

PALM BEACH SHORES RESORT
 Estimated Operating Budget
 For The Period: January 01, 2019 - December 31, 2019
 Total Number of Unit Weeks: 13,520

INCOME:	WEEKLY	MONTHLY	ANNUAL	PER UNIT WEEK
MAINTENANCE FEES	217,360	941,892	11,302,705	836.00
OTHER INCOME	2,288	9,915	118,976	8.80
RENTAL INCOME	6,731	29,167	350,000	25.89
INTEREST AND LATE FEE INCOME	1,666	7,220	86,637	6.41
REAL ESTATE TAX COMMISSION	1,402	6,075	72,900	5.39
TOTAL INCOME	229,447	994,268	11,931,218	882.49
ITEM OF EXPENSE				
I. PAYROLL, TAXES AND BENEFITS:				
FRONT DESK & RESERVATIONS	12,365	53,583	643,000	47.56
HOUSEKEEPING	21,048	91,208	1,094,498	80.95
ACTIVITIES	3,815	16,530	198,355	14.67
ADMINISTRATION AND ACCOUNTING	7,133	30,910	370,921	27.43
MAINTENANCE	6,633	28,741	344,897	25.51
PAYROLL TAXES AND BENEFITS	9,712	42,083	505,000	37.35
	60,705	263,056	3,156,671	233.48
II. OPERATING EXPENSES:				
LAUNDRY, LINEN & CLEANING SUPPLIES	4,808	20,833	250,000	18.49
UNIFORMS	192	833	10,000	0.74
OPERATING AND GUEST SUPPLIES	3,173	13,750	165,000	12.20
SERVICE CHARGES & BAD DEBT	52,971	229,542	2,754,509	203.74
MAINTENANCE EXPENSES	6,250	27,083	325,000	24.04
ACTIVITIES EXPENSES	1,058	4,583	55,000	4.07
MAINTENANCE CONTRACTS	1,894	8,208	98,500	7.29
COMPUTER SERVICES AND MAINTENANCE	673	2,917	35,000	2.59
CAPITAL LEASES	1,352	5,859	70,304	5.20
COMMON EXPENSES	6,058	26,250	315,000	23.30
ENERGY CONSERVATION PROJECT	96	417	5,000	0.37
	78,525	340,276	4,083,313	302.02
III. GENERAL AND ADMINISTRATION EXPENSE:				
TELEPHONE	481	2,083	25,000	1.85
OFFICE, PRINTING AND POSTAGE	2,885	12,500	150,000	11.09
LICENSES, DUES AND FEES	288	1,250	15,000	1.11
AUDIT FEES & TAX PREPARATION	288	1,250	15,000	1.11
BILLING AND COLLECTION	1,250	5,417	65,000	4.81
	5,192	22,500	270,000	19.97
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				
	538	2,333	28,000	2.07
VIII. UTILITIES:				
ELECTRICITY	6,058	26,250	315,000	23.30
CABLE TELEVISION	1,058	4,583	55,000	4.07
FUEL	1,635	7,083	85,000	6.29
WATER	4,327	18,750	225,000	16.64
WASTE REMOVAL	865	3,750	45,000	3.33
	13,942	60,417	725,000	53.62
IX. INSURANCE				
	17,346	75,167	902,000	66.72
X. FEES DUE TO DIVISION OF TIMESHARE				
	537	2,327	27,924	2.07
XI. MANAGEMENT FEES				
	27,706	120,057	1,440,686	106.56
XII. SECURITY				
	2,788	12,083	145,000	10.72
XIII. CAPITAL EXPENDITURES				
	-	-	-	-
XIV. 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
TOTAL EXPENSES	207,281	898,216	10,778,594	797.23
RESERVES (SEE SCHEDULE ATTACHED)	22,166	96,052	1,152,624	85.25
TOTAL EXPENSES INCLUDING RESERVES	229,447	994,268	11,931,218	882.49
MAINTENANCE FEES PER UNIT WEEK				\$836.00

	WEEKLY	MONTHLY	ANNUAL	PER UNIT WEEK
XV. RESERVES:				
ROOF	1,535	6,652	79,827	5.90
FIREPROOFING AND FIRE PROTECTION SYSTEM	321	1,391	16,687	1.23
PLUMBING	1,147	4,971	59,656	4.41
HEATING AND COOLING SYSTEMS	2,142	9,280	111,358	8.24
ELECTRICAL SYSTEMS	-	-	-	-
PAVEMENT AND PARKING AREAS	96	414	4,972	0.37
DRAINAGE SYSTEMS	17	75	898	0.07
SWIMMING POOL	113	489	5,868	0.43
ELEVATORS	117	508	6,100	0.45
FF & E - UNITS	10,742	46,547	558,560	41.31
FF & E - COMMON AREAS	595	2,580	30,961	2.29
EXTERIOR PAINTING	486	2,107	25,279	1.87
COMMON AREA EXPENSES	4,855	21,038	252,458	18.67
	22,166	96,052	1,152,624	85.25

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	14 years	1,490,938	79,827	373,355.00
FIREPROOFING AND FIRE PROTECTION SYSTEM	20 years	9 years	464,112	16,687	313,933.00
PLUMBING	35 years	14 years	1,502,137	59,656	666,954.00
HEATING AND COOLING SYSTEMS	15 years	7 years	1,185,136	111,358	405,628.00
ELECTRICAL SYSTEMS	20 years	9 years	176,605	-	360,889.00
PAVEMENT AND PARKING AREAS	20 years	9 years	113,112	4,972	68,364.00
DRAINAGE SYSTEMS	40 years	14 years	25,000	898	12,424.00
SWIMMING POOL	10 years	1 years	151,612	5,868	145,744.00
ELEVATORS	30 years	19 years	351,099	6,100	235,199.00
FF & E - UNITS	20 years	11 years	8,446,331	558,560	2,302,172.00
FF & E - COMMON AREAS	15 years	9 years	515,398	30,961	236,749.00
EXTERIOR PAINTING	15 years	10 years	392,357	25,279	139,568.00
COMMON AREA EXPENSES	40 years	19 years	1,758,321	252,458	(159,945.00)
			16,572,158	1,152,624	5,101,034.00

NOTES

AS OF DECEMBER 31, 2017 THERE WERE THE FOLLOWING NOTES IN THE AUDITED FINANCIAL STATEMENTS WHICH DISCLOSE RELATED PARTY TRANSACTIONS;

COMMITMENTS

The Time share Resort 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

The agreement requires the Time Share Resort 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 2017 was \$1,394,988.

NOTICE

A BOARD OF DIRECTORS MEETING WILL BE HELD WEDNESDAY , SEPTEMBER 12, 2018 AT 2:00 PM 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.