

CASAS ADOBES TERRACE HOMEOWNERS ASSOCIATION

C/O ASSOCIA ARIZONA

FINANCIAL STATEMENTS

DECEMBER 31, 2017

LARRY RECKER
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Accountant's Compilation Report

Casas Adobes Terrace Homeowners Association
C/O Associa Arizona
6840 N. Oracle Rd, Suite 130
Tucson, AZ 85704

To the Board of Directors and Members,

Management is responsible for the accompanying financial statements of Casas Adobes Terrace Homeowners Association, which are comprise of the balance sheet as of December 31, 2017 and the related statement of income, expenses and changes in fund balance for the year then ended, in accordance with accounting principles generally accepted in the United States of America. I have performed the compilation engagement 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 Board has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with accounting principles generally accepted, and required supplemental information on future repairs and replacements. If the omitted disclosures and supplemental information were included in the financial statements, they might influence the user's conclusions about the Association's assets, liabilities, fund balance, revenues and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.



Larry Recker, CPA
Oro Valley, Arizona
March 2, 2018

Casas Adobes Terrace Homeowners Association
 Balance Sheet
 Substantially All Disclosures Omitted
 December 31, 2017

	<u>OPERATING FUND</u>	<u>RESERVE FUND</u>	<u>TOTAL</u>
ASSETS			
MOB - Operating	\$ 49,098.59	\$ -	\$ 49,098.59
MOB - Reserve	-	28,941.39	28,941.39
Certificate of Deposit	-	25,153.93	25,153.93
Accounts Receivable	<u>4,918.47</u>	<u>-</u>	<u>4,918.47</u>
TOTAL ASSETS	<u><u>\$ 54,017.06</u></u>	<u><u>\$ 54,095.32</u></u>	<u><u>\$ 108,112.38</u></u>
 LIABILITIES & FUND BALANCE			
CURRENT LIABILITIES			
Accrued Expenses	\$ 4,523.65	\$ -	\$ 4,523.65
Prepaid Owners Assessments	<u>17,958.08</u>	<u>-</u>	<u>17,958.08</u>
TOTAL LIABILITIES	22,481.73	-	22,481.73
 FUND BALANCE			
Fund Balance	<u>31,535.33</u>	<u>54,095.32</u>	<u>85,630.65</u>
TOTAL LIABILITIES & FUND BALANCE	<u><u>\$ 54,017.06</u></u>	<u><u>\$ 54,095.32</u></u>	<u><u>\$ 108,112.38</u></u>

No assurance is provided on these financial statements

Casas Adobes Terrace Homeowners Association
Statement of Revenues, Expenses and Changes in Fund Balance
Substantially All Disclosures Omitted
For the Year Ended December 31, 2017

	OPERATING FUND	RESERVE FUND	TOTAL
REVENUES			
Owner Assessments	\$ 70,021.60	\$ -	\$ 70,021.60
Transfer Fees	750.00	-	750.00
Late Fees & Interest	851.69	-	851.69
Collection Processing Fees	95.00	-	95.00
NSF Service Fees	35.00	-	35.00
Legal Reimbursements	1,200.00	-	1,200.00
Compliance Fees	13.65	-	13.65
Compliance Fines	4,790.00	-	4,790.00
Administrative Fee	5.00	-	5.00
Prior Period Adjustment	45.50	-	45.50
Interest Earned	21.30	132.34	153.64
Total Revenues	77,828.74	132.34	77,961.08
EXPENSES			
Annual Meeting	30.88	-	30.88
Audit & Tax Service	395.00	-	395.00
Bad Debt	9,872.94	-	9,872.94
Bank Charges	20.00	-	20.00
Collection Charges	(5.00)	-	(5.00)
General Repair & Maintenance	2,179.28	-	2,179.28
Insurance	1,752.00	-	1,752.00
Landscape Maintenance Contract	7,942.00	-	7,942.00
Management Fees	8,514.00	-	8,514.00
Meeting Room Rentals	284.06	-	284.06
NSF Charges	70.00	-	70.00
Office Supplies	196.61	-	196.61
Postage	696.64	-	696.64
Printing & Copying	814.74	-	814.74
Records Storage	18.00	-	18.00
Safety & Security Service	1,040.00	-	1,040.00
Statements	61.96	-	61.96
Taxes - Arizona Corp Commission	60.00	-	60.00
Taxes - Property Tax	17.90	-	17.90
Taxes - State Income Tax	50.00	-	50.00
Utilities - Electric	1,196.13	-	1,196.13
Utilities - Trash & Recycling Service	23,923.56	-	23,923.56
Utilities - Water & Sewer	11,832.45	-	11,832.45
Web Site Maintenance	95.88	-	95.88
Total Expenses	71,059.03	-	71,059.03

No assurance is provided on these financial statements

Casas Adobes Terrace Homeowners Association
Statement of Revenues, Expenses and Changes in Fund Balance
Substantially All Disclosures Omitted
For the Year Ended December 31, 2017

Excess of Revenues Over Expenses	6,769.71	132.34	6,902.05
Fund Balance as of January 1, 2017	29,765.62	48,962.98	78,728.60
Transfers Between Funds	<u>(5,000.00)</u>	<u>5,000.00</u>	<u>-</u>
Fund Balance as of December 31, 2017	<u>\$ 31,535.33</u>	<u>\$ 54,095.32</u>	<u>\$ 85,630.65</u>

Notes (as entered and disclosed by The Board):

1. Bad Debt write off of \$9872.94 was a result of bankruptcy and foreclosures resulting in insufficient funds to satisfy our HOA liens and reflects amounts from prior years in addition to 2017 as shown below. This write off is due to an accrual accounting system and had no effect on actual cash balances.

Assessments	2017 = \$459.26	Prior Years = \$1288.68
Compliance Fines	2017 = \$3095.00	Prior Years = \$5030.00

2. Water includes approximately \$800 as a result of the Landscape Contractor forgetting to shut off a valve that they manually opened. By agreement it is to be repaid through additional work at no charge rather than a credit.

Adopted by the CATHOA Board of Directors on March 22, 2018 via an Action in Lieu of a Meeting (AIL) which will be ratified at its May 24, 2018 regular meeting.

No assurance is provided on these financial statements