



The 49th Annual Membership Meeting of the Fort Clark Springs Association, Inc., was held on Saturday, August 29, 2020 (rescheduled from March 28, 2020 due to COVID-19 restrictions) at the Amphitheater, Fort Clark Springs, Kinney County, Texas. The meeting was called to order at 8:30 AM by President Sandee Hagen. The following Board of Directors were present: Sandra Hagen, President; Dustin Smith, Vice-President; Bill Herman, Treasurer; Robert Mumme, Secretary; and ReAnna Hay, Director. Also present was Alan Peterson, Executive Officer/General Manager and Julie Moreno, Executive Secretary. Pursuant to CDC, State and Federal Guidelines governing group size and social distancing and to protect our members, the meeting was open to members with limited seating capacity. Golf carts were welcome. We strongly recommended that members wear a face covering at all times. The meeting was streamed on Facebook and posted on YouTube. Questions could be submitted to fcsa@fortclark.com.

Call to Order: Sandee Hagen, President.

Welcome and introduction: Sandee Hagen, President, welcomed all Members. Thanked Philip Garcia and his crew for preparing the theater for our meeting, and Julie Moreno and Sherry Neuman for taking care of the details, including beverages.

Invocation: Pastor Y.J. Jimenez of the First Baptist Church in Brackettville, Texas, delivered the Invocation.

Pledge of Allegiance and Texas Pledge: Dustin Smith, Vice President.

Introductions: President Sandee Hagen introduced Board Members, Executive Officer/General Manager and Executive Secretary.

Reading and Approval of 2019 Annual Meeting Minutes: Robert Mumme, Secretary, read the minutes. Motion to Approve was made by Helena McBride, Jan Metcalf seconded. All Members voted to approve.

Annual Audit Report: Bill Herman, Treasurer, summarized the report prepared by Jerry Wotjek, Independent Auditor. The Independent Auditor's Report is broken down into 5 parts: 1. Management's Responsibility for the Financial Statements; 2. Auditor's Responsibility; 3. Opinion; 4. Omission of Required Supplementary Information about Future Major Repairs and Replacements; and 5. Report on Supplementary Information. Finance Statement - Page 3 of the report is the Consolidated Balance Sheet. The fund balances of the General Fund and the Restricted Fund remained relatively the same as the prior year; however, the Restricted Fund's total assets have increased by approximately \$90,000.00. The General Fund's total assets decreased by approximately \$109,000.00. Most of the increase in the Restricted Fund is because of an increase in the amount owed to the restricted fund from the General Fund. The total consolidated liabilities increased approximately \$212,000.00. Once again, this increase is mainly due to an increase in the amount owed from the General Fund to the Restricted Fund. Another reason is the deferred insurance proceeds in the amount of \$76,000.00, which is a liability in the General Fund. Overall, total consolidated fund balances decreased from \$1,957,535 as of 9/30/2018 to \$1,727,828 as of 9/30/2019. Page 4 of the report is the Consolidated Statement of Revenues, Expenses and Changes in Fund Balance (income statement). Total consolidated revenue increased by approximately \$192,000.00. This increase was due to increased revenue from the motel and RV Park, with increases also in the area of member assessments. Total

consolidated expenses remained relatively the same with only a \$3,000.00 increase. This results in a consolidated net loss for the Association of \$229,707.00 for FYE 9/30/2019, which is a decrease from the net loss of \$417,908.00 in FYE 9/30/2018. Page 5 of the report is the Consolidated Statement of Cash Flows. The financial statement begins with the net loss for the year from operations, and makes adjustments to show the total cash inflow/outflows due to the operations of the Association. Total cash “inflows” of \$68,727.00 was a result of normal business operations of the Association. The cash increased from \$566,288.00 on 9/30/2018 to \$613,489.00 on 9/30/2019. Notes to the Consolidated Financial Statements - Note 5, Federal Income Taxes shows that the Association has \$2,157,929.00 in net operating loss carryovers to future years. Supplemental Schedules are on pages 11, 12 through 14. Most areas showed a significant increase in net income year over year.

State of the Association: Sandee Hagen, President and Alan Peterson, Executive Officer/General Manager. March, 2019, two new directors were elected to the board. During the summer of 2019, issues developed that resulted in the Executive Officer leaving and a Director moving away, creating an opening. The Membership became decisive resulting in the membership removing the entire board in February, 2020. A new board was appointed and the direction of the Association started moving forward again. One of the newly appointed directors resigned after less than a month, again leaving an opening that was filled more than a month later. FCSA experienced an issue in hiring a New General Manager in March, but are pleased to announce that on August 13 Alan Peterson was hired to be the Executive Officer/General Manager. Mr. Peterson has extensive experience in hotel, resort, golf course and HOA management. The Directors cannot comment on the status of the Association from March 2019 through January 2020. They are grateful to Jim Race for the preliminary work he did with the accounting staff and procedures and were disappointed when he resigned. The Board is working hard to corral expenses, especially after COVID-19 decreased revenue. People stopped traveling so motel revenue decreased. Visitors cancelled rentals and winter Texans returned home. Individual members lost income and fell behind in their assessments. The Board froze wages and limited hiring to only replacing employees who left. Motel revenue is now increasing. We are starting to rent venues again. The golf course benefited greatly when Del Rio closed its public course because of COVID-19 and their golfers began coming to our course. Cash Letsinger and his staff welcomed our neighboring golfers from Del Rio and Del Rio Golfers responded by sending the course a thank you letter that included a donation of \$500.00 to our Golf Committee. Kinney County COVID-19 cases remain low compared to neighboring counties. We replaced 5 aging and vulnerable computers, corrected issues at the landfill, replaced a pump that supplies water from MUD to the golf course and replaced other broken but essential equipment. We negotiated a large Pitney Bowes bill incurred when FCSA cancelled mid-contract, saving approximately \$5,000.00. FCSA qualified for a Payroll Protection Plan Loan (PPP). The loan was approved earlier this month for \$192,574.00 and will only be used for payroll. The PPP loan is a “forgivable” loan and we will be filing the documents for forgiveness soon. Mr. Peterson is currently working on the next fiscal year budget. This fall begins a new election cycle. At the September Board Meeting we will be appointing 5 property owners to the Election Committee. We also want to thank our employees who have worked for a year without a General Manager. Julie Moreno, Administration, Philip Garcia, Field Operations and Matt Bland, Security have handled the day-to-day operations of the Association with assistance only when needed or requested from the Directors. We also lost two of our golf maintenance employees this year - Martin Lumbreras and Miguel “Mike” Gonzales - may they rest in peace. We would also like to give special recognition to our Administrative Staff. Sherry Neuman in Accounts Payable tracked every penny spent and worked with Philip to renegotiate the landscape contract to reduce mowing during the drought, saving FCSA about \$39,000.00 per year. Cyndi Flores in Accounting cleaned up coding and took over some of the outside accountant’s responsibilities, saving us money. Allison Sanchez improved our banking functions, volunteered to produce the new Bugle and puts our meetings on YouTube. Gaby Talamantez sold several FCSA properties and collected more than \$10,000 in back assessments. Lety Rivas’ work on the motel and guest pricing will make us more competitive and bring in additional revenue. Samantha (Sam) DeHoyos

worked the front desk with a smile, behind Plexiglas and a mask, even when her computer failed and she had to use a coworker's. Alan Peterson is making long-term and short-term plans. Sandee also thanked each Director and Members.

Dustin Smith, Vice President thanked Tim Ward, Ashley Collier and an anonymous donor, for donations that paid for a pump for the pool so the pool could be cleaned and filled for Members and Guests.

Recognition - Board Committees: Sandee Hagen, President. President Hagen acknowledged all the Fort Clark Springs Committees and named each individual in each committee.

Member of the Year: Dustin Smith, Vice President. The Member of the Year is Phil Coburn. Phil moved to Fort Clark in 2000. Shortly after moving, he became involved in the Historical Society and then became President of the Historical Society. While President he initiated the Thanksgiving Dinner at the Palisado Building and organized a volunteer group to repaint the Service Club. Phil is also a member of the Historic and Preservation Committee, Volunteer for the Fort Clark Recycle Center, Volunteer Docent at the Old Guardhouse Museum, currently a Director for the Historical Society Board, Historic District Tour Guide for the Historical Society, Tour Guide for the Annual Ghostly Tours, and an all around dedicated Fort Clark Springs Member. Phil was not present at the time the award was given. Russell Nowell accepted for him.

Employee of the Year: ReAnna Hay, Director. The Employee of the Year is Chris Abbott. Chris was hired on September 1, 2012 in the Security Department. Soon after his hire, Chris was promoted to second in command with the position title of Deputy Chief. Today his other responsibilities include Pest Control and Staff Liaison Officer to the Architectural Committee. He is also the Building Inspector and Chief Investigator of CC&R violations. Chris does many other tasks and through his experience and dedication he has become an invaluable employee to the Association.

NEXT REGULAR BOARD MEETING: Wednesday, September 16, 2020, Fort Clark Boardroom, 9:30 AM. Seating will remain the same unless notified that there are changes with the COVID-19.

NEXT ANNUAL MEMBERSHIP MEETING: Saturday, March 27, 2021, and will include the announcement of new Directors.

ADJOURNMENT: Motion to Adjourn was made by Natanya Watkinson to adjourn the meeting. Sandy Herman seconded the motion. Meeting was adjourned at 9:12 AM.

ROBERT MUMME - Secretary