

**Blue Cypress Golf & RV
Resort Condominium
Association, Inc.**

**FINANCIAL STATEMENTS (AND
SUPPLEMENTARY INFORMATION)**

December 31, 2019



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Blue Cypress Golf & RV Resort Condominium Association, Inc.
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December 31, 2019

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Carr, Riggs & Ingram, LLC
Certified Public Accountants
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members of
Blue Cypress Golf & RV Resort Condominium Association, Inc.
Navarre Beach, Florida

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Report on the Financial Statements

We have audited the accompanying financial statements of Blue Cypress Golf & RV Resort Condominium Association, Inc., which comprise the balance sheet as of December 31, 2019, and the related statements of revenue, expenses and changes in fund balance, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blue Cypress Golf & RV Resort Condominium Association, Inc. as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Association implemented new accounting guidance under FASB ASC 606, *Revenue from Contracts with Customers*. The Association's implementation of the new accounting standard significantly changes the recognition of replacement fund assessments, and as a result, the Association has restated its beginning fund balance. Our opinion is not modified with respect to the implementation of the new guidance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information contained in the Schedule of Changes in Accumulated Funds for Future Major Repairs and Replacements and Schedule of Operating Fund Revenue – Budget and Actual is presented for purposes of additional analysis, and is not a required part of the financial statements. Such information is the responsibility of the Association's management and, except for that portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Supplementary Information on Future Major Repairs and Replacements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
February 18, 2020

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Balance Sheet

December 31,

2019

	Operating Fund	Replacement Fund	Total
Assets			
Cash and cash equivalents	\$ 99,056	\$ 219,749	\$ 318,805
Certificates of deposit	-	345,452	345,452
Accounts receivable	1,827	-	1,827
Prepaid expenses	14,015	-	14,015
Property and equipment, net	35,391	-	35,391
Utility deposit	40	-	40
Interfund balance	(27)	27	-
Total assets	\$ 150,302	\$ 565,228	\$ 715,530
Liabilities and Fund Balance			
Liabilities			
Accounts payable	\$ 7,481	\$ -	\$ 7,481
Prepaid assessments	49,007	-	49,007
Performance obligation liability	-	565,228	565,228
Prepaid golf membership dues	10,581	-	10,581
Note payable	25,352	-	25,352
Total liabilities	92,421	565,228	657,649
Fund balance			
Designated for deferred capital maintenance	45,604	-	45,604
Undesignated	12,277	-	12,277
Total fund balance	57,881	-	57,881
Total liabilities and fund balance	\$ 150,302	\$ 565,228	\$ 715,530

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

**Blue Cypress Golf & RV Resort Condominium Association, Inc.
Statement of Revenue, Expenses and Changes in Fund Balance**

For the year ended December 31,

2019

	Operating Fund	Replacement Fund	Total
Revenue			
Regular assessments	\$ 431,805	\$ 41,069	\$ 472,874
Golf membership fees	19,639	-	19,639
Interest income	-	5,407	5,407
Miscellaneous income	16,901	-	16,901
Total revenue	468,345	46,476	514,821
Expenses			
Administrative	45,220	-	45,220
Depreciation	6,506	-	6,506
Golf course maintenance	25,726	-	25,726
Insurance	33,831	-	33,831
Maintenance and repairs	155,543	46,476	202,019
Personnel	155,415	-	155,415
Utilities	60,370	-	60,370
Total expenses	482,611	46,476	529,087
Excess (deficit) of revenue over expenses	(14,266)	-	(14,266)
Beginning fund balance, restated	72,147	-	72,147
Ending fund balance	\$ 57,881	\$ -	\$ 57,881

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

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Statement of Cash Flows

For the year ended December 31,

2019

	Operating Fund	Replacement Fund	Total
Operating activities			
Excess (deficit) of revenue over expenses	\$ (14,266)	\$ -	\$ (14,266)
Adjustments to reconcile of excess (deficit) revenue over expenses to net cash provided (used) by operating activities:			
Depreciation	8,946	-	8,946
Changes in operating assets and liabilities:			
Accounts receivable	(584)	-	(584)
Prepaid expenses	(12,643)	-	(12,643)
Accounts payable	6,217	-	6,217
Prepaid assessments	27,869	-	27,869
Prepaid golf membership dues	3,050	-	3,050
Performance obligation	-	72,931	72,931
Interfund balance	24	(24)	-
Net cash provided (used) by operating activities	18,613	72,907	91,520
Investing activities			
Redemption (purchase) of certificates deposit	-	(5,296)	(5,296)
Net cash used in investing activities	-	(5,296)	(5,296)
Financing activities			
Loan payments	(8,317)	-	(8,317)
Net cash provided by (used in) financing activities	(8,317)	-	(8,317)
Net increase in cash	10,296	67,611	77,907
Cash at beginning of year	88,760	152,138	240,898
Cash at end of year	\$ 99,056	\$ 219,749	\$ 318,805

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

Blue Cypress Golf & RV Resort Condominium Association, Inc.

Notes to Financial Statements

NOTE 1: DESCRIPTION OF THE ORGANIZATION

Blue Cypress Golf & RV Resort Condominium Association, Inc. (the "Association"), a Florida not-for-profit corporation, was formed on March 1, 1991. Membership in the Association consists of the 248 residential unit owners of this Florida condominium. The condominium is located on approximately 100 acres in Okeechobee, Florida.

The Association was organized for the purpose of maintaining and protecting the elements owned by the unit owners in common, including roadways, greenways, clubhouse, association office, a golf course, utility plant, covered spaces and recreational areas. Disposition of common area property requires consent of the members in accordance with the governing documents and Florida Statutes. The Association also provides water and sewer services for the individual units.

All policy decisions, including the annual budget and owners' assessments, are formulated by the Board of Directors. Major decisions are referred to the general Association membership before action is taken.

Management and accounting services are provided to the Association by their Board and an in house office manager.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds

The Association is a not-for-profit organization which employs the fund method of accounting in order to properly account for restrictions on the expenditures resulting from actions of the Board of Directors, the Association voting membership, or applicable Florida Statute. The financial statements segregate the accounting for such funds as either Operating or Replacement funds. At the end of the year, excess funds are retained by the fund generating such excess during the year.

The Operating Fund is used to account for financial resources available for the general operation of the Association. Disbursements from the Operating Fund are generally at the discretion of the Board of Directors.

The Replacement Fund is generally used to account for assessments made for major repair and replacement of common property, and related expenses. Disbursements from the Replacement Fund may only be utilized in accordance with Florida Statutes and the purposes established by the Board of Directors and the Association membership. Interest income earned in the Replacement Fund is maintained in the Replacement Fund.

The Association has designated \$19,816 of its Operating Fund balance to a deferred capital maintenance account. A designation of fund balance represents management and the Board's tentative plans and use of this money. The Association has set up a separate bank account for these funds to be segregated for this purpose. However, the Board can use these funds at any time for any purpose since these funds are not restricted by the membership or by Florida Statutes as replacement funds are restricted.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly-liquid debt instruments with an original maturity of 90 days or less.

Accounts Receivable from Owners and Allowance for Doubtful Accounts

Accounts receivable from owners are reported at the outstanding balance due from owners, net of any allowance for doubtful accounts. The Association provides for doubtful accounts based on experience and analysis of individual accounts. When the collectability of a receivable becomes questionable, an allowance for doubtful accounts is established. When specific accounts are determined to be uncollectable, they are written off by charging the allowance and crediting the receivable. Since management considers all receivables to be collectable at December 31, 2019, no allowance has been established at this time.

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the Balance Sheet. These items will be expensed over the applicable usage period.

Capitalization and Depreciation

Real property acquired by the Association is capitalized when it is used to generate significant cash flows from members on the basis of usage or from nonmembers or can be disposed of for cash with the Association retaining the proceeds. Real property acquired by the Association that does not meet these guidelines is not capitalized, and accordingly, replacements, major repairs, and improvements to this property are not capitalized; instead, they are reported as expenses in the fund making the expenditure. Real property that does not meet the criteria to capitalize is identified in Note 1.

Personal property acquired by the Association is capitalized at cost. It is depreciated over its estimated useful life using the straight-line method of depreciation.

Contract Assets and Liabilities

Contract assets represent revenue recognized in excess of amounts billed. No such amounts are reported on the Balance Sheet as of December 31, 2019. Contract liabilities represent revenue collected in advance of the contract period or amounts billed in excess of revenue recognized. These liabilities are reported on the Balance Sheet as prepaid assessments and performance obligation liabilities.

Revenue Recognition

Effective January 1, 2019, the Association adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*. This topic requires the recognition of revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue is recognized in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. For purposes of this Association, the definition of customers includes the Association's members.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 18, 2020 and determined there were no events that occurred that required disclosure.

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Guidance

In May 2014, the Financial Accounting Standards Board (FASB) issued new accounting guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification. The Association elected to adopt the revenue recognition standard effective January 1, 2019 using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment recognized upon adoption. The cumulative adjustment recorded upon adoption of ASC 606 consisted of changes in the recognition of replacement fund assessments, and accordingly the accumulated funds for future major repairs and replacements are now largely classified as a performance obligation liability and not fund balance. As a result, the Association has restated its beginning fund balance as follows:

December 31,	2019
Beginning replacement fund balance, before restatement	\$ 492,297
Cumulative effect of change in accounting principle	(492,297)
Beginning replacement fund balance, as restated	\$ -

NOTE 3: OWNERS' ASSESSMENTS

Revenues and expenses are allocated to the unit owners equally, and accordingly, assessment rates are established using this formula. The rate for 2019 was approximately \$183 per month. Budgeted assessments for the year ended December 31, 2019 totaled \$545,805, of which \$114,000 was allocated to the Replacement Fund.

The following table reconciles budgeted regular assessments to the amounts recognized as assessment revenue in the Statement of Revenues, Expenses, and Changes in Fund Balance:

<i>For the year ended December 31,</i>	2019		
	Operating Fund	Replacement Fund	Total
Budgeted regular assessments	\$ 431,805	\$ 114,000	\$ 545,805
Less additions to performance obligation	-	(72,931)	(72,931)
Total assessments	\$ 431,805	\$ 41,069	\$ 472,874

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Notes to Financial Statements

NOTE 4: REVENUE RECOGNITION

As disclosed in Note 2 to the financial statements, the Association's customers consist of its members, which are lot owners within the Resort. The contracts between these customers and the Association primarily relate to maintaining, managing and providing access to the property and amenities owned in common by the lot owners.

Performance Obligations

The Association's revenue is derived primarily from assessments to its members. The Association generally recognizes its revenue from contracts with customers over time with the exception of reserve assessments, which are being recognized at a point in time. As of December 31, 2019, the Association has reported a performance obligation liability totaling \$565,228, relating to the future major repair and/or replacement of specific components of common property. The assessments related to this performance obligation are generally reported in the Replacement Fund and will be recognized as revenue at the point in time when the funds are expended for their designated purpose.

Significant Judgments

For those revenue items recognized over time, the Association generally utilizes the input method of measurement, where revenue is recognized based on the Association's efforts towards the satisfaction of a performance obligation. For operating fund amounts, revenue is recognized as time elapses and the Association performs routine maintenance, protection and management of the common area property. For replacement fund amounts, the Association recognizes revenue at the point in time when reserve expenses are incurred.

Disaggregated Revenue

The Association derives its revenue from various activities and sources having different qualitative factors that may affect the amount, timing, or uncertainty of revenues and cash flows.

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Notes to Financial Statements

NOTE 4: REVENUE RECOGNITION (Continued)

The following chart contains disaggregated revenue information that reflects these qualitative factors.

<i>For the year ended December 31,</i>	2019
Recognized over time	
Operating fund assessments	\$ 431,805
Golf membership fees	19,639
Miscellaneous income	16,901
Recognized at a point in time	
Replacement fund assessments	41,069
Not subject to ASC Topic 606	
Interest income	5,407
Total revenue	\$ 514,821

The following table presents information about accounts receivable, contract assets, and contract liabilities:

<i>For the year ended December 31,</i>	2019
Accounts receivable, net - beginning balance	\$ 1,243
Accounts receivable, net - ending balance	1,826
Contract assets - no beginning or ending balance for the year	
Contract liabilities	
Prepaid assessments - beginning balance	28,669
Prepaid assessments - ending balance	59,588
Performance obligation liabilities - beginning balance	492,297
Performance obligation liabilities - ending balance	565,228

NOTE 5: FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents and Florida Statutes require the Association to accumulate funds for future major repairs and replacements, unless otherwise decided by the voting membership. The Association has adopted a program to accumulate funds for estimated future major repairs and replacements through regular assessments.

The Association uses the cash flow method (i.e. pooled reserve method) of funding the Replacement Fund which pools the reserve components.

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Notes to Financial Statements

NOTE 5: FUTURE MAJOR REPAIRS AND REPLACEMENTS (Continued)

The Association uses the cash flow method (i.e. pooled reserve method) of funding the Replacement Fund which pools the reserve components.

The Board of Directors annually reviews the major components of common property. As a part of this review, the Board re-evaluates the estimated remaining useful lives and the estimated replacement costs of each of the components of the Replacement Fund. Where applicable, licensed contractors and architects are consulted regarding useful lives and replacement costs. The Board of Directors last performed a review of the estimated replacement costs, remaining lives, and funding requirements for the reserve components in 2018, based on professional reserve study performed in 2018.

The Association is funding for future repairs and replacements over the estimated useful lives of the components based on their study's estimates of replacement costs and considering amount previously accumulated in the Replacement Fund. Accordingly, the funding amount of \$114,000 based on a full funding plan, was included in the 2019 budget.

Actual expenditures may vary from the estimated amounts and the variations may be significant; 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 to increase regular assessments, to levy special assessments, or it may delay major repairs and replacements until funds are available.

NOTE 6: INCOME TAXES

The Association elected to file its tax return for 2019 as a regular corporation on Form 1120. As such, the Association must comply with Internal Revenue Code (IRC) Section 277, which applies to certain membership organizations. Under IRC Section 277, the Association is required to separate membership income and expenses from non-membership income and expenses. Each component is taxed separately; however, net membership income is exempt from taxation if certain elections are made. For the year ended December 31, 2019, the Association had a net non-membership loss of \$12,032. No federal or state income taxes are due for 2019.

For the year ended December 31, 2019 and 2018, the Association had a total net non-membership loss of \$32,941, which can be carried forward to offset up to 80% of future net non-membership income annually, if needed. The Association has a net non-membership loss carryforward from years prior to 2018 totaling \$81,269. This amount can be used to offset future net non-membership income, if needed, and will begin expiring 2032.

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Notes to Financial Statements

NOTE 6: INCOME TAXES (Continued)

The Association's cumulative net operating losses of \$107,622 (i.e. net of 20% non-carryforward amounts for 2018 & 2019) can be carried forward to offset future net non-membership income, if needed. No federal or state income taxes are due for 2019. This net operating loss carryforward represents a deferred tax asset of approximately \$22,601. However, since the Association does not expect to have significant non-membership income in the future and since it is more likely than not that this deferred tax asset will not be realized in the future, a valuation allowance of \$22,601 was used to reduce this deferred tax asset.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and recognize a tax liability if the Association has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Association and has concluded that as of December 31, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Association's policy is to record interest expense or penalties related to income tax in (operating) expense. For the year ended December 31, 2019, no interest or penalties were paid or accrued. The Association is subject to routine audits by taxing jurisdictions; however, there are no audits for any tax periods in progress. The Association's management believes it is no longer subject to income tax examinations for years prior to 2016.

NOTE 7: WINDSTORM DEDUCTIBLE

The insurance policy for windstorm coverage renewed April 2019. The co-insurance deductible amount for named hurricane storms is approximately \$79,000, which represents 5% of the insured value of the residential buildings and structures. Also, the Association is subject to a \$5,000 building deductible for each of the 13 structures insured. Thus, if all 13 structures have significant windstorm damage, then, the Association is subject to an additional \$65,000 of deductible in the aggregate.

NOTE 8: CREDIT RISK

The Association assesses regular and special assessments to its members. It is the Association's policy to turn over significantly past due accounts for collection and to file liens against the individual condominium units. Should the collection of any such liens be enforced by the sale of the unit, the collectability of the receivable is dependent on the quick sale market value of the unit, and the amount of any such other liens that have priority. Market value may be influenced by the real estate market in Okeechobee, Florida.

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Notes to Financial Statements

NOTE 9: CERTIFICATES OF DEPOSIT

At December 31, 2019, the Association had \$345,512 of Replacement Fund monies in five certificates of deposit at two local financial institutions. The carrying value of these certificates of deposit is cost plus its accrued interest.

NOTE 10: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

December 31,	2019
Furniture and fixtures	\$ 20,322
Equipment	90,110
Golf equipment	113,649
Total cost	224,081
Less accumulated depreciation	(188,690)
Property and equipment, net	\$ 35,391

Depreciation expense for the year ended December 31, 2019 was \$6,506.

NOTE 11: NOTES PAYABLE

The following is a summary of the Association's notes payable for 2019:

<i>December 31,</i>	2019
The Association 100% financed a Kubota Tactor in December 2018 through a 60 month installment note payable, stated interest at 0%; the Association has imputed interest on this debt at 3%; monthly payments of principal & interest is \$561; note payable matures on January 15, 2024. The note is secured by the Kubota Tractor.	\$ 24,423

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Notes to Financial Statements

NOTE 11: NOTES PAYABLE (Continued)

A schedule of maturities of long-term debt is as follows:

<i>Year Ending December 31,</i>	2019
2020	\$ 5,545
2021	6,225
2022	6,414
2023	6,239
<hr/>	
Total	\$ 24,423

The balance of the note payable of \$24,423 approximates the fair value of the note at December 31, 2019.

NOTE 12: RELATED PARTY TRANSACTIONS

All five of the Association's Board members provided maintenance supplies, utility plant supplies, office supplies, tools, and transportation services to the Association for which these Board members were reimbursed in 2019. The Association reimbursed these various Board members a total of \$6,430 for these expenses for the year ended December 31, 2019. The Association had paid these reimbursements in full in 2019 and none of these amounts were due to these Board members as of December 31, 2019.

Supplementary Information

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Schedule of Changes in Accumulated Funds for Future Major Repairs and Replacements

For the year ended December 31,

2019

Component	Beginning Balance	Additions	Subtractions	Ending Balance
Pooled items				
Irrigation repairs			\$ 6,212	
Pool heater & pool pump			18,538	
Clubhouse improvements			18,100	
Sewer motor repair/replacement			1,296	
Equipment repairs			2,330	
Total	\$ 492,297	\$ 119,407	\$ 46,476	\$ 565,228

For the year ended December 31,

2019

Performance obligation liability				\$ 565,228
Replacement fund balance				-
Total				\$ 565,228

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Schedule of Operating Fund Revenue and Expense – Budget to Actual

For the year ended December 31,

2019

	Actual	Budget (Unaudited)	Variance Favorable (Unfavorable) (Unaudited)
Revenue			
Regular assessments	\$ 431,805	\$ 433,979	\$ (2,174)
Golf membership fees	19,639	20,000	(361)
Miscellaneous Income	16,901	-	16,901
Total revenue	468,345	453,979	14,366
Expenses			
Administrative	45,220	20,933	(24,287)
Depreciation	6,506	-	(6,506)
Golf course maintenance	25,726	25,800	74
Insurance	33,831	33,714	(117)
Maintenance and repairs	155,543	181,472	25,929
Personnel	155,415	130,860	(24,555)
Utilities	60,370	61,200	830
Total expenses	482,611	453,979	(28,632)
Excess (deficit) of revenue over expenses	\$ (14,266)	\$ -	\$ (14,266)

Blue Cypress Golf & RV Resort Condominium Association, Inc.
Supplementary Information on Future Major Repairs and Replacements
(Unaudited)

The following table is based on the Board’s review and presents significant information about the components of common property:

Component	Estimated Remaining Useful Life (Years)	Estimated Replacement Cost	Accumulated Fund Balance 12/31/19
Site and grounds	0 - 11	\$ 505,000	
Water treatment	0 - 11	346,250	
Sewage treatment	0 - 22	226,800	
Amenities	0 - 27	179,100	
Other mechanical	0 - 12	132,400	
Total		\$ 1,389,550	\$ 565,228