

HOW TO READ THE LAKE WILDWOOD BUDGET

There is a lot of information on the budget summary page and this guide will help you understand it. It is vitally important to every property owner in Lake Wildwood because it determines the level of funding for services, amenities, capital improvements and replacement reserves, which in turn determines the amount of your annual assessment.

The first thing to notice is the title at the top, which indicates the fiscal year applicable to the budget. Lake Wildwood's fiscal year begins on June 1st and ends on the following May 31st. The budget is divided into several categories which are explained in more detail below.

Operating Departments

The operating departments are listed on the left, and revenue (if any) and expenses are detailed across the width of the page. The next to the last column is the net operating expense for each department (expenses less any revenue) and the last column is the cost per lot (net operating expense divided by 2,841 - the number of lots in Lake Wildwood).

The last three items under operating departments are categories of expense rather than operating departments. Community Improvements represents the amount of dollars allocated to spending for new capital items for the community, such as fencing around the dam or park improvements. The maximum amount for new capital spending is set at 1.5% of the prior year's total gross spending. Board Contingency and Other are funds set aside by the Board during the budget process to cover unusual or unexpected items not included in the budget, for example a large spike in worker's comp insurance or legal expenses might be covered by this provision. Also included is the estimated loss from uncollectable accounts. The Carry Forward refers to funds collected in a prior year and not spent. Under our rules, such funds must be returned to the members (or charged to members if expenditures exceeded dues collected from members).

Special Assessments

The next category is special assessments, which the Board of Directors approved during the budgeting process for larger projects to meet the needs of our members. This year the special assessment is for major improvements to the pool building and the surrounding decking and grounds. Generally these projects replace or improve infrastructure that has deteriorated significantly or is not meeting the needs of our members.

Replacement Reserves Funding

While the Community Improvements mentioned above are for adding new things, the Replacement Reserves are set aside for replacing existing equipment or infrastructure that has worn out or has otherwise become unusable or for major maintenance projects such as removing built up silt in the lake.

Total Assessment for the Fiscal Year

Adding up all the per lot items in the far right column equals the total assessment for each lot, which is due and payable by or on June 1st.

Self -Supporting Amenities

As we saw above, while some of the operating departments have operating revenue, none are completely self-supporting. That is not the case with the Golf and Tennis amenities. These amenities exist for their participants and their operation is required by the Association's bylaws to be supported by its users.