

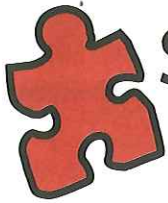
PRESCOTT SUMMIT
PROPERTY OWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2016 and 2015

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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 Owners Association, Inc., which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of revenues, expenses, and changes in fund balance 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.

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.

Prescott, Arizona
April 6, 2017

PRESCOTT SUMMIT PROPERTY OWNERS ASSOCIATION, INC.
 BALANCE SHEETS
 DECEMBER 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 24,577	\$ 25,694
Certificates of deposits	7,651	7,122
Assessments receivable	1,205	222
Prepaid expenses	<u>543</u>	<u>543</u>
TOTAL ASSETS	<u>\$ 33,976</u>	<u>\$ 33,581</u>
LIABILITIES AND FUND BALANCE		
Assessments received in advance	<u>\$ 232</u>	<u>\$ 432</u>
TOTAL LIABILITIES	232	432
FUND BALANCE	<u>33,744</u>	<u>33,149</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 33,976</u>	<u>\$ 33,581</u>

See independent accountants'
 compilation report

PRESCOTT SUMMIT PROPERTY OWNERS ASSOCIATION, INC.
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
 YEARS ENDED DECEMBER 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Homeowners assessments	\$ 10,200	\$ 14,688
Firewise grant revenue	-	2,497
Other income	1,115	582
Roadside assessments	-	3,360
Interest	34	92
	<u>11,349</u>	<u>21,219</u>
EXPENSES		
Dues/license/fees	10	-
Income tax	50	50
Inspection	-	500
Insurance	978	866
Landscape	3,750	6,956
Maintenance	490	65
Office/administrative	1,908	1,340
Professional fees	1,815	2,002
Property taxes	4	4
Utilities	1,749	618
	<u>10,754</u>	<u>12,401</u>
EXCESS OF REVENUES OVER EXPENSES	595	8,818
BEGINNING FUND BALANCE	<u>33,149</u>	<u>24,331</u>
ENDING FUND BALANCE	<u><u>\$ 33,744</u></u>	<u><u>\$ 33,149</u></u>

See independent accountants'
 compilation report

PRESCOTT SUMMIT PROPERTY OWNERS ASSOCIATION, INC.
 STATEMENTS OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 595	\$ 8,818
Adjustments to reconcile excess of revenues over expenses to net cash provided(used) by operating activities		
(Increase)Decrease in:		
Assessments receivable	(983)	62
Firewise grant receivable	-	10,083
Prepaid expenses	-	18
Increase(Decrease) in:		
Accounts payable	-	(339)
Architectural fees payable	-	(500)
Assessments received in advance	(200)	432
CASH PROVIDED(USED) BY OPERATING ACTIVITIES	<u>(588)</u>	<u>18,574</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	(500)	-
Reinvested interest on certificates of deposit	(29)	(87)
CASH (USED) BY INVESTING ACTIVITIES	<u>(529)</u>	<u>(87)</u>
NET INCREASE(DECREASE) IN CASH	(1,117)	18,487
CASH AT BEGINNING OF YEAR	<u>25,694</u>	<u>7,207</u>
CASH AT END OF YEAR	<u>\$ 24,577</u>	<u>\$ 25,694</u>
SUPPLEMENTAL DISCLOSURE		
Income taxes paid - State	<u>\$ 50</u>	<u>\$ 50</u>

See independent accountants' compilation report