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BLUEGREEN CORP
Form 11-K
June 29, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

☒ Annual report pursuant to Section 15(d) of the Securities Exchange Act of
1934 (No fee required, effective October 7, 1996)

For the fiscal year ended December 31, 2004

☐ Transition report pursuant to Section 15(d) of the Securities Exchange Act
of 1934 (No fee required)

For the transition period from _____ to _____

Commission file number 0-19292

A. Full title of the plan and the address of the plan, if different from that
of the issuer named below

Bluegreen Corporation Retirement Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address
of its principal executive office

Bluegreen Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

BLUEGREEN CORPORATION RETIREMENT SAVINGS PLAN

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Report of Independent Registered Public Accounting Firm

Plan Administrator
Bluegreen Corporation Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits of Bluegreen Corporation Retirement Savings Plan as of December 31, 2004 and 2003, and the related statement of changes in net assets available for benefits for the year ended December 31, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2004 and 2003, and the changes in its net assets available for benefits for the year ended December 31, 2004, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2004 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Ernst & Young, LLP

Miami, FL
June 21, 2005

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Bluegreen Corporation Retirement Savings Plan
Statements of Net Assets Available for Benefits

December 31	
2004	2003

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Assets		
Investments, at fair value	\$ 17,889,612	\$ 11,220,125
Employer contributions receivable	505,923	360,737
	-----	-----
Total assets	18,395,535	11,580,862
Liabilities		
Excess contributions refundable	218,796	147,204
	-----	-----
Net assets available for benefits	\$ 18,176,739	\$ 11,433,658
	=====	=====

See accompanying notes.

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Bluegreen Corporation Retirement Savings Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2004

Additions:		
Interest and dividend income	\$	33,573
Contributions:		
Participants		4,051,708
Employer		505,923
Net appreciation in fair value of investments		3,339,035

Total additions		7,930,239
Deductions:		
Benefits paid to participants		1,140,077
Administrative expenses		47,081

Net increase		6,743,081
Net assets available for benefits at beginning of year		11,433,658

Net assets available for benefits at end of year	\$	18,176,739
		=====

See accompanying notes.

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Bluegreen Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2004

1. Description of the Plan

General

The following description of the Bluegreen Corporation Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's

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provisions. Copies of this document are available from Bluegreen Corporation (the Company). The Plan, which became effective March 31, 1992, is a defined contribution plan covering all employees, as defined by the Plan, of the Company who have completed one year of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan was amended in 2003 to comply with tax legislation introduced from 1996 through 2001.

Contributions and Vesting

Participant contributions cannot exceed 18% of a participant's compensation or Internal Revenue Code (the Code) limitations. Effective January 1, 2001, the Company amended the Plan to provide a fixed-rate matching contribution equal to 50% of the first 3% of a participant's contribution with an annual limit of \$1,000. The Company can also make a discretionary non-elective contribution.

Participants vest in Company contributions at a rate of 25% each year upon completion of two years of service, resulting in 100% vesting after five years of continuous service.

Participant Accounts

Each participant's account is credited with the participant's contributions, Company contributions and an allocation of Plan investment results and forfeitures of nonvested amounts. Company discretionary non-elective contributions are allocated based on a participant's eligible compensation relative to total participant eligible compensation. The match is allocated based on a participant's contributions. Allocations of Plan earnings are based on individual account balances relative to the entire fund options. Forfeitures are allocated in a manner consistent with the allocation of the match or discretionary non-elective contribution, depending on what the forfeiture relates to. The benefit to which a participant is entitled is the benefit that can be provided by the participant's vested account balance.

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Bluegreen Corporation Retirement Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Loans to Participants

The Plan allows participants to borrow against their vested account balances. Each loan will bear a reasonable interest rate determined by the Company in accordance with the Plan provisions, as defined. The maximum amount available for loans is the lesser of \$50,000 or 50% of the participant's vested account balance. Loan repayment periods are for a maximum of five years unless the loan is for the purchase of a primary residence. Loans are repaid through payroll deductions.

Benefits

Upon attainment of retirement age, disability, death or termination of employment, a distribution of the vested account balance is made to the participant or named beneficiary in a lump sum.

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Hardship withdrawals, as defined in the Code, are permitted only from employee elective deferrals and eligible earnings thereon.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their accounts.

2. Significant Accounting Policies

Basis of Presentation

The Plan's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Valuation of Investments

Investments in mutual funds are stated at fair value based on quoted market prices, which represents the net asset values of shares held by the Plan at year-end. The Company's stock is valued at its quoted market price on the last trading day of the year. The participant loans are valued at their outstanding balances, which approximate fair value.

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Bluegreen Corporation Retirement Savings Plan

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Administrative Expenses

Administrative expenses, comprised primarily of trustee and accounting fees, are paid directly by the Plan. The Plan pays expenses related to the management of the Plan's investments.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Investments

SunTrust Retirement Services (the Trustee) holds the Plan's investment assets and executes the transactions therein.

The fair value of individual investments that represent 5% or more of the Plan's net assets are as follows at December 31:

	2004	2003
	-----	-----
SunTrust Stable Asset Fund	\$ 4,168,753	\$ 2,392,641
American Century Income & Growth Advisor	1,376,779	1,176,758
Franklin Small-Mid Cap Growth Fund	1,102,779	832,361

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Putnam International Growth Fund	1,121,081	840,812
Vanguard 500 Index Fund	1,833,435	1,349,782
Bluegreen Corporation Common Stock	2,564,450	1,014,851
T. Rowe Price Mid Cap Growth Fund	1,582,837	975,629
Federated Capital Appreciation Fund A	987,100	869,652

During 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by a net amount of \$3,339,035, as follows:

Increase in mutual funds	\$1,230,383
Increase in common stock	1,988,772
Investment gain from common/collective trusts	119,880

	\$3,339,035
	=====

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Bluegreen Corporation Retirement Savings Plan

Notes to Financial Statements (continued)

4. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated January 8, 2004, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes the Plan is qualified and the related trust is exempt.

5. Related Party Interest

The Plan invests in the stock of related party, Bluegreen Corporation. The Plan held 129,090 shares and 162,635 shares in the stock as of December 31, 2004 and 2003, respectively.

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Bluegreen Corporation Retirement Savings Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

EIN #03-0300793 Plan #001

December 31, 2004

(b) Identity of Issue, Borrower, (a) Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(e) Current Value

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*	SunTrust	Stable Asset Fund	\$ 4,168,75
*	STI Classic:	Life Investment Grade Bond	702,00
		Life Vision Moderate Growth	179,87
		Life Vision Growth & Income	348,67
		Life Vision Aggressive Growth	521,44
		Small Cap Value Equity Fund	489,10
	American Century	Income & Growth Advisor	1,376,77
	Franklin	Small-Mid Cap Growth Fund	1,102,77
	Putnam	International Growth Fund	1,121,08
	Vanguard	500 Index Fund	1,833,43
*	Bluegreen Corporation	Bluegreen Corporation Common Stock	2,564,45
	MFS	Massachusetts Investors Growth Fund	144,98
	T. Rowe Price	Mid Cap Growth Fund A	1,582,83
	Federated	Capital Appreciation Fund A	987,10
	Participant loans	Interest rates ranging from 5.0% to 10.5%, remaining maturity dates ranging from one to thirty years	751,21
	Cash and cash equivalents		15,10

			\$ 17,889,61
			=====

* Indicates a party-in-interest.

Note: Column (d) which provides cost information has not been included because all investments are participant-directed.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Bluegreen Corporation Retirement Savings Plan
(Name of Plan)

Date June 29, 2005

By /S/ ANTHONY M. PULEO

(Signature)

