PEACHTREE LANE
IMPROVEMENT ASSOCIATION, INC.

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2025
AND FOR THE YEAR THEN ENDED

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PEACHTREE LANE IMPROVEMENT ASSOCIATION, INC.

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BUTLER PLC HANSEN
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To the Board of Directors of
Peachtree Lane Improvement Association, Inc.

Management is responsible for the accompanying financial statements of Peachtree Lane Improvement Association, Inc. (an Arizona corporation), which comprise the statement of assets, liabilities and members' equity – modified cash basis as of December 31, 2025, and the related statement of revenues, expenses and changes in members' equity – modified cash basis for the year then ended, and the related notes to the financial statements in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants.

We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

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 financial reporting framework, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information about future major repairs and replacements of common property, on page 8, is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have not audited, reviewed, or compiled the supplementary information and we do not express an opinion, conclusion, nor provide any assurance on such information.

Butler Hansen, PLC

Gilbert, Arizona
May 7, 2026

PEACHTREE LANE IMPROVEMENT ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES AND
MEMBERS' EQUITY - MODIFIED CASH BASIS
DECEMBER 31, 2025

	OPERATING FUND	REPLACEMENT FUND	TOTAL
ASSETS			
Cash	$ 53,399	$ 9,417	$ 62,816
TOTAL ASSETS	$ 53,399	$ 9,417	$ 62,816
LIABILITIES AND MEMBERS' EQUITY			
LIABILITIES			
Prepaid Assessments	$ 1,567	$ -	$ 1,567
TOTAL LIABILITIES	1,567	-	1,567
MEMBERS' EQUITY			
Operating Fund	51,832	-	51,832
Replacement Fund	-	9,417	9,417
TOTAL MEMBERS' EQUITY	51,832	9,417	61,249
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 53,399	$ 9,417	$ 62,816

See accompanying notes to the financial statements.

PEACHTREE LANE IMPROVEMENT ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN MEMBERS' EQUITY - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Unit Owner Assessments	$ 120,036	$ -	$ 120,036
Insurance Premium	1,567	-	1,567
Insurance Deductible	4,195	-	4,195
Administrative Fees	24	-	24
Late Fees	68	-	68
Interest Income	20	1,187	1,207
TOTAL REVENUES	125,910	1,187	127,097
EXPENSES			
MAINTENANCE AND REPAIRS			
Backflow Repairs	125	-	125
Landscape Extras	586	-	586
Electrical Repair	5,050	-	5,050
Exterminating	2,374	-	2,374
Common Area Maintenance	6,705	-	6,705
Landscaping	20,250	-	20,250
Plumbing Repair	2,450	-	2,450
Pool Maintenance	9,427	-	9,427
Roof Repairs	41,308	-	41,308
Tree Maintenance/Removal	2,550	-	2,550
Weed Control	108	-	108
TOTAL MAINTENANCE AND REPAIRS	90,933	-	90,933
UTILITIES			
Electricity	8,606	-	8,606
Gas/Propane	2,508	-	2,508
Cable TV	24,561	-	24,561
Water and Sewer	10,264	-	10,264
TOTAL UTILITIES	45,939	-	45,939
GENERAL			
Compilation/Tax Preparation	1,170	-	1,170
Taxes	428	-	428
Annual Meeting	216	-	216
Bank Charges	370	-	370
Legal Services	4,212	-	4,212
Management Fees	7,681	-	7,681
Permits and Licenses	495	-	495
Statement Fees	12	-	12
TOTAL GENERAL	14,584	-	14,584

(CONTINUED)

See accompanying notes to the financial statements.

PEACHTREE LANE IMPROVEMENT ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN MEMBERS' EQUITY - MODIFIED CASH BASIS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

	OPERATING FUND	REPLACEMENT FUND	TOTAL
INSURANCE			
Association Insurance Master Policy	9,764	-	9,764
TOTAL INSURANCE	9,764	-	9,764
SUPPLIES			
Fertilizer	54	-	54
Irrigation	1,344	-	1,344
Pool/Spa/Chemical Supplies	810	-	810
Postage and Mailings	847	-	847
TOTAL SUPPLIES	3,055	-	3,055
RESERVE EXPENSES			
Roofing	-	30,000	30,000
TOTAL RESERVE EXPENSES	-	30,000	30,000
TOTAL EXPENSES	164,275	30,000	194,275
EXCESS REVENUES (EXPENSES)	(38,365)	(28,813)	(67,178)
MEMBERS' EQUITY, BEGINNING OF YEAR AS PREVIOUSLY STATED	12,304	117,914	130,218
PRIOR PERIOD ADJUSTMENT	(1,791)	-	(1,791)
MEMBERS' EQUITY, BEGINNING OF YEAR AS RESTATED	10,513	117,914	128,427
TRANSFERS BETWEEN FUNDS	79,684	(79,684)	-
MEMBERS' EQUITY END OF YEAR	$ 51,832	$ 9,417	$ 61,249

See accompanying notes to the financial statements.

PEACHTREE LANE IMPROVEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - NATURE OF THE ORGANIZATION

Peachtree Lane Improvement Association, Inc. (the "Association"), a non-stock condominium association, was incorporated on September 10, 1984, under the general non-profit laws of the State of Arizona. The Association was established to provide management, maintenance and preservation of the common areas and other property owned by the Association or property placed under its jurisdiction. The Association consists of 31 condominium units, and is located in Phoenix, Arizona. There is a Board of Directors elected by the member unit owners. The Board of Directors has engaged The Nabo Group, as the managing agent for the Association.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting
The Association's general records and the accompanying financial statements are prepared using the modified cash method of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. These financial statements have been modified to report a liability for prepaid assessments.

Fund Accounting
The Association's governing documents provide certain guidelines for governing its financial activities. To ensure 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 using the following funds established according to their nature and purpose:

Operating Fund
The Operating Fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund
The Replacement Fund is used to account for the use and accumulation of funds for future major repairs and replacements.

Cash and Cash Equivalents
The Association considers cash in operating bank accounts, money market accounts, cash on hand, and certificates of deposit, purchased with original maturity dates of three months, or less, as cash and cash equivalents. Certificates of deposit and financial instruments, with original maturities, at date of purchase, of more than three months, are classified as investments.

Fair Value of Financial Instruments
Unless otherwise indicated, the fair values of all reported assets and liabilities, which represent financial instruments (none of which are held for trading purposes), approximate the carrying values of such amounts.

Common Property
Certain land areas were contributed by the developer, upon completion of the project, at no cost to the Association, which are not reflected in the financial statements. The contributed areas consist of a pool, a spa, streets, landscape and landscape rights-of-way, which can never be sold or subdivided. The Association has not placed a value on these assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Assessments and Revenue Recognition

Payments received by the Association prior to the assessment due date are properly not recognized as revenue until the corresponding assessment is made by the Association.

Date of Management's Review

Subsequent events have been evaluated through May 7, 2026, which is the date the financial statements were available to be issued.

NOTE 3 - MAINTENANCE ASSESSMENTS AND EXPENSES

Unit owners are subject to annual assessments to provide funds for the Association's operating expenses and future major repairs and replacements. During 2025, the combined annual assessment was $4,080, payable in monthly installments of $340. Excess assessments at year end are retained by the Association for use in future periods. There is no maximum annual assessment defined in the Association's governing documents.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The Association enters into various contracts for management, landscape and other services. Generally, all contracts are for one-year terms and can be canceled by either party with 30 to 90 day notifications.

NOTE 5 - CONCENTRATION OF CREDIT RISK

The Association's primary source of revenue is unit owner assessments, which are earned on assessable lots or parcels located within a small geographic area. Unit owner assessments and related receivables are subject to significant concentration of credit risk, given that they are primarily from a small geographical area, which can be impacted by similar economic conditions. Unit owner assessments may be secured by liens upon a member's property or legal judgments. The Association monitors the collectability of these receivables and pursues collection as needed. Should the Association's collection efforts be unsuccessful, the Association could incur losses up to the full amount due.

The Association places its cash deposits and investments with financial institutions that have Federal Deposit Insurance Corporation (FDIC) coverage. At various times, deposits with these financial institutions, designated as cash, cash equivalents and investments, may exceed insurance coverage provided by the Federal Deposit Insurance Corporation (FDIC), or other types of insurance programs.

NOTE 6 - INCOME TAXES

The Association files its income tax return as a condominium association, in accordance with Internal Revenue Code Section 528. Under that Section, the Association is not taxed on uniform assessments to members and other income received from Association members solely as a function of their membership in the Association. The Association is taxed on its investment income and other non-exempt function income. The Association had a federal and state tax liability of $0 and $50, respectively, for the year ended December 31, 2025. Federal and state income taxes disbursed in the current year for the prior year were $352 and $65, respectively.

NOTE 7 - UNCERTAIN TAX POSITIONS

The Association accounts for uncertain tax positions, if any, in accordance with FASB Accounting Standards Codification Section 740. In accordance with these professional standards, the Association recognizes tax positions only to the extent that Management believes it is "more likely than not" that its tax positions will be sustained upon IRS examination. Management believes that it has no uncertain tax position for the year ending December 31, 2025.

The Association believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Association's financial condition, net income or cash flows. Accordingly, the Association has not recorded any reserves, or related accruals for interest and penalties for uncertain tax provisions at December 31, 2025.

The Association is subject to routine audits by taxing jurisdictions; however, there are no audits currently in progress for any tax periods. The Association believes it is no longer subject to income tax examinations by U.S. federal tax authorities for years before 2023, or by Arizona state tax authorities for years before 2022.

NOTE 8 - REPLACEMENT FUND

The Association accumulates funds for future major repairs and replacements; at December 31, 2025, these funds were $9,417 and are held in separate accounts and are generally not available for operating purposes.

In 2023, the Association's Board of Directors engaged a firm to conduct a study to estimate the remaining useful lives and replacement costs of the common property components. The reserve study was completed on October 12, 2023. The Association is funding future major repairs and replacements based on the study's estimates of current replacement costs. Funding considerations include amounts previously designated for future major repairs and replacements. Actual expenditures, when incurred, may vary from the estimated amounts and the variations may be material. Accordingly, amounts designated for future major repairs and replacements may not be adequate to meet future needs. If additional funds are needed, however, the Association may increase regular assessments, levy special assessments, subject to member approval, or may delay major repairs and replacements until funds are available.

NOTE 9 - PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2025, the Board of Directors of the Association adopted the modified cash basis of accounting, versus the cash basis of accounting. Accordingly, an adjustment in the amount of $1,791 was made to decrease the beginning of year operating members' equity balance to reflect the change in method of reporting.

PEACHTREE LANE IMPROVEMENT ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

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PEACHTREE LANE IMPROVEMENT ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
DECEMBER 31, 2025

The Association's Board of Directors engaged a firm to conduct a study to estimate the replacement costs of certain common property components. The study was completed on October 12, 2023. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have not been revised since that date and do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

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

Component	Remaining Life (Years)	Estimated Current Replacement Cost	Replacement Fund Balance December 31, 2025
Streets	5 to 10	$ 82,534	$ -
Roofing	0 to 6	160,625	-
Buildings	6	55,800	-
Painting	1 to 6	61,500	-
Fencing and Gates	11	18,000	-
Pool and Spa	0 to 16	52,300	-
Fountain	0 to 7	4,950	-
Grounds	7 to 9	55,500	-
Unallocated		-	9,417
Total		$ 491,209	$ 9,417