

THE SPORTSMEN'S TENNIS CLUB, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009



THE SPORTSMEN'S TENNIS CLUB, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Sportsmen's Tennis Club, Inc.
Dorchester, Massachusetts

We have audited the accompanying statements of financial position of The Sportsmen's Tennis Club, Inc. (a non-profit organization) as of June 30, 2010 and 2009 and the related statements of activities, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Sportsmen's Tennis Club, Inc. as of June 30, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with auditing standards generally accepted in the United States of America.

Keane, Chiuve & Company, P.C.

February 14, 2011

THE SPORTMEN'S TENNIS CLUB, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS:		
Cash	\$ 18,101	\$ 60,238
Accounts receivable	25,370	2,210
Prepaid expenses	3,611	23,743
Property, plant and equipment, net of accumulated depreciation of \$1,371,428 in 2010 and \$1,288,215 in 2009	<u>614,193</u>	<u>649,173</u>
TOTAL ASSETS	<u>\$ 661,275</u>	<u>\$ 735,364</u>
LIABILITIES:		
Note payable, City of Boston	\$ 33,932	\$ 39,478
Accounts payable	130,793	143,059
Deferred revenue	65,639	90,248
Accrued expenses	<u>25,208</u>	<u>46,176</u>
Total liabilities	<u>255,572</u>	<u>318,961</u>
NET ASSETS:		
Unrestricted	405,703	416,403
Temporarily restricted	-	-
Permanently restricted	<u>-</u>	<u>-</u>
Total net assets	<u>405,703</u>	<u>416,403</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 661,275</u>	<u>\$ 735,364</u>

See Notes to Financial Statements.



THE SPORTSMEN'S TENNIS CLUB, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
SUPPORT AND REVENUE:		
Tennis programs	\$ 389,049	\$ 343,568
Grants	211,201	182,565
Court time fees	140,150	98,771
Tournament revenue - net	74,901	39,215
Donations	99,423	39,562
Membership dues	30,446	29,507
Fundraising events and program revenue	44,170	19,361
Other revenues	6,752	11,316
Pro shop revenue	2,735	1,301
Interest income	332	105
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Total support and revenue	999,159	765,271
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EXPENSES:		
Salaries, contract labor and related costs	610,212	433,416
Depreciation	83,213	84,124
Program expenses	77,355	35,170
Administration	53,435	48,351
Utilities and telephone	53,088	64,910
Repairs and maintenance	50,317	43,580
Fundraising expenses	30,474	20,155
Insurance	27,542	10,947
Professional fees	24,223	30,469
	<hr/>	<hr/>
Total expenses	1,009,859	771,122
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NET INCREASE (DECREASE) IN NET ASSETS	\$ (10,700)	\$ (5,851)
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See Notes to Financial Statements.



THE SPORTSMEN'S TENNIS CLUB, INC.

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
NET ASSETS, BEGINNING OF YEAR, as originally reported	\$ 416,403	\$ 437,254
PRIOR PERIOD ADJUSTMENTS:		
Settlement with former executive director for reduced amount to be repaid on loan	<u> </u>	<u>(15,000)</u>
NET ASSETS, BEGINNING OF YEAR, as restated	416,403	422,254
Net increase (decrease) in net assets	<u>(10,700)</u>	<u>(5,851)</u>
NET ASSETS, END OF YEAR	<u>\$ 405,703</u>	<u>\$ 416,403</u>



THE SPORTSMEN'S TENNIS CLUB, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u> <u>(Restated)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net increase (decrease) in net assets	\$ (10,700)	\$ (5,851)
Adjustments to reconcile net assests to net cash provided by operating activities:		
Non cash item - Depreciation	83,213	84,124
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable	(23,160)	4,046
Prepaid expenses	20,132	(19,425)
Increase (Decrease) in:		
Accounts payable	(12,266)	(51,789)
Deferred revenue	(24,609)	12,936
Accrued expenses	<u>(20,968)</u>	<u>20,711</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>11,642</u>	<u>44,752</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Addition to property, plant and equipment	<u>(48,233)</u>	<u>(47,986)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of notes payable	<u>(5,546)</u>	<u>(13,622)</u>
NET INCREASE (DECREASE) IN CASH	(42,137)	(16,856)
CASH BALANCES, BEGINNING OF YEAR	<u>60,238</u>	<u>77,094</u>
CASH BALANCES, END OF YEAR	<u>\$ 18,101</u>	<u>\$ 60,238</u>

See Notes to Financial Statements.



THE SPORTSMEN'S TENNIS CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

Note 1 - Summary of Significant Accounting Policies

Nature of Organization - The Sportsmen's Tennis Club, Inc. ("the Organization") is a non-profit corporation operating in Dorchester, Massachusetts. The Organization provides tennis facilities, lessons and enrichment programs principally to underprivileged youth.

Basis of Presentation - The financial statements of the Organization have been prepared on the accrual basis. In order to ensure observance of limitations and restrictions placed on the use of resources available to the Organization, its accounts are separated into three classes of net assets, based on the existence or absence of donor-imposed restrictions, as follows:

Unrestricted net assets include net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets include net assets for which donor-imposed stipulations have not been met, pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted and realized and unrealized gains on investments of the permanently restricted net asset class.

Permanently restricted net assets include net assets, which require by donor stipulation that the corpus be invested in perpetuity.

Revenues - Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets by fulfillment of the donor-imposed stipulated purpose or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor-imposed stipulation or by law.

Expense Allocation - The cost of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets.

Contributed Services - The value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Advertising - Advertising costs, which are principally included in operating expenses, are expensed as incurred.

Income Tax Status - The Organization is qualified under section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes except for net revenue from unrelated business income.

Accounts Receivable - The allowance for doubtful accounts is based on management's estimate of uncollectible accounts receivable. The amount is reviewed and adjusted annually by management.



THE SPORTSMEN'S TENNIS CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment - Buildings improvements and equipment are recorded at cost, less accumulated depreciation and include expenditures for new assets and items which substantially increase the useful lives of the property and equipment. Depreciation is calculated over the assets' estimated useful lives utilizing the straight-line and accelerated methods. Normal repairs and maintenance are accounted for as expenditures.

Property and equipment donated to the Organization are recorded at their fair market value at the date of the donation.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments - Carrying amounts of certain of the Organization's financial instruments, including cash and cash equivalents and other accrued liabilities, approximate fair value because of their short maturities.

Note 2 - Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions received with donor-imposed restrictions that are met in the same years as received are reported as revenues of the unrestricted net asset class.

Note 3 - Cash Flow Information

During the period ended June 30, 2009, the Organization paid interest of \$4,241 and no income taxes.

Note 4 - Commitments

Grants, bequests, and endowments may require the fulfillment of certain conditions as set forth in the instruments of the grant. Failure to fulfill these conditions, or in the case of endowments, failure to continue to fulfill them, could result in the return of the monies to grantors. The Organization deems this contingency to be remote, because by accepting the gifts and their terms, it has accommodated the objectives of the Organization to the provisions of the gift.

Note 5 - Concentrations

Cash and investments are maintained within several financial institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and therefore, bear minimal risk.



THE SPORTSMEN'S TENNIS CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

Note 6 - Property, Plant and Equipment

Property, plant and equipment are stated at cost at the date of the acquisition or, in the case of gifts, fair value at the date of donation. Major additions and improvements are capitalized, while ordinary repairs and maintenance are expensed as incurred.

Property, plant and equipment as of June 30, 2010 and 2009 consist of the following:

	<u>2010</u>	<u>2009</u>
Buildings and improvements	\$ 1,807,159	\$ 1,794,073
Equipment	84,289	81,209
Motor vehicles	27,862	-
Furnishings and fixtures	<u>66,311</u>	<u>62,106</u>
	1,85,621	1,937,388
Less: accumulated depreciation	<u>(1,371,426)</u>	<u>(1,288,215)</u>
Property, plant and equipment, net	<u>\$614,195</u>	<u>\$ 649,173</u>

Note 7 - Note Payable, City of Boston

Note payable, City of Boston consists of advances on a loan from the City of Boston, Department of Neighborhood Development. Maximum borrowing under the terms of the loan is \$50,000. The note carries an interest rate of 6% and is payable in monthly installments of \$500, plus interest. The purpose of the loan is for the renovation of the Club's facilities and is unsecured.

Maturities of the note are expected to be as follows:

<u>Year ending June 30,</u>	
2011	\$8,001
2012	6,000
2013	6,000
2014	6,000
2015	6,000
Later years	<u>1,931</u>
Total	<u>\$33,932</u>

Note 8 – Subsequent Events

Subsequent events were evaluated through February 14, 2011 which is the date the financial statements were available to be issued. There were no significant subsequent events which require disclosure through February 14, 2011.

