

PALM BEACH SHORES RESORT
Estimated Operating Budget
For The Period: January 01, 2020 - December 31, 2020
Total Number of Unit Weeks: 13,520

INCOME:	WEEKLY	MONTHLY	ANNUAL	PER UNIT WEEK
MAINTENANCE FEES	217,359	941,891	11,302,689	836.00
OTHER INCOME	3,846	16,667	200,000	14.79
RENTAL INCOME	3,305	14,321	171,855	12.71
INTEREST AND LATE FEE INCOME	4,019	17,417	209,000	15.46
REAL ESTATE TAX COMMISSION	1,346	5,833	70,000	5.18
TOTAL INCOME	229,876	996,129	11,953,544	884.14
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	4,038	17,500	210,000	15.53
UNIFORMS	192	833	10,000	0.74
OPERATING AND GUEST SUPPLIES	3,173	13,750	165,000	12.20
CREDIT CARD FEES	2,385	10,333	124,000	9.17
SERVICE CHARGES & BAD DEBT	53,750	232,917	2,795,000	206.73
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	1,423	6,167	74,000	5.47
COMMON EXPENSES	4,036	17,490	209,875	15.52
ENERGY CONSERVATION PROJECT	96	417	5,000	0.37
	78,969	342,198	4,106,375	303.73
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	327	1,417	17,000	1.26
AUDIT FEES & TAX PREPARATION	269	1,167	14,000	1.04
BILLING AND COLLECTION	1,250	5,417	65,000	4.81
	5,212	22,583	271,000	20.04
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	5,385	23,333	280,000	20.71
WASTE REMOVAL	923	4,000	48,000	3.55
	15,058	65,250	783,000	57.91
IX. INSURANCE				
	18,942	82,083	985,000	72.86
X. FEES DUE TO DIVISION OF TIMESHARE				
	537	2,327	27,924	2.07
XI. MANAGEMENT FEES				
	28,288	122,583	1,471,000	108.80
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	211,038	914,498	10,973,970	811.68
RESERVES (SEE SCHEDULE ATTACHED)	18,838	81,631	979,574	72.45
TOTAL EXPENSES INCLUDING RESERVES	229,876	996,129	11,953,544	884.14
MAINTENANCE FEES PER UNIT WEEK				\$836.00

	WEEKLY	MONTHLY	ANNUAL	PER UNIT WEEK
XV. RESERVES:				
ROOF	994	4,309	51,711	3.82
FIREPROOFING AND FIRE PROTECTION SYSTEM	313	1,357	16,287	1.20
PLUMBING	1,149	4,980	59,762	4.42
HEATING AND COOLING SYSTEMS	2,170	9,405	112,856	8.35
ELECTRICAL SYSTEMS	-	-	-	-
PAVEMENT AND PARKING AREAS	94	407	4,886	0.36
DRAINAGE SYSTEMS	17	74	889	0.07
SWIMMING POOL	-	-	-	-
ELEVATORS	115	497	5,965	0.44
FF & E - UNITS	5,863	25,404	304,851	22.55
FF & E - COMMON AREAS	472	2,045	24,535	1.81
EXTERIOR PAINTING	483	2,094	25,133	1.86
COMMON AREA EXPENSES	7,167	31,058	372,700	27.57
	18,838	81,631	979,574	72.45

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	20 years	1,490,938	51,711	456,728.00
FIREPROOFING AND FIRE PROTECTION SYSTEM	20 years	8 years	464,112	16,287	333,813.00
PLUMBING	35 years	13 years	1,502,137	59,762	725,231.00
HEATING AND COOLING SYSTEMS	15 years	6 years	1,185,136	112,856	508,003.00
ELECTRICAL SYSTEMS	20 years	8 years	176,605	-	364,657.00
PAVEMENT AND PARKING AREAS	20 years	8 years	113,112	4,886	74,024.00
DRAINAGE SYSTEMS	40 years	13 years	25,000	889	13,447.00
SWIMMING POOL	10 years	1 years	151,612	-	153,105.00
ELEVATORS	30 years	18 years	351,099	5,965	243,722.00
FF & E - UNITS	25 years	20 years	8,446,331	304,851	2,349,321.00
FF & E - COMMON AREAS	15 years	10 years	515,398	24,535	270,049.00
EXTERIOR PAINTING	15 years	9 years	392,357	25,133	166,156.00
COMMON AREA EXPENSES	40 years	30 years	1,758,321	372,700	(313,505.00)
			16,572,158	979,574	5,344,751.00

NOTES

AS OF DECEMBER 31, 2018 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 entered into on June 19, 1997. The management agreement was automatically renewed on June 19, 2018 for three more years.

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 2018 was \$1,427,916.

NOTICE

A BOARD OF DIRECTORS MEETING WILL BE HELD WEDNESDAY , SEPTEMBER 18, 2019 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.