



## Final Year End Financial Audit Report

On January 29, 2020 an audit of the 2019 financial records was conducted. The following members were present: Frank Bruno, Jim Hoffman, and Sam Bidwell.

Jim Hoffman and I compared outgoing payments with invoices and receipts for the months of January, July and October. There were no major discrepancies. Discrepancies were found where checks were written which did not have adequate paperwork fully documenting the payments.

Certain items on the Income and Expense Statement are being shown as a "net" figure which tends to obscure the importance of the item and increases the difficulty of auditing the results of the operations of the Club. For example, on the January 2019 I&E report there is a negative income item in excess of \$400.00. There are income and expense items in excess of \$8,000.00 which net to this number. Other examples are Ships Store and Fund Raisers.

The Audit Committee recommends that the practice of netting income and expense items to arrive at net positive income or net negative income be eliminated and that all income items be reported as income and all expense items be reported as expense to properly reflect the cash flows of the Club. If this recommendation is not adopted it is recommended that a subsidiary record be established to clearly list the income and expense amounts which make up the "net result" of the account(s). This would allow any interested member to more clearly understand the operations of The Club and would improve control over income and expenditures.

Frank Bruno  
Jim Hoffman

NBYC Audit Committee  
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