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PROPOSED 2025 BUDGET

TO: FALLSTONE HOA HOMEOWNERS

FROM: SHIREEN AMBUSH, PCAM, CPM
COMMUNITY MANAGER

DATE: OCTOBER 14, 2024

Attached for your review is the proposed 2025 budget for Fallstone HOA which has been reviewed by the Board of Directors. We are pleased to announce that the budget reflects no increase in the HOA fees for next year and will remain \$205 per home per month for Townhouses and \$120 per home per month for the Condominium Units.

Despite rising operating expenses caused by inflation and steady increases in the minimum wage, the HOA's reserve funds were reinvested into investment instruments yielding higher interest rates and the increased revenue has offset some of the increased expenses. Funds were also reallocated within the budget after making a recent change in the security patrol contractor and redefining the scope of service they provide to the community. This change allowed us to balance the budget without any fee increase while maximizing cost efficiencies and allocating more funds towards needed services such as tree trimming, which will be a priority next year.

The proposed budget also includes the annual reserve contribution as recommended in the independent reserve study conducted by Property Diagnostics in 2023 which is a law requirement for all HOAs in the state of Maryland. The law also requires that the reserve study is updated every 5 years. In accordance with the new law, also enclosed is a chart that summarizes the 2023 reserve study. The Board of Directors has a fiduciary responsibility to ensure that the HOA has the amount of appropriate reserves, operating funds and the financial capability to react to emergency situations and comfortably afford future capital replacement projects without a need for any special assessments on the homeowners.

All homeowners are hereby notified that the Board of Directors will vote on formal adoption of the budget at the next virtual Board meeting that will be held on Wednesday, November 20, 2024 at 7:00 p.m. Homeowners who wish to participate in the meeting by phone may do so using the following link or call instructions:

Link: <https://abarisrealty.zoom.us/j/9144800786?pwd=EeNIFVtGZyAhfhx13R4iVD0zopo8h2.1>

Dial In Number: 301-715-8592

Meeting ID: 914 480 0786

If you have any questions or comments on the proposed 2025 budget, please participate in the upcoming Board meeting or send your comments in writing to customercare@abarisrealty.com. The final approved budget will be sent to all homeowners and posted on the HOA's website soon after the meeting. Thank you for your attention to these important matters and I hope you are all staying safe and well.

**FALLSTONE HOA
Proposed Budget 2025**

2020 AUDIT	2021 AUDIT	2022 AUDIT	2023 AUDIT	ACCT #	TITLE	6 Mos ACTUAL	2024 Approved	2025 Proposed
					Revenue:	2024		No Increase
227,700	227,700	238,740	259,440	41080	Homeowners Fees	149,221	282,863	282,863
19,584	19,584	20,604	22,440	41082	HOA Fees for Condos	12,350	24,412	24,412
				41400	Late Fees		150	
65	35		572	41440	Legal Fees	782		
		73	(169)	41500	Repairs/Supplies Fee			
400	857	524	484	41560	Miscellaneous Fees			
2,553	789	2,058	10,682	43020	Interest Earned	6,756	7,360	11,375
				43510	Bad Debt Recovery			
				43900	Miscellaneous Revenue		700	
250,302	248,965	261,999	293,449		Total Revenue	169,109	315,485	318,650
					Expenses:			
					Administrative:			
35,000	35,000	40,000	44,000	50020	Management Fees	22,660	45,320	45,320
5,105	5,726	11,325	10,001	50040	Legal	11,118	4,000	7,500
				50051	Corporate Transparency Act			500
3,478	3,429	3,450	3,570	50060	Audit/Tax returns	4,063	3,950	4,100
	3,000			50070	Consultant Fee			
4,390	3,613	3,382	5,771	50120	Postage/Printing	427	3,000	3,000
3,168	3,168	3,432	3,696	50190	Community Inspections		3,960	3,960
				50380	Bank Charges	35	100	100
575	575	575	374	50590	Montgomery County Assess.		748	748
			1,800	50620	Engineering Study			
			1,221	50710	Community Activities		1,000	1,000
1,814	2,217	1,697	1,297	50830	Website	252	2,400	1,000
1,557	3,092	849	3,991	50980	Miscellaneous	489	1,185	1,109
55,087	59,820	64,710	75,721		Sub Total	39,044	65,663	68,337
					Utilities:			
2,445	2,375	2,387	2,860	51020	Electricity	1,582	2,500	3,000
			4	51080	Water/Sewer	141		
2,445	2,375	2,387	2,864		Sub Total	1,723	2,500	3,000
					Contracts			
9,960	7,470	9,960	9,960	52020	Trash	5,161	10,500	10,500
58,243	59,991	61,286	65,001	52040	Grounds/Landscaping	27,390	67,601	69,629
4,271	3,068	2,806	3,059	52060	Exterminating	1,476	4,000	4,000
5,123	16,829	12,492		52320	Snow Removal	8,044	15,000	15,000
			23,071	52600	Security Monitoring	21,883	37,512	22,000
77,597	87,358	86,544	101,091		Sub Total	63,954	134,613	121,129
					Maintenance, Repairs			
187				53020	Electrical			
17,700	17,700	11,800	9,000	53220	Gutter		13,500	13,500
	652	744		53240	Lightening Maintenance		500	500
13,688	9,398	6,582	11,445	53260	Grounds/Landscaping	130	7,500	7,500
1,300	5,200	3,700	2,940	53270	Grounds Enhancement		7,500	7,500
15,435	7,580	24,329	22,705	53280	Tree Care		10,492	20,000
		2,500	2,700	53311	Drainage		3,000	3,000
4,163	9,379	5,256	9,011	53420	General Repairs	332	5,000	5,000
52,473	49,909	54,911	57,801		Sub Total	462	47,492	57,000



**FALLSTONE HOA
Proposed Budget 2025**

2020 AUDIT	2021 AUDIT	2022 AUDIT	2023 AUDIT	ACCT #	TITLE	6 Mos ACTUAL	2024 Approved	2025 Proposed
					Insurance, Taxes, Licenses			
4,662	4,497	4,297	4,390	59100	Insurance-Master Policy	2,676	5,100	7,000
			1,965	59300	Corporate Taxes	4,495	1,840	3,400
3,240	3,417	1,799	4,296	59400	Real Estate: Taxes		3,793	4,300
7,902	7,914	6,096	10,651		Sub Total	7,171	10,733	14,700
195,504	207,376	214,648	248,128		Total Operating Expenses	112,354	261,001	264,166
					Replacement Reserves			
46,854	43,307	40,082	43,184	63110	Replacement Fund	19,455	46,694	46,694
11,000	11,000	11,000	11,000	63180	Reserve - Parking Lot	3,245	7,790	7,790
57,854	54,307	51,082	54,184		Sub Total	22,700	54,484	54,484
253,358	261,683	265,730	302,312		Total Expenses & Reserves	135,054	315,485	318,650
(3,056)	(12,718)	(3,731)	(8,863)		NET INCOME (LOSS)	34,055	-	-





FALLSTONE HOMEOWNERS ASSOCIATION					
UNINFLATED CASH FLOW BREAKDOWN					
Year	Total Replacement Costs / 30yrs	Fallstone HOA's Yearly Contribution	Current Fund based on Fallstone HOA's Contribution	Recommended Yearly Contribution	Current Fund based on the Recommended Contribution
			\$ 228,589		\$ 228,589
2023	\$ 20,600	\$ 54,184	\$ 262,173	\$ 54,184	\$ 262,173
2024	\$ 3,000	\$ 54,184	\$ 313,357	\$ 54,184	\$ 313,357
2025	\$ -	\$ 54,184	\$ 367,541	\$ 54,184	\$ 367,541
2026	\$ -	\$ 54,184	\$ 421,725	\$ 54,184	\$ 421,725
2027	\$ 121,217	\$ 54,184	\$ 354,692	\$ 54,184	\$ 354,692
2028	\$ 10,000	\$ 54,184	\$ 398,876	\$ 54,184	\$ 398,876
2029	\$ 18,000	\$ 54,184	\$ 435,060	\$ 54,184	\$ 435,060
2030	\$ -	\$ 54,184	\$ 489,244	\$ 54,184	\$ 489,244
2031	\$ 27,300	\$ 54,184	\$ 516,128	\$ 54,184	\$ 516,128
2032	\$ 11,210	\$ 54,184	\$ 559,102	\$ 54,184	\$ 559,102
2033	\$ -	\$ 54,184	\$ 613,286	\$ 54,184	\$ 613,286
2034	\$ 9,500	\$ 54,184	\$ 657,970	\$ 54,184	\$ 657,970
2035	\$ 137,400	\$ 54,184	\$ 574,754	\$ 54,184	\$ 574,754
2036	\$ 72,264	\$ 54,184	\$ 556,674	\$ 54,184	\$ 556,674
2037	\$ 67,040	\$ 54,184	\$ 543,818	\$ 54,184	\$ 543,818
2038	\$ -	\$ 54,184	\$ 598,002	\$ 54,184	\$ 598,002
2039	\$ 3,000	\$ 54,184	\$ 649,186	\$ 54,184	\$ 649,186
2040	\$ 21,700	\$ 54,184	\$ 681,670	\$ 54,184	\$ 681,670
2041	\$ 37,228	\$ 54,184	\$ 698,626	\$ 54,184	\$ 698,626
2042	\$ 139,760	\$ 54,184	\$ 613,050	\$ 54,184	\$ 613,050
2043	\$ 16,630	\$ 54,184	\$ 650,604	\$ 54,184	\$ 650,604
2044	\$ 18,000	\$ 54,184	\$ 686,788	\$ 54,184	\$ 686,788
2045	\$ -	\$ 54,184	\$ 740,972	\$ 54,184	\$ 740,972
2046	\$ 30,000	\$ 54,184	\$ 765,156	\$ 54,184	\$ 765,156
2047	\$ 126,256	\$ 54,184	\$ 693,084	\$ 54,184	\$ 693,084
2048	\$ -	\$ 54,184	\$ 747,268	\$ 54,184	\$ 747,268
2049	\$ 3,000	\$ 54,184	\$ 798,452	\$ 54,184	\$ 798,452
2050	\$ -	\$ 54,184	\$ 852,636	\$ 54,184	\$ 852,636
2051	\$ 47,155	\$ 54,184	\$ 859,665	\$ 54,184	\$ 859,665
2052	\$ 11,800	\$ 54,184	\$ 902,049	\$ 54,184	\$ 902,049