

RIO SALADO SPORTSMAN'S CLUB, INC.

Financial Statements

June 30, 2024 and 2023



RIO SALADO SPORTSMAN'S CLUB, INC.
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June 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Rio Salado Sportsman's Club, Inc.

Opinion

We have audited the accompanying financial statements of Rio Salado Sportsman's Club, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rio Salado Sportsman's Club, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rio Salado Sportsman's Club, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rio Salado Sportsman's Club, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rio Salado Sportsman's Club, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rio Salado Sportsman's Club, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Phoenix, Arizona
September 18, 2024

RIO SALADO SPORTSMAN'S CLUB, INC.
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,444,944	\$ 958,834
Inventory	144,667	290,237
Prepaid expenses and other current assets	32,479	20,622
Total Current Assets	1,622,090	1,269,693
Property and Equipment, net	1,394,526	1,534,826
Total Assets	\$ 3,016,616	\$ 2,804,519
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 42,591	\$ 93,608
Deferred revenue	118,735	92,055
Total Current Liabilities	161,326	185,663
Net Assets:		
Without donor restrictions	2,855,290	2,618,856
Total Liabilities and Net Assets	\$ 3,016,616	\$ 2,804,519

See accompanying notes to financial statements.

RIO SALADO SPORTSMAN'S CLUB, INC.
Statements of Activities
June 30, 2024 and 2023

	2024	2023
Revenue and support:		
Event income	\$ 1,087,744	\$ 860,252
Clay	645,514	603,489
Membership dues and assessments	532,661	520,791
Range fees	461,738	487,769
Ammo and target sales	350,522	437,174
Other income	165,652	46,362
Contributions	2,164	2,938
Total revenue and support	3,245,995	2,958,775
Expenses:		
Program services		
Range/event expenses	2,255,082	2,190,407
Supporting services		
General and administrative	754,479	805,852
Total expenses	3,009,561	2,996,259
Change in net assets without donor restrictions	236,434	(37,484)
Net assets without donor restrictions, beginning of year	2,618,856	2,656,340
Net assets without donor restrictions, end of year	\$ 2,855,290	\$ 2,618,856

See accompanying notes to financial statements.

RIO SALADO SPORTSMAN'S CLUB, INC.
Statements of Functional Expenses
For the Years Ended June 30, 2024 and 2023

	2024	2023
Program services		
Range/event expenses		
Salary and wages	\$ 686,831	\$ 728,994
Purchases	554,555	620,907
Event fees	793,073	607,586
Depreciation	129,590	128,015
Supplies	40,765	38,104
Payroll taxes	43,601	53,213
Repairs	3,377	8,090
Donation	1,300	3,438
Contracted services	0	630
Printing and postage	113	40
Bank Fees	0	1,365
Miscellaneous	1,188	25
License and fees	125	0
Utilities	564	0
Total program services expense	\$ 2,255,082	\$ 2,190,407
Supporting services		
General and administrative		
Salary and wages	\$ 269,089	\$ 220,122
Supplies	140,257	138,444
Depreciation	41,336	34,988
Utilities	64,623	72,440
Professional fees	38,384	55,530
Payroll taxes	26,473	35,757
Bank fees	46,316	41,268
Repairs	29,061	38,514
Insurance	40,320	66,724
Donation	14,405	43,277
Purchases	14,355	11,661
Advertising	8,522	14,425
Event fees	4,483	11,842
License and fees	9,143	7,898
Printing and postage	95	813
Telephone	619	3,730
Contracted services	0	3,403
Board costs	0	521
Taxes - property	0	745
Taxes - sales	698	3,750
Miscellaneous	6,300	0
Total general and administrative	\$ 754,479	\$ 805,852

See accompanying notes to financial statements.

RIO SALADO SPORTSMAN'S CLUB, INC.
Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets without donor restrictions	\$ 236,434	\$ (37,484)
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:		
Depreciation expense	170,926	163,003
Loss(gain) on sale of property and equipment (net)	2	(1,185)
Net change in operating assets and liabilities:		
Inventory	145,570	(75,367)
Prepaid expenses and other current assets	(11,857)	13,966
Deferred revenue	26,680	28,825
Accounts payable and accrued expenses	(51,017)	61,968
Net cash provided by operating activities	516,738	153,726
Cash flows from investing activities:		
Proceeds from sale of property and equipment	-	26,540
Purchase of property and equipment	(30,628)	(237,470)
Net cash used in investing activities	(30,628)	(210,930)
Net change in cash and cash equivalents	486,110	(57,204)
Cash and cash equivalents, beginning of year	958,834	1,016,038
Cash and cash equivalents, end of year	\$ 1,444,944	\$ 958,834

See accompanying notes to financial statements.

RIO SALADO SPORTSMAN'S CLUB, INC.
Notes to Financial Statements
June 30, 2024 and 2023

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – The Rio Salado Sportsman's Club, Inc. (the Club) is a nonprofit Arizona corporation exempt from income taxes under 501(c)(4) of the Internal Revenue Code. The Club was formed in 1955 to provide facilities for shooting and other related activities. The Club also provides safety and instructional programs for hunting and shooting sports.

Basis of Accounting – The accounts of the Club are maintained, and the financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board are reported as net assets without donor restrictions, board-designated.

With Donor Restrictions: Net assets subject to donor-imposed stipulations that are more restrictive than the Club's mission and purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, when the donor stipulates that resources be maintained in perpetuity.

Contributions – Contributions and grants are reported as without or with donor restrictions, depending on the existence or nature of any restrictions, or both. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, the net assets are reclassified to net assets without donor restrictions. Noncash contributions are recorded at their fair market value at the date of contribution.

Gifts of equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit donor-imposed restrictions that specify how the assets are to be used, and gifts of cash or other assets that the donor stipulates must be used to acquire long-lived assets, are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. Actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Club considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk – Financial instruments which potentially subject the Club to concentrations of credit risk include cash deposits maintained in excess of Federal Deposit Insurance Corporation ("FDIC") limits throughout the year. At June 30, 2024 and 2023, the Club's uninsured cash balances and money market funds totaled \$1,199,600 and \$708,834, respectively.

RIO SALADO SPORTSMAN'S CLUB, INC.
Notes to Financial Statements
June 30, 2024 and 2023

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories - Inventory is carried at cost and consists primarily of sporting clays and ammunition.

Property and Equipment – Property and equipment are recorded at cost. Repairs, maintenance, and minor replacements are expensed as incurred. For financial reporting purposes, depreciation is computed using the straight line method over the estimated useful lives of the assets, which range from three to seven years. The Club capitalizes its property and equipment in excess of \$1,000.

Donated Services, Materials, and Facilities – The Club receives donated services from a variety of volunteers assisting the Club in their mission. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer efforts under GAAP have not been satisfied. Donated materials, services, and facilities are valued based on their estimated fair market value on the date of contribution.

Impairment of Long-Lived Assets – The Club reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators are present.

Income Tax Status – The Club qualifies as a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code (IRC), and qualifies for the charitable contribution deduction. Income determined to be unrelated business taxable income (UBTI) would be subject to income tax.

Functional Allocation of Expenses – The costs of providing the services and other activities are summarized on a functional basis in the statement of activities. Direct expenses, consisting of range and event expenses related to administering the program are included in program expenses. Expenses related to the administration of and support of the Club are included in supporting services.

Revenue Recognition – Membership dues are recognized as revenue when received during the membership period. Dues received in advance of a membership period are deferred upon receipt and recognized on a prorated basis. Event income and sales are recognized as revenue when received. Contributions are recognized when cash, securities, other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Advertising Cost – The Club expenses advertising and promotion costs as incurred. Advertising and promotion expense was \$8,522 and \$14,425 for the years ended June 30, 2024 and 2023, respectively.

RIO SALADO SPORTSMAN'S CLUB, INC.
Notes to Financial Statements
June 30, 2024 and 2023

NOTE B – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Buildings and improvements	\$ 2,547,138	\$ 2,518,189
Machinery and equipment	267,779	266,101
Vehicles	181,095	181,095
Total	<u>2,996,012</u>	<u>2,965,385</u>
Less: accumulated depreciation	<u>(1,601,486)</u>	<u>(1,430,559)</u>
Property and Equipment, net	<u>\$ 1,394,526</u>	<u>\$ 1,534,826</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$170,926 and \$163,003, respectively.

NOTE C – AGREEMENT WITH THE STATE OF ARIZONA

The Club has entered into a license agreement with the State of Arizona, by and through the Arizona Game and Fish Commission, to develop and maintain the Uesry Mountain Shooting Range for a ten year period, expiring on December 30, 2026.

NOTE D – UNCERTAIN TAX POSITIONS

The Club has implemented GAAP for uncertainty in income taxes. As of June 30, 2024, the Club had made no changes in the purpose, character or method of operations, and therefore there were no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Club's Forms 990, Return of Organization Exempt from Income Tax, for the years ended 2023, 2022 and 2021 are subject to examination by the IRS.

NOTE E – CONTINGENCIES

The Club may be subject to various legal proceedings and claims arising in the ordinary course of business. Contingent liabilities related to litigation are accrued when a loss is considered probable and the amount can be reasonably estimated.

RIO SALADO SPORTSMAN'S CLUB, INC.
Notes to Financial Statements
June 30, 2024 and 2023

NOTE F – LIQUIDITY AND AVAILABILITY

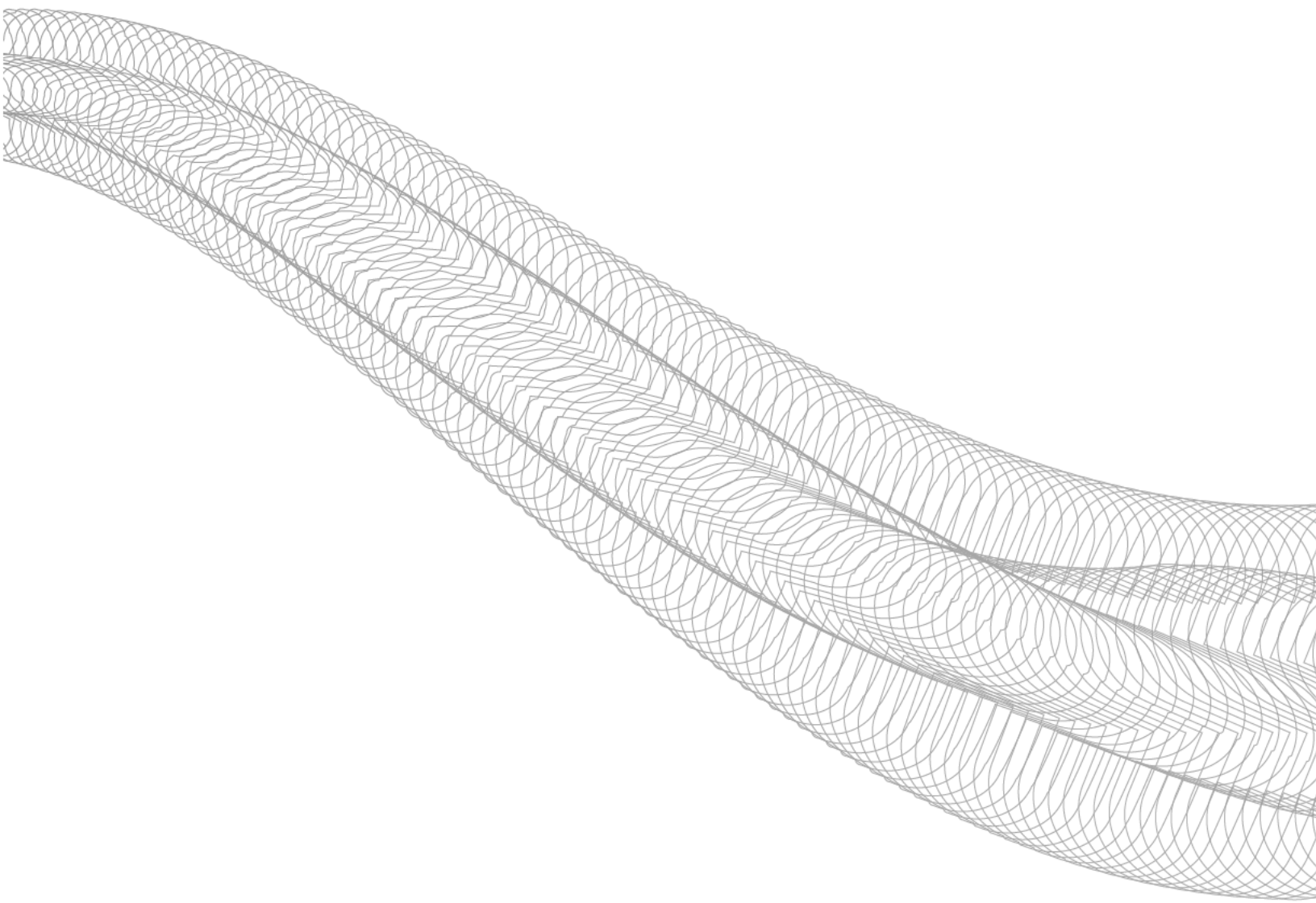
The Club regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Club considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures. To build upon its past achievements and ensure future sustainability, the Club has a long-standing policy that requires the governing board to maintain without donor restricted net assets sufficient for one year's operating expenses. Assets received with donor restrictions to be used in the next fiscal year for operating purposes are considered to be available for general expenditure spending as of June 30, 2024 and 2023.

The following reflects the Club's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2024	2023
Financial assets, at year end	\$ 1,444,944	\$ 958,834
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions		
Restricted by donor with purpose restrictions	-	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,444,944</u>	<u>\$ 958,834</u>
Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:		
Cash and cash equivalents	<u>\$ 1,444,944</u>	<u>\$ 958,834</u>

NOTE G – SUBSEQUENT EVENTS

The Club has evaluated subsequent events through September 18, 2024, which is the date the financial statements were available to be issued.



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