

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

**FINANCE COMMITTEE MEETING**

**August 24, 2017**

**MINUTES**

The meeting of the River Strand Finance Committee (Committee) was held in the card room to present and evaluate financial related business of the Association.

**Call to Order:** The meeting was called to order at 4:05 PM by Chairperson, Alan Sukoneck

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

**Committee Members Present:** Alan Sukoneck; Paul Bondy; Tim Curran by telephone.

**Absent:** Ron Dubin and Linda O'Brien

**Board Liaison:** Scott Hancock, Mike Fisher and Anita Tierney (by telephone).

**Others in Attendance:** Shaun Fitzner, ICON LCAM and five residents were also in attendance.

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

**Approval of Minutes:** The minutes of the July 27, 2017 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 was an opening remark regarding the significant variance between SFH revenue and costs. The finance committee explained that mulch is now being accrued monthly rather than booked in November or December, but the committee agreed that the variance is substantial regardless and is being evaluated by: the finance committee; ICON management; and the BoD. A question was also posed about the continued excessive food costs for which, at this point, there appears to be no positive answer, just that it is being constantly evaluated. The actual food costs should approximate 35% of revenue, and yet we continue to be in the 40%-65%. As the meeting proceeded, other questions arose, and, or explanations were provided to the residents, and viable directions for progress were validated.

**OLD Business (Continued):**

1. **Feb 28,2017 Audit Status and 2016 Audit Bill:** At the previous meeting, Icon management stated they were told by Stroemer, CPA that the two month audit was "very close", but as of this date, even after continued requests made there is still "no answer", nor has there been any progress on a valid answer as to the increase in the audit fee from the prior year. Committee consensus is that greater pressure must be exerted by the Board of Directors to secure answers so that the February 28, 2017 turnover results can be reviewed in order to analyze the amount due to or from Lennar per the turnover audit report.
2. **Allocation of Revenue and Expenses between Golf/Social and Social Only Members:** As of yet the BoD has not posed any questions on the proposal.
3. **Status of Opening Fidelity Bank 1.25% Money Market Account:** At the Committee's June 29, 2017 meeting it was unanimously approved to recommend to the BoD that a Money Market account with a six month guaranteed rate of 1.25% be opened for the RSGCC Reserve account in the amount of \$225,000. The recommendation was submitted at the BoD meeting held on July

18, 2018. This recommendation was acted on in August (the account balance as of August 31, 2017 is \$249,067.68)

4. **Credit Card Rates and use of Credit Card for Paying Dues:** The finance committee made a proposal to the BoD that American Express no longer be accepted within River Strand therefore saving approximately \$7,500 per year. It will be proposed at our next meeting that the payment of quarterly dues no longer be accepted by credit card, thereby saving approximately \$75,000 per year. Shaun Fitzer is investigating a service which may provide credit card use, but with the related fees borne by the cardholders (not RSG& CC).
5. **Request for written policies on Employee bi-weekly pay and Overtime; Employee Meal Discounts and Golf/Tennis lesson fee procedures:** We are awaiting from ICON the requested written procedures so that these procedures can be evaluated by the finance committee.
6. **Budget Calendar:** The budget calendar was reviewed. Icon will submit to the BoD a first draft of the budget by September 1, 2017 with Departmental/Committee project requests by September 15, 2017.

**New Business:**

7. **Accounts Receivable for Seven Months Ended July 31, 2017.** Shaun reviewed the current delinquent accounts receivable approximating \$128,000. That figure is up, primarily because of recent quarterly billings. The status is: 25 letters had been sent out; 2 accounts are in the hands of attorneys; 3 resident properties privileges have been suspended. A letter was received from our attorney, approving the context and timing of the three delinquent letters. Continued progress is being made and the turnover to collections attorneys is being made much more promptly. Interest is also being charged to accounts more than 60 days delinquent.
8. **Engineering and Reserve Studies:** The engineering study has been received, but was lacking adequate golf analysis and a request for an updated study completed as soon as possible. The reserve study is due for review in September. Significant future work and analysis will continue on these two projects over the next months.
9. **Excess Cash Funds:** BB&T indicates an availability of procuring the short term investment (with other banks) of up to \$250,000 per FDIC insured. During the peak seasons there maybe funds that can be invested. The Finance Committee and its Board Liaison will monitor excess funds that can be invested.
10. **Financial Statements for the Seven Months Ended July 31, 2017.** The 7/31/17 financials reported cumulative net income of \$735K vs. a budget of \$266K and a prior year profit of \$589K. The revenue increases were primarily from (1) additional memberships (\$20k); (2) Lennar paying dues and maintenance costs on unsold homes (\$71k); (3) higher capital resale contributions (\$72k); (4) the March 2017 billing of \$72K for unused food minimums; (5) golf course underspending budget on chemicals (\$85k), fertilizer (\$78k) and mulch (\$34k). Some areas causing a decline in net income are food and beverage revenue below budget and operating costs exceeding 2016 as well food cost of sales at 54% for the seven months exceeding both the budget and the prior year. It is important to keep in mind that the estimated \$149K social profit from January and February 2017 may revert to Lennar once the turnover audit is completed and the \$201K underspending of golf chemical, fertilizer and mulch maybe spent in the second half of 2017. With the snow birds going

North in the second quarter of 2017 the remaining five months of 2017 budget reflect four of those months budgeted at a loss.

**11. Checks Issued Over \$10,000:** Discussion was held again to ascertain if checks in excess of \$10,000.00 were requiring two signatures, with the second being that of a board member. Such involvement would further constrain and control high end expenditure activity without our internal control.

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

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Submitted by:  
Paul Bondy, Secretary

