

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

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

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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, 2011, 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.



Certified Public Accountant
Pembroke Pines, Florida

April 28, 2012

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

BALANCE SHEET

DECEMBER 31, 2011

	OPERATING FUND	REPLACEMENT FUND	TAX FUND	TOTAL
A S S E T S				
Cash	\$ 394,312	\$ 89,716	\$ 7,391	\$ 491,419
Accounts receivable, less allowance for doubtful accounts of \$53,000	8,280	-	177	8,457
Due from employee	1,508	-	-	1,508
Prepaid insurance	15,171	-	-	15,171
Equipment and furniture, less accumulated depreciation	10,210	-	-	10,210
Investment in units	13,799	-	-	13,799
Deposits	2,588	-	-	2,588
Interfund receivable (payable)	(62,891)	1,604	61,287	-
	\$ 382,977	\$ 91,320	\$ 68,855	\$ 543,152
 LIABILITIES AND FUND BALANCE (DEFICIT)				
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 13,911	\$ -	\$ -	\$ 13,911
Assessments received in advance	399,059	-	4,830	403,889
	412,970	-	4,830	417,800
 FUND BALANCES (DEFICIT)	(29,993)	91,320	64,025	125,352
	\$ 382,977	\$ 91,320	\$ 68,855	\$ 543,152

See accompanying notes to 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, 2011

	OPERATING FUND	REPLACEMENT FUND	TAX FUND	TOTAL
REVENUES:				
Assessments	\$ 806,954	\$ 164,900	\$ 60,273	\$ 1,032,127
Interest	823	792	21	1,636
Gain on sale of units, net	1,178	-	-	1,178
Rental income, net	65,680	-	-	65,680
Telephone income	518	-	-	518
Other income	22,768	-	1,029	23,797
	897,921	165,692	61,323	1,124,936
EXPENSES:				
Administrative and general (Schedule 1)	348,921	-	-	348,921
Bad debts	26,824	-	2,000	28,824
Depreciation	2,814	-	-	2,814
Insurance	44,472	-	-	44,472
Maintenance and repairs (Schedule 1)	275,150	105,358	-	380,508
Property taxes	-	-	43,804	43,804
Replacements	-	99,888	-	99,888
Special projects	5,000	-	-	5,000
Utilities (Schedule 1)	82,260	-	-	82,260
	785,441	205,246	45,804	1,036,491
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE ASSOCIATION OWNED WEEKS	112,480	(39,554)	15,519	88,445
LESS: ASSOCIATION OWNED UNITS				
Maintenance fees and taxes	140,826	-	9,000	149,826
	140,826	-	9,000	149,826
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(28,346)	(39,554)	6,519	(61,381)
FUND BALANCES (DEFICIT)				
- December 31, 2010	(1,647)	130,874	57,506	186,733
FUND BALANCES (DEFICIT)				
- December 31, 2011	\$ (29,993)	\$ 91,320	\$ 64,025	\$ 125,352

See accompanying notes to financial statements.

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

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2011

	OPERATING FUND	REPLACEMENT FUND	TAX FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Received from unit owners	665,919	164,900	27,185	858,004
Received from sale of units, net	1,750	-	-	1,750
Received from others	-	-	1,029	1,029
Rental income	65,680	-	-	65,680
Interest	823	792	21	1,636
Property taxes paid	-	-	(43,804)	(43,804)
Paid to suppliers and employees	(785,866)	(205,246)	-	(991,112)
NET CASH USED BY OPERATING ACTIVITIES	(51,694)	(39,554)	(15,569)	(106,817)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Transfer between funds	(20,526)	(1,864)	22,390	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(20,526)	(1,864)	22,390	-
NET INCREASE (DECREASE) IN CASH	(72,220)	(41,418)	6,821	(106,817)
CASH - December 31, 2010	466,532	131,134	570	598,236
CASH - December 31, 2011	\$ 394,312	\$ 89,716	\$ 7,391	\$ 491,419

(Continued)

See accompanying notes to financial statements.

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

STATEMENT OF CASH FLOWS (Continued)

YEAR ENDED DECEMBER 31, 2011

	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	\$ (28,346)	\$ (39,554)	\$ 6,519	\$ (61,381)
ADJUSTMENTS TO RECONCILE EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Depreciation	2,814	-	-	2,814
Decrease in accounts receivable	8,336	-	98	8,434
Increase in due from employee	(1,508)	-	-	(1,508)
Increase in prepaid insurance	(2,018)	-	-	(2,018)
Decrease in investment in units	572	-	-	572
Increase in accounts payable and accrued liabilities	287	-	-	287
Decrease in assessments paid in advance	<u>(31,831)</u>	<u>-</u>	<u>(22,186)</u>	<u>(54,017)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (51,694)</u>	<u>\$ (39,554)</u>	<u>\$ (15,569)</u>	<u>\$ (106,817)</u>

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

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, 2011

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, 2011 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, 2011, 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, 2011

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 28, 2012, 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. Interest bearing accounts are secured by the Federal Deposit Insurance Corporation (FDIC) up to an aggregate of \$250,000. As of December 31, 2011, the Association's cash balances were not in excess of the insured limit. At various times during the year the cash balances may exceed 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 2011 were \$589.00.

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

NOTE 4 - SALE OF UNITS

In 2011, the Association sold one (1) unit-week that it acquired through foreclosure or other collection activity. The revenue of the unit-week sold exceeded costs by \$1,178. At December 31, 2011, the Association owned 243 unit-weeks. The Association anticipates additional sales in future years.

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, 2011, the Association had assessments receivable in the amount of \$61,457 of which the Association has established an allowance for bad debts of \$53,000 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, 2011:

	<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>(26,457)</u>	
	<u>\$ 10,210</u>	

NOTE 7 - INVESTMENT IN UNITS

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

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

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 \$4,830 recorded as assessments received in advance in the tax fund as of December 31, 2011, represents 2012 taxes collected prior to the end of the 2011. These funds are in the Association's operating account and were transferred to the proper escrow account in January 2012. The taxes will be paid in November 2012, when due. As of December 31, 2011 the Association has paid all ad valorem taxes in full to the tax collector from the tax escrow account.

NOTE 9 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's 2011 budget provided for reserve assessments for replacement and deferred maintenance aggregating \$164,900. 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 2011 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, 2011:

	Balance				Balance
	<u>12/31/10</u>	<u>Additions</u>	<u>Transfers</u>	<u>Expenses</u>	<u>12/31/11</u>
Elevator	\$ 18,022	\$ 2,700	\$ -	\$ -	\$ 20,722
Elevettes	46,433	29,550	-	54,109	21,874
Deferred maintenance	35	7,950	-	8,000	(15)
Furniture/fixtures	1,273	94,542	-	99,888	(4,073)
HVAC	-	-	20,236	18,221	2,015
Hurricane recovery	5,835	3,000	-	-	8,835
Painting	-	4,000	-	-	4,000
Paving	6,505	4,250	-	11,300	(545)
Pool	-	4,550	-	3,053	1,497
Roof	32,956	4,100	-	5,325	31,731
Seawall/concrete restoration	5,529	5,100	-	5,350	5,279
Underground utilities	<u>14,286</u>	<u>5,950</u>	<u>(20,236)</u>	<u>-</u>	<u>-</u>
	<u>\$ 130,874</u>	<u>\$ 165,692</u>	<u>\$ -</u>	<u>\$ 205,246</u>	<u>\$ 91,320</u>

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

NOTE 9 - FUTURE MAJOR REPAIRS AND REPLACEMENTS (Continued)

In 2011 the city of Lauderdale By The Sea decided not to pursue converting to underground utilities. Because of this the funds previously set aside for underground utilities reserve were transferred to the HVAC category.

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 2011, 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.

NOTE 10 - MANAGEMENT AGREEMENT

The Association has a management contract with Gulf Eastern Property Management, Inc. through April 1, 2015. Fees for 2011 aggregated \$61,710.

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

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND
REPLACEMENTS

YEAR ENDED DECEMBER 31, 2011
(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 2011, 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 12/31/2011	2012 Full Funding	2012 Approved Budget
Elevator	\$ 50,000	30	11	\$ 20,722	\$ 2,662	\$ 2,662
Elevettes (4)	104,000	25	1-25	21,874	32,206	35,080
Deferred maintenance	40,000	5	5	(15)	8,003	7,860
Furniture/fixtures	350,000	10	4	(4,073)	88,518	87,270
Hurricane recovery	NA	NA	NA	8,835	-	3,000
HVAC	-	-	-	2,015	-	-
Painting	30,000	10	8	4,000	3,250	3,250
Paving	25,000	15	5	(545)	5,109	5,109
Pool	40,000	30	15	1,497	2,567	2,587
Roof	57,597	15	5	31,731	5,173	4,108
Seawall/concrete repair	61,000	40	12	5,279	4,643	4,650
Underground utilities	150,000	15	12	-	12,332	12,425
	<u>\$907,597</u>			<u>\$ 91,320</u>	<u>\$ 164,463</u>	<u>\$ 168,001</u>

In 2011 the city of Lauderdale By The Sea decided not to pursue converting to underground utilities. Because of this the funds previously set aside for underground utilities reserve were transferred to the HVAC category. The 2012 budget included funds for underground utilities and it is the Board of Directors intention to transfer those funds to HVAC in 2012.

SUPPLEMENTARY INFORMATION
(UNAUDITED)



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, 2011, and have issued my report thereon dated April 28, 2012, 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 28, 2012

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

SCHEDULE OF EXPENSES

YEAR ENDED DECEMBER 31, 2011

	OPERATING FUND	REPLACEMENT FUND	TAX FUND	TOTAL
ADMINISTRATIVE AND GENERAL:				
Administrative services	\$ 11,362	\$ -	\$ -	\$ 11,362
Advertising	18,165	-	-	18,165
Credit card/bank fees	4,548	-	-	4,548
Division fees	3,300	-	-	3,300
Fees and licenses	4,813	-	-	4,813
Health insurance	8,178	-	-	8,178
Management fees	61,710	-	-	61,710
Payroll	153,789	-	-	153,789
Payroll taxes	31,539	-	-	31,539
Office expenses	17,739	-	-	17,739
Professional fees	16,095	-	-	16,095
Rent	7,932	-	-	7,932
Workers compensation	9,751	-	-	9,751
	<u>\$ 348,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,921</u>
MAINTENANCE AND REPAIRS:				
Cleaning supplies	\$ 13,642	\$ -	\$ -	\$ 13,642
Elevator	7,521	-	-	7,521
Elevettes	-	54,109	-	54,109
Equipment	11,765	-	-	11,765
Laundry and linen supplies	13,399	-	-	13,399
Landscaping	6,342	-	-	6,342
Maintenance - building/grounds	45,134	37,521	-	82,655
Payroll	164,262	-	-	164,262
Pool	5,173	3,053	-	8,226
Roof	-	5,325	-	5,325
Seawall/concrete restoration	-	5,350	-	5,350
Trash removal	7,912	-	-	7,912
	<u>\$ 275,150</u>	<u>\$ 105,358</u>	<u>\$ -</u>	<u>\$ 380,508</u>
UTILITIES:				
Electricity	\$ 34,411	\$ -	\$ -	\$ 34,411
Cable TV	12,268	-	-	12,268
Gas	7,477	-	-	7,477
Telephone	6,674	-	-	6,674
Water and sewer	21,430	-	-	21,430
	<u>\$ 82,260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,260</u>

Schedule 1

See accompanying notes to financial statements.

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

SCHEDULE OF OPERATING FUND VARIANCES

YEAR ENDED DECEMBER 31, 2011

	(Unaudited) <u>Budget</u>	<u>Actual</u>	Variance <u>Over/(Under)</u>
<u>REVENUES</u>			
Maintenance fees	\$ 806,950	\$ 806,954	\$ 4
Interest	4,000	823	(3,177)
Sale of units, net	20,000	1,178	(18,822)
Rental income	53,550	65,680	12,130
Telephone income	2,000	518	(1,482)
Other income	19,300	22,768	3,468
	<u>905,800</u>	<u>897,921</u>	<u>(7,879)</u>
<u>OPERATING EXPENSES</u>			
Administrative services	500	11,362	10,862
Advertising	15,500	18,165	2,665
Bad debts	22,000	26,824	4,824
Cleaning supplies	10,000	13,642	3,642
Credit card/bank fees	5,600	4,548	(1,052)
Depreciation	3,000	2,814	(186)
Division fees	3,300	3,300	-
Fees and licenses	1,700	4,813	3,113
Insurance - property and liability	45,100	44,472	(628)
Insurance - health insurance	12,000	8,178	(3,822)
Insurance - workers compensation	7,900	9,751	1,851
Landscaping	6,000	6,342	342
Laundry and linen supplies	10,000	13,399	3,399
Maintenance - building/grounds	43,500	45,134	1,634
Maintenance - special projects	11,000	5,000	(6,000)
Maintenance - elevator	7,700	7,521	(179)
Maintenance - equipment	8,300	11,765	3,465
Maintenance - pools	6,000	5,173	(827)
Maintenance - trash removal	7,900	7,912	12
Management fees	61,470	61,710	240
Office expenses	32,600	17,739	(14,861)
Payroll - non-clerical	158,000	164,262	6,262
Payroll - clerical	161,500	153,789	(7,711)
Payroll taxes	27,500	31,539	4,039

Schedule 2

See accompanying notes to financial statements.

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

SCHEDULE OF OPERATING FUND VARIANCES

YEAR ENDED DECEMBER 31, 2011

	(Unaudited) <u>Budget</u>	<u>Actual</u>	Variance <u>Over/(Under)</u>
Professional fees	26,500	16,095	(10,405)
Rent	7,800	7,932	132
Utilities - cable television	11,500	12,268	768
Utilities - electric	32,000	34,411	2,411
Utilities - gas	7,000	7,477	477
Utilities - telephone	6,000	6,674	674
Utilities - water and sewer	19,250	21,430	2,180
	<u>778,120</u>	<u>785,441</u>	<u>7,321</u>
Revenues over expenses before Association owned weeks	127,680	112,480	(15,200)
Association owned weeks	<u>127,680</u>	<u>140,826</u>	<u>13,146</u>
EXCESS OF EXPENSES OVER REVENUES	<u>\$ -</u>	<u>\$ (28,346)</u>	<u>\$ (28,346)</u>

Schedule 2

See accompanying notes to financial statements.