

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

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

October 31, 2013



45 Eglin Parkway, N.E., Suite 301
Fort Walton Beach, FL 32548
850.244.5121
warrenaverett.com

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 October 31, 2013, and the related statements of revenues and expenses – Operating and Replacement funds for the one and ten 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.

Warren Averett, LLC

November 13, 2013

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

	Oct 31, 13
ASSETS	
Current Assets	
Checking/Savings	
BB&T	52,428.58
Total Checking/Savings	52,428.58
Accounts Receivable	
Assessments Receivable	386,823.91
Allowance for Bad Debt	(356,200.00)
Total Accounts Receivable	30,623.91
Other Current Assets	
Inventory	976.80
Prepaid Taxes	930.00
Prepaid Expenses	1,563.51
Prepaid Insurance	207,201.16
Total Other Current Assets	210,671.47
Total Current Assets	293,723.96
Fixed Assets	
Equipment	17,891.47
Accumulated Depreciation	(347.39)
Total Fixed Assets	17,544.08
Other Assets	
Other Assets	4,639.20
Utility Deposits	4,730.46
Total Other Assets	9,369.66
TOTAL ASSETS	320,637.70

See accountant's compilation report.

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

	<u>Oct 31, 13</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Deferred Revenues	100.00
Accrued Expenses	980.38
Insurance Note Payable	152,750.30
Prepaid Assessments	27,643.03
Total Other Current Liabilities	<u>181,473.71</u>
Total Current Liabilities	<u>181,473.71</u>
Total Liabilities	181,473.71
Equity	
Operating Fund Balance	179,944.47
Net Income	(40,780.48)
Total Equity	<u>139,163.99</u>
TOTAL LIABILITIES & EQUITY	<u><u>320,637.70</u></u>

See accountant's compilation report.

Barefoot Beach Resort of Indian Shores
Statement of Revenues and Expenses-Operating Fund
For the one and ten months ended October 2013

	Oct 13	Jan - Oct 13
Ordinary Income/Expense		
Income		
Association Dues	50,163.38	501,633.80
Laundry Machine Income	494.61	13,935.68
Storage Rent	100.00	1,000.00
Miscellaneous income	100.00	263.03
Late Fees	250.00	3,675.00
Total Income	51,107.99	520,507.51
Gross Profit	51,107.99	520,507.51
Expense		
ADMINISTRATION		
Office Expense, Bank Service	1,892.37	5,837.46
Bad Debt Expense	0.00	46,314.92
Legal	0.00	23,297.25
Financial Report/Accounting	275.00	12,670.00
Management Company Fees	3,101.00	31,010.00
Administration, Licenses	840.70	2,719.95
Total ADMINISTRATION	6,109.07	121,849.58
REPAIRS/MAINTENANCE		
Maintenance Wages	6,320.33	60,207.98
Fire Equipment	160.50	2,143.21
General Maint/Repairs	3,339.43	26,762.41
Landscaping	925.00	6,310.00
Pest Control Services	0.00	16,653.84
Pool Maintenance	625.00	6,679.60
Total REPAIRS/MAINTENANCE	11,370.26	118,757.04
UTILITIES		
Wireless Internet-Pool Area	78.70	783.88
Electricity	751.39	16,304.29
Rubbish Removal	1,437.30	14,123.00
Telephones	502.22	5,000.79
Water and Sewer	4,714.65	61,637.98
Total UTILITIES	7,484.26	97,849.94
INSURANCE	23,146.24	173,407.91
RESERVES	5,928.45	59,284.50
Total Expense	54,038.28	571,148.97
Net Ordinary Income	(2,930.29)	(50,641.46)

See accountant's compilation report.

Barefoot Beach Resort of Indian Shores
Statement of Revenues and Expenses-Operating Fund
For the one and ten months ended October 2013

	Oct 13	Jan - Oct 13
Other Income/Expense		
Other Income		
Unit B210 Rental Income	0.00	11,238.69
Unit E207 Rental Income	273.58	4,032.17
Total Other Income	273.58	15,270.86
Other Expense		
Unit B210 Expenses	245.85	2,736.33
Unit E207 Expenses	254.84	2,673.55
Total Other Expense	500.69	5,409.88
Net Other Income	(227.11)	9,860.98
Net Income	(3,157.40)	(40,780.48)

See accountant's compilation report.

Barefoot Beach Resort at Indian Shores Condominium
Balance Sheet-Replacement Fund
As of October 31, 2013

	Oct 31, 13
ASSETS	
Current Assets	
Checking/Savings	
BB&T Commerical Reserve	77,128.50
BB&T Resort Reserve Acct	993,416.10
Total Checking/Savings	1,070,544.60
Total Current Assets	1,070,544.60
TOTAL ASSETS	1,070,544.60
LIABILITIES & EQUITY	
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
Total RESERVE FUND BALANCES	1,027,819.00
Net Income	42,725.60
Total Equity	1,070,544.60
TOTAL LIABILITIES & EQUITY	1,070,544.60

See accountant's compilation report.

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

	Oct 13	Jan - Oct 13
Income		
RESERVE FUNDING		
Drainage	934.41	9,344.10
Exterior Painting	1,082.22	10,822.20
Laundry Equipment	119.60	1,196.00
Pavement/Parking Areas	425.82	4,258.20
Plumbing System	2,405.71	24,057.10
Seawall	829.01	8,290.10
Swimming Pool	131.68	1,316.80
Total RESERVE FUNDING	5,928.45	59,284.50
Interest Income	136.40	1,410.80
Total Income	6,064.85	60,695.30
Expense		
Paving Expense	2,850.00	2,850.00
Roofing expense	2,359.55	15,119.70
Total Expense	5,209.55	17,969.70
Net Income	855.30	42,725.60

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 October 2013

	Oct 13	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
Association Dues	50,163.38	50,163.67	(0.29)
Laundry Machine Income	494.61	1,400.00	(905.39)
Storage Rent	100.00	0.00	100.00
Miscellaneous Income	100.00	0.00	100.00
Late Fees	250.00	0.00	250.00
Membership Income Carryover	0.00	12,250.00	(12,250.00)
Total Income	<u>51,107.99</u>	<u>63,813.67</u>	<u>(12,705.68)</u>
Gross Profit	51,107.99	63,813.67	(12,705.68)
Expense			
ADMINISTRATION			
Contingency	0.00	6,500.00	(6,500.00)
Office Expense, Bank Service	1,892.37	403.00	1,489.37
Bad Debt Expense	0.00	6,319.00	(6,319.00)
Legal	0.00	2,075.00	(2,075.00)
Annual Fee to Division	0.00	54.67	(54.67)
Financial Report/Accounting	275.00	1,158.00	(883.00)
Management Company Fees	3,101.00	3,101.00	0.00
Adminlstration, Licenses	840.70	314.10	526.60
Total ADMINISTRATION	<u>6,109.07</u>	<u>19,924.77</u>	<u>(13,815.70)</u>
REPAIRS/MAINTENANCE			
Maintenance Wages	6,320.33	6,375.70	(55.37)
Fire Equipment	160.50	244.00	(83.50)
General Maint/Repairs	3,339.43	3,000.00	339.43
Landscaping	925.00	650.00	275.00
Pest Control Services	0.00	719.93	(719.93)
Pool Maintenance	625.00	709.00	(84.00)
Total REPAIRS/MAINTENANCE	<u>11,370.26</u>	<u>11,698.63</u>	<u>(328.37)</u>
UTILITIES			
Wireless Internet-Pool Area	78.70	84.95	(6.25)
Electricity	751.39	2,253.57	(1,502.18)
Rubbish Removal	1,437.30	1,367.30	70.00
Telephones	502.22	630.00	(127.78)
Water and Sewer	4,714.65	5,890.00	(1,175.35)
Total UTILITIES	<u>7,484.26</u>	<u>10,225.82</u>	<u>(2,741.56)</u>
INSURANCE	23,146.24	16,036.00	7,110.24
RESERVES	5,928.45	5,928.45	0.00
Total Expense	<u>54,038.28</u>	<u>63,813.67</u>	<u>(9,775.39)</u>
Net Ordinary Income	(2,930.29)	0.00	(2,930.29)

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 October 2013

	Oct 13	Budget	\$ Over Budget
Other Income/Expense			
Other Income			
Unit E207 Rental Income	273.58	0.00	273.58
Total Other Income	273.58	0.00	273.58
Other Expense			
Unit B210 Expenses	245.85	0.00	245.85
Unit E207 Expenses	254.84	0.00	254.84
Total Other Expense	500.69	0.00	500.69
Net Other Income	(227.11)	0.00	(227.11)
Net Income	<u>(3,157.40)</u>	<u>0.00</u>	<u>(3,157.40)</u>

See accountant's compilation report.

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

	Jan - Oct 13	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
Association Dues	501,633.80	501,636.70	(2.90)
Laundry Machine Income	13,935.68	14,000.00	(64.32)
Storage Rent	1,000.00	0.00	1,000.00
Miscellaneous income	263.03	0.00	263.03
Late Fees	3,675.00	0.00	3,675.00
Membership Income Carryover	0.00	122,500.00	(122,500.00)
Total Income	<u>520,507.51</u>	<u>638,136.70</u>	<u>(117,629.19)</u>
Gross Profit	520,507.51	638,136.70	(117,629.19)
Expense			
ADMINISTRATION			
Contingency	0.00	65,000.00	(65,000.00)
Office Expense, Bank Service	5,837.46	4,030.00	1,807.46
Bad Debt Expense	46,314.92	63,190.00	(16,875.08)
Legal	23,297.25	20,750.00	2,547.25
Annual Fee to Division	0.00	546.70	(546.70)
Financial Report/Accounting	12,670.00	11,580.00	1,090.00
Management Company Fees	31,010.00	31,010.00	0.00
Administration, Licenses	2,719.95	3,141.00	(421.05)
Total ADMINISTRATION	<u>121,849.58</u>	<u>199,247.70</u>	<u>(77,398.12)</u>
REPAIRS/MAINTENANCE			
Maintenance Wages	60,207.98	63,757.00	(3,549.02)
Fire Equipment	2,143.21	2,440.00	(296.79)
General Maint/Repairs	26,762.41	30,000.00	(3,237.59)
Landscaping	6,310.00	6,500.00	(190.00)
Pest Control Services	16,653.84	7,199.30	9,454.54
Pool Maintenance	6,679.60	7,090.00	(410.40)
Total REPAIRS/MAINTENANCE	<u>118,757.04</u>	<u>116,986.30</u>	<u>1,770.74</u>
UTILITIES			
Wireless Internet-Pool Area	783.88	849.50	(65.62)
Electricity	16,304.29	22,535.70	(6,231.41)
Rubbish Removal	14,123.00	13,673.00	450.00
Telephones	5,000.79	6,300.00	(1,299.21)
Water and Sewer	61,637.98	58,900.00	2,737.98
Total UTILITIES	<u>97,849.94</u>	<u>102,258.20</u>	<u>(4,408.26)</u>
INSURANCE	173,407.91	160,360.00	13,047.91
RESERVES	59,284.50	59,284.50	0.00
Total Expense	<u>571,148.97</u>	<u>638,136.70</u>	<u>(66,987.73)</u>
Net Ordinary Income	(50,641.46)	0.00	(50,641.46)

See accountant's compilation report.

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

	Jan - Oct 13	Budget	\$ Over Budget
Other Income/Expense			
Other Income			
Unit B210 Rental Income	11,238.69	0.00	11,238.69
Unit E207 Rental Income	4,032.17	0.00	4,032.17
Total Other Income	15,270.86	0.00	15,270.86
Other Expense			
Unit B210 Expenses	2,736.33	0.00	2,736.33
Unit E207 Expenses	2,673.55	0.00	2,673.55
Total Other Expense	5,409.88	0.00	5,409.88
Net Other Income	9,860.98	0.00	9,860.98
Net Income	<u>(40,780.48)</u>	<u>0.00</u>	<u>(40,780.48)</u>

See accountant's compilation report.