

**Community Services Associates, Inc.**  
**Finance Committee Meeting**  
March 19, 2019

On Tuesday, March 19, 2019, a regular meeting of the Community Services Associates, Inc., (CSA), Finance Committee, was held at the CSA Administration Building, 175 Greenwood Drive, Hilton Head Island, SC 29928.

**Roll Call**

Present:	Carolyn Adams	Scott Calahan	John Farrenkopf
	Walt Greenfield	Lisa Laudermilch	Lee Ann Leahy
	Lee McCollum	John McEnery	Larry Movshin
	Stu Rodman	Richard Speer	Michael Tucker
	Ray Warco		

Absent: David Herskovits

Ex-Officio: Mark Griffith

Staff:	Bret Martin	Victoria Shanahan	David Henderson
	Hayes Williams	Tracey McNeill	

**Call to Order**

The meeting was called to order by Stu Rodman, Chair, at 9:00 a.m., Eastern Time.

**Ratify Approval of the January 15, 2019 Meeting Minutes**

The January 15, 2019, Finance Committee meeting minutes were approved. LeeAnn Leahy made the following motion, seconded by John Farrenkopf and unanimously carried:

“RESOLVED, the Community Services Associates, Inc., Finance Committee, approved the minutes of the January 15, 2019, meeting, as submitted”.

**Financial Update**

**Status of 2018 Independent Audit** - Victoria Shanahan

- o The onsite audit was completed last week. The financial statements are to be drafted in house by Mr. Williams, as the auditors had the balances grouped differently, causing confusion for the users of the financial statements.

**Acceptance of Unaudited YTD/December 2018 Financial Statements** – Victoria Shanahan

- o The YTD/December 2018 financial statements were reviewed.

The balance sheet as of December 31, 2018, was reviewed. Total assets, on an accrual basis, were \$19,029,146, a decrease of \$997,777 compared to the same period last year. A total fund balance of \$16,600,961 was reported, a decrease of \$460,246, over the same period last year.

The income statement as of December 31, 2018, YTD, was reviewed. Actual expenditures over revenues were \$(460,246), resulting in a variance to budget of \$1,684,666.

The balance sheet as of January 31, 2019, was reviewed. Total assets, on an accrual basis, were \$24,536,638, a decrease of \$446,191 compared to the same period last year. A total fund balance of \$23,101,492 was reported, a decrease of \$71,555, over the same period last year.

The income statement as of January 31, 2019, YTD, was reviewed. Actual expenditures over revenues were \$6,500,531 resulting in a variance to budget of \$413,637.

The YTD/December 31, 2018 and YTD/January 31, 2019 Financial Statements were approved. Richard Speer made the following motion, seconded by Lisa Laudermilch and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Finance Committee, approved the YTD/December 31, 2018 and the YTD/January 31, 2019 Financial Statements, as submitted”.

### **New Business**

#### **2019 Budget Amendment** – Victoria Shanahan

Staff requested that several capital expenditures and MR&R projects that were not purchased or completed in 2018 be rolled forward into the 2019 budget. The total amount of MR&R requested to roll forward is \$465,212, the total amount of capital purchases is \$34,299.

A motion was made by Larry Movshin to approve the roll forward of \$465,212 for capital expenditures and MR&R that was not completed in 2018 to the 2019 budget. The motion was seconded by John McEnery and unanimously carried.

"**RESOLVED**, the Community Services Associates, Inc., Finance Committee, approves and recommends acceptance by the CSA Board the roll forward of previously approved \$465,212 for capital expenditures and MR&R that was not completed in 2018 to the 2019 budget".

#### **Investment Status** – Victoria Shanahan

- Ms. Shanahan reported that unrealized losses went from \$235,000 in December to \$86,000 in March, indicating a positive trend.

#### **2019 Assessment Collections** – Victoria Shanahan

- Ms. Shanahan reported on the successful efforts of the Finance Department to collect outstanding assessments. Guest pass privileges were suspended on April 1<sup>st</sup>. As of today, there are \$245,000 in assessments due.

**Balance Verification Fees – Tracey McNeill**

- The CSA Finance Department is routinely asked to provide a verification of assessments paid for properties under contract. Outstanding assessments are collected at closing. In 2018, approximately 400 assessment balances were requested. Most communities charge a fee to provide this information, CSA does not. The Committee discussed the proposal to start charging a fee to the closing attorney for balance verifications. The Committee decided to table this for a later date.

**Policy Rescinds – Victoria Shanahan**

- The CSA Financial Policy Manual was last updated in July, 2008. These policies need to be updated to broader policies and have the specifics be addressed in the procedures. This is to be an ongoing project.

**Old Business**

**Special Assessment Report – Victoria Shanahan**

- Currently, there is \$928,000 in the Special Assessment fund. Forecasted needs for these funds include boardwalks, lagoons and long term tree work. Expenses will be documented and a report provided at the CSA Board Meeting and Community Coffee.

**Referendum Update – Victoria Shanahan/Bret Martin**

- A set of terms was agreed upon to move forward without a transfer fee. The terms will be announced and ballots sent out in late May or early June.

**Beach Trolley – Victoria Shanahan**

- Funding for the trolley lot is part of the budget amendment. The Finance Department will set up a separate department to track all Beach Trolley expenses.

**Adjournment**

With no further business to come before the Committee, Chair Rodman adjourned the meeting at 10:05 a.m.

Respectfully Submitted,



Stu Rodman  
Chair