,257	2,982
SW Access Repair	666	432	2,558
Direct TV	267	240	248
<b>Total Security Expense</b>	<b>\$ 146,079</b>	<b>\$ 134,278</b>	<b>\$ 135,924</b>
<b>Sunbeam</b>			
Layout Expense	\$ 18,681	\$ 18,829	\$ 17,012
Postage	5,293	5,484	5,239
Printing Expense	14,937	13,294	13,360
Miscellaneous Expense	537	575	541
<b>Total Sunbeam Expense</b>	<b>\$ 39,448</b>	<b>\$ 38,182</b>	<b>\$ 36,152</b>
<b>Lodge</b>			
Supplies	\$ -	\$ 101	\$ -
Building Maintenance	2,472	908	1,568
Pest Control	511	511	1,050
<b>Total Lodge Expense</b>	<b>\$ 2,983</b>	<b>\$ 1,520</b>	<b>\$ 2,618</b>
<b>Marina Concession</b>			
Perishables	\$ -	\$ 59,588	\$ 18,879
Non Perishable Supplies	-	8,270	2,837
Bait Supplies	-	812	690
Personnel Management	921	35,942	30,808
Credit Card Expense	-	318	-
<b>Total Marina Concession Expense</b>	<b>\$ 921</b>	<b>\$ 104,930</b>	<b>\$ 53,214</b>
<b>Marina/Pavilion/Bait House/Concession</b>			
Equipment Repair	\$ 363	\$ -	\$ 3,195
Contract Services	339	603	-
Gas Dispense	17,592	11,960	7,079
Sales Tax	1,385	11,314	2,899
<b>Total Marina/Pavilion/Bait House</b>	<b>\$ 19,679</b>	<b>\$ 23,877</b>	<b>\$ 13,173</b>
<b>Campground</b>			
Gravel	\$ 1,478	\$ -	\$ -
Equipment Repair	3,107	1,771	975
Contract Services	1,572	2,307	5,030
Mulch	1,150	639	1,227
<b>Total Campground Expense</b>	<b>\$ 7,307</b>	<b>\$ 4,717</b>	<b>\$ 7,232</b>

**LAKE WILDWOOD ASSOCIATION, INC.**  
**OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**FOR THE YEARS ENDED 2018, 2017, AND 2016**

	2018 GAAP	2017 GAAP	2016 GAAP
<b>EXPENSES (CONTINUED)</b>			
<b>Recreation</b>			
Supplies	\$ 996	\$ 944	\$ 548
Coffee Supplies	88	109	62
Equipment Purchase	956	349	1,105
Fireworks	6,500	6,500	6,000
October Fest	-	-	1,003
Halloween	510	251	437
Christmas Potluck	1,849	985	1,359
New Years Eve	2,122	2,540	2,591
Easter Egg Hunt	1,075	1,452	742
Fish Derby/Garage Sale/Fish Fry	168	573	125
Fourth of July	222	300	300
Pool Party	262	118	107
Fish Fry	-	-	683
Parade	-	-	99
St. Patty's Dinner	-	401	-
Adult Pool Party	3,471	3,370	-
Family Beach Party	1,936	1,443	-
Ventian Night	546	588	-
Hog Roast	-	-	4,563
Travel & Miscellaneous	748	130	601
<b>Total Recreation Expense</b>	<b>\$ 21,449</b>	<b>\$ 20,053</b>	<b>\$ 20,325</b>
<b>Fish and Wildlife</b>			
Fish	\$ 9,277	\$ 5,452	\$ 6,569
Miscellaneous	7,499	3,376	3,974
<b>Total Fish and Wildlife</b>	<b>\$ 16,776</b>	<b>\$ 8,828</b>	<b>\$ 10,543</b>
<b>Pool</b>			
Lifeguards	\$ 38,931	\$ 43,205	\$ 26,107
Equipment Purchase	1,748	8,462	392
Equipment Repair	-	-	395
Building Maintenance	4,823	3,790	-
Pool/Chemicals	10,316	12,999	2,028
Contract Services	-	900	770
Lifeguard Reimbursement	525	350	275
<b>Total Pool Expense</b>	<b>\$ 56,343</b>	<b>\$ 69,706</b>	<b>\$ 29,967</b>
<b>Total Expenses</b>	<b>\$ 1,134,146</b>	<b>\$ 1,224,350</b>	<b>\$ 1,137,454</b>
<b>Net Income</b>	<b>\$ 34,406</b>	<b>\$ 45,050</b>	<b>\$ 126,191</b>

**LAKE WILDWOOD ASSOCIATION, INC.**  
**CAPITAL IMPROVEMENTS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**FOR THE YEARS ENDED 2018, 2017, AND 2016**

	<u>2018</u> <u>GAAP</u>	<u>2017</u> <u>GAAP</u>	<u>2016</u> <u>GAAP</u>
<b>REVENUES</b>			
<b>Capital Improvement Fund</b>			
Membership Dues	\$ 196,789	\$ 115,904	\$ 20,816
State of IL Grant	-	-	96,533
<b>Total Revenues</b>	<u>\$ 196,789</u>	<u>\$ 115,904</u>	<u>\$ 117,349</u>
<b>EXPENSES</b>			
<b>Admin</b>			
50 Year Anniversary	\$ 20,354	\$ -	\$ -
<b>Total East Beach Capital</b>	<u>\$ 20,354</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Maintenance</b>			
Parking Lot Inlet	\$ -	\$ -	\$ 1,342
Interest Payments on Back Hoe	-	787	-
Garbage Surrounds	-	1,285	-
Road Project - Chip & Seal	89,556	75,451	-
Road Project - Reconstruct	26,625	27,508	-
<b>Total Maintenance Expense</b>	<u>\$ 116,181</u>	<u>\$ 105,031</u>	<u>\$ 1,342</u>
<b>Beautification Capital</b>			
Renovate Old Pool Site	\$ 3,696	\$ -	\$ -
<b>Total Beautification Capital</b>	<u>\$ 3,696</u>	<u>\$ -</u>	<u>\$ -</u>
<b>East Beach Capital Fund</b>			
Rope Fence Beach 1 Parking	\$ 427	\$ -	\$ -
<b>Total East Beach Capital</b>	<u>\$ 427</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Lake</b>			
Tanglewood Basin A	\$ 4,586	\$ -	\$ -
319 Grant Siltation Basin	7,793	-	-
Technical Specialist	1,200	-	-
Software & GPS Handheld	-	510	-
Contract Dredge - A&B Basins	-	43,378	-
Contract Eng. Dam Maintenance	-	5,200	-
<b>Total Lake Expense</b>	<u>\$ 13,579</u>	<u>\$ 49,088</u>	<u>\$ -</u>
<b>Grant</b>			
Professional Services - LWW	\$ -	\$ -	\$ 8,214
Construction - LWW	-	-	93,117
Construction - State	-	-	95,562
<b>Total Lake Expense</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,893</u>
<b>Depreciation</b>			
Depreciation Expense	\$ 25,491	\$ 9,575	\$ 8,030
<b>Total Expenses</b>	<u>\$ 179,728</u>	<u>\$ 163,694</u>	<u>\$ 206,265</u>
<b>Net Income (Loss)</b>	<u>\$ 17,061</u>	<u>\$ (47,790)</u>	<u>\$ (88,916)</u>



**LAKE WILDWOOD ASSOCIATION, INC.**  
**REPLACEMENT RESERVE - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**FOR THE YEARS ENDED 2018, 2017, AND 2016**

	<u>2018 GAAP</u>	<u>2017 GAAP</u>	<u>2016 GAAP</u>
<b>REVENUES</b>			
<b>Reserve Fund Amenities</b>			
Membership Dues	\$ -	\$ 38,767	\$ 80,816
Interest	11,491	11,926	10,903
Lot Sales	13,000	-	-
Other	761	-	38
<b>Total Revenues</b>	<u>\$ 25,252</u>	<u>\$ 50,693</u>	<u>\$ 91,757</u>
<b>EXPENSES</b>			
<b>Admin</b>			
Contract Services	\$ -	\$ -	\$ 270
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270</u>
<b>Maintenance</b>			
Interest Payments on Backhoe	\$ -	\$ -	\$ -
Interest Payments on Back Hoe	-	-	1,490
Green Valley & Hidden Valley	-	-	5,000
Grind & Gravel Streets	-	-	12,000
Snow Plow	-	-	5,453
<b>Total Maintenance Expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,943</u>
<b>Lodge</b>			
Recover Furniture	\$ -	\$ -	\$ 2,500
<b>Total Lakes Expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>
<b>319 Grant</b>			
Professional Services LWW	\$ -	\$ -	\$ 4,500
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,500</u>
<b>Depreciation</b>			
Depreciation Expense	\$ 61,797	\$ 65,666	\$ 65,072
Loss on Disposal of Equipment	-	-	3,350
	<u>61,797</u>	<u>65,666</u>	<u>68,422</u>
<b>Total Expenses</b>	<u>\$ 61,797</u>	<u>\$ 65,666</u>	<u>\$ 99,635</u>
<b>Net Income</b>	<u>\$ (36,545)</u>	<u>\$ (14,973)</u>	<u>\$ (7,878)</u>

**LAKE WILDWOOD ASSOCIATION, INC.**  
**SWIMMING RESERVE - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**FOR THE YEARS ENDED 2018, 2017, AND 2016**

	<u>2018</u> <u>GAAP</u>	<u>2017</u> <u>GAAP</u>	<u>2016</u> <u>GAAP</u>
<b>REVENUES</b>			
<b>Reserve Fund Amenities</b>			
Membership Dues	\$ 112,303	\$ 88,748	\$ 32,667
Interest Income	875	1,380	-
<b>Total Revenues</b>	<u>\$ 113,178</u>	<u>\$ 90,128</u>	<u>\$ 32,667</u>
<b>EXPENSES</b>			
<b>Admin</b>			
Loan Interest	\$ 50,857	\$ 27,711	\$ -
	<u>\$ 50,857</u>	<u>\$ 27,711</u>	<u>\$ -</u>
<b>Depreciation</b>			
Depreciation Expense	\$ 39,383	\$ 37,882	\$ -
	<u>\$ 39,383</u>	<u>\$ 37,882</u>	<u>\$ -</u>
<b>Total Expenses</b>	<u>\$ 90,240</u>	<u>\$ 65,593</u>	<u>\$ -</u>
<b>Net Income</b>	<u>\$ 22,938</u>	<u>\$ 24,535</u>	<u>\$ 32,667</u>

**LAKE WILDWOOD ASSOCIATION, INC.**  
**SUPPLEMENTARY INFORMATION ON FUTURE**  
**MAJOR REPAIRS AND REPLACEMENTS**  
**September 30, 2018**

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>
<b>Totals</b>		<u><u>\$ 6,115,200</u></u>	<u><u>\$ 13,695,032</u></u>