

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2012



Guy Strum, P.A.
Certified Public Accountant

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
TABLE OF CONTENTS
December 31, 2012

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Balance Sheet	3
Statement of Revenues, Expenses and Changes in Fund Balances	4
Statement of Cash Flows	6
Notes to Financial Statements	8
Supplemental Schedules and Supplementary Information on Future Major Repairs and Replacements:	
Schedules of Revenues, Expenses and Changes in Operating Fund Balances	14
Schedules of Revenues, Expenses and Changes in Replacement Fund Balances	16
Supplementary Information on Future Major Repairs and Replacements	17



Guy Strum, P.A.
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of Lauderdale West Community Association No. 1, Inc.
Plantation, FL

Report on the Financial Statements

I have audited the accompanying financial statements of Lauderdale West Community Association No. 1, Inc. which comprise the balance sheet as of December 31, 2012, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lauderdale West Community Association No. 1, Inc. as of December 31, 2012, 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.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule is presented for purposes of additional analysis and is 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.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.



Guy Strum, P.A.
Plantation, FL
March 12, 2013

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
BALANCE SHEET
DECEMBER 31, 2012

	OPERATING FUND	REPLACEMENT FUND	TOTAL
ASSETS			
Cash and cash equivalents	\$ 1,345,143	\$ 995,603	\$ 2,340,746
Certificates of deposit	401,326	3,439,816	3,841,142
Investment - U.S. Government Fund	-	113,849	113,849
Accrued interest receivable	749	6,593	7,342
Maintenance assessments receivable, net of allowance for doubtful accounts of \$210,836	59,003	-	59,003
Prepaid expenses	210,179	-	210,179
Inventory and supplies	12,469	-	12,469
Property and equipment, net of allowance for doubtful accounts of \$3,078,378	1,828,204	-	1,828,204
Utility deposits	2,585	-	2,585
Interfund advances	(30,175)	30,175	-
	<u>\$ 3,829,483</u>	<u>\$ 4,586,036</u>	<u>\$ 8,415,519</u>

LIABILITIES AND FUND BALANCES

Accounts payable and accrued expenses	\$ 54,424	\$ 59,850	\$ 114,274
Prepaid assessments	140,780	-	140,780
Deferred income	226,735	-	226,735
Escrow deposits	8,414	-	8,414
	<u>430,353</u>	<u>59,850</u>	<u>490,203</u>
Fund balances	<u>3,399,130</u>	<u>4,526,186</u>	<u>7,925,316</u>
	<u>\$ 3,829,483</u>	<u>\$ 4,586,036</u>	<u>\$ 8,415,519</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2012

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES:			
Maintenance assessments	\$ 2,966,854	\$ 1,006,963	\$ 3,973,817
Interest income	7,508	25,024	32,532
Rental income	122,079	-	122,079
Other income	76,453	1,800	78,253
	<u>3,172,894</u>	<u>1,033,787</u>	<u>4,206,681</u>
EXPENSES:			
Common Expenses:			
Gas and oil	17,941	-	17,941
Water and sewer	14,777	-	14,777
Election expenses	6,416	-	6,416
Dumping	13,635	-	13,635
Electricity	80,382	-	80,382
Cable television	506,946	-	506,946
Elevator	5,873	-	5,873
Janitorial	102,387	-	102,387
Sand	684	-	684
Sprinklers	12,144	-	12,144
Lawn maintenance	176,800	-	176,800
Landscaping	96,179	-	96,179
Pest control	57,311	-	57,311
Fertilizer and insecticide	11,541	-	11,541
Lake and canal maintenance	5,040	-	5,040
Fire alarm	8,574	-	8,574
Television surveillance and security	509	-	509
Building supplies and repair	38,772	-	38,772
Bulletin expense	22,657	-	22,657
Small tools and handyman	4,298	-	4,298
Vehicle and bus repairs	7,930	-	7,930
Plumbing	8,943	-	8,943
Depreciation	39,866	-	39,866
Electrical	6,050	-	6,050
Poles and pole lights	44,383	-	44,383
Pool	8,653	-	8,653
A/C repairs and maintenance	71,091	-	71,091
Movie and show expenses	47,159	-	47,159
Activities and athletics	3,712	-	3,712
Audio and lights	303	-	303
Bookkeeping	69,309	-	69,309
Professional fees	43,049	-	43,049
Computer	5,178	-	5,178
Office	19,693	-	19,693
Telephone	12,968	-	12,968
Insurance	127,660	-	127,660
Licenses, permits and taxes	16,939	-	16,939
Payroll and related costs	624,777	-	624,777
Social	11,169	-	11,169
Capital items	52,527	-	52,527
	<u>2,404,225</u>	<u>-</u>	<u>2,404,225</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2012
 (CONTINUED)

	OPERATING FUND	REPLACEMENT FUND	TOTAL
Direct Expenses:			
Repairs and maintenance	38,711	-	38,711
Roof repairs	89,566	-	89,566
Professional fees	43,625	-	43,625
Insurance	485,812	-	485,812
Filing fees	2,176	-	2,176
Bad debt	75,731	-	75,731
Credit reports	8,698	-	8,698
Replacement fund	-	584,337	584,337
	744,319	584,337	1,328,656
 EXCESS OF REVENUES OVER EXPENSES	 24,350	 449,450	 473,800
 FUND BALANCES - JANUARY 1, 2012	 3,374,780	 4,076,736	 7,451,516
 FUND BALANCES - DECEMBER 31, 2012	 \$ 3,399,130	 \$ 4,526,186	 \$ 7,925,316

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	OPERATING FUND	REPLACEMENT FUND	TOTAL
Cash Flows from Operating Activities:			
Maintenance assessments collected	\$ 2,902,083	\$ 1,006,963	\$ 3,909,046
Interest income received	7,529	23,511	31,040
Other receipts	425,267	1,800	427,067
Cash paid for operating expenses	(2,413,247)	-	(2,413,247)
Cash paid for payroll and related expenses	(624,777)	-	(624,777)
Cash paid for replacement fund expenses	-	(524,487)	(524,487)
	-	-	-
Net Cash Provided by Operating Activities	296,855	507,787	804,642
Cash Flows from Investing Activities:			
Purchase fixed assets	-	-	-
Investment	-	(113,849)	(113,849)
Net redemption (purchase) of certificates of deposit	217,643	(16,564)	201,079
	217,643	(130,413)	87,230
Net Cash Provided (Used) by Investing Activities	217,643	(130,413)	87,230
Cash Flows from Financing Activities:			
Escrow deposits	(4,736)	-	(4,736)
Interfund advances	(22,301)	22,301	-
	(27,037)	22,301	(4,736)
Net Cash Provided (Used) by Financing Activities	(27,037)	22,301	(4,736)
Net Increase in Cash and Cash Equivalents	487,461	399,675	887,136
Cash and Cash Equivalents - January 1, 2012	857,682	595,928	1,453,610
Cash and Cash Equivalents - December 31, 2012	\$ 1,345,143	\$ 995,603	\$ 2,340,746

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	OPERATING FUND	REPLACEMENT FUND	TOTAL
RECONCILIATION OF EXCESS OF REVENUES OVER EXPENSES TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Excess of Revenues Over Expenses	\$ 24,350	\$ 449,450	\$ 473,800
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided by Operating Activities:			
Depreciation	39,866	-	39,866
Bad Debt	75,731	-	75,731
(Increase) Decrease in Assets:			
Accrued interest receivable	21	(1,513)	(1,492)
Maintenance assessments receivable	(50,637)	-	(50,637)
Prepaid expenses	(16,771)	-	(16,771)
Increase (Decrease) in Liabilities:			
Accounts payable and accrued expenses	11,694	59,850	71,544
Prepaid assessments	(14,134)	-	(14,134)
Deferred income	226,735	-	226,735
Total Adjustments	272,505	58,337	330,842
Net Cash Provided by Operating Activities	\$ 296,855	\$ 507,787	\$ 804,642

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE A - NATURE OF ORGANIZATION

Lauderdale West Community Association No. 1, Inc. is a statutory not for profit association incorporated in the State of Florida on October 30, 1972. The Association both a homeowners association consisting of 815 single family homes and a condominium association consisting of 544 condominium units in multiple condominiums. The Association is responsible for the operation and maintenance of the common property and recreation facilities of the Lauderdale West Community located in Plantation, Florida.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Multi Condominium Statutory Reporting

Rule 61B-22.006(4) of the Florida Administrative Code requires multi condominium associations to present revenues, expenses and changes in fund balance for each condominium as well as the association. The Association presents this information for the single family homes and combines all of the condominiums into one reporting entity.

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

- | | |
|--------------------|---|
| Operating Fund - | This fund is used to account for financial resources available for the general operations of the Association. |
| Replacement Fund - | This fund is used to accumulate financial resources designated for future major repairs and replacements. |

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of unit owners whose assessments are delinquent. Any excess assessments at year-end are retained by the Association for use in the succeeding year.

At December 31, 2012, the Association had delinquent assessments of \$269,839. It is the opinion of the Board of Directors that the Association will not ultimately prevail against some of these unit owners with delinquent assessments and, accordingly, an allowance for uncollectible accounts of \$210,836 is deemed necessary.

Allocation of Expenses

The Association allocates common maintenance, administrative and recreation expenses to the condominiums and the single family homes based on specific percentages. The condominiums are allocated 40% of these expenses and the single family homes are allocated 60%. Direct expenses are allocated to the entity that incurs the charge.

Income Taxes

The Association qualifies as a tax-exempt homeowners' association under Internal Revenue Code Section 528 for the year ended December 31, 2012. Under that Section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property. Net nonexempt function income, which includes earned interest and revenues received from nonmembers, is taxed at 30% by the federal government.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property at cost and depreciates it using the straight-line method.

Interest Earned

The Board's policy is to allocate to the applicable fund interest earned on cash accounts.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of these financial statements, the Association considers demand deposit accounts, savings accounts and certificate of deposits in highly liquid accounts to be cash equivalents.

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, 2012, there were no items that qualify as comprehensive income.

Fair Value of Financial Instruments

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

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting for Uncertainty in Income Taxes

A loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized.

NOTE C – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents and Florida Statutes require that funds be accumulated for future major repairs and replacements of the common elements for the condominiums. Accumulated funds are to be held in separate accounts and are generally not available for expenditures for normal operations.

An independent study to determine the adequacy of the current funding program for the replacement of Association common elements has not been conducted. Except for the painting component, the Association is funding for future major repairs and replacements over the estimated remaining useful lives of the components of the replacement fund based on the Board of Directors' estimates of current replacement costs after considering amounts previously accumulated in the replacement fund.

Funds are being accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may or may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, approve special assessments, or delay major repairs and replacements until funds are available.

NOTE D – CONCENTRATIONS OF RISK

The Association maintains cash balances at several financial institutions. Cash accounts at these institutions are secured by the Federal Deposit Insurance Corporation up to \$250,000. Securities accounts are secured by the Securities Investor Protection Corporation up to \$500,000.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2012

NOTE E – INSURANCE DEDUCTIBLE

The property insurance policy covering the Association is subject to a deductible of 3% of the insured value for claims arising from wind and hailstorms. The Association is responsible for losses up to this amount. Single family homes are responsible for their own insurance.

NOTE F – PROPERTY, FURNITURE AND FIXTURES

Property, furniture and fixtures consist of the following at December 31, 2012:

		Estimated Useful Life (In years)
Land	\$1,782,662	N/A
Buildings	2,268,914	20-30
Furniture and equipment	543,642	5-10
Motor vehicles	<u>311,364</u>	5-10
	4,906,582	
Less: Accumulated depreciation	<u>(3,078,378)</u>	
	<u>\$1,828,204</u>	

Depreciation expense for the year ended December 31, 2012 totaled \$39,866.

NOTE G – INVESTMENT IN LAUDERDALE WEST COMMUNITY REALTY HOLDINGS, LLC

The Association created a subsidiary, limited liability company known as Lauderdale West Community Realty Holdings, LLC, filed August 19, 2010 under State of Florida Document Number L10000087350. The purpose of this wholly owned subsidiary is to take legal ownership of real estate as a result of Association foreclosures on non-payment of maintenance assessments by unit owners. This structure will allow the Association to control the ownership and title upon the foreclosure sale. This was done in order to minimize any risks associated with the Association directly owning the real estate in the Association's name, subject to any respective mortgages.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE G – INVESTMENT IN LAUDERDALE WEST COMMUNITY REALTY HOLDINGS, LLC (continued)

The Association is not obligated to any third party loans as the Association has not agreed to be bound by such loans either by re-executing any note or any mortgage assumption agreement.

There is no value presented on the accompanying balance sheet. At this point the value of the unit itself is in question due to unknown circumstances involving the eventual sale of the unit and the ability to collect any back maintenance fees owed.

NOTE H – CABLE CONTRACT

The Association has entered a contract with a vendor granting them exclusive rights to install and operate equipment to provide bulk cable television services. The contract commences on the later of April 20, 2013 or the date 100% of the unit owners have had a chance to establish service and runs for seven years. Thereafter, the agreement shall extend for successive one year periods unless either party provides written notice of their intent not to renew at least 60 days prior to the end of the term. The cost of the contract will be \$33.95 per unit plus taxes and fees. After the first year, the fee may be increased “by an amount equal to no more than 4% annually, provided that fee may not exceed the retail price for services functionally equivalent to the bulk services”.

The Association also entered into a contract with a vendor to assist in marketing these services to new homeowners. As compensation for signing this contract, the Association received a per unit compensation of \$225 for a total of \$305,775. The right to receive this compensation terminates upon termination of the agreement and a refund will be due to the vendor based on the remaining term. Income will be recognized over the term of the contract beginning in 2013. The unearned portion of this income is reflected as deferred income on the accompanying balance sheet. The Association also paid a fee to another vendor for negotiating this contract. The fee was \$81,540. If the Association defaults on the agreement, a termination fee shall be due and calculated as follows: bulk monthly fee times 1,359 units times number of remaining months times 25%.

NOTE I - DATE OF MANAGEMENT’S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date of this report. That date is the date the financial statements were available to be issued.

**SUPPLEMENTAL SCHEDULES AND
SUPPLEMENTARY INFORMATION
ON FUTURE MAJOR REPAIRS
AND REPLACEMENTS**

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN OPERATING FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Total	Common	Condominiums	Single Family Homes
REVENUES:				
Maintenance assessments	\$ 2,966,854	\$ -	\$ 1,473,180	\$ 1,493,674
Interest income	7,508	6,960	548	-
Rental income	122,079	-	60,659	61,420
Other income	76,453	40,682	15,615	20,156
Allocation of common revenue	-	(47,642)	19,057	28,585
	<u>3,172,894</u>	<u>-</u>	<u>1,569,059</u>	<u>1,603,835</u>
EXPENSES:				
Common Expenses:				
Gas and oil	17,941	17,941	-	-
Water and sewer	14,777	14,777	-	-
Election expenses	6,416	6,416	-	-
Dumping	13,635	13,635	-	-
Electricity	80,382	80,382	-	-
Cable television	506,946	506,946	-	-
Elevator	5,873	5,873	-	-
Janitorial	102,387	102,387	-	-
Sand	684	684	-	-
Sprinklers	12,144	12,144	-	-
Lawn maintenance	176,800	176,800	-	-
Landscaping	96,179	96,179	-	-
Pest control	57,311	57,311	-	-
Fertilizer and insecticide	11,541	11,541	-	-
Lake and canal maintenance	5,040	5,040	-	-
Fire alarm	8,574	8,574	-	-
Television surveillance and security	509	509	-	-
Supplies and repairs	38,772	38,772	-	-
Bulletin expense	22,657	22,657	-	-
Small tools and handyman	4,298	4,298	-	-
Vehicle and bus repairs	7,930	7,930	-	-
Plumbing	8,943	8,943	-	-
Depreciation	39,866	39,866	-	-
Electrical	6,050	6,050	-	-
Poles and pole lights	44,383	44,383	-	-
Pool	8,653	8,653	-	-
A/C repairs and maintenance	71,091	71,091	-	-
Movie and show expenses	47,159	47,159	-	-
Activities and athletics	3,712	3,712	-	-
Audio and lights	303	303	-	-
Bookkeeping	69,309	69,309	-	-
Professional fees	43,049	43,049	-	-
Computer	5,178	5,178	-	-
Office	19,693	19,693	-	-
Telephone	12,968	12,968	-	-
Insurance	127,660	127,660	-	-
Licenses, permits and taxes	16,939	16,939	-	-
Payroll and related costs	624,777	624,777	-	-
Social	11,169	11,169	-	-
Capital items	52,527	52,527	-	-
Allocation of Association Expenses	-	(2,404,225)	961,690	1,442,535
	<u>2,404,225</u>	<u>-</u>	<u>961,690</u>	<u>1,442,535</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN OPERATING FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

	<u>Total</u>	<u>Common</u>	<u>Condominiums</u>	<u>Single Family Homes</u>
Direct Expenses:				
Repairs and maintenance	38,711	-	19,925	18,786
Roof repairs	89,566	-	13,875	75,691
Professional fees	43,625	-	25,740	17,885
Insurance	485,812	-	485,812	-
Filing fees	2,176	-	2,176	-
Bad debt	75,731	-	57,573	18,158
Credit reports	8,698	-	4,209	4,489
	<u>744,319</u>	<u>-</u>	<u>609,310</u>	<u>135,009</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	24,350	-	(1,941)	26,291
FUND BALANCES - JANUARY 1, 2012	<u>3,374,780</u>	<u>-</u>	<u>1,371,251</u>	<u>2,003,529</u>
FUND BALANCES - DECEMBER 31, 2012	<u>\$ 3,399,130</u>	<u>\$ -</u>	<u>\$ 1,369,310</u>	<u>\$ 2,029,820</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO.1, INC.
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN REPLACEMENT FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance December 31, 2011	Revenue	Other	Interest	Expenses	Balance December 31, 2012
<u>Condominiums</u>						
<u>Common</u>						
Bus	\$ 31,877	\$ 1,706	\$ -	\$ -	\$ -	\$ 33,583
Recreation area roofs	8,430	4,688	-	-	(1,560)	11,558
Recreation area A/C	(4,873)	4,589	284	-	-	-
Recreation center decorating	8,603	1,266	-	-	-	9,869
Road resurface	20,661	1,309	-	-	-	21,970
Sea wall	4,314	131	-	-	-	4,445
Sprinkler pumps	20,864	544	-	-	-	21,408
Resurface pools	21,388	6,894	-	-	(3,600)	24,682
Hurricane	40,000	-	-	-	-	40,000
Back hoe	1,158	-	-	-	-	1,158
Pool - satellite	10,000	10,000	23,861	-	(43,861)	-
Main pool	20,000	20,000	-	-	(17,700)	22,300
Roof - satellite	600	600	-	-	-	1,200
Fire sprinkler	8,643	2,640	-	-	-	11,283
	<u>191,665</u>	<u>54,367</u>	<u>24,145</u>	<u>-</u>	<u>(66,721)</u>	<u>203,456</u>
<u>Direct</u>						
Roof	1,130,052	103,850	-	-	(42,000)	1,191,902
Paint	6,107	59,380	-	-	(55,745)	9,742
Termite control	20,489	-	-	-	(150)	20,339
Pipe replacement	27,027	13,056	-	-	-	40,083
Resealing parking	1,047	-	-	-	-	1,047
Quadplex inspections	26,000	-	-	-	-	26,000
Interest	36,707	-	(24,145)	6,666	-	19,228
	<u>1,247,429</u>	<u>176,286</u>	<u>(24,145)</u>	<u>6,666</u>	<u>(97,895)</u>	<u>1,308,341</u>
Condominium totals	\$ 1,439,094	\$ 230,653	\$ -	\$ 6,666	\$ (164,616)	\$ 1,511,797
<u>Single Family Homes</u>						
<u>Common</u>						
Bus	\$ 46,697	\$ 2,660	\$ -	\$ -	\$ -	\$ 49,357
Recreation area roofs	2,497	6,923	-	-	(2,340)	7,080
Recreation area A/C	(2,647)	6,459	-	-	-	3,812
Recreation center decorating	12,916	1,898	-	-	-	14,814
Road resurface	37,412	1,737	-	-	-	39,149
Sea wall	6,494	177	-	-	-	6,671
Sprinkler pumps	30,782	852	-	-	-	31,634
Resurface pools	34,591	10,410	-	-	(5,400)	39,601
Hurricane	60,000	-	-	-	-	60,000
Backhoe	1,895	-	-	-	-	1,895
Pool - satellite	15,000	15,000	35,791	-	(65,791)	-
Main pool	30,000	30,000	-	-	(26,550)	33,450
Roof - satellite	900	900	-	-	-	1,800
Fire sprinkler	12,960	3,960	-	-	-	16,920
	<u>289,497</u>	<u>80,976</u>	<u>35,791</u>	<u>-</u>	<u>(100,081)</u>	<u>306,183</u>
<u>Direct</u>						
Roofs	2,227,055	478,134	1,800	-	(97,900)	2,609,089
Paint	27,661	202,200	-	-	(201,390)	28,471
Termite control	(7,693)	15,000	13,043	-	(20,350)	-
Interest	101,122	-	(48,834)	18,358	-	70,646
	<u>2,348,145</u>	<u>695,334</u>	<u>(33,991)</u>	<u>18,358</u>	<u>(319,640)</u>	<u>2,708,206</u>
Single family homes totals	2,637,642	776,310	1,800	18,358	(419,721)	3,014,389
Grand Totals	\$ 4,076,736	\$ 1,006,963	\$ 1,800	\$ 25,024	\$ (584,337)	\$ 4,526,186

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
 SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
 REPAIRS AND REPLACEMENTS
 UNAUDITED
 DECEMBER 31, 2012

The Board of Directors and management have estimated the remaining useful lives and the replacement costs of the components of common property. The following table is based on these estimates and presents significant information about the components of common property.

	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/12	2013 Funding per Budget	2013 Full Funding
<u>Condominiums</u>					
<u>Common - 40%</u>					
Bus	5	\$ 40,000	\$ 33,583	\$ 1,284	1,284
Recreation area roofs	11	60,000	11,558	4,262	4,404
Recreation area A/C	11	56,000	-	4,787	5,091
Recreation center decorating	9	20,000	9,869	1,126	1,126
Road resurface	3	30,000	21,970	1,309	2,677
Sea wall	4	4,800	4,445	88	88
Sprinkler pumps	10	26,000	21,408	459	459
Resurface pools	10	8,000	24,682	800	-
Hurricane	N/A	-	40,000	-	-
Backhoe	N/A	-	1,158	-	-
Pool - satellite	15	20,000	-	1,333	1,333
Main pool	15	40,000	22,300	2,667	1,180
Roof - satellite	19	12,000	1,200	568	568
Fire sprinkler	24	72,000	11,283	2,530	2,530
		<u>388,800</u>	<u>203,456</u>	<u>21,213</u>	<u>20,740</u>
<u>Direct - 100%</u>					
Roof	Various	2,431,000	1,191,902	103,850	103,850
Paint	7	311,850	9,742	58,700	43,158
Termite control	Various	Various	20,339	-	-
Pipe replacement	Various	10,000	40,083	13,056	13,056
Resealing parking	Various	40,000	1,047	-	-
Quadplex inspection	2	26,000	26,000	-	-
Interest	N/A	N/A	19,228	-	-
		<u>2,818,850</u>	<u>1,308,341</u>	<u>175,606</u>	<u>160,064</u>
<u>Condominium totals</u>		<u>\$ 3,207,650</u>	<u>\$ 1,511,797</u>	<u>\$ 196,819</u>	<u>\$ 180,804</u>

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
 SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
 REPAIRS AND REPLACEMENTS
 UNAUDITED
 DECEMBER 31, 2012
 (CONTINUED)

	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/12	2013 Funding per Budget	2013 Full Funding
<u>Single Family Homes</u>					
<u>Common - 60%</u>					
Bus	4	\$ 60,000	\$ 49,357	\$ 2,660	2,660
Recreation area roofs	34	90,000	7,080	6,923	2,439
Recreation area A/C	11	84,000	3,812	7,485	7,290
Recreation center decorating	9	30,000	14,814	1,758	1,687
Road resurface	3	45,000	39,149	1,737	1,950
Sea wall	4	7,200	6,671	147	132
Sprinkler pumps	10	39,000	31,634	765	737
Resurface pools	10	12,000	39,601	1,200	-
Hurricane	N/A	-	60,000	-	-
Backhoe	N/A	-	1,895	-	-
Pool - satellite	15	30,000	-	2,000	2,000
Main pool	15	60,000	33,450	4,000	1,770
Roof - satellite	19	18,000	1,800	868	853
Fire sprinkler	24	108,000	16,920	3,850	3,795
		<u>583,200</u>	<u>306,183</u>	<u>33,393</u>	<u>25,313</u>
<u>Direct - 100%</u>					
Roofs	Various	16,137,000	2,609,089	502,584	502,584
Paint	Various	1,141,000	28,471	174,700	174,700
Termite control	Various	Various	-	15,000	15,000
Interest	N/A	N/A	70,646	-	-
		<u>17,278,000</u>	<u>2,708,206</u>	<u>692,284</u>	<u>692,284</u>
<u>Single family homes totals</u>		<u>17,861,200</u>	<u>3,014,389</u>	<u>725,677</u>	<u>717,597</u>
Grand totals		<u>\$ 21,068,850</u>	<u>\$ 4,526,186</u>	<u>\$ 922,496</u>	<u>\$ 898,401</u>