

PALM BEACH SHORES RESORT  
Proposed Operating Budget  
For The Period: January 01, 2021 - December 31, 2021  
Total Number of Unit Weeks: 13,520

INCOME:	WEEKLY	MONTHLY	ANNUAL	PER UNIT WEEK
MAINTENANCE FEES	217,361	941,897	11,302,761	836.00
OTHER INCOME	2,754	11,933	143,200	10.59
RENTAL INCOME	5,520	23,918	287,020	21.23
INTEREST AND LATE FEE INCOME	1,923	8,333	100,000	7.40
REAL ESTATE TAX COMMISSION	1,058	4,583	55,000	4.07
<b>TOTAL INCOME</b>	<b>228,615</b>	<b>990,665</b>	<b>11,887,981</b>	<b>879.29</b>
ITEM OF EXPENSE				
I. PAYROLL, TAXES AND BENEFITS:				
FRONT DESK & RESERVATIONS	11,882	51,488	617,850	45.70
HOUSEKEEPING	19,886	86,171	1,034,054	76.48
ACTIVITIES	3,867	16,758	201,098	14.87
ADMINISTRATION AND ACCOUNTING	6,555	28,404	340,847	25.21
MAINTENANCE	6,000	26,001	312,008	23.08
PAYROLL TAXES AND BENEFITS	10,288	44,583	535,000	39.57
	58,478	253,405	3,040,857	224.92
II. OPERATING EXPENSES:				
LAUNDRY, LINEN & CLEANING SUPPLIES	3,462	15,000	180,000	13.31
UNIFORMS	144	625	7,500	0.55
OPERATING AND GUEST SUPPLIES	3,173	13,750	165,000	12.20
CREDIT CARD FEES	1,731	7,500	90,000	6.66
SERVICE CHARGES & BAD DEBT	57,752	250,260	3,003,125	222.12
MAINTENANCE EXPENSES	6,250	27,083	325,000	24.04
ACTIVITIES EXPENSES	1,058	4,583	55,000	4.07
MAINTENANCE CONTRACTS	1,644	7,122	85,464	6.32
COMPUTER SERVICES AND MAINTENANCE	673	2,917	35,000	2.59
CAPITAL LEASES	1,250	5,417	65,000	4.81
SHARED AMENITIES EXPENSES	4,036	17,490	209,875	15.52
ENERGY CONSERVATION PROJECT	96	417	5,000	0.37
	81,269	352,164	4,225,964	312.57
III. GENERAL AND ADMINISTRATION EXPENSE:				
TELEPHONE	481	2,083	25,000	1.85
OFFICE, PRINTING AND POSTAGE	2,404	10,417	125,000	9.25
LICENSES, DUES AND FEES	240	1,042	12,500	0.92
AUDIT FEES & TAX PREPARATION	269	1,167	14,000	1.04
BILLING AND COLLECTION	1,250	5,417	65,000	4.81
	4,644	20,125	241,500	17.86
IV. RENT FOR RECREATIONAL AND OTHER COMMONLY USED FACILITIES				
	N/A	N/A	N/A	N/A
V. REAL ESTATE TAXES UPON ASSOCIATION PROPERTY WILL BE SEPARATELY ASSESSED AFTER THE ASSOCIATION RECEIVES THE TAX BILL FROM THE PALM BEACH TAX COLLECTOR.				
	N/A	N/A	N/A	N/A
VI. TAXES UPON LEASED AREAS				
	N/A	N/A	N/A	N/A
VII. INTEREST EXPENSE				
	462	2,000	24,000	1.78
VIII. UTILITIES:				
ELECTRICITY	5,446	23,600	283,200	20.95
CABLE TELEVISION	993	4,303	51,636	3.82
FUEL	1,272	5,510	66,120	4.89
WATER	5,301	22,970	275,640	20.39
WASTE REMOVAL	859	3,722	44,664	3.30
	13,870	60,105	721,260	53.35
IX. INSURANCE				
	24,301	105,303	1,263,634	93.46
X. FEES DUE TO DIVISION OF TIMESHARE				
	537	2,327	27,924	2.07
XI. MANAGEMENT FEES				
	27,952	121,127	1,453,521	107.51
XII. SECURITY				
	2,788	12,083	145,000	10.72
XIII. ESTIMATED EXPENSES FOR THE UNIT OWNER:				
RENT FOR THE UNIT, IF LEASED	N/A	N/A	N/A	N/A
RENT PAYABLE BY THE UNIT OWNER	N/A	N/A	N/A	N/A
<b>TOTAL EXPENSES</b>	<b>214,301</b>	<b>928,638</b>	<b>11,143,660</b>	<b>824.24</b>
RESERVES ( SEE SCHEDULE ATTACHED )	14,314	62,027	744,322	55.05
<b>TOTAL EXPENSES INCLUDING RESERVES</b>	<b>228,615</b>	<b>990,665</b>	<b>11,887,981</b>	<b>879.29</b>
MAINTENANCE FEES PER UNIT WEEK				<b>\$836.00</b>

	WEEKLY	MONTHLY	ANNUAL	PER UNIT WEEK
XV. RESERVES:				
ROOF	1,047	4,535	54,422	4.03
FIREPROOFING AND FIRE PROTECTION SYSTEM	358	1,550	18,594	1.38
PLUMBING	1,306	5,661	67,937	5.02
HEATING AND COOLING SYSTEMS	2,801	12,137	145,643	10.77
ELECTRICAL SYSTEMS	-	-	-	-
PAVEMENT AND PARKING AREAS	108	468	5,612	0.42
DRAINAGE SYSTEMS	18	80	961	0.07
SWIMMING POOL	-	-	-	-
ELEVATORS	248	1,075	12,898	0.95
FF & E - UNITS	6,166	26,718	320,613	23.71
FF & E - COMMON AREAS	526	2,281	27,371	2.02
EXTERIOR PAINTING	792	3,431	41,177	3.05
COMMON AREA EXPENSES	944	4,091	49,095	3.63
	14,314	62,027	744,322	55.05

SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL EXPENDITURES  
AND DEFERRED MAINTENANCE FUNDING

COMPONENTS	ESTIMATED USEFUL LIFE	ESTIMATED REMAINING USEFUL LIFE	ESTIMATED FUTURE REPLACEMENT COST (260 UNITS)	AMOUNT RESERVED UNDER THIS BUDGET	ESTIMATED FUND BALANCE
ROOF	25 years	18 years	1,490,938	54,422	511,346.00
FIREPROOFING AND FIRE PROTECTION SYSTEM	20 years	6 years	464,112	18,594	352,546.00
PLUMBING	35 years	11 years	1,502,137	67,937	754,831.00
HEATING AND COOLING SYSTEMS	15 years	4 years	1,185,136	145,643	602,565.00
ELECTRICAL SYSTEMS	20 years	1 years	176,605	-	367,469.00
PAVEMENT AND PARKING AREAS	20 years	6 years	113,112	5,612	79,443.00
DRAINAGE SYSTEMS	40 years	11 years	25,000	961	14,433.00
SWIMMING POOL	10 years	1 years	151,612	-	154,241.00
ELEVATORS	30 years	16 years	351,099	12,898	144,736.00
FF & E - UNITS	25 years	19 years	8,446,331	320,613	2,354,680.00
FF & E - COMMON AREAS	15 years	8 years	515,398	27,371	296,427.00
EXTERIOR PAINTING	15 years	7 years	392,357	41,177	104,121.00
COMMON AREA EXPENSES	40 years	34 years	1,758,321	49,095	(311.00)
			16,572,158	744,322	5,736,527.00

NOTES

AS OF DECEMBER 31, 2019 THERE WERE THE FOLLOWING NOTES IN THE AUDITED FINANCIAL STATEMENTS WHICH DISCLOSE RELATED PARTY TRANSACTIONS:

COMMITMENTS

The Association has entered into a three-year management agreement on June 19, 1997 with a management company. The agreement automatically renews for three-year periods, unless either party notifies the other in writing at least sixty days prior to the end of any three-year period of its intention not to renew, by a vote of the unit owners pursuant to the provisions of the condominium or timeshare act or by written notice from the management company, as defined in the management agreement. The management was assigned to a new Developer on August 27, 1999, under the same terms as the management agreement entered into on June 19, 1997. The management agreement was automatically renewed on June 19, 2018 for three more years.

The agreement requires the Association to pay the management company 15% of the budget maintenance fees exclusive of the management fee expense and reserve funds for the year. The management fee for 2019 was \$1,400,688.

NOTICE

A BOARD OF DIRECTORS MEETING WILL BE HELD WEDNESDAY, SEPTEMBER 23, 2020 AT 11:00 AM AT PALM BEACH SHORES RESORT, 181 OCEAN AVENUE, PALM BEACH SHORES, FLORIDA.

THE PURPOSE OF THIS MEETING IS TO CONSIDER AND VOTE UPON THE PROPOSED BUDGET, A COPY OF WHICH IS ATTACHED.