



November 25, 2014

Dear Marshall Heights Homeowner Association (MHHA) Member:

This is written on behalf of the Board of Directors. Enclosed with this letter is the budget for the upcoming fiscal year beginning January 1, 2015 - December 31, 2015. The budget reflects **NO** increase in assessments for the coming year. The Board will continue to work diligently to make certain the Association continues to fund the reserves as recommended. An updated reserve study was just completed; a copy of the study will be posted on the community webpage for reference.

Effective January 1, 2015, the quarterly assessment will remain \$291.16. Assessments are due on January 1, April 1, July 1, and October 1, 2015. You have the ability to pay your assessment using one of the following methods:

1. By check
2. Through direct debit program
3. Bank bill pay system
4. By debit or credit card through website (www.procamva.com)

Payment coupons will be mailed to you in a separate mailing. Please call ProCAM if you do not receive coupons by December 31. If you are currently enrolled in the convenient "direct debit" program, you will NOT receive coupons and need not take any further action. When mailing check payments, please use the following bank lockbox address:

MHHA c/o ProCAM, P.O. Box 11996, Newark, NJ 07101-4987

We once again take this opportunity to thank the ARC committee members and MHHA web master for their volunteer efforts in keeping the community up to high standards. Thank you also to those owners who made sincere efforts to comply with ARC rules and regulations. The Board functions best when we hear from you; along this vein, your suggestions are encouraged. Please send your thoughts or suggestion to the Board via ProCAM.

Please visit the Marshall Heights website at www.mhha.net to find street-by-street ARC guidelines, recommended contractors, board meeting minutes, and other helpful community information. If you wish to volunteer in any capacity (Board, ARC, or other), please contact us via ProCAM. Have an enjoyable a happy holiday season!

Sincerely,

A handwritten signature in black ink, appearing to read "Kasanda Chisambisha", written over a white background.

Kasanda Chisambisha, CMCA AMS
Director, Community Managers

MARSHALL HEIGHTS HOMEOWNERS ASSOCIATION 2015 APPROVED BUDGET	2012 ACTUAL YEAR END	2013 ACTUAL YEAR END	2014 APPROVED BUDGET	2014 PROJ. YE AS OF 10-14	2015 APPROVED BUDGET	% DIFF. 14 VS. 15 APPR. BUDGET
* INCOME *	190 UNITS	190 UNITS (5)	190 UNITS (5)	190 UNITS (5)	190 UNITS (5)	
06310-000 General Assessments	\$216,942	\$221,282	\$221,281	\$221,282	\$221,281	0.0%
06350-000 Late Fees	\$1,500	\$2,355	\$1,300	\$25	\$100	-92.3%
06360-000 Collection Cost Reimburs.	\$1,869	\$5,909	\$500	\$662	\$500	0.0%
06375-000 Plaque Income	\$943	\$314	\$244	\$0	\$0	-100.0%
06430-000 Interest	\$1,841	\$2,224	\$2,000	\$376	\$400	-80.0%
06900-000 Miscellaneous Income	\$360	\$3,201	\$300	(\$2,452)	\$300	0.0%
Total Income	\$223,455	\$235,284	\$225,625	\$219,892	\$222,581	-1.3%
* EXPENSES *						
GENERAL & ADMINISTRATIVE						
07140-000 Accounting and Audit	\$2,150	\$2,200	\$2,250	\$2,250	\$2,250	0.0%
07142-000 Architectural Inspections	\$3,108	\$4,867	\$4,200	\$4,054	\$4,200	0.0%
07160-000 Bad Debt	\$1,609	\$0	\$200	\$15	\$200	0.0%
07165-000 Bank Charges	\$295	\$275	\$350	\$210	\$350	0.0%
07170-000 CICB Fees (4)	\$190	\$192	\$200	\$248	\$200	0.0%
07285-000 Taxes - Federal	\$0	\$0	\$500	\$0	\$500	0.0%
07286-000 Taxes - State	\$0	\$0	\$300	\$0	\$300	0.0%
07295-000 Non-Insurable Losses	\$360	\$0	\$0	\$0	\$0	
07300-000 Insurance	\$2,323	\$2,663	\$2,700	\$2,949	\$3,000	11.1%
07305-000 Legal - General	\$5,354	\$4,571	\$3,000	\$8,154	\$4,000	33.3%
07310-000 Legal-Collections	\$9,101	\$7,827	\$6,000	\$3,693	\$5,000	-16.7%
07320-000 Management Fee	\$38,624	\$39,937	\$40,736	\$33,947	\$40,736	0.0%
07330-000 Miscellaneous	\$311	\$60	\$100	\$46	\$100	0.0%
07405-000 Website	\$0	\$0	\$0	\$0	\$1,000	
07410-000 Office Supplies	\$1,611	\$1,539	\$2,000	\$1,769	\$2,000	0.0%
07420-000 Permits/Licenses	\$89	\$25	\$100	\$25	\$100	0.0%
07425-000 Postage/Delivery	\$1,178	\$1,035	\$2,000	\$1,342	\$2,000	0.0%
07430-000 Printing/Copying	\$2,874	\$1,471	\$2,500	\$1,978	\$2,500	0.0%
07431-000 Resale Preparation	\$0	\$0	\$200	\$0	\$200	0.0%
07455-000 Secretarial	\$2,822	\$3,315	\$3,000	\$2,003	\$3,000	0.0%
Total Gen. & Administrative	\$71,999	\$69,976	\$70,336	\$62,682	\$71,636	1.8%
UTILITIES						
08910-000 Electricity	\$567	\$791	\$600	\$1,801	\$2,160	260.0%
Total Utility Expense	\$567	\$791	\$600	\$1,801	\$2,160	260.0%
MAINTENANCE						
09060-000 General Maintenance (1)	\$4,600	\$1,486	\$2,034	\$2,959	\$3,000	47.5%
09061-000 Grounds Maintenance (2)	\$32,803	\$7,088	\$16,000	\$6,737	\$17,000	6.3%
09093-000 Tree Work	\$25,265	\$30,045	\$14,200	\$7,385	\$15,000	5.6%
Total Maintenance Expenses	\$62,668	\$38,619	\$32,234	\$17,081	\$35,000	8.6%

	2012 ACTUAL YEAR END	2013 ACTUAL YEAR END	2014 APPROVED BUDGET	2014 PROJ. YE AS OF 10-14	2015 APPROVED BUDGET	% DIFF. 14 VS. 15 APPR. BUDGET
CONTRACTS						
09630-000 Grounds Contract (3)	\$24,114	\$31,080	\$32,500	\$27,086	\$32,820	1.0%
09660-000 Snow Removal Contract	\$665	\$1,570	\$4,000	\$9,365	\$4,710	17.8%
09665-000 Trash Removal Contract	\$38,396	\$40,165	\$40,755	\$33,963	\$40,755	0.0%
09670-000 Doody Calls Contract	\$2,539	\$2,307	\$2,600	\$1,599	\$2,600	0.0%
Total Contracts	\$65,714	\$75,122	\$79,855	\$72,012	\$80,885	1.3%
RESERVE DEPOSITS						
00000-000 Total Reserve Year End Balance	\$271,095	\$284,254	\$323,075	\$263,286	\$323,075	See note 6
09905-000 Replacement Reserve Contrib	\$41,327	\$38,100	\$38,100	\$38,100	\$30,000	-21.3%
09906-000 Int Cont Repl Res	\$1,841	\$2,224	\$2,000	\$376	\$400	-80.0%
09910-000 Operating Reserve Contribution	\$5,000	\$2,198	\$2,500	\$2,500	\$2,500	0.0%
Total Reserve Contributions	\$48,168	\$42,522	\$42,600	\$40,976	\$32,900	-22.8%
TOTAL EXPENSES	\$249,117	\$227,029	\$225,625	\$194,552	\$222,581	-1.3%
NET	(\$25,662)	\$8,255	\$0	\$25,340	\$0	
Association Fee Increase:	2012	2013	2014		2015	
<i>% Increase from Previous Year</i>	0%	2%	0%		0%	
Quarterly Fee	\$285.45	\$291.16	\$291.16		\$291.16	
(1) General Maintenance Includes: expenses for maintenance of common elements (retaining walls, railing, etc) due to wear, age and abuse.						
(2) Grounds Maintenance Includes: expenses for improvements, enhancements of landscape not covered by Landscape contract.						
(3) Grounds Contract Includes: expenses associated with the contract to maintain common area, turf, front yards, shrubs & trees (Brickman).						
(4) CICB annual fees paid to the Common Interest Community Board based on 2008 legislative changes.						
(5) Assessments are for 190 units						
(6) \$295,786 includes current reserves (\$263,286 + FY15 contributions (\$32,500)). Association anticipates asphalt & concrete repairs, so this number will be less.						

MARSHALL HEIGHTS HOMEOWNERS ASSOCIATION 2015 BUDGET NARRATIVE

Account No.

*** INCOME ***

06310-000	General Assessments	This is income derived from assessments collected from the 190 home owners. There is a 0.00% increase.
06350-000	Late Fees	Income collected from homeowners who fail to pay their association fees on time.
06360-000	Collection Cost Reimbursement	Amount the Association receives as reimbursement from collection actions by legal counsel.
06375-000	Plaque income	Assn.
06900-000	Miscellaneous Income	Violation fees and other income.

*** EXPENSES ***

GENERAL & ADMINISTRATIVE

07140-000	Accounting and Audit Fee	The annual fee to the Audit firm of Douglas, Corey & Associates to prepare federal and state income tax returns and to perform the annual audit of the Balance Sheet and the related Statements of Income.
07160-000	Bad Debt	The cost for write-offs on un-collectible delinquencies.
07165-000	Bank Charges	Bank charges associated with lockbox fees and automatic debit.
07170-000	CICB	Annual common interest community board fee.
07285-000	Taxes - Federal	This represents federal taxes on non-exempt income (interest).
07286-000	Taxes - State	This represents state taxes on non-exempt income (interest).
07295-000	Non-Insurable Losses	The cost of deductibles for insured losses and losses that are not insured by the Master Insurance Policy. Losses are budgeted where the Association would have to pay the deductible.

07300-000	Insurance	This is the cost of insurance to protect the Association (general liability, D&O etc.). Current coverage is through State Farm.
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07305-000	Legal - General	The Association retains the law firm of Rees, Broome & Diaz P.C. to provide legal assistance in the areas of assessment collections, rules violations and any legal proceedings which involve the Association. The amount is predicated upon an estimate of use based on issues raised by the Board.
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07310-000	Legal Collections	This line item represents legal expenses associated with the processing and collection of delinquent accounts.
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07320-000	Management Fee	The Association retains the firm of ProCAM, LLC to provide professional management services, i.e. accounting, and supervision, Board of Director support, contract supervision, emergency services, and the provision of a professional management team. There is no increase in this budget line.
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07330-000	Administrative Miscellaneous	Unexpected costs not covered in other line items.
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07410-000	Office Supplies	This covers all office supplies used for projects on behalf of the association.
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07420-000	Printing/Copying	This line item represents the photocopying charges to reproduce general mailings, notices, correspondence, management reports and all other duplicating charges.
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07425-000	Postage/Delivery	Costs associated with general Association mailings, notices to owners, violation letters, notices to owners who are delinquent in assessment payments, general correspondence, and the occasional use of courier services.
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07455-000	Secretarial	Administrative requirements on behalf of the Association
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07400-000	Social Programs	Expenses for Association sponsored events such as the community cook out and Halloween party.
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UTILITIES

08910-000	Electricity	Expenses for common area street lights.
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MAINTENANCE

09060-000	General Maintenance	Expenses for the maintenance of common elements due to wear, age and abuse.
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09061-000	Grounds Maintenance	Expenses for improvements, enhancements and maintenance of landscape that are not covered by the landscape contract.
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09093-000	Tree Maintenance	trees.
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09135-000	General Maintenance Supplies	The cost of items that the Association purchases for maintenance/repairs.
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CONTRACT SERVICE

09630-000	Grounds Contract	The current contract is with Brickman to maintain common area grounds, shrubs and trees.
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09660-000	Snow Removal Contract	The estimated cost of snow removal services from common area walkways (and trash room entrance).
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09665-000	Trash Removal Contract	The current contract is with Champion Services. Expenses associated with the contract for trash removal and recycling services.
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09679-000	Doody Calls	Contract for routine clean up of two pet stations in the community.
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RESERVES

09905-000	Replacement Reserve Contrib.	This line item represents the amount of money the Association places in reserve for major capital expenses. The Association's reserve study was updated in 2014. The recommended annual contribution is \$30,000 based on the component method of funding.
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09910-000	Operating Reserve Contribution	The line represents contribution to off-set the interest income.
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09910-000	Operating Reserve Contribution	This line represents contribution for operating cost overruns or maintenance that is not considered a capital improvement, i.e. painting.
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