

**TAHITIAN VILLAGE PROPERTY OWNERS ASSOCIATION  
FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2019**

TAHITIAN VILLAGE PROPERTY OWNERS ASSOCIATION

**Table of Contents**

	<u>Page</u>
Independent Accountant's Review Report .....	1 - 2
Financial Statements – For the Year Ending December 31, 2019	
Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis .....	3
Statement of Revenues, Expenses, and Changes in Net Assets – Modified Cash Basis .....	4
Notes to the Financial Statements .....	5-7



**MEDACK & OLTMANN, LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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**MEMBERS**

American Institute of  
Certified Public Accountants

Texas Society of  
Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

Tahitian Village Property Owners' Association  
P.O. Box 6363  
Bastrop, Texas 78602

We have reviewed the accompanying financial statements of Tahitian Village Property Owners' Association (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2019, and the related statement 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 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 presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements 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 PROPERTY OWNERS ASSOCIATION  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS  
DECEMBER 31, 2019

**ASSETS**

Current Assets	
Cash & Cash Equivalents	\$ 592,958
Total Current Assets	\$ 592,958
Property and Equipment	
Building and Improvements	\$ 6,426
Less: Accumulated Depreciation	(6,220)
Total Property and Equipment, net of Accumulated Depreciation	\$ 206
Total Assets	\$ 593,164

**LIABILITIES AND NET ASSETS**

Current Liabilities	
Payroll Liabilities	\$ 1,803
Total Current Liabilities	\$ 1,803
Net Assets	
Without Donor Restrictions	\$ 591,361
Total Net Assets	\$ 591,361
Total Liabilities and Net Assets	\$ 593,164

See Accompanying Notes to the Financial Statements

TAHITIAN VILLAGE PROPERTY OWNERS ASSOCIATION  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
NET ASSETS - MODIFIED CASH BASIS  
FOR THE YEAR ENDING DECEMBER 31, 2019

Revenues	
Fees-Transfers/Resale	\$ 96,150
Interest Earned	8,353
Clean Sweep	2,047
Miscellaneous	2,780
Reimbursement-TVACC	<u>8,220</u>
Total Revenues	<u>\$ 117,550</u>
Expenses	
Donations	\$ 11,431
Filing Fees	5
Insurance	4,842
Membership	255
Mileage Reimbursement	1,409
Professional Fees	2,045
Utilities	123
Postage and Delivery	692
Rent	1,925
Miscellaneous	6
Personnel-Payroll	45,789
Office	1,394
Website	208
Repairs and Maintenance	465
Clean Sweep	9,340
Annual Meeting	3,224
Holiday Contest	450
Telephone	1,104
Training	40
Property Taxes	96
Depreciation	<u>393</u>
Total Expenses	<u>\$ 85,236</u>
Change in Net Assets before Federal Income Tax	\$ 32,314
Provision for Federal Income Tax	<u>-</u>
Change in Net Assets	<u>\$ 32,314</u>
Net Assets, beginning of the year	\$ 559,047
Net Assets, end of the year	<u><u>\$ 591,361</u></u>

See Accompanying Notes to the Financial Statements

TAHITIAN VILLAGE PROPERTY OWNERS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Entity

The Tahitian Village Property Owners Association (the Organization), was incorporated on July 31, 1972, under the state laws of Texas, as a non-profit organization. The purpose for which was the promotion and development for the common good and social welfare of the people of the community of Tahitian Village for the maintenance of properties of Tahitian Village by controlling property deed restrictions.

B. Basis of Accounting

The policy of the Organization is to prepare its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. That basis differs from generally accepted accounting principles in that 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 PROPERTY OWNERS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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 Available 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 \$592,958.

I. Property and Equipment

Building, improvements, and equipment are recorded at cost or at estimated fair value at the date of gift. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Costs of assets that have a life of more than one year are capitalized according to policy of the Organization.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets generally as follows:

Building and improvements    15-39 years

J. Compensated Absences

Unused vacation leave (up to 40 hours) is carried over to the next year and is paid out upon termination.

K. 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



TAHITIAN VILLAGE PROPERTY OWNERS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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: PROPERTY AND EQUIPMENT

The following is a detailed activity of property and equipment:

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
Buildings and Improvements	\$ 6,426	\$ -	\$ -	\$ 6,426
Accumulated Depreciation	(5,827)	(393)	-	(6,220)
Total Property and Equipment, net	\$ 599	\$ (393)	\$ -	\$ 206

NOTE 3: EMPLOYEE BENEFITS

The Organization has no benefits other than vacation and sick leave. As of year-end accrued sick and vacation time was 22 hours and 22.06 hours respectively.

NOTE 4: LEASE

The Organization has entered into a 12-month lease with Bastrop County Water Control and Improvement District No. 2, for its administrative offices for \$ 275 per month. The lease is renewable annually for an additional 12 months.

NOTE 5: AGREEMENT-TAHITIAN VILLAGE ARCHITECTURAL CONTROL COMMITTEE

The agreement requires the Architectural Control Committee to reimburse the Property Owners Association for a share of operational expenses. For the year ending December 31, 2019, that amounted to \$ 45,088.

NOTE 6: 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 7: 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.