

**RIVER STRAND GOLF & COUNTRY CLUB**  
**7155 Grand Estuary Trail, Bradenton, FL 34212**

**FINANCE COMMITTEE MEETING**

**April 27, 2017**

**MINUTES**

The meeting of the River Strand Finance Committee (Committee) was held on April 27, 2017 at 4:00 PM in the main conference room to present and evaluate financial related business of the Association.

**Call to Order:** The meeting was called to order at 4:00 PM by Chairperson, Alan Sukoneck

**Determination of Quorum:** Quorum was established.

**Committee Members Present:** Alan Sukoneck; Paul Bondy; Linda O'Brien; and Tim Curran (by phone)

**Absent:** Ron Dubin

**Board Liaison:** Scott Hancock, Present

**Others in Attendance:** Shaun Fitzer, ICON LCAM; Board Members present were Chuck Glasser and Anita Tierney (by phone); and approximately 17 residents.

**Proof of Notice:** Notice was sent to residents electronically this month.

**Approval of Minutes:** The minutes of the March 30, 2017 meeting were approved unanimously by the committee.

Alan Sukoneck opened the floor to comments from residents that were limited to no more than 3 minutes and only on agenda items. There were no initial questions, but, as the meeting proceeded, questions, and, or explanations were provided, and viable directions for progress were validated.

**Old Business:**

1. Finance Committee Charter: A final draft of the charter had been prepared by the Board of Directors (BOD) which was reviewed by the Committee. Alan Sukoneck attached to the draft an outline of the committee's major responsibilities. Future adjustments to the major responsibilities are to be evaluated by the Committee and further revisions may be forthcoming. Scott Hancock stated it was not necessary to submit the outline of responsibilities to the BOD.
2. December 31, 2016 Audit Status: It was determined that everything that had been requested from ICON had been sent to the auditors. Scott Hancock had attempted to call Stroemer, but was advised that he was on vacation for the next week. If no answer, upon his return, was forthcoming, Scott was to call River Strand's attorney and together ascertain what direction to take to effect adherence to the mandatory requirements of Section 720 which allows for compliance within 120 days.
3. Allocation of revenue and expense between Golf only and Social Members: It has been a long-standing omission from the auditors of logical data support on how the original allocations were made, and if there were any subsequent modifications thereto. Alan Sukoneck and Tim Curran have been meeting with Pat Cattanach, the ICON GM for RSGCC, and have begun the evaluation process of current ratios to document the allocations factors using both current statistics and related rationale. The finance committee shall also soon begin the dissecting and evaluation of such allocations before the development of the 2018 budget. Any irregular allocations calculated in previous years may be challenged as part of the transition settlement with Lennar.

4. Accounts Receivable Past Due Collection policy: Significant discussion and comments were heard from many committee members and residents, as well as the current policy for the collection of past due member account balances (now being documented by ICON) that are now being semi-enforced by Shaun Fitzer. The Committee will review the policies that will set forth proper timetables of notices and enforcement procedures, and then submit the policies for review by our attorney and then to the BOD for their approval for the suspension of privileges for members, with balances 90 days, or more, past due. The attorney timeline details the timing for filing a lien as well foreclosure. At 3/31/17 there were past due receivables of about \$111,000. Shaun Fitzer was asked to develop a streamlined version of the current ICON aged past due accounts receivable report that is easier to review, but the software in place needs to be replaced in order to be effective and efficient. That task should fall on Icon, not the Finance Committee.
5. Update on ICON Policy and Procedure Manual: Shaun Fitzer explained that the current system software, IBS, is handicapping his efforts to adequately blend the two existing software packages, and he is setting up a meeting next week to see if adaptations can be made to further detail currently processed data. He was requested by the Committee to submit a more detailed Table of Contents for the Policy and Procedures Manual that he is currently developing.
6. Review of Financial Statements for the three months ended March 31, 2017: The review of the 3/31/17 financials set forth almost identical monthly profits of \$164,000 for the first two months of 2017, while the month of March 2017 had a profit of \$313,000. While the 1<sup>st</sup> quarter 2017 profits of \$642,000 exceeded the budgeted profits of \$296,000 by \$346,000, March should be conceptually modified for two very unusual, but very relevant facts. The first is the unused food minimum for the 15 months ended 3/31/17 in the amount of \$84,000, and a first-time billing to Lennar of \$15,000 (post turnover) for maintenance fees of unsold homes. March also included the sale of about 1,300 frozen steaks at \$12.00 each (\$15,600) to members which helped many meet their “food minimums”. Additionally, one must keep in mind that the social profits for the period 1/1/17-2/28/17, estimated at \$162,000, will revert to Lennar once the audit is completed, and secondly Alan Sukoneck emphasized that while River Strand is enjoying these profits in “peak” season months, the remaining nine months of 2017 are budgeted to incur significant operating losses in seven of the nine remaining months of 2017.

**New Business:**

7. Food & Beverage: Phil Lahm, a resident who attended the previous meeting, and who has long served on the Restaurant Committee, volunteered to review and report back to the Finance Committee with an analysis of the decreasing gross profits in food and beverage as well as the one-time profit margin on sales of steaks that were offered to members as a way to utilize their March 31, 2017 food minimum requirements. Phil will update our committee in more detail at a future meeting regarding the continuing significant declines in gross profits.

8. Credit Cards: The finance committee was tasked with ascertaining the cost of the use of credit cards, for standard activities and quarterly dues. Additionally, they are to evaluate the processing charges associated with these same charges. Paul Bondy and Linda O'Brien will report back to the committee at the May 25, 2017 meeting.
9. Investment Rates: The finance committee was tasked to ascertain the best available income rates associated with the short-term investment prospects of both reserve funds, and excess operating funds which will provide additional income flow. Paul Bondy and Linda O'Brien will report back to the committee at the May 25, 2017 meeting.
10. Organization Chart: The committee requested that ICON prepare a finance personnel organization chart identifying job responsibilities performed for River Strand. The committee also requested the contact person to address financial questions.
11. Turnover of Financial Records: Alan Sukoneck presented a listing obtained from ICON of the financial records that Lennar is required to turnover to the BOD as part of transition. He specifically mentioned Item L that referenced financial data and specifically "journal entries". Alan stated that he feels the BOD cannot attest to receiving adequate journal entry documents since he and a Board member have requested numerous times going back to July 2015 for Lennar to provide support for a \$280,000 prior period journal entry made in 2014 to restate the allocation of Golf and Social earnings for the period 2006 through 2013.
12. 2018 Budget Time Table: Alan Sukoneck asked ICON to prepare a detailed timetable for the preparation of the 2018 budget starting with getting input from ICON department heads and committees through the adoption of the budget by the BOD. Alan also said that the BOD should prepare a vision statement for RSG&CC discussing specific revenue areas (i.e. Golf, Tennis, Restaurant and Social) that would assist in projecting the assumptions for the preparation of the Budget. Scott Hancock said that at this time the budget should be prepared based upon current year assumptions.
13. Revisions to Financial Statements: Paul Bondy said he will propose to the BOD at the next finance committee meeting revisions to the financial statement formats which would show a comparative balance sheet on two sheets 1) with assets and 2) with liabilities and equity, and also remove from administrative revenue and expenses both cable and single family home (SFH) revenue and expenses so that their "net" will not impact, or distort earnings, and easily identify if both are being properly budgeted and billed.
14. The next Finance Committee Meeting will be on Thursday May 25, 2017 from 4:00PM to 5:30PM

Adjournment: A motion was made to adjourn. It was seconded and passed. The meeting ended, as scheduled, at 5:30 PM.

---

Submitted by:  
Paul Bondy, Secretary