

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.  
ROSELAND, VA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.  
ROSELAND, VA**

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MONFALCONE  
& GARRIS  
ACCOUNTANTS & CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Wintergreen Property Owners Association, Inc.  
Roseland, VA

We have audited the accompanying financial statements of Wintergreen Property Owners Association, Inc. (a nonprofit organization), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of revenues, expenses and changes in fund balances and cash flows for the years then ended, and the related notes to the financial statements.

### **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 an opinion 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 of material misstatements.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, 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 opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Wintergreen Property Owners Association, Inc., as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operations, 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.

*M. J. Johnson & Giovanni, PC*

November 4, 2020

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2019 AND 2018**

**ASSETS**

	2019	2018
<b>CURRENT ASSETS</b>		
Cash	\$ 6,445,249	\$ 6,425,148
Accounts receivable, assessments	103,423	46,828
Accounts receivable, other	165,994	163,874
Prepaid expenses	4,453	3,188
Deferred income tax benefit	<u>5,164</u>	<u>5,164</u>
 Total Current Assets	 <u>6,724,283</u>	 <u>6,644,202</u>
<b>LAND, BUILDINGS AND EQUIPMENT</b>		
Land and improvements	1,874,544	1,874,544
Buildings and improvements	3,636,225	3,569,112
Vehicles	2,827,601	2,855,649
Equipment	1,071,791	958,903
Furniture and fixtures	46,777	46,777
Construction in process	<u>280,000</u>	<u>-</u>
 Total	 9,736,938	 9,304,985
Less: Accumulated Depreciation	<u>4,844,782</u>	<u>4,503,414</u>
 Net Land, Buildings and Equipment	 <u>4,892,156</u>	 <u>4,801,571</u>
<b>OTHER ASSETS</b>		
Accounts receivable, assessments (net of allowance for doubtful assessments of \$38,194 for 2019 and \$29,606 for 2018)	<u>32,870</u>	<u>59,642</u>
 Total Other Assets	 <u>32,870</u>	 <u>59,642</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 11,649,309</u></u>	 <u><u>\$ 11,505,415</u></u>

See Independent Auditors' Report and Accompanying

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2019 AND 2018**

**LIABILITIES AND FUND BALANCE**

	2019	2018
<b>CURRENT LIABILITIES</b>		
Notes payable within one year	\$ 109,940	\$ 104,837
Accounts payable	1,565	3,050
Accrued expenses	55,687	52,468
Assessments received in advance	<u>1,850,256</u>	<u>1,840,483</u>
Total Current Liabilities	<u>2,017,448</u>	<u>2,000,838</u>
<b>LONG-TERM LIABILITIES</b>		
Notes payable after one year	180,120	290,060
Due to Wintergreen Volunteer Rescue Squad	<u>224,327</u>	<u>274,327</u>
Total Long-Term Liabilities	<u>404,447</u>	<u>564,387</u>
Total Liabilities	<u>2,421,895</u>	<u>2,565,225</u>
<b>FUND BALANCE</b>		
Replacement	1,331,286	1,096,735
Operations	<u>7,896,128</u>	<u>7,843,455</u>
Total Fund Balance	<u>9,227,414</u>	<u>8,940,190</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 11,649,309</u>	<u>\$ 11,505,415</u>

See Independent Auditors' Report and Accompanying

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.**  
**STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND BALANCES**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>REVENUES</b>		
Owner assessments	\$ 6,588,627	\$ 6,453,124
Investment earnings	112,546	21,721
Miscellaneous income	210,647	191,712
Nelson County income	781,713	725,430
Landscape income	51,091	56,765
Architectural review board income	11,225	9,925
Tuckahoe income	6,499	8,751
Gain on sale of assets	<u>77,597</u>	<u>2,322,501</u>
 Total Revenues	 <u>7,839,945</u>	 <u>9,789,929</u>
<b>EXPENSES</b>		
Road maintenance	688,814	688,477
Common property maintenance	152,362	113,084
Maintenance department	1,332,414	1,200,407
Police department	1,131,850	1,155,180
Fire department and rescue squad	1,468,827	1,466,130
Emergency service buildings	44,782	40,163
General and administrative	1,206,934	1,068,402
Architectural review board expenses	65,382	101,085
Amortization and depreciation	616,142	689,581
Landscape expenses	63,501	67,175
Nelson County expenses	<u>781,713</u>	<u>725,430</u>
 Total Expenses	 <u>7,552,721</u>	 <u>7,315,114</u>
 <b>EXCESS OF REVENUES OVER EXPENSES</b>	 <u>287,224</u>	 <u>2,474,815</u>
 <b>BEGINNING FUND BALANCE</b>	 <u>8,940,190</u>	 <u>6,465,375</u>
 <b>ENDING FUND BALANCE</b>	 <u>\$ 9,227,414</u>	 <u>\$ 8,940,190</u>

See Independent Auditors' Report and Accompanying

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	2019	2018
Change in fund balances	<u>\$ 287,224</u>	<u>\$ 2,474,815</u>
Adjustments to reconcile change in fund balance over expenses to net cash provided by operating activities:		
Depreciation	620,858	694,297
Gain on assets sold	(77,597)	(2,322,501)
Abandonment loss	6,295	9,959
(Increase) Decrease in assets:		
Member assessments receivable	(58,715)	21,654
Other receivables	26,772	(1,479)
Prepaid expenses	(1,267)	295
Increase (Decrease) in liabilities:		
Accrued expenses	1,736	(4,598)
Assessments received in advance	<u>9,774</u>	<u>215,307</u>
Total Adjustments	<u>527,856</u>	<u>(1,387,066)</u>
Net Cash Provided By Operating Activities	<u>815,080</u>	<u>1,087,748</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(438,295)	(881,120)
Purchase of construction in process	(280,000)	-
Proceeds from sale of land, building and equipment	<u>78,154</u>	<u>4,524,959</u>
Net Cash Provided By (Used In) Investing Activities	<u>(640,141)</u>	<u>3,643,839</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Curtailement of notes payable	<u>(154,838)</u>	<u>(1,281,137)</u>
Net Cash Used In Financing Activities	<u>\$ (154,838)</u>	<u>\$ (1,281,137)</u>

See Independent Auditors' Report and Accompanying



**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>NET INCREASE IN CASH</b>	\$ 20,101	\$ 3,450,450
<b>CASH AT BEGINNING OF YEAR</b>	<u>6,425,148</u>	<u>2,974,698</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 6,445,249</u>	<u>\$ 6,425,148</u>
<b>SUPPLEMENTAL CASH FLOW DATA</b>		
Interest paid	<u>\$ 15,982</u>	<u>\$ 34,842</u>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Purchase of five vehicles	\$ -	\$ (274,164)
Loan proceeds	-	274,164

See Independent Auditors' Report and Accompanying

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

**NATURE OF ACTIVITIES**

Wintergreen Property Owners Association, Inc. (Association) was formed in September 1973 as a not-for-profit corporation for purposes of maintaining common properties and providing services to the residential community located in Nelson and Augusta counties, Virginia, known as Wintergreen. The affairs of the Association are managed by the Executive Director and board members who adopt and publish rules and regulations governing the use of common areas and facilities, and other properties and services under the control of the Association. The Association extends credit to its members, many of whom are residents of Virginia and the surrounding states.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Income Taxes**

Homeowners' associations may be taxed either as homeowners' association under Section 528 or as regular corporation under Section 277. The election is made annually. As a regular corporation, the Association is taxed at regular federal and state rates. At this time, the Association is taxed as a homeowners' association. Exempt function income, which consists primarily of member assessments, is not taxable. In 2017, the Association elected to be taxed as a homeowner's association and an election as a corporation was made on the 2018 return.

The provision for income taxes for each of the years presented is determined in accordance with FASB ASC 740, *Income Taxes*, which requires the recognition of deferred income taxes for differences between the basis of assets and liabilities for financial statements and income tax purposes. Deferred tax assets and liabilities represent the future tax consequences for those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

**Use of Estimates**

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

**Member Assessments - Accounts Receivable**

Association members are subject to an annual assessment to provide funds for the Association's operating expenses and future major repairs and replacements. The Association's policy is to retain legal counsel to help in the collection of unit owners whose assessments are delinquent. Receivables are considered delinquent when amounts have not been received within 30 days of their due dates. Late payment fees are assessed on delinquent accounts. Receivables are written off when all collection efforts have been exhausted.

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued**

**Fund Accounting**

The Association's governing documents provide certain guidelines for governing its financial activities. 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:

*Operations Fund* - This fund is used to account for financial resources available for the general operations of the Association.

*Replacement Fund* - This fund is used to accumulate financial resources designated for future major repairs and replacements.

**Land, Buildings and Equipment**

The Association capitalizes all property and equipment to which it has title or other evidence of ownership. According to the Association's governing documents, sixty percent (60%) of the votes cast must approve acquisitions and seventy-five percent (75%) must approve disposition of any common real property. Property and equipment acquired by the Association are recorded at cost and property contributed to the Association by the developer is recorded at its estimated fair market at the date of contribution.

By deed dated December 29, 1993, Wintergreen Development, Inc. conveyed 4,628 acres of open space to the Association. The land is recorded at the 1993 assessed value for 3,950 acres of this open space; which was valued at \$1,580,330 by the Nelson County tax assessor's office. The value of the remaining acreage has not been determined. The current land assessment is \$9,730,000.

On April 3, 2009, the Association purchased the Stoney Creek entranceway lot for \$711,943. The land was purchased at the appraised value. On November 16, 2016, the Wintergreen Nature Foundation deeded a lot valued at \$51,600 and has been deemed open space for the community.

**Depreciation**

Capitalized common property is depreciated over its estimated useful life using the straight-line and double declining balance methods of depreciation. Depreciation expense for 2019 and 2018 was \$620,858 and \$694,297, respectively. Depreciation of \$4,716 and \$4,716 on equipment and vehicles used in landscaping operations is charged directly to landscaping expenditures. The remaining depreciation expense is charged to general and administrative expense each year.

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**UNAMORTIZED LOAN FEES**

Unamortized loan fees consist of the unamortized balance of fees paid to a bank for obtaining building and equipment loan commitments. During 2009, the original loans were combined into one note with a loan fee of \$4,971. The loan fees are fully amortized. In 2011, additional loan costs of \$10,906 were incurred for loans to purchase multiple vehicles. All amortized loan amounts were removed in 2018 when the payoff of all large building loans were paid off.

**INSURED CASH BALANCES**

The Association maintains its operating cash balances in one financial institution. The U.S. Federal Deposit Insurance Corporation insures up to \$250,000 per institution. As of December 31, 2019, the Association had no uninsured cash balances. Uninsured balances are approximately \$6,038,481 and \$4,884,241 at December 31, 2019 and 2018, respectively.

**FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds are held in separate accounts and are generally not available for operating purposes. The funding was based on a study performed by licensed contractors to estimate the remaining useful lives and the replacement costs of the common property components.

The Association is funding major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

**TUCKAHOE INCOME**

The 2019 Tuckahoe income amount of \$6,498 is being saved for future renovations. Since this renovation was a capital improvement, it is included on the balance sheets under the land, building and equipment category. The fundraising efforts for this improvement began during 2008 and is ongoing. Rental income of \$4,167 was received in 2018 and \$0 in 2019.

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

**CASH RESERVES**

The board of directors has designated certain funds be accumulated for future road replacements and other capital reserves. The road reserve is the only figure associated with the official reserve study. The other reserve accounts have been deemed necessary by the board and set aside for future use. This designated cash account is included in the cash account as shown on the balance sheets. Details are as follows:

	2019	2018
Designated for Roads		
Beginning balance	\$ 1,096,735	\$ 878,784
Transfers to this account	210,000	200,000
Interest earned	<u>24,551</u>	<u>17,951</u>
Ending balance	1,331,286	1,096,735
Snow/storm reserve	207,683	205,506
Public Safety	1,017,563	1,000,294
Capital equipment reserve	150,085	154,534
Other operating cash accounts	<u>3,738,632</u>	<u>4,057,507</u>
Total Cash	<u>\$ 6,445,249</u>	<u>\$ 6,514,575</u>

**ACCOUNTS RECEIVABLE**

**Owner Assessments**

The Association's policy is to pursue collection procedures including the placement of liens in homeowner properties for delinquent assessments. As of December 31, 2019, the Association has assessments outstanding from 2015 dues and subsequent years' assessments of \$70,553. For 2019, the board of directors and management created an allowance for all delinquent assessments in excess of sixty months. This allowance for doubtful assessments amounted to \$38,194 at December 31, 2019. The uncollected 2019 dues of \$103,423 are classified as current and the net uncollected dues from all prior years of \$71,063 are classified as an other non-current asset.

**Other Receivables**

Receivables from other sources (landscaping, amenity fees and miscellaneous) totaled \$165,994 and \$163,874 at December 31, 2019 and 2018.

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

**LINE OF CREDIT**

The Association has an unsecured line of credit arrangement with Wells Fargo in the amount of \$100,000 during 2019 and 2018. There is no outstanding balance as of December 31, 2019. Principal is due on demand. The line of credit is renewable on an annual basis.

**ASSESSMENTS RECEIVED IN ADVANCE**

\$1,850,256 was received during 2019 as payments on billings for dues assessed for 2020. \$1,840,483 was received during 2018 as payments on billings for the 2019 dues assessment.

**NELSON COUNTY EMERGENCY MEDICAL SERVICES**

The Association entered into an agreement on April 20, 2007, between the County of Nelson and several other local volunteer service providers to combine potential staff and resources. The Association will provide administrative services and will receive a monthly reimbursement.

**EMPLOYEE BENEFIT PLANS**

Effective January 1, 2007, the Association adopted a 401k Safe Harbor plan. The Association contribution 5% in 2019 and 2018 of eligible employees' salaries. Contributions to the plan totaled \$157,633 and \$159,020 in 2019 and 2018, respectively.

**SUBSEQUENT EVENTS**

Management has evaluated events and transactions for potential recognition or disclosure through November 4, 2020, which is the date the financial statements were available to be issued.

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

**RELATED PARTIES**

Certain appointed members of the Association's Board of Directors are also officers and directors of Wintergreen Pacific, LLC. Membership dues, assessments and contributions from related parties consisted of the following:

	2019	2018
Wintergreen Pacific, LLC - Amenity fee	\$ 293,394	\$ 276,158
Wintergreen Pacific, LLC - Commercial assessments	370,352	363,084

Other related parties include the Wintergreen Nature Foundation, the Wintergreen Volunteer Fire Department, the Wintergreen Volunteer Rescue Squad and the Wintergreen Performing Arts, Inc. Certain officers of the Association's Board of Directors are also officers or board members for these organizations. The Association provides direct financial support and administrative control of the daily operations of the Fire Department and the Rescue Squad. The Board of Directors for the Wintergreen Volunteer Fire Department and the Wintergreen Volunteer Rescue squad are charged with the oversight responsibility for fire and rescue operations and capital fund raising activities. The Association does not provide any direct financial support for the Wintergreen Nature Foundation or the Wintergreen Performing Arts, Inc.

**INCOME TAXES**

The Association accounts for income taxes in accordance with SFAS(109). Due to temporary differences caused by depreciation, the Association's deferred income tax (assets) liabilities at December 31 are as follows:

	2019	2018
(Assets) Liabilities:		
Federal	\$ 3,641	\$ 3,641
State	<u>1,523</u>	<u>1,523</u>
Total Deferred Income Tax Liability (Benefit)	<u>\$ 5,164</u>	<u>\$ 5,164</u>

The components of the provision for income taxes for the years ended December 31 are as follows:

Deferred Expense (Benefit)		
Federal	\$ -	\$ 4,981
State	<u>-</u>	<u>1,760</u>
Total Deferred Expense (Benefit)	<u>-</u>	<u>6,741</u>
Total Provision for Income Taxes	<u>\$ -</u>	<u>\$ 6,741</u>

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTES PAYABLE**

**Long-Term Debt**

	2019	2018
Note payable to Wells Fargo, secured by five vehicles. This note requires monthly payments of \$4,959, which are applied first to interest at 4.07% and then to principal.	\$ 81,792	\$ 136,756
Note payable to Wells Fargo, secured by five vehicles. This note requires monthly payments of \$5,239, which are applied first to interest at 6% and then to principal.	<u>208,268</u>	<u>258,141</u>
 Total	 290,060	 394,897
Less amounts included in current maturities	<u>109,940</u>	<u>104,837</u>
Total Long-Term Debt	<u>\$ 180,120</u>	<u>\$ 290,060</u>

Maturities of long-term debt during each of the next five years are as follows:

2020		\$ 109,940
2021		80,226
2022		58,834
2023		<u>41,060</u>
		<u>\$ 290,060</u>



**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**DUE TO WINTERGREEN VOLUNTEER RESCUE SQUAD**

The expansion of Station II was initiated in 2014 and completed in 2015. The expansion project represents a joint effort and supports the operations of both the Wintergreen Volunteer Rescue Squad and Fire Department. To help finance the expansion, the Rescue Squad borrowed \$250,000 from Nelson County. The Fire Department also contributed funds towards this project, along with WPOA.

According to the WPOA covenants, the Rescue Squad and Fire Department cannot own the land and buildings. The Station II expansion was carried onto the balance sheet of WPOA as an account called Due To Wintergreen Volunteer Rescue Squad. The annual WPOA donations to the Rescue Squad will effectively eliminates this transaction over a period of years.

**ACP SETTLEMENT/RESTORATION 11-A-2B**

The settlement created a deferred tax gain of \$2,218,076. The gain is calculated on the gross proceeds minus the remaining cost basis on land, land improvements and buildings on or in proximity to Parcel 11-A-2B. Transactions to use the remaining funds must be completed by December 31, 2022, based on the extension of time request made to the Internal Revenue Service. Funds must meet the requirements for qualified replacement property under the Involuntary Conversion relief provisions of Section 1033 of the Internal Revenue Service code. Otherwise, there will be a potential income tax based on the deferred tax gain of \$576,500. No deferred tax benefit is recorded at this time because the anticipated result is no tax is expected to be paid at the end of the replacement period and the possibility of the location for replacements is high. This calculation assumes a federal tax rate of 21% and state rate of 5%. The statute of limitations will remain open for three years after WPOA informs the Internal Revenue Service of its replacement or nonreplacement of property. WPOA has set aside a cash reserve fund to cover any future tax implications should replacement property not be found and the tax is required to be paid.

## **SUPPLEMENTARY INFORMATION**

**WINTERGREEN PROPERTY OWNERS ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION ON  
 FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)**

On January 31, 1997, the Board of Directors adopted a long-range plan which revises the Association's reserve for replacement costs policy. Beginning in 1997, The Association shall maintain reserve accounts for roadways. The long-range plan was developed from a study conducted by the Association's board of directors in 1996 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have been revised as of November 26, 2005, to be \$120,000. As of August 2009, the annual replacement cost was approximated to be \$150,000. As of 2017, the annual replacement cost was revised to be \$200,000.

Component	Estimated Remaining Useful Life (Years)	Estimated Current Replacement Cost Per Year	Designated 2019
Roadways	3	\$200,000	\$1,331,286