

LAUDERDALE LAKES
LAKE MANAGEMENT
DISTRICT

ELKHORN, WISCONSIN

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2014

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT
ELKHORN, WISCONSIN

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Chamberlain & Henningfield

Certified Public Accountants, LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lauderdale Lakes Lake Management District
Elkhorn, Wisconsin

We have audited the accompanying financial statements of the Lauderdale Lakes Lake Management District as of and for the year ended December 31, 2014, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Lauderdale Lakes Lake Management District as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

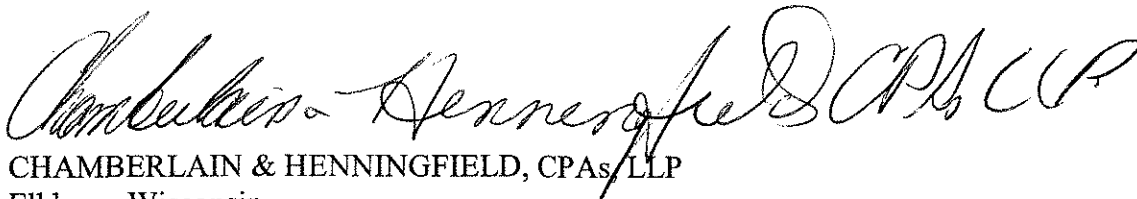
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic 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 of America, 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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lauderdale Lakes Lake Management District's financial statements. The combining statements of operating and nonoperating expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements of operating and nonoperating expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CHAMBERLAIN & HENNINGFIELD, CPAs, LLP
Elkhorn, Wisconsin

September 17, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A STATEMENT) DECEMBER 31, 2014

The discussion and analysis of the Lauderdale Lakes Lake Management District (District) of 2014's financial performance provides an overall review of financial activities for the fiscal year. The analysis focuses on the District's financial performance as a whole. It should be read in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Total assets of the District are \$1,909,391. Total equity after deducting liabilities is \$1,855,964. Actual beginning equity was \$1,708,066. This represents an increase in equity of \$102,523.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Lauderdale Lakes Lake Management District's financial statements. The financial statements comprise four components: 1) Management Discussion and Analysis, 2) Proprietary Fund financial statements, 3) Notes to Financial Statements, 4) Other Supplemental information.

PROPRIETARY FUNDS

Proprietary funds provide the same type of information as governmental fund statements would only with more detail. The District has four proprietary funds:

- *Lake Management District* - the Lake Management District oversees the general operations of the District including weed harvesting, water safety patrol, septic pumping, the pier inspector program, the Clean Boats Clean Waters program, and the Golf Course.
- *Weed Harvesting* – The Weed Harvesting fund accounts for revenues and expenses for the removal of aquatic plants from the lakes in the management district.
- *Water Safety Patrol* – The Water Safety Patrol fund accounts for revenues and expenses for the water patrol on the lakes.
- *Golf Course* - The Golf Course fund accounts for the revenues and expenses from the operation of the Lauderdale Lakes Country Club.

NOTES TO FINANCIAL STATEMENTS

The Notes to the Financial Statement provides further explanation of some of the information in the statements and provides additional disclosures so statement users have a complete picture of the District's financial activities and position.

Factors Bearing on District's Future

The District is in a good financial position as we have paid off the remaining balance of the loan for the original purchase of the golf course. The loan originated in 1996 was paid off in December, 2014, two years early. This eliminates the need to budget \$85,000 for the purpose of supplementing the debt service on the golf course loan.

We have been accumulating funds to establish financial operating reserves and have over \$150,000 in reserves in various accounts. Our goal is to have between 75%-100% of one year's operating budget in reserves.

In 2015 we embarked upon a project to address necessary capital improvements and ensure the facilities of the Lauderdale

Lakes Country Club and the Community Center are positioned to best serve the Lauderdale Lakes community for years to come. While this is a long term project which is in its initial planning phase, engaging the community in the entire process is a key success factor. In 2015, the District budgeted \$85,000 to establish a capital reserve to cover current and future expenses of this project.

We continue to monitor our expenses carefully to ensure that we stay within budget as we have done in the past.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Lauderdale Lakes Lake Management District Treasurer at N7498 Country Club Drive, Elkhorn, Wisconsin 53121, or call the LLLMD at (262) 642-1690.

FINANCIAL STATEMENTS

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT
 COMBINED BALANCE SHEET - ALL FUND TYPES
 December 31, 2014

ASSETS	<u>Proprietary Funds</u>				Totals (Memorandum Only)
	<u>Enterprise- Operations</u>	<u>Enterprise- Weed Harvest</u>	<u>Enterprise- Water Patrol</u>	<u>Enterprise- Golf Course</u>	
CURRENT ASSETS					
Cash and cash equivalents	\$ 209,232	\$ 37,895	\$ 13,663	\$ 15,904	\$ 276,694
Accounts receivable	-	-	36,280	-	36,280
Due from other funds	29,990	-	-	-	29,990
Prepaid expenses	4,394	-	-	-	4,394
Inventory	-	-	-	3,606	3,606
Total current assets	<u>243,616</u>	<u>37,895</u>	<u>49,943</u>	<u>19,510</u>	<u>350,964</u>
PROPERTY AND EQUIPMENT, net	<u>437,680</u>	<u>7,300</u>	<u>30,899</u>	<u>1,082,548</u>	<u>1,558,427</u>
TOTAL ASSETS	<u>\$ 681,296</u>	<u>\$ 45,195</u>	<u>\$ 80,842</u>	<u>\$ 1,102,058</u>	<u>\$ 1,909,391</u>
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ 29,990	\$ 29,990
Accrued expenses	19,880	-	-	3,557	23,437
Total current liabilities	<u>19,880</u>	<u>-</u>	<u>-</u>	<u>33,547</u>	<u>53,427</u>
EQUITY					
Contributed Capital	45,375	-	-	-	45,375
Retained earnings	616,041	45,195	80,842	1,068,511	1,810,589
Total Equity	<u>661,416</u>	<u>45,195</u>	<u>80,842</u>	<u>1,068,511</u>	<u>1,855,964</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 681,296</u>	<u>\$ 45,195</u>	<u>\$ 80,842</u>	<u>\$ 1,102,058</u>	<u>\$ 1,909,391</u>

See Notes to Financial Statements

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN RETAINED EARNINGS
 For the year ended December 31, 2014

	<u>Proprietary Funds</u>				Totals (Memorandum Only)
	<u>Enterprise- Operations</u>	<u>Enterprise- Weed Harvest</u>	<u>Enterprise- Water Patrol</u>	<u>Enterprise- Golf Course</u>	
OPERATING REVENUES					
Septic Pumping	\$ 49,923	\$ -	\$ -	\$ -	\$ 49,923
Water Patrol income	-	-	80,665	-	80,665
Clean Boats Clean Waters income	672	-	-	-	672
Golf Course operations	-	-	-	249,080	249,080
TOTAL OPERATING REVENUES	<u>50,595</u>	<u>-</u>	<u>80,665</u>	<u>249,080</u>	<u>380,340</u>
OPERATING EXPENSES (See page 15)					
	<u>94,978</u>	<u>40,670</u>	<u>109,626</u>	<u>234,323</u>	<u>479,597</u>
OPERATING INCOME (LOSS)	<u>(44,383)</u>	<u>(40,670)</u>	<u>(28,961)</u>	<u>14,757</u>	<u>(99,257)</u>
OTHER INCOME (EXPENSE):					
Property tax levy	301,700	-	-	-	301,700
Nonoperating expenses (See page 16)	(116,983)	-	-	-	(116,983)
Interfund transfers	(146,554)	44,401	17,153	85,000	-
Rental income	10,500	-	-	-	10,500
Interest expense	-	-	-	(2,606)	(2,606)
Investment income	1,072	6	4	2	1,084
Miscellaneous income	3,232	952	-	3,901	8,085
NET OTHER INCOME	<u>52,967</u>	<u>45,359</u>	<u>17,157</u>	<u>86,297</u>	<u>201,780</u>
NET INCOME	8,584	4,689	(11,804)	101,054	102,523
RETAINED EARNINGS, BEGINNING OF YEAR	<u>607,457</u>	<u>40,506</u>	<u>92,646</u>	<u>967,457</u>	<u>1,708,066</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 616,041</u>	<u>\$ 45,195</u>	<u>\$ 80,842</u>	<u>\$ 1,068,511</u>	<u>\$ 1,810,589</u>

See Notes to Financial Statements

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT
 COMBINED STATEMENT OF CASH FLOWS
 For the year ended December 31, 2014

	Proprietary Funds				Totals (Memorandum Only)
	Enterprise- Operations	Enterprise- Weed Harvest	Enterprise- Water Patrol	Enterprise- Golf Course	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from user charges	\$ 49,922	\$ -	\$ -	\$ 249,081	\$ 299,003
Cash received from other government payments	672	952	87,191	-	88,815
Cash received from other sources	3,231	-	-	3,900	7,131
Cash payments to employees for services	-	-	-	(120,686)	(120,686)
Cash payments to suppliers for goods and services	(189,958)	(38,468)	(97,882)	(99,839)	(426,147)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(136,133)	(37,516)	(10,691)	32,456	(151,884)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	1,072	6	3	2	1,083
Due from other funds	(19,217)	-	-	-	(19,217)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(18,145)	6	3	2	(18,134)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Retirement of long term debt	-	-	-	(126,563)	(126,563)
Interest paid on long-term debt	-	-	-	(2,606)	(2,606)
Acquisition of capital assets	(3,634)	-	(913)	(3,056)	(7,603)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(3,634)	-	(913)	(132,225)	(136,772)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Property tax levy/transfers	155,146	44,401	17,153	85,000	301,700
Rental income	10,500	-	-	-	10,500
Due to other funds	-	-	-	19,218	19,218
NET CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	165,646	44,401	17,153	104,218	331,418
Net change in cash and cash equivalents	7,734	6,891	5,552	4,451	24,628
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	201,498	31,004	8,111	11,453	252,066
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 209,232	\$ 37,895	\$ 13,663	\$ 15,904	\$ 276,694

Reconciliation of operating income to net cash provided by operating activities					
Operating income (Loss)	\$ (44,383)	\$ (40,670)	\$ (28,961)	\$ 14,757	\$ (99,257)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities					
Depreciation and amortization	13,254	2,202	12,751	14,740	42,947
Miscellaneous non-operating income	3,232	952	-	3,901	8,085
Gifts in kind of capital assets	-	-	(1,007)	-	(1,007)
Nonoperating expenses	(116,983)	-	-	-	(116,983)
Changes in assets and liabilities					
Accounts receivable	-	-	6,526	-	6,526
Inventory	-	-	-	(703)	(703)
Prepaid expenses	(4,394)	-	-	-	(4,394)
Deposits	-	-	-	(83)	(83)
Accounts payable	13,141	-	-	-	13,141
Accrued expenses	-	-	-	(156)	(156)
Cash flows from operating activities	\$ (136,133)	\$ (37,516)	\$ (10,691)	\$ 32,456	\$ (151,884)

Noncash transactions

The following is a summary of Gifts in Kind received during 2014:

Total Gifts in Kind	\$ 1,007
Received for operations	-
Received for capital asset acquisition	\$ 1,007

NOTES TO FINANCIAL STATEMENTS

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The District is a public inland lake protection and rehabilitation District formed in 1991 as defined by Wisconsin State Statute 33. Lake Protection and Rehabilitation districts are special purpose units of government, formed by local governments. The purpose of a district is to maintain, protect and improve the quality and recreation of a lake community and its watershed for the mutual good of the property owners and the lake environment.

REPORTING ENTITY

This report includes all of the funds and account groups of the Lauderdale Lakes Lake Management District. The reporting entity for the District consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain any component units.

BASIS OF PRESENTATION – FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, retained earnings, revenue, and expenditures or expenses as appropriate. The various funds are summarized by type in the financial statements. The following fund type is used by the District:

Proprietary Fund Type

Enterprise Fund – Operations – The operation fund of the District accounts for all revenues and expenditures of the District not encompassed within the other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

General operating expenditures and the capital improvement costs that are not paid through the other funds are paid from the operations fund.

Operating expenses are considered to be expenses incurred to carry out the purpose of the Lake District. Nonoperating expenses are all other expenses incurred for the overall benefit of the District

Enterprise Fund-Weed Harvesting – the Weed Harvesting fund accounts for revenues and expenses for the removal of weeds from the lakes in the management district.

Enterprise Fund-Water Safety Patrol – The Water Safety Patrol fund accounts for revenues and expenses for the water patrol on the lakes.

Enterprise Fund-Golf Course – The golf course funds account for the operation of a golf course purchased by the District in 1996.

BASIS OF ACCOUNTING

The District uses the accrual basis of accounting as applicable to governmental units. Under this basis of accounting, revenues are recognized when they are earned and expenses are recognized when they are incurred.

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the District considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

ACCOUNTS RECEIVABLE

Accounts receivable are carried at cost. No allowance for doubtful accounts is considered necessary.

INVENTORY

Inventory is carried at the lower of cost (first-in first-out method) or fair market value.

ADVERTISING

The District expenses advertising costs as incurred.

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. The cost and related accumulated depreciation of property and equipment retired or otherwise disposed of is removed from the related asset accounts, and any resulting gain or loss is reflected in other income or expense for the period in which the retirement occurred. The cost of recurring maintenance and repairs to property and equipment is charged to expense as incurred. Major expenditures for property and those which substantially increase useful lives are capitalized. The District has adopted a policy of capitalizing all expenses with a unit cost of greater than \$1,000 and a useful life of longer than one year.

DEPRECIATION

The District provides for depreciation of property and equipment using annual rates which are sufficient to amortize the cost of depreciable assets over their estimated useful lives. The District uses the straight-line method of depreciation.

INCOME TAXES

As a governmental unit, the District is exempt from federal and state income taxes.

ESTIMATES

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reporting of revenues and expenses. Actual results could vary from the estimates that were used.

TOTALS (MEMORANDUM ONLY)

The column captioned Totals (Memorandum Only) in the basic financial statements is an aggregation of the columnar statements by fund type and account group. The total column is not comparable to a consolidation and does not present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America because interfund transactions and balances have not been eliminated.

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

NOTE 2 – CASH AND INVESTMENTS

Investment of District funds is restricted by state statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association maturing in three years or less.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, or by the University of Wisconsin Hospitals and Clinics Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The Local Government Investment Pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

Cash Deposits with Financial Institutions

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned. Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the combined amounts of all time and savings account (including NOW accounts); and demand deposit accounts. In addition, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per entity above the amount provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.

At year-end, the carrying amount of the District's deposits was \$276,694, and the bank balance was \$275,953. Of the bank balance, \$268,063 was insured. The remainder of \$7,890 was uninsured. No amounts had been collateralized.

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 For the year ended December 31, 2014

NOTE 3 – PROPERTY AND EQUIPMENT

The major categories of property and equipment at December 31 are summarized as follows:

	<u>Proprietary Funds</u>				Total Memorandum Only
	Enterprise – Operations	Enterprise – Weed Harvesting	Enterprise – Water Patrol	Enterprise – Golf Course	
Land	\$ 189,000	\$ --	\$ --	\$ 760,395	\$ 949,395
Buildings and dam	227,603	--	--	504,536	732,139
Equipment	--	--	--	245,272	245,272
Grounds improvements	158,016	--	--	177,720	335,736
Weed harvesting equipment	--	195,091	--	-	195,091
Water patrol equipment	--	--	123,952	-	123,952
Total Property and Equipment	574,619	195,091	123,952	1,687,923	2,581,585
Accumulated depreciation	(136,939)	(187,791)	(93,053)	(605,375)	(1,023,158)
Net Property and Equipment	<u>\$437,680</u>	<u>\$7,300</u>	<u>\$30,899</u>	<u>\$1,082,548</u>	<u>\$1,558,427</u>

There is a conservation easement on the golf course property stating that the land for the golf course can only be used for a golf course.

NOTE 4 – LONG TERM DEBT

General obligation promissory notes are secured by a pledge of the taxing authority of the District to impose taxes in accordance with the loan agreements and consist of the following:

Amount of Original Issue	Range of Final Maturity Dates	Range of Interest Rates	Balance Dec 31, 2013	Issued	Retired	Balance Dec 31, 2014
1,068,000	2004-2014	3.92% to 4.60%	<u>\$126,563</u>	<u>\$ -</u>	<u>\$126,563</u>	<u>\$ --</u>

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 For the year ended December 31, 2014

NOTE 5 – BALANCES AND ACTIVITY

Inter-fund transfers for the year ended December 31, 2014 were as follows:

<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
Operations	\$146,554	\$ --
Weed Harvest	--	44,401
Water Safety Patrol	--	17,153
Golf course	--	85,000
Total	<u>\$146,554</u>	<u>\$146,554</u>

Funds are transferred from the Operations to the other funds to cover operating expenses.

Individual fund interfund receivable and payable balances on December 31, 2014 are as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Operations	\$29,990	\$ --
Golf course	--	29,990
Total	<u>\$29,990</u>	<u>\$29,990</u>

The interfund receivables and payables are temporary loans between the funds.

NOTE 6 – PROPERTY TAXES

The aggregate amount of property taxes to be levied is determined according to provision 33.33(3)(c) of the Wisconsin Statutes. Property taxes levied by the District are certified to local taxing Districts for collection. Property taxes attach an enforceable lien as of January 1. Taxes are payable in two installments. The first installment is due January 31 and the second installment is due July 31. Delinquent taxes as of January 31 are assumed by the county, which assumes full responsibility for future collection.

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The District is in the third year of a six-year contract for septic pumping. The pricing under the contract can be reviewed after three years. At the mid-term review, all parcels will be charged a flat rate of \$46 each for pumping.

NOTE 8 – INSURANCE RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and workers' compensation. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years.

NOTE 9 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through September 17, 2015, the date that the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT
 COMBINING SCHEDULE OF OPERATING EXPENSES - ALL FUND TYPES
 For the year ended December 31, 2014

	<u>Proprietary Funds</u>				Totals (Memorandum Only)
	<u>Enterprise- Operations</u>	<u>Enterprise- Weed Harvest</u>	<u>Enterprise- Water Patrol</u>	<u>Enterprise- Golf Course</u>	
Salaries and payroll taxes (excluding Water Patrol)	\$ -	\$ 25,430	\$ 59,422	\$ 120,686	\$ 205,538
Septic pumping	50,309	-	-	-	50,309
Golf course cost of sales	-	-	-	40,314	40,314
Environmental projects	36,639	-	-	-	36,639
Insurance	-	-	5,271	10,249	15,520
Utilities	2,610	592	-	12,287	15,489
Depreciation and amortization	-	2,202	12,751	14,740	29,693
Fuel and oil (net)	-	3,752	342	8,934	13,028
Boat and quipment expense	-	-	12,942	-	12,942
Rent	-	-	7,752	918	8,670
Parts and small tools	-	6,569	-	1,218	7,787
Outside services	1,770	-	-	3,903	5,673
Service charges	-	-	-	5,469	5,469
Repairs and maintenance	-	1,005	-	2,993	3,998
Grounds and clubhouse supplies	-	-	-	3,644	3,644
Communications	-	-	3,215	-	3,215
Meetings/seminars	-	-	-	3,020	3,020
Fertilizer and chemicals	-	-	-	2,934	2,934
Miscellaneous expenses	-	218	4,861	(2,192)	2,887
Dues and subscriptions	-	-	-	2,654	2,654
Training	-	-	2,384	-	2,384
Clean Boats Clean Waters	2,034	-	-	-	2,034
Dam maintenance	1,616	-	-	-	1,616
Office supplies/equipment	-	202	580	262	1,044
Licenses and permits	-	-	-	993	993
Travel, meals and mileage	-	-	-	624	624
Bank charges	-	411	-	-	411
Printing	-	-	-	387	387
Advertising	-	-	-	250	250
Equipment rental	-	240	-	-	240
Postage and freight	-	49	106	36	191
	<u>\$ 94,978</u>	<u>\$ 40,670</u>	<u>\$ 109,626</u>	<u>\$ 234,323</u>	<u>\$ 479,597</u>

See Notes to Financial Statements

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT
 COMBINING SCHEDULE OF NONOPERATING EXPENSES - ALL FUND TYPES
 For the year ended December 31, 2014

	<u>Proprietary Funds</u>				<u>Totals (Memorandum Only)</u>
	<u>Enterprise- Operations</u>	<u>Enterprise- Weed Harvest</u>	<u>Enterprise- Water Patrol</u>	<u>Enterprise- Golf Course</u>	
Legal fees	\$ 46,328	\$ -	\$ -	\$ -	\$ 46,328
Repairs and maintenance	34,775	-	-	-	34,775
Depreciation and amortization	13,254	-	-	-	13,254
Insurance	12,048	-	-	-	12,048
Audit fees	3,500	-	-	-	3,500
Communications	2,899	-	-	-	2,899
Office supplies/equipment	1,201	-	-	-	1,201
Miscellaneous expense	1,190	-	-	-	1,190
Travel, meals and mileage	726	-	-	-	726
Dues and subscriptions	530	-	-	-	530
Meetings/seminars	350	-	-	-	350
Postage and freight	182	-	-	-	182
	<u>\$ 116,983</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,983</u>