

WCC Five (5) Year Capital Reserve Plan

LONG TERM FIXED ASSET REPLACEMENT ESTIMATES

Capital Necessary to
Maintain Property Values and
Update the Current Outdated Assets.

WORKING PLAN

(Revised March 25, 2025)

A brief of History how we got here

The Early Years 1989-1994

- ▶ Worthington was organized and completed within a 4-year period.
- ▶ **The Vision** - There were individuals who saw the potential, demonstrated confidence and knowledge to create, what is now Worthington Country Club.

Worthington begins to come together

- ▶ Construction was well under way in 1993.
- ▶ By the end of 1993, the wastewater treatment system was constructed by Bonita Springs Utilities, as well as the community was 80% sold out, allowing the Transition from Developer to Homeowner Association.
- ▶ This left only 140 homes to sell.

Transfer of Ownership

- ▶ September 29, 1994 the official turnover from the Developers to the control of the Master Association, Inc. took place.
- ▶ August 22, 1994 Nine Directors were elected, each from the 9 HOA Associations.
- ▶ End result 799 units were completed.

The Golf Course Opening

- ▶ Official opening day for Worthington Country Club was January 2, 1991.
- ▶ 182 Players attended the opening ceremony.
- ▶ 18-hole golf course was designed by Gordon G. Lewis.
- ▶ Gordon Lewis designed, The Forest Golf and CC, the Vines in Estero and Worthington. Gordon Lewis later designed Lexington, Vanderbilt, Highland Woods, Spring Run, Copperleaf and Palmira CC's.

Golf Course Facts

- ▶ 100 acres of maintained turf on the golf course.
- ▶ 8 acres of club grounds and common areas.
- ▶ Irrigation to include over 800 sprinkler heads.
- ▶ Pump station pump approx. 1,000,000 gallons per night.
- ▶ 163 individual catch basins.
- ▶ 180 million gallons of annual water usage.

1995-2009 Worthington Matures

- ▶ 1995-2009 Continued to mature:
- ▶ Tennis courts were fully constructed.
- ▶ 2000 there was a major clubhouse renovation, and again in 2009.
- ▶ 2002 Golf Course Renovation.
- ▶ Agreement was reached with Quail West on management of Bonita Grande median.
- ▶ Cabana and Activity Center was constructed in 2009.
- ▶ 2009 existing Activity Center becomes Administration Building.

2009-2024 WCC Endures

- ▶ August 2004 Hurricane Charlie
- ▶ September 2017 Hurricane Irma
- ▶ Golf course renovation, extended 2017-2018 January
- ▶ September 2022 Hurricane Ian
- ▶ 2020-2022, life changed across the globe “COVID”
- ▶ August 2024 Tropical Storm Debby
- ▶ September 2024 Hurricane Helene

All homes and buildings in WCC survived without significant damages.

However, not without costs to members and future possibilities for WCC assets and the future of those assets.

In essence we have experienced some tough times resulting in an economics change of sliding scales.

History of Past 10 years Capital Reserves

Here is a history of the past 10 years of Member participation toward our Capital

WMA BUSINESS CAPITAL		
Year	Annual per door	Annual Total
2011	\$467.00	\$373,133
2012	\$451.00	\$360,349
2013	\$413.00	\$329,987
2014	\$444.00	\$354,756
2015	\$444.00	\$354,756
2016	\$375.00	\$299,625
2017	\$375.00	\$299,625
2018	\$375.00	\$299,625
2019	\$401.00	\$320,399
2020	\$375.00	\$299,625
2021	\$300.00	\$239,700
2022	\$300.00	\$239,700
2023	\$501.00	\$400,299
2024	\$1,701.00	\$400,299
	\$6,922.00	
Total	\$692 Annual Average	\$4,571,878

Why does WCC need a 5-year Capital Plan?

- > Worthington CC founded in 1994 has exceeded many facets of its useful life .
 - > Capital is needed to maintain the assets to stay relevant.
 - > **Understanding the importance of having Capital Reserves - Is the Reason for this presentation.**

**Sufficient Capital Reserve requirements are a NEED
not a WANT!**

The Master Board Has 3 Basic Obligations

1. Protect the Clubs Assets.
2. Develop and maintain a comprehensive current and future strategy.
3. Ensure that WCC maintains its sound financial vitality and relevance compared to surrounding SW Florida Communities.

Do Other CC w/similar components have a capital reserve program? YES

- ▶ Vanderbilt Country Club
- ▶ Vasari Country Club
- ▶ Lexington Country Club
- ▶ Spring Run Country Club
- ▶ Naples Lake Country Club
- ▶ Glen Eagles Country Club
- ▶ Naples Heritage
- ▶ Highland Woods
- ▶ Copperleaf Golf Club
- ▶ Stonebridge Country Club

What differentiates WCC from other local Bundled Communities and Capital

- ▶ Most if not all of the aforementioned Country Clubs have contributed much larger Dollars to their capital reserves annually for many years.
- ▶ Most other bundled courses, with exception of WCC and a couple on the previous list, have fully remodeled amenities or are in the process of doing so.

Current Capital/Reserves Calculations - Updated

Current Capital/Reserve as of 12/31/24	\$2,876,303
Insurance Reserve as of 12/31/25	<u><1,451,100></u>
(Estimated 5% Increase of current amount \$1,382,000)	
Current Reserve Available for Needs	= \$1,425,303
Projected Capital Contributions for (Months January - December 2025)*	\$2,876,400
Estimated Capital from home Sales	\$375,000
(Home sales based on 75% average for the last 5-years)	
Interest Income (Avg. Rate 2.5%)	<u>\$104,229</u>
Est. Capital Reserve Fund Y/E 2025	= \$4,780,832

*(Current Monthly Capital Contribution = \$300/unit x 799 = \$239,700)

Net Capital Available - Updated

- ▶ Q: What is WCC's current Capital investment and income?
 - ▶ Answer: As of December 2024 - \$1,494,303 (well under capitalization)
- ▶ Q: Will WCC's Net Operating Requirements result in future needs for more or less Capital?
 - ▶ Answer: More Capital is necessary for 2025/2026 alone = \$3,091,550
- ▶ Q: Does Leasing Capital Expenses in the future make sense?
 - ▶ Answer: It all depends on the leasing contract, price, specific use and asset life expectancy of the equipment.
- ▶ Q: Does having enough capital to pay cash for Capital expenditures create a positive position that will ensure little or no debt in today's interest rate environment?
 - ▶ Answer: When there is ample cash, it is prudent to use cash and not create debt.

***40-45% of similar Clubs are under capitalized**

Bottom line:

Under Capitalization is a recipe for continued financial challenges!

*Phillip Feldman Group

Maintaining Success

Analyzing our current financial position

- ▶ Q: Is WCC willing to invest and keep the Club properly maintained?
 - ▶ Answer: Staying on the current path allows deferred maintenance to go unresolved, in some cases impacting real estate property values and current assets.
- ▶ Q: Does WCC have the resources to be successful?
 - ▶ Answer: At the present time “NO”
- ▶ Q: Does WCC have the Capital needed to ensure current and future achievements?
 - ▶ Answer: NO
- ▶ Q: Does planning to have a Strategic Capital Reserve Fund help achieve success and potentially protect WCC’s Property Values?
 - ▶ Answer: YES

Understanding the Capital Reserves in Country Clubs

- ▶ 1. Clubs can never have too much capital
- ▶ 2. A long term capital plan is necessary, NOT LESS than 5 years
- ▶ 3. Debt is serious but sometimes necessary
- ▶ 4. Country Clubs are very capital intensive
- ▶ 5. **Under Capitalization** is a Recipe for Failure and Stagnancy:

*Is it possible to achieve progress

Without a well funded capital reserve program?

Answer: NO

**Phillip Feldman Group*

What makes up WCC's Annual Financial Model

- ▶ Net operating dues +
- ▶ Net Capital Resale fees +
- ▶ Business Capital Income +
- ▶ Capital Reserve Income +
- ▶ Interest Income +
- ▶ Debt Assessment Income - (Final payment made August 2024)
- ▶ *The Most Financially Stable Clubs have 31% Net Capital Available as a percent of Income
- ▶ **WCC 31% = \$4,033,257 (necessary funding needed on a continual basis)**

How does WCC grow their Net Worth ?

- ▶ Provide the necessary information to members to better understand what the Capital needs are of the Club.
- ▶ Survey results show that Golf is the central attraction to WCC. The necessity to provide capital for maintenance and improvements is “A Must DO Commitment” (Google analytics report that over 90% of website viewers land on the Golf page of the WCC website)
- ▶ Continued improvements, maintenance and professional staff will ensure current members a value-added investment

WCC FIVE (5) LONG TERM FIXED ASSET REPLACEMENTS ESTIMATES - **UPDATED**

MAJOR REPAIR, REPLACEMENTS

	2025	2026	2027	2028	2029
GCM	\$626,000	\$528,000	\$485,500	\$311,000	\$60,100
COMMON GROUNDS	\$580,000	\$515,000	\$250,000	\$0	\$3,825,000
F&B	\$143,250	\$125,000	\$37,000	\$75,000	\$50,028
GOLF OPS	\$0	\$25,000	\$87,535	\$0	\$0
ADMIN	\$184,300	\$265,000	\$257,300	\$56,852	\$38,000
CONTINGENCY	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
TOTAL	\$1,583,550	\$1,508,000	\$1,167,335	\$492,852	\$4,023,128
	Fences, Monument and Gatehouse & Bocce Repairs	Monument Repair/Replace- ment			ROADS

2025-2029

TOTAL

\$8,774,865

Golf Course Maintenance Capital Needs

2025	
Shop Lift	\$ 18,000
Golf Course (#7 & #15) & Bocce Restrooms	\$ 135,000
#15 Electrical Services	\$ 4,000
JLG Lift 450 AJ (used)	\$ 45,000
Ford Pickup Truck	\$ 70,000
Foley Reel Grinder	\$ 55,000
Foley Bed knife Grinder	\$ 50,000
2way radios	\$ 7,500
1 Toro 687 Aerator	\$ 9,000
3 Fertigation Pumps	\$ 25,000
Golf Course Architect	\$ 35,000
Shop Fencing & Landscaping (#1 & DR. Lake)	\$ 30,000
Shop Landscape Screening #1 & DR. Lake)	\$ 85,000
Well Replacement #16	\$ 9,500
Cart Path Section Replacement	\$ 48,000
TOTAL	\$ 626,000
2026	
2 John Deere Triplex Mowers	\$ 90,000
3 John Deere Fairway Mowers	\$ 234,000
2 Salsco Greens Rollers	\$ 62,500
6 Toro Greensmaster 1000	\$ 110,000
<u>1 Equipment Trailer</u>	\$ 12,000
2 Shop Air compressors	\$ 10,000
#15 Well	\$ 9,500
TOTAL	\$ 528,000

2027	
13 Gas Golf Carts	\$ 182,000
3 Toro Sandpros	\$ 80,500
2 Toro 3500D	\$ 90,000
2 John Deer Tractors	\$ 90,000
Lely Fertilizer Spreader	\$ 8,000
Toro SR70 Aerator	\$ 35,000
TOTAL	\$ 485,500
2028	
4 John Deere Triplex Mower	\$ 148,000
Turfco 1540 Topdresser	\$ 22,000
2 John Deere Progator 2020A	\$ 76,000
3 Cushman Electric Golf Carts	\$ 45,000
Yale Fork Lift (used)	\$ 20,000
TOTAL	\$ 311,000
2029	
Wright Stander zero turn mower	\$ 18,100
Office Computers	\$ 9,000
Shop Lift	\$ 18,000
Lift Table	\$ 8,000
Welder	\$ 7,000
TOTAL	\$ 60,100

Common Grounds Capital Needs - Updated

2025

Painting - Walls, Fences, Monument, and Gate House	\$	340,000
Bocce Repairs/Replacement/North Entrance	\$	125,000
Bocce Engineering	\$	35,000
Bocce, Tennis Clubhouse Patio Furniture	\$	80,000
TOTAL	\$	580,000

2026

Monument Repair and Replacement	\$	325,000
Entrance Monument landscaping, lighting and irrigation	\$	90,000
Back up generator	\$	100,000
TOTAL	\$	515,000

2027

Worthington Way Landscaping	\$	250,000
TOTAL	\$	250,000

2028

TOTAL	\$	-
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2029

Southampton Drive Landscaping	\$	200,000
Repave Roads	\$	3,525,000
Street Sign Replacement	\$	100,000
TOTAL	\$	3,825,000

Food and Beverage Capital Needs

2025		
Manitowac Ice Machine double bin	\$ 17,750	
Access Control Gate Operator / Receiving	\$ 14,000	
CH Kitchen Equip (2009) 2025 and 2026	\$ 100,000	
Dehumidifier	\$ 11,500	
TOTAL	\$ 143,250	
2026		
REPLACE KITCHEN EQUIPMENT (from 2009 and older)	\$ 125,000	
TOTAL	\$ 125,000	
2027		
C.H. Grill	\$ 6,000	
C.H. Alto Sham	\$ 11,000	
Tilting Brazier/Sautee C.H.	\$ 20,000	
TOTAL	\$ 37,000	
2028		
Kitchen equip	\$ 75,000	
TOTAL	\$ 75,000	
2029		
Lighting system and dimmer panels	\$ 30,328	
Veranda Cabinetry	\$ 4,700	
Veranda Handicap Door	\$ 15,000	
	\$ 50,028	

Golf Operations Capital Needs

TOTAL	\$ -	
2026		
Lightening Detection System	\$ 25,000	
TOTAL	\$ 25,000	
2027		
Driving Range Mats	\$ 45,000	
Bag Storage System	\$ 30,000	
Exhaust Fan Cart barn	\$ 12,535	
TOTAL	\$ 87,535	
2028		
	\$ -	
2029		
	\$ -	

Admin Capital Needs 2025-2029

2025	
Dorset / Stafford Tables/Chairs/Counter	\$ 70,000
Dorset / Stafford Cabinetry	\$ 9,500
Piccadilly Cabinetry	\$ 4,800
HVAC EQUIP	\$ 100,000
TOTAL	\$ 184,300

2026	
Computer Software	\$ 14,000
Computer Server	\$ 15,000
HVAC EQUIP	\$ 96,000
Paint exterior Admin, CH Activity and Proshop	\$ 140,000
TOTAL	\$ 265,000

2027	
Fitness, Cardio, Elliptical Cross-Trainer	\$ 51,000
Fitness, Cardio, Recumbent Bike	\$ 36,000
Fitness, Cardio, Rower	\$ 4,000
Fitness, Cardio, Stationary Bike, Airdyne	\$ 4,300
Fitness, Cardio, Treadmill	\$ 87,000

2027 (Cont.)	
Fitness, Massage Table - Activity Bldg	\$ 8,900
Fitness, Weight Bench	\$ 3,200
Fitness, Weight Machine, Ab Crunch	\$ 4,300
Fitness, Weight Machine, Ab/Lower Back	\$ 5,500
Fitness, Weight Machine, Cable Crossover	\$ 5,500
Fitness, Weight Machine, Lat Pulldown/Mid Row	\$ 4,300
Fitness, Weight Machine, Leg Extension/Leg Curl	\$ 4,500
Fitness, Weight Machine, Leg Press/Toe Raise	\$ 5,800
Fitness, Weight Machine, Multi-Press	\$ 4,500
Fitness, Weight Machine, Outer/Inner Thigh	\$ 7,500
Fitness, Weight Machine, Pectorial Fly/Rear Delt	\$ 3,500
Fitness, Weight Machine, Rotary Torso	\$ 7,500
Fitness, Weight Machine, Stretch Cage	\$ 4,500
Fitness, Weight Set, Dumbbells and rack	\$ 5,500
TOTAL	\$ 257,300

2028	
Gatehouse Mini Split HVAC	\$ 8,960
Gatehouse flooring & upgrades	\$ 9,892
Pool Equipment Heat Pump	\$ 29,000
Spa Equipment Heat Pump	\$ 9,000
TOTAL	\$ 56,852

2029	
Carpet Admin	\$ 20,000
Activity bldg handicap doors	\$ 18,000
TOTAL	\$ 38,000

Projected Goal To Meet WCC Needs Over the Next 5 years.

In order to meet the Capital Needs of WCC:

Capital Contribution per unit projected = \$300 a month Per Unit. (2024 - \$100 + an addition of \$200).

Breakdown by Year:

January - December

2025 - \$2,876,400

2026 - \$2,876,400

2027 - \$2,876,400

2028 - \$2,876,400

2029 - \$2,876,400

Potential Total Capital Raised over 5 years \$14,382,000

Does not include resales....

A photograph of a golf green with a hole and a white flagstick. The green is well-maintained and the hole is in the center. The flagstick is white and has a black top. The background is a solid green color.

Until 2024 Members Have Been Paying \$164 to payoff Golf Course Renovation Loan

- ▶ Golf Course Renovation Loan was Paid off August 2024.
- ▶ An additional \$200 were added to the \$100 Capital Reserves in 2025 which will add \$2,876,400 to Capital Reserves.
- ▶ Reviewing over the next 5-year Capital Requirements, the additional \$200 will create \$14,382,000 and place WCC in the Financial position to fund most required Capital NEEDS.
- ▶ In addition, infusing Capital would allow WCC to address small projects to enhance Club Amenities without creating additional debt.
- ▶ **Thus, allowing WCC the ability to fund all the NEEDS and many of WCC's WANTS.**

5 YR. SNAPSHOT Fixed Assets/GM Facility/Site Plan/ Possible Facilities Projects - Updated

Expenses Budget*	2025	2026	2027	2028	2029	Total
Golf Course Maintenance	\$ 626,000	\$ 528,000	\$ 485,500	\$ 311,000	\$ 60,100	\$ 2,010,600
Common Grounds	\$ 580,000	\$ 515,000	\$ 250,000	\$ -	\$ 3,825,000	\$ 5,170,000
Food & Beverage	\$ 143,250	\$ 125,000	\$ 37,000	\$ 75,000	\$ 50,028	\$ 430,278
Golf Operations	\$ -	\$ 25,000	\$ 87,535	\$ -	\$ -	\$ 112,535
Administration	\$ 184,300	\$ 265,000	\$ 257,300	\$ 56,852	\$ 38,000	\$ 801,452
Total Budgeted Expenses	\$ 1,533,550	\$ 1,458,000	\$ 1,117,335	\$ 442,852	\$ 3,973,128	\$ 8,524,865
Contingency / Unbudgeted Expenses	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Total Expenses	\$ 1,583,550	\$ 1,508,000	\$ 1,167,335	\$ 492,852	\$ 4,023,128	\$ 8,774,865

Reserves Funds	2025	2026	2027	2028	2029	Total
Reserve Account (Estimated beginning of year carry over, including Hurricane Allocation)	\$ 2,876,303	\$ 4,448,382	\$ 2,649,605	\$ 2,938,591	\$ 4,713,055	
Annual Capital Contributions \$300/mo	\$ 2,876,400	\$ 2,876,400	\$ 2,876,400	\$ 2,876,400	\$ 2,876,400	\$ 14,382,000
Less Hurricane Reserves Allocation - Estimated 5% Increase each year	\$ (1,451,100)	\$ (1,523,655)	\$ (1,599,838)	\$ (1,679,830)	\$ (1,763,821)	
Reserves before Capital Contributions & Interest Income	\$ 4,301,603	\$ 5,801,127	\$ 3,926,167	\$ 4,135,162	\$ 5,825,634	
Resales Capital Contributions**	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000	
Interest Income (Average Rate 2.5%***)	\$ 104,229	\$ 145,420	\$ 108,967	\$ 133,053	\$ 89,158	
Total Estimated Reserves Funds	\$ 4,780,832	\$ 6,321,546	\$ 4,410,134	\$ 4,643,215	\$ 6,289,792	
Less Total Expenses	\$ (1,583,550)	\$ (1,508,000)	\$ (1,167,335)	\$ (492,852)	\$ (4,023,128)	\$ (8,774,865)
Total Reserves Available Funds	\$ 3,197,282	\$ 4,813,546	\$ 3,242,799	\$ 4,150,363	\$ 2,266,664	
Facilities Planning - Peacock & Lewis						
Cabana	\$ -	\$ (2,030,547)	\$ -	\$ -		
Parking Lot	\$ -	\$ -	\$ (1,904,045)	\$ -		
Tennis & Pickleball	\$ -	\$ -	\$ -	\$ (1,117,138)		
Maintenance Facilities - Suncoast Builders & Others						
Maintenance Facilities - Reserves Funding	\$ (200,000)	\$ (1,657,050)				
Maintenance Facilities - Assessment Funding		\$ (2,020,633)	\$ (1,010,316)			
Reserves Funds Surplus/Shortfall	\$ 2,997,282	\$ (894,683)	\$ 328,437	\$ 3,033,225	\$ 2,266,664	
ESTIMATED Assessment (\$3,793 PER DOOR-Billed over 18 Months)		\$ 2,020,633	\$ 1,010,316			
End of Year Reserves	\$ 2,997,282	\$ 1,125,950	\$ 1,338,753	\$ 3,033,225	\$ 2,266,664	

5 YR. SNAPSHOT Fixed Assets/GM Facility/Site Plan/ Possible Facilities Projects. Cont. Updated

*FACILITIES PLANNING - PEACOCK & LEWIS

	CABANA	PARKING LOT	TENNIS & PICKLEBALL	
PROJECT COSTS	\$ 1,230,834	\$ 1,409,722	\$ 656,790	Tennis
PROJECT COSTS	\$ -	\$ -	\$ 184,676	Pickleball
FF&E / ALLOWANCES	\$ 200,000	\$ -	\$ -	
GENERAL CONDITIONS / REQUIREMENTS	\$ 107,379	\$ 107,379	\$ 107,379	
BULKHEAD		\$ 105,000		
CONTINGENCY	\$ 492,334	\$ 281,944	\$ 168,293	
	\$ 2,030,547	\$ 1,904,045	\$ 1,117,138	\$ 5,051,730

*MAINTENANCE FACILITIES - SUNCOAST BUILDERS & OTHERS

PROJECT COSTS PERMITS & DRAWINGS - RESERVES FUNDING	\$ 200,000			
PROJECT COSTS REPAIRS & REPLACEMENT - RESERVES FUNDING		\$ 1,657,050		\$ 1,857,050
PROJECT COSTS ADDITIONS - ASSESSMENT FUNDING		\$ 2,020,633	\$ 1,010,316	\$ 3,030,949
	\$ 200,000	\$ 3,677,683	\$ 1,010,316	\$ 4,887,999

*Total Expenses Budget - 4% Inflation / '** Home sales based on 75% average for the last 5-years / '*** Interest rate subject to change



Golf Course Maintenance Facilities

- Updated

- ▶ ***The Golf Maintenance Facility may be paid partially from both Reserves and New Capital Funds.***
- ▶ Reserve Funds will be utilized for existing buildings (Patch/Paint and Repairs).
- ▶ Reserve Funds to use: \$1,657,050
- ▶ New Capital Funds will be utilized for New Buildings and new facilities.
- ▶ New Capital Funds to use: \$3,030,949

Opportunity Presented

WCC Financial History and Moving Forward:

- ▶ WCC in the past has taken a very conservative approach to Capital Funding.
- ▶ The age of the community requires WCC to evaluate the aging infrastructure of the Community. Most of the current equipment is at or well past its life expectancy.
- ▶ Failure to take action to secure enough Capital for short- and long-term projects will have an adverse effect on WCC's viability and relevance within the SW Florida Country Club Community

THE OPPORTUNITY IS NOW

Worthington CC is now at a crossroads
to build the future for The Community!

Commitment to infusion of Capital is a must for
WCC's future Success

Doing nothing is a recipe for potential Failure...

Developing a Capital Plan Ensures
The Future of WCC

Opportunity Awaits...