

PALM BEACH SHORES RESORT
 Estimated Operating Budget
 For The Period: January 01, 2022 - December 31, 2022
 Total Number of Unit Weeks: 13,520

INCOME:	WEEKLY	MONTHLY	ANNUAL	PER UNIT WEEK
MAINTENANCE FEES	233,220	1,010,620	12,127,435	897.00
OTHER INCOME	7,210	31,245	374,939	27.73
RENTAL INCOME	7,115	30,833	370,000	27.37
INTEREST AND LATE FEE INCOME	2,500	10,833	130,000	9.62
REAL ESTATE TAX COMMISSION	808	3,500	42,000	3.11
TOTAL INCOME	250,853	1,087,031	13,044,374	964.83
ITEM OF EXPENSE				
I. PAYROLL, TAXES AND BENEFITS:				
FRONT DESK & RESERVATIONS	16,692	72,333	868,000	64.20
HOUSEKEEPING	22,673	98,250	1,179,000	87.20
ACTIVITIES	3,867	16,758	201,098	14.87
ADMINISTRATION AND ACCOUNTING	8,077	35,000	420,000	31.07
MAINTENANCE	8,481	36,750	441,000	32.62
PAYROLL TAXES AND BENEFITS	10,288	44,583	535,000	39.57
	70,079	303,675	3,644,098	269.53
II. OPERATING EXPENSES:				
LAUNDRY, LINEN & CLEANING SUPPLIES	4,135	17,917	215,000	15.90
UNIFORMS	144	625	7,500	0.55
OPERATING AND GUEST SUPPLIES	3,173	13,750	165,000	12.20
CREDIT CARD FEES	2,500	10,833	130,000	9.62
SERVICE CHARGES & BAD DEBT	58,685	254,303	3,051,639	225.71
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
	83,644	362,457	4,349,478	321.71
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				
	28,712	124,417	1,493,000	110.43
X. FEES DUE TO DIVISION OF TIMESHARE				
	537	2,327	27,924	2.07
XI. MANAGEMENT FEES				
	30,710	133,078	1,596,939	118.12
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
TOTAL EXPENSES	235,446	1,020,267	12,243,199	905.56
RESERVES (SEE SCHEDULE ATTACHED)	15,407	66,765	801,175	59.26
TOTAL EXPENSES INCLUDING RESERVES	250,853	1,087,031	13,044,374	964.83
MAINTENANCE FEES PER UNIT WEEK				<u>\$897.00</u>

	WEEKLY	MONTHLY	ANNUAL	PER UNIT WEEK
XV. RESERVES:				
ROOF	1,063	4,607	55,289	4.09
FIREPROOFING AND FIRE PROTECTION SYSTEM	515	2,231	26,769	1.98
PLUMBING	1,292	5,598	67,171	4.97
HEATING AND COOLING SYSTEMS	2,834	12,279	147,345	10.90
ELECTRICAL SYSTEMS	-	-	-	-
PAVEMENT AND PARKING AREAS	105	455	5,455	0.40
DRAINAGE SYSTEMS	18	79	946	0.07
SWIMMING POOL	-	-	-	-
ELEVATORS	245	1,064	12,763	0.94
FF & E - UNITS	6,375	27,626	331,514	24.52
FF & E - COMMON AREAS	1,635	7,085	85,021	6.29
EXTERIOR PAINTING	503	2,181	26,175	1.94
COMMON AREA EXPENSES	822	3,560	42,726	3.16
	15,407	66,765	801,175	59.26

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	17 years	1,490,938	55,289	551,024.00
FIREPROOFING AND FIRE PROTECTION SYSTEM	20 years	5 years	464,112	26,769	330,265.00
PLUMBING	35 years	10 years	1,502,137	67,171	830,427.00
HEATING AND COOLING SYSTEMS	15 years	3 years	1,185,136	147,345	743,101.00
ELECTRICAL SYSTEMS	20 years	1 years	176,605	-	371,323.00
PAVEMENT AND PARKING AREAS	20 years	5 years	113,112	5,455	85,837.00
DRAINAGE SYSTEMS	40 years	10 years	25,000	946	15,536.00
SWIMMING POOL	10 years	1 years	151,612	-	155,858.00
ELEVATORS	30 years	15 years	351,099	12,763	159,649.00
FF & E - UNITS	25 years	18 years	8,446,331	331,514	2,479,075.00
FF & E - COMMON AREAS	15 years	7 years	515,398	85,021	(79,746.00)
EXTERIOR PAINTING	15 years	6 years	392,357	26,175	235,307.00
COMMON AREA EXPENSES	40 years	33 years	1,758,321	42,726	348,373.00
			16,572,158	801,175	6,226,029.00

NOTES

AS OF DECEMBER 31, 2020 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 agreement automatically renewed for three more years on June 19, 2018. 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 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 2020 was \$1,470,996.

NOTICE

A BOARD OF DIRECTORS MEETING WILL BE HELD WEDNESDAY, SEPTEMBER 29, 2021 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.