SENECA PARK

HOMEOWNERS ASSOCIATION, INC.

c/o Vanguard Management Associates, Inc.
P.O. Box 39 • Germantown, Maryland 20875-0039
(301) 540-8600

August 2026

Dear Seneca Park Homeowner:

The Board of Directors for the Seneca Park Homeowners Association has prepared a proposed operating budget for the fiscal year 2027. A copy of the proposed budget is enclosed for your consideration.

The Board has thoroughly analyzed the Association's current year expenses, contractual obligations, the updated replacement reserve requirements, and adjusted the assessments for the coming year. The enclosed budget reflects a **3.64% increase** in the monthly assessments over FY2026. The general monthly assessment will increase to $**114.00** for all homes.

A copy of the proposed budget summary and explanatory notes is enclosed for your review.

The budgeted expenses are estimated based upon a comparison of the expenses in 2026, the updated replacement reserve requirements, the expectation of the amount of common area that the Association will be responsible for maintaining in 2027, and any contracts that are in place such as trash collection, grounds maintenance, and management.

You are invited to submit written comments concerning the proposed budget at your earliest convenience in order that they may be distributed to Board members for review in advance of their September 23, 2026, regular meeting. There will be time available to comment on the budget, however, the Board would prefer to receive your written comments in advance by September 16, 2026. The Board will adopt a final FY27 operating budget on Wednesday, September 23, 2026, at 7:00 p.m. The Board of Directors meeting will be held virtually. Listed below is the information for homeowners to be able to dial into the meeting on September 23, 2026.

Meeting ID: 856 0999 6045
Dial in Number: (301)715-8592

All homeowners are welcome to attend all regular meetings of the Board of Directors.

For the Board of Directors,
SENECA PARK HOMEOWNERS ASSOCIATION

Maria Nicholas

Maria Nicholas, CMCA®
Community Manager

Enclosure

DRAFT

SENECA PARK HOMEOWNERS ASSOCIATION, INC.
DRAFT 2027 OPERATING BUDGET
Fiscal Year: January 1 through December 31

Monthly Assessment: $114.00
Increase over prior year: 3.64%
 # Homes: 165

	DRAFT 2027 TOTAL	APPROVED 2026 TOTAL	$ CHANGE (+ / -)
INCOME:			
Residential Assessments:	$225,720.00	$217,800.00	$7,920.00
Interest Income	$28.56	$28.56	$0.00
Parking Income	$285.00	$250.00	$35.00
ADJUSTED INCOME:	$226,033.56	$218,078.56	$7,955.00
EXPENSES:			
Reserve Contributions: *Reserve study completed for FY2027*			
Gross Contribution	$55,169.04	$46,598.04	$8,571.00
Sub-Total:	$55,169.04	$46,598.04	$8,571.00
Less: Reserve Interest:	($16,504.36)	($9,266.49)	($7,237.87)
Net Reserve Contribution:	$38,664.68	$37,331.55	$1,333.13
General & Administrative:			
Management, Audit, Legal, Banking Fees	$42,158.36	$40,631.80	$1,526.56
Postage, Printing, Newsletter, Coupons, Web Site	$3,265.11	$2,657.00	$608.11
Insurance	$6,054.36	$6,474.60	($420.24)
Bad Debt Expense	$7,000.00	$7,000.00	$0.00
Dues & Subscriptions, Record Storage	$986.40	$960.00	$26.40
Property Taxes/Water Qual. Protection	$8,048.00	$7,749.00	$299.00
Income Tax	$5,786.52	$3,253.27	$2,533.25
Electricity	$1,700.00	$1,800.00	($100.00)
Miscellaneous, Recording Secretary	$3,066.00	$2,715.00	$351.00
Social and Recreation	$2,000.00	$750.00	$1,250.00
County Commission	$1,072.50	$1,072.50	$0.00
Sub-Total:	$81,137.25	$75,063.17	$6,074.08
Site Improvement:			
Landscaping	$3,500.00	$3,358.18	$141.82
Sub-Total:	$3,500.00	$3,358.18	$141.82
General Maintenance:			
Tree & Shrub Maintenance	$3,980.00	$12,363.86	($8,383.86)
Street Light Repairs	$1,200.00	$1,200.00	$0.00
Site Maintenance	$3,703.79	$3,780.00	($76.21)

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 # Homes: 165

	DRAFT 2027 TOTAL	APPROVED 2026 TOTAL	$ CHANGE (+ / -)
Parking Lot Maintenance, Recreational Equip. Maintenance	$400.00	$400.00	$0.00
Sub-Total:	$9,283.79	$17,743.86	($8,460.07)
Contract Maintenance:			
Grounds Maintenance	$39,828.84	$38,296.80	$1,532.04
Trash Removal, Bulk Trash Removal	$18,554.00	$18,600.00	($46.00)
Ground Cleaning	$7,380.00	$4,500.00	$2,880.00
Lot Inspections, Reserve Study	$2,685.00	$2,685.00	$0.00
Snow Clearing	$25,000.00	$20,500.00	$4,500.00
Operating Contingency	$0.00	$0.00	$0.00
Sub-Total:	$93,447.84	$84,581.80	$8,866.04
TOTAL EXPENSES:	$226,033.56	$218,078.56	$7,955.00
NET INCOME/(LOSS)	$0.00	$0.00	$0.00

SENECA PARK HOMEOWNERS ASSOCIATION

2027 OPERATING BUDGET SUMMARY NOTES

I. INCOME:

A. Residential Assessments: The total income generated from the monthly assessment charged to all homeowners pursuant to the Declaration of Covenants for the Association.

B. Interest Income: Estimated income earned from excess operating funds placed in demand deposits at current market interest rates.

II. EXPENSES:

A. Reserves: The calculations of the reserve contributions are based upon the 2027 Reserve Study completed by Property Diagnostics which includes a combination of a review of the available site plans, physical inspection of amenities, consultation with various contractors.

1. Reserve Contribution: The total gross reserve contribution necessary to meet the funding goals established through a reserve schedule that has estimated the expected useful life and current replacement cost of each community asset.

2. Less: Reserve Interest: Allocation of the interest income earned by the deposit of reserve funds to secure investment vehicles such as money market and certificate of deposit accounts. The earned interest thereby reduces the monthly cash deposit required to meet the funding goals established through the reserve analysis.

3. Net Reserve Contribution: The actual cash outlay for deposit into reserve accounts which is necessary to meet the established funding goals as previously discussed.

B. General & Administrative Expenses:

1. Management, Audit, Legal, Professional Fees: The expected expenses for professional community management services for property management, financial accounting and consultation services; for the services of a Certified Public Accountant (CPA) to prepare all annual tax returns and the conduct of an annual audit of the Association books and records; for retaining general legal counsel for such matters as legal document interpretation, collection assistance, violation enforcement and other legal assistance as may be required; for the services of an engineering professional for assistance with evaluation of common amenities and/or an architect for assistance in architectural control matters.

2. Postage, Printing, Newsletter, Coupons, Web Site: Allowances for the postage needs for several community-wide mailings to members and general postage; for the printing requirements associated with the community-wide mailings and general copying; for the preparation and printing of a periodic newsletter (assumes distribution of the newsletter via first class mail; for the annual preparation and printing of assessment payment coupons for all homeowners; and for expenses related to creating and maintaining a community web site.

3. Insurance, Insurance Deductibles: The insurance premium expense is the estimated expense for providing all appropriate insurance coverage for the Association including:
   a. All-Risk/General Liability Coverage in the amount of $1,000,000.00.
   b. Directors' & Officer's Liability Coverage in the amount of $1,000,000.00.
   c. Fidelity Bond of Officers and Directors in an amount sufficient to cover the amount in the Association's bank accounts pursuant to MD law.

4. Bad Debt Expense: Allowance for uncollectible assessments due to unit owner bankruptcies and mortgage lender foreclosures.

5. Dues & Subscriptions, Taxes and Bank Fees: Allowance for membership dues for the Community Associations Institute (CAI) as well as Board member attendance at CAI training and educational seminars; for the payment of estimated income tax payments which will be determined by the CPA retained for the audit. Taxes are charges against non-membership income (e.g. interest income); for the maintenance of a commercial bank account and banking related services.

6. Prop. Taxes/Water Quality Protection: Allocations for payment of applicable property taxes and the Montgomery County water quality protection charge on parcels owned by the Association.

7. Record Storage, Miscellaneous, Meetings: Allowance for off-site storage of the Association's archive records; for expense of room rental; for miscellaneous general and administrative Board expenses.

8. County Commission: The allowance for the payment of annual fees assessed by the Montgomery County Commission on Common Ownership Communities which has been established to provide certain dispute resolution and educational support services to the Association within the County.

C. Utilities:

1. Electricity: Allowance for the operating (electricity) costs associated with the privately owned street lighting.

D. Site Improvement:

1. Landscaping Improvements: Allowance of funding for the planting of annual flowers for the spring and fall planting seasons, renovation (topsoil & seeding) of various common areas, or other site improvements within the community as may be determined by the Board of Directors.

E. General Maintenance:

1. Tree & Shrub Maintenance: Allocated funds necessary for the proper care of trees and shrubs located upon the common areas of the community. Such maintenance may include pruning and fertilization during the proper season as well as pest management of diseases and insects.

2. Site Maintenance, Parking Lot Maintenance: Allocation of funding necessary for the cleaning of sand and debris from the parking areas after the snow removal season has ended and miscellaneous maintenance needs throughout the community, such as: minor tot lot and bench repair, removal of dead landscaping, debris clean-up, and other miscellaneous grounds repairs.

3. Street Light Repairs: Allocation of funding necessary for the repair of the privately owned streetlights within the community.

4. Recreation Equipment Maintenance: Allocation of funding necessary for the repair of the equipment at the tot lot and basketball court.

F. Contract Maintenance:

1. Grounds Maintenance & Extermination: Funds allocated for the regular maintenance of the common areas including mowing, trimming, edging of common sidewalks as well as the mulching of common area trees and shrubs as well as funding is allocated for a basic chemical application package including fertilization and weed control.

2. Trash Removal, Bulk Trash Removal: Allocation of funding for providing twice weekly curbside trash removal services for all homeowners and for the removal of large bulk items illegally dumped in the community's common areas.

3. Grounds Cleaning: Allocation of funding for weekly collection of litter throughout the community.

4. Reserve Study: A reserve study is a recommended tool for the Condominium to adequately budget for future common element component replacements such as tot lots, paving and sidewalks. The reserve study is completed by a certified engineering firm and includes an analysis of the existing common element components, their expected useful life and cost to replace. Effective October 1, 2021, the law requires that all community associations have a reserve study updated every 5 years to get an updated life of each component and current construction costs for replacement. The study further recommends the necessary annual contribution to reserve funds for replacement projects in the future. These recommendations are used for budgeting and planning purposes. The new law requires all community associations to annually fund their reserve accounts **as recommended in their reserve studies**.

5. Snow Clearing: Funding has been allocated during the winter season for the plowing and sanding of the streets (drive lanes), and cleaning of sidewalks not in front of the individual homes.

G. Operating Contingency: Provision for those unexpected expenses encountered by the Association which exceed the above budgeted amounts.