

**WIND MEADOWS CORPORATION**

Audited Financial Statements  
With  
Independent Auditor's Report  
For the Year Ended December 31, 2024

# Wind Meadows Corporation

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January 27, 2025

To the Board of Directors  
Wind Meadows Corporation  
Wind Point, Wisconsin

## Independent Auditor's Report

### Opinion

We have audited the accompanying financial statements of Wind Meadows Corporation, which comprise the Balance Sheet – Modified Cash Basis as of December 31, 2024, and the related Statement of Revenues, Expenses and Changes in Members' Equity – Modified Cash Basis, 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 modified cash basis financial position of Wind Meadows Corporation as of December 31, 2024, and the changes in its modified cash basis member's equity for the year then ended in accordance with the basis of accounting described in Note B.

### 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wind Meadows Corporation 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 these financial statements in accordance with the modified cash basis of accounting, 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 Wind Meadows Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's 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 auditor's 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 Wind Meadows Corporation'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 Wind Meadows Corporation'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.



Gordon J. Maier & Company, LLP  
Certified Public Accountants

**Wind Meadows Corporation**  
**Balance Sheet - Modified Cash Basis**  
**December 31, 2024**

**Assets**

**Current Assets**

Operating Cash	\$ 198,765	
Prepaid Insurance	<u>36,741</u>	
<b>Total Current Assets</b>		<u>\$ 235,506</u>

**Other Assets**

Reserve Cash		<u>216,769</u>
<b>Total Assets</b>		<u><u>\$ 452,275</u></u>

**Liabilities and Members' Equity**

**Current Liabilities**

Assessments Received in Advance	<u>\$ 22,352</u>	
<b>Total Current Liabilities</b>		\$ 22,352

**Members' Equity**

		<u>429,923</u>
<b>Total Liabilities and Members' Equity</b>		<u><u>\$ 452,275</u></u>

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

**Wind Meadows Corporation**  
**Statement of Revenues, Expenses and Changes in Members' Equity**  
**Modified Cash Basis**  
**For the Year Ended December 31, 2024**

**Revenues**

Monthly Assessments	\$ 907,713	
Special Assessments	55,037	
Late Fee Income	1,500	
Guest Fees - Tennis Courts	1,026	
Guest Fees - Swimming Pool	2,433	
Cleaning Fees	4,735	
Capital Contribution Transfer Fees	7,200	
Special Limited Memberships	6,720	
Interest Income	1,921	
Miscellaneous Income	1,776	
<b>Total Revenues</b>	<b>990,061</b>	<b>\$ 990,061</b>

**Expenses**

Repairs and Maintenance - Building	122,457	
Repairs and Maintenance - Grounds	276,128	
Repairs and Maintenance - Other	31,228	
Insurance	132,408	
Professional Management Fees	123,635	
Snow Removal	93,843	
Pool Guard and Staff	48,254	
Repairs and Replacement	79,642	
Utilities	12,005	
Supplies	12,811	
Professional Fees	10,630	
Real Estate Taxes	5,829	
Miscellaneous Expenses	12,174	
<b>Total Expenses</b>	<b>961,044</b>	<b>961,044</b>

**Excess (Deficiency) of Revenues**

**Over Expenses** 29,017

**Members' Equity - January 1,** 400,906

**Members' Equity - December 31,** \$ 429,923

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

**Wind Meadows Corporation**  
**Notes to Financial Statements**  
**December 31, 2024**

**Note A. Nature of Organization**

The Wind Meadows Corporation (Association) is a statutory condominium association incorporated in the State of Wisconsin on November 13, 1975. The Association is responsible for the operation and maintenance of the common property of Wind Meadows Corporation. The Association holds approximately 250 acres and consists of 168 condominium homes and 148 single family homes located in the Village of Wind Point in Racine, Wisconsin. The Association was formed to provide for the harmonious, beneficial, and proper use of the property and all units, together with mutually beneficial restrictions and obligations with respect to the use and maintenance of the property. The Association's mission is to promote, enhance and protect the value, desirability, appearance, and aesthetics of the property.

**Note B. Summary of Significant Accounting Policies**

**Basis of Accounting**

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, all expenses are generally recognized when paid rather than when incurred, and revenues are generally recognized when collected rather than earned. Consequently, receivables, prepaid expenses, and accrued expenses are not included in the financial statements with the exception of prepaid insurance and assessments received in advance.

**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. Some members pay assessments in advance. At December 31, 2024, the Association had total assessments received in advance of \$22,352.

The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments become delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year. As of December 31, 2024, the Association had delinquent assessments of \$10,088. It is the opinion of the Board of Directors that the Association will ultimately prevail against homeowners with delinquent assessments and, accordingly, no allowance for uncollectible accounts is deemed necessary.

Occasionally, association members are subject to special assessments to provide funds for the Association's major repairs and replacements. For the year ended December 31, 2024, the Association had levied special assessments of \$55,037.

This information is an integral part of these financial statements.

**Wind Meadows Corporation**  
**Notes to Financial Statements**  
**December 31, 2024**

**Note B. Summary of Significant Accounting Policies** (cont.)

**Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting 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, expenses, gains, losses, and other changes in members' equity during the reporting period. Actual results could differ from those estimates.

**Cash and Equivalents**

Cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

The Association maintains its cash accounts at First Citizens Bank in Phoenix, Arizona. Accounts at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor and type of account. As of December 31, 2024, the Association had \$418,630 on deposit of which \$166,092 was not insured by the FDIC.

**Note C. Income Taxes**

The Association qualifies as a tax-exempt homeowners' association under Internal Revenue Code Section 528 for the year ended December 31, 2024. Under that section, the Association is not taxed on income and expenses related to its exempt purpose, which is acquisition, construction, management, maintenance, and care of Association property.

The Association's tax filings are subject to audit by various taxing authorities. The Association's federal income tax returns for 2021, 2022 and 2023 remain open to examination by the Internal Revenue Service.

**Note D. Future Major Repairs and Replacements**

The Association's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Association engaged the services of an independent engineer to conduct a study in January 2023 in order to estimate the reserves for future major repairs and replacements. The study utilized the cash flow method and an anticipated annual rate of return on invested reserves of 1.3% and a future inflation rate for estimated future replacement costs of 3.5%.

For the year ended December 31, 2024, the amount assessed for future major repairs and replacements was \$55,037.

**Note E. Concentrations of Risk**

The Association's operations are located in Village of Wind Point in Racine, Wisconsin. For the year ended December 31, 2024, 97% of total revenue was derived from member assessments. This consists of regular monthly assessments and special assessments.

This information is an integral part of these financial statements.



**Wind Meadows Corporation**  
**Notes to Financial Statements**  
**December 31, 2024**

**Note F. Subsequent Events**

Subsequent events have been evaluated through January 27, 2024, which is the date the financial statements were available to be issued.

This information is an integral part of these financial statements.