

CAPE ST. CLAIRE SWIM CLUB, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

CAPE ST. CLAIRE SWIM CLUB, INC.

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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, 2009 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 inquiries 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, P.A.

June 16, 2010

CAPE ST. CLAIRE SWIM CLUB, INC.  
STATEMENTS OF ASSETS AND FUND BALANCE - CASH BASIS  
DECEMBER 31, 2009

ASSETS

Current Assets

Cash - checking	\$ 14,224
Cash - savings	17,022
Cash - certificate of deposit	<u>27,590</u>
Total Current Assets	58,836

Fixed Assets, at cost, net of

accumulated depreciation of \$83,719	<u>35,026</u>
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Total Assets	<u>\$ 93,862</u>
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LIABILITIES AND FUND BALANCE

Fund Balance

Undesignated	\$ 58,912
Board Designated	<u>34,950</u>
Total Liabilities and Fund Balance	<u>\$ 93,862</u>

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, 2009

Revenue

Member fees	\$ 68,445
Lessee fees	16,950
Late fees	1,095
Guest cards	3,141
Swim team	20,078
Swim lessons	5,850
Social functions and pool rentals	5,169
Other income	1,102
Total Revenue received	<u>121,830</u>

Expenses

Management contract	51,335
Pool repairs and supplies	12,543
Salaries	9,409
Utilities	4,080
Telephone	568
Grounds keeping	3,355
Printing and postage	566
Swim team	12,690
Swim lessons	7
Rent	1,265
Insurance	5,455
Officers stipends	1,100
Professional fees	1,645
Personal property taxes and real estate taxes	391
Payroll taxes	1,011
Miscellaneous	2,270
Total Expenses paid	<u>107,690</u>

Operating Income - Cash Basis 14,140

Other Revenue and Expenses

Interest income	364
Depreciation	(3,737)
Loss on asset disposal	(129)

Excess of Revenue over Expenses - Cash Basis \$ 10,638

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, 2009

<u>Balance</u> , beginning of year	\$ 83,224
<u>Excess Revenue over Expenses</u> - Cash Basis	<u>10,638</u>
<u>Balance</u> , end of year	<u>\$ 93,862</u>

See accompanying notes and accountant's report.

CAPE ST. CLAIRE SWIM CLUB, INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

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.



CAPE ST. CLAIRE SWIM CLUB, INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

2. Property and Equipment

	<u>Estimated Useful Life (Years)</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Pool, buildings and fences	20-30	\$ 69,353	\$ 56,359	\$ 12,994
Leasehold improvements	5-40	31,631	20,344	11,287
Pool and picnic furniture	5-10	<u>17,761</u>	<u>7,016</u>	<u>10,745</u>
		<u>\$ 118,745</u>	<u>\$ 83,719</u>	<u>\$ 35,026</u>