

TEXINS ASSOCIATION CLUBS  
Board of Directors Meeting  
January 6, 2005

Present ( \*) Not Present):

<u>Directors</u>	<u>Staff</u>	<u>Other</u>
Alesia Carroll	Marcia Flowers (*)	
Carl Skooglund (*)	Pam Blair	
Kim Smith	Monica Arnoult (*)	
Ron Tabor	Rebecca Cooper (*)	
Christine Marshall		
Ingrid Jenkins		
Mike Mignardi		

**Agenda Items**

**Meeting Minutes Approval**

The December BOD meeting minutes were approved.

**Financial Report**

The November account summary shows our net income to be (\$57k). The majority of this is due to the TIAA club's Big Event. TI had already paid for this in September '04 and the bills for the event arrived in November '04. All clubs were operating in the black except the Golf Club. On 12/30/04, Chuck Roth (Golf Club President) submitted a check for \$210 to cover this deficit. Our Nov. '04 Total Liabilities and Equity is \$1.257M. For this year, we will pay for 50% of the club's sales tax.

**Capital Depreciation**

Alesia's message to us is that we need to be consistent on what we call capital and who depreciates it – the club or the association. This was direct input from our financial auditor. Our bylaws do not provide enough information to indicate who owns the asset. If a club disbands, their members have 1<sup>st</sup> rights to buy their assets from private funds. Any capital items will be depreciated by each individual club. Pam already has this in her financial program. The information Pam provides the BOD does not include the capital assets.

**Action:**

1. BOD – update our bylaws to indicate who owns the asset and what happens to the assets when a club disbands.

**Golf Club Advances**

This club asks for 2 advances per year – about \$2500-3500 each. One is at the beginning of the year to place deposits at various country clubs and the other advance is to actually pay the country club the golf tournament fees. As the Golf Club pays up one advance, they turn around and request another. These type of advances have been in use for the past 13 years. The problem, from a financial auditing standpoint, is there is no

paper trail of where the money goes. Also, the association is not earning interest on these advances. Apparently, Golf Club members do not pay dues and only pay when they play in these tournaments. Mr. Roth does charge extra money for each tournament to pay for special prizes. The first advance is not due till March.

Suggestions for a resolution on this club were discussed as follows:

- Write a check for each country club.
- Establish a petty cash account of \$200 (this works well for the Dive Club)
- Have each of the 63 members pay a membership fee of \$100 up front. This would provide a strong balance for the club and eliminate the need for cash advances.
- Have the club nominate a treasurer.
- Give the club a loan for the \$ at our standard rate of 1% over prime.

**Action:**

1. Smith: Provide the BOD with a proposal for how to handle this club by 1/10/05.
2. BOD: Provide Kim with feedback by 1/14/05.
3. Smith: Send Mr. Roth our recommendations by 1/20/05
4. BOD: Consider inviting Mr. Roth for our next BOD meeting in February.

**Insurance**

We have not been in communication with Neil since our last BOD meeting in December.

**Action:**

1. Tabor: Close with Neil on where he is with our insurance.
2. BOD – Top priority issue that needs to be resolved in February.

**Disbanding of the Triathlon Club**

Pam cut checks for each person for \$10.44 each. The club is now officially disbanded.

**Is/Is Not Guideline for HFC Marketing**

No updates provided. Needs to be on our next agenda (Skooglund).

**Bylaws Update**

Alesia has only received on e-mail response to date.

**Action:**

1. BOD: Provide input to Alesia by 1/14/05
2. Smith: Take the inputs and provide one final pass before Rebecca updates.

**Club Budget Reviews**

Alesia has communicated the BOD's approval on budget to the various clubs. The Sherman Bass Club did get back to Alesia indicating they had problems with their new fish scale and are planning on returning it and purchasing another one from another vendor. There has been no response from the Sherman Dive Club.

## **New Business**

### **Employer Taxes – Club vs. TAC Pay**

To date, the clubs have 5 people on payroll (TIAA =1, Texoma = 2, Flying = 2). The Flying Club is going to 1 payroll person as they outsource their accounting. In 2004, the clubs pay for the salaries. The Association has paid the employer taxes. The amount of employer taxes paid in 2003 was \$3500 and in 2004 was \$7400. The BOD agreed that we need to communicate to the clubs that they pay employer taxes as well starting in 2005. We will not do anything for taxes paid in 2003 and 2004. The clubs really didn't have employees until 2003 – so, this is a new situation for the BOD.

#### **Action:**

1. Carroll: Communicate the BOD's decision to these three clubs.

### **TFC Loan Pay Off**

The TFC wants to pay off 2 of their 3 loans. One of their loans is for an interest rate of 8.5% back in 2001. The board agreed to allow them to pay off the Aircraft and Overhaul loans. We also discussed that many clubs are unaware that we provide loans.

#### **Action:**

1. Carroll/Blair: Communicate to the TFC that we approved their payoff.
2. Carroll: Communicate to the clubs that we do provide loans to the clubs at rates of 1% over the prime lending rate.
3. BOD: For future loans, consider a situation where we may provide a lower loan rate.

The meeting started at 11:36am and ended at 1:00pm. Our next board meeting will be on February 3, 2005.

Regards,  
Mike Mignardi  
Texins Association Clubs Board of Directors Secretary