

Mount Sinai Yacht Club
Audit Committee Report for 2021
October 2021

Background:

The members of the 2021 Audit Committee were Patricia Keneally, Karin Bengtsson, and Marge Curra. The Committee commenced the budget examination in June 2021 and completed their work in August 2021. At the direction of the Commodore, Eileen Kelly, the work of the Committee was to “review where money was spent and determine if expenditures were in line with the MSYC budget.” Toward that end, the members of the Committee decided to examine member approved expenses and normal operating expenses: 1. the cost of a replacement generator, 2. the cost of the MSYC website, 3. insurance, 4. bar expenses for beer, wine, and liquor, and 5. fuel system maintenance and repairs. The members of the Committee are grateful for the information provided by Ron Privwo, Dave Lauwe, Eileen Kelly, and Teresa Gordon.

Documents Examined:

- Mount Sinai Yacht Club Checking Account statements from People’s United Bank for the period January 1, 2021 through May 31, 2021
- Mount Sinai Yacht Club House Report, Financial Statements for January 2021 through June 30, 2021
- Mount Sinai Yacht Club General Meeting of November 2020 Minutes
- Mount Sinai Yacht Club membership approved budget for 2021
- Mount Sinai Yacht Club 2021 Consolidated Budget for 2021
- Mount Sinai Yacht Club House Transaction Report for January 2021 through June 2021
- Mount Sinai Yacht Club House Account Quick Report for January 2021 through July 2021

1. Replacement Generator

At the November 2020 General Meeting of the MSYC, the membership approved the purchase of a new generator and to spend up to \$35,000.00 for the generator and installation of it. This replacement work was performed by Frank Navetta’s firm, PowerPro Service Company, Inc. The proposal and invoices for the purchase and installation of the replacement generator totaled \$34,895.00. This item was within the limit of the funds approved by the membership.

2. MSYC Website Development

As per the Profit/Loss Detail statement provided by the Club's Treasurer, the total cost of the development and implementation of the new website, designed by 3Prime, was \$5,500.00. This amount exceeded the limit that can be spent without member approval. Based on membership approval, an additional \$500.00 was authorized for the expenditure. The total cost of the website design and implementation was within the amount authorized by the membership.

3. Insurance

The General Fund Analysis presented at the General Membership Meeting of September 2021 listed the total amount for insurance for the 2021 year as \$35,000.00. The actual total cost for all insurance for 2021 was \$38,869.89. This actual total cost is detailed in the invoice from our insurance broker, Classic Insurance. The actual cost exceeded the amount in the 2021 approved budget by \$3,870.00.

4. Bar Expenses

Based on the MSYC House Report Financial Statements for January 1 through June 30, 2021, the total cost of goods sold for the bar (beer, wine, and liquor) was \$33,381.00. The Quick Books Transaction report for that period indicates that the cost of goods sold for the bar was \$27,313.20. The relatively small difference (\$6,067.80) is assumed to be the result of adjustment for inventory, costs for soda, and assorted fruits used in beverages. It is the determination of the Committee that this difference is within range.

5. Fuel System Maintenance and Repairs

Based on the invoices and General Fund Analysis for costs incurred between January 2021 and May 2021 provided by the Club's Treasurer, the costs for repair and maintenance of the fuel system was \$15,534.20. This amount for repair and maintenance exceeded the 2021 approved budget amount of \$10,000.00. In the General Fund Analysis provided to the membership at the September General meeting, the cost for repairs and maintenance of the fuel system had risen to \$17,992.00. The cost of maintenance and repair of the fuel system exceed the approved budget amount.

Conclusion:

Within the five areas examined by the Committee, two, the website design and development and the purchase and installation of a new generator, were at or below the member approved expenditure. One area, the cost of beer, wine, and alcohol, were within the range of the House financial documents. Two areas, insurance and fuel system maintenance and repairs, were over the budgeted amount. The amount of these overages was approximately \$12,000.00. This amount is not sufficient to have an inordinately negative impact on the total budget for the 2021 year.