POINTE MARIN ASSOCIATION

INDEPENDENT ACCOUNTANT'S REVIEW REPORT,
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

Pointe Marin Association

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Year Ended December 31, 2025

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors and Members of
Pointe Marin Association
Novato, California

We have reviewed the accompanying financial statements of **Pointe Marin Association** (the Association) which comprise the balance sheet as of December 31, 2025 and the related statement of revenues, expenses and changes in fund balances, and the statement of cash flows, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of **Pointe Marin Association** and to meet our other ethical responsibilities, 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 them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter - Future Major Repairs and Replacements
As further discussed in note 4 to the financial statements, the Association has completed a study of its common area major components sufficient to assist the Board in planning for future major repairs and replacements. The reasonableness of the resulting replacement reserve funding plan is a function of the completeness of the major component list and the accuracy of the estimated quantity, useful and remaining lives, and replacement costs of those components.

Funds are being accumulated in the replacement fund based on estimated future costs for repair and replacement of common area property. Actual expenditures and investment income may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated in the replacement fund may or may not be adequate to meet all future component repair and replacement costs. The ability of the Association to fund its future requirements is dependent upon annual increases in that portion of the assessment which is allocated to the replacement fund, and/or special assessments. In the event that funds are not available when needed, the Board may, subject to the constraints of California law and the Association's governing documents, increase regular assessments, levy special assessments, and/or delay repair and replacement of common area major components until sufficient funds are available.

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Pointe Marin Association
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Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property on page(s) 12 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have compiled the supplementary information in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Summarized Comparative Information
We previously reviewed **Pointe Marin Association**'s 2024 financial statements and in our conclusion dated January 30, 2026, stated that based on our review, we were not aware of any material modifications that should be made to the 2024 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2024, for it to be consistent with the reviewed financial statements from which it has been derived.

Lara Accountancy Group, Inc.

Redwood City, CA
April 14, 2026

Pointe Marin Association

Balance Sheets
as of December 31, 2025

		2025			2024
	Note	Operations Fund	Replacement Fund	Total Funds	Total Funds *(for comparative purposes only)*
Assets					
Cash and cash equivalents	2.4	$ 81,993	$ 143,529	$ 225,522	$ 276,455
Member receivables	2.6	42,338	-	42,338	21,680
Prepaid insurance		30,436	-	30,436	30,436
Total Assets		$ 154,767	$ 143,529	$ 298,296	$ 328,571
Liabilities					
Contract liabilities (deferred revenue)	2.12	$ -	$ 143,529	$ 143,529	$ 159,780
Assessments received in advance		35,415	-	35,415	36,161
Accounts payable		6,444	-	6,444	5,297
Total Liabilities		41,859	143,529	185,388	201,238
Fund Balance		112,908	-	112,908	127,333
Total Liabilities and Fund Balance		$ 154,767	$ 143,529	$ 298,296	$ 328,571

See independent accountant's review report and accompanying notes.

Pointe Marin Association

Statements of Revenues, Expenses
and Changes in Fund Balances
for the Year Ended December 31, 2025

	Note	2025 Operations Fund	2025 Replacement Fund	2025 Total Funds	2024 Total Funds (for comparative purposes only)
Revenues					
Member assessments	2.8	$ 147,730	$ 32,681	$ 180,411	$ 121,275
Late charges and other income		7,246	-	7,246	2,223
Interest income	2.9	-	582	582	499
Total Revenues		154,976	33,263	188,239	123,997
Expenses					
Administration					
Legal, accounting and consulting		61,733	-	61,733	22,364
Management		37,800	-	37,800	38,121
Insurance		31,434	-	31,434	32,427
Office, printing and postage		2,773	-	2,773	22,488
Reserve study		1,125	-	1,125	563
Total administration		134,865	-	134,865	115,963
Common Area Maintenance and Utilities					
Tot lot maintenance		31,012	-	31,012	1,485
Landscape maintenance		17,165	-	17,165	12,460
Water and sewer		4,307	-	4,307	4,027
Other maintenance and repairs		4,178	-	4,178	654
Internet access		300	-	300	-
Painting		-	-	-	2,070
Gas and electricity		-	-	-	100
Total Common Area Maintenance and Utilities		56,962	-	56,962	20,796
Major Repairs and Replacements					
Tot lot		-	10,837	10,837	-
Total Major Repairs and Replacements		-	10,837	10,837	-
Total Expenses		191,827	10,837	202,664	136,759

See independent accountant's review report and accompanying notes.

Pointe Marin Association

Statements of Revenues, Expenses
and Changes in Fund Balances
for the Year Ended December 31, 2025

		2025			2024
	Note	Operations Fund	Replacement Fund	Total Funds	Total Funds *(for comparative purposes only)*
Excess (Deficiency) of Revenues Over Expenses		(36,851)	22,426	(14,425)	(12,762)
Reclassifications and transfers		22,426	(22,426)	-	-
Fund Balance, Beginning of Year		127,333	-	127,333	140,095
Fund Balance, End of Year		$ 112,908	$ -	$ 112,908	$ 127,333

See independent accountant's review report and accompanying notes.

Pointe Marin Association

Statements of Cash Flows
for the Year Ended December 31, 2025

	2025			2024
	Operations Fund	Replacement Fund	Total Funds	Total Funds *(for comparative purposes only)*
Operating Activities				
Excess (Deficiency) of Revenues Over Expenses	$ (36,851)	$ 22,426	$ (14,425)	$ (12,762)
Adjustments to Reconcile Excess (Deficiency) of Revenues Over Expenses to Net Cash Provided by Operating Activities:				
Reclassifications and transfers	22,426	(22,426)	-	-
Decrease (Increase) in Assets:				
Member receivables	(20,658)	-	(20,658)	(20,674)
Prepaid insurance	-	-	-	(1,294)
Increase (Decrease) in Liabilities				
Accrued liabilities	-	-	-	(69)
Accounts payable	1,147	-	1,147	2,517
Assessments received in advance	(746)	-	(746)	(2,722)
Contract liabilities (deferred revenue)	-	(16,251)	(16,251)	15,525
Total Adjustments	2,169	(38,677)	(36,508)	(6,717)
Net Cash Provided by (Used for) Operating Activities	(34,682)	(16,251)	(50,933)	(19,479)
Net Increase (Decrease) in Cash and Cash Equivalents	(34,682)	(16,251)	(50,933)	(19,479)
Cash and Cash Equivalents, Beginning of Year	116,675	159,780	276,455	295,934
Cash and Cash Equivalents, End of Year	$ 81,993	$ 143,529	$ 225,522	$ 276,455

See independent accountant's review report and accompanying notes.

Pointe Marin Association

Notes to Financial Statements
for the Year Ended December 31, 2025

1. Nature of Organization

Pointe Marin Association (the Association) is a common interest development located in Novato, California which consists of 342 residential dwellings and certain common area property. The Association was organized as a nonprofit mutual-benefit corporation on October 01, 2002 to provide for management, maintenance and architectural control of the individual units and the common area property. The Association is governed by a member-elected Board of Directors which is responsible for enforcing provisions of the governing documents, which include covenants, conditions and restrictions (CC&Rs), by laws, and rules and regulations. Major decisions, as determined by the CC&Rs, are referred to the Association owners as a whole.

2. Summary of Significant Accounting Policies

2.1 Method of Accounting. The accompanying financial statements, and the Association's corporate income tax returns, have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America, whereby revenues are recognized when earned and expenses are recognized when incurred.

2.2 Fund Accounting. The Association's governing documents provide certain guidelines for governing its financial activities. To ensure the observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in two funds established according to their nature and purpose.

> **Operations Fund** - This fund is used to account for the financial resources available for the general day-to-day operations of the Association.
>
> **Replacement Fund** - This fund is used to accumulate financial resources designated for future major repairs and replacements.

2.3 Comparative Information The financial statements include certain prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31 of the prior year, from which the summarized information was derived.

2.4 Cash and Cash Equivalents. For purposes of the balance sheet and the statement of cash flows, the Association considers cash on hand, demand deposits with financial institutions, money market accounts and all short-term investments with original maturities of three months or less to be included in cash and cash equivalents.

2.5 Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and the differences could be material.

2.6 Member Receivables at the balance sheet date represent aggregate amounts due from unit owners which may include regular assessments, late fees, fines, reimbursement assessments and other charges. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are thirty days or more delinquent. The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control.

It is the opinion of the Board of Directors that the Association will ultimately prevail against homeowners with delinquent assessments and, accordingly, no allowance for delinquent accounts is deemed necessary.

2.7 Real and Personal Common Property acquired by the original owners from the developer is not recognized in the Association's financial statements, in accordance with prevalent industry practice, because it is commonly owned by the individual Association members and its disposition by the Board of Directors is restricted. Similarly, major repairs, replacements and improvements to real and personal property are not recognized.

2.8 Member Assessments. Association members are subject to annual assessments, payable in equal bi-annual installments, to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose. In addition to regular annual assessments, special and/or emergency assessments may be imposed by the Association's Board of Directors under certain circumstances without member approval. Any excess assessments at year end are retained by the Association for use in the succeeding year.

Member assessments (continued)
Bi-annual assessments for the years ended December 31, 2025 and 2024 were as follows:

		Bi-Annual		
		Operations Fund	Replacement Fund	Total
Member assessments	2025	$ 215.98	$ 24.02	$ 240.00
Member assessments	2024	$ 175.98	$ 24.02	$ 200.00

2.9 Interest Earned on operating and replacement funds, net of related income taxes, is retained in said respective funds.

2.10 Income Taxes. The Association elects annually to be taxed as either a regular corporation under Internal Revenue Code (IRC) § 277 or as a homeowners association under IRC § 528 in its tax filing with the Internal Revenue Service (IRS). Form 1120 is used when filing as a regular corporation and Form 1120-H is used when filing as a homeowners association.

For the year ended December 31, 2025 the Association elected to file Form 1120 and be taxed as a regular corporation. By doing so, the Association is taxed at a flat 21% rate on net nonmembership income (generally investment interest income), less directly related expenses.

The Association is taxed by the California Franchise Tax Board (FTB) at a rate of 8.84% on its net nonmembership income.

The Association has qualified as a tax-exempt entity with the FTB under California Revenue and Taxation Code § 23701. To maintain tax-exempt status with FTB the Association must, among other things, file an annual informational return known as Form 199.

The Association's income tax returns are subject to examination by various taxing authorities. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances.

2.11 Fair Value of Financial Instruments. The carrying amounts of financial instruments, including cash and cash equivalents, member receivables, and accounts payable, if any, approximate their fair value due to the short term maturities of these instruments.

2.12 Contract Liabilities (Deferred Revenue). The Association's policies related to assessment revenues, contract liabilities and the replacement fund adhere to guidance issued by the Financial Accounting Standards Board (FASB), Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Accordingly, the Association recognizes replacement fund revenue from members as the related performance obligations are satisfied (i.e. matching replacement

Contract liabilities (continued)

fund revenues with replacement fund expenses, on an annual basis). Performance obligations in contracts with customers (members) are typically satisfied as services are rendered or upon completion of the service. A contract liability (deferred revenue) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments.

The balances of contract liabilities (deferred revenue) as of December 31, 2025 and 2024 are $143,529 and $159,780, respectively. The effect of the change in contract liabilities on replacement fund revenues is illustrated below:

Revenue Reconciliation	Operations Fund	Replacement Fund	Total Funds
Assessment revenue, per budget	$ 147,730	$ 16,430	$ 164,160
Adjustment to assessments to match expenses	$ -	$ 16,251	$ 16,251
Assessment revenue, per financial statements	$ 147,730	$ 32,681	$ 180,411

3. Concentrations of Credit Risk

The Association maintains its deposits with what management believes to be high credit quality financial institutions and attempts to limit the amount of credit exposure to any one particular institution. The balances in those accounts may occasionally exceed the current Federal Deposit Insurance Corporation (FDIC) insurance protection of up to $250,000 per depositor per institution. Amounts held with broker-dealers are not usually insured by the FDIC, but rather they are privately insured by the Securities Investor Protection Corporation (SIPC).

4. Future Major Repairs and Replacements

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds, which aggregate $143,529, and are presented on the accompanying balance sheet as a contract liability (deferred revenue) at December 31, 2025, are required to be held in separate accounts and are generally not available for operating purposes.

In November 2025 a full component study was completed by Reserve Analysis Consulting, LLC to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on current estimated replacement costs. Funding requirements consider an annual component cost inflation rate of 3.00% and an interest rate of 3.00% earned on cash and investments on amounts funded for future major repairs and replacements. The table on page(s) 12 on

Future major repairs and replacements (continued)
future major repairs and replacements is based on the aforementioned study.

The Board is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of future replacement costs and considering amounts previously accumulated in the replacement fund. Accordingly, the Board has approved an annual contribution of $32,040 in the 2026 operating budget. Additional information regarding the Association's funding model may be found in the annually-prepared pro forma operating budget and/or the assessment and reserve funding disclosure summary.

Funds are being accumulated in the replacement fund based on estimated future costs for repairs and replacement of common property components. Actual expenditures and investment income may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the association has the right, subject to the constraints in its governing documents and California civil code, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

5. Commitments

The Association enters into contracts for management and/or maintenance services in the normal course of its business operations. These contracts are generally cancelable on thirty to ninety days' advance notice.

6. Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 14, 2026, the date that the financial statements were available to be issued.

Pointe Marin Association

Supplementary Information on Future
Major Repairs and Replacements
December 31, 2025
(Compiled Without Audit or Review)

In November 2025 a full component study was completed by Reserve Analysis Consulting, LLC to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on current estimated replacement costs. Funding requirements consider an annual component cost inflation rate of 3.00% and an interest rate of 3.00% earned on cash and investments on amounts funded for future major repairs and replacements.

The following table is based on the most recent component study and presents significant information about the components of common property.

Components	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs
Site & Park Replacement Allowances	0-21	$ 42,050
Tot Lot - Elmview Way	0-24	$ 84,674
Tot Lot - Laurelwood Drive	2-27	$ 86,250
Tot Lot - Valleyview Terrace	1-17	$ 87,827
	TOTAL	$ 300,801
Estimated cash reserves necessary to repair, replace, restore, or maintain the major components (*) as of December 31, 2025		$ 174,000
Replacement fund cash and investments at December 31, 2025		$ 143,529
Contract liabilities balance at December 31, 2025		$ 143,529
2026 Budgeted reserve contributions		$ 32,040

*Figure obtained from the Association's most recent full component study prepared by Reserve Analysis Consulting, LLC. Detailed information can be found in that report, dated November 2025.