



Howard S. Simon, CPA, P.C.

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HILLCREST NINE HOMEOWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS and INDEPENDENT ACCOUNTANT'S REPORT

CASH BASIS

DECEMBER 31, 2023

HILLCREST NINE HOMEOWNERS ASSOCIATION, INC.  
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Members of the Board of Directors  
Hillcrest Nine Homeowners Association, Inc.

Management is responsible for the accompanying financial statements of Hillcrest Nine Homeowners Association, Inc., a non-stock Arizona corporation, which comprise the statement of assets and liabilities and fund balances - cash basis as of December 31, 2023, and the related statement of receipts, disbursements and changes in fund balances - cash basis for the year then ended in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. I have performed this compilation in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's assets, liabilities, members' equity, receipts and disbursements. Accordingly, these financial statements are not designed for those not informed about such matters.

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 5 be presented to supplement the basic financial statements. Such information, 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. I have compiled the required supplementary information without audit or review, and, accordingly, do not express an opinion or provide any assurance on it.

 , CPA, P.C.

May 8, 2024

**Hillcrest Nine Homeowners Association, Inc.**  
Statement of Assets, Liabilities and Fund Balances  
December 31, 2023

	Funds		Total
	Operating	Reserve	
<b>Assets</b>			
Total Cash on Deposit	\$ 21,698	\$ 31,244	\$ 52,942
<b>Total Assets</b>	\$ 21,698	\$ 31,244	\$ 52,942
<b>Liabilities and Fund Balances</b>			
Liabilities	\$ -	\$ -	\$ -
Fund Balances	21,698	31,244	52,942
<b>Total Liabilities and Fund Balances</b>	\$ 21,698	\$ 31,244	\$ 52,942

See Accompanying Independent Accountant's Compilation Report

**Hillcrest Nine Homeowners Association, Inc.**

Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis  
For the Year Ended December 31, 2023

	Funds		Total
	Operating	Reserve	
<b>Receipts</b>			
Assessments and Reserve Allocations	\$ 37,928	\$ 18,415	\$ 56,343
Disclosure Preparation Fees	2,000	-	2,000
Late Fees / Fines	480	-	480
Other	(622)	870	248
Interest	23	38	61
<b>Total Receipts</b>	39,809	19,323	59,132
<b>Disbursements</b>			
Administration			
CPA	675	-	675
Office Supplies	1,085	-	1,085
Accounting Software - Treasurer	180	-	180
Website	940	-	940
Miscellaneous / Other	150	-	150
<b>Total Administration</b>	3,030	-	3,030
Community			
Annual Picnic	1,955	-	1,955
Annual / Monthly Meetings	483	-	483
<b>Total Community</b>	2,438	-	2,438
Utilities			
Electricity - APS	477	-	477
Water - City of Phoenix	3,469	-	3,469
<b>Total Utilities</b>	3,945	-	3,945
Maintenance			
Grounds Maintenance	8,537	-	8,537
Grounds Service	17,034	-	17,034
Arroyo: Erosion/Drainage & Major Maint.	-	4,688	4,688
Perimeter Landscaping - Plants	-	4,870	4,870
<b>Total Maintenance</b>	25,571	9,558	35,129

See Accompanying Independent Accountant's Compilation Report

**Hillcrest Nine Homeowners Association, Inc.**  
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis  
For the Year Ended December 31, 2023

	Funds		Total
	Operating	Reserve	
<b>Disbursements (continued)</b>			
Taxes and Insurance			
Income Taxes	50	-	50
Property Taxes	6	-	6
Arizona Corporation Commission Fees	10	-	10
Insurance	1,080	-	1,080
Total Taxes and Insurance	1,146	-	1,146
<b>Total Disbursements</b>	36,130	9,558	45,687.75
<b>Net Disbursements over Receipts</b>	3,680	9,765	13,444
<b>Fund Balances - Beginning of Year</b>	18,018	21,479	39,497
<b>Fund Balances - End of Year</b>	\$ 21,698	\$ 31,244	\$ 52,942

See Accompanying Independent Accountant's Compilation Report

## SUPPLEMENTARY INFORMATION

Hillcrest Nine Homeowners Association, Inc.  
 Supplementary Information on Future Major Repairs and Replacements  
 December 31, 2023  
 (Unaudited)

The Association is funding a reserve for future major repairs and replacements through assessments to members/owners.

An engineering company conducted an independent study and issued their report thereon dated November 14, 2022, estimating the remaining useful lives and replacement costs of the components of common property, and determining a funding plan for major repairs and replacements effective for the budget year beginning January 1, 2023. Funding requirements assume an annual inflation rate of 3.0%, and an annual contribution increase of 3.0%. According to the reserve study report, the December 31, 2023 scheduled reserve Ending Balance and Fully Funded Ending Balance is \$31,206 and \$47,923, respectively.

Actual expenditures and investment income may vary from the estimated amounts, and the variations may be material. Therefore, the funds accumulated may not be adequate to meet all future needs. If additional funds are needed, the Association has the right, subject to membership approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The table below of unaudited supplementary information on future major repairs and replacements from the study presents summary information about the components of common property. The estimated current replacement costs have not been revised since the date of the study and do not consider the effects of inflation between the date of the study and the date the components will require replacement or repair.

<u>Component</u>	<u>Years of Estimated Remaining Useful Life</u>	<u>Estimated Current Replacement Cost</u>
Nature Trail	0 to 7	8,496
Multi-Use Trail	1	2,000
Arroyo Area	1 to 22	25,350
Perimeter Landscape	0 to 3	22,000
Perimeter Walls	4	<u>14,000</u>
	Total	<u>\$ 71,846</u>

See Accompanying Independent Accountant's Compilation Report



