

CAPE ST. CLAIRE SWIM CLUB, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011 and the related statements of revenues and expenses-cash basis and changes in fund balance-cash basis for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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.

February 29, 2012

CAPE ST. CLAIRE SWIM CLUB, INC.
STATEMENTS OF ASSETS AND FUND BALANCE - CASH BASIS
DECEMBER 31, 2011

ASSETS

Current Assets

Cash - checking	\$ 20,778
Cash - savings	<u>44,782</u>
Total Current Assets	65,560

Fixed Assets, at cost, net of

accumulated depreciation of \$94,692	<u>40,624</u>
Total Assets	<u>\$ 106,184</u>

LIABILITIES AND FUND BALANCE

Fund Balance

Undesignated	\$ 55,484
Board Designated	<u>50,700</u>
Total Liabilities and Fund Balance	<u>\$ 106,184</u>

See accompanying notes and independent accountant's review report.

CAPE ST. CLAIRE SWIM CLUB, INC.
STATEMENT OF REVENUES AND EXPENSES-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

Revenue

Member fees	\$ 72,000
Lessee fees	19,000
Late fees	720
Guest cards	3,956
Swim team	17,229
Swim lessons	7,700
Social functions and pool rentals	938
Other income	2,989
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Total Revenue received	124,532

Expenses

Management contract	46,985
Pool repairs and supplies	19,988
Salaries	12,701
Utilities	4,971
Telephone	1,084
Grounds keeping	7,439
Printing and postage	1,376
Swim team	8,701
Rent	1,185
Insurance	5,807
Officers stipends	2,475
Professional fees	1,888
Personal property taxes and real estate taxes	591
Payroll taxes	1,333
Miscellaneous	3,207
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Total Expenses paid	119,731

Operating Income - Cash Basis 4,801

Other Revenue and Expenses

Interest income	79
Depreciation	(4,973)
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Excess of Revenue over Expenses - Cash Basis \$ (93)

See accompanying notes and independent accountant's review report.

CAPE ST. CLAIRE SWIM CLUB, INC.
STATEMENT OF CHANGES IN FUND BALANCE-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Balance, beginning of year</u>	\$ 106,277
<u>Excess Expenses over Revenues - Cash Basis</u>	<u>(93)</u>
<u>Balance, end of year</u>	<u>\$ 106,184</u>

See accompanying notes and independent accountant's review report.

CAPE ST. CLAIRE SWIM CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

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 as determined on a case by case basis. 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.

Board Designated Fund Balance – The board has approved the annual transfer of 10% of the annual dues amount of \$78,750, or \$7,875, from the undesignated fund to the designated fund.

CAPE ST. CLAIRE SWIM CLUB, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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	\$ 81,003	\$ 59,532	\$ 21,471
Leasehold improvements	5-40	31,631	22,594	9,037
Pool and picnic furniture	5-10	22,682	12,566	10,116
		<u>\$ 135,316</u>	<u>\$ 94,692</u>	<u>\$ 40,624</u>