

HARBOR COVE TIMESHARE OWNERS' ASSOCIATION
2018 ANNUAL MEETING

TREASURER'S REPORT

MARK WARD

December 1, 2018



HARBOR COVE TIMESHARE OWNERS' ASSOCIATION
2018 ANNUAL MEETING

HOW IS THE ANNUAL BUDGET DETERMINED?

PROJECT # WEEKS ANTICIPATED PAYMENT

REVIEW CURRENT EXPENDITURES

REVIEW ANTICIPATED NEW EXPENDITURES

DEVELOP BUDGET

ENTIRE BOARD REVIEWS AND THEN APPROVES

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WHAT IS INCLUDED IN THE BUDGET?

ALL VARIABLE EXPENSES

ALL FIXED EXPENSES

FIGURED ONLY TO COVER COSTS-LITTLE EXCESS

**FUTURE SPENDING PROJECTS NOT INCLUDED IN
ANNUAL OPERATING BUDGET**

Harbor Cove Timeshare Owners' Association

2018 Annual Financial Report

10/11/2018						Ward, M
	2018 YTD	2018 Projected	2018 Budget	% Budget	LN	2019 Budget
Revenue						
Maintenance Fees***	\$ 137,190.00	\$ 137,190.00	\$ 132,800.00	103%	1	\$ 138,425.00
Previous Year Carryover*	\$ 14,037.00	\$ 20,000.00	\$ 13,000.00	154%	3	\$ 20,000.00
Total Revenue less carryover	\$ 137,190.00	\$ 137,190.00	\$ 132,800.00	103%	4	\$ 138,425.00

*Carryover of funds from general day to day operating budget from previous year -for future unit improvements.

***Includes current maintenance fees plus recouping of previous years unpaid fees through rentals

Harbor Cove Timeshare Owners' Association

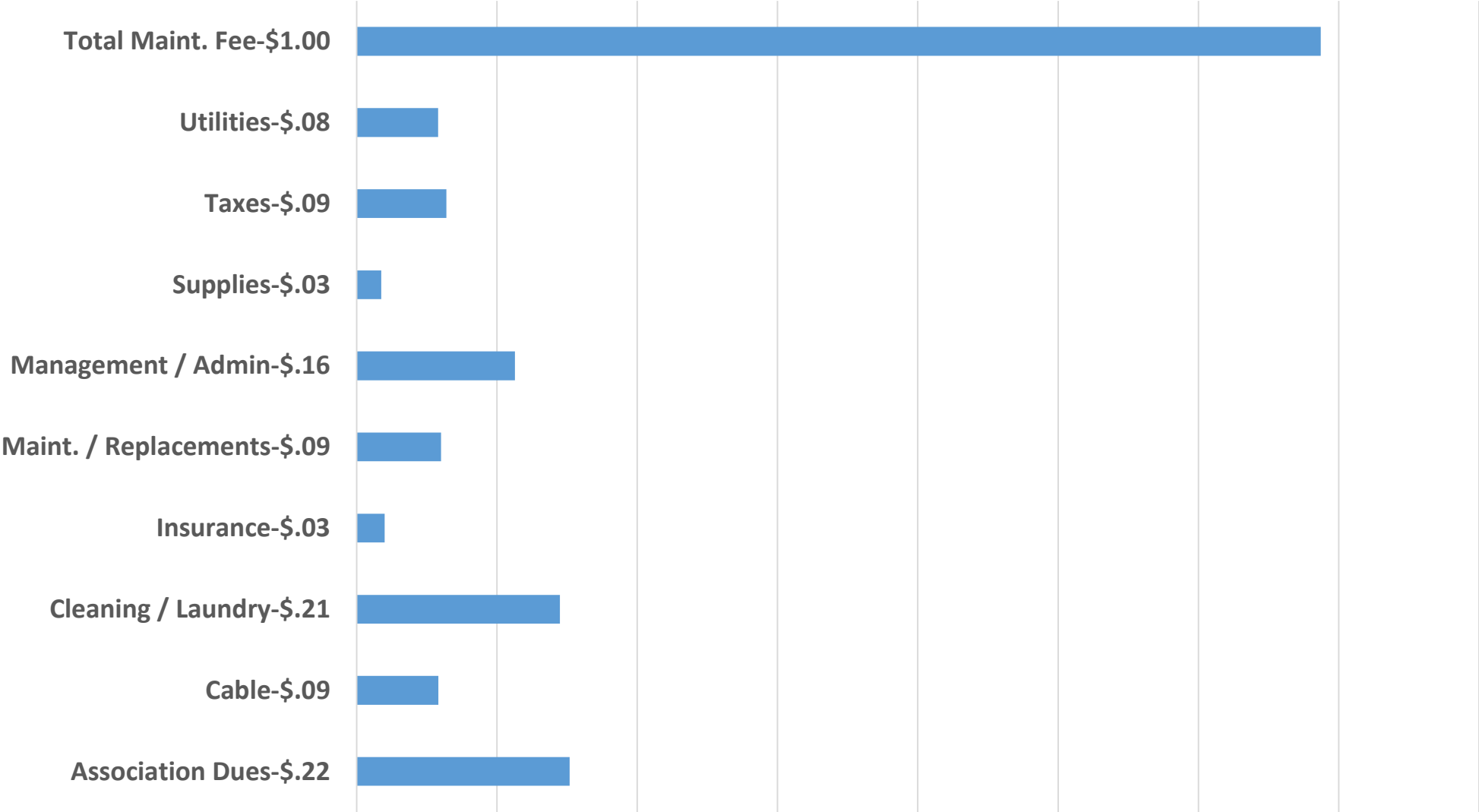
2018 Annual Financial Report

Operating Expenses	2018 YTD	2018 Year End	2018 Budget	% Budget	LN	2019 Budget
Association Dues	\$ 13,676.00	\$ 27,354.00	\$ 27,352.00	100%	5	\$ 30,352.00
Board Expenses	\$ -	\$ 500.00	\$ 800.00	63%	6	\$ 600.00
Cable (WiFi-TV-Phone)	\$ 7,862.00	\$ 11,436.00	\$ 11,436.00	100%	7	\$ 11,652.00
Carpet Cleaning	\$ 550.00	\$ 1,800.00	\$ 1,500.00	120%	8	\$ 1,500.00
Cleaning (weekly units)	\$ 9,300.00	\$ 16,000.00	\$ 18,375.00	87%	9	\$ 18,375.00
Electric	\$ 3,266.00	\$ 5,554.00	\$ 5,554.00	100%	10	\$ 5,554.00
Furniture Cleaning	\$ -	\$ 800.00	\$ 800.00	100%	11	\$ 800.00
Gas	\$ 3,839.00	\$ 5,350.00	\$ 5,350.00	100%	12	\$ 6,050.00
Insurance	\$ 2,424.00	\$ 4,000.00	\$ 3,996.00	100%	13	\$ 3,996.00
Laundry	\$ 3,772.00	\$ 6,000.00	\$ 6,125.00	98%	14	\$ 6,125.00
Legal	\$ -	\$ 500.00	\$ 600.00	83%	15	\$ 600.00
Maint. Week Cleaning	\$ 900.00	\$ 1,800.00	\$ 1,800.00	100%	16	\$ 2,160.00
Maintenance	\$ 8,394.00	\$ 9,000.00	\$ 7,008.00	128%	17	\$ 7,008.00
Management Fees	\$ 13,332.00	\$ 20,004.00	\$ 20,004.00	100%	18	\$ 20,004.00
Printing-Mailing	\$ 100.00	\$ 1,350.00	\$ 1,350.00	100%	19	\$ 1,350.00
Replacements****	\$ 14,060.00	\$ 15,000.00	\$ 5,040.00	298%	20	\$ 5,040.00
Taxes	\$ 6,842.00	\$ 12,789.00	\$ 12,789.00	100%	21	\$ 12,789.00
Unit Supplies	\$ -	\$ 3,500.00	\$ 3,500.00	100%	22	\$ 3,500.00
Total Operating Expenses	\$ 88,317.00	\$ 142,737.00	\$ 133,379.00	107%	23	\$ 137,455.00

****Approximately \$13,000 was used from Year to Year Carryover to purchase mattresses, sofas, and TVs

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How Each Dollar Of Your Maintenance Fees Are Spent (2019 Budget)



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Budget Increase Areas In 2019 Versus 2018 For Timeshares

- **Total Increase in 2019 versus 2018 = \$21 per week owned (3.9% increase over 2018)**
- **Phase 1 and Community Property Fees = \$12.24 per week owned (58.3% of increase)**
- **Cable, WiFi, and Phone = \$.88 per week owned (4.2% of increase)**
- **Natural Gas = \$2.86 per week owned (13.6% of increase)**
- **Cleaning = \$1.47 per week owned (7.0% of increase)**
- **Bad Debt Recovery / Long Term Improvements = \$3.55 per week owned (16.9% of increase)**

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Why Such A Large Increase In Association Fees (Phase 1 And Community Properties)???

- **Total Increase in 2019 versus 2018 = \$12.24 per week owned (11% increase over 2018)**
- **Exterior Building Painting Cycle To Start – painting costs have increased**
- **Building Maintenance Cost Increased – budget increased by \$10,000 In 2019**
- **Deck And Porch Maintenance Increased – budget increased by \$1500 In 2019**
- **Replenish Phase 1 Restricted Reserves Utilized In 2018 – budget increased by \$20,000 in 2019**
- **Cost Increases In Community Properties, Property Management, Trash Collection, and Administration**

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Anticipated Income / Financial Assets For 2019

- **2019 Maintenance Fees = $245 \times \$565 = \$138,425$ (covers breakeven budget)**
- **2019 Rentals (Recovers Some Lost Maintenance Fees) = $10 \times \$600 = \$6,000$ (any excess funds will be used to cover bad debt and the rest to carryover into next year and used for unit improvements)**
- **Prepaid Fees For Future Years RCI Spacebank = estimated \$7,000 (has to be held in escrow for year it is applied. Cannot be used for any current expenses)**
- **Financial Carryover From Previous Years = about \$20,000 (already dedicated for near term improvements, first of which will be complete new upstairs flooring)**
- **Restricted Reserve Fund = \$30,400 (minimum required per bylaws is 10% of operating budget. Held in investments and cannot be used unless in case of emergency spending needs not covered by normal cash flow. Anticipated income \$600 in 2019, which is taxable)**
- **Property Tax Amount Per Unit = \$52.20 in 2018**

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HOW ARE EXPENDITURES MONITORED?

MANAGER OPERATES WITHIN LIMITS

SUBMITS DETAILED MONTHLY REPORTS

TREASURER REVIEWS AND KEEPS RECORDS

TREASURER MONITORS BANK ACCOUNTS

TREASURER REPORTS RESULTS TO BOARD

TREASURER REPORTS ANNUALLY TO ASSOCIATION

HARBOR COVE TIMESHARE OWNERS' ASSOCIATION
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IN CONCLUSION

T A N S T A A F L

