# CAPE ST. CLAIRE SWIM CLUB, INC.

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2007

Novotny, Larash & Grainger, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

# CAPE ST. CLAIRE SWIM CLUB, INC.

## CONTENTS

| | Page No. |
|---|---|
| Reviewed Financial Statements: | |
| Report of Independent Certified Public Accountants | 2 |
| Statement of Assets and Fund Balance-Cash Basis, At December 31, 2007 | 3 |
| Statement of Revenue and Expenses-Cash Basis, For the Year Ended December 31, 2007 | 4 |
| Statement of Changes in Fund Balance-Cash Basis, For the Year Ended December 31, 2007 | 5 |
| Notes to Financial Statements | 6-7 |

JOSEPH R. NOVOTNY, CPA
WILLIAM W. LARASH, JR., CPA
DIANE C. GRAINGER, CPA

ANNAPOLIS (410) 268-6154
BALTIMORE (410) 269-5426
FAX (410) 263-4622

NOVOTNY, LARASH, & GRAINGER, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
60 WEST STREET, SUITE 205
ANNAPOLIS, MARYLAND 21401

MEMBER: PRIVATE COMPANIES PRACTICE SECTION OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS DIVISION FOR CPA FIRMS
MEMBER: MARYLAND ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Governors
Cape St. Claire Swim Club, Inc.
Arnold, Maryland

We have reviewed the accompanying statement of assets and fund balance-cash basis of Cape St. Claire Swim Club, Inc. (a non-profit organization) as of December 31, 2007 and the related statements of revenues and expenses-cash basis and changes in fund balance-cash basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Cape St. Claire Swim Club, Inc.

A review consists principally of inquires of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting, as described in Note 1.

Novotny, Larash & Grainger, PA

Novotny, Larash & Grainger, P.A.

February 12, 2008

# CAPE ST. CLAIRE SWIM CLUB, INC.

## STATEMENTS OF ASSETS AND FUND BALANCE - CASH BASIS
## DECEMBER 31, 2007

### ASSETS

| | |
|---|---|
| **Current Assets** | |
| Cash - checking | $ 33,755 |
| Cash - savings | 16,936 |
| Cash - certificate of deposit | 26,578 |
| Total Current Assets | 77,269 |
| **Fixed Assets**, at cost, net of accumulated depreciation of $82,812 | 24,411 |
| Total Assets | $ 101,680 |

### LIABILITIES AND FUND BALANCE

| | |
|---|---|
| **Fund Balance** | $ 101,680 |
| Total Liabilities and Fund Balance | $ 101,680 |

See accompanying notes and accountant's report.

# CAPE ST. CLAIRE SWIM CLUB, INC.

## STATEMENT OF REVENUES AND EXPENSES-CASH BASIS
## FOR THE YEAR ENDED DECEMBER 31, 2007

| | | |
|---|---|---|
| **Revenue** | | |
| Member fees | $ | 49,875 |
| Lessee fees | | 13,151 |
| Late fees | | 1,462 |
| Guest cards | | 3,548 |
| Swim team | | 22,581 |
| Swim lessons | | 6,960 |
| Social functions and pool rentals | | 3,764 |
| Bond sales | | 4,800 |
| Other income | | 8,433 |
| Total Revenue received | | 114,574 |
| **Expenses** | | |
| Management contract | | 46,968 |
| Pool repairs and supplies | | 10,636 |
| Salaries | | 11,734 |
| Utilities | | 2,410 |
| Telephone | | 692 |
| Grounds keeping | | 2,988 |
| Printing and postage | | 276 |
| Swim team | | 12,672 |
| Swim lessons | | 148 |
| Rent | | 500 |
| Insurance | | 4,058 |
| Officers stipends | | 100 |
| Professional fees | | 1,910 |
| Personal property taxes and real estate taxes | | 765 |
| Payroll taxes | | 1,273 |
| Miscellaneous | | 1,208 |
| Total Expenses paid | | 98,338 |
| Operating Income - Cash Basis | | 16,236 |
| **Other Revenue and Expenses** | | |
| Interest income | | 762 |
| Depreciation | | (2,344) |
| Excess of Revenue over Expenses - Cash Basis | $ | 14,654 |

See accompanying notes and accountant's report.

## CAPE ST. CLAIRE SWIM CLUB, INC.

## STATEMENT OF CHANGES IN FUND BALANCE-CASH BASIS
## FOR THE YEAR ENDED DECEMBER 31, 2007

| | | |
|---|---|---|
| Balance, beginning of year | $ | 87,026 |
| Excess Revenue over Expenses- Cash Basis | | 14,654 |
| Balance, end of year | $ | 101,680 |

See accompanying notes and accountant's report.

CAPE ST. CLAIRE SWIM CLUB, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

1. Summary of Significant Accounting Policies

Business Activities – The purpose of the Club is to maintain and operate a pool and adjacent recreational facilities in the Cape St. Claire area. The Club is a non-profit organization and is exempt from Federal income taxes under Internal Revenue Service Code Section 501(c)(7).

Basis of Accounting - The financial statements are prepared using the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when paid rather than when the obligation is incurred.

Depreciation - Property and equipment are stated at cost. It is the policy of the Club to capitalize expenditures in excess of $100. Depreciation is calculated by using the straight-line method over the estimated useful lives of the various types of property and equipment.

When property and equipment are sold or otherwise disposed of, the assets cost and accumulated depreciation are removed from the financial statements. Expenditures for maintenance and repairs are charged to expense as paid.

Income Taxes - The Club is exempt from income taxes under Section 501(c)(7) of the Internal Revenue Code. Income tax must still be paid on revenues such as interest income over $ 1,000 that is not related to the general activities of the Club. There is no provision for taxes in these financial statements because the interest income was under $1,000.

Donated Services - No amounts have been reported in the financial statements for donated services because no objective basis is available to measure the value of such services.

Program Service – The only program of the Club is to maintain and operate the pool and adjacent facilities. Therefore 100% of the revenue and expenses are program related.

Memberships

During the year, the Organization amended it's By-Laws to raise the maximum number of members from 151 to 175.

CAPE ST. CLAIRE SWIM CLUB, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

2. Property and Equipment

| | Estimated Useful Life (Years) | Cost | Accumulated Depreciation | Net |
|---|---|---|---|---|
| Pool, buildings and fences | 20-30 | $ 64,353 | $ 54,518 | $ 9,835 |
| Leasehold improvements | 5-40 | 30,396 | 21,018 | 9,378 |
| Pool and picnic furniture | 5-10 | 12,474 | 7,276 | 5,198 |
| | | $ 107,223 | $ 82,812 | $ 24,411 |