# HUNTER'S CREEK PROPERTY OWNERS ASSOCIATION, INC.

## REPORT ON FINANCIAL STATEMENTS

## YEAR ENDED DECEMBER 31, 2024

**HUNTER'S CREEK PROPERTY OWNERS ASSOCIATION, INC.**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hunter's Creek Property Owners Association, Inc.
132 West Cambridge Avenue
Greenwood, SC 29646

**Opinion**

We have audited the accompanying financial statements of Hunter's Creek Property Owners Association, Inc. which comprise the balance sheet – cash basis as of December 31, 2024, and the related statements of revenues, expenses, and changes in fund balance – 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 financial position of Hunter's Creek Property Owners Association, Inc. as of December 31, 2024, and the results of its operations for the year then ended in accordance with the cash basis of accounting described in Note 1.

**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 Hunter's Creek Property Owners Association, Inc. 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.

**Basis for Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 Hunter's Creek Property Owners Association, Inc.'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 Hunter's Creek Property Owners Association, Inc.'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 Hunter's Creek Property Owners Association, Inc.'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.

*Love Bailey, LLC*

Love Bailey, LLC
Laurens, South Carolina
March 18, 2026

**HUNTER'S CREEK PROPERTY OWNERS ASSOCIATION, INC.**
**BALANCE SHEET - CASH BASIS**
**DECEMBER 31, 2024**

| | | |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ | 90,881 |
| Cash held by the County | | 345,252 |
| Total assets | $ | 436,133 |
| **FUND BALANCE** | | |
| Operating | $ | 436,133 |
| Total fund balance | $ | 436,133 |

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

**HUNTER'S CREEK PROPERTY OWNERS ASSOCIATION, INC.**
**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS**
**YEAR ENDED DECEMBER 31, 2024**

| | |
|---|---|
| **OPERATING ACTIVITIES** | |
| **REVENUES** | |
| Assessments | $ 183,605 |
| Total revenues | 183,605 |
| **EXPENSES** | |
| Landscaping | 84,804 |
| Utilities | 45,978 |
| Legal and professional fees | 36,942 |
| Insurance | 16,741 |
| Project security | 9,809 |
| Office expenses | 5,660 |
| Property taxes | 2,315 |
| Storage fees | 1,366 |
| Holiday decorations | 256 |
| Total expenses | 203,871 |
| Excess (deficiency) of revenues over (under) expenses | (20,266) |
| **NONOPERATING ACTIVITIES** | |
| Interest income | 12,368 |
| Total nonoperating activities | 12,368 |
| Changes in fund balance | (7,898) |
| **FUND BALANCE** | |
| Beginning of year | 444,031 |
| End of year | $ 436,133 |

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

## NOTE 1 – ORGANIZATION

Hunter's Creek Property Owners Association, Inc. (the "Association") located in Greenwood, South Carolina was incorporated under laws of the State of South Carolina to further the interests of the property owners of Hunter's Creek subdivision in 1994. The Association is a South Carolina corporation dedicated to maintaining the property and facilities located within the community. The Association is in a Special Tax District in Greenwood County that processes and mails each HCPOA Owner in Greenwood County a combined Assessment and Tax Bill and administers collection of delinquent accounts. The Association's major source of revenue is property assessments received from property owners.

The Association is a not-for-profit organization formed under the laws of the state of South Carolina. The Association is managed through an elected board that is responsible for the general plan of development of the property, compliance with applicable restrictions and covenants for the protection of the property and its value and the maintenance and preservation of the Common Property. The Association is funded primarily by property owners' dues.

Management services are provided by Town and Country Property Management of Greenwood.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies followed by the Association is as follows:

### Basis of Accounting

The financial statements of the Association have been prepared on the cash basis of accounting. This method is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under this basis, certain revenues and related assets are recognized when received, rather than when earned, and certain expenses are recognized when paid, rather than when the obligations are incurred.

### Income Tax Status

The Association qualifies as a tax-exempt homeowners' association under Internal Revenue Code Section 528. Under the Section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property. Net nonexempt function income, which includes earned interest and revenues received from nonmembers, is taxed at 30% by the federal government.

The Association's tax filings are subject to audit by various taxing authorities. The Association's income tax returns for 2020 to 2023 remain open to examination. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances.

(Continued)

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

### Cash and Cash Equivalents

For purposes of the financial statements, the Association considers all cash on hand, cash in bank accounts, and highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents may include funds held in operating accounts, reserve accounts, or short-term investment instruments.

### Use of Estimates

The preparation of the financial statements in conformity with cash basis 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

The Association's primary revenue source consists of annual assessments levied on property owners subject to the Association's covenants. The annual assessment amount is approved by the Board of Directors and is intended to fund operating costs.

Assessments are due annually on January 31. For properties located in Greenwood County, assessments are billed and collected by the County as part of its property tax billing process and are remitted to the Association periodically. For properties located in Abbeville County, assessments are billed directly by the Association and are due January 31.

Because the Association reports on the cash basis of accounting, assessment revenue is recognized when cash is received. Accordingly, assessments levied but not collected as of December 31, 2024 are not reflected in the accompanying financial statements.

## NOTE 3 – CASH

The Association maintains cash balances at one financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor. At December 31, 2024, the book balance of the Association's deposits with depository institutions was $90,881 and the bank balance was $90,531.

Certain assessment collections are received and held by Greenwood County in accordance with applicable county procedures. These funds are maintained by the County in a fiduciary capacity for the benefit of the Association and are remitted to the Association periodically.

At December 31, 2024, cash held by the County totaled $345,252.

The Association does not control the investment of these funds while held by the County. The County does not credit interest on funds held on behalf of the Association.

Although the funds are held by the County, they are not legally restricted as to use and are available for general Association purposes upon remittance.

## NOTE 4 – CREDIT RISK

The Association assesses regular annual assessments to its members, which are due by January 31st for Abbeville County residents. Accounts that become 30 days past due begin to accrue interest at 10% annually, or 0.83% per month. The Association issues delinquency notices at 30, 60, and 90 days past due. If an account reaches 90 days delinquency, it is turned over to the Association's legal counsel for collection proceedings, including the initiation of a lien on the property in accordance with the Association's governing documents.

Greenwood County processes assessments, tax billings and collections in November for Greenwood County residents as part of the county's jurisdictional oversight for being in a Special Tax District to manage revenue and pay expenses.

## NOTE 5 – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require the accumulation of funds for future major repairs and replacements of common property components.

The most recent reserve study was completed in November 2020, after year-end. Because no current reserve study was available as of December 31, 2024, management was unable to estimate current replacement costs and remaining useful lives of the common property components.

## NOTE 6 – CONCENTRATIONS

The Association contracts a lawn care services company to provide monthly maintenance services. Lawn care fees for the year ended December 31, 2024, totaled approximately $74,274, representing approximately 36 percent of total expenses.

The Association contracts a power company to provide monthly utility services. Electric utilities for the year ended December 31, 2024 totaled approximately $32,916, representing approximately 16 percent of total expenses.

The Association contracts a property management group to provide monthly property management services. Property management services for the year ended December 31, 2024 totaled approximately $24,065, representing approximately 12 percent of total expenses.

## NOTE 7 – COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the Association enters service contracts for landscaping, maintenance, security, and management services. Management is not aware of any material litigation, claims, or assessments outstanding at December 31, 2024 that would require disclosure in the accompanying financial statements.

## NOTE 8 – SUBSEQUENT EVENTS

The Association evaluated subsequent events through March 18, 2026, which is the date the financial statements were available to be issued.