

McHenry Sportsmen's Club – October 3, 2006  
Report: October 5, 2006 club meeting – Treasurer's Report  
Amended: October 7

Hello my friends,

September was wonderful...

We enjoyed an average cost per round of 2.85.

Our practice shoots were ABOVE Goal, which is something we have not seen in quite some time.

Please find included in this document the summary "*sheet*" and a printout of two accounts, (Registered Shoot and Fall League).

I am not going to waste your time reciting numbers. You have the sheet and can look at it and think about what is there. I will however share some thoughts. Doing this in writing is nice because you can actually get something said with a captive audience, without people screaming back, maintaining private meetings, and forcing whoever is presenting to repeat everything that was said. Some of the information might even be remembered after the meeting.

The board voted to, and initiated the raising of our line fees effective the start of September. The analysis formulas have been adjusted to reflect this. We must still maintain the 3.25 cost per round and at least a 4500-dollar monthly practice shoot goal to allow the club to meet its upcoming lease requirements. This metric should be adjusted upward when the new lease becomes effective to reflect the new standard cost per round.

The deferred cash account is still negative. You never really want this amount positive for any length of time. However, it is still *too negative*. The negative amount should never be greater than what you have in the Shoot Coupon Fund. In another words, the two accounts should cancel each other out. In a perfect world, that number would be zero after monthly funds allocation has been performed.

You may be asking, WHY do we want it negative at all?

We are a NOT FOR PROFIT organization. We are taxable, but do not pay income taxes because we do not "*make any money*". If the club starts making money (that is, a profit), it will be taxed and none of us will like that. The paperwork alone will be a burden, not to mention the costs involved. In fact, I would have to be trained on this type of accounting or we could end up having all kinds of IRS problems.

Right now, the deferred accounts provide the club with a working "Budget". As long as they stay positive and the cash is never lower than the negative compliment of the Shoot Coupon fund balance, you will always have what you need to operate. The "target" account may go negative based on how many targets we have in inventory at the time we pay for the next load. It should never be negative across two contiguous months.

In the event that the club shuts down, the Shoot Coupon fund must be returned to the membership that has outstanding coupons. This is afforded by monies allocated in other deferred accounts that will no longer be required. For example, there will be money in the Target Fund as well as Insurance, which will no longer be needed and may be transferred back into the deferred cash account.

The club has turned a corner financially for the better. The past three months will show you this. If you keep this up, your deferred cash account will look good by late spring, even with the increase in lease payments. Do not get too excited because of this season's performance. The club normally enjoys very good fall seasons.

You must continue to promote your club and treat the members and guests in a manner that will make them want to come back. This will make or break your club. This means cleaning up the club's collective "act". Right now, the club needs them more than they need the club. Make them want to come back.

By now, all should know how to read the "sheet". I fail to see the rocket science with this document. Either you like looking at numbers or you do not. If you do not, not liking the sheet is understandable. Most will only care about the cash balance and the cost per round. Anything else is a point of interest to the casual observer.

You may be tempted to get rid of the "sheet". You can do this, but you still must maintain all the accounting that backs it. If you do not, you will never know what you have, and when you will need it. The accounting procedures were established for analysis... not to know the "bank balance" (*I really do not even know how much is in the bank under a one hundred dollar resolution and do not even care*). The General Ledger is KING and it has never failed us... ever. Think, *when was the last time you did not get what you needed?*

Anyone can set up a basic bookkeeping structure using "quicken" or its functional equivalent. Do you think if that had worked, I would have used it? It will not work. You need a two-sided accounting system (debits and credits), and I say this and I am not an accountant, in fact, those that know me know *I absolutely hate accounting*.

My final suggestion:

Chuck seems to have been doing a stellar job running the club's counter. Make sure you show him some appreciation for his effort. It really is a lot of work.

From what I can see, the club, using the four-dollar line fee and 3.25 cost per round model, can meet the 2007 future lease requirements with little or no increase in Membership Dues provided all functions are properly executed. However, all you will be doing is shooting and paying lease payments, *not much of anything else*. I suggest the board conduct a series of closed meetings with a copy of the club's General Ledger and figure out what the club wants to do, and should be done within the next four weeks. This is because you have to start promoting your 2007 membership drive immediately after the turkey shoot and you have to have all of your ducks in a row at that time. You need to know what you are going to do, and what your goals are for next year in November of the current year. The least you have to know is what the annual dues will be. Be very careful with this.

As you know, I have closed out the third quarter. We no longer have Workman's Compensation insurance. I have converted the payroll over to a 1099 style system. I have NOT closed out the club's ability to revert back to a standard payroll if it so desires to. You can make that decision and re-acquire Workman's Compensation Insurance. The payroll was so bloated that it became cost prohibitive. Wait several quarters and the numbers will be low again.

Please, friends, I have heard that you found a replacement to take over my responsibilities. Have this person get in contact with me so we can initiate an orderly and effective turnover. As I mentioned in my resignation letter, I cannot turn over any of the club's materials to anyone who is not a registered officer of the club.

Feel free to contact me if you have any questions or comments.

Best regards and good shooting to all of you,  
Tom Carneal

Amend Information:

Cost per round was originally reported as 2.89. Promotional targets were omitted from the entire report. With promotional targets considered, the cost per round became 2.85, which is how it should have been reported. This is good news. The month summary (*the "sheet"*) was also updated to reflect this correction. Please accept our apologies for this error.

# McHenry Sportsmen's Club

Financial report for September, 2006

Cash	Previous	Debit	Credit	Net	Balance
On-Hand Cash	(10,137.93)	5,102.34	4,500.00	602.34	(9,535.59)
Counter Bank	200.00	-	-	-	200.00
d) Deferred Grounds Rent	5,170.00	400.00	1,800.00	(1,400.00)	3,770.00
d) Operating Utilities	147.95	252.05	254.75	(2.70)	145.25
d) Promotional	(1.82)	173.23	-	173.23	171.41
d) Deferred Personnel Costs	1,069.50	1,049.25	923.71	125.54	1,195.04
d) Deferred Targets	4,946.99	2,489.65	7,895.76	(5,406.11)	(459.12)
d) Deferred Building and Equipment	156.77	243.23	125.25	117.98	274.75
d) Insurance	2,187.50	400.00	-	400.00	2,587.50
d) Pre-paid shooting coupons	4,365.12	2,046.72	1,325.12	721.60	5,086.72
d) Fund raising Activities	306.46	238.50	176.75	61.75	368.21
d) Special Projects Fund	2,029.37	174.22	40.00	134.22	2,163.59
<b>Total Deferred Cash:</b>	<b>20,377.84</b>	<b>7,466.85</b>	<b>12,541.34</b>	<b>(5,074.49)</b>	<b>15,303.35</b>
<b>Total Club Cash:</b>	<b>10,439.91</b>	<b>12,569.19</b>	<b>17,041.34</b>	<b>(4,472.15)</b>	<b>5,967.76</b>

Income	Previous YTD	This Month	Current YTD	Cur Percent	YTD Percent
Membership Dues - 2006	6,985.00	60.00	7,045.00	1.10	16.74
Membership Dues - 2007	-	-	-	-	-
Practice Shoots	24,451.02	4,543.19	28,994.21	83.58	68.91
Youth Shoot Program	780.00	140.00	920.00	2.58	2.19
Shell sales	872.00	115.00	987.00	2.12	2.35
Hats and Patches	-	-	-	-	-
Kitchen Operations	1,460.20	238.50	1,698.70	4.39	4.04
Special Events	1,153.98	-	1,153.98	-	2.74
Meat Shoots	-	-	-	-	-
Games	-	-	-	-	-
Registered Shoots	939.81	339.15	1,278.96	6.24	3.04
Sponsored Events	-	-	-	-	-
<b>Total Income:</b>	<b>36,642.01</b>	<b>5,435.84</b>	<b>42,077.85</b>	<b>100.00</b>	<b>100.00</b>

Operations	Previous YTD	This Month	Current YTD	Cur Percent	YTD Percent
Operating Utilities (actual)	1,958.94	254.75	2,213.69	5.89	5.77
Promotional (actual)	1,553.13	-	1,553.13	-	4.05
Personnel Costs (actual)	10,219.30	804.96	11,024.26	18.61	28.73
Paid directly from cash (actual)	-	-	-	-	-
Rent (prorated)	3,200.00	400.00	3,600.00	9.25	9.38
Insurance (prorated)	3,200.00	400.00	3,600.00	9.25	9.38
Practice targets (computed)	12,168.58	1,981.34	14,149.91	45.80	36.88
Other Targets (actual)	1,744.36	485.39	2,229.75	11.22	5.81
<b>Total Expenses:</b>	<b>34,044.31</b>	<b>4,326.44</b>	<b>38,370.75</b>	<b>100.00</b>	<b>100.00</b>
<b>MONTH PROFIT/LOSS:</b>	<b>2,597.70</b>	<b>1,109.40</b>	<b>3,707.10</b>		

## Gross Operating Expenses

(a) Actual cash expenses	13,731.37	1,059.71	14,791.08	9.74	34.70
(c) Unclassified cash expenses	-	-	-	-	-
(p) Rent	-	1,800.00	1,800.00	16.54	4.22
(p) Insurance	4,561.01	-	4,561.01	-	10.70
(a) Replenish target stock	12,731.04	7,895.76	20,626.80	72.57	48.39
(a) Building and Equipment	718.43	125.25	843.68	1.15	1.98
<b>Total Expenses:</b>	<b>31,741.85</b>	<b>10,880.72</b>	<b>42,622.57</b>	<b>100.00</b>	<b>100.00</b>
<b>Aggregate Cash Flow:</b>	<b>4,900.16</b>	<b>(5,444.88)</b>	<b>(544.72)</b>		

**Performance:** 4,683.19      104.07%      35,051      Goal: 4500 / 3.25      **2.853**

Target usage analysis:	Targets	Breakage %	Adj Targets	Cases	Cost
Practice target usage:	32,451	0.05	34,074	252.40	1,981.34
Youth Shoot Program:	1,750	0.05	1,838	13.61	106.85
Shooting prize cards:	-	0.05	-	-	-
Fall ATA Shoot:	5,350	0.05	5,618	41.61	326.65
	-	-	-	-	-
Promotional targets:	850	0.05	893	6.61	51.90
Total target usage for this month:	40,401		42,421	314.23	2,466.73
<b>Total adjusted target usage YTD:</b>	<b>330,193</b>				
			Target cost per case:	\$	7.85

Date: 10/07/06  
Time: 08:32

# McHenry Sportsmen's Club 2006

## General Ledger Activity

Page: 1

Date From: 01/01/06  
Date To: 12/31/06

G/L From:  
G/L To: 9999999999

Transaction From: 1  
Transaction To: 2658

Dept. From: 0  
Dept. To: 999

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<b>A/C:</b> 2108	<b>Name:</b> Fall/2006 League	<b>Account Balance:</b> 142.00 DR					
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<u>No.</u>	<u>Tp</u>	<u>Date</u>	<u>Refn</u>	<u>Details</u>	<u>Dept</u>	<u>Debit</u>	<u>Credit</u>
2419	JD	09/09/06		Fall/2006 - Bill Martinagnel	0	8.00	
2421	JD	09/09/06		Fall/2006 - Greg Anderson	0	8.00	
2423	JD	09/09/06		Fall/2006 - Gary Lottinville	0	10.00	
2425	JD	09/09/06		Fall/2006 - John Rauhauser	0	10.00	
2459	JD	09/16/06		Fall/2006 - Tom McCue	0	10.00	
2461	JD	09/16/06		Fall/2006 - Jeff Logan	0	10.00	
2463	JD	09/16/06		Fall/2006 - George Strode	0	10.00	
2465	JD	09/16/06		Fall/2006 - Jim Schollhammer	0	8.00	
2571	JD	09/23/06		Fall/2006 - Chuck Sandlin	0	10.00	
2593	JD	09/24/06		Fall/2006 - Greg Rauhut	0	10.00	
2595	JD	09/24/06		Fall/2006 - Greg Hartman	0	10.00	
2597	JD	09/24/06		Fall/2006 - Roger Schad	0	10.00	
2599	JD	09/24/06		Fall/2006 - Craig Panasy	0	8.00	
2629	JD	09/30/06		Fall/2006 - Bob Olson	0	10.00	
2631	JD	09/30/06		Fall/2006 - Ken Burns	0	10.00	
<b>Totals:</b>						142.00	
<b>History Balance:</b>						142.00	

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<b>A/C:</b> 2109	<b>Name:</b> Fall 2006 Registered Shoot	<b>Account Balance:</b> 339.15 DR					
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<u>No.</u>	<u>Tp</u>	<u>Date</u>	<u>Refn</u>	<u>Details</u>	<u>Dept</u>	<u>Debit</u>	<u>Credit</u>
2540	JD	09/17/06	ATA Shoot	Shoot Gross: SINGLES	0	652.00	
2541	JD	09/17/06	ATA Shoot	Shoot Gross: HANDICAP	0	408.00	
2542	JD	09/17/06	ATA Shoot	Shoot Gross: DOUBLES	0	192.00	
2543	JC	09/17/06	ATA Shoot	Trap Help	0		106.75
2544	JC	09/17/06	ATA Shoot	Training	0		12.00
2545	JC	09/17/06	ATA Shoot	Target Consumption	0		326.65
2546	JC	09/17/06	ATA Shoot	Promotional Mailing	0		72.45
2547	JC	09/17/06	ATA Shoot	Compliance mailing	0		15.00
2548	JC	09/17/06	ATA Shoot	Prizes: SINGLES	0		180.00
2549	JC	09/17/06	ATA Shoot	Prizes: HANDICAP	0		125.00
2550	JC	09/17/06	ATA Shoot	Prizes: DOUBLES	0		75.00
<b>Totals:</b>						1,252.00	912.85
<b>History Balance:</b>						339.15	