

CABC GENERAL MEETING MINUTES

1/24/2022 attendance: CABC Executive Board, UCPS Admin, 27 attendees signed in

President opened meeting 6:03pm

Introduction of CABC executive board David Best President, Anne Divers Vice President, Heidi Inman Treasurer and Donna Smith Secretary

Financial update Treasurer: Slower season from winter to spring sports. December/January no revenue, just monthly expenses.

General checking account-\$98,809.32/Capital improvement account-\$8900.72

CABC capital account was \$5400 when the new board first took over and now it's at \$8900.72 after transferring \$3500 from our general account in paid membership dues. The board discussed and agreed to begin by depositing membership dues to build back up the capital fund account and would add to that as we had a better handle of all sport season expenses. We will continue to build that account to use for equipment/uniforms and items on a rotation, as well as future capital improvements.

Created an online Spiritwear store, began selling tickets to the home wrestling meets and doing CMS basketball concessions. Concession income may only be \$200 per game day but it is still accounted as an income for the CABC

If you are interested in helping with concessions it is always welcomed. Volunteer to help please go to the CABC website for volunteer information please fill out forms.

CMS basketball tournament details will be moved to the closed session with UCPS admin. Mr. Murray stated hosting CMS games Monday/Tuesday/Thursday/Friday any help would be appreciated.

Saved \$25,000 a year for CMS fields with the new company and Mr. Murray stated they look amazing and have been keeping the students off the field after inclement weather. Prior maintenance fees over \$90,000 for the year for both CMS and CHS campuses. RNA remained to maintain the CHS.

CMS spring sports begin February 7th - registration is completed/great response for middle school sports.

Investigation of prior board members. We do not know the results and we are not here to slander anyone but please act as adults as the family and children of that individual should not suffer because of it.

Update on investigation of CABC funds. One member of the prior board has been arrested. Large amount of theft discovered credit card, debit card and checks, not including cash. Pursuing forensic audit, called for estimates on how much it would cost vs what amount could be recovered. Do not know when/who will call for a forensic audit due to the investigation. It is a long process as new things are discovered at every glance. We are trying to reset the finances of the booster club and this situation is a big part of finding where the money is.

New board took over, approximately \$22,000 in the account, reconciling the finances, we discovered the CABC account was used for personal use. It is going to be a long-term process and court appearances.

Expenditures of 2020-2021 CABC were at approximately \$11,000-\$12,000+ a month (lights, field maintenance, monthly expenditures) and the prior board was a few months away from depleting all the organization's funds. The prior board was in this situation and was delinquent on payment of the lights since October 2020.

From floor-thanking the current CABC board for researching the situation. response: it was done for the children.

From floor- Will there be a way to recover any of that money? CABC responded "yes, we are trying" Cash may never be recovered.

As a new board and not having the help from the prior board, we are learning as we go. First priority was getting fall sports underway for the CMS student athletes. Completed two seasons with success. Path of organization is going in the right direction.

Create a master list of all sports so CABC can help support spirit wear and CMS concessions.

Non-profit pays sales tax, then submits for reimbursement. The prior board was delinquent in the filing. Maybe thousands of dollars that can be reimbursed. Do not have exact documentation of everything that was purchased. Needle in a haystack looking for what has been done.

Current Treasurer has filed CABC 2020 taxes, the prior board did not. Will continue to file for reimbursement of sales taxes.

Inventory has been taken of what needs to be purchased for the safety of the children and what items that are usually on rotation be purchased/set to be updated sooner than later. Items purchased by CABC are missing but we have receipts of purchase.

HS sports are state sanctioned sports and CMS sports are CABC supported. CMS participation fees are the main income of the CABC. The funds are used to maintain the fields on both CMS and CHS campuses. Mr. Blackwell can request help with items that are not financially in his budget as per written in bylaws.

At the start of reconciliation of the finances no red flags, as CABC continued red flags began to raise to bring us to where we are today.

Our main job is to represent members of the CABC/student athletes. MS is where most of the revenue comes from, concessions at MS sports events, spiritwear and membership, most of the membership from MS parents.

HS parents may think we do not support the HS/do not become a member. CMS sports helps support the HS.

CABC is a booster club for both HS and MS and will support both, and will not favor one sport over another even if one sport brings in more revenue.

Spiritwear online via store. We are all volunteers, trying hard to pull the CABC out of this financial situation

Lights not been paid since 9/2020 covered September/ October's payment. Monthly payment for the lights is \$4190.59. Including the down payment (\$94,000) and payment through 10/2020, CABC has paid \$120,040.74

One issue between CABC and Camp Electric, the company that financed the installation of the lights. We are still searching for information on how all the decisions were made. Prior board did not provide information.

David read a letter from CABC Attorney to Jason Camp of Camp Electric. (see attached)

From the floor- Why did we wait until now to have legal counsel send Camp Electric a note about payment. States- have all been involved with fundraising for light and know there is an obligation if there is no paperwork or not. Now it's going to hurt the kids. Stated Mr. Stout and Mr. Blackwell knew the lights went up and can say there was an agreement to put the lights up. Mentions bylaws state Wayne could have signed it without group approval. What is the next move to go forward?

Response: In August we did have a conversation with the electric company. Our first concern was to get CMS fall sports underway. Why lights were turned off should be asked to UCPS, the lights were turned off without our knowledge. Mr. Stout and Mr. Blackwell unaware of the lights being turned off. Assume they were turned off so CABC would pay the light bill? This occurred while we were trying to find information on the situation. We were advised by legal counsel not to make payments.

From the floor-Parent stated: 2020 lights went in Covid shut season down. 2021 played under lights. For seven years parents have raised thousands of dollars for the lights. Kids are the only ones getting hurt.

Once all the information is obtained, CABC can move forward with payment of the lights.

Minutes are missing for months from the prior board. The prior board was contacted for information. There is no documentation that a vote occurred to approve the lights. Non-profit organizations have to follow NC GS 55A for non profit, states, actions have to be documented, via written/text/email to make a decision.

Camp Electric did not contact CABC prior to 1/18/2022 asking for delinquent payments. UCPS did not contact us and stated they were putting a lock on the lights.

Mr. Blackwell - When did CABC first contact Camp Electric? Response -August when new board took office.

Mr. Blackwell: spoke to Mr. Camp this afternoon 1/24/22, stated that he had contact with the new board and made an effort to understand what was going on and what needed to be rectified and paperwork. Camp said he was working with you but instead felt like he was the one not paying. He (Camp) had a conversation with UCPS and they haven't been paid and Camp has done millions of dollars work for UCPS and they wanted to keep good with the partnership. UCPS doesn't want to jeopardize a million dollar partnership. Blackwell states they performed service and the booster club needs to pay for that service.

CABC: Did he reach out to the past board and request payment? David and Mr. Blackwell had a conversation the day the lights were turned off in October. David states: We were told the lights would stay off until we had shown that a number of months had made payments as per Mr. Blackwell.

Mr. Stout received a call from facilities that we have to get in good standings with the lighting company.

How was money raised for the lights? In minutes of a meeting Mr. Blackwell stated to be financially stable to move forward with the lights. The gala is the only specified fundraiser the CABC had for the lights. There are many that attended the gala and did not purchase tickets and their ticket was paid for by the CABC therefore decreasing the amount of money being raised. There was "go fund me" or other fundraising that was done by HS where the funds from them did not come to the CABC. If the coaches did a fundraiser stating it was for the lights it never was deposited into the CABC accounts.

From the floor: Why do we have to worry about what was done previously?-response: Middle school sports pay for athletics, if they would have continued without the proper funding the middle school might have not had sports. 1200 kids no athletics for one project.

From the floor: How can we get the lights turned on? The investigation into criminal behavior is indirectly associated with the lighting issue; it is not directly the same. Information we cannot share with you. The lights can be put on if we work with UCPS and come up with a solution to move forward, it's not just write a check and move on.

How much do we the parents have to pay to get the lights turned on. Are we not going to play? Response-You will still play, you have not had lights for the previous 11 years. Information from the criminal investigation will help explain our situation.

How did the HS teams fundraise for the lights? The HS has not contributed to the lights. We do not pay directly to rent the UCPS fields in return we pay for the maintenance of the fields for both campuses.

Coach Vaccaro, he mows the HS fields, states the lights are up and in good faith they should be paid for. Working with UCPS to rectify the situation. Coach Vaccaro stated he was in the room when Mr. Blackwell spoke to Camp Electric. They did the job and deserved to be paid.

CABC had an attorney on retainer, due to conflict of interest with the arrested board member, he could not represent us and we needed to obtain new legal counsel.

Hiring an attorney was not to get out of paying the light bill, to get the proper documents from all parties. CABC wants to communicate to work on getting the lights turned on.

Mr. Blackwell: I asked, have you been able to reach out to speak with Mr. Camp? The County Athletic Director responded to me this week with his conversations with UCPS officials, asking what constitutes for getting back in good standings. UCPS didn't put a dollar amount. Didn't say they needed all \$67,000 paid. If Jason Camp states he feels comfortable they are making good faith to move forward in the right direction. Blackwell spoke to Mr. Camp 1/24/22 and stated he lost communication with the CABC current board and that is why he went to UCPS. He said CABC stopped communicating and didn't know why.

Mr. Camp and Mr. Blackwell had conversations rather than with CABC.

August 2021, CABC President had communication with Mr. Camp, no further emails exchanged until CABC Secretary emailed twice in November stating a new board and was requesting documentation on the lights as we were not handed over paperwork upon taking office. We want to move forward, do what is best for the kids.

From the floor- Can we call Mr. Camp right now? Response- Our attorney sent the letter that was read by the CABC President and we will wait for a response now from Mr. Camp.

Reiterated nonprofit has to follow rules/regulations of the state, all decisions/actions need to be documented

From the floor: jv/varsity will have to split games. It will interrupt other schedules too.

CABC engaged legal counsel to get documentation for the decision that was made and cannot make it in good conscience pay for the lights. We are asking for his advice. Two situations: First: criminal investigation and second: Research for recovery of information. One will lead to another.

From the floor: Can we meet with the lawyer and discuss?-response- Our legal counsel requested Mr. Camp call him to discuss the situation to move forward. We will set up a meeting with the lawyer and we are not opposed to having discussion with UCPS but information has to be shared with all parties.

Mr. Blackwell: CABC said Mr. Camp stopped responding. Mr. Camp states CABC kept on asking for paperwork. He states he supplied the CABC with a turnkey light proposal, amortization schedule and agreement to pay signed by a member of the previous board. Mr. Blackwell asked, is this an argument about an agreement between two parties? President: We cannot comment, we do not have any documentation.

From the floor: Mr. Camp feels like he did something wrong. States Mr. Camp kept the same proposal as he quoted back in 2014. Lights are up and Mr. Camp needs to be paid. Response- understandable as a non profit all decisions must be documented as mentioned prior.

From the floor: suggests speaking to Mr. Camp to renew the paperwork and start new. Response- We did email Mr. Camp, when we took office to discuss getting back on track, in the interim reconciling the finances, red flags came up of missing money, which led to the investigation and the arrest of the former board member and information missing from the prior board. The CABC is not opposed to recreating new paperwork with Mr. Camp, but we are not at the point where we can make that decision. Total lighting project payment was approximately \$295,000. We will discuss it with legal counsel.

The CABC has to continue to reconcile the finances to move forward as it can not sustain over time a monthly expenditure of \$12,000 (field maintenance and lighting payment) arranged by the prior board, which could lead to middle school not having sports.

Current field maintenance at the HS is baseball/softball \$15,000/year, football \$10,000/year (approximately) not including middle school ground maintenance and additional monthly payment obligations.

CABC would not be able to sustain that payment and financially support middle school athletics. 1200 student athletes would not have sports. Prior board did not have the revenue to support their expenditures and that is why the CABC was almost bankrupt.

From the floor-How much could the CABC afford? Response-We are trying to figure out with the new accountant. The tax paperwork filed has not been correct either as and is being looked into.. We have not completed a full sports year. Once spring registration concludes we will have a better idea of what the approximate yearly revenue should be and what type of commitment we can make. As of now we cannot afford \$12,000/month with lighting and field maintenance.

No records of prior years. We cannot jeopardize the athletic season of 1200 student athletes for one item. No income during summer where the expenditure of the booster club would still be \$12,000/month with (field maintenance and light payments) Membership is down due to the situation/covid it has been 100+ in the past which is still very low having 1200+ athletes at middle school and an entire HS athletic program.

From the floor-As a team with an entire room we can come up with a solution to get the lights turned on. No matter what the payment is CABC will have to pay that, correct?

The CABC is not opposed to finding a solution but due to certain circumstances we need to be advised by legal counsel to do so. The CABC understands the solution is to turn on the lights ASAP.

From the floor: the situation is embarrassing. Questioned should the parents take it upon themselves and are we going to work together or separate. Plenty of power to make this right. Parent-stated we need to get from here to August with an acceptable solution - The CABC would have to consult legal counsel.

From the floor- waiting for documentation/information is irrelevant to have the lights turned on. The lights are there. No cost to anyone. Will not get the documentation you are looking for. We need to get from here to August with an acceptable solution.

UCPS and CABC did not have a direct conversation about the lights before they put a lock on them. If they had reached out to the board we may have been in a different situation today. The parties that need to have conversation are UCPS officials, Mr. Camp and CABC.

Mr. Blackwell states UCPS is waiting for a conversation to happen between Camp Electric and CABC.

CABC legal counsel has contacted Camp Electric to initiate conversation as per the email sent today.

From the floor: Your attorney works for you (CABC) and we are asking you to discuss with your legal counsel to state you want to work to get the lights turned on and ask for advice on how to move forward to do so. Response: We will have a conversation with the attorney tomorrow to move forward. Please know that it may not be as quick as you would like it to be. The new board has not completed a fiscal year and at this time does not know what a monthly payment could be afforded. The new accountant would have to advise us on that matter. Prior year full documentations were never provided to the new board from the former board.

The CABC does not know what the CMS spring sports expenditures are as we have not had a season under the new board. CABC does not know what can be spent.

New board has saved CABC approx \$25,000 per year just by reevaluating the field maintenance contracts.

It is not one sport or aspect the CABC supports, it is multiple sports in multiple seasons that have needs. CABC has to make sure we are financially able to support the sports on both campuses for all needs from field maintenance, to reconditioning equipment. Would the HS be able to pick up the field maintenance fee? HS field maintenance is \$33,000/yr

The CABC does not want to start paying the lights then be in a financial situation where we can not continue to pay that payment. Goal is to reset the booster club and do what is best for the kids.

How did the baseball and softball HS teams fundraise for the lights? They had a "go fund me". CABC does not have any financial transactions that funds from the "go fund me" page was deposited to the CABC for the lights. Estimated to be \$10,000 in which is not accounted for. Questioning where the money is and not in regards to paying for the lights but for it to be accounted for somewhere. Baseball parents will look into where it is. If it was raised for the lights it would be put towards the lights.

USPS states if you fundraise you need to state what you are funding for when asking for donations/selling fundraising cards.

If you have information and documentation on the location of the fundraising money CABC would greatly appreciate it as CABC financials have no documentation of it.

The gala did not make as much as expected. Some persons in attendance did not pay for tickets and the CABC covered their tickets which decreased fundraising funds. CABC was able to retrieve documents of ticket sales for the gala. Ticket Sales from gala \$10,850 and some donations via sports engine. Email from a former board member states, "Gala total \$10,348!!"

From the floor-why would HS baseball/softball team give light fundraising to the CABC?-The CABC was paying for the lights.

CABC is rectifying the finances of the past to move forward; this has nothing to do with the payment of the lights. Previously the CABC has mismanaged the funds.

CABC will have a conversation with the attorney and will email Mr. Mack when the conversation/meeting will occur.

The four of us stepped up for the student athletes as members of the prior board stepped down. A successful middle school is a successful high school.

David adjourned meeting 7:42pm