



## Budget Summary

The 2018 Resort Dues budget decreased 2.66% over 2017, a decrease of \$0.23 to \$8.40 CDN per point. A decrease to taxes, insurance and levies and increased efficiencies are responsible for the decrease.

### MEMBER RECEPTION

Member Reception costs increased 3% over the prior year due to standard anticipated wage increases and standard CPI index changes.

### MEMBER SERVICES

This category has decreased by 16.1% from the prior year as a result of being part of a larger company in Diamond Resorts and increased efficiencies being realized.

### HOUSEKEEPING

Housekeeping costs have increased 13% from the prior year, 10% of this increase is due to financial statement reclassification from maintenance, cleaning and security. A switch to contracted housekeeping at certain locations to maintain Embarc standards, higher occupancy rates and standard CPI increases also had a minor impact on the increase.

### MAINTENANCE, CLEANING and SECURITY

This category has decreased 10% due to financial statement reclassification to housekeeping.

### UTILITIES

Utility costs have decreased 2% this year as Embarc continues to implement energy saving measures.

### GENERAL ADMINISTRATIVE

This category has increased 45% over 2017, 37% of which is due to financial statement reclassification from taxes, insurance and levies. Local Resort Association dues are classified as general administrative expenses in 2018 vs 2017 where they were classified as taxes, insurance and levies. Reclassification of salaries from other categories as well as standard CPI increases also contribute to the increase.

### TAXES, INSURANCE & LEVIES

This category has decreased 42% from prior year, 37% is due to financial statement reclassification to general administrative expenses. Local Resort Association dues are classified as general administrative expenses in 2018 vs 2017 where they were classified as taxes, insurance and levies. Revised 2018 budget assumptions resulted in the remaining decrease.

### OTHER REVENUE

Other revenue has increased 39% this year due to increased Getaway usage and slight anticipated gains in interest income.