

Audited Financial Statements  
And Supplementary Information

**WILLBROOK PLANTATION ROAD  
MAINTENANCE DISTRICT ASSOCIATION, INC.**

Years ended December 31, 2020 and 2019

WILLBROOK PLANTATION ROAD MAINTENANCE DISTRICT ASSOCIATION, INC.

AUDITED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

Years Ended December 31, 2020 and 2019

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements:	
Balance Sheets	3
Statements of Revenues and Expenses and Changes in Fund Balances	4-5
Statements of Cash Flows	6
Notes to Financial Statements	7-12
Supplementary Information:	
Supplementary Information on Future Major Repairs and Replacements (Un-audited)	13

**Wayne E. Fussaro**  
*Certified Public Accountant*  
1015 Surf Pine Drive, Suite A  
Surfside Beach, SC 29575  
(843) 712-2704  
[wfussaro@hotmail.com](mailto:wfussaro@hotmail.com)  
[www.wefcpa.com](http://www.wefcpa.com)

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Willbrook Plantation Road Maintenance District Association, Inc.  
Pawleys Island, South Carolina

I have audited the accompanying financial statements of Willbrook Plantation Road Maintenance District Association, Inc., which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of revenues and 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**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit opinion.

(continued on next page)

## INDEPENDENT AUDITOR'S REPORT (Continued)

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Willbrook Plantation Road Maintenance District Association, Inc., as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity 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 supplementary information on future major repairs and replacements on page 13 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 operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Wayne E. Fussaro, CPA*

Surfside Beach, South Carolina

July 15, 2021

WILLBROOK PLANTATION ROAD MAINTENANCE  
DISTRICT ASSOCIATION, INC.

BALANCE SHEETS

December 31, 2020 and 2019

	Operating Fund	Reserve Fund	2020 Totals	2019 Totals
<b><u>ASSETS</u></b>				
Cash & cash equivalents	\$ 62,781	\$ 48,577	\$ 111,358	\$ 126,398
Certificates of deposit	-	65,415	65,415	44,208
Assessments receivable	1,000	-	1,000	13
Prepaid insurance	3,277	-	3,277	2,898
Inter-fund receivable / (payable)	745	(745)	-	-
<b>Total assets</b>	<b><u>\$ 67,803</u></b>	<b><u>\$ 113,247</u></b>	<b><u>\$ 181,050</u></b>	<b><u>\$ 173,517</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Accounts payable & accrued expenses	\$ 2,110	\$ -	\$ 2,110	\$ 2,079
Assessments received in advance - operating	4,027	-	4,027	5,605
Contract liabilities (assessments received in advance-reserve fund)	-	113,247	113,247	111,901
<b>Total liabilities</b>	<b>6,137</b>	<b>113,247</b>	<b>119,384</b>	<b>119,585</b>
<b>Fund balances</b>	<b><u>61,666</u></b>	<b><u>-</u></b>	<b><u>61,666</u></b>	<b><u>53,932</u></b>
<b>Total liabilities &amp; fund balances</b>	<b><u>\$ 67,803</u></b>	<b><u>\$ 113,247</u></b>	<b><u>\$ 181,050</u></b>	<b><u>\$ 173,517</u></b>

The accompanying notes are an integral part of these financial statements.

WILLBROOK PLANTATION ROAD MAINTENANCE  
DISTRICT ASSOCIATION, INC.

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES

For the years ended December 31, 2020 and 2019

	Operating Fund	Reserve Fund	2020 Totals	2019 Totals
<b><u>Revenues</u></b>				
Regular assessments	\$ 39,399	\$ 30,900	\$ 70,299	\$ 70,151
Golf course assessments	44,544	-	44,544	44,544
Public & commercial assessments	91,260	-	91,260	91,260
FASB ASC 606	-	(1,345)	(1,345)	(5,471)
Other revenues & refunds	180	-	180	773
Interest income	50	1,341	1,391	1,272
<b>Total revenues</b>	<b>175,433</b>	<b>30,896</b>	<b>206,329</b>	<b>202,529</b>
<b><u>Expenses</u></b>				
<b>Repairs &amp; maintenance</b>				
Contract landscape	78,060	-	78,060	77,400
Landscape maintenance & supplies	22,941	-	22,941	14,932
General maintenance & supplies	7,487	-	7,487	11,746
Litchfield Beautification Foundation	12,000	-	12,000	12,000
Irrigation Maintenance & supplies	7,459	-	7,459	6,041
Pond / lake maintenance	1,229	-	1,229	1,274
<b>Total repairs &amp; maintenance</b>	<b>129,176</b>	<b>-</b>	<b>129,176</b>	<b>123,393</b>
<b>General &amp; administrative</b>				
Management services	9,185	-	9,185	8,748
Accounting services	1,500	-	1,500	2,415
Insurance expense	6,959	-	6,959	6,255
Office, administrative & meeting expenses	4,628	-	4,628	3,771
<b>Total general &amp; administrative</b>	<b>22,272</b>	<b>-</b>	<b>22,272</b>	<b>21,189</b>

(continued on next page)

The accompanying notes are an integral part of these financial statements.

WILLBROOK PLANTATION ROAD MAINTENANCE  
DISTRICT ASSOCIATION, INC.

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES (continued)

For the years ended December 31, 2020 and 2019

	Operating Fund	Reserve Fund	2020 Totals	2019 Totals
<b><u>Expenses (continued)</u></b>				
<b>Utilities</b>				
Electricity	19,284	-	19,284	23,485
<b>Total utilities</b>	19,284	-	19,284	23,485
<b>Major repairs and replacements</b>				
Building and other common property repairs & replacements	-	30,896	30,896	27,572
<b>Total major repairs and replacements</b>	-	30,896	30,896	27,572
<b>Other expenses (income)</b>				
Santee Cooper settlement refund	(2,583)	-	(2,583)	-
<b>Total other expenses (income)</b>	(2,583)	-	(2,583)	-
<b>Total expenses</b>	168,149	30,896	199,045	195,639
<b>Excess of revenues over expenses</b>	7,284	-	7,284	6,890
<b>Beginning fund balances</b>	53,932	-	53,932	46,142
<b>Contributed capital</b>	450	-	450	900
<b>Ending fund balances</b>	<u>\$ 61,666</u>	<u>\$ -</u>	<u>\$ 61,666</u>	<u>\$ 53,932</u>

The accompanying notes are an integral part of these financial statements.

WILLBROOK PLANTATION ROAD MAINTENANCE  
DISTRICT ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and 2019

	Operating Fund	Reserve Fund	2020 Totals	2019 Totals
<b>Cash flows from operating activities:</b>				
Excess of revenues over expenses	\$ 7,284	\$ -	\$ 7,284	\$ 6,890
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
(Increase) decrease in:				
Assessments receivable	(987)	-	(987)	5,277
Prepaid insurance	(379)	-	(379)	(235)
Inter-fund receivable / payable	(745)	745	-	
Increase (decrease) in:				
Accounts payable	31	-	31	(601)
Assessments received in advance - operating	(1,578)	-	(1,578)	3,803
Contract liabilities (assessments received in advance - reserve fund)	-	1,345	1,345	5,471
<b>Net cash provided by operating activities</b>	<b>3,626</b>	<b>2,090</b>	<b>5,716</b>	<b>20,605</b>
<b>Cash flows from investing activities:</b>				
Redemptions of certificates of deposit	-	53,814	53,814	21,751
Investment in certificates of deposit	-	(73,814)	(73,814)	(21,751)
Interest income - certificates of deposit	-	(1,206)	(1,206)	(932)
<b>Net cash (used in) investing activities</b>	<b>-</b>	<b>(21,206)</b>	<b>(21,206)</b>	<b>(932)</b>
<b>Cash flows from financing activities:</b>				
Contributed capital	450	-	450	900
<b>Net cash provided by financing activities</b>	<b>450</b>	<b>-</b>	<b>450</b>	<b>900</b>
<b>Net increase (decrease) in cash</b>	<b>4,076</b>	<b>(19,116)</b>	<b>(15,040)</b>	<b>20,573</b>
<b>Cash &amp; cash equivalents, beginning of year</b>	<b>58,705</b>	<b>67,693</b>	<b>126,398</b>	<b>105,825</b>
<b>Cash &amp; cash equivalents, end of year</b>	<b>\$ 62,781</b>	<b>\$ 48,577</b>	<b>\$ 111,358</b>	<b>\$ 126,398</b>
<b>Supplementary cash flow information:</b>				
Cash paid during the year for:				
Income taxes paid	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

# WILLBROOK PLANTATION ROAD MAINTENANCE DISTRICT ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### 1 - NATURE OF ORGANIZATION

Willbrook Plantation Road Maintenance District Association, Inc. (the Association) is a statutory association incorporated and existing under the laws of the state of South Carolina. The Association is responsible for maintaining and preserving common property, enforcing rules for mutual benefit, and providing other common services to the Willbrook Communities. The common areas consist of greenways, bike paths, lakes and entrances. Willbrook Communities consist of Willbrook, Tradition, Avian Forest, Reserve Club, Green Haven, Reunion Hall, Mingo Cottages, The Hammocks at Mingo, and the Village at Mingo. The common areas and roadways are also used by neighboring golf courses (Tradition, Reserve and Willbrook) and commercial properties located within the community. The golf courses and commercial properties are assessed for their use of the common areas and roadways. Located in Pawleys Island, South Carolina, the Association began its operations in March 1993.

### 2 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through July 15, 2021, the date that the financial statements were available to be issued.

### 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The Association has elected to report its revenues and expenses on the accrual basis. Consequently, revenues and expenses are recognized when the revenues are earned rather than when received and when the expenses are incurred rather than when paid.

#### 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 specific funds established according to their nature and purpose. The Association's funds are separated between operating funds and funds for future major repairs and replacements. Operating disbursements are made generally at the discretion of the Board of Directors and the Association's property management company. Replacement funds have been set aside for a specific purpose and are to be disbursed accordingly.

#### Cash and Cash Equivalents

Cash and cash equivalents consist primarily of demand deposits and temporary, highly liquid investment accounts. The Association considers all certificates of deposit with original maturities of less than ninety (90) days to be cash equivalents.

#### Certificates of Deposit

The Association considers all certificates of deposit with original maturities of more than ninety (90) days to be an other asset presented separately on the balance sheet.

WILLBROOK PLANTATION ROAD MAINTENANCE DISTRICT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

**3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Assessments Received in Advance – Operating Fund

Assessments received in advance in the operating fund at December 31, 2020 and 2019 represents payments received in advance for homeowners' operating assessments. These advance payments will be recognized as revenue in the months in which they are earned.

Contract Liabilities (Assessments received in advance-reserve fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-reserve fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments.

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not reflected on the Association's financial statements. Those properties are owned by the individual unit owners in common and dedicated for the use of the entire community. These common areas cannot be sold separately and thus have no fair market value other than that related to their intended use. All expenditures for real property common elements and improvements are reflected as an expense in the period incurred. Common property elements not recognized as assets in the financial statements consist primarily of roadways, landscaping and other general common areas.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions 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 assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the reserve fund assessments are satisfied when these funds are expended for their designated purpose.

Assessments receivable, at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners and other amounts owed to the Association. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are ninety days or more delinquent. The Association has not recorded an allowance for doubtful accounts at December 31, 2020 and 2019. The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained included consideration of past experience and susceptibility to factors outside of the Association's control.

WILLBROOK PLANTATION ROAD MAINTENANCE DISTRICT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

**4 - COMMITMENTS & CONTINGENCIES**

The Association may be party to various legal actions normally associated with homeowner associations, such as the collection of delinquent assessments and covenant compliance matters, the aggregate effect of which, in management's opinion, would not be material to the future financial condition of the Association.

**5 - MANAGEMENT COMPANY TRANSACTIONS**

In addition to the management contract, the Association reimburses their management company for items such as postage, office supplies, printing, and other items. Reimbursements totaled \$1,131 and \$826, for the years ended December 31, 2020 and 2019, respectively.

**6 - INCOME TAXES**

Under the provisions of the Internal Revenue Code, the Association is allowed to elect each year to file as an eligible Section 528 homeowner's association, thereby excluding exempt function income from taxation, or file as an ordinary taxable corporation. For the years ended December 31, 2020 and 2019, the Association elected to be taxed as a homeowners' association. Under that election, the Association is taxed on its net nonexempt function income, which consists primarily of interest, rental and vending income, at a flat rate of 30% by the federal government and at 5% by the State of South Carolina. Income related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property, is not taxable.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and recognize a tax liability if the Association has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Association and has concluded that as of December 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The Association's tax filings are subject to audit by various taxing authorities. The Association's federal and state income tax returns generally remain open to examination by the Internal Revenue Service and the South Carolina Department of Revenue for three (3) years after they were filed. In evaluating the Association's tax calculations, the Association believes that its estimates are appropriate based on current facts and circumstances.

WILLBROOK PLANTATION ROAD MAINTENANCE DISTRICT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

**7 - MAJOR REPAIRS AND REPLACEMENTS**

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated net funds, which total \$113,247 (including \$745 due to the operating fund) and \$111,901 at December 31, 2020 and 2019, are presented on the accompanying balance sheets as a contract liability (assessments received in advance – reserve fund) and are held in separate accounts and generally not available for operating purposes. However, these funds may be used, as needed, for any Association purpose at the discretion of the Board of Directors.

The Association's Board of Directors estimates the remaining useful lives and replacement costs of the common property components. The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on estimates of current replacement costs, considering amounts previously designated for future repairs and replacements. The estimates for current replacement costs include no provision for the future effects of inflation. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts designated for future repairs and replacements may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to board approval, to increase regular assessments or to levy a special assessment to supplement previously budgeted funds.

**8 - CONCENTRATIONS OF CREDIT RISK**

Cash, cash equivalent and certificates of deposit balances held at financial institutions are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2020 and 2019, all funds maintained by the Association were insured under the FDIC. To limit the risk associated with uninsured balances, the Association reviews the financial condition of the institutions in which certificates of deposit are deposited.

**9 - ASSESSMENTS & ALLOWANCE FOR DOUBTFUL ACCOUNTS**

Monthly assessments to Association members ranged from \$82 to \$1,832 in 2020 and 2019. Assessments receivable at December 31, 2020 and 2019 represent fees due from unit owners. As of December 31, 2020 and 2019, all assessments receivable are considered to be fully collectible and the Association does not recognize an allowance for doubtful accounts or bad debt expense for the year then ended.

**10 - RECLASSIFICATIONS**

Certain reclassifications may have been made to the prior year financial statements in order for them to be in conformity with current year presentation.

WILLBROOK PLANTATION ROAD MAINTENANCE DISTRICT ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

**11 - FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION**

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, Real Estate - Common Interest Realty Associations, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods or services.

The Association adopted the requirements of new guidance as of January 1, 2019, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning fund balance. The Association applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete. Adoption of the new guidance resulted in changes to our accounting policies for assessment revenue and contract liabilities related to the replacement fund, as previously described.

The effect of the adoption is a decrease in 2020 and 2019 revenue by \$1,345 and \$5,471, respectively. The effect of the adoption also resulted in the recording of a contract liability (assessments received in advance-reserve fund) at December 31, 2020 and 2019 of \$113,247 and \$111,901, respectively. The Association has no customer contract modifications that had an effect on the Association's transition to the new guidance.

The modified retrospective method of transition requires us to disclose the effect of applying the new guidance on each item included in the financial statements. Following are the line items from the balance sheets as of December 31, 2020 and 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the balances reported under the new guidance:

At December 31, 2020	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<u>Liabilities:</u>			
Contract liabilities - (Assessments received in advance - reserve fund)	\$ -	\$ 113,247	\$ 113,247
Total liabilities	6,137	113,247	119,384
<u>Fund Balance:</u>			
Ending fund balances	174,913	(113,247)	61,666

WILLBROOK PLANTATION ROAD MAINTENANCE DISTRICT ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

**11 - FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION (continued)**

At December 31, 2019	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<u>Liabilities:</u>			
Contract liabilities - (Assessments received in advance - reserve fund)	\$ -	\$ 111,901	\$ 111,901
Total liabilities	7,684	111,901	119,585
<u>Fund Balance:</u>			
Ending fund balances	165,833	(111,901)	53,932

The following are the line items from the statements of revenues, expenses and changes in fund balances and the statements of cash flow for the years ended December 31, 2020 and 2019, that were effected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the amounts reported under the new guidance.

For the year ended December 31, 2020	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<u>Revenue:</u>			
Total revenue	\$ 207,674	\$ (1,345)	\$ 206,329
Excess of revenues over expenses	8,629	(1,345)	7,284
<u>Cash Flows</u>			
Excess of revenues over expenses	8,629	(1,345)	7,284
Increase in contract liabilities (Assessments received in advance - reserve fund)	-	1,345	1,345
For the year ended December 31, 2019	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<u>Revenue:</u>			
Total revenue	\$ 208,000	\$ (5,471)	\$ 202,529
Excess of revenues over expenses	12,361	(5,471)	6,890
<u>Cash Flows</u>			
Excess of revenues over expenses	12,361	(5,471)	6,890
Increase in contract liabilities (Assessments received in advance - reserve fund)	-	5,471	5,471

SUPPLEMENTARY INFORMATION

WILLBROOK PLANTATION ROAD MAINTENANCE  
DISTRICT ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS  
(Un-audited)

December 31, 2020

In 2020, the Association's Board of Directors contracted Reserve Advisors, Inc. to estimate 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 not been revised since that date and do not take into account the effects of inflation between the date of the study and the date that the component will require repair or replacement. The following information is based on the study and presents significant information about the components of common property.

Component	Estimate Useful Lives (Years)	Estimated Current Replacement Costs	Reserve Fund Contract Liabilities 12/31/20
Asphalt, pavement, walking paths, crack repair	2	\$ 112,926	\$ 18,487
Asphalt, pavement, walking paths, overlay	12	100,228	4,795
Asphalt, pavement, walking paths, overlay	12	85,684	4,099
Asphalt, pavement, walking paths, overlay	2	29,565	6,329
Asphalt, pavement, walking paths, overlay	2	19,621	4,200
Asphalt, pavement, walking paths, replacement	12	174,257	8,336
Asphalt, pavement, walking paths, replacement	12	148,971	7,126
Asphalt, pavement, walking paths, replacement	12	85,234	4,077
Asphalt, pavement, walking paths, replacement	12	56,564	2,706
Bulkhead, timber, remaining	22	183,309	5,194
Bulkhead, timber, subsequent	19	272,750	2,420
Flagpole, entrance	21	5,452	199
Irrigation system, jockey pump, replacement	4	39,848	7,184
Irrigation system, jockey pump, rebuild	7	5,238	383
Irrigation system, main pump, replacement	8	23,672	3,706
Irrigation system, main pump, rebuild	7	27,532	2,015
Irrigation system, inspection	-	102,756	13,807
Lake, sediment removal	-	25,118	7,023
Retaining walls, timber	1	42,041	10,181
Signage	17	27,550	980
		<u>\$ 1,568,316</u>	<u>\$ 113,247</u>

See independent auditor's report.