



North Flathead Yacht Club

Board Meeting Minutes

June 11, 2017

Officers Present: Commodore Brad Lane, Vice Commodore George Michaels, Treasurer Eric Hurst, Past Commodore Phil Healey, Port Captain Jeff Medler, Secretary Lori Switzer, Rear Commodore Kirk Kalbfleisch

Board Members Present: April Russell, Chris Parsons, Shelby Switzer, Ginjer Yachechak, Carly Baumgarten, and Pati Pennington

Absent: none

Members Present: Trevon Baker, Ken Yachechak, Jeff Fisher, Dean Sirucek, and Mary Kay Breslin

Call to order 7:01 pm

Minutes from last Board meeting on May 11th, 2017. These minutes are approved with the corrections discussed.

Motion by Chris to accept the minutes. Second April. Motion carries.

Old Business:

1. **New Race Steward**– George introduced Riley to the Board and members present. Riley will not be living in the yacht club apartment this summer as he is staying with his Grandparents.

2. **Chuck Breslin Memorial** – Dean and Mary Kay gave the details regarding the memorial at the yacht club for Chuck. It is Saturday July 1st. The family will have a memorial for him on the lake with a boat parade and invite all members to participate! Leave the docks at 10:30 am. There will be a BBQ following at 11:30am, with all members invited. Music at noon. Chuck loved the social aspect of the club and Mary Kay wants to share that with all. Dean's concern for parking was discussed. Jeff Fisher will ask if the Flathead Lake Lodge's launch would be available to accommodate the family for the boat parade.

3. **Audit Committee Report and Recommendations** – The committee consisted of Trevon Baker, Jeff Fisher and Jeannie Luckey. Trevon gave a oral and written report. (attached below) They each took a year of financials records (years 2014-2016) which the NFYC Treasurer stored in individual boxes for each year with receipts and records. They were unable to completely complete the audit as the corresponding receipts and register did not always match up. It was difficult to see what check was written for which expenditure. This discrepancy led them to make many recommendations to the Board. For instance when bills are paid in advance, it is hard to track. Going forward, they ask that the check number be written on all receipts. After many hours of review there are no findings of money mismanagement.

Discussion on use of credit cards vs. debit cards. Trevon recommends that the limit on the debit card purchases be limited to \$1000 vs. \$2500 currently. Also stop the \$500/day cash option. Eric recommends a yearly audit be completed in each April for the preceding year. Eric can also get a notice put on his phone when the debit cards are used.

Motion by Phil to limit debit card purchases at \$1000 and cancel cash withdrawal ability. Chris second Motion carries.

Eric said as Treasurer he agrees with the recommendations made from the Audit committee. He doesn't feel we need to pay for a bill paying service. The books are on QuickBook and very easy to track and keep up with.

Motion by Phil to accept the findings as done by the audit committee. Ginjer second. Motion carries

Motion by Pati. For the club/treasurer to conduct an annual audit, make a file folder for each month of receipts/expenditures with the date, check number, and method of payment be clearly marked. A separate folder created for payroll and federal reports. Organize the bank statements and reconciliations so that the most recent is placed on the top.

Second by Phil

Motion carries

New Business

1. **Club use for special event request** – Jennifer Rogge has asked by letter to the Board for permission to use the club for an event Monday July 10th. A Traumatic Brain Injury group sponsored by Jennifer would like to hold an evening bbq, swim and sail from 5-8pm. Motion by April to accept this event, Carly second. Motion carries.

Officer/Committee Reports

Commodore - Brad will send a Thank You to the audit committee for their hard work and perseverance along with a small gift certificate.

Chris has offered to set up a spread sheet with club projects to be accomplished with recommendations from the long term planning committee.

Vice Commodore – George says Riley is young but on the ball and energetic! He will be at Dayton the following week to complete the instructor certification course. Riley has been an assistant instructor in the past. He will be trained on the Sail Wave program for posting the race results.

Trevon and Kirk will run the next early bird race tomorrow on June 12th. Thank you to Kirk for hard work on the grounds and to Wes and Ken for work on Committee Boat. The light on the inner trestle marker is out, he will speak with Wes. Three boats raced for the first early bird, George would like to see more involvement. The Montana Cup NOR and race instructions will be posted soon.

Pati offered to set up help on the committee boat on race evenings.

For the Trestle to Trestle race our club traditionally prepares breakfast on Sunday in Dayton, George will ask for volunteers.

Rear Commodore – Kirk has been working on the inside trim of the clubhouse, filling in the nail holes and priming. (looks great!) Also the urinals in the men's bathroom need new drains/valves. He reported on the presence of Voles on club grounds, along A dock, dock next to south ramp by the firepit and by the patio. Kirk will check with Don Lewis about a substance to fill holes. He put new mouse traps out. When the exterior painting is complete, he will put tables back and cut the lawn where they stood. Painting should finish in a couple of days, he asked who would put the gutters back up. Wes is in contact with Dockmaster in regards to their upcoming work. Kirk also noted that the dock wood repair will need to be finished soon and when Dockmaster arrives, he will walk the dock, to confirm what stringers need replacing on c-dock. Kirk asked for a ceiling fan upstairs in the clubhouse.

Treasurer – Eric gave treasure's report. Motion to accept as read by Chris, seconded by Jeff.

Motion carries

Port Captain – Jeff reported that the trailers are tagged and 55 boats were inspected for AIS.

Adult Sailing Committee – George and Trevon are preparing the Sailing Class at FVCC, 16 participants!

Junior Sailing - April said many kids are signed up and ready to begin, there is beginner, intermediate and advanced sailing classes. She went over the boats with the new race steward, Riley. They made a list of equipment needed. April will ask for volunteers to help with Junior Sailing.

Social - Pati will send Maren updates for the website.

Topics for Next Board Meeting July 13th 7 pm. Clubhouse

-Club projects priority list

-Partner membership

-Gate lock

-Montana Cup

Motion by April to adjourn with Ginjer second

Meeting Adjourned at 9:20 pm

Respectfully submitted by: Lori Switzer

NORTH FLATHEAD YACHT CLUB
Audit Committee Report & Recommendations

DATE: June 7, 2017

TO: NFYC Board of Directors

FROM: Audit Committee members Jeff Fisher, Trevon Baker and Jeannie Luckey

RE: Status of NFYC Audit for 2014, 2015 and 2016

The Audit Committee was requested to perform an audit for tax years 2014, 2015 and 2016. It is our understanding that this is the first audit pertaining to the NFYC books and records. The purpose of this audit is to review the proper handling of funds, verify the accounts, balances and financial statements; and to make recommendations that will assist the Club, the Board and the Treasurer in dealing with the Club funds and to insure that processes are in place to protect the clubs assets.

Findings, Considerations, and Recommendations for the Board:

- Determine how frequent to conduct an audit. An annual Audit is recommended.
- The Treasurer should create a file folder for each month of receipts/expenditures. All receipts should be marked with the date paid, indicating the check number or whether paid by cash or debit card. A separate folder should be created for payroll and federal reports.
- Organize the bank statements and reconciliations so that the most recent is placed on the top.
- Define a process for expenditures; for example, is there an approval process for authorizing and approving expenditures over a certain amount.
- There should be a written process or procedure for use of debit cards; such as, who is authorized by the board to carry a debit card, how many cards are issued each year, etc.? It is the opinion of the Audit Committee that the limit on the Debit Cards is too high. It is our understanding that the current limit on the debit card is \$2,500 at point of sale and \$500/ATM withdrawal. It takes two signatures when a check is written but nothing is required for the use of the debit card. It is also a little more difficult to track the item(s) that the debit card was utilized for. It may show up on the bank statement, but not always with much detail or even a receipt. Although the use of a debit card gives easy access to

funds it might be in the best interests of the yacht club to use credit cards and/or checks. The current process leaves the yacht club open for excess expenditures and/or misuse.

- Each year a budget is prepared and various expenditures are posted against the specific budget category. It is important to record the expenditures into the appropriate budget category. The committee found various expenditures posted to the wrong category. Each paid receipt should indicate which budget item the expense was applied to, and each income item coded as to whether it was posted to the regular account, dock account or facilities account.
- The NYFC may want to look into the cost of hiring a bill paying service. Utilizing a bill paying service will also make the audit procedure smoother and timely.
- You may want to consider creating some official North Flathead Yacht Club Stationary if it has not already been done.
- It was noted in the audit that several bills were prepaid, such as the Somers Sewer & Water bill. The committee recommends no pre-pays unless there is a valid reason approved by the board.
- Consider a separate budget for capital expenses which would include major improvements to the Docks, Club House or Grounds.
- The policies and procedures should reflect the annual budget amount allowed for the Commodore and Rear Commodore and indicate appropriate expenditures.

SAMPLING OF BUDGET ITEMS AND EXPENDITURE COMMENTS

- 1) There was nothing budgeted for the Montana Cup/Regatta's in 2016 but had expenditures of \$5,794. In addition there is a second category for Regattas showing expenditures of \$4,553.94 but nothing budgeted.
- 2) The banquet budget for 2016 is over budget by 50%. Were there unusual circumstances?
- 3) The Dock expenses (small repairs) in 2016 is nearly double the \$10,000 budgeted. Is this normal or were there unusual circumstances.
- 4) Why did the 2106 budget not reflect the expenditures for Club House, Parking lot, etc. in the Rear Commodore's allowance?
- 5) In 2014, 25% of the receipts could not be matched to a specific check. Approximately 25% of the receipts in 2014 could not be accounted for in the check register. This was a pattern in all audited years.
- 6) Many receipts in each year noted expenditures for meals/drinks at various establishments. The audit committee had questions on whether many of these expenditures were authorized or included in the budget somewhere.

7) It would have been helpful to have the detailed monthly revenue and expense reports that the board receives at each the board meetings. These monthly reports should be retained in a notebook or file.

8)

*** The above list is not all inclusive

The Audit Committee has spent many hours in organizing and attempting to prepare the books and records for the requested Audit Years; however, due to the many receipts and checks not coded properly it is impossible to complete an adequate audit without consuming many more hours of time. The Audit Committee is requesting direction from the NFYC Board on how best to move forward.