NEW STRATEGIES
NEW DIRECTIONS

NATIONAL CLUB ASSOCIATION
ANNUAL REPORT

National Club Association
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ADVOCACY. INSIGHT. GOVERNANCE.

The National Club Association (NCA) is the only organization that actively lobbies the U.S. Congress with a specific focus on the needs of the private club industry. In addition to our Government Relations Program, NCA also serves as an advocate for private clubs in the regulatory agencies, in the statehouses and in the courts.

NCA offers time critical solutions to club leaders through our Resource Center and Board Leadership Institute. Club leaders also have access to best practices through NCA’s periodicals, publications and education programs focusing on industry trends, human resources, operations and governance and planning topics.

NCA’s Club Members are among the most prestigious private clubs in the country. Our Corporate Partners and Associate Members represent leading industry service and product providers that help clubs maintain and elevate their operations and services. Together, we work in partnership to provide the best resources for the industry.

MISSION

The mission of the National Club Association is to promote and advance the interests and well-being of all private, social and recreational clubs through advocacy, insightful education and governance best practices.

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Dear NCA Members,

The National Club Association is pleased to present its 2019 Annual Report. The past year has been filled with significant achievements in our mission to promote and advance the interests and well-being of all private, social and recreational clubs through advocacy, insightful education and governance best practices.

In order to ensure its strong future, NCA focused on new strategies for our advocacy work while expanding our resources for the club community.

2019 highlights include:

• Finalized a new strategic plan that includes increasing NCA’s membership and representation of clubs throughout the country
• Elevated ClubPAC’s presence in Washington, D.C., and established a balanced tone and a willingness to work in a bipartisan manner
• Developed a Policy Agenda to clearly identify NCA’s stance on key legislative areas of importance to clubs
• Achieved regulatory and legislative successes on H-2B visas, WOTUS, Overtime Exemption Rule and state property tax legislation aimed at private clubs
• Expanded our lobbying activities in statehouses across the U.S.
• Published new resources for members on tax assessments and best governance practices and launched Club Business, a new publication in partnership with Club Benchmarking to provide insight on club governance decisions based on financial health
• Educated club leaders through a superior National Club Conference in Washington, D.C., the largest to date in terms of the number of attendees, sponsors and exhibitors
• Formed a Governance Committee in order to highlight and guide our role as the ultimate governance resource for clubs
• Received industry-wide accolades for coverage in Club Director and Club Trends magazines on leading-edge issues ranging from club renovations, disaster recovery and private status best practices to branding, governance and planning features

We encourage you to review more fully NCA’s accomplishments in this report. Learn about NCA’s core work areas—Advocacy, Insight and Governance—and how we support your club.

As we move into 2020, NCA will continue to lead the fight for issues that matter to private clubs, to educate and inform club leaders, and to support our industry by uniting and strengthening private clubs.

Thank you for your support,

Terra S.H. Waldron
Chair

Henry Wallmeyer
President & CEO
GOVERNMENT RELATIONS
Advancing the Club Legal, Regulatory and Legislative Agenda

Out Front on Advocacy

NCA's government relations program made some significant changes in how it operates in 2019 and notched some significant legislative and regulatory victories that will benefit the private club community for years.

The Government Relations Committee drafted, and the NCA Board of Directors adopted a comprehensive policy agenda by which to measure the Association's support, opposition or indifference to legislation and regulation. The policy agenda covers five major issue areas of interest to the private club community: taxes, health care, labor, environment and immigration. This document will be used as a guide for the government relations and public relations efforts of NCA in the future and provides an opportunity for members to engage in the policy-setting process on a regular basis.

ClubPAC benefitted from a review of its goals and the implementation of a strategic plan for contributing to Representatives and Senators during the 2020 election cycle. The funding goal for ClubPAC was increased to $124,000 for the cycle and at year end had raised $50,327 from 53 unique contributors. Combined with cash on hand of $53,919, total funding available for the cycle reached $104,246 or 84% of the total giving plan. At the close of fiscal year 2019, ClubPAC held $86,933 cash-on-hand. ClubPAC also broke from previous practice of giving primarily to Republican candidates and has embarked on a bipartisan approach to build relationships on both sides of the aisle.

Legislative victories for the private club community and businesses in general in 2019 were substantial and lasting.

Legislative Successes

Health Insurance Tax (HIT) – The HIT is a tax on all health coverage that was included in the Affordable Care Act in 2009. While it had been delayed several times, it will go into effect for 2020 and be repealed in 2021. This generates a savings of nearly $100 billion in health care premiums over ten years.

Cadillac Tax – This 40% surtax on high-value health insurance coverage was included as part of the Affordable Care Act in 2009. The year-end funding bill permanently repealed the tax, which had been delayed from going into effect. Repeal of the tax generates savings to employers and employees of $193 billion over ten years.

H-2B Visa Program – NCA, in conjunction with allied industries, worked to urge the Department of Homeland Security to release an additional 30,000 H-2B visas as allowed under current law. Efforts continue to permanently increase the total allotment of visas.
With the January 2020 impeachment trial in the Senate and the Democratic presidential primary hitting full stride in February, the prospect of significant legislation in 2020 is uncertain.

NCA continues to work with allies in the fitness community to advance the Personal Health Investment Today Act (PHIT Act), which would allow individuals with health savings accounts to use up to $1,000 for an individual and $2,000 for a couple toward fitness-related activity and equipment.

The government relations staff will continue efforts to revitalize the program consistent with the policy agenda approved by the board of directors and member engagement. Plans are underway to update the State Legislative Response Manual as a toolkit for NCA members to organize at the state and local level. ClubPAC will look to increase its role in the program and achieve its goal of funding $124,000 toward its strategic plan.
National Club Conference

The National Club Association’s 2019 National Club Conference was NCA’s biggest and most successful ever. The 16th annual conference was held April 28-30, 2019, at the brand-new Conrad Washington, D.C., and featured a full lineup of C-suite level speakers, spectacular social events and numerous networking opportunities.

Speakers included:

- Justice Anthony M. Kennedy (Ret.), Supreme Court of the United States
- Tucker Carlson Host of “Tucker Carlson Tonight”
- Howard P. Milstein, Executive Chairman, The Nicklaus Companies
- Michael Mondavi Founder, Michael Mondavi Family Estate
- David M. Rubenstein Co-Founder, The Carlyle Group
- Justin Firestone, Founder of Wheels Up
- Dean Heyl, Director of the Office of Public Liaison, Department of Labor
- Ryan Wilson, Co-Founder and CEO of the Gathering Spot

A club industry first at the Conference was the inaugural Excellence in Club Management Awards® panel featuring the 2018 winners delivering valuable best practices and stories from their award-winning year. NCA is a co-sponsor of the awards with McMahon Group and Club + Resort Business.

Social and networking events included a golf outing at Chevy Chase Club in Chevy Chase, Md., a VIP Tour of the Library of Congress, U.S. Capitol and Arlington Cemetery; and social events in the hallowed halls of the U.S. Supreme Court, and the Cosmos, Sulgrave and Metropolitan Clubs.

Following the Conference, attendees gathered at the Capitol Hill Club for a breakfast briefing and photo op on the U.S. Capitol steps, then set to meet with their elected officials for National Golf Day to advocate the game.

Learn, network and engage with leaders from the private club industry at the 17th Annual National Club Conference, May 17-19, 2020, at Ocean Reef Club at Key Largo, Fla.

nationalclubconference.org
Online Learning

NCA continued offering outstanding online learning in fiscal year 2019 that provides a dynamic and customized user experience for members. Webinar participants can access their dashboard and history, receive continuing education credits, and participate more fully in live presentations.

This year, leading experts in the private club industry shared their expertise through the NCA Webinar Series on topics including:

- Top HR Compliance Pitfalls at Clubs and How to Avoid Them
- Strategic Intelligence ... Making Data-Driven Decisions
- Member Surveys ... Putting Continuous Feedback to Work
- NCA on The Hill: A Briefing on Issues Affecting Private Clubs
- Emergency Action Planning
- The Importance of Golf Course Renovation
- Playing Music and Showing Movies at Your Club? Understanding Public Performance Licensing Requirements
- Staffing in a Time of Record-low Unemployment: Utilizing Foreign Nationals as a Solution (with an Update on H-2B and J-1 Visas for Private Clubs)
- Managing Your Club’s Real Estate Tax Assessment
- IT Governance: Creating IT Security Policies for Private Clubs
- How Increased Security and Time-Cost Savings of AP Automation Modernizes Payments for Clubs
- OSHA’s at the Door - What Do You Do?
- General Manager Agreements: How Both Sides Can Win
- The General Manager Review … If You Wait Until Then, It’s Too Late
- Executive Search ... What Clubs Want and Need

CONNECT WITH US ONLINE

TWITTER: @NATLCLUBASSN
LINKEDIN: Connect with NCA
Listen to our Private Club Radio podcast Club Perspectives

NCA Website: NATIONALCLUB.ORG
NATIONAL CLUB CONFERENCE: NATIONALCLUBCONFERENCE.ORG
In 2019, NCA provided tools and resources to help clubs grow, govern and thrive in an expanding economy and probusiness legislative environment.

**CLUB DIRECTOR**

NCA’s flagship magazine, *Club Director*, published in-depth coverage focused on club renovations, winter activities to keep membership engaged year-round, disaster recovery guidance, private status best practices as well as critical governance articles on board orientation, board recruitment, self-assessments and leadership.

**CLUB TRENDS**

In fiscal year 2019, *Club Trends* covered topics on club governance, branding and strategic planning. The issue on club brands was one of our popular topics and was promoted in the media by those clubs that rated among the best of brands.
NCA NEWSLETTERS, PODCASTS AND SOCIAL MEDIA

NCA continued to produce relevant and timely electronic content for members and nonmembers. Our newsletter suite includes, NCA Agenda, Club Industry Brief, Washington Weekly Update and timely Member Alerts. NCA sponsors a monthly segment on the Private Club Radio podcast called, “Club Perspectives.” NCA’s social media influence continues to grow, especially via NCA President & CEO Henry Wallmeyer’s presence on LinkedIn.

NEW DIRECTIONS

NCA Agenda

NCA also rebranded our monthly newsletter based on feedback from the board. Previously known as NCA CONNECT, NCA Agenda promotes our expertise in advocacy, insight and governance topics, representing our three pillars, with an emphasis on advocacy topics.

Club Business

This year NCA also unveiled its newest publication, Club Business, a semi-annual magazine insert in Club Director. Produced in collaboration with Club Benchmarking, this new periodical provides “insight for club governance” and is designed to spark ideas and discussion about club governance decisions based on financial health. Covered topics include measuring capital health, governance perspectives from managers and board members, as well as case studies of governance success stories.

Understanding Your Club’s Tax Assessment

This new Club Director Reference Series monograph provides timely information to help club leaders club tax assessments and valuations, including ways assessments are calculated and how to appeal an assessment. Special thanks to Laurence A. Hirsh, CRE, MAI, SGA, president of Golf Property Analysts for developing this monograph.

Informz

In 2019, NCA transitioned our email communications to a new platform called Informz. The tool has reinvigorated our e-communications through enhanced and highly customized template designs, integration with our new database, and automated marketing campaigns that funnel members and prospects through various calls to action.

NCA has several new publications and projects set for release in 2020. “Truly Private Club Status and Tax-Exempt Status” will provide an updated, comprehensive guide to private status, including key court cases that shaped the private status landscape and examples of what club activities comply and do not comply with current laws and regulations. NCA is also developing a new website that will feature a robust search engine to help NCA members access critical NCA resources quickly.
RESOURCES FOR PRIVATE CLUBS
Growing Corporate Partner Relationships

**NCA’s Legacy Alliance Partners**

**NCA’s Strategic Alliance Partners**

**NCA’s Executive Partners**
2019 National Club Association Board

OFFICERS

Chair
Terra S. H. Waldron, CCM, CCE, ECM
Greensboro Country Club
Greensboro, N.C.

Vice Chair
Christine Pooler, CCM, ECM
Indian Creek Country Club
Indian Creek Fla.

Secretary
Michael Bruni
HUB Philanthropic Solutions
Chicago, Ill.

Treasurer
Malcolm MacColl
The Windsor Club
Vero Beach, Fla.

Immediate Past Chair
Frank J. Vain
McMahon Group, Inc.
St. Louis, Mo.
Baltusrol Golf Club
Springfield, N.J.

Directors

C. J. “Joe” Bendy, Jr., CCM, CCE
River Oaks Country Club
Houston, Texas

Ted M. Benn, JD
Thompson & Knight LLP
Dallas, Texas

Tom Bennison
ClubCorp U.S.A., Inc.
Dallas, Texas

Thomas A. Lenz, JD
Atkinson, Andelson, Loya, Ruud & Romo
Pasadena, Calif.

Joel A. Livingood, CCM
Interlachen Country Club
Edina, Minn.

Michael McCarthy
Addison Reserve Country Club
Delray Beach, Fla.

Luke O’Boyle, CCM, CCE
Chevy Chase Club
Chevy Chase, Md.

Keith Pabian, JD
Pabian Law
Framingham, Mass.

Nick Sidorakis, CCM
Southern Hills Country Club
Tulsa, Okla.

Robert L. Smith, II
Mercury LLC
Washington, D.C.

Michelle F. Tanzer, JD
Nelson Mullins Broad and Cassel
Boca Raton, Fla.

Kevin P. Vitale, CCM
Baltusrol Golf Club
Springfield, N.J.
### National Club Association & Affiliate
#### Consolidated Statements of Financial Position

**AS OF SEPTEMBER 30:**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
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<tr>
<td>Cash and Investments</td>
<td>$867,927</td>
<td>$1,124,532</td>
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<tr>
<td>Other Assets</td>
<td>279,972</td>
<td>231,725</td>
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<td>Property and Equipment, Net</td>
<td>11,761</td>
<td>17,362</td>
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<td><strong>Total Assets</strong></td>
<td>$1,159,660</td>
<td>$1,373,619</td>
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<tr>
<td><strong>LIABILITIES</strong></td>
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<tr>
<td>Accounts Payable &amp; Accrued Expenses</td>
<td>171,766</td>
<td>179,372</td>
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<tr>
<td>Deferred Dues Revenue</td>
<td>648,811</td>
<td>641,456</td>
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<td><strong>Total Liabilities</strong></td>
<td>$820,577</td>
<td>$820,828</td>
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<td><strong>NET ASSETS</strong></td>
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<tr>
<td>Unrestricted</td>
<td>271,583</td>
<td>465,291</td>
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<tr>
<td>Temporarily Restricted</td>
<td>67,500</td>
<td>87,500</td>
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<td><strong>Total Net Assets</strong></td>
<td>$339,083</td>
<td>$552,791</td>
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<tr>
<td><strong>Total Liabilities &amp; Net Assets</strong></td>
<td>$1,159,660</td>
<td>$1,373,619</td>
</tr>
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#### National Club Association & Affiliate
##### Consolidated Statements of Activities

**YEAR ENDED SEPTEMBER 30:**

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<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNRESTRICTED ACTIVITIES</strong></td>
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<td></td>
</tr>
<tr>
<td>Revenue and Support</td>
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<tr>
<td>Membership Dues</td>
<td>$1,015,953</td>
<td>$1,034,107</td>
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<tr>
<td>Publications, Advertising &amp; Fees</td>
<td>15,185</td>
<td>21,276</td>
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<tr>
<td>Contributions &amp; Sponsorships</td>
<td>193,830</td>
<td>51,705</td>
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<tr>
<td>Other Income</td>
<td>320,638</td>
<td>134,398</td>
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<tr>
<td>Net Assets Released from Restrictions</td>
<td>245,000</td>
<td>263,000</td>
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<tr>
<td><strong>Total Revenue and Support</strong></td>
<td>$1,545,606</td>
<td>$1,286,486</td>
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<tr>
<td><strong>Expense</strong></td>
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<tr>
<td>Program Services</td>
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<td>Government Relations</td>
<td>537,761</td>
<td>395,643</td>
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<td>Communications</td>
<td>377,894</td>
<td>335,498</td>
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<td>Marketing/Member Services</td>
<td>457,723</td>
<td>340,470</td>
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<td><strong>Total Program Services</strong></td>
<td>$1,373,378</td>
<td>$1,071,611</td>
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<td>Supporting Services</td>
<td></td>
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<tr>
<td>Administration</td>
<td>509,805</td>
<td>519,774</td>
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<td>Board and Governance</td>
<td>98,537</td>
<td>80,031</td>
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<tr>
<td>Fund Raising</td>
<td>13,926</td>
<td>10,852</td>
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<tr>
<td><strong>Total Supporting Services</strong></td>
<td>$622,268</td>
<td>$610,657</td>
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<td><strong>Total Expense</strong></td>
<td>$1,995,646</td>
<td>$1,682,268</td>
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<tr>
<td>Change in Unrestricted Net Assets from Operations</td>
<td>$205,040</td>
<td>($132,782)</td>
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<td><strong>Investment Income (Loss)</strong></td>
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<tr>
<td>Change in Unrestricted Net Assets</td>
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<td>25,641</td>
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<tr>
<td><strong>TEMPORARILY RESTRICTED ACTIVITIES</strong></td>
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<tr>
<td>Contributions and Partnerships</td>
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<td>230,000</td>
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<tr>
<td>Net Assets Released from Restrictions</td>
<td>(245,000)</td>
<td>(263,000)</td>
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<tr>
<td><strong>Change in Temporarily Restricted Net Assets</strong></td>
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<td>33,000</td>
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<td><strong>CHANGE IN NET ASSETS</strong></td>
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<td><strong>NET ASSETS</strong></td>
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<td>Beginning of Year</td>
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<td>692,932</td>
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<tr>
<td>End of Year</td>
<td>$339,083</td>
<td>$552,791</td>
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This information has been derived from NCAs reviewed financial statements.