

Meadowlake Village Homeowners' Association

Financial Statements

December 31, 2022

Jimmie Pierce CPA, P.C.

601 West Main
La Porte, TX 77571

ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Meadowlake Village Homeowners' Association
Baytown, TX 77521

Management is responsible for the accompanying financial statements of Meadowlake Village Homeowners' Association (a corporation), which comprise the balance sheet as of December 31, 2022, and the related statements of income, and changes in fund balances for the quarter and year then ended in accordance with accounting principles generally accepted in the United States of America. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows 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.

The supplementary information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to my compilation engagement; however, I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

I am not independent with respect to Meadowlake Village Homeowners' Association.

Jimmie Pierce CPA, P.C.
La Porte, TX.
February 13, 2023

A handwritten signature in black ink, appearing to read "Jimmie Pierce CPA, P.C.", is written over the typed name and title.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

BALANCE SHEET

DECEMBER 31, 2022

ASSETS	Operating Fund	Capital Projects & Reserves Fund	Total
Current Assets			
Cash & Cash Equivalents	\$ 166,227.36	\$ 307,299.71	\$ 473,527.07
Maintenance Fees Receivable	82,931.76	-	82,931.76
Prepaid Insurance	9,982.85	-	9,982.85
Due from/(to) other funds	<u>(35,536.63)</u>	<u>35,536.63</u>	<u>-</u>
Total Current Assets	223,605.34	342,836.34	566,441.68
Fixed Assets			
Playground Equipment	36,771.95	-	36,771.95
Pool Furniture	5,553.67	-	5,553.67
Office Equipment	2,941.64	-	2,941.64
Camera	1,292.45	-	1,292.45
Pool House Equipment	33,032.96	-	33,032.96
Less: Accum. Depreciation	<u>(71,511.00)</u>	<u>-</u>	<u>(71,511.00)</u>
Total Fixed Assets	<u>8,081.67</u>	<u>-</u>	<u>8,081.67</u>
Total Assets	<u>\$ 231,687.01</u>	<u>\$ 342,836.34</u>	<u>\$ 574,523.35</u>
LIABILITIES & FUND BALANCES			
Current Liabilities			
Tennis Key Deposits	\$ 340.00	\$ -	\$ 340.00
Total Current Liabilities	\$ 340.00	\$ -	\$ 340.00
Fund Balances	<u>\$ 231,347.01</u>	<u>\$ 342,836.34</u>	<u>\$ 574,183.35</u>
Total Liabilities & Fund Balances	<u>\$ 231,687.01</u>	<u>\$ 342,836.34</u>	<u>\$ 574,523.35</u>

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

**STATEMENT OF INCOME
AND CHANGES IN FUND BALANCES**

FOR THE QUARTER ENDED DECEMBER 31, 2022

	Operating Fund	Capital Projects Fund	Total
REVENUE			
Maintenance Fee Income	\$ 42,084.08	\$ 42,250.00	\$ 84,334.08
Online Credit Card Processing	1,408.57		1,408.57
Legal Fee Reimbursement Income	3,279.50	-	3,279.50
Administrative Fee Income	1,146.87	-	1,146.87
Transfer Fee Income	5,850.00	-	5,850.00
Interest Income - Bank Accounts	80.63	-	80.63
Interest Income - Homeowners	1,553.80	-	1,553.80
NSF Charges Income	105.00	-	105.00
Pool Rental Income	145.00	-	145.00
Penalty Charges Income	<u>5,060.00</u>	<u>-</u>	<u>5,060.00</u>
Total Revenue	60,713.45	42,250.00	102,963.45
EXPENSES			
Accounting Fees	15,041.98	-	15,041.98
Bank Service Charges	30.00	-	30.00
Credit Card Processing Fee	2,093.42	-	2,093.42
Mileage Reimbursement	580.00	-	580.00
Insurance Expense	4,702.35	-	4,702.35
Depreciation Expense	1,239.75	-	1,239.75
Camera Maintenance & Repair	389.70	-	389.70
Miscellaneous	48.70	-	48.70
Office Supplies	970.65	-	970.65
Postage & Copying	1,008.50	-	1,008.50
Deed Restriction Software	519.60	-	519.60
Trash Maintenance - Common Area	1,275.00	-	1,275.00
Lawn Maintenance	3,534.09	-	3,534.09
Legal Fees	5,222.50	-	5,222.50
Bad Debt Expense	6,503.70	-	6,503.70
Communication	336.13	-	336.13
Postage Meter Rental	282.40	-	282.40
Entrance Expense	89.99	-	89.99
Bath House - Repairs & Maintenance	190.27	-	190.27
Playground - Repairs & Maintenance	150.00	-	150.00
Pool - Staff/Chemicals	4,378.51	-	4,378.51
Pool Electricity	1,775.89	-	1,775.89
Pool Repairs & Maintenance	192.58	-	192.58
Pool Telephone	180.00	-	180.00
Pool Water & Sewer	482.91	-	482.91
Patrol Service	11,410.80	-	11,410.80
Electricity - Street Lights	5,147.58	-	5,147.58
Transfer/Resale Fee Expense	2,086.00	-	2,086.00
Recreation - Community	551.50	-	551.50
Taxes - Property	6.39	-	6.39
Tennis Courts - Repairs & Maintenance	50.00	-	50.00
Capital Expenditures	<u>-</u>	<u>24,831.27</u>	<u>24,831.27</u>
TOTAL GENERAL EXPENSES	<u>70,470.89</u>	<u>24,831.27</u>	<u>95,302.16</u>
Net Revenues (Loss)	<u>\$ (9,757.44)</u>	<u>\$ 17,418.73</u>	<u>\$ 7,661.29</u>

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

**STATEMENT OF INCOME
AND CHANGES IN FUND BALANCES**

FOR THE QUARTER ENDED DECEMBER 31, 2022

	<u>Operating Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
FUND BALANCE SEPTEMBER 30, 2022	\$ 241,104.45	\$ 325,417.61	\$ 566,522.06
Net Revenues (Loss)	<u>(9,757.44)</u>	<u>17,418.73</u>	<u>7,661.29</u>
FUND BALANCE DECEMBER 31, 2022	<u>\$ 231,347.01</u>	<u>\$ 342,836.34</u>	<u>\$ 574,183.35</u>

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

STATEMENT OF INCOME AND CHANGES IN FUND BALANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022

	Operating Fund	Capital Projects Fund	Total
REVENUE			
Maintenance Fee Income	\$ 168,336.32	\$ 169,000.00	\$ 337,336.32
Online Credit Card Processing	6,140.95		6,140.95
Legal Fee Reimbursement Income	20,982.90	-	20,982.90
Administrative Fee Income	3,883.59	-	3,883.59
Transfer Fee Income	28,358.20	-	28,358.20
Interest Income - Bank Accounts	289.15	-	289.15
Interest Income - Homeowners	5,004.15	-	5,004.15
NSF Charges Income	140.00	-	140.00
Pool Rental Income	1,626.25	-	1,626.25
Pool Tag Updates	875.35	-	875.35
Vending Machine Income	288.00	-	288.00
Penalty Charges Income	9,800.00	-	9,800.00
Total Revenue	245,724.86	169,000.00	414,724.86
EXPENSES			
Accounting Fees	45,035.33	-	45,035.33
Bank Service Charges	53.00	-	53.00
Credit Card Processing Fee	6,019.49	-	6,019.49
Mileage Reimbursement	2,053.43	-	2,053.43
Insurance Expense	18,970.72	-	18,970.72
Depreciation Expense	4,732.00	-	4,732.00
Security Entrance Cameras	13,200.00	-	13,200.00
Camera Maintenance & Repair	1,558.80	-	1,558.80
Miscellaneous	205.64	-	205.64
Office Supplies	3,927.52	-	3,927.52
Postage & Copying	5,765.05	-	5,765.05
Deed Restriction Software	1,999.20	-	1,999.20
Trash Maintenance - Common Area	3,825.00	-	3,825.00
Postage Meter Rental	1,147.77	-	1,147.77
Legal Fees	36,411.59	-	36,411.59
Bad Debt Expense	8,664.16	-	8,664.16
Transfer/Resale Fee Expense	11,121.28	-	11,121.28
Communications	1,830.46	-	1,830.46
Recreation - Community	1,040.75	-	1,040.75
Community Trash Pickup	100.00	-	100.00
Taxes - Property	8.01	-	8.01
Entrance Expense	1,065.87	-	1,065.87
Bath House - Repairs & Maintenance	4,420.59	-	4,420.59
Playground - Repairs & Maintenance	602.00	-	602.00
Pool - Staff/Chemicals	50,881.14	-	50,881.14
Pool Electricity	7,244.14	-	7,244.14
Pool Overhead (Tags, Etc.)	1,580.79	-	1,580.79
Pool Repairs & Maintenance	8,203.57	-	8,203.57
Pool Telephone	720.00	-	720.00
Pool Water & Sewer	1,072.86	-	1,072.86

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

STATEMENT OF INCOME AND CHANGES IN FUND BALANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022

	Operating Fund	Capital Projects Fund	Total
Electricity - Street Lights	20,482.97	-	20,482.97
Vending Supplies	527.45	-	527.45
Patrol Service	50,442.22	-	50,442.22
Tennis Courts - Repairs & Maintenance	50.00	-	50.00
Lawn Maintenance - Common Area	14,674.36	-	14,674.36
Capital Expenditures	-	53,123.95	53,123.95
TOTAL GENERAL EXPENSES	<u>329,637.16</u>	<u>53,123.95</u>	<u>382,761.11</u>
Net Revenues (Loss)	<u>\$ (83,912.30)</u>	<u>\$ 115,876.05</u>	<u>\$ 31,963.75</u>
FUND BALANCE DECEMBER 31, 2021	\$ 315,259.31	\$ 226,960.29	\$ 542,219.60
Net Revenues (Loss)	<u>(83,912.30)</u>	<u>115,876.05</u>	<u>31,963.75</u>
FUND BALANCE DECEMBER 31, 2022	<u>\$ 231,347.01</u>	<u>\$ 342,836.34</u>	<u>\$ 574,183.35</u>

See accompanying accountant's compilation report.

Supplementary Information

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

SCHEDULE I: COMPARISON OF ACTUAL REVENUES AND EXPENSES TO BUDGETED REVENUES AND EXPENSES

FOR THE QUARTER ENDED DECEMBER 31, 2022

	Actual	Budget	Difference
REVENUE			
Maintenance Fee Income	\$ 84,334.08	\$ 84,334.08	\$ -
Online Credit Card Processing	1,408.57	-	1,408.57
Legal Fee Reimbursement Income	3,279.50	-	3,279.50
Administrative Fee Income	1,146.87	625.00	521.87
Transfer Fee Income	5,850.00	2,500.00	3,350.00
Interest Income - Bank Accounts	80.63	50.00	30.63
Interest Income - Homeowners	1,553.80	750.00	803.80
NSF Charges Income	105.00	12.50	92.50
Pool Rental Income	145.00	250.00	(105.00)
Penalty Charges Income	5,060.00	-	5,060.00
Total Revenue	102,963.45	88,521.58	14,441.87
EXPENSES			
Accounting Fees	15,041.98	15,000.00	41.98
Audit Expense	-	662.50	(662.50)
Bank Service Charges	30.00	25.00	5.00
Security Cameras	-	3,750.00	(3,750.00)
Camera Maintenance	389.70	500.00	(110.30)
Credit Card Processing Fee	2,093.42	-	2,093.42
Mileage Reimbursement	580.00	-	580.00
Insurance Expense	4,702.35	4,875.00	(172.65)
Depreciation Expense	1,239.75	-	1,239.75
Deed Restriction Software	519.60	600.00	(80.40)
Trash Maintenance - Common Area	1,275.00	-	1,275.00
Miscellaneous	48.70	250.00	(201.30)
Office Supplies	970.65	625.00	345.65
Postage & Copying	1,008.50	1,125.00	(116.50)
Postage Meter Rental	282.40	250.00	32.40
Taxes - Property & Income	6.39	2.50	3.89
Legal Fees	5,222.50	2,500.00	2,722.50
Bad Debt Expense	6,503.70	1,250.00	5,253.70
Communication	336.13	775.00	(438.87)
Neighborhood Watch	-	75.00	(75.00)
Recreation Community	551.50	375.00	176.50
Entrance Expense	89.99	462.50	(372.51)
Bath House - Repairs & Maintenance	190.27	1,500.00	(1,309.73)
Playground - Repairs & Maintenance	150.00	187.50	(37.50)
Pool - Staff/Chemicals	4,378.51	12,250.00	(7,871.49)
Pool Electricity	1,775.89	2,125.00	(349.11)
Pool Overhead (Tags, Etc.)	-	250.00	(250.00)
Pool Repairs & Maintenance	192.58	1,625.00	(1,432.42)

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

SCHEDULE I: COMPARISON OF ACTUAL REVENUES AND EXPENSES TO BUDGETED REVENUES AND EXPENSES

FOR THE QUARTER ENDED DECEMBER 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
EXPENSES (cont)			
Pool Telephone	180.00	193.75	(13.75)
Pool Water & Sewer	482.91	362.50	120.41
Tennis Courts -Repairs & Maintenance	50.00	125.00	(75.00)
Electricity - Street Lights	5,147.58	6,375.00	(1,227.42)
Patrol Service	11,410.80	18,750.00	(7,339.20)
Transfer/Resale Fee Expense	2,086.00	1,000.00	1,086.00
Lawn Maintenance - Common Area	3,534.09	4,250.00	(715.91)
Maintenance Expense	-	1,150.00	(1,150.00)
Capital Expenditures	<u>24,831.27</u>	<u>42,250.00</u>	<u>(17,418.73)</u>
 Total General Expenses	 <u>95,302.16</u>	 <u>125,496.25</u>	 <u>(30,194.09)</u>
 Net Revenues (Loss) from Operations	 <u>\$ 7,661.29</u>	 <u>\$ (36,974.67)</u>	 <u>\$ 44,635.96</u>

Reconciliation of Net Income to Cash:

Adjustments to Net Income	
(Increase)/Decrease in Accounts Receivable	\$ 71,584.79
(Increase)/Decrease in Prepaid Assets	4,702.35
Increase/(Decrease) in Acc. Depreciation	1,239.75
Increase/(Decrease) in Deferred Fees	<u>(84,334.08)</u>
Total Adjustments to Net Income	<u>\$ (6,807.19)</u>
 Beginning Cash Balances - September 30, 2022	 \$ 472,672.97
Net Income	7,661.29
Total Adjustments to Net Income	<u>(6,807.19)</u>
Ending Cash Balances - December 31, 2022	<u>\$ 473,527.07</u>

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

SCHEDULE I: COMPARISON OF ACTUAL REVENUES AND EXPENSES TO BUDGETED REVENUES AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

	Actual	Budget	Difference
REVENUE			
Maintenance Fee Income	\$ 337,336.32	\$ 337,336.32	\$ -
Online Credit Card Processing	6,140.95	-	6,140.95
Legal Fee Reimbursement Income	20,982.90	-	20,982.90
Administrative Fee Income	3,883.59	2,500.00	1,383.59
Transfer Fee Income	28,358.20	10,000.00	18,358.20
Interest Income - Bank Accounts	289.15	200.00	89.15
Interest Income - Homeowners	5,004.15	3,000.00	2,004.15
NSF Charges Income	140.00	50.00	90.00
Pool Rental Income	1,626.25	1,000.00	626.25
Pool Tag Updates	875.35	-	875.35
Penalty Charges Income	9,800.00	-	9,800.00
Vending Machine Income	288.00	-	288.00
Total Revenue	414,724.86	354,086.32	60,638.54
EXPENSES			
Accounting Fees	45,035.33	60,000.00	(14,964.67)
Audit Expense	-	2,650.00	(2,650.00)
Bank Service Charges	53.00	100.00	(47.00)
Security Cameras	13,200.00	15,000.00	(1,800.00)
Camera Maintenance	1,558.80	2,000.00	(441.20)
Credit Card Processing Fee	6,019.49	-	6,019.49
Mileage Reimbursement	2,053.43	-	2,053.43
Insurance Expense	18,970.72	19,500.00	(529.28)
Depreciation Expense	4,732.00	-	4,732.00
Deed Restriction Software	1,999.20	2,400.00	(400.80)
Trash Maintenance - Common Area	3,825.00	-	3,825.00
Miscellaneous	205.64	1,000.00	(794.36)
Office Supplies	3,927.52	2,500.00	1,427.52
Postage & Copying	5,765.05	4,500.00	1,265.05
Postage Meter Rental	1,147.77	1,000.00	147.77
Taxes - Property & Income	8.01	10.00	(1.99)
Legal Fees	36,411.59	10,000.00	26,411.59
Bad Debt Expense	8,664.16	5,000.00	3,664.16
Communication	1,830.46	3,100.00	(1,269.54)
Neighborhood Watch	-	300.00	(300.00)
Recreation - Community	1,040.75	1,500.00	(459.25)
Community Trash Pickup	100.00	-	100.00
Entrance Expense	1,065.87	1,850.00	(784.13)
Bath House - Repairs & Maintenance	4,420.59	6,000.00	(1,579.41)
Playground - Repairs & Maintenance	602.00	750.00	(148.00)
Pool - Staff/Chemicals	50,881.14	49,000.00	1,881.14
Pool Electricity	7,244.14	8,500.00	(1,255.86)
Pool Overhead (Tags, Etc.)	1,580.79	1,000.00	580.79
Pool Repairs	8,203.57	6,500.00	1,703.57

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

SCHEDULE I: COMPARISON OF ACTUAL REVENUES AND EXPENSES TO BUDGETED REVENUES AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
EXPENSES (cont)			
Pool Telephone	720.00	775.00	(55.00)
Pool Water & Sewer	1,072.86	1,450.00	(377.14)
Tennis Courts -Repairs & Maintenance	50.00	500.00	(450.00)
Electricity - Street Lights	20,482.97	25,500.00	(5,017.03)
Patrol Service	50,442.22	75,000.00	(24,557.78)
Transfer/Resale Fee Expense	11,121.28	4,000.00	7,121.28
Lawn Maintenance - Common Area	14,674.36	17,000.00	(2,325.64)
Vending Machine Supplies	527.45	-	527.45
Maintenance Expense	-	4,600.00	(4,600.00)
Capital Expenditures	<u>53,123.95</u>	<u>169,000.00</u>	<u>(115,876.05)</u>
 Total General Expenses	 <u>382,761.11</u>	 <u>501,985.00</u>	 <u>(119,223.89)</u>
 Net Revenues (Loss) from Operations	 <u>\$ 31,963.75</u>	 <u>\$ (147,898.68)</u>	 <u>\$ 179,862.43</u>

Reconciliation of Net Income to Cash:

Adjustments to Net Income	
(Increase)/Decrease in Accounts Receivable	\$ 3,469.18
(Increase)/Decrease in Prepaid Assets	161.32
(Increase)/Decrease in Asset Accounts	(1,861.84)
Increase/(Decrease) in Acc. Depreciation	4,732.00
Increase/(Decrease) in Tennis Key Deposits	<u>100.00</u>
Total Adjustments to Net Income	<u>\$ 6,600.66</u>
 Beginning Cash Balances - December 31, 2021	 \$ 434,962.66
Net Income	31,963.75
Total Adjustments to Net Income	<u>6,600.66</u>
Ending Cash Balances - December 31, 2022	<u>\$ 473,527.07</u>