2027 Operating Budget

GL	LINE ITEM	2026 BUDGET	2027 GENERAL	2027 NEIGHBORHOOD	2027 CONSOLIDATED	VARIANCE 2027 TO 2026 $	NARRATIVE
OPERATING INCOME							
40725	ASSESSMENTS - APARTMENTS	$ 264,571	$ 230,335	$ 46,712	$ 277,048	$ 12,477	Assessments from apartment communities.
40000	ASSESSMENTS - CONDOMINIUM	$ 422,575	$ 398,646	$ 45,019	$ 443,665	$ 21,090	Assessments from condominium communities.
40575	ASSESSMENTS - SINGLE FAMILY	$ 400,266	$ 213,806	$ 206,486	$ 420,292	$ 20,026	Assessments from single-family homes.
40001	ASSESSMENTS - TOWNHOME	$ 1,292,679	$ 603,927	$ 753,390	$ 1,357,317	$ 64,638	Assessments from townhomes.
42645	COMMUNITY CENTER RENTALS	$ 5,000	$ 10,181	$ -	$ 10,181	$ 5,181	Income from community center rentals, budgeted on historical usage.
43000	LATE FEES	$ 16,000	$ 16,000	$ -	$ 16,000	$ -	Late fees charged on past-due accounts.
43075	LEGAL FEES RECOVERED	$ 30,000	$ 34,000	$ -	$ 34,000	$ 4,000	Legal fees recovered from owners whose past-due accounts were referred for collection.
44145	RESERVE INTEREST	$ 125,000	$ 60,000	$ -	$ 60,000	$ (65,000)	Interest earned on reserve funds. Lower in 2027 as reserve funds are spent on scheduled capital projects.
43430	GUEST SWIMMING POOL PASSES	$ 500	$ 50	$ -	$ 50	$ (450)	Income from pool guest passes. Reduced to reflect recent sales.
44285	PRIOR YEAR EXCESS/LOSS	$ 100,000	$ 50,000	$ -	$ 50,000	$ (50,000)	Surplus from prior years applied to reduce assessments. Lower in 2027 as less surplus is expected to carry forward.
	TOTAL OPERATING INCOME	**$ 2,656,591**	**$ 1,616,946**	**$ 1,051,608**	**$ 2,668,553**	**$ 11,962**	
OPERATING EXPENSES							
RESERVE CONTRIBUTION							
	RESERVE CONTRIBUTION	$ 297,840	$ 153,981	$ 157,675	$ 311,656	$ 13,816	Annual contributions to the general and neighborhood reserve funds for long-term repairs and replacements, based on the reserve study.
	TOTAL RESERVE CONTRIBUTION	**$ 297,840**	**$ 153,981**	**$ 157,675**	**$ 311,656**	**$ 13,816**	
UTILITIES							
72310	ELECTRICITY - COMMUNITY CENTER	$ 12,834	$ 10,370	$ -	$ 10,370	$ (2,464)	Electricity for the community center, based on recent usage.
72400	ELECTRICITY - LAMPOSTS	$ 1,643	$ 1,450	$ -	$ 1,450	$ (193)	Electricity for the lampposts around the community center, based on recent usage.
73520	ELECTRICITY - POOL A	$ 6,156	$ 7,280	$ -	$ 7,280	$ 1,124	Electricity for Pool A, based on recent usage.
73542	ELECTRICITY - POOL B	$ 10,697	$ 9,630	$ -	$ 9,630	$ (1,067)	Electricity for Pool B, based on recent usage.
59000	ELECTRICITY - NEIGHBORHOODS	$ 62,000	$ -	$ 64,432	$ 64,432	$ 2,432	Electricity for common-area lighting in townhome neighborhoods, based on recent usage. Paid from neighborhood budgets.
72405	WATER AND SEWER - COMMUNITY CENTER	$ 3,180	$ 5,270	$ -	$ 5,270	$ 2,090	Water and sewer for the community center, based on recent usage.
73606	WATER AND SEWER - POOL A	$ 10,600	$ 12,710	$ -	$ 12,710	$ 2,110	Water and sewer for Pool A, based on recent usage.
74162	WATER AND SEWER - POOL B	$ 10,600	$ 11,080	$ -	$ 11,080	$ 480	Water and sewer for Pool B, based on recent usage.
52265	TELEPHONE AND NETWORK	$ 6,000	$ 9,069	$ -	$ 9,069	$ 3,069	Internet service for Pool A and the office ($3,694) and for Pool B ($2,099), plus the office and pool phone system ($3,276).
	TOTAL UTILITIES	**$ 123,710**	**$ 66,859**	**$ 64,432**	**$ 131,291**	**$ 7,581**	
SWIMMING POOLS							
73536	POOL - FURNITURE/EQUIPMENT	$ 1,500	$ 1,500	$ -	$ 1,500	$ -	Replacement of pool furniture and small equipment.
73576	POOL - A REPAIRS	$ 3,000	$ 3,000	$ -	$ 3,000	$ -	Minor repairs at Pool A that are not capital projects.
73596	POOL - A SUPPLIES	$ 5,500	$ 2,500	$ -	$ 2,500	$ (3,000)	Supplies for Pool A that are not covered by the pool management contract.
73578	POOL - B REPAIRS	$ 3,000	$ 3,000	$ -	$ 3,000	$ -	Minor repairs at Pool B that are not capital projects.
73598	POOL - B SUPPLIES	$ 5,500	$ 2,500	$ -	$ 2,500	$ (3,000)	Supplies for Pool B that are not covered by the pool management contract.
73548	SWIM TEAM	$ 10,000	$ 15,000	$ -	$ 15,000	$ 5,000	Annual contribution to the Waters Landing Swim Team.
	TOTAL SWIMMING POOLS	**$ 28,500**	**$ 27,500**	**$ -**	**$ 27,500**	**$ (1,000)**	

GL	LINE ITEM	2026 BUDGET	2027 GENERAL	2027 NEIGHBORHOOD	2027 CONSOLIDATED	VARIANCE 2027 TO 2026 $	NARRATIVE
SOCIAL AND LIFESTYLE							
52240	COMMUNITY EVENTS	$ 15,000	$ 10,000	$ -	$ 10,000	$ (5,000)	Funding for Board-approved community events and resident engagement.
	TOTAL SOCIAL AND LIFESTYLE	**$ 15,000**	**$ 10,000**	**$ -**	**$ 10,000**	**$ (5,000)**	
REPAIRS AND MAINTENANCE							
70215	COMMUNITY CENTER R&M	$ 12,000	$ 8,700	$ -	$ 8,700	$ (3,300)	General maintenance and repairs at the community center.
70220	BUILDING IMPROVEMENTS	$ 3,500	$ -	$ -	$ -	$ (3,500)	No funds budgeted for 2027. Community center upgrades are now planned and paid from reserves.
64120	MAINTENANCE - SITE	$ 50,000	$ 17,092	$ 17,908	$ 35,000	$ (15,000)	General repairs, upkeep, and litter cleanup of common areas, including road crack sealing and pothole repair (previously a separate line).
63415	HANDYMAN	$ 65,000	$ -	$ -	$ -	$ (65,000)	Eliminated. This work is now done by the in-house Groundskeeper (see Contracts).
65700	TREE MAINTENANCE	$ 100,000	$ 10,033	$ 9,967	$ 20,000	$ (80,000)	Routine pruning and minor tree work. Larger tree projects are now planned and paid from reserves.
65645	LANDSCAPING - NON CONTRACT	$ 5,000	$ 3,300	$ -	$ 3,300	$ (1,700)	Irrigation repairs at the recreation areas, a mid-season irrigation inspection, and minor landscaping outside the base contract.
66045	HVAC R&M	$ 3,000	$ 7,726	$ -	$ 7,726	$ 4,726	Preventive maintenance for the community center and recreation buildings: four HVAC visits ($4,100) and two plumbing visits ($3,626).
67005	ROAD REPAIRS	$ 2,000	$ -	$ -	$ -	$ (2,000)	Eliminated as a separate line. Crack sealing and pothole repair are now in Maintenance - Site.
	TOTAL REPAIRS AND MAINTENANCE	**$ 240,500**	**$ 46,851**	**$ 27,875**	**$ 74,726**	**$ (165,774)**	
CONTRACTS							
TBD	GROUNDSKEEPER	$ -	$ 64,800	$ -	$ 64,800	$ 64,800	New in-house position replacing the handyman and janitorial contracts. Covers dog stations, litter and trash pickup, community center and office cleaning, and routine site upkeep.
61050	REFUSE	$ 218,543	$ 17,295	$ 227,811	$ 245,106	$ 26,563	Trash collection contract. Reflects a 5% contract rate increase, an average fuel surcharge of about $788 per month, and one added pickup day for select neighborhoods.
62020	LAWN MAINTENANCE	$ 220,000	$ 27,174	$ 207,889	$ 235,063	$ 15,063	Lawn and grounds maintenance contract, split between the general and neighborhood budgets by area served. Includes the recreation area irrigation agreement (about $1,800) and annual wood chips for neighborhoods with tot lots (about $8,860).
63225	JANITORIAL	$ 14,000	$ -	$ -	$ -	$ (14,000)	Eliminated. Community center and office cleaning is now done by the Groundskeeper.
62100	SNOW REMOVAL	$ 230,100	$ 22,915	$ 131,085	$ 154,000	$ (76,100)	Snow and ice removal. Budgeted on the 2025 season, the heaviest on record for the region, plus 5%. Costs are assigned by the area each service covers, so most of the cost sits in neighborhood budgets.
73502	POOL - CONTRACT	$ 215,000	$ 214,400	$ -	$ 214,400	$ (600)	Pool management and operations for Pool A and Pool B.
	TOTAL CONTRACTS	**$ 897,643**	**$ 346,584**	**$ 566,785**	**$ 913,369**	**$ 15,726**	
TAXES AND INSURANCE							
52505	COUNTY COMMISSION	$ 10,264	$ -	$ 10,267	$ 10,267	$ 3	Montgomery County CCOC fee of $6.50 per year for each townhome and single-family home. Paid from neighborhood budgets.
54055	REAL ESTATE TAXES	$ 55,000	$ 6,500	$ 52,156	$ 58,656	$ 3,656	Real estate taxes on common area parcels, based on 2025 and 2026 tax bills.
54255	INCOME TAXES	$ 20,000	$ 45,000	$ -	$ 45,000	$ 25,000	Federal and state income tax on reserve interest. Increased to reflect recent tax bills; expected to decline in future years as reserve balances are spent on capital projects.
53080	D&O INSURANCE	$ 13,200	$ 15,015	$ -	$ 15,015	$ 1,815	Directors and officers insurance. Reflects an expected 8 to 10% renewal increase.
53190	PROPERTY & LIABILITY	$ 41,400	$ 45,411	$ -	$ 45,411	$ 4,011	Master property and liability insurance. Reflects an expected 8 to 10% renewal increase and now includes crime (fidelity) coverage.
53220	UMBRELLA POLICY	$ 3,870	$ 23,849	$ -	$ 23,849	$ 19,979	Excess liability coverage above the Association's primary policies. The 2027 increase reflects raising the umbrella limit from $1 million to $5 million.
53100	CRIME POLICY	$ 970	$ -	$ -	$ -	$ (970)	Eliminated as a separate policy. Crime (fidelity) coverage is now included in the property and liability policy.
57240	WORKERS' COMP. INSURANCE - (non employee)	$ 800	$ 589	$ -	$ 589	$ (211)	Coverage if an uninsured contractor or volunteer is injured while working for the Association.
	TOTAL TAXES AND INSURANCE	**$ 145,504**	**$ 136,364**	**$ 62,423**	**$ 198,787**	**$ 53,283**	

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PROFESSIONAL EXPENSES							
55570	MANAGEMENT CONTRACT	$ 108,424	$ 108,435	$ -	$ 108,435	$ 11	Annual management contract with FirstService Residential.
55065	AUDITOR	$ 16,000	$ 17,574	$ -	$ 17,574	$ 1,574	Independent annual audit and tax filings.
55135	CONSULTANTS	$ 2,000	$ 2,700	$ 2,100	$ 4,800	$ 2,800	Annual tot lot safety inspections (in townhome neighborhood budgets) and minor third-party consulting.
50850	MEETING MINUTES	$ 3,300	$ 4,800	$ -	$ 4,800	$ 1,500	Recording and transcribing Board meeting minutes. Reflects a rate increase to $300 per meeting (from $285) and an allowance for longer meetings.
55235	LEGAL	$ 10,000	$ 12,000	$ -	$ 12,000	$ 2,000	General legal advice for the Board and management, such as governing document questions and contract review.
55285	LEGAL - COLLECTIONS	$ 90,000	$ 90,000	$ -	$ 90,000	$ -	Legal costs for collecting past-due accounts referred to the Association's attorney. Partly offset by legal fees recovered (see Income).
55290	LEGAL - LITIGATION	$ 5,000	$ 5,000	$ -	$ 5,000	$ -	Allowance for legal costs if the Association is involved in litigation.
55485	LEGAL RETAINER	$ 3,000	$ 4,500	$ -	$ 4,500	$ 1,500	Monthly retainer for the Association's general legal counsel. Reflects the new firm's rate.
	TOTAL PROFESSIONAL EXPENSES	**$ 237,724**	**$ 245,009**	**$ 2,100**	**$ 247,109**	**$ 9,385**	
STAFFING							
57240	PAYROLL - OFFICE STAFF	$ 380,508	$ 360,000	$ -	$ 360,000	$ (20,508)	Wages, payroll taxes, and benefits for the Association's office staff.
58122	COVENANTS ENFORCEMENT	$ 15,000	$ -	$ -	$ -	$ (15,000)	Covenant enforcement is handled by on-site staff for 2027, so no separate budget is needed.
TBD	MILEAGE REIMBURSEMENT	$ -	$ 2,400	$ -	$ 2,400	$ 2,400	Mileage reimbursement for staff site visits and inspections.
	TOTAL STAFFING	**$ 395,508**	**$ 362,400**	**$ -**	**$ 362,400**	**$ (33,108)**	
ADMINISTRATIVE							
50000	FIRSTSERVICE ADMIN EXPENSE	$ 70,000	$ 58,000	$ -	$ 58,000	$ (12,000)	FirstService administrative costs outside the management contract, such as accounting services, collection notices, and coupon books. Based on current spending.
50515	BAD DEBT EXPENSE	$ -	$ 76,000	$ -	$ 76,000	$ 76,000	Allowance for assessments not expected to be collected. Based on the average of the last two audited years, reduced about 10% for improved collections.
50790	CHURCHILL FOUNDATION FEES	$ 170,363	$ -	$ 170,318	$ 170,318	$ (45)	Annual contribution to the Lake Churchill Foundation, which owns and maintains Lake Churchill and its paths. More at churchillcommunityfoundation.com.
50875	MISCELLANEOUS	$ 1,000	$ 1,000	$ -	$ 1,000	$ -	Small expenses that do not fit another category.
51135	OFFICE EQUIPMENT	$ 6,000	$ 3,500	$ -	$ 3,500	$ (2,500)	Replacement or upgrade of office equipment.
51630	DUES & SUBSCRIPTIONS	$ 3,580	$ 6,022	$ -	$ 6,022	$ 2,442	Software and memberships: Zoom ($350), website, domain, and marketing ($666), email accounts ($1,380), DocuSign ($318), election software ($1,500), office printer ($278), CAI membership ($325), and the pool pass system ($1,205).
52095	POSTAGE	$ 10,000	$ 6,500	$ -	$ 6,500	$ (3,500)	Postage for owner mailings and notices, based on recent spending, with an allowance for covenant compliance notices.
52105	PRINTING & DUPLICATING	$ 11,600	$ 26,000	$ -	$ 26,000	$ 14,400	Printing for owner mailings and notices. Based on historical spending, with added funds for resident engagement and for covenant compliance and community cleanup notices.
52230	OFFICE SUPPLIES	$ 2,500	$ 2,500	$ -	$ 2,500	$ -	Supplies for the management office.
TBD	OPERATING CONTINGENCY	$ -	$ 41,875	$ -	$ 41,875	$ 41,875	New for 2027. A cushion for unexpected operating costs during the year, separate from the reserve fund.
	TOTAL ADMINISTRATIVE	**$ 275,043**	**$ 221,397**	**$ 170,318**	**$ 391,715**	**$ 116,672**	
	TOTAL OPERATING EXPENSES	**$ 2,656,972**	**$ 1,616,945**	**$ 1,051,608**	**$ 2,668,553**	**$ 11,581**	