

**SUNRISE MOUNTAIN VIEW ESTATES
HOMEOWNERS ASSOCIATION, INC.**

**COMPILED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2017**

SUNRISE MOUNTAIN VIEW ESTATES HOMEOWNERS ASSOCIATION, INC.
COMPILED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

| | Page |
|----------------------------------------------------------------------------------------|------|
| Accountants' compilation report..... | 1 |
| COMPILED FINANCIAL STATEMENTS: | |
| Statement of assets, liabilities and fund balance – modified cash basis | 2 |
| Statement of revenues, expenses and changes in fund balance – modified cash basis..... | 3 |
| SUPPLEMENTARY INFORMATION: | |
| Budget report..... | 5 |
| Other income and expense detail | 7 |



Certified Public Accountants

Board of Directors
Sunrise Mountain View Estates Homeowners Association, Inc.
Tucson, Arizona

Management is responsible for the accompanying financial statements of Sunrise Mountain View Estates Homeowners Association, Inc., which comprise the statement of assets, liabilities and fund balance – modified cash basis as of December 31, 2017 and the related statement of revenues, expenses and changes in fund balance – 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 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.

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. With the exception of recording homeowner dues receivable, prepaid insurance and deferred homeowner dues received in advance, revenues are recorded when received rather than when promised or earned, and expenses are recognized when cash is disbursed rather than when the obligation is incurred.

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 Association's assets, liabilities, revenues and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Sunrise Mountain View Estates Homeowners Association, Inc.

Supplementary information

The supplementary information contained on pages 5 – 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

HBL CPAs, P.C.

HBL CPAs, P.C.

January 18, 2018

SUNRISE MOUNTAIN VIEW ESTATES HOMEOWNERS ASSOCIATION, INC.**STATEMENT OF ASSETS, LIABILITIES AND****FUND BALANCE - MODIFIED CASH BASIS****DECEMBER 31, 2017**

| | <u>Operating fund</u> | <u>Reserve fund</u> | <u>Total</u> |
|---------------------------------------------|----------------------------------|--------------------------------|---------------------|
| ASSETS | | | |
| Cash and cash equivalents: | | | |
| BBVA Compass Checking | \$ 2,200 | \$ - | \$ 2,200 |
| Chase Bank Checking | 134,754 | - | 134,754 |
| BBVA Compass Savings | - | 204,210 | 204,210 |
| Chase Bank Money Market | 6,836 | - | 6,836 |
| California First National Bank money market | - | 6,290 | 6,290 |
| First Internet Bank of Indiana | 30,296 | - | 30,296 |
| First Internet Bank of Indiana 6 month CD | - | 75,490 | 75,490 |
| Bank of Internet Checking | 6,448 | - | 6,448 |
| Bank of Internet Money Market | 14,070 | - | 14,070 |
| First Internet Bank of Indiana 6 month CD | - | 55,300 | 55,300 |
| First Internet Bank of Indian 6 month CD | - | 85,036 | 85,036 |
| Total cash and cash equivalents | <u>194,604</u> | <u>426,326</u> | <u>620,930</u> |
| Homeowner dues receivable | 50,825 | - | 50,825 |
| Prepaid insurance | 5,541 | - | 5,541 |
| Undeposited funds | <u>26,850</u> | <u>-</u> | <u>26,850</u> |
| | <u>\$ 277,820</u> | <u>\$ 426,326</u> | <u>\$ 704,146</u> |

LIABILITIES AND FUND BALANCE

| | | | |
|------------------------|-------------------|-------------------|-------------------|
| Liabilities – | | | |
| Prepaid homeowner dues | \$ <u>221,075</u> | \$ <u>-</u> | \$ <u>221,075</u> |
| Fund balance | <u>56,745</u> | <u>426,326</u> | <u>483,071</u> |
| | <u>\$ 277,820</u> | <u>\$ 426,326</u> | <u>\$ 704,146</u> |

See accountants' compilation report

SUNRISE MOUNTAIN VIEW ESTATES HOMEOWNERS ASSOCIATION, INC.**STATEMENT OF REVENUES, EXPENSES AND CHANGES****IN FUND BALANCE - MODIFIED CASH BASIS****YEAR ENDED DECEMBER 31, 2017**

| | <u>Operating fund</u> | <u>Reserve fund</u> | <u>Total</u> |
|-------------------------------|----------------------------------|--------------------------------|---------------------|
| Revenues: | | | |
| Homeowner dues | \$ 440,300 | \$ - | \$ 440,300 |
| Interest and dividend income | 1,234 | - | 1,234 |
| Reserve fund interest | - | 4,918 | 4,918 |
| Other | <u>2,145</u> | <u>-</u> | <u>2,145</u> |
| Total revenues | 443,679 | 4,918 | 448,597 |
| Expenses: | | | |
| Operating expenses: | | | |
| North recreational area: | | | |
| Maintenance | 11,082 | - | 11,082 |
| Pool and spa repairs | 1,623 | - | 1,623 |
| Gas | 17,173 | - | 17,173 |
| Water | 6,588 | - | 6,588 |
| Electric | 7,970 | - | 7,970 |
| Security | 919 | - | 919 |
| Other | <u>2,370</u> | <u>-</u> | <u>2,370</u> |
| Total north recreational area | 47,725 | - | 47,725 |
| South recreational area: | | | |
| Maintenance | 8,669 | - | 8,669 |
| Pool and spa repairs | 1,786 | - | 1,786 |
| Gas | 8,420 | - | 8,420 |
| Water | 3,058 | - | 3,058 |
| Electric | 6,180 | - | 6,180 |
| Security | 919 | - | 919 |
| Other | <u>1,965</u> | <u>-</u> | <u>1,965</u> |
| Total south recreational area | 30,997 | - | 30,997 |
| Common area: | | | |
| Water | 8,053 | - | 8,053 |
| Electric | 964 | - | 964 |
| Telephone | 1,324 | - | 1,324 |
| Trash collection | 49,711 | - | 49,711 |
| Landscaping monthly | 29,473 | - | 29,473 |
| Landscaping extras | 11,389 | - | 11,389 |
| Landscaping - packrat control | 9,790 | - | 9,790 |
| Irrigation system repairs | 2,523 | - | 2,523 |
| Landscaping subcontract | 24,327 | - | 24,327 |
| Road repairs and maintenance | 2,689 | - | 2,689 |
| Security | 1,410 | - | 1,410 |
| Sidewalk and curb repairs | 4,036 | - | 4,036 |
| Other | <u>215</u> | <u>-</u> | <u>215</u> |
| Total common area | 145,904 | - | 145,904 |

See accountants' compilation report

SUNRISE MOUNTAIN VIEW ESTATES HOMEOWNERS ASSOCIATION, INC.**STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - MODIFIED CASH BASIS, CONTINUED
YEAR ENDED DECEMBER 31, 2017**

| | <u>Operating fund</u> | <u>Reserve fund</u> | <u>Total</u> |
|-----------------------------------------|----------------------------------|--------------------------------|---------------------|
| Expenses, continued: | | | |
| Operating expenses, continued: | | | |
| Clubhouse: | | | |
| Cleaning | \$ 6,679 | \$ - | \$ 6,679 |
| Total clubhouse | 6,679 | - | 6,679 |
| General: | | | |
| Office supplies | 900 | - | 900 |
| Postage | 586 | - | 586 |
| Printing | 1,307 | - | 1,307 |
| Meeting expense | 531 | - | 531 |
| Administrative support | 3,658 | - | 3,658 |
| Bank and service charge | 14 | - | 14 |
| Insurance | 6,133 | - | 6,133 |
| Accounting/bookkeeping | 6,120 | - | 6,120 |
| Legal | 3,303 | - | 3,303 |
| Taxes | 1,416 | - | 1,416 |
| Fess and permits | 490 | - | 490 |
| Other | 800 | - | 800 |
| Total general | 25,258 | - | 25,258 |
| Total operating expenses | 256,563 | - | 256,563 |
| Capital expenditures | - | 244,250 | 244,250 |
| Total expenses | 256,563 | 244,250 | 500,813 |
| Change in fund balance before transfers | 187,116 | (239,332) | (52,216) |
| Transfers | (214,000) | 214,000 | - |
| Fund balance, beginning of year | 83,629 | 451,658 | 535,287 |
| Fund balance, end of year | \$ 56,745 | \$ 426,326 | \$ 483,071 |

See accountants' compilation report

SUPPLEMENTARY INFORMATION

SUNRISE MOUNTAIN VIEW ESTATES HOMEOWNERS ASSOCIATION, INC.

BUDGET REPORT

YEAR ENDED DECEMBER 31, 2017

| | Year to date actual | % of annual budget | Annual budget |
|-------------------------------|--------------------------------|-------------------------------|--------------------------|
| Revenues: | | | |
| Homeowner dues | \$ 440,300 | 100% | \$ 440,300 |
| Interest and dividend income | 6,152 | 137% | 4,500 |
| Other | 2,145 | 268% | 800 |
| Total revenues | 448,597 | 101% | 445,600 |
| Expenses: | | | |
| Operating expenses: | | | |
| North recreational area: | | | |
| Maintenance | 11,082 | 111% | 10,000 |
| Pool and spa repairs | 1,623 | 108% | 1,500 |
| Gas | 17,173 | 78% | 22,000 |
| Water | 6,588 | 101% | 6,500 |
| Electric | 7,970 | 100% | 8,000 |
| Furniture and fixtures | - | 0% | 2,500 |
| Tennis court repairs | - | 0% | 500 |
| Security | 919 | 61% | 1,500 |
| Other | 2,370 | 474% | 500 |
| Total north recreational area | 47,725 | 90% | 53,000 |
| South recreational area: | | | |
| Maintenance | 8,669 | 108% | 8,000 |
| Pool and spa repairs | 1,786 | 119% | 1,500 |
| Gas | 8,420 | 89% | 9,500 |
| Water | 3,058 | 68% | 4,500 |
| Electric | 6,180 | 98% | 6,300 |
| Furniture and fixtures | - | 0% | 500 |
| Tennis court repairs | - | 0% | 500 |
| Security | 919 | 61% | 1,500 |
| Other | 1,965 | 393% | 500 |
| Total south recreational area | 30,997 | 95% | 32,800 |
| Common area: | | | |
| Water | 8,053 | 105% | 7,700 |
| Electric | 964 | 138% | 700 |
| Telephone | 1,324 | 66% | 2,000 |
| Trash collection | 49,711 | 101% | 49,400 |
| Landscaping monthly | 29,473 | 98% | 30,000 |
| Landscaping extras | 11,389 | 84% | 13,500 |
| Landscaping - packrat control | 9,790 | 131% | 7,500 |
| Irrigation system repairs | 2,523 | 101% | 2,500 |
| Landscaping subcontract | 24,327 | 97% | 25,000 |
| Road repairs and maintenance | 2,689 | 134% | 2,000 |
| Security | 1,410 | 47% | 3,000 |
| Sidewalk and curb repairs | 4,036 | 58% | 7,000 |
| Other | 215 | 11% | 2,000 |
| Total common area | 145,904 | 96% | 152,300 |

SUNRISE MOUNTAIN VIEW ESTATES HOMEOWNERS ASSOCIATION, INC.

BUDGET REPORT, CONTINUED
YEAR ENDED DECEMBER 31, 2017

| | <u>Year to date actual</u> | <u>% of annual budget</u> | <u>Annual budget</u> |
|--------------------------------|---------------------------------------|--------------------------------------|---------------------------------|
| Expenses, continued: | | | |
| Operating expenses, continued: | | | |
| Clubhouse: | | | |
| Cleaning | \$ 6,679 | 95% | \$ 7,000 |
| Repairs and maintenance | - | 0% | 500 |
| Other | - | 0% | 100 |
| Total clubhouse | <u>6,679</u> | <u>88%</u> | <u>7,600</u> |
| General: | | | |
| Office supplies | 900 | 120% | 750 |
| Postage | 586 | 59% | 1,000 |
| Printing | 1,307 | 52% | 2,500 |
| Meeting expense | 531 | 53% | 1,000 |
| Administrative support | 3,658 | 91% | 4,000 |
| Bank and service charges | 14 | 0% | 0 |
| Insurance | 6,133 | 108% | 5,700 |
| Accounting/bookkeeping | 6,120 | 70% | 8,750 |
| Legal | 3,303 | 94% | 3,500 |
| Taxes | 1,416 | 283% | 500 |
| Fees and permits | 490 | 98% | 500 |
| Other | <u>800</u> | <u>53%</u> | <u>1,500</u> |
| Total general | <u>25,258</u> | <u>85%</u> | <u>29,700</u> |
| Total operating expenses | <u>256,563</u> | <u>93%</u> | <u>275,400</u> |
| Capital expenditures | <u>244,250</u> | <u>146%</u> | <u>167,355</u> |
| Total expenses | <u>500,813</u> | <u>113%</u> | <u>442,755</u> |
| Change in fund balance | <u>\$ (52,216)</u> | <u>-1835%</u> | <u>\$ 2,845</u> |

SUNRISE MOUNTAIN VIEW ESTATES HOMEOWNERS ASSOCIATION, INC.

OTHER INCOME AND EXPENSE DETAIL

YEAR ENDED DECEMBER 31, 2017

Other income:

| | | |
|--------------------|----|---------------------|
| Facility use fee | \$ | 200 |
| Late fee | | 745 |
| Fines | | <u>1,200</u> |
| Total other income | \$ | <u><u>2,145</u></u> |

Other expenses:

North recreational area:

| | | |
|-------------------------------|----|--------------|
| Clock | \$ | 21 |
| Maintenance | | 782 |
| Water heater | | <u>1,566</u> |
| Total north recreational area | | <u>2,370</u> |

South recreational area:

| | | |
|-------------------------------|--|--------------|
| Clock | | 20 |
| Maintenance | | <u>1,945</u> |
| Total south recreational area | | <u>1,965</u> |

Common area –

| | | |
|-------------------|--|------------|
| Exterminating | | <u>215</u> |
| Total common area | | <u>215</u> |

General –

| | | |
|---------------|--|------------|
| Reserve study | | <u>800</u> |
| Total general | | <u>800</u> |

| | | |
|----------------------|----|---------------------|
| Total other expenses | \$ | <u><u>5,350</u></u> |
|----------------------|----|---------------------|