

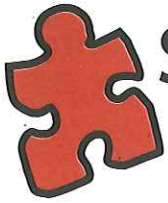
PRESCOTT SUMMIT
PROPERTY OWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT.....	2
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Revenues, Expenses and Changes in Fund Balance.....	4
Statements of Cash Flows	5



Schutte & Hilgendorf PLLC - CPA's

Solving Accounting, Audit & Tax Puzzles

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of
Prescott Summit Property Owners Association, Inc.

We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements. Management is responsible for the accompanying financial statements of Prescott Summit Property Homeowners Association, Inc., which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Required Supplementary Information

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Other Matter

We have previously compiled the 2014 financial statements that omitted substantial all of the disclosures required by accounting principles generally accepted in the United States of America and issued a report dated April 2, 2015. A prior period adjustment has been made to 2014 to decrease expenses and increase ending fund balance by \$2,215. As restated, comparable information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the compiled financial statements from which it has been derived.

Prescott, Arizona
July 11, 2016

PRESCOTT SUMMIT PROPERTY OWNERS ASSOCIATION, INC.
BALANCE SHEETS
DECEMBER 31, 2015 and 2014

	2015	(Restated) 2014
ASSETS		
Cash and cash equivalents	\$ 32,816	\$ 14,242
Assessments receivable	222	284
Firewise grant receivable	-	10,083
Prepaid expenses	543	561
	<u>543</u>	<u>561</u>
TOTAL ASSETS	<u><u>\$ 33,581</u></u>	<u><u>\$ 25,170</u></u>
LIABILITIES AND FUND BALANCE		
Accounts payable	\$ -	\$ 339
Architectural fees payable	-	500
Assessments received in advance	432	-
	<u>432</u>	<u>839</u>
FUND BALANCE	<u>33,149</u>	<u>24,331</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 33,581</u></u>	<u><u>\$ 25,170</u></u>

See independent accountants'
compilation report

PRESCOTT SUMMIT PROPERTY OWNERS ASSOCIATION, INC.
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2015 and 2014

	2015	(Restated) 2014
REVENUES		
Homeowners assessments	\$ 14,688	\$ 15,648
Firewise grant revenue	2,497	10,083
Other income	582	540
Roadside assessments	3,360	-
Interest	92	42
	<u>21,219</u>	<u>26,313</u>
EXPENSES		
Dues/license/fees	-	265
Income tax	50	50
Inspection	500	-
Insurance	866	452
Landscape	6,956	13,650
Maintenance	65	177
Office/administrative	1,340	627
Professional fees	2,002	968
Property taxes	4	4
Utilities	618	2,416
	<u>12,401</u>	<u>18,609</u>
EXCESS OF REVENUES OVER EXPENSES	8,818	7,704
BEGINNING FUND BALANCE	<u>24,331</u>	<u>16,627</u>
ENDING FUND BALANCE	<u>\$ 33,149</u>	<u>\$ 24,331</u>

See independent accountants'
 compilation report

PRESCOTT SUMMIT PROPERTY OWNERS ASSOCIATION, INC.
 STATEMENTS OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2015 and 2014

	<u>2015</u>	<u>(Restated) 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	8,818	\$ 7,704
Adjustments to reconcile excess of revenues over expenses to net cash by operating activities:		
(Increase)Decrease in:		
Assessments receivable	62	92
Firewise grant receivable	10,083	(10,083)
Prepaid expenses	18	(561)
Increase(Decrease) in:		
Accounts payable	(339)	339
Architectural fees payable	(500)	(500)
Assessments received in advance	432	-
	<u>18,574</u>	<u>(3,009)</u>
NET INCREASE(DECREASE) IN CASH		
CASH AT BEGINNING OF YEAR	<u>14,242</u>	<u>17,251</u>
CASH AT END OF YEAR	<u><u>\$ 32,816</u></u>	<u><u>\$ 14,242</u></u>
SUPPLEMENTAL DISCLOSURE		
Income taxes paid - Federal	<u><u>\$ 50</u></u>	<u><u>\$ 50</u></u>

See independent accountants'
 compilation report