

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2005 calendar year, or tax year beginning April 1, 2005, and ending March 31, 2006

B Check if applicable:
☒ Address change
☐ Name change
☐ Initial return
☐ Final return
☐ Amended return
☐ Application pending

C Employer identification number: 51-0318526

D Telephone number: 302-227-8954

E Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify) _____

F Website: Kings Creek Country Club . Com

G Organization type (check only one): ☒ 501(c) (7) (insert no) ☐ 4947(a)(1) or ☐ 527

H Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

I Group Exemption Number: _____

J Check ☒ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

K Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: _____

29 IA 200603 07 00 3 0000
KINGS CREEK COUNTRY CLUB INC
LOCAL 1 Kings Creek Circle
REHOBOTH BCH DE 19971

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Revenue		Expenses		Net Assets	
1	Contributions, gifts, grants, and similar amounts received:				
a	Direct public support	1a			
b	Indirect public support	1b			
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1d			
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			439,784
3	Membership dues and assessments	3			196,830
4	Interest on savings and temporary cash investments	4			9,099
5	Dividends and interest from securities	5			
6a	Gross rents	6a			
b	Less: rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe _____)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities	8a	(B) Other	
b	Less: cost or other basis and sales expenses	8b			
c	Gain or (loss) (attach schedule)	8c			
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			
9	Special events and activities (attach schedule). If any amount is from gaming, check here ☐				
a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a			
b	Less: direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10a	Gross sales of inventory, less returns and allowances	10a	553,337		
b	Less: cost of goods sold	10b	159,903		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			393,434
11	Other revenue (from Part VII, line 103)	11			33,340
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			2843,964
13	Program services (from line 44, column (B))	13			
14	Management and general (from line 44, column (C))	14			
15	Fundraising (from line 44, column (D))	15			
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 13 and 14, column (A))	17			2726,332
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18			117,632
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19			3452,599
20	Other changes in net assets or fund balances (attach explanation)	20			
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			3570,231

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here ☐	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25			
26	Other salaries and wages	26	1201660	952,616	249,044
27	Pension plan contributions	27			
28	Other employee benefits	28	159894	137696	22198
29	Payroll taxes	29	122714	103801	18913
30	Professional fundraising fees	30			
31	Accounting fees	31	23345		23345
32	Legal fees	32	20958		20958
33	Supplies	33	250089	239740	10349
34	Telephone	34	10267	8196	2071
35	Postage and shipping	35	6220		6220
36	Occupancy	36			
37	Equipment rental and maintenance	37	202340	200660	1680
38	Printing and publications <i>Cat of Sales</i>	38	143237	143237	
39	Travel	39	7198	3374	3824
40	Conferences, conventions, and meetings	40	29130	29130	
41	Interest	41	162740		162740
42	Depreciation, depletion, etc. (attach schedule)	42	186671		186671
43	Other expenses not covered above (itemize):				
a	<i>Amortization</i>	43a	11232		11232
b	<i>Utilities</i>	43b	92867	92867	
c	<i>Prop. Insurance</i>	43c	42875		42875
d	<i>License & Taxes</i>	43d	22822		22822
e	<i>Direct Subscriptions</i>	43e	15839	15839	
f	<i>Misc</i>	43f	14234	14234	
g		43g			
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	2726332	1941390	784942

Joint Costs. Check ☐ if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► <u>Member Recreation</u>		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
a	N/A	
(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐		
b	N/A	
(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐		
c	N/A	
(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐		
d	N/A	
(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐		
e	Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐		
f	Total of Program Service Expenses (should equal line 44, column (B), Program services). . . . ►	

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash—non-interest-bearing	119,839	45	119,254
	46 Savings and temporary cash investments	462,487	46	413,523
	47a Accounts receivable			
	b Less: allowance for doubtful accounts		47c	144,470
	48a Pledges receivable			
	b Less: allowance for doubtful accounts		48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use	96,738	52	120,191
	53 Prepaid expenses and deferred charges	52,843	53	37,143
	54 Investments—securities (attach schedule) ☐ Cost ☐ FMV		54	
	55a Investments—land, buildings, and equipment: basis	9,290,067		
	b Less: accumulated depreciation (attach schedule)	2,760,763	55c	6,529,304
56 Investments—other (attach schedule) <i>Bond Origination Cost</i>	141,335	56	130,103	
57a Land, buildings, and equipment: basis				
b Less: accumulated depreciation (attach schedule)		57c		
58 Other assets (describe ►)		58		
59 Total assets (must equal line 74). Add lines 45 through 58.	7,472,775	59	7,493,988	
Liabilities	60 Accounts payable and accrued expenses	189,973	60	406,275
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)	3,310,417	64b	2,990,000
	65 Other liabilities (describe ► <i>Prepaid Lines</i>)	519,787	65	527,482
66 Total liabilities. Add lines 60 through 65	4,020,177	66	3,923,757	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☐ and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds	3,452,598	72	3,570,231
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	3,452,598	73	3,570,231
74 Total liabilities and net assets/fund balances. Add lines 66 and 73.	7,472,775	74	7,493,988	

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)**75a** Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings **9****b** Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) . . . **75b** ☒ Yes ☒ No**c** Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? **75c** ☒ Yes ☒ No**Note.** Related organizations include section 509(a)(3) supporting organizations.

If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.

d Does the organization have a written conflict of interest policy? **75d** ☒ Yes ☒ No**Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits** (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances

Part VI Other Information (See the instructions.)

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity 76	☒	☒
77 Were any changes made in the organizing or governing documents but not reported to the IRS? 77	☒	☒
If "Yes," attach a conformed copy of the changes.		
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? 78a	☒	☒
b If "Yes," has it filed a tax return on Form 990-T for this year? 78b	☒	☒
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement 79	☒	☒
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? 80a	☒	☒
b If "Yes," enter the name of the organization ► and check whether it is ☐ exempt or ☐ nonexempt		
81a Enter direct and indirect political expenditures. (See line 81 instructions.) 81a		
b Did the organization file Form 1120-POL for this year? 81b	☒	☒

Part VI Other Information (continued)

	Yes	No
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
82b		
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
83b		
84a Did the organization solicit any contributions or gifts that were not tax deductible?		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
84b	N/A	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
85a	N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
85b	N/A	
c Dues, assessments, and similar amounts from members		
85c		
d Section 162(e) lobbying and political expenditures		
85d	N/A	
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85e	N/A	
f Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85f		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85g	N/A	
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
85h	N/A	
86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		
86a		
b Gross receipts, included on line 12, for public use of club facilities		
86b		
87 501(c)(12) orgs. Enter: a Gross income from members or shareholders		
87a	N/A	
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
87b		
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ ; section 4912 ▶ ; section 4955 ▶		
b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		
89b	N/A	
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶		
d Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶		
90a List the states with which a copy of this return is filed ▶		
b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)		
90b		
91a The books are in care of ▶ <u>Angelo M. Caputo CPA</u> Telephone no. ▶ <u>(302) 227-8954</u> Located at ▶ <u>1 Kings Creek Circle, Rehoboth Beach, DE</u> ZIP + 4 ▶ <u>19971-1034</u>		
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
91b		X
c At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶		
91c		X
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶		
92		

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

		Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount		
93 Program service revenue:						
a <i>Program Service Revenue</i>		67301				372,483
b						
c						
d						
e						
f Medicare/Medicaid payments						
g Fees and contracts from government agencies						
94 Membership dues and assessments						1968307
95 Interest on savings and temporary cash investments		9099				
96 Dividends and interest from securities						
97 Net rental income or (loss) from real estate:						
a debt-financed property						
b not debt-financed property						
98 Net rental income or (loss) from personal property						
99 Other investment income						
100 Gain or (loss) from sales of assets other than inventory						
101 Net income or (loss) from special events						
102 Gross profit or (loss) from sales of inventory		94308				299,126
103 Other revenue: a <i>Pool Fees</i>						4162
b <i>Other Member Charges</i>						20576
c <i>Other Admin. Income</i>						8602
d						
e						
104 Subtotal (add columns (B), (D), and (E))		170708				2673256
105 Total (add line 104, columns (B), (D), and (E))						2,843,964

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, from any person or entity for the purpose of providing benefits to or for the organization? ☐ Yes ☐ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, for any personal benefit contract? ☐ Yes ☐ No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here	Under penalties of perjury, I declare that I have examined this return and belief, it is true, correct, and complete. Declaration of preparer (other than agent) in connection with this return.
	Signature of officer <i>[Signature]</i>
Paid Preparer's Use Only	Type or print name and title <i>A.M. CAPUTO, CPA</i>
	Preparer's signature
Firm's name (or yours if self-employed), address, and ZIP + 4	

**KINGS CREEK COUNTRY CLUB
BOARD OF DIRECTORS FY2006-07**

Mr. Stephen Lett, President P.O. Box 5 Bethany Beach, DE 19930 (302) 537-0375 (302) 381-6487 Cell steve@lettdirect.com	Mr. Vince Mazza, Vice President 2 Kings Creek Circle Rehoboth Beach, DE 19971 (302) 227-2865 vamaza@msn.com
Mr. Frank D. Derville 3 Alexander Court Rehoboth Beach, DE 19971 (302) 227-8563 fderville@isp.com	Mr. Steve Storrie 1023 Wagner Road Ruxton, MD 21204 (410) 825-8687 115 Kings Creek Circle Rehoboth Beach, DE 19971 (302) 226-1968 (410) 446-5288 Cell (410) 828-0200 Work Phone (410) 828-5937 Fax thestar@bloomberg.net
Mr. John T. Kiker 62 Kings Creek Circle Rehoboth Beach, DE 19971 (302) 227-8266 (302) 249-2953 Cell bjkik@comcast.net	Mr. Tim Fermoile, Member At Large 1828 Duffield Lane Alexandria, VA 22307 (703) 960-3617 21 Park Avenue Rehoboth Beach, DE 19971 (302) 227-7964 (703) 622-3349 (Best #) Tfermoile@hotmail.com
Mr. Jack Young, Secretary 5146 Woodmire Lane Alexandria, VA 22311 (703) 379-1834 (202) 277-9475 Cell 4 Ellender Court Rehoboth Beach, DE 19971 young@sandlerreiff.com	Mrs. Diane Herndon, Treasurer 13900 Foggy Glen Drive Silver Spring, MD. 20906 (301) 871-2125 8 Patriots Way Rehoboth Beach, DE 19971 (302) 226-8740 (301) 518-9221 Cell (Best#) (202) 327-8819 work diane.herndon@ey.com
Note: Directors receive no compensation, no benefits, & no expense allowances.	Mr. Ed Speno 4 Old Boxwood Lane, Lutherville, MD 21093 (410) 828-5496 11 Metz Way Rehoboth Beach, DE 19971 (302) 226-8270 Cell Phone: (410) 375-6533 (Best #) Private Line: (410) 828-5264 Fax - MD (410) 828-5946 Fax - DE (302) 226-8271 espeno@prodigy.net