

**WINDJAMMER CONDOMINIUM ASSOCIATION OF
LAUDERDALE-BY-THE-SEA, FLORIDA, INC.**

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

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R O N A L D L. M A R T I N, C P A, P. A.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Windjammer Condominium Association of
Lauderdale-By-The-Sea, Florida, Inc.
Lauderdale-By-The-Sea, Florida

I have audited the accompanying balance sheet of Windjammer Condominium Association of Lauderdale-By-The-Sea, Florida, Inc. (a Florida corporation) as of December 31, 2010, and the related statements of revenues, expenses and changes in fund balance, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Windjammer Condominium Association of Lauderdale-By-The-Sea, Florida, Inc. as of December 31, 2010, 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.

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacements on page 12 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.

A handwritten signature in black ink, appearing to read 'Ronald L. Martin, CPA, P.A.'.

Certified Public Accountant
Pembroke Pines, Florida

April 21, 2011

WINDJAMMER CONDOMINIUM ASSOCIATION
OF LAUDERDALE-BY-THE-SEA, FLORIDA INC.

BALANCE SHEET

DECEMBER 31, 2010

	OPERATING FUND	REPLACEMENT FUND	TAX FUND	TOTAL
ASSETS				
Cash	\$ 466,532	\$ 131,134	\$ 570	\$ 598,236
Accounts receivable, less allowance for doubtful accounts of \$24,000	16,616	-	275	16,891
Prepaid insurance	13,153	-	-	13,153
Equipment and furniture, less accumulated depreciation	13,024	-	-	13,024
Investment in units	14,371	-	-	14,371
Deposits	2,588	-	-	2,588
Interfund receivable (payable)	(83,417)	(260)	83,677	-
	<u>\$ 442,867</u>	<u>\$ 130,874</u>	<u>\$ 84,522</u>	<u>\$ 658,263</u>
 LIABILITIES AND FUND BALANCE (DEFICIT)				
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 13,624	\$ -	\$ -	\$ 13,624
Assessments received in advance	430,890	-	27,016	457,906
	<u>444,514</u>	<u>-</u>	<u>27,016</u>	<u>471,530</u>
 FUND BALANCES (DEFICIT)	 <u>(1,647)</u>	 <u>130,874</u>	 <u>57,506</u>	 <u>186,733</u>
	<u>\$ 442,867</u>	<u>\$ 130,874</u>	<u>\$ 84,522</u>	<u>\$ 658,263</u>

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

WINDJAMMER CONDOMINIUM ASSOCIATION
OF LAUDERDALE-BY-THE-SEA, FLORIDA INC.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (DEFICIT)

YEAR ENDED DECEMBER 31, 2010

	OPERATING FUND	REPLACEMENT FUND	TAX FUND	TOTAL
REVENUES:				
Assessments	\$ 850,661	\$ 137,689	\$ 79,254	\$ 1,067,604
Interest	1,959	1,274	-	3,233
Gain on sale of units, net	3,536	-	-	3,536
Rental income, net	52,536	-	-	52,536
Telephone income	2,170	-	-	2,170
Other income	12,824	-	-	12,824
	923,686	138,963	79,254	1,141,903
EXPENSES:				
Administrative and general (Schedule 1)	360,513	-	1,607	362,120
Depreciation	1,376	-	-	1,376
Insurance	48,768	-	-	48,768
Maintenance and repairs (Schedule 1)	298,794	64,372	-	363,166
Property taxes	-	-	55,271	55,271
Replacements	-	79,078	-	79,078
Special projects	15,747	-	-	15,747
Utilities (Schedule 1)	77,755	-	-	77,755
	802,953	143,450	56,878	1,003,281
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE ASSOCIATION OWNED WEEKS	120,733	(4,487)	22,376	138,622
LESS: ASSOCIATION OWNED UNITS Maintenance fees and taxes	120,570	-	7,848	128,418
	120,570	-	7,848	128,418
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	163	(4,487)	14,528	10,204
FUND BALANCES (DEFICIT) - December 31, 2009	(1,810)	135,361	42,978	176,529
FUND BALANCES (DEFICIT) - December 31, 2010	\$ (1,647)	\$ 130,874	\$ 57,506	\$ 186,733

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

WINDJAMMER CONDOMINIUM ASSOCIATION
OF LAUDERDALE-BY-THE-SEA, FLORIDA INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2010

	OPERATING FUND	REPLACEMENT FUND	TAX FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Received from unit owners	858,573	137,689	68,789	1,065,051
Received from sale of units, net	10,972	-	-	10,972
Rental income	52,536	-	-	52,536
Interest	1,959	1,274	-	3,233
Property taxes paid	-	-	(55,271)	(55,271)
Paid to suppliers and employees	<u>(802,058)</u>	<u>(143,450)</u>	<u>-</u>	<u>(945,508)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>121,982</u>	<u>(4,487)</u>	<u>13,518</u>	<u>131,013</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Transfer between funds	<u>17,631</u>	<u>(4,114)</u>	<u>(13,517)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>17,631</u>	<u>(4,114)</u>	<u>(13,517)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of equipment	<u>(14,068)</u>	<u>-</u>	<u>-</u>	<u>(14,068)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(14,068)</u>	<u>-</u>	<u>-</u>	<u>(14,068)</u>
NET INCREASE (DECREASE) IN CASH	125,545	(8,601)	1	116,945
CASH - December 31, 2009	<u>340,987</u>	<u>139,735</u>	<u>569</u>	<u>481,291</u>
CASH - December 31, 2010	<u>\$ 466,532</u>	<u>\$ 131,134</u>	<u>\$ 570</u>	<u>\$ 598,236</u>

(Continued)

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

WINDJAMMER CONDOMINIUM ASSOCIATION
OF LAUDERDALE-BY-THE-SEA, FLORIDA INC.

STATEMENT OF CASH FLOWS (Continued)

YEAR ENDED DECEMBER 31, 2010

	OPERATING FUND	REPLACEMENT FUND	TAX FUND	TOTAL
RECONCILIATION OF EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 163	\$ (4,487)	\$ 14,528	\$ 10,204
ADJUSTMENTS TO RECONCILE EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Depreciation	1,376	-	-	1,376
(Increase) decrease in accounts receivable	(6,270)	-	974	(5,296)
Decrease in prepaid insurance	6,979	-	-	6,979
Decrease in investment in units	7,436	-	-	7,436
Increase in deposits	(2,237)	-	-	(2,237)
(Decrease) in accounts payable and accrued liabilities	(5,222)	-	-	(5,222)
Increase (decrease) in assessments paid in advance	<u>119,757</u>	<u>-</u>	<u>(1,984)</u>	<u>117,773</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 121,982</u>	<u>\$ (4,487)</u>	<u>\$ 13,518</u>	<u>\$ 131,013</u>

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

WINDJAMMER CONDOMINIUM ASSOCIATION OF
LAUDERDALE-BY-THE-SEA, FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Windjammer Condominium Association of Lauderdale-By-The-Sea, Florida, Inc., (the Association) was organized, pursuant to the Condominium Act of the State of Florida, as a Florida corporation, not-for-profit, for the purpose of administering the preservation, maintenance and operation of the 33-unit interval ownership complex known as The Windjammer located at 4240 and 4244 El Mar Drive, Lauderdale-By-The-Sea, Florida. Each unit has 50 weeks available for ownership.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Association considers demand deposit accounts, savings accounts and certificates of deposit, with original maturities of less than three months, to be cash equivalents.

LAND, LAND IMPROVEMENTS AND BUILDINGS

The values of common areas are not reflected in these financial statements since title to these properties is vested with individual unit-week owners on a pro-rata basis and not with the association.

EQUIPMENT AND FURNITURE

The equipment and furniture has been capitalized and is being depreciated on a straight-line basis over the estimated useful lives of the related items.

FUND ACCOUNTING

The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for capital replacements and deferred maintenance, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the Board of Directors. Disbursements from the replacement and tax funds may be made only for their designated purposes.

WINDJAMMER CONDOMINIUM ASSOCIATION OF
LAUDERDALE-BY-THE-SEA, FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION

Regular maintenance and special assessments from unit owners are recorded on the accrual basis. Accordingly, assessments uncollected at the year-end are treated as assessments receivable and any amounts paid by unit-week owners for the following year are treated as assessments received in advance.

INCOME TAXES

The Association is subject to Federal and state taxation and has essentially two methods to determine the amount of tax, if any, it must pay. Under one method, the excess of revenues from members over related expenditures is subject to taxation unless such excess is returned to the unit owners or applied to the following year's assessments. The other method enables the Association to elect to exclude from taxation "exempt function income" which generally consists of revenue from unit owner assessments. Under either method, the Association may be subject to tax on investment income and other non-exempt income, but at different tax rates. For the year ended December 31, 2010 the Association elected to file a Form 1120H, resulting in no tax liability.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COMPREHENSIVE INCOME

ASC 220 (formerly SFAS No. 130) requires "a full set of general-purpose financial statements to be expanded to include the reporting of comprehensive income." Comprehensive income is comprised of two components, net income and other comprehensive income. For the year ended December 31, 2010, there were no items that qualify as other comprehensive income.

WINDJAMMER CONDOMINIUM ASSOCIATION OF
LAUDERDALE-BY-THE-SEA, FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Association's financial instruments, which include cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate their fair values due to their short-term maturities.

SUBSEQUENT EVENTS

Management of the Association has evaluated subsequent events through April 21, 2011, the date the financial statements were available to be issued.

NOTE 2 – UNINSURED CASH BALANCES

The Association maintains its cash balances at one financial institution. All interest bearing accounts are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2010, the Association had approximately \$233,000 in excess of the insured limit. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents. Non-interest bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for their full balance.

NOTE 3 - MEMBER ASSESSMENTS

Based upon a budget established by the Board of Directors, assessments are levied against the unit-week owners for their proportionate share of common operating expenses and funds for capital replacements and deferred maintenance. Assessments are due on January 1, of each year for all unit-weeks. Special assessments may also be imposed from time to time as deemed appropriate by the Board of Directors. Assessments to unit-week owners in 2010 were \$599.00.

NOTE 4 - SALE OF UNITS

In 2010, the Association sold 13 unit-weeks that it acquired through foreclosure and other collection activity. The revenue of the unit-weeks sold exceeded costs by \$3,536. At December 31, 2010, the Association owned 221 unit-weeks. The Association anticipates additional sales in future years.

WINDJAMMER CONDOMINIUM ASSOCIATION OF
LAUDERDALE-BY-THE-SEA, FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

NOTE 5 - ASSESSMENTS RECEIVABLE

The Association's policy is to retain legal counsel and place liens on the residences of unit-week owners whose assessments are delinquent. As of December 31, 2010, the Association had assessments receivable in the amount of \$40,891 of which the Association has established an allowance for bad debts of \$24,000 for potentially un-collectible receivables.

NOTE 6 - EQUIPMENT AND FURNITURE

Equipment and furniture was recorded at cost with depreciation calculated on the straight-line method over the estimated useful lives of the related assets. Equipment and furniture consisted of the following classifications at December 31, 2010:

	<u>Cost</u>	<u>Life</u>
Office furniture	\$ 1,706	5 years
Computers and software	19,081	5 years
Telephone system	<u>15,880</u>	7 years
	36,667	
Less: accumulated depreciation	<u>(23,643)</u>	
	<u>\$ 13,024</u>	

NOTE 7 - INVESTMENT IN UNITS

The Association has capitalized the legal costs associated with the foreclosure of units-weeks that it owned. These costs are allocated to the sale of units in the year the sales occur.

NOTE 8 - TAX FUND

The Association collects the individual unit week owners' property taxes and pays the total tax bill to the county on their behalf. The amount of \$27,016 recorded as assessments received in advance in the tax fund as of December 31, 2010, represents 2011 taxes collected prior to the end of the 2010. These funds are in the Association's operating account and were transferred to the proper escrow account in January 2011. The taxes will be paid in November 2011, when due. As of December 31, 2010 the Association has paid all ad valorem taxes in full to the tax collector from the tax escrow account.

WINDJAMMER CONDOMINIUM ASSOCIATION OF
LAUDERDALE-BY-THE-SEA, FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

NOTE 9 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's 2010 budget provided for reserve assessments for replacement and deferred maintenance aggregating \$137,689. Under Chapter 718.112 of the Florida Statutes, these reserves are for, but not limited to, roof replacement, building painting and pavement resurfacing. The Association funded the reserves in 2010 in accordance with its budget. The Association's policy is to transfer interest earned on the reserve cash accounts to the furniture and fixtures reserve line item.

The following is an analysis of the components of the replacement fund for the year ended December 31, 2010:

	Balance 12/31/09	Additions	Expenses	Balance 12/31/10
Elevator	\$ 19,719	\$ 2,523	\$ 4,220	\$ 18,022
Elevettes	37,150	9,283	-	46,433
Deferred maintenance	3,598	10,651	14,214	35
Furniture/fixtures	6,577	73,774	79,078	1,273
Hurricane recovery	13,758	3,000	10,923	5,835
Painting	8,421	7,985	16,406	-
Paving	2,258	4,247	-	6,505
Pool	(21)	6,670	6,649	-
Roof	25,676	7,980	700	32,956
Seawall/concrete restoration	9,892	6,897	11,260	5,529
Underground utilities	8,333	5,953	-	14,286
	<u>\$ 135,361</u>	<u>\$ 138,963</u>	<u>\$ 143,450</u>	<u>\$ 130,874</u>

An independent study to determine the adequacy of the current funding program for the replacement and deferred maintenance of Association common areas has not been conducted. In 2010, the Board of Directors estimated the remaining useful lives and the replacement costs of common property. Funds are being accumulated in the replacement fund based on these estimates. Actual expenditures may vary from the estimated future expenditures, and the variation may be material. Accordingly, the current program may or may not be sufficient to meet all future costs. When funds are needed, the Association has the right to increase the assessments, pass special assessments, or delay replacement in certain cases until funds are available. The table included in unaudited supplementary information on future major repairs and replacements is based on these estimates.

WINDJAMMER CONDOMINIUM ASSOCIATION OF
LAUDERDALE-BY-THE-SEA, FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

NOTE 10 - MANAGEMENT AGREEMENT

The Association has a management contract with Gulf Eastern Property Management, Inc. through April 1, 2015. Fees for 2010 aggregated \$59,676.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

A number of unit-week owners have not paid their annual assessments to the Association. The Association has begun collection activity. The Board of Directors believes that upon resolution of the above action, the Association will be able to receive a majority of the outstanding receivables through its own foreclosure and rental fees.

NOTE 12 - SUBSEQUENT EVENTS

On March 9, 2011, the Association contracted for the replacement of two (2) elevettes at a cost of \$51,260. The project is expected to be completed by September 2011.

SUPPLEMENTARY INFORMATION
(UNAUDITED)

WINDJAMMER CONDOMINIUM ASSOCIATION OF
LAUDERDALE-BY-THE-SEA, FLORIDA, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND
REPLACEMENTS

YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

An independent study to determine the adequacy of the current funding program for the replacement and deferred maintenance of Association common areas has not been conducted. In 2010, the Board of Directors estimated the remaining useful lives and the replacement costs of common property. Funds are being accumulated in the replacement fund based on these estimates. Actual expenditures may vary from the estimated future expenditures, and the variation may be material. Accordingly, the current program may or may not be sufficient to meet all future costs. When funds are needed, the Association has the right to increase the assessments, pass special assessments, or delay replacement in certain cases until funds are available.

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

	Estimated Replacement Cost	Estimated Useful Lives (years)	Estimated Remaining Useful lives (years)	Balance 12/31/2010	2011 Full Funding	2011 Approved Budget
Elevator	\$ 50,000	30	12	\$ 18,022	\$ 2,665	\$ 2,700
Elevettes (4)	76,000	25	1	46,433	29,567	29,550
Deferred maintenance	40,000	5	5	35	7,993	7,950
Furniture/fixtures	375,000	10	4	1,273	93,432	93,750
Hurricane recovery	NA	NA	NA	5,835	-	3,000
Painting	28,000	7	7	-	4,000	4,000
Paving	15,000	15	2	6,505	4,248	4,250
Pool	40,000	30	8	-	5,000	4,550
Roof	57,597	15	6	32,956	4,107	4,100
Seawall/concrete repair	61,000	40	9	5,529	6,163	5,100
Underground utilities	50,000	8	6	14,286	5,952	5,950
	<u>\$ 792,597</u>			<u>\$ 130,874</u>	<u>\$ 163,127</u>	<u>\$ 164,900</u>



R O N A L D L. M A R T I N, C P A, P. A.

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

Board of Directors
Windjammer Condominium Association of
Lauderdale-By-The-Sea, Florida, Inc.
Lauderdale-By-The-Sea, Florida

I have audited the financial statements of Windjammer Condominium Association of Lauderdale-By-The-Sea, Florida, Inc. as of and for the year ended December 31, 2010, and have issued my report thereon dated April 21, 2011, which contained an unqualified opinion on those financial statements and appears on page 1. My audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses and schedule of budget variances are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Certified Public Accountant
Pembroke Pines, Florida

April 21, 2011

WINDJAMMER CONDOMINIUM ASSOCIATION
OF LAUDERDALE-BY-THE-SEA, FLORIDA INC.

SCHEDULE OF EXPENSES

YEAR ENDED DECEMBER 31, 2010

	OPERATING FUND	REPLACEMENT FUND	TAX FUND	TOTAL
ADMINISTRATIVE AND GENERAL:				
Administrative services	\$ 16,350	\$ -	\$ -	\$ 16,350
Advertising	17,025	-	-	17,025
Bad debts	17,256	-	1,607	18,863
Credit card fees	12,888	-	-	12,888
Division fees	3,300	-	-	3,300
Fees and licenses	1,682	-	-	1,682
Health insurance	10,102	-	-	10,102
Management fees	59,676	-	-	59,676
Payroll	136,834	-	-	136,834
Payroll taxes	25,182	-	-	25,182
Office expenses	21,219	-	-	21,219
Professional fees	24,083	-	-	24,083
Rent	9,082	-	-	9,082
Workers compensation	5,834	-	-	5,834
	<u>\$ 360,513</u>	<u>\$ -</u>	<u>\$ 1,607</u>	<u>\$ 362,120</u>
MAINTENANCE AND REPAIRS:				
Cleaning supplies	\$ 10,404	\$ -	\$ -	\$ 10,404
Elevator	6,949	4,220	-	11,169
Laundry and linen supplies	8,926	-	-	8,926
Landscaping	6,370	-	-	6,370
Maintenance - building/grounds	97,831	24,934	-	122,765
Payroll	153,135	-	-	153,135
Painting	-	16,405	-	16,405
Pool	7,373	6,853	-	14,226
Roof	-	700	-	700
Seawall/concrete restoration	-	11,260	-	11,260
Trash removal	7,806	-	-	7,806
	<u>\$ 298,794</u>	<u>\$ 64,372</u>	<u>\$ -</u>	<u>\$ 363,166</u>
UTILITIES:				
Electricity	\$ 33,241	\$ -	\$ -	\$ 33,241
Cable TV	10,429	-	-	10,429
Gas	6,360	-	-	6,360
Telephone	10,036	-	-	10,036
Water and sewer	17,689	-	-	17,689
	<u>\$ 77,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,755</u>

Schedule 1

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

WINDJAMMER CONDOMINIUM ASSOCIATION
OF LAUDERDALE-BY-THE-SEA, FLORIDA INC.

SCHEDULE OF OPERATING FUND VARIANCES

YEAR ENDED DECEMBER 31, 2010

	(Unaudited) Budget	Actual	Variance Over/(Under)
<u>REVENUES</u>			
Maintenance fees	\$ 850,661	\$ 850,661	\$ -
Interest	4,200	1,959	(2,241)
Sale of units, net	7,350	3,536	(3,814)
Rental income	30,000	52,536	22,536
Telephone income	4,000	2,170	(1,830)
Other income	13,500	12,824	(676)
	<u>909,711</u>	<u>923,686</u>	<u>13,975</u>
 <u>OPERATING EXPENSES</u>			
Administrative services	15,688	16,350	662
Advertising	7,950	17,025	9,075
Bad debts	28,620	17,256	(11,364)
Cleaning supplies	9,540	10,404	864
Credit card/bank fees	12,720	12,888	168
Depreciation	3,816	1,376	(2,440)
Division fees	3,498	3,300	(198)
Fees and licenses	4,240	1,682	(2,558)
Insurance - buildings	59,360	48,768	(10,592)
Insurance - health insurance	8,480	10,102	1,622
Insurance - workers compensation	10,176	5,834	(4,342)
Landscaping	5,300	6,370	1,070
Laundry and linen supplies	7,950	8,926	976
Maintenance - building/grounds	86,380	97,831	11,451
Maintenance - capital improvements	10,600	15,747	5,147
Maintenance - elevator	8,480	6,949	(1,531)
Maintenance - pools	5,300	7,373	2,073
Maintenance - trash removal	8,636	7,806	(830)
Management fees	59,680	59,676	(4)
Office expenses	15,346	21,219	5,873
Payroll - non-clerical	168,540	153,135	(15,405)
Payroll - clerical	107,621	136,834	29,213
Payroll taxes	21,730	25,182	3,452
Professional fees	31,270	24,083	(7,187)
Rent	-	9,082	9,082

Schedule 2

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

WINDJAMMER CONDOMINIUM ASSOCIATION
OF LAUDERDALE-BY-THE-SEA, FLORIDA INC.

SCHEDULE OF OPERATING FUND VARIANCES

YEAR ENDED DECEMBER 31, 2010

	(Unaudited) Budget	Actual	Variance Over/(Under)
Utilities - cable television	11,660	10,429	(1,231)
Utilities - electric	42,400	33,241	(9,159)
Utilities - gas	7,950	6,360	(1,590)
Utilities - telephone	13,780	10,036	(3,744)
Utilities - water and sewer	21,200	17,689	(3,511)
	<u>797,911</u>	<u>802,953</u>	<u>5,042</u>
Revenues over expenses before Association owned weeks	111,800	120,733	8,933
Association owned weeks	<u>111,800</u>	<u>120,570</u>	<u>8,770</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 163</u>	<u>\$ 163</u>

Schedule 2

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