

***BLUE PACIFIC MOBILE HOME OWNERS'
ASSOCIATION***

A California Nonprofit Mutual Benefit Corporation
FHA PROJECT NO. 121-00410

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**
June 30, 2024 and 2023



BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
FINANCIAL STATEMENTS
June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Blue Pacific Mobile Home Owners' Association

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Blue Pacific Mobile Home Owners' Association, HUD Project No. 121-00410, which comprise the balance sheets as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Blue Pacific Mobile Home Owners' Association as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Pacific Mobile Home Owners' Association 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Pacific Mobile Home Owners' Association'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 and *Government 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 and *Government Auditing Standards*, we:

- Exercise professional judgment 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 Pacific Mobile Home Owners' Association'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Blue Pacific Mobile Home Owners' Association'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis as required by the Uniform Financial Reporting Standards issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 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, such information is fairly stated, in all material respects, in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT (Continued)

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Future Major Repairs and Replacements on page 26 be presented to supplement the basic of financial statement. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standard Board, which considers it to be an essential part of financial reporting for placing the basic financial statement 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 statement. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2024 on our consideration of Blue Pacific Mobile Home Owners' Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Blue Pacific Mobile Home Owners' Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Blue Pacific Mobile Home Owners' Association's internal control over financial reporting and compliance.


Lafayette, California
September 25, 2024

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
BALANCE SHEETS
June 30, 2024 and 2023

	2024	2023
ASSETS		
Property and equipment		
Land	\$ 4,577,961	\$ 4,577,961
Buildings and improvements	1,491,983	1,491,983
Total property and equipment	6,069,944	6,069,944
Less accumulated depreciation	(690,601)	(616,915)
Net property and equipment	5,379,343	5,453,029
 Cash, cash equivalents, and restricted deposits		
Cash - operating	307,256	311,716
Cash - entity	388,081	300,154
Restricted deposits		
Escrow impound deposits	93,497	110,942
Reserve for replacements	258,775	252,551
Debt service reserves	161,551	161,551
Total cash, cash equivalents, and restricted deposits	1,209,160	1,136,914
 Other assets		
Member assessments receivable	7,665	4,334
Prepaid expenses	5,353	5,833
Member note receivable	5,514	6,534
Total other assets	18,532	16,701
Total assets	\$ 6,607,035	\$ 6,606,644
 LIABILITIES AND NET ASSETS		
Note payable, net	\$ 4,527,581	\$ 4,622,698
 Other liabilities		
Accounts payable	70,826	90,917
Accrued wages and vacation	2,146	2,170
Landscape deposits payable	4,500	4,500
Total liabilities	4,605,053	4,720,285
 Net assets without donor restrictions	2,001,982	1,886,359
Total liabilities and net assets	\$ 6,607,035	\$ 6,606,644

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

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2024 and 2023

	2024	2023
REVENUE WITHOUT DONOR RESTRICTIONS		
Assessments		
Member assessments - general	\$ 632,900	\$ 628,296
Member assessments - utility service billings	156,569	142,520
Rental income	37,803	40,054
Total assessments	827,272	810,870
Laundry	3,996	3,279
Tenant charges	1,180	175
Other revenue	6,341	9,403
Interest income		
Note receivable interest	180	212
Operations	103	97
Reserves	1,641	780
Total revenue	840,713	824,816
EXPENSES		
Program services	738,828	755,095
Management and general	71,762	78,868
Total operating expenses	810,590	833,963
Change in net assets from operations	30,123	(9,147)
Change in net assets without donor restrictions	30,123	(9,147)
Sale of member certificate	85,500	-
Net assets without donor restrictions - beginning of year	1,886,359	1,895,506
Net assets without donor restrictions - end of year	\$ 2,001,982	\$ 1,886,359

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

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2024 and 2023

	2024		
	Program Services	Management and General	Total
Administrative expenses	\$ 94,878	\$ 66,648	\$ 161,526
Utilities	113,124	-	113,124
Operating and maintenance	179,917	-	179,917
Taxes and insurance	118,769	-	118,769
Interest expense	134,565	-	134,565
Other financial expenses	23,889	-	23,889
Entity expenses	-	5,114	5,114
Depreciation	73,686	-	73,686
	\$ 738,828	\$ 71,762	\$ 810,590
	2023		
	Program Services	Management and General	Total
Administrative expenses	\$ 91,984	\$ 68,625	\$ 160,609
Utilities	107,001	-	107,001
Operating and maintenance	178,975	-	178,975
Taxes and insurance	129,474	-	129,474
Interest expense	149,441	-	149,441
Other financial expenses	24,332	-	24,332
Entity expenses	-	10,243	10,243
Depreciation	73,888	-	73,888
	\$ 755,095	\$ 78,868	\$ 833,963

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

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue		
Member assessments	\$ 823,941	\$ 809,048
Interest income	1,924	1,089
Laundry and other income	11,517	12,857
Total revenue	837,382	822,994
Expenses		
Administrative expenses	107,070	105,560
Management fee	54,000	54,000
Utilities	112,208	106,748
Maintenance and operating	179,917	178,975
Real estate taxes	110,674	65,012
Property insurance	12,756	16,116
Other taxes and insurance	16,346	14,620
Interest expense - note payable	129,672	144,548
Mortgage insurance premium	23,889	24,332
Entity expenses	4,094	9,255
Total expenses	750,626	719,166
Net cash provided by operating activities	86,756	103,828
CASH FLOWS FROM FINANCING ACTIVITIES		
Sale of member certificate	85,500	-
Principal payments - note payable	(100,010)	(106,013)
Net cash used by financing activities	(14,510)	(106,013)
Increase (decrease) in cash, cash equivalents, and restricted deposits	72,246	(2,185)
Cash, cash equivalents, and restricted deposits - beginning of year	1,136,914	1,139,099
Cash, cash equivalents, and restricted deposits - end of year	\$ 1,209,160	\$ 1,136,914

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

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF ACCOUNTING POLICIES

Blue Pacific Mobile Home Owners' Association, a California nonprofit mutual benefit corporation (Association), was organized to develop, own and operate a 100 space mobile home park located on 9.97 acres in Aptos, California (Project). The Project is regulated under terms of a regulatory agreement with the U.S. Department of Housing and Urban Development (HUD) under Section 207 pursuant to Section 223(f) of the National Housing Act.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

1. Basis of Presentation

The Association presents its financial statements in accordance with generally accepted accounting principles in the United States of America (GAAP) for nonprofit entities. Under this guidance, the Association is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. All the net assets of the Association are net assets without donor restrictions. Furthermore, information is required to segregate program service expenses from management and general expenses.

The Association conforms to accounting guidance on revenue recognition for nonprofit entities. Under this guidance, contributions received, if any, are recorded as support without or with donor restrictions depending on the existence and/or nature of any donor restrictions.

2. Cash, Cash Equivalents, and Concentrations of Credit Risk

Cash is defined as cash on hand and demand deposits with banks. All short-term debt securities purchased with a maturity of three months or less are considered to be cash equivalents. The Association occasionally maintains cash on deposit at a bank in excess of the Federal Deposit Insurance Corporation limit. The Association has not experienced any losses in such accounts and believes that it is not exposed to any significant risk of loss.

3. Property and Equipment

Property and equipment is stated at cost of acquisition. Renewals and improvements are capitalized. The cost of maintenance and repairs is charged to operations when incurred. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method as follows:

Building and improvements	10 to 40 years
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The Association reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in the years ending June 30, 2024 and 2023.

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF ACCOUNTING POLICIES (Continued)

4. Member Assessments Receivable and Revenue Recognition

Association members are subject to annual assessments that are due monthly to provide funds for the Association's payment of the mortgage obligation, improvements, operating expenses, and to contribute to reserves. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligation related to its operating assessment is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to special assessments are satisfied when the funds are expended for their designated purpose.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from members. The Association's by-laws allow the Association to place liens on the properties of members whose assessments are 30 days or more delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year. The Association treats uncollectible assessments as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectible include consideration of past experience and susceptibility to factors outside the Association's control. It is the opinion of the board of directors that the Association will ultimately collect outstanding member assessments receivable and, accordingly, no allowance for uncollectible accounts is deemed necessary as of June 30, 2024 and 2023.

5. Debt Issuance Costs

Debt issuance costs are amortized over the term of the note payable using the straight-line method. GAAP requires that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method. Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the note payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense.

6. Fair Value of Financial Assets and Liabilities

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments. It is not practicable for management to estimate the fair value of accounts receivable and notes payable because of the nature of such instruments and because there is no readily available market information for financial instruments with similar terms.

7. Risks and Uncertainties

The Association is subject to various risks and uncertainties in the ordinary course of business that could have adverse impacts on its operating results and financial condition. Future operations could be affected by changes in the economy or other conditions in the geographical area where the Project is located or by changes in federal, state and/or local low-income housing subsidies or the demand for such housing.

8. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and 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.

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF ACCOUNTING POLICIES (Continued)

9. Advertising Costs

Advertising costs are charged to operations when incurred.

10. Member Certificates

Member certificates are issued by the Association once a member has entered into a proscribed occupancy agreement with the Association and payment of assessments has commenced. Initial member certificates were purchased by members at values determined by the Association. The value received by the Association for the sale of the initial member certificates has been recorded as a component of net assets. Transfers of member certificates are allowed based on criteria set forth in the Association's by-laws. The Association holds 6 member certificates with each having an offering price of \$85,500.

11. Income Taxes

The Association believes that it does not have any uncertain tax positions that are material to the financial statements. The federal and state tax returns for the years ending June 30, 2023, 2022, 2021 and 2020 are subject to examination by regulatory agencies, generally for three years and four years after they were filed for the federal and state returns, respectively.

12. Functional Allocation of Expenses

The costs of providing the programs services has been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expense by nature and function. Program services include all expenses relating to providing housing. Supportive services such as the management fee, management consultants, training, auditing, bookkeeping and accounting are allocated to management and general.

13. Date of Management's Evaluation and Subsequent Events

Management has evaluated subsequent events through September 25, 2024, which is the date the financial statements were available to be issued.

14. Adopted Accounting Standards

On July 1, 2023, the Association adopted ASU No. 2016-13, *Financial Instruments - Credit Losses* (Topic 326) that affects the accounting for management's estimates of current expected credit losses (CECL). Adopting this standard did not have a significant impact on the financial statements.

NOTE B – RESTRICTED DEPOSITS

Escrow Impound Deposits

The Association is required make monthly deposits with the debt servicer in an amount equal to annual property tax, property insurance, and mortgage insurance expenses.

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE B – RESTRICTED DEPOSITS (Continued)

Replacement Reserve

In accordance with the provisions of the HUD Regulatory Agreement, a reserve for replacements has been established to be used for replacement of property. Deposits are to be funded on a monthly basis. All releases require the prior approval of HUD.

Debt Service Reserve

In accordance with the provisions of the loan agreement, a debt service reserve has been established to be used for the purpose of debt service relief. All releases require the prior approval of HUD.

NOTE C – MEMBER NOTE RECEIVABLE

As of June 30, 2024 and 2023, one member has entered into note receivable agreement with the Association for the purchase of their initial member certificate. The note receivable agreement is for a term of 10 years and six months, maturing in August 2031, and bears interest at a rate of 3% per annum. The note receivable is secured by the member certificate held by the borrower and is due in full in the event of sale the member certificate. The note receivable agreement is secured by the members' certificate and interest in their mobile home. As of June 30, 2024 and 2023, member notes receivable including interest totaled \$5,514 and \$6,534, respectively.

NOTE D – MANAGEMENT FEE

The Project is managed by Evans Management Services. A management fee in the amount of \$4,500 per month, or 8.5% of collections, with a month-to-month term and the option to self-renew. Management fees paid during the years ended June 30, 2024 and 2023 totaled \$54,000 and \$54,000, respectively.

NOTE E – NOTE PAYABLE

	<u>2024</u>	<u>2023</u>
Note payable to Red Mortgage Capital, LLC (Lender) serviced by Orix Real Estate Capital, LLC dba Lument Capital (Loan Servicer) in the original amount of \$5,650,000 is due in monthly installments of \$20,880, based upon a 40 year amortization of the loan including interest at 3%. The loan is secured by a deed of trust on the Project and is due in full in the year 2051.		
Total note payable	\$ 4,660,577	\$ 4,760,587
Less: Unamortized debt issuance costs	(132,996)	(137,889)
Note payable, net	\$ 4,527,581	\$ 4,622,698

Principal payments due for each of the next five years, ending June 30 are estimated as follows:

2025 - \$ 112,280	2028 - \$ 122,840
2026 - \$ 115,695	2029 - \$ 126,576
2027 - \$ 119,214	

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE F – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As regulated by the Association's by-laws and regulatory agreement with HUD, financial assets of the Association are intended to be sufficient to meet its general expenditures, liabilities and other obligations as they become due. Project operations are designed to break-even and not result in either surplus cash or a deficit in surplus cash. Generally, any surplus cash generated must be disbursed as permitted under the regulatory agreement.

As of June 30, 2024 and 2023, the Association has financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of the following:

	2024	2023
Cash and cash equivalents	\$ 1,209,160	\$ 1,136,914
Less restricted deposits	(513,823)	(525,044)
Member assessments receivable	7,665	4,334
Total financial assets available	\$ 703,002	\$ 616,204

NOTE G – SUPPLEMENTAL PROPERTY TAX LIABILITY

The Association collects cash from members to fund the potential liability from the assessment of additional property tax on new homes put in place by the members or due to supplemental assessments from the transfer of ownership. The new units are taxed by the county as real property and will assess a tax for the increase in value of the units. The county has determined a method for this assessment and has issued supplemental tax bills which assesses the determined increase in land value of new units to the Association.

The Association is required to collect this increase from the members that are impacted and will use those proceeds to pay the increased assessment.

The increase in the tax is billed to the impacted Members along with their monthly dues. As units turn over, the Association collects an estimate of the increase in taxes and holds the funds in reserve until the new owners receive the supplemental tax bill. At that time the reserve is used to pay the supplemental tax and the member then will be billed monthly for the increase in tax determined by the county. As of June 30, 2024 and 2023, the Association has accrued \$66,788 and \$87,795, respectively, as property tax liability.

NOTE H – VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Association's principal asset consists of a 100-space mobile home park in Aptos, California. The Association's operations are concentrated in the mobile home real estate market. In addition, the Association operates in a heavily regulated environment. The operations of the Association are subject to the administrative directives, rules and regulations of federal agencies, including, but not limited to, the state of California and HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the state of California or HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE I – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents allow for Association, in any calendar year, to levy a special assessment applicable to that year only for the purpose of defraying, in whole or in part the cost any construction, reconstruction, unexpected repairs or replacement of capital improvements belonging to the Association.

The Association has not established a separate special assessment fund to accumulate for future major repairs and replacements. The HUD regulatory agreement required the Association to establish a reserve for replacement account to be held by the Loan Servicer and controlled by HUD for future repairs. The Association funds the reserve from general assessments received from members and does not consider this a special assessment reserve.

The Association's by-laws do not require the Association to engage an independent engineer to estimate the remaining useful lives and replacement costs of the common property components.

SUPPLEMENTARY INFORMATION

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
June 30, 2024

BALANCE SHEET DATA REQUIRED BY HUD

	2024	2023
ASSETS		
Current assets		
1120 Cash - operating	\$ 307,256	\$ 311,716
1125 Cash - entity	388,081	300,154
1130 Member accounts receivable	7,665	4,334
1200 Prepaid expenses	5,353	5,833
1100T Total current assets	708,355	622,037
Restricted deposits		
1310 Escrow impound deposits	93,497	110,942
1320 Reserve for replacements	258,775	252,551
1330 Debt service reserve	161,551	161,551
1300T Total restricted deposits	513,823	525,044
Property and equipment		
1410 Land	4,577,961	4,577,961
1420 Buildings and improvements	1,491,983	1,491,983
1400T Total property and equipment	6,069,944	6,069,944
1495 Less accumulated depreciation	(690,601)	(616,915)
1400N Net property and equipment	5,379,343	5,453,029
Other assets		
1590 Member note receivable	5,514	6,534
1500T Total other assets	5,514	6,534
1000T Total assets	\$ 6,607,035	\$ 6,606,644
LIABILITIES AND NET ASSETS		
Current liabilities		
2110 Accounts payable	\$ 4,038	\$ 3,122
2120 Accrued wages and vacation	2,146	2,170
2150 Accrued property taxes	66,788	87,795
2170 Note payable, current portion	112,280	108,966
2190 Landscape deposits payable	4,500	4,500
2122T Total current liabilities	189,752	206,553
Long-term liabilities		
2320 Note payable, net of current portion	4,548,297	4,651,621
2340 Debt issuance costs	(132,996)	(137,889)
2300T Total long-term liabilities	4,415,301	4,513,732
2000T Total liabilities	4,605,053	4,720,285
Net assets		
3131 Unrestricted net assets	2,001,982	1,886,359
3130 Total net assets	2,001,982	1,886,359
2033T Total liabilities and net assets	\$ 6,607,035	\$ 6,606,644

See Independent Auditor's Report

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
June 30, 2024

STATEMENT OF ACTIVITIES DATA REQUIRED BY HUD

		<u>2024</u>	<u>2023</u>
Revenue			
	Rental revenue		
5120	Rent revenue - gross potential	\$ 670,703	\$ 668,350
5190	Utilities service billings	156,569	142,520
5100T	Total rental revenue	<u>827,272</u>	<u>810,870</u>
5152N	Net rental income	<u>827,272</u>	<u>810,870</u>
	Financial revenue		
5410	Interest income - operations	283	309
5440	Interest income - replacement reserve	1,641	780
5400T	Total financial revenue	<u>1,924</u>	<u>1,089</u>
	Other income		
5910	Laundry	3,996	3,279
5920	Tenant charges	1,180	175
5990	Miscellaneous income	-	9,346
5900T	Total other income	<u>5,176</u>	<u>12,800</u>
5000T	Total revenue	<u>834,372</u>	<u>824,759</u>
Expenses			
	Administrative expenses		
6250	Other renting expense	101	459
6311	Office expenses	11,076	12,340
6320	Management fee	54,000	54,000
6330	Manager's salary	79,804	68,618
6340	Legal expense	1,400	8,188
6350	Audit expense	12,648	14,625
6351	Accounting expense	2,497	2,379
6263T	Total administrative expenses	<u>161,526</u>	<u>160,609</u>
	Utilities		
6451	Water	36,090	33,244
6452	Gas	3,150	4,013
6453	Sewer	73,884	69,744
6400T	Total utilities	<u>113,124</u>	<u>107,001</u>

See Independent Auditor's Report

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
June 30, 2024

STATEMENT OF ACTIVITIES DATA REQUIRED BY HUD (Continued)

		<u>2024</u>	<u>2023</u>
	Operating and maintenance		
6515	Repairs materials	\$ 448	\$ 3,441
6520	Repairs contract	100,734	105,398
6525	Trash removal	45,923	41,937
6520	Grounds contract	30,405	24,915
6530	Security contract	2,407	3,284
6500T	Total operating and maintenance	<u>179,917</u>	<u>178,975</u>
	Taxes and insurance		
6710	Property taxes	89,667	98,738
6711	Payroll taxes	6,701	6,196
6720	Property and comprehensive insurance	12,756	16,116
6721	Fidelity bond insurance	293	315
6722	Workmen's compensation	5,676	4,232
6790	Miscellaneous taxes and licenses	3,676	3,877
6700T	Total taxes and insurance	<u>118,769</u>	<u>129,474</u>
	Financial expenses		
6820	Interest expense - note payable	129,672	144,548
6820	Interest expense - debt issuance costs	4,893	4,893
6850	Mortgage insurance premium	23,889	24,332
6800T	Total financial expenses	<u>158,454</u>	<u>173,773</u>
6000T	Total operating expenses before other expenses	<u>731,790</u>	<u>749,832</u>
5060T	Change in net assets before other expenses	102,582	74,927
6600	Less : Depreciation	73,686	73,888
5060N	Change in net assets before entity expenses	<u>28,896</u>	<u>1,039</u>
	Entity expenses		
7105	Other revenue - corporate entity	6,341	57
7190	Less: Board expenses	(5,114)	(10,243)
7100T	Total entity revenue (expenses)	<u>1,227</u>	<u>(10,186)</u>
3250	Change in net assets	<u>\$ 30,123</u>	<u>\$ (9,147)</u>

See Independent Auditor's Report

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
June 30, 2024

STATEMENT OF ACTIVITIES DATA, PART II

Total principal payments required under the mortgage, even if payments under a S1000-010 Workout Agreement are more or less than those required under the mortgage	<u>\$ 100,010</u>
Replacement reserve deposits required, even if payments may be temporarily S1000-020 suspended or waived	<u>\$ 4,583</u>
Replacement reserve or residual receipts releases which are included as expense S1000-030 items on the Statement of Activities	<u>\$ -</u>

EQUITY DATA REQUIRED BY HUD

	<u>2024</u>	<u>2023</u>
S1100-060 Previous Year Net Assets Without Donor Restrictions	\$ 1,886,359	\$ 1,895,506
S1100-065 Proceeds from sale of membership	85,500	-
3247 Change in Net Assets Without Donor Restrictions	<u>30,123</u>	<u>(9,147)</u>
3131 Net Assets Without Donor Restrictions	<u>\$ 2,001,982</u>	<u>\$ 1,886,359</u>
S1100-050 Previous Year Total Net Assets	\$ 1,886,359	\$ 1,895,506
S1100-055 Proceeds from sale of membership	85,500	-
3250 Change in Total Net Assets from Operations	<u>30,123</u>	<u>(9,147)</u>
3130 Total Net Assets	<u>\$ 2,001,982</u>	<u>\$ 1,886,359</u>

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
June 30, 2024

STATEMENT OF CASH FLOWS DATA REQUIRED BY HUD

		<u>2023</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
	Revenue		
S1200-010	Rental income	\$ 823,941	\$ 809,048
S1200-020	Interest income	1,924	1,089
S1200-030	Laundry and other income	5,176	12,800
S1200-040	Total revenue	<u>831,041</u>	<u>822,937</u>
	Expenses		
S1200-050	Administrative expenses	107,070	105,560
S1200-070	Management fee	54,000	54,000
S1200-090	Utilities	112,208	106,748
S1200-110	Maintenance and operating	179,917	178,975
S1200-120	Real estate taxes	110,674	65,012
S1200-140	Property insurance	12,756	16,116
S1200-150	Other taxes and insurance	16,346	14,620
S1200-180	Interest expense - note payable	129,672	144,548
S1200-210	Mortgage insurance premium	23,889	24,332
S1200-225	Entity expenses	(2,247)	9,255
S1200-230	Total expenses	<u>744,285</u>	<u>719,166</u>
S1200-240	Net cash provided by operating activities	<u>86,756</u>	<u>103,771</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
	Disbursements from (additions to):		
S1200-245	Escrow impound deposits, net	17,445	(16,125)
S1200-250	Reserve for replacements, net	(6,224)	(5,780)
	Net cash provided (used) by investing activities	<u>11,221</u>	<u>(21,905)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
S1200-360	Principal payments - note payable	(100,010)	(106,013)
S1200-455	Entity financing activity	85,500	57
S1200-460	Net cash used by financing activities	<u>(14,510)</u>	<u>(105,956)</u>
S1200-470	Increase (decrease) in operating cash	83,467	(24,090)
S1200-480	Operating cash - beginning of year	611,870	635,960
S1200T	Operating cash - end of year	<u>\$ 695,337</u>	<u>\$ 611,870</u>

See Independent Auditor's Report

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
June 30, 2024

RESERVE FOR REPLACEMENTS

In accordance with the provisions of the HUD Regulatory Agreement, a replacement reserve has been established to be used for replacement of property with the prior approval of HUD. Monthly deposits of \$417 are required. Accordingly, restricted cash is held as follows:

	2024	2023
Balance - July 1	\$ 252,551	\$ 246,771
Monthly deposits	4,583	5,000
Interest earned	1,641	780
Balance - June 30	\$ 258,775	\$ 252,551

DEBT SERVICE RESERVE

In accordance with the provisions of the loan agreement, a debt service reserve has been established to be used for the purposes of debt service relief only. The reserve will be maintained at the initial deposit amount of \$161,551 for the duration of ten years. All releases require the prior approval of HUD. Accordingly, restricted cash is held as follows:

	2024	2023
Balance - July 1	\$ 161,551	\$ 161,551
Interest earned	-	-
Balance - June 30	\$ 161,551	\$ 161,551

COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS AND RESIDUAL RECEIPTS

Cash on hand and in banks:		
Cash - operating	\$ 307,256	
Total cash		\$ 307,256
Less - current obligations:		
Accounts payable	\$ 4,038	
Accrued property taxes	66,788	
Landscape deposits	4,500	
Accrued wages and vacation	2,146	
Total current obligations		(77,472)
Surplus cash		\$ 229,784

See Independent Auditor's Report

**BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
June 30, 2024**

CHANGES IN PROPERTY

	Cost			Balance June 30, 2024
	Balance July 1, 2023	Additions	Removals	
Land	\$ 4,577,961	\$ -	\$ -	\$ 4,577,961
Building and improvements	1,491,983	-	-	1,491,983
Total property	\$ 6,069,944	\$ -	\$ -	\$ 6,069,944
Accumulated depreciation	\$ 616,915	\$ 73,686	\$ -	\$ 690,601
Net book value				\$ 5,379,343

See Independent Auditor's Report

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2024 and 2023

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Agency or Pass- Through Number</u>	<u>Federal Expenditures</u>
<u>Department of Housing and Urban Development</u>			
Section 207 Mortgage Insurance - Manufactured Home Parks	14.127	121-00410	<u>\$ 4,760,587</u>
Total Federal Expenditures			<u><u>\$ 4,760,587</u></u>

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of Blue Pacific Mobile Home Owners' Association, FHA Project No. 121-00410, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Blue Pacific Mobile Home Owners' Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Blue Pacific Mobile Home Owners' Association.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement.

Blue Pacific Mobile Home Owners' Association has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C – LOAN PROGRAM BALANCES OUTSTANDING

Loan balances outstanding as of June 30, 2024 are as follows:

Section 207 Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects	<u>\$ 4,660,577</u>
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See Independent Auditor's Report

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
(UNAUDITED)
June 30, 2024

The Association's by-laws do not require the Association to engage an independent engineer to estimate the remaining useful lives and replacement costs of the common property components. Therefore, the Association does not have an estimate of the remaining useful lives of significant components of common area improvements or the current replacement costs of those significant components.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Blue Pacific Mobile Home Owners' Association

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Blue Pacific Mobile Home Owners' Association, a California nonprofit mutual benefit corporation, FHA Project No. 121-00410, which comprise the balance sheet as of June 30, 2024, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statement, and have issued our report thereon dated September 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Blue Pacific Mobile Home Owners' Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Blue Pacific Mobile Home Owners' Association's internal control. Accordingly, we do not express an opinion on the effectiveness of Blue Pacific Mobile Home Owners' Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Blue Pacific Mobile Home Owners' Association's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Blue Pacific Mobile Home Owners' Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS (Continued)**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Blue Pacific Mobile Home Owners' Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Blue Pacific Mobile Home Owners' Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SND Partners LLP

Lafayette, California
September 25, 2024



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Board of Directors
Blue Pacific Mobile Home Owners' Association

Report on Compliance for Each Major Program

Opinion on Each Major Federal Program

We have audited Blue Pacific Mobile Home Owners' Association's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Blue Pacific Mobile Home Owners' Association's major federal programs for the year ended June 30, 2024. Blue Pacific Mobile Home Owners' Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Blue Pacific Mobile Home Owners' Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Blue Pacific Mobile Home Owners' Association and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Blue Pacific Mobile Home Owners' Association's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Blue Pacific Mobile Home Owners' Association's federal programs.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE (Continued)**

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Blue Pacific Mobile Home Owners' Association's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Blue Pacific Mobile Home Owners' Association's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Blue Pacific Mobile Home Owners' Association's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Blue Pacific Mobile Home Owners' Association's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Blue Pacific Mobile Home Owners' Association's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE (Continued)**

Report on Internal Control over Compliance (Continued)

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

SNL Partners LLP

Lafayette, California
September 25, 2024

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2024 and 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financing reporting:	
Material weakness(es) identified	No
Significant deficiency(ies) identified	None reported
Noncompliance material to financial statements	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified	No
Significant deficiency(ies) identified	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)	No
Identification of major programs	
AL# 14.127 - Section 207 Insured Mortgage	
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings reported.

**BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
CERTIFICATIONS OF OFFICERS AND MANAGEMENT AGENT
June 30, 2024**

CERTIFICATION OF OFFICERS

We, as officers of Blue Pacific Mobile Home Owners' Association hereby certify that we have examined the accompanying financial statements and supplementary data of Blue Pacific Mobile Home Owners' Association and to the best of our knowledge and belief, these financial statements and data are complete and accurate.

Teresa Olson

	<u>President</u>	<u>September 25, 2024</u>
Teresa Olson	Title	Date

Desiree Sanchez

	<u>Treasurer</u>	<u>September 25, 2024</u>
Desiree Sanchez	Title	Date

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
Employer ID No. 77-0165831

CERTIFICATION OF MANAGEMENT AGENT

I hereby certify that I have examined the accompanying financial statements and supplementary data of Blue Pacific Mobile Home Owners' Association and, to the best of my knowledge and belief, the same is complete and accurate.



	<u>Vice President</u>	<u>September 25, 2024</u>
Signature	Title	Date

EVANS MANAGEMENT SERVICES
Employer ID No. 94-3133871

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
AUDITOR'S TRANSMITTAL LETTER
June 30, 2024

Audit Firm ID:	14120
Firm Name:	SND Partners LLP
Lead Auditor:	Courtney Sharp - Partner
Firm Address:	3470 Mt. Diablo Blvd, Suite A300 Lafayette, CA 94549
Telephone Number:	(925) 376-2195
Employer Identification Number:	68-0199099
Date of Independent Auditor's Report:	September 25, 2024
Auditor Contact E-mail:	csharp@sndcpa.com

