



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

**FINANCIAL STATEMENTS (AND
SUPPLEMENTARY INFORMATION)**

December 31, 2022

Table of Contents



REPORT	PAGE
Independent Auditors' Report.....	1
FINANCIAL STATEMENTS	
Balance Sheet.....	4
Statement of Revenue, Expenses and Changes in Fund Balance	5
Statement of Cash Flows	6
Notes to Financial Statements.....	7
SUPPLEMENTARY INFORMATION	
Schedule of Changes in Accumulated Funds for Future Major Repairs and Replacements	15
Schedule of Operating Fund Revenue and Expenses – Budget and Actual.....	16
Supplementary Information on Future Major Repairs and Replacements (Unaudited)	17



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

INDEPENDENT AUDITORS' REPORT

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

(850) 837-3141
(850) 654-4619 (fax)
CRlcpa.com

Opinion

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, 2022, 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.

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, 2022, 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.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Blue Cypress Golf & RV Resort Condominium 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.

Responsibilities of Management 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, and 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 Blue Cypress Golf & RV Resort Condominium 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.

Auditors' 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 auditors' 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 judgement 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 Blue Cypress Golf & RV Resort Condominium 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Blue Cypress Golf & RV Resort Condominium 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.

Report on Summarized Comparative Information

We have previously audited Blue Cypress Golf & RV Resort Condominium Association, Inc.'s 2021 financial statements, and our report dated April 26, 2022, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of changes in accumulated funds for future major repairs and replacements and schedule of operating fund revenue and expenses – budget and actual are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Association's management and 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.

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

March 9, 2023

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

<i>December 31,</i>	2022			2021	
	Operating Fund	Replacement Fund	Total	Total (For Comparative Purposes)	
Assets					
Cash and cash equivalents	\$ 131,171	\$ 274,064	\$ 405,235	\$	329,173
Certificates of deposit	-	241,521	241,521		239,688
Accounts receivable	43	-	43		2,650
Prepaid expenses	18,114	-	18,114		18,114
Property and equipment, net	55,839	-	55,839		42,740
Utility deposit	40	-	40		40
Interfund balance	(28)	28	-		-
Total assets	\$ 205,179	\$ 515,613	\$ 720,792	\$	632,405
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ 2,511	\$ -	\$ 2,511	\$	2,242
Prepaid assessments	28,903	-	28,903		47,782
Performance obligation liability	-	515,613	515,613		442,013
Prepaid golf membership dues	14,178	-	14,178		13,566
Note payable	7,169	-	7,169		13,583
Total liabilities	52,761	515,613	568,374		519,186
Fund balance					
Designated for deferred capital maintenance	42,549	-	42,549		42,549
Undesignated	109,869	-	109,869		70,670
Total fund balance	152,418	-	152,418		113,219
Total liabilities and fund balance	\$ 205,179	\$ 515,613	\$ 720,792	\$	632,405

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

<i>For the year ended December 31,</i>	2022			2021
	Operating Fund	Replacement Fund	Total	Total (For Comparative Purposes)
Revenue				
Regular assessments	\$ 465,553	\$ 57,427	\$ 522,980	\$ 558,936
Special assessments	-	-	-	6,117
Golf membership fees	24,675	-	24,675	18,769
Interest income	22	2,320	2,342	2,341
PPP loan forgiveness	-	-	-	29,925
Miscellaneous income	28,566	-	28,566	22,315
Total revenue	518,816	59,747	578,563	638,403
Expenses				
Administrative	22,891	-	22,891	29,293
Depreciation	6,561	-	6,561	5,859
Golf course maintenance	24,264	-	24,264	29,842
Insurance	45,124	-	45,124	54,322
Maintenance and repairs	175,075	59,747	234,822	301,796
Personnel	135,632	-	135,632	128,205
Special assessment	-	-	-	9,871
Utilities	70,070	-	70,070	65,723
Total expenses	479,617	59,747	539,364	624,911
Excess of revenue over expenses	39,199	-	39,199	13,492
Beginning fund balance	113,219	-	113,219	99,727
Ending fund balance	\$ 152,418	\$ -	\$ 152,418	\$ 13,492

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

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

<i>For the year ended December 31,</i>	2022			2021	
	Operating Fund	Replacement Fund	Total	Total (For Comparative Purposes)	
Operating activities					
Excess of revenue over expenses	\$ 39,199	\$ -	\$ 39,199	\$	13,492
Adjustments to reconcile excess (deficit) of revenue over expenses to net cash provided (used) by operating activities:					
PPP loan forgiveness income	-	-	-		(29,925)
Depreciation	6,561	-	6,561		5,859
Changes in operating assets and liabilities:					
Accounts receivable	2,607	-	2,607		(1,517)
Accounts payable	269	-	269		(332)
Prepaid assessments	(18,879)	-	(18,879)		27,643
Prepaid golf membership dues	612	-	612		6,083
Performance obligation	-	73,600	73,600		31,545
Interfund balance	1	(1)	-		-
Net cash provided by operating activities	30,370	73,599	103,969		52,848
Investing activities					
Purchase of certificates deposit	-	(1,833)	(1,833)		(2,076)
Purchase of property and equipment	(19,660)	-	(19,660)		(10,120)
Net cash used by investing activities	(19,660)	(1,833)	(21,493)		(12,196)
Financing activities					
Loan payments	(6,414)	-	(6,414)		(6,224)
Net cash used by financing activities	(6,414)	-	(6,414)		(6,224)
Net increase in cash	4,296	71,766	76,062		34,428
Cash at beginning of year	126,875	202,298	329,173		294,745
Cash at end of year	\$ 131,171	\$ 274,064	\$ 405,235	\$	329,173

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, when so required by the governing documents of the Association.

Management and accounting services are provided to the Association by their Board of Directors 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). The financial statements include certain prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with general accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

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 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 Association has designated \$42,549 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.

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 allocated to the pooled components.

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, 2022, no allowance has been established at this time.

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.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, which ranges from 7 to 15 years, 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, 2022. 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, performance obligation and prepaid golf membership dues liabilities.

Revenue Recognition

The Association recognizes 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 include the Association's members and golf customers.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 9, 2023, and determined there were no such events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

NOTE 3: OWNERS' ASSESSMENTS

Revenue and expenses are allocated to the unit owners equally, and accordingly, assessment rates are established using this formula. The rate for 2022 was approximately \$200 per month. Budgeted assessments for the year ended December 31, 2022 totaled \$596,580, of which \$131,027 was allocated to the replacement fund.

The following table reconciles budgeted regular assessments to the amounts recognized as assessment revenue in the statement of revenue, expenses and changes in fund balance:

<i>For the year ended December 31,</i>	2022		
	Operating Fund	Replacement Fund	Total
Budgeted regular assessments	\$ 465,553	\$ 131,027	\$ 596,580
Less additions to performance obligation	-	(73,600)	(73,600)
Total assessments	\$ 465,553	\$ 57,427	\$ 522,980

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, 2022, the Association has reported a performance obligation liability totaling \$515,613, 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 assessments and membership fees, revenue is recognized as time elapses and the Association performs routine maintenance,

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

NOTE 4: REVENUE RECOGNITION (Continued)

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. For miscellaneous income, revenue is recognized at the point in time when levied, assessed or earned.

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

<i>For the year ended December 31,</i>	2022
<i>Recognized over time</i>	
Operating fund assessments	\$ 465,553
Golf membership fees	24,675
<i>Recognized at a point in time</i>	
Replacement fund assessments	57,427
Miscellaneous income	28,566
<i>Not subject to ASC Topic 606</i>	
Interest income	2,342
Total revenue	\$ 578,563

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

<i>For the year ended December 31,</i>	2022
Accounts receivable - beginning balance	\$ 2,650
Accounts receivable - ending balance	43
Contract assets - no beginning or ending balance for the year	
Contract liabilities	
Prepaid assessments - beginning balance	47,782
Prepaid assessments - ending balance	28,903
Prepaid golf membership dues - beginning balance	13,566
Prepaid golf membership dues - ending balance	14,178
Performance obligation liabilities - beginning balance	442,013
Performance obligation liabilities - ending balance	515,613

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

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.

The Association used information in the Declaration of Condominium to estimate the remaining useful lives and replacement costs of the major components of common property. The Board of Directors annually this information as part of the budget process. 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. The Board of Directors last performed a review of the estimated replacement costs, remaining lives, and funding requirements for the reserve components in 2022, based on professional reserve study performed in 2022.

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 \$131,027, based on a full funding plan, was included in the 2022 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 2022 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, 2022, the Association had a net non-membership loss of \$14,383, which can be carried forward indefinitely to offset a portion of future net nonmembership income annually.

The Association's cumulative net operating losses of \$166,554 can be carried forward to offset future net non-membership income, if needed, and some of the net operating losses will expire in 2037. This net operating loss carryforward represents a deferred tax asset of approximately \$35,000. However, since the Association does not expect to have significant non-membership

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

NOTE 6: INCOME TAXES (Continued)

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 \$35,000 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, 2022, 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, 2022, 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 2019.

NOTE 7: WINDSTORM DEDUCTIBLE

The insurance policy for windstorm coverage renewed April 2022. The co-insurance deductible amount for named hurricane storms is approximately \$85,000, 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 11 structures insured. Thus, if all 11 structures have significant windstorm damage, then, the Association is subject to an additional \$60,000 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.

The Association places its cash and certificates of deposit with federally insured financial institutions. At times, the balances at these financial institutions may exceed the FDIC insured limit.

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

NOTE 9: CERTIFICATES OF DEPOSIT

At December 31, 2022, the Association had \$241,521 of replacement fund monies in three certificates of deposit at one local financial institution. The carrying value of these certificates of deposit is cost plus its accrued interest, which approximates fair value.

NOTE 10: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

December 31,	2022
Furniture and fixtures	\$ 20,322
Equipment	90,110
Golf equipment	153,761
Total cost	264,193
Less accumulated depreciation	(208,354)
Property and equipment, net	\$ 55,839

NOTE 11: NOTE PAYABLE

The following is a summary of the Association's note payable for 2022:

<i>December 31,</i>	2022
The Association financed a Kubota Tractor 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.	\$ 7,169

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

<i>For the year ending December 31,</i>	2022
2023	6,609
2024	560
Total	\$ 7,169

The balance of the note payable of \$7,169 approximates the fair value of the note at December 31, 2022.

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,

2022

Component	Beginning Balance	Additions	Subtractions	Ending Balance
Pooled items				
Water treatment			\$ (45,902)	
Amenities			(13,845)	
Total	\$ 442,013	\$133,347	\$ (59,747)	\$515,613
<i>December 31,</i>				
				2022
Performance obligation liability				\$515,613
Replacement fund balance				-
Total				\$515,613

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

For the year ended December 31,

2022

	Actual	Budget (Unaudited)	Variance Favorable (Unfavorable) (Unaudited)
Revenue			
Regular assessments	\$ 465,553	\$ 470,895	\$ (5,342)
Golf membership fees	24,675	17,000	7,675
Interest income	22	-	22
Miscellaneous income	28,566	-	28,566
Total revenue	518,816	487,895	30,921
Expenses			
Administrative	22,891	39,242	16,351
Depreciation	6,561	-	(6,561)
Golf course maintenance	24,264	23,700	(564)
Insurance	45,124	56,014	10,890
Maintenance and repairs	175,075	169,647	(5,428)
Personnel	135,632	137,792	2,160
Utilities	70,070	61,500	(8,570)
Total expenses	479,617	487,895	8,278
Excess of revenue over expenses	\$ 39,199	\$ -	\$ 39,199

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 12/31/22
Site and grounds	0 - 8	\$ 508,300	
Water treatment	0 - 8	429,370	
Sewage treatment	0 - 27	450,425	
Amenities	0 - 23	266,500	
Other mechanical	0 - 9	298,265	
Total		\$ 1,952,860	\$ 515,613