

BAREFOOT RESORT NONRESIDENTIAL
OWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

Year Ended December 31, 2024

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

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of Barefoot Resort Nonresidential Owners Association, Inc.,

We have reviewed the accompanying financial statements of Barefoot Resort Nonresidential Owners Association, Inc., which comprise the balance sheet as of December 31, 2024, and the related statements of revenues and expenses and changes in fund balances, 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 Nonresidential Owners Association, 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

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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.

Toohey & Diez CPA's, LLC
Myrtle Beach, South Carolina
March 21, 2025

Barefoot Resort Nonresidential
Owners Association, Inc.
Balance Sheet
As of December 31, 2024

Assets

Cash & Cash Equivalents	\$6,016
Accounts Receivable	1,543
Prepaid Insurance	8,233
Total Assets	<u>\$15,792</u>

Liabilities and Fund Balances

Liabilities

Accounts Payable	\$311
Due to Joint Committee	7,822
Total Liabilities	<u>8,133</u>

Fund Balances

Prior Year Fund Balance	12,683
Net Income (Loss)	<u>(5,024)</u>
Total Fund Balances	<u>7,659</u>

Total Liabilities and Fund Balances	<u>\$15,792</u>
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See Independent Accountants' Review Report
and Notes to Financial Statements

**Barefoot Resort Nonresidential
Owners Association, Inc.
Statement of Revenues and Expenses and Changes in Fund Balance
Year Ended December 31, 2024**

Revenues	
Association Fees	\$500,930
Late Fees	1,068
Violation Fine	25
Interest Income	20
Total Revenues	<u>\$502,043</u>
Expenses	
Joint Committee Fee	453,867
Postage and Printing	3,516
Office Supplies	4
Professional Services	6,650
Management Contract	24,096
Insurance Expense	18,700
Website Expense	218
Meeting Expense	16
Total Expenses	<u>507,067</u>
Excess of Revenues Over Expenses	(\$5,024)
Beginning Fund Balances	<u>12,683</u>
Ending Fund Balances	<u><u>\$7,659</u></u>

See Independent Accountants' Review Report
and Notes to Financial Statements

Barefoot Resort Nonresidential
Owners Association, Inc.
Statement of Cash Flows
Year Ended December 31, 2024

Cash Flows from Operating Activities	
Net Income (Loss)	<u>(\$5,024)</u>
Adjustments to reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:	
Prepaid Insurance	(1,058)
Accounts Receivable	(1,113)
Accounts Payable	170
Prepaid Assessments	(26,018)
Due to Joint Committee	<u>7,822</u>
Total Adjustments	<u>(20,197)</u>
Net Cash Provided By (Used In) Operating Activities	(25,221)
Cash at Beginning of Period	<u>31,237</u>
Cash at End of Period	<u><u>\$6,016</u></u>

See Independent Accountants' Review Report
and Notes to Financial Statements

**BAREFOOT RESORT NONRESIDENTIAL
OWNERS ASSOCIATION, INC.**
Notes to Financial Statements
December 31, 2024

NOTE 1 NATURE OF ORGANIZATION

Barefoot Resort Nonresidential Owners Association, Inc. (the "Association") is a statutory association incorporated and existing under the laws of the State of South Carolina. The Association is a part of the Barefoot Resort, a multi-phase residential, commercial, and golf course community located in North Myrtle Beach, South Carolina. The association is responsible for the administration, maintenance, management, ownership and control of all common areas within The Barefoot Resort Nonresidential Association.

The Association began its operations in 2000. The voting rights (both current and future) for each class of member are specified within the Association documents. The Association consists of 809 equivalent units.

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 March 21, 2025, which is the date that the financial statements were available to be issued.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Member Assessments

Association members are subject to annual 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 and reserve assessments are satisfied over time on a daily pro-rata basis using the input method.

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 Association treats uncollectible assessments as credit losses. Methods, inputs, and assumptions used to evaluate collectability include consideration of past experience and susceptibility to factors outside the Association's control.

**BAREFOOT RESORT NONRESIDENTIAL
OWNERS ASSOCIATION, INC.**
Notes to Financial Statements
December 31, 2024

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.

Concentrations

Credit Risk – Financials instruments which may potentially subject the Association to concentrations of credit risk, as defined by accounting principles generally accepted in the United States of America, consist primarily of bank accounts on deposit at financial institutions, with balances which may at times exceed the amounts insured under the provisions of the Federal Deposit Insurance Corporation (FDIC).

Geographic – The Association is engaged in a single industry in a single location. Accordingly, the Association is subject to the normal risks and economic conditions in this area that any such entity is exposed, including the potential for business disruption due to hurricanes, acts of nature or other uncontrollable factors.

Cash and Cash Equivalents

For purposes of balance sheet classification and the statement of cash flows, the association considers all highly liquid debt instruments purchased with a maturity of three months or less and any certificates of deposit that do not contain material early withdrawal penalties to be cash equivalents.

Cash consists of amounts on deposit (including interest bearing deposits) with financial institutions. Cash equivalents (if any) consist of money market accounts and certificates of deposit with original maturities of ninety (90) days or less. Certificates of deposits with maturities in excess of ninety (90) days (if any) are also considered cash equivalents, as bank imposed early withdrawal penalties, if any, are not considered material.

**BAREFOOT RESORT NONRESIDENTIAL
OWNERS ASSOCIATION, INC.**
Notes to Financial Statements
December 31, 2024

NOTE 4 INCOME TAXES

Homeowners' associations may be taxed either as homeowners' associations or as regular corporations. For the year 2024 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 BAREFOOT RESORT JOINT COMMITTEE

The Association is a member of the Barefoot Resort Joint Committee, Inc. (the "Joint Committee").

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 Nonresidential Association, and 67% to the Residential Association.

All fees paid by the Association to the Joint Committee are reflected as expenses within the Association's Statement of Revenues and Expenses.

NOTE 6 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 exist as it is defined by the Code. The Association does not defer the recognition of any portion of revenue as a Contract Liability.