

**TUCKAHOE RECREATION CLUB, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**Shafian Tax & Accounting Services, PC**

Certified Public Accountants

# Shafian Tax & Accounting Services, PC

Certified Public Accountants

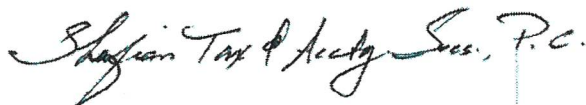
## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Tuckahoe Recreation Club, Inc.  
McLean, Virginia

We have audited the accompanying statements of financial position of Tuckahoe Recreation Club, Inc. as of December 31, 2023 and 2022 and the related statements of activities, cash flows and functional expenses 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 audits.

We conducted our audits 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 audits provide 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 Tuckahoe Recreation Club, Inc. as of December 31, 2023 and 2022, and the results of its operations and its changes in financial position for the years then ended in conformity with generally accepted accounting principles.



Shafian Tax & Accounting Services, PC  
Certified Public Accountants

August 29 2024

Tuckahoe Recreation Club, Inc.  
Audited statements Of Financial Position  
DECEMBER 31, 2023 AND 2022

	<u>2 0 2 3</u>	<u>2 0 2 2</u>
<b><u>Assets</u></b>		
Current Assets		
Cash and Cash Equivalents	\$ 1,612,121	\$ 1,369,895
Cash - Swim Team-External	26,386	13,159
Cash - Dive Team-External	13,007	12,159
Short term investments-CD's w/maturity >90 days	0	0
Accounts receivable	15	15
Interest receivable	0	0
Inventory	486	487
Prepaid Insurance	2,208	2,208
Prepaid expenses	2,208	2,208
Total Current Assets	\$ <u>1,656,431</u>	\$ <u>1,400,130</u>
Property and Equipment		
Land and improvements	\$ 166,417	\$ 166,417
Parking lot and improvements	31,525	31,525
Building and improvements	1,429,172	1,401,876
Pools and improvements	749,004	749,004
Pool house renovations - TRC Pool A	1,936,027	1,936,027
Tennis courts and improvements	445,073	402,873
Building expansion program	478,597	478,597
Furniture and equipment	778,761	683,419
Summer bathhouse improvement	642,243	642,243
Total property and equipment	\$ <u>6,656,819</u>	\$ <u>6,491,981</u>
Less: Accumulated depreciation & amortization	\$ <u>4,950,783</u>	\$ <u>4,696,778</u>
Net Property and Equipment	\$ <u>1,706,036</u>	\$ <u>1,795,203</u>
Total Assets	\$ <u><u>3,362,467</u></u>	\$ <u><u>3,195,334</u></u>

2023 & 2022 STMT OF FINANCIAL POSITION

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Tuckahoe Recreation Club, Inc.  
Audited Statements Of Financial Position  
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable	\$ 18,825	\$ 22,188
Annual Leave Accrual	33,900	0
Security Deposits	4,656	4,092
Accrued salaries	3,174	3,173
Income & Withholding Taxes	(13,813)	(13,845)
Deferred member dues	847	847
Sales Tax & Other Current Liabilities	3,831	0
Total Current Liabilities	\$ <u>51,420</u>	\$ <u>16,455</u>
Long-Term Liabilities		
Bonds payable	0	0
Construction Loan - Improvements	1,053,321	1,137,556
Total Long-Term Liabilities	\$ <u>1,053,321</u>	\$ <u>1,137,556</u>
Total Liabilities	\$ <u>1,104,741</u>	\$ <u>1,154,011</u>
Net Assets		
Unrestricted	1,906,819	1,831,727
Temporarily restricted - CapX Fund	350,907	209,595
Total Net Assets	\$ <u>2,257,726</u>	\$ <u>2,041,322</u>
Total Liabilities and Net Assets	\$ <u><u>3,362,467</u></u>	\$ <u><u>3,195,334</u></u>

2023 & 2022 STMT OF FINANCIAL POSITION

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Tuckahoe Recreation Club, Inc.  
Audited Statements Of Activities  
DECEMBER 31, 2023 AND 2022

	<u>2 0 2 3</u>	<u>2 0 2 2</u>
<u>Unrestricted Net Assets</u>		
Revenues, Gains and Other Support		
Member dues	1,811,951	1,439,935
Member fees	127,971	96,559
Associate member dues	163,604	165,010
Concessions Income	90,320	96,944
Cost of food	(68,076)	(69,153)
Salaries - Snack Bar	(71,136)	(52,648)
Concessions - Net	(48,892)	(24,856)
Programs	536,494	578,642
Debt Reduction Receipts	0	0
Interest & Misc.	47,637	2,702
Total Unrestricted Revenue	<u>2,638,765</u>	<u>2,257,993</u>
Net Assets Released from Restricted Funds	<u>350,907</u>	<u>209,595</u>
Total Unrestricted Revenues	<u>2,989,672</u>	<u>2,467,588</u>
Expenses - Listed on page 7	<u>2,925,216</u>	<u>2,489,915</u>
Increase (Decrease) in Unrestricted Net Assets Before Transfers	64,457	(22,327)
Transfers to/from Temporarily Restricted Funds	<u>(10,635)</u>	<u>(285,019)</u>
Increase (Decrease) in Unrestricted Net Assets	75,092	262,692
<u>Temporarily Restricted Net Assets</u>		
Contributions:		
CapX fund	350,907	209,595
Net Assets Released from Restricted Funds	<u>(209,595)</u>	<u>(327,432)</u>
Increase (Decrease) in Temporarily Restricted Assets	<u>141,312</u>	<u>(117,837)</u>
Increase (Decrease) in Total Net Assets	216,403	144,855
Net Assets - Beginning of year	<u>2,041,322</u>	<u>1,896,467</u>
Net Assets - End of year	<u><u>2,257,725</u></u>	<u><u>2,041,322</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Tuckahoe Recreation Club, Inc.  
Audited Statements Of Activities  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2 0 2 3</u>	<u>2 0 2 2</u>
<u>Expenses</u>		
Payroll and related taxes	\$ 1,364,077	\$ 1,292,057
Insurance	150,001	107,363
Maintenance and engineering	245,327	181,706
Utilities	162,399	166,042
Depreciation	254,005	231,923
Supplies and services	77,736	55,138
Replacements - CapX fund	350,907	209,595
Programs	38,228	23,401
Administrative	168,783	97,510
Other taxes and licenses	38,164	38,868
Interest	39,621	46,849
Legal and audit	35,968	39,462
Innovation Fund	0	0
Income taxes	0	0
	<hr/>	<hr/>
Total Expenses	\$ <u>2,925,216</u>	\$ <u>2,489,915</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Tuckahoe Recreation Club, Inc.  
 Statements Of Cash Flows  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2 0 2 3</u>	<u>2 0 2 2</u>
Cash flow from Operating Activities		
Cash received from members	\$ 2,103,526	\$ 1,701,504
Cash received from concessions	90,320	96,944
Cash received from programs	536,494	578,642
Interest and dividends received	47,637	2,702
Cash paid to employees and suppliers	<u>(2,459,516)</u>	<u>(2,170,198)</u>
Net Cash Provided by Operating Activities	\$ 318,462	\$ 209,596
Cash flows from Investing Activities		
(Purchase) Sale of short term investments	151,947	167,182
Purchase of property and improvements	<u>(164,838)</u>	<u>(214,975)</u>
Net Cash Used by Investing Activities	\$ (12,891)	\$ (47,793)
Cash Flow from Financing Activities		
Retirement of bonds	0	0
Accounts Payable & Accruals	34,965	(21,820)
Accounts Receivable & Prepaids	1	(1)
Construction Loan - Improvements	<u>(84,235)</u>	<u>(88,267)</u>
Net Cash Provided by Financing Activities	\$ <u>(49,269)</u>	\$ <u>(110,088)</u>
Net increase (decrease) in cash	\$ 256,302	\$ 51,715
Cash and cash equivalents - Beginning of Year	\$ <u>1,395,213</u>	\$ <u>1,343,498</u>
Cash and cash equivalents - End of Year	<u>\$ 1,651,514</u>	<u>\$ 1,395,213</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Tuckahoe Recreation Club, Inc.  
 Statements Of Cash Flows  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in Net Assets	\$ <u>216,403</u>	\$ <u>144,854</u>
Reconciling Adjustments		
Depreciation	\$ 254,005	\$ 231,923
Changes in assets and liabilities:		
Prepaid income taxes	0	0
Interest receivable	0	0
A/C Receivable - Dues, Other	0	0
Prepaid Insurance	0	0
Prepaid expenses	0	0
Inventory	1	(1)
Income taxes payable	0	(9,967)
Accounts payable	(3,363)	774
Annual Leave Accrual	33,900	0
Security Deposits	565	0
Accrued salaries	1	907
Income & Withholding Taxes	32	
Deferred member dues	3,831	(15,936)
Net Bond Activity	0	0
Net Transfers from Restricted Funds	<u>274,384</u>	<u>316,489</u>
Net Cash Provided by Operating Activities	\$ <u><u>779,758</u></u>	\$ <u><u>669,044</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



TUCKAHOE RECREATION CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

**NOTE 1 – ORGANIZATION**

Tuckahoe Recreation Club, Inc. (Club) is a non-stock corporation organized under the laws of the State of Virginia. The Club exists for the private benefit of members, providing recreational facilities, training and various programs. The Club is located in McLean, Virginia.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

Method of Accounting

The financial statements are prepared on the accrual method of accounting. As such, revenues are recognized when earned, not when received and expenses are recognized when incurred, not when paid. Membership dues are recognized over the period to which they relate. Any portion of dues that extends beyond the year-end is accounted for as deferred member dues.

Revenue

The Club recognizes annual dues from membership based on a year beginning and ending with Memorial Day. Associate dues are based on the period of the agreement with associate members. Winter dues cover the period from September 1 through the Friday before Memorial Day. Any dues collected for a period after the balance sheet date, are accounted for as deferred member dues. Each member is required to pay a non-refundable initiation fee and an annual contribution to the "sinking fund" reserved for repairs, maintenance and replacements. These items are treated on a Cash basis and revenues are recognized when received.

Estimates

The Club prepares its financial statements in conformity with generally accepted accounting principles, which requires the management to make various estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets

The classification of net assets, revenues, expenses, gains and losses are based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Club and changes therein are classified and reported as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for support of the Club.

TUCKAHOE RECREATION CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

- Temporary restricted net assets represent assets whose use by the Club is limited by donor-imposed stipulations that expire with passage of time or can be fulfilled by actions of the organization pursuant to these stipulations.
- Permanently restricted net assets represent assets whose use by the Club is limited by donor-imposed stipulations that neither passage of time nor fulfillment by organization actions can be removed. At 12/31/2023, the Club had no Permanently Restricted assets.

Capital Expenditure (CapX) Fund for Repairs, Replacements and improvements

Each member paying dues is required to pay an annual contribution to the CapX Fund. The By-laws of the Club restrict the use of these funds solely for the purpose of the complete replacement, major repairs due to casualties or major rehabilitation improvement of the Club.

Inventories

Inventories of concessions are valued at the lower of cost or market. Cost is determined using the First-in, First-out method.

Property and Equipment

Property and equipment are carried at cost. Depreciation is computed on the straight-line basis over estimated useful lives of 5-30 years. Depreciation expense was \$254,005 and \$223,930 for the years ended December 31, 2022 and 2023 respectively.

NOTE 3 – CASH AND CASH EQUIVALENTS

In 2018, firm decided to change banks. On March 23, 2018, Club's accounts at United Bank were transferred to Burke & Herbert Bank. As of December 31, 2023 cash and cash equivalents consisted of operating accounts, savings, and Money Market accounts with the following institutions:

	<u>2023</u>	<u>2022</u>
B&H Checking 4316	\$ - 399	\$ 14,918
B&H Savings Reserve MMA 4340	1,359,641	1,073,550
B&H Savings Reserve MMA 3981	103,684	103,632
B&H Savings Cap Ex MMA 4332	148,582	174,485
B&H Merchant CC Acct 4324	0.00	2,333
Cash – Swim Team – External	26,386	13,159
Cash – Dive Team - External	13,007	12,159
Cash – Petty Cash	613	977
Total Cash	\$ <u>1,651,514</u>	\$ <u>1,395,213</u>

TUCKAHOE RECREATION CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

**NOTE 4 – TRC POOL “A” CONSTRUCTION and NOTE PAYABLE**

The Club completed the construction of Pool “A” in 2009. The capitalized cost of this project as of 12/31/2023 was \$1,936,027. The Club refinanced its Credit Facility (Note) for this project through United Bank in August 2013, and subsequently with Burke & Herbert in April 2018. The Note balance at 12/31/2023 was \$1,053,321.

**NOTE 5 – NET ASSETS**

The Club’s unrestricted net assets consist of:

	<u>2023</u>	<u>2022</u>
Operating fund	\$ <u>1,906,819</u>	\$ <u>1,831,727</u>

The Club’s temporary restricted net assets consist of:

CapX fund for the replacement and Improvements	\$ 350,907	\$ 209,595
Other Improvement Fund	<u>0</u>	<u>0</u>
Total	\$ 350,907	\$ 209,595



TUCKAHOE RECREATION CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – INCOME TAXES

The Internal Revenue Service has determined that the Club is a tax-exempt organization under Section 501(c) (7) of the Internal Revenue Code. Under certain Code regulation, the Club is only subject to Federal and State income taxes on unrelated business income, such as investment income, resale of inventory merchandise and non-member pool revenue. Losses from other unrelated business activities may not reduce taxable investment income activities. Losses can be carried back three years or forward fifteen years to offset similar taxable income. Income tax expense is summarized as follows:

	<u>2023</u>	<u>2022</u>
Current Income Taxes:		
Federal	\$ -0-	\$ -0-
State	<u>-0-</u>	<u>-0-</u>
Total Income Taxes	\$ <u>-0-</u>	\$ <u>-0-</u>