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The Grayfox Association

January 4, 2016

From: Commanding Officer, NSCS Grayfox TWR 825

SUBJ: NSCS GRAYFOX TWR 825 ANNUAL REPORT FOR 2015

Since 1997, the Grayfox has been committed to providing American youth with a drug and alcohol free environment to foster their leadership abilities, broaden their horizons through hands-on training and guide them to becoming mature young adults. We continue to upgrade the Grayfox program to train Cadets.

Year 2015 saw further progress to improve the operation of the ship and training program. The prospects for USCG certification as a passenger vessel for hire proved to be more challenging than expected. The Cadets and ship crew did prove the performance of the program in many outstanding demonstrations of ceremony, training, and cruises.

Program administration achieved much progress in solidifying a more robust organization with the addition of new Board members, supporters, and crew. The NSCC Grayfox Sea Cadet unit for Grayfox crew was reorganized and administration migrated to the NSCC Magellan system. Dedicated crew are formally registered with NSCC in Magellan. Liability insurance is provided by USLI, NSCC for Cadets and crew, and Hold Harmless Agreements. Administration record keeping and documentation improved and included Standard Operating Procedures, project plans, work repair records, and ship log books.

Financial planning and controls improved with more detailed financial ledgers, budgets, and expense worksheets. An annual budget was prepared. The formal process to report Cadet training to NSCC was refined and is auditable. Detailed financial record keeping of ship maintenance and repairs were implemented. The organization liquidated short term debt and operated with a positive cash balance for the year. Financial records and ledgers for 2014 were closed. Griffin Accounting completed the 2014 tax filing.

US Coast Guard certification was initiated with a request in February 2014. The Grayfox tonnage measurement was awarded in April by ABS. The vessel was registered with the State of Michigan in October and received its' MCL registration. A visit to the Toledo shipyard was conducted in August to obtain work and cost estimates. A complete list of shipyard and certification work and costs was prepared. The US Coast Guard Marine Safety Office issued a caution in July since the Grayfox is not formally registered with a certificate. The Grayfox obtained recognition from the USCG to operate at will with adults provided that all private vessel safety measures are in place and fully operational.

The Grayfox organization capitalized on volunteers and Cadets to complete numerous projects, from cleaning to repairs. Sea Cadet, NJROTC, active and Reserve Navy, and



Coast Guard participated so that all external and internal spaces received attention. Two (2) of four (4) NSCC summer training sessions were conducted. The ship travelled to Detroit for Navy League Sunday to exercise and test the operation of equipment. Ship systems performed superb. The ship participated in Port Huron community fairs and open house events; Art in the City, Tourist in Your Own Town, Chamber of Commerce Business After 5, Maritime Days, Powerboat Races, etc. The River Walk increased traffic for ship visits and tours. The ship completed several cruises, short in duration and close to Port Huron.

Significant projects included; installed a removable railing on the Fantail, installed ship canopies, painted the exterior topside, painted Aft berthing, mended all mattresses, created a ship library, repaired brow and life jacket locker, flushed and replaced engine coolant, vacated the Seaway Terminal, inventoried tools, medical and uniforms, certified fire fighting equipment. Refer to Attachment A for a complete list of work completed.

With USCG certification, the vessel will be certified as a passenger vessel for hire. The Grayfox will operate as an independent non-profit education organization. This expands the opportunities for the Grayfox to train youth and adults, sponsor ship cruises, conduct dive training expeditions, support summer events in Port Huron, host passenger cruises, conduct open ship receptions and tours, and a host of other activities. The Grayfox leadership team envisions the program to become a self-sufficient training and education program supporting the local community and hosting national events.

The St Clair Community Foundation oversees the Port Huron waterfront. The lease agreement for the Grayfox pier area was renewed. The Grayfox Association continues to work with the St Clair Community Foundation, Bluewater Chamber of Commerce, Bluewater Convention & Visitors Bureau, Desmond Marine, Acheson Ventures, City of Port Huron and the local community to improve the community and visitor experience.

The prospects for 2016 are more promising. The pursuit of USCG certification will continue. An education catalog will be prepared. The ship and crew will support numerous events. The volunteer organization is much stronger with new younger volunteers taking an active role. Business and vendor relations are excellent. The Grayfox reputation has improved and confidence that the program will succeed contributes to its attraction.

We encourage you to visit the Grayfox website at <u>www.nscsgrayfox.org</u> or contact us at <u>nscsgrayfox@gmail.com</u> or 586-825-3706. Better still, visit the ship and watch the Cadets and crew in action. We sincerely thank you for your continued support.

Sincerely,

JM Semerad Jim Semerad Commanding Officer