

**TAHITIAN VILLAGE ARCHITECTURAL CONTROL COMMITTEE
FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2019**

TAHITIAN VILLAGE ARCHITECTURAL CONTROL COMMITTEE

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MEDACK & OLTMANN, LLP
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Independent Accountant's Review Report

Tahitian Village Architectural Control Committee
PO Box 636
Bastrop, Texas 78602

We have reviewed the accompanying financial statements of Tahitian Village Architectural Control Committee (a non-profit corporation), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2019, and the related statements of revenues, expenses, and changes in net assets-modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair preparation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statement in the circumstances. Management is also responsible 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.

Accountant's Responsibility


Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services 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 statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

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 them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.



Medack & Oltmann LLP
Giddings, Texas
January 5, 2022

TAHITITAN VILLAGE ARCHITECTURAL CONTROL COMMITTEE
STATEMENT OF ASSETS, LIABILITIES, AND
NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2019

ASSETS

Current Assets		
Cash & Cash Equivalents	\$	336,418
Total Current Assets	\$	<u>336,418</u>
Total Assets	\$	<u><u>336,418</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Security Deposits	\$	58,005
Total Current Liabilities	\$	<u>58,005</u>
Net Assets		
Without Donor Restrictions	\$	278,413
Total Net Assets	\$	<u>278,413</u>
Total Liabilities and Net Assets	\$	<u><u>336,418</u></u>

See Accompanying Notes to the Financial Statements

TAHITIAN VILLAGE ARCHITECTURAL CONTROL COMMITTEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET
ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDING DECEMBER 31, 2019

Revenues	
Builder Permit Fees	\$ 64,340
Forfeited Deposits	20,500
Builder Fines	25,400
Interest	1,856
Miscellaneous	70
Violation Fees	200
Total Revenues	<u>\$ 112,366</u>
Expenses	
Donations	\$ 731
Insurance	4,625
Meals and Entertainment	-
Mileage Reimbursement	870
Professional Fees	5,838
Postage and Delivery	117
Rent	1,650
Miscellaneous	8
Personnel-Payroll	32,019
Office	3,374
Telephone	1,103
Taxes	29,703
Total Expenses	<u>\$ 80,038</u>
Change in Net Assets before Federal Income Tax	\$ 32,328
Provision for Federal Income Tax	<u>-</u>
Change in Net Assets	\$ 32,328
Net Assets, beginning of the year	246,085
Net Assets, end of the year	<u><u>\$ 278,413</u></u>

See Accompanying Notes to the Financial Statements

TAHITIAN VILLAGE ARCHITECTURAL CONTROL COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Entity

The Tahitian Village Architectural Control Committee (the Organization), was created by the Property Owners Association on July 31, 1972. The purpose was to provide guidelines for contractors with respect to construction of new homes and/or additions or improvement to existing structures in order to maintain a uniform appearance of property in Tahitian Village.

B. Basis of Accounting

The policy of the Organization is to prepare its financial statements on the modified cash basis of accounting. This basis differs from generally accepted accounting principles. Certain revenues are recognized when received rather than when earned and certain expenses and purchases of assets are recognized when cash is distributed rather than when the obligation is incurred.

C. Basis of Presentation

The Organization has adopted portions of Statement of Financial Accounting Standards (FASB ASC 958), "Financial Statements of Not-for-Profit Organizations." Under this FASB, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. All of the Organization's net assets are without donor restrictions for the year ending December 31, 2019. As permitted by the statement, the Organization does not use fund accounting.

D. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Income Taxes

The Organization, while being incorporated as a not-for-profit organization, is not exempt from federal income taxes and files an annual income tax return with the Internal Revenue Service.

The Organization's federal returns are subject to audit by the Internal Revenue Service the current and prior two fiscal years remain open for examination by the IRS. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustments to the financial statements and therefore no adjustments have been included in the financial statements for 2019. With a few exceptions, the Organization is no longer subject to income tax examinations by the federal authorities for years before 2016.

TAHITIAN VILLAGE ARCHITECTURAL CONTROL COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Organization. There were no claims against this coverage in the current year.

G. Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

H. Liquidity and Availability of Resources

As of December 31, 2019, the Organization's financial assets available within one year for general expenditure was cash and cash equivalents of \$336,418.

I. Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires the recognition of lease assets and lease liabilities by lessees for all leases, including leases previously classified as operating leases, and modifies the classification criteria and accounting for sales-type and direct financing leases by lessors. Leases continue to be classified as finance or operating leases by lessees and both classifications require the recognition of a right-of-use asset and a lease liability, initially measured at the present value of the lease payment in the statement of financial position. Interest of the lease liability and amortization of the right-of-use asset are recognized separately in the statement of activities for finance leases as a single lease cost recognized on the straight-line basis over the lease term for operating leases. The standard is effective using a modified retrospective approach for fiscal years beginning after December 15, 2021 and early adoption is permitted. The Organization is currently evaluating the impact the standard will have on its financial statements for the year ending December 31, 2022.

NOTE 2: CONCENTRATIONS OF CREDIT RISK

The Company maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2019, the Company's cash balances did not exceed FDIC coverage.

NOTE 3: EMPLOYEE BENEFITS

The Organization has no employees of its own, rather reimburses the Property Owners Association for a share of the cost of employees of the Association.

TAHITIAN VILLAGE ARCHITECTURAL CONTROL COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2019

NOTE 4: AGREEMENT-TAHITIAN VILLAGE PROPERTY OWNERS ASSOCIATION

The agreement requires the Architectural Control Committee to reimburse the Tahitian Village Property Owners Association for a share of operational expenses. For the year ending December 31, 2019, that amounted to \$ 45,088. This cost was allocated primarily to payroll, rent, office, and other smaller expenses.

NOTE 5. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through the date of the accountant's report, the date the financial statements were available to be issued.

NOTE 6: SUBSEQUENT EVENT

The Organization is currently involved in multiple lawsuits. These lawsuits do not appear to have any potential loss liability, therefore nothing has been accrued within the financial statements.