

Ginsburg & Dwaileebe CPAs LLP

Certified Public Accountants and Consultants

PINEDALE ESTATES PROPERTY OWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022

AND

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

PINEDALE ESTATES PROPERTY OWNERS ASSOCIATION, INC.

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors and Members
Pinedale Estates Property Owners Association, Inc.
Pinedale, Arizona

Management is responsible for the accompanying financial statements of Pinedale Estates Property Owners Association, Inc., which comprise the balance sheet - modified cash basis as of December 31, 2022, and the related statement of revenues, expenses, and changes in fund balances - modified cash basis for the year then ended, and the related notes to the financial statements in accordance with the modified cash basis of accounting as described in Note 2, 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.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Required Supplementary Information

The modified cash basis of accounting requires that the information about future major repairs and replacements of common property be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Pinedale Estates Property Owners Association, Inc. has not presented this supplementary information.



Ginsburg & Dwaileebe CPAs, LLP
Gilbert, Arizona
March 28, 2023

PINEDALE ESTATES PROPERTY OWNERS ASSOCIATION, INC.
 BALANCE SHEET - MODIFIED CASH BASIS
 DECEMBER 31, 2022

ASSETS

	Operating Fund	Replacement Fund	Total
ASSETS			
Cash	\$ 10,071	\$ 40,312	\$ 50,383
Accounts receivable	4,928	-	4,928
TOTAL ASSETS	14,999	40,312	55,311

FUND BALANCES

FUND BALANCES	14,999	40,312	55,311
TOTAL FUND BALANCES	\$ 14,999	\$ 40,312	\$ 55,311

See independent accountants' compilation report. The accompanying notes
 are an integral part of these financial statements.

PINEDALE ESTATES PROPERTY OWNERS ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Operating Fund	Replacement Fund	Total
REVENUES			
Homeowner assessments	\$ 10,758	\$ -	\$ 10,758
Interest income	-	9	9
Transfer fees	1,810	-	1,810
Miscellaneous	120	-	120
TOTAL REVENUES	12,688	9	12,696
EXPENSES			
General and administrative	8,941	-	8,941
Major repairs and replacements	-	-	-
TOTAL EXPENSES	8,941	-	8,941
Excess of Revenues over (under) Expenses	3,746	9	3,755
Fund Balances, Beginning of Year	31,252	20,303	51,556
Transfers between funds	(20,000)	20,000	-
Fund Balances, End of Year	\$ 14,999	\$ 40,312	\$ 55,311

See independent accountants' compilation report. The accompanying notes
are an integral part of these financial statements.

PINEDALE ESTATES PROPERTY OWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: NATURE AND ORGANIZATION

Pinedale Estates Property Owners Association, Inc., (the “Association”), a non-stock homeowner association, was incorporated on November 5, 1984 under the general non-profit laws of the State of Arizona and was organized for the purposes of maintaining common areas, holding title to property and maintaining architectural control. The Association consists of 221 units located in Pinedale, Arizona. There is a board of directors that is elected by the member homeowners.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The Association’s financial statements are prepared on the modified cash basis of accounting; accordingly, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred. Consequently, accounts receivable due from homeowners, deferred revenues and accrued expenses are not included in the financial statements. However, accounts receivable are presented in these financial statements.

Fund Accounting

The Association’s governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

Cash

Cash listed as operating is available for current operations and is not bound by any restriction or designation. Cash listed as reserves is designated for future major repairs and replacements and is generally not available for current operations. The Association considers all highly liquid investments with an original maturity of three months or less to be cash.

See independent accountants’ compilation report.

PINEDALE ESTATES PROPERTY OWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Maintenance Assessments

Association members are subject to assessments to provide funds for the Association's operating expenses and future major repairs and replacements. The Association's policy is to assess late fees and, if necessary, retain legal counsel and place liens on the properties of the homeowners whose assessments are delinquent. Any excess assessments at year-end are retained by the Association for use in the succeeding year. Maintenance assessments were \$58 per unit for the year ended December 31, 2022, payable in one annual installment.

Income Taxes

The Association files its income tax return as a homeowner's association in accordance with Internal Revenue Code Section 528 using Form 1120-H. Under that Section, the Association is not taxed on uniform assessments to members and other income received from Association members solely as a function of their membership in the Association. The Association is taxed at the rate of 30% on its nonexempt function income, which includes interest income.

Arizona income tax is based on the federal taxable income at 4.9% after adding the Form 1120-H \$100 specific deduction and deducting any net disbursements carryover from prior years.

The Association's federal income tax returns for 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed. The Association's state income tax returns for 2019, 2020, 2021 and 2022 are subject to examination generally for four years after they were filed.

NOTE 3: SUBSEQUENT EVENTS

The Association has evaluated subsequent events through March 28, 2023, the date which the financial statements were available to be issued.

NOTE 4: FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association is setting aside funds for future major repairs and replacements, as required by the governing documents, based on funding requirements determined by the Board of Directors. The Association has not had a professional reserve study. The funds set aside each year are generated from member assessments and other net revenues, and are periodically transferred from the operating checking account into segregated reserve cash accounts.

Actual expenditures may vary from the estimated funding amounts determined by the Board of Directors and variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, the Association may increase regular assessments, levy special assessments or delay major repairs and replacements until funds are available.

See independent accountants' compilation report.