

WINSTON TOWERS 100 ASSOCIATION, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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LANE J. GENET, C.P.A.

A PROFESSIONAL ASSOCIATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Unit Owners
Winston Towers 100 Association, Inc.
Sunny Isles Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Winston Towers 100 Association, Inc. (the "Association"), which comprise the balance sheet as of December 31, 2020, and the related statements of revenues and expenses and changes in fund balance (accumulated deficit), 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

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, we express no

Auditor's Responsibility (Continued)

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Winston Towers 100 Association, Inc. as of December 31, 2020, 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.

Emphasis of Matter

As further discussed in Note 7 to the financial statements, a global pandemic has been declared by the World Health Organization as a result of the outbreak of the coronavirus, COVID-19. The extent of the ultimate effects of COVID-19 on the Association's operating and financial performance are dependent on many factors and cannot be predicted at this time. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of budgeted and actual revenues and expenses - operating fund; budgeted and actual monthly building and utilities expenses - operating fund; and budgeted and actual personnel, repairs and maintenance, and general and administrative expenses - operating fund, all for the year ended December 31, 2020, on pages 17 through 19, are presented for purposes of additional analysis and are not required parts of the financial statements. Such information (except for the budget information, which was compiled without audit or review from information that is the representation of management (directors and officers)), 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

Report on Supplementary Information (Continued)

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.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacements, consisting of the estimated remaining useful lives and the estimated current replacement costs of the components of common property on page 20, 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 Statements 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 inquires of management (directors and officers) 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.



Lane J. Genet, C.P.A., P.A.
Miami, Florida
October 12, 2021

WINSTON TOWERS 100 ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2020

	Operating Fund	Special Assessment Fund	Total
ASSETS			
Cash and cash equivalents	\$ 159,561	\$ 105,336	\$ 264,897
Assessments receivable, net	4,491	38,635	43,126
Prepaid expenses	108,498	-	108,498
Due from operating fund	-	105,636	105,636
TOTAL ASSETS	<u>\$ 272,550</u>	<u>\$ 249,607</u>	<u>\$ 522,157</u>
LIABILITIES AND FUND BALANCE (ACCUMULATED DEFICIT)			
LIABILITIES			
Accounts payable and accrued expenses	\$ 103,296	\$ 99,607	\$ 202,903
Assessments received in advance	31,087	-	31,087
Deferred revenue	27,500	150,000	177,500
Security deposits	140,557	-	140,557
Due to special assessment Fund	105,636	-	105,636
TOTAL LIABILITIES	408,076	249,607	657,683
FUND BALANCE (ACCUMULATED DEFICIT)	<u>(135,526)</u>	<u>-</u>	<u>(135,526)</u>
TOTAL LIABILITIES AND FUND BALANCE (ACCUMULATED DEFICIT)	<u>\$ 272,550</u>	<u>\$ 249,607</u>	<u>\$ 522,157</u>

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

WINSTON TOWERS 100 ASSOCIATION, INC.
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE
(ACCUMULATED DEFICIT)
YEAR ENDED DECEMBER 31, 2020

	Operating Fund	Special Assessment Fund	Total
	<u> </u>	<u> </u>	<u> </u>
REVENUES:			
Member assessments	\$1,773,166	\$ 800,000	\$2,573,166
Parking	162,799	-	162,799
Internet	107,448	-	107,448
Appliance contract	73,080	-	73,080
Laundry	47,256	-	47,256
Miscellaneous	15,938	-	15,938
Screening	8,800	-	8,800
Estoppel	5,200	-	5,200
Moving fees	5,100	-	5,100
Remotes, entry cards and garage	4,760	-	4,760
Interest	556	-	556
	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES	<u>2,204,103</u>	<u>800,000</u>	<u>3,004,103</u>
EXPENSES:			
Monthly building expenses	653,248	-	653,248
Utilities	603,349	-	603,349
Insurance	409,725	-	409,725
Personnel	283,688	-	283,688
Repairs and maintenance	99,482	800,000	899,482
General and administrative	88,942	-	88,942
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENSES	<u>2,138,434</u>	<u>800,000</u>	<u>2,938,434</u>
EXCESS OF REVENUES OVER EXPENSES	65,669	-	65,669
FUND BALANCE (ACCUMULATED DEFICIT) - BEGINNING OF YEAR	<u>(201,195)</u>	<u> </u>	<u>(201,195)</u>
FUND BALANCE (ACCUMULATED DEFICIT) - END OF YEAR	<u>\$ (135,526)</u>	<u>\$ </u>	<u>\$ (135,526)</u>

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

WINSTON TOWERS 100 ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

	<u>Operating Fund</u>	<u>Special Assessment Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Member assessments collected	\$1,744,875	\$ 911,365	\$2,656,240
Parking	162,799	-	162,799
Internet	107,448	-	107,448
Appliance contract	73,080	-	73,080
Laundry	19,756	-	19,756
Miscellaneous	54,338	-	54,338
	<u>2,162,296</u>	<u>911,365</u>	<u>3,073,661</u>
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES			
Contract services	677,296	-	677,296
Utilities	583,361	-	583,361
Insurance	506,003	-	506,003
Personnel	283,688	-	283,688
Repairs and maintenance	83,126	700,393	783,519
General and administrative	93,847	-	93,847
	<u>2,227,321</u>	<u>700,393</u>	<u>2,927,714</u>
CASH FLOWS USED BY OPERATING ACTIVITIES			
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(65,025)	210,972	145,947
CASH FLOWS FROM FINANCING ACTIVITIES:			
Due to (from) other fund	105,636	(105,636)	-
CASH AND CASH EQUIVALENTS:			
- BEGINNING OF YEAR	<u>118,950</u>	<u>-</u>	<u>118,950</u>
- END OF YEAR	<u>\$ 159,561</u>	<u>\$ 105,336</u>	<u>\$ 264,897</u>

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

WINSTON TOWERS 100 ASSOCIATION, INC.
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	<u>Operating Fund</u>	<u>Special Assessment Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess of revenues over expenses	<u>\$ 65,669</u>	<u>\$ -</u>	<u>\$ 65,669</u>
Adjustments to reconcile excess of revenues over expenses to net cash flows provided (used) by operating activities:			
Changes in assets and liabilities:			
Assessments receivable	511	(38,635)	(38,124)
Prepaid expenses	(93,672)	-	(93,672)
Accounts payable and accrued expenses	4,786	99,607	104,393
Assessments received in advance	(28,802)	-	(28,802)
Deferred revenue	(27,500)	150,000	122,500
Security deposits	<u>13,983</u>	<u>-</u>	<u>13,983</u>
Net adjustments	<u>(130,694)</u>	<u>210,972</u>	<u>80,278</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (65,025)</u>	<u>\$ 210,972</u>	<u>\$ 145,947</u>

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

WINSTON TOWERS 100 ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS

ORGANIZATION

Winston Towers 100 Association, Inc. (the "Association") was organized as a Florida not-for-profit corporation in 1970, pursuant to the Florida Condominium Act, for the purpose of maintaining and preserving the common property of Winston Towers 100, a condominium building containing 408 residential units, located in Sunny Isles Beach, Florida.

FUND ACCOUNTING

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. Disbursements from the operating fund are generally at the discretion of the Board of Directors.

Special Assessment Fund - This fund is used to accumulate financial resources from special assessments. Disbursements from the special assessment fund may be made only for their designated purposes.

Revenues and expenses are presented under the accrual basis which recognizes revenues as earned and expenses as incurred.

CASH EQUIVALENTS

Cash equivalents consist of checking accounts and money market funds. The Association's policy is to invest its cash in reputable financial institutions.

Financial instruments, which potentially subject the Association to concentration of credit risk, consist primarily of cash and cash equivalents. The Association invests its excess cash in money market accounts with major financial institutions. At December 31,

WINSTON TOWERS 100 ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS
(CONTINUED)

CASH EQUIVALENTS - (CONTINUED)

2020, the market values of the money market funds approximated their cost. The Association has not experienced any losses related to these investments. The Association believes it is not exposed to any significant credit risk on its cash and cash equivalents.

MEMBER ASSESSMENTS

Member assessments, which are based upon a budget established annually by the Board of Directors, are levied against the unit owners for their proportionate share of common expenses and, unless waived by an annual vote of the membership, for funds designated for reserves. Member assessments revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. Performance obligations related to maintenance assessments are satisfied over time on a daily pro-rata basis. Any excess assessments in the operating fund at year-end are retained by the Association for use in the succeeding year. Performance obligations related to special assessments are satisfied when these funds are expended for their designated purposes. Special assessments may be imposed from time-to-time as deemed appropriate by the Board of Directors.

The Association recognizes interest and late fees on delinquent assessments, as provided for in its governing documents.

PROPERTY AND EQUIPMENT

Common areas and related improvements are not reflected in these financial statements since title to these properties is vested with individual unit owners in common (on a pro-rata basis) and not with the Association.

The Association will capitalize, at cost, personal property which it acquires with Association funds.

WINSTON TOWERS 100 ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS
(CONTINUED)

INCOME TAXES

The Association is subject to Federal and State taxation and has two methods to determine the amount of tax, if any, it must pay. Under one method, the excess of revenues from members over related expenditures is subject to taxation unless such excess is returned to the unit owners or applied to the following year's assessments. The other method, providing the Association meets certain requirements, enables the Association to elect to exclude from taxation exempt function income, which generally consists of revenue from unit owner assessments. Under either method, the Association may be subject to tax on investment income and other non-exempt income, but at different tax rates.

The Association classifies interest and penalties charged on underpayments, if any, of income tax as administrative and general expense. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and to recognize a tax liability, if the Association has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Association and has concluded that, as of December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Association's income tax returns could be subject to examination, generally for a period of three years after the dates the returns are filed.

ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent 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 and those differences may be material.

WINSTON TOWERS 100 ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

NOTE 2 - ASSESSMENTS RECEIVABLE

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association considers assessments delinquent if they are more than ten days in arrears. The Association may retain legal counsel and place a lien on property of any unit owner whose assessments are sixty days or more past due. Assessments receivable are stated net of an allowance for doubtful accounts of \$2,000. The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control. The balance of assessments receivable, net as of the beginning and end of the year were \$5,002 and \$4,491, respectively.

NOTE 3 - SPECIAL ASSESSMENTS AND SUBSEQUENT EVENT

In February 2020, the Board of Directors passed a special assessment of \$800,000 to provide funds for the first phase of numerous Association construction projects. These projects include exterior painting and stucco replacement, concrete restoration, roof repairs, parking lot lighting and engineering work related to the 50-year recertification.

The special assessment was payable in three consecutive and equal monthly installments commencing March 2020, based on each member's proportionate share of ownership. The entire amount of the special assessment was expended in 2020.

In November 2020, the Board of Directors passed a special assessment of \$150,000 to provide funds for an elevator repair project. As of December 31, 2020, the project had not commenced and the \$150,000 is reflected as deferred revenue in the accompanying financial statements

The special assessment was due in one payment, to be made in December, 2020, based on each member's proportionate share of ownership.

WINSTON TOWERS 100 ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

NOTE 3 - SPECIAL ASSESSMENTS AND SUBSEQUENT EVENT - (CONTINUED)

In April 2021, the Board of Directors passed a special assessment of \$1,700,000 to provide funds for the second phase of numerous Association construction projects. These projects include concrete and pool restoration, replacing pool furniture and equipment, waterproofing pool equipment room and bathroom floors, plumbing repairs, boiler and generator repairs, roof doors repairs, garage access controls - bar code and maintenance account shortages.

The special assessment was payable in one of three methods: (1) in a lump sum; (2) three consecutive and equal monthly installments commencing May 2021 or (3) based on the same repayment terms as the loan described below, with the interest separately billed to the unit owner. The special assessment is based on each member's proportionate share of ownership.

In order to provide immediate funding for the above construction projects, the Association obtained a \$1,700,000 bank loan. According to the Board of Directors, the loan will provide the needed proceeds to allow the Association to receive all funds anticipated from the collection and immediately pay for sums outlined in the proposals received for such projects. The loan bears interest at 3.85%, is secured by the Association's assets and is due in monthly principal and interest installments of \$31,237. The loan matures in April 2026.

NOTE 4 - FUTURE MAJOR REPAIRS AND REPLACEMENTS "RESERVES"

Chapter 718 of the Florida Statutes and the Association's governing documents require that the Association's budget include assessments for reserves, unless waived by an annual vote of the unit owners. Such assessments shall be for items including, but not limited to, roof replacement, building painting, pavement resurfacing and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000. These funds, if adopted, are restricted to their intended purpose unless modified by a qualified unit owner vote.

WINSTON TOWERS 100 ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS
(CONTINUED)

RECENT ACCOUNTING PRONOUNCEMENT

Lease Accounting

In 2016, the Financial Accounting Standards Board ("FASB") issued an accounting standards update, which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements and lessor accounting. The Association is currently evaluating the effect the update will have on its financial statements but expects, upon adoption, that the update will have a material effect on the Association's financial condition due to the recognition of a right-to-use asset and related lease liability. The Association does not anticipate the update having a material effect on the Association's results of operations or cash flows, though such an effect is possible.

The update originally required transition to the new lease guidance using a modified retrospective approach, which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. The Association is evaluating the method of adoption it will elect. The update is effective for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022, with early application permitted.

SUBSEQUENT EVENTS

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 12, 2021, the date the financial statements were available to be issued.

WINSTON TOWERS 100 ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

NOTE 4 - FUTURE MAJOR REPAIRS AND REPLACEMENTS "RESERVES" - (CONTINUED)

The unit owners voted to waive funding for reserves for 2020, as they have since the Association's inception. When funds are needed for major repairs and replacements, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

NOTE 5 - PASS-THROUGH ITEMS

In addition to the monthly maintenance fees, the unit owners were assessed \$107,448 for internet charges and \$73,080 for appliance repair costs under contracts entered into by the Association.

NOTE 6 - COMMITMENTS

The Association has various agreements for the maintenance of the common property and for other services. These agreements have different expiration dates and renewal terms.

In December 2017, the Association entered into a four-year agreement to lease its laundry room facilities to a laundry operator, at a cost of 50% of the monthly gross receipts, less card sales and related taxes and fees. In the event that the gross revenues fall below \$6,000 per month, the lessee can retain the first \$3,000 as minimum compensation. As consideration for entering into the lease, the lessee paid the Association \$110,000, comprising a signing bonus of \$50,000 and an advance commission of \$60,000. The \$110,000 payment is being amortized over the four-year lease term. The unamortized portion of the advance payment, \$27,500, is reflected as deferred revenue in the accompanying financial statements.

NOTE 7 - CONTINGENCIES

HURRICANE DEDUCTIBLE

The Association maintains insurance coverage for damage that could be caused by a hurricane to the property maintained by the Association. According to the Association's insurance policy, the hurricane deductible is 5% of the total insured value of the

WINSTON TOWERS 100 ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

NOTE 7 - CONTINGENCIES - Continued

condominium building and contents. The Association has not set aside funds towards covering the deductible. Accordingly, the Association is responsible for any deductibles or shortfalls for these contingencies and any such losses could require funding by the unit owners in the form of a special assessment and/or increased maintenance assessments. As certain other expenses may be incurred by the Association in the event of a hurricane, the ultimate extent of any such loss in excess of the deductible cannot be determined.

LITIGATION

The Association is exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of the Board of Directors, the resolution of any such matters will not have a material effect on the Association's financial position, results of operations or cash flows.

GLOBAL PANDEMIC

In March 2020, a global pandemic was declared by the World Health Organization as a result of the outbreak of the coronavirus, COVID-19. The pandemic has significantly impacted the economic conditions of the United States, including disrupting supply chains and affecting production and sales across a range of industries. The extent of the ultimate effects of COVID-19 on the Association's operating and financial performance cannot be predicted at this time, as they are dependent on many factors, including, but not limited to: (i) the duration and spread of the outbreak, (ii) the impact on owners and residents, management personnel and service providers, and (iii) the impact on the local, state, national and global economies. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

SUPPLEMENTARY INFORMATION

WINSTON TOWERS 100 ASSOCIATION, INC.
 SCHEDULE OF BUDGETED AND ACTUAL REVENUES AND EXPENSES - OPERATING FUND
 YEAR ENDED DECEMBER 31, 2020

	<u>Adopted Budget</u> (Unaudited)	<u>Actual</u>	<u>Variance</u> (Unaudited)
REVENUES:			
Member assessments	\$1,773,166	\$1,773,166	\$ -
Parking	167,100	162,799	(4,301)
Internet	107,448	107,448	-
Total appliance contract	73,080	73,080	-
Laundry	24,000	47,256	23,256
Miscellaneous	7,000	15,938	8,938
Screening	7,000	8,800	1,800
Estoppel	7,000	5,200	(1,800)
Moving fees	5,000	5,100	100
Remotes, entry cards and garage	6,000	4,760	(1,240)
Interest	100	556	456
	<u>2,176,894</u>	<u>2,204,103</u>	<u>27,209</u>
EXPENSES:			
Monthly building expenses	655,462	653,248	2,214
Utilities	536,000	603,349	(67,349)
Insurance	410,000	409,725	275
Personnel	274,680	283,688	(9,008)
Repairs and maintenance	202,909	99,482	103,427
General and administrative	82,843	88,942	(6,099)
Provision for uncollectible accounts	15,000	-	15,000
	<u>2,176,894</u>	<u>2,138,434</u>	<u>38,460</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 65,669</u>	<u>\$ 65,669</u>

WINSTON TOWERS 100 ASSOCIATION, INC.
 SCHEDULE OF BUDGETED AND ACTUAL MONTHLY BUILDING EXPENSES AND UTILITIES
 EXPENSES - OPERATING FUND
 YEAR ENDED DECEMBER 31, 2020

	Adopted <u>Budget</u> (Unaudited)	<u>Actual</u>	<u>Variance</u> (Unaudited)
MONTHLY BUILDING EXPENSES:			
Security	\$ 185,000	\$ 180,257	\$ 4,743
Cable TV	107,448	103,395	4,053
Internet	107,448	101,252	6,196
Janitorial	89,000	87,777	1,223
HVAC	69,426	75,397	(3,971)
Elevator	27,740	36,193	(8,453)
Pest control	25,500	25,370	130
Trash removal	24,500	27,250	(2,750)
Pool supplies/chemicals	8,000	7,654	346
A/C water treatment	4,750	4,675	75
Trash odor control	5,150	3,648	1,502
Landscaping	<u>1,500</u>	<u>380</u>	<u>1,120</u>
	<u>\$ 655,462</u>	<u>\$ 653,248</u>	<u>\$ 2,214</u>
UTILITIES:			
Water and sewer	\$ 303,000	\$ 380,213	\$ (77,213)
Electricity	187,000	182,127	4,873
Natural gas	40,000	30,646	9,354
Telephone	<u>6,000</u>	<u>10,363</u>	<u>(4,363)</u>
	<u>\$ 536,000</u>	<u>\$ 603,349</u>	<u>\$ (67,349)</u>

WINSTON TOWERS 100 ASSOCIATION, INC.
 SCHEDULE OF BUDGETED AND ACTUAL PERSONNEL, REPAIRS AND MAINTENANCE, AND
 GENERAL AND ADMINISTRATIVE EXPENSES - OPERATING FUND
 YEAR ENDED DECEMBER 31, 2020

	<u>Adopted Budget</u> (Unaudited)	<u>Actual</u>	<u>Variance</u> (Unaudited)
PERSONNEL:			
Payroll	\$ 250,180	\$ 261,008	\$ (10,828)
Payroll taxes	19,500	21,662	(2,162)
Contract labor	<u>5,000</u>	<u>1,018</u>	<u>3,982</u>
	<u>\$ 274,680</u>	<u>\$ 283,688</u>	<u>\$ (9,008)</u>
REPAIRS AND MAINTENANCE:			
Building	\$ 83,409	\$ 21,026	\$ 62,383
Fire equipment/alarm system	17,500	17,046	454
Supplies and maintenance	60,000	43,537	16,463
Pool	5,000	-	5,000
Elevator	12,500	13,536	(1,036)
Contingency	7,000	1,520	5,480
Pumps -Air conditioner	4,500	2,122	2,378
Fire pump system	7,000	695	6,305
Roof	<u>6,000</u>	<u>-</u>	<u>6,000</u>
	<u>\$ 202,909</u>	<u>\$ 99,482</u>	<u>\$ 103,427</u>
GENERAL AND ADMINISTRATIVE:			
Legal fees	\$ 36,500	\$ 41,471	\$ (4,971)
Computer service	6,000	10,843	(4,843)
Office supplies	8,193	8,093	100
Miscellaneous	9,000	6,814	2,186
Licenses and permits	5,000	5,728	(728)
Audit	5,800	5,600	200
WT complex dues and fees	5,400	5,400	-
Printing	4,500	2,448	2,052
Property taxes	850	1,667	(817)
Postage	<u>1,600</u>	<u>878</u>	<u>722</u>
	<u>\$ 82,843</u>	<u>\$ 88,942</u>	<u>\$ (6,099)</u>

WINSTON TOWERS 100 ASSOCIATION, INC.
 SUPPLEMENTARY INFORMATION ON
 FUTURE MAJOR REPAIRS AND REPLACEMENTS
 DECEMBER 31, 2020
 (UNAUDITED)

An independent study to estimate the remaining useful lives and current replacement costs of common property components has not been conducted. The Board's estimates of the remaining useful lives and the current replacement costs of the common property components are based on historical trends.

The following table presents significant information about the components of common property.

<u>Component</u>	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs	2021 Full Funding
Roofing	7	\$ 550,000	\$110,000
Elevators	5	2,200,000	440,000
Painting (see Note)	1	350,000	-
Garage (Pool Deck)	5	1,500,000	300,000
Laundry pipes		1,500,000	1,500,000
Water Tower	8	250,000	31,250
Surveillance system	-	100,000	100,000
Paving	2	100,000	50,000
Access control	-	95,000	95,000
Generator	-	100,000	100,000
Boilers	5	7,500	7,500
		<u>\$6,752,500</u>	<u>\$2,733,750</u>

Through December 31, 2020, no funds had been accumulated for future major repairs and replacements.

Note: In 2021 and 2020, as part of the \$800,000 phase one and \$1,700,000 phase two special assessments, the Board of Directors has entered into contracts for major repairs to the condominium building.