

BAREFOOT BEACH RESORT OF INDIAN
SHORES CONDOMINIUM ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2013

DRAFT



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Barefoot Beach Resort of Indian Shores Condominium Association, Inc.
Indian Shores, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Barefoot Beach Resort of Indian Shores Condominium Association, Inc., which comprise the balance sheet as of December 31, 2013, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Board of Directors
Barefoot Beach Resort of Indian Shores Condominium Association, Inc.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Barefoot Beach Resort of Indian Shores Condominium Association, Inc. as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of changes in replacement fund, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



BASHOR & LEGENDRE, LLP
Certified Public Accountants

March 28, 2014

BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM ASSOCIATION, INC.

BALANCE SHEET

AS OF DECEMBER 31, 2013

	<u>OPERATING</u> <u>FUND</u>	<u>REPLACEMENT</u> <u>FUND</u>	<u>2013</u> <u>TOTAL</u>	<u>2012</u> <u>TOTAL</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 21,111	\$ 1,079,672	\$1,100,783	\$ 1,132,282
Assessments receivable-net	26,779	-	26,779	15,762
Inventory	359	-	359	977
Prepaid expenses	165,645	-	165,645	100,809
Other assets	4,639	-	4,639	4,639
Deposits	3,710	-	3,710	4,896
Property and equipment-net	14,599	-	14,599	4,864
Total Assets	<u>\$ 236,842</u>	<u>\$ 1,079,672</u>	<u>\$1,316,514</u>	<u>\$ 1,264,229</u>
<u>LIABILITIES AND FUND</u> <u>BALANCES</u>				
Accounts payable	\$ 7,533	\$ -	\$ 7,533	\$ 1,004
Prepaid assessments	32,375	-	32,375	24,721
Note payable	110,072	-	110,072	30,740
Total Liabilities	149,980	-	149,980	56,465
Fund Balances	<u>86,862</u>	<u>1,079,672</u>	<u>1,166,534</u>	<u>1,207,764</u>
Total Liabilities and Fund Balances	<u>\$ 236,842</u>	<u>\$ 1,079,672</u>	<u>\$1,316,514</u>	<u>\$ 1,264,229</u>

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

BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>2013 TOTAL</u>	<u>2012 TOTAL</u>
<u>REVENUES</u>				
Regular assessments	\$ 530,820	\$ 71,141	\$ 601,961	\$ 661,241
Other income	36,680	-	36,680	43,651
Interest income	-	1,682	1,682	4,968
Total Revenues	<u>567,500</u>	<u>72,823</u>	<u>640,323</u>	<u>709,860</u>
<u>EXPENSES</u>				
Association owned units	6,264	-	6,264	15,002
Bad debt	65,115	-	65,115	144,908
Depreciation	2,944	-	2,944	347
General and administrative	94,059	-	94,059	77,436
Insurance	214,486	-	214,486	162,875
Interest	3,171	-	3,171	2,016
Payroll	80,101	-	80,101	82,041
Repairs and maintenance	71,894	-	71,894	81,051
Trash	17,078	-	17,078	15,449
Utilities	105,471	-	105,471	103,998
Replacement expenses	-	20,970	20,970	-
Total Expenses	<u>660,583</u>	<u>20,970</u>	<u>681,553</u>	<u>685,123</u>
<u>EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES</u>				
	(93,083)	51,853	(41,230)	24,737
<u>BEGINNING FUND BALANCES</u>				
	<u>179,945</u>	<u>1,027,819</u>	<u>1,207,764</u>	<u>1,183,027</u>
<u>ENDING FUND BALANCES</u>				
	<u>\$ 86,862</u>	<u>\$ 1,079,672</u>	<u>\$ 1,166,534</u>	<u>\$ 1,207,764</u>

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

BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Excess/(Deficit) of Revenues over Expenses	\$ (93,083)	\$ 51,853	\$ (41,230)
Adjustments to reconcile excess (deficit) of revenues over expenses to net cash from operating activities:			
Provision for doubtful accounts	65,115	-	65,115
Depreciation	2,945	-	-
(Increase) Decrease in:			
Assessments receivable	(76,132)	-	(76,132)
Inventory	618	-	618
Prepaid expenses	150,972	-	150,972
Deposits	1,186	-	1,186
Increase (Decrease) in:			
Accounts payable	6,529	-	6,529
Prepaid assessments	7,654	-	7,654
Net Cash from Operating Activities	<u>65,804</u>	<u>51,853</u>	<u>117,657</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of equipment	(12,680)	-	(12,680)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Principal payments on notes	<u>(136,476)</u>	<u>-</u>	<u>(136,476)</u>

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

BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(83,352)	51,853	(31,499)
<u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	<u>104,463</u>	<u>1,027,819</u>	<u>1,132,282</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 21,111</u>	<u>\$ 1,079,672</u>	<u>\$ 1,100,783</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for interest	<u>\$ 3,171</u>
Cash paid during the year for taxes	<u>\$ 2,156</u>
Noncash financing activities:	
Insurance premiums financed through note payable	\$ 215,808
Less: Note payable balance	<u>110,072</u>
Principal payments on note	<u>\$ 105,736</u>

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

BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 - NATURE OF ORGANIZATION

Description of Business

Barefoot Beach Resort of Indian Shores Condominium (“Association”) was incorporated on February 7, 2005 as a corporation, not-for-profit, under the terms and provisions of Chapter 617, Florida Statutes. The Association, which operates under Florida Statute 718, is responsible for the operation and maintenance of the common property within the development. The development consists of 164 residential units and four commercial units located in Indian Shores, Florida.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the Board of Directors (“Board”). Disbursements from the replacement fund generally may be made only for designated purposes.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Interest Earned

The Association's policy is to allocate interest earned to the operating and replacement fund in proportion to the interest bearing deposits of each fund.

Recognition of Assets and Depreciation Policy

Real property and common areas acquired from the developer and related improvements to such property are not reflected on the Association's financial statements. Those properties are owned by the individual unit owners in common and not by the Association. The Association recognizes personal property assets at cost. The property is depreciated over its estimated useful life using the straight-line method of depreciation.

BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are seriously delinquent. Any excess assessments at year end are retained by the Association for use in future years.

Fair Value of Financial Instruments

The Association's financial instruments consist primarily of cash and cash equivalents, assessments receivable, deposits, accounts payable and a note payable. The carrying amounts of such financial instruments approximate their respective estimated fair values due to the short-term maturities and approximate market interest rates of these instruments. The estimated fair values are not necessarily indicative of the amounts the Association would realize in a current market exchange or from future earnings or cash flows.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Comparative Data

The amounts shown for 2012 in the accompanying financial statements are included only to provide a basis for comparison with 2013, and present summarized totals only. Accordingly, the 2012 amounts are not intended to present all information necessary for a fair presentation in accordance with accounting principles generally accepted in the United States of America.

Subsequent Events

The date to which events occurring after the balance sheet date have been evaluated for possible adjustment to the financial statements or disclosure is the report date, which is the date on which the financial statements were available to be issued.

BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 3 - ASSESSMENTS RECEIVABLE

The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are seriously delinquent. As of December 31, 2013, the Association had net assessments receivable of \$26,779. It is the opinion of the Board that an allowance for doubtful accounts of \$375,000 is needed at December 31, 2013 to cover anticipated losses from doubtful accounts.

NOTE 4 - PROPERTY AND EQUIPMENT

At December 31, 2013, the Association had the following property and equipment:

Furniture	17,891
Less: Accumulated depreciation	<u>(3,292)</u>
	<u>14,599</u>

Total depreciation expense amounted to \$2,944 for the year ending December 31, 2013.

NOTE 5 - NOTE PAYABLE

In August 2013, the Association obtained loans of \$215,808 to finance insurance premiums. The loans bear interest at 4%. Principal and interest of approximately \$21,978 are due monthly through May 2014. As of December 31, 2013, total interest expense amounted to \$2,886 with an ending balance on the loans of \$110,072.

NOTE 6 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents provide certain guidelines for governing its financial activities. The Association maintains an operating fund available for general operations and a replacement fund designated for future major repair and replacements. Replacement funds are held in separate bank accounts and generally are not available for expenditures for normal operations.

During the last quarter of the year, the Board, in conjunction with management and vendors, estimated the remaining useful lives and the replacement costs of the components of common property. At this time, the Board has not conducted an independent formal study of all the common property components which results may differ. The table included in the supplementary information on Future Major Repairs and Replacements is based on the informal study.

BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

The Board is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of current replacement costs and considering amounts previously accumulated in the replacement fund. Accordingly, the funding requirements have been included in the next year's budget.

Funds are being accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacement until funds are available.

NOTE 7 - OWNERS' ASSESSMENTS

Monthly assessments to residential owners range from approximately \$144 to \$321 per unit, based on each unit's percent of ownership, for 2013. Of these amounts, approximately \$17 to \$38 was designated for the replacement fund.

Monthly assessments to the commercial units ranged from approximately \$146 to 4,223 per unit, based on each unit's percentage of ownership, for 2013. Of these amounts, approximated \$18 to \$533 was designated for the replacement fund.

The annual budget and assessments of owners are determined by the Board. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

NOTE 8 - INCOME TAXES

Condominium associations may be taxed either as homeowners associations or as regular corporations. For the year ended December 31, 2013, the Association elected to be taxed as a homeowners association. Under that election, the Association is taxed on its nonexempt function income, such as interest earnings. Exempt function income, which consists primarily of member assessments, is not taxable. As of December 31, 2013, the Association had prepaid taxes of \$1,240 which were included in prepaid expenses in the financial statements.

The Association's federal tax returns filed within the past three years remain open to examination by the Internal Revenue Service. The Association has evaluated its tax provisions and believes that no accruals are necessary at December 31, 2013.

BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 9 - CONCENTRATIONS

The Original developer of the property owns three of the commercial units consisting of the dock, gazebo, and clubhouse. At December 31, 2013, outstanding assessments on these units totaled \$363,253, which is approximately 90% of the total receivable balance. The Association has included the full balance of the receivables in the allowance for doubtful accounts. The Association has placed liens on the commercial units and is proceeding with legal action to foreclose on them.

NOTE 10 - RELATED PARTIES

A member of the Board of Directors leases storage space from the Association. The lease term is for five years with rent of \$100 per month. The lease expires on August 31, 2015; however, the lease may be renewed by the tenant for a five-year period by giving notice no later than sixty days before the expiration date of the lease. Rent earned under the lease was \$1,200 for the year ended December 31, 2013.

NOTE 11 - CONCENTRATION OF CREDIT RISK

The Association maintains accounts with financial institutions. Accounts at each institution are insured subject to FDIC limits. At December 31, 2013, the Association's uninsured cash balances totaled approximately \$857,300.

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SUPPLEMENTARY INFORMATION

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BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM ASSOCIATION, INC.

SCHEDULE OF CHANGES IN REPLACEMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

(unaudited)

The balances of the components of the replacement fund at December 31, 2013 are as follows:

<u>Components</u>	<u>Balance 01/01/13</u>	<u>Additions to Fund</u>	<u>Charges to Fund</u>	<u>Transfers</u>	<u>Balance 12/31/13</u>
Drainage	\$ 76,368	\$ 11,212	\$ -	\$ -	\$ 87,580
Painting	33,804	12,987	-	-	46,791
Laundry equipment	11,740	1,435	-	-	13,175
Paving	36,720	5,110	(2,850)	-	38,980
Plumbing	198,495	28,869	-	-	227,364
Roofing	545,499	-	(15,120)	-	530,379
Seawall	59,308	9,948	-	-	69,256
Swimming pool	13,979	1,580	(3,000)	-	12,559
Interest	51,906	1,682	-	-	53,588
	<u>\$1,027,819</u>	<u>\$ 72,823</u>	<u>\$ (20,970)</u>	<u>\$ -</u>	<u>\$1,079,672</u>

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BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND
REPLACEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

(unaudited)

During the last quarter of the year the Board, in conjunction with management and vendors, estimated the remaining useful lives and the replacement costs of the components of common property. At this time the Board has not conducted an independent formal study of all the common property components, which results may differ. The informal study conducted may not be all inclusive. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have not been revised since that date and do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

The following table is based on the study and presents significant information about the components of common property:

Components	Estimated Lives	Estimated Remaining Lives	Estimated Current Replacement Costs	2014 Required Funding	2014 Proposed Budgeted Funding
Drainage	50	13	225,000	10,571	10,571
Painting	7	5	113,920	13,426	13,426
Laundry equipment	15	6	22,000	1,471	1,471
Paving	15	9	85,000	5,109	5,109
Plumbing	40	33	1,155,000	28,110	28,110
Roofing	5	1	552,720	21,720	21,720
Seawall	50	13	200,000	10,057	10,057
Swimming pool	15	9	30,000	1,605	1,605
			<u>\$2,383,640</u>	<u>\$ 92,069</u>	<u>\$ 92,069</u>

BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM

Closing entry

12/31/13

<u>Account</u>	<u>Dr.</u>	<u>Cr.</u>
Operating funds balance	6,328.00	
Insurance	1,723.00	
Utility Deposits		1,020.00
Legal		500.00
Electricity		1,971.00
Water and sewer		4,560.00
	<hr/>	<hr/>
	\$ 8,051	\$ 8,051

Balance per client at year end 93,190

Closing entry (6,328)

Balance per Bashor & Legendre at year end 86,862

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Client: 20-3096863 - Barefoot Beach Resort of Indian Shores Condominium
 Engagement: AU-2013 - BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM
 Period Ending: 12/31/2013
 Trial Balance: GF-06.1 - Trial Balance
 Workpaper: GF-08.1 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
Rounding		Rounding		
304	Laundry Machine Income		1.00	
408	Administration		1.00	
190	Operating fund balance			1.00
303	Interest income - reserve			1.00
Total			<u><u>2.00</u></u>	<u><u>2.00</u></u>
Adjusting Journal Entries JE # 2				
To propose adjustment to client's interest expense on notes payable.		HH.02 - H.02		
407	Interest		3,171.00	
440	Insurnace			3,171.00
Total			<u><u>3,171.00</u></u>	<u><u>3,171.00</u></u>
Adjusting Journal Entries JE # 3				
To propose adjustment to client's prepaid insurance.		H.02		
118	Prepaid insurnace		1,723.00	
440	Insurnace			1,723.00
Total			<u><u>1,723.00</u></u>	<u><u>1,723.00</u></u>
Adjusting Journal Entries JE # 4				
To propose adjustment to client's utility deposits.		I.02		
436	Electricity		1,020.00	
126	Utility Deposits			1,020.00
Total			<u><u>1,020.00</u></u>	<u><u>1,020.00</u></u>
Adjusting Journal Entries JE # 5				
To propose adjustment to client's accounts payable at year end.		AA.02		
403	Legal		500.00	
436	Electricity		1,970.00	
439	Water and sewer		4,560.00	
150	Accrued Expenses			7,030.00
Total			<u><u>7,030.00</u></u>	<u><u>7,030.00</u></u>

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Client: 20-3096863 - Barefoot Beach Resort of Indian Shores Condominium
 Engagement: AU-2013 - BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM
 Period Ending: 12/31/2013
 Trial Balance: GF-06.1 - Trial Balance
 Workpaper: Trial Balance Combined Detail LS

Account	Description	1st PP-FINAL 12/31/2012	UNADJ 12/31/2013	JE Ref #	AJE	FINAL 12/31/2013
Group : [A] Cash & Equivalents						
Subgroup : [A.01] Cash - Operating						
100	BB&T	104,463.00	21,111.00		0.00	21,111.00
Subtotal [A.01] Cash - Operating		104,463.00	21,111.00		0.00	21,111.00
Subgroup : [A.02] Cash - Reserves						
200	BB&T Commerical Reserve	68,741.00	78,806.00		0.00	78,806.00
201	BB&T Resort Reserve Acct	959,078.00	1,000,866.00		0.00	1,000,866.00
Subtotal [A.02] Cash - Reserves		1,027,819.00	1,079,672.00		0.00	1,079,672.00
Total [A] Cash & Equivalents		1,132,282.00	1,100,783.00		0.00	1,100,783.00
Group : [B] Assessment Receivables						
Subgroup : [B.01] Assessments Receivable						
110	Assessments receivable	341,395.00	401,779.00		0.00	401,779.00
Subtotal [B.01] Assessments Receivable		341,395.00	401,779.00		0.00	401,779.00
Subgroup : [B.02] Allowance for Doubtful Accounts						
111	Allowance for bad debt	(325,633.00)	(375,000.00)		0.00	(375,000.00)
Subtotal [B.02] Allowance for Doubtful Accounts		(325,633.00)	(375,000.00)		0.00	(375,000.00)
Total [B] Assessment Receivables		15,762.00	26,779.00		0.00	26,779.00
Group : [G] Inventory						
Subgroup : [G.01] Inventory - Operating						
115	Inventory	977.00	359.00		0.00	359.00
Subtotal [G.01] Inventory - Operating		977.00	359.00		0.00	359.00
Total [G] Inventory		977.00	359.00		0.00	359.00
Group : [H] Prepaid Expenses						
Subgroup : [H.01] Prepaid Expenses - Operating						
116	Prepaid taxes	0.00	1,240.00		0.00	1,240.00
117	Prepaid expense	2,366.00	1,232.00		0.00	1,232.00
118	Prepaid insurnace	98,443.00	161,450.00		1,723.00	163,173.00
Subtotal [H.01] Prepaid Expenses - Operating		100,809.00	163,922.00	AJE - 3	1,723.00	165,645.00
Total [H] Prepaid Expenses		100,809.00	163,922.00		1,723.00	165,645.00
Group : [I] Deposits						
Subgroup : [I.01] Utility Deposits						
126	Utility Deposits	4,896.00	4,730.00		(1,020.00)	3,710.00
Subtotal [I.01] Utility Deposits		4,896.00	4,730.00	AJE - 4	(1,020.00)	3,710.00
Total [I] Deposits		4,896.00	4,730.00		(1,020.00)	3,710.00
Group : [J] Other Current Assets						
Subgroup : [J.01] Other Assets - Operating						
125	Other Assets	4,639.00	4,639.00		0.00	4,639.00
Subtotal [J.01] Other Assets - Operating		4,639.00	4,639.00		0.00	4,639.00
Total [J] Other Current Assets		4,639.00	4,639.00		0.00	4,639.00
Group : [M] Property & Equipment						
Subgroup : [M.02] Computers & Equipment						
120	Equipment	5,211.00	17,891.00		0.00	17,891.00
Subtotal [M.02] Computers & Equipment		5,211.00	17,891.00		0.00	17,891.00
Subgroup : [M.10] Accumulated Depreciation						
121	Accumulated Depreciation	(347.00)	(3,292.00)		0.00	(3,292.00)
Subtotal [M.10] Accumulated Depreciation		(347.00)	(3,292.00)		0.00	(3,292.00)
Total [M] Property & Equipment		4,864.00	14,599.00		0.00	14,599.00
Group : [AA] Accounts Payable & Accrued Expenses						
Subgroup : [AA.0] Accounts Payable & Accrued Expenses - Operating						
150	Accrued Expenses	(1,004.00)	(503.00)		(7,030.00)	(7,533.00)
Subtotal [AA.01] Accounts Payable & Accrued Expenses - Operating		(1,004.00)	(503.00)	AJE - 5	(7,030.00)	(7,533.00)
Total [AA] Accounts Payable & Accrued Expenses		(1,004.00)	(503.00)		(7,030.00)	(7,533.00)
Group : [CC] Prepaid Assessments						
Subgroup : [CC.0] Prepaid Assessments - Operating						
160	Prepaid Assessments	(24,721.00)	(32,375.00)		0.00	(32,375.00)

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Client: 20-3096863 - Barefoot Beach Resort of Indian Shores Condominium
 Engagement: AU-2013 - BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM
 Period Ending: 12/31/2013
 Trial Balance: GF-06.1 - Trial Balance
 Workpaper: Trial Balance Combined Detail LS

Account	Description	1st PP-FINAL	UNADJ	JE Ref #	AJE	FINAL
		12/31/2012	12/31/2013			12/31/2013
Subtotal [CC.01] Prepaid Assessments - Operating		<u>(24,721.00)</u>	<u>(32,375.00)</u>		<u>0.00</u>	<u>(32,375.00)</u>
Total [CC] Prepaid Assessments		<u>(24,721.00)</u>	<u>(32,375.00)</u>		<u>0.00</u>	<u>(32,375.00)</u>
Group : [HH] Notes Payable						
Subgroup : [HH.0] Notes Payable - Operating						
155 Insurance note payable		(30,740.00)	(110,072.00)		0.00	(110,072.00)
Subtotal [HH.01] Notes Payable - Operating		<u>(30,740.00)</u>	<u>(110,072.00)</u>		<u>0.00</u>	<u>(110,072.00)</u>
Total [HH] Notes Payable		<u>(30,740.00)</u>	<u>(110,072.00)</u>		<u>0.00</u>	<u>(110,072.00)</u>
Group : [VV] Equity						
Subgroup : [VV.01] Fund Balance - Operating						
190 Operating fund balance		(226,432.00)	(179,944.00)		(1.00)	(179,945.00)
				AJE - 1	(1.00)	
Subtotal [VV.01] Fund Balance - Operating		<u>(226,432.00)</u>	<u>(179,944.00)</u>		<u>(1.00)</u>	<u>(179,945.00)</u>
Subgroup : [VV.02] Fund Balance - Reserves						
250 Drainage		(65,903.00)	(76,369.00)		0.00	(76,369.00)
251 Exterior Painting		(22,673.00)	(33,804.00)		0.00	(33,804.00)
252 Laundry Equipment		(10,484.00)	(11,740.00)		0.00	(11,740.00)
253 Pavement/Parking Areas		(32,074.00)	(36,720.00)		0.00	(36,720.00)
254 Plumbing System		(170,451.00)	(198,494.00)		0.00	(198,494.00)
255 Roofing System		(545,499.00)	(545,499.00)		0.00	(545,499.00)
256 Seawall		(50,023.00)	(59,308.00)		0.00	(59,308.00)
257 Swimming Pool		(12,543.00)	(13,979.00)		0.00	(13,979.00)
258 Interest Earned		(46,945.00)	(51,906.00)		0.00	(51,906.00)
Subtotal [VV.02] Fund Balance - Reserves		<u>(956,595.00)</u>	<u>(1,027,819.00)</u>		<u>0.00</u>	<u>(1,027,819.00)</u>
Total [VV] Equity		<u>(1,183,027.00)</u>	<u>(1,207,763.00)</u>		<u>(1.00)</u>	<u>(1,207,764.00)</u>
Group : [10] Income						
Subgroup : [10.01] Regular Assessments - Operating						
300 Association dues		(594,978.00)	(530,820.00)		0.00	(530,820.00)
Subtotal [10.01] Regular Assessments - Operating		<u>(594,978.00)</u>	<u>(530,820.00)</u>		<u>0.00</u>	<u>(530,820.00)</u>
Subgroup : [10.02] Regular Assessments - Reserves						
301 Association dues - reserve		(66,263.00)	(71,141.00)		0.00	(71,141.00)
Subtotal [10.02] Regular Assessments - Reserves		<u>(66,263.00)</u>	<u>(71,141.00)</u>		<u>0.00</u>	<u>(71,141.00)</u>
Subgroup : [10.03] Interest - Operating						
302 Interest income - operating		(7.00)	0.00		0.00	0.00
Subtotal [10.03] Interest - Operating		<u>(7.00)</u>	<u>0.00</u>		<u>0.00</u>	<u>0.00</u>
Subgroup : [10.04] Interest - Reserves						
303 Interest income - reserve		(4,961.00)	(1,681.00)		(1.00)	(1,682.00)
				AJE - 1	(1.00)	
Subtotal [10.04] Interest - Reserves		<u>(4,961.00)</u>	<u>(1,681.00)</u>		<u>(1.00)</u>	<u>(1,682.00)</u>
Subgroup : [10.05] Other Income - Operating						
304 Laundry Machine Income		(15,323.00)	(15,596.00)		1.00	(15,595.00)
				AJE - 1	1.00	
305 Storage Rent		(1,300.00)	(1,200.00)		0.00	(1,200.00)
306 Miscellaneous income		(4,746.00)	(364.00)		0.00	(364.00)
307 Late fees		(1,650.00)	(4,250.00)		0.00	(4,250.00)
310 Other income - rental B210		(20,632.00)	(11,239.00)		0.00	(11,239.00)
311 Other income - rental E207		0.00	(4,032.00)		0.00	(4,032.00)
Subtotal [10.05] Other Income - Operating		<u>(43,651.00)</u>	<u>(36,681.00)</u>		<u>1.00</u>	<u>(36,680.00)</u>
Total [10] Income		<u>(709,860.00)</u>	<u>(640,323.00)</u>		<u>0.00</u>	<u>(640,323.00)</u>
Group : [40] Operating Expenses						
Subgroup : [40.00] Assoc Owned Units						
430 Other exp - B210 Expense		15,002.00	3,175.00		0.00	3,175.00
431 Other exp - E207 Expense		0.00	3,089.00		0.00	3,089.00
Subtotal [40.00] Assoc Owned Units		<u>15,002.00</u>	<u>6,264.00</u>		<u>0.00</u>	<u>6,264.00</u>
Subgroup : [40.01] Bad Debts						
402 Bad debt expense		144,908.00	65,115.00		0.00	65,115.00
Subtotal [40.01] Bad Debts		<u>144,908.00</u>	<u>65,115.00</u>		<u>0.00</u>	<u>65,115.00</u>
Subgroup : [40.03] Depreciation						
400 Depreciation expense		347.00	2,944.00		0.00	2,944.00
Subtotal [40.03] Depreciation		<u>347.00</u>	<u>2,944.00</u>		<u>0.00</u>	<u>2,944.00</u>
Subgroup : [40.05] General & Administrative Expenses						
401 Office expense		7,900.00	7,328.00		0.00	7,328.00
403 Legal		14,879.00	27,972.00		500.00	28,472.00
				AJE - 5	500.00	

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 Period Ending: 12/31/2013
 Trial Balance: GF-06.1 - Trial Balance
 Workpaper: Trial Balance Combined Detail LS

Account	Description	1st PP-FINAL	UNADJ	JE Ref #	AJE	FINAL
		12/31/2012	12/31/2013			12/31/2013
404	Annual fee to division	656.00	656.00		0.00	656.00
405	Financial report/accounting	13,714.00	17,670.00		0.00	17,670.00
406	Management company fees	37,212.00	37,212.00		0.00	37,212.00
408	Administration	3,075.00	2,720.00		1.00	2,721.00
				AJE - 1	1.00	
Subtotal [40.05] General & Administrative Expenses		77,436.00	93,558.00		501.00	94,059.00
Subgroup : [40.15 Insurance						
440	Insurance	162,875.00	219,380.00		(4,894.00)	214,486.00
				AJE - 2	(3,171.00)	
				AJE - 3	(1,723.00)	
Subtotal [40.15] Insurance		162,875.00	219,380.00		(4,894.00)	214,486.00
Subgroup : [40.20 Interest						
407	Interest	2,016.00	0.00		3,171.00	3,171.00
				AJE - 2	3,171.00	
Subtotal [40.20] Interest		2,016.00	0.00		3,171.00	3,171.00
Subgroup : [40.28 Payroll						
420	Maintenance wages	82,041.00	80,101.00		0.00	80,101.00
Subtotal [40.28] Payroll		82,041.00	80,101.00		0.00	80,101.00
Subgroup : [40.30 Repairs and maintenance						
421	Fire equipment	3,483.00	3,314.00		0.00	3,314.00
422	General maint/repairs	44,630.00	33,828.00		0.00	33,828.00
423	Landscaping	10,797.00	8,860.00		0.00	8,860.00
424	Pest control services	7,648.00	17,951.00		0.00	17,951.00
425	Pool maintenance	14,493.00	7,941.00		0.00	7,941.00
Subtotal [40.30] Repairs and maintenance		81,051.00	71,894.00		0.00	71,894.00
Subgroup : [40.35 Utilities						
435	Wireless internet-pool	2,382.00	941.00		0.00	941.00
436	Electricity	24,216.00	19,834.00		2,990.00	22,824.00
				AJE - 4	1,020.00	
				AJE - 5	1,970.00	
438	Telephone	7,328.00	6,252.00		0.00	6,252.00
439	Water and sewer	70,072.00	70,894.00		4,560.00	75,454.00
				AJE - 5	4,560.00	
Subtotal [40.35] Utilities		103,998.00	97,921.00		7,550.00	105,471.00
Subgroup : [40.43 Trash collection						
437	Rubbish removal	15,449.00	17,078.00		0.00	17,078.00
Subtotal [40.43] Trash collection		15,449.00	17,078.00		0.00	17,078.00
Total [40] Operating Expenses		685,123.00	654,255.00		6,328.00	660,583.00
Group : [50] Reserve Expenses						
Subgroup : [50.01 Reserve Expense						
553	Paving - reserve exp	0.00	2,850.00		0.00	2,850.00
555	Roofing - reserve expense	0.00	15,120.00		0.00	15,120.00
567	Swimming Pool - reserve exp	0.00	3,000.00		0.00	3,000.00
Subtotal [50.01] Reserve Expense		0.00	20,970.00		0.00	20,970.00
Total [50] Reserve Expenses		0.00	20,970.00		0.00	20,970.00
Sum of Account Groups		0.00	0.00		0.00	0.00
Net (Income) Loss		(24,737.00)	34,902.00		6,328.00	41,230.00

DRAFT

BASHOR & LEGENDRE, LLP
Certified Public Accountants
4809 Ehrlich Rd, Suite 203
Tampa, FL 33624

Invoice

Date	Invoice #
3/28/2014	7337

Bill To
Barefoot Beach Resort of Indian Shores Condo, Assoc., Inc. c/o RVA Resourt Vacations 4030 Gulf of Mexico Drive Longboat Key, FL 34228

Description	Amount
Audit of financial statements for the year ended December 31, 2013.	6,200.00

Payment is due upon receipt. We sincerely thank you for your business. For useful tax, business and financials tips visit our home page at www.blcpas.com to read our ONLINE ADVISOR NEWSLETTER.

Total	\$6,200.00
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Phone # 813-961-3220

Fax # 813-962-6165

Web Site www.blcpas.com
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