

**THE WOODHAVEN ASSOCIATION AND
SUBSIDIARIES**

Financial Report

March 31, 2019 and 2018

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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 at March 31, 2019 and 2018, 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, 2019 and 2018, 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 22-53 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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.

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 18-21 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 29, 2019

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

March 31, 2019 and 2018

A S S E T S	2019	2018
Cash on hand and in bank - restricted	\$ 2,254,512	\$ 2,640,278
Cash on hand and in bank - unrestricted	3,766,969	3,515,336
Interest -bearing deposits in banks	3,764,059	2,256,505
Assessments and accounts receivable, net of allowance for uncollectible accounts of \$481,549 and \$551,117, respectively	2,296,101	2,202,668
Investment securities - restricted	1,099,541	1,099,504
Inventories	388,963	440,145
Interest receivable	14,808	6,110
Other receivables	111,447	188,719
Prepaid expenses	36,832	148,021
Property, plant and equipment, net of accumulated depreciation	16,343,350	16,499,582
Intangible assets, net of amortization	-	23,288
Investment in Woodhaven lots	4,996	13,127
Investment in stock	14,458	48,195
Total assets	\$ 30,096,036	\$ 29,081,478
LIABILITIES AND ASSOCIATION EQUITY		
Liabilities:		
Trade accounts payable	\$ 203,994	\$ 375,976
Deferred member assessments	7,135,522	7,132,638
Other deferred income	18,855	21,805
Other accrued expenses	251,736	272,499
Total liabilities	7,610,107	7,802,918
Association equity:		
Restricted:		
Designated for future major repairs and replacements	10,972,398	10,176,257
Investment in fixed assets	10,271,070	10,040,422
Unrestricted	1,242,461	1,061,881
Total association equity	22,485,929	21,278,560
Total liabilities and association equity	\$ 30,096,036	\$ 29,081,478

See Notes to Consolidated Financial Statements.

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

For the years ended March 31, 2019 and 2018

	2019	2018
Revenue:		
Assessments	\$ 7,362,336	\$ 7,363,426
Net sales	2,619,490	2,611,559
Commissions	225,132	295,254
Total revenue	10,206,958	10,270,239
Commissions paid	122,573	153,025
Cost of goods sold	1,880,983	1,872,515
Gross profit	8,203,402	8,244,699
Other operating revenue	551,679	575,351
Total revenue from operations	8,755,081	8,820,050
Operating expenses	7,782,802	7,574,421
Net income from operations	972,279	1,245,629
Other income	235,090	196,353
Net income	1,207,369	1,441,982
Association equity, beginning of year	21,278,560	19,836,578
Association equity, end of year	\$ 22,485,929	\$ 21,278,560

See Notes to Consolidated Financial Statements.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 1,207,369	\$ 1,441,982
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	1,541,579	1,466,711
Bad debt expense	79,433	157,848
TruServ stock redemption	33,737	-
Gain on the sale of assets	(16,590)	(41,038)
Change in assets and liabilities:		
Change in assessments and accounts receivable	(172,866)	(67,629)
Change in inventories	51,182	26,739
Change in interest and other receivables	68,574	(38,163)
Change in prepaid expenses	111,189	(41,615)
Change in trade accounts payable	(171,982)	144,738
Change in accrued expenses and deferred liabilities	(20,829)	94,185
Net cash flows from operating activities	2,710,796	3,143,758
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of assets	51,648	44,212
Net change interest-bearing deposits in banks	(1,507,554)	(1,501,109)
Proceeds from maturity and sale of investment securities	-	-
Purchases of investment securities, net of reconciliation adjustments	(37)	(100,016)
Purchases of property and equipment	(1,388,986)	(2,348,831)
Net cash flows from investing activities	(2,844,929)	(3,905,744)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash flows from financing activities	-	-
Change in cash and cash equivalents	(134,133)	(761,986)
CASH AND CASH EQUIVALENTS (RESTRICTED AND UNRESTRICTED):		
Beginning	6,155,614	6,917,600
Ending	\$ 6,021,481	\$ 6,155,614
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, 2019 and 2018

(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, 2019 and 2018, 6,216 campsites are covered by the Declaration, of which 6,144 lots are assessable. However, included in the 6,144 assessable lots were 38 and 39 lots, respectively, which were owned by the Association and accordingly, were not assessed during the years ended March 31, 2019 and 2018. 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, 2019 and 2018. In the Water and Sewer Fund, the Board allocated unrestricted Owner assessments at a rate of forty-four dollars per lot for water services and forty-four dollars per lot for sewer services at March 31, 2019 and 2018.

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, 2019 and 2018

(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.

Principles 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, 2019 and 2018, \$159,038 and \$613,401, 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, 2019 and 2018

(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, 2019 and 2018, 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. 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, if applicable. There were no certificates of deposit classified as cash equivalents at March 31, 2019 and 2018.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2019 and 2018

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

Inventories:

The Woodhaven Association - Inventories consist of Woodhaven lots held for re-sale. Substantially all lots were acquired by purchase through delinquent tax auctions or were deeded to the Association in lieu of foreclosure. As of March 31, 2019 and 2018, inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion, disposal, and transportation.

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's threshold to capitalize new assets is set at \$5,000.

Inter-fund eliminations:

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

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

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

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, 2019 and 2018.

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, 2019 and 2018.

Subsequent Events:

The Association has evaluated subsequent events through June 29, 2019, 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:

Held-to-Maturity	2019			Approximate Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	
U.S. Federal agencies	\$1,099,541	\$ -	(\$7,902)	\$1,091,639

Held-to-Maturity	2018			Approximate Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	
U.S. Federal agencies	\$1,099,504	\$ -	(\$22,268)	\$1,077,236

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2019 and 2018

(B) Investment Securities (continued):

The amortized cost and approximate fair value of securities at March 31, 2019 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	700,075	695,765
Due after five years through ten years	399,466	395,874
Due after ten years	-	-
	\$1,099,541	\$1,091,639

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:

	2019					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Federal agencies	\$ -	\$ -	\$1,099,541	(\$7,902)	\$1,091,639	(\$7,902)

At March 31, 2019, the Association had no securities in an unrealized loss position for less than 12 months and seven securities in an unrealized loss position for 12 months or more.

	2018					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Federal agencies	\$98,611	(\$1,368)	\$978,625	(\$20,900)	\$1,077,236	(\$22,268)

At March 31, 2018, the Association had one security in an unrealized loss position for less than 12 months and six securities in an unrealized loss position for 12 months or more.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

(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, 2018, this loan obligation reported a balance of \$4,884,217. A principal and interest payment of \$348,225 was applied against this obligation and the outstanding balance on March 31, 2019 is reported at \$4,731,361. Terms and conditions apply a 4% fixed rate to the outstanding balance, which is scheduled over an amortization period ending on April 1, 2038.

In 2015 a tornado caused significant damage to approximately 1/3 of the property. Substantial costs for clean-up and restoration have occurred resulting in an internal loan obligation. On March 31, 2018, this obligation reported a balance of \$1,577,963. A principal and interest payment of \$262,656 was applied against this obligation on April 1, 2018. The Association also applied surplus funds of \$58,114 to the principal balance. The outstanding balance on March 31, 2019 is reported at \$1,320,312. Terms and conditions apply a 4% fixed rate to the outstanding balance, which is scheduled over an amortization period ending on April 1, 2022.

All entries associated with the internal loan obligations are eliminated through the principles 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 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:

	2019	2018
The Woodhaven Association	\$ 101,140	\$ 101,654
Woody, Inc.	12,245	12,327
Woodhaven Lakes Realty, Inc.	4,635	6,585
	\$ 118,020	\$ 120,567

(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, 2019 and 2018, the aggregate unrecorded purchase commitments under contract totaled \$75,333 and \$81,700 respectively.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2019 and 2018

(F) Investment in Property, Plant and Equipment:

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

	2019		
	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 536,306		\$ 536,306
Grounds	1,575,384	\$ 1,151,059	424,325
Roads and parking lots	4,739,701	3,421,002	1,318,699
Lakes	1,896,303	1,112,020	784,283
Pools and courts	1,724,267	1,446,360	277,907
Vehicles	1,268,131	953,237	314,894
Furniture and equipment	3,707,167	3,047,930	659,237
Buildings and improvements	10,267,681	5,814,507	4,453,174
Water and sewer system assets	11,251,135	3,676,610	7,574,525
	\$ 36,966,075	\$ 20,622,725	\$ 16,343,350

	2018		
	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 535,968		\$ 535,968
Grounds	1,416,263	\$ 1,080,523	335,740
Roads and parking lots	4,739,700	3,204,087	1,535,613
Lakes	1,826,210	1,053,281	772,929
Pools and courts	1,730,012	1,367,761	362,251
Vehicles	1,157,763	921,267	236,496
Furniture and equipment	3,666,647	2,953,843	712,804
Buildings and improvements	9,856,335	5,761,082	4,095,253
Water and sewer system assets	11,288,461	3,375,933	7,912,528
	\$ 36,217,359	\$ 19,717,777	\$ 16,499,582

Total depreciation expense for the years ending March 31, 2019 and 2018 was \$1,518,291 and \$1,396,848, respectively.

Included in the land cost for 2019 and 2018 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, 2019 and 2018 was \$20,607 and \$20,268, respectively.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

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

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 2019 and 2018 includes common property transferred to the Association by the Developer for \$1. The common property includes open land, several lakes, roads, buildings and improvements.

In fiscal year 2018-2019 the Association secured contracts and initiated projects to make improvements to the True Value Service Center and General Store / Restaurant. Costs incurred for the True Value Service Center renovations were approximately \$350,000, which are recorded as construction in progress in property, plant and equipment. The Association plans to complete this project in fiscal year 2019-2020 for additional costs estimated at approximately \$125,000. Costs incurred for the General Store / Restaurant renovations were approximately \$48,000, which are recorded as construction in progress in property, plant and equipment. The Association also plans to complete this project in fiscal year 2019-2020 for additional costs estimated at approximately \$28,000.

(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, 2019 and 2018, the consolidated Group incurred tax losses for both federal and state income tax purposes. Consequently, no tax liabilities have been reflected in the 2019 and 2018 financial statements for federal and state tax purposes on a consolidated basis.

As of March 31, 2019, the consolidated Group has unused net operating loss carry-forwards of \$4,177,774 for federal tax purposes and \$4,555,533 for state tax purposes.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

(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
2038	419,475
Total losses subject to expiration	3,774,144

The following losses may be carried forward indefinitely under the Tax Cuts Jobs Acts of 2017 (TCJA):

March 31, 2019	403,630
Total net operating loss carryovers	\$4,177,774

Pursuant to the TCJA, loss usage in any carryover year after March 31, 2018 is limited to 80% of taxable income.

The Group also has unused Code Section 277 carryovers for federal and state tax purposes of \$8,478,601 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.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2019 and 2018

(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, 2019 amounted to \$10,972,235; \$2,221,000 for water and sewer system reserve fund, and \$8,751,235 for the Association reserve fund. On March 31, 2018 total reserves amounted to \$10,176,257; \$2,090,000 for the water and sewer system reserve fund, and \$8,086,257 for the Association reserve fund.

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, 2019 were \$1,230 on lots with sewer service and \$1,105 on lots without sewer service. Of those amounts, \$384 of the sewer lot assessment and \$303 of the non-sewer lot assessments were designated to the restricted fund. The annual assessment to Owners for fiscal year ended March 31, 2018 was \$1,230 on lots with sewer service and \$1,105 on lots without sewer service. Of those amounts, \$392 of the sewer lot assessments and \$311 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.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

(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, 2019, the Association had assessments receivable, including late fees and fines, of \$2,723,016, of which \$340,834 were delinquent. Based on historical loss experience, it is the opinion of the Board of Directors that certain accounts will become uncollectible, and, accordingly \$480,549 has been recorded as allowance for uncollectible accounts.

At March 31, 2018, the Association had assessments receivable, including late fees and fines, of \$2,710,258, of which \$373,204 were delinquent. Based on historical loss experience, it was the opinion of the Board of Directors that certain accounts will become uncollectible, and, accordingly \$550,867 has been recorded as allowance for uncollectible accounts.

(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.

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

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
March 31, 2019			
Intangible assets with determinable lives:			
Franchises	\$23,231	\$23,231	\$0
Customer relationships	675,384	675,384	0
Total intangible assets	\$698,615	\$698,615	\$0
March 31, 2018			
Intangible assets with determinable lives:			
Franchises	\$23,231	\$22,455	\$776
Customer relationships	675,384	652,872	22,512
Total intangible assets	\$698,615	\$675,527	\$23,288

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

March 31, 2019 and 2018
(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, 2019, 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 19, 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, 2019

Components	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Costs	Year Ending March 31, 2019 Funding Requirement	Components Of Fund Balance at March 31, 2019
Vehicles	1-26	\$ 1,630,621	\$ 197,043	\$ 271,654
Furniture and Equipment	1-24	4,856,692	679,250	866,399
Grounds	1-18	1,971,069	254,205	296,727
Buildings	1-59	75,021,681	826,947	4,698,436
Roads	1-19	8,261,220	461,062	1,303,200
Lakes	1-27	3,102,942	314,256	523,947
Pools and courts	1-36	7,688,677	230,928	790,872
Professional services		29,123	30,412	-
		\$ 102,562,025	\$ 2,994,103	\$ 8,751,235

March 31, 2018

Components	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Costs	Year Ending March 31, 2018 Funding Requirement	Components Of Fund Balance at March 31, 2018
Vehicles	1-9	\$ 1,614,696	\$ 222,857	\$ 228,921
Furniture and Equipment	1-18	4,689,845	668,393	875,295
Grounds	1-19	1,796,912	346,368	343,535
Buildings	1-54	75,254,256	817,974	4,518,293
Roads	2-19	7,075,602	402,003	864,639
Lakes	1-23	3,090,070	266,817	461,509
Pools and courts	1-36	7,686,785	205,762	794,065
Professional services		28,384	29,485	-
		\$ 101,236,550	\$ 2,959,659	\$ 8,086,257

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
ASSOCIATION ASSETS
 March 31, 2019 and 2018
 (Unaudited)

March 31, 2019				
Components	Components Of Beginning Fund Balance	Additions to Fund	Charges to Fund	Components of Ending Fund Balance
Vehicles	\$ 228,921	\$ 116,311	\$ 73,578	\$ 271,654
Furniture and Equipment	875,295	159,046	167,942	866,399
Grounds	343,535	112,313	159,121	296,727
Buildings	4,518,293	805,962	625,819	4,698,436
Roads	864,639	438,561	-	1,303,200
Lakes	461,509	148,666	86,228	523,947
Pools and courts	794,065	310	3,503	790,872
Professional services	-	8,000	8,000	-
	\$ 8,086,257	\$ 1,789,169	\$ 1,124,191	\$ 8,751,235

March 31, 2018				
Components	Components Of Beginning Fund Balance	Additions to Fund	Charges to Fund	Components of Ending Fund Balance
Vehicles	\$ 293,248	\$ 167,721	\$ 232,048	\$ 228,921
Furniture and Equipment	874,627	246,569	245,901	875,295
Grounds	320,214	98,000	74,679	343,535
Buildings	4,720,337	532,866	734,910	4,518,293
Roads	1,091,711	401,022	628,094	864,639
Lakes	517,462	193,117	249,070	461,509
Pools and courts	793,504	141,866	141,305	794,065
Professional services	-	7,378	7,378	-
	\$ 8,611,103	\$ 1,788,539	\$ 2,313,385	\$ 8,086,257

Using the Association assets reserve balance and estimated future replacement costs, the Association has estimated that for the fiscal year ending March 31, 2020, the required assessment for 100% funding would be \$2,994,103. The Board of Directors has approved to assess, in fiscal year ended 2020, 40% of the amount recommended by the study. Accordingly, approximately \$1,191,680 of assessments has been included in the fiscal year 2020 budget. Based on projected expenditures and the above assessment level for fiscal year ended 2020, Association asset reserves are projected to total approximately 81% of the study's recommended reserves at March 31, 2020.

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

March 31, 2019 and 2018
(Unaudited)

The following tables, as well as the tables on page 21, 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, 2019

Components	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Costs	Year Ending March 31, 2019 Funding Requirement	Components Of Fund Balance at March 31, 2019
Vehicles	6-10	\$ 190,005	\$ 18,061	\$ 9,787
Furniture and Equipment	1-24	1,379,907	145,469	87,599
Buildings and Plant	6-46	3,105,277	57,480	209,268
Lift Stations	19-38	8,486,945	88,606	453,569
Treatment and Disposal	1-34	7,340,345	202,954	545,832
Water System	2-34	11,361,494	283,139	914,945
Mains, Manholes and Hydrants	1-1	58,340	60,619	-
Professional services		28,014	31,237	-
		\$ 31,950,327	\$ 887,565	\$ 2,221,000

March 31, 2018

Components	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Costs	Year Ending March 31, 2018 Funding Requirement	Components Of Fund Balance at March 31, 2018
Vehicles	1-3	\$ 160,800	\$ 104,433	\$ 27,794
Furniture and Equipment	1-24	1,276,952	134,577	91,206
Buildings and Plant	7-47	3,105,107	53,523	187,883
Lift Stations	1-39	8,504,514	88,870	410,172
Treatment and Disposal	1-35	6,878,334	303,262	515,021
Water System	2-35	11,521,215	347,867	857,924
Mains, Manholes and Hydrants	1-1	82,711	85,979	-
Professional services		28,014	31,237	-
		\$ 31,557,647	\$ 1,149,748	\$ 2,090,000

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
WATER AND SEWER SYSTEM ASSETS
 March 31, 2019 and 2018
 (Unaudited)

March 31, 2019				
Components	Components Of Beginning Fund Balance	Additions to Fund	Charges to Fund	Components of Ending Fund Balance
Vehicles	\$ 27,794	\$ 60,826	\$ 78,833	\$ 9,787
Furniture and Equipment	91,206	72,760	76,367	87,599
Buildings and Plant	187,883	21,385	-	209,268
Lift Stations	410,172	60,283	16,886	453,569
Treatment and Disposal	515,021	181,820	151,009	545,832
Water System	857,924	64,539	7,518	914,945
Mains, Manholes and Hydrants	-	32,965	32,965	-
Professional services	-	3,490	3,490	-
	\$ 2,090,000	\$ 498,068	\$ 367,068	\$ 2,221,000

March 31, 2018				
Components	Components Of Beginning Fund Balance	Additions to Fund	Charges to Fund	Components of Ending Fund Balance
Vehicles	\$ 27,178	\$ 616	\$ -	\$ 27,794
Furniture and Equipment	83,553	17,178	9,525	91,206
Buildings and Plant	156,218	31,665	-	187,883
Lift Stations	288,993	121,179	-	410,172
Treatment and Disposal	428,298	86,723	-	515,021
Water System	713,692	145,633	1,401	857,924
Mains, Manholes and Hydrants	-	88,407	88,407	-
Professional services	-	7,371	7,371	-
	\$ 1,697,932	\$ 498,772	\$ 106,704	\$ 2,090,000

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, 2020, the required assessment for 100% funding would be \$887,565. The Board of Directors has approved to assess, in fiscal year ended 2020, 58% of the amount recommended by the study. Accordingly, approximately \$512,600 of assessments has been included in the fiscal year 2020 budget. Based on projected expenditures and the above assessment level for fiscal year ended 2020, water and sewer system asset reserves are projected to total approximately 82% of the study's recommended reserves at March 31, 2020.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
DETAILS OF CONSOLIDATED BALANCE SHEET

March 31, 2019

A S S E T S	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
Cash on hand and in bank	\$ 5,379,589	\$ 494,365	\$ 147,527		\$ 6,021,481
Interest -bearing deposits in banks	3,631,379	76,231	56,449		3,764,059
Assessments and accounts receivable, net of allowance for uncollectible accounts	2,248,685	63,436		\$ (16,020)	2,296,101
Inter-company accounts receivable	13,886			(13,886)	-
Investment securities	1,099,541				1,099,541
Inventories		388,963			388,963
Interest receivable	14,716		92		14,808
Other receivables	100,441	11,006			111,447
Prepaid expenses	18,415	18,417			36,832
Property, plant and equipment, net of accumulated depreciation	16,343,350				16,343,350
Intangible assets, net of amortization	-				-
Investment in Woodhaven lots	4,996				4,996
Investment in stock		14,458			14,458
Investment in subsidiaries	1,168,608			(1,168,608)	-
Total assets	\$ 30,023,606	\$ 1,066,876	\$ 204,068	\$ (1,198,514)	\$ 30,096,036
LIABILITIES					
Trade accounts payable	\$ 192,276	\$ 23,864	\$ 3,874	\$ (16,020)	\$ 203,994
Inter-company accounts payable		4,877	9,009	(13,886)	-
Deferred member assessments	7,135,522				7,135,522
Other deferred income	18,855				18,855
Other accrued expenses	191,024	39,345	21,367		251,736
Total liabilities	7,537,677	68,086	34,250	(29,906)	7,610,107
EQUITY					
Common stock		1,000	1,000	(2,000)	-
Additional paid in capital		866,114	74,986	(941,100)	-
Retained earnings		131,676	93,832	(225,508)	-
Association equity:					
Restricted:					
Designated for future major repairs and replacements	10,972,398				10,972,398
Investment in fixed assets	10,271,070				10,271,070
Unrestricted	1,242,461				1,242,461
Total equity	22,485,929	998,790	169,818	(1,168,608)	22,485,929
Total liabilities and equity	\$ 30,023,606	\$ 1,066,876	\$ 204,068	\$ (1,198,514)	\$ 30,096,036

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
DETAILS OF CONSOLIDATED BALANCE SHEET

March 31, 2018

A S S E T S	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
Cash on hand and in bank	\$ 5,568,022	\$ 385,054	\$ 202,538		\$ 6,155,614
Interest -bearing deposits in banks	2,125,509	75,217	55,779		2,256,505
Assessments and accounts receivable, net of allowance for uncollectible accounts	2,167,385	45,915		\$ (10,632)	2,202,668
Inter-company accounts receivable	17,912			(17,912)	-
Investment securities	1,099,504				1,099,504
Inventories		440,145			440,145
Interest receivable	6,059		51		6,110
Other receivables	140,267	48,452			188,719
Prepaid expenses	128,183	19,838			148,021
Property, plant and equipment, net of accumulated depreciation	16,499,582				16,499,582
Intangible assets, net of amortization	23,288				23,288
Investment in Woodhaven lots	13,127				13,127
Investment in stock		48,195			48,195
Investment in subsidiaries	1,193,177			(1,193,177)	-
Total assets	\$ 28,982,015	\$ 1,062,816	\$ 258,368	\$ (1,221,721)	\$ 29,081,478
LIABILITIES					
Trade accounts payable	\$ 362,476	\$ 17,531	\$ 6,601	\$ (10,632)	\$ 375,976
Inter-company accounts payable		4,544	13,368	(17,912)	-
Deferred member assessments	7,132,638				7,132,638
Other deferred income	21,805				21,805
Other accrued expenses	186,536	39,668	46,295		272,499
Total liabilities	7,703,455	61,743	66,264	(28,544)	7,802,918
EQUITY					
Common stock		1,000	1,000	(2,000)	-
Additional paid in capital		866,114	74,986	(941,100)	-
Retained earnings		133,959	116,118	(250,077)	-
Association equity:					
Restricted:					
Designated for future major repairs and replacements	10,176,257				10,176,257
Investment in fixed assets	10,040,422				10,040,422
Unrestricted	1,061,881				1,061,881
Total equity	21,278,560	1,001,073	192,104	(1,193,177)	21,278,560
Total liabilities and equity	\$ 28,982,015	\$ 1,062,816	\$ 258,368	\$ (1,221,721)	\$ 29,081,478

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, 2019

	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
Revenue:					
Assessments	\$ 7,362,336				\$ 7,362,336
Net sales		\$ 2,785,600		\$ (166,110)	2,619,490
Commissions			\$ 225,132		225,132
Total revenue	7,362,336	2,785,600	225,132	(166,110)	10,206,958
Commissions paid			122,573		122,573
Cost of goods sold		1,880,983			1,880,983
Gross profit - net revenue	7,362,336	904,617	102,559	(166,110)	8,203,402
Other operating revenue	517,706	22,238	28,920	(17,185)	551,679
Total revenue from operations	7,880,042	926,855	131,479	(183,295)	8,755,081
Operating expenses	7,037,851	819,869	108,377	(183,295)	7,782,802
Income from operations	842,191	106,986	23,102	-	972,279
Other income	228,147	5,731	1,212		235,090
Equity in subsidiaries, income:					
Woody, Inc.	112,717			(112,717)	-
Woodhaven Lakes Realty, Inc.	17,714			(17,714)	-
Total equity in subsidiaries, income	130,431	-	-	(130,431)	-
Income before provision for income taxes	1,200,769	112,717	24,314	(130,431)	1,207,369
Provision for income tax benefit (expense)	6,600	-	(6,600)		-
Net income	1,207,369	112,717	17,714	(130,431)	1,207,369
Retained earnings beginning of year		133,959	116,118	(250,077)	-
Dividend to parent company		(115,000)	(40,000)	155,000	-
Association equity, beginning of year	21,278,560				21,278,560
Retained earnings end of year		\$ 131,676	\$ 93,832	\$ (225,508)	
Association equity, end of year	<u>\$ 22,485,929</u>				<u>\$ 22,485,929</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, 2018

	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
Revenue:					
Assessments	\$ 7,363,426				\$ 7,363,426
Net sales		\$ 2,757,376		\$ (145,817)	2,611,559
Commissions			\$ 295,254		295,254
Total revenue	7,363,426	2,757,376	295,254	(145,817)	10,270,239
Commissions paid			153,025		153,025
Cost of goods sold		1,872,515			1,872,515
Gross profit - net revenue	7,363,426	884,861	142,229	(145,817)	8,244,699
Other operating revenue	543,270	12,690	36,860	(17,469)	575,351
Total revenue from operations	7,906,696	897,551	179,089	(163,286)	8,820,050
Operating expenses	6,825,260	785,132	127,315	(163,286)	7,574,421
Income from operations	1,081,436	112,419	51,774	-	1,245,629
Other income	190,711	4,684	958		196,353
Equity in subsidiaries, income:					
Woody, Inc.	117,103			(117,103)	-
Woodhaven Lakes Realty, Inc.	41,125			(41,125)	-
Total equity in subsidiaries, income	158,228	-	-	(158,228)	-
Income before provision for income taxes	1,430,375	117,103	52,732	(158,228)	1,441,982
Provision for income tax benefit (expense)	11,607	-	(11,607)		-
Net income	1,441,982	117,103	41,125	(158,228)	1,441,982
Retained earnings beginning of year		141,856	104,993	(246,849)	-
Dividend to parent company		(125,000)	(30,000)	155,000	-
Association equity, beginning of year	19,836,578	-	-		19,836,578
Retained earnings end of year		\$ 133,959	\$ 116,118	\$ (250,077)	
Association equity, end of year	<u>\$ 21,278,560</u>				<u>\$ 21,278,560</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, 2019

	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income	\$ 1,207,369	\$ 112,717	\$ 17,714	\$ (130,431)	\$ 1,207,369
Adjustments to reconcile net income to net cash from operating activities:					
Depreciation and amortization	1,541,579				1,541,579
Bad debt expense	77,751	1,682			79,433
TruServ stock redemption		33,737			33,737
Gain on disposal of assets	(16,590)				(16,590)
Undistributed income of subsidiaries	(130,431)			130,431	-
Changes in assets and liabilities:					
Change in assessments and accounts receivable	(159,051)	(19,203)		5,388	(172,866)
Change in accounts receivable from subsidiaries / parent	4,026			(4,026)	-
Change in inventories		51,182			51,182
Change in trade accounts payable	(170,200)	6,333	(2,727)	(5,388)	(171,982)
Change in accounts payable from parent / subsidiaries		333	(4,359)	4,026	-
Change in interest and other receivables	31,169	37,446	(41)		68,574
Change in prepaid expenses	109,768	1,421			111,189
Change in accrued expenses and deferred liabilities	4,422	(323)	(24,928)		(20,829)
Net cash flows from operating activities	2,499,812	225,325	(14,341)	-	2,710,796
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from the sale of assets	51,648				51,648
Dividend to parent company	155,000	(115,000)	(40,000)		-
Net change interest-bearing deposits in banks	(1,505,870)	(1,014)	(670)		(1,507,554)
Proceeds from maturity and sale of investment securities					-
Purchase of investment securities, net of reconciliation adjustments	(37)				(37)
Purchase of property and equipment	(1,388,986)				(1,388,986)
Net cash flows from investing activities	(2,688,245)	(116,014)	(40,670)	-	(2,844,929)

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, 2019

	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	(188,433)	109,311	(55,011)	-	(134,133)
CASH AND CASH EQUIVALENTS:					
Beginning	5,568,022	385,054	202,538	-	6,155,614
Ending	\$ 5,379,589	\$ 494,365	\$ 147,527	\$ -	\$ 6,021,481
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:					
Cash payments for:					
Income taxes (received) paid	\$ (11,607)	\$ -	\$ 11,607	\$ -	-

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, 2018

	The Woodhaven Association	Woody, Inc.	Woodhaven Lakes Realty, Inc.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income	\$ 1,441,982	\$ 117,103	\$ 41,125	\$ (158,228)	\$ 1,441,982
Adjustments to reconcile net income to net cash from operating activities:					
Depreciation and amortization	1,466,711				1,466,711
Bad debt expense	157,568	280			157,848
TruServ stock redemption					-
Gain on disposal of assets	(41,038)				(41,038)
Undistributed income of subsidiaries	(158,228)			158,228	-
Changes in assets and liabilities:					
Change in assessments and accounts receivable	(62,492)	(6,863)		1,726	(67,629)
Change in accounts receivable from subsidiaries / parent	2,764			(2,764)	-
Change in inventories		26,739			26,739
Change in trade accounts payable	195,493	(51,129)	2,100	(1,726)	144,738
Change in accounts payable from parent / subsidiaries		(4,714)	1,950	2,764	-
Change in interest and other receivables	(33,529)	(4,617)	(17)		(38,163)
Change in prepaid expenses	(34,254)	(7,361)			(41,615)
Change in accrued expenses and deferred liabilities	68,469	328	25,388		94,185
Net cash flows from operating activities	3,003,446	69,766	70,546	-	3,143,758
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from the sale of assets	44,212				44,212
Dividend to parent company	155,000	(125,000)	(30,000)		-
Net change interest-bearing deposits in banks	(1,425,509)	(75,217)	(383)		(1,501,109)
Proceeds from maturity of investment securities					-
Purchase of investment securities, net of reconciliation adjustments	(100,016)				(100,016)
Purchase of property and equipment	(2,348,831)				(2,348,831)
Net cash flows from investing activities	(3,675,144)	(200,217)	(30,383)	-	(3,905,744)

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

For the year ended March 31, 2018

	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	(671,698)	(130,451)	40,163	-	(761,986)
CASH AND CASH EQUIVALENTS:					
Beginning	6,239,720	515,505	162,375	-	6,917,600
Ending	\$ 5,568,022	\$ 385,054	\$ 202,538	\$ -	\$ 6,155,614
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:					
Cash payments for:					
Income taxes (received) paid	\$ (8,787)	\$ -	\$ 8,787	\$ -	\$ -

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
BALANCE SHEETS - THE WOODHAVEN ASSOCIATION

March 31, 2019 and 2018

A S S E T S	2019			
	Total Unrestricted Funds	Restricted Fund	Interfund Eliminations	Total All Funds
Cash on hand and in bank	\$ 3,125,077	\$ 2,254,512		\$ 5,379,589
Interest bearing deposits in banks	702,036	2,929,343		3,631,379
Assessments and accounts receivable, net of allowance for uncollectible accounts of \$480,549 and \$550,867 respectively	2,251,121		\$ (2,436)	2,248,685
Accounts receivable from subsidiaries	13,886			13,886
Investment securities		1,099,541		1,099,541
Interest receivable	526	257,644	(243,454)	14,716
Other receivables and current assets	100,441			100,441
Due from Operating Fund	580,125	1,058,114	(1,638,239)	-
Due from Lot Fund	1,052		(1,052)	-
Due from Water & Sewer Fund	21,758		(21,758)	-
Due from Restricted Fund	33,938		(33,938)	-
Prepaid expenses	9,388	9,027		18,415
Property, plant and equipment, net of accumulated depreciation	20,607	16,322,743		16,343,350
Intangible assets, net of amortization				-
Investment in Woodhaven lots	4,996			4,996
Investment in subsidiaries	1,168,608			1,168,608
Internal note receivable - water & sewer assets		4,731,361	(4,731,361)	-
Internal note receivable - disaster recovery fund		1,320,312	(1,320,312)	-
Total assets	\$ 8,033,559	\$ 29,982,597	\$ (7,992,550)	\$ 30,023,606
LIABILITIES AND ASSOCIATION EQUITY				
Trade accounts payable	\$ 99,536	\$ 95,176	\$ (2,436)	\$ 192,276
Interest payable		243,454	(243,454)	-
Due to Operating Fund	22,810	33,938	(56,748)	-
Deferred member assessments net discount	4,820,634	2,314,888		7,135,522
Due to Lot Fund	-		-	-
Due to Water and Sewer Fund	580,125		(580,125)	-
Due to Restricted Fund	1,058,114		(1,058,114)	-
Other accrued expenses	191,024			191,024
Other deferred income	18,855			18,855
Internal long term note payable - water & sewer		4,731,361	(4,731,361)	-
Internal long term note payable - disaster recovery		1,320,312	(1,320,312)	-
Total liabilities	6,791,098	8,739,129	(7,992,550)	7,537,677
Association equity:				
Restricted:				
Designated for future major repairs and replacements		10,972,398		10,972,398
Investment in fixed assets		10,271,070		10,271,070
Unrestricted	1,242,461			1,242,461
Total equity	1,242,461	21,243,468	-	22,485,929
Total liabilities and association equity	\$ 8,033,559	\$ 29,982,597	\$ (7,992,550)	\$ 30,023,606

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2018

Total Unrestricted Funds	Restricted Fund	Interfund Eliminations	Total All Funds
\$ 2,927,744	\$ 2,640,278		\$ 5,568,022
400,127	1,725,382		2,125,509
2,170,488		\$ (3,103)	2,167,385
17,912			17,912
	1,099,504		1,099,504
343	263,497	(257,781)	6,059
140,267			140,267
584,351	1,005,418	(1,589,769)	-
630		(630)	-
24,569		(24,569)	-
34,741		(34,741)	-
128,183			128,183
20,268	16,479,314		16,499,582
	23,288		23,288
13,127			13,127
1,193,177			1,193,177
	4,884,217	(4,884,217)	-
	1,577,963	(1,577,963)	-
\$ 7,655,927	\$ 29,698,861	\$ (8,372,773)	\$ 28,982,015

\$ 140,702	\$ 224,877	\$ (3,103)	\$ 362,476
	257,781	(257,781)	-
25,199	34,741	(59,940)	-
4,630,035	2,502,603		7,132,638
-		-	-
584,351		(584,351)	-
1,005,418		(1,005,418)	-
186,536			186,536
21,805			21,805
	4,884,217	(4,884,217)	-
	1,577,963	(1,577,963)	-
6,594,046	9,482,182	(8,372,773)	7,703,455

	10,176,257		10,176,257
	10,040,422		10,040,422
1,061,881			1,061,881
1,061,881	20,216,679	-	21,278,560
\$ 7,655,927	\$ 29,698,861	\$ (8,372,773)	\$ 28,982,015

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
BALANCE SHEETS
THE WOODHAVEN ASSOCIATION - UNRESTRICTED FUNDS
March 31, 2019 and 2018

A S S E T S	2019			
	Unrestricted Operating Fund	Unrestricted Lot Fund	Unrestricted Water and Sewer Fund	Total Unrestricted Funds
Cash on hand and in bank	\$ 2,890,354	\$ 209,488	\$ 25,235	\$ 3,125,077
Interest bearing deposits in banks	702,036			702,036
Assessments and accounts receivable, net of allowance for uncollectible accounts of \$480,549 and \$550,867 respectively	2,247,701		3,420	2,251,121
Accounts receivable from subsidiaries	13,886			13,886
Interest receivable	461	65		526
Other receivables and current assets	100,441			100,441
Due from Operating Fund			580,125	580,125
Due from Lot Fund	1,052			1,052
Due from Water and Sewer Fund	21,758			21,758
Due from Restricted Fund	33,938			33,938
Prepaid expenses	9,388			9,388
Property, plant and equipment, net of accumulated depreciation		20,607		20,607
Investment in Woodhaven lots		4,996		4,996
Investment in subsidiaries	1,168,608			1,168,608
Total assets	\$ 7,189,623	\$ 235,156	\$ 608,780	\$ 8,033,559
LIABILITIES AND ASSOCIATION EQUITY				
Trade accounts payable	\$ 87,913	\$ 6,254	\$ 5,369	\$ 99,536
Due to Operating Fund		1,052	21,758	22,810
Deferred member assessments net discount	4,260,713	47,383	512,538	4,820,634
Due to Lot Fund				-
Due to Water and Sewer Fund	580,125			580,125
Due to Restricted Fund	1,058,114			1,058,114
Other accrued expenses	117,909	4,000	69,115	191,024
Other deferred income	18,855			18,855
Total liabilities	6,123,629	58,689	608,780	6,791,098
Association equity:				
Unrestricted:	1,065,994	176,467	-	1,242,461
Total equity	1,065,994	176,467	-	1,242,461
Total liabilities and association equity	\$ 7,189,623	\$ 235,156	\$ 608,780	\$ 8,033,559

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2018			
Unrestricted Operating Fund	Unrestricted Lot Fund	Unrestricted Water and Sewer Fund	Total Unrestricted Funds
\$ 2,746,012	\$ 168,411	\$ 13,321	\$ 2,927,744
400,127			400,127
2,166,294		4,194	2,170,488
17,912			17,912
287	56		343
140,267			140,267
		584,351	584,351
630			630
24,569			24,569
34,741			34,741
128,183			128,183
	20,268		20,268
	13,127		13,127
1,193,177			1,193,177
\$ 6,852,199	\$ 201,862	\$ 601,866	\$ 7,655,927
<hr/>			
\$ 132,220	\$ 789	\$ 7,693	\$ 140,702
	630	24,569	25,199
4,082,109	47,375	500,551	4,630,035
			-
584,351			584,351
1,005,418			1,005,418
112,983	4,500	69,053	186,536
21,805			21,805
5,938,886	53,294	601,866	6,594,046
	913,313	148,568	- 1,061,881
	913,313	148,568	- 1,061,881
\$ 6,852,199	\$ 201,862	\$ 601,866	\$ 7,655,927

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF REVENUES, EXPENSES AND
ASSOCIATION EQUITY COMPARED TO BUDGET
THE WOODHAVEN ASSOCIATION

For the years ended March 31, 2019 and 2018

	2019			
	Unrestricted Operating Fund	Restricted Fund	Interfund Eliminations	Total All Funds
Revenues:				
Member assessments	\$ 4,779,789	\$ 2,582,547		\$ 7,362,336
Other operating revenue	593,071	16,402	\$ (91,767)	517,706
Total revenues	5,372,860	2,598,949	(91,767)	7,880,042
Expenses:				
Departmental expenses:				
Administrative	831,464	28,927		860,391
Marketing	396,853			396,853
Recreation	587,801			587,801
Public safety	726,634			726,634
Maintenance	1,493,965	105,810		1,599,775
Water and sewer	278,920			278,920
Disaster recovery		2,430		2,430
Total departmental expenses	4,315,637	137,167	-	4,452,804
General expenses	1,112,972	1,808,002	(335,927)	2,585,047
Total operating expenses	5,428,609	1,945,169	(335,927)	7,037,851
Excess (deficiency) of revenues over expenses	(55,749)	653,780	244,160	842,191
Other income:				
Late and lien fees	91,095			91,095
Interest - other	44,228	73		44,301
Interest - investments	15,369	321,542	(244,160)	92,751
Total other income	150,692	321,615	(244,160)	228,147
Equity in subsidiaries' income:				
Woody, Inc.	112,717			112,717
Woodhaven Lakes Realty, Inc.	17,714			17,714
	130,431	-	-	130,431
Excess of revenues over expenses before provision for income taxes	225,374	975,395	-	1,200,769
Provision for income tax benefit	6,600			6,600
Net excess of revenues over expenses	231,974	975,395	-	1,207,369
Association equity, beginning of year	1,061,881	20,216,679	-	21,278,560
Equity Transfers	(51,394)	51,394		-
Association equity, end of year	\$ 1,242,461	\$ 21,243,468	\$ -	\$ 22,485,929

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								2018	
Unaudited Budget	Variance Favorable (Unfavorable)	Unrestricted Operating Fund	Restricted Fund	Interfund Eliminations	Total All Funds	Unaudited Budget	Variance Favorable (Unfavorable)		
\$ 7,332,882	\$ 29,454	\$ 4,733,344	\$ 2,630,082		\$ 7,363,426	\$ 7,330,575	\$ 32,851		
550,141	(32,435)	601,944	31,212	\$ (89,886)	543,270	540,806	2,464		
7,883,023	(2,981)	5,335,288	2,661,294	(89,886)	7,906,696	7,871,381	35,315		
1,013,610	153,219	817,327	59,740		877,067	1,019,608	142,541		
449,668	52,815	369,283			369,283	409,208	39,925		
594,527	6,726	571,709			571,709	557,345	(14,364)		
749,765	23,131	681,116			681,116	726,502	45,386		
1,626,554	26,779	1,374,455	81,401		1,455,856	1,549,218	93,362		
275,572	(3,348)	258,062			258,062	274,618	16,556		
	(2,430)		9,456		9,456		(9,456)		
4,709,696	256,892	4,071,952	150,597	-	4,222,549	4,536,499	313,950		
1,522,837	(1,062,210)	1,224,352	1,726,771	(348,412)	2,602,711	1,564,339	(1,038,372)		
6,232,533	(805,318)	5,296,304	1,877,368	(348,412)	6,825,260	6,100,838	(724,422)		
1,650,490	(808,299)	38,984	783,926	258,526	1,081,436	1,770,543	(689,107)		
96,075	(4,980)	99,786			99,786	96,030	3,756		
52,750	(8,449)	48,792	48		48,840	61,750	(12,910)		
254,000	(161,249)	7,146	293,465	(258,526)	42,085	259,000	(216,915)		
402,825	(174,678)	155,724	293,513	(258,526)	190,711	416,780	(226,069)		
99,343	13,374	117,103			117,103	86,083	31,020		
35,372	(17,658)	41,125			41,125	33,384	7,741		
134,715	(4,284)	158,228	-	-	158,228	119,467	38,761		
2,188,030	(987,261)	352,936	1,077,439	-	1,430,375	2,306,790	(876,415)		
10,800	(4,200)	11,607			11,607	10,800	807		
<u>\$ 2,198,830</u>	<u>\$ (991,461)</u>	<u>364,543</u>	<u>1,077,439</u>	<u>-</u>	<u>1,441,982</u>	<u>\$ 2,317,590</u>	<u>\$ (875,608)</u>		
		697,338	19,139,240	-	19,836,578				
		<u>\$ 1,061,881</u>	<u>\$ 20,216,679</u>	<u>\$ -</u>	<u>\$ 21,278,560</u>				

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

For the years ended March 31, 2019 and 2018

	2019			
	Operating Fund	Lot Fund	Water and Sewer Fund	Total
Revenues:				
Member assessments	\$ 4,214,103	\$ 48,873	\$ 516,813	\$ 4,779,789
Other operating revenue	421,680	37,232	134,159	593,071
Total operating revenues	4,635,783	86,105	650,972	5,372,860
Expenses:				
Departmental expenses:				
Administrative	831,464			831,464
Marketing	396,853			396,853
Recreation	587,801			587,801
Public safety	726,634			726,634
Maintenance	1,493,965			1,493,965
Water and sewer			278,920	278,920
Total departmental expenses	4,036,717	-	278,920	4,315,637
General expenses	879,404	58,839	174,729	1,112,972
Total operating expenses	4,916,121	58,839	453,649	5,428,609
Excess (deficiency) of revenues over expenses	(280,338)	27,266	197,323	(55,749)
Other income:				
Late and lien fees	91,025		70	91,095
Interest - other	43,521	633	74	44,228
Interest - investments	15,369			15,369
Total other income	149,915	633	144	150,692
Equity in subsidiaries' income:				
Woody, Inc.	112,717			112,717
Woodhaven Lakes Realty, Inc.	17,714			17,714
Total equity in subsidiaries' income	130,431	-	-	130,431
Excess (deficiency) of revenues over expenses before provisions for income taxes	8	27,899	197,467	225,374
Provision for income tax benefit	6,600			6,600
Net excess (deficiency) of revenues over expenses	6,608	27,899	197,467	231,974
Association equity, beginning of year	913,313	148,568		1,061,881
Transfers between funds	197,467		(197,467)	-
Equity transfers	(51,394)			(51,394)
Association equity, end of year	\$ 1,065,994	\$ 176,467	\$ -	\$ 1,242,461

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2018			
Operating Fund	Lot Fund	Water and Sewer Fund	Total
\$ 4,168,193	\$ 48,862	\$ 516,289	\$ 4,733,344
435,091	25,268	141,585	601,944
<u>4,603,284</u>	<u>74,130</u>	<u>657,874</u>	<u>5,335,288</u>
817,327			817,327
369,283			369,283
571,709			571,709
681,116			681,116
1,374,455			1,374,455
		258,062	258,062
<u>3,813,890</u>	<u>-</u>	<u>258,062</u>	<u>4,071,952</u>
994,083	47,277	182,992	1,224,352
<u>4,807,973</u>	<u>47,277</u>	<u>441,054</u>	<u>5,296,304</u>
(204,689)	26,853	216,820	38,984
99,726		60	99,786
48,189	551	52	48,792
7,146			7,146
<u>155,061</u>	<u>551</u>	<u>112</u>	<u>155,724</u>
117,103			117,103
41,125			41,125
<u>158,228</u>	<u>-</u>	<u>-</u>	<u>158,228</u>
108,600	27,404	216,932	352,936
11,607			11,607
120,207	27,404	216,932	364,543
576,174	121,164		697,338
216,932		(216,932)	-
<u>\$ 913,313</u>	<u>\$ 148,568</u>	<u>\$ -</u>	<u>\$ 1,061,881</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, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue - administrative:				
Pass replacement revenue	\$ 17,615	\$ 10,000	\$ 7,615	\$ 12,050
Service fee revenues	28,794	25,650	3,144	31,836
Total other operating revenue - administrative	\$ 46,409	\$ 35,650	\$ 10,759	\$ 43,886
Operating expenses - administrative:				
Payroll and payroll taxes	\$ 564,346	\$ 576,060	\$ 11,714	\$ 532,045
Professional Services - Survey		9,000	9,000	
Legal - other	4,916	5,000	84	3,715
Legal - litigation expense		2,500	2,500	3,078
Legal - collections	5,527	7,500	1,973	6,606
Payroll service	22,016	18,000	(4,016)	19,345
Audit	20,087	22,000	1,913	22,585
Accounting services		600	600	
Vehicle operation and travel	2,729	3,300	571	2,568
Equipment operations		250	250	
Equipment rental	1,711	1,850	139	1,819
License, fees and taxes	2,582	3,500	918	2,630
Office supplies	29,850	23,500	(6,350)	24,796
Human resource supplies	2,055	1,500	(555)	1,655
Uniforms		150	150	
Human Resource Programs	3,379	2,200	(1,179)	2,258
Meetings and conferences	41,650	37,950	(3,700)	36,021
Lien and collection expenses	2,997	3,900	903	5,106
Credit card expense	21,134	19,000	(2,134)	21,968
Dues and subscriptions	4,143	3,900	(243)	3,613
Postage and mailing	18,198	20,000	1,802	16,293
Signs and notices	8,761	4,300	(4,461)	5,981
Public relations	1,834	1,700	(134)	1,905
Employee functions	6,362	6,400	38	6,338
Election expense	18,270	14,000	(4,270)	
Miscellaneous	644	475	(169)	291
Provision for bad debts - assessments	48,273	128,592	80,319	96,711
Total operating expenses - administrative	\$ 831,464	\$ 917,127	\$ 85,663	\$ 817,327

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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, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue - marketing:				
Revenue from <u>Woodhaven News</u> publication	\$ 41,027	\$ 40,000	\$ 1,027	\$ 39,810
Revenue from other advertising sources	10,968	12,000	(1,032)	11,501
Total other operating revenue - marketing	\$ 51,995	\$ 52,000	\$ (5)	\$ 51,311
Operating expenses - marketing:				
Payroll and payroll taxes	\$ 182,288	\$ 208,868	\$ 26,580	\$ 185,366
Marketing services	12,034	7,500	(4,534)	9,219
Computer and phone system services	44,344	85,500	41,156	25,795
Vehicle operation and travel	311	650	339	198
Computer supplies	11,668	6,250	(5,418)	8,026
Supplies and equipment	3,093	2,000	(1,093)	3,304
Programs	19,757	12,000	(7,757)	13,800
Meetings and conferences	3,523	2,500	(1,023)	3,201
Dues and subscriptions	2,758	3,000	242	4,146
Woodhaven News	71,515	82,000	10,485	77,660
Leisure Times	5,501	6,000	499	5,947
Recreation guide	3,692	3,500	(192)	3,355
Trade shows	4,481	6,500	2,019	6,833
Annual report	1,328	1,400	72	2,285
Advertising expense	30,260	22,000	(8,260)	20,498
Provision for bad debts (recoveries) - publications	300		(300)	(350)
Total operating expense - marketing	\$ 396,853	\$ 449,668	\$ 52,815	\$ 369,283

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, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue - recreation:				
Rec-Plex sales	\$ 75,180	\$ 68,200	\$ 6,980	\$ 75,654
Cost of sales	45,390	35,464	(9,926)	44,738
Gross revenue	29,790	32,736	(2,946)	30,916
Revenue from recreation programs and activities	61,550	63,250	(1,700)	70,545
Revenue from aquatic programs and rentals	11,808	15,500	(3,692)	15,245
Revenue from rec-plex programs and activities	54,873	59,325	(4,452)	60,088
Total other operating revenue - recreation	\$ 158,021	\$ 170,811	\$ (12,790)	\$ 176,794
Operating expenses - recreation:				
Payroll and payroll taxes	\$ 402,090	\$ 412,477	\$ 10,387	\$ 380,175
Medical services		250	250	
Vehicle operation and travel	1,253	1,550	297	1,435
Equipment operations	8,035	7,700	(335)	8,958
Equipment rental	2,495	1,400	(1,095)	1,537
License fees and taxes	4,318	3,950	(368)	4,332
Tables and chairs	213	500	287	552
Playground equipment	3,012	2,800	(212)	1,901
Pool chemicals	14,342	13,000	(1,342)	14,565
Pool cleaning		2,000	2,000	
Pool furniture	2,772	2,500	(272)	2,500
Sand	1,123	1,000	(123)	372
Supplies and equipment	13,989	14,000	11	14,898
Uniforms	2,353	2,250	(103)	677
Programs and activities	124,301	123,250	(1,051)	131,935
Meetings and conferences	4,457	4,600	143	5,014
Dues and subscriptions	732	600	(132)	951
Signs and notices	622	500	(122)	488
Credit card fees	1,345		(1,345)	1,108
Miscellaneous	349	200	(149)	311
Total operating expense - recreation	\$ 587,801	\$ 594,527	\$ 6,726	\$ 571,709

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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, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue - public safety:				
Guest pass revenue	\$ 18,390	\$ 18,200	\$ 190	\$ 22,880
Citations	16,305	16,000	305	26,075
Total other operating revenue - public safety	\$ 34,695	\$ 34,200	\$ 495	\$ 48,955
Operating expenses - public safety				
Payroll and payroll taxes	\$ 710,609	\$ 732,215	\$ 21,606	\$ 663,909
Vehicle operation and travel		100	100	
Equipment operations	2,992	3,100	108	3,215
Equipment rental	516	550	34	497
Medical supplies	2,769	2,000	(769)	2,073
Animal control	450	700	250	480
Supplies and equipment	3,369	3,200	(169)	3,232
Uniforms	3,022	3,500	478	3,234
Programs	493	500	7	736
Meetings and conferences	1,652	2,800	1,148	2,064
Dues and subscriptions	500	600	100	1,003
Signs and notices	262	500	238	673
Total operating expenses - public safety	\$ 726,634	\$ 749,765	\$ 23,131	\$ 681,116

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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, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue - maintenance:				
Bait Shop sales	\$ 42,709	\$ 41,500	\$ 1,209	\$ 45,387
Cost of sales	20,364	21,580	1,216	22,050
Gross revenue	22,345	19,920	2,425	23,337
Contractor fees	10,355	11,000	(645)	11,530
Citations - ESAC	38,875	36,000	2,875	31,600
Miscellaneous revenue	58,985	23,850	35,135	47,678
Total other operating revenue - maintenance	\$ 130,560	\$ 90,770	\$ 39,790	\$ 114,145
Operating expenses - maintenance:				
Payroll and payroll taxes	\$ 819,546	\$ 884,429	\$ 64,883	\$ 781,793
Snow removal	2,047	2,100	53	2,638
Trash removal	117,448	108,000	(9,448)	115,004
Roadways	2,647	5,000	2,353	4,111
Building repairs	18,722	20,000	1,278	18,996
Vandalism	107	400	293	239
Sign repairs	926	1,000	74	490
Surveying services		400	400	
Nuisance abatement	25,962	3,000	(22,962)	16,640
Pest control	42,941	42,500	(441)	49,363
Forestry maintenance	235,713	150,000	(85,713)	168,461
Landscaping	6,500	6,500	-	6,551
Trail maintenance	1,880	2,000	120	1,641
Vehicle operation and travel	105,291	120,025	14,734	98,651
Equipment operations	15,303	18,000	2,697	18,944
Lake management	47,911	45,500	(2,411)	41,359
Animal feed	114	300	186	144
Supplies and equipment	40,332	42,900	2,568	41,457
Nature center supplies	4,639	5,000	361	3,949
Uniforms	2,791	2,250	(541)	1,933
Meetings and conferences	1,404	2,600	1,196	466
Credit card expense	1,253	1,000	(253)	1,047
Dues and subscriptions	488	550	62	578
Total operating expenses - maintenance	\$ 1,493,965	\$ 1,463,454	\$ (30,511)	\$ 1,374,455

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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, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
General expenses:				
Electricity	\$ 63,108	\$ 70,000	\$ 6,892	\$ 64,463
Water and sewer	67,413	71,000	3,587	75,249
Telephone	20,083	21,500	1,417	20,752
LP gas and fuel oil	70,001	62,000	(8,001)	50,945
Liability and casualty insurance	83,815	88,000	4,185	80,450
Workmen's compensation insurance	49,624	90,000	40,376	83,729
Group insurance	429,978	555,000	125,022	522,348
Pension plan	95,382	97,000	1,618	96,147
Total general expenses	\$ 879,404	\$ 1,054,500	\$ 175,096	\$ 994,083

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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, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue:				
Gains from sale transactions	\$ 37,232	\$ 14,000	\$ 23,232	\$ 25,268
Total other operating revenue	\$ 37,232	\$ 14,000	\$ 23,232	\$ 25,268
General expenses:				
Real estate taxes	\$ 3,286	\$ 5,500	\$ 2,214	\$ 4,507
Electricity	5,037	6,000	963	5,125
Water and sewer	10,204	12,000	1,796	11,336
Improvements	39,761	29,000	(10,761)	25,192
Bad debt expense	551	1,459	908	1,117
Loss on write-down of inventory		800	800	
Total general expenses	\$ 58,839	\$ 54,759	\$ (4,080)	\$ 47,277

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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, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue:				
Metered revenue	\$ 98,345	\$ 105,800	\$ (7,455)	\$ 107,463
Revenue from repairs and installations	35,814	42,000	(6,186)	34,122
Total other operating revenue	\$ 134,159	\$ 147,800	\$ (13,641)	\$ 141,585
Operating expenses:				
Payroll and payroll taxes	\$ 152,693	\$ 161,322	\$ 8,629	\$ 146,143
Professional fees - audit and other fees	49,098	45,100	(3,998)	50,561
Building repairs	157	350	193	11
Vehicle operation and travel	159	350	191	148
Equipment operations	23,903	17,000	(6,903)	18,187
License and taxes	2,550	2,600	50	2,560
Chemicals	10,394	10,000	(394)	5,565
Laboratory supplies	692	1,300	608	863
Supplies and equipment	37,035	35,000	(2,035)	32,055
Uniforms	700	700	-	630
Meetings and conferences	633	1,000	367	600
Dues and subscriptions	63	100	37	52
Miscellaneous	843	750	(93)	687
Total operating expenses - water and sewer	\$ 278,920	\$ 275,572	\$ (3,348)	\$ 258,062
General expenses:				
Bad debts	\$ 5,780	\$ 15,378	\$ 9,598	\$ 11,714
Telephone and utilities	95,547	93,200	(2,347)	93,045
General liability and work compensation insurance	19,302	26,500	7,198	24,700
Pension plan	5,758	7,000	1,242	5,507
Real estate tax expense	48,342	50,000	1,658	48,026
Total general expenses	\$ 174,729	\$ 192,078	\$ 17,349	\$ 182,992

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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, 2019 and 2018

	2019		Total
	Reserve Fund	Disaster Recovery Fund	
Revenues:			
Member assessments	\$ 2,582,547		\$ 2,582,547
Other revenues	7,252	\$ 9,150	16,402
Total revenues	2,589,799	9,150	2,598,949
Expenses:			
Departmental expenses:			
Administrative	28,927		28,927
Maintenance	105,810		105,810
Disaster recovery		2,430	2,430
Total departmental expenses	134,737	2,430	137,167
General expenses	1,808,002		1,808,002
Total operating expenses	1,942,739	2,430	1,945,169
Excess (deficiency) of revenues over expenses	647,060	6,720	653,780
Other income:			
Interest - other	73		73
Interest - investments	321,542		321,542
Total other income	321,615	-	321,615
Net excess (deficiency) of revenues over expenses	968,675	6,720	975,395
Association equity, beginning of year	20,216,679		20,216,679
Equity transfer - disaster fund loan proceeds	6,720	(6,720)	-
Equity Transfers	51,394		51,394
Association equity, end of year	\$ 21,243,468	\$ -	\$ 21,243,468

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2018		
Reserve Fund	Disaster Recovery Fund	Total
\$ 2,630,082		\$ 2,630,082
20,787	\$ 10,425	31,212
<u>2,650,869</u>	<u>10,425</u>	<u>2,661,294</u>
59,740		59,740
81,401		81,401
	9,456	9,456
<u>141,141</u>	<u>9,456</u>	<u>150,597</u>
<u>1,726,771</u>		<u>1,726,771</u>
<u>1,867,912</u>	<u>9,456</u>	<u>1,877,368</u>
<u>782,957</u>	<u>969</u>	<u>783,926</u>
48		48
293,465		293,465
<u>293,513</u>	<u>-</u>	<u>293,513</u>
1,076,470	969	1,077,439
19,139,240		19,139,240
969	(969)	-
<u>\$ 20,216,679</u>	<u>\$ -</u>	<u>\$ 20,216,679</u>

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
SCHEDULES OF REVENUES AND EXPENSES COMPARED TO BUDGET
THE WOODHAVEN ASSOCIATION - DISASTER RECOVERY FUND

For the years ended March 31, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Disaster recovery revenues:				
Nuisance abatement	\$ 9,150		\$ (9,150)	\$ 10,425
Total disaster recovery revenues	\$ 9,150	\$ -	\$ (9,150)	\$ 10,425
Disaster recovery expenses:				
Payroll and payroll taxes				
RV removal	\$ 2,430		\$ (2,430)	\$ 5,959
Tree debris removal			-	2,887
Garbage removal			-	610
Total disaster recovery expenses	\$ 2,430	\$ -	\$ (2,430)	\$ 9,456

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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, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Administrative -				
Provision for bad debts	\$ 28,927	\$ 96,483	\$ 67,556	\$ 59,740
Maintenance:				
Computer facility upgrades	\$ 38,877	\$ 43,000	\$ 4,123	\$ 27,204
Recreation equipment	10,529	10,900	371	11,903
Public Safety equipment	6,812	10,000	3,188	
Maintenance repairs and equipment	6,465	8,100	1,635	4,253
General Store equipment			-	2,801
Facility maintenance and repairs	7,744	7,700	(44)	7,189
Pool and court repairs and equipment	3,503	4,000	497	3,428
Water and sewer systems	20,390	20,500	110	9,873
Consultants	11,490	58,900	47,410	14,750
Total maintenance	\$ 105,810	\$ 163,100	\$ 57,290	\$ 81,401
General expenses:				
Interest expense	\$ 244,160	\$ 221,500	\$ (22,660)	\$ 258,527
Loss on Disposal of Assets	22,263		(22,263)	1,533
Depreciation and amortization	1,541,579		(1,541,579)	1,466,711
Total general expenses	\$ 1,808,002	\$ 221,500	\$ (1,586,502)	\$ 1,726,771

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
RECONCILIATION TO THE BUDGET
WOODHAVEN ASSOCIATION

For the years ended March 31, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Reconciliation of actual expenditures to budget:				
Operating expenses:				
Unrestricted	\$ 5,428,609	\$ 5,301,782	\$ (126,827)	\$ 5,296,304
Restricted	1,945,169	481,083	(1,464,086)	1,877,368
Total operating expenses	7,373,778	5,782,865	(1,590,913)	7,173,672
Capital expenditures	1,385,450	1,898,800	513,350	2,338,688
Total	\$ 8,759,228	\$ 7,681,665	\$ (1,077,563)	\$ 9,512,360
Analysis of budget variances:				
Operating expenses:				
Unrestricted:				
Administrative	\$ 831,464	\$ 917,127	\$ 85,663	\$ 817,327
Marketing	396,853	449,668	52,815	369,283
Recreation	587,801	594,527	6,726	571,709
Public safety	726,634	749,765	23,131	681,116
Maintenance	1,493,965	1,463,454	(30,511)	1,374,455
Water and sewer	278,920	275,572	(3,348)	258,062
General	1,112,972	1,301,337	188,365	1,224,352
	5,428,609	5,751,450	322,841	5,296,304
Restricted:				
Administrative	28,927	96,483	67,556	59,740
Maintenance	105,810	163,100	57,290	81,401
Disaster recovery	2,430		(2,430)	9,456
General	1,808,002	221,500	(1,586,502)	1,726,771
	1,945,169	481,083	(1,464,086)	1,877,368
Capital expenditures:				
Vehicles	152,412	196,000	43,588	232,048
Furniture/equipment	181,626	206,600	24,974	209,264
Water and sewer system assets	187,987	245,100	57,113	79,935
Grounds and land improvements	159,121	204,500	45,379	74,679
Buildings	618,165	872,500	254,335	727,721
Roads and lakes	86,139	174,100	87,961	877,164
Pools and courts			-	137,877
	1,385,450	1,898,800	513,350	2,338,688
Total	\$ 8,759,228	\$ 8,131,333	\$ (627,895)	\$ 9,512,360

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THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
BALANCE SHEETS
WOODY, INC.

March 31, 2019 and 2018

A S S E T S	2019	2018
Cash on hand and in bank	\$ 494,365	\$ 385,054
Interest-bearing deposits in banks	76,231	\$ 75,217
Accounts receivable, net of allowance for uncollectible accounts of \$1,000 and \$250, respectively	63,436	45,915
Accounts receivable from parent company		
Inventories	388,963	440,145
Accrued interest		
Other receivables	11,006	48,452
Prepaid expenses	18,417	19,838
Investment in stock	14,458	48,195
Total assets	\$ 1,066,876	\$ 1,062,816
LIABILITIES		
Trade accounts payable	\$ 23,864	\$ 17,531
Accounts payable to parent company	4,877	4,544
Other accrued expenses	39,345	39,668
Total liabilities	68,086	61,743
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	131,676	133,959
Total stockholder's equity	998,790	1,001,073
Total liabilities and stockholder's equity	\$ 1,066,876	\$ 1,062,816

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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, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Sales	\$ 2,831,804	\$ 2,780,300	\$ 51,504	\$ 2,802,234
Less discounts to affiliate	46,204		(46,204)	44,858
	2,785,600	2,780,300	5,300	2,757,376
Cost of goods sold	1,880,983	1,877,650	(3,333)	1,872,515
	904,617	902,650	1,967	884,861
Gross profit	904,617	902,650	1,967	884,861
Other operating revenue	22,238	20,700	1,538	12,690
Total revenue from operations	926,855	923,350	3,505	897,551
Operating expenses:				
General store & restaurant	385,680	379,232	(6,448)	353,439
Service center	434,189	449,075	14,886	431,693
Total operating expenses	819,869	828,307	8,438	785,132
Income from operations	106,986	95,043	11,943	112,419
Other income:				
Interest	5,275	3,800	1,475	4,557
Miscellaneous	456	500	(44)	127
Total other income	5,731	4,300	1,431	4,684
Income before incomes taxes	112,717	99,343	13,374	117,103
Provision for income tax expense	-	-	-	-
Net income	112,717	<u>\$ 99,343</u>	<u>\$ 13,374</u>	117,103
Retained earnings - beginning of year	<u>133,959</u>			<u>141,856</u>
Dividend to parent company	<u>(115,000)</u>			<u>(125,000)</u>
Retained earnings - end of year	<u>\$ 131,676</u>			<u>\$ 133,959</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, 2019 and 2018

	2019							
	Net Sales	Beginning Inventory	Purchases	Products Available for Sale	Ending Inventory	Cost of Goods Sold	Gross Profit	Percent of Sales
General Store	\$ 945,710	\$ 96,905	\$ 616,159	\$ 713,064	\$ 94,857	\$ 618,207	\$ 327,503	34.63%
Service Center	1,839,890	343,239	1,213,643	1,556,882	294,106	1,262,776	577,114	31.37%
Total	\$ 2,785,600	\$ 440,144	\$ 1,829,802	\$ 2,269,946	\$ 388,963	\$ 1,880,983	\$ 904,617	32.47%

	2018							
	Net Sales	Beginning Inventory	Purchases	Products Available for Sale	Ending Inventory	Cost of Goods Sold	Gross Profit	Percent of Sales
General Store	\$ 969,690	\$ 100,383	\$ 626,445	\$ 726,828	\$ 96,905	\$ 629,923	\$ 339,767	35.04%
Service Center	1,787,686	366,501	1,219,330	1,585,831	343,239	1,242,592	545,094	30.49%
Total	\$ 2,757,376	\$ 466,884	\$ 1,845,775	\$ 2,312,659	\$ 440,144	\$ 1,872,515	\$ 884,861	32.09%

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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, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue:				
Bank lease revenue	\$ 10,400	\$ 7,200	\$ 3,200	\$ 7,200
Concession stand and food vendor revenue	4,650	4,500	150	4,075
Total other operating revenue	\$ 15,050	\$ 11,700	\$ 3,350	\$ 11,275
Operating expenses:				
Payroll	\$ 183,975	\$ 188,000	\$ 4,025	\$ 161,687
Payroll taxes	24,830	25,182	352	21,868
Professional fees - audit and other fees	4,018	4,400	382	4,517
Travel and gas	405	200	(205)	397
Equipment operations	26,646	18,000	(8,646)	24,324
Supplies	25,168	22,000	(3,168)	21,116
Uniforms	736	600	(136)	50
Meetings and conferences	311	400	89	
Public relations	658	1,000	342	1,401
Miscellaneous	158	300	142	941
Credit card fees	18,882	14,000	(4,882)	15,569
License and taxes	3,275	2,900	(375)	3,176
Dues and subscriptions	236	250	14	433
Telephone and utilities	70,753	67,500	(3,253)	67,234
General liability and work compensation insurance	21,871	28,500	6,629	27,054
Pension plan	3,758	6,000	2,242	3,672
Total operating expenses	\$ 385,680	\$ 379,232	\$ (6,448)	\$ 353,439

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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, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue:				
Dividends net of market value adjustment	\$ 7,188	\$ 9,000	\$ (1,812)	\$ 1,415
Total other operating revenue	\$ 7,188	\$ 9,000	\$ (1,812)	\$ 1,415
Operating expenses:				
Payroll	\$ 246,333	\$ 258,500	\$ 12,167	\$ 245,180
Payroll taxes	26,338	29,275	2,937	27,192
Professional fees - audit and other fees	4,018	4,400	382	4,517
Travel and gas		450	450	432
Equipment and building maintenance	25,142	21,100	(4,042)	19,787
Supplies	3,060	4,500	1,440	3,299
Uniforms	752	1,000	248	488
Meetings and conferences	2,908	4,000	1,092	2,233
Public relations/advertising	3,051	5,250	2,199	5,620
Miscellaneous	(21)	300	321	11
Collection expense		50	50	
Credit card fees	21,295	22,000	705	22,797
License and taxes	2,844	2,200	(644)	2,191
Dues and subscriptions	2,342	2,000	(342)	1,985
Bad debts	1,682	250	(1,432)	280
Shipping expense	3,365	3,200	(165)	3,157
Telephone and utilities	14,001	15,600	1,599	13,560
General liability and work compensation insurance	55,587	54,000	(1,587)	57,388
Pension plan	8,487	7,500	(987)	8,655
Real estate tax expense	13,005	13,500	495	12,921
Total operating expenses	\$ 434,189	\$ 449,075	\$ 14,886	\$ 431,693

See Independent Auditor's Report on Supplementary Information.

THE WOODHAVEN ASSOCIATION AND SUBSIDIARIES
BALANCE SHEETS
WOODHAVEN LAKES REALTY, INC.
March 31, 2019 and 2018

A S S E T S	2019	2018
Cash on hand and in bank	\$ 147,527	\$ 202,538
Interest-bearing deposits in banks	56,449	55,779
Interest receivable	92	51
Total assets	\$ 204,068	\$ 258,368
LIABILITIES		
Trade accounts payable	\$ 3,874	\$ 6,601
Accounts payable to parent company	9,009	13,368
Other accrued expenses	21,367	46,295
Total liabilities	34,250	66,264
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	93,832	116,118
Total stockholder's equity	169,818	192,104
Total liabilities and stockholder's equity	\$ 204,068	\$ 258,368

See Independent Auditor's Report on Supplementary Information.

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

For the years ended March 31, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Sales commissions	\$ 225,132	\$ 285,000	\$ (59,868)	\$ 295,254
Less commissions paid	122,573	144,020	21,447	153,025
Net sales commissions	102,559	140,980	(38,421)	142,229
Other operating revenue	28,920	43,000	(14,080)	36,860
Total revenue from operations	131,479	183,980	(52,501)	179,089
Operating expenses	108,377	138,758	30,381	127,315
Income from operations	23,102	45,222	(22,120)	51,774
Other income:				
Interest	1,212	900	312	765
Miscellaneous income		50	(50)	193
Total other income	1,212	950	262	958
Income before incomes taxes	24,314	46,172	(21,858)	52,732
Provision for income tax expense	6,600	10,800	4,200	11,607
Net Income	17,714	<u>\$ 35,372</u>	<u>\$ (17,658)</u>	41,125
Retained earnings, beginning of the year	116,118			104,993
Dividend to parent company	<u>(40,000)</u>			<u>(30,000)</u>
Retained earnings, end of year	<u>\$ 93,832</u>			<u>\$ 116,118</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, 2019 and 2018

	2019			2018
	Actual	Unaudited Budget	Favorable (Unfavorable)	Actual
Other operating revenue:				
Document fees	\$ 28,920	\$ 43,000	\$ (14,080)	\$ 36,860
Total other operating revenue	\$ 28,920	\$ 43,000	\$ (14,080)	\$ 36,860
Operating expenses:				
Payroll	\$ 62,839	\$ 87,142	\$ 24,303	\$ 78,918
Payroll taxes	4,828	7,066	2,238	6,648
Professional fees	2,152	2,450	298	2,420
Travel and gas	297	500	203	
Repairs	2,502	2,300	(202)	2,218
License fees and taxes	451	400	(51)	856
Supplies	3,838	4,800	962	5,983
Meetings and conferences		750	750	429
Dues and publications	6,841	3,500	(3,341)	2,607
Postage	162	200	38	165
Advertising	7,542	8,250	708	8,951
Miscellaneous	2,281	700	(1,581)	1,593
Telephone and utilities	3,785	4,500	715	3,809
General liability and work compensation insurance	3,462	5,800	2,338	3,387
Pension plan	4,635	7,400	2,765	6,585
Real estate taxes	2,762	3,000	238	2,746
Total operating expenses	\$ 108,377	\$ 138,758	\$ 30,381	\$ 127,315

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