

April 2023 Financial Reporting

1. The ending balance for April 2023 was 36,62.49. Total income for the month of April was 12,461.00.
2. Total payroll for the month of March was 7568.64. This is a burdened labor cost including taxes. During the First Quarter of 2023 we have managed to reduce labor costs by reducing work hours: January 676; February 552, March 528 and April 543. Our 20% reduction in hours in the first quarter will suffer now that we have imposed summer hours on the club but with better weather we hope range usage will increase offsetting our labor costs.

Here is a recap of routine monthly expenses:

Power	408.72
Water	144.18
Trash	155.00
Frontier	394.56
Supplies	500.00

Not included are nonscheduled expenses like porta-potty service, HVAC service, tractor service, fuel, unscheduled repairs, web services and most importantly our accounting services. When we get that bill is will be a doozey.

3. Transition to the new accounting firm is progressing, Quick Books files have been transferred and the new firm is currently working to make our General Ledger reflect real operating income and expenses. Currently the categories are so general as to not be useful in tracking income and expenses. As such we do not have the capability of generating a monthly financial report. Our accounting firm was able to file both Form 941 Quarterly Corporate Tax Returns for the First Quarter of 2023 and they have filed for an extension for our 2022 990 submission. We now have an additional 90 days from My 15th to reconstruct our general ledger, generate necessary income and expense reports and be prepared to complete the 2022 filings. This will require a complete reconstruction of our Depreciation and Capital Asset schedules. Of particular concern is the lack of any update to our depreciation schedules and capital assets since 2020. To correct this we need to scrub each monthly financial folder for any invoices, purchase orders or other documents relating to asset procurements or dispositions. Once completed we can update our Depreciation Schedules and complete the 2022 returns.
4. We still lack contracts to support income from various agencies and range users. Most contracts lapsed in June 2022 and were not renewed. We are in the process of renewing these contracts and will be prepared to present and sign contracts by June of 2023. The board is established a uniform charges schedule applicable to all customers which will provide standardized range and clubhouse lease costs. Previously these costs appear to be assigned on an ad hoc basis with no standardization between lessees. We will correct this in the next round of leases. The next round of leases will be signed during the month of June. Included in those lease packets will be a letter from MSC clearly stating our corporate tax status as a 501(C)(4) corporation and the requirement to both receive and provide appropriate 1099 and W-9 reports to vendors and leasees.
5. Moving forward we need to be mindful of inflationary pressures impacting our operating costs and cost of labor. In January of 2023 we faced yet one more increase to the Arizona Minimum Wage which will add \$1.21 per hour to the cost of maintaining Range Officers and other employees. We face

another increase at the same rate in January of 2024. We are moving as quickly as we can to electronic banking to cut costs and eliminate friction in our accounts payable processes. We have moved payroll to a monthly basis to cut costs. All tax withholding and payroll expenses are now done by electronic means. All previous fees and fines from late tax payments are resolved. The question relating to our 2021 990 (Federal) has been resolved in our favor with no cost to the club and no apparent violation tax codes. In June of 2023 we will sign new contracts with tenant organizations which should give us an infusion of operating funds. Over the past three months we have operated at a net deficit of nearly \$10,000 due to low range usage, inflation in the cost of goods and services and the increase in the Arizona Minimum Wage. This is not sustainable.

6. We are in talks with our accounting firm, Burton Carter, and are pressing forward on our transition from the old firm. One glaring problem is the structure of our general ledger and the lack of clarity and precision in our current schema. Mr Carter and his staff are working to help us restructure to a more efficient schema but this will take time and money. Until then we will not be publishing Quickbooks based financial statements because the current schema does not reflect reality. WE have filed our First Quarter 2023 Corporate Tax Return (Form 941), have filed and paid all First Quarter Federal and Arizona taxes and our unemployment taxes. This was done from a manual inspection of our current records. Next quarter we hope to have the general ledger realigned and function properly so we can generate these reports electronically. We have filed for an extension for our 2022 990 filing (Corporate Income Tax) . In order to file our 2022 990 I need to scrub all monthly financial files back to 2019 and locate any purchase orders, contracts or bills of sale for any capital items procured by MSC. Our depreciation schedule has not been updated since the beginning of 2020 and we cannot do our taxes until we account for our capital assets and depreciate them properly. Realigning our general ledger will be an expensive process.

7. Grants: We do not qualify for the Fishing for Smiles grant from the Arizona Sportsmen for Wildlife Conservation Fund grant. This event is held annually and is sponsored by both the Elks Lodge of Kingman and Mohave Sportsman Club. . We are seeking avid anglers to help with this program. The date of the event is June 6th 2023 at Willow Springs. See the volunteer coordinator if interested in lending a hand. MSC and Elks will be funding this event out of pocket. To date we have collected a 2500.00 donation from MSC and a 500.00 donation from Mohave Arms Collectors. Elks is working with their national and regional boards to find money to fund this event. We ask that you consider making a donation to this worthy cause and volunteering to support the event. As a 501c4 not for profit corporation we are required to do public benefit work beyond the scope of our membership and paid customer base. Fishing for Smiles has been one of the few public benefit programs we list on our corporate tax returns to justify our not for profit status.

8. In closing I have to remind you that we are a 501(c)4 Corporation fully subject to Arizona and Federal law. We are not a tax exempt organization. We are stabilizing and building a team.

9. I am going to defer NRA RSO classes until June at the earliest or until the tax situation and general ledger are fixed.