

**THE WOODHAVEN ASSOCIATION AND
SUBSIDIARIES**

Consolidated Financial Report

March 31, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Woodhaven Association
Sublette, Illinois

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Woodhaven Association and Subsidiaries (the "Association"), which comprise the consolidated balance sheets as of March 31, 2017 and 2016, and the related statements of consolidated income and association equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Woodhaven Association and Subsidiaries as of March 31, 2017 and 2016, and the consolidated results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information on pages 23-54, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for that portion marked "unaudited", was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States require that the information about Future Major Repairs and Replacements and the Schedule of Changes in Reserve Fund Balances on pages 19-22 be presented to supplement the consolidated financial statements. Such information, although not a part of the consolidated financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the consolidated financial statements, and other knowledge we obtained during our audit of the consolidated financial statements. We did not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Wipfli LLP

Sterling, Illinois
June 24, 2017

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

March 31, 2017 and 2016

A S S E T S	2017	2016
Cash on hand and in bank - restricted	\$ 3,040,504	\$ 2,619,878
Cash on hand and in bank - unrestricted	3,877,096	2,580,960
Interest -bearing deposits in banks	755,396	555,120
Accounts receivable, net of allowance for uncollectible accounts of \$647,209 and \$633,511, respectively	2,292,887	2,248,533
Investment securities -		
Restricted	999,491	1,298,924
Inventories	466,884	434,676
Interest receivable	3,900	8,479
Other receivables	152,766	142,921
Prepaid expenses	106,406	111,103
Property, plant and equipment, net of accumulated depreciation	15,559,276	15,896,291
Intangible assets, net of amortization	93,149	163,012
Investment in Woodhaven lots	4,623	18,058
Investment in stock	48,195	47,624
Total assets	\$ 27,400,573	\$ 26,125,579
LIABILITIES AND ASSOCIATION EQUITY		
Liabilities:		
Trade accounts payable	\$ 231,238	\$ 139,712
Deferred member assessments	7,056,116	6,696,643
Other deferred income	19,505	13,715
Other accrued expenses	257,136	273,289
Total liabilities	7,563,995	7,123,359
Association equity:		
Restricted:		
Designated for future major repairs and replacements	10,309,035	9,418,759
Investment in fixed assets	8,830,205	8,986,495
Unrestricted	697,338	596,966
Total association equity	19,836,578	19,002,220
Total liabilities and association equity	\$ 27,400,573	\$ 26,125,579

See Notes to Consolidated Financial Statements.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND
ASSOCIATION EQUITY

For the years ended March 31, 2017 and 2016

	2017	2016
Revenue:		
Assessments	\$ 6,991,432	\$ 6,988,517
Net sales	2,460,694	2,367,571
Commissions	302,535	345,572
Total revenue	9,754,661	9,701,660
Commissions paid	157,069	187,105
Cost of goods sold	1,706,142	1,651,705
Gross profit	7,891,450	7,862,850
Other operating revenue	620,283	616,138
Total revenue from operations	8,511,733	8,478,988
Operating expenses	7,861,140	9,516,837
Net income (loss) from operations	650,593	(1,037,849)
Other income	183,765	204,425
Net income (loss)	834,358	(833,424)
Association equity, beginning of year	19,002,220	19,835,644
Association equity, end of year	\$ 19,836,578	\$ 19,002,220

See Notes to Consolidated Financial Statements.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 834,358	\$ (833,424)
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	1,423,384	1,453,568
Bad debt expense	177,567	188,692
TruServ stock (dividend) correction	(571)	-
(Gain) on the sale of assets	(13,379)	(10,912)
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(221,921)	(139,057)
(Increase) decrease in inventories	(32,208)	(9,916)
(Increase) decrease in other receivables	(5,266)	48,939
(Increase) decrease in prepaid expenses	4,697	(59,732)
Increase (decrease) in accounts payable	91,526	23,992
Increase (decrease) in accrued expenses and other liabilities	349,110	22,197
Net cash flows from operating activities	2,607,297	684,347
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of assets	62,836	18,670
Net change interest-bearing deposits in banks	(200,276)	(200,275)
Proceeds from maturity and sale of investment securities	900,000	1,387,932
Purchases of investment securities	(599,253)	(780,355)
Purchases of property and equipment	(1,053,842)	(780,628)
Net cash flows from investing activities	(890,535)	(354,656)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash flows from financing activities	-	-
(Decrease) / Increase in cash and cash equivalents	1,716,762	329,691
CASH AND CASH EQUIVALENTS (RESTRICTED AND UNRESTRICTED):		
Beginning	5,200,838	4,871,147
Ending	\$ 6,917,600	\$ 5,200,838
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash payments for:		
Income taxes	\$ -	\$ -

See Notes to Consolidated Financial Statements.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017 and 2016

(A) Nature of Business and Significant Accounting Policies:

Nature of business:

The Woodhaven Association (the "Association") is an Illinois corporation subject to the Declaration of Covenants made May 8, 1971, and as amended October 26, 2015. The parcels have been divided into recreational lots (campsites), commercial property or transferred to the Association as common property. At March 31, 2017 and 2016, 6,216 campsites are covered by the Declaration, of which 6,144 lots are assessable. However, included in the 6,144 assessable lots were 43 and 58 lots, respectively, which were owned by the Association and accordingly, were not assessed during the years ended March 31, 2017 and 2016. Each Owner or Owners of a campsite represent a membership of the Association, but each campsite is limited to one voting Member.

The Association is governed by a Board of Directors elected by the voting Members under the corporate by-laws. The Board has the authority to manage and control the Association's affairs, including the adoption of budgets and assessments and other financial matters.

Description of funds:

The following two funds have been established to account for the revenues and expenses of the Association:

Unrestricted Fund - The Unrestricted Fund is used to account for all financial resources except those required to be accounted for in the Restricted Fund. The Association has three unrestricted funds. The Operating Fund represents one of the Association's unrestricted funds and is used to account for the general daily operations of the Association. The other unrestricted funds are the Lot Fund which is used to account for revenues and expenses related to the acquisition and sale of Association lots; and the Water and Sewer Fund which is used to account for revenues and expenses related to the operations of the water and sewer utility systems at the Association.

As mentioned above, the lots held in the Lot Fund inventory are not assessable lots. The Board allocated unrestricted Owner assessments to the Lot fund, at a rate of eight dollars per lot at March 31, 2017 and 2016. In the Water and Sewer Fund, the Board allocated unrestricted Owner assessments at a rate of forty-three dollars per lot for water services and forty-three dollars per lot for sewer services at March 31, 2017, and forty-two dollars per lot for each service at March 31, 2016.

Restricted Fund - The Restricted Fund is used to account for Owner assessments and expenditures designated to be spent for specific purposes such as all property, plant and equipment of the Association. The primary purpose of the Fund is to account for and accumulate reserves for future repairs and replacement of the common property of the Association. Capital additions are also accounted for in the Association's Restricted Fund.

The Association experienced a tornado causing significant damage to approximately 1/3 of the property during fiscal year 2016. The Association established an internal loan obligation to its restricted reserve fund to offset the net results of the disaster recovery process as indicated in Note (C).

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017 and 2016

(A) Nature of Business and Significant Accounting Policies (continued):

Description of subsidiaries:

Woody, Inc. (Woody) is a wholly-owned subsidiary of the Association. Woody provides the Association, its respective landowners, their guests and the surrounding communities with multiple services and products that include a restaurant, grocery store, laundromat, convenience store and service area. The service area consists of a gasoline station, material yard and hardware store.

Woodhaven Lakes Realty, Inc. (WLRI) is a wholly-owned subsidiary of the Association. WLRI's principal business activity is to sell Woodhaven lots on behalf of the Woodhaven Association and private lot owners. WLRI also provides real estate services to members of the surrounding communities.

Principals of consolidation:

The consolidated financial statements include the accounts of the Association as well as Woody and WLRI (the "Group"). All significant inter-company accounts and transactions have been eliminated.

Use of estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The allowance for doubtful accounts, method of determining fixed asset useful lives, and net realizable value of inventories are particularly subject to change in the near term.

Concentrations of credit risk:

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of temporary cash investments. The Group places its temporary cash investments with various local financial institutions and brokerage firms. The balances at various local financial institutions are insured by the Federal Deposit Insurance Corporation. At March 31, 2017 and 2016, \$23,227 and \$41,420, respectively, of the cash balance in financial institutions were uninsured or under collateralized.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017 and 2016

(A) Nature of Business and Significant Accounting Policies (continued):

Revenue recognition:

The Woodhaven Association - Financial statements are prepared on the accrual basis of accounting, which recognizes revenue, other than member assessments, when it is earned or due, and expenses when they are incurred. For March 31, 2017 and 2016, property owners had two payment options to choose from. The first option was full payment on or before March 31st in each year respectively. Property owners choosing this option received a discount of \$30 on lots with sewer service and \$25 on lots without sewer service at March 31, 2017. The full payment discounts at March 31, 2016 were \$20 and \$15, respectively. The second option was an installment plan requiring that 50% of the assessment be paid by March 31st, 25% by May 31st, and 25% by July 31st in each year respectively. Provisions are made for the estimated amount of uncollectible accounts, of which the amount applicable to future assessments is deducted from deferred member assessments. Amounts billed for late fees and lien costs are recognized as revenue when billed.

Woody, Inc. - Financial statements reflect the accrual method of accounting, whereby revenues are reported as earned and expenses are reported as incurred. Accounts receivable are principally derived from service area sales and provisions are made for estimated uncollectible accounts under the reserve method of accounting for bad debts.

Woodhaven Lakes Realty, Inc. - Financial statements reflect the accrual method of accounting, whereby revenues are reported as earned and expenses are reported as incurred.

Cash flows:

The Group considers its cash and cash equivalents to be cash on hand and in bank for both restricted and unrestricted accounts. The investment securities are not included as cash equivalents as the original maturity dates are generally in excess of three months.

Investment securities:

The Association's investment securities consist of U.S. Government Agency Obligations and are classified as held-to-maturity. The Association has both the intent and ability to hold these investments to maturity regardless of changes in market conditions, liquidity needs or changes in general economic conditions. These securities are carried at cost adjusted for amortization of premium and accretion of discount, computed by the straight-line method over their contractual lives. The Association buys all investment securities in anticipation of holding them until maturity and their operations historically have shown that liquidity needs can be accurately predicted; therefore, all investment securities have been classified as held-to-maturity.

Interest-bearing deposits in banks:

The Group's interest-bearing deposits in banks consist of certificates of deposits with financial institutions with a maturity date from purchase of 90 days or more. Certificates of deposit with a maturity date from purchase of less than 90 days are classified as cash equivalents. No cash equivalents were recorded at March 31, 2017 and 2016.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017 and 2016

(A) Nature of Business and Significant Accounting Policies (continued):

Inventories:

The Woodhaven Association - Inventories consist principally of Woodhaven lots held for resale and are recorded at the lower of cost (specific identification method), or market, at the time of acquisition. Substantially all lots were acquired by purchase through delinquent tax auctions or were deeded to the Association in lieu of foreclosure. Cost was measured by the balance due on prior assessments, plus any costs incurred by the Association to acquire title.

Woody, Inc. - Inventories are stated at cost which is not materially different from market, and are valued using the first-in, first-out and moving average pricing methods.

Depreciation:

The Woodhaven Association – For financial reporting purposes, depreciation of buildings, building additions and improvements to land is computed principally under the straight-line method ranging from 3 to 40 years. Also for financial reporting purposes, depreciation of vehicles and furniture and equipment is computed under accelerated or straight-line methods ranging from 2 to 25 years. For income tax purposes depreciation is computed using Federal statutory tax methods ranging from 3 to 39 years.

Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in the operations of the Restricted Fund.

Property, plant, and equipment are assessed at least annually for impairment and any such impairment would be recognized in the period identified. Common property and equipment are stated on the basis of historical cost. The Association increased the threshold to capitalize new assets from \$1,000 to \$5,000 during fiscal year 2017.

Inter-fund eliminations:

The Woodhaven Association – Inter-fund eliminations have been provided for transactions occurring between the Operating Fund and the Restricted Fund.

Income taxes:

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. No deferred taxes were recorded at March 31, 2017 and 2016.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017 and 2016

(A) Nature of Business and Significant Accounting Policies (continued):

Income taxes (continued):

Generally accepted accounting principles prescribe a recognition threshold and measurement attribute for the consolidated financial statement recognition and measurement of tax positions taken or expected to be taken in tax returns. The Association has determined that it does not have any significant risks related to income tax expense and therefore no amounts were reserved for uncertain tax positions at March 31, 2017 and 2016.

Subsequent Events:

The Association has evaluated subsequent events through June 24, 2017, which is the date these consolidated financial statements were available to be issued.

(B) Investment Securities:

The following tables reflect the amortized cost and approximate fair value of securities at March 31:

2017				
Held-to-Maturity	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Approximate Fair Value
U.S. Federal agencies	\$999,491	\$ -	(\$15,907)	\$983,584

2016				
Held-to-Maturity	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Approximate Fair Value
U.S. Federal agencies	\$1,298,924	\$835	(\$3,795)	\$1,295,964

The amortized cost and approximate fair value of securities at March 31, 2017 by contractual maturity are shown below:

Held-to-Maturity	Amortized Cost	Approximate Fair Value
Due in one year or less	\$ -	\$ -
Due after one year through five years	700,155	691,446
Due after five years through ten years	149,336	148,074
Due after ten years	150,000	144,064
	\$999,491	\$983,584

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017 and 2016

(B) Investment Securities (continued):

The following tables show the fair value and the unrealized losses aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at March 31:

	2017					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Federal agencies	\$586,958	(\$12,334)	\$396,626	(\$3,573)	\$983,584	(\$15,907)

At March 31, 2017, the Association had four debt securities in an unrealized loss position for less than 12 months and two debt securities in an unrealized loss position for 12 months or more.

	2016					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Federal agencies	\$399,860	(\$389)	\$496,076	(\$3,406)	\$895,936	(\$3,795)

At March 31, 2016, the Association had two debt securities in an unrealized loss position for less than 12 months and three debt securities in an unrealized loss position for 12 months or more.

Current accounting standards define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. These standards also establish a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standards describe three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) or identical assets or liabilities in active markets that the Association has the ability to access at the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Association's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

U.S. Federal Agencies - Determined based on a valuation model that uses inputs that include interest rate yield curves, cross-currency basis index spreads, and sovereign credit spreads similar to the bond in terms of issuer, maturity, and seniority. The values determined are considered Level 2 fair value measurements.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017 and 2016

(B) Investment Securities (continued):

The following table presents the Association's approximate fair value hierarchy of the assets measured at fair value on a recurring basis at March 31:

Assets Measured at Fair Value on a Recurring Basis:	2017			
	Fair Value Measurements at Reporting Date Using			
	Total	(Level 1)	(Level 2)	(Level 3)
U.S. Federal agencies	\$983,584	\$ -	\$983,584	\$ -

Assets Measured at Fair Value on a Recurring Basis:	2016			
	Fair Value Measurements at Reporting Date Using			
	Total	(Level 1)	(Level 2)	(Level 3)
U.S. Federal agencies	\$1,295,749	\$ -	\$1,295,749	\$ -

(C) Long Term Debt:

The Association's detailed financial statements include an internal loan obligation due to its restricted reserve fund from the purchase of the water and sewer system assets in 2008. On March 31, 2016, this loan obligation reported a balance of \$5,171,952. A payment of \$348,225 was applied against this obligation and the outstanding balance on March 31, 2017 is reported at \$5,031,194. Terms and conditions apply a 4% fixed rate to the outstanding balance, which is scheduled over an amortization period ending on April 1, 2038.

On June 22, 2015, the Woodhaven Association experienced an EF2 tornado causing significant damage to approximately 1/3 of the property. Substantial costs for debris clean-up and restoration occurred resulting in an internal loan obligation of \$1,880,117 reported in the March 31, 2016 financial statement. Additional costs totaling \$119,103 are reported in the March 31, 2017 financial statement and have been added to this internal loan obligation. A payment of \$262,656 was applied against this obligation and the outstanding balance on March 31, 2017 is reported at \$1,770,758. Terms and conditions apply a 4% fixed rate to the outstanding balance, which is scheduled over an amortization period ending on April 1, 2024.

All entries associated with the internal loan obligations are eliminated through the principals of consolidation.

(D) Pension Plan:

The Association maintains a qualified 401-K defined contribution pension plan, which by law is required to cover all qualifying employees. To be eligible, an employee must be at least twenty-one years of age with at least one year of service. In addition, the employee must complete 1,000 hours of service per year to become and maintain eligibility in the plan.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017 and 2016

(D) Pension Plan (continued):

The Association is required to contribute 3% of each participant's compensation during the plan year. In addition, the Association will match an additional 2% contributed by each participant up to a maximum total employer contribution of 5% of the participant's compensation. During the fiscal years ended March 31 the respective entities contributed and charged to expense the following amounts:

	2017	2016
The Woodhaven Association	\$ 96,452	\$ 95,054
Woody, Inc.	12,084	11,870
Woodhaven Lakes Realty, Inc.	6,499	6,766
	\$ 115,035	\$ 113,690

(E) Contingencies and Commitments:

Propane sold by Woody Inc. is subject to price fluctuations. Woody Inc. attempts to stabilize the cost of this product to the extent possible by covering a portion of estimated future sales with purchase contracts at firm prices. At March 31, 2017 and 2016, the aggregate unrecorded purchase commitments under contract totaled \$45,450 and \$99,642 respectively.

(F) Investment in Property, Plant and Equipment:

Investment in property, plant and equipment is as follows at March 31:

	2017		
Cost	Accumulated	Depreciation	Net Book
			Value
Land	\$ 535,968		\$ 535,968
Grounds	1,347,588	\$ 1,025,014	322,574
Roads and parking lots	4,111,607	3,011,093	1,100,514
Lakes	1,625,627	1,041,686	583,941
Pools and courts	1,592,135	1,262,799	329,336
Vehicles	1,042,930	957,715	85,215
Furniture and equipment	3,534,181	2,804,122	730,059
Buildings and improvements	9,181,773	5,613,448	3,568,325
Water and sewer system assets	11,208,527	2,905,183	8,303,344
	\$ 34,180,336	\$ 18,621,060	\$ 15,559,276

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017 and 2016

(F) Investment in Property, Plant and Equipment (continued):

Investment in property, plant and equipment is as follows at March 31:

		2016	
	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 536,438		\$ 536,438
Grounds	1,351,648	\$ 1,025,121	326,527
Roads and parking lots	3,875,266	2,853,039	1,022,227
Lakes	1,620,627	975,711	644,916
Pools and courts	1,780,475	1,360,151	420,324
Vehicles	1,013,652	895,941	117,711
Furniture and equipment	4,001,286	3,259,236	742,050
Buildings and improvements	9,238,618	5,528,745	3,709,873
Water and sewer system assets	10,879,084	2,502,859	8,376,225
	\$ 34,297,094	\$ 18,400,803	\$ 15,896,291

Total depreciation expense for the years ending March 31, 2017 and 2016 was \$1,353,522 and \$1,383,707, respectively.

Included in the land cost for 2017 and 2016 are lots, which the Association owns, and are recorded in the Lot Fund. These lots are held for the camp coast-to-coast program as well as for promotional purposes and therefore are not primarily "held for sale". The balance of these lots for the years ending March 31, 2017 and 2016 was \$20,268 and \$20,738, respectively.

The Association is responsible for preserving and maintaining the common properties. In conformity with industry practice, the Association recognizes the following common property as assets:

- a) Common personal property.
- b) Common real property to which it has title and that it can dispose of for cash while retaining the proceeds or that is used to generate significant cash flows from members or nonmembers on the basis of usage.

The buildings and improvements balance for 2017 and 2016 includes common property transferred to the Association by the Developer for \$1. The common property includes open land, several lakes, roads, buildings and improvements.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017 and 2016

(F) Investment in Property, Plant and Equipment (continued):

Engineering and bid specification costs for the nature center project of \$44,125 were incurred 2015 and continue to be recorded as construction in process and included in buildings and improvements. The Association plans to complete this project in fiscal year 2017-2018 for estimated additional costs of approximately \$875,000. The Association has secured contracts to improve the deck and slide at their pool two facility with costs totaling \$6,000 recorded in pools and courts, and to complete a dredging project on Sunset Lake with costs totaling \$5,000 recorded in lakes. These costs are also recorded as construction in process. The Association plans to complete both projects in fiscal year 2017-2018 for estimated additional costs of approximately \$145,000 for the pool two project and \$215,000 for the dredging project. No depreciation has been taken on these projects.

(G) Income Taxes:

As a membership organization, the Association is subject to corporate federal and state income taxes. For purposes of determining taxable income, assessments restricted for capital expenditures may not be subject to taxation. The Association is generally taxed on non-membership income after deducting direct and allowable expenses on a reasonable and consistent basis. Membership income can be exempt from taxation if certain elections are made.

For federal income tax purposes the Association files a consolidated tax return with its wholly owned subsidiaries. For state income tax purposes the Association files as a unitary business with its wholly owned subsidiaries.

During the years ended March 31, 2017 and 2016, the consolidated Group incurred tax losses for both federal and state income tax purposes. Consequently, no tax liabilities have been reflected in the 2017 and 2016 financial statements for federal and state tax purposes on a consolidated basis.

As of March 31, 2017, the consolidated Group has unused net operating loss carry-forwards of \$3,354,669 for federal tax purposes and \$3,967,627 for state tax purposes.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017 and 2016

(G) Income Taxes (continued):

The following net operating losses are available for reduction of future federal tax liabilities:

Carry-forwards Expire March 31,	Net Operating Loss
2020	\$51,450
2022	9,748
2023	59,747
2024	131,389
2025	125,234
2026	74,587
2027	90,399
2028	44,376
2029	178,021
2030	184,132
2031	263,452
2032	309,320
2033	331,860
2034	337,024
2035	365,396
2036	389,484
2037	409,050
	\$3,354,669

The Group also has unused Code Section 277 carryovers for federal and state tax purposes of \$8,188,898 to offset future membership income.

All deferred tax assets recognized on the above carry-forwards have been eliminated by a valuation allowance under current accounting standards.

(H) Future Major Repairs and Replacements:

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate savings accounts and are generally not available for expenditures for normal operations. The Association has two separate reserves for its capital assets; one for the water and sewer system assets, and one for all of the remaining Association owned assets.

The Association conducted studies to estimate the remaining useful lives and the replacement costs of the components of common property and used this information to estimate future costs. The total actual reserve at March 31, 2017 amounted to \$10,309,035; \$1,697,932 for water and sewer system reserve fund, and \$8,611,103 for the Association reserve fund. On March 31, 2016 total reserves amounted to \$9,418,759; \$1,704,459 for the water and sewer system reserve fund, and \$7,714,300 for the Association reserve fund.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017 and 2016

(H) Future Major Repairs and Replacements (continued):

Actual expenditures may vary from estimated future expenditures and the variations may be material, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right, subject to Board of Director's approval, to increase regular assessments, pass special assessments, borrow funds, or delay major repairs and replacements until funds are available.

(I) Owners' Assessments:

Annual assessments to Owners for fiscal year ended March 31, 2017 were \$1,170 on lots with sewer service and \$1,000 on lots without sewer service. Of those amounts, \$366 of the sewer lot assessment and \$239 of the non-sewer lot assessments were designated to the restricted fund. The annual assessment to Owners for fiscal year ended March 31, 2016 was \$1,170 on lots with sewer service and \$1,000 on lots without sewer service. Of those amounts, \$446 of the sewer lot assessments and \$318 of the non-sewer lot assessments were designated to the restricted fund.

The annual budget and assessments of Owners are established and approved by the board of directors. The Association retains excess operating funds at the end of the operating year, if any, for use in the future operating periods.

(J) Assessments Receivable:

The Association's policy is to inactivate the passes and deny access to the property owners whose assessments are in arrears and therefore considered delinquent. At March 31, 2017, the Association had assessments receivable, including late fees and fines, of \$2,902,273, of which \$426,776 were delinquent. Based on historical loss experience, it is the opinion of the Board of Directors that certain accounts will become uncollectible, and, accordingly \$646,309 has been recorded as allowance for uncollectible accounts.

At March 31, 2016, the Association had assessments receivable, including late fees and fines, of \$2,820,588, of which \$445,702 were delinquent. Based on historical loss experience, it was the opinion of the Board of Directors that certain accounts will become uncollectible, and, accordingly \$628,511 has been recorded as allowance for uncollectible accounts.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017 and 2016

(K) Acquired Intangible Assets:

Two intangible assets were included with the purchase of water and sewer system utilities. The Association evaluated the intangible assets that were acquired in the business combination to assess their useful lives and any impairment to their carrying value. Management is of the opinion that the total carrying values of all intangibles at March 31, 2017 are not impaired.

The following is a summary of the intangible assets at March 31:

March 31, 2017	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets with determinable lives:			
Franchises	\$23,231	\$20,132	\$3,099
Customer relationships	675,384	585,334	90,050
Total intangible assets	\$698,615	\$605,464	\$93,149

March 31, 2016	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets with determinable lives:			
Franchises	\$23,231	\$17,809	\$5,422
Customer relationships	675,384	517,794	157,590
Total intangible assets	\$698,615	\$535,603	\$163,012

The estimated useful life of the intangible assets is 10 years with a weighted average amortization period of 1.3 years. Amortization expense recognized totaled \$69,861 for the year ended March 31, 2017. The estimated amortization expense for each of the next two years is as follows:

Year ending March 31:

2018	\$69,861
2019	\$23,288

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS
AND REPLACEMENTS – ASSOCIATION ASSETS

March 31, 2017 and 2016
(Unaudited)

The Association conducted studies to estimate the remaining useful lives and the future replacement costs of the components of common property. The estimates were based on future estimated replacement costs, as well as the current condition of the assets. During the year ended March 31, 2017, the studies were reviewed and updated by the Association to reflect modifications in estimated remaining useful lives and future replacement costs. Funding requirements consider an annual inflation rate of 4% and interest earned of 5%, net of taxes, on amounts funded for future major repairs and replacements.

The following tables, as well as the tables on page 20, are based on the study of the Association assets and presents significant information about the components of common property in the Association reserve fund described in Note (H).

March 31, 2017

Components	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Costs	Year Ending March 31, 2017 Funding Requirement	Components Of Fund Balance at March 31, 2017
Vehicles	1-10	\$ 1,310,277	\$ 334,697	\$ 293,248
Furniture and Equipment	1-19	4,479,714	693,707	874,627
Grounds	1-20	1,685,166	236,738	320,214
Buildings	1-55	66,873,535	1,363,356	4,720,337
Roads	1-18	6,564,455	996,469	1,091,711
Lakes	1-24	2,537,632	356,538	517,462
Pools and courts	1-37	7,656,570	198,573	793,504
Professional services		27,274	28,854	-
		\$ 91,134,808	\$ 4,208,932	\$ 8,611,103

March 31, 2016

Components	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Costs	Year Ending March 31, 2016 Funding Requirement	Components Of Fund Balance at March 31, 2016
Vehicles	1-11	\$ 1,333,277	\$ 233,908	\$ 269,487
Furniture and Equipment	1-20	4,467,477	591,475	798,854
Grounds	1-20	1,651,642	211,940	279,973
Buildings	1-56	66,662,296	955,101	4,209,375
Roads	1-19	6,530,372	786,922	988,791
Lakes	1-19	2,483,789	280,677	456,985
Pools and courts	1-23	4,931,885	203,183	710,835
Professional services		26,442	27,604	-
		\$ 88,087,180	\$ 3,290,810	\$ 7,714,300

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
ASSOCIATION ASSETS
 March 31, 2017 and 2016
 (Unaudited)

March 31, 2017				
Components	Components Of Beginning Fund Balance	Additions to Fund	Charges to Fund	Components of Ending Fund Balance
Vehicles	\$ 269,487	\$ 53,038	\$ 29,277	\$ 293,248
Furniture and Equipment	798,854	286,889	211,116	874,627
Grounds	279,973	105,008	64,767	320,214
Buildings	4,209,375	625,156	114,194	4,720,337
Roads	988,791	339,261	236,341	1,091,711
Lakes	456,985	65,477	5,000	517,462
Pools and courts	710,835	93,892	11,223	793,504
Professional services	-	35,772	35,772	-
	\$ 7,714,300	\$ 1,604,493	\$ 707,690	\$ 8,611,103

March 31, 2016				
Components	Components Of Beginning Fund Balance	Additions to Fund	Charges to Fund	Components of Ending Fund Balance
Vehicles	\$ 223,990	\$ 84,942	\$ 39,445	\$ 269,487
Furniture and Equipment	677,795	284,853	163,794	798,854
Grounds	221,286	156,762	98,075	279,973
Buildings	3,400,789	976,105	167,519	4,209,375
Roads	916,243	177,091	104,543	988,791
Lakes	377,678	99,255	19,948	456,985
Pools and courts	541,448	223,152	53,765	710,835
Professional services	-	-	-	-
	\$ 6,359,229	\$ 2,002,160	\$ 647,089	\$ 7,714,300

Using the Association assets reserve balance and the estimated future replacement costs, the Association has estimated that for the fiscal year ending March 31, 2018, the required assessment for 100% funding would be \$4,208,932. The Board of Directors has approved to assess, in fiscal year ended 2018, 35% of the amount recommended by the study. Accordingly, approximately \$1,471,360 of assessments has been included in the fiscal year 2018 budget. Based on projected expenditures and the above assessment level for fiscal year ended 2018, the Association asset reserves are projected to total approximately 71% of the study's recommended reserves at March 31, 2018.

**THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS
AND REPLACEMENTS – WATER AND SEWER SYSTEM ASSETS**

March 31, 2017 and 2016

(Unaudited)

The following tables, as well as the tables on page 22, are based on the study of the water and sewer system assets and presents significant information about the components of common property in the water and sewer system reserve fund described in Note (H).

March 31, 2017

Components	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Costs	Year Ending March 31, 2017 Funding Requirement	Components Of Fund Balance at March 31, 2017
Vehicles	2-4	\$ 188,380	\$ 68,457	\$ 27,178
Furniture and Equipment	1-25	1,296,558	118,208	83,553
Buildings and Plant	8-48	3,104,818	51,316	156,218
Lift Stations	2-40	8,269,313	143,173	288,993
Treatment and Disposal	1-36	6,877,720	235,426	428,298
Water System	2-36	11,518,294	316,777	713,692
Mains, Manholes and Hydrants	1-1	79,636	166,667	-
Professional services		28,014	30,521	-
		\$ 31,362,733	\$ 1,130,545	\$ 1,697,932

March 31, 2016

Components	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Costs	Year Ending March 31, 2016 Funding Requirement	Components Of Fund Balance at March 31, 2016
Vehicles	2-5	\$ 188,433	\$ 45,948	\$ 26,143
Furniture and Equipment	1-26	1,350,758	181,149	82,750
Buildings and Plant	9-49	3,104,644	47,445	150,212
Lift Stations	1-39	6,977,280	494,924	349,622
Treatment and Disposal	1-37	6,877,007	200,440	410,741
Water System	3-37	11,513,126	283,238	684,991
Mains, Manholes and Hydrants	1-1	76,932	81,146	-
Professional services		28,014	29,479	-
		\$ 30,116,194	\$ 1,363,769	\$ 1,704,459

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
WATER AND SEWER SYSTEM ASSETS

March 31, 2017 and 2016

(Unaudited)

March 31, 2017				
Components	Components Of Beginning Fund Balance	Additions <Reductions> to Fund	Charges to Fund	Components of Ending Fund Balance
Vehicles	\$ 26,143	\$ 1,035	\$ -	\$ 27,178
Furniture and Equipment	82,750	78,643	77,840	83,553
Buildings and Plant	150,212	6,006	-	156,218
Lift Stations	349,622	312,983	373,612	288,993
Treatment and Disposal	410,741	26,986	9,429	428,298
Water System	684,991	28,701	-	713,692
Mains, Manholes and Hydrants	-	25,338	25,338	-
Professional services	-	14,473	14,473	-
	\$ 1,704,459	\$ 494,165	\$ 500,692	\$ 1,697,932

March 31, 2016				
Components	Components Of Beginning Fund Balance	Additions to Fund	Charges to Fund	Components of Ending Fund Balance
Vehicles	\$ 25,666	\$ 477	\$ -	\$ 26,143
Furniture and Equipment	91,337	122,892	131,479	82,750
Buildings and Plant	147,341	2,871	-	150,212
Lift Stations	274,146	98,918	23,442	349,622
Treatment and Disposal	399,253	19,190	7,702	410,741
Water System	672,292	40,434	27,735	684,991
Mains, Manholes and Hydrants	-	2,415	2,415	-
Professional services	-	-	-	-
	\$ 1,610,035	\$ 287,197	\$ 192,753	\$ 1,704,459

Using the water and sewer system assets reserve balance and estimated future replacement costs, the Association has estimated that for the fiscal year ending March 31, 2018, the required assessment for 100% funding would be \$1,130,547. The Board of Directors has approved to assess, in fiscal year ended 2018, 45% of the amount recommended by the study. Accordingly, approximately \$511,500 of assessments has been included in the fiscal year 2018 budget. Based on projected expenditures and the above assessment level for fiscal year ended 2018, the water and sewer system asset reserves are projected to total approximately 73% of the study's recommended reserves at March 31, 2018.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES

DETAILS OF CONSOLIDATED BALANCE SHEET

March 31, 2017

ASSETS	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
Cash on hand and in bank	\$ 6,239,720	\$ 515,505	\$ 162,375		\$ 6,917,600
Interest -bearing deposits in banks	700,000		55,396		755,396
Accounts receivable, net of allowance for uncollectible accounts	2,262,461	39,332		\$ (8,906)	2,292,887
Inter-company accounts receivable	20,676			(20,676)	-
Investment securities	999,491				999,491
Inventories		466,884			466,884
Interest receivable	3,866		34		3,900
Other receivables	108,931	43,835			152,766
Prepaid expenses	93,929	12,477			106,406
Property, plant and equipment, net of accumulated depreciation	15,559,276				15,559,276
Intangible assets, net of amortization	93,149				93,149
Investment in Woodhaven lots	4,623				4,623
Investment in stock		48,195			48,195
Investment in subsidiaries	1,189,949			(1,189,949)	-
Total assets	\$ 27,276,071	\$ 1,126,228	\$ 217,805	\$ (1,219,531)	\$ 27,400,573
LIABILITIES					
Trade accounts payable	\$ 166,983	\$ 68,660	\$ 4,501	\$ (8,906)	\$ 231,238
Inter-company accounts payable		9,258	11,418	(20,676)	-
Deferred member assessments	7,056,116				7,056,116
Other deferred income	19,505				19,505
Other accrued expenses	196,889	39,340	20,907		257,136
Total liabilities	7,439,493	117,258	36,826	(29,582)	7,563,995
EQUITY					
Common stock		1,000	1,000	(2,000)	-
Additional paid in capital		866,114	74,986	(941,100)	-
Retained earnings		141,856	104,993	(246,849)	-
Association equity:					
Restricted:					
Designated for future major repairs and replacements	10,309,035				10,309,035
Investment in fixed assets	8,830,205				8,830,205
Unrestricted	697,338				697,338
Total equity	19,836,578	1,008,970	180,979	(1,189,949)	19,836,578
Total liabilities and equity	\$ 27,276,071	\$ 1,126,228	\$ 217,805	\$ (1,219,531)	\$ 27,400,573

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
DETAILS OF CONSOLIDATED BALANCE SHEET

March 31, 2016

A S S E T S	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
Cash on hand and in bank	\$ 4,531,326	\$ 478,561	\$ 190,951		\$ 5,200,838
Interest -bearing deposits in banks	500,000		55,120		555,120
Accounts receivable, net of allowance for uncollectible accounts	2,201,942	52,212		\$ (5,621)	2,248,533
Inter-company accounts receivable	16,514	2,886		(19,400)	-
Investment securities	1,298,924				1,298,924
Inventories		434,676			434,676
Interest receivable	7,521	826	132		8,479
Other receivables	98,850	44,071			142,921
Prepaid expenses	84,050	27,053			111,103
Property, plant and equipment, net of accumulated depreciation	15,896,291				15,896,291
Intangible assets, net of amortization	163,012				163,012
Investment in Woodhaven lots	18,058				18,058
Investment in stock		47,624			47,624
Investment in subsidiaries	1,201,739			(1,201,739)	-
Total assets	\$ 26,018,227	\$ 1,087,909	\$ 246,203	\$ (1,226,760)	\$ 26,125,579
LIABILITIES					
Trade accounts payable	\$ 97,287	\$ 44,308	\$ 3,738	\$ (5,621)	\$ 139,712
Inter-company accounts payable	2,886		16,514	(19,400)	-
Deferred member assessments	6,696,643				6,696,643
Other deferred income	13,715				13,715
Other accrued expenses	205,476	37,236	30,577		273,289
Total liabilities	7,016,007	81,544	50,829	(25,021)	7,123,359
EQUITY					
Common stock		1,000	1,000	(2,000)	-
Additional paid in capital		866,114	74,986	(941,100)	-
Retained earnings		139,251	119,388	(258,639)	-
Association equity:					
Restricted:					
Designated for future major repairs and replacements	9,418,759				9,418,759
Investment in fixed assets	8,986,495				8,986,495
Unrestricted	596,966				596,966
Total equity	19,002,220	1,006,365	195,374	(1,201,739)	19,002,220
Total liabilities and equity	\$ 26,018,227	\$ 1,087,909	\$ 246,203	\$ (1,226,760)	\$ 26,125,579

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF
INCOME AND ASSOCIATION EQUITY

For the year ended March 31, 2017

	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
Revenue:					
Assessments	\$ 6,991,432				\$ 6,991,432
Net sales		\$ 2,580,874		\$ (120,180)	2,460,694
Commissions			\$ 302,535		302,535
Total revenue	6,991,432	2,580,874	302,535	(120,180)	9,754,661
Commissions paid			157,069		157,069
Cost of goods sold		1,706,142			1,706,142
Gross profit - net revenue	6,991,432	874,732	145,466	(120,180)	7,891,450
Other operating revenue	592,641	19,335	25,270	(16,963)	620,283
Total revenue from operations	7,584,073	894,067	170,736	(137,143)	8,511,733
Operating expenses	7,096,525	769,769	131,989	(137,143)	7,861,140
Income from operations	487,548	124,298	38,747	-	650,593
Other income	179,813	3,307	645		183,765
Equity in subsidiaries, income:					
Woody, Inc.	127,605			(127,605)	-
Woodhaven Lakes Realty, Inc.	30,605			(30,605)	-
Total equity in subsidiaries, income	158,210	-	-	(158,210)	-
Income before provision for income taxes	825,571	127,605	39,392	(158,210)	834,358
Provision for income tax benefit (expense)	8,787	-	(8,787)		-
Net income	834,358	127,605	30,605	(158,210)	834,358
Retained earnings beginning of year		139,251	119,388	(258,639)	-
Dividend to parent company		(125,000)	(45,000)	170,000	-
Association equity, beginning of year	19,002,220				19,002,220
Retained earnings end of year		\$ 141,856	\$ 104,993	\$ (246,849)	
Association equity, end of year	<u>\$ 19,836,578</u>				<u>\$ 19,836,578</u>

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF
INCOME AND ASSOCIATION EQUITY

For the year ended March 31, 2016

	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
Revenue:					
Assessments	\$ 6,988,517				\$ 6,988,517
Net sales		\$ 2,502,665		\$ (135,094)	2,367,571
Commissions			\$ 345,572		345,572
Total revenue	6,988,517	2,502,665	345,572	(135,094)	9,701,660
Commissions paid			187,105		187,105
Cost of goods sold		1,651,705			1,651,705
Gross profit - net revenue	6,988,517	850,960	158,467	(135,094)	7,862,850
Other operating revenue	591,839	16,350	25,420	(17,471)	616,138
Total revenue from operations	7,580,356	867,310	183,887	(152,565)	8,478,988
Operating expenses	8,798,860	742,014	128,528	(152,565)	9,516,837
Income (loss) from operations	(1,218,504)	125,296	55,359	-	(1,037,849)
Other income	198,904	4,813	708		204,425
Equity in subsidiaries, income:					
Woody, Inc.	130,109			(130,109)	-
Woodhaven Lakes Realty, Inc.	43,414			(43,414)	-
Total equity in subsidiaries, income	173,523	-	-	(173,523)	-
Income (loss) before provision for income taxes	(846,077)	130,109	56,067	(173,523)	(833,424)
Provision for income tax benefit (expense)	12,653	-	(12,653)		-
Net income (loss)	(833,424)	130,109	43,414	(173,523)	(833,424)
Retained earnings beginning of year		119,142	115,974	(235,116)	-
Dividend to parent company		(110,000)	(40,000)	150,000	-
Association equity, beginning of year	19,835,644	-	-		19,835,644
Retained earnings end of year		\$ 139,251	\$ 119,388	\$ (258,639)	
Association equity, end of year	<u>\$ 19,002,220</u>				<u>\$ 19,002,220</u>

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2017

	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income	\$ 834,358	\$ 127,605	\$ 30,605	\$ (158,210)	\$ 834,358
Adjustments to reconcile net income to net cash from operating activities:					
Depreciation and amortization	1,423,384				1,423,384
Bad debt expense	174,688	2,879			177,567
TruServ stock (dividend) correction		(571)			(571)
Gain on disposal of assets	(13,379)				(13,379)
Undistributed income of subsidiaries	(158,210)			158,210	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(235,207)	10,001		3,285	(221,921)
Decrease (increase) in accounts receivable from subsidiaries / parent	(4,162)	2,886		1,276	-
Decrease (increase) in inventories		(32,208)			(32,208)
(Decrease) increase in accounts payable	69,696	24,352	763	(3,285)	91,526
(Decrease) increase in interest payable					-
Increase (decrease) in accounts payable from parent / subsidiaries	(2,886)	9,258	(5,096)	(1,276)	-
Decrease (increase) in interest and other receivables	(6,426)	1,062	98		(5,266)
Decrease (increase) in prepaid expenses	(9,879)	14,576			4,697
Increase (decrease) in accrued expenses and other liabilities	356,676	2,104	(9,670)		349,110
Net cash flows from operating activities	2,428,653	161,944	16,700	-	2,607,297
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from the sale of assets	62,836				62,836
Dividend to parent company	170,000	(125,000)	(45,000)		-
Net change interest-bearing deposits in banks	(200,000)		(276)		(200,276)
Proceeds from maturity and sale of investment securities	900,000				900,000
Purchase of investment securities	(599,253)				(599,253)
Purchase of property and equipment	(1,053,842)				(1,053,842)
Net cash flows from investing activities	(720,259)	(125,000)	(45,276)	-	(890,535)

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)

For the year ended March 31, 2017

	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net cash flows from financing activities	-	-	-	-	-
Change in cash and cash equivalents	1,708,394	36,944	(28,576)	-	1,716,762
CASH AND CASH EQUIVALENTS:					
Beginning	4,531,326	478,561	190,951	-	5,200,838
Ending	\$ 6,239,720	\$ 515,505	\$ 162,375	\$ -	\$ 6,917,600

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash payments for:					
Income taxes (received) paid	\$ (12,653)	\$ -	\$ 12,653	\$ -	\$ -

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2016

	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income	\$ (833,424)	\$ 130,109	\$ 43,414	\$ (173,523)	\$ (833,424)
Adjustments to reconcile net income to net cash from operating activities:					
Depreciation and amortization	1,453,568				1,453,568
Bad debt expense	190,028	(1,336)			188,692
TruServ stock (dividend) correction					-
Gain on disposal of assets	(10,912)				(10,912)
Undistributed income of subsidiaries	(173,523)			173,523	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(148,462)	16,680		(7,275)	(139,057)
Decrease (increase) in accounts receivable from subsidiaries / parent	4,476	(2,886)		(1,590)	-
Decrease (increase) in inventories		(9,916)			(9,916)
(Decrease) increase in accounts payable	4,326	11,019	972	7,675	23,992
(Decrease) increase in interest payable					-
Increase (decrease) in accounts payable from parent / subsidiaries	2,886	(2,717)	(1,759)	1,590	-
Decrease (increase) in interest and other receivables	43,523	5,815	1	(400)	48,939
Decrease (increase) in prepaid expenses	(57,409)	(2,323)			(59,732)
Increase (decrease) in accrued expenses and other liabilities	16,678	(2,336)	7,855		22,197
Net cash flows from operating activities	491,755	142,109	50,483	-	684,347
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from the sale of assets	18,670				18,670
Dividend to parent company	150,000	(110,000)	(40,000)		-
Net change interest-bearing deposits in banks	(200,000)		(275)		(200,275)
Proceeds from maturity of investment securities	1,387,932				1,387,932
Purchase of investment securities	(780,355)				(780,355)
Purchase of property and equipment	(780,628)				(780,628)
Net cash flows from investing activities	(204,381)	(110,000)	(40,275)	-	(354,656)

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)

For the year ended March 31, 2016

	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net cash flows from financing activities	-	-	-	-	-
Change in cash and cash equivalents	287,374	32,109	10,208	-	329,691
CASH AND CASH EQUIVALENTS:					
Beginning	4,243,952	446,452	180,743		4,871,147
Ending	\$ 4,531,326	\$ 478,561	\$ 190,951	\$ -	\$ 5,200,838
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:					
Cash payments for:					
Income taxes (received) paid	\$ (14,245)	\$ -	\$ 14,245	\$ -	\$ -

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES

BALANCE SHEETS - THE WOODHAVEN ASSOCIATION

March 31, 2017 and 2016

ASSETS	2017			
	Total Unrestricted Funds	Restricted Fund	Interfund Eliminations	Total All Funds
Cash on hand and in bank	\$ 3,199,216	\$ 3,040,504		\$ 6,239,720
Interest bearing deposits in banks		700,000		700,000
Accounts receivable, net of allowance for doubtful accounts of \$641,128 and \$619,362 respectively	2,265,415		\$ (2,954)	2,262,461
Accounts receivable from subsidiaries	20,676			20,676
Investment securities		999,491		999,491
Interest receivable	334	274,865	(271,333)	3,866
Other receivables and current assets	108,931			108,931
Due from Operating Fund	539,687	1,500,063	(2,039,750)	-
Due from Lot Fund	1,303		(1,303)	-
Due from Water & Sewer Fund	25,981		(25,981)	-
Due from Restricted Fund	196,724		(196,724)	-
Prepaid expenses	67,489	26,440		93,929
Property, plant and equipment, net of accumulated depreciation	20,268	15,539,008		15,559,276
Intangible assets, net of amortization		93,149		93,149
Investment in Woodhaven lots	4,623			4,623
Investment in subsidiaries	1,189,949			1,189,949
Internal note receivable - water & sewer assets		5,031,194	(5,031,194)	-
Internal note receivable - disaster recovery fund		1,770,758	(1,770,758)	-
Total assets	\$ 7,640,596	\$ 28,975,472	\$ (9,339,997)	\$ 27,276,071
LIABILITIES AND ASSOCIATION EQUITY				
Trade accounts payable	\$ 124,948	\$ 44,989	\$ (2,954)	\$ 166,983
Interest payable		271,333	(271,333)	-
Due to Operating Fund	27,284	196,724	(224,008)	-
Deferred member assessments net discount	4,534,882	2,521,234		7,056,116
Due to Lot Fund	1		(1)	-
Due to Water and Sewer Fund	539,686		(539,686)	-
Due to Restricted Fund	1,500,063		(1,500,063)	-
Due to Woody, Inc.				-
Other accrued expenses	196,889			196,889
Other deferred income	19,505			19,505
Internal long term note payable - water & sewer		5,031,194	(5,031,194)	-
Internal long term note payable - disaster recovery		1,770,758	(1,770,758)	-
Total liabilities	6,943,258	9,836,232	(9,339,997)	7,439,493
Association equity:				
Restricted:				
Designated for future major repairs and replacements		10,309,035		10,309,035
Investment in fixed assets		8,830,205		8,830,205
Unrestricted	697,338			697,338
Total equity	697,338	19,139,240	-	19,836,578
Total liabilities and association equity	\$ 7,640,596	\$ 28,975,472	\$ (9,339,997)	\$ 27,276,071

See Independent Auditor's Report on Supplementary Information.

2016

Total Unrestricted Funds	Restricted Fund	Interfund Eliminations	Total All Funds
\$ 1,911,448	\$ 2,619,878		\$ 4,531,326
	500,000		500,000
2,204,609		\$ (2,667)	2,201,942
16,514			16,514
	1,298,924		1,298,924
271	248,112	(240,862)	7,521
98,850			98,850
558,256	394,983	(953,239)	-
1,432		(1,432)	-
31,364		(31,364)	-
84,295		(84,295)	-
84,050			84,050
20,738	15,875,553		15,896,291
	163,012		163,012
18,058			18,058
1,201,739			1,201,739
	5,171,952	(5,171,952)	-
	1,880,117	(1,880,117)	-
\$ 6,231,624	\$ 28,152,531	\$ (8,365,928)	\$ 26,018,227
<hr/>			
\$ 69,991	\$ 29,963	\$ (2,667)	\$ 97,287
	240,862	(240,862)	-
32,796	84,295	(117,091)	-
4,356,555	2,340,088		6,696,643
1		(1)	-
558,255		(558,255)	-
394,983		(394,983)	-
2,886			2,886
205,476			205,476
13,715			13,715
	5,171,952	(5,171,952)	-
	1,880,117	(1,880,117)	-
5,634,658	9,747,277	(8,365,928)	7,016,007
<hr/>			
	9,418,759		9,418,759
	8,986,495		8,986,495
596,966			596,966
596,966	18,405,254	-	19,002,220
\$ 6,231,624	\$ 28,152,531	\$ (8,365,928)	\$ 26,018,227

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
BALANCE SHEETS
THE WOODHAVEN ASSOCIATION - UNRESTRICTED FUNDS
March 31, 2017 and 2016

ASSETS	2017			
	Unrestricted Operating Fund	Unrestricted Lot Fund	Unrestricted Water and Sewer Fund	Total Unrestricted Funds
Cash on hand and in bank	\$ 3,003,948	\$ 148,692	\$ 46,576	\$ 3,199,216
Accounts receivable, net of allowance for doubtful accounts of \$641,128 and \$619,362 respectively	2,261,145		4,270	2,265,415
Accounts receivable from subsidiaries	20,676			20,676
Interest receivable	288	46		334
Other receivables and current assets	108,931			108,931
Due from Operating Fund		1	539,686	539,687
Due from Lot Fund	1,303			1,303
Due from Water and Sewer Fund	25,981			25,981
Due from Restricted Fund	196,724			196,724
Prepaid expenses	67,489			67,489
Property, plant and equipment, net of accumulated depreciation		20,268		20,268
Investment in Woodhaven lots		4,623		4,623
Investment in subsidiaries	1,189,949			1,189,949
Total assets	\$ 6,876,434	\$ 173,630	\$ 590,532	\$ 7,640,596
LIABILITIES AND ASSOCIATION EQUITY				
Trade accounts payable	\$ 123,773	\$ 307	\$ 868	\$ 124,948
Due to Operating Fund		1,303	25,981	27,284
Deferred member assessments net discount	3,993,396	46,856	494,630	4,534,882
Due to Lot Fund	1			1
Due to Water and Sewer Fund	539,686			539,686
Due to Restricted Fund	1,500,063			1,500,063
Due to Woody, Inc.				-
Other accrued expenses	123,836	4,000	69,053	196,889
Other deferred income	19,505			19,505
Total liabilities	6,300,260	52,466	590,532	6,943,258
Association equity:				
Unrestricted:	576,174	121,164	-	697,338
Total equity	576,174	121,164	-	697,338
Total liabilities and association equity	\$ 6,876,434	\$ 173,630	\$ 590,532	\$ 7,640,596

See Independent Auditor's Report on Supplementary Information.

2016			
Unrestricted Operating Fund	Unrestricted Lot Fund	Unrestricted Water and Sewer Fund	Total Unrestricted Funds
\$ 1,799,511	\$ 88,818	\$ 23,119	\$ 1,911,448
2,201,225		3,384	2,204,609
16,514			16,514
225	37	9	271
98,850			98,850
	1	558,255	558,256
1,432			1,432
31,364			31,364
84,295			84,295
84,050			84,050
	20,738		20,738
	18,058		18,058
1,201,739			1,201,739
\$ 5,519,205	\$ 127,652	\$ 584,767	\$ 6,231,624

\$ 66,370	\$ 300	\$ 3,321	\$ 69,991
	1,432	31,364	32,796
3,828,077	46,740	481,738	4,356,555
1			1
558,255			558,255
394,983			394,983
2,886			2,886
131,232	5,900	68,344	205,476
13,715			13,715
4,995,519	54,372	584,767	5,634,658
523,686	73,280	-	596,966
523,686	73,280	-	596,966
\$ 5,519,205	\$ 127,652	\$ 584,767	\$ 6,231,624

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF REVENUES, EXPENSES AND
ASSOCIATION EQUITY COMPARED TO BUDGET
THE WOODHAVEN ASSOCIATION
For the years ended March 31, 2017 and 2016

	2017					
	Unrestricted Operating Fund	Restricted Fund	Interfund Eliminations	Total All Funds	Unaudited Budget	Variance Favorable (Unfavorable)
Revenues:						
Member assessments	\$ 4,548,667	\$ 2,442,765		\$ 6,991,432	\$ 6,969,606	\$ 21,826
Other operating revenue	578,206	103,384	\$ (88,949)	592,641	531,761	60,880
Total revenues	5,126,873	2,546,149	(88,949)	7,584,073	7,501,367	82,706
Expenses:						
Departmental expenses:						
Administrative	820,183	65,165		885,348	999,110	113,762
Marketing	392,863			392,863	378,555	(14,308)
Recreation	532,958			532,958	542,895	9,937
Public safety	677,277			677,277	702,215	24,938
Maintenance	1,371,595	160,571		1,532,166	1,456,273	(75,893)
Water and sewer	251,973			251,973	265,906	13,933
Disaster recovery		160,576		160,576		(160,576)
Total departmental expenses	4,046,849	386,312	-	4,433,161	4,344,954	(88,207)
General expenses	1,297,196	1,727,249	(361,081)	2,663,364	1,407,711	(1,255,653)
Total operating expenses	5,344,045	2,113,561	(361,081)	7,096,525	5,752,665	(1,343,860)
Excess (deficiency) of revenues over expenses	(217,172)	432,588	272,132	487,548	1,748,702	(1,261,154)
Other income:						
Late and lien fees	94,988			94,988	96,030	(1,042)
Interest - other	50,681	46		50,727	61,750	(11,023)
Interest - investments	4,878	301,352	(272,132)	34,098	259,000	(224,902)
Total other income	150,547	301,398	(272,132)	179,813	416,780	(236,967)
Equity in subsidiaries' income:						
Woody, Inc.	127,605			127,605	81,736	45,869
Woodhaven Lakes Realty, Inc.	30,605			30,605	29,512	1,093
	158,210	-	-	158,210	111,248	46,962
Excess of revenues over expenses before provision for income taxes	91,585	733,986	-	825,571	2,276,730	(1,451,159)
Provision for income tax benefit	8,787			8,787	9,600	(813)
Net excess of revenues over expenses	100,372	733,986	-	834,358	<u>\$ 2,286,330</u>	<u>\$ (1,451,972)</u>
Association equity, beginning of year	596,966	18,405,254		19,002,220		
Equity Transfers						-
Association equity, end of year	<u>\$ 697,338</u>	<u>\$ 19,139,240</u>	<u>\$ -</u>	<u>\$ 19,836,578</u>		

See Independent Auditor's Report on Supplementary Information.

2016

Unrestricted Operating Fund	Restricted Fund	Interfund Eliminations	Total All Funds	Unaudited Budget	Variance Favorable (Unfavorable)
\$ 4,335,932	\$ 2,652,585		\$ 6,988,517	\$ 6,970,279	\$ 18,238
458,790	220,176	\$ (87,127)	591,839	513,061	78,778
<u>4,794,722</u>	<u>2,872,761</u>	<u>(87,127)</u>	<u>7,580,356</u>	<u>7,483,340</u>	<u>97,016</u>
821,952	76,869		898,821	979,954	81,133
352,934			352,934	370,169	17,235
492,696			492,696	531,381	38,685
680,546			680,546	679,925	(621)
1,229,549	66,526		1,296,075	1,352,904	56,829
256,306			256,306	263,757	7,451
	2,105,094		2,105,094		(2,105,094)
<u>3,833,983</u>	<u>2,248,489</u>	<u>-</u>	<u>6,082,472</u>	<u>4,178,090</u>	<u>(1,904,382)</u>
1,349,151	1,695,838	(328,601)	2,716,388	1,326,959	(1,389,429)
5,183,134	3,944,327	(328,601)	8,798,860	5,505,049	(3,293,811)
<u>(388,412)</u>	<u>(1,071,566)</u>	<u>241,474</u>	<u>(1,218,504)</u>	<u>1,978,291</u>	<u>(3,196,795)</u>
96,535			96,535	96,030	505
51,990	57		52,047	62,050	(10,003)
4,733	287,063	(241,474)	50,322	259,000	(208,678)
<u>153,258</u>	<u>287,120</u>	<u>(241,474)</u>	<u>198,904</u>	<u>417,080</u>	<u>(218,176)</u>
130,109			130,109	69,124	60,985
43,414			43,414	31,245	12,169
<u>173,523</u>	<u>-</u>	<u>-</u>	<u>173,523</u>	<u>100,369</u>	<u>73,154</u>
(61,631)	(784,446)	-	(846,077)	2,495,740	(3,341,817)
12,653			12,653	9,600	3,053
<u>(48,978)</u>	<u>(784,446)</u>	<u>-</u>	<u>(833,424)</u>	<u>\$ 2,505,340</u>	<u>\$ (3,338,764)</u>
727,368	19,108,276		19,835,644		
<u>(81,424)</u>	<u>81,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 596,966</u>	<u>\$ 18,405,254</u>	<u>\$ -</u>	<u>\$ 19,002,220</u>		

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF REVENUES, EXPENSES AND ASSOCIATION EQUITY
THE WOODHAVEN ASSOCIATION - UNRESTRICTED FUNDS

For the years ended March 31, 2017 and 2016

	2017			
	Operating Fund	Lot Fund	Water and Sewer Fund	Total
Revenues:				
Member assessments	\$ 3,996,892	\$ 48,771	\$ 503,004	\$ 4,548,667
Other operating revenue	382,091	45,113	151,002	578,206
Total operating revenues	4,378,983	93,884	654,006	5,126,873
Expenses:				
Departmental expenses:				
Administrative	820,183			820,183
Marketing	392,863			392,863
Recreation	532,958			532,958
Public safety	677,277			677,277
Maintenance	1,371,595			1,371,595
Water and sewer			251,973	251,973
Total departmental expenses	3,794,876	-	251,973	4,046,849
General expenses	1,060,056	46,382	190,758	1,297,196
Total operating expenses	4,854,932	46,382	442,731	5,344,045
Excess (deficiency) of revenues over expenses	(475,949)	47,502	211,275	(217,172)
Other income:				
Late and lien fees	94,948		40	94,988
Interest - other	50,260	382	39	50,681
Interest - investments	4,878			4,878
Total other income	150,086	382	79	150,547
Equity in subsidiaries' income:				
Woody, Inc.	127,605			127,605
Woodhaven Lakes Realty, Inc.	30,605			30,605
Total equity in subsidiaries' income	158,210			158,210
Excess (deficiency) of revenues over expenses before provisions for income taxes	(167,653)	47,884	211,354	91,585
Provision for income tax benefit	8,787			8,787
Net excess (deficiency) of revenues over expenses	(158,866)	47,884	211,354	100,372
Association equity, beginning of year	523,686	73,280	-	596,966
Transfers between funds	211,354		(211,354)	-
Equity transfers				-
Association equity, end of year	\$ 576,174	\$ 121,164	\$ -	\$ 697,338

See Independent Auditor's Report on Supplementary Information.

2016

Operating Fund	Lot Fund	Water and Sewer Fund	Total
\$ 3,796,857	\$ 48,771	\$ 490,304	\$ 4,335,932
301,704	11,708	145,378	458,790
<u>4,098,561</u>	<u>60,479</u>	<u>635,682</u>	<u>4,794,722</u>
821,952			821,952
352,934			352,934
492,696			492,696
680,546			680,546
1,229,549			1,229,549
		256,306	256,306
<u>3,577,677</u>	<u>-</u>	<u>256,306</u>	<u>3,833,983</u>
1,050,520	112,848	185,783	1,349,151
<u>4,628,197</u>	<u>112,848</u>	<u>442,089</u>	<u>5,183,134</u>
(529,636)	(52,369)	193,593	(388,412)
96,465		70	96,535
51,493	452	45	51,990
4,733			4,733
<u>152,691</u>	<u>452</u>	<u>115</u>	<u>153,258</u>
130,109			130,109
43,414			43,414
<u>173,523</u>			<u>173,523</u>
(203,422)	(51,917)	193,708	(61,631)
12,653			12,653
(190,769)	(51,917)	193,708	(48,978)
602,171	125,197	-	727,368
193,708		(193,708)	-
(81,424)			(81,424)
<u>\$ 523,686</u>	<u>\$ 73,280</u>	<u>\$ -</u>	<u>\$ 596,966</u>

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF UNRESTRICTED OTHER OPERATING REVENUE
AND DEPARTMENTAL EXPENSES COMPARED TO BUDGET
THE WOODHAVEN ASSOCIATION - OPERATING FUND

For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue - administrative:				
Pass replacement revenue	\$ 12,450	\$ 6,500	\$ 5,950	\$ 8,900
Service fee revenues	27,534	23,800	3,734	26,684
Total other operating revenue - administrative	\$ 39,984	\$ 30,300	\$ 9,684	\$ 35,584
Operating expenses - administrative:				
Payroll and payroll taxes	\$ 526,033	\$ 546,657	\$ 20,624	\$ 523,664
Legal - other	3,454	8,000	4,546	6,783
Legal - litigation expense	2,003	3,000	997	
Legal - collections	4,665	5,000	335	4,100
Payroll service	14,623	13,000	(1,623)	11,622
Audit	22,736	21,500	(1,236)	21,504
Accounting services	300	600	300	
Vehicle operation and travel	2,135	3,300	1,165	2,555
Equipment operations		700	700	531
Equipment rental	1,219	1,250	31	491
License, fees and taxes	2,126	4,250	2,124	4,925
Office supplies	22,040	21,000	(1,040)	20,702
Human resource supplies	1,207	1,500	293	1,192
Uniforms		150	150	150
Human Resource Programs	1,876	2,200	324	1,562
Meetings and conferences	34,643	43,350	8,707	35,103
Lien and collection expenses	3,858	2,600	(1,258)	3,988
Credit card expense	19,571	15,000	(4,571)	18,978
Dues and subscriptions	3,962	3,600	(362)	3,581
Postage and mailing	18,071	18,000	(71)	32,750
Signs and notices	5,706	4,000	(1,706)	4,252
Public relations	1,777	1,500	(277)	2,365
Employee functions	6,413	6,400	(13)	6,475
Election expense	13,340	12,000	(1,340)	2,714
Miscellaneous	200	475	275	215
Provision for bad debts - assessments	108,225	161,728	53,503	111,750
Total operating expenses - administrative	\$ 820,183	\$ 900,760	\$ 80,577	\$ 821,952

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF UNRESTRICTED OTHER OPERATING REVENUE
AND DEPARTMENTAL EXPENSES COMPARED TO BUDGET
THE WOODHAVEN ASSOCIATION - OPERATING FUND (CONTINUED)

For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue - marketing:				
Revenue from <u>Woodhaven News</u> publication	\$ 37,325	\$ 40,000	\$ (2,675)	\$ 25,435
Revenue from other advertising sources	10,098	12,000	(1,902)	9,088
Total other operating revenue - marketing	\$ 47,423	\$ 52,000	\$ (4,577)	\$ 34,523
Operating expenses - marketing:				
Payroll and payroll taxes	\$ 196,393	\$ 220,055	\$ 23,662	\$ 174,114
Marketing services	10,166	7,500	(2,666)	10,930
Computer and phone system services	30,031	29,000	(1,031)	34,112
Vehicle operation and travel	224	750	526	717
Computer supplies	4,408	6,250	1,842	4,671
Supplies and equipment	1,677	2,000	323	1,215
Programs	13,917	12,000	(1,917)	15,400
Meetings and conferences	6,146	2,500	(3,646)	4,191
Dues and subscriptions	4,818	4,000	(818)	4,115
Woodhaven News	87,473	55,000	(32,473)	68,284
Leisure Times	5,204	6,000	796	5,391
Recreation guide	3,050	3,500	450	
Trade shows	4,726	6,500	1,774	5,273
Annual report	1,316	1,500	184	1,053
Advertising expense	22,964	22,000	(964)	23,618
Provision for bad debts (recoveries) - publications	350	-	(350)	(150)
Total operating expense - marketing	\$ 392,863	\$ 378,555	\$ (14,308)	\$ 352,934

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF UNRESTRICTED OTHER OPERATING REVENUE
AND DEPARTMENTAL EXPENSES COMPARED TO BUDGET
THE WOODHAVEN ASSOCIATION - OPERATING FUND (CONTINUED)

For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue - recreation:				
Rec-Plex sales	\$ 75,230	\$ 67,500	\$ 7,730	\$ 65,641
Cost of sales	41,846	34,994	(6,852)	38,781
Gross revenue	33,384	32,506	878	26,860
Revenue from recreation programs and activities	63,525	62,050	1,475	58,984
Revenue from aquatic programs and rentals	13,856	15,000	(1,144)	10,578
Revenue from rec-plex programs and activities	62,424	59,325	3,099	47,343
Total other operating revenue - recreation	\$ 173,189	\$ 168,881	\$ 4,308	\$ 143,765
Operating expenses - recreation:				
Payroll and payroll taxes	\$ 355,122	\$ 369,695	\$ 14,573	\$ 329,730
Medical services		250	250	
Vehicle operation and travel	1,361	1,350	(11)	1,269
Equipment operations	10,513	7,700	(2,813)	6,603
Equipment rental	1,923	1,400	(523)	1,326
License fees and taxes	3,997	3,400	(597)	3,920
Tables and chairs		500	500	
Playground equipment		800	800	
Pool chemicals	12,896	13,000	104	11,804
Pool cleaning	1,800	2,000	200	
Pool furniture	4,324	4,200	(124)	4,614
Sand	190	1,000	810	
Supplies and equipment	14,072	13,600	(472)	13,993
Uniforms	2,702	2,250	(452)	2,849
Programs and activities	119,199	115,850	(3,349)	110,473
Meetings and conferences	3,514	4,600	1,086	4,522
Dues and subscriptions	249	600	351	1,377
Signs and notices		500	500	126
Credit card fees	146		(146)	
Miscellaneous	950	200	(750)	90
Total operating expense - recreation	\$ 532,958	\$ 542,895	\$ 9,937	\$ 492,696

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF UNRESTRICTED OTHER OPERATING REVENUE
AND DEPARTMENTAL EXPENSES COMPARED TO BUDGET
THE WOODHAVEN ASSOCIATION - OPERATING FUND (CONTINUED)
For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue - public safety:				
Guest pass revenue	\$ 19,640	\$ 15,000	\$ 4,640	\$ 16,600
Citations	19,550	15,000	4,550	13,300
Total other operating revenue - public safety	\$ 39,190	\$ 30,000	\$ 9,190	\$ 29,900
Operating expenses - public safety				
Payroll and payroll taxes	\$ 662,174	\$ 684,715	\$ 22,541	\$ 664,195
Vehicle operation and travel		100	100	
Equipment operations	2,838	3,100	262	3,686
Equipment rental	440	550	110	448
Medical supplies	1,804	2,000	196	2,070
Animal control	640	700	60	800
Supplies and equipment	3,559	3,200	(359)	2,905
Uniforms	3,531	3,500	(31)	3,206
Programs	132	500	368	526
Meetings and conferences	1,506	3,000	1,494	2,159
Dues and subscriptions	481	600	119	462
Signs and notices	172	250	78	89
Total operating expenses - public safety	\$ 677,277	\$ 702,215	\$ 24,938	\$ 680,546

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF UNRESTRICTED OTHER OPERATING REVENUE
AND DEPARTMENTAL EXPENSES COMPARED TO BUDGET
THE WOODHAVEN ASSOCIATION - OPERATING FUND (CONTINUED)

For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue - maintenance:				
Bait Shop sales	\$ 41,440	\$ 41,000	\$ 440	\$ 37,330
Cost of sales	20,612	21,320	708	18,455
Gross revenue	20,828	19,680	1,148	18,875
Contractor fees	12,415	8,500	3,915	12,950
Citations - ESAC	25,525	42,000	(16,475)	21,425
Miscellaneous revenue	23,537	23,850	(313)	4,682
Total other operating revenue - maintenance	\$ 82,305	\$ 94,030	\$ (11,725)	\$ 57,932
Operating expenses - maintenance:				
Payroll and payroll taxes	\$ 787,942	\$ 811,898	\$ 23,956	\$ 750,760
Snow removal	500	2,100	1,600	1,367
Trash removal	95,593	101,000	5,407	102,658
Roadways	5,191	5,000	(191)	2,681
Building repairs	16,752	17,500	748	17,311
Vandalism	72	500	428	55
Sign repairs	1,491	1,000	(491)	1,031
Surveying services		400	400	
Nuisance abatement		3,000	3,000	450
Pest control	43,039	36,500	(6,539)	38,865
Forestry maintenance	210,476	75,000	(135,476)	95,033
Landscaping	5,556	6,300	744	5,984
Trail maintenance	1,614	2,000	386	509
Vehicle operation and travel	102,395	124,775	22,380	108,058
Equipment operations	14,959	16,500	1,541	21,474
Lake management	39,710	37,000	(2,710)	36,931
Animal feed	91	300	209	174
Supplies and equipment	38,344	42,300	3,956	39,737
Nature center supplies	3,086	3,000	(86)	3,094
Uniforms	1,924	2,250	326	853
Meetings and conferences	1,319	2,600	1,281	1,207
Credit card expense	1,016	1,000	(16)	811
Dues and subscriptions	525	550	25	506
Total operating expenses - maintenance	\$ 1,371,595	\$ 1,292,473	\$ (79,122)	\$ 1,229,549

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF UNRESTRICTED GENERAL EXPENSES
COMPARED TO BUDGET
THE WOODHAVEN ASSOCIATION - OPERATING FUND
For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
General expenses:				
Electricity	\$ 69,315	\$ 70,500	\$ 1,185	\$ 61,312
Water and sewer	70,972	70,000	(972)	68,548
Telephone	20,734	20,000	(734)	20,723
LP gas and fuel oil	41,321	80,000	38,679	42,158
Liability and casualty insurance	102,378	93,000	(9,378)	92,907
Workmen's compensation insurance	128,605	115,000	(13,605)	115,394
Group insurance	530,279	595,000	64,721	560,873
Pension plan	96,452	91,670	(4,782)	88,605
Total general expenses	\$ 1,060,056	\$ 1,135,170	\$ 75,114	\$ 1,050,520

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF UNRESTRICTED OTHER OPERATING REVENUE
AND GENERAL EXPENSES COMPARED TO BUDGET
THE WOODHAVEN ASSOCIATION - LOT FUND
For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue:				
Gains from sale transactions	\$ 45,113	\$ 8,500	\$ 36,613	\$ 11,708
Total other operating revenue	\$ 45,113	\$ 8,500	\$ 36,613	\$ 11,708
General expenses:				
Real estate taxes	\$ 2,359	\$ 6,500	\$ 4,141	\$ 5,517
Electricity	4,704	6,000	1,296	4,559
Water and sewer	13,758	16,500	2,742	10,172
Improvements	24,263	26,000	1,737	91,191
Bad debt expense	1,298	1,946	648	1,409
Loss on write-down of inventory		800	800	
Total general expenses	\$ 46,382	\$ 57,746	\$ 11,364	\$ 112,848

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF UNRESTRICTED OTHER OPERATING REVENUE
AND OPERATING EXPENSES COMPARED TO BUDGET
THE WOODHAVEN ASSOCIATION - WATER AND SEWER FUND
For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue:				
Metered revenue	\$ 105,341	\$ 105,800	\$ (459)	\$ 100,578
Revenue from repairs and installations	45,661	39,000	6,661	44,800
Total other operating revenue	\$ 151,002	\$ 144,800	\$ 6,202	\$ 145,378
Operating expenses:				
Payroll and payroll taxes	\$ 128,006	\$ 156,156	\$ 28,150	\$ 149,393
Professional fees - audit and other fees	61,680	43,000	(18,680)	40,239
Building repairs	5	300	295	393
Vehicle operation and travel	269	500	231	605
Equipment operations	17,018	14,500	(2,518)	15,769
License and taxes	2,550	2,500	(50)	2,510
Chemicals	10,596	12,000	1,404	6,043
Laboratory supplies	1,220	1,400	180	1,295
Supplies and equipment	29,175	33,000	3,825	37,774
Uniforms	780	600	(180)	600
Meetings and conferences		1,000	1,000	1,091
Dues and subscriptions	50	200	150	59
Miscellaneous	624	750	126	535
Total operating expenses - water and sewer	\$ 251,973	\$ 265,906	\$ 13,933	\$ 256,306
General expenses:				
Bad debts	\$ 13,432	\$ 19,995	\$ 6,563	\$ 14,193
Telephone and utilities	92,865	91,000	(1,865)	83,551
General liability and work compensation insurance	29,824	30,000	176	32,489
Pension plan	5,941	6,800	859	6,449
Real estate tax expense	48,696	45,500	(3,196)	49,101
Total general expenses	\$ 190,758	\$ 193,295	\$ 2,537	\$ 185,783

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF REVENUES, EXPENSES AND ASSOCIATION EQUITY
THE WOODHAVEN ASSOCIATION - RESTRICTED FUNDS
For the years ended March 31, 2017 and 2016

	2017			2016		
	Reserve Fund	Disaster Recovery Fund	Total	Reserve Fund	Disaster Recovery Fund	Total
Revenues:						
Member assessments	\$ 2,442,765		\$ 2,442,765	\$ 2,652,585		\$ 2,652,585
Other revenues	61,911	\$ 41,473	103,384	76,623	\$ 143,553	220,176
Total revenues	2,504,676	41,473	2,546,149	2,729,208	143,553	2,872,761
Expenses:						
Departmental expenses:						
Administrative	65,165		65,165	76,869		76,869
Maintenance	160,571		160,571	66,526		66,526
Disaster recovery		160,576	160,576		2,105,094	2,105,094
Total departmental expenses	225,736	160,576	386,312	143,395	2,105,094	2,248,489
General expenses	1,727,249		1,727,249	1,695,838		1,695,838
Total operating expenses	1,952,985	160,576	2,113,561	1,839,233	2,105,094	3,944,327
Excess (deficiency) of revenues over expenses	551,691	(119,103)	432,588	889,975	(1,961,541)	(1,071,566)
Other income:						
Interest - other	46		46	57		57
Interest - investments	301,352		301,352	287,063		287,063
Total other income	301,398	-	301,398	287,120	-	287,120
Net excess (deficiency) of revenues over expenses	853,089	(119,103)	432,588	1,177,095	(1,961,541)	(1,071,566)
Association equity, beginning of year	18,405,254	-	18,405,254	19,108,276	-	19,108,276
Equity transfer - disaster fund loan proceeds	(119,103)	119,103	-	(1,880,117)	1,880,117	-
Equity transfer - surplus funds			-		81,424	81,424
Association equity, end of year	\$ 19,139,240	\$ -	\$ 18,837,842	\$ 18,405,254	\$ -	\$ 18,118,134

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF REVENUES AND EXPENSES COMPARED TO BUDGET
THE WOODHAEN ASSOCIATION - DISASTER RECOVERY FUND
For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Disaster recovery revenues:				
Donations	\$ 5,890		\$ (5,890)	\$ 42,093
RV removal program				71,660
Nuisance abatement	35,583		(35,583)	29,800
Total disaster recovery revenues	\$ 41,473	\$ -	\$ (41,473)	\$ 143,553
Disaster recovery expenses:				
Payroll and payroll taxes				\$ 39,188
RV removal	\$ 63,448		\$ (63,448)	179,203
Tree debris removal	54,046		(54,046)	1,725,310
Garbage removal	24,999		(24,999)	51,730
Restoration	14,583		(14,583)	74,630
Other expenses	3,500		(3,500)	35,033
Total disaster recovery expenses	\$ 160,576	\$ -	\$ (160,576)	\$ 2,105,094

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF RESTRICTED EXPENSES COMPARED TO BUDGET
THE WOODHAVEN ASSOCIATION - RESTRICTED FUND
For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Administrative -				
Provision for bad debts	\$ 65,165	\$ 98,350	\$ 33,185	\$ 76,869
Maintenance:				
Computer facility upgrades	\$ 30,052	\$ 31,000	\$ 948	\$ 40,527
Recreation equipment	6,862	7,000	138	7,179
Playground maintenance and equipment	9,660	6,000	(3,660)	
Maintenance repairs and equipment	6,115	6,300	185	8,056
General Store equipment	4,855	5,000	145	
Facility maintenance and repairs	41,397	42,000	603	5,069
Pool and court repairs and equipment	3,631	3,700	69	
Water and sewer systems	7,754	8,000	246	2,680
Consultants	50,245	54,800	4,555	3,015
Total maintenance	\$ 160,571	\$ 163,800	\$ 3,229	\$ 66,526
General expenses:				
Interest expense	\$ 272,132	\$ 21,500	\$ (250,632)	\$ 241,474
Loss on Disposal of Assets	31,733		(31,733)	796
Depreciation and amortization	1,423,384		(1,423,384)	1,453,568
Total general expenses	\$ 1,727,249	\$ 21,500	\$ (1,705,749)	\$ 1,695,838

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
RECONCILIATION TO THE BUDGET
WOODHAVEN ASSOCIATION

For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Reconciliation of actual expenditures to budget:				
Operating expenses:				
Unrestricted	\$ 5,344,045	\$ 5,090,460	\$ (253,585)	\$ 5,183,134
Restricted	2,113,561	283,650	(1,829,911)	3,944,327
Total operating expenses	7,457,606	5,374,110	(2,083,496)	9,127,461
Capital expenditures	1,048,711	1,853,500	804,789	773,916
Total	\$ 8,506,317	\$ 7,227,610	\$ (1,278,707)	\$ 9,901,377
Analysis of budget variances:				
Operating expenses:				
Unrestricted:				
Administrative	\$ 820,183	\$ 900,760	\$ 80,577	\$ 821,952
Marketing	392,863	378,555	(14,308)	352,934
Recreation	532,958	542,895	9,937	492,696
Public safety	677,277	702,215	24,938	680,546
Maintenance	1,371,595	1,292,473	(79,122)	1,229,549
Water and sewer	251,973	265,906	13,933	256,306
General	1,297,196	1,386,211	89,015	1,349,151
	5,344,045	5,469,015	124,970	5,183,134
Restricted:				
Administrative	65,165	98,350	33,185	76,869
Maintenance	160,571	163,800	3,229	66,526
Disaster recovery	160,576		(160,576)	2,105,094
General	1,727,249	21,500	(1,705,749)	1,695,838
	2,113,561	283,650	(1,829,911)	3,944,327
Capital expenditures:				
Vehicles	29,277	35,300	6,023	31,389
Furniture/equipment	241,072	267,000	25,928	254,746
Water and sewer system assets	400,624	563,300	162,676	56,179
Grounds and land improvements	56,007	62,500	6,493	98,075
Buildings	72,797	95,000	22,203	162,450
Roads and lakes	241,341	822,900	581,559	124,491
Pools and courts	7,593	7,500	(93)	46,586
	1,048,711	1,853,500	804,789	773,916
Total	\$ 8,506,317	\$ 7,606,165	\$ (900,152)	\$ 9,901,377

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
BALANCE SHEETS
WOODY, INC.

March 31, 2017 and 2016

A S S E T S	2017	2016
Cash on hand and in bank	\$ 515,505	\$ 478,561
Accounts receivable, net of allowance for uncollectible accounts of \$900 and \$5,000, respectively	39,332	52,212
Accounts receivable from parent company		2,886
Inventories	466,884	434,676
Accrued interest		826
Other receivables	43,835	44,071
Prepaid expenses	12,477	27,053
Investment in stock	48,195	47,624
Total assets	\$ 1,126,228	\$ 1,087,909
LIABILITIES		
Trade accounts payable	\$ 68,660	\$ 44,308
Accounts payable to parent company	9,258	
Other accrued expenses	39,340	37,236
Total liabilities	117,258	81,544
STOCKHOLDER'S EQUITY		
Common stock, no par value, 100 shares authorized, 100 shares issued	1,000	1,000
Additional paid-in capital	866,114	866,114
Retained earnings	141,856	139,251
Total stockholder's equity	1,008,970	1,006,365
Total liabilities and stockholder's equity	\$ 1,126,228	\$ 1,087,909

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF INCOME AND RETAINED EARNINGS COMPARED TO BUDGET
WOODY, INC.

For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Sales	\$ 2,627,550	\$ 2,772,200	\$ (144,650)	\$ 2,550,778
Less discounts to affiliate	46,676		(46,676)	48,113
	2,580,874	2,772,200	(191,326)	2,502,665
Cost of goods sold	1,706,142	1,940,620	234,478	1,651,705
	874,732	831,580	43,152	850,960
Gross profit				
Other operating revenue	19,335	22,900	(3,565)	16,350
Total revenue from operations	894,067	854,480	39,587	867,310
Operating expenses:				
General store & restaurant	348,602	356,246	7,644	328,282
Service center	421,167	423,598	2,431	413,732
Total operating expenses	769,769	779,844	10,075	742,014
Income from operations	124,298	74,636	49,662	125,296
Other income:				
Interest	3,220	6,600	(3,380)	3,907
Miscellaneous	87	500	(413)	906
Total other income	3,307	7,100	(3,793)	4,813
Income before incomes taxes	127,605	81,736	45,869	130,109
Provision for income tax expense	-	-	-	-
Net income	127,605	<u>\$ 81,736</u>	<u>\$ 45,869</u>	130,109
Retained earnings - beginning of year	<u>139,251</u>			<u>119,142</u>
Dividend to parent company	<u>(125,000)</u>			<u>(110,000)</u>
Retained earnings - end of year	<u>\$ 141,856</u>			<u>\$ 139,251</u>

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF SALES AND COST OF GOODS SOLD
WOODY, INC.

For the years ended March 31, 2017 and 2016

	2017							
	Net Sales	Beginning Inventory	Purchases	Products Available for Sale	Ending Inventory	Cost of Goods Sold	Gross Profit	Percent of Sales
General Store	\$ 1,004,652	\$ 82,511	\$ 665,041	\$ 747,552	\$ 100,383	\$ 647,169	\$ 357,483	35.58%
Service Center	1,576,222	352,165	1,073,309	1,425,474	366,501	1,058,973	517,249	32.82%
Total	\$ 2,580,874	\$ 434,676	\$ 1,738,350	\$ 2,173,026	\$ 466,884	\$ 1,706,142	\$ 874,732	33.89%

	2016							
	Net Sales	Beginning Inventory	Purchases	Products Available for Sale	Ending Inventory	Cost of Goods Sold	Gross Profit	Percent of Sales
General Store	\$ 970,417	\$ 80,881	\$ 637,207	\$ 718,088	\$ 82,511	\$ 635,577	\$ 334,840	34.50%
Service Center	1,532,248	343,879	1,024,414	1,368,293	352,165	1,016,128	516,120	33.68%
Total	\$ 2,502,665	\$ 424,760	\$ 1,661,621	\$ 2,086,381	\$ 434,676	\$ 1,651,705	\$ 850,960	34.00%

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF OTHER OPERATING REVENUE AND
OPERATING EXPENSES COMPARED TO BUDGET
WOODY, INC. - GENERAL STORE AND RESTAURANT
For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue:				
Bank lease revenue	\$ 7,200	\$ 7,200		\$ 7,200
Concession stand and food vendor revenue	4,800	4,200	\$ 600	3,375
Total other operating revenue	\$ 12,000	\$ 11,400	\$ 600	\$ 10,575
Operating expenses:				
Payroll	\$ 167,124	\$ 172,500	\$ 5,376	\$ 156,522
Payroll taxes	23,375	24,096	721	22,246
Professional fees - audit and other fees	4,556	4,300	(256)	4,292
Travel and gas	386	200	(186)	-
Equipment operations	17,416	12,000	(5,416)	10,459
Supplies	17,879	22,000	4,121	21,386
Uniforms	393	600	207	990
Meetings and conferences	-	400	400	496
Public relations	2,479	1,000	(1,479)	806
Miscellaneous	13	300	287	199
Credit card fees	14,599	11,700	(2,899)	12,596
License and taxes	3,126	2,800	(326)	2,706
Dues and subscriptions	100	250	150	450
Telephone and utilities	62,699	71,600	8,901	63,920
General liability and work compensation insurance	30,192	26,500	(3,692)	26,087
Pension plan	4,265	6,000	1,735	5,127
Total operating expenses	\$ 348,602	\$ 356,246	\$ 7,644	\$ 328,282

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF OTHER OPERATING REVENUE AND
OPERATING EXPENSES COMPARED TO BUDGET
WOODY, INC. - TRUE VALUE SERVICE CENTER
For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue:				
Dividends net of market value adjustment	\$ 7,335	\$ 11,500	\$ (4,165)	\$ 5,775
Total other operating revenue	\$ 7,335	\$ 11,500	\$ (4,165)	\$ 5,775
Operating expenses:				
Payroll	\$ 226,025	\$ 233,254	\$ 7,229	\$ 230,974
Payroll taxes	24,963	27,344	2,381	27,288
Professional fees - audit and other fees	4,556	4,300	(256)	4,292
Travel and gas	453	450	(3)	131
Equipment and building maintenance	22,122	19,600	(2,522)	21,106
Supplies	3,443	4,500	1,057	4,493
Uniforms	271	1,000	729	1,427
Meetings and conferences	3,038	4,000	962	3,069
Public relations/advertising	5,467	5,250	(217)	5,274
Miscellaneous	727	300	(427)	(153)
Collection expense (benefit)	-	50	50	(12)
Credit card fees	20,435	19,000	(1,435)	18,020
License and taxes	2,462	2,100	(362)	1,570
Dues and subscriptions	2,722	1,600	(1,122)	3,108
Bad debts (recovery)	2,879	250	(2,629)	(1,336)
Shipping expense	4,161	1,900	(2,261)	2,777
Telephone and utilities	12,779	17,200	4,421	12,590
General liability and work compensation insurance	63,756	61,500	(2,256)	59,142
Pension plan	7,819	7,500	(319)	6,743
Real estate tax expense	13,089	12,500	(589)	13,229
Total operating expenses	\$ 421,167	\$ 423,598	\$ 2,431	\$ 413,732

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
BALANCE SHEETS
WOODHAVEN LAKES REALTY, INC.
March 31, 2017 and 2016

A S S E T S	2017	2016
Cash on hand and in bank	\$ 162,375	\$ 190,951
Interest-bearing deposits in banks	55,396	55,120
Interest receivable	34	132
Total assets	\$ 217,805	\$ 246,203
LIABILITIES		
Trade accounts payable	\$ 4,501	\$ 3,738
Accounts payable to parent company	11,418	16,514
Other accrued expenses	20,907	30,577
Total liabilities	36,826	50,829
STOCKHOLDER'S EQUITY		
Common stock, no par value, 100,000 shares authorized, 1,000 shares issued	1,000	1,000
Additional paid in capital	74,986	74,986
Retained earnings	104,993	119,388
Total stockholder's equity	180,979	195,374
Total liabilities and stockholder's equity	\$ 217,805	\$ 246,203

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF INCOME AND RETAINED EARNINGS COMPARED TO BUDGET
WOODHAVEN LAKES REALTY, INC.

For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Sales commissions	\$ 302,535	\$ 282,000	\$ 20,535	\$ 345,572
Less commissions paid	157,069	142,200	(14,869)	187,105
Net sales commissions	145,466	139,800	5,666	158,467
Other operating revenue	25,270	30,500	(5,230)	25,420
Total revenue from operations	170,736	170,300	436	183,887
Operating expenses	131,989	132,138	149	128,528
Income from operations	38,747	38,162	585	55,359
Other income:				
Interest	645	900	(255)	708
Miscellaneous income	-	50	(50)	-
Total other income	645	950	(305)	708
Income before incomes taxes	39,392	39,112	280	56,067
Provision for income tax expense	8,787	9,600	813	12,653
Net Income	30,605	<u>\$ 29,512</u>	<u>\$ 1,093</u>	43,414
Retained earnings, beginning of the year	119,388			115,974
Dividend to parent company	<u>(45,000)</u>			<u>(40,000)</u>
Retained earnings, end of year	<u>\$ 104,993</u>			<u>\$ 119,388</u>

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF OTHER OPERATING REVENUE AND
OPERATING EXPENSES COMPARED TO BUDGET
WOODHAVEN LAKES REALTY, INC.

For the years ended March 31, 2017 and 2016

	2017			2016
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue:				
Document fees	\$ 25,270	\$ 30,500	\$ (5,230)	\$ 25,420
Total other operating revenue	\$ 25,270	\$ 30,500	\$ (5,230)	\$ 25,420
Operating expenses:				
Payroll	\$ 76,698	\$ 82,943	\$ 6,245	\$ 75,296
Payroll taxes	6,667	6,745	78	6,246
Professional fees	2,609	2,400	(209)	2,304
Travel and gas	301	500	199	470
Repairs	2,104	1,900	(204)	2,672
License fees and taxes	1,135	400	(735)	171
Supplies	6,993	4,700	(2,293)	6,434
Meetings and conferences	184	750	566	486
Dues and publications	3,796	3,200	(596)	5,097
Postage	187	200	13	66
Advertising	11,176	8,250	(2,926)	9,289
Miscellaneous	3,053	700	(2,353)	3,408
Telephone and utilities	3,912	4,450	538	3,742
General liability and work compensation insurance	3,913	4,800	887	3,269
Pension plan	6,499	7,200	701	6,766
Real estate taxes	2,762	3,000	238	2,812
Total operating expenses	\$ 131,989	\$ 132,138	\$ 149	\$ 128,528

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