

**ST. GEORGE PLANTATION  
OWNERS' ASSOCIATION, INC.**

**FINANCIAL STATEMENTS AND  
REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2024**

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
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**DECEMBER 31, 2024**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
St. George Plantation Owners' Association, Inc.

### **Opinion**

We have audited the accompanying financial statements of St. George Plantation Owners' Association, Inc. (the Association), which comprise the balance sheet as of December 31, 2024, and the related statements of revenues, expenses and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

#### **Disclaimer of Opinion on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the schedule of future major repairs and replacements on page 15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which 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 nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion nor provide any assurance.

*Warren Averett, LLC*

Destin, Florida  
March 21, 2025

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2024**

	<b>Operating Fund</b>	<b>Replacement Fund</b>	<b>Capital Improvement Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Cash	\$ 846,221	\$ 3,908	\$ -	\$ 850,129
Restricted cash				
Performance deposits	397,425	-	-	397,425
Capital improvement fees	76,490	-	-	76,490
Contingency	-	-	244,509	244,509
Investments	-	2,926,380	-	2,926,380
Assessments receivable, net	45,084	-	-	45,084
Interfund borrowings	5	(5)	-	-
Prepaid expenses	35,917	-	-	35,917
Inventory	2,213	-	-	2,213
Deposits	8,436	-	-	8,436
Property and equipment, net	5,557,312	-	-	5,557,312
<b>TOTAL ASSETS</b>	<b>\$ 6,969,103</b>	<b>\$ 2,930,283</b>	<b>\$ 244,509</b>	<b>\$ 10,143,895</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 118,913	\$ -	\$ -	\$ 118,913
Prepaid assessments	590,350	-	-	590,350
Refundable deposits	397,425	-	-	397,425
RVA property loan	1,472,436	-	-	1,472,436
<b>TOTAL LIABILITIES</b>	<b>2,579,124</b>	<b>-</b>	<b>-</b>	<b>2,579,124</b>
<b>FUND BALANCE</b>	<b>4,389,979</b>	<b>2,930,283</b>	<b>244,509</b>	<b>7,564,771</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 6,969,103</b>	<b>\$ 2,930,283</b>	<b>\$ 244,509</b>	<b>\$ 10,143,895</b>

See notes to the financial statements.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Operating Fund</b>	<b>Replacement Fund</b>	<b>Capital Improvement Fund</b>	<b>Total</b>
<b>REVENUES</b>				
Assessments				
Member regular	\$ 1,740,428	\$ -	\$ -	\$ 1,740,428
Affiliates regular	132,338	-	-	132,338
Special	285,775	-	-	285,775
Plantation entrance fees	474,415	-	-	474,415
Capital improvement fees	208,072	-	-	208,072
Architectural review fees	18,000	-	-	18,000
Interest	21,799	149,077	16,295	187,171
Finance charges	856	-	-	856
Other income	47,458	-	-	47,458
Total revenues	<u>2,929,141</u>	<u>149,077</u>	<u>16,295</u>	<u>3,094,513</u>
<b>EXPENSES</b>				
General and administrative				
Interest	63,582	-	-	63,582
Legal	123,310	-	-	123,310
Other	341,201	-	-	341,201
Insurance	206,184	-	-	206,184
Personnel	1,230,842	-	-	1,230,842
Repairs and maintenance	149,508	-	-	149,508
Major maintenance and replacement	-	723,205	-	723,205
Utilities	140,277	-	-	140,277
Capital improvements	-	-	34,306	34,306
Depreciation	194,724	-	-	194,724
Total expenses	<u>2,449,628</u>	<u>723,205</u>	<u>34,306</u>	<u>3,207,139</u>
<b>REVENUES OVER (UNDER) EXPENSES</b>	479,513	(574,128)	(18,011)	(112,626)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	4,568,166	2,596,711	512,520	7,677,397
<b>TRANSFERS</b>	<u>(657,700)</u>	<u>907,700</u>	<u>(250,000)</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 4,389,979</u>	<u>\$ 2,930,283</u>	<u>\$ 244,509</u>	<u>\$ 7,564,771</u>

See notes to the financial statements.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Capital Improvement Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Revenues over (under) expenses	\$ 479,513	\$ (574,128)	\$ (18,011)	\$ (112,626)
Adjustments to reconcile revenues over (under) expenses to net cash provided by (used in) operating activities:				
Depreciation	194,724	-	-	194,724
Credit loss expense (recovery)	12,350	-	-	12,350
Changes in assets and liabilities:				
Assessments receivable	(25,177)	-	-	(25,177)
Prepaid expenses	135,227	-	-	135,227
Inventory	(560)	-	-	(560)
Accounts payable and accrued expenses	63,247	-	-	63,247
Prepaid assessments	(432,542)	-	-	(432,542)
Refundable deposits	(184,000)	-	-	(184,000)
Net cash provided by (used in) operating activities	<u>242,782</u>	<u>(574,128)</u>	<u>(18,011)</u>	<u>(349,357)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	-	(1,037,309)	-	(1,037,309)
Purchase of fixed assets	(75,166)	-	-	(75,166)
Net cash used in investing activities	<u>(75,166)</u>	<u>(1,037,309)</u>	<u>-</u>	<u>(1,112,475)</u>

See notes to the financial statements.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Capital Improvement Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Principal payments on debt	\$ (203,273)	\$ -	\$ -	\$ (203,273)
Interfund transfers	(657,700)	907,700	(250,000)	-
Net cash provided by (used in) financing activities	(860,973)	907,700	(250,000)	(203,273)
<b>CHANGE IN CASH</b>	(693,357)	(703,737)	(268,011)	(1,665,105)
<b>CASH AT BEGINNING OF YEAR</b>	2,013,493	707,645	512,520	3,233,658
<b>CASH AT END OF YEAR</b>	<u>\$ 1,320,136</u>	<u>\$ 3,908</u>	<u>\$ 244,509</u>	<u>\$ 1,568,553</u>
<b>COMPOSITION OF CASH</b>				
Operating	\$ 846,221	\$ 3,908	\$ -	\$ 850,129
Restricted	473,915	-	244,509	718,424
<b>TOTAL COMPOSITION OF CASH</b>	<u>\$ 1,320,136</u>	<u>\$ 3,908</u>	<u>\$ 244,509</u>	<u>\$ 1,568,553</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>				
Cash paid during the year for:				
Interest	<u>\$ 63,582</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,582</u>

See notes to the financial statements.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF ASSOCIATION**

**Description of Association**

St. George Plantation Owners' Association, Inc., (the Association), a Florida not-for-profit corporation, was formed on August 22, 1977. The membership of the Association, subject to the Articles, Bylaws and Covenants of the Association, includes 804 individually owned parcels with 63% of the parcels containing homes. Certain parcels of land located within the Plantation (west of the gate) are not subject to the Articles, Bylaws and Covenants of the Association, but receive certain benefits from the Association including maintenance and security. As a result, the Association collects assessments from "affiliates" according to negotiated agreements. There are 118.9 affiliate parcels. The Association is located on approximately 1,200 acres in Franklin County, Florida. Its purpose is to maintain, preserve and protect the common areas of the Association.

**Fund Accounting**

To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose.

Operating Fund – This fund is used to account for the financial resources available for the general operations of the Association.

Replacement Fund – This fund is used to accumulate financial resources designated for future major repair and replacements.

Capital Improvement Fund – This fund is used to accumulate financial resources designated for new construction of physical assets.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased within three months of maturity to be cash equivalents.

**Restricted Cash**

Restricted cash has been classified on the balance sheet to delineate cash set aside for performance deposits (funds held in trust for owner construction projects), capital improvement projects (funds set aside by the Board for the construction of new Association projects), capital improvement fees (fees set aside by the Board for capital improvement or reserve projects as disclosed in Note 3) and contingency funds (funds set aside by the Board to address the volatility of certain revenue sources such as plantation entrance fees and Architectural Review Committee [ARC] fees, as well as emergency funds in the event of a natural disaster).

**Investments**

At December 31, 2024, investments consisted of \$2,926,380 in treasury bills. The treasury bills have maturity dates ranging between February 2025 and December 2025, and bear interest ranging from 4.01% to 5.12%. The Association's investments are held to maturity and are recorded at amortized cost.

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**Member Assessments and Allowance for Credit Losses**

Association members are subject to annual assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its Operating Fund assessments are satisfied over time on a daily pro-rata basis using the input method. The Replacement Fund and Capital Improvement Fund do not have budgeted assessments and are funded from available operating surplus. The performance obligations related to the transfers are satisfied when the Board of Directors approves the transfer from the Operating Fund.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. Any excess assessments at year end are retained by the Association for use in the succeeding year. The balances of assessments receivable as of the beginning and end of the year are \$41,481 and \$54,308, respectively.

The Association treats uncollectible assessments as credit losses. Methods, inputs and assumptions used to evaluate when assessments are considered uncollectible include closely monitoring outstanding assessment balances by management, member payment history of outstanding assessment balances, and susceptibility to factors outside the Association's control. Accordingly, the Association's current expected credit losses related to owner assessments at December 31, 2024, was \$9,224.

**Plantation Entrance Fees**

The Association recognizes revenue from plantation entrance fees as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to plantation entrance fees are satisfied over time daily on a pro-rata basis as access is provided to the renter. The plantation entrance fee for 2024 was \$100 per rental. For the year ended December 31, 2024, the Association recognized \$474,415 of revenue from plantation entrances fees on the accompanying statement of revenues, expenses and changes in fund balance.

**Capital Contribution Assessment**

The Association collects a working capital contribution on all sales and resales of properties within the Association as described in Note 3. The Association recognizes revenue as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to these fees are at a point in time when the sale occurs.

**Property and Equipment**

The Association recognizes the following common property as assets:

- Common personal property used by the Association in operating, preserving, maintaining, repairing and replacing common property and providing other services.
- Common real property to which it has title and can dispose of for cash while retaining the proceeds, or that it has used to generate cash flows from members on the basis of usage or from nonmembers.

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Accordingly, the Association has recorded land, buildings and improvements, furniture and fixtures, equipment and vehicles as assets. The common property meeting the asset recognition policy is recorded at cost or estimated fair value on the date of donation and is depreciated over the assets' estimated useful lives, which range from five to thirty years using the straight-line method. The Association's policy is to capitalize all tangible personal property having a useful life of three years or more and an acquisition cost of \$5,000 or more per item.

The Association is responsible for preserving and maintaining common properties and may dispose of them only with the consent of the Board of Directors.

**Interest Earned**

The Board's policy is to allocate interest earned on Replacement Fund accounts to the Replacement Fund. Interest earned on Capital Improvement Fund accounts is allocated to the Capital Improvement Fund. All other interest earned on bank accounts is available for use in daily operations.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

The Association has evaluated events and transactions that occurred between December 31, 2024, and March 21, 2025, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**2. ASSESSMENTS**

**Regular Member Assessments**

The Association's 2024 annual assessments to member parcel owners was \$1,216 per parcel (unimproved parcel) and \$2,676 per single-family dwelling (improved parcel). A parcel is considered a single-family dwelling for assessment purposes on the first fiscal year after obtaining a building permit.

**Regular Affiliate Assessments**

The Association collects assessments from affiliates according to negotiated agreements. The Association's 2024 annual assessments to affiliate owners were as follows:

Pelican Point Subdivision

Annual assessments in 2024 were \$912 per unimproved parcel and \$2,007 per single-family dwelling. The Pelican Point subdivision includes six unimproved parcels and four single-family dwellings.

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RSH Land/Bayside Subdivision Property

Annual assessments in 2024 were \$486 per unimproved parcel and \$1,070 per single-family dwelling. The RSH Land/Bayside Subdivision includes a total of nine parcels, two unimproved parcels and seven single-family dwellings.

The Bluffs Property

Annual assessments in 2024 were \$1,338 per single-family dwelling. The Bluffs property consists of a total of ten parcels, all containing single-family dwellings.

Bob Sikes Cut Property

*Bob Sikes Cut Association (BSCA)*

The BSCA Property includes Casa Del Mar Phase I, 17 parcels in Schooner Landing and 31 lots in Casa Del Mar Phase II. Annual assessments in 2024 were \$486 per unimproved parcel and \$1,070 per single-family dwelling. Casa Del Mar Phase I consists of 11 unimproved parcels and 39 single-family homes. The 17 parcels in Schooner Landing consist of eight unimproved parcels and nine single-family homes. The Bob Sikes Cut Association is billed in a single invoice.

**3. CAPITAL IMPROVEMENT FEE**

The Association collects, as a capital improvement fee, one-half of 1% of the sales price on all real estate sales of property owned by regular members of the Association. This fee provides the Association with funds for Capital Improvement or Replacement Fund projects. These fees totaled \$208,072 for 2024.

**4. PROPERTY AND EQUIPMENT**

Property and equipment is depreciated using the straight-line method and was comprised of the following at December 31, 2024:

	<u>Operating Fund</u>	<u>Depreciable Life</u>
Land and improvements	\$ 3,157,771	N/A
Buildings	4,687,115	30 years
Furniture and fixtures	4,607	5 years
Fitness equipment	16,560	5 years
Machinery and equipment	172,772	5 years
Vehicles	270,892	5 years
	<hr/>	
Total property and equipment	8,309,717	
Less: accumulated depreciation	(2,752,405)	
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Property and equipment, net	<u>\$ 5,557,312</u>	

Depreciation expense totaled \$194,724 for 2024.

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**5. ARC DEPOSITS PAYABLE**

The Association requires a refundable performance deposit from all parcel owners upon application to the ARC prior to parcel improvement. Deposits range from \$500 to \$15,000. This deposit is held to repair any damage to common property caused by construction and for remediation costs related to violations of the covenants in the construction project. This deposit is refundable to the owner at completion of building if no damage or violations have taken place. At December 31, 2024, the ARC's refundable deposits payable totaled \$397,425.

**6. SPECIAL ASSESSMENT**

**Resort Village Association Purchase Loan Special Assessment**

In March 2016, the Board of Directors approved a special assessment to pay the loan obtained for the RVA property purchase (Note 7). The special assessment is due from owners in the amount of \$100 per owner and increasing to \$350 per owner in 2020 through 2031.

**7. RVA PROPERTY LOAN**

In August 2016, the Association entered into a loan agreement with a bank to fund the purchase of RVA property. The note is due in monthly installments of \$22,238, including interest at a rate of 3.95%. For years 2020-2031, the note will be paid through owner special assessments. The note balance as of December 31, 2024, is \$1,472,436.

Principal maturities of the RVA property loan during the next five years and thereafter are as follows:

2025	\$ 212,556
2026	221,106
2027	229,999
2028	239,251
2029	248,874
Thereafter	320,650
	<u>\$ 1,472,436</u>

**8. RESERVES FOR RENEWAL AND REPLACEMENT**

In 2024, the Association reserved funds for major repairs and replacements over the remaining useful lives of the components based on a 2023 professional reserve study. Reserve funding is based on the Association's policy to maintain a cash reserve maintenance fund of not less than 65% of the fully funded balance at January 1st. The funds' transfer shall be completed on or before March 31st. The recommended funding amount for 2025 per the 2024 reserve study is \$715,850.

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Funds are being accumulated in the Replacement Fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures and the variations may be material. Therefore, 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 to increase regular assessments, pass special assessments (subject to membership approval), or delay major repairs and replacements until funds are available. The Association does not allocate interest to replacement components until deemed appropriate, based on needs, by the Board.

The following is a summary of the financial activity of the Replacement Fund during the year:

<b>Component</b>	<b>Replacement Fund Balance 1/1/2024</b>	<b>Interest</b>	<b>Cash Transfers</b>	<b>Asset Transfers</b>	<b>Charges to Fund</b>	<b>Replacement Fund Balance 12/31/2024</b>
*Pooled reserves	\$ 2,596,711	\$ 149,077	\$ 982,866	\$ (75,166)	\$(723,205)	\$ 2,930,283

\*See Required Supplementary Information on Future Major Repairs and Replacements on page 15 for individual components.

Charges to the Replacement Fund in 2024 were incurred for road paving and court resurfacing.

Interfund transfers consisted of \$732,866 of operating and \$250,000 of capital improvement cash transferred to the Replacement Fund to satisfy the Association's policy to maintain a cash reserve maintenance fund of not less than 65% of the fully funded balance per the reserve study. In addition, interfund transfers consisted of \$75,166 of assets that were purchased with reserve funds and were capitalized in the Operating Fund.

**9. CAPITAL IMPROVEMENT PROJECTS**

The Capital Improvement Fund is used to accumulate financial resources designated for new construction of physical assets. The following is a summary of the financial activity of the Capital Improvement Fund during the year:

<b>Capital Improvement Fund Balance 1/1/2024</b>	<b>Interest</b>	<b>Interfund Transfer</b>	<b>Charges to Fund</b>	<b>Capital Improvement Fund Balance 12/31/2024</b>
\$ 512,520	\$ 16,295	\$ (250,000)	\$ (34,306)	\$ 244,509

Charges to the Capital Improvement Fund in 2024 were incurred for the bathroom remodel project.

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Transfers of \$250,000 in 2024 consisted of capital improvement funds transferred to the Replacement Fund to satisfy the Association's policy to maintain a cash reserve maintenance fund of not less than 65% of the fully funded balance per the reserve study.

## **10. CONCENTRATIONS**

The Association maintains its cash balances in multiple financial institutions. Noninterest-bearing and interest-bearing accounts at each institution are insured up to \$250,000 by the Federal Deposit Insurance Company (FDIC). The Association uses treasury bills to mitigate its credit risk in the Replacement Fund. At December 31, 2024, the Association exceeded the FDIC insured limits at the financial institution by approximately \$517,000, which is the amount of the Association's exposure to credit loss. The Association has not experienced any losses in such accounts and believes there is little or no exposure to any significant credit risk.

## **11. FEDERAL AND STATE INCOME TAXES**

The Association is classified as a nonexempt membership organization for both federal and state income tax purposes. It does not qualify as an exempt organization. The Association is subject to specific rulings and regulations applicable to nonexempt membership organizations. In general, the Association is required to separate its taxable income and deductions into membership transactions, nonmembership transactions and capital transactions.

For federal and state tax purposes, the Association is taxed on all net income from nonmembership activities reduced only by losses from nonmembership activities for which a profit motive exists. Nonmembership income may not be offset by membership losses, and any net membership losses may only be carried forward to offset membership income of future tax periods. The Association files a Form 1120, which has flat tax rate of 21% that is applied to net taxable income. The tax rate applied to net state taxable income is 5.5%.

The Association is not aware of any uncertain tax positions that would require disclosure or accrual in accordance with generally accepted accounting principles.

## **12. RELATED PARTY**

The Association has Board and committee members that provide services to the Association on a nonemployee basis.

## **13. COMMITMENTS AND CONTINGENCIES**

### **Insurance Deductibles**

The total insured value of the Association's building and other items for windstorm coverage is \$5,694,730. The hurricane deductible is 2% of the total insured value per the windstorm policy, which is approximately \$114,000.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
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**Litigation**

The Association is currently involved in a legal dispute with several residents of the Association regarding the extent of use of beach access easements. The litigation is ongoing and the final results and extent to which the suit may impact the Association's financial condition or results of operations is uncertain and cannot be estimated at this time.

**14. SUBSEQUENT EVENT**

In 2025, the Board approved \$150,000 of reserve funds to be used towards a tennis court resurfacing project.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**SUPPLEMENTARY INFORMATION ON FUTURE**  
**MAJOR REPAIRS AND REPLACEMENTS**  
**DECEMBER 31, 2024**  
**(UNAUDITED)**

The Association had a reserve study conducted in 2023 by a professional reserve consultant to estimate the remaining useful lives and the replacement costs of the components of common property. The following table is based on the Board's modification of the replacement costs and presents significant information on the components of common property as of December 31, 2024:

<b>Component</b>	<b>Useful Lives (Years)</b>	<b>Estimated Remaining Lives (Years)</b>	<b>Current Estimated Replacement Costs</b>	<b>2025 Funding Requirement</b>	<b>Replacement Fund Balance 12/31/2024</b>
Pooled replacement items					
Roads					
Asphalt – engineering/management	1	0	\$ 19,500		
Acacia Drive – resurface	20	0	85,500		
Avocet Lane – resurface	20	19	66,400		
Azalea Drive – resurface	20	0	84,700		
Bayberry Road – resurface	20	10	67,600		
Bayberry "T" Road – resurface	20	9	13,400		
Bayview Drive – resurface	20	5	35,200		
Beachwood Drive – resurface	20	7	13,750		
Bittern Ct – resurface	20	15	10,550		
Blue Heron Trail – resurface	20	11	41,550		
Blueberry Road – resurface	20	9	79,750		
Camellia Ct – resurface	20	11	50,450		
Clubhouse parking lot – resurface	20	1	11,050		
Conch Drive – resurface	20	9	15,850		
Coquina Drive – resurface	20	6	30,500		
Coral Reef Road – resurface	20	5	40,250		
Coral Way – resurface	20	5	27,550		
Curlew Way – resurface	20	12	32,200		
Denise Ct (East) – resurface	20	3	13,300		
Denise Ct (West) – resurface	20	4	16,000		
Denise Drive – resurface	20	1	36,700		
Dogwood Drive – resurface	20	10	57,450		
Dogwood Drive "T" Road – resurface	20	10	20,150		
Dolphin Ct (E/W) – resurface	20	9	25,700		
Dolphin Drive – resurface	20	8	31,200		
Dove Lane – resurface	20	12	57,400		
Egret Point Road – resurface	20	5	24,100		
Elm Ct – resurface	20	12	37,800		
Elm Ct "T" Road (East) – resurface	20	12	9,700		
Elm Ct "T" Road (West) – resurface	20	12	13,600		
Evodia Ct – resurface	20	11	36,750		

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**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
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<b>Component</b>	<b>Useful Lives (Years)</b>	<b>Estimated Remaining Lives (Years)</b>	<b>Current Estimated Replacement Costs</b>	<b>2025 Funding Requirement</b>	<b>Replacement Fund Balance 12/31/2024</b>
Forsythia Ct – resurface	20	15	\$ 67,300		
Forsythia Trail (North) – resurface	20	12	61,450		
Forsythia Trail (South) – resurface	20	12	28,350		
Forsythia Way – resurface	20	15	63,000		
Gannett Ct – resurface	20	3	28,700		
Gannett Trail – resurface	20	3	29,700		
Guava Trail – resurface	20	7	55,200		
Hammock Lane – resurface	20	6	16,500		
Harbour Light Lane – resurface	20	1	41,850		
Hawthorne Lane – resurface	20	8	48,400		
Hawthorne Lane "T" Road – resurface	20	9	19,250		
Ibis Way – resurface	20	5	44,450		
Indian Harbor Road – resurface	20	5	51,400		
Ivy Way (incl. "T" Rd) – resurface	20	6	61,100		
Jasmine Way – resurface	20	19	39,650		
Jasmine Way "T" Road – resurface	20	19	23,000		
Kingfisher Ct – resurface	20	17	28,000		
Kingfisher Road – resurface	20	17	42,350		
Kumquat Ct – resurface	20	19	39,800		
Kumquat Ct "T" Road – resurface	20	19	18,000		
Lark Lane – resurface	20	4	35,100		
Lilac Lane – resurface	20	1	38,100		
Lilac Lane "T" Road – resurface	20	1	19,400		
Longpoint Road – resurface	20	19	32,650		
Magnolia "T" Road – resurface	20	8	20,850		
Magnolia Road – resurface	20	8	49,150		
Nautilus Road – resurface	20	6	38,700		
Nick's Way – resurface	20	7	51,650		
Palmetto Way – resurface	20	4	49,400		
Pelican Ct (E/W) – resurface	20	7	27,450		
Pelican Way – resurface	20	1	29,850		
Periwinkle Rd – resurface	20	19	15,000		
Plantation Pass – resurface	20	2	39,000		
Reed Ct – resurface	20	7	34,750		
Reed Way – resurface	20	7	28,250		
Sand Dollar Trail – resurface	20	4	46,250		
Sandy Lane – resurface	20	16	58,050		
Sea Dune Drive – resurface	20	16	63,700		

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**DECEMBER 31, 2024**  
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<b>Component</b>	<b>Useful Lives (Years)</b>	<b>Estimated Remaining Lives (Years)</b>	<b>Current Estimated Replacement Costs</b>	<b>2025 Funding Requirement</b>	<b>Replacement Fund Balance 12/31/2024</b>
Sea Fern Way – resurface	20	19	\$ 45,450		
Sea Gull Way – resurface	20	6	10,650		
Sea Oat Drive – resurface	20	19	29,250		
Sea Pine Pl (incl. "T") – resurface	20	16	29,250		
Seahorse Lane – resurface	20	4	41,300		
Seaside Drive – resurface	20	3	60,500		
Seminole Lane – resurface	20	3	27,750		
Shell Hammock Lane – resurface	20	17	15,850		
Smuggler's Cove Road – resurface	20	2	35,650		
Suzie Ct (E/W) – resurface	20	6	35,450		
Suzie Street – resurface	20	2	37,200		
Tarpon Lane – resurface	20	2	45,250		
Turpentine Trail – resurface	20	8	51,000		
Twisted Pine Road – resurface	20	0	6,300		
Whelk Ct (E/W) – resurface	20	13	24,950		
Whelk Way – resurface	20	4	28,350		
<b>Total Roads</b>			<b>3,114,500</b>		
<b>Leisure Lane</b>					
Leisure Lane – re-stripe	7	1	34,550		
Leisure Lane (all) – resurface	20	13	1,244,500		
<b>Total Leisure Lane</b>			<b>1,279,050</b>		
<b>Bike Paths</b>					
Beach paths – resurface (all)	20	11	109,200		
Leisure Lane paths – resurface (newer)	20	18	180,000		
Leisure Lane paths – resurface (older)	20	11	576,750		
<b>Total Bike Paths</b>			<b>865,950</b>		
<b>Grounds, Miscellaneous</b>					
Airport runway – re-stripe	5	0	32,500		
Asphalt runway – resurface	20	7	475,200		
Gazebos – repair/replace	20	5	9,000		
Directional/street signs – replace	20	12	108,000		
Bike racks – replace	10	4	8,335		
Bridges/boardwalks/decks – repair	1	0	40,000		
<b>Total Grounds, Miscellaneous</b>			<b>673,035</b>		

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**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
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**DECEMBER 31, 2024**  
**(UNAUDITED)**

<b>Component</b>	<b>Useful Lives (Years)</b>	<b>Estimated Remaining Lives (Years)</b>	<b>Current Estimated Replacement Costs</b>	<b>2025 Funding Requirement</b>	<b>Replacement Fund Balance 12/31/2024</b>
Tennis Courts					
Sport courts – re-coat	3	0	\$ 21,000		
Sport courts – resurface/rebuild	25	12	52,500		
Sport courts fencing – replace	25	5	64,800		
Total Tennis Courts			<u>138,300</u>		
Guardhouse/Entry Area					
Entry area fencing – replace	20	9	33,200		
Entry sign – refurbish/replace	20	11	8,000		
Street lights – replace	20	10	28,800		
Guardhouse interior – refurbish	20	17	18,500		
Guardhouse roof (mtl) – replace	30	25	8,800		
RFID sensors – replace	15	6	15,000		
Barrier arm operators – replace	15	6	19,500		
HVAC (guardhouse) – replace	10	5	5,250		
Surveillance system – upgrade/repl.	10	1	25,550		
Generator (guardhouse) – replace	25	12	9,000		
Total Guardhouse/Entry Area			<u>171,600</u>		
Fire Station					
Vinyl siding – replace	30	5	32,500		
Windows and doors – replace	40	15	18,500		
Garage doors – replace	15	5	21,000		
Metal roofing – replace	30	5	55,500		
HVAC (fire station) – replace	10	0	5,500		
Total Fire Station			<u>133,000</u>		
Maintenance Building/Assets					
Maintenance building – replace	30	25	124,500		
HVAC (maintenance) – replace	10	6	5,250		
Dump truck – replace	15	2	65,000		
Maintenance truck (blue) – replace	10	5	37,500		
Maintenance truck (white) – replace	10	0	37,500		
Office/admin truck – replace	15	12	22,500		
Security truck (2018) – replace	10	4	35,000		
Security truck (older) – replace	10	0	32,500		
Utility cart (admin) – replace	4	0	10,000		
Utility cart (security) – replace	4	0	10,000		
Utility cart (maintenance) – replace	4	1	16,500		
Mower (Hustler XL) – replace	3	0	11,000		

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<b>Component</b>	<b>Useful Lives (Years)</b>	<b>Estimated Remaining Lives (Years)</b>	<b>Current Estimated Replacement Costs</b>	<b>2025 Funding Requirement</b>	<b>Replacement Fund Balance 12/31/2024</b>
Mower (Scag 2018) – replace	5	0	\$ 11,500		
Mower (Scag 2021) – replace	5	2	11,500		
Tractor (Kubota) – replace	12	9	40,000		
Tractor/loader (Kubota) – replace	12	8	55,000		
Dump trailer – replace	10	6	10,000		
Hydraulic lift – replace	20	16	<u>6,000</u>		
Total Maintenance Building/Assets			<u>541,250</u>		
Clubhouse and Pool Pavilion					
Tile veranda decking – replace	25	11	12,850		
Wood decking – replace	25	11	57,950		
Pool deck railing – replace	25	11	33,200		
Veranda deck railing – replace	25	11	28,900		
Building exteriors – seal/paint	10	7	47,500		
Windows and doors – replace	40	26	99,500		
Metal roofs – replace	30	16	168,400		
Gutters/downspouts – replace	30	16	18,450		
Hydraulic elevator – modernize	30	16	85,000		
Elevator cab – remodel	30	16	20,000		
Club (2009) HVAC systems – replace	10	0	32,000		
Club (2016) HVAC systems – replace	10	2	11,000		
Club (2019) HVAC systems – replace	10	5	43,000		
Pavilion HVAC system – replace	10	2	5,250		
Generator – replace	25	11	20,000		
Fire alarm system – modernize	30	16	12,500		
Interior surfaces – repaint	10	0	33,100		
Tile flooring – replace	25	11	28,900		
Carpeting – replace	10	0	37,100		
Interior mailbox – replace	25	11	90,000		
Fitness equipment (2021) – replace	10	7	17,000		
Fitness equipment (orig.) – replace	10	0	17,650		
Furnishings and decor – update	20	6	80,000		
A/V equipment – replace/upgrade	10	0	29,750		
Kitchen – remodel	20	6	25,000		
Clubhouse bathrooms – remodel	20	6	22,500		
Pavilion bathrooms – remodel	20	6	12,500		
Veranda furniture – replace	10	0	<u>8,095</u>		
Total Clubhouse and Pool Pavilion			<u>1,097,095</u>		

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Component	Useful Lives (Years)	Estimated Remaining Lives (Years)	Current Estimated Replacement Costs	2025 Funding Requirement	Replacement Fund Balance 12/31/2024
Clubhouse Pool					
Pool/patio furniture – replace	10	7	\$ 40,000		
Pool deck – replace	30	16	27,100		
Pool deck lights – replace	20	6	19,200		
Swimming pool – resurface	12	0	92,000		
Pool filters – replace	15	1	9,000		
Pool equipment – repair/replace	10	3	8,925		
Total Clubhouse Pool			196,225		
RVA Pool Building					
Pavers walkways – replace	1	0	5,950		
Bollard lights – replace	20	14	8,100		
Building exterior – seal/paint	10	8	6,000		
Windows and doors – replace	40	18	22,500		
Metal roofing – replace	30	8	25,350		
HVAC (pool bldg) – replace	10	0	8,500		
Bathrooms – remodel	20	3	6,500		
Meeting/social room – remodel	10	3	6,250		
Pool deck furniture – replace	10	7	50,000		
Pool deck – resurface	30	24	53,300		
Pool fence – replace	30	8	40,200		
Pool, spa – resurface	12	11	130,000		
Pool equipment – repair/replace	10	3	20,000		
Total RVA Pool Building			382,650		
<b>Total Pooled Replacement Items</b>			<b>\$ 8,592,655</b>	<b>\$ 715,850</b>	<b>\$ 2,930,283</b>

\* The Association partially funds reserves based on their policy to maintain cash reserve maintenance fund of not less than 65% of the fully funded balance per the most recent reserve study at January 1<sup>st</sup>. The funds' transfer shall be completed on or before March 31<sup>st</sup>. The 2025 fully funded balance per the 2024 reserve study totaled \$4,528,087, which resulted in the Association maintaining a cash reserve maintenance fund of approximately 64% of the fully funded balance at January 1, 2025. Accordingly, a transfer of approximately \$13,000 is required by March 31, 2025, to be in compliance with the Association's policy.

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