



**Summer House Hilton Head Island Horizontal Property Regime**

194 Residential Units, 70 Garage Units, 16 Storage Units

Operating Budget For 01/01/19 to 12/31/19

Professionally Managed by Absolute Island Management, Inc.

REVENUES		2019	Monthly			2019	Monthly
<b>Assessment Income:</b>				<b>Utilities</b>			
Regular Assessments		914,779	76,232	80010 Electric		27,500	2,292
				80030 Gas		9,500	792
<b>Total:</b>		<b>914,779</b>	<b>76,232</b>	80050 Trash Removal		20,000	1,667
Late Fees		300	25	80060 Water / Sewer		96,000	8,000
AiM Clubhouse Rent		7,200	600	<b>Total:</b>		<b>153,000</b>	<b>12,750</b>
Miscellaneous Income		3,000	250				
<b>Total:</b>		<b>10,500</b>	<b>875</b>				
<b>Interest Income</b>				<b>Salaries</b>			
Reserve Account Interest Income		1,000	83	90010 Management / Maintenance		105,000	8,750
<b>Total:</b>		<b>1,000</b>	<b>83</b>	90020 Housekeeping		14,400	1,200
<b>TOTAL REVENUES</b>		<b>926,279</b>	<b>77,190</b>	90050 Pool Attendant		4,450	371
<b>EXPENSES FOR ASSOCIATION</b>				90040 Courtesy Officer		22,320	1,860
<b>Administrative / General Expense</b>				90060 Related		30,450	2,538
40010 Answering Service		1,400	117	90080 Auto Allowance		300	25
40040 Business Licenses/Permits		225	19	90090 Career Apparel		500	42
40050 Cable Television/Internet		2,760	230	<b>Total:</b>		<b>177,420</b>	<b>14,785</b>
40090 Mail / Delivery Expenses		511	43	<b>Management and Oversight</b>			
40110 Resident Events		4,800	400	91010 Management and Oversight		40,000	3,333
40140 Professional Fees		14,000	1,167	<b>Total:</b>		<b>40,000</b>	<b>3,333</b>
40150 Business/Office Expense		1,400	117	<b>Other Expenses</b>			
40170 Technology/Business Equipment		8,500	708	Unpaid Assessments		5,000	417
40180 Telephone		3,600	300	Beginning balance (excess operating 5407)		0	0
<b>Total:</b>		<b>37,196</b>	<b>3,100</b>	<b>Total:</b>		<b>5,000</b>	<b>417</b>
<b>Maintenance and Repairs</b>				<b>OPERATING EXPENSES SUBTOTAL</b>			
50020 Cleaning		2,000	167			<b>926,279</b>	<b>77,190</b>
50040 Controlled Access		10,700	892	<b>NET INCOME/LOSS</b>			
50050 Exterior Building Repairs		15,500	1,292			<b>0</b>	<b>0</b>
50060 Fitness Center		2,500	208	<b>TOTAL OPERATING EXPENSES</b>			
50080 HVAC		1,500	125			<b>926,279</b>	<b>77,190</b>
50110 Landscaping		50,000	4,167	<b>ASSESSMENT FOR EACH UNIT</b>			
50120 Life Support Systems		11,750	979	<b>Unit Type</b>	<b>Size (s.f.)</b>	<b>Monthly</b>	<b>Annual</b>
50140 Painting		1,800	150	1x1A	769	288	3,460
50150 Plumbing Repairs		500	42	2x2A	1,060	397	4,769
50160 Pool		10,500	875	2x2B	1,072	402	4,823
50170 Site		21,000	1,750	3x2A	1,292	484	5,812
50180 Exterminating		7,900	658	Garage 1	227	28	338
50200 Community Improvements		6,150	513	Garage 2	239	30	356
<b>Total:</b>		<b>141,800</b>	<b>11,817</b>	Storage	53	7	79
<b>Reserves</b>				<b>Dues per Sq. Foot</b>			
60020 General Reserves		109,416	9,118			0.39	5
60021 CDARS Reserves		109,447	9,121	<b>Avg. Dues for Residential Units</b>			
<b>Total:</b>		<b>218,863</b>	<b>18,239</b>			382	4,587
<b>Insurance</b>				<b>Avg. Dues for Garage and Storage Units</b>			
70010 Insurance		151,000	12,583			25	295
<b>Total:</b>		<b>151,000</b>	<b>12,583</b>				
<b>Property Tax</b>							
63501 Property Tax Regime		2,000	167				
<b>Total:</b>		<b>2,000</b>	<b>167</b>				

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**Summer House Hilton Head Island Horizontal Property Regime**  
**194 Residential Units, 70 Garage Units, 16 Storage Units**  
**2019 Operating Budget**  
 Professionally Managed by Absolute Island Management, Inc.

Description	Total	Comments
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**REVENUES**

Regular Assessments	\$914,779	This amount represents the annual collection of all HOA dues for all 280 units. (\$783,696 annual unit dues, \$24,120 for garages, \$1,344 for storage). \$105619 reserve replenishment for Matthew due to end 12/31/19
Special Assessments	\$0	No special assessments are anticipated.
Late Fees	\$300	This amount represents the annual collection of late fees
AIM Office Rent	\$7,200	This amount represents rent paid by AIM for rental of two offices in the clubhouse at \$600 per month
Miscellaneous Income	\$3,000	Estimated misc. income from resident fines, space rental and gate card sales
Operating Account Interest Income	\$1,000	Estimated interest income from Association accounts not including interest on CDARS/Reserves
<b>Total</b>	<b>\$926,279</b>	

**Administrative / General Expense**

Answering Service	\$1,400	* \$1,060 for 60 minutes of after hours emergency call dispatch 24 hours/day, 7 days a week * \$240 for emergency calls which exceed allocated minutes. \$100 extra for unexpected
Business Licenses/Permits	\$225	* \$125 for annual pool permit in. * \$100 for annual jacuzzi permit.
Cable/Internet Access	\$2,760	* \$2,760 for cable television and internet in the clubhouse, fitness center and pool area.
Mail / Delivery Expenses	\$511	* \$511 postage for Association mailings to members, vendor checks which are mailed and Fed-Ex mailings for trackable payments to insurance company.
Resident Events	\$4,800	* \$2,500 for January holiday party. * \$850 for annual meeting food/chair rental. * \$1,450 for summer party.
Professional Fees	\$14,000	* \$1,900 for financial record completion (yearly financial report and tax preparation). The remaining * \$12,100 will cover legal counsel based on historical data.
Business/Office Expense	\$1,400	* \$45 for Sam's Club Membership. * \$99 for annual Microsoft Office subscription. * \$375 for annual Go-To-Meeting subscription. * \$38 for annual Survey Monkey subscription. * \$843 for office supplies, checks, etc.
Technology/Business Equipment	\$8,500	* \$978 for website work, business cards and newsletters. * \$2,808 for software to make online payments. * \$480 for check scanner. * \$2,800 for copier/printer/scanner. * \$660 for key system. * \$774 for tech assistance with network.
Telephone	\$3,600	* \$3,150 for phone. * \$210 for gate phone. * \$240 for fax.
<b>Total</b>	<b>\$37,196</b>	

**Maintenance and Repairs**

Cleaning	\$2,000	* \$2,000 for supplies used to clean the common elements, clubhouse, amenities, breezeways and office.
Controlled Access	\$10,700	* \$300 for gate fobs * \$6,500 for quarterly CCTV and gate access. * \$600 for monthly cloud fee * \$3,300 for gate and network repairs.
Exterior Building Repairs	\$15,500	* \$5,000 for quarterly roof cleaning. * \$10,500 for care and repair of the buildings
Fitness Center	\$2,500	* \$1,500 for monthly preventive maintenance. * \$1,000 for repairs.
HVAC	\$1,500	* \$1,500 for parts and labor to repair heating and air conditioning units and semiannual PM
Landscaping	\$50,000	* \$33,600 for routine landscape upkeep contract. * \$8,500 for pinestraw. * \$7,000 for plants quarterly. * \$900 for tree upkeep.
Life Support Systems	\$11,750	* \$1,045 for annual inspection lights and signs w/battery replacement. * \$1,200 for annual backflow inspection * \$2,725 for annual fire sprinkler inspection. * \$4,380 for quarterly fire panel and sprinkler system. * \$2,400 for repairs and emergencies.
Painting	\$1,800	* \$1,800 for paint to touch-up breezeways, clubhouse, pool area, etc.
Plumbing Repairs	\$500	* \$500 for replacement or repair of common area plumbing items.
Pool	\$10,500	* \$8,650 for monthly pool care 6 days weekly. * \$1,080 for pool supplies. * \$770 for miscellaneous repairs.
Site	\$21,000	* \$2,400 for Sunday pool/grounds/pet waste maintenance. * \$1,320 for monthly lagoon maintenance and repairs. * \$2,600 for power washing. * \$1,200 for pet waste bags. * \$2,700 for irrigation repairs. * \$10,780 for miscellaneous site repair items.

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2019 Operating Budget

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Description	Total	Comments
Exterminating	\$7,900	* \$1,650 for annual termite contract for condo buildings and garages. * \$360 for annual termite coverage - pool house and clubhouse. * \$1,960 for rodent control * \$3,120 for pest control. * \$810 for miscellaneous calls, trapping of rodents
Community Improvements	\$6,150	* \$6,150 for items to increase appeal of the community,
<b>Total</b>	<b>\$141,800</b>	

### RESERVES

General	\$109,416	* \$109,416 for yearly contribution based on 2013 capital reserve study.
CDARS Reserves	\$109,447	* \$109,452 to fund the storm damage deduction from reserves requiring a 3 year payback term: \$311,896 tree work, \$15,245 building repair and \$1,200 sidewalk repair.
<b>Total</b>	<b>\$218,863</b>	

### Insurance

Insurance	\$151,000	* \$89,000 for property insurance. * \$40,229 for condo buildings and clubhouse flood insurance. * \$13,260 for garage flood insurance. * \$4,634 for liability insurance. * \$615 for workers compensation insurance. * \$3,283 for liability insurance.
<b>Total</b>	<b>\$151,000</b>	

### Property Tax

Property Tax	\$2,000	* \$2,000 for clubhouse property tax bill.
<b>Total</b>	<b>\$2,000</b>	

### Utilities

Electric	\$27,500	* \$27,500 for electrical service in all common areas (clubhouse, breezeways, exterior lights, pool pump and trash compactor)
Gas	\$9,500	* \$9,700 for gas grill and fireplace propane.
Trash Removal	\$20,000	* \$4,800 for recycling * \$15,000 for compactor trash,
Water / Sewer	\$96,000	* \$96,000 for water/sewer expenses for the property common areas (irrigation, pool, spa, fountains, clubhouse, water usage by residents in their condos.
<b>Total</b>	<b>\$153,000</b>	

### Salaries

Manager and maintenance	\$105,000	* \$105,000 for one full time regime manager and one full time maintenance person.
Housekeeper	\$14,400	* \$14,724 for one housekeeper 3 days a week, 6 hours per day.
Part time pool attendant	\$4,450	* \$ 4,500 for weekend pool attendant 6 hours day per day (Sat/Sun) Memorial Day to Labor Day.
Courtesy officer	\$22,320	* \$22,452 for Coastal Security coverage 2 hours nightly for 365 days yearly.
Related	\$30,450	* \$30,450 for the cost of benefits (payroll taxes, worker's comp and fidelity bonding). Amount is 29% of total management & maintenance salaries for payroll related items (social security-6.2% of earnings, medicare-1.45% of earnings, FUTA-0.60% of earnings, SC State Income Tax -0.60%; total is 8.85%), payroll processing fees, workers compensation insurance-5%; vacation & personal time (2 weeks), staffing service fee and HR support/training-15%.
Auto Allowance	\$300	* \$300 for mileage reimbursement for site personnel.
Career Apparel	\$500	* \$500 for maintenance shirts and pants through Landsend.
<b>Total</b>	<b>\$177,420</b>	

### Management and Oversight

Management and Oversight	\$40,000	* \$40,000 for overhead expenses such as corporate accounting, regional management, human resources, training, etc. The fee is based on \$16 per unit per month, \$1 per storage unit per month, and \$3 per garage per month, payable to the management company.
<b>Total</b>	<b>\$40,000</b>	

### Other Expenses

Estimated Delinquency	\$5,000	* \$5,000 allowance for owner delinquency
<b>Total</b>	<b>\$5,000</b>	

### TOTAL OPERATING EXPENSES

**\$926,279**

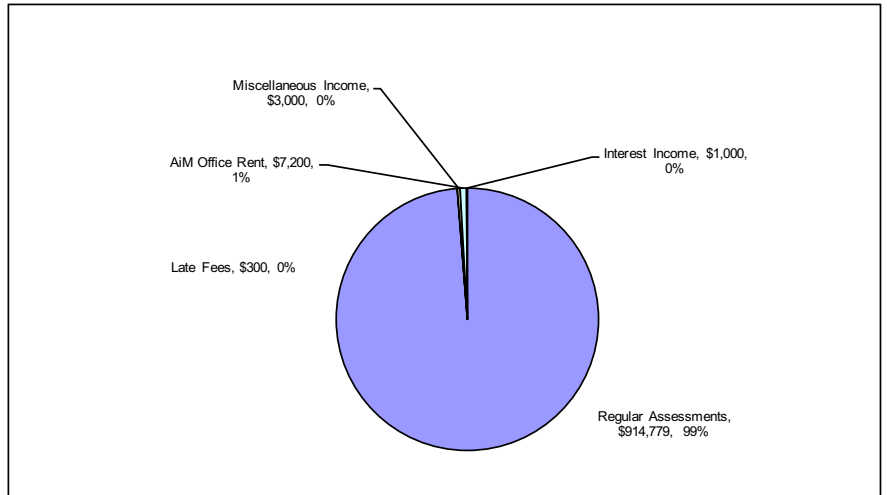
### NET OPERATING INCOME

\$0

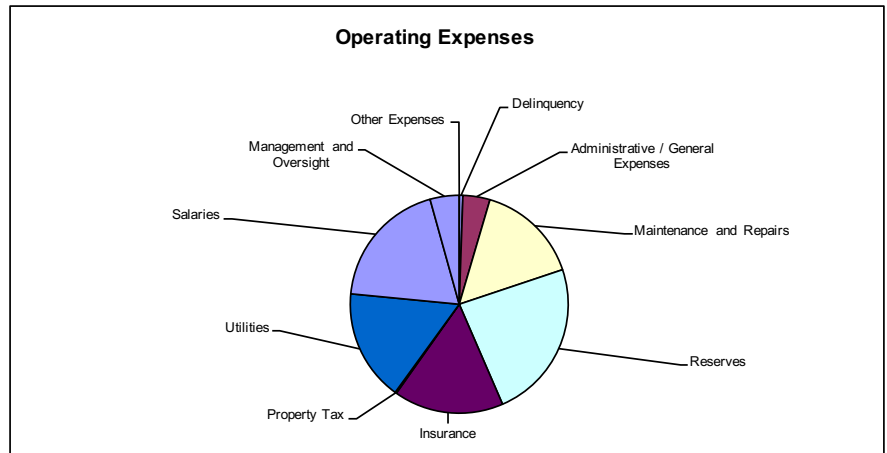
BALANCED

# SUMMER HOUSE HILTON HEAD CHARTS

Income Source	2019
Regular Assessments	\$914,779
Late Fees	\$300
Miscellaneous Income	\$3,000
AiM Office Rent	\$7,200
Interest Income	\$1,000
<b>TOTAL REVENUES</b>	<b>\$926,279</b>



Operating Expenses	2019
Delinquency	\$5,000
Administrative / General Expenses	\$37,196
Maintenance and Repairs	\$141,800
Reserves	\$218,863
Insurance	\$151,000
Property Tax	\$2,000
Utilities	\$153,000
Salaries	\$177,420
Management and Oversight	\$40,000
Other Expenses	\$0
<b>OPERATING EXPENSES</b>	<b>\$926,279</b>



Condominium Expenses By Dollar Assessed	By Dollar
Delinquency	\$0.01
Administrative / General Expenses	\$0.04
Maintenance and Repairs	\$0.15
Reserves	\$0.24
Insurance	\$0.16
Property Tax	\$0.00
Utilities	\$0.17
Salaries	\$0.19
Management and Oversight	\$0.04
Other Expenses	\$0.00
<b>Total</b>	<b>\$1.00</b>

