

**HILLCREST NINE HOMEOWNERS' ASSOCIATION,
INC.**

FINANCIAL STATEMENTS

FOR THE PERIOD JANUARY 1, 2025 – DECEMBER 31, 2025

COMPILATION REPORT

HILLCREST NINE HOMEOWNERS' ASSOCIATION, INC.

Contents

Accountants' Compilation Report.....	1
Financial Statements	
Statement of Assets, Liabilities and Changes in Fund Balances.....	2
Statement of Revenues, Expenses and Changes in Fund Balances.....	3
Statement of Cash Flows.....	4
Future Repairs and Replacements.....	5



INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To Hillcrest Nine Homeowners' Association, Inc.:

Management is responsible for the accompanying financial statements of Hillcrest Nine Homeowners' Association, Inc., which comprise the Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis as of December 31, 2025, and the related Statement of Revenues, Expenses, and Changes in Fund Balances – Modified Cash Basis, and Statement of Cash Flows – Modified Cash Basis for the year then ended 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 AICPA. We did not audit or review the accompanying 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 has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the entity's assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Basis of Accounting

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

Supplementary Information

The accompanying schedule of future major repairs and replacements of common property is presented for supplementary analysis purposes and is not a required part of the financial statements. Such information is the responsibility of management. We have performed a compilation engagement with respect to such 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 did not audit or review the supplementary information 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 this supplementary information.

A handwritten signature in black ink, appearing to read 'S.H.', with a large, sweeping flourish extending to the right.

Samantha Harrison, CPA

Scottsdale, Arizona

June 4, 2026

Hillcrest Nine Homeowners' Association, Inc.
Statement of Assets, Liabilities and Changes in Fund Balances - Modified Cash Basis
Year Ended December 31, 2025

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
ASSETS			
Cash, incl. interest-bearing deposits	\$ 23,023	\$ 49,906	72,929
TOTAL ASSETS	<u>\$ 23,023</u>	<u>\$ 49,906</u>	<u>\$ 72,929</u>
LIABILITIES AND FUND BALANCES			
Income Taxes Payable	\$ 50	\$ -	\$ 50
Total Liabilities	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 50</u>
Fund Balances	<u>\$ 22,973</u>	<u>\$ 49,906</u>	<u>\$ 72,879</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,023</u>	<u>\$ 49,906</u>	<u>\$ 72,929</u>

*See independent accountants' compilation report.

Hillcrest Nine Homeowners' Association, Inc.
Statement of Revenues, Expenses, and Changes in Fund Balances - Modified Cash Basis
Year Ended December 31, 2025

	<u>Operating</u> <u>Fund</u>	<u>Replacement</u> <u>Fund</u>	<u>Total</u>
REVENUES			
Assessments	\$ 60,149	\$ -	\$ 60,149
Fines and Fees	\$ 4,750	\$ -	\$ 4,750
Interest Income	\$ 6	\$ -	\$ 6
TOTAL REVENUES	<u>\$ 64,905</u>	<u>\$ -</u>	<u>\$ 64,905</u>
EXPENSES			
Administrative	\$ 6,943	\$ -	\$ 6,943
Income Tax - State	\$ 50	\$ -	\$ 50
Insurance	\$ 1,208	\$ -	\$ 1,208
Landscaping	\$ 25,000	\$ -	\$ 25,000
Licenses and Permits	\$ 10	\$ -	\$ 10
Professional and Legal	\$ 1,390	\$ -	\$ 1,390
Property Taxes and Other Taxes	\$ 6	\$ -	\$ 6
Repairs and Maintenance	\$ 6,684	\$ -	\$ 6,684
Replacements	\$ -	\$ 4,471	\$ 4,471
Utilities	\$ 3,220	\$ -	\$ 3,220
Website	\$ 734	\$ -	\$ 734
TOTAL EXPENSES	<u>\$ 45,245</u>	<u>\$ 4,471</u>	<u>\$ 49,716</u>
Excess (deficiency) of Revenues over Expenses	19,660	(4,471)	15,189
Fund Balances, Beginning of Year	\$ 22,387	\$ 35,303	\$ 57,690
Transfer between funds (net)	\$ (19,074)	\$ 19,074	\$ -
Fund Balances, End of Year	<u>22,973</u>	<u>49,906</u>	<u>\$ 72,879</u>

*See independent accountants' compilation report.

Hillcrest Nine Homeowners' Association, Inc.
Statement of Cash Flows - Modified Cash Basis
Year Ended December 31, 2025

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (deficiency) of Revenues over Expenses	\$ 19,660	\$ (4,471)	\$ 15,189
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:			
	\$ -	\$ -	\$ -
Net cash provided by Operating Activities	<u>\$ 19,660</u>	<u>\$ (4,471)</u>	<u>\$ 15,189</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfers between funds (net)	\$ (19,074)	\$ 19,074	\$ -
Net cash provided by Financing Activities	<u>\$ (19,074)</u>	<u>\$ 19,074</u>	<u>\$ -</u>
Net cash increase (decrease)	\$ 586	\$ 14,603	\$ 15,189
Cash at beginning of year	<u>\$ 22,437</u>	<u>\$ 35,303</u>	<u>\$ 57,740</u>
Cash at end of year	<u>\$ 23,023</u>	<u>\$ 49,906</u>	<u>\$ 72,929</u>
Supplemental Disclosure:			
Income taxes paid	\$ 50	\$ -	\$ 50

*See independent accountants' compilation report.

Hillcrest Nine Homeowners Association
Supplementary Information on Future Major Repairs and Replacements
(Presented as of the Study Date November 14, 2022)

Components	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Costs	Components of Fund Balance at December 31, 2025
Natural Trail	0-7	\$ 18,298	\$ -
Arroyo Area	1-22	\$ 39,265	\$ -
Perimeter Landscape	0-4	\$ 39,041	\$ -
		\$ 96,603	\$ -
Unallocated Reserves			\$ 49,906
Reserve Balance at December 31, 2025			\$ 49,906