

**POPLAR HEIGHTS RECREATION ASSOCIATION, INC.**  
(A NONPROFIT COPORATION)

FINANCIAL STATEMENTS  
YEAR ENDED OCTOBER 31, 2022

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(A NONPROFIT COPORATION)

FINANCIAL STATEMENTS  
YEAR ENDED OCTOBER 31, 2022

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**CROMWELL & ASSOCIATES, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors of  
Poplar Heights Recreation Association, Inc.  
Falls Church, VA

We have reviewed the accompanying statement of financial condition of Poplar Heights Recreation Association Inc as of October 31, 2022, and the related notes to the financial statement. A review includes primarily applying analytical procedures to Poplar Heights Recreation Association Inc. and making inquiries. A review is substantially less in scope than an audit. The objective of which is the expression of an opinion regarding the financial statement as a whole. Accordingly, we do not express such an opinion.

**Responsibility for the Financial Statement**

Poplar Heights Recreation Association Inc are responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance in internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatements whether due to fraud or error.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement on accordance with Statements on Standards for Accounting and Review Service promulgated by the Accounting and Review Service Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statement for it to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of my procedures provide a reasonable basis for our conclusion.

We are required to be independent of Poplar Heights Recreation Association Inc. and to meet our ethical responsibility, in accordance with the relevant ethical requirements related to our review.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for it to be in accordance with accounting principles generally accepted in the United States of America.

Cromwell & Associates, LLC

*Cromwell & Associates, LLC*

**POPLAR HEIGHTS RECREATION ASSOCIATION, INC.**  
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STATEMENT OF FINANCIAL CONDITION

OCTOBER 31, 2022

	Association	Swim Team	Combined
<b>ASSETS</b>			
Current assets			
Cash & cash equivalents	\$ 213,023	\$ 34,156	\$ 247,179
Prepaid expenses	<u>6,100</u>	<u>-</u>	<u>6,100</u>
Total current assets	219,123	34,156	253,279
Property and improvements net of \$1,048,633 accumulated depreciation	765,545		765,545
Master plan, net of \$507 accumulated amortization	<u>2,693</u>	<u>-</u>	<u>2,693</u>
Total Assets	<u>\$ 987,361</u>	<u>\$ 34,156</u>	<u>\$ 1,021,516</u>
 <b>LIABILITIES AND FUND BALANCE</b>			
Current liabilities			
Accounts payable	\$ 17,060	\$ -	\$ 17,060
Common stock, no par value, 500 shares authorized, 335 issued and outstanding	61,318		61,318
Fund balance	<u>908,982</u>	<u>34,156</u>	<u>943,138</u>
Total liabilities and fund balance	<u>\$ 987,361</u>	<u>\$ 34,156</u>	<u>\$ 1,021,516</u>

**POPLAR HEIGHTS RECREATION ASSOCIATION, INC.**  
(A NONPROFIT CORPORATION)

STATEMENT OF CHANGES IN NET WORTH  
YEAR ENDED OCTOBER 31, 2022

	<u>Association</u>	<u>Swim Team</u>	<u>Total</u>
Revenue			
Dues	\$ 433,710	\$ -	\$ 433,710
Fee	35,563	55,062	90,625
Tennis program	12,563	-	12,563
Other	<u>24,501</u>	<u>-</u>	<u>24,501</u>
	<u>506,337</u>	<u>55,062</u>	<u>561,399</u>
Expenses			
Depreciation and amortization	76,225	-	76,225
General and administrative	21,505	5,459	26,964
Maintenance	71,599	-	71,599
Pool and tennis operations	144,264	47,770	192,034
Professional fees	7,000	-	7,000
Taxes and insurance	47,566	-	47,566
Utilities	<u>15,540</u>	<u>-</u>	<u>15,540</u>
	<u>383,699</u>	<u>53,229</u>	<u>436,928</u>
Excess (deficit) Revenue over expenses	<u>\$ 122,638</u>	<u>\$ 1,833</u>	<u>\$ 124,471</u>

See the accompanying notes and independent accountants' review report

**POPLAR HEIGHTS RECREATION ASSOCIATION, INC.**  
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STATEMENT OF CHANGES IN FUND BALANCE

YEAR ENDED OCTOBER 31, 2022

	<u>Association</u>	<u>Swim Team</u>	<u>Total</u>
Beginning	\$ 786,344	\$ 32,323	\$ 818,667
Excess of revenue over expenses	<u>122,638</u>	<u>1,833</u>	<u>124,471</u>
Ending	<u>\$ 908,982</u>	<u>\$ 34,156</u>	<u>\$ 943,138</u>

See the accompanying notes and independent accountants' review report

**POPLAR HEIGHTS RECREATION ASSOCIATION, INC.**  
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STATEMENT OF CHANGES IN NET WORTH

YEAR ENDED OCTOBER 31, 2022

Cash flow from operating activities	
Excess of revenue over expenses	\$ 124,775
Depreciation and amortization	76,225
Changes in	
Accounts receivable	(1,471)
Accounts payable	<u>(13,025)</u>
Net cash provided by operating activities	<u>\$186,200</u>
Cash flow from investing activities	
Purchase of property and equipment	<u>(255,664)</u>
Net cash provided by investing activities	<u>(255,664)</u>
Cash flow from financing activities	
Excess of stock purchases over stock redemption	<u>13,546</u>
Net cash provided by financing activities	<u>13,546</u>
Net cash decrease	(55,918)
Cash at beginning	<u>303,097</u>
Cash at ending	<u>\$ 247,179</u>

See the accompanying notes and independent accountants' review report

**POPLAR HEIGHTS RECREATION ASSOCIATION, INC.**  
(A NONPROFIT CORPORATION)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2022

**1. Organization**

Poplar Heights Recreation Association, Inc is a nonprofit entity established for the purpose of providing and maintaining a community recreational facility located in Falls Church, VA. The facility consists of a one-story building, two pools, and one tennis court.

**2. Summary of significant Accounting Policies**

**Method of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when incurred.

**Cash**

Cash is used in the financial statement which includes currency on hand, demand deposits with financial institutions and short term, high liquid investments purchased with a maturity of three months or less.

**Income Taxes**

The organization is a not-for-profit entity exempt from Federal income tax under Section 501(c)(7) of the Internal Revenue Code. However, the association is taxed on its investment income. The organization is required to file an annual Form 990 return with the Internal Revenue Service. For the year ended October 31, 2022, the association owed \$0 for Federal and \$0 for State.

**Depreciation**

The association provides depreciation for the asset's useful lives with property and equipment recorded at cost. Expenditures for improvements, maintenance and repairs are expensed as incurred. Property and equipment are retired and disposed and related accumulated depreciation accounts are relieved of the applicable amounts and any gain or loss is credited to charge to income.

The Association amortizes the cost of its Master Plan over ten years using the straight-line method.

**Treasury Stocks**

For the year ended October 31, 2022 the sales and repurchase price of stocks was \$2,586 per share. The buyback value of stock purchase from departing members is determined by dividing the net assets of the Association for the previous year by the number of shares issued by the Association. The buy-back value for the year ended October 31, 2023, will be \$2,998 per share.



### 3. Property and Equipment

Property and equipment are recorded at cost if purchased or at the estimated fair value at the date of gift, if donated. Acquisitions of property and equipment in excess of \$1000 are capitalized.

Property and equipment consist of the following on October 31, 2022, consist of:

Building and improvements	\$	246,692
Furniture, fixtures, and equipment		146,447
Land and improvements		315,937
Swimming pools and improvements		757,527
Tennis courts and improvements		301,597
Pavilions		<u>196,004</u>
		1,964,204
Less: accumulated depreciation		<u>1,198,659</u>
		<u>\$ 765,545</u>

### 4. Master Plan

The Association paid Mason & Mason Capital Reserve Analysts, Inc (M&M) \$3,200 on March 2019 for a new master plan for future improvements to Association property. The plan is being amortized over management's estimate of its useful life.

### 5. Commitments

The Association entered into agreement with High Sierra Pools Inc. ("High Sierra") for management of the pool for the 2023 season for payments totaling \$112,000.

In 2023, the Association is in the final year of a three-year tennis program management contract with ProsToYou Tennis LLC, which include annual payments of \$20,000.

### 6. Future Major Repairs and Replacements

The Association's by-laws do not require the accumulation of funds to finance the future major repairs and replacements. When additional funds are required for major repairs and replacements, the Association plans to borrow, add assessments or increase dues.

### 7. Subsequent events

Subsequent events have been evaluated through the date of the independent accountants' review report. The association's management has determined that no subsequent events that have occurred other than those described in the notes to the financial statements, if any.