

| Budget Line Item | Amount | Note |
|---|-----------------|---|
| Capital Reserve - Community Entrance Sign Replacement | \$9,000 | Required Capital Reserve for replacement of community entrance signage. The replacement of the entrance signs is the responsibility of the NFCA, it is a county regulation that a Capital Reserve be established to pay for replacement at the end of the useful life of the signs. This is a one-time catch up fee, in subsequent years the amount will be \$1,000. |
| Projected Delinquencies | \$5,306 | To be prudent, the NFCA is assuming a certain percentage of delinquencies in payment. This is standard practice among HOAs and the CCOC recommended a delinquency percent for the NFCA to use (10%-15%, as this is the first-time requiring dues, the NFCA opted for the 15% rate). All payments will be tracked, and any non-payment will be documented in the HOA Resale package when the property goes for sale - this amount will need to be paid before the Title company releases the title. Additionally, non-payment negates property owner's right to vote on NFCA business. |
| Legal Expenses | \$4,000 | Contingency for legal advice for efforts to update Covenants and bylaws, if not used it will roll into an operating contingency for the next fiscal year. |
| Mailings | \$3,170 | First Class mailings are required for official neighborhood communications - NFCA will be working towards digital communications, but there is a lot of technical work required. Mailings include annual meeting announcement, board member nominations, absentee ballots, and budget announcements. |
| Insurance | \$1,700 | Required per agreement with City of Rockville for entrance sign and also for HOA board |
| Audit | \$1,500 | Accrual for required audit of HOA |
| Sign Landscaping | \$1,500 | Overhaul of landscaping for Montrose signs, which have been maintained on a volunteer basis for the past eight years |
| Newsletter Quarterly | \$1,480 | Newsletter cost to publish and mail |
| CCOC Dues | \$1,310 | Required dues paid to the CCOC, if CCOC dues are not paid on time there is a \$500 per day fine from Montgomery County. |
| Community Events | \$1,200 | Reserved in hopes for an event in the spring, or multiple smaller activities. This is a much smaller budget than the usual Community Day budget. |
| Operating Contingency | \$1,000 | Dollars to account for unforeseen costs |
| Tax Returns | \$750 | Annual tax returns for HOA |
| Website | \$550 | Annual cost for our website: www.northfarm.us |
| ACC Mailing | \$400 | Architectural Control Committee mailing with updates to Architectural Policy |
| ZOOM Account | \$360 | Annual conference call costs |
| Directory | \$350 | Placeholder for Directory expense, looking to use on online format |
| Spring Community Event | \$300 | Potential for spring socially distant event |
| Board Meetings | \$300 | Conference call costs, supplies as necessary |
| QuickBooks 3 | \$240 | Accounting software for maintaining association books |
| Community sign plants | \$200 | Replacement plants and mulch during the seasons for North Farm entrance signs |
| PO Box rental | \$185 | Required mailing address postal box |
| Online Storage | \$180 | NFCA file depository site for storage of HOA documents and policies |
| Outdoor Announcement Board | \$160 | Portable Announcement board for entrance to community |
| Annual Meeting | \$125 | Cost of rental space and supplies |
| Yard Signs | \$100 | Signs for notification of events |
| CCOC Dispute Filing | \$50 | Allotment for CCOC fees for dispute resolution |
| Admin Supplies | \$25 | Basic supplies |
| Total | \$35,440 | Annual budget amount, including reserves |