

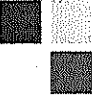


**Blue Cypress Golf & Resort
Condominium Association, Inc.**

**FINANCIAL STATEMENTS (AND
SUPPLEMENTARY INFORMATION)**

December 31, 2023

Table of Contents



REPORT	PAGE
Independent Auditor's 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	16
Schedule of Operating Fund Revenue and Expenses – Budget and Actual.....	17
Supplementary Information on Future Major Repairs and Replacements (Unaudited)	18



CRI CARR
RIGGS &
INGRAM
CPAs and Advisors

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

INDEPENDENT AUDITOR'S 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, 2023, 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, 2023, 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 Auditor's 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.

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 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 2022 financial statements, and our report dated March 9, 2023, 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, 2022 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 5, 2024

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

<i>December 31,</i>	2023			2022	
	Operating Fund	Replacement Fund	Total	Total (For Comparative Purposes)	
Assets					
Cash and cash equivalents	\$ 152,364	\$ 347,962	\$ 500,326	\$	405,235
Certificates of deposit	-	243,373	243,373	\$	241,521
Accounts receivable, net of allowance for credit losses of \$0	18	-	18	\$	43
Prepaid expenses	18,114	-	18,114	\$	18,114
Property and equipment, net	67,872	-	67,872	\$	55,839
Utility deposit	40	-	40	\$	40
Interfund balance	(48)	48	-	\$	-
Total assets	\$ 238,360	\$ 591,383	\$ 829,743	\$	720,792
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ 4,892	\$ 32,653	\$ 37,545	\$	2,511
Prepaid rental revenue	3,945	-	3,945	\$	-
Prepaid assessments	29,059	-	29,059	\$	28,903
Performance obligation liability	-	558,730	558,730	\$	515,613
Prepaid golf membership dues	12,903	-	12,903	\$	14,178
Note payable	560	-	560	\$	7,169
Total liabilities	51,359	591,383	642,742	\$	568,374
Fund balance					
Designated for deferred capital maintenance	42,087	-	42,087	\$	42,549
Undesignated	144,914	-	144,914	\$	109,869
Total fund balance	187,001	-	187,001	\$	152,418
Total liabilities and fund balance	\$ 238,360	\$ 591,383	\$ 829,743	\$	720,792

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>	2023			2022	
	Operating Fund	Replacement Fund	Total	Total (For Comparative Purposes)	
Revenue					
Regular assessments	\$ 506,100	\$ 106,883	\$ 612,983	\$	522,980
Golf membership fees	25,773	-	25,773		24,675
Interest income	60	9,055	9,115		2,342
Miscellaneous income	18,105	-	18,105		28,566
Total revenue	550,038	115,938	665,976		578,563
Expenses					
Administrative	30,310	-	30,310		22,891
Depreciation	6,611	-	6,611		6,561
Golf course maintenance	17,604	-	17,604		24,264
Insurance	64,310	-	64,310		45,124
Maintenance and repairs	186,774	97,294	284,068		234,822
Personnel	148,908	-	148,908		135,632
Utilities	79,582	-	79,582		70,070
Total expenses	534,099	97,294	631,393		539,364
Excess of revenue over expenses	15,939	18,644	34,583		39,199
Beginning fund balance	152,418	-	152,418		113,219
Interfund transfer	18,644	(18,644)	-		-
Ending fund balance	\$ 187,001	\$ -	\$ 187,001	\$	152,418

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>	2023			2022	
	Operating Fund	Replacement Fund	Total	Total (For Comparative Purposes)	
Operating activities					
Excess of revenue over expenses	\$ 15,939	\$ 18,644	\$ 34,583	\$ 39,199	
Adjustments to reconcile excess (deficit) of revenue over expenses to net cash provided (used) by operating activities:					
Depreciation	6,611	-	6,611	6,561	
Changes in operating assets and liabilities:					
Accounts receivable	25	-	25	2,607	
Accounts payable	2,381	32,653	35,034	269	
Prepaid rental revenue	3,945	-	3,945	-	
Prepaid assessments	156	-	156	(18,879)	
Prepaid golf membership dues	(1,275)	-	(1,275)	612	
Performance obligation	-	43,117	43,117	73,600	
Interfund balance	20	(20)	-	-	
Net cash provided by operating activities	27,802	94,394	122,196	103,969	
Investing activities					
Purchase of certificates deposit	-	(1,852)	(1,852)	(1,833)	
Purchase of property and equipment	(18,644)	-	(18,644)	(19,660)	
Net cash used by investing activities	(18,644)	(1,852)	(20,496)	(21,493)	
Financing activities					
Interfund transfer	18,644	(18,644)	-	-	
Loan payments	(6,609)	-	(6,609)	(6,414)	
Net cash provided (used) by financing activities	12,035	(18,644)	(6,609)	(6,414)	
Net increase in cash	21,193	73,898	95,091	76,062	
Cash at beginning of year	131,171	274,064	405,235	329,173	
Cash at end of year	\$ 152,364	\$ 347,962	\$ 500,326	\$ 405,235	

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.

The Association is self-managed.

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, 2022, 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 \$42,087 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 Credit Losses

Accounts receivable from owners are reported at the outstanding balance due from owners, net of any allowance for credit losses. The Association evaluates its receivables on an ongoing basis by analyzing owner relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of probable credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When specific accounts are determined to be uncollectible, they are written off by charging the allowance and crediting the receivable.

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, 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, 2023. 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 5, 2024, 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 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Guidance

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Association adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only. Please refer to the accounts receivable from owners policy note.

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 2023 was approximately \$220 per month. Budgeted assessments for the year ended December 31, 2023 totaled \$656,070, of which \$150,000 was allocated to the replacement fund.

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

<i>For the year ended December 31,</i>	2023		
	Operating Fund	Replacement Fund	Total
Budgeted regular assessments	\$ 506,070	\$ 150,000	\$ 656,070
Miscellaneous difference	30	-	30
Less additions to performance obligation	-	(43,117)	(43,117)
Total assessments	\$ 506,100	\$ 106,883	\$ 612,983

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, 2023, the Association has reported a performance obligation liability totaling \$558,730, 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, 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.

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

NOTE 4: REVENUE RECOGNITION (Continued)

<i>For the year ended December 31,</i>	2023
Recognized over time	
Operating fund assessments	\$ 506,100
Golf membership fees	25,773
Recognized at a point in time	
Replacement fund assessments	106,883
Miscellaneous income	18,105
Not subject to ASC Topic 606	
Interest income	9,115
Total revenue	\$ 665,976

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

<i>For the year ended December 31,</i>	2023
Accounts receivable - beginning balance	\$ 43
Accounts receivable - ending balance	18
Contract assets - no beginning or ending balance for the year	
Contract liabilities	
Prepaid assessments - beginning balance	28,903
Prepaid assessments - ending balance	29,059
Prepaid golf membership dues - beginning balance	14,178
Prepaid golf membership dues - ending balance	12,903
Performance obligation liabilities - beginning balance	515,613
Performance obligation liabilities - ending balance	558,730

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 conducted a study in 2022 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 2023.

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 \$150,000, based on a full funding plan, was included in the 2023 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 2023 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, 2023, the Association had a net non-membership loss of \$4,119, which can be carried forward indefinitely to offset a portion of future net nonmembership income annually.

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 \$171,212 which 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 \$36,000. 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 \$36,000 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, 2023, 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, 2023, 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 2020.

NOTE 7: WINDSTORM DEDUCTIBLE

The insurance policy for windstorm coverage renewed April 2023. The co-insurance deductible amount for named hurricane storms is approximately \$113,478, which represents 10% of the insured value of the residential buildings and structures. Also, the Association is subject to a \$10,000 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 \$110,000 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, 2023, the Association had \$243,373 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,	2023
Furniture and fixtures	\$ 20,322
Equipment	90,110
Golf equipment	172,405
Total cost	282,837
Less accumulated depreciation	(214,965)
Property and equipment, net	\$ 67,872

NOTE 11: NOTE PAYABLE

The following is a summary of the Association's note payable for 2023:

<i>December 31,</i>	2023
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.	\$ 560

The balance of the note payable of \$560 approximates the fair value of the note at December 31, 2023.

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, 2023

Component	Beginning Balance	Additions	Subtractions	Transfers	Ending Balance
Pooled items					
Water treatment			\$ (51,967)		
Amenities			(33,200)		
Other mechanical			<u>(12,127)</u>		
Total	\$ 515,613	\$ 159,055	\$ (97,294)	\$ (18,644)	\$ 558,730

<i>December 31,</i>	2023
Performance obligation liability	\$558,730
Replacement fund balance	-
Total	\$558,730

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

For the year ended December 31,

2023

	Actual	Budget (Unaudited)	Variance Favorable (Unfavorable) (Unaudited)
Revenue			
Regular assessments	\$ 506,100	\$ 506,070	\$ 30
Golf membership fees	25,773	20,000	5,773
Interest income	60	-	60
Miscellaneous income	18,105	-	18,105
Total revenue	550,038	526,070	23,968
Expenses			
Administrative	30,310	33,700	3,390
Depreciation	6,611	-	(6,611)
Golf course maintenance	17,604	24,700	7,096
Insurance	64,310	56,714	(7,596)
Maintenance and repairs	186,774	189,571	2,797
Personnel	148,908	155,385	6,477
Utilities	79,582	66,000	(13,582)
Total expenses	534,099	526,070	(8,029)
Excess of revenue over expenses	\$ 15,939	\$ -	\$ 15,939

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 12/31/23
Site and grounds	0 - 7	\$ 508,300	
Water treatment	0 - 7	429,370	
Sewage treatment	0 - 26	450,425	
Amenities	0 - 22	266,500	
Other mechanical	0 - 13	298,265	
Total		\$ 1,952,860	\$ 558,730



CRI CARR
RIGGS &
INGRAM
CPAs and Advisors

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

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

March 5, 2024

The Board of Directors and Management of
Blue Cypress Golf & RV Resort Condominium Association, Inc.

We are pleased to present the results of our audit of the 2023 financial statements of Blue Cypress Golf & RV Resort Condominium Association, Inc., (the "Association").

This report to Board of Directors and management summarizes our audit, the report issued and various analyses and observations related to the Association's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the Association's 2023 financial statements. We considered the Association's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the Association's personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the use of the Board of Directors and management of the Association and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 850-837-3141 or tfulmer@cricpa.com.

Very truly yours,

Tim Fulmer, CPA

Required Communications



As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the Association. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on the Association's financial statements for the year ended December 31, 2023;
- Communicate directly with the Board of Directors and management regarding the results of our procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management; and
- Address other audit-related projects as they arise and upon request.

Required Communications

We have audited the financial statements of Blue Cypress Golf & RV Resort Condominium Association, Inc. (the Association) for the year ended December 31, 2023, and have issued our report thereon dated March 5, 2024. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Auditors' responsibility under Generally Accepted Auditing Standards	<p>As stated in our engagement letter dated October 18, 2023 our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the Association. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
Client's responsibility	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud. Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
Planned scope and timing of the audit	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
Management judgments and accounting estimates	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."</p>
Potential effect on the financial statements of any significant risks and exposures	<p>No such risks or exposures were noted.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</p>	<p>Significant accounting policies are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure windstorm deductible in Note 7 to the financial statements.</p> <p>The financial statement disclosures are neutral, consistent, and clear.</p>
<p>Significant difficulties encountered in the audit</p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p>Disagreements with management</p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p>Other findings or issues</p>	<p>None.</p>
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management</p>	<p>None.</p>
<p>Corrected and uncorrected misstatements</p>	<p>See "Summary of Audit Adjustments".</p>
<p>Major issues discussed with management prior to retention</p>	<p>Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p>Consultations with other accountants</p>	<p>To our knowledge, there were no such consultations with other accountants.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Written representations	We have requested certain representations from management that are included in the management representation letter dated March 5, 2024.
Internal control deficiencies	None.
Fraud and illegal acts	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
Other information in documents containing audited financial statements	Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether: Such information is materially inconsistent with the financial statements; and We believe such information represents a material misstatement of fact. We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.
Significant unusual accounting transactions	No significant unusual accounting transactions were noted during the year.
Supplementary Information in relation to the financial statements as a whole	We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Accounting Policies, Judgments, and Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the Association's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Board of Directors may wish to monitor throughout the year the process used to compute and record these accounting estimates.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITORS' CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Replacement funding	The Association has adopted a plan to accumulate funds for estimated future major repairs and replacements through regular assessments. The Board of Directors annually reviews the major components of common property and includes a funding amount in the annual budget, unless appropriately waived by a vote of Association membership.	X	As part of the annual review, the Board generally reevaluates the estimated remaining useful lives and estimated replacement costs of each replacement fund component. These amounts are based on a reserve study that was performed in October 2022. Based on the estimates of remaining useful lives and replacement costs, and considering amounts previously accumulated, the Board of Directors estimated a reserve funding amount in the current year budget. Actual expenditures may vary from the estimated amounts and the variations may be significant.	The Association's policies are in accordance with all applicable guidelines.