

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

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

September 30, 2013



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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 September 30, 2013, and the related statements of revenues and expenses – Operating and Replacement funds for the one and nine 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

October 8, 2013

Barefoot Beach Resort of Indian Shores
Balance Sheet-Operating Fund
As of September 30, 2013

	Sep 30, 13
ASSETS	
Current Assets	
Checking/Savings	
BB&T	71,748.74
Total Checking/Savings	71,748.74
Accounts Receivable	
Assessments Receivable	380,103.50
Allowance for Bad Debt	(356,200.00)
Total Accounts Receivable	23,903.50
Other Current Assets	
Inventory	976.80
Prepaid Taxes	930.00
Prepaid Expenses	1,413.84
Prepaid Insurance	226,697.40
Total Other Current Assets	230,018.04
Total Current Assets	325,670.28
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	352,584.02
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accrued Expenses	9,214.71
Insurance Note Payable	175,827.68
Prepaid Assessments	25,220.24
Total Other Current Liabilities	210,262.63
Total Current Liabilities	210,262.63
Total Liabilities	210,262.63

See accountant's compilation report.

Barefoot Beach Resort of Indian Shores
Balance Sheet-Operating Fund
As of September 30, 2013

	<u>Sep 30, 13</u>
Equity	
Operating Fund Balance	179,944.47
Net Income	<u>(37,623.08)</u>
Total Equity	<u>142,321.39</u>
TOTAL LIABILITIES & EQUITY	<u>352,584.02</u>

See accountant's compilation report.

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

	Sep 13	Jan - Sep 13
Ordinary Income/Expense		
Income		
Association Dues	50,163.38	451,470.42
Laundry Machine Income	1,234.57	13,441.07
Storage Rent	100.00	900.00
Miscellaneous Income	50.00	163.03
Late Fees	275.00	3,425.00
Total Income	51,822.95	469,399.52
Gross Profit	51,822.95	469,399.52
Expense		
ADMINISTRATION		
Office Expense, Bank Service	656.96	3,945.09
Bad Debt Expense	200.00	46,314.92
Legal	3,175.00	23,297.25
Financial Report/Accounting	825.00	12,395.00
Management Company Fees	3,101.00	27,909.00
Administration, Licenses	0.00	1,879.25
Total ADMINISTRATION	7,957.96	115,740.51
REPAIRS/MAINTENANCE		
Maintenance Wages	5,147.40	53,887.65
Fire Equipment	160.50	1,982.71
General Maint/Repairs	1,738.17	23,422.98
Landscaping	375.00	5,385.00
Pest Control Services	10,358.84	16,653.84
Pool Maintenance	625.00	6,054.60
Total REPAIRS/MAINTENANCE	18,404.91	107,386.78
UTILITIES		
Wireless Internet-Pool Area	78.70	705.18
Electricity	1,283.84	15,552.90
Rubbish Removal	1,437.30	12,685.70
Telephones	507.03	4,498.57
Water and Sewer	4,714.66	56,923.33
Total UTILITIES	8,021.53	90,365.68
INSURANCE	22,669.74	150,261.67
RESERVES	5,928.45	53,356.05
Total Expense	62,982.59	517,110.69
Net Ordinary Income	(11,159.64)	(47,711.17)

See accountant's compilation report.

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

	Sep 13	Jan - Sep 13
Other Income/Expense		
Other Income		
Unit B210 Rental Income	966.34	11,238.69
Unit E207 Rental Income	705.59	3,758.59
Total Other Income	1,671.93	14,997.28
Other Expense		
Unit B210 Expenses	256.38	2,490.48
Unit E207 Expenses	295.24	2,418.71
Total Other Expense	551.62	4,909.19
Net Other Income	1,120.31	10,088.09
Net Income	(10,039.33)	(37,623.08)

See accountant's compilation report.

Barefoot Beach Resort at Indian Shores Condominium
Balance Sheet-Replacement Fund
As of September 30, 2013

	Sep 30, 13
ASSETS	
Current Assets	
Checking/Savings	
BB&T Commerical Reserve	76,289.69
BB&T Resort Reserve Acct	993,399.61
Total Checking/Savings	1,069,689.30
Total Current Assets	1,069,689.30
TOTAL ASSETS	1,069,689.30
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	41,870.30
Total Equity	1,069,689.30
TOTAL LIABILITIES & EQUITY	1,069,689.30

See accountant's compilation report.

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

	Sep 13	Jan - Sep 13
Income		
RESERVE FUNDING		
Drainage	934.41	8,409.69
Exterior Painting	1,082.22	9,739.98
Laundry Equipment	119.60	1,076.40
Pavement/Parking Areas	425.82	3,832.38
Plumbing System	2,405.71	21,651.39
Seawall	829.01	7,461.09
Swimming Pool	131.68	1,185.12
Total RESERVE FUNDING	5,928.45	53,356.05
Interest Income	131.82	1,274.40
Total Income	6,060.27	54,630.45
Expense		
Roofing expense	680.25	12,760.15
Total Expense	680.25	12,760.15
Net Income	5,380.02	41,870.30

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 September 2013

	Sep 13	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
Association Dues	50,163.38	50,163.67	(0.29)
Laundry Machine Income	1,234.57	1,400.00	(165.43)
Storage Rent	100.00	0.00	100.00
Miscellaneous Income	50.00	0.00	50.00
Late Fees	275.00	0.00	275.00
Membership Income Carryover	0.00	12,250.00	(12,250.00)
Total Income	<u>51,822.95</u>	<u>63,813.67</u>	<u>(11,990.72)</u>
Gross Profit	51,822.95	63,813.67	(11,990.72)
Expense			
ADMINISTRATION			
Contingency	0.00	6,500.00	(6,500.00)
Office Expense, Bank Service	656.96	403.00	253.96
Bad Debt Expense	200.00	6,319.00	(6,119.00)
Legal	3,175.00	2,075.00	1,100.00
Annual Fee to Division	0.00	54.67	(54.67)
Financial Report/Accounting	825.00	1,158.00	(333.00)
Management Company Fees	3,101.00	3,101.00	0.00
Administration, Licenses	0.00	314.10	(314.10)
Total ADMINISTRATION	<u>7,957.96</u>	<u>19,924.77</u>	<u>(11,966.81)</u>
REPAIRS/MAINTENANCE			
Maintenance Wages	5,147.40	6,375.70	(1,228.30)
Fire Equipment	160.50	244.00	(83.50)
General Maint/Repairs	1,738.17	3,000.00	(1,261.83)
Landscaping	375.00	650.00	(275.00)
Pest Control Services	10,358.84	719.93	9,638.91
Pool Maintenance	625.00	709.00	(84.00)
Total REPAIRS/MAINTENANCE	<u>18,404.91</u>	<u>11,698.63</u>	<u>6,706.28</u>
UTILITIES			
Wireless Internet-Pool Area	78.70	84.95	(6.25)
Electricity	1,283.84	2,253.57	(969.73)
Rubbish Removal	1,437.30	1,367.30	70.00
Telephones	507.03	630.00	(122.97)
Water and Sewer	4,714.66	5,890.00	(1,175.34)
Total UTILITIES	<u>8,021.53</u>	<u>10,225.82</u>	<u>(2,204.29)</u>
INSURANCE	22,669.74	16,036.00	6,633.74
RESERVES	5,928.45	5,928.45	0.00
Total Expense	<u>62,982.59</u>	<u>63,813.67</u>	<u>(831.08)</u>
Net Ordinary Income	(11,159.64)	0.00	(11,159.64)

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 September 2013

	Sep 13	Budget	\$ Over Budget
Other Income/Expense			
Other Income			
Unit B210 Rental Income	966.34	0.00	966.34
Unit E207 Rental Income	705.59	0.00	705.59
Total Other Income	1,671.93	0.00	1,671.93
Other Expense			
Unit B210 Expenses	256.38	0.00	256.38
Unit E207 Expenses	295.24	0.00	295.24
Total Other Expense	551.62	0.00	551.62
Net Other Income	1,120.31	0.00	1,120.31
Net Income	<u>(10,039.33)</u>	<u>0.00</u>	<u>(10,039.33)</u>

See accountant's compilation report.

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

	Jan - Sep 13	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
Association Dues	451,470.42	451,473.03	(2.61)
Laundry Machine Income	13,441.07	12,600.00	841.07
Storage Rent	900.00	0.00	900.00
Miscellaneous Income	163.03	0.00	163.03
Late Fees	3,425.00	0.00	3,425.00
Membership Income Carryover	0.00	110,250.00	(110,250.00)
Total Income	<u>469,399.52</u>	<u>574,323.03</u>	<u>(104,923.51)</u>
Gross Profit	469,399.52	574,323.03	(104,923.51)
Expense			
ADMINISTRATION			
Contingency	0.00	58,500.00	(58,500.00)
Office Expense, Bank Service	3,945.09	3,627.00	318.09
Bad Debt Expense	46,314.92	56,871.00	(10,556.08)
Legal	23,297.25	18,675.00	4,622.25
Annual Fee to Division	0.00	492.03	(492.03)
Financial Report/Accounting	12,395.00	10,422.00	1,973.00
Management Company Fees	27,909.00	27,909.00	0.00
Administration, Licenses	1,879.25	2,826.90	(947.65)
Total ADMINISTRATION	<u>115,740.51</u>	<u>179,322.93</u>	<u>(63,582.42)</u>
REPAIRS/MAINTENANCE			
Maintenance Wages	53,887.65	57,381.30	(3,493.65)
Fire Equipment	1,982.71	2,196.00	(213.29)
General Maint/Repairs	23,422.98	27,000.00	(3,577.02)
Landscaping	5,385.00	5,850.00	(465.00)
Pest Control Services	16,653.84	6,479.37	10,174.47
Pool Maintenance	6,054.60	6,381.00	(326.40)
Total REPAIRS/MAINTENANCE	<u>107,386.78</u>	<u>105,287.67</u>	<u>2,099.11</u>
UTILITIES			
Wireless Internet-Pool Area	705.18	764.55	(59.37)
Electricity	15,552.90	20,282.13	(4,729.23)
Rubbish Removal	12,685.70	12,305.70	380.00
Telephones	4,498.57	5,670.00	(1,171.43)
Water and Sewer	56,923.33	53,010.00	3,913.33
Total UTILITIES	<u>90,365.68</u>	<u>92,032.38</u>	<u>(1,666.70)</u>
INSURANCE	150,261.67	144,324.00	5,937.67
RESERVES	53,356.05	53,356.05	0.00
Total Expense	<u>517,110.69</u>	<u>574,323.03</u>	<u>(57,212.34)</u>
Net Ordinary Income	(47,711.17)	0.00	(47,711.17)

See accountant's compilation report.

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

	Jan - Sep 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	3,758.59	0.00	3,758.59
Total Other Income	14,997.28	0.00	14,997.28
Other Expense			
Unit B210 Expenses	2,490.48	0.00	2,490.48
Unit E207 Expenses	2,418.71	0.00	2,418.71
Total Other Expense	4,909.19	0.00	4,909.19
Net Other Income	10,088.09	0.00	10,088.09
Net Income	<u>(37,623.08)</u>	<u>0.00</u>	<u>(37,623.08)</u>

See accountant's compilation report.