
From: Steve Heitzner <steve.heizner@gmail.com>
Sent: Sunday, September 6, 2026 3:38 PM
To: Vivian Carvalho <carvalhov@pfm.com>
Subject: Fwd: Suggestions On Creating a True 5-Year Financial Plan

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Steve Heitzner

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Begin forwarded message:

From: wolfgang armbruster <bedford335@gmail.com>
Date: September 6, 2026 at 3:13:23 PM EDT
To: steve.heizner@gmail.com
Subject: Suggestions On Creating a True 5-Year Financial Plan
Reply-To: bedford335@gmail.com

Dear Members of the Board of Supervisors,

Having spent my career on Wall Street reviewing financial projections and assisting mid-size public companies in raising capital, I was particularly interested in reviewing UPRD's five-year financial projection. Unfortunately, what I received—a two-page, five-column summary of sources and uses of funds and broad revenue and expense categories—falls well short of what I believe residents should reasonably expect from a long-term financial plan, particularly at a time when the Board is contemplating additional borrowing and placing an increased financial burden on our homeowners.

I recognize that these are strong words, but I believe the issue is important enough to be candid. The document provided does not, in my view, constitute a meaningful five-year financial model. More importantly, it does not give residents the information necessary to evaluate whether the proposed expansion is financially prudent, sustainable, and in the best interests of the community.

That is particularly important because the expansion plan itself was never presented to the membership for approval. Residents approved financing as, in effect, the lesser of two alternatives—not as an affirmative vote on the expansion plan itself. Before the community is asked to assume additional financial obligations, we should be given a comprehensive financial analysis demonstrating why those obligations are justified.

So let me suggest what I believe is needed.

At its core, the purpose of a comprehensive five-year financial plan should be to demonstrate that the organization has performed the customary due diligence expected of a fiduciary and that the recommendations being made to residents are, in fact, in their best interests. A Board cannot reasonably ask homeowners to approve substantial additional financial commitments without first having a sufficiently detailed analysis to understand the costs, risks, alternatives, and long-term consequences of those decisions.

That is why the current two-page spreadsheet is so concerning. It provides nowhere near the information necessary to demonstrate that this level of due diligence has been performed. In my view, it fails the Board—and, more importantly, it fails the residents it represents.

Equally concerning is the possibility that some Supervisors may believe that this two-page spreadsheet itself constitutes a compliant five-year financial plan. If that is the Board's understanding, then residents are not being well served. The issue is not simply whether a document can technically be labeled a “plan”; the issue is whether it contains sufficient information to allow the Board to make informed fiduciary decisions and for homeowners to understand and evaluate those decisions.

A credible five-year financial model should begin with clearly stated assumptions. What assumptions are being made regarding inflation, interest rates, labor costs, insurance, utilities, construction costs, and other significant cost inputs?

It should also identify the internal operating assumptions driving the numbers. Among other things, we should understand hiring plans, staffing levels, productivity expectations, revenue-enhancement opportunities, and specific initiatives intended to control or reduce costs.

The model should also be stress-tested. At a minimum, residents should be able to see base-case, optimistic, and conservative scenarios and understand how the financial results change when key assumptions change. This is particularly important when the community is considering significant new debt and increased assessments.

The expense categories also need considerably more detail.

Broad categories such as “dining” or “maintenance” do not provide enough information to evaluate the underlying assumptions. Those categories should be broken down into salaries and benefits, rent, utilities, marketing, software, insurance, professional fees, administrative expenses, and other material costs. The assumptions supporting each major expense should be identified.

The plan should distinguish between fixed and variable costs and separately identify one-time expenditures such as equipment purchases, professional fees, legal expenses, and other non-recurring costs.

Similarly, the table labeled “Capital Expenditures – 5 Year Plan” does not, as presented, provide the level of detail I would expect from a capital expenditure plan. Where is the itemization and discussion of anticipated purchases of equipment, vehicles, technology, property, or other significant assets over the next

five years? How will those expenditures interact with the capital improvement plan? What allowance has been made for depreciation, contingencies, and potential cost overruns?

These details should be provided for each of the operating units—dining, golf, fitness, and pro shop—so that homeowners can understand the economics of each operation and how each contributes to the overall financial picture.

Debt is another critical omission.

If the Board intends to raise additional debt and increase assessments, residents need to see a comprehensive debt schedule showing the amount borrowed, interest rate, term, repayment schedule, principal and interest obligations, and the impact of that debt on future operating and capital requirements. That schedule should clearly tie into the capital expenditure projections and demonstrate how the community intends to service its debt without requiring repeated increases in assessments.

I also do not see a projected balance sheet. Residents should be able to see the projected value of the community's assets alongside its corresponding liabilities. The plan should also address key working-capital and cash flow items and show how those balances are expected to evolve over the five-year period.

In addition, the Board should clarify how revenues and expenses are allocated among the three entities that comprise UPRD. Without understanding those allocations, it is difficult for residents to evaluate the financial performance or obligations of each entity.

Finally, I believe the plan should incorporate a current reserve study identifying major components, their useful lives, anticipated replacement cycles, estimated replacement costs, and the reserves required to fund those obligations.

This is ultimately about trust, fiduciary responsibility, and stewardship.

A comprehensive five-year financial plan would reassure homeowners that the substantial amounts being requested are based on realistic assumptions, that customary due diligence has been performed, that alternatives have been considered, and that the proposed expenditures are in the best interests of the community.

It would also go a long way toward addressing the division and mistrust that currently exists within our community. Transparency is essential when asking homeowners to commit to substantial long-term financial obligations. The more information owners have, the better positioned they are to understand and evaluate the Board's decisions.

I was therefore surprised to hear Supervisor Swanson state at last week's Board meeting that the two-page, five-column spreadsheet constitutes our five-year plan. Respectfully, labeling a document a “plan” does not make it one. A meaningful financial plan has certain fundamental components and standards that allow its assumptions, risks, and conclusions to be evaluated.

In the business world, financial projections are developed within established accounting and disclosure frameworks. For community associations, the AICPA Audit and Accounting Guide for Common Interest Realty Associations provides an appropriate framework for sound accounting and financial reporting practices. I believe the Board should use established professional standards and practices as a foundation for developing the comprehensive long-range financial plan our community needs.

I also understand that a five-year plan is required to be produced and maintained. If that is the case, then the community should have a realistic, dynamic plan—one that can be updated as assumptions change, incorporates the variables described above, and gives homeowners a clear understanding of where we are headed financially.

My suggestion regarding the expansion is straightforward.

Even if the Board has the ability to complete the proposed bond financing, I believe it should borrow only what is necessary for the BAN and then pause to carefully reassess both the cost and the need for the remaining elements of the expansion.

Most importantly, I believe residents should have the opportunity to vote on the significant elements of the expansion before the community commits to additional long-term financial obligations.

If the Board produces a credible, detailed financial plan demonstrating that the proposed expansion is financially sound, sustainable, and in the long-term interests of the community, I believe it will have a far better opportunity to earn

widespread support.

But not until then.

The Board owes it to all of its constituents—including homeowners who may have considerably less financial flexibility than others—to demonstrate that the proposed expenditures are necessary, affordable, and supported by a credible financial analysis before embarking on what could become an irreversible and substantial long-term spending and assessment program.

I hope the Board will take these comments in the spirit in which they are intended: not as an attack on individual Board members, but as a request for the level of financial analysis, transparency, and accountability that I believe this community deserves.

I welcome your thoughts and, more importantly, I hope we can work together toward a financial plan that gives all homeowners confidence in the future of UPRD.

Sincerely,
Wolfgang Armbruster
Richmond Park