

**BREEZY PINES RV ESTATES
CONDOMINIUM ASSOCIATION, INC.**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
December 31, 2023**

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DAVIS & ASSOCIATES

Certified Public Accountants
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Independent Accountants' Review Report

To the Board of Directors of
Breezy Pines RV Estates Condominium Association, Inc.

We have reviewed the accompanying financial statements of Breezy Pines RV Estates Condominium Association, Inc., which comprise the balance sheet as of December 31, 2023, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 the material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Breezy Pines RV Estates Condominium Association, Inc. and to meet our other ethical responsibilities,

in accordance with the relevant ethical requirements related to my our review.

Accountants' Conclusion on the Financial Statements

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property 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, which 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 not audited, reviewed, or compiled the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on it.

Other Supplementary Information

The supplementary information in the Schedule of Operating Fund Revenues and Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Davis & Associates

Certified Public Accountants

Naples, Florida

September 9, 2025

Breezy Pines RV Estates Condominium Association, Inc.
Balance Sheet
December 31, 2023

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 90,845	\$ 112,656	\$ 203,501
Accounts Receivable	2,708	-	2,708
Prepaid Insurance	20,000	-	20,000
Fixed Assets; Net Accumulated Depreciation	126,144	-	126,144
Land	43,321	-	43,321
Utility Deposits	125	-	125
TOTAL ASSETS	<u>\$ 283,143</u>	<u>\$ 112,656</u>	<u>\$ 395,799</u>
LIABILITIES AND FUND BALANCES			
Contract Liabilities (Assessments received in advance replacement fund)	\$ -	\$ 112,656	\$ 112,656
Accounts Payable	13,025	-	13,025
Prepaid Assessments	38,398	-	38,398
Security Deposit Liability	1,367	-	1,367
Accrued Expenses	6,129	-	6,129
SBA Loan Payable	584,122	-	584,122
Total Liabilities	643,041	112,656	755,697
Fund Balances	(359,898)	-	(359,898)
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 283,143</u>	<u>\$ 112,656</u>	<u>\$ 395,799</u>

Breezy Pines RV Estates Condominium Association, Inc.
Statement of Revenues, Expenses and Changes in Fund Balances
For the Year Ended December 31, 2023

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
REVENUES			
Assessments	\$ 159,067	\$ -	\$ 159,067
Electrical Upgrade & SBA Repay	25,677	-	25,677
Common Upgrade & SBA Repay	5,205	-	5,205
Fee Income	1,441	-	1,441
Rental Income	11,171	-	11,171
Laundry Room Income	4,682	-	4,682
Dryer Machine	4,201	-	4,201
Washing Machine	4,582	-	4,582
Transfer Fee for Lot Sale	800	-	800
Other Miscellaneous Income	2,082	-	2,082
Interest Income	129	-	129
Total Revenues	<u>219,037</u>	<u>-</u>	<u>219,037</u>
EXPENSES			
Insurance	53,658	-	53,658
Payroll	19,033	-	19,033
Utilities	61,583	-	61,583
Repairs & Maintenance	22,620	-	22,620
Office Expenses	11,090	-	11,090
Professional Fees	23,292	-	23,292
Other	33,307	-	33,307
Total Expenses	<u>224,583</u>	<u>-</u>	<u>224,583</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(5,546)	-	(5,546)
BEGINNING FUND BALANCES AS ORIGINALLY STATED	<u>(354,352)</u>	<u>-</u>	<u>(354,352)</u>
ENDING FUND BALANCES	<u><u>\$ (359,898)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (359,898)</u></u>

Breezy Pines RV Estates Condominium Association, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2023

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (Deficiency) of Revenues Over Expenses	\$ (5,546)	\$ -	\$ (5,546)
Adjustments to Reconcile Excess (Deficiency) of Revenues Over Expenses to Net Cash Provided By (Used In) Operating Activities:			
(Increase) Decrease in:			
Assessments Receivable	6,181	-	6,181
Prepaid Insurance	6,465	-	6,465
Fixed Assets	(484)	-	(484)
Accumulated Depreciation	(8,030)	-	(8,030)
Increase (Decrease) in:			
Accounts Payable	13,025	-	13,025
Contract Liabilities (Assessments received in advance replacement fund)	-	21,408	21,408
Payroll Tax Liabilities	(56)	-	(56)
Payroll Tax Liabilities - Employee	(39)	-	(39)
Security Deposit	67	-	67
SBA Loan	(18,456)	-	(18,456)
Prepaid Assessments	25,347	-	25,347
Accrued Expenses	(2,987)	-	(2,987)
Net Cash Provided By (Used In) Operating Activities	<u>15,487</u>	<u>21,408</u>	<u>36,895</u>
Net Increase (Decrease) In Cash	15,487	21,408	36,895
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>75,358</u>	<u>91,248</u>	<u>166,606</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>\$ 90,845</u></u>	<u><u>\$ 112,656</u></u>	<u><u>\$ 203,501</u></u>

**Breezy Pines RV Estates
Condominium Association, Inc.
Notes to Financial Statements
December 31, 2023**

Note A – Nature of Organization

Breezy Pines RV Estates Condominium Association, Inc. (the “Association”) was incorporated on April 20, 2007 in the State of Florida. The developer retained control until approximately February 2009, at which time management responsibility and the right to elect a Board of Directors was transferred to the unit owners. The Association is responsible for the maintenance of the common property within a residential community consisting of 98 parcels, twenty-three of which are mobile home lots and seventy-five are recreational vehicle lots. The association owns one lot, leaving 97 billable units.

Note B – Summary of Significant Accounting Policies

Fund Accounting

The Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose.

Operating Fund – This fund is used to account for financial resources available for the general operations of the Association.

Reserve Fund – This fund is used to accumulate financial resources designated for paying the estimated costs of future major repairs and replacements. Reserve fund cash is held in a separate bank account.

Management estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Association to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

For purposes of reporting cash flows, the Association considers all short-term highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Deferred revenue

Deferred revenue represents amounts billed by the Association for operations in the first quarter of 2024.

**Breezy Pines RV Estates
Condominium Association, Inc.
Notes to Financial Statements
December 31, 2023**

Note B – Summary of Significant Accounting Policies, (continued)

Property and equipment

The Association follows prevalent industry practice, as contained ASC Subtopic 972-360, “Real Estate – Common Interest Realty Associations – Property, Plant and Equipment” in accounting for the common property of the Association. Property is capitalized only if the Association has title or other evidence of ownership of the property, and either the Association can dispose of the property or the property is used by the Association to generate significant cash flow from members on the basis of usage or from nonmembers. Property directly associated with the units is not capitalized. Property not directly associated with the units consists of buildings, equipment and roadways. These items are not capitalized as they do not meet the capitalization criteria.

Should the Association capitalize assets, it would record the assets at cost and depreciate them using the straight-line method over the assets estimated useful life.

Income taxes

The Association has selected a December 31 year-end and files its income tax return as a homeowners’ association in accordance with the Internal Revenue Code Section 528 using form 1120H. Under that Section, the Association is not taxed on uniform assessments to unit owners and other income received from Association unit owners solely as a function of their membership in the Association. The Association is taxed at the rate of 30% on its nonexempt function income, which includes interest income, less a portion of allocated Association expenses. The Association had no tax due for the year ended December 31, 2023.

Interest earned

Interest income earned in the operation fund or the replacement fund is recorded in its respective fund.

Concentration of credit risk

The Association maintains accounts at financial institutions in bank deposits which, at times, may exceed federally insured limits. The Association has not experienced any losses on such accounts and believes it is not exposed to any significant risk on cash. Concentration of credit risk with respect to the receivables relate to billings to unit owners who pay monthly assessments and live within the complex. The Association does not anticipate credit losses in the near future.

**Breezy Pines RV Estates
Condominium Association, Inc.
Notes to Financial Statements
December 31, 2023**

Note B – Summary of Significant Accounting Policies, (continued)

Future Major Repairs and Replacements

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate approximately \$112,656 and are presented on the accompanying balance sheet as contract liability (assessments received in advance-replacement fund) at December 31, 2023, are held in a separate bank account and are generally not available for operating purposes. The funding program was based on a study performed or adopted by the Board of Directors to estimate the remaining useful lives and replacement costs of the common property components. The estimates were obtained from licensed contractors or the manager who inspected the property.

The Association is funding such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the Reserve Fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the Reserve Fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

Revenue recognition

Assessments are billed monthly and revenue is recognized monthly in the amount of the assessment allocation specified for current period operations, based on the annual budget adopted by the Board of Directors. Each unit owner is an Association member and an equal portion of the assessment is assessed for each unit.

Contract Liabilities (Assessments Received in Advance—Replacement Fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-replacement fund) is (are) recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. During the current year, the Association assessed and received \$19,456 and \$5 of interest in the replacement fund. The balances of contract liabilities (assessments received in advance—replacement fund) as of the beginning and end of the year are \$91,248 and \$112,656, respectively.

**Breezy Pines RV Estates
Condominium Association, Inc.
Notes to Financial Statements
December 31, 2023**

Note C – Assessments Receivable

Assessments receivable are carried at the original charge amount less an estimate made for doubtful receivables, if any, based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Assessments receivable are written off when deemed uncollectible. Recoveries of assessments receivable previously written off are recorded as income when received.

Assessments receivable at December 31, 2023 were \$2,708 with \$0 as an allowance for doubtful accounts.

Note D – Subsequent Events

Management has assessed subsequent events through September 9, 2025, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Breezy Pines RV Estates Condominium Association, Inc.
Supplementary Information about Future Major Repairs and Replacements
December 31, 2023

The Association's Board of Directors conducted a study to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were obtained from licensed contractors who inspected the property. Replacement costs were based on the estimated costs to repair or replace the common property components at the time of the study. Estimated current replacement costs have not been revised and do not take into account the effects of inflation or interest rates between the date of the study and the date that the components will require repair or replacement.

The following information is based on estimates provided at the time of budget preparation and presents significant information about the components of common property.

Components	Remaining Life (Years)	Estimated Replacement Cost
Recreational Hall Roof Replacement	9	\$ 12,000
Recreational Hall Painting and Updating	7	3,000
Road Resurfacing 2	2	3,000
Road Resurfacing 1	2	3,000
Security System Replacement or Updatin	3	10,000
Recreational Hall Plumbing Replacement	9	20,000
Recreational Hall Repairs or Updating	25	120,000
Pool Repairs and Updating	14	85,000
Infrastructure Repairs or Updating	45	250,000
Emergency Operating Fund	3	40,000
Unallocated Interest	-	-
		\$ 546,000

Changes in the replacement fund for 2023 consist of the following.

Reserve Account	Begininning Balance	Additions	Ending Balance
Recreational Hall Roof Replacement	\$ -	\$ 7,200	\$ 7,200
Recreational Hall Painting and Updating	-	1,000	\$ 1,000
Road Resurfacing 2	-	3,000	\$ 3,000
Road Resurfacing 1	-	3,000	\$ 3,000
Security System Replacement or Updatin	-	6,000	\$ 6,000
Recreational Hall Plumbing Replacement	-	11,200	\$ 11,200
Recreational Hall Repairs or Updating	-	16,000	\$ 16,000
Pool Repairs and Updating	-	21,236	\$ 21,236
Infrastructure Repairs or Updating	-	20,000	\$ 20,000
Emergency Operating Fund	-	24,000	\$ 24,000
Unallocated Interest	-	20	\$ 20
	\$ -	\$ 112,656	\$ 112,656

Breezy Pines RV Estates Condominium Association, Inc.
Schedule of Operating Fund Revenues and Expenses - Actual
For the Year Ended December 31, 2023

	<u>Amount</u>
REVENUES	
Assessments	\$ 159,067
Electrical Upgrade & SBA Repay	25,677
Common Upgrade & SBA Repay	5,205
Fee Income	1,441
Rental Income	11,171
Laundry Room Income	4,682
Dryer Machine	4,201
Washing Machine	4,582
Transfer Fee for Lot Sale	800
Other Miscellaneous Income	2,082
Interest Income	129
Total Revenues	<u>219,037</u>
INSURANCE	
Officers Liability with EPLI	17,018
Property, General Liability & Crime	13,436
Flood	11,243
Windstorm	11,961
Total Insurance	<u>53,658</u>
PAYROLL	
Gross Wages	16,982
Payroll Taxes, Insurance etc.	2,051
Total Payroll	<u>19,033</u>
UTILITIES	
Cable	37,027
Electric	14,284
Water & Sewer	6,085
Gas	3,383
Trash	804
Total Utilities	<u>61,583</u>
REPAIRS & MAINTENANCE	
Contracted Labor	13,799
Other Repairs & Maintenance	4,298
Pool Supplies	4,523
Total Repairs & Maintenance	<u>22,620</u>
OFFICE EXPENSES	
Software Renewal & Subscriptions	1,021
Office Internet & Park Wifi	3,158

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See Accompanying Notes to Financial Statements and
Independent Accountants' Review Report

Breezy Pines RV Estates Condominium Association, Inc.
Schedule of Operating Fund Revenues and Expenses - Actual
For the Year Ended December 31, 2023

	<u>Amount</u>
Office Supplies	1,939
Recreational Hall TV Cable	1,368
Other Office Expense	1,197
Licenses & Permits	1,881
Office Telephone	526
Total Office Expenses	<u>11,090</u>
PROFESSIONAL FEES	
Bookkeeping Services	10,370
Legal Expense	9,359
Payroll & Payroll Tax Reporting Expense	1,382
Accounting - Tax Services	850
Consulting	1,331
Total Professional Fees	<u>23,292</u>
OTHER EXPENSES	
2024 Road Improvement Project - Residual SBA	650
Interest Expense - SBA Loan	14,855
Depreciation Expense	2,500
Real Estate Tax Expense - RV Lot 14	1,329
Legal Settlements	13,629
Other Expense	344
Total Other Expenses	<u>33,307</u>
Total Operating Expenses	<u>224,583</u>
EXCESS (DEFICIT) OF REVENUES	
OVER (UNDER) EXPENSES	<u><u>\$ (5,546)</u></u>