# 2026-2028 Strategic Plan

Board Approved 06/24/2026

# What is a Strategic Plan

It is a high -level actionable road map that defines our community's vision and the specific steps to achieve it.

A strategic plan is typically 3 -5 years and aligns resources.

Heritage Springs Community Association….

Vision

Mission Statement

*A Preferred Community in this region, catering to existing members while also appealing to those relocating for retirement or downsizing. The Community will feature amenities that cater to the housing, social, and entertainment needs of various demographics. The Association will ensure that the community's aesthetics are well-maintained and contemporary, alongside modern architectural enhancements and strict adherence to architectural guidelines*
*The Association will manage and develop resources to support the annual operational model and capital projects while fostering aspirational capital for community growth.*

Values

# Six Pillars are the framework for the HSCA Strategic Plan and Member Experience

- What is the expectation for the member experience level for each of these categories ?
- What people, process and resources are needed for that member experience?

## Facilities & Campus

- Service Bundling
- Renovations/Updates to monuments, roads, mailboxes, lights
- Reconciliation of ARC Standards
- Community Beautification

Updates Maintenance/Prevention

## Amenities

- Superior Food and Beverage
- Events
- Golf
- Tennis
- Pool
- Fitness Center
- Sports Courts
- Amenity Expansion
- Ambassador Program
- **Socialization**

## Governance

- Governance Documents
- Board Calendar
- Rules & Policy
- **Consistent application**

## Membership

- Member Communication
- Member Loyalty
- Brand
- External Marketing
- Multi-generational options
- Member Support

## Management Staff

- Dept Efficiency
- Transfer contracted services to in-house
- Committee Work to Ops for Implement
- **In house finance, ops reports and monitoring, problem solving**
- Member Experience level vs cost

## Finance

- **Close Reserve Gap**
- Alternate Funding
- Maintain property values
- Aspirational Capital

# Executive Summary

A strategy for sustaining the existing community while charting a course toward its next stage of development.

For 26 years, Heritage Springs has preserved its founding amenities and social programming, drawing primarily retirees in search of an active lifestyle and a close-knit social environment. Having reached this milestone, the community now faces several key realities:

- a majority of existing assets are approaching the end of their lifecycle and will require replacement within the next 1- 20 years.
- generational preferences and the prevailing business model are shifting as late Baby Boomer and Generation X retirees begin to reshape expectations
- comparable communities offering "full amenities" have been forced to relinquish member exclusivity and divest assets, including their golf course
- as one of the fastest growing regions in Florida, SW Pasco county is actively addressing the demands of a diverse population
- Pasco County infrastructure development is proceeding at a rapid and sustained pace
- HSCA current capital reserves fall short of the funding required for planned asset replacements especially those planned for 2028 and 2029.

# Strategic Plan Assumptions

The Board has identified sustainability as a function of strong organizational capability, adaptability to generational changes within the membership, prudent management of capital reserves and expenditures, maintain relevance, exceptional position of member homes and a consistent focus on the member or customer in every decision.
These strategies advance that objective:

- Retaining its private status, HSCA will pursue non-member revenue streams to address budgetary needs
- A General Manager Operational Model will guide operations, with dedicated investment in workforce development, leadership cultivation, and succession planning
- A clear direction for club amenities, community aesthetics, and the overall atmosphere will be defined and pursued
- Multiyear financial projections will be created to anticipate capital needs and guard against unexpected assessments or significant year-over-year fluctuations.
- For high-cost assets like the golf course and roads, capital spending scenarios will be developed to distribute costs across multiple years.
- Deeper member engagement will be fostered through diverse communication methods, governance involvement, and expanded community programming

# Notable Observations

- Within the coming two years, the Association is projected to enter a negative reserve position, with 2028 and 2029 presenting the greatest challenge.

- More than **40%** of Association members fall within the 76-85 age range, with a roughly equal share in the 65-75 bracket. Two distinct generations make up the community, and this generational divide has produced differing perspectives on how the community should fund itself and what types of activities and investments to prioritize.

- A different living environment appeals to late **Baby Boomers and Generation X** retirees compared to earlier generations; they tend not to see themselves as old and actively challenge traditional expectations of what retirement should look like

- In contrast, <u>early Baby Boomers</u> and the <u>Silent generation</u> tend to prefer,
  - Consistency and a sense of **belonging** within the community
  - A relaxed, unhurried approach to their retirement years
  - An **adults-only** residential setting
  - Access to amenities with the intention of using them regularly
  - **Structured social events** and organized programming

# Notable Observations

- Within the next two years, the current membership is expected to reach a **critical age** threshold, potentially prompting a significant number of homeowners to list their properties. A concentrated surge in available inventory could increase the percentage of homes for sale and exert downward pressure on property values.

- Each day, more than 10,000 individuals reach the **age of 65**, and many of them gravitate toward areas that stretch their financial resources further while offering strong infrastructure. Florida remains the top destination for retirees.

- Over the past 10 years, SW Pasco County has undergone significant change. During that time, the population has reached **660,000 residents**, with projected annual growth of 3.3% and 22% of the total population aged 65 and older. A 1% increase in property values, coupled with expanding restaurant and convenience services, reinforces the area's appeal as a desirable place to live.

- Survey results indicate that having access to a variety of amenities plays a significant role in members' decisions to choose and stay at Heritage Springs. Even more valued than the amenities themselves is the **social connection** that participation in community life provides.

# Notable Observations

- Relative to comparable communities, Heritage Springs offers a broader selection of amenities, all of which are fully owned by the Association, and the Association fee remains competitive with surrounding communities.

- A real estate turnover rate of 5.9% provides a solid foundation for membership growth and capital contributions. HSCA prices declined 12% between 2024 and 2025 and an additional 7% in early 2026. Market time has risen from 11 to 34 days. Cash buyers account for 60% of HSCA sales, compared to just 30% across the broader Trinity area.

- Culture is inherent to every Association, shaped by shared interests such as sports, dining, and clubs. An evolving culture is critical for guiding club policies and informing plans for future improvements, enhancements, and additions. Recently, however, the HSCA culture has grown divided. Organizational inefficiency is a natural consequence of cultural fragmentation, as departments and members end up pursuing conflicting objectives instead of working toward a common vision.

Outlined below are the "gaps," or differences, between where HSCA stands today and the future state or member experience we aim to achieve. By identifying these shortfalls, HSCA can pinpoint areas that need attention and uncover opportunities to drive meaningful improvement.

## Finance

- Capital Reserves have not included any aspirational elements leaving a lack of development
- Capital Reserves were previously developed only to cover repair, replace and maintenance needs to hold down capital contributions increases from Members – leaving a lack of modernization of assets and savings for unplanned incidents.
- Reserve contributions were targeted at zero some years instead of at least an inflation target
- **In the current state HSCA capital reserves will be in a negative position in 2028**

## Membership

- Members are requesting more personal customer service experience.
- Lopsided demographics make it difficult to maintain existing events and amenities and identify new options
- Demographic segments desire different communications, administration resulting in challenges
- **Socialization the most desired aspiration by the members**
- Future Amenities have not been targeted and may not match membership desires

## Facilities/Grounds

- The common area landscape and architectural elements are old and in need of repair and updating
- Lack of uniform ARC standards for all Villages presents an old and tired community
- **Two of our largest assets golf course and roads are ready for refurbishment over the next three years.**
- Fragmented village governance and services have caused different levels of housing maintenance and Village fees.
- Members desire for multiple amenities and activities mandates good maintenance for all gathering options

# Strategies

With Tactics/Deliverables/Timelines

**<u>STRATEGIC OPPORTUNITY GOAL -</u> Facilities and Campus** – The objective is to enhance ARC standards across the community by allocating resources to maintain shared spaces, creating a contemporary appearance, and upgrading community amenities to promote a comfortable living and socializing atmosphere. This is essential for preserving property values, attracting prospective buyers, and ensuring safety. Initiatives involve renovating existing structures and prolonging the durability of facilities that have been repaired or improved, including the pool, fitness center, roadways, sidewalks, bridges, as well as local village mailboxes, lampposts, and monuments.

| Strategies | Deliverables | Responsible Party | Timeline |
|---|---|---|---|
| Heritage One - Identify village common services and identify combined vendor offered services to the community.<br>Explore the concept of providing property management services to maintained villages and estates (one look and feel) | • Transition identified trash services to single source<br>• Create a roadmap of services, resources, infrastructure and investment needed to transition to One Heritage-<br>• Concept strategy document on management services to villages | Ad hoc Cross Function Committee<br>Director Rooney<br>Director Rooney | 2026-27<br>2026<br>2026 |
| Renovations and Updates.:<br>Research, identify and catalogue current architectural trends for existing homes and buildings to modernize them and approve their appeal. For use at time of update or repair.<br>Identify new architectural materials, . Provide a broad perspective on what is popular and effective in today's environment<br>Benchmark current materials we use, the cost/ investment, Look for opportunity to update existing materials with improved cost and life span. | • Monuments updates from 2025<br>• Identify new materials for targeted repair/replacement projects. Perform a cost-benefit analysis of identified new materials for these project<br>• Develop a detailed plan for implementing new materials and document and report the savings (CAP)<br>• Discussion, on how, when and costs to transition Mailboxes/Lights to a more contemporary look | General Manager<br>General Manager<br>General Manager | 2026<br>2026-27<br>2027 |

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| Strategies | Deliverables | Responsible Party/ Date | Timeline |
|---|---|---|---|
| Identify, map and implement more technology in the facilities and workflows. | • Security Gates Access for guests from Members<br>• Workflow Improvements for ARC requests and inspection reviews and communication/FTE savings<br>• Online ticket sales system, create FTE Savings | General Manager<br>General Manager<br>General Manager | 2026-27<br>2026<br>2027-28 |
| Continue Road repaving project | • Identify new sequence of road repaving, determined by the current replacements needs<br>• Identify new sequence of road entrance replacement in conjunction with roads | Ad Hoc Road Committee<br>Ad Hoc Road Committee | June 2026<br>June 2026 |
| Reconcile Maintained Village ARC standards with Master Association. | • Identification of Village/Master ARC standards<br>• Develop reconciliation plan between Villages and ARC<br>• Enforcement of ARC Rules<br>• Role and Responsibilities of ARC, Villages and Management | General Manager<br>ARC Committee<br>ARC Committee<br>General Manager | 2026<br>2026-27<br>Ongoing<br>Ongoing |
| <u>Green Building Practices</u><br>Evaluate potential renewable energy applications and develop a strategy through an Ad hoc Committee | • Develop a strategy for encouraging paperless transaction and communication for members and administrative staff<br>• Review solar panels for renewable energy - feedback to Board | General Manager<br>General Manager | 2026-27<br>2028 |

Not yet approved by the Board 6/8/2026

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| Strategies | Deliverables | Responsible Party/ Date | Timeline |
|---|---|---|---|
| Analyze and identify possible preferred vendors, and coop with surrounding communities for savings or efficiencies | • Security team collaboration with Champions Club Leadership | General Manager | 2026 |
| <u>Community Beautification</u>: Implement initiatives to improve the overall aesthetic of the neighborhood, such as landscaping, street improvements, utilities boxes | • Develop community wide common ground landscaping master plan, costs and consideration for funding , implementation and timeline paper. Impact to capital reserve budget.<br>• Outline plan to have utility boxes either cleaned, fenced, repair of sinking pads. Who owns the repairs and clean up – initiate plan | General Manager.<br>General Manager | 2027<br>2026-27 |
| Large portion of the members age-out leaving an increase in the number of home for sale. Strategy to maintain property values. | • Timeline<br>• Marketing<br>• Ownership | Board Discussion | 2026-27 |

**<u>STRATEGIC OPPORTUNITY GOALS</u> : Amenities- Events** Develop and improve community amenities and events by focusing on practicality and accessibility, while evaluating their long-term effects on community lifestyle, finances, and member participation. Important actions involve comprehensive research, emphasizing accessibility, and carefully considering future usability and maintenance expenses.

| Strategy | Deliverable | Responsible Party/Date | Timeline |
|---|---|---|---|
| Update-and expand the amenities based on research of members' desires | • Determine the extent of current amenity usage- compared to last year<br>• Develop an approach to determining community members'/residents' activity needs through surveys, focus groups, and similar forums.<br>• Gather data from industry – such as convenience amenities<br>• Strategic planning workshops, track and compare trends from industry .<br>• Explore trends and possibility of adding Pickle ball, Croquet, indoor activities center<br>• Identify and track new Competing Community amenities | General Manager | Report Q3, and Q4 |
| Develop Plan for Aspirational Projects | • list of possible projects – identify information from Committees and member survey, desired timelines<br>• Identify costs and timing<br>• Develop ideas for income | Board | 2026 |

**STRATEGIC OPPORTUNITY GOAL****: **Governance/Governing** HSCA is dedicated to the GM operating model and strategic management process as the means to fulfill our Vision and Mission. This model aims to enhance communication, build trust and continuity, and foster an environment where both management and Members are motivated to serve. The Governance model clearly distinguishes the responsibilities of the General Manager from those of the Board. While the Board concentrates on the strategy to achieve our Vision and Mission, the GM and the team are responsible for developing and implementing annual operating plans that align with the Strategic Plan Objectives.

| Strategies | Deliverable | Responsible Party/Date | Timeline |
|---|---|---|---|
| Board Policy Manual and Governing documents | • Create Board Member Manual criteria, roles, responsibilities and policies | GM/Policy Committee- | 2026-27 |
| Evaluation and vote on Transition to Director 3 -year term Evaluate and confirm on an annual basis if Membership is interested in this transition | • Education and feedback from Members – 2026 Feedback from member Advantages: Continuity of Board transition, Communication. Possible alternatives from feedback and discussion. | Board Recruitment/ Nominating | 2026 -Cancelled |
| Create a mechanism and communication to transition from the Current Board to the incoming Board. | • Current and outgoing Board Member meet and share strategic accomplishments and Budget rationalization<br>• Create a calendar and ad hoc environment for previous and current Board Members to meet and discuss issues. | Board | Q1 - 2027 |
| Declaration Updates - clean up after 25 years. – | • Consolidate the multiple amendments and the outdated language in the Declaration into a single document<br>• Update the HSCA By-Laws | Policy Committee | 2026-27 |
| Continue expanding the governance and administrative policies | • Addition of procedures to Policies | Policy Committee | 2026- 28 |

**STRATEGIC OPPORTUNITY GOAL – Membership –** From our member surveys and feedback, members have clearly stated socialization is paramount to what they desire in their Association . Our goal is focused on retaining, acquiring, and engaging, members through personalized experiences, member-driven value, and community building. Key components include leveraging referrals, offering diverse, family-friendly programming, utilizing data from satisfaction surveys, and fostering a strong, exclusive club atmosphere to ensure long-term retention.

| Strategies | Deliverables | Responsible Party Date | Timeline |
|---|---|---|---|
| Create and implement a member retention programs | • Satisfaction survey on member experiences for amenities<br>• Develop and implement member incentive/loyalty program<br>• **Integrate social aspect into amenities** | Marketing Team<br>General Manager | 2026<br><br>2027 |
| Value Driven Communication (core principles, decisions, and operations with its deeply held values, rather than profit and market demand) | • Presentation of department successes with communication to Members<br>• Criteria and member involvement in outside events<br>• Multiple platforms/messages | General Manager<br><br>General Manager<br>General Manager | 2026-28<br><br>2026<br>2026-27 |
| Develop and launch a plan to showcase HSCA to attract new members | • Define communication architecture, channels, and messages for multiple audiences<br>• Brand guide<br>• Utilize social media, professional websites, and online advertising to showcase the community.<br>• Real Estate Agent feedback loups. | General Manager | 2026-28 |

**<u>STRATEGIC OPPORTUNITY GOAL –</u> Management and Staff - Continue to build on the GM Model, which promotes clear lines of responsibility, for the organization's operations.** By continuing to build on this model, the GM and Team are responsible for overseeing and directing the organization. this model will continue to build skills and knowledge in the operational teams, this should support improved outcomes and savings.

| Strategies | Deliverables | Responsible Party/ Date | Timeline |
|---|---|---|---|
| Identify and map direct report development plans for their current position and succession plan. | • GM leads team to create and execute their own improvement plan for their span of responsibility | General Manager | Plan 2026<br>Implement 2026-28 |
| Build skills and processes, efficiency and effectiveness for current and transitioned services. to support the Organization | • What services/skills can be transitioned inhouse over the next three years . Map and transition identified 2026 skills such as security<br>• What does Org chart look like 2026, 2027, 2028- (industry standards) | General Manager | 2027- Q2<br><br>2026-28 |
| 2026 - Identify the desired member experience with Continuous improvement that includes a **lifestyle-focused, welcoming, and high-service environment** that combines top-tier amenities with a strong sense of community. Members are looking for a "second place" (after home) that is relaxing, unpretentious, and caters to all members. | • Member Experience Survey - Annual and ad hoc- continue – NPS improvement<br>• Member Experience Mapping /Ambassador Program – Completed – Tracking feedback from changes for 2026 ?<br>• Plan and resources to meet the needs – 2026 - increase in skills ? | General Manager<br><br>General Manager<br><br>General Manager/Board | August 2027<br><br>Ongoing<br><br>October |
| Increase the financial responsibility and signing authority of the General Manager | • Increase the dollar threshold the GM can purchase<br>• Contract signing authority | Board - | 2026 Budget time |

**STRATEGIC OPPORTUNITY GOAL – Finance** – Develop and integrate financial scenarios into the capital reserve budget that address the projected reserve shortfall in 2028–29 by rescheduling the two largest expenditures: the golf course and roads. Implementation costs and asset valuations within the reserve model require verification. Both unplanned and aspirational assets should be incorporated into the reserve study. New revenue-generating opportunities and alternative income streams merit exploration. Areas where revenue aligns with expenses should be identified, with actionable plans developed accordingly.

| Strategies | Deliverables | Responsible Party Date | Timeline |
|---|---|---|---|
| Identify and analyze new streams of revenue - | • Capital Contribution in 2025 – Member Vote- revisit in 2026 with survey<br>• Non-member revenue opportunities | Board | July 2026 |
| Identify cost savings from current capital and operational expenses | • Internal vs external services<br>• RFP for security and common ground landscaping | General Manager | June 1, 2027 |
| Should we bundle for amenities and one HOA fee for all members – 2026 – feedback | • Feasibility to including fitness center and other amenities into HOA fee – Member Survey test the concept.<br>• Budget Discussion | Board | August 2026 |
| Capital Management Project Analysis and work plan, deliverables and dates. Need to rework expenses and revenue to cover reserve shortfall in 2028-29 | • Multiple year projects – Concept to Delivery – Ad hoc committee<br>• Analyze golf course and road projects for new implementation dates<br>• Map additional capital funds for unplanned projects<br>• Create tool to help build scenarios<br>• Communicate to members new scenarios and project timelines | Ad-hoc committees<br><br>Finance Committee<br>Board | 2026<br><br>2026 – Complete<br>Ongoing |
| Analyze and identify some amenities that can be self sufficient. | • Golf<br>• Could outside events pay for F&B -<br>• Balance between operational expenses and member experience<br>• Once identified report and analyze new model | Board Discussion | 2026 - 2028 |

# Appendix

Data Sources

10,000 people turn 65 everyday and Florida continues to be the most popular retirement location. When retiring and relocating – health/wellness family, social connections, resort style and 24/7 security are major considerations

Retirement lifestyle now cross over three different generations. The Silent generation (1925- 1945, The Baby Boomers (1946-1964) and Generation X (1965 -1980). While the Silent Generation has mostly retired, the Baby Boomers continue to retire, with Generation X starting the process.
The Baby Boomers, the largest segment are likely to consider downsizing their living arrangement to accommodate their new lifestyles. While they have the largest portion of wealth among all generations, they may no longer need to pay to be close to work and looking for more affordable living, seeking to keep more of their wealth with lower taxes and of course warmer weather.

Oftentimes they are seeking out a familiar community, warm weather and other amenities, baby boomers also may be looking for the best bang for their buck. The most popular retirement locations are South Carolina, Texas, North Carolina, Tennessee, Arizonia and Florida, of course the number one choice. (CNBC Study)


Source: Axios , AARP

**Florida continues to be the most popular place for retiree relocation with 20% of retiree relocators. The Villages, Sarasota and Naples are the most popular locations. The favorable state income tax environment, the vast health care resources and the warm climate are attractive.**

**Top Amenities**
**Wellness convenience, social connection, onsite fitness/pools, resort style dining, 24/7 security, walking paths, social events, lifelong learning, property maintenance**

Source: SmartAcests

# Generational Gaps in Retirement Communities

With the large number of people retired why are so many age restricted communities sitting empty in retiree areas such as Southwest Florida. The data indicates different generations are seeking different types of retirements.

**Prior to Baby Boomer retirees embraced 55+ communities:**

- Valued conformity and community
- Viewed retirements as time to lay back and relax
- Wanted to live with no children around
- Flocked to Villages and Sun City

↓

- Want amenities and will use them
- Value organized activities and social programs
- No children residents

55+ communities only 33% of available buyers
HOA fees and restrictions narrow the market by another 5%

**Baby Boomers and Early Generation X are seeking:**

- Want purpose and fulfilled, not just relax
- Are more active, adventurous and individualistic
- Are starting businesses, pursue creative passions, explore the world
- Don’t think if themselves as old
- Rebelling against old notions of what retirement should look like

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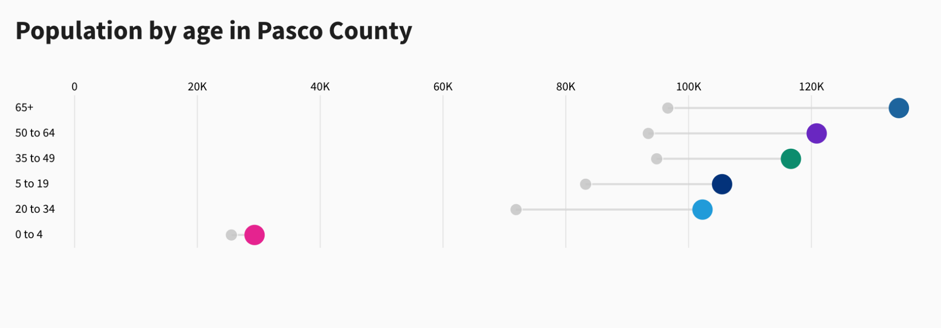
- Neighborhoods preferred to 55+ community
- Want to be close to center of town.
- Instead of supporting amenities, want to use funds to
- travel
- Want to stay connected to all generations
- If need to sell desire larger target market

Source: Costal Insiders

# Pasco County Demographic Growth

Pasco county population growth is demanding infrastructure. Trinity one of the top places to live  with affordable housing and taxes.




Pasco County, especially central Pasco County has been one of the fastest-growing counties in Florida..

With a population of 659,000 Pasco County over 22% of the population is over the age of 65.

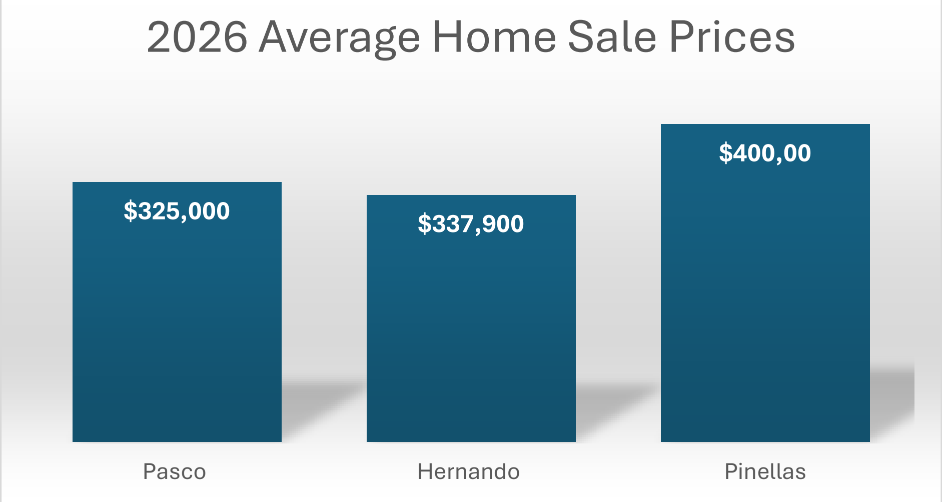
Large existing medical providers invested significant resources into medical services:

- BayCare Opened a behavior health and multi-service sites
- Advent health adds multiple ER, urgent care centers in Wesley Chapel Zephyrhills and Meadow Point
- Family Medical Provider Programs multiple locations in Pasco Counties

**Expected 2026 growth 3.3% or 680,747**

**Top Towns to live in:**
**Westley Chapel**
**Odessa**
**Trinity**
**Dade City**
Source: Axios

**Trinity 2025 home sale $535,000 with 48-57 sales cycle**
Source: Axios




**In the four zip codes of Trinity and New Port Richey 23 new restaurants obtained licenses to operate in the last year**
Source: FLDBR

**Investment in 6 new Fire stations, Metro Planning Org planning for road safety and transportation plan**

# A Look at HSCA through a SWOT Analysis

## Strengths (Internal)

- Staff/Model
- Member Activities
- Golf Course
- Club House
- Restaurant
- Security- Gated Community
- Steady Membership
- Deed Restriction

## Weaknesses (Internal)

- Limited future planning – vision
- Reactive Vs. Proactive in process
- Demographics – age
- Village ARC standards weak adherence
- PPT Times/Golf
- Facility/ common grounds, physical age
- Member Communication
- Financial infrastructure
- Financial Reserves

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## Opportunity (External)

- Communication – Website,
- Marketing/Brand – External , other communities target
- Cosmetic Improvements - signage
- Employer of choice
- Outside revenue from amenities
- Heritage One – consolidated services
- Pasco county growth and infrastructure

## Threats (External)

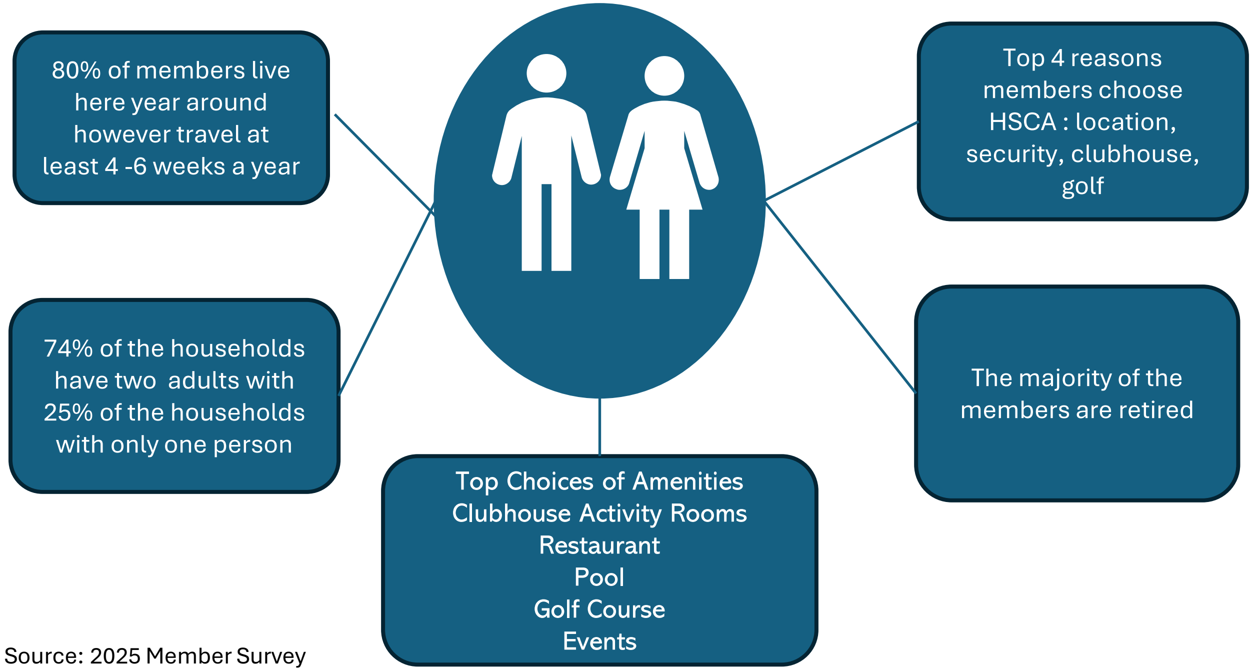
- Inflation/Economy/Housing Market
- Aging community vs. newer communities,
- Deed Restriction
- Land Locked
- Pasco county growth and infrastructure
- Retiring Generation X

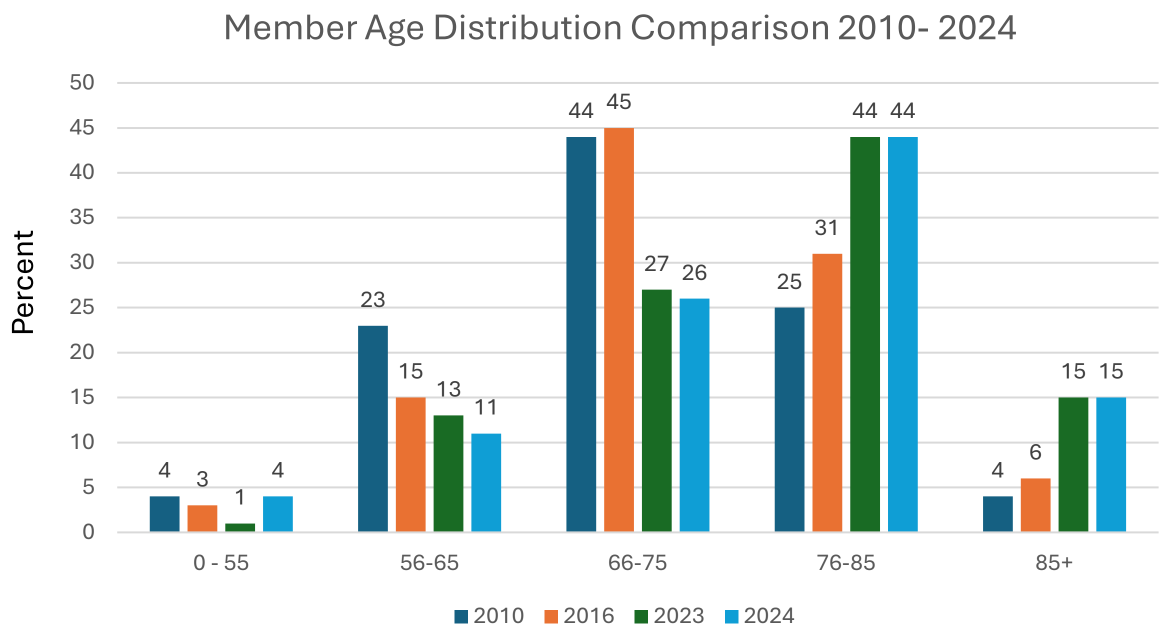
# Member Demographics

**Residents who joined the community at its inception have remained and aged in place while making use of the available amenities.**

The community is designed to support retirement with multiple types of amenities such as a golf course, swimming pool, tennis/bocce courts, social clubs, events and a member only restaurant.  The majority of or members are pre-Baby Boomers, with the **largest age segment (44%) 76 to 85** years old. All indication are that **members are aging in place**.

According to the early 2025 Member Survey, members continue to be attracted to HSCA because of our **location, the security**, and **amenities** like the clubhouse, restaurant and golf course.  The community membership continues to primarily consists of members who are retired.  Most homes have two adults.  Members communicated that multiple options for activities and socialization are key to their buying and move-in decisions.




Source: 2025 Member Survey

## Member Demographics – Retirement Income

According to thee 2025 Member Survey approximately XX % of our members are retired.  Retirement income can be very different from active working income depending on the sources and investment  type.

A member's retirement funds can differ depending on whether they retired with a pension, a mix of SS and income such as a 401K, or SS on its own. The figures below summarize typical member scenarios along with the average income each one might receive today.


**National Social Security and Pension Benefit**: A person retiring in 2005 had an average of $950 per month.  Today the amount with cost of living adjustments (COLA) is $1,650.
For the same person retiring in 2005 the average State retirement benefit is $2,077 per month

**New York Pension Benefits**:  In NY depending on where you may have retired from depends on your pension.  For NY Police and Fire the 2025 average pension $8,167 per month.  For teachers the monthly benefit is $3,306.

**FL  Pension Benefits**: Retirees receiving benefits in 2025 on average received $2,031 per month.


**401K  Benefits**:  Typical retires who left the workplace in 2015 combine income from SS and 401K generally falls between $2,400 - $3,000.

**Military Pension Benefits**: For the armed forces the 2025 average pension is $2,192 per month.

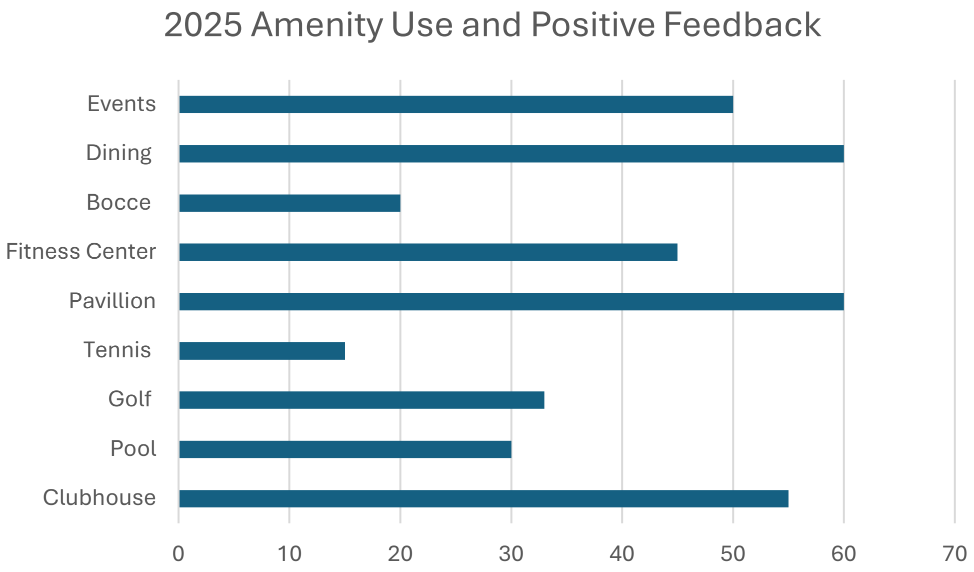
Source: 2025 Member Survey, Pension Rights Center

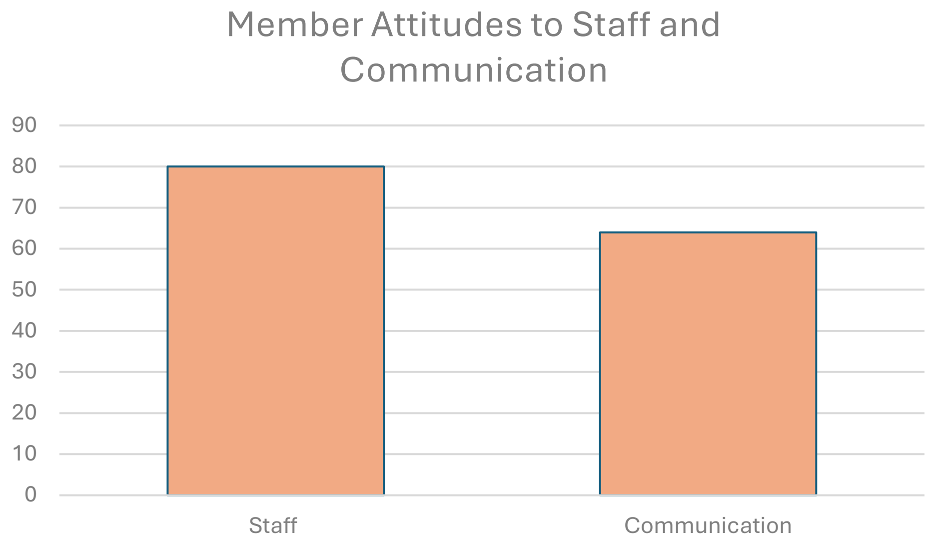
# Member Opinions

Residents answered the survey and provided information on how the felt or agreed.

According to the early 2025 Member Survey, members continue to use the amenities in a diverse manner.  Of the over 900 responses below are the percentage of members who utilize the amenities and have a very favorable or favorable attitude to the amenities.

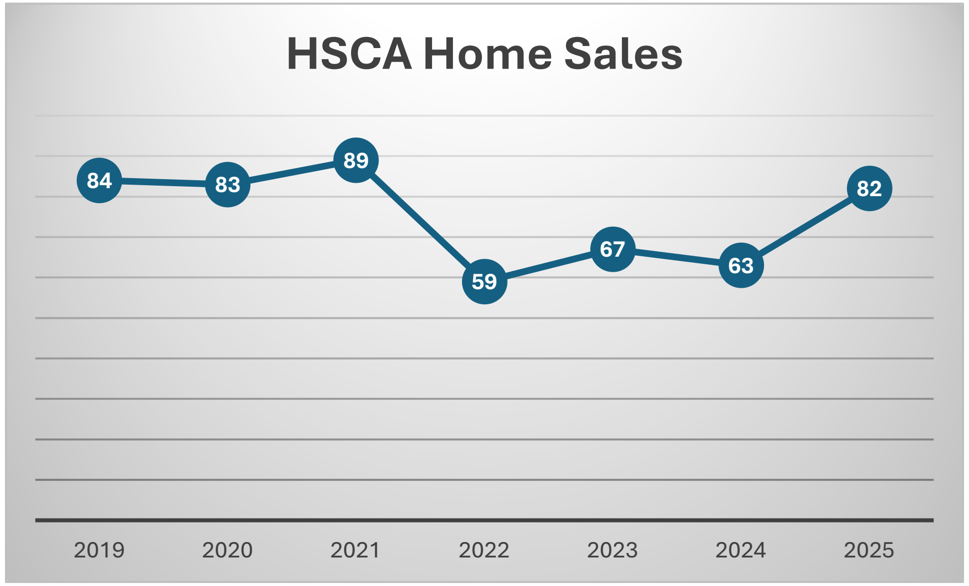
Members also shared that the types of communication and frequency was very favorable and favorable.  The members also communicated the staff knowledge and support had improved dramatically compared to previous years.




Source: 2025 Member Survey

# Heritage Springs Real Estate Trends




| | Sold Properties | Median Sales Price | Median Day | Sales Price vs List Price Ratio | Turnover Rate | # of Homes with Price Reduction from List | Cash to Finance Ratio |
|---|---|---|---|---|---|---|---|
| 2025 | 82 | $384,000 | 34 | 96.10% | 5.90% | 50% | 66%/34% |
| 2024 | 63 | $435,000 | 11 | 98% | 4.70% | 40% | 76%/24% |

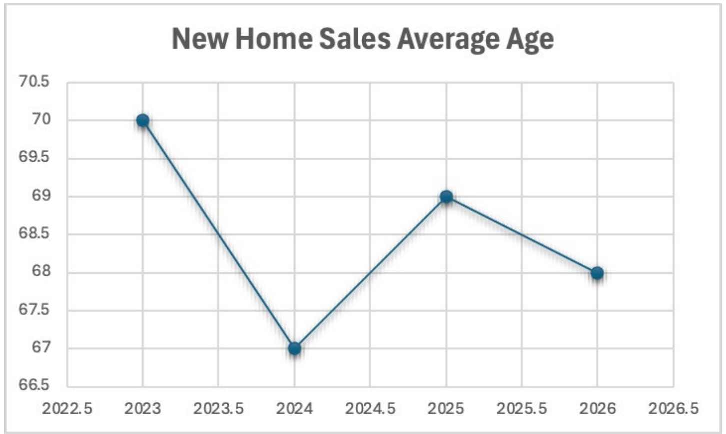
| Zip Code | Median Sales Price | Median Days | Sales Price to List Ratio | Cash vs Finance Ratio |
|---|---|---|---|---|
| 34655 | $424,000 | 35 | 98% | 30%/70% |

## 2025 Homes selling at slightly lower price, but most buyers pay cash. Long time residents are downsizing inside the community.

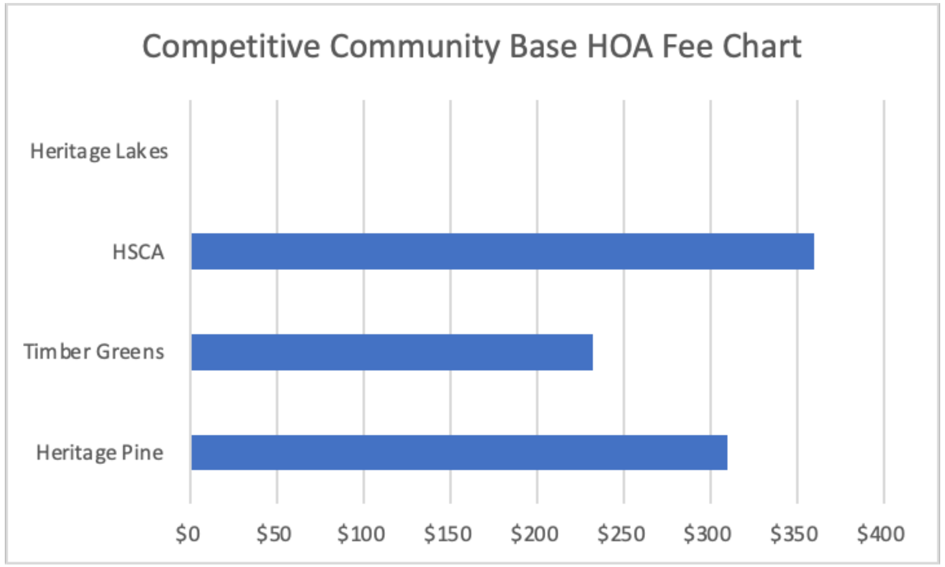
- Turnover rate 5.9% - Considered Stable
- 66% of Buyers pay cash (Rest of 34655 30%)
- 2025 Home sales prices have decreased by 12% as compared to 2024 years trends 2% from 2023 -24
- Median days on the market increased from 11 days to 34 days
- 50% of homes had a price reduction

**The primary source of home sales are through Real Estate agents.**

- New home buyers pay a $2,315 capital contribution.
- Remainder of 34655 average sales price $424,000
- Members from Champions Club and Cypress Run Association and Golf Club, and East Lake Woodlands are feeders for buyers in Heritage Springs to downsize.



# Like 55+ Community Comparison Snapshot – Location, Location, Location




HSCA stands out as one of three private communities offering a comprehensive range of amenities. This situation is quite distinctive. **Other associations either haven't invested in features such as golf courses or have been compelled to sell or share their private assets with external entities.**

Heritage Pines 1407 homes (Built 1999)
Level 3

HSCA 1337 homes (Built 1999) Level 3

Heritage Lakes 932 homes (Built 1981-94)
Level 2 – Boat Landing

Timber Green 783 homes (Built 1994-2004)
Level 2.5 Golf Course is semi-private

**<u>Three Levels of Services and Amenities in Communities</u>**

1. HOA fees cover common ground maintenance, lawn and irrigation, security gates, roadways and sidewalks
2. Includes Level 1 plus **clubhouse, snack bar, pool, tennis/pickleball social clubs.**
3. Includes levels 1 and 2 plus **restaurant and private golf course.**

## HSCA Member Amenity Evaluation

We are a **26 year old community**. While a 2017 reserve study and plan is in place, it primarily addresses repair and replace. There is **no plan** in place **to update the look and feel** of the community to a more contemporary style, making the community appear fresher and appealing to new buyers and current members.

| Infrastructure | | Amenities | |
|---|---|---|---|
| Roads | ✓ ✓ 30% complete | Clubhouse | ✓ ✓ ✓ ✓ ✓ |
| Landscaping | ⊘ | Golf Course | ✓ ✓ ✓ |
| Monuments | ⊘ | Tennis /Bocce | ✓ |
| Lights, mailboxes, | ⊘ | Pool/Spa | ✓ ✓ ✓ ✓ ✓ |

Current State ⊘ = Original ✓ = Improvements/Updates

**Why are these important? Decision triggers for new home buyers and maintain current members**

# The Fundamentals of the Association Finance Model

## Enjoying Experience as a Member

### Operating Ledger

- Funds the Member Experience
- Payroll, COGs, Services, Utilities, Real Estate Taxes, Insurance
- Is NOT the Financial Driver
- Consumed year-in and year-out by members enjoying the club
- Drives Member Satisfaction

## Obligation as an Owner

### Capital Ledger

- Funds the Assets on the Campus
- Obligatory – What We Own Today
- Aspirational – What We Will Own Tomorrow
- Is the Financial Driver
- Drives the condition and scale of the Physical Assets

**The Physical Assets that Compose the Campus**

# Planning and Targets for Capital Needs

With the age of the club, and amenities, consulting recommendation is 3.3% net worth growth per year to meet obligatory capital needs

Capital income for aspirational capital will grow Net worth on top of the 3.3%

## Obligatory Capital (Maintenance)

- Repair and replacement of existing assets.
- Depreciation = past cost. "Matching depreciation" is not enough
- Assets cost more to replace than when originally acquired, and fully depreciated assets in use will need to be replaced
- Past and existing members are obligated, not future members

The source of Obligatory Capital is recurring Capital Dues

## Aspirational Capital (Growth)

- Expand existing assets (clubhouse expansion)
- Add new assets (new clubhouse, pool or fitness when none existed)
- Adding new amenities – croquet and pickleball
- Current and, even more so, future members are responsible
- Aspirational Capital should have a return on investment – capital income is the return

The source of Aspirational Capital is Initiation Fee Income and Debt

# HSCA Eradiate Path for Capital Needs

HSCA did not have a plan of steady growth only just in time.
This left the Association  Unable to repair or replace existing assets
Past and existing member are not contributing and burden will fall on future embers.
Unable to expand existing assets or add new assets & amenities without taking on more debt
Difficult to attract new members
Little return on investment

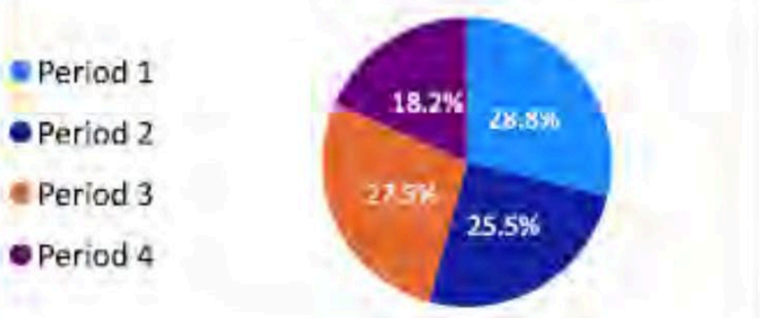
# Asset Evaluation

The Club Bench Marking analysis has identified 580 assets which will require capital repair and or replacement during the next 20 years. The estimated expenditures for the 20-year time frame of the study comprise approximately $37M or an average of about $2M a year.
For planning purposes expenditures were divided into five-year increment. For example Period One I includes expenditures in 2025-2029.

In use the reserve study in the most advantageous manner to fund reserves and maintain a growing community the Board must:

1. Adjust assets list to include installation costs
2. Evaluate asset replacement for slower target timeline
3. Impacts to capital reserve payment of HOA Dues.

| Period | Range | Amount | Percent |
|---|---|---|---|
| Period 1 | 2026 - 2030 | $10,851,900 | 28.8% |
| Period 2 | 2031 - 2035 | $9,592,978 | 25.5% |
| Period 3 | 2036 - 2040 | $10,367,243 | 27.5% |
| Period 4 | 2041 - 2045 | $6,860,343 | 18.2% |
| **Total** | | **$37,672,464** | |



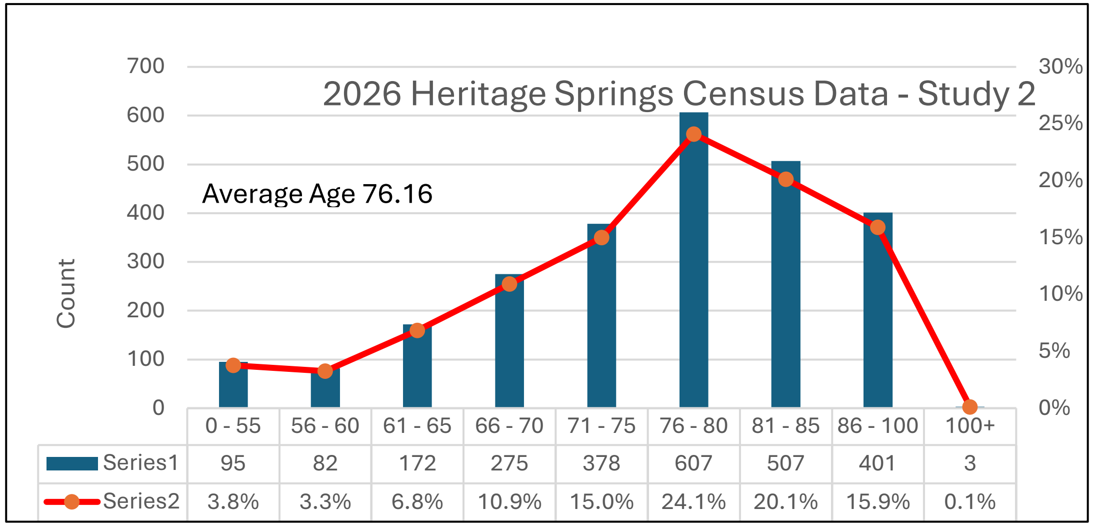
# Asset Evaluation and Tool to Close the gap

Within the coming 6 years, the Association is projected to enter a negative reserve position, with 2028 and 2029 presenting the greatest concern. Chief among the replacement priorities are the golf course and completion of the road replacement project.

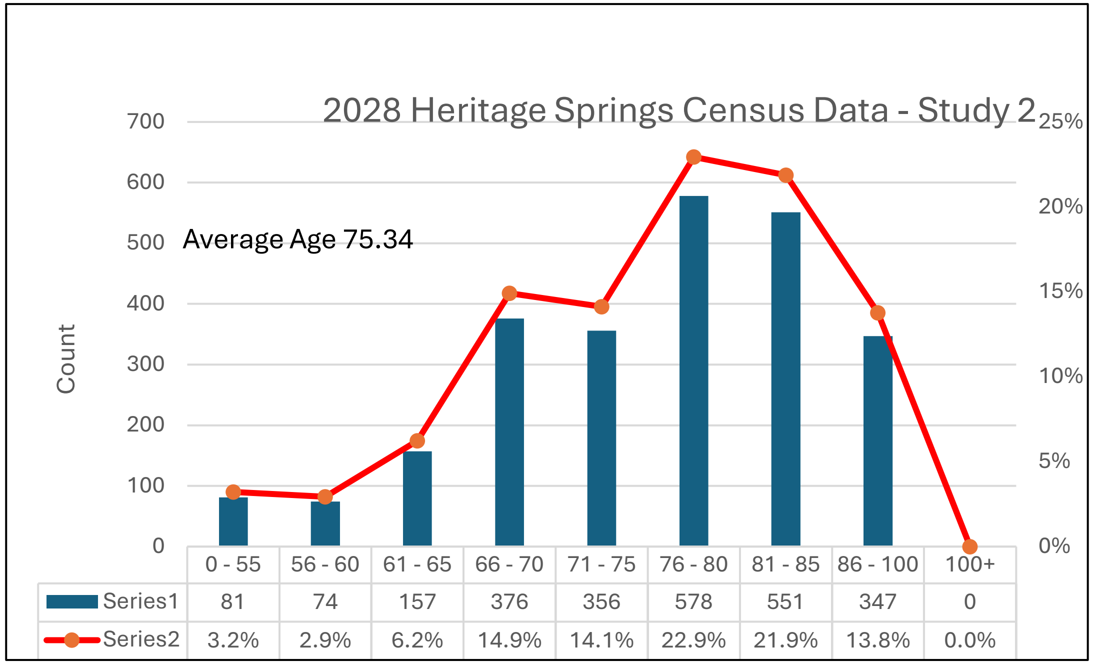
A thorough assessment of these two projects, alongside others in the reserve study, would allow the Association to adjust the timing and shift the expense trajectory.

| Six Year Analysis of Capital Reserve | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | | Six Year Totals 2026-31 |
|---|---|---|---|---|---|---|---|---|
| **Beginning of Year Reserves** | **$2,412,309** | **$1,718,331** | **$1,325,313** | **($30,271)** | **$996,929** | **$1,607,301** | | **$2,412,309** |
| Member Reserve Contributions | $1,195,920 | $1,356,360 | $1,516,800 | $1,677,240 | $1,837,680 | $1,998,120 | | $9,582,119 |
| New Buyer Capital Rsv Contributions | $158,015 | $165,916 | $174,212 | $182,922 | $192,068 | $201,672 | | $1,074,804 |
| Anticipated Interest Earned | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | | $300,000 |
| What If - Additional Revenue | $0 | $0 | $0 | $0 | $0 | $0 | | $0 |
| What If - Additional Revenue | $0 | $0 | $0 | $0 | $0 | $0 | | $0 |
| What If - Additional Revenue | $0 | $0 | $0 | $0 | $0 | $0 | | $0 |
| Spectrum Bulk Contract | $0 | $0 | $0 | $0 | $401,100 | $0 | | $401,100 |
| Mid year transfer from Operating | $0 | $0 | $0 | $0 | $0 | $0 | | $0 |
| **Total Estimated Reserve Income** | **$1,403,935** | **$1,572,276** | **$1,741,011** | **$1,910,162** | **$2,480,848** | **$2,249,791** | | **$11,358,023** |
| Estimated Expenses (from Asset Evaluation Report) | $1,998,012 | $1,871,708 | $2,949,139 | $840,916 | $1,781,405 | $502,721 | | $9,943,901 |
| What If - 5% Additional cost of External Installation | $99,901 | $93,585 | $147,457 | $42,046 | $89,070 | $25,136 | | $497,195 |
| What If - Unexpected Expenses | $0 | $0 | $0 | $0 | $0 | $0 | | $0 |
| What If - Capital Expense 2 yr Delay | | | $0 | | | | | $0 |
| What If - Capital Expense 2 yr Delay | | | | $0 | | | | $0 |
| What If - Capital Expense 2 yr Delay | | | | | $0 | | | $0 |
| What If - Capital Expense 2 yr Delay | | | | $0 | | $0 | | $0 |
| What If - Capital Expense 3 yr Delay | | | | $0 | | | | $0 |
| What If - Capital Expense 3 yr Delay | | $0 | | | $0 | | | $0 |
| What If - Capital Expense 3 yr Delay | | | $0 | | | $0 | | $0 |
| What If - Capital Expense 3 yr Delay | | | | $0 | | | $0 | $0 |
| **What If - TOTALS** | **$99,901** | **$93,585** | **$147,457** | **$42,046** | **$89,070** | **$25,136** | | **$497,195** |
| What If Totals / Estimated Expenses | 5% | 5% | 5% | 5% | 5% | 5% | | |
| **Estimated Expenses with What If** | **$2,097,913** | **$1,965,293** | **$3,096,596** | **$882,962** | **$1,870,475** | **$527,857** | | **$10,441,096** |
| Total Est'd Year End Reserves | $1,718,331 | $1,325,313 | ($30,271) | $996,929 | $1,607,301 | $3,329,236 | | $3,329,236 |
| Less funds for Insurance Deductible (+ 3%/yr) | $721,000 | $742,630 | $764,909 | $787,856 | $811,492 | $835,837 | | $835,837 |
| **Additional Reserves available for Asset Repair/Replace** | **$997,331** | **$582,683** | **($795,180)** | **$209,073** | **$795,810** | **$2,493,399** | | **$2,493,399** |
| **BASE** | **$1,097,232** | **$776,169** | **($454,237)** | **$592,061** | **$1,267,869** | **$2,990,594** | | **$2,990,594** |
| | | | | **Negative is Incremental Expense** | | | | **($497,195)** |

# Aging membership impact to housing inventory

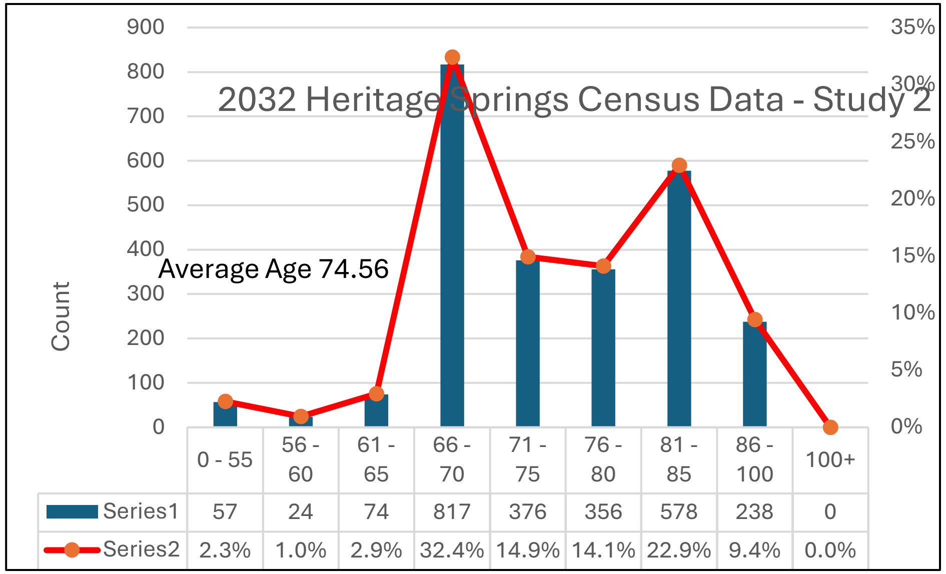



the current member age analysis shows a large portion of the member in the 76-80 segment. With this number of individuals in this segment how could that impact the number of member who begin to move out of the community



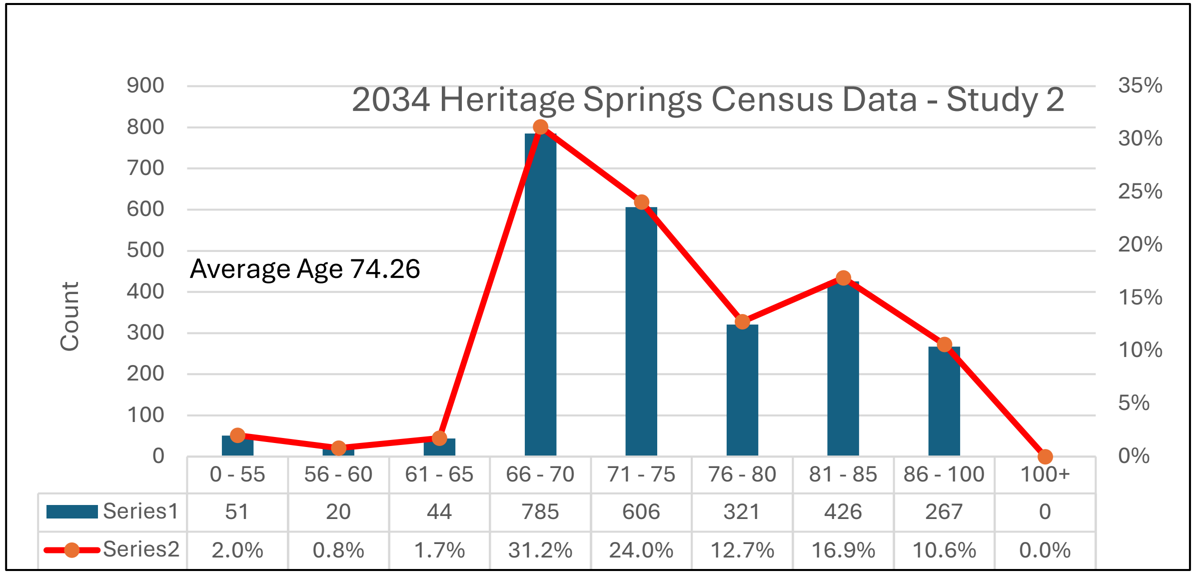

Projecting the membership forward indicates that a roughly comparable share of residents will sit within the 80+ tier within the next few years. Should it be assumed that residents start exiting the community at age 80, the supply of homes listed for sale is set to grow. Meanwhile, incoming buyers are projected to carry a mean age of 67.

# Aging membership impact to housing inventory




| | 0 - 55 | 56 - 60 | 61 - 65 | 66 - 70 | 71 - 75 | 76 - 80 | 81 - 85 | 86 - 100 | 100+ |
|---|---|---|---|---|---|---|---|---|---|
| Series1 | 57 | 24 | 74 | 817 | 376 | 356 | 578 | 238 | 0 |
| Series2 | 2.3% | 1.0% | 2.9% | 32.4% | 14.9% | 14.1% | 22.9% | 9.4% | 0.0% |

Beginning in 2032, the under-70 cohort enters rapid growth. The 80+ group holds its place as the second-largest segment, with those residents continuing to offload their properties.




| | 0 - 55 | 56 - 60 | 61 - 65 | 66 - 70 | 71 - 75 | 76 - 80 | 81 - 85 | 86 - 100 | 100+ |
|---|---|---|---|---|---|---|---|---|---|
| Series1 | 51 | 20 | 44 | 785 | 606 | 321 | 426 | 267 | 0 |
| Series2 | 2.0% | 0.8% | 1.7% | 31.2% | 24.0% | 12.7% | 16.9% | 10.6% | 0.0% |

Once the community reaches an age of 35+ years, its membership base will have shifted over toward younger demographic segments.