

In February, I took over as acting president of unit 174 after Bob Armstrong stepped down because of his health.

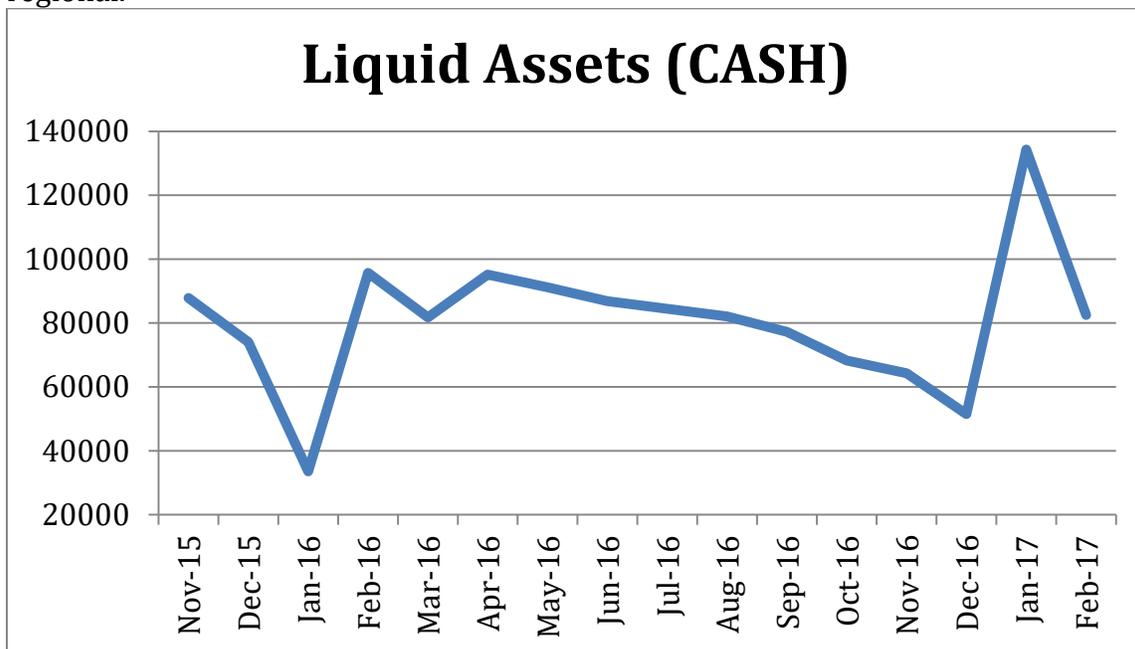
I would like to talk about the great things that board has done and is going to do. I admit that we may not have been perfect.

But before I can do that, I need to address the rumors that have been circulating around the clubs.

**RUMOR: “The board is in financial crisis.” “The board does not know how to make budgets.”**

At the annual planning meeting, the board has agreed for the last several years to keep about \$85,000 in reserve. At the meeting in May 2016, the board at the recommendation of Dianna Gittelman lowered the reserve to \$75,000. The purpose is to have enough money if we had a catastrophic tournament like the one in fall of 1997 when the 500 year flood hit Houston

The nature of our cash flow is such that we live off the income of the regional. Perhaps the graph below will explain it better than I can. As you can see, our lowest cash reserve is immediately before the regional. Our highest cash reserve is after the regional.



The calendar year of 2016 was not the best year financially. We printed a directory at a cost of ~\$5000 and replaced several of the wooden bins used for storing the card tables and other supplies at a cost of ~\$4000. We have also invested \$3000 in an effort to attract new members. The highly successful Mini Bridge events headed by the Marketing committee have attracted national attention. The ACBL has given UNIT 174 a \$1500 educational grant to help fund this effort.

In addition, the board invested nearly \$2000 for the website maintenance and development.

In 2016 we also lost more money than expected at the South Shore Sectional.

Despite a beautiful site, the attendance was the lowest for a fall sectional in the last

6 years. The budgeted expenses were what are usually spent to host a sectional but the income from the game fees did not materialize.

In 2016 we also lost money for the UNIT 174 NAP event. Again the attendance was low as the expenses were not different than before.

The board has made a concerted effort to keep expenses in check and within budget. If the attendance is significantly below expectations, the sectional will lose more more than expected.

We have also made efforts to decrease costs where possible.

Nancy Strohmer and the board have worked with the Director in charge, Kevin Perkins, and have been able to decrease the director's cost from \$98,510 in 2015 to \$88,157 in 2016, despite increase in session charges and sanction fees. John Caudill and the board have worked with the new head caddy Randy Simpson, and have lowered our caddy cost from \$13,635 in 2015 to \$6811 in 2016.

Despite an unexpected expense for the lighting at the regional, the budgeted and actual expenses for 2016 and 2017 were identical. The attendance again was less than expected and budgeted.

In district 16, we are the only unit that charges \$10 for a sectional held in a hotel or civic center. Only small sectionals held in their own clubhouses can charge \$10. The board has traditionally felt that we would like to give back to our members and provide low cost local tournaments and expect to break even or only lose a little. In 2015 we lost \$14 thousand from the sectionals and in 2016, 15 thousand dollars. So you will begin to see increases in some of the entry fees. In June the fee will be \$15 per session for the Sunday games. This may be enough to keep the cash reserve at a respectable amount and provide an outstanding tournament experience for our members. We are in the process of doing a projection for the next year to be presented at our annual planning meeting.

### **RUMOR: "Money is spent without authorization"**

The board has several procedures in place.

The board president can authorize up to \$500 without board approval according to our procedures. I am not sure that anything more than \$100 has been authorized in the last 3 years using that procedure. The president usually tries to get a consensus by Email. But there are times when something needs to be done and the president should be able to act swiftly. However, the board is notified and explained the issue or need and has always agreed at the next meeting that the expenditure is appropriate for our mission.

The board will also approve a budget for various events or activities. The person in charge may bill directly to the unit or may incur the expenses initially and be reimbursed later. Our procedure is that the president will review the receipts and reimbursement request and will agree that the expenses are appropriate with the budgeted expenses approved by the board and forward to the treasurer to pay the expenses.

Even with those procedures, our treasurer may contact the president or board about a request for reimbursement that he needs clarification. Gary Hercules, our treasurer, has done that on more than one occasion. On one occasion, an error in calculation was found and in another the board developed a procedure to prevent future misconceptions.

**RUMOR “The board reimbursed the cost of catered meal for a holiday party at the one of the clubs.”**

The board has authorized a subsidy of a maximum of \$10 per table for a holiday party for a day game, a night game and I/N game, if they are held. We require receipts that the money was actually spent. So if one club wants to spend \$2000 for the holiday party, we will only subsidize a maximum of \$10 per table. The club has to cover the rest. However, if the club provides receipts for \$40 for a holiday party for a 10 table game, they will be reimbursed \$40, not \$100. The current board has continued this tradition and would like to continue.

The board subsidized the clubs \$4332 in 2015 and \$3724 in 2016 for the holiday parties. The total listed for 2016 includes \$1750 paid in January 2016 for the 2015 parties. So the amount was actually less this year.

The board is a group of conscientious individuals who have dedicated enormous amount of time and energy. However, we are disheartened by the rumors. The unit is financially stable. The board will make sure of that.

The board meetings are open to the members. If you would like to attend, please come. Let me know. I will arrange to move to a larger room if needed.

Bill Riley  
Acting President of UNIT 174