

Sonterra West Homeowners Association, Inc.

Financial Statements

December 31, 2013

Berrier & Company, P.C.

Certified Public Accountants
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Independent Accountants' Compilation Report

Board of Directors
Sonterra West Homeowners Association, Inc.

We have compiled the accompanying balance sheet of the Sonterra West Homeowners Association, Inc. (the Association) as of December 31, 2013 and the related statement of income for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and statements of equity and cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statements were included in the financial statements, they might influence the user's conclusions about the Association's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Accounting principles generally accepted in the United States of America require that supplementary information about future major repairs and replacements of common property is required to supplement, but not required to be a part of, the basic financial statements. Sonterra West Homeowners Association, Inc. has not presented this supplementary information.

Berrier & Company, P.C.
Certified Public Accountants

August 13, 2014

Sonterra West Homeowners Association, Inc

Balance Sheet

As of December 31, 2013

	<u>Dec 31, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
First Nat'l Bank of Ft Stockton	16,147.30
Schwertner State Bank	<u>350.39</u>
Total Checking/Savings	16,497.69
Accounts Receivable	
Accounts Receivable	<u>28,544.19</u>
Total Accounts Receivable	28,544.19
Other Current Assets	
Notes Receivable - Current	9,856.32
Undeposited Funds	<u>4,227.37</u>
Total Other Current Assets	<u>14,083.69</u>
Total Current Assets	59,125.57
Fixed Assets	
Common Areas	48,775.91
Playground	53,288.88
Community Pool	41,639.63
Accumulated Depreciation	<u>-16,667.00</u>
Total Fixed Assets	127,037.42
Other Assets	
Notes Recievavble-Sonterra MUD	<u>319,195.59</u>
Total Other Assets	<u>319,195.59</u>
TOTAL ASSETS	<u>505,358.58</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Developers Advance	75,000.00
Loan from Sonwest Co.	31,438.50
Notes Payable - Current	<u>9,856.32</u>
Total Other Current Liabilities	<u>116,294.82</u>
Total Current Liabilities	116,294.82
Long Term Liabilities	
FNBFSST Construction Loan	<u>319,195.59</u>
Total Long Term Liabilities	<u>319,195.59</u>
Total Liabilities	435,490.41
Equity	
Member's Equity	66,964.39
Net Income	<u>2,903.78</u>
Total Equity	<u>69,868.17</u>
TOTAL LIABILITIES & EQUITY	<u>505,358.58</u>

Sonterra West Homeowners Association, Inc
Statement of Income

For the Year Ended December 31, 2013

	Jan - Dec 13
Ordinary Income/Expense	
Income	
Homeowner Revenue	
HOA Dues	80,144.44
Refinance Fee's	100.00
Resale Fees	13,000.00
Transfer Fees	40,000.00
Penalty	7,061.00
Work in Capital	27,000.00
Total Homeowner Revenue	167,305.44
Total Income	167,305.44
Cost of Goods Sold	
Write-offs	17,456.40
MUD HOA fees	43,092.00
Total COGS	60,548.40
Gross Profit	106,757.04
Expense	
Advertising and Promotion	170.15
Bank Charges	3.50
Depreciation Expense	16,667.00
Insurance Expense	5,090.00
Interest Expense	23,315.45
Office Expense	
Computer & Internet Expense	1,327.35
Copies Postage Fax	38.11
Total Office Expense	1,365.46
Professional Fees	
Accounting Fees	990.00
Legal Fees	9,173.80
Property Management Fees	50,085.25
Total Professional Fees	60,249.05
Reconciliation Discrepancies	-30.60
Repairs and Maintenance	
Landscaping & Groundskeepi...	17,257.00
Total Repairs and Maintenance	17,257.00
Supplies, Pool	12.95
Taxes - Property	398.90
Utilities	
Bartlett Electric	1,300.82
Verizon	1,369.03
Total Utilities	2,669.85
Total Expense	127,168.71
Net Ordinary Income	-20,411.67
Other Income/Expense	
Other Income	
interest Income	23,315.45
Total Other Income	23,315.45
Net Other Income	23,315.45
Net Income	2,903.78