

Sonterra West HOA

Financial Statements

For the period ended December 31, 2020



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

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Sonterra West HOA  
304 Sonterra Blvd Ste 100  
JARRELL TX 76537

Management is responsible for the accompanying financial statements of Sonterra West HOA, which comprise the statement of assets, liabilities and equity- tax basis as of December 31, 2020 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 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 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 are not informed about such matters.

*Lott, Vernon & Co., P.C.*

LOTT, VERNON & COMPANY, P C  
September 2, 2021

# Sonterra West HOA

## Statement of Assets, Liabilities and Equity

December 31, 2020

### Assets

#### Current assets

First National Bank	\$	31,282.26
R Bank Operating Account		62,591.35
Accounts Receivable		75.00
Undeposited Funds		250.00
<b>Total current assets</b>		<u>94,198.61</u>

#### Property plant and equipment

Accumulated Depreciation		(133,635.53)
Common Areas		152,556.31
Community Pool		53,288.88
Playground		41,639.63
Land Improvement		37,818.13
<b>Total property plant and equipment</b>		<u>151,667.42</u>

#### Other assets

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

#### Total assets

\$ 565,061.62

### Liabilities

#### Current liabilities

Developers Advance	\$	75,000.00
Prepaid Assessments		(15,907.22)
<b>Total current liabilities</b>		<u>59,092.78</u>

#### Long-term liabilities

Loan From Sonwest Co		31,438.50
FNBFST Construction Loan		273,863.30
<b>Total long-term liabilities</b>		<u>305,301.80</u>
<b>Total liabilities</b>	\$	<u><u>364,394.58</u></u>

### Equity

#### Equity

Equity		99,983.61
Retained earnings, beginning		138,383.59
Net income (loss)		(37,700.16)
<b>Total equity</b>		<u>200,667.04</u>

#### Total liabilities and equity

\$ 565,061.62

# Sonterra West HOA

## Statement of Revenues and Expenses For the year ended December 31, 2020

### Operating revenue

HOA Dues	\$	73,682.44
Penalty		15,328.27
Resale Fees		31,575.00
Transfer Fees		89,700.00
Work in Capital		111,950.00
MUD HOA Fee		178,779.78
N/R MUD Loan Payment		18,601.95
Insurance Reimbursement		5,407.76
<b>Total operating revenue</b>		<u>525,025.20</u>

### General and administrative expenses

Dues & Subscriptions		869.28
Contract Labor		4,922.50
MUD Payment		187,600.00
Insurance Expense		7,721.00
Depreciation Expense		17,650.00
Interest Expense		18,943.48
Landscaping and Grounds		56,979.37
Copies, Postage & Fax		38,915.31
Legal Fees		1,989.30
Property Management Fee		203,699.50
Rent Expense		4,800.00
Electric		546.41
Telephone		418.20
Professional Fees		17,671.01
<b>Total general and administrative expenses</b>		<u>562,725.36</u>

**Total expenses** 562,725.36

**Net income (loss)** \$ (37,700.16)