



Wade Hampton Property Owners' Association, Inc.

**Independent Auditor's Report, Financial Statement
and Supplementary Information**

December 31, 2024



Wade Hampton Property Owners' Association, Inc.
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Independent Auditor's Report

Board of Directors
Wade Hampton Property Owners' Association, Inc.
Cashiers, North Carolina

Opinion

We have audited the accompanying financial statement of Wade Hampton Property Owners' Association, Inc., which comprises the statement of cash receipts and disbursements as of December 31, 2024, and the related notes to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of Wade Hampton Property Owners' Association for the year ended December 31, 2024, in accordance with the cash basis of accounting described in Note 2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Wade Hampton 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 of the financial statement, which describes the basis of accounting. This financial statement is prepared on the 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 this matter.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 GAAS 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 statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Wade Hampton 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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wade Hampton 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.

Forvis Mazars, LLP

**Asheville, North Carolina
August 8, 2025**

**Wade Hampton Property Owners' Association, Inc.
Statement of Cash Receipts and Disbursements
Year Ended December 31, 2024**

Cash Receipts

Association fees	\$ 1,194,848
Water project assessment	734,300
Initiation fees	12,000
Architectural review fees	4,000
Road fees	2,500
Interest income - water project	39,390
Miscellaneous income	51,813
Compliance deposits received	18,000

2,056,851

Cash Disbursements

Salaries and benefits	347,540
Water project	1,033,186
Administrative	94,260
Security	54,474
Sewer	135,281
Water	99,921
Roads	287,980
Compliance deposits refunded	5,500

2,058,142

Net Decrease in Cash

(1,291)

Cash and Cash Equivalents, Beginning of Year

2,227,664

Cash and Cash Equivalents, End of Year

\$ 2,226,373

Note 1. Organization

Wade Hampton Property Owners' Association, Inc. (the "Association") is a statutory homeowners' association organized for the purpose of maintaining and preserving common property of Wade Hampton. The Association consists of 254 residential properties located in Cashiers, North Carolina.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The Association's policy is to prepare its financial statement on the cash basis of accounting, which is a comprehensive basis of accounting other than the accounting principles generally accepted in the United States of America (GAAP). Consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

Cash and Cash Equivalents

The Association considers all liquid investments with original maturities of three months or less and money market funds that can easily be converted to cash to be cash equivalents. At December 31, 2024, there was \$1,879,710 in cash equivalent money market funds.

Income Taxes

The Association is recognized as a tax-exempt association by the State of North Carolina and, as such, is not subject to state franchise or income tax on exempt function income. The Association is subject to federal income taxes unless an election is made under Section 528 of the Internal Revenue Code each year. That election has been made for the year ended December 31, 2024. The Association is subject to both federal and state income taxes on unrelated business income, even if a Section 528 election is made. The Association has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2024.

Note 3. Concentrations of Credit Risk

The Association maintains its cash accounts at commercial banks. At times, amounts on deposit may be in excess of Federal Deposit Insurance Corporation ("FDIC") insured limits. The Association has not experienced any losses on such accounts and management does not consider there to be any significant credit risks related to this concentration.

Note 4. Related Parties

The Association receives certain assessment fees from the Wade Hampton Golf Club that is related to the Association by common ownership of the majority of Club members. The amount of revenues received was \$133,523 for the year ended December 31, 2024. In addition, the Club paid a special water project assessment in the amount of \$70,000 for the year ended December 31, 2024.

Wade Hampton Property Owners' Association, Inc.
Notes to Financial Statement
December 31, 2024

Note 5. Board-Designated Cash

The Association uses fund accounting to manage cash for its various activities and obligations. The amount of these Board-designated cash balances at December 31, 2024 were as follows:

General obligations	\$	239,496
Capital project reserve		584,536
Compliance deposits		39,000
Water and road project		<u>1,363,341</u>
Total	\$	<u>2,226,373</u>

Note 6. Subsequent Events

The Association evaluated the effect that subsequent events would have on the financial statement through August 8, 2025, which is the date the financial statement was available to be issued.

Supplementary Information

Wade Hampton Property Owners' Association, Inc.
Supplementary Statement of Cash Receipts and Disbursements - Water Utility Project
Year Ended December 31, 2024

Cash Receipts

Water project assessment	\$ 734,300
Interest income - water project	39,390
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	773,690
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Cash Disbursements

Lateral line work, labor	714,291
Lateral line work, materials	143,363
Lateral line work, patching	131,104
Office supplies	51
Professional fees	32,079
Repairs and Maintenance	12,298
	<hr/>
	1,033,186
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Net Decrease in Cash

(259,496)

Cash and Cash Equivalents, Beginning of Year

1,622,837

Cash and Cash Equivalents, End of Year

\$ 1,363,341