



# **Tahitian Village Architectural Control Committee**

## **FINANCIAL STATEMENTS**

**December 31, 2025**

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## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors and Management of  
Tahitian Village Architectural Control Committee

We have reviewed the accompanying financial statements of Tahitian Village Architectural Control Committee (the "Organization"), which comprise the statement of assets, liabilities and fund balance – modified cash basis as of December 31, 2025, and the related statement of revenues, expenses and fund balance – 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 Organization 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 modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the 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.

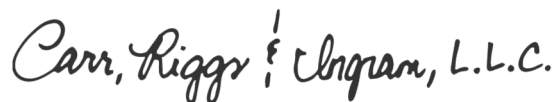
We are required to be independent of Tahitian Village Architectural Control Committee and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Conclusion on the Financial Statements**

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.

### **Other Matter - Basis of Accounting**

We draw attention to Note 2 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Austin, Texas  
October 6, 2026

**Tahitian Village Architectural Control Committee**  
**Statement of Assets, Liabilities and Fund Balance – Modified Cash Basis**

| <i>December 31,</i>                    | <b>2025</b> |
|----------------------------------------|-------------|
|                                        | Total       |
| <b>Assets</b>                          |             |
| Current assets                         |             |
| Cash & cash equivalents                | \$ 187,383  |
| Investments                            | 429,000     |
| Prepaid taxes                          | 29,271      |
| Total current assets                   | 645,654     |
| Property, plant & equipment            |             |
| Vehicles                               | 10,627      |
| Accumulated depreciation               | (10,627)    |
| Total property, plant & equipment, net | -           |
| Long-term investments                  | 169,000     |
| Total assets                           | \$ 814,654  |
| <b>Liabilities and Fund Balance</b>    |             |
| Liabilities                            |             |
| Current liabilities                    |             |
| Security deposits                      | \$ 63,617   |
| Total current liabilities              | 63,617      |
| Total liabilities                      | 63,617      |
| Fund balance                           | 751,037     |
| Total liabilities and fund balance     | \$ 814,654  |

*See accompanying notes and independent accountant's review report.*

# Tahitian Village Architectural Control Committee

## Statement of Revenues, Expenses and Fund Balance – Modified Cash Basis

| <i>For the year ended December 31,</i> | <b>2025</b>    |
|----------------------------------------|----------------|
|                                        | Total          |
| <b>Revenue</b>                         |                |
| Builder permit fees                    | \$ 119,600     |
| Violation fines                        | 27,000         |
| Interest income                        | 20,301         |
| Forfeited deposits                     | 39,183         |
| Miscellaneous income                   | 180            |
| <b>Total revenue</b>                   | <b>206,264</b> |
| <b>Expenses</b>                        |                |
| Personnel - payroll & payroll taxes    | 57,135         |
| Donations                              | 10,000         |
| Professional fees                      | 7,476          |
| Insurance                              | 4,621          |
| Rent                                   | 3,600          |
| Supplies                               | 3,449          |
| Website                                | 2,400          |
| Scholarships                           | 2,000          |
| Automobile expense                     | 1,386          |
| Utilities                              | 1,160          |
| Postage & delivery                     | 594            |
| <b>Total expenses</b>                  | <b>93,821</b>  |
| Net income before federal income tax   | 112,443        |
| Provision for federal income tax       | 7,249          |
| Net income                             | 105,194        |
| Fund balance - beginning of year       | 645,843        |
| Fund balance - end of year             | \$ 751,037     |

*See accompanying notes and independent accountant's review report.*

## Tahitian Village Architectural Control Committee

### Notes to Financial Statements

#### **Note 1: DESCRIPTION OF THE ORGANIZATION**

The Tahitian Village Architectural Control Committee ("Organization"), a Texas not-for-profit corporation, 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. Tahitian Village has 2,459 property accounts in Bastrop County, Texas, of which 26 are considered commercial. All policy decisions, including the annual budget and usage of a single fund, are formulated by the Board of Directors.

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***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 generally accepted accounting principles in the United States of America (GAAP). Accordingly, the Association has elected not to present a statement of cash flows. Relative to the Organization's financial statements, this basis of presentation differs from GAAP 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. Additionally, depreciation is made using the double declining balance method, which is a departure from GAAP.

##### ***Estimates***

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

##### ***Property and Equipment***

Vehicles are recorded at cost or at estimated fair value at the date of gift. Costs of assets that have a life of more than one year are capitalized according to the policy of the Organization.

Depreciation is provided using the double declining balance method over the estimated useful lives of the assets generally as follows:

- Vehicles: 3 years

##### ***Cash and Cash Equivalents***

Cash and cash equivalents include cash and all highly-liquid debt instruments with an original maturity of 90 days or less.

##### ***Investments***

Investments are comprised of certificates of deposits with initial maturity dates of greater than 90 days.

## Tahitian Village Architectural Control Committee Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Liquidity and Availability of Resources***

As of December 31, 2025, the Organization's financial assets available within one year for general expenditure were \$616,383.

#### ***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.

#### ***Compensated Absences***

Unused vacation leave (up to 40 hours) is carried over to the next year and is paid out upon termination. Under the modified cash basis of accounting, the Organization does not recognize a liability for unused vacation leave.

#### ***Prepaid Expenses***

Certain tax payments to tax agencies reflect costs applicable to future accounting periods and are recorded as prepaid taxes on the statement of assets, liabilities, and fund balance – modified cash basis. These taxes will be expensed over the applicable usage period.

#### ***Revenue Recognition***

Under the modified cash basis, Accounting Standards Codification (ASC) Topic 606 does not apply to the income earned by the Association. Revenue is derived from obligations established under the Organization's governing documents. Revenue from builder permit fees is recognized when a builder submits an application to request permission to build in the Tahitian Village subdivision. Violation fine revenue and interest income is recognized at the time in which the fines and income are received.

#### ***Security Deposits***

Security deposits are refundable deposits builders pay when they begin construction in the Tahitian Village subdivision. Contractors have 12 months to complete construction and complete other requirements outlined in a checklist provided to them by the Organization. If the contract does not complete the requirements to receive the deposit back within 3 months of completing construction the deposit is forfeited and becomes revenue. Security deposits liability at year-end is \$63,617, and there were \$39,183 of deposits forfeited during the year.

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 6, 2026, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

## **Tahitian Village Architectural Control Committee**

### **Notes to Financial Statements**

#### **Note 3: FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Organization is not required to accumulate funds for future major repairs and no study has been made to estimate the remaining useful lives and costs of future repairs and replacements. The Association does not own or maintain any common property.

#### **Note 4: INCOME TAXES**

The Organization elected to file its tax return for 2025 as a regular corporation on Form 1120. As such, the Organization must comply with Internal Revenue Code (IRC) Section 277, which applies to certain membership organizations. Under IRC Section 277, the Organization is required to separate membership income and expenses from nonmembership income and expenses. Each component is taxed separately; however, net membership income is exempt from taxation if certain elections are made. For the year ended December 31, 2025, the Organization's net taxable nonmembership income was \$62,817, which resulted in federal taxes of \$13,192. The net provision for federal income taxes after consideration of an additional credit was \$7,249. No state taxes were due.

Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2025, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization's policy is to record interest expense or penalties related to income tax in (operating) expense. For the year ended December 31, 2025, no interest or penalties were paid or accrued. The Organization is subject to routine audits by taxing jurisdictions; however, there are no audits for any tax periods in progress. The Organization's management believes it is no longer subject to income tax examinations for years prior to 2022.

#### **Note 5: CREDIT RISK**

The Organization places its cash and certificates of deposit with federally insured financial institutions. The certificates of deposit are reported as current and long-term investments on the statement of assets, liabilities and fund balance – modified cash basis. At times, the cash and certificates of deposit balances at these financial institutions may exceed the FDIC insured limit. The Organization has cash and certificates of deposits with financial institutions at December 31, 2025, in excess of federally insured limits by approximately \$350,000.

In addition, the Organization has invested funds with an investment firm that is insured by the Security Investors Protection Corporation (SIPC). SIPC provides a maximum coverage of \$500,000 for securities, including a maximum \$250,000 for cash claims. SIPC coverage does not extend to declines in market value.

## Tahitian Village Architectural Control Committee Notes to Financial Statements

### Note 5: CREDIT RISK (Continued)

At December 31, 2025, the Organization held five certificates of deposit, which are recorded at cost as current and long-term investments on the statement of assets, liabilities, and fund balance – modified cash basis. Information relating to these certificates of deposit is presented below.

| <i>December 31, 2025</i>               | Maturity Date | Cost Basis | Annual<br>Percentage Yield |
|----------------------------------------|---------------|------------|----------------------------|
| Certificate of deposit 1               | 4/30/2026     | \$ 111,000 | 4.00%                      |
| Certificate of deposit 2               | 5/5/2026      | \$ 100,000 | 3.70%                      |
| Certificate of deposit 3               | 5/14/2026     | \$ 100,000 | 4.00%                      |
| Certificate of deposit 4               | 6/26/2026     | \$ 118,000 | 4.30%                      |
| Certificate of deposit 5               | 5/18/2027     | \$ 169,000 | 3.65%                      |
| Total certificates of deposit          |               | \$ 598,000 |                            |
| Less: Long-term certificate of deposit |               | \$ 169,000 |                            |
| Total current certificates of deposit  |               | \$ 429,000 |                            |

### Note 6: 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. Only benefits that have been paid are reflected in the financial statements.

### Note 7: LEASE

The Organization has entered into a 12-month operating lease with Bastrop County Water Control and Improvement District No. 2, for its administrative offices for \$600 per month. Of that amount, the Tahitian Village Architectural Control Committee reimbursed the Association half of the rent cost each month. The lease is renewable annually for an additional 12 months. The same amount is expected for fiscal year 2026.

### Note 8: AGREEMENT-TAHITIAN VILLAGE PROPERTY OWNERS ASSOCIATION

The agreement between the Tahitian Village Property Owners Association and Architectural Control Committee 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, 2025, that amounted to \$74,326. This cost was allocated primarily to personnel – payroll & payroll taxes, scholarships, insurance, rent, website, supplies, utilities, and other insignificant expenses.