

# Nutters Crossing HOA 3 Year Budget Proposal

---

October 27, 2021 - General Meeting

## **Recommended HOA Financial Guidelines**

HOA's should have two major accounts:

1. **Operating Fund (Checking Account):** used for keeping up with day-day expenses and maintenance of the association's assets. This is where most transactions take place. Enough money should be kept in this account to keep a positive cash flow, as expenses are paid out over 12 months and revenue is collected over ~3 months. Inflation should be considered when forecasting expenses.
2. **Reserve Fund (Savings Account):** used for more costly projects and repairs. The repair and painting of our entrance sign is a good example. Ideally, a HOA will have 100% funded Reserve account, meaning it has enough money to cover all the anticipated projects and repairs for the upcoming year(s). 20-40% of HOA fees should go towards funding the Reserve Account.

## **HOA Fees – General Information**

- Last increase was in 2018, from \$175 to \$195 annually
- Other surrounding communities HOA fees range from \$200-\$450, with the upper end of the range being communities with pools
- More states are starting to require a 'HOA Reserve Study', where an external profession comes in to assess your common areas and assets to determine how much you should keep in your Reserve Fund
  - o This would be an additional expense every 3-5 years
  - o Size of community and amount of assets (Pool, community clubhouse, etc.) often determine if this is required

## Nutters Crossing HOA - 3 Year Budget('22-'24)

| Year        | Description                               | Checking        | Savings          | Fee to cover Expenses | Proposed HOA Fee | % HOA Fee to Projects |                      |
|-------------|---|-----------------|------------------|-----------------------|------------------|-----------------------|----------------------|
| <b>2021</b> | Beg. Balance as of 10/1/21 Balance        | \$ 4,317        | \$ 10,739        |                       |                  |                       |                      |
|             | Xfer from Savings(during October '21)     | \$ 5,000        | \$ (5,000)       |                       |                  |                       |                      |
|             | Remaining 2021 Expenses(Forecast)         | \$ (7,088)      | \$ -             | \$ 190                | \$ 195           | 2%                    | (20-40% recommended) |
|             | <b>Projected Balance as of 12/31/21</b>   | <b>\$ 2,229</b> | <b>\$ 5,739</b>  |                       |                  |                       |                      |
| <b>2022</b> | Beg. Balance as of 1/1/22 Balance         | \$ 2,229        | \$ 5,739         |                       |                  |                       |                      |
|             | 2022 Revenue(161 homes @\$225 Fees)       | \$ 36,225       | \$ -             |                       |                  |                       |                      |
|             | 2022 Expenses(Forecast '21x 3% inflation) | \$ (31,573)     | \$ (5,550)       | \$ 196                | \$ 225           | 13%                   | (20-40% recommended) |
|             | Xfer to Savings                           | \$ (4,652)      | \$ 4,652         |                       |                  |                       |                      |
|             | <b>Projected Balance as of 12/31/22</b>   | <b>\$ 2,229</b> | <b>\$ 4,841</b>  |                       |                  |                       |                      |
| <b>2023</b> | Beg. Balance as of 1/1/23 Balance         | \$ 2,229        | \$ 4,841         |                       |                  |                       |                      |
|             | 2023 Revenue(161 homes @\$250 Fees)       | \$ 40,250       | \$ -             |                       |                  |                       |                      |
|             | 2023 Expenses(Forecast '22x 2% inflation) | \$ (32,204)     | \$ (5,000)       | \$ 200                | \$ 250           | 20%                   | (20-40% recommended) |
|             | Xfer to Savings                           | \$ (8,046)      | \$ 8,046         |                       |                  |                       |                      |
|             | <b>Projected Balance as of 12/31/23</b>   | <b>\$ 2,229</b> | <b>\$ 7,887</b>  |                       |                  |                       |                      |
| <b>2024</b> | Beg. Balance as of 1/1/24 Balance         | \$ 2,229        | \$ 7,887         |                       |                  |                       |                      |
|             | 2024 Revenue(161 homes @\$250 Fees)       | \$ 40,250       | \$ -             |                       |                  |                       |                      |
|             | 2024 Expenses(Forecast '23x 2% inflation) | \$ (32,848)     | \$ (5,000)       | \$ 204                | \$ 250           | 18%                   | (20-40% recommended) |
|             | Xfer to Savings                           | \$ (7,402)      | \$ 7,402         |                       |                  |                       |                      |
|             | <b>Projected Balance as of 12/31/24</b>   | <b>\$ 2,229</b> | <b>\$ 10,289</b> |                       |                  |                       |                      |

### Upcoming Projects needing Reserve Funds

**2022:** Est. \$5550(see next page(3) for details)

Power Wash entrance fence

Limb River Birch trees at entrance

Irrigation repairs

Storm Water Pond cleanup

#### **Watch List:**

Major overhaul of irrigation system (pumps, controllers, valve heads, etc.)

Wells(2) could possibly fail due to age

Sign will need repair/touch up every 3-5 years

### Proposed HOA Fee Increases

**Current:** \$195

**2022:** \$225

**2023:** \$250

**\*\$5 fee will be added to anyone paying via Venmo**



## CUTTING CREW LAWN CARE

4771 Stratford Court M 410-430-3270

Salisbury, MD 21804 F 410-546-0167

Email: [cdisylvestro@comcast.net](mailto:cdisylvestro@comcast.net)

---

### PROPOSAL / CONTRACT FOR BUDGET 2022 SUGGESTIONS

Cutting Crew Lawn Care submits the proposal/contract to Bruce Mooney, for **Nutters Crossing HOA**, September 29, 2021, to provide suggestions for the 2022 Budget, as described below.

#### **2022 Budget Suggestions:**

- 1. Entrance Fence (Both sides) - Power Wash the Entrance Fences, both sides of the fence. \$550.00**
- 2. River Birch Trees at Entrance - Limb up the River Birch Trees at the entrance of Nutters Crossing, This will help with visibility and limbs will not be hitting vehicles. \$ 2,500.00**
- 3. Irrigation Repairs & Replacement - Any irrigation repairs that might need addressed from the Convenience Store to the Driving Range to the Club House. Please note: This would NOT include, pumps, controllers, wells, valve heads, and shared items. \$1,000.00**
- 4. Storm Water Ponds - Clean up the over-growth in the Storm Water Ponds, especially on Stoneybrooke Drive. \$ 1,500.00**