

Tahitian Village Property Owners Association

FINANCIAL STATEMENTS

December 31, 2025

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors and Management of
Tahitian Village Property Owners Association

We have reviewed the accompanying financial statements of Tahitian Village Property Owners Association (the "Association"), 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 Association 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.

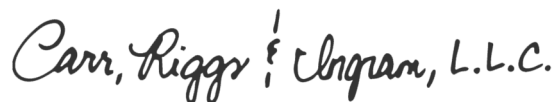
We are required to be independent of Tahitian Village Property Owners Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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 Property Owners Association
Statement of Assets, Liabilities and Fund Balance – Modified Cash Basis

<i>December 31,</i>	2025
	Total
Assets	
Current assets	
Cash & cash equivalents	\$ 168,055
Investments	614,000
Prepaid taxes	1,317
Other current assets	1,343
Total current assets	784,715
Property, plant & equipment	
Vehicles	8,627
Building & improvements	6,426
Accumulated depreciation	(15,053)
Total property, plant & equipment	-
Long-term investments	100,000
Total assets	\$ 884,715
Liabilities and Fund Balance	
Liabilities	\$ -
Fund balance	884,715
Total liabilities and fund balance	\$ 884,715

See accompanying notes and independent accountant's review report.

Tahitian Village Property Owners Association

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

For the year ended December 31,

2025

	Total
Revenue	
Transfer fees	\$ 123,600
Interest income	34,602
Special event income	3,199
Miscellaneous income	4,024
Total revenue	165,425
Expenses	
Donations	72,440
Personnel - payroll & reimbursements	55,943
Special event fees	27,349
Professional fees	11,694
Payroll taxes	7,833
Scholarships	2,000
Insurance	4,614
Supplies	4,549
Postage & delivery	4,068
Rent	3,600
Website	2,400
Automobile expense	1,386
Telephone	1,181
Other expenses	2,004
Total expenses	201,061
Net (loss) income before federal income tax	(35,636)
Provision for federal income tax	1,756
Net (loss) income	(37,392)
Fund balance - beginning of year	922,107
Fund balance - end of year	\$ 884,715

See accompanying notes and independent accountant's review report.

Tahitian Village Property Owners Association Notes to Financial Statements

Note 1: DESCRIPTION OF THE ASSOCIATION

The Tahitian Village Property Owners Association was incorporated on July 31, 1972, under the state laws of Texas, as a non-profit Association. The Association was created to manage, promote and develop the common good and social welfare of Tahitian Village, and to ensure property values are maintained by controlling property deed restrictions. 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 Association 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 Association'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.

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.

Property and Equipment

Building, improvements, and 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 Association.

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

- Vehicles: 3 years
- Building & improvements: 5-7 years

Tahitian Village Property Owners Association

Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Liquidity and Availability of Resources

As of December 31, 2025, the Association 's financial assets available within one year for general expenditure were \$782,055.

Risk Management

The Association 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 Association 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 Association. 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 Association does not recognize a liability for unused vacation leave.

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 deed restriction obligations established under the Association's governing documents.

Revenue includes transfer fees from owners of property within the Tahitian Village premises. Transfer fee revenue is recognized upon the sale of each property. The Association charges \$225 for each property sold. Payments are due at the closing of the sale. Interest income is recognized when interest is received.

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.

Note 3: FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association 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 Association elected to file its tax return for 2025 as a regular corporation on Form 1120. As such, the Association must comply with Internal Revenue Code (IRC) Section 277, which applies to certain membership organizations. Under IRC Section 277, the Association is required to separate membership income and expenses from nonmembership income and expenses.

Tahitian Village Property Owners Association

Notes to Financial Statements

Note 4: INCOME TAXES (Continued)

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 Association had a net nonmembership loss of \$37,992, and as a result, did not incur significant income tax expense. The Association had a total net nonmembership loss carryforward totaling \$7,193, which can be carried forward to offset a portion of future net nonmembership income annually.

Management has analyzed the tax positions taken by the Association 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 Association'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 Association is subject to routine audits by taxing jurisdictions; however, there are no audits for any tax periods in progress. The Association's management believes it is no longer subject to income tax examinations for years prior to 2022.

Note 5: CREDIT RISK

The Association 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 Association has cash and certificates of deposits with financial institutions at December 31, 2025, in excess of federally insured limits by approximately \$612,000.

In addition, the Association 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.

At December 31, 2025, the Association held eight 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 Percentage Yield
Certificate of deposit 1	4/29/2026	\$ 75,000	3.75%
Certificate of deposit 2	5/14/2026	\$ 13,000	5.00%
Certificate of deposit 3	7/22/2026	\$ 79,000	4.15%
Certificate of deposit 4	8/28/2026	\$ 135,000	4.00%
Certificate of deposit 5	10/23/2026	\$ 168,000	3.90%
Certificate of deposit 6	10/30/2026	\$ 73,000	3.65%
Certificate of deposit 7	11/27/2026	\$ 71,000	4.15%
Certificate of deposit 8	10/29/2027	\$ 100,000	3.65%
Total certificates of deposit		\$ 714,000	
Less: Long-term certificate of deposit		\$ 100,000	
Total current certificates of deposit		\$ 614,000	

Tahitian Village Property Owners Association

Notes to Financial Statements

Note 6: EMPLOYEE BENEFITS

The Association offers benefits to its employees in the form of vacation and sick leave, health insurance, and a retirement savings plan. Unused vacation leave (up to 40 hours) is carried over to the next year and is paid out upon termination. The Association offers a 401(k) plan to its employees; under this plan, the Association will match employee contributions up to 3% of employee income. Only benefits that have been paid are reflected in the financial statements. Plan expenses incurred during the year were \$2,795; of this amount the Tahitian Village Architectural Control Committee reimbursed the Association \$2,762.

Note 7: LEASE

The Association 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 Tahitian Village Property Owners Association and Architectural Control Committee requires the Architectural Control Committee to reimburse the 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 & reimbursements, scholarships, insurance, rent, website, supplies, utilities, and other insignificant expenses.