

LAKE WILDWOOD ASSOCIATION, INC.
ANNUAL FINANCIAL STATEMENTS
Year Ended September 30, 2020

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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, 2020 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 evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2020, 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.



Granville, Illinois
December 29, 2020

LAKE WILDWOOD ASSOCIATION, INC.
BALANCE SHEET
September 30, 2020

ASSETS	OPERATING FUND	RESERVE FUND	SWIMMING FUND	TOTAL
Current Assets:				
Cash and Money Markets (Note 2)	\$ 456,418	\$ 302,352	\$ 163,261	\$ 922,031
Certificate of Deposits (Note 2)	-	694,098	-	694,098
Receivables:				
Member Dues (Note 4)	181,781	6,000	2,400	190,181
Allowance for Doubtful Accounts (Note 4)	(155,495)	-	-	(155,495)
Prepaid Expenses	19,760	-	-	19,760
Long-Term Assets:				
Capital Assets (Note 3):				
Land, Buildings, & Equipment	-	3,646,582	1,535,936	5,182,518
Accumulated Depreciation	-	(2,491,011)	(156,031)	(2,647,042)
Total Assets	<u>\$ 502,464</u>	<u>\$ 2,158,021</u>	<u>\$ 1,545,566</u>	<u>\$ 4,206,051</u>
LIABILITIES				
Current Liabilities:				
Accrued Wages (Note 4)	\$ 23,468	\$ -	\$ -	\$ 23,468
Accrued Payroll Taxes (Note 4)	1,009	-	-	1,009
Accounts Payable (Note 4)	7,688	488	-	8,176
Accrued Vacation Pay (Note 4)	17,606	-	-	17,606
Accrued Sales Tax (Note 4)	428	-	-	428
Garden Bricks (Note 4)	-	3,134	-	3,134
Member Deposits (Note 4)	17,252	-	-	17,252
Current Portion of Debt (Note 8)	-	-	44,545	44,545
Total Current Liabilities	<u>\$ 67,451</u>	<u>\$ 3,622</u>	<u>\$ 44,545</u>	<u>\$ 115,618</u>
Notes Payable, Less Current Portion (Note 8)	-	-	1,032,511	1,032,511
Total Liabilities	<u>\$ 67,451</u>	<u>\$ 3,622</u>	<u>\$ 1,077,056</u>	<u>\$ 1,148,129</u>
FUND BALANCE				
Restricted	\$ -	\$ 2,154,399	\$ 468,510	\$ 2,622,909
Unrestricted	435,013	-	-	435,013
Total Fund Balances	<u>\$ 435,013</u>	<u>\$ 2,154,399</u>	<u>\$ 468,510</u>	<u>\$ 3,057,922</u>
Total Liabilities and Fund Balance	<u>\$ 502,464</u>	<u>\$ 2,158,021</u>	<u>\$ 1,545,566</u>	<u>\$ 4,206,051</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, 2020

	OPERATING FUND	RESERVE FUND	SWIMMING FUND	TOTAL
OPERATING REVENUES				
Membership Dues	\$ 925,182	\$ 285,355	\$ 112,490	\$ 1,323,027
Other Income (Sch 1)	360,395	-	-	360,395
Total Operating Revenues	<u>\$ 1,285,577</u>	<u>\$ 285,355</u>	<u>\$ 112,490</u>	<u>\$ 1,683,422</u>
OPERATING EXPENSES				
Administration	\$ 465,128	\$ 1,231	\$ -	\$ 466,359
Market and Promotion	9,175	-	-	9,175
Maintenance	355,815	77,424	-	433,239
Security	151,690	5,911	-	157,601
Sunbeam	17,781	-	-	17,781
Lodge	3,563	-	-	3,563
Marina/Pavilion/Bait House/Concession	21,582	-	-	21,582
Campground	32,499	-	-	32,499
Beaches and Recreation	14,300	-	-	14,300
Fish and Wildlife	28,899	-	-	28,899
Lakes	-	144,710	-	144,710
Pool	48,063	1,242	39,383	88,688
Total Operating Expenses	<u>\$ 1,148,495</u>	<u>\$ 230,518</u>	<u>\$ 39,383</u>	<u>\$ 1,418,396</u>
EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER OPERATING EXPENSES	<u>\$ 137,082</u>	<u>\$ 54,837</u>	<u>\$ 73,107</u>	<u>\$ 265,026</u>
OTHER REVENUES (EXPENSES)				
Interest Revenue	\$ -	\$ 17,965	\$ 648	\$ 18,613
Sale of Lots	-	12,000	-	12,000
Interest Expense	-	(2,201)	(47,582)	(49,783)
Paycheck Protection Program Forgiveness	104,600	-	-	104,600
Bad Debt Expense	(56,501)	-	-	(56,501)
Transfers	(807,573)	807,573	-	-
Total Other Revenues (Expenses)	<u>\$ (759,474)</u>	<u>\$ 835,337</u>	<u>\$ (46,934)</u>	<u>\$ 28,929</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (622,392)</u>	<u>\$ 890,174</u>	<u>\$ 26,173</u>	<u>\$ 293,955</u>
BEGINNING FUND BALANCES	663,256	1,162,452	404,926	2,230,634
CHANGE IN ACCOUNTING PRINCIPLE (Note 11)	394,149	101,773	37,411	533,333
ENDING FUND BALANCES	<u>\$ 435,013</u>	<u>\$ 2,154,399</u>	<u>\$ 468,510</u>	<u>\$ 3,057,922</u>

See accompanying notes to basic financial statements.

LAKE WILDWOOD ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
September 30, 2020

	<u>OPERATING FUND</u>	<u>RESERVE FUND</u>	<u>SWIMMING FUND</u>	<u>TOTAL</u>
Cash Flows From Operating Activities:				
Excess (Deficiency) of Revenues Over Expenses	\$ (622,392)	\$ 890,174	\$ 26,173	\$ 293,955
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided by Operating Activities:				
Depreciation	-	97,018	39,383	136,401
(Increase) Decrease in Receivables	21,174	2,440	(2,382)	21,232
Increase (Decrease) in Payables	7,688	488	-	8,176
Increase (Decrease) in Payroll Liabilities	13,152	-	-	13,152
Increase (Decrease) in Tax Liabilities	494	-	-	494
(Increase) Decrease in Prepaids	(18,360)	-	-	(18,360)
Increase (Decrease) in Deposits	3,100	32	-	3,132
Net Cash Provided (Used) by Operating Activities	<u>\$ (595,144)</u>	<u>\$ 990,152</u>	<u>\$ 63,174</u>	<u>\$ 458,182</u>
Cash Flows From Investing Activities:				
Acquisition of Equipment and Other Capital Improvements	\$ -	\$ (96,413)	\$ -	\$ (96,413)
Change in Lots Held for Sale	-	-	-	-
Net Cash Provided (Used) by Investing Activities	<u>\$ -</u>	<u>\$ (96,413)</u>	<u>\$ -</u>	<u>\$ (96,413)</u>
Cash Flows From Financing Activities:				
Proceeds from Loan Financing	\$ -	\$ -	\$ -	\$ -
Principal Payments on Loans	-	(54,687)	(42,609)	(97,296)
Net Cash Provided (Used) by Financing Activities	<u>\$ -</u>	<u>\$ (54,687)</u>	<u>\$ (42,609)</u>	<u>\$ (97,296)</u>
Net Increase (Decrease) in Cash	\$ (595,144)	\$ 839,052	\$ 20,565	\$ 264,473
Cash and Equivalents, Beginning of Year	<u>1,051,562</u>	<u>157,398</u>	<u>142,696</u>	<u>1,351,656</u>
Cash and Equivalents, End of Year	<u>\$ 456,418</u>	<u>\$ 996,450</u>	<u>\$ 163,261</u>	<u>\$ 1,616,129</u>
Supplemental Disclosures				
Interest Paid	\$ -	\$ 2,201	\$ 47,582	\$ 49,783
Income & Taxes Paid	\$ 1,468	\$ -	\$ -	\$ 1,468

See accompanying notes to basic financial statements.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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 1,625 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 did not exceed budgeted amounts in any 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, 2020

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 assessments were \$825 per lot in fiscal year 2020. 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. Interest income is allocated among the Replacement Reserve and Swimming Pool funds.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020, the election was made to file as a homeowners association.

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

At September 30, 2020, 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>
Checking - Operations	0.00%	\$ 81,314	\$ 83,739
Checking - Operations	0.00%	132,699	45,365
Checking - Operations	0.10%	14,338	14,338
Money Market - Operations	0.15%	60,815	60,815
Money Market - Operations	0.33%	252,006	252,006
Money Market - Reserve	0.06%	50,509	50,509
Money Market - Reserve	0.55%	251,843	251,843
Money Market - Swimming	0.60%	159,930	163,261
Savings - Operations	0.00%	5	5
Petty Cash		-	150
Total Cash and Money Market		<u>\$ 1,003,459</u>	<u>\$ 922,031</u>

Bank balance is the balance at the bank as of September 30, 2020 and book balance is the balance of Lake Wildwood as of September 30, 2020. 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 detail of certificates of deposits for the Association as of September 30, 2020.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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	1.66%	\$ 108,065	\$ 108,065
TIAA Bank	0.50%	157,255	157,255
TIAA Bank	1.78%	163,752	163,752
CIBC Bank	1.40%	265,026	265,026
Total CD Balances		<u>\$ 694,098</u>	<u>\$ 694,098</u>

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

		<u>Bank Balance</u>	<u>Book Balance</u>
Type 1 -	Fully insured by FDIC	\$ 1,607,675	\$ 1,526,097
Type 2 -	Secured by securities pledged to the Association but in the bank's name	-	-
Type 3 -	Uncollateralized	89,882	90,032
		<u>\$ 1,697,557</u>	<u>\$ 1,616,129</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 a 2019 John Deere Gator, \$16,416; a pressure washer, \$6,995; credit card processing system for marina gas pumps, \$20,938; old pool site pavilions and electrical upgrades, \$47,424; and new campground sites, \$4,640. Current year deletions were a John Deere tractor, pressure washer, and gator.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 3 - Capital Assets (Continued)

	<u>COST BASIS</u>			<u>End of Year</u>
	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	
Land	\$ 277,760	\$ -	\$ -	\$ 277,760
Administration				
Office Building	30,928	-	-	30,928
Office Equipment	32,648	-	-	32,648
Fire Station	53,680	-	-	53,680
Maintenance				
Maintenance Building	103,267	-	-	103,267
Automotive Equipment	173,395	-	-	173,395
Maintenance Equipment	302,915	23,411	36,394	289,932
Security	143,047	-	-	143,047
Pool	1,584,372	-	-	1,584,372
Lake and Recreation				
Bath House & Dump Station	128,992	-	-	128,992
Lodge	565,631	-	-	565,631
Pavilion	113,226	-	-	113,226
Equipment	844,833	-	-	844,833
Silt Pond	205,038	-	-	205,038
Fish House	19,734	-	-	19,734
Bridge	12,962	-	-	12,962
Road Improvements	41,844	-	-	41,844
Sports Courts & Picnic Area	81,706	47,424	-	129,130
Boat Ramp/Dock	27,443	20,938	-	48,381
Campground	41,513	4,640	-	46,153
Shaw Creek Basin	16,900	-	-	16,900
Land Improvements	320,665	-	-	320,665
GrandTotal	<u>\$ 5,122,499</u>	<u>\$ 96,413</u>	<u>\$ 36,394</u>	<u>\$ 5,182,518</u>

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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	\$ 19,074	\$ 492	\$ -	\$ 19,566
Office Equipment	32,648	-	-	32,648
Fire Station	32,347	739	-	33,086
Maintenance				
Maintenance Building	44,528	3,136	-	47,664
Automotive Equipment	124,833	12,140	-	136,973
Maintenance Equipment	267,935	21,949	36,394	253,490
Security	98,228	5,911	-	104,139
Pool	120,374	40,625	-	160,999
Lake and Recreation				
Bath and Comfort House & Dump Station	124,401	252	-	124,653
Lodge	327,788	16,003	-	343,791
Pavilion	84,963	3,887	-	88,850
Equipment	770,518	6,348	-	776,866
Silt Pond	205,038	-	-	205,038
Fish House	17,383	405	-	17,788
Bridge	12,962	-	-	12,962
Road Improvements	41,533	93	-	41,626
Sports Courts & Picnic Area	68,479	2,953	-	71,432
Boat Ramp/Dock	27,443	1,396	-	28,839
Campground	27,187	1,544	-	28,731
Shaw Creek Basin	16,784	46	-	16,830
Land Improvements	82,589	18,482	-	101,071
GrandTotal	<u>\$ 2,547,035</u>	<u>\$ 136,401</u>	<u>\$ 36,394</u>	<u>\$ 2,647,042</u>

Depreciation is allocated to the following functions: General Administration, \$1,231; Maintenance, \$37,225; Security, \$5,911; Lake and Recreation, \$51,409; and Pool \$40,625.

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 4 - **Other Receivables and Payables**

At September 30, 2020, the following receivables and payables recorded are:

- Accounts Receivable (net) – Member dues and fees billed but not paid of \$190,181 offset by the allowance for doubtful accounts of \$155,495.
- 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 quarter 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 5 - **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, 2020, the Association contributed \$8,459 to the plan.

Note 6 - **Disbursements in Excess of Budget**

For the fiscal year ended September 30, 2020, disbursements exceeded budgeted amounts in the Operating Fund in the following categories: Administration, Marketing, Lodge, and Marina. In total, the Operating Fund disbursements did not exceed the budget. Disbursements did not exceed expenditures in the Replacement Reserve, and Swimming Pool Funds, however it did exceed in the Capital Improvements Fund due to full payoff of the truck loan in the current fiscal year.

Note 7 - **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, 2020

Note 7 - **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 the long term debt is at a fixed rate. 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 8 - **Long-Term Debt**

Truck Loan

During fiscal year 2019, the Association obtained a loan with LaSalle State Bank for a new Ford F550 Truck. The principal issued was \$60,271 with an annual interest rate of 4%. Payments of \$1,111.73 were due monthly for 60 months. The loan balance of \$54,686 was paid in full in the current fiscal year. Interest expense for the fiscal year was \$2,201.

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 assess 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, 2020

Note 8 - **Long-Term Debt (Continued)**

<u>FY Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 44,545	\$ 45,646	\$ 90,191
2022	46,433	43,758	90,191
2023	48,400	41,790	90,190
2024	50,343	39,848	90,191
2025	52,585	37,606	90,191
2026-2030	295,155	161,881	457,036
2031-2035	367,388	93,700	461,088
2036-2037	172,207	12,228	184,435
Total	\$ 1,077,056	\$ 476,457	\$ 1,553,513

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	\$ 1,119,665	\$ -	\$ (42,609)	\$ 1,077,056	\$ 47,582
Truck	54,686	-	(54,686)	-	2,201
	<u>\$ 1,174,351</u>	<u>\$ -</u>	<u>\$ (97,295)</u>	<u>\$ 1,077,056</u>	<u>\$ 49,783</u>

Note 9 - **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 2020, the Association assessed each member \$26 which was dedicated to the Replacement Fund and \$151.57 which was dedicated for capital improvements. The Association also assessed \$70 for the swimming pool. For 2021, member dues will be the same as fiscal year 2020 at \$825 of which \$203.54 is for capital improvements, \$0 for Replacement Reserve, and \$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 and Capital Reserve Fund was \$2,154,399 at September 30, 2020. This fund balance consists of \$996,450 invested in cash and CD's, \$6,000 in accounts receivable, and fixed assets with a net book value of \$1,155,571 less \$3,134 in garden brick deposits and \$488 in accounts payable.

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

LAKE WILDWOOD ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 9 - **Replacement Fund (Continued)**

remaining useful lives and the cost of future major repairs and replacements. See Schedule 6 for estimated useful lives and replacement costs.

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

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

Note 10 - **Subsequent Events**

The Association has evaluated subsequent events through December 29, 2020, the date which the financial statements were available to be issued. After the fiscal year end, the Association's Paycheck Protection Program loan was forgiven in full by the Small Business Association and is shown as a revenue on the financial statements.

Note 11 - **Change in Accounting Principle**

The Association changed methodology regarding deferred membership dues in the current fiscal year. In previous years, deferred membership dues were calculated for five months following the fiscal year end based on when dues are collected. The dues are now recognized as earned fully in the fiscal year billed and budgeted for. There is no deferred membership dues as of September 30, 2020.

Note 12 - **Board of Directors**

The Association is governed by a volunteer, elected Board of Directors. As of September 30, 2020 the Board consisted of the following five members:

Chris Martel - Chairman
Manny Singh - Secretary
Brian EGGLESTON - Treasurer
Adam Watkins
Mike Kucinic

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

	2020			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
REVENUES				
Administration				
2020 Membership Dues	\$ 938,315	\$ 890,071	\$ (48,244)	\$ 925,182
2019 Membership Dues	20,000	10,097	(9,903)	-
2018 Membership Dues	5,000	5,669	669	-
2017 Membership Dues	1,000	1,542	542	-
2016 Membership Dues	-	150	150	-
Boat Slips Rental	48,000	48,033	33	48,000
Storage Rental	8,500	9,555	1,055	10,155
Membership Applications	9,750	15,940	6,190	16,350
Building Fees	5,500	10,000	4,500	10,050
Registration Decals	27,000	38,640	11,640	38,585
Miscellaneous Income	5,000	7,249	2,249	8,207
Finance & Late Charges	18,000	16,451	(1,549)	26,180
Collection Charge	25,000	11,797	(13,203)	4,393
Credit Card Income	5,000	480	(4,520)	495
Insurance Claims	-	9,274	9,274	9,274
Total Administration	\$ 1,116,065	\$ 1,074,948	\$ (41,117)	\$ 1,096,871
Market and Promotion				
Promotional Items	\$ 1,500	\$ 8,740	\$ 7,240	\$ 8,740
Total Market and Promotion	\$ 1,500	\$ 8,740	\$ 7,240	\$ 8,740
Maintenance				
Mowing Late Fee	\$ 6,000	\$ 5,164	\$ (836)	\$ 5,300
Truck Fill	600	460	(140)	460
Garbage Fee Income	5,000	7,353	2,353	7,353
Lot Mowing Income	35,000	32,712	(2,288)	34,020
Total Maintenance	\$ 46,600	\$ 45,689	\$ (911)	\$ 47,133
Security				
Land Fines	\$ 10,000	\$ 13,162	\$ 3,162	\$ 13,785
Marine Fines	1,500	550	(950)	900
Total Security	\$ 11,500	\$ 13,712	\$ 2,212	\$ 14,685
Sunbeam				
Classified Ad	\$ 350	\$ 336	\$ (14)	\$ 336
Placement Ad	14,500	11,663	(2,837)	12,161
Other Income	600	427	(173)	450
Total Sunbeam	\$ 15,450	\$ 12,426	\$ (3,024)	\$ 12,947
Southwest Access				
SW Passes	\$ -	\$ 1,269	\$ 1,269	\$ 1,269
Lodge				
Lodge Rental Income	\$ 4,500	\$ 3,330	\$ (1,170)	\$ 3,830
Marina/Pavilion/Bait House				
Gas Receipts/Marina	\$ 15,000	\$ 31,775	\$ 16,775	\$ 29,777
Total Marina/Pavilion/Bait House	\$ 15,000	\$ 31,775	\$ 16,775	\$ 29,777
Concessions				
Food Sales	\$ 6,000	\$ 9,520	\$ 3,520	\$ 7,919
Bait	-	-	-	-
Total Concessions	\$ 6,000	\$ 9,520	\$ 3,520	\$ 7,919

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

EXPENSES (CONTINUED)	2020			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
Market and Promotion				
Web Site Fees	\$ -	\$ -	\$ -	\$ -
Promotional Items	1,700	9,175	(7,475)	9,175
Marketing	2,000	-	2,000	-
Total Market and Promotion Expense	\$ 3,700	\$ 9,175	\$ (5,475)	\$ 9,175
Maintenance				
Maintenance Salaries	\$ 196,000	\$ 179,907	\$ 16,093	\$ 185,887
Uniforms	2,000	1,831	169	1,831
Electrical	18,085	15,430	2,655	15,430
Water	23,060	13,289	9,771	15,199
Propane	14,000	11,042	2,958	11,042
Unleaded Gas	5,775	5,535	240	5,573
Diesel Fuel	12,350	11,448	902	11,448
Petroleum Products	2,000	690	1,310	690
Vehicle Repair	10,600	10,123	477	10,176
Vehicle Licenses	3,500	3,111	389	3,111
Cleaning & Sanitation Supplies	8,500	3,969	4,531	4,165
Supplies	5,500	11,327	(5,827)	12,272
Equipment Purchase	4,000	17,726	(13,726)	17,726
Equipment Repair	9,500	4,602	4,898	4,602
Dredge	10,000	720	9,280	650
Building Maintenance	7,000	1,050	5,950	1,050
Landscaping	5,000	552	4,448	571
Gravel and Material	5,000	1,879	3,121	1,879
Hot/Cold Patch	17,000	13,750	3,250	13,774
Salt and Cinders	10,000	10,792	(792)	10,792
Waste Disposal	8,710	16,296	(7,586)	16,468
Contract Services	12,065	9,263	2,802	8,902
Chemicals/Water	2,500	-	2,500	-
Maintenance Projects	7,921	2,577	5,344	2,577
Total Maintenance Expense	\$ 400,066	\$ 346,909	\$ 53,157	\$ 355,815
Security				
Security Salaries	\$ 152,000	\$ 145,755	\$ 6,245	\$ 149,288
Uniforms	600	686	(86)	686
Equipment Repair	1,000	1,071	(71)	1,071
Security Systems	2,500	287	2,213	287
Dish	500	326	174	358
Total Security Expense	\$ 156,600	\$ 148,125	\$ 8,475	\$ 151,690
Sunbeam				
Layout Expense	\$ -	\$ -	\$ -	\$ -
Postage	6,000	5,776	224	6,267
Printing Expense	15,000	10,720	4,280	11,514
Photo Contest	700	-	700	-
Total Sunbeam Expense	\$ 21,700	\$ 16,496	\$ 5,204	\$ 17,781

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

EXPENSES (CONTINUED)	2020			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
Lodge				
Supplies	\$ 500	\$ -	\$ 500	\$ -
Building Maintenance	2,000	3,202	(1,202)	3,202
Pest Control	650	511	139	361
Total Lodge Expense	\$ 3,150	\$ 3,713	\$ (563)	\$ 3,563
Marina/Pavilion/Bait House				
Equipment Repair	\$ 1,300	\$ 2,483	\$ (1,183)	\$ 2,483
Contract Services	450	-	450	-
Gas Dispense	15,000	18,485	(3,485)	18,485
Sales Tax	-	429	(429)	614
Total Marina/Pavilion/Bait House	\$ 16,750	\$ 21,397	\$ (4,647)	\$ 21,582
Campground				
Electric-Propane	\$ 19,915	\$ 22,890	\$ (2,975)	\$ 22,890
Water	6,940	3,653	3,287	4,219
Equipment Repair	3,065	573	2,492	573
Waste	3,225	299	2,926	450
Contract Services	1,500	4,175	(2,675)	4,175
Gravel	1,500	192	1,308	192
Mulch	1,500	-	1,500	-
Total Campground Expense	\$ 37,645	\$ 31,782	\$ 5,863	\$ 32,499
Recreation				
Supplies	\$ 750	\$ 43	\$ 707	\$ 43
Coffee Supplies	450	-	450	-
Equipment Purchase	950	-	950	-
Fireworks	10,000	10,000	-	10,000
Halloween	600	336	264	336
Christmas Potluck	2,850	1,137	1,713	1,137
New Years Eve	2,400	2,526	(126)	2,526
Easter Egg Hunt	1,400	151	1,249	151
Fish Derby	700	-	700	-
Fish Fry	900	-	900	-
Pool Party	250	-	250	-
Parade 4th of July	300	-	300	-
Hog Roast	1,200	-	1,200	-
Adult Pool Party	3,000	-	3,000	-
Casino Night	1,600	-	1,600	-
Travel	450	52	398	52
Entertainment & Miscellaneous	200	55	145	55
Total Recreation Expense	\$ 28,000	\$ 14,300	\$ 13,700	\$ 14,300
Fish and Wildlife				
Fish	\$ 6,000	\$ 6,420	\$ (420)	\$ 6,420
Fish Shocking Survey	3,000	8,400	(5,400)	8,400
Lake Chemical Treatment	25,000	14,079	10,921	14,079
Total Fish and Wildlife	\$ 34,000	\$ 28,899	\$ 5,101	\$ 28,899

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

EXPENSES (CONTINUED)	2020			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
Pool (Continued)				
Part-Time Lifeguards	\$ 41,000	\$ 26,089	\$ 14,911	\$ 27,097
Equipment Purchase	3,000	11,002	(8,002)	11,002
Building Maintenance	4,500	1,332	3,168	1,332
Pool/Chemicals	15,000	8,632	6,368	8,632
Lifeguard Reimbursement	1,500	-	1,500	-
Total Pool Expense	<u>\$ 65,000</u>	<u>\$ 47,055</u>	<u>\$ 17,945</u>	<u>\$ 48,063</u>
Total Expenses	<u>\$ 1,231,050</u>	<u>\$ 1,139,310</u>	<u>\$ 91,740</u>	<u>\$ 1,148,495</u>
Other Sources (Uses)				
Transfer In	\$ -	\$ -	\$ -	\$ -
Transfer (Out)	(2,000)	(807,573)	(805,573)	(807,573)
Paycheck Protection Program Forgiveness	-	104,600	104,600	104,600
Total Other Sources (Uses)	<u>\$ (2,000)</u>	<u>\$ (702,973)</u>	<u>\$ (700,973)</u>	<u>\$ (702,973)</u>
Net Income	<u>\$ -</u>	<u>\$ (578,348)</u>	<u>\$ (578,348)</u>	<u>\$ (622,392)</u>

See accompanying note to budgetary comparison schedules.

LAKE WILDWOOD ASSOCIATION, INC.
CAPITAL IMPROVEMENTS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

	2020			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
REVENUES				
Capital Improvement Fund				
2020 Membership Dues	\$ 246,301	\$ 233,891	\$ (12,410)	243,573
2019 Membership Dues	-	2,220	2,220	\$ -
2018 Membership Dues	-	1,228	1,228	-
2017 Membership Dues	-	321	321	-
Total Revenues	<u>\$ 246,301</u>	<u>\$ 237,660</u>	<u>\$ (8,641)</u>	<u>\$ 243,573</u>
EXPENSES				
Maintenance				
Road Project - Chip & Seal	\$ 119,000	\$ 35,615	\$ 83,385	\$ 35,615
Pressure Washer	6,801	6,995	(194)	-
2019 Gator	-	16,416	(16,416)	-
Dredging - Wages	-	3,825	(3,825)	3,825
Steel Doors	-	759	(759)	759
Total Lake Expense	<u>\$ 125,801</u>	<u>\$ 63,610</u>	<u>\$ 62,191</u>	<u>\$ 40,199</u>
Marina				
Fuelmaster System	\$ -	\$ 20,938	\$ (20,938)	\$ -
Campground				
Bath House Floor	\$ 5,500	\$ -	\$ 5,500	\$ -
New Campsites	-	4,172	(4,172)	-
Total Campground Capital	<u>\$ 5,500</u>	<u>\$ 4,172</u>	<u>\$ 1,328</u>	<u>\$ -</u>
Beautification Capital				
Renovate Old Pool Site	\$ 20,000	\$ 43,670	\$ (23,670)	\$ -
Court Renovation	17,000	3,754	13,246	-
Total Beautification Capital	<u>\$ 37,000</u>	<u>\$ 47,424</u>	<u>\$ (10,424)</u>	<u>\$ -</u>
Lake Capital				
319 Siltation Basin	\$ -	\$ 24,000	\$ (24,000)	\$ 24,000
Clean Out Inlet Dredge Basins	-	38,647	(38,647)	38,647
Dredging	80,000	30,634	49,366	30,654
Total Lake Expense	<u>\$ 80,000</u>	<u>\$ 93,281</u>	<u>\$ (13,281)</u>	<u>\$ 93,301</u>
Depreciation				
Depreciation Expense	\$ -	\$ -	\$ -	\$ 52,739
Total Operating Expenses	<u>\$ 248,301</u>	<u>\$ 229,425</u>	<u>\$ 18,876</u>	<u>\$ 186,239</u>
Other Sources (Uses)				
Transfer In	\$ 2,000	\$ 48,653	\$ 46,653	\$ 48,653
Ford Truck - Principal	-	(54,687)	(54,687)	-
Ford Truck - Interest	-	(2,201)	(2,201)	(2,201)
Total Other Sources (Uses)	<u>\$ 2,000</u>	<u>\$ (8,235)</u>	<u>\$ (10,235)</u>	<u>\$ 46,452</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,786</u>

See accompanying note to budgetary comparison schedules.

LAKE WILDWOOD ASSOCIATION, INC.
REPLACEMENT RESERVE - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

	2020			
	BUDGET	BUDGETARY BASIS ACTUAL	VARIANCE OVER (UNDER)	GAAP BASIS ACTUAL
REVENUES				
Reserve Fund Amenities				
2020 Membership Dues	\$ 42,250	\$ 40,121	(2,129)	\$ 41,782
2019 Membership Dues	-	437	437	-
Interest/Investments	18,000	17,965	(35)	17,965
Lot Sales	10,000	12,000	2,000	12,000
Soft Serve Ice Cream	-	-	-	-
Total Revenues	<u>\$ 70,250</u>	<u>\$ 70,523</u>	<u>\$ 273</u>	<u>\$ 71,747</u>
EXPENSES				
Other				
Soft Serve Machine	\$ -	\$ -	\$ -	\$ -
Depreciation Expense	-	-	-	44,279
Total Other Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,279</u>
Total Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,279</u>
Other Sources (Uses)				
Transfer In	\$ -	\$ 807,573	\$ 807,573	\$ 807,573
Transfer (Out)	-	(48,653)	(48,653)	(48,653)
Total Other Sources (Uses)	<u>\$ -</u>	<u>\$ 758,920</u>	<u>\$ 758,920</u>	<u>\$ 758,920</u>
Net Income (Loss)	<u>\$ 70,250</u>	<u>\$ 829,443</u>	<u>\$ 759,193</u>	<u>\$ 786,388</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, 2020

2020

REVENUES	BUDGETARY			GAAP BASIS ACTUAL
	BUDGET	BASIS ACTUAL	VARIANCE OVER (UNDER)	
Swimming Pool Reserve				
2020 Membership Dues	\$ 113,750	\$ 108,018	(5,732)	\$ 112,490
2019 Membership Dues	-	1,223	1,223	-
2018 Membership Dues	-	672	672	-
2017 Membership Dues	-	195	195	-
2016 Membership Dues	-	-	-	-
Total Revenues	<u>\$ 113,750</u>	<u>\$ 110,108</u>	<u>\$ (3,642)</u>	<u>\$ 112,490</u>
EXPENSES				
Swimming Pool				
Swimming Pool	\$ -	\$ -	\$ -	\$ -
Depreciation	-	-	-	39,383
Total Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,383</u>
Other Sources (Uses)				
Interest Revenue	\$ -	\$ 648	\$ 648	\$ 648
Loan Principal	(56,875)	(42,609)	14,266	-
Loan Interest	(56,875)	(47,582)	9,293	(47,582)
Total Other Sources (Uses)	<u>\$ (113,750)</u>	<u>\$ (89,543)</u>	<u>\$ 24,207</u>	<u>\$ (46,934)</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ 20,565</u>	<u>\$ 20,565</u>	<u>\$ 26,173</u>

See accompanying note to budgetary comparison schedules.

**LAKE WILDWOOD
SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
Year Ended September 30, 2020**

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)	\$ 1,263,935	\$ 308,183	\$ 110,018
Differences - budget to GAAP:			
(Increase) Decrease in net accounts receivable	(34,859)	7,137	2,382
Other		-	-
Total revenue (GAAP Basis)	<u>\$ 1,229,076</u>	<u>\$ 315,320</u>	<u>\$ 112,400</u>
Budgetary basis expenditures (outflows)	\$ 1,139,310	\$ 229,425	\$ -
Increase (Decrease) in Payroll Liabilities	13,646	-	-
Increase (Decrease) in Payables	7,688	488	-
(Increase) Decrease in Prepaids	(12,149)	-	-
Depreciation Expense	-	97,018	39,383
Capital Asset Purchases	-	(96,413)	-
Total Expenditures (GAAP Basis)	<u>\$ 1,148,495</u>	<u>\$ 230,518</u>	<u>\$ 39,383</u>

Note B - Budgetary Process

The Operating Budget was approved by the Board on September 14, 2019. 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 - GAAP BASIS
FOR THE YEARS ENDED 2020, 2019, 2018, AND 2017

	<u>2020 GAAP</u>	<u>2019 GAAP</u>	<u>2018 GAAP</u>	<u>2017 GAAP</u>
REVENUES				
Administration				
Membership Dues	\$ 925,182	\$ 927,635	\$ 910,395	\$ 909,902
Boat Slips Rental	48,000	47,384	30,700	27,270
Storage Rental	10,155	9,750	9,090	6,675
Membership Applications	16,350	10,850	8,000	7,500
Building Fees	10,050	6,730	3,650	2,035
Registration Decals	38,585	37,145	27,070	27,002
Miscellaneous Income	8,207	7,537	7,156	10,781
Finance & Late Charge	26,180	26,210	17,252	14,226
Collection Charge	4,393	41,725	39,638	27,408
Credit Card Income	495	2,307	1,550	1,412
Insurance Claims	9,274	-	-	-
Total Administration	<u>\$ 1,096,871</u>	<u>\$ 1,117,273</u>	<u>\$ 1,054,501</u>	<u>\$ 1,034,211</u>
Market and Promotion				
Promotional Items	\$ 8,740	\$ 130	\$ 4,085	\$ 428
Total Market and Promotion	<u>\$ 8,740</u>	<u>\$ 130</u>	<u>\$ 4,085</u>	<u>\$ 428</u>
Maintenance				
Mowing Late Fee	\$ 5,300	\$ 3,100	\$ 8,300	\$ 8,900
Truck Fill	460	800	90	80
Garbage Fee Income	7,353	5,474	5,018	6,451
Lot Mowing Income	34,020	34,900	36,000	36,350
Total Maintenance	<u>\$ 47,133</u>	<u>\$ 44,274</u>	<u>\$ 49,408</u>	<u>\$ 51,781</u>
Security				
Land Fines	\$ 13,785	\$ 13,107	\$ 16,859	\$ 8,149
Marine Fines	900	200	750	1,250
Total Security	<u>\$ 14,685</u>	<u>\$ 13,307</u>	<u>\$ 17,609</u>	<u>\$ 9,399</u>
Sunbeam				
Classified Ad	\$ 336	\$ 568	\$ 491	\$ 233
Placement Ad	12,161	14,837	15,863	16,919
Other	450	629	669	565
Total Sunbeam	<u>\$ 12,947</u>	<u>\$ 16,034</u>	<u>\$ 17,023</u>	<u>\$ 17,717</u>
Southwest Access				
SW Passes	\$ 1,269	\$ -	\$ -	\$ -
Lodge				
Lodge Rental Income	\$ 3,830	\$ 2,850	\$ 3,120	\$ 4,890
Marina/Pavilion/Bait House				
Gas Receipts/Marina	\$ 29,777	\$ 19,289	\$ 20,304	\$ 15,763
Total Marina/Pavilion/Bait House	<u>\$ 29,777</u>	<u>\$ 19,289</u>	<u>\$ 20,304</u>	<u>\$ 15,763</u>
Concessions				
Food Sales	\$ 7,919	\$ 3,278	\$ 5,299	\$ 89,183
Total Total Concessions	<u>\$ 7,919</u>	<u>\$ 3,278</u>	<u>\$ 5,299</u>	<u>\$ 89,183</u>

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - GAAP BASIS
FOR THE YEARS ENDED 2020, 2019, 2018, AND 2017

	<u>2020 GAAP</u>	<u>2019 GAAP</u>	<u>2018 GAAP</u>	<u>2017 GAAP</u>
Revenues (Continued)				
Campground				
Mem Daily Ele Sites	\$ 2,020	\$ 1,843	\$ 2,460	\$ 1,210
Same Site Camping	53,710	47,097	46,400	46,400
Summer Seasonal Site	2,771	5,259	4,027	3,077
Guest Ele Camp Sites	775	190	1,400	905
Guest Non-ele Sites	515	485	445	785
Primitive Seasonal	480	1,945	600	400
Daily Member Primitive	915	-	-	-
Total Campground	<u>\$ 61,186</u>	<u>\$ 56,819</u>	<u>\$ 55,332</u>	<u>\$ 52,777</u>
Recreation				
Casino Night	\$ -	\$ 1,596	\$ -	\$ -
NYE Dance	1,185	1,421	1,747	2,155
Family Beach Day	-	-	920	754
Adult Pool Party	-	755	1,270	1,454
Hog Roast	-	3,880	-	-
Recreation Miscellaneous	35	-	-	603
Total Recreation	<u>\$ 1,220</u>	<u>\$ 7,652</u>	<u>\$ 3,937</u>	<u>\$ 4,966</u>
Bad Debt Expense	<u>(56,501)</u>	<u>(50,763)</u>	<u>(62,066)</u>	<u>(11,715)</u>
Total Revenues	<u>\$ 1,229,076</u>	<u>\$ 1,230,143</u>	<u>\$ 1,168,552</u>	<u>\$ 1,269,400</u>
EXPENSES				
Administration				
Publications/Dues	\$ 3,923	\$ 4,530	\$ 3,616	\$ 7,090
Admin Salaries	153,390	138,751	127,438	127,868
Contract Services	23,480	-	-	-
Cell Phone	2,401	2,210	2,210	2,210
S.U.T.A.	2,814	1,425	4,264	5,254
F.U.T.A.	1,414	1,128	1,137	1,393
Employee Health Insurance	46,330	47,439	46,958	54,572
FICA Employer Share	38,067	38,339	37,483	38,744
Continuing Education	1,491	380	799	631
Employee Pension	8,459	9,884	10,165	10,006
Legal Fees	14,443	6,620	8,843	11,997
Audit Fees	6,500	6,500	6,380	5,500
Bookkeep Fees	14,040	6,770	9,420	7,025
Dam Inspections	4,800	3,534	4,676	5,755
Collection Fees	10,399	61,561	63,044	52,476
Bank Fees	906	-	-	-
Office Expenses	9,017	6,177	5,293	5,256
General Liability	59,761	50,042	59,996	52,258
Postage	5,476	4,638	5,508	4,622
Printing	7,953	7,041	6,532	7,272

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - GAAP BASIS
FOR THE YEARS ENDED 2020, 2019, 2018, AND 2017

	2020	2019	2018	2017
	GAAP	GAAP	GAAP	GAAP
EXPENSES (CONTINUED)				
Administration (Continued)				
Office Tele Bus @ 3	\$ 14,740	\$ 11,362	\$ 9,900	\$ 8,071
Equipment Repair	203	429	-	-
Travel	2,253	3,410	3,561	3,376
Property Taxes	450	3,020	967	565
Admin. Misc. Expense	12,897	4,106	1,908	921
Employee Appreciation	-	1,018	727	817
Credit Card Expense	2,731	2,511	1,727	1,356
Refunds & Returns	2,406	556	1,776	1,672
State Income Taxes	1,468	606	752	347
Micro Bilt, Data Base, Web	5,053	3,013	-	-
QB Online & Finance App	7,863	249	-	-
Total Administration Expense	\$ 465,128	\$ 427,249	\$ 425,080	\$ 417,054
Market and Promotion				
Web Site Fees	\$ -	\$ -	\$ 4,640	\$ 1,396
Promotional Items	9,175	423	2,498	289
Marketing	-	2,000	-	-
Total Market and Promotion Expense	\$ 9,175	\$ 2,423	\$ 7,138	\$ 1,685
Maintenance				
Maintenance salaries	\$ 185,887	\$ 174,642	\$ 172,987	\$ 162,557
Uniforms	1,831	1,775	1,297	204
Electrical	15,430	20,587	45,014	42,413
Water	15,199	10,108	17,016	17,842
Propane	11,042	12,070	13,483	11,736
Unleaded Gas	5,573	4,514	5,095	3,224
Diesel Fuel	11,448	9,576	13,083	5,858
Petroleum Products	690	623	77	905
Vehicle Repair	10,176	4,308	8,985	5,531
Vehicle Licenses	3,111	2,022	2,007	1,907
Cleaning Supplies	4,165	3,567	3,845	3,305
Supplies	12,272	6,456	5,856	2,832
Equipment Purchase	17,726	7,119	5,592	550
Equipment Repair	4,602	9,306	4,851	9,002
Dredge	650	-	22,500	14,364
Building Maintenance	1,050	8,595	5,413	2,369
Landscaping	571	1,800	2,103	20,185
Gravel and Material	1,879	4,121	5,396	2,276
Hot/Cold Patch	13,774	12,401	17,157	9,166
Salt and Cinders	10,792	14,447	7,428	8,534
Waste Disposal	16,468	8,948	10,502	11,031
Contract Services	8,902	16,426	8,544	11,242
Chemicals/Water	-	2,904	-	2,378
Maintenance Projects	2,577	3,994	12,712	50,109
Total Maintenance Expense	\$ 355,815	\$ 340,309	\$ 390,943	\$ 399,520

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - GAAP BASIS
FOR THE YEARS ENDED 2020, 2019, 2018, AND 2017

	2020 GAAP	2019 GAAP	2018 GAAP	2017 GAAP
EXPENSES (CONTINUED)				
Security				
Security Salaries	\$ 149,288	\$ 142,124	\$ 143,802	\$ 131,705
Uniforms	686	342	701	644
Equipment Repair	1,071	1,630	643	1,257
Security System	287	1,599	666	432
Direct TV	358	303	267	240
Total Security Expense	\$ 151,690	\$ 145,998	\$ 146,079	\$ 134,278
Sunbeam				
Layout Expense	\$ -	\$ -	\$ 18,681	\$ 18,829
Postage	6,267	5,783	5,293	5,484
Printing Expense	11,514	16,166	14,937	13,294
Miscellaneous Expense	-	631	537	575
Total Sunbeam Expense	\$ 17,781	\$ 22,580	\$ 39,448	\$ 38,182
Lodge				
Supplies	\$ -	\$ -	\$ -	\$ 101
Building Maintenance	3,202	244	2,472	908
Pest Control	361	511	511	511
Total Lodge Expense	\$ 3,563	\$ 755	\$ 2,983	\$ 1,520
Marina Concession				
Perishables	\$ -	\$ -	\$ -	\$ 59,588
Non Perishable Supplies	-	-	-	8,270
Bait Supplies	-	-	-	812
Personnel Management	-	-	921	35,942
Credit Card Expense	-	-	-	318
Total Marina Concession Expense	\$ -	\$ -	\$ 921	\$ 104,930
Marina/Pavilion/Bait House/Concession				
Equipment Repair	\$ 2,483	\$ 429	\$ 363	\$ -
Contract Services	-	-	339	603
Gas Dispense	18,485	21,548	17,592	11,960
Sales Tax	614	760	1,385	11,314
Total Marina/Pavilion/Bait House	\$ 21,582	\$ 22,737	\$ 19,679	\$ 23,877
Campground				
Electric	\$ 22,890	\$ 19,980	\$ -	\$ -
Water	4,219	4,099	-	-
Equipment Repair	573	1,804	3,107	1,771
Waste	450	4,542	-	-
Contract Services	4,175	6,162	1,572	2,307
Gravel	192	1,014	1,478	-
Mulch	-	-	1,150	639
Total Campground Expense	\$ 32,499	\$ 37,601	\$ 7,307	\$ 4,717

LAKE WILDWOOD ASSOCIATION, INC.
OPERATIONS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - GAAP BASIS
FOR THE YEARS ENDED 2020, 2019, 2018, AND 2017

	<u>2020</u> <u>GAAP</u>	<u>2019</u> <u>GAAP</u>	<u>2018</u> <u>GAAP</u>	<u>2017</u> <u>GAAP</u>
EXPENSES (CONTINUED)				
Recreation				
Supplies	\$ 43	\$ 632	\$ 996	\$ 944
Coffee Supplies	-	45	88	109
Equipment Purchase	-	566	956	349
Fireworks	10,000	6,971	6,500	6,500
Halloween	336	553	510	251
Christmas Potluck	1,137	2,139	1,849	985
New Years Eve	2,526	2,620	2,122	2,540
Easter Egg Hunt	151	1,162	1,075	1,452
Fish Derby/Garage Sale/Fish Fry	-	648	168	573
Fourth of July	-	-	222	300
Pool Party	-	258	262	118
Fish Fry	-	825	-	-
Casino Night	-	2,907	-	-
St. Patty's Dinner	-	-	-	401
Adult Pool Party	-	2,214	3,471	3,370
Family Beach Party	-	-	1,936	1,443
Superbowl- Chili Cook Off	55	-	-	-
Ventian Night	-	100	546	588
Hog Roast	-	4,963	-	-
Travel & Miscellaneous	52	1,373	748	130
Total Recreation Expense	<u>\$ 14,300</u>	<u>\$ 27,976</u>	<u>\$ 21,449</u>	<u>\$ 20,053</u>
Fish and Wildlife				
Fish	\$ 6,420	\$ 11,435	\$ 9,277	\$ 5,452
Miscellaneous	8,400	1,600	7,499	3,376
Lake Chemical Treatment	14,079	-	-	-
Total Fish and Wildlife	<u>\$ 28,899</u>	<u>\$ 13,035</u>	<u>\$ 16,776</u>	<u>\$ 8,828</u>
Pool				
Lifegaurds	\$ 27,097	\$ 45,037	\$ 38,931	\$ 43,205
Equipment Purchase	11,002	9,100	1,748	8,462
Building Maintenance	1,332	4,598	4,823	3,790
Pool/Chemicals	8,632	13,275	10,316	12,999
Contract Services	-	-	-	900
Lifeguard Reimbursement	-	580	525	350
Total Pool Expense	<u>\$ 48,063</u>	<u>\$ 72,590</u>	<u>\$ 56,343</u>	<u>\$ 69,706</u>
Total Expenses	<u>\$ 1,148,495</u>	<u>\$ 1,113,253</u>	<u>\$ 1,134,146</u>	<u>\$ 1,224,350</u>
Other Sources (Uses)				
Transfer (Out)	\$ (807,573)	\$ -	\$ -	\$ -
Paycheck Protection Forgiveness	104,600	-	-	-
Total Other Sources (Uses)	<u>\$ (702,973)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Income (Loss)	<u>\$ (622,392)</u>	<u>\$ 116,890</u>	<u>\$ 34,406</u>	<u>\$ 45,050</u>

LAKE WILDWOOD ASSOCIATION, INC.
CAPITAL IMPROVEMENTS - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - GAPP BASIS
FOR THE YEARS ENDED 2020, 2019, 2018, AND 2017

	2020 GAAP	2019 GAAP	2018 GAAP	2017 GAAP
REVENUES				
Membership Dues	\$ 243,573	\$ 204,542	\$ 196,789	\$ 115,904
Total Revenues	\$ 243,573	\$ 204,542	\$ 196,789	\$ 115,904
EXPENSES				
Admin				
50 Year Anniversary	\$ -	\$ -	\$ 20,354	\$ -
Total East Beach Capital	\$ -	\$ -	\$ 20,354	\$ -
Maintenance				
Interest Payments on Back Hoe	\$ -	\$ -	\$ -	\$ 787
Garbage Surrounds	-	-	-	1,285
Steel Doors	759	-	-	-
Dredging	3,825	-	-	-
Road Project - Chip & Seal	35,615	110,496	89,556	75,451
Road Project - Reconstruct	-	637	26,625	27,508
Total Maintenance Expense	\$ 40,199	\$ 111,133	\$ 116,181	\$ 105,031
Beautification Capital				
Renovate Old Pool Site	\$ -	\$ 575	\$ 3,696	\$ -
Total Beautification Capital	\$ -	\$ 575	\$ 3,696	\$ -
East Beach Capital Fund				
Rope Fence Beach 1 Parking	\$ -	\$ -	\$ 427	\$ -
Total East Beach Capital	\$ -	\$ -	\$ 427	\$ -
Lake				
Tanglewood Basin A	\$ -	\$ -	\$ 4,586	\$ -
319 Siltation Basin	24,000	311	7,793	-
Technical Specialist	-	-	1,200	-
Inlet Seawall	-	6,996	-	-
Software & GPS Handheld	-	-	-	510
Dredging	30,654	-	-	-
Clean Out Silt Pond	38,647	-	-	-
Clean Inlet Dredge Basin	-	38,342	-	-
Contract Dredge - A&B Basins	-	-	-	43,378
Contract Eng. Damn Maintenance	-	-	-	5,200
Total Lake Expense	\$ 93,301	\$ 45,649	\$ 13,579	\$ 49,088
Depreciation				
Depreciation Expense	\$ 52,739	\$ 47,287	\$ 25,491	\$ 9,575
Total Operating Expenses	\$ 186,239	\$ 204,644	\$ 179,728	\$ 163,694
Other Sources (Uses)				
Transfer In	\$ 48,653	\$ -	\$ 206,832	\$ 50,000
Sale of Assets	-	8,000	-	-
Ford Truck - Interest	(2,201)	(1,186)	-	-
Total Other Sources (Uses)	\$ 46,452	\$ 6,814	\$ 206,832	\$ 50,000
Net Income (Loss)	\$ 103,786	\$ 6,712	\$ 223,893	\$ 2,210

LAKE WILDWOOD ASSOCIATION, INC.
REPLACEMENT RESERVE - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - GAAP BASIS
FOR THE YEARS ENDED 2020, 2019, 2018, AND 2017

	<u>2020 GAAP</u>	<u>2019 GAAP</u>	<u>2018 GAAP</u>	<u>2017 GAAP</u>
REVENUES				
Membership Dues	\$ 41,782	\$ 23,421	\$ -	\$ 38,767
Other		632	761	-
Total Revenues	<u>\$ 41,782</u>	<u>\$ 24,053</u>	<u>\$ 761</u>	<u>\$ 38,767</u>
EXPENSES				
Depreciation				
Depreciation Expense	\$ 44,279	\$ 63,119	\$ 61,797	\$ 65,666
	<u>44,279</u>	<u>63,119</u>	<u>61,797</u>	<u>65,666</u>
Total Operating Expenses	<u>\$ 44,279</u>	<u>\$ 63,119</u>	<u>\$ 61,797</u>	<u>\$ 65,666</u>
Other Sources (Uses)				
Transfer	\$ 758,920	\$ -	\$ (206,832)	\$ (50,000)
Lot Sales	12,000	-	13,000	-
Interest Revenue	17,965	20,483	11,491	11,926
Total Other Sources (Uses)	<u>\$ 788,885</u>	<u>\$ 20,483</u>	<u>\$ (182,341)</u>	<u>\$ (38,074)</u>
Net Income (Loss)	<u>\$ 786,388</u>	<u>\$ (18,583)</u>	<u>\$ (243,377)</u>	<u>\$ (64,973)</u>

LAKE WILDWOOD ASSOCIATION, INC.
SWIMMING RESERVE - COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - GAAP BASIS
FOR THE YEARS ENDED 2020, 2019, 2018, AND 2017

	<u>2020 GAAP</u>	<u>2019 GAAP</u>	<u>2018 GAAP</u>	<u>2017 GAAP</u>
REVENUES				
Membership Dues	\$ 112,490	\$ 112,420	\$ 112,303	\$ 88,748
Total Revenues	<u>\$ 112,490</u>	<u>\$ 112,420</u>	<u>\$ 112,303</u>	<u>\$ 88,748</u>
EXPENSES				
Depreciation				
Depreciation Expense	\$ 39,383	\$ 39,383	\$ 39,383	\$ 37,882
	<u>\$ 39,383</u>	<u>\$ 39,383</u>	<u>\$ 39,383</u>	<u>\$ 37,882</u>
Total Expenses	<u>\$ 39,383</u>	<u>\$ 39,383</u>	<u>\$ 39,383</u>	<u>\$ 37,882</u>
Other Sources (Uses)				
Interest Revenue	\$ 648	\$ 939	\$ 875	\$ 1,380
Loan Principal	-	-	-	-
Loan Interest	(47,582)	(49,190)	(50,857)	(27,711)
Total Other Sources (Uses)	<u>\$ (46,934)</u>	<u>\$ (48,251)</u>	<u>\$ (49,982)</u>	<u>\$ (26,331)</u>
Net Income (Loss)	<u>\$ 26,173</u>	<u>\$ 24,786</u>	<u>\$ 22,938</u>	<u>\$ 24,535</u>

LAKE WILDWOOD ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
September 30, 2020

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>