

**KING JAMES COURT CONDOMINIUM ASSOCIATION**  
ATLANTIC HIGHLANDS, NJ 07716

Managing Agent:  
**The Regency Management Group, INC.**  
Professional Management  
P.O. Box 588  
Howell, NJ 07731-0588  
732-364-5900  
Fax: 732-905-8606

December 5, 2017

**Re: 2018 Approved Budget**

Dear King James Court Owner:

Enclosed with this letter please find a copy of the 2018 Approved Operating Budget for the King James Court Condominium Association and budget notes that were approved at the November 20, 2017 Board meeting..

After a thorough evaluation of the current Budget, renegotiating current contracts, and competitive bidding for 2018 contracts and anticipated expenditures, the Board has approved the 2018 Budget with no increase for 2018. The maintenance fee for your unit beginning January 1, 2018 will be:

"See Appendix "A".

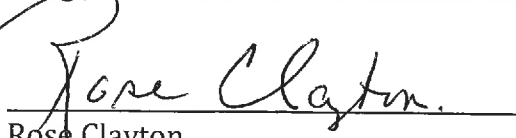
You will be receiving your new 2018 (12-Months) Coupon Books in the mail under separate cover. If you do not receive the coupons by December 20, 2017 please contact my office.

Your checks should be made payable to the **King James Court Condominium Association**. Return envelopes will be provided for your convenience. If you are on the direct debit program you may not be receiving coupons (this saves the association money).

If you have any questions regarding the 2018 Operating Budget and/or coupons, you can contact me at the Management Office at (732) 364-5900 x214 or email [rclayton@regencymanagementgroup.biz](mailto:rclayton@regencymanagementgroup.biz)

Thank you for allowing us to be of service.

Very truly yours,  
**King James Court Condominium Association**

  
\_\_\_\_\_  
Rose Clayton

**The Regency Management Group, LLC. Managing Agent**

KING JAMES COURT CONDOMINIUM ASSOCIATION  
2018 DRAFT BUDGET  
BASED ON 48 UNITS

GL #		2017 APPROVED BUDGET	2017 AVERAGE UNIT MONTHLY	2018 APPROVED BUDGET	2017 AVERAGE UNIT MONTHLY	CHANGE
<b>INCOME</b>						
4001	MAINTENANCE FEES	250,475.54	434.85	250,475.54	434.85	0.00
4037	OTHER INCOME	200.00	0.35	200.00	0.35	0.00
4160	LATE FEES	600.00	1.04	600.00	1.04	0.00
4350	CAP. RESERVE INTEREST	25.00	0.04	25.00	0.04	0.00
4421	WORKING CAP CONTRIBUTIONS	3,000.00	5.21	3,000.00	5.21	0.00
	PRIOR YEAR SURPLUS/DEFICIT	0.00	0.00	0.00	0.00	0.00
	SPECIAL ASSESSMENT/RESERVES	0.00	0.00	0.00	0.00	0.00
	LEGAL EXPENSE - COLLECTIONS	500.00	0.87	500.00	0.87	0.00
4656	LAUNDRY INCOME	1,500.00	2.60	1,500.00	2.60	0.00
	<b>TOTAL INCOME</b>	<b>256,300.54</b>	<b>444.97</b>	<b>256,300.54</b>	<b>444.97</b>	<b>0.00</b>
<b>EXPENSES</b>						
<b>INSURANCE EXPENSES</b>						
5000	INSURANCE	30,000.00	52.08	27,000.00	46.88	(3,000.00)
	<b>TOTAL INSURANCE EXPENSES</b>	<b>30,000.00</b>	<b>52.08</b>	<b>27,000.00</b>	<b>46.88</b>	<b>(3,000.00)</b>
<b>ADMINISTRATIVE EXPENSES</b>						
5030	OFFICE EXPENSE	60.00	0.10	60.00	0.10	0.00
5070	POSTAGE	400.00	0.69	400.00	0.69	0.00
5072	PROCESS CERTIFIED LETTERS	49.00	0.09	49.00	0.09	0.00
5090	PHOTOCOPIES	660.00	1.15	660.00	1.15	0.00
5112	CAI DUES & SEMINARS	114.00	0.20	100.00	0.17	(14.00)
5130	TELEPHONE	1,200.00	2.08	1,200.00	2.08	0.00
5170	LICENSE & FEE	100.00	0.17	100.00	0.17	0.00
5200	AUDIT EXPENSE	1,500.00	2.60	1,500.00	2.60	0.00
	BAD DEBT EXPENSE	8,000.00	13.89	5,000.00	8.68	(3,000.00)
	LEGAL EXPENSE - COLLECTION	1,900.00	3.30	3,000.00	5.21	1,100.00
5210	LEGAL EXPENSE - GENERAL	500.00	0.87	500.00	0.87	0.00
5230	ENGINEERING	1,500.00	2.60	1,500.00	2.60	0.00
5280	NJ ANNUAL REPORT	25.00	0.04	25.00	0.04	0.00
5290	MANAGEMENT FEES	20,000.00	34.72	20,000.00	34.72	0.00
5350	MISCELLANEOUS EXPENSE	400.00	0.69	400.00	0.69	0.00
	<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>36,408.00</b>	<b>63.21</b>	<b>34,494.00</b>	<b>59.89</b>	<b>(1,914.00)</b>
<b>PAYROLL EXPENSES</b>						
7000	PAYROLL	4,100.00	7.12	4,100.00	7.12	0.00
5260	PAYROLL SERVICES	700.00	1.22	700.00	1.22	0.00
7120	PAYROLL TAXES	800.00	1.39	800.00	1.39	0.00
	<b>TOTAL PAYROLL EXPENSES</b>	<b>5,600.00</b>	<b>7.12</b>	<b>5,600.00</b>	<b>7.12</b>	<b>0.00</b>
<b>OPERATING EXPENSES</b>						
6065	LAWN CARE	8,000.00	13.89	8,000.00	13.89	0.00
6090	LANDSCAPE IMPROVEMENT	3,000.00	5.21	3,000.00	5.21	0.00
6150	SNOW CLEARING	12,000.00	20.83	12,000.00	20.83	0.00
6220	GENERAL REPAIRS & MAINTENANCE	15,000.00	26.04	15,000.00	26.04	0.00
6230	HVAC REPAIRS & MAINTENANCE	5,000.00	8.68	5,000.00	8.68	0.00
6290	EXTERMINATING EXPENSE	500.00	0.87	500.00	0.87	0.00
8030	POOL CONTRACT/MAINTENANCE	15,000.00	26.04	14,000.00	24.31	(1,000.00)
8050	POOL REPAIRS	2,000.00	3.47	2,000.00	3.47	0.00
	<b>TOTAL OPERATING EXPENSES</b>	<b>60,500.00</b>	<b>75.52</b>	<b>59,500.00</b>	<b>75.52</b>	<b>(1,000.00)</b>
<b>UTILITIES</b>						
7520	UTILITIES-WATER/SEWER	30,000.00	52.08	36,000.00	62.50	6,000.00
7530	UTILITIES - ELEC/GAS	35,000.00	60.76	35,000.00	60.76	0.00
	<b>TOTAL UTILITIES</b>	<b>65,000.00</b>	<b>112.85</b>	<b>71,000.00</b>	<b>123.26</b>	<b>6,000.00</b>
<b>OTHER EXPENSES</b>						
8510	Reserves	56,793.00	98.60	56,793.00	98.60	0.00
	Payback Reserves/Special Assessment	0.00	0.00	0.00	0.00	0.00
	CONTINGENCY	2,000.00	3.47	1,914.00	3.32	(86.00)
	<b>TOTAL OTHER EXPENSES</b>	<b>58,793.00</b>	<b>102.07</b>	<b>58,707.00</b>	<b>101.92</b>	<b>(86.00)</b>
	<b>TOTAL EXPENSES</b>	<b>256,301</b>	<b>444.97</b>	<b>256,301</b>	<b>444.97</b>	<b>0.00</b>
	<b>TOTAL INCOME</b>	<b>256,301</b>	<b>444.97</b>	<b>256,301</b>	<b>444.97</b>	<b>0.00</b>
	<b>NET SURPLUS / DEFICIT</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0.00</b>
	<b>PROJECTED SURPLUS/DEFICIT</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Unit	Current Maint.	%Interest	Expenses	Unit Assesmt	Monthly Fee	2018 Change
1	\$ 390	1.869%	\$ 250,475.54	\$ 4,681	\$ 390	\$ -
2	\$ 408	1.955%	\$ 250,475.54	\$ 4,897	\$ 408	\$ -
3	\$ 394	1.888%	\$ 250,475.54	\$ 4,729	\$ 394	\$ -
4	\$ 410	1.964%	\$ 250,475.54	\$ 4,919	\$ 410	\$ -
5	\$ 410	1.964%	\$ 250,475.54	\$ 4,919	\$ 410	\$ -
6	\$ 394	1.888%	\$ 250,475.54	\$ 4,729	\$ 394	\$ -
7	\$ 388	1.859%	\$ 250,475.54	\$ 4,656	\$ 388	\$ -
8	\$ 410	1.964%	\$ 250,475.54	\$ 4,919	\$ 410	\$ -
9	\$ 523	2.504%	\$ 250,475.54	\$ 6,272	\$ 523	\$ -
10	\$ 539	2.581%	\$ 250,475.54	\$ 6,465	\$ 539	\$ -
11	\$ 539	2.581%	\$ 250,475.54	\$ 6,465	\$ 539	\$ -
12	\$ 523	2.504%	\$ 250,475.54	\$ 6,272	\$ 523	\$ -
13	\$ 410	1.964%	\$ 250,475.54	\$ 4,919	\$ 410	\$ -
14	\$ 390	1.869%	\$ 250,475.54	\$ 4,681	\$ 390	\$ -
15	\$ 393	1.883%	\$ 250,475.54	\$ 4,716	\$ 393	\$ -
16	\$ 410	1.964%	\$ 250,475.54	\$ 4,919	\$ 410	\$ -
17	\$ 410	1.964%	\$ 250,475.54	\$ 4,919	\$ 410	\$ -
18	\$ 393	1.883%	\$ 250,475.54	\$ 4,716	\$ 393	\$ -
19	\$ 411	1.970%	\$ 250,475.54	\$ 4,934	\$ 411	\$ -
20	\$ 393	1.884%	\$ 250,475.54	\$ 4,719	\$ 393	\$ -
21	\$ 523	2.507%	\$ 250,475.54	\$ 6,279	\$ 523	\$ -
22	\$ 541	2.593%	\$ 250,475.54	\$ 6,495	\$ 541	\$ -
23	\$ 402	1.927%	\$ 250,475.54	\$ 4,827	\$ 402	\$ -
24	\$ 419	2.008%	\$ 250,475.54	\$ 5,030	\$ 419	\$ -
25	\$ 419	2.008%	\$ 250,475.54	\$ 5,030	\$ 419	\$ -
26	\$ 402	1.927%	\$ 250,475.54	\$ 4,827	\$ 402	\$ -
27	\$ 522	2.503%	\$ 250,475.54	\$ 6,269	\$ 522	\$ -
28	\$ 539	2.580%	\$ 250,475.54	\$ 6,462	\$ 539	\$ -
29	\$ 539	2.580%	\$ 250,475.54	\$ 6,462	\$ 539	\$ -
30	\$ 522	2.503%	\$ 250,475.54	\$ 6,269	\$ 522	\$ -
31	\$ 401	1.923%	\$ 250,475.54	\$ 4,817	\$ 401	\$ -
32	\$ 418	2.004%	\$ 250,475.54	\$ 5,020	\$ 418	\$ -
33	\$ 418	2.004%	\$ 250,475.54	\$ 5,020	\$ 418	\$ -
34	\$ 401	1.923%	\$ 250,475.54	\$ 4,817	\$ 401	\$ -
35	\$ 543	2.600%	\$ 250,475.54	\$ 6,512	\$ 543	\$ -
36	\$ 525	2.514%	\$ 250,475.54	\$ 6,297	\$ 525	\$ -
37	\$ 382	1.831%	\$ 250,475.54	\$ 4,586	\$ 382	\$ -
38	\$ 400	1.917%	\$ 250,475.54	\$ 4,802	\$ 400	\$ -
39	\$ 383	1.836%	\$ 250,475.54	\$ 4,599	\$ 383	\$ -
40	\$ 400	1.917%	\$ 250,475.54	\$ 4,802	\$ 400	\$ -
41	\$ 400	1.917%	\$ 250,475.54	\$ 4,802	\$ 400	\$ -
42	\$ 383	1.836%	\$ 250,475.54	\$ 4,599	\$ 383	\$ -
43	\$ 398	1.905%	\$ 250,475.54	\$ 4,772	\$ 398	\$ -
44	\$ 416	1.991%	\$ 250,475.54	\$ 4,987	\$ 416	\$ -
45	\$ 403	1.931%	\$ 250,475.54	\$ 4,837	\$ 403	\$ -
46	\$ 416	1.991%	\$ 250,475.54	\$ 4,987	\$ 416	\$ -
47	\$ 416	1.991%	\$ 250,475.54	\$ 4,987	\$ 416	\$ -
48	\$ 403	1.931%	\$ 250,475.54	\$ 4,837	\$ 403	\$ -
Monthly	\$ 20,872.96	100.000%		\$	20,873	
Yearly	\$ 250,475.54			\$	250,476	

# KING JAMES COURT CONDOMINIUM ASSOCIATION 2018 BUDGET NOTES

## INCOME

- 4001      **MAINTENANCE FEES:** Income based on 48 units at variable rates per month from January 1, 2018 through December 31, 2018
- 4160      **LATE FEES:** The Association charges 5% interest on any balance that exists after the 15th of the each month.
- 4350      **CAPITAL RESERVE INTEREST:** Interest earned on the Association's Capital Reserve account. Based on the funds in the account and current interest rates.
- 4421      **CAPITAL CONTRIBUTION:** A Capital Contribution of four (4) months maintenance is collected when a unit is sold. It is anticipated there will be two-three (1-3) resale's within the 2018 fiscal year. The Capital contribution is a non-refundable, non-transferable contribution to the Association.
- 4656      **LAUNDRY INCOME:** The Association receives a percentage returned on the usage of the laundry facilities.

## ADMINISTRATIVE EXPENSES

- 5000      **INSURANCE:** The Association carries insurance policies for General Liability, Worker's Compensation, All Risk Building Coverage and Directors & Officers Liability Insurance and Umbrella. The policies are written with James A Connors & Associates.
- 5030      **OFFICE EXPENSE:** Costs associated with normal day to day operations of the onsite maintenance office copy paper, faxes, etc.
- 5070      **POSTAGE:** The Association pays for all postage used for all mailings of general correspondence, financials, and Board packets. This amount is based on the average cost spent in the previous budget year.
- 5072      **PROCESSING CERTIFIED LETTERS:** Costs associated with certified letters are for collection, violations and general correspondence as indicated in the current Management contract. Certified letters are billable at \$7 each.
- 5090      **PHOTOCOPIES:** Photocopies are charged a flat rate of \$55.00 per month for general correspondence and Board information.
- 5112      **CAI DUES AND SEMINARS:** The Community Association Institute (CAI) is an educational and professional organization. King James Court is a

member of CAI, and as such, receives literature and information regarding community associations. CAI frequently holds seminars on a variety of topics, which are offered to members at a reduced rate. The amount budgeted includes membership fees and moneys for Board Members to attend seminars as per the King James By-Laws.

**5130**      **TELEPHONE:** Cost of telephone line at the pool and fax line for the maintenance department.

**5200**      **AUDIT EXPENSE:** The Association engages with a professional CPA to perform a certified audit of the Association books on an annual basis. The final audited financials are available to all homeowners. It is anticipated that fees for the Year End December 31, 2017 audit will be approximately \$1,500.

**5210**      **LEGAL EXPENSE:** The Association contracts with Glen Michael Glerum for legal representation. The attorney assists in contract preparation and review, review and modification of the governing document, collection of delinquent accounts and any other legal matters coming before the Association. The attorney is utilized on an as-needed basis.

**5230**      **ENGINEERING:** The Association engages with an engineering firm to assist in drawing specifications for major repairs, and for updating the Reserve Study.

**5280**      **NJ ANNUAL REPORT:** The State of New Jersey requires the filing of an annual report to maintain corporate status. There is a \$25.00 filing fee.

**5290**      **MANAGEMENT:** The Association retains THE REGENCY MANAGEMENT GROUP, LLC a professional management firm, to assist in the financial, administrative and physical property management of the King James Court Condominium Association. This contracted fee includes customer service and management personnel; accounting and financial services and professional managers attendance at up to 12 Board meetings.

**5350**      **MISCELLANEOUS EXPENSE:** Costs associated with non-routine services, or any out of pocket expenses not directly attributable to another line item, including but not limited to additional meeting attendance.

## **OPERATING EXPENSES**

- 6065      **LAWN CARE**: Anticipated costs associated with the landscaping contract for the 2018 season.
- 6090      **LANDSCAPE IMPROVEMENTS**: Projected costs for landscape improvements and repairs, includes shrub removal, re-seeding bare areas, mulching, etc.
- 6150      **SNOW CLEARING**: Anticipated costs associated with the snow clearing contract for the 2017-2018 season.
- 6220      **GENERAL REPAIRS AND MAINTENANCE**: Costs of general repairs which require an outside contractor, such as siding, roofing, gutters, etc.
- 6230      **HVAC REPAIRS AND MAINTENANCE**: Costs of repairs to the heating and hot water systems.
- 6290      **EXTERMINATOR EXPENSE**: The Association treats the buildings, when needed, for wood destroying insects (i.e. termites, carpenter bees, carpenter ants) and for wasps, hornets, and bees.
- 8030      **POOL CONTRACT & MAINTENANCE**: Costs associated with the maintenance and monitoring of the pool.

#### **UTILITIES**

- 7520      **UTILITIES – WATER/SEWER**: Metered water and sewerage services are provided by the Borough of Atlantic Highlands for residential use at 48 units.
- 7530      **UTILITIES – ELECTRICITY/GAS**: Costs associated with the lighting, heat, hot water gas usage.

#### **OTHER EXPENSES**

- 8510      **REPLACEMENT RESERVES**: Money set aside for the future replacement of sidewalks, pavement, shingles, etc., according to a reserve schedule as prepared by a Professional Engineer.