

SKI CLUB OF WASHINGTON, D.C.

AUDITED FINANCIAL STATEMENTS
YEARS ENDED APRIL 30, 2023 AND 2022

DUNHAM, AUKAMP & RHODES, PLC
Certified Public Accountants
Chantilly, Virginia

SKI CLUB OF WASHINGTON, D.C.

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Dunham, Aukamp & Rhodes, PLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ski Club of Washington, D.C.
Arlington, VA 22207

We have audited the accompanying financial statements of Ski Club of Washington, D.C. (a nonprofit organization), which comprise the statements of financial position as of April 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ski Club of Washington, D.C. as of April 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ski Club of Washington, D.C. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about Ski Club of Washington, D.C.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of Ski Club of Washington, D.C.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ski Club of Washington, D.C.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplementary Information - Comparison of Budget to Actual on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Certified Public Accountants
Chantilly, Virginia

July 31, 2023

SKI CLUB OF WASHINGTON, D.C.

STATEMENTS OF FINANCIAL POSITION

April 30,

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 202,704	\$ 193,857
Accounts receivable, net	14,764	8,855
Prepaid expenses	30,471	276,233
Total Current Assets	<u>247,939</u>	<u>478,945</u>
Property and Equipment		
Land	44,928	44,928
Building	150,575	145,575
Furniture and equipment	15,715	15,715
Less: Accumulated depreciation	(143,989)	(141,735)
Total Property and Equipment	<u>67,229</u>	<u>64,483</u>
Total Assets	<u>\$ 315,168</u>	<u>\$ 543,428</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 15,826	\$ 17,036
Activity deposits	167	261,606
Prepaid membership dues - current portion	5,616	5,585
Total Current Liabilities	<u>21,609</u>	<u>284,227</u>
Long-Term Liabilities		
Prepaid membership dues, net of current portion	6,610	7,009
Total Long-Term Liabilities	<u>6,610</u>	<u>7,009</u>
Other Liabilities		
Security deposit payable	2,000	2,000
Total Other Liabilities	<u>2,000</u>	<u>2,000</u>
Total Liabilities	<u>30,219</u>	<u>293,236</u>
Net Assets		
Net assets without donor restrictions	284,949	250,192
Total Net Assets	<u>284,949</u>	<u>250,192</u>
Total Liabilities and Net Assets	<u>\$ 315,168</u>	<u>\$ 543,428</u>

The accompanying notes are an integral part of these financial statements.

SKI CLUB OF WASHINGTON, D.C.

STATEMENTS OF ACTIVITIES

For the Years Ended April 30,

	2023	2022
Revenues and Support Without Donor Restrictions		
Activity fees	\$ 1,256,465	\$ 1,079,948
Membership dues	35,667	32,479
Lease income	17,983	17,688
Other income	3,470	4,260
Interest income	931	391
Total Revenues and Support Without Donor Restrictions	<u>1,314,516</u>	<u>1,134,766</u>
Expenses		
Program Activities		
Activities	1,205,267	1,021,697
Membership	9,250	8,919
Supporting Activities		
Management and general	<u>65,242</u>	<u>64,727</u>
Total Expenses	<u>1,279,759</u>	<u>1,095,343</u>
Change in Net Assets	<u>34,757</u>	<u>39,423</u>
Net Assets at Beginning of Year	<u>250,192</u>	<u>210,769</u>
Net Assets at End of Year	<u><u>\$ 284,949</u></u>	<u><u>\$ 250,192</u></u>

The accompanying notes are an integral part of these financial statements.

SKI CLUB OF WASHINGTON, D.C.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended April 30, 2023

	Program Activities			Supporting Activities	Total Expenses
	Activities	Membership	Program Subtotal	Management and General	
Expenses					
Activity expenses	\$ 1,176,997	\$ -	\$1,176,997	\$ 2,755	\$ 1,179,752
Other office expenses	12,374	4,125	16,499	24,747	41,246
Office staffing expenses	8,509	2,837	11,346	17,020	28,366
Office building expenses	6,472	2,157	8,629	12,944	21,573
Board of directors expenses	-	-	-	5,050	5,050
Other business expenses	-	-	-	1,903	1,903
Publications expenses	915	131	1,046	262	1,308
Public relations	-	-	-	500	500
President's accounts	-	-	-	61	61
Total Expenses	<u>\$ 1,205,267</u>	<u>\$ 9,250</u>	<u>\$1,214,517</u>	<u>\$ 65,242</u>	<u>\$ 1,279,759</u>

For the Year Ended April 30, 2022

	Program Activities			Supporting Activities	Total Expenses
	Activities	Membership	Program Subtotal	Management and General	
Expenses					
Activity expenses	\$ 994,456	\$ -	\$ 994,456	\$ 4,004	\$ 998,460
Other office expenses	12,536	4,178	16,714	25,070	41,784
Office staffing expenses	7,937	2,646	10,583	15,875	26,458
Office building expenses	5,917	1,973	7,890	11,836	19,726
Board of directors expenses	-	-	-	4,825	4,825
Other business expenses	-	-	-	2,632	2,632
Publications expenses	851	122	973	243	1,216
President's accounts	-	-	-	133	133
Public relations	-	-	-	109	109
Total Expenses	<u>\$ 1,021,697</u>	<u>\$ 8,919</u>	<u>\$1,030,616</u>	<u>\$ 64,727</u>	<u>\$ 1,095,343</u>

SKI CLUB OF WASHINGTON, D.C.

STATEMENTS OF CASH FLOWS

For the Years Ended April 30,

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 34,757	\$ 39,423
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	2,254	1,976
Changes in operating assets and liabilities:		
Increase in accounts receivable	(5,909)	(8,380)
Decrease/(Increase) in prepaid expenses	245,762	(179,761)
(Decrease)/Increase in accounts payable and accrued expenses	(1,210)	16,888
(Decrease)/Increase in activity deposits	(261,439)	175,261
(Decrease)/Increase in prepaid membership dues	(368)	2,737
Net cash provided by operating activities	<u>13,847</u>	<u>48,144</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	<u>(5,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(5,000)</u>	<u>-</u>
Change in cash and cash equivalents	8,847	48,144
Cash and cash equivalents, beginning of year	<u>193,857</u>	<u>145,713</u>
Cash and cash equivalents, end of year	<u><u>\$ 202,704</u></u>	<u><u>\$ 193,857</u></u>

SKI CLUB OF WASHINGTON, D.C.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Organization and Summary of Accounting Policies

The Ski Club of Washington, D.C. (“the Club”) is a non-profit organization established for the social and recreational benefit of its members. The organization was started in 1936 and recognized by the IRS as a tax exempt organization in 1963. Its primary sources of funds are from membership dues and activity fees collected from the participating members. The Club conducts over 150 ski, recreation or social events and activities for its members each year.

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

- a) **Basis of Accounting** – The Club prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.
- b) **Basis of Presentation** – The Club is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- **Without Donor Restrictions** – represents resources which have met applicable award restrictions and/or resources generated by sources other than from the award.

- **With Donor Restrictions** – represents resources recognized as restricted support until such a time when all associated restrictions have been met or contains a stipulation that permanently restricted the use of such funds but allows earnings from the funds to be used in a certain manner prescribed by the donor. As of April 30, 2023, and 2022, the Club had no net assets with donor restrictions.

- c) **Support and Expenses** – Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

- d) **Statement of Cash Flows** – The Club considers substantially all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents.
- e) **Use of Estimates** – The preparation of financial statements in conformity with U.S. 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.

SKI CLUB OF WASHINGTON, D.C.

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 1 – Organization and Summary of Accounting Policies (continued)

- f) Concentration of Credit Risk – The Club occasionally maintains deposits in excess of federally insured limits. These items are identified as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions. The Club has not experienced any losses on its cash accounts.
- g) Income Taxes – The Club is a nonprofit organization exempt from income taxes under Section 501(c)(7) of the Internal Revenue Code on all income other than unrelated business income. The Club has been classified as an organization that is not a private foundation. Unrelated business income, from non-members, advertising and interest income, for the years ended April 30, 2023 and 2022 totaled \$-0- and \$-0- respectively. Federal and state income tax for the years ended April 30, 2023 and 2022 was \$-0- and \$-0-, respectively.
- h) Uncertain Tax Positions – As of April 30, 2023, the Club had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The tax years subject to examination by the taxing authorities are the years ended April 30, 2020 through 2022.
- i) Accounts Receivable – Accounts receivable are reported net of an allowance for uncollectible accounts. The allowance for uncollectible receivables is provided based on management's evaluation of uncollectible accounts at year end. The accounts receivable balance on the statement of financial position consists of receivables from members for activities completed during the fiscal year and a tour company. The allowance for doubtful accounts as of April 30, 2023 and 2022 were \$-0- and \$-0-, respectively. Bad debt expense for the years ended April 30, 2023 and 2022 were \$132 and \$843, respectively.
- j) Property and Equipment – Purchased property and equipment are recorded at cost for any item in excess of \$500. Contributed property and equipment is recorded at its fair market value on the date of contribution. Expenditures for maintenance and repairs are charged against income as incurred; betterments, which increase the value or materially extend the life of the related assets, are capitalized.

Depreciation and amortization expense are computed using the straight-line method over the estimated useful lives of the respective assets. Depreciation expense for the years ended April 30, 2023 and 2022 was \$2,254 and \$1,976, respectively. The estimated useful lives are:

Furniture and Equipment	3 to 10 years
Building	35 years

- k) Advertising Cost – Advertising costs are expensed when incurred.

SKI CLUB OF WASHINGTON, D.C.

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 1 – Organization and Summary of Accounting Policies (continued)

- l) Recently Issued Accounting Standards – In 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Club adopted this new standard in the current year with no significant effect on its financial statements.

NOTE 2 – Donated Services and Materials

A number of unpaid volunteers have made contributions of their time in conjunction with the activities the Club conducts. The value of these contributions is not included in these financial statements, since they do not require specialized skills and are not susceptible to objective measurement.

NOTE 3 – Lease Revenue and Subsequent Events

The Club has an operating lease agreement to lease the top floor of its office condo. The lease expires on December 31, 2023 and calls for monthly lease payments of \$1,548. For the years ended April 30, 2023 and 2022, lease income was \$17,983 and \$17,688, respectively.

Future minimum lease income for the fiscal year ending April 30, 2024 is \$12,382.

NOTE 4 – Prepaid Membership Dues

Club members have the option to purchase their membership in increments of one year, three years, five years, ten years or life. Prepaid membership dues are recognized over the duration of membership. Life memberships have an estimated duration of 25 years. The prepaid membership dues will be recognized as follows:

For the fiscal years ending April 30,	
2024	\$ 5,616
2025	5,545
2026	240
2027	239
2028	141
Thereafter	<u>445</u>
Total	\$ <u>12,226</u>

SKI CLUB OF WASHINGTON, D.C.

NOTES TO FINANCIAL STATEMENTS

(Concluded)

NOTE 5 – Functional Allocation of Expenses

The Club's operating costs have been allocated between program, and management and general expenses based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. Expenditures that require allocation are allocated on either a personnel-cost or square-footage basis, whichever is more reasonable for the expenditure.

NOTE 6 – Liquidity and Availability of Financial Assets

The Club has \$217,468 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The accounts receivable are subject to implied time restrictions but are expected to be collected within one year. The Club monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Club has the following financial assets that could readily be made available within one year of the statement of financial position date to fund expenses without limitations:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$202,704	\$193,857
Accounts receivable	<u>14,764</u>	<u>8,855</u>
	<u>\$217,468</u>	<u>\$202,712</u>

NOTE 7 – Evaluation of Subsequent Events

The Club has evaluated subsequent events through July 31, 2023, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SKI CLUB OF WASHINGTON, D.C.

COMPARISON OF BUDGET TO ACTUAL

For the Year Ended April 30, 2023

(See Independent Auditor's Report)

	Actual				
	Revenues and Support	Expenses	Net	Budget	Difference
Activities and Income					
Flights	\$ 813,720	\$ 756,030	\$ 57,690		
Travel	322,134	306,716	15,418		
Tennis	44,521	42,244	2,277		
Eastern Ski	35,358	30,539	4,819		
Sports	37,827	34,936	2,891		
Social	2,905	6,532	(3,627)		
Board of Directors	-	2,755	(2,755)		
Total Activities	1,256,465	1,179,752	76,713	52,634	24,079
Membership	35,667	-	35,667	35,220	447
Lease income	17,983	-	17,983	17,640	343
Other income	3,470	-	3,470	3,060	410
Interest income	931	-	931	390	541
Total Activities and Income	<u>\$ 1,314,516</u>	<u>\$ 1,179,752</u>	<u>\$ 134,764</u>	<u>\$ 108,944</u>	<u>\$ 25,820</u>
Expenses					
Other office expenses	\$ -	\$ 41,246	\$ 41,246	\$ 45,350	\$ (4,104)
Office staffing expenses	-	28,366	28,366	29,160	(794)
Office building expenses	-	21,573	21,573	25,604	(4,031)
Board of directors expenses	-	5,050	5,050	4,830	220
Other business expenses	-	1,903	1,903	2,550	(647)
Publications expenses	-	1,308	1,308	1,210	98
Public relations	-	500	500	110	390
President's accounts	-	61	61	130	(69)
Total Expenses	<u>\$ -</u>	<u>\$ 100,007</u>	<u>\$ 100,007</u>	<u>\$ 108,944</u>	<u>\$ (8,937)</u>
Change in Net Assets			<u>\$ 34,757</u>	<u>\$ -</u>	<u>\$ 34,757</u>