

**BAREFOOT BEACH RESORT OF INDIAN SHORES CONDOMINIUM  
ASSOCIATION, INC.**

**Financial Statements and  
Accountant's Compilation Report**

**December 31, 2013**

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

We have compiled the accompanying balance sheets – Operating and Replacement funds of Barefoot Beach Resort of Indian Shores Condominium Association, Inc. (a corporation) as of December 31, 2013, and the related statements of revenues and expenses – Operating and Replacement funds for the one and twelve months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of the compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The supplementary information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has elected to omit substantially all of the disclosures and the statement of cash flows ordinarily included in financial statements required by generally accepted accounting principles in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Association's financial position, and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

January 18, 2014

Barefoot Beach Resort of Indian Shores  
Balance Sheet-Operating Fund  
As of December 31, 2013

**DRAFT**  
FOR DISCUSSION PURPOSES ONLY

	<u>Dec 31, 13</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
BB&T	21,110.67
<b>Total Checking/Savings</b>	<u>21,110.67</u>
Accounts Receivable	
Assessments Receivable	401,778.59
Allowance for Bad Debt	<u>(375,000.00)</u>
<b>Total Accounts Receivable</b>	26,778.59
<b>Other Current Assets</b>	
Inventory	359.04
Prepaid Taxes	1,240.00
Prepaid Expenses	1,231.68
Prepaid Insurance	<u>161,450.42</u>
<b>Total Other Current Assets</b>	<u>164,281.14</u>
<b>Total Current Assets</b>	212,170.40
<b>Fixed Assets</b>	
Equipment	17,891.47
Accumulated Depreciation	<u>(3,291.65)</u>
<b>Total Fixed Assets</b>	14,599.82
<b>Other Assets</b>	
Other Assets	4,639.20
Utility Deposits	<u>4,730.46</u>
<b>Total Other Assets</b>	<u>9,369.66</u>
<b>TOTAL ASSETS</b>	<u><u>236,139.88</u></u>

See accountant's compilation report.

Barefoot Beach Resort of Indian Shores  
Balance Sheet-Operating Fund  
As of December 31, 2013

**DRAFT**  
FOR DISCUSSION PURPOSES ONLY

Dec 31, 13

<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
Accrued Expenses	502.54
Insurance Note Payable	110,072.30
Prepaid Assessments	32,374.60
<b>Total Other Current Liabilities</b>	<u>142,949.44</u>
<b>Total Current Liabilities</b>	<u>142,949.44</u>
<b>Total Liabilities</b>	142,949.44
<b>Equity</b>	
Operating Fund Balance	179,944.47
Net Income	(86,754.03)
<b>Total Equity</b>	<u>93,190.44</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>236,139.88</u></u>

See accountant's compilation report.

Barefoot Beach Resort of Indian Shores  
**Statement of Revenues and Expenses-Operating Fund**

For the one and twelve months ended December 2013

FOR DISCUSSION PURPOSES ONLY

	Dec 13	Jan - Dec 13
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Association Dues	50,163.38	601,960.56
Laundry Machine Income	832.65	15,595.73
Storage Rent	100.00	1,200.00
Miscellaneous income	0.00	363.53
Late Fees	275.00	4,250.00
<b>Total Income</b>	51,371.03	623,369.82
<b>Gross Profit</b>	51,371.03	623,369.82
<b>Expense</b>		
<b>ADMINISTRATION</b>		
Depreciation Expense	2,944.26	2,944.26
Office Expense, Bank Service	1,036.37	7,326.89
Bad Debt Expense	18,800.00	65,114.92
Legal	3,975.00	27,972.25
Annual Fee to Division	0.00	656.00
Financial Report/Accounting	700.00	17,670.00
Management Company Fees	3,101.00	37,212.00
Administration, Licenses	0.00	2,719.95
<b>Total ADMINISTRATION</b>	30,556.63	161,616.27
<b>REPAIRS/MAINTENANCE</b>		
Maintenance Wages	10,968.93	80,100.89
Fire Equipment	802.50	3,313.79
General Maint/Repairs	5,202.56	33,827.83
Landscaping	2,175.00	8,860.00
Pest Control Services	1,296.70	17,950.54
Pool Maintenance	636.25	7,940.85
<b>Total REPAIRS/MAINTENANCE</b>	21,081.94	151,993.90
<b>UTILITIES</b>		
Wireless Internet-Pool Area	78.70	941.28
Electricity	1,955.54	19,834.33
Rubbish Removal	1,437.30	17,077.60
Telephones	430.20	6,252.06
Water and Sewer	4,628.02	70,894.03
<b>Total UTILITIES</b>	8,529.76	114,999.30
<b>INSURANCE</b>	22,976.66	219,379.65
<b>RESERVES</b>	5,928.45	71,141.40
<b>Total Expense</b>	89,073.44	719,130.52
<b>Net Ordinary Income</b>	(37,702.41)	(95,760.70)

See accountant's compilation report.

Barefoot Beach Resort of Indian Shores  
**Statement of Revenues and Expenses-Operating Fund**  
 For the one and twelve months ended December 2013

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 FOR DISCUSSION PURPOSES ONLY

	Dec 13	Jan - Dec 13
Other Income/Expense		
Other Income		
Unit B210 Rental Income	0.00	11,238.69
Unit E207 Rental Income	0.00	4,032.17
Total Other Income	0.00	15,270.86
Other Expense		
Unit B210 Expenses	215.37	3,175.17
Unit E207 Expenses	199.25	3,089.02
Total Other Expense	414.62	6,264.19
Net Other Income	(414.62)	9,006.67
Net Income	(38,117.03)	(86,754.03)

See accountant's compilation report.

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FOR DISCUSSION PURPOSES ONLY

Barefoot Beach Resort at Indian Shores Condominium

**Balance Sheet-Replacement Fund**

As of December 31, 2013

	Dec 31, 13
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
BB&T Commerical Reserve	78,806.15
BB&T Resort Reserve Acct	1,000,865.51
<b>Total Checking/Savings</b>	1,079,671.66
<b>Total Current Assets</b>	1,079,671.66
<b>TOTAL ASSETS</b>	1,079,671.66
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
RESERVE FUND BALANCES	
Drainage	76,369.03
Exterior Painting	33,804.23
Laundry Equipment	11,739.75
Pavement/Parking Areas	36,719.79
Plumbing System	198,494.43
Roofing System	545,498.55
Seawall	59,308.02
Swimming Pool	13,979.18
Interest Earned	51,906.02
<b>Total RESERVE FUND BALANCES</b>	1,027,819.00
Net Income	51,852.66
<b>Total Equity</b>	1,079,671.66
<b>TOTAL LIABILITIES &amp; EQUITY</b>	1,079,671.66

See accountant's compilation report.

Barefoot Beach Resort at Indian Shores Condominium  
**Statement of Revenues and Expenses-Reserve Fund**  
 For the one and twelve months ended December 2013

	Dec 13	Jan - Dec 13
<b>Income</b>		
<b>RESERVE FUNDING</b>		
Drainage	934.41	11,212.92
Exterior Painting	1,082.22	12,986.64
Laundry Equipment	119.60	1,435.20
Pavement/Parking Areas	425.82	5,109.84
Plumbing System	2,405.71	28,868.52
Seawall	829.01	9,948.12
Swimming Pool	131.68	1,580.16
<b>Total RESERVE FUNDING</b>	5,928.45	71,141.40
Interest Income	137.44	1,680.96
<b>Total Income</b>	6,065.89	72,822.36
<b>Expense</b>		
Swimming Pool Expense	3,000.00	3,000.00
Paving Expense	0.00	2,850.00
Roofing Expense	0.00	15,119.70
<b>Total Expense</b>	3,000.00	20,969.70
<b>Net Income</b>	3,065.89	51,852.66

See accountant's compilation report.



**SUPPLEMENTAL INFORMATION**

Barefoot Beach Resort of Indian Shores  
**Schedule I-Revenues and Expenses to Budget-Operating Fund.**

For the one month ended December 2013

FOR DISCUSSION PURPOSES ONLY

	Dec 13	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Association Dues	50,163.38	50,163.67	(0.29)
Laundry Machine Income	832.65	1,400.00	(567.35)
Storage Rent	100.00	0.00	100.00
Late Fees	275.00	0.00	275.00
Membership Income Carryover	0.00	12,250.00	(12,250.00)
<b>Total Income</b>	<b>51,371.03</b>	<b>63,813.67</b>	<b>(12,442.64)</b>
<b>Gross Profit</b>	<b>51,371.03</b>	<b>63,813.67</b>	<b>(12,442.64)</b>
<b>Expense</b>			
<b>ADMINISTRATION</b>			
Depreciation Expense	2,944.26	0.00	2,944.26
Contingency	0.00	6,500.00	(6,500.00)
Office Expense, Bank Service	1,036.37	403.00	633.37
Bad Debt Expense	18,800.00	6,319.00	12,481.00
Legal	3,975.00	2,075.00	1,900.00
Annual Fee to Division	0.00	54.67	(54.67)
Financial Report/Accounting	700.00	1,158.00	(458.00)
Management Company Fees	3,101.00	3,101.00	0.00
Administration, Licenses	0.00	314.10	(314.10)
<b>Total ADMINISTRATION</b>	<b>30,556.63</b>	<b>19,924.77</b>	<b>10,631.86</b>
<b>REPAIRS/MAINTENANCE</b>			
Maintenance Wages	10,968.93	6,375.70	4,593.23
Fire Equipment	802.50	244.00	558.50
General Maint/Repairs	5,202.56	3,000.00	2,202.56
Landscaping	2,175.00	650.00	1,525.00
Pest Control Services	1,296.70	719.93	576.77
Pool Maintenance	636.25	709.00	(72.75)
<b>Total REPAIRS/MAINTENANCE</b>	<b>21,081.94</b>	<b>11,698.63</b>	<b>9,383.31</b>
<b>UTILITIES</b>			
Wireless Internet-Pool Area	78.70	84.95	(6.25)
Electricity	1,955.54	2,253.57	(298.03)
Rubbish Removal	1,437.30	1,367.30	70.00
Telephones	430.20	630.00	(199.80)
Water and Sewer	4,628.02	5,890.00	(1,261.98)
<b>Total UTILITIES</b>	<b>8,529.76</b>	<b>10,225.82</b>	<b>(1,696.06)</b>
<b>INSURANCE</b>	22,976.66	16,036.00	6,940.66
<b>RESERVES</b>	5,928.45	5,928.45	0.00
<b>Total Expense</b>	<b>89,073.44</b>	<b>63,813.67</b>	<b>25,259.77</b>
<b>Net Ordinary Income</b>	<b>(37,702.41)</b>	<b>0.00</b>	<b>(37,702.41)</b>

See accountant's compilation report.

Barefoot Beach Resort of Indian Shores  
**Schedule I-Revenues and Expenses to Budget Operating Fund**

For the one month ended December 2013

FOR DISCUSSION PURPOSES ONLY

	<u>Dec 13</u>	<u>Budget</u>	<u>\$ Over Budget</u>
<b>Other Income/Expense</b>			
<b>Other Expense</b>			
Unit B210 Expenses	215.37	0.00	215.37
Unit E207 Expenses	199.25	0.00	199.25
<b>Total Other Expense</b>	<u>414.62</u>	<u>0.00</u>	<u>414.62</u>
<b>Net Other Income</b>	<u>(414.62)</u>	<u>0.00</u>	<u>(414.62)</u>
<b>Net Income</b>	<u><u>(38,117.03)</u></u>	<u><u>0.00</u></u>	<u><u>(38,117.03)</u></u>

See accountant's compilation report.

Barefoot Beach Resort of Indian Shores  
**Schedule II-Revenues and Expenses to Budget-Operating Fund**

For the twelve months ended December 2013

FOR DISCUSSION PURPOSES ONLY

	Jan - Dec 13	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Association Dues	601,960.56	601,964.04	(3.48)
Laundry Machine Income	15,595.73	16,800.00	(1,204.27)
Storage Rent	1,200.00	0.00	1,200.00
Miscellaneous income	363.53	0.00	363.53
Late Fees	4,250.00	0.00	4,250.00
Membership Income Carryover	0.00	147,000.00	(147,000.00)
<b>Total Income</b>	<b>623,369.82</b>	<b>765,764.04</b>	<b>(142,394.22)</b>
<b>Gross Profit</b>	<b>623,369.82</b>	<b>765,764.04</b>	<b>(142,394.22)</b>
<b>Expense</b>			
<b>ADMINISTRATION</b>			
Depreciation Expense	2,944.26	0.00	2,944.26
Contingency	0.00	78,000.00	(78,000.00)
Office Expense, Bank Service	7,326.89	4,836.00	2,490.89
Bad Debt Expense	65,114.92	75,828.00	(10,713.08)
Legal	27,972.25	24,900.00	3,072.25
Annual Fee to Division	656.00	656.04	(0.04)
Financial Report/Accounting	17,670.00	13,896.00	3,774.00
Management Company Fees	37,212.00	37,212.00	0.00
Administration, Licenses	2,719.95	3,769.20	(1,049.25)
<b>Total ADMINISTRATION</b>	<b>161,616.27</b>	<b>239,097.24</b>	<b>(77,480.97)</b>
<b>REPAIRS/MAINTENANCE</b>			
Maintenance Wages	80,100.89	76,508.40	3,592.49
Fire Equipment	3,313.79	2,928.00	385.79
General Maint/Repairs	33,827.83	36,000.00	(2,172.17)
Landscaping	8,860.00	7,800.00	1,060.00
Pest Control Services	17,950.54	8,639.16	9,311.38
Pool Maintenance	7,940.85	8,508.00	(567.15)
<b>Total REPAIRS/MAINTENANCE</b>	<b>151,993.90</b>	<b>140,383.56</b>	<b>11,610.34</b>
<b>UTILITIES</b>			
Wireless Internet-Pool Area	941.28	1,019.40	(78.12)
Electricity	19,834.33	27,042.84	(7,208.51)
Rubbish Removal	17,077.60	16,407.60	670.00
Telephones	6,252.06	7,560.00	(1,307.94)
Water and Sewer	70,894.03	70,680.00	214.03
<b>Total UTILITIES</b>	<b>114,999.30</b>	<b>122,709.84</b>	<b>(7,710.54)</b>
<b>INSURANCE</b>	<b>219,379.65</b>	<b>192,432.00</b>	<b>26,947.65</b>
<b>RESERVES</b>	<b>71,141.40</b>	<b>71,141.40</b>	<b>0.00</b>
<b>Total Expense</b>	<b>719,130.52</b>	<b>765,764.04</b>	<b>(46,633.52)</b>
<b>Net Ordinary Income</b>	<b>(95,760.70)</b>	<b>0.00</b>	<b>(95,760.70)</b>

See accountant's compilation report.

Barefoot Beach Resort of Indian Shores  
**Schedule II-Revenues and Expenses to Budget-Operating Fund**  
 For the twelve months ended December 2013

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FOR DISCUSSION PURPOSES ONLY

	Jan - Dec 13	Budget	\$ Over Budget
<b>Other Income/Expense</b>			
<b>Other Income</b>			
Unit B210 Rental Income	11,238.69	0.00	11,238.69
Unit E207 Rental Income	4,032.17	0.00	4,032.17
<b>Total Other Income</b>	15,270.86	0.00	15,270.86
<b>Other Expense</b>			
Unit B210 Expenses	3,175.17	0.00	3,175.17
Unit E207 Expenses	3,089.02	0.00	3,089.02
<b>Total Other Expense</b>	6,264.19	0.00	6,264.19
<b>Net Other Income</b>	9,006.67	0.00	9,006.67
<b>Net Income</b>	(86,754.03)	0.00	(86,754.03)

See accountant's compilation report.