



November 22, 2023

Dear South Hampton Property Owners,

The Board of Directors, along with Empress Management have been actively working on the annual budget. Enclosed is a copy of the 2024 Approved Operating Budget for your review. The budget that is enclosed will give you a comparison of the 2023 budget including the insurance assessment and the 2024 approved budget. Below is a summary of the adjustments you will notice:

Income

- The income for the association primarily consists of the monthly regular assessments collected and a modest income from storage room rentals.

Repairs & Maintenance

- You will see several minor adjustments in many of these items. A few new items were added so that we could better track expenditures such as: HVAC Maintenance, Domestic Water Maintenance and Automatic Sliding Door Maintenance. We also added a line item for Sliding Door Curbs for those owners who may choose to replace their sliding glass doors.
- **Overall, the Repair and Maintenance Expense reflects an increase of approximately \$19k.**

General & Administrative

- The KPMA Master Association has notified us of an increase for 2024. This line item reflects the second largest increase in our budget. The master dues in 2023 were \$311,835 and this year have increased \$8,909 for a total of \$320,744 in 2024. We added the Cable expense from the Utility section to the KPMA Master Association Fees line item. We have also posted the approved KPMA budget to the web-portal for your review.
- Our insurance agent unfortunately is estimating an increase for next year of around 25%. The actual renewal costs for this year were \$514,516. We budgeted for this increase, and we also included \$20k for a claim deductible and \$27k from the 2023 shortfall for insurance.
- **Overall, the General and Administrative Expense increase is due to KPMA Master and our Insurance.**

Utilities

- Adjustments are based upon historical data from our annual audited financial statements along with YTD financial information and 12-month historical trends. You will see some variances in these line items such as Water/Sewer, Fuel and Trash. As noted above the Cable is included in the KPMA Master Association Fees.

Other Expenses

- The General Reserve Contribution was increased this year and the anticipated taxes for interest earned along with taxes paid for the storage income.

Per your South Hampton Board of Directors,

Sarah Chaffin
Empress Management, LLC

Enclosures: as noted

SOUTH HAMPTON POA
2024 OPERATING BUDGET
144 Units

		2023	2024
		Budget	Budget
<u>INCOME</u>			
30100	Regular Assessments	\$ 1,580,137	\$ 1,966,595
35100	Common Area Rental Income	13,000	13,000
TOTAL INCOME		\$ 1,593,137	\$ 1,979,595
<u>OPERATING EXPENSES</u>			
Repairs and Maintenance			
41300	Maintenance Contract	\$ 154,368	\$ 154,368
42000	Pool Supplies/Repairs	6,000	6,180
43000	General Maintenance/Materials	50,000	50,000
44500	Water Conditioner	3,200	-
45000	Interior Pest Control	5,880	6,056
45100	Termite Treatment	-	1,285
46000	Elevator Maintenance	14,529	13,534
46500	Cooling Tower Maintenance	7,499	10,781
46600	Fire System Maintenance	14,000	15,242
46900	Generator Lease	1,470	1,514
47000	Janitorial Supplies	6,000	4,500
48500	Sliding Door Curbs	-	12,000
46800	HVAC Maintenance	-	2,884
44600	Domestic Water Maintenance	-	2,060
48000	Automatic Sliding Door Maintenance	-	1,655
	Roof Maintenance	-	-
Total Repairs & Maintenance		\$ 262,946	\$ 282,060
General and Administrative			
51000	Office Supplies	\$ 750	\$ 950
51100	Printing/Copies	3,500	2,200
51200	Postage	400	200
52000	Legal/Professional Services	20,000	20,000
52100	Audit/Tax Preparation	3,500	3,600
52200	Management Services	32,832	33,817
54000	Annual Meeting	1,000	1,030
59850	Bad Debt	-	-
59900	Administrative Expense	1,500	1,545
77000	Master Association Fees (KPMA)	277,132	321,360
83300	Insurance Renewal	345,000	691,067
Total General & Administrative		\$ 685,614	\$ 1,075,769
Utilities			
60000	Electricity	\$ 54,000	\$ 54,959
60100	Water/Sewer	110,000	105,000
60200	Fuel	6,359	3,855
60300	Trash Removal	15,914	17,743
60500	Cable TV (KPMA)	34,704	-
60600	Telephone/Internet/Comm.	3,600	3,708
Total Utilities		\$ 224,577	\$ 185,265
OTHER EXPENSES			
99910	General Reserve Contribution	\$ 420,000	\$ 432,600
72000	Taxes & Fees	-	3,900
Total Other Expenses		\$ 420,000	\$ 436,500
TOTAL OPERATING EXPENSES		\$ 1,593,137	\$ 1,979,595

# of units	Unit Type	% of ownership	2023 Monthly Dues	2023 Dues w/ Insurance	2024 Monthly Dues
72	2 Bedroom Unit	0.0063140	\$ 831	\$ 921	\$ 1,034.74
69	3 Bedroom Unit	0.0075750	\$ 997	\$ 1,105	\$ 1,241.41
3	4 Bedroom Unit	0.0075750	\$ 997	\$ 1,105	\$ 1,241.41
144					