

## **Financial Statements**

**Winners Circle Beach and Tennis Resort  
Time Share Condominium Owners Association**

**For the Year Ended  
December 31, 2023**

Winners Circle Beach and Tennis Resort  
Time Share Condominium Owners Association

Notes to Financial Statements  
December 31, 2023

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### *Independent Auditor's Report*

Board of Directors and Management  
Winners Circle Beach and Tennis Resort  
Time Share Condominium Owners Association  
Solana Beach, California

### *Opinion*

We have audited the accompanying financial statements of Winners Circle Beach and Tennis Resort Time Share Condominium Owners Association, which comprise the balance sheet as of December 31, 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position Winners Circle Beach and Tennis Resort Time Share Condominium Owners Association as of December 31, 2023, 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. 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 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 within one year after the date that the financial statements are available to be 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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Winners Circle Beach and Tennis Resort Time Share Condominium Owners Association's internal control. 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 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.

*Disclaimer of Opinion on Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that supplementary information on future major repairs and replacements on page 14 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on actual and budgeted revenue and expenses, on pages 15-16, 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

FITZGERALD & ASSOCIATES, INC. CPAs

Irvine, California  
June 26, 2024

Winners Circle Beach and Tennis Resort  
Time Share Condominium Owners Association

Balance Sheet  
December 31, 2023

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	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<i>Assets</i>			
Cash in bank	\$ 1,216,637	\$ 1,009,927	\$ 2,226,564
Marketable securities	-	99,222	99,222
Accounts receivable, net	1,473,389	556,782	2,030,171
Accrued interest receivable	-	1,499	1,499
Prepaid expenses	119,437	-	119,437
Property and equipment, net	20,026	-	20,026
Due to/from other fund	119,447	(119,447)	-
Total assets	<u>\$ 2,948,936</u>	<u>\$ 1,547,983</u>	<u>\$ 4,496,919</u>
<i>Liabilities and Fund Balances</i>			
Accounts payable	\$ 227,463	\$ -	\$ 227,463
Accrued payroll and related	121,813	-	121,813
Prepaid maintenance fees	18,117	-	18,117
Deferred maintenance fees	2,807,931	1,060,954	3,868,885
Total liabilities	<u>3,175,324</u>	<u>1,060,954</u>	<u>4,236,278</u>
Fund balances (deficits)	<u>(226,388)</u>	<u>487,029</u>	<u>260,641</u>
Total liabilities and fund balances	<u>\$ 2,948,936</u>	<u>\$ 1,547,983</u>	<u>\$ 4,496,919</u>

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

Winners Circle Beach and Tennis Resort  
Time Share Condominium Owners Association

Statement of Revenue, Expenses,  
and Changes in Fund Balances  
For the Year Ended December 31, 2023

	<i>Operating Fund</i>	<i>Replacement Fund</i>	<i>Total</i>
<i>Revenue</i>			
Maintenance fees	\$ 2,105,340	\$ 898,627	\$ 3,003,967
Rental and related revenue	705,398	-	705,398
Tennis revenue	62,500	-	62,500
Interest income	23,153	38,064	61,217
Other income	84,719	-	84,719
Total revenue	<u>2,981,110</u>	<u>936,691</u>	<u>3,917,801</u>
<i>Expenses</i>			
Common area	21,716	-	21,716
Housekeeping	654,415	-	654,415
Guest service	196,421	-	196,421
Repair and maintenance	352,361	-	352,361
Resort management	900,041	-	900,041
Management fee	316,248	-	316,248
Legal and professional	28,961	-	28,961
Insurance	254,279	-	254,279
Depreciation expense	18,448	-	18,448
Other taxes	47,843	-	47,843
Replacement expenses	-	1,296,468	1,296,468
Utility	298,913	-	298,913
Total expenses	<u>3,089,646</u>	<u>1,296,468</u>	<u>4,386,114</u>
Excess revenue (expenses)	(108,536)	(359,777)	(468,313)
Fund balances, beginning of year as previously reported	(117,852)	26,491	(91,361)
Prior period adjustment, contract liability for replacements	-	820,315	820,315
Fund balances, beginning of year as restated	<u>(117,852)</u>	<u>846,806</u>	<u>728,954</u>
Fund balances (deficits), end of year	<u>\$ (226,388)</u>	<u>\$ 487,029</u>	<u>\$ 260,641</u>

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

Winners Circle Beach and Tennis Resort  
Time Share Condominium Owners Association

Statement of Cash Flows  
For the Year Ended December 31, 2023

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<i>Cash Flows From Operating Activities</i>			
Excess revenue (expenses)	\$ (108,536)	\$ (359,777)	\$ (468,313)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:			
Depreciation	18,448	-	18,448
Changes in:			
Accounts receivable	(650,219)	(191,271)	(841,490)
Accrued interest receivable	-	(205)	(205)
Prepaid expenses	(53,003)	-	(53,003)
Renovation in progress	-	339,883	339,883
Accounts payable	91,883	-	91,883
Accrued payroll and related	21,507	-	21,507
Deferred revenue	18,117	-	18,117
Deferred assessments	193,246	(5,546)	187,700
Net cash provided (used) by operating activities	<u>(468,557)</u>	<u>(216,916)</u>	<u>(685,473)</u>
<i>Cash Flows From Investing Activities</i>			
Purchase of marketable securities	-	(99,222)	(99,222)
Proceeds from sale of marketable securities	<u>248,825</u>	<u>548,374</u>	<u>797,199</u>
Net cash provided (used) by investing activities	<u>248,825</u>	<u>449,152</u>	<u>697,977</u>
<i>Cash Flows From Financing Activities</i>			
Due to/from other fund	<u>281,080</u>	<u>(281,080)</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>281,080</u>	<u>(281,080)</u>	<u>-</u>
Net increase (decrease) in cash	61,348	(48,844)	12,504
Cash, beginning of year	<u>1,155,289</u>	<u>1,058,771</u>	<u>2,214,060</u>
Cash, end of year	<u><u>\$ 1,216,637</u></u>	<u><u>\$ 1,009,927</u></u>	<u><u>\$ 2,226,564</u></u>

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

# Winners Circle Beach and Tennis Resort Time Share Condominium Owners Association

Notes to Financial Statements  
December 31, 2023

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## *1. Organization and Other Matters*

Winners Circle Beach and Tennis Resort Time Share Condominium Owners Association (the Association) was organized as a mutual benefit corporation in December 1982. The Association has 4,794 Class A memberships located in Solana Beach, California. Each membership is entitled to one vote.

## *2. Significant Accounting Policies*

### *Use of Estimates*

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

### *Fund Accounting*

The Association's governing documents provide guidelines for managing its financial activities. To ensure compliance with limitations and restrictions on the use of financial resources, the Association maintains its records using fund accounting. They classify transactions for accounting and reporting purposes in funds established according to their nature and purpose.

Operating Fund - This fund is used to account for the financial resources available for the general operations of the Association.

Replacement Fund - This fund is used to account for financial resources designated for future major repairs and replacements.

### *Cash and Cash Equivalents*

For financial statement purposes, the Association considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

### *Marketable Securities*

The Association classifies its marketable debt securities as held-to-maturity if it has the intent and ability to hold them to maturity. These securities are carried at amortized cost. Declines in value below amortized cost that are other than temporary are included in earnings as realized losses.

### *Major Repairs and Replacements*

Members pay a portion of their Association dues for reserve expenses, generally major repairs, and replacements. The Association deposits these funds in separate interest-bearing bank accounts. See Note 8 for a further discussion of reserves.

# Winners Circle Beach and Tennis Resort Time Share Condominium Owners Association

Notes to Financial Statements  
December 31, 2023

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## 2. *Significant Accounting Policies* (continued)

### *Member Maintenance Fees*

Members are subject to annual maintenance fees to provide funds for operating expenses, future major repairs and replacements and capital asset acquisitions. The annual budget and maintenance fees of owners are determined by the board of directors. Maintenance fees receivable at the reporting date represent amounts due from members.

The Association's policy is to accrue interest on all amounts due, including delinquent maintenance fees, reasonable collection costs and late charges commencing 30 days after maintenance fees become due. Interest and related charges are recorded as income when billed to the owner. See Note 5 for details on accounts receivable.

The Association has evaluated the impact of ASC 606, *Revenue from Contracts with Customers*, on its financial statements and has determined that the standard does not apply to transactions with its members related to regular replacement reserve maintenance fees. Maintenance fee revenue is recognized when earned.

Under ASC 606, maintenance fees and other fees that are determined to be uncollectible when billed are charged against the respective revenue rather than bad debt expense. Maintenance fees and other fees determined to be collectible when billed and subsequently determined to be uncollectible are considered variable consideration and will be charged against the respective revenue.

### *Property and Equipment*

The costs of real property and the related improvements to such property in which the Association has title to are not presented as depreciable assets in the Association's financial statements as their disposition is restricted. The Association capitalizes personal property to which it has title at cost and depreciates them using the straight-line method over a useful life of five year. See Note 7 for additional information on property and equipment.

### *Prepaid Maintenance Fees*

Prepaid maintenance fees consist of members' annual maintenance fees received in advance. The Association recognizes these amounts as income when they are earned in the subsequent year.

### *Deferred Maintenance Fees*

Deferred maintenance fees include maintenance fees billed to owners in advance for future use years. These amounts are deferred at year-end, and then recognized into income when they are earned during the next maintenance fee period.

# Winners Circle Beach and Tennis Resort Time Share Condominium Owners Association

Notes to Financial Statements  
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## 2. *Significant Accounting Policies* (concluded)

### *Fair Value Measurements*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. In determining fair value, the Association uses various valuation techniques. A fair value hierarchy for inputs is issued in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be to be used when available. Valuation techniques that are consistent with the market or income approach are used to measure fair value. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations base on unadjusted quoted prices in active markets for identical assets or liabilities that the Association has the ability to access.

Level 2 – Valuation based on inputs, other than quoted prices included in Level 1 that are observable either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Association’s own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Association in determining fair value is greatest for investments categorized in Level 3. At December 31, 2023, the Association did not have any Category 3 investments. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

# Winners Circle Beach and Tennis Resort Time Share Condominium Owners Association

Notes to Financial Statements  
December 31, 2023

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### 3. Income Taxes

Homeowner associations may elect to be taxed as regular corporations or as homeowner associations. The Association elected to be taxed as a homeowner association in accordance with Internal Revenue Code Section 528 for the years ending December 31, 2023. Under that Section, the Association is not taxed on maintenance fees to members and other income received from association members solely as a function of their membership in the Association. If the Association has taxable income, it is taxed for federal purposes at the rate of 30% and taxed for state purposes at a rate of 8.84% on its nonexempt function income such as interest.

### 4. Marketable Securities

Cost and fair value of held-to-maturity securities at December 31, 2023 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<u>Debt Securities:</u>				
United States Treasury Securities	<u>\$99,222</u>	<u>\$721</u>	<u>\$-0-</u>	<u>\$99,943</u>
Total	<u>\$99,222</u>	<u>\$721</u>	<u>\$-0-</u>	<u>\$99,943</u>

The Association occasionally invests in United States Treasury Securities. Investment information from the Association's held-to-maturity debt securities for the reporting periods is as follows:

Gross proceeds	<u>\$797,199</u>
Gross realized gains	<u>\$-0-</u>
Gross realized losses	<u>\$-0-</u>

# Winners Circle Beach and Tennis Resort Time Share Condominium Owners Association

Notes to Financial Statements  
December 31, 2023

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## 5. Accounts Receivable

Accounts receivable at the reporting date consists of the following amounts:

Maintenance fees	\$1,907,000
Rental income	113,739
Other	<u>9,432</u>
Accounts receivable, net	<u>\$2,030,171</u>

## 6. Prepaid Expenses

Prepaid expenses at the reporting date consists of the following amounts:

Insurance	\$73,731
Income taxes	29,000
Other	<u>16,706</u>
Total prepaid expenses	<u>\$119,437</u>

## 7. Property and Equipment

Property and equipment at the reporting date consists of the following amounts:

Furniture and fixtures	\$102,822
Accumulated depreciation	<u>(82,796)</u>
Property and equipment, net	<u>\$20,026</u>

## 8. Future Major Repairs and Replacements

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate savings accounts and are generally not available for expenditures for normal operations.

The Board of Directors updated the reserve study in February 2024 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on future estimated replacement costs. Funding requirements consider an annual inflation rate of 3 percent and interest of .5 percent on amounts funded for future major repairs and replacements. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on the study.

# Winners Circle Beach and Tennis Resort Time Share Condominium Owners Association

Notes to Financial Statements  
December 31, 2023

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## 8. Future Major Repairs and Replacements (concluded)

In 2023, the Board of Directors decided to fund 100 percent of the amount recommended by the study. Accordingly, \$1,293,190 was included in the 2023 budget. Because actual expenditures may vary from estimated future expenditures and the variations may be material. Amounts accumulated in the replacement fund 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 maintenance fees, pass special assessments, or delay major repairs and replacements until funds are available.

## 9. Supplemental Cash Flow Information

Cash flows from operating activities included state and federal income tax payments of \$29,000 for year ended December 31, 2023.

## 10. Prior Period Adjustment

Prior to January 1, 2022, the Association defined the performance obligation for replacement reserve maintenance fees under Financial Accounting Standards Board ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (FASB ASC 606) as being satisfied with the expenditure of the assessed funds for the intended purpose. Based on further analysis and discussion, the Board believes that the FASB ASC 606 does not apply to regular replacement reserve maintenance fees. Maintenance fee revenue is recognized when earned.

The accompanying financial statements have been restated to correct the recording of the contract liability in the replacement fund per the change in the definition of the performance obligation:

Replacement fund balance at December 31, 2022 as previously reported	\$26,491
Contract liability adjustment at December 31, 2022	<u>820,315</u>
Replacement fund balance at December 31, 2022, as restated	<u>\$846,806</u>

## 11. Commitments and Contingencies

The Association entered into a three-year management agreement with Vacation Resorts International beginning in January 1, 2022, expiring December 31, 2024. Either party may give a Notice of Non-Renewal with a written notice at least 90 days prior to the above termination date or any renewal termination date, and not more than 90 days before the termination date. The monthly management fee will be in 2022, 2023, and 2024 is \$25,837, \$26,354, and \$26,881 per month.

# Winners Circle Beach and Tennis Resort Time Share Condominium Owners Association

Notes to Financial Statements  
December 31, 2023

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## *12. Financial Instruments*

The Association maintains operating and reserve accounts at certain financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Association occasionally maintains deposits in excess of FDIC coverage. At December 31, 2023, the Association's cash balance in excess of FDIC coverage totaled \$853,538. The Association frequently makes transfers of funds to stay under the FDIC coverage.

## *13. Subsequent Events*

Management has evaluated subsequent events through June 26, 2024, the date which the financial statements were available for issue.

## Supplementary Information

Winners Circle Beach and Tennis Resort  
Time Share Condominium Owners Association

Supplemental Information on Future Major  
Repairs and Replacements (Unaudited)  
December 31, 2023

The Association conducted a study in February 2024 to estimate the remaining useful lives and replacement costs of the components of common property. The estimates were based on future estimated replacement costs. Funding requirements consider an annual inflation rate of 3% and interest of .5%, net of taxes, on amounts funded for future major repairs and replacements.

The following table is based on the study and presents significant information about the components of common property.

<i>Component</i>	<i>Estimated Remaining Useful Life (Years)</i>	<i>Estimated February 2024 Replacement Cost</i>	<i>Estimated 2024 Funding Requirement</i>	<i>Study's Recommended Replacement Fund Balance at 12/31/2023</i>
ADA	3	\$ 15,000	\$ 1,477	\$ 8,669
Appliances	1-10	245,059	24,131	141,633
Art & accessories	0-5	467,610	46,046	270,257
Asphalt	3-14	330,000	32,495	190,725
Cabinets and countertops	3-11	1,942,740	191,302	1,122,813
Construction and refurbishment	1-27	1,464,600	144,219	846,471
Doors and windows	1-14	296,895	29,235	171,591
Electrical fixtures	12-27	17,109	1,685	9,888
Electronics	1-11	177,400	17,469	102,529
Elevators	10-25	15,000	1,477	8,669
Equipment	0-15	166,472	16,393	96,213
Exercise equipment	0-11	36,130	3,558	20,881
Exterior furniture and fixtures	1-18	401,400	39,526	231,990
Exterior lighting	12	9,226	908	5,332
Exterior surfaces	4-10	31,060	3,058	17,951
Fencing	2-25	197,766	19,474	114,300
Flooring	1-27	475,782	46,850	274,980
Furniture and fixtures	1-8	1,512,700	148,956	874,270
Gates	9-13	14,850	1,462	8,583
Hardscape	7-26	100,000	9,847	57,795
HVAC	0-24	78,850	7,764	45,572
Lighting	3-10	249,791	24,597	144,368
Mattresses sets	1-5	133,870	13,182	77,371
Miscellaneous	1-23	59,042	5,814	34,124
Office equipment	1-9	88,600	8,724	51,207
Outdoor furniture	0-7	7,482	737	4,324
Painting	0-8	453,918	44,697	262,343
Plumbing	0-27	76,692	7,552	44,324
Plumbing fixtures	1-23	765,079	75,337	442,180
Pool component	6	35,500	3,496	20,517
Pool-spa equipment	2-26	50,750	4,997	29,331
Roofing component	6-23	524,000	51,598	302,848
Safety and security	0-27	206,844	20,368	119,546
Signage	7-8	14,830	1,460	8,571
Softscape	1-25	10,000	985	5,780
Structural	1	20,000	1,969	11,559
Unit Supplies	0-5	96,800	9,532	55,946
Vehicles	15	25,000	2,462	14,449
Window treatments	1-9	246,318	24,255	142,360
Fund deficit		-	-	(5,905,231)
Totals		\$ 11,060,165	\$ 1,089,095	\$ 487,029

See independent auditor's report.

Winners Circle Beach and Tennis Resort  
Time Share Condominium Owners Association

Supplemental Information of Actual and  
Budgeted Revenues and Expenses of the Operating Fund  
For the year ended December 31, 2023

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	<u>Actual</u>	<u>Unaudited Budget</u>	<u>Unaudited Variance* Actual to Budget</u>
<i>Revenue</i>			
Maintenance fees, net of amounts determined to be uncollectible	\$ 2,105,340	\$ 2,097,816	\$ 7,524
Rental revenue	705,398	743,750	(38,352)
Tennis revenue	62,500	30,000	32,500
Interest income	23,153	800	22,353
Other income	84,719	227,700	(142,981)
Total revenues	<u>2,981,110</u>	<u>3,100,066</u>	<u>(118,956)</u>
<i>Expenses</i>			
<u>Maintenance</u>			
Wages	223,763	189,861	(33,902)
Housekeeping supplies	240	-	(240)
Pool and jacuzzi maintenance and repair	20,600	20,000	(600)
General maintenance and supplies	94,298	78,750	(15,548)
Pest control	13,460	5,000	(8,460)
Total maintenance expenses	<u>352,361</u>	<u>293,611</u>	<u>(58,750)</u>
<u>Housekeeping</u>			
Wages	500,407	496,230	(4,177)
Housekeeping supplies	152,409	181,050	28,641
Housekeeping supplies	1,599	-	(1,599)
Total housekeeping expenses	<u>654,415</u>	<u>677,280</u>	<u>22,865</u>
<u>Common Area/ Grounds Maintenance</u>			
Grounds and landscaping	21,716	15,000	(6,716)
Total common area/ grounds maintenance	<u>21,716</u>	<u>15,000</u>	<u>(6,716)</u>
<u>Guest Services/ Front Desk</u>			
Wages	196,421	202,258	5,837
Total guests services/ front desk	<u>196,421</u>	<u>202,258</u>	<u>5,837</u>
<u>Utilities</u>			
Gas/fuel/lubricants	59,858	62,262	2,404
Electricity	137,088	111,500	(25,588)
Telephone	7,250	5,000	(2,250)
Water and sewer	43,780	45,000	1,220
Cable/internet/phone	50,937	67,500	16,563
Total utilities expenses	<u>298,913</u>	<u>291,262</u>	<u>(7,651)</u>

\* Favorable (Unfavorable)

See independent auditor's report.

Winners Circle Beach and Tennis Resort  
Time Share Condominium Owners Association

Supplemental Information of Actual and  
Budgeted Revenues and Expenses of the Operating Fund  
For the year ended December 31, 2023

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	<u>Actual</u>	<u>Unaudited Budget</u>	<u>Unaudited Variance* Actual to Budget</u>
(Concluded)			
<u>Resort Management</u>			
Wages	417,035	302,633	(114,402)
Sales commission	-	625	625
Payroll taxes	284,752	386,327	101,575
Vehicle expense	18,367	15,000	(3,367)
HOA mailing	4,633	5,500	867
Water and sewer	428	-	(428)
Foreclosure Expenses	(127)	60,000	60,127
Billing and collection expenses	35,390	41,869	6,479
Advertising	13,944	15,000	1,056
Board meeting and travel	2,351	2,000	(351)
Activities expense	-	10,000	10,000
Credit card charges	72,950	50,000	(22,950)
Office supplies	49,418	35,200	(14,218)
Reserve study	900	1,800	900
Total resort management expenses	<u>900,041</u>	<u>925,954</u>	<u>25,913</u>
<u>Legal and Professional</u>			
Accounting	2,400	3,200	800
Legal fees	19,761	51,000	31,239
Professional fees	3,300	-	(3,300)
Audit and tax	3,500	-	(3,500)
Total legal and professional	<u>28,961</u>	<u>54,200</u>	<u>25,239</u>
<u>Other Taxes</u>			
Taxes and licenses	2,391	1,500	(891)
Property taxes	45,452	41,500	(3,952)
Total other taxes	<u>47,843</u>	<u>43,000</u>	<u>(4,843)</u>
Management fees	316,248	316,248	-
Income taxes	-	11,000	11,000
General insurance	254,279	187,083	(67,196)
Depreciation Expense	18,448	-	(18,448)
Prior years' deficit	-	83,170	83,170
	<u>588,975</u>	<u>597,501</u>	<u>8,526</u>
Total expenses	<u>3,089,646</u>	<u>3,100,066</u>	<u>10,420</u>
Excess revenue (expenses)	<u>\$ (108,536)</u>	<u>\$ -</u>	<u>\$ (108,536)</u>

\* Favorable (Unfavorable)

See independent auditor's report.