

October 13, 2022

To: Board of Directors

From: Carrie Smith

Since the last Board meeting, Jeanne Johnson and I met with Kevin Cox at the local office. He said that he will not be able to be our contact for the whole process, but he will help where he can. The IRS has different staff members assigned to work with different tax year issues, so we could be working with a different person for each tax year. Mr. Cox said submitting the missing 941s was the top priority. The IRS cannot determine the amount owing until those are submitted.

On September 20, 2022, we submitted the 941s for the following tax periods that I prepared from reports in Candie Massey's google folder – 4th quarter 2020, 1st quarter 2021, and 2nd quarter 2021. We also submitted a check for \$37,304.63 for taxes that were not deposited for these three periods. In addition, we presented a copy of the 2019 1st and 2nd quarter 941s. If the date on the forms is accurate, the reports were filed on time, so there should be no penalty for late filing. But it doesn't appear that all of the taxes were deposited. MMCS owes an additional \$35,279.06 for these tax periods which we did not pay at this time.

I was able to find unsigned copies of the 2016 4th quarter and the 2017 1st and 2nd quarter 941s. I contacted Nari Mendenhall, and she was willing to sign and date the forms based on the date she ran the report to prepare them. The 3rd quarter 941 was prepared on the same day, so we assume all four 941s were sent together.

On October 7, 2022, I submitted the missing 2016 and 2017 941s at the local office. All of the missing 941s have now been submitted.

I visited with our auditor, Kurt Folke, to see if he could recommend a tax attorney to help with this process. He suggested I gather as much information as possible related to MMCS tax deposits and other tax payments since 2015. We will then be prepared when the IRS sends the notices for past due taxes, interest and penalties. He said he could prepare a letter at that time asking for relief from some of the penalties and interest.

It might be several months before we hear from the IRS. Currently, I'm gathering information by reviewing any scanned financial folders.