

CHAPPARAL 480 HOMEOWNERS ASSOCIATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Chapparral 480 Homeowners Association  
Centennial, Colorado

We have reviewed the accompanying statement of assets, liabilities and fund balance – cash basis of Chapparral 480 Homeowners Association as of December 31, 2013 and 2012 and the related statements of revenue, expenses and other changes in fund balance – cash basis for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

**SourceOne CPA Group**

April 18, 2014

CHAPPARAL 480 HOMEOWNERS ASSOCIATION

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CHAPPARAL 480 HOMEOWNERS ASSOCIATION  
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
 December 31, 2013 and 2012

ASSETS

	2013 Operations Fund	2012 Operations Fund
Current Assets:		
Cash in bank	\$ 16,096	\$ 52,535
Investments	60,683	10,085
Prepaid Assets	7,380	-
Total current assets	84,159	62,620
Long term investments	-	40,502
Total Assets	84,159	103,122

LIABILITIES AND FUND BALANCE

Current Liabilities:		
Prepaid expenses	\$ 49	\$ 13,202
Total liabilities	49	13,202
Fund Balance	84,110	89,920
Total liabilities and fund balance	\$ 84,159	\$ 103,122

See accompanying notes and independent accountant's review report

CHAPPARAL 480 HOMEOWNERS ASSOCIATION  
 STATEMENTS OF REVENUES, EXPENSES  
 AND CHANGES IN FUND BALANCES  
 Years Ended December 31, 2013 and 2012

	2013 Operations Fund	2012 Operations Fund
Revenue		
Assessments	\$ 41,832	\$ 37,114
Interest income	173	952
Status letters and other income	1,690	696
	<hr/>	<hr/>
Total Revenue	43,695	38,762
Operating Expenses		
Events expense	4,523	8,960
Operations expense	1,699	1,678
Snow plowing	3,750	-
Legal expense	5,388	19,491
Professional fees	4,400	350
Taxes	180	346
Trash removal	26,129	23,246
Licenses	-	46
Web site expense	659	659
Newsletter	2,772	2,797
Miscellaneous	5	280
	<hr/>	<hr/>
Total operating expense	49,505	57,853
Excess (deficiency) of revenue over expenses	(5,810)	(19,091)
Fund Balance beginning of year	<hr/> \$ 89,920	<hr/> \$ 109,011
Fund Balance at end of year	<hr/> <hr/> \$ 84,110	<hr/> <hr/> \$ 89,920

See accompanying notes and independent accountant's review report

CHAPPARAL 480 HOMEOWNERS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
Years ended December 31, 2013 and 2012

1. Summary of significant accounting policies

Nature of operations

Chapparral 480 Homeowners Association (HOA) was incorporated September 21, 1982 located in Centennial, Colorado. The HOA's principal activity is handling the collaborative activities and expenditures of the homeowners.

Cash and cash equivalents

Cash equivalents include time deposits and certificates of deposit with original maturities of three months or less. From time-to-time, the HOA may have cash in bank in excess of federally insured limits.

Financial instruments that potentially expose the HOA to concentrations of credit risk consist primarily of cash and cash equivalents and short-term investments. At December 31, 2013, substantially all of HOA's cash and cash equivalents are on deposit with BBVA Bank and \$60,683 and \$50,587 of investments are on deposit with Compass Bank at December 31, 2013 and 2012, respectively. The HOA has not experienced any losses on its cash equivalents and short term investments, and management believes the HOA is not exposed to any significant credit risk on cash and cash equivalents and short-term investments.

Concentration of credit risk

Financial instruments which potentially subject the HOA to concentrations of credit risk consist of principally of cash, cash equivalents and investments. The HOA maintains its financial instruments with what management believes to be high credit quality financial institutions and limits the amount of credit exposure to any particular institution. Cash, cash equivalents and investments in excess of federal deposit insurance (FCIC) coverage limits as of December 31, 2013 total approximately \$-0-.

Basis of accounting

The cash method of accounting is used by the HOA for both financial and tax purposes.

CHAPPARAL 480 HOMEOWNERS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2013 and 2012

1. Summary of significant accounting policies (cont'd)

Income taxes

The HOA has elected to be taxed under the provisions of section 528 of the Internal Revenue Code. Under those provisions, the HOA generally is allowed to exclude exempt function income from its gross income. Any non-exempt income of the HOA is subject to income tax.

Revenue recognition

Homeowners' dues and Waste Management fee income is recognized when cash is received from homeowner.

Advertising

The HOA expenses advertising costs as they are incurred. The amounts charged to operations for advertising for the years ended December 31, 2013 and 2012 were \$-0- and \$-0- respectively.

Fair value of financial instruments

The carrying amounts reflected in the statement of assets, liabilities and fund balance for cash, and cash equivalents approximate the respective fair values due to the short maturities of those instruments.

Prepaid Fees

At year end the HOA had \$7,380 on retainer with it legal counsel for use in future legal matters.

Subsequent events

Management has evaluated subsequent events for recognition and/or for disclosure in the accompanying financial statements through April 18, 2014, the date the financial statements were available to be issued. There were no reportable events.