

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

**FINANCIAL STATEMENTS AND  
REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2025**

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
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**DECEMBER 31, 2025**

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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, 2025, 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, 2025, 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 beginning on page 14 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.

Destin, Florida  
March 26, 2026

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2025**

	<b>Operating Fund</b>	<b>Replacement Fund</b>	<b>Capital Improvement Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Cash	\$ 785,271	\$ 517,898	\$ -	\$ 1,303,169
Restricted cash				
Performance deposits	295,902	-	-	295,902
Capital improvement projects	-	-	640	640
Capital contribution fees	32,287	-	-	32,287
Contingency	-	-	250,000	250,000
Investments	-	2,494,688	-	2,494,688
Assessments receivable, net	41,792	-	-	41,792
Other receivables	11,450	-	-	11,450
Interfund borrowings	-	-	-	-
Prepaid expenses	142,061	-	-	142,061
Inventory	1,524	-	-	1,524
Deposits	8,436	-	-	8,436
Property and equipment, net	5,376,449	-	-	5,376,449
<b>TOTAL ASSETS</b>	<b>\$ 6,695,172</b>	<b>\$ 3,012,586</b>	<b>\$ 250,640</b>	<b>\$ 9,958,398</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 94,796	\$ -	\$ -	\$ 94,796
Prepaid assessments	453,131	-	-	453,131
Refundable deposits	295,902	-	-	295,902
RVA property loan	1,241,178	-	-	1,241,178
<b>TOTAL LIABILITIES</b>	<b>2,085,007</b>	<b>-</b>	<b>-</b>	<b>2,085,007</b>
<b>FUND BALANCE</b>	<b>4,610,165</b>	<b>3,012,586</b>	<b>250,640</b>	<b>7,873,391</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 6,695,172</b>	<b>\$ 3,012,586</b>	<b>\$ 250,640</b>	<b>\$ 9,958,398</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, 2025**

	<b>Operating Fund</b>	<b>Replacement Fund</b>	<b>Capital Improvement Fund</b>	<b>Total</b>
<b>REVENUES</b>				
Assessments				
Member regular	\$ 2,149,222	\$ -	\$ -	\$ 2,149,222
Affiliates regular	145,290	-	-	145,290
Special	283,925	-	-	283,925
Plantation entrance fees	438,330	-	-	438,330
Architectural review fees	6,331	-	-	6,331
Interest	25,179	114,379	6,640	146,198
Finance charges	4,698	-	-	4,698
Other income	37,242	-	-	37,242
Total revenues	<u>3,090,217</u>	<u>114,379</u>	<u>6,640</u>	<u>3,211,236</u>
<b>EXPENSES</b>				
General and administrative				
Interest	54,517	-	-	54,517
Legal	381,707	-	-	381,707
Other	243,560	-	-	243,560
Insurance	221,474	-	-	221,474
Personnel	1,337,430	-	-	1,337,430
Repairs and maintenance	210,848	-	-	210,848
Major maintenance and replacement	-	287,769	-	287,769
Utilities	145,251	-	-	145,251
Capital improvements	-	-	6,000	6,000
Depreciation	180,863	-	-	180,863
Total expenses	<u>2,775,650</u>	<u>287,769</u>	<u>6,000</u>	<u>3,069,419</u>
<b>REVENUES OVER (UNDER) EXPENSES</b>	314,567	(173,390)	640	141,817
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	4,389,979	2,930,283	244,509	7,564,771
<b>CAPITAL CONTRIBUTIONS</b>	166,803	-	-	166,803
<b>TRANSFERS</b>	(261,184)	255,693	5,491	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 4,610,165</u>	<u>\$ 3,012,586</u>	<u>\$ 250,640</u>	<u>\$ 7,873,391</u>

See notes to the financial statements.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<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	\$ 314,567	\$ (173,390)	\$ 640	\$ 141,817
Adjustments to reconcile revenues over (under) expenses to net cash provided by (used in) operating activities:				
Depreciation	180,863	-	-	180,863
Changes in assets and liabilities:				
Assessments receivable	3,292	-	-	3,292
Other receivables	(11,450)	-	-	(11,450)
Prepaid expenses	(106,144)	-	-	(106,144)
Inventory	689	-	-	689
Accounts payable and accrued expenses	(24,117)	-	-	(24,117)
Prepaid assessments	(137,219)	-	-	(137,219)
Refundable deposits	(101,523)	-	-	(101,523)
Net cash provided by (used in) operating activities	<u>118,958</u>	<u>(173,390)</u>	<u>640</u>	<u>(53,792)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Redemption of investments	<u>-</u>	<u>431,692</u>	<u>-</u>	<u>431,692</u>
Net cash provided by investing activities	<u>-</u>	<u>431,692</u>	<u>-</u>	<u>431,692</u>

See notes to the financial statements.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<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	\$ (231,258)	\$ -	\$ -	\$ (231,258)
Interfund activity	(261,179)	255,688	5,491	-
Capital contributions	166,803	-	-	166,803
Net cash (used in) provided by financing activities	<u>(325,634)</u>	<u>255,688</u>	<u>5,491</u>	<u>(64,455)</u>
<b>CHANGE IN CASH</b>	(206,676)	513,990	6,131	313,445
<b>CASH AT BEGINNING OF YEAR</b>	<u>1,320,136</u>	<u>3,908</u>	<u>244,509</u>	<u>1,568,553</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 1,113,460</u>	<u>\$ 517,898</u>	<u>\$ 250,640</u>	<u>\$ 1,881,998</u>
<b>COMPOSITION OF CASH</b>				
Operating	\$ 785,271	\$ 517,898	\$ -	\$ 1,303,169
Restricted	328,189	-	250,000	578,189
<b>TOTAL COMPOSITION OF CASH</b>	<u>\$ 1,113,460</u>	<u>\$ 517,898</u>	<u>\$ 250,000</u>	<u>\$ 1,881,358</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>				
Cash paid during the year for:				
Interest	<u>\$ 54,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,517</u>

See notes to the financial statements.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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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 65% 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 127 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 contribution 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). The Association's policy requires contingency funds to maintain a minimum balance of \$250,000.

**Investments**

At December 31, 2025, investments consisted of \$2,494,688 in treasury bills. The treasury bills have maturity dates ranging between January 2026 and October 2026, and bear interest ranging from 3.63% to 4.22%. The Association's investments are held to maturity and are recorded at amortized cost.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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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 \$54,308 and \$55,747, 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, 2025, was \$13,955.

**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 2025 was \$100 per rental. For the year ended December 31, 2025, the Association recognized \$438,330 of revenue from plantation entrances fees on the accompanying statement of revenues, expenses and changes in fund balance.

**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.

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 five years or more and an acquisition cost of \$15,000 or more per item.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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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, 2025, and March 26, 2026, 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 2025 annual assessments to member parcel owners was \$1,509 per parcel (unimproved parcel) and \$3,320 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 2025 annual assessments to affiliate owners were as follows:

Pelican Point Subdivision

Annual assessments in 2025 were \$1,132 per unimproved parcel and \$2,490 per single-family dwelling. The Pelican Point subdivision includes five unimproved parcels and five single-family dwellings.

RSH Land/Bayside Subdivision Property

Annual assessments in 2025 were \$603 per unimproved parcel and \$1,328 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 2025 were \$1,660 per single-family dwelling. The Bluffs property consists of a total of ten parcels, all containing single-family dwellings.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**Bob Sikes Cut Property**

*Bob Sikes Cut Association (BSCA)*

The BSCA Property includes 50 parcels in Casa Del Mar Phase I, 17 parcels in Schooner Landing and 31 unimproved parcels in Casa Del Mar Phase II. Annual assessments in 2025 were \$603 per unimproved parcel and \$1,328 per single-family dwelling. Casa Del Mar Phase I consists of 10 unimproved parcels and 40 single-family homes. The 17 parcels in Schooner Landing consist of seven unimproved parcels and ten single-family homes. The Bob Sikes Cut Association is billed in a single invoice.

**3. CAPITAL CONTRIBUTIONS**

Capital contributions consist of capital contribution fees equal to one-half of one percent (0.5%) 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 \$166,803 for 2025.

**4. PROPERTY AND EQUIPMENT**

Property and equipment is depreciated using the straight-line method and was comprised of the following at December 31, 2025:

	<b>Operating Fund</b>	<b>Depreciable Life</b>
	<hr/>	<hr/>
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	<u>270,892</u>	5 years
Total property and equipment	8,309,717	
Less: accumulated depreciation	<u>(2,933,268)</u>	
Property and equipment, net	<u><u>\$ 5,376,449</u></u>	

Depreciation expense totaled \$180,863 for 2025.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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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, 2025, the ARC's refundable deposits payable totaled \$295,902.

**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 the 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, 2025, is \$1,241,178.

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

2026	\$ 221,106
2027	229,999
2028	239,251
2029	248,874
2030	258,884
Thereafter	<u>43,064</u>
	<u><u>\$ 1,241,178</u></u>

**8. RESERVES FOR RENEWAL AND REPLACEMENT**

In 2025, the Association reserved funds for major repairs and replacements over the remaining useful lives of the components based on a 2024 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 2026 per the 2025 reserve study is \$775,000.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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 1/1/2025</b>	<b>Interest</b>	<b>Cash Transfers</b>	<b>Charges to Fund</b>	<b>Replacement Fund Balance 12/31/2025</b>
*Pooled reserves	\$ 2,930,283	\$ 114,379	\$ 255,693	\$(287,769)	\$ 3,012,586

\* See Required Supplementary Information on Future Major Repairs and Replacements on page 14 for individual components.

Charges to the Replacement Fund in 2025 were incurred for the tennis court project.

Interfund transfers consisted of \$45,693 transferred from the Operating Fund 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, as well as \$210,000 of capital contribution fees transferred to the Replacement Fund from 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 1/1/2025</b>	<b>Interest</b>	<b>Interfund Transfer</b>	<b>Charges to Fund</b>	<b>Capital Improvement Fund Balance 12/31/2025</b>
\$ 244,509	\$ 6,640	\$ 5,491	\$ (6,000)	\$ 250,640

Charges to the Capital Improvement Fund in 2025 were incurred for bathroom maintenance. Transfers of \$5,491 in 2025 consisted of Operating funds transferred to the Capital Improvement Fund to maintain the minimum \$250,000 contingency balance required by the Association's policy described in Note 1.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**10. 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.

**11. COMMITMENTS AND CONTINGENCIES**

**Insurance Deductibles**

The total insured value of the Association's building and other items for windstorm coverage is \$5,690,730. The hurricane deductible is 2% of the total insured value per the windstorm policy, which is approximately \$114,000.

**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.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**SUPPLEMENTARY INFORMATION ON FUTURE**  
**MAJOR REPAIRS AND REPLACEMENTS**  
**DECEMBER 31, 2025**  
**(UNAUDITED)**

The Association had a reserve study conducted in 2025 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, 2025:

Component	Useful Lives (Years)	Estimated Remaining Lives (Years)	Current Estimated Replacement Costs	*2026 Funding Requirement	Replacement Fund Balance 12/31/2025
<b>Pooled Replacement Items</b>					
Roads					
Asphalt – engineering/management	1	0	\$ 19,550		
Acacia Drive – resurface	20	18	88,084		
Avocet Lane – resurface	20	18	60,103		
Azalea Drive – resurface	20	18	87,226		
Bayberry Road – resurface	20	8	74,250		
Bayberry T Road – resurface	20	7	14,700		
Bayview Drive – resurface	20	6	38,650		
Beachwood Drive – resurface	20	0	15,092		
Bittern Court – resurface	20	13	11,590		
Blue Heron Trail – resurface	20	9	45,650		
Blueberry Road – resurface	20	7	87,500		
Camellia Court – resurface	20	9	55,400		
Clubhouse parking lot – resurface	20	5	12,150		
Conch Drive – resurface	20	7	17,400		
Coquina Drive – resurface	20	0	33,518		
Coral Reef Road – resurface	20	2	44,188		
Coral Way – resurface	20	2	30,528		
Curlew Way – resurface	20	10	35,400		
Denise Court (East) – resurface	20	18	14,972		
Denise Court (West) – resurface	20	18	18,548		
Denise Drive – resurface	20	18	38,948		
Dogwood Drive – resurface	20	8	63,100		
Dogwood Drive (T Road) – resurface	20	8	22,150		
Dolphin Ct (E/W) – resurface	20	7	28,250		
Dolphin Drive – resurface	20	6	34,250		
Dove Lane – resurface	20	10	63,000		
Egret Point Road – resurface	20	3	26,450		
Elm Court – resurface	20	10	41,500		
Elm Ct "T" Road (East) – resurface	20	10	10,680		
Elm Ct "T" Road (West) – resurface	20	10	14,950		

See independent auditors' report.

**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
**SUPPLEMENTARY INFORMATION ON FUTURE**  
**MAJOR REPAIRS AND REPLACEMENTS**  
**DECEMBER 31, 2025**  
**(UNAUDITED)**

<b>Component</b>	<b>Useful Lives (Years)</b>	<b>Estimated Remaining Lives (Years)</b>	<b>Current Estimated Replacement Costs</b>	<b>*2026 Funding Requirement</b>	<b>Replacement Fund Balance 12/31/2025</b>
Evodia Court – resurface	20	9	\$ 40,400		
Forsythia Court – resurface	20	13	73,950		
Forsythia Trail (North) – resurface	20	10	67,500		
Forsythia Trail (South) – resurface	20	10	31,150		
Forsythia Way – resurface	20	13	69,250		
Gannett Court – resurface	20	5	31,550		
Gannett Trail – resurface	20	5	32,600		
Guava Trail – resurface	20	5	60,700		
Hammock Lane – resurface	20	5	18,100		
Harbour Light Lane – resurface	20	3	46,000		
Hawthorne Lane – resurface	20	6	53,150		
Hawthorne Lane "T" Road – resurface	20	7	21,100		
Ibis Way – resurface	20	5	48,850		
Indian Harbor Road – resurface	20	6	56,500		
Ivy Way (incl. "T" Rd) – resurface	20	6	67,150		
Jasmine Way – resurface	20	18	57,335		
Jasmine Way "T" Road – resurface	20	18	16,822		
Kingfisher Court – resurface	20	15	30,750		
Kingfisher Road – resurface	20	15	46,500		
Kumquat Court – resurface	20	18	60,040		
Kumquat Ct "T" Road – resurface	20	18	14,432		
Lark Lane – resurface	20	6	38,550		
Leisure Lane – restripe	7	2	36,650		
Leisure Lane (all) – resurface	20	11	1,345,000		
Lilac Lane – resurface	20	5	41,850		
Lilac Lane "T" Road – resurface	20	5	21,250		
Longpoint Road – resurface	20	18	26,089		
Magnolia "T" Road – resurface	20	6	22,950		
Magnolia Road – resurface	20	6	53,950		
Nautilus Road – resurface	20	2	42,509		
Nick's Way – resurface	20	5	56,750		
Palmetto Way – resurface	20	18	57,693		
Pelican Court (E/W) – resurface	20	5	30,100		
Pelican Way – resurface	20	1	32,800		
Periwinkle Road – resurface	20	18	15,026		
Plantation Pass – resurface	20	1	42,805		
Reed Court – resurface	20	5	38,150		
Reed Way – resurface	20	2	30,999		
Sand Dollar Trail – resurface	20	2	50,750		

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**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
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**DECEMBER 31, 2025**  
**(UNAUDITED)**

<b>Component</b>	<b>Useful Lives (Years)</b>	<b>Estimated Remaining Lives (Years)</b>	<b>Current Estimated Replacement Costs</b>	<b>*2026 Funding Requirement</b>	<b>Replacement Fund Balance 12/31/2025</b>
Sandy Lane – resurface	20	14	\$ 63,750		
Sea Dune Drive – resurface	20	14	70,000		
Sea Fern Way – resurface	20	18	36,519		
Sea Gull Way – resurface	20	6	11,695		
Sea Oat Drive – resurface	20	17	32,150		
Sea Pine Pl (incl. "T") – resurface	20	14	35,150		
Seahorse Lane – resurface	20	4	45,350		
Seaside Drive – resurface	20	6	66,500		
Seminole Lane – resurface	20	2	30,450		
Shell Hammock Lane – resurface	20	15	17,400		
Smuggler's Cove Road – resurface	20	2	39,200		
Suzie Court (E/W) – resurface	20	4	38,878		
Suzie Street – resurface	20	4	40,829		
Tarpon Lane – resurface	20	1	49,700		
Turpentine Trail – resurface	20	0	55,970		
Twisted Pine Road – resurface	20	18	7,280		
Whelk Court (E/W) – resurface	20	11	27,400		
Whelk Way – resurface	20	2	<u>31,200</u>		
Total Roads			<u>4,774,898</u>		
Bike Paths					
Beach Paths (all) – resurface	20	9	<u>116,000</u>		
Total Bike Paths			<u>116,000</u>		
Leisure Lane					
Leisure Ln Path – resurface (2023)	20	17	191,000		
Leisure Ln Path – resurface (2029)	20	3	201,500		
Leisure Ln Path – resurface (older)	20	9	<u>404,000</u>		
Total Leisure Lane			<u>796,500</u>		
Grounds, Miscellaneous					
Airport runway – restripe	5	0	33,500		
Airport runway – resurface	20	9	765,000		
Gazebos (wood) – repair/replace	20	3	9,515		
Directional/street signs – replace	20	10	114,850		
Outdoor site furnishings – replace	10	2	8,845		
Wood structures – repair/replace	1	0	50,000		
Surveillance system (airport) – repl.	10	8	10,285		
Surveillance sys (CH, GH, RV) – repl.	10	8	10,285		
Surveillance sys (firehouse) – repl.	10	8	10,285		
Surveillance sys (maint.) – repl.	10	4	<u>10,285</u>		
Total Grounds, Miscellaneous			<u>1,022,850</u>		

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**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
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**DECEMBER 31, 2025**  
**(UNAUDITED)**

<b>Component</b>	<b>Useful Lives (Years)</b>	<b>Estimated Remaining Lives (Years)</b>	<b>Current Estimated Replacement Costs</b>	<b>*2026 Funding Requirement</b>	<b>Replacement Fund Balance 12/31/2025</b>
<b>Sport Courts</b>					
Tennis court (CH) – recoat/resurface	5	4	\$ 12,000		
Tennis court (PP) – recoat/resurface	5	4	12,000		
Tennis court (CH) – rebuild/reconstruct	30	10	116,000		
Tennis court (PP) – rebuild/reconst.	30	29	116,000		
Pickleball court fencing (SPP) – replace	30	28	34,200		
Tennis court fencing (CH) – replace	30	10	34,200		
Tennis court fencing (PP) – replace	30	29	34,200		
Pickleball crts. (SPP) – recoat/resurf.	3	1	13,100		
Pickleball crts. (SPP) – rebuild/reconst.	30	28	<u>111,500</u>		
<b>Total Sport Courts</b>			<u>483,200</u>		
<b>Guardhouse/Entry Area</b>					
Entry area fencing – replace	20	7	35,200		
Entry sign – refurbish/replace	10	7	6,180		
Street lights – replace	20	8	30,600		
Guardhouse interior – refurbish	20	15	19,600		
Guardhouse roof (metal) – replace	20	13	9,335		
RFID sensors – replace	15	4	15,900		
Barrier arm operators (2015) – replace	15	4	13,800		
Barrier arm operators (2017) – replace	15	6	6,900		
HVAC (guardhouse) – replace	10	3	5,570		
Generator (guardhouse) – replace	15	14	<u>10,000</u>		
<b>Total Guardhouse/Entry Area</b>			<u>153,085</u>		
<b>Fire Station</b>					
Site drain field – clean/repair	5	1	5,155		
Vinyl siding – replace	30	3	43,000		
Windows and doors – replace	40	13	19,600		
Garage doors/operators – replace	15	3	30,950		
Metal roofing – replace	20	17	53,550		
HVAC (fire station) – replace	10	9	<u>5,840</u>		
<b>Total Fire Station</b>			<u>158,095</u>		
<b>Maintenance Building/Assets</b>					
Maintenance building – replace	30	23	131,500		
HVAC (maintenance) – replace	10	4	5,570		
Radio tower – replace	10	8	20,600		
Waste oil heater – replace	15	4	5,150		
Dump truck (2011) – replace	15	2	69,000		
Maint. truck (Ford Ranger '24) – replace	10	8	35,000		

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**DECEMBER 31, 2025**  
**(UNAUDITED)**

<b>Component</b>	<b>Useful Lives (Years)</b>	<b>Estimated Remaining Lives (Years)</b>	<b>Current Estimated Replacement Costs</b>	<b>*2026 Funding Requirement</b>	<b>Replacement Fund Balance 12/31/2025</b>
Maint. truck (Ford F250 '19) – replace	10	3	\$ 39,800		
Admin vehicle (Chevy Trax '21) – replace	15	10	23,900		
Security truck (Ford F150 '18) – replace	10	2	37,100		
Security truck (Ford Ranger '24) – repl.	10	8	35,000		
Utility cart (Maint. '19) – replace	4	0	12,000		
Utility cart (Maint. '21) – replace	4	0	17,550		
Utility cart (security '24) – replace	4	2	12,000		
Mower (Hustler '23) – replace	5	2	12,200		
Mower (Scag '21) – replace	5	0	12,200		
Tractor (Kubota '21) – replace	12	7	42,500		
Tractor/loader (Kubota '20) – replace	12	6	58,350		
Dump trailer (2020) – replace	10	4	10,645		
Truck trailers – replace	10	4	10,285		
Hydraulic lift (2020) – replace	20	14	6,370		
Fuel tank (2018) – replace	20	12	4,120		
Fuel tank (2023) – replace	20	17	5,150		
<b>Total Maintenance Building/Assets</b>			<b>605,990</b>		
<b>Clubhouse and Pool Pavilion</b>					
Tile decking (veranda) – replace	25	9	13,650		
Wood decking – resurface/replace	25	9	61,500		
Veranda railings – replace	20	0	30,950		
Building exteriors – seal/paint	10	5	50,400		
Windows and doors – replace	40	24	105,500		
Metal roofing – replace	20	4	179,000		
Gutters/downspouts – replace	20	4	19,550		
Hydraulic elevator – modernize	30	14	118,400		
Elevator cab – remodel	30	14	21,200		
HVAC (clubhouse 2009) – replace	10	0	33,950		
HVAC (clubhouse 2016) – replace	10	0	11,700		
HVAC (clubhouse 2019) – replace	10	3	45,600		
HVAC (pavilion) – replace	10	0	5,570		
Generator (clubhouse) – replace	15	13	14,450		
Fire alarm system – modernize	30	14	18,300		
Interior surfaces (CH) – repaint	10	1	31,150		
Interior surfaces (mailroom) – repaint	10	1	3,190		
Tile flooring – replace	25	9	30,700		
Carpeting – replace	10	1	39,350		
Wood flooring/walls – replace	25	9	15,200		

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**(UNAUDITED)**

<b>Component</b>	<b>Useful Lives (Years)</b>	<b>Estimated Remaining Lives (Years)</b>	<b>Current Estimated Replacement Costs</b>	<b>*2026 Funding Requirement</b>	<b>Replacement Fund Balance 12/31/2025</b>
Interior mailboxes – replace	25	9	\$ 95,450		
Fitness equipment (2010) – replace	10	0	18,700		
Fitness equipment (2021) – replace	10	5	18,100		
Furnishings and décor – update	20	4	84,900		
A/V equipment (1st Floor) – replace	10	0	35,000		
A/V equipment (2nd Floor) – replace	10	8	35,000		
Kitchen – remodel	20	4	26,500		
Bathrooms (clubhouse) – remodel	20	4	23,800		
Bathrooms (pavilion) – remodel	20	4	13,300		
Veranda furniture – replace	8	3	8,590		
<b>Total Clubhouse and Pool Pavilion</b>			<u>1,208,650</u>		
<b>Clubhouse Pool</b>					
Pool/patio furniture – replace	8	3	42,450		
Pool deck (pavers) – resurface	30	14	39,850		
Pool fence – replace	20	0	36,050		
Pool deck lights – replace	20	4	20,350		
Swimming pool – resurface	12	10	118,500		
Pool filters – replace	15	6	9,545		
Pool equipment – repair/replace	10	1	9,505		
<b>Total Clubhouse Pool</b>			<u>276,250</u>		
<b>RVA Pool Building</b>					
Site drain field – clean/repair	5	4	10,000		
Pavers (roads/walks) – repair allow.	1	0	10,320		
Bollard lights – replace	20	12	8,590		
Building exterior – seal/paint	10	6	6,365		
Windows and doors – replace	40	16	23,900		
Metal roofing – replace	20	19	18,000		
HVAC (pool building) – replace	10	0	9,030		
Bathrooms – remodel	20	1	6,895		
Meeting/social room – remodel	10	1	10,320		
Pool deck furniture – replace	10	5	53,100		
Pool deck (pavers) – resurface	30	22	78,400		
Pool fence – replace	25	20	42,700		
Swimming pools – resurface	12	9	170,000		
Pool equipment – repair/replace	10	1	21,300		
<b>Total RVA Pool Building</b>			<u>468,920</u>		
<b>Total Pooled Replacement Items</b>			<u>\$ 10,064,438</u>	<u>\$ 775,000</u>	<u>\$ 3,012,586</u>

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**ST. GEORGE PLANTATION OWNERS' ASSOCIATION, INC.**  
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**MAJOR REPAIRS AND REPLACEMENTS**  
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\* 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 2026 fully funded balance per the 2025 reserve study totaled \$5,341,416, which resulted in the Association maintaining a cash reserve maintenance fund of approximately 56% of the fully funded balance at January 1, 2026. Accordingly, a transfer of approximately \$459,000 is required by March 31, 2026, to be in compliance with the Association's policy.

See independent auditors' report.