

***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, 2023 and 2022

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
FINANCIAL STATEMENTS
June 30, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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 August 28, 2023 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.

SNL Partners LLP

Lafayette, California
August 28, 2023

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
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	(616,915)	(543,027)
Net property and equipment	5,453,029	5,526,917
 Cash, cash equivalents, and restricted deposits		
Cash - operating	311,716	326,763
Cash - entity	300,154	309,197
Restricted deposits		
Escrow impound deposits	110,942	94,817
Reserve for replacements	252,551	246,771
Debt service reserves	161,551	161,551
Total cash, cash equivalents, and restricted deposits	1,136,914	1,139,099
 Other assets		
Member assessments receivable	4,334	2,512
Prepaid expenses	5,833	6,480
Member note receivable	6,534	7,522
Total other assets	16,701	16,514
Total assets	\$ 6,606,644	\$ 6,682,530
 LIABILITIES AND NET ASSETS		
Note payable, net	\$ 4,622,698	\$ 4,723,818
 Other liabilities		
Accounts payable	90,917	56,938
Accrued wages and vacation	2,170	1,768
Landscape deposits payable	4,500	4,500
Total liabilities	4,720,285	4,787,024
 Net assets	1,886,359	1,895,506
Total liabilities and net assets	\$ 6,606,644	\$ 6,682,530

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

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	2023	2022
REVENUE		
Assessments		
Member assessments - general	\$ 621,611	\$ 622,185
Member assessments - utility service billings	142,520	160,867
Rental income	46,739	45,257
Total assessments	810,870	828,309
Laundry	3,279	4,123
Tenant charges	175	750
Other revenue	9,403	12,969
Interest income		
Note receivable interest	212	241
Operations	97	52
Reserves	780	195
Total revenue	824,816	846,639
EXPENSES		
Program services	755,095	683,013
Management and general	78,868	49,318
Total operating expenses	833,963	732,331
Change in net assets from operations	(9,147)	114,308
Change in net assets	(9,147)	114,308
Net assets - beginning of year	1,895,506	1,781,198
Net assets - end of year	\$ 1,886,359	\$ 1,895,506

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, 2023 and 2022

	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

	2022		
	Program Services	Management and General	Total
Administrative expenses	\$ 62,918	\$ 48,118	\$ 111,036
Utilities	101,806	-	101,806
Operating and maintenance	124,479	-	124,479
Taxes and insurance	117,554	-	117,554
Interest expense	168,189	-	168,189
Other financial expenses	34,103	-	34,103
Entity expenses	-	1,200	1,200
Depreciation	73,964	-	73,964
	\$ 683,013	\$ 49,318	\$ 732,331

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, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue		
Member assessments	\$ 809,048	\$ 831,421
Interest income	1,089	488
Laundry and other income	12,857	17,842
Total revenue	822,994	849,751
Expenses		
Administrative expenses	105,560	77,069
Management fee	54,000	33,900
Utilities	106,748	111,657
Maintenance and operating	178,975	124,479
Real estate taxes	65,012	76,134
Property insurance	16,116	11,450
Other taxes and insurance	14,620	14,634
Interest expense - note payable	144,548	163,517
Mortgage insurance premium	24,332	34,103
Entity expenses	9,255	241
Total expenses	719,166	647,184
Net cash provided by operating activities	103,828	202,567
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property	-	(150,400)
Net cash used by investing activities	-	(150,400)
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt issuance costs	-	(15,826)
Principal payments - note payable	(106,013)	(97,532)
Net cash used by financing activities	(106,013)	(113,358)
Decrease in cash, cash equivalents, and restricted deposits	(2,185)	(61,191)
Cash, cash equivalents, and restricted deposits - beginning of year	1,139,099	1,200,290
Cash, cash equivalents, and restricted deposits - end of year	\$ 1,136,914	\$ 1,139,099

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

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

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. 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.

2. 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, 2023 and 2022.

3. 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.

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

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

3. Member Assessments Receivable and Revenue Recognition (Continued)

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, 2023 and 2022.

4. 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.

5. Net Assets Without Donor Restrictions

None of the Association's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as net assets without donor restrictions.

6. Fair Value of Financial Instruments

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.

9. Advertising Costs

Advertising costs are charged to operations when incurred.

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

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

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 7 member certificates with each having an offering price of \$79,500.

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, 2022, 2021, 2020 and 2019 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 August 28, 2023, which is the date the financial statements were available to be issued.

14. Adopted Accounting Standards

On July 1, 2022, the Association adopted ASU No. 2016-02, *Leases* (Topic 842) that affects the accounting for leases. Adopting these standards 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.

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.

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE B – RESTRICTED DEPOSITS (Continued)

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, 2023 and 2022, 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, 2023 and 2022, member notes receivable including interest totaled \$6,534 and \$7,522, 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, 2023 and 2022 totaled \$54,000 and \$33,900, respectively.

NOTE E – NOTE PAYABLE

	<u>2023</u>	<u>2022</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	\$ 4,760,587	\$ 4,866,600
Less: Unamortized debt issuance costs	(137,889)	(142,782)
Note payable, net	\$ 4,622,698	\$ 4,723,818

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

2024 - \$ 108,966	2027 - \$ 119,214
2025 - \$ 112,280	2028 - \$ 122,840
2026 - \$ 115,695	

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

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, 2023 and 2022, 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:

	2023	2022
Cash and cash equivalents	\$ 1,136,914	\$ 1,139,099
Less restricted deposits	(525,044)	(503,139)
Member assessment receivable	4,334	2,512
Total financial assets available	\$ 616,204	\$ 638,472

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, 2023 and 2022, the Association has accrued \$87,795 and \$54,069, 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, 2023 and 2022

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, 2023

BALANCE SHEET DATA REQUIRED BY HUD

	2023	2022
ASSETS		
Current assets		
1120 Cash - operating	\$ 311,716	\$ 326,763
1125 Cash - entity	300,154	309,197
1130 Member accounts receivable	4,334	2,512
1200 Prepaid expenses	5,833	6,480
1100T Total current assets	622,037	644,952
Restricted deposits		
1310 Escrow impound deposits	110,942	94,817
1320 Reserve for replacements	252,551	246,771
1330 Debt service reserve	161,551	161,551
1300T Total restricted deposits	525,044	503,139
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	(616,915)	(543,027)
1400N Net property and equipment	5,453,029	5,526,917
Other assets		
1590 Member note receivable	6,534	7,522
1500T Total other assets	6,534	7,522
1000T Total assets	\$ 6,606,644	\$ 6,682,530
LIABILITIES AND NET ASSETS		
Current liabilities		
2110 Accounts payable	\$ 3,122	\$ 2,869
2120 Accrued wages and vacation	2,170	1,768
2150 Accrued property taxes	87,795	54,069
2170 Note payable, current portion	108,966	105,749
2190 Landscape deposits payable	4,500	4,500
2122T Total current liabilities	206,553	168,955
Long-term liabilities		
2320 Note payable, net of current portion	4,651,621	4,760,851
2340 Debt issuance costs	(137,889)	(142,782)
2300T Total long-term liabilities	4,513,732	4,618,069
2000T Total liabilities	4,720,285	4,787,024
Net assets		
3131 Unrestricted net assets	1,886,359	1,895,506
3130 Total net assets	1,886,359	1,895,506
2033T Total liabilities and net assets	\$ 6,606,644	\$ 6,682,530

See Independent Auditor's Report

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
June 30, 2023

STATEMENT OF ACTIVITIES DATA REQUIRED BY HUD

		<u>2023</u>	<u>2022</u>
Revenue			
	Rental revenue		
5120	Rent revenue - gross potential	\$ 668,350	\$ 667,442
5190	Utilities service billings	142,520	160,867
5100T	Total rental revenue	<u>810,870</u>	<u>828,309</u>
5152N	Net rental income	<u>810,870</u>	<u>828,309</u>
	Financial revenue		
5410	Interest income - operations	309	293
5440	Interest income - replacement reserve	780	195
5400T	Total financial revenue	<u>1,089</u>	<u>488</u>
	Other income		
5910	Laundry	3,279	4,123
5920	Tenant charges	175	750
5990	Miscellaneous income	9,346	-
5900T	Total other income	<u>12,800</u>	<u>4,873</u>
5000T	Total revenue	<u>824,759</u>	<u>833,670</u>
Expenses			
	Administrative expenses		
6250	Other renting expense	459	580
6311	Office expenses	12,340	9,156
6320	Management fee	54,000	33,900
6330	Manager's salary	68,618	44,486
6340	Legal expense	8,188	6,984
6350	Audit expense	14,625	14,218
6351	Accounting expense	2,379	1,712
6263T	Total administrative expenses	<u>160,609</u>	<u>111,036</u>
	Utilities		
6451	Water	33,244	32,140
6452	Gas	4,013	4,086
6453	Sewer	69,744	65,580
6400T	Total utilities	<u>107,001</u>	<u>101,806</u>

See Independent Auditor's Report

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
June 30, 2023

STATEMENT OF ACTIVITIES DATA REQUIRED BY HUD (Continued)

		<u>2023</u>	<u>2022</u>
	Operating and maintenance		
6515	Repairs materials	\$ 3,441	\$ 1,222
6520	Repairs contract	105,398	57,117
6525	Trash removal	41,937	37,823
6520	Grounds contract	24,915	25,965
6530	Security contract	3,284	2,352
6500T	Total operating and maintenance	<u>178,975</u>	<u>124,479</u>
	Taxes and insurance		
6710	Property taxes	98,738	91,470
6711	Payroll taxes	6,196	4,260
6720	Property and comprehensive insurance	16,116	11,450
6721	Fidelity bond insurance	315	343
6722	Workmen's compensation	4,232	4,931
6790	Miscellaneous taxes and licenses	3,877	5,100
6700T	Total taxes and insurance	<u>129,474</u>	<u>117,554</u>
	Financial expenses		
6820	Interest expense - note payable	144,548	163,517
6820	Interest expense - debt issuance costs	4,893	4,672
6850	Mortgage insurance premium	24,332	34,103
6800T	Total financial expenses	<u>173,773</u>	<u>202,292</u>
6000T	Total operating expenses before other expenses	<u>749,832</u>	<u>657,167</u>
5060T	Change in net assets before other expenses	74,927	176,503
6600	Less : Depreciation	73,888	73,964
5060N	Change in net assets before entity expenses	<u>1,039</u>	<u>102,539</u>
	Entity expenses		
7105	Other revenue - corporate entity	57	12,969
7190	Less: Board expenses	(10,243)	(1,200)
7100T	Total entity revenue (expenses)	<u>(10,186)</u>	<u>11,769</u>
3250	Change in net assets	<u>\$ (9,147)</u>	<u>\$ 114,308</u>

See Independent Auditor's Report

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
June 30, 2023

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>\$ 106,013</u>
Replacement reserve deposits required, even if payments may be temporarily S1000-020 suspended or waived	<u>\$ 5,000</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>2023</u>	<u>2022</u>
S1100-060 Previous Year Net Assets Without Donor Restrictions	\$ 1,895,506	\$ 1,781,198
3247 Change in Net Assets Without Donor Restrictions	<u>(9,147)</u>	<u>114,308</u>
3131 Net Assets Without Donor Restrictions	<u>\$ 1,886,359</u>	<u>\$ 1,895,506</u>
S1100-050 Previous Year Total Net Assets	\$ 1,895,506	\$ 1,781,198
3250 Change in Total Net Assets from Operations	<u>(9,147)</u>	<u>114,308</u>
3130 Total Net Assets	<u>\$ 1,886,359</u>	<u>\$ 1,895,506</u>

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
June 30, 2023

STATEMENT OF CASH FLOWS DATA REQUIRED BY HUD

		<u>2022</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
	Revenue		
S1200-010	Rental income	\$ 809,048	\$ 831,421
S1200-020	Interest income	1,089	488
S1200-030	Laundry and other income	12,800	4,873
S1200-040	Total revenue	<u>822,937</u>	<u>836,782</u>
	Expenses		
S1200-050	Administrative expenses	105,560	77,069
S1200-070	Management fee	54,000	33,900
S1200-090	Utilities	106,748	102,047
S1200-110	Maintenance and operating	178,975	134,089
S1200-120	Real estate taxes	65,012	76,134
S1200-140	Property insurance	16,116	11,450
S1200-150	Other taxes and insurance	14,620	14,634
S1200-180	Interest expense - note payable	144,548	163,517
S1200-210	Mortgage insurance premium	24,332	34,103
S1200-225	Entity expenses	9,198	241
S1200-230	Total expenses	<u>719,109</u>	<u>647,184</u>
S1200-240	Net cash provided by operating activities	<u>103,828</u>	<u>189,598</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
S1200-330	Additions to property	-	(150,400)
	Disbursements from (additions to):		
S1200-245	Escrow impound deposits, net	(16,125)	(2,489)
S1200-250	Reserve for replacements, net	(5,780)	(5,195)
	Net cash used by investing activities	<u>(21,905)</u>	<u>(158,084)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
S1200-360	Principal payments - note payable	(106,013)	(97,532)
S1200-455	Entity financing activity	-	(2,857)
S1200-460	Net cash used by financing activities	<u>(106,013)</u>	<u>(100,389)</u>
S1200-470	Decrease in operating cash	(24,090)	(68,875)
S1200-480	Operating cash - beginning of year	635,960	704,835
S1200T	Operating cash - end of year	<u>\$ 611,870</u>	<u>\$ 635,960</u>

See Independent Auditor's Report

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
June 30, 2023

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:

	2023	2022
Balance - July 1	\$ 246,771	\$ 241,576
Monthly deposits	5,000	5,000
Interest earned	780	195
Balance - June 30	\$ 252,551	\$ 246,771

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:

	2023	2022
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	\$ 311,716	
Total cash		\$ 311,716
Less - current obligations:		
Accounts payable	\$ 3,122	
Accrued property taxes	87,795	
Landscape deposits	4,500	
Accrued wages and vacation	2,170	
Total current obligations		(97,587)
Surplus cash		\$ 214,129

See Independent Auditor's Report

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
June 30, 2023

CHANGES IN PROPERTY

	Cost			Balance June 30, 2023
	Balance July 1, 2022	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	\$ 543,027	\$ 73,888	\$ -	\$ 616,915
Net book value				\$ 5,453,029

See Independent Auditor's Report

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2023 and 2022

<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	\$ 4,866,600
Total Federal Expenditures			<u>\$ 4,866,600</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, 2023 are as follows:

Section 207 Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects	<u>\$ 4,760,587</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, 2023

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, 2023, 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 August 28, 2023.

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.

SNL Partners LLP

Lafayette, California
August 28, 2023



**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, 2023. 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, 2023.

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.

SND Partners LLP

Lafayette, California
August 28, 2023

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023 and 2022

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, 2023**

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.

<u><i>D House</i></u>	<u>President</u>	<u>August 28, 2023</u>
Darlene House	Title	Date

<u><i>Brendan Coad</i></u>	<u>Vice President</u>	<u>August 28, 2023</u>
Brendan Coad	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><i>Charlene Garza</i></u>	<u>General Manager</u>	<u>August 28, 2023</u>
Signature	Title	Date

EVANS MANAGEMENT SERVICES
Employer ID No. 94-3133871

BLUE PACIFIC MOBILE HOME OWNERS' ASSOCIATION
AUDITOR'S TRANSMITTAL LETTER
June 30, 2023

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: August 28, 2023

Auditor Contact E-mail: csharp@sndcpa.com