

**BAREFOOT RESORT JOINT COMMITTEE, INC.**  
**FINANCIAL STATEMENTS**

Year Ended December 31, 2021

**TOOHEY & DIEZ CPA'S, LLC**  
**Certified Public Accountants**  
1341 44<sup>th</sup> Avenue N Suite 206  
Myrtle Beach, SC 29578  
Phone (843) 712-2719

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of Barefoot Resort Joint Committee, Inc.,

We have reviewed the accompanying financial statements of Barefoot Resort Joint Committee, Inc., which comprise the balance sheet as of December 31, 2021, and the related statements of revenues and expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**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.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Barefoot Resort Joint Committee, Inc. and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**Accountant's Conclusion on the Financial Statements**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the accompanying information about future major repairs and replacements of common property be presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on it.

Toohey & Diez CPA's, LLC  
Myrtle Beach, South Carolina  
April 20, 2022

# Barefoot Resort Joint Committee, Inc.

## Balance Sheet

As of December 31, 2021

	Operating Fund	Reserve Fund	Total
<b>Assets</b>			
Cash & Cash Equivalent	\$14,955	\$301,610	\$316,565
Prepaid Insurance	11,253		11,253
Prepaid Taxes	45		45
Due from Operating		19,727	19,727
<b>Total Assets</b>	<u>\$26,253</u>	<u>\$321,337</u>	<u>\$347,590</u>
<b>Liabilities</b>			
Accounts Payable	\$6,526		\$6,526
Due to Reserves	19,727		19,727
<b>Total Liabilities</b>	<u>26,253</u>	<u>0</u>	<u>26,253</u>
<b>Fund Balances</b>			
Prior Year Fund Balance	0	406,414	406,414
Net Income (Loss)	0	(85,077)	(85,077)
<b>Total Fund Balances</b>	<u>0</u>	<u>321,337</u>	<u>321,337</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$26,253</u>	<u>\$321,337</u>	<u>\$347,590</u>

See Independent Accountants' Review Report  
and Notes to Financial Statements

**Barefoot Resort Joint Committee, Inc.**  
**Statement of Revenues and Expenses and Changes in Fund Balances**  
Year Ended December 31, 2021

	Operating Fund	Reserve Fund	Total
<b>Revenues</b>			
Barefoot Residential	\$744,502		\$744,502
Barefoot Non-Residential	366,695		366,695
Pool Access Income	3,680		3,680
Miscellaneous Income	4,480		4,480
Interest Income	30	1,569	1,599
Reserve Funding	(19,727)	19,727	0
Total Revenues	1,099,660	21,296	1,120,956
<b>Expenses</b>			
<b>Administrative Expenses</b>			
Postage & Printing	1,110		1,110
Office Supplies	75		75
Professional Services	2,126		2,126
Accounting Fees	1,400		1,400
Taxes, Licences and Permits	1,052		1,052
Management Contract	6,600		6,600
Insurance Expense	17,861		17,861
Shuttle Expense	85,116		85,116
Meeting Expense	204		204
Contingency Fund	15,809		15,809
<b>Utility Expense</b>			
Electricity	114,986		114,986
Water & Sewer	50,471		50,471
Telephone	510		510
<b>Grounds Maintenance</b>			
Landscape Contract	431,633		431,633
Landscape Maintenance & Supplies	41,679		41,679
Irrigation Maintenance	10,291		10,291
Tree Maintenance	75,500		75,500
<b>Building Maintenance</b>			
General Maintenance	31,732		31,732

See Independent Accountants' Review Report  
and Notes to Financial Statements

**Barefoot Resort Joint Committee, Inc.**  
**Statement of Revenues and Expenses and Changes in Fund Balances**  
Year Ended December 31, 2021

	Operating Fund	Reserve Fund	Total
Pool Expense			
Pool Contract	43,488		43,488
Pool Management Contract	18,000		18,000
Pool Maintenance & Repair	12,621		12,621
Pool Attendant	59,186		59,186
Pool Supplies	40,627		40,627
Pool License & Fees	225		225
Pool Water	9,230		9,230
Pool Electric	20,036		20,036
Pool Security Internet	8,092		8,092
Reserve Expense		106,373	106,373
Total Expenses	1,099,660	106,373	1,206,033
 Excess of Revenues Over Expenses	 \$0	 (\$85,077)	 (\$85,077)
 Beginning Fund Balances	 0	 406,414	 406,414
 Ending Fund Balances	 \$0	 \$321,337	 \$321,337

See Independent Accountants' Review Report  
and Notes to Financial Statements

# Barefoot Resort Joint Committee, Inc.

## Statement of Cash Flows

Year Ended December 31, 2021

	Operating Fund	Reserve Fund	Total
Cash Flows from Operating Activities			
Net Income (Loss)	\$0	(\$85,077)	(\$85,077)
Adjustments to reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:			
Prepaid Insurance	(1,613)		(1,613)
Prepaid Taxes	(45)		(45)
Due Between Funds	(59,454)	59,454	0
Accounts Payable	(1,491)		(1,491)
Total Adjustments	(62,603)	59,454	(3,149)
Net Cash Provided By (Used In) Operating Activities	(62,603)	(25,623)	(88,226)
Cash at Beginning of Period	77,558	327,233	404,791
Cash at End of Period	\$14,955	\$301,610	\$316,565

See Independent Accountants' Review Report  
and Notes to Financial Statements

# **BAREFOOT RESORT JOINT COMMITTEE, INC.**

## **Notes to Financial Statements**

**December 31, 2021**

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### **NOTE 1 NATURE OF ORGANIZATION**

Barefoot Resort Joint Committee, 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 Association members.

The purpose of the Joint Committee is to be a unifying entity for the residential and non-residential components of the Barefoot Resort development.

The Joint Committee also provides maintenance services for the common elements of the development not designated as part of either an individual regime, the Residential Association or the Non-Residential Association.

The Joint Committee allocates its operating expenses to the residential and non-residential associations based on an agreed upon formula. The formula is intended to be consistent with the actual costs borne by the Joint Committee on behalf of the other Associations. For the year, the allocation was 33% to the Non-Residential Association, and 67% to the Residential Association.

### **NOTE 2 DATE OF MANAGEMENT'S REVIEW**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 20, 2022, which is the date that the financial statements were available to be issued.

### **NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Fund Accounting**

The Association's policy is to prepare its financial statements on the accrual basis of accounting with revenues being recognized when they are billed or due and expenses being recognized when the expense is incurred.

The Association's governing documents provide certain guidelines for managing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources the Association maintains its accounts using fund accounting.

# **BAREFOOT RESORT JOINT COMMITTEE, INC.**

## **Notes to Financial Statements**

**December 31, 2021**

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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 financial resources available for general operations of the Association.

Reserve Fund – This fund is used to accumulate financial resources for future major repairs and replacements.

### **Property and Equipment**

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements as is prevalent industry practice.

### **Estimates**

The preparation of financial statements 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.

#### **NOTE 4 INCOME TAXES**

Homeowners' associations may be taxed either as homeowners' associations or as regular corporations. For the year 2021 the Association was taxed as a homeowners' association and filed form 1120-H.

As of the date of the financial statements the three prior tax years remain subject to examination by taxing authorities.

#### **NOTE 5 CASH IN BANK**

The association maintains its cash and cash equivalent balances in financial institutions, which from time to time exceed amounts insured by the FDIC.



# **BAREFOOT RESORT JOINT COMMITTEE, INC.**

## **Notes to Financial Statements**

**December 31, 2021**

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### **NOTE 6 FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Association's governing documents provide that the Association accumulate funds for future major repairs and replacements.

These funds are held in separate accounts and are generally not available for operating purposes. It is the Association's policy that interest earned on these accounts is allocated to the Reserve Fund.

Actual expenditures may vary from estimated future expenditures 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, the Association has the right, subject to appropriate approval, to increase regular assessments, levy special assessments, or delay major repairs and replacements until funds are available.

### **NOTE 7 SHARED SERVICES AGREEMENT**

Barefoot Resort Joint Committee, Inc. allocates its' operating expenses to the residential and non-residential associations base on an agreed upon formula. The formula is intended to be consistent with the actual costs borne by the Joint Committee on behalf of the other associations. For the year the allocation was 33% to the non-residential association and 67% to the residential association.

Since the "residential association" and the "non-residential association" are assessed their respective share of expenses, the "Joint Committee" (by definition) does not accumulate funds nor show deficiencies in the operating fund. Consequently, amounts advanced by the "residential association" and the "non-residential association" will always be more or less than the actual expenses incurred. As a result, the amounts reflected on the financial statements as "Due to Barefoot Residential Association" and "Due to Barefoot Non-Residential Association represent excess funding by those associations as of the date of the financial statements.

All residential owners within the development (whether part of Barefoot Residential Owners Association or within another residential "regime") remit payments to Barefoot Residential Owners Association. In turn, the Residential Association remits a portion of the amount collected from owners to the Barefoot Resort Joint Committee in order to fund its' share of the "Shared Services Reimbursement: described above.

# **BAREFOOT RESORT JOINT COMMITTEE, INC.**

## **Notes to Financial Statements**

**December 31, 2021**

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All non-residential owners within the development remit payments to Barefoot Non-residential Owners Association. In turn, the Non-Residential Owners Association remits a portion of the amount collected from owners to Barefoot Resort Joint Committee in order to fund its' share of the "Shared Services Reimbursements: described above.

### **NOTE 8 REVENUE RECOGNITION**

Assessment revenue is recognized when assessments are due. Any amounts received in advance of the due date are deferred until due. The Financial Accounting Standards Board issued Accounting Code 606 requiring the deferral of the recognition of income until the services are rendered. The Association has determined ASC 606 does not apply to the Association as no customer relationship exists as it is defined by the Code. The Association does not defer the recognition of any portion of revenue as a Contract Liability.

**Barefoot Resort Joint Committee, Inc.**  
Supplementary Schedule of Future Major Repairs and Replacements  
December 31, 2021

The Association Reserves consulting company conducted a study in 2018 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 components at the end of their useful lives.

Estimated useful lives and replacement costs are based on the study performed and have not been revised since the date of the study and do not take into consideration any repairs or replacements of common property performed since the date of the study.

The information on the following page was extracted from the full reserve study report and presents significant information about the components of common property as of the date of the study.

#	Component	UL	RUL	Current Cost Estimate	Fully Funded Balance	Current Fund Balance	Proportional Reserve Contribs
<b>Pool and Spa Area</b>							
2150	Water Fountain- Replace	15	14	\$1,850	\$123	\$253	\$112
2328	Metal Pool Handrail - Replace	30	12	\$10,100	\$6,060	\$12,423	\$305
2343	Pool House Exterior - Seal/Paint	10	7	\$4,250	\$1,275	\$2,614	\$385
2367	Pool House Doors - Replace	30	27	\$4,000	\$400	\$820	\$121
2384	Poolhouse Roof (Metal) - Replace	40	22	\$11,850	\$5,333	\$10,932	\$268
2750	Bathrooms - Remodel	30	12	\$7,750	\$4,650	\$9,533	\$234
2763	Pool Deck Furniture - Replace	8	3	\$27,250	\$17,031	\$34,915	\$3,086
2767	Pool Deck - Resurface Project	20	18	\$210,000	\$21,000	\$43,051	\$9,513
2769	Pool Deck -Partial Repair Allowance	10	9	\$13,750	\$1,375	\$2,819	\$1,246
2771	Pool Fence - Replace	30	27	\$22,500	\$2,250	\$4,613	\$679
2773	Pool - Resurface	12	8	\$77,300	\$25,767	\$52,823	\$5,836
2775	Spa - Resurface	10	9	\$3,945	\$395	\$809	\$357
2782	Spa Heater - Replace	8	4	\$4,050	\$2,025	\$4,151	\$459
<b>Pump Room</b>							
2343	Pump Room - Repaint/Repair	10	4	\$4,000	\$2,400	\$4,920	\$362
2384	Pump Room Roof (Metal) - Replace	40	27	\$8,650	\$2,811	\$5,763	\$196
2779	Pool Filters - Replace	20	3	\$22,950	\$19,508	\$39,991	\$1,040
2783	Pool Pumps - Replace	15	2	\$21,750	\$18,850	\$38,643	\$1,314
2792	Pool VLT Aqua Drives - Replace	15	5	\$18,000	\$12,000	\$24,601	\$1,087
<b>Welcome House</b>							
2169	Entry Signs - Refurbish Allowance	20	12	\$28,850	\$11,540	\$23,658	\$1,307
2344	Wood Surfaces - Repaint/Repair	5	4	\$3,000	\$600	\$1,230	\$544
2345	Wood Siding - Replace	40	20	\$12,000	\$6,000	\$12,300	\$272
2367	Glass Doors - Replace	40	22	\$3,400	\$1,530	\$3,137	\$77
2367	Windows - Replace	40	22	\$3,550	\$1,598	\$3,275	\$80
2383	Roof (Tile) - Replace	30	10	\$11,300	\$7,533	\$15,444	\$341
<b>Common Area</b>							
2185	Landscaping - Refurbish Allowance	20	12	\$60,000	\$24,000	\$49,201	\$2,718
2501	Access Control System - Replace	15	12	\$14,750	\$2,950	\$6,048	\$891
2543	Security Cameras - Upgrade/Replace	10	7	\$35,000	\$10,500	\$21,525	\$3,171
27 Total Funded Components					\$209,503	\$429,490	\$36,000