
**WINNERS CIRCLE BEACH AND TENNIS
RESORT TIME SHARE CONDOMINIUM
OWNERS' ASSOCIATION**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT WITH
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2022

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS:	
BALANCE SHEET	3
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION	11
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS	12
SUPPLEMENTARY INFORMATION OF ACTUAL AND BUDGETED REVENUE AND EXPENSE OF THE OPERATING FUND	14

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Owners
Winners Circle Beach and Tennis Resort Time Share Condominium Owners' Association

Opinion

We have audited the financial statements of Winners Circle Beach and Tennis Resort Time Share Condominium Owners' Association, which comprise the balance sheet as of December 31, 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Winners Circle Beach and Tennis Resort Time Share Condominium Owners' Association as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Winners Circle Beach and Tennis Resort Time Share Condominium Owners' Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Winners Circle Beach and Tennis Resort Time Share Condominium Owners' Association's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 internal control of the Winners Circle Beach and Tennis Resort Time Share Condominium Owners' Association. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Winners Circle Beach and Tennis Resort Time Share Condominium Owners' Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Cambaliza McGee LLP
Newport Beach, California
June 1, 2023

**WINNERS CIRCLE BEACH AND TENNIS RESORT TIME SHARE
 CONDOMINIUM OWNERS' ASSOCIATION
 BALANCE SHEET
 DECEMBER 31, 2022**

	Operating Fund	Replacement Fund	Combined
ASSETS			
Cash	\$ 1,155,289	\$ 1,058,771	\$ 2,214,060
Investments	248,825	548,374	797,199
Accounts receivable:			
Assessments	721,301	365,511	1,086,812
Other	101,869	-	101,869
Prepaid expenses	66,434	-	66,434
Accrued interest receivable	-	1,294	1,294
Property, furniture and equipment, at cost (net of accumulated depreciation)	38,474	-	38,474
Renovation in progress	-	339,883	339,883
Due (to) from other funds	400,527	(400,527)	-
	<u>\$ 2,732,719</u>	<u>\$ 1,913,306</u>	<u>\$ 4,646,025</u>
Total assets	<u>\$ 2,732,719</u>	<u>\$ 1,913,306</u>	<u>\$ 4,646,025</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ 135,580	\$ -	\$ 135,580
Accrued expenses	100,306	-	100,306
Deferred assessments	2,614,685	1,066,500	3,681,185
Contract liability: owners assessments	-	820,315	820,315
	<u>2,850,571</u>	<u>1,886,815</u>	<u>4,737,386</u>
Total liabilities	<u>2,850,571</u>	<u>1,886,815</u>	<u>4,737,386</u>
Fund balances	<u>(117,852)</u>	<u>26,491</u>	<u>(91,361)</u>
	<u>\$ 2,732,719</u>	<u>\$ 1,913,306</u>	<u>\$ 4,646,025</u>
Total liabilities and fund balances	<u>\$ 2,732,719</u>	<u>\$ 1,913,306</u>	<u>\$ 4,646,025</u>

See independent auditor's report and accompanying notes to financial statements.

**WINNERS CIRCLE BEACH AND TENNIS RESORT TIME SHARE
 CONDOMINIUM OWNERS' ASSOCIATION
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Combined</u>
Revenues:			
Member assessments	\$ 2,073,527	\$ 1,307,524	\$ 3,381,051
Room revenue and other	717,517	-	717,517
Interval sales	24,259	-	24,259
Tennis club revenue	30,000	-	30,000
Interest	1,217	6,476	7,693
	<hr/>	<hr/>	<hr/>
Total revenues	2,846,520	1,314,000	4,160,520
	<hr/>	<hr/>	<hr/>
Expenses:			
Operating expenses	2,024,327	-	2,024,327
Administrative and general expenses	759,442	-	759,442
Income taxes	52,735	2,072	54,807
Roofing & related	-	4,987	4,987
Balcony replacement	-	379,951	379,951
HVAC & related	-	37,485	37,485
Building renovation	-	327,245	327,245
Unit linens	-	2,208	2,208
Unit supplies & appliances	-	358,937	358,937
Carpet & wall damage	-	2,012	2,012
GM's office repairs	-	1,803	1,803
Other repairs & replacements	-	143,981	143,981
Painting	-	48,915	48,915
	<hr/>	<hr/>	<hr/>
Total expenses	2,836,504	1,309,596	4,146,100
	<hr/>	<hr/>	<hr/>
Excess of revenue over expenses before depreciation	10,016	4,404	14,420
	<hr/>	<hr/>	<hr/>
Depreciation	19,759	-	19,759
	<hr/>	<hr/>	<hr/>
Excess of revenue over (under) expenses	(9,743)	4,404	(5,339)
	<hr/>	<hr/>	<hr/>
Beginning fund balances	(108,109)	22,087	(86,022)
	<hr/>	<hr/>	<hr/>
Ending fund balances	\$ (117,852)	\$ 26,491	\$ (91,361)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See independent auditor's report and accompanying notes to financial statements.

**WINNERS CIRCLE BEACH AND TENNIS RESORT TIME SHARE
 CONDOMINIUM OWNERS' ASSOCIATION
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Combined</u>
Cash flows provided by (used in) operating activities:			
Excess of revenues over (under) expenses	\$ (9,743)	\$ 4,404	\$ (5,339)
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by (used in) operating activities:			
Depreciation	19,759	-	19,759
Accounts receivable:			
Assessments	(19,255)	(25,807)	(45,062)
Other	(49,607)	-	(49,607)
Prepaid expenses	43,362	-	43,362
Accrued interest receivable	-	323	323
Renovation in progress	-	(339,883)	(339,883)
Accounts payable	23,323	-	23,323
Accrued expenses	16,148	-	16,148
Deferred assessments	157,757	(44,775)	112,982
Contract liability	-	(370,803)	(370,803)
Net cash provided by (used in) operating activities	<u>181,744</u>	<u>(776,541)</u>	<u>(594,797)</u>
Cash flows from investing activities:			
Purchase of investments	(248,872)	(448,327)	(697,199)
Maturity of investments	399,672	799,953	1,199,625
Net cash provided by (used in) investing activities	<u>150,800</u>	<u>351,626</u>	<u>502,426</u>
Cash flows from financing activities:			
Change in due to (from) fund	(374,850)	374,850	-
Net cash flows from financing activities	<u>(374,850)</u>	<u>374,850</u>	<u>-</u>
Net decrease in cash	<u>(42,306)</u>	<u>(50,065)</u>	<u>(92,371)</u>
Cash, beginning of year	<u>1,197,595</u>	<u>1,108,836</u>	<u>2,306,431</u>
Cash, end of year	<u>\$ 1,155,289</u>	<u>\$ 1,058,771</u>	<u>\$ 2,214,060</u>

See independent auditor's report and accompanying notes to financial statements.

**WINNERS CIRCLE BEACH AND TENNIS RESORT TIME SHARE
CONDOMINIUM OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE A - ORGANIZATION

Winners Circle Beach and Tennis Resort Time Share Condominium Owners' Association (the "Association") was incorporated on December 21, 1982, as a California mutual benefit corporation with the specific and primary purpose of promoting the interests and welfare of the owners of vacation ownerships situated in the project known as Winners Circle Beach and Tennis Resort in Solana Beach, California. The Association is comprised of 4,794 Class A memberships, each of which is entitled to one vote.

In accordance with the requirements of the Declaration of Covenants, Conditions and Restrictions, each vacation owner is a member of the Association and is subject to regular, special, and capital improvement assessments by the Association.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Accounting

The books and records for the Association are maintained on the accrual basis of accounting. The tax returns are also reported on the accrual basis of accounting.

Capitalization Policy and Depreciation

In accordance with industry standards, the Association has not capitalized in the financial statements the common area real property acquired at its inception from the developer. Replacements and improvements to the real property which are directly associated with the units are also not capitalized. They are instead charged directly to either operating or replacement funds in the period they are incurred.

Significant capital assets not directly associated with the units, referred to as personal property assets, and certain other expenditures relating to operations, are capitalized, and depreciated over their estimated useful life using the straight-line method of depreciation over 5 years. During the year ended December 31, 2022, there were no acquisitions of furniture and equipment.

Fund Accounting

The Association's accompanying financial statements have been prepared using fund accounting. Under this method of accounting, funds are separated into two categories: the operating fund and the replacement fund. Disbursements from the replacement fund generally may be made only for designated repair or replacement of major common area components. Disbursements from the operating fund are at the discretion of the Board of Directors (the "Board") and generally are for on-going repairs, maintenance, and administrative functions.

Investment Income

The Board's policy is to allocate interest earned on replacement fund cash accounts and investments to the replacement fund and to pay for the related income taxes out of the related fund.

**WINNERS CIRCLE BEACH AND TENNIS RESORT TIME SHARE
CONDOMINIUM OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the financial statements in conformity with Accounting Principles Generally Accepted in the United States of America ("GAAP") 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 period. Actual results could differ from those estimates.

Fund Transfers

As operating fund or replacement fund cash is disbursed for Board approved capital expenditures, the assets are capitalized in the "Fixed Asset Fund" and the related fund balances are transferred from the operating fund and the replacement fund, accordingly.

NOTE C – INCOME TAXES

The Association may elect to file its federal income tax return as either a regular corporation [under Internal Revenue Code Section 277] or as a time share association [under Internal Revenue Code Section 528]. For the year ended December 31, 2022, the Association elected to file as a time share association, where generally an association is taxed only on income unrelated to membership dues and assessments [such as interest and rental income], less related expenses, at a rate of 32%. For California purposes, income tax is taxed similarly, subject to a minimum tax of \$800. Accordingly, for the year ended December 31, 2022, the federal and California income tax expense was \$40,933 and \$13,874, respectively.

The Association utilizes the liability method of accounting for income taxes. Under the liability method, deferred income tax assets and liabilities are provided based on the difference between the financial statements and tax basis of assets and liabilities measured by the currently enacted tax rates in effect for the years in which these differences are expected to reverse. Because there is no material difference between the financial accounting and tax basis of the Association's assets and liabilities, the Association has not recorded any deferred tax assets or liabilities, as of December 31, 2022.

The Association has adopted accounting standards for the accounting for uncertainty in income taxes. These standards provide guidance for the accounting and disclosure about uncertain tax positions taken by an association. Management believes that all of the positions taken by the Association in its federal and state income tax returns are more likely than not to be sustained upon examination. The Association's tax returns are subject to examination by the Internal Revenue Service and the California Department of Taxation, generally for three years after they are filed.

**WINNERS CIRCLE BEACH AND TENNIS RESORT TIME SHARE
CONDOMINIUM OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE D – ASSESSMENTS, ASSESSMENTS RECEIVABLE AND DEFERRED ASSESSMENTS

Association members are subject to paying assessments to fund for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable as of December 31, 2022 represent assessments and other fees due from owners. The Association's governing documents provide for various collection remedies for delinquent assessments, including filing of liens on the owner's interval, foreclosing on the unit owner, or obtaining judgment on other assets of the unit owner.

Under the revenue recognition standard Accounting Standard Codification ("ASC") 606 (Note G), the Association (considered an entity) has a performance obligation to the unit/unit owners (customers). The Association's approved annual Operating Fund budget establishes the maintenance, management, and administrative services it is obligated to perform, and such services can be bundled together as a single commercial objective and a single performance obligation. The budget establishes an implied contract price, and because these services are provided for within an annual cycle, the respective Operating Fund assessments are considered revenue for the current period.

Performance obligations related to Replacement Fund assessments are satisfied when these financial resources are expended for their designated purpose. Accordingly, the reported Replacement Fund assessments for a given year will be increased or decreased to match the expenditures for the year.

For the 2022 fiscal year, each vacation week owner was assessed \$883, inclusive of the replacement fund assessments. The 2023 annual assessments of \$925, inclusive of replacement fund assessments, were billed in October 2022 and are included in deferred assessments earned.

NOTE E – ALLOWANCE FOR DOUBTFUL ACCOUNTS

It is the Association's policy to write off past due balances at the end of the year for assessments billed in the previous year. Correspondingly, any bad debt recovery is including in this account. During 2022, the Association has written off \$592,266 of 2022 assessments billed in 2021 and has received \$29,313 representing recoveries of bad debts previously written off.

NOTE F – CONTRACT LIABILITY

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations which specifically pertains to Replacement Fund assessments. The contract liability balance at the beginning and end of the year for December 31, 2022, was \$1,191,118 and \$820,315, respectively.

**WINNERS CIRCLE BEACH AND TENNIS RESORT TIME SHARE
CONDOMINIUM OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE G – REVENUE RECOGNITION

The Financial Accounting Standards Board ("FASB") issued new guidance in ASC Topic 606 Revenue from Contracts with Customers. FASB ASC 606 is a new revenue recognition standard that affects businesses that enter into contracts with customers to transfer goods and services, including public, private, and non-public entities.

The purpose of the standard is to eliminate variations in the way businesses across industries handle accounting for similar transactions. FASB ASC 606 went into effect for annual reporting periods beginning after December 15, 2018. FASB ASC 606 supersedes the revenue recognition requirements of FASB ASC 972-605 and most industry-specific revenue guidance in the FASB ASC, including the accounting guidance that Common Interest Realty Associations ("CIRA's") followed in previous years. The Association has adopted the new guidance as of January 1, 2020.

NOTE H – REPLACEMENT FUNDING PROGRAM

In accordance with the Association's governing documents, which require that funds be accumulated for future major repairs and replacements, the Association has established certain amounts as reserves for future capital expenditures. Members' assessments relating to the replacement funding program are considered capital contributions from members' dues and as such are restricted in usage. Disbursements are to be made only if specifically approved by the Board.

In 2022, the Association's replacement funds were subject to a study to estimate the remaining useful lives and the replacement costs of the components of common property. The study is based on future estimated replacement costs, using an annual inflation rate of 3% and interest earnings of 1% on amounts funded for future major repairs and replacements. The 2023 budget includes a provision for replacement funding of \$1,293,190, subject to delinquency adjustments. The table included in the unaudited Supplementary Information on Future Major Repairs and Replacements is based on the study.

Replacement funds are being accumulated based on estimates of future needs for repairs and replacement of common property components. Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement funds may not be adequate to meet all future needs for major repairs and replacements.

If additional funds are needed, the Association has the right, subject to the Association's governing documents, to pass special assessments, increase monthly assessments, or delay replacement until funds are available.

**WINNERS CIRCLE BEACH AND TENNIS RESORT TIME SHARE
CONDOMINIUM OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE I – VACATION WEEKS HELD FOR SALE

As of December 31, 2022, the Association owned 702 vacation intervals that are held for sale. A value has not been assigned to the vacation plan intervals. The number of intervals held by the Association comprise the intervals deeded to the Association from the original Developer, tax defaulted intervals purchased from the County and from owners that have transferred their interests to the Association over the years.

NOTE J – INVESTMENTS

The Association's investments represent certificates of deposit (that are considered to be held to maturity and are carried at amortized cost, which approximates their fair value) and United States Treasury Bills. The certificates of deposits total \$249,000, which have interest rates ranging from .5% to .518%, and have various maturity dates through 2023. The United States Treasury Bills total \$548,199, which have interest rates ranging from 0% to .258%

NOTE K – MANAGEMENT AGREEMENT

The Association is operated under a management agreement with a professional management company, Vacation Resorts International ("VRI"). Compensation for management services is based on Association's approved operating budget.

NOTE L – SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash payments for income taxes totaled \$34,001 for the year ended December 31, 2022. There were no non-cash investing or financing transactions during the year.

NOTE M – CONCENTRATION OF RISK

Vacation West Services owns 702 vacation intervals which represents a significant concentration of credit risk. Although normal collection procedures are available on assessments billed to Vacation West Services, failure to collect assessments could affect the Association's operations.

NOTE N – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 1, 2023, which is the date the financial statements were available to be issued.

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Disclaimer of Opinion on Required Supplementary Information

Our audit report of the basic financial statements of Winners Circle Beach and Tennis Resort Time Share Condominium Owners' Association for the year ended December 31, 2022 appears on pages 1 and 2. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole.

Accounting principles generally accepted in the United States of America require that supplementary information on future major repairs and replacements on pages 12 -13 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 and 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 principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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.

The supplementary information of actual and budgeted revenues and expenses of the operating fund on page 14 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of 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 our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

WINNERS CIRCLE BEACH AND TENNIS RESORT TIME SHARE CONDOMINIUM OWNERS' ASSOCIATION
SUPPLEMENTARY INFORMATION
ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
AS OF DECEMBER 31, 2022

An independent reserve study was updated on January 1, 2023 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on current replacement costs, using an annual inflation rate of 3.0% and an interest of 1%, net of taxes, on amounts funded for future major repairs and replacements. These estimates are used as a foundation in arriving at recommended funding requirements, based upon cash and investments which have been allocated for future repairs and replacements. The following table is based on the study and presents significant information about the components of common property.

Common Area Component	Estimated Remaining Useful Lives	Estimated Current Replacement Costs	2022 Study's Recommended Fund Balance
ADA	0 years	\$ 15,000	\$ 15,335
Appliances	2 - 11 years	245,059	306,869
Art & Accessories	0 - 4 years	467,610	507,457
Asphalt	3 - 6 years	330,000	403,005
Back Office Storage	0 years	-	-
Cabinetry and Countertops	4 - 13 years	1,942,740	2,586,490
Construction / Refurbishment	0 - 29 years	1,414,000	2,176,451
Construction / Refurbishment Pending	0 - 1 years	-	-
Doors and Windows	3 - 17 years	296,895	388,537
Electrical Fixtures	14 - 29 years	17,109	25,247
Electronics	0 - 10 years	163,000	201,607
Elevators	12 - 27 years	15,000	21,077
Equipment	2 - 16 years	166,472	201,291
Exercise Equipment	2 - 16 years	36,130	44,462
Exterior Concrete Surfaces	27 years	-	-
Exterior Furniture and Fixtures	2 - 12 years	296,400	373,505
Exterior Lighting	14 years	9,226	13,649
Exterior Surfaces	5 - 11 years	31,060	37,776
Fencing	4 - 24 years	197,766	234,567
Flooring	0 - 29 years	425,870	476,791
Furniture and Fixtures	0 - 9 years	1,498,000	1,636,321
Gates	11 - 15 years	14,850	21,467
Hardscape	2 - 27 years	100,000	161,836
HVAC	0 - 26 years	118,850	128,957
Lighting	7 - 23 years	249,791	331,351
Mattress Sets	0 - 4 years	131,560	141,312
Miscellaneous	1 - 25 years	49,642	64,394
Office Equipment	0 - 4 years	88,150	92,588
Office Furniture	1 - 9 years	7,482	8,796
Office Storage	14 years	-	-
Painting	0 - 10 years	429,718	464,263
Plumbing	1 - 29 years	76,692	89,541
Plumbing Fixtures	2 - 24 years	765,079	1,021,091
Pool Component	7 years	35,500	43,124

**WINNERS CIRCLE BEACH AND TENNIS RESORT TIME SHARE CONDOMINIUM OWNERS ASSOCIATION
 SUPPLEMENTARY INFORMATION
 ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
 AS OF DECEMBER 31, 2022**

Pool-Spa Equipment	3 - 27 years	38,500	44,144
Roofing Component	8 - 23 years	524,000	1,015,722
Safety and Security	1 - 29 years	136,844	171,748
Signage	10 - 20 years	14,830	19,387
Softscape	1 - 27 years	10,000	10,223
Structural	2 years	20,000	20,700
Stucco Refurbishment	0 - 24 years	-	-
Unit Supplies	0 - 1 years	167,640	171,617
Vehicles	17 years	25,000	40,411
Window Treatments	0 - 4 years	234,330	252,372
		<u>10,805,795</u>	<u>13,965,481</u>
Total		<u>\$ 10,805,795</u>	<u>\$ 13,965,481</u>

Financial resources available for future major repair and replacement obligations as of December 31, 2022.

\$ 846,806

Association's budgeted funding for the 2022/2023 year:

\$ 1,293,190

**WINNER CIRCLE BEACH AND TENNIS RESORT TIME SHARE
 CONDOMINIUM OWNERS' ASSOCIATION
 SUPPLEMENTARY INFORMATION OF ACTUAL AND
 BUDGETED REVENUES AND EXPENSES OF THE OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022**

	Actual	Budget	Variance to Budget *
Revenues:			
Assessments	** \$ 2,073,527 **	\$ 2,080,252	\$ (6,725)
Other income	717,517	887,250	(169,733)
Interest income	1,217	-	1,217
Inventory sales	24,259	-	24,259
Tennis club revenue	30,000	30,000	-
Total revenues	2,846,520	2,997,502	(150,982)
Operating expenses:			
Salaries & wages	1,132,750	1,163,691	30,941
Payroll taxes & benefits	287,851	428,809	140,958
Utilities	224,835	171,500	(53,335)
Cable TV	40,108	47,000	6,892
Telephone/internet	12,367	25,500	13,133
Guest/cleaning supplies	169,135	181,050	11,915
Repairs and maintenance	90,181	78,750	(11,431)
Landscaping supplies	18,245	19,390	1,145
Pool/spa	21,723	20,000	(1,723)
HOA activities/security	-	10,000	10,000
Pest control	13,285	5,000	(8,285)
Shuttle bus	13,847	11,000	(2,847)
Total operating expenses	2,024,327	2,161,690	137,363
Administrative and general expenses:			
Corporate tax	52,735	11,000	(41,735)
Insurance	161,641	156,880	(4,761)
Accounting/bookkeeping	3,400	3,200	(200)
Vacation time commission	-	625	625
Office/miscellaneous	40,185	36,700	(3,485)
Credit card fees	55,130	50,000	(5,130)
Assessment billing	34,277	34,277	-
Management fee	310,068	310,046	(22)
HOA mailings/printing	5,939	17,250	11,311

**WINNER CIRCLE BEACH AND TENNIS RESORT TIME SHARE
 CONDOMINIUM OWNERS' ASSOCIATION
 SUPPLEMENTARY INFORMATION OF ACTUAL AND
 BUDGETED REVENUES AND EXPENSES OF THE OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Actual</u>	<u>Budget</u>	<u>Variance to Budget *</u>
HOA sales and marketing	14,519	20,000	5,481
Replacement study	2,400	1,500	(900)
Directors/meeting expense	3,703	3,914	211
ABC policy funding	6,404	6,920	516
Foreclosures and deedbacks	17,361	60,000	42,639
Legal	63,831	1,000	(62,831)
HOA property tax	39,218	44,000	4,782
Local license fee	1,366	-	(1,366)
Prior years' deficit	-	78,500	78,500
	<u> </u>	<u> </u>	<u> </u>
	-		-
Total administrative and general expenses	<u>812,177</u>	<u>835,812</u>	<u>23,635</u>
Excess of revenues over expenses before depreciation	<u>\$ 10,016</u>	<u>\$ -</u>	<u>\$ 10,016</u>

* Favorable/(unfavorable)

**Net of bad debt expense