

Sonterra West Homeowners Association Inc

Financial Statements

For the period ended December 31, 2023



LOTT, VERNON & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Sonterra West Homeowners Association Inc
304 Sonterra Blvd Ste 100
Jarrell TX 76537

Management is responsible for the accompanying financial statements of Sonterra West Homeowners Association Inc, which comprise the statement of assets, liabilities and equity- tax basis as of December 31, 2023 and the related statement of revenues and expenses - tax basis, for the periods then ended in accordance with the tax basis of accounting, and for determining that the tax 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 tax 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 and the statement of cash flows ordinarily included in financial statements prepared in accordance with the tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenue, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

LOTT, VERNON & COMPANY, P C
May 1, 2024

Sonterra West Homeowners Association Inc

Statement of Assets, Liabilities and Equity

December 31, 2023

Assets

Current assets

R Bank Capital Account	\$	1,331,282.26
R Bank Operating Account		131,479.28
Accounts Receivable		75.00
Undeposited Funds		250.00
Total current assets		<u>1,463,086.54</u>

Property plant and equipment

Accumulated Depreciation		(122,102.53)
Common Areas		152,556.31
Community Pool		113,288.88
Playground		41,639.63
Land Improvement		52,818.13
Total property plant and equipment		<u>238,200.42</u>

Other assets

Note Receivable - MUD		319,195.59
Total other assets		<u>319,195.59</u>

Total assets

\$ 2,020,482.55

Liabilities

Current liabilities

Developers Advance	\$	75,000.00
Prepaid Assessments		5,694.65
Total current liabilities		<u>80,694.65</u>

Long-term liabilities

Loan From Sonwest Co		31,438.50
FNBFST Construction Loan		273,863.30
Total long-term liabilities		<u>305,301.80</u>

Total liabilities

\$ 385,996.45

Equity

Equity

Equity		99,983.61
Retained earnings, beginning		963,028.52
Net income (loss)		571,473.97
Total equity		<u>1,634,486.10</u>

Total liabilities and equity

\$ 2,020,482.55

Sonterra West Homeowners Association Inc

Statement of Revenues and Expenses For the year ended December 31, 2023

Operating revenue

HOA Dues	\$	162,110.03
Penalty		209,170.46
Resale Fees		31,000.00
Transfer Fees		136,081.69
Work in Capital		169,550.00
MUD HOA Fee		326,260.00
N/R MUD Loan Payment		35,276.15
Total operating revenue		<u>1,069,448.33</u>

General and administrative expenses

Event Expense		8,464.59
Dues & Subscriptions		1,367.76
Contract Labor		194.00
MUD Payment		13,057.60
Insurance Expense		8,564.00
Depreciation Expense		6,117.00
Interest Expense		16,791.45
Landscaping and Grounds		12,920.00
Copies, Postage & Fax		63,437.20
Property Taxes		485.55
Legal Fees		5,126.82
Open Records Request		7,340.50
Property Management Fee		254,375.24
Rent Expense		9,815.00
Electric		703.31
Telephone		352.40
Professional Fees		71,892.15
COA 1		6,528.88
COA 2		10,041.86
SW Commercial		399.05
Total general and administrative expenses		<u>497,974.36</u>

Total expenses 497,974.36

Net income (loss) \$ 571,473.97