

Meadowlake Village Homeowners' Association

Financial Statements

June 30, 2021

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 June 30, 2021, 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.

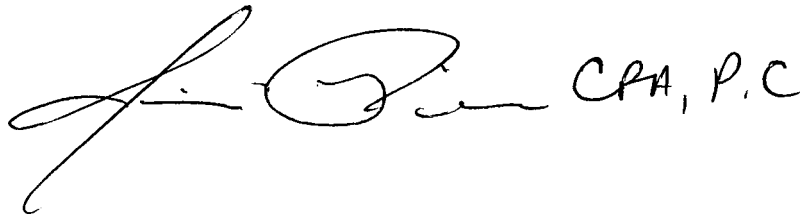
Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence 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.
August 2, 2021

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

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

BALANCE SHEET

JUNE 30, 2021

ASSETS	Operating Fund	Capital Projects & Reserves Fund	Total
Current Assets			
Cash & Cash Equivalents	\$ 182,353.48	\$ 271,628.60	\$ 453,982.08
Maintenance Fees Receivable	93,872.68	-	93,872.68
Prepaid Insurance	4,643.50	-	4,643.50
Due from/(to) other funds	<u>113,715.62</u>	<u>(113,715.62)</u>	<u>-</u>
Total Current Assets	394,585.28	157,912.98	552,498.26
Fixed Assets			
Playground Equipment	36,771.95	-	36,771.95
Pool Furniture	5,553.67	-	5,553.67
Office Equipment	1,079.80	-	1,079.80
Camera	1,292.45	-	1,292.45
Pool House Equipment	33,032.96	-	33,032.96
Less: Accum. Depreciation	<u>(64,449.00)</u>	<u>-</u>	<u>(64,449.00)</u>
Total Fixed Assets	<u>13,281.83</u>	<u>-</u>	<u>13,281.83</u>
Total Assets	<u>\$ 407,867.11</u>	<u>\$ 157,912.98</u>	<u>\$ 565,780.09</u>
LIABILITIES & FUND BALANCES			
Fund Balances	<u>\$ 407,867.11</u>	<u>\$ 157,912.98</u>	<u>\$ 565,780.09</u>
Total Liabilities & Fund Balances	<u>\$ 407,867.11</u>	<u>\$ 157,912.98</u>	<u>\$ 565,780.09</u>

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

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

FOR THE QUARTER ENDED JUNE 30, 2021

	Operating Fund	Capital Projects Fund	Total
REVENUE			
Maintenance Fee Income	\$ 34,415.60	\$ 42,250.00	\$ 76,665.60
Online Credit Card Processing	1,182.60		1,182.60
Legal Fee Reimbursement Income	2,815.35	-	2,815.35
Administrative Fee Income	685.00	-	685.00
Transfer Fee Income	4,475.00	-	4,475.00
Interest Income - Bank Accounts	67.71	-	67.71
Interest Income - Homeowners	1,128.29	-	1,128.29
NSF Charges Income	35.00	-	35.00
Pool Tag Updates	15.39	-	15.39
Vending Machine Income	244.00	-	244.00
Penalty Charges Income	3,700.00	-	3,700.00
Total Revenue	48,763.94	42,250.00	91,013.94
EXPENSES			
Accounting Fees	11,990.82	-	11,990.82
Audit Expense	425.00	-	425.00
Bank Service Charges	10.00	-	10.00
Credit Card Processing Fee	1,862.48	-	1,862.48
Mileage Reimbursement	537.10	-	537.10
Insurance Expense	4,290.82	-	4,290.82
Depreciation Expense	1,165.00	-	1,165.00
Camera Maintenance & Repair	389.70	-	389.70
Miscellaneous	38.26	-	38.26
Office Supplies	664.46	-	664.46
Postage & Copying	1,661.50	-	1,661.50
Deed Restriction Software	480.00	-	480.00
Trash Maintenance - Common Area	975.00	-	975.00
Legal Fees	11,505.37	-	11,505.37
Bad Debt Expense	4,033.62	-	4,033.62
Communication	972.47	-	972.47
Postage Meter Rental	282.40	-	282.40
Entrance Expense	1,582.25	-	1,582.25
Bath House - Repairs & Maintenance	282.14	-	282.14
Playground - Repairs & Maintenance	2,350.00	-	2,350.00
Pool - Staff/Chemicals	5,519.18	-	5,519.18
Pool Electricity	3,180.88	-	3,180.88
Pool Overhead (Tags, Etc.)	1,235.85	-	1,235.85
Pool Repairs & Maintenance	4,867.05	-	4,867.05
Pool Telephone	212.16	-	212.16
Pool Water & Sewer	267.56	-	267.56
Patrol Service	9,887.50	-	9,887.50
Electricity - Street Lights	5,012.41	-	5,012.41
Vending Supplies	273.97	-	273.97
Lawn Maintenance - Common Area	2,376.06	-	2,376.06
Capital Expenditures	-	6,080.00	6,080.00
TOTAL GENERAL EXPENSES	78,331.01	6,080.00	84,411.01
Net Revenues (Loss)	\$ (29,567.07)	\$ 36,170.00	\$ 6,602.93

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

STATEMENT OF INCOME AND CHANGES IN FUND BALANCES

FOR THE QUARTER ENDED JUNE 30, 2021

	<u>Operating Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
FUND BALANCE MARCH 31, 2021	\$ 437,434.18	\$ 121,742.98	\$ 559,177.16
Net Revenues (Loss)	<u>(29,567.07)</u>	<u>36,170.00</u>	<u>6,602.93</u>
FUND BALANCE JUNE 30, 2021	<u>\$ 407,867.11</u>	<u>\$ 157,912.98</u>	<u>\$ 565,780.09</u>

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

STATEMENT OF INCOME AND CHANGES IN FUND BALANCES

FOR THE SIX MONTHS ENDED JUNE 30, 2021

	Operating Fund	Capital Projects Fund	Total
REVENUE			
Maintenance Fee Income	\$ 68,831.20	\$ 84,500.00	\$ 153,331.20
Online Credit Card Processing	2,778.16		2,778.16
Legal Fee Reimbursement Income	25,792.14	-	25,792.14
Administrative Fee Income	685.00	-	685.00
Transfer Fee Income	10,300.00	-	10,300.00
Interest Income - Bank Accounts	134.66	-	134.66
Interest Income - Homeowners	2,729.68	-	2,729.68
NSF Charges Income	35.00	-	35.00
Pool Rental Income	180.00	-	180.00
Pool Tag Updates	15.39	-	15.39
Vending Machine Income	244.00	-	244.00
Penalty Charges Income	3,720.00	-	3,720.00
Total Revenue	115,445.23	84,500.00	199,945.23
EXPENSES			
Accounting Fees	21,088.32	-	21,088.32
Auditing	425.00	-	425.00
Bank Service Charges	20.00	-	20.00
Credit Card Processing Fee	2,576.53	-	2,576.53
Mileage Reimbursement	1,054.13	-	1,054.13
Insurance Expense	8,565.58	-	8,565.58
Depreciation Expense	2,330.00	-	2,330.00
Camera Maintenance & Repair	909.30	-	909.30
Miscellaneous	170.08	-	170.08
Office Supplies	1,199.24	-	1,199.24
Postage & Copying	2,670.00	-	2,670.00
Deed Restriction Software	960.00	-	960.00
Trash Maintenance - Common Area	1,950.00	-	1,950.00
Postage Meter Rental	564.80	-	564.80
Legal Fees	29,704.65	-	29,704.65
Bad Debt Expense	4,033.62	-	4,033.62
Communication	2,087.99	-	2,087.99
Entrance Expense	1,880.51	-	1,880.51
Bath House - Repairs & Maintenance	330.89	-	330.89
Playground - Repairs & Maintenance	2,550.00	-	2,550.00
Pool - Staff/Chemicals	7,480.60	-	7,480.60
Pool Electricity	4,802.71	-	4,802.71
Pool Overhead (Tags, Etc.)	1,552.73	-	1,552.73
Pool Repairs & Maintenance	5,723.63	-	5,723.63
Pool Telephone	414.01	-	414.01
Pool Water & Sewer	431.08	-	431.08

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

STATEMENT OF INCOME AND CHANGES IN FUND BALANCES

FOR THE SIX MONTHS ENDED JUNE 30, 2021

	<u>Operating Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Electricity - Street Lights	9,975.16	-	9,975.16
Vending Supplies	273.97	-	273.97
Patrol Service	21,910.00	-	21,910.00
Lawn Maintenance - Common Area	7,008.18	-	7,008.18
Capital Expenditures	-	129,018.10	129,018.10
	<u>144,642.71</u>	<u>129,018.10</u>	<u>273,660.81</u>
TOTAL GENERAL EXPENSES			
Net Revenues (Loss)	<u>\$ (29,197.48)</u>	<u>\$ (44,518.10)</u>	<u>\$ (73,715.58)</u>
FUND BALANCE DECEMBER 31, 2020	\$ 560,002.69	\$ 79,492.98	\$ 639,495.67
Net Revenues (Loss)	<u>(29,197.48)</u>	<u>(44,518.10)</u>	<u>(73,715.58)</u>
FUND BALANCE JUNE 30, 2021	<u>\$ 530,805.21</u>	<u>\$ 34,974.88</u>	<u>\$ 565,780.09</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 JUNE 30, 2021

	Actual	Budget	Difference
REVENUE			
Maintenance Fee Income	\$ 76,665.60	\$ 76,665.60	\$ -
Online Credit Card Processing	1,182.60	-	1,182.60
Legal Fee Reimbursement Income	2,815.35	-	2,815.35
Administrative Fee Income	685.00	625.00	60.00
Transfer Fee Income	4,475.00	2,500.00	1,975.00
Interest Income - Bank Accounts	67.71	50.00	17.71
Interest Income - Homeowners	1,128.29	750.00	378.29
NSF Charges Income	35.00	12.50	22.50
Pool Rental Income	-	250.00	(250.00)
Pool Tag Updates	15.39	-	15.39
Penalty Charges Income	3,700.00	-	3,700.00
Vending Machine Income	244.00	-	244.00
Total Revenue	91,013.94	80,853.10	10,160.84
EXPENSES			
Accounting Fees	11,990.82	15,000.00	(3,009.18)
Audit Expense	425.00	662.50	(237.50)
Bank Service Charges	10.00	25.00	(15.00)
Camera Maintenance	389.70	500.00	(110.30)
Credit Card Processing Fee	1,862.48	-	1,862.48
Mileage Reimbursement	537.10	-	537.10
Insurance Expense	4,290.82	4,875.00	(584.18)
Depreciation Expense	1,165.00	-	1,165.00
Deed Restriction Software	480.00	600.00	(120.00)
Trash Maintenance - Common Area	975.00	-	975.00
Miscellaneous	38.26	250.00	(211.74)
Office Supplies	664.46	625.00	39.46
Postage & Copying	1,661.50	1,125.00	536.50
Postage Meter Rental	282.40	250.00	32.40
Taxes - Property & Income	-	2.50	(2.50)
Legal Fees	11,505.37	2,500.00	9,005.37
Bad Debt Expense	4,033.62	1,250.00	2,783.62
Communication	972.47	775.00	197.47
Neighborhood Watch	-	75.00	(75.00)
Recreation Committee	-	375.00	(375.00)
Entrance Expense	1,582.25	462.50	1,119.75
Bath House - Repairs & Maintenance	282.14	1,500.00	(1,217.86)
Playground - Repairs & Maintenance	2,350.00	187.50	2,162.50
Pool - Staff/Chemicals	5,519.18	12,250.00	(6,730.82)
Pool Electricity	3,180.88	2,125.00	1,055.88
Pool Overhead (Tags, Etc.)	1,235.85	250.00	985.85
Pool Repairs & Maintenance	4,867.05	1,625.00	3,242.05

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 JUNE 30, 2021

	Actual	Budget	Difference
EXPENSES (cont)			
Pool Telephone	212.16	193.75	18.41
Pool Water & Sewer	267.56	362.50	(94.94)
Tennis Courts -Repairs & Maintenance	-	125.00	(125.00)
Electricity - Street Lights	5,012.41	6,375.00	(1,362.59)
Patrol Service	9,887.50	18,750.00	(8,862.50)
Transfer Fee Expense	-	750.00	(750.00)
Lawn Maintenance - Common Area	2,376.06	4,250.00	(1,873.94)
Vending Machine Supplies	273.97	-	273.97
Maintenance Expense	-	1,150.00	(1,150.00)
Capital Expenditures	6,080.00	42,250.00	(36,170.00)
	<u>84,411.01</u>	<u>121,496.25</u>	<u>(37,085.24)</u>
Total General Expenses			
	<u>84,411.01</u>	<u>121,496.25</u>	<u>(37,085.24)</u>
Net Revenues (Loss) from Operations	<u>\$ 6,602.93</u>	<u>\$ (40,643.15)</u>	<u>\$ 47,246.08</u>

Reconciliation of Net Income to Cash:

Adjustments to Net Income	
(Increase)/Decrease in Accounts Receivable	\$ 79,538.78
(Increase)/Decrease in Prepaid Assets	447.82
Increase/(Decrease) in Acc. Depreciation	1,165.00
Increase/(Decrease) in Deferred Fees	(76,665.60)
Total Adjustments to Net Income	<u>\$ 4,486.00</u>
Beginning Cash Balances - March 2021	\$ 442,893.15
Net Income	6,602.93
Total Adjustments to Net Income	4,486.00
Ending Cash Balances - June 30, 2021	<u>\$ 453,982.08</u>

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 JUNE 30, 2021

	Actual	Budget	Difference
REVENUE			
Maintenance Fee Income	\$ 153,331.20	\$ 153,331.20	\$ -
Online Credit Card Processing	2,778.16	-	2,778.16
Legal Fee Reimbursement Income	25,792.14	-	25,792.14
Administrative Fee Income	685.00	1,250.00	(565.00)
Transfer Fee Income	10,300.00	5,000.00	5,300.00
Interest Income - Bank Accounts	134.66	100.00	34.66
Interest Income - Homeowners	2,729.68	1,500.00	1,229.68
NSF Charges Income	35.00	25.00	10.00
Pool Rental Income	180.00	500.00	(320.00)
Pool Tag Updates	15.39	-	15.39
Penalty Charges Income	3,720.00	-	3,720.00
Vending Machine Income	244.00	-	244.00
Total Revenue	199,945.23	161,706.20	38,239.03
EXPENSES			
Accounting Fees	21,088.32	30,000.00	(8,911.68)
Audit Expense	425.00	1,325.00	(900.00)
Bank Service Charges	20.00	50.00	(30.00)
Camera Maintenance	909.30	1,000.00	(90.70)
Credit Card Processing Fee	2,576.53	-	2,576.53
Mileage Reimbursement	1,054.13	-	1,054.13
Insurance Expense	8,565.58	9,750.00	(1,184.42)
Depreciation Expense	2,330.00	-	2,330.00
Deed Restriction Software	960.00	1,200.00	(240.00)
Trash Maintenance - Common Area	1,950.00	-	1,950.00
Miscellaneous	170.08	500.00	(329.92)
Office Supplies	1,199.24	1,250.00	(50.76)
Postage & Copying	2,670.00	2,250.00	420.00
Postage Meter Rental	564.80	500.00	64.80
Taxes - Property & Income	-	5.00	(5.00)
Legal Fees	29,704.65	5,000.00	24,704.65
Bad Debt Expense	4,033.62	2,500.00	1,533.62
Communication	2,087.99	1,550.00	537.99
Neighborhood Watch	-	150.00	(150.00)
Recreation - Community	-	750.00	(750.00)
Entrance Expense	1,880.51	925.00	955.51
Bath House - Repairs & Maintenance	330.89	3,000.00	(2,669.11)
Playground - Repairs & Maintenance	2,550.00	375.00	2,175.00
Pool - Staff/Chemicals	7,480.60	24,500.00	(17,019.40)
Pool Electricity	4,802.71	4,250.00	552.71
Pool Overhead (Tags, Etc.)	1,552.73	500.00	1,052.73
Pool Repairs	5,723.63	3,250.00	2,473.63

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 JUNE 30, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
EXPENSES (cont)			
Pool Telephone	414.01	387.50	26.51
Pool Water & Sewer	431.08	725.00	(293.92)
Tennis Courts -Repairs & Maintenance	-	250.00	(250.00)
Electricity - Street Lights	9,975.16	12,750.00	(2,774.84)
Patrol Service	21,910.00	37,500.00	(15,590.00)
Transfer Fee Expense	-	1,500.00	(1,500.00)
Lawn Maintenance - Common Area	7,008.18	8,500.00	(1,491.82)
Vending Machine Supplies	273.97	-	273.97
Maintenance Expense	-	2,300.00	(2,300.00)
Capital Expenditures	<u>129,018.10</u>	<u>84,500.00</u>	<u>44,518.10</u>
 Total General Expenses	 <u>273,660.81</u>	 <u>242,992.50</u>	 <u>30,668.31</u>
 Net Revenues (Loss) from Operations	 <u>\$ (73,715.58)</u>	 <u>\$ (81,286.30)</u>	 <u>\$ 7,570.72</u>
 Reconciliation of Net Income to Cash:			
Adjustments to Net Income			
(Increase)/Decrease in Accounts Receivable	\$ 31,162.82		
(Increase)/Decrease in Prepaid Assets	4,722.58		
Increase/(Decrease) in Acc. Depreciation	<u>2,330.00</u>		
Total Adjustments to Net Income	<u>\$ 38,215.40</u>		
 Beginning Cash Balances - December 31, 2020	 \$ 489,482.26		
Net Income	(73,715.58)		
Total Adjustments to Net Income	<u>38,215.40</u>		
Ending Cash Balances - June 30, 2021	<u>\$ 453,982.08</u>		

See accompanying accountant's compilation report.