

MINUTES – CERAMIC TILE DISTRIBUTORS ASSOCIATION (CTDA) BOARD OF DIRECTORS MEETING

Monday, April 20, 2009

1.0 CALL TO ORDER AND ARTICULATION OF MEETING GOALS

The meeting was called to order at 3:00 p.m. CDT by President Henry. Those in attendance were: Rob Henry, Tom Carr, Mike Robbins, Frank Donahue, Howard Pryor, Ryan Calkins, Jeff Ketterer, Steve Vogel, Eric Pucilowski, Barbara Gilmartin, Tom Kotel, Bill Ives and Rick Church. Each in the group shared their personal and business successes since the last meeting.

2.0 ANNOUNCEMENTS

There were no announcements.

3.0 LEGAL REPORT

There was no legal report.

4.0 CONSENT AND INFORMATION ITEMS

4.1 February 20, 2009 Board of Directors Meeting Minutes

A motion was made, seconded and unanimously passed to approve the minutes of the February 20, 2009 meeting of the Board of Directors.

5.0 TREASURER’S REPORT

Mr. Calkins presented the 2008 year-end audit report.

For the purposes of this Treasurer’s Report, we will be discussing the audited December, 2008 financial statements.

As of December 31, 2008 the Association has assets totaling \$410,652. All but approximately \$52,500 in accounts receivable, and \$8,700 in prepaid expenses are in cash or cash equivalents. Liabilities total \$141,616. These consist of \$66,000 in accounts payable and \$75,400 in deferred revenue.

Regarding the income statement on pages 9 and 10, let me begin with the “bottom line”. The December 31, 2008 statement shows expenses over revenues of \$219,341. We had budgeted to have revenue over expenses of \$11,379.

Looking at the revenue side of the statement, we see that total year-to-date revenue is \$1,022,765, or \$107,135 less than budget.

With regard to expenses, we see that Operations expenses total approximately \$255,075, or \$82,873 greater than budget. This is entirely due to the auditor requiring us to expense \$81,264 in bad debts from older receivables not yet collected.

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Education expenses total approximately \$92,837, or \$23,212 over budget. This was due entirely to certification related expenses – as previously reported.

Online opportunities expenses total \$18,567, \$1,600 under budget.

Create Recognition expenses total \$6,825, \$36,000 under budget.

Networking Opportunities expenses total approximately \$868,800, or \$55,000 over budget due mostly to the China trade mission and Coverings.

Overall, as of December 31, 2008, total expenses were approximately \$123,585 over budget.

In closing, the bottom line of the audited December, 2008 financial statement indicates we ended the year with expenses over revenue of \$219,341.

Mr. Calkins reported on the February, 2009 financial statements as follows:

For the purposes of this Treasurer's Report, we will be discussing the February, 2009 financial statements.

As of February 28, 2009 the Association has assets totaling \$402,157. Accounts Receivable and accrued interest receivable total \$107,000; Dues Receivable total \$47,600; cash and investments total \$277,000; and prepaid expenses and insurance total \$51,000. An allowance for bad debts has also been incorporated on the balance sheet and totals (\$81,588).

Liabilities total \$190,000. These consist of \$5,300 in accounts payable; and \$47,600 in deferred dues revenue and \$136,000 in prepaid Coverings and dues revenues.

Total Net Assets as of February, 2009 are: \$212,200. \$166,400 are undesignated and \$102,700 are designated.

Regarding the income statement, let me begin with the "bottom line". The February 28, 2009 statement shows expenses over revenues of \$57,000. For this same time period, we had budgeted to have income over expenses of \$18,000. The main reasons for this are less than budgeted revenues from Tile Dealer and Coverings.

Looking at the revenue side of the statement, we see that year to date revenue was \$39,800, approximately \$79,700 less than budget.

With regard to expenses, we see that year to date Education expenses total approximately \$17,300; approximately \$800 less than budget.

On-Line Opportunities expenses total approximately \$3,000; \$500 under budget.

Create Recognition expenses total approximately \$1,300; \$650 over budget.

Networking Opportunities expenses total approximately \$46,700; approximately \$2,700 under budget.

Finally, Operations Expenses total approximately \$28,500; approximately \$1,100 under budget.

Overall, as of February 28, 2009, total expenses were approximately \$4,400 under budget. Grand total revenues were approximately \$75,000 under budget.

In closing, the bottom line of the February 28, 2009 financial statement indicates CTDA is currently \$75,000 worse than budgeted.

I might add at this time, the Executive Committee has made recommendations for adjusting the budget based on our economic realities that will be considered later in this agenda.

Following the reports, a motion was made, seconded and unanimously passed to receive the February, 2009 financial report and approve the 2008 year-end audit report.

After additional discussion, a motion was made, seconded and unanimously passed to send a list of all companies whose debts were written off in 2008 to the Board members, then a letter will be sent to all companies in receivables stating that they will be sent to collections, then send the companies whose receivables were written off in 2008 to collections. Going forward, any company who is 120 days in arrears will be sent to collections.

Finally, Mr. Calkins presented an adjusted 2009 budget recommended by the Executive Committee. He noted the new budget revenues were reduced by nearly \$100,000 and the expenses were reduced by nearly \$70,000. After discussion,

A motion was made, seconded and unanimously passed to approve the budget as recommended by the Executive Committee.

6.0 UPDATE ON CTDA ONE YEAR THRUSTS

6.1 Create Joint Management Conference

Mr. Church reported he is meeting with representatives of TCNA and NTCA on Friday morning to discuss the implementation of a joint Management Conference in 2010. He also reported the 2009 Management Conference already has 35 attendees.

6.2 Webinars

Mr. Church reported the webinars continue to be a success with twelve companies and thirty-six people participating in the April webinar.

6.3 Sustainable Building Movement

Mr. Church reported that a subgroup of the Greenbuilding Committee is developing a white paper describing the sustainability of ceramic tile.

6.4 Surviving Economic Times

Mr. Church reported several programs are being pursued to help distributors survive these challenging economic times including: educational sessions at the Management Conference, articles in TileDealer, personal meetings with Al Bates and webinars.

6.5 Rebrand CTDA

Mr. Henry reported on the rebranding of CTDA project. He noted the membership had responded well to his request for input on branding concepts for CTDA. He noted the recommendation of the Marketing Committee was to consider updating colors of the logo but not to create a new logo. Additionally, they felt incorporating some of the suggested tag lines would be valuable. The Board agreed through consensus with this suggestion.

They also agreed the CTDA should obtain additional domain names which are more representative of tile distributors and dealers and a tag line including tile, stone and distribution should be utilized.

Finally, a Task Force will be formed with Mr. Henry, Mrs. Gilmartin, Mr. Kotel and others to develop a recommendation for CTDA's future brand.

7.0 METRICS

7.1 Achieve 300 CCTS' by 2008 year end

Mr. Church reported there are currently 220 CCTS'. Eight people are scheduled to take the exam at Coverings.

7.2 Increase active member companies to 75

Mr. Church reported there are currently 27 active member companies. After the committee meetings last week, several additional companies should become active.

7.3 Obtain 200 tuitions for online education by year end

Mr. Church reported to date, five online tuitions have been sold. He further reported the Stone course is near completion.

7.4 Achieve 300 distributor company and branch memberships in 2009

Mr. Church reported there are currently 207 distributor companies and branch members of CTDA.

8.0 OTHER BUSINESS

Mr. Church presented a draft position statement from the Education Committee regarding the Floor Covering B2B standard for approval by the Board of Directors. After discussion, *a motion was made, seconded and unanimously passed to approve the proposed letter from CTDA re FCB2B standard.*

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Mr. Henry noted the summer Board meeting will be held via conference call. The 2010 planning meeting will be coordinated between Mr. Carr and Mr. Church.

Some interest was indicated in future trade missions with possible locations such as Brazil. After discussion, CTDA staff was asked to make an official request to Italy and Spain for a possible 2010 or 2011 trade mission.

9.0 Summary

No summary was necessary.

10.0 ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting was adjourned at 6:00 p.m. CDT.