

Meadowlake Village Homeowners' Association

Financial Statements

September 30, 2020

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 September 30, 2020, and the related statements of income, and changes in fund balances for the quarter and nine months 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.

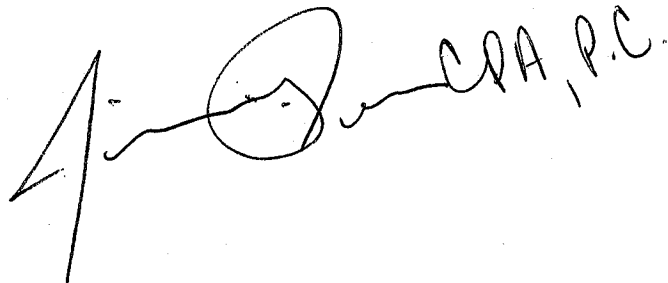
Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence 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.
November 12, 2020

A handwritten signature in black ink, appearing to read "Jimmie Pierce CPA, P.C.", is written over the typed name and title. The signature is stylized and includes a large circular flourish.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

BALANCE SHEET

SEPTEMBER 30, 2020

ASSETS	Operating Fund	Capital Projects & Reserves Fund	Total
Current Assets			
Cash & Cash Equivalents	\$ 236,417.01	\$ 271,425.52	\$ 507,842.53
Maintenance Fees Receivable	182,440.71	-	182,440.71
Prepaid Insurance	13,640.83	-	13,640.83
Due from/(to) other funds	<u>166,535.64</u>	<u>(166,535.64)</u>	<u>-</u>
Total Current Assets	599,034.19	104,889.88	703,924.07
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
Pool House Equipment	33,032.96	-	33,032.96
Less: Accum. Depreciation	<u>(60,753.07)</u>	<u>-</u>	<u>(60,753.07)</u>
Total Fixed Assets	<u>15,685.31</u>	<u>-</u>	<u>15,685.31</u>
Total Assets	<u>\$ 614,719.50</u>	<u>\$ 104,889.88</u>	<u>\$ 719,609.38</u>
LIABILITIES & FUND BALANCES			
Current Liabilities			
Deferred Maintenance Fees	<u>76,665.61</u>	<u>-</u>	<u>76,665.61</u>
Total Current Liabilities	\$ 76,665.61	\$ -	\$ 76,665.61
Fund Balances	<u>\$ 538,053.89</u>	<u>\$ 104,889.88</u>	<u>\$ 642,943.77</u>
Total Liabilities & Fund Balances	<u>\$ 614,719.50</u>	<u>\$ 104,889.88</u>	<u>\$ 719,609.38</u>

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

STATEMENT OF INCOME AND CHANGES IN FUND BALANCES

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Operating Fund	Capital Projects Fund	Total
REVENUE			
Maintenance Fee Income	\$ 71,715.60	\$ 4,950.00	\$ 76,665.60
Online Credit Card Processing	1,330.09		1,330.09
Legal Fee Reimbursement Income	19,200.15	-	19,200.15
Transfer Fee Income	3,300.00	-	3,300.00
Interest Income - Bank Accounts	68.41	-	68.41
Interest Income - Homeowners	1,556.61	-	1,556.61
Penalty Charges Income	(20.00)	-	(20.00)
Total Revenue	97,150.86	4,950.00	102,100.86
EXPENSES			
Accounting Fees	10,150.00	-	10,150.00
Reserve Study	1,625.00	-	1,625.00
Credit Card Processing Fee	945.37	-	945.37
Mileage Reimbursement	386.40	-	386.40
Insurance Expense	4,386.59	-	4,386.59
Depreciation Expense	1,108.25	-	1,108.25
Camera Maintenance & Repair	1,682.15	-	1,682.15
Postage & Copying	2,017.00	-	2,017.00
Deed Restriction Software	480.00	-	480.00
Trash Maintenance - Common Area	825.00	-	825.00
Legal Fees	24,068.01	-	24,068.01
Communication	794.37	-	794.37
Postage Meter Rental	283.13	-	283.13
Entrance Expense	982.63	-	982.63
Bath House - Repairs & Maintenance	2,099.95	-	2,099.95
Playground - Repairs & Maintenance	150.00	-	150.00
Pool - Staff/Chemicals	42,108.63	-	42,108.63
Pool Electricity	1,724.36	-	1,724.36
Pool Overhead (Tags, Etc.)	693.68	-	693.68
Pool Repairs & Maintenance	2,904.29	-	2,904.29
Pool Telephone	180.00	-	180.00
Pool Water & Sewer	193.78	-	193.78
Electricity - Street Lights	4,942.34	-	4,942.34
Patrol Service	11,258.50	-	11,258.50
Taxes - Property	1.50	-	1.50
Lawn Maintenance - Common Area	3,424.09	-	3,424.09
Capital Expenditures	-	13,210.00	13,210.00
Maintenance Expenditures	-	-	-
TOTAL GENERAL EXPENSES	119,415.02	13,210.00	132,625.02
Net Revenues (Loss)	\$ (22,264.16)	\$ (8,260.00)	\$ (30,524.16)

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

STATEMENT OF INCOME AND CHANGES IN FUND BALANCES

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	<u>Operating Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
FUND BALANCE JUNE 30, 2020	\$ 560,323.16	\$ 113,149.88	\$ 673,473.04
Prior Period Adjustment	(5.11)	-	(5.11)
Net Revenues (Loss)	<u>(22,264.16)</u>	<u>(8,260.00)</u>	<u>(30,524.16)</u>
FUND BALANCE SEPTEMBER 30, 2020	<u>\$ 538,053.89</u>	<u>\$ 104,889.88</u>	<u>\$ 642,943.77</u>

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

STATEMENT OF INCOME AND CHANGES IN FUND BALANCES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	Operating Fund	Capital Projects Fund	Total
REVENUE			
Maintenance Fee Income	\$ 215,146.80	\$ 14,850.00	\$ 229,996.80
Online Credit Card Processing	3,714.49		3,714.49
Legal Fee Reimbursement Income	38,822.35	-	38,822.35
Administrative Fee Income	1,870.00	-	1,870.00
Transfer Fee Income	8,550.21	-	8,550.21
Interest Income - Bank Accounts	199.81	-	199.81
Interest Income - Homeowners	5,121.07	-	5,121.07
Pool Rental Income	242.50	-	242.50
Penalty Charges Income	4,760.00	-	4,760.00
Total Revenue	278,427.23	14,850.00	293,277.23
EXPENSES			
Accounting Fees	33,051.75	-	33,051.75
Bank Service Charges	70.15	-	70.15
Credit Card Processing Fee	2,960.03	-	2,960.03
Mileage Reimbursement	915.75	-	915.75
Insurance Expense	13,605.84	-	13,605.84
Depreciation Expense	3,108.75	-	3,108.75
Camera Maintenance & Repair	2,461.55	-	2,461.55
Miscellaneous	37.74	-	37.74
Office Supplies	1,060.45	-	1,060.45
Postage & Copying	5,318.45	-	5,318.45
Deed Restriction Software	1,151.68	-	1,151.68
Trash Maintenance - Common Area	1,050.00	-	1,050.00
Postage Meter Rental	849.39	-	849.39
Legal Fees	40,040.81	-	40,040.81
Bad Debt Expense	2,331.07	-	2,331.07
Communication	2,334.45	-	2,334.45
Recreation - Community	166.00	-	166.00
Taxes - Property	1.50	-	1.50
Entrance Expense	1,854.53	-	1,854.53
Bath House - Repairs & Maintenance	2,945.03	-	2,945.03
Playground - Repairs & Maintenance	2,251.48	-	2,251.48
Pool - Staff/Chemicals	47,981.98	-	47,981.98
Pool Electricity	4,702.57	-	4,702.57
Pool Overhead (Tags, Etc.)	1,315.91	-	1,315.91
Pool Repairs & Maintenance	8,526.39	-	8,526.39
Pool Telephone	540.00	-	540.00
Pool Water & Sewer	240.59	-	240.59

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

STATEMENT OF INCOME AND CHANGES IN FUND BALANCES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	Operating Fund	Capital Projects Fund	Total
Electricity - Street Lights	15,828.04	-	15,828.04
Vending Supplies	100.00	-	100.00
Patrol Service	22,844.05	-	22,844.05
Community Trash Pickup	50.00	-	50.00
Lawn Maintenance - Common Area	9,704.24	-	9,704.24
Capital Expenditures	-	13,210.00	13,210.00
TOTAL GENERAL EXPENSES	<u>229,400.17</u>	<u>13,210.00</u>	<u>242,610.17</u>
 Net Revenues (Loss)	<u>\$ 49,027.06</u>	<u>\$ 1,640.00</u>	<u>\$ 50,667.06</u>
 FUND BALANCE DECEMBER 31, 2019	\$ 489,026.83	\$ 103,249.88	\$ 592,276.71
 Prior Period Adjustment	-	-	-
 Net Revenues (Loss)	<u>49,027.06</u>	<u>1,640.00</u>	<u>50,667.06</u>
 FUND BALANCE SEPTEMBER 30, 2020	<u>\$ 538,053.89</u>	<u>\$ 104,889.88</u>	<u>\$ 642,943.77</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 SEPTEMBER 30, 2020

	Actual	Budget	Difference
REVENUE			
Maintenance Fee Income	\$ 76,665.60	\$ 76,665.60	\$ -
Online Credit Card Processing	1,330.09	-	1,330.09
Legal Fee Reimbursement Income	19,200.15	-	19,200.15
Administrative Fee Income	-	625.00	(625.00)
Transfer Fee Income	3,300.00	2,500.00	800.00
Interest Income - Bank Accounts	68.41	50.00	18.41
Interest Income - Homeowners	1,556.61	750.00	806.61
NSF Charges Income	-	12.50	(12.50)
Pool Rental Income	-	250.00	(250.00)
Penalty Charges Income	(20.00)	-	(20.00)
Total Revenue	102,100.86	80,853.10	21,247.76
EXPENSES			
Accounting Fees	10,150.00	12,500.00	(2,350.00)
Reserve Study	1,625.00	406.25	1,218.75
Bank Service Charges	-	25.00	(25.00)
Camera Maintenance	1,682.15	500.00	1,182.15
Credit Card Processing Fee	945.37	-	945.37
Mileage Reimbursement	386.40	-	386.40
Insurance Expense	4,386.59	4,875.00	(488.41)
Depreciation Expense	1,108.25	-	1,108.25
Deed Restriction Software	480.00	600.00	(120.00)
Trash Maintenance - Common Area	825.00	-	825.00
Miscellaneous	-	250.00	(250.00)
Office Supplies	-	625.00	(625.00)
Postage & Copying	2,017.00	1,125.00	892.00
Postage Meter Rental	283.13	250.00	33.13
Taxes - Property & Income	1.50	2.50	(1.00)
Legal Fees	24,068.01	2,500.00	21,568.01
Bad Debt Expense	-	1,250.00	(1,250.00)
Communication	794.37	775.00	19.37
Neighborhood Watch	-	75.00	(75.00)
Recreation Committee	-	375.00	(375.00)
Entrance Expense	982.63	462.50	520.13
Bath House - Repairs & Maintenance	2,099.95	1,500.00	599.95
Playground - Repairs & Maintenance	150.00	187.50	(37.50)
Pool - Staff/Chemicals	42,108.63	12,250.00	29,858.63
Pool Electricity	1,724.36	2,125.00	(400.64)
Pool Overhead (Tags, Etc.)	693.68	250.00	443.68
Pool Repairs	2,904.29	1,625.00	1,279.29

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 SEPTEMBER 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
EXPENSES (cont)			
Pool Telephone	180.00	193.75	(13.75)
Pool Water & Sewer	193.78	362.50	(168.72)
Tennis Courts -Repairs & Maintenance	-	125.00	(125.00)
Electricity - Street Lights	4,942.34	6,375.00	(1,432.66)
Patrol Service	11,258.50	18,250.00	(6,991.50)
Transfer Fee Expense	-	750.00	(750.00)
Lawn Maintenance - Common Area	3,424.09	4,250.00	(825.91)
Maintenance Expense	-	175.00	(175.00)
Capital Expenditures	<u>13,210.00</u>	<u>4,950.00</u>	<u>8,260.00</u>
Total General Expenses	<u>132,625.02</u>	<u>79,965.00</u>	<u>52,660.02</u>
Net Revenues (Loss) from Operations	<u>\$ (30,524.16)</u>	<u>\$ 888.10</u>	<u>\$ (31,412.26)</u>

Reconciliation of Net Income to Cash:

Adjustments to Net Income	
(Increase)/Decrease in Accounts Receivable	\$ (52,347.95)
(Increase)/Decrease in Prepaid Assets	(9,062.41)
(Increase)/Decrease in Asset Accounts	(1,079.80)
Increase/(Decrease) in Acc. Depreciation	1,108.25
Increase/(Decrease) in Unapplied A/R Payment	(205.06)
Increase/(Decrease) in Deferred Fees	<u>76,665.61</u>
Total Adjustments to Net Income	<u>\$ 15,078.64</u>
Beginning Cash Balances - June 30, 2020	\$ 523,288.05
Net Income	(30,524.16)
Total Adjustments to Net Income	<u>15,078.64</u>
Ending Cash Balances - September 30, 2020	<u>\$ 507,842.53</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 NINE MONTHS ENDED SEPTEMBER 30, 2020

	Actual	Budget	Difference
REVENUE			
Maintenance Fee Income	\$ 229,996.80	\$ 229,996.80	\$ -
Online Credit Card Processing	3,714.49	-	3,714.49
Legal Fee Reimbursement Income	38,822.35	-	38,822.35
Administrative Fee Income	1,870.00	1,875.00	(5.00)
Transfer Fee Income	8,550.21	7,500.00	1,050.21
Interest Income - Bank Accounts	199.81	150.00	49.81
Interest Income - Homeowners	5,121.07	2,250.00	2,871.07
NSF Charges Income	-	37.50	(37.50)
Pool Rental Income	242.50	750.00	(507.50)
Penalty Charges Income	4,760.00	-	4,760.00
Total Revenue	293,277.23	242,559.30	50,717.93
EXPENSES			
Accounting Fees	31,426.75	37,500.00	(6,073.25)
Reserve Study	1,625.00	1,218.75	406.25
Bank Service Charges	70.15	75.00	(4.85)
Camera Maintenance	2,461.55	1,500.00	961.55
Credit Card Processing Fee	2,960.03	-	2,960.03
Mileage Reimbursement	915.75	-	915.75
Insurance Expense	13,605.84	14,625.00	(1,019.16)
Depreciation Expense	3,108.75	-	3,108.75
Deed Restriction Software	1,151.68	1,800.00	(648.32)
Trash Maintenance - Common Area	1,050.00	-	1,050.00
Miscellaneous	37.74	750.00	(712.26)
Office Supplies	1,060.45	1,875.00	(814.55)
Postage & Copying	5,318.45	3,375.00	1,943.45
Postage Meter Rental	849.39	750.00	99.39
Taxes - Property & Income	1.50	7.50	(6.00)
Legal Fees	40,040.81	7,500.00	32,540.81
Bad Debt Expense	2,331.07	3,750.00	(1,418.93)
Communication	2,334.45	2,325.00	9.45
Neighborhood Watch	-	225.00	(225.00)
Recreation - Community	166.00	1,125.00	(959.00)
Entrance Expense	1,854.53	1,387.50	467.03
Bath House - Repairs & Maintenance	2,945.03	4,500.00	(1,554.97)
Playground - Repairs & Maintenance	2,251.48	562.50	1,688.98
Pool - Staff/Chemicals	47,981.98	36,750.00	11,231.98
Pool Electricity	4,702.57	6,375.00	(1,672.43)
Pool Overhead (Tags, Etc.)	1,315.91	750.00	565.91
Pool Repairs	8,526.39	4,875.00	3,651.39

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 NINE MONTHS ENDED SEPTEMBER 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
EXPENSES (cont)			
Pool Telephone	540.00	581.25	(41.25)
Pool Water & Sewer	240.59	1,087.50	(846.91)
Tennis Courts -Repairs & Maintenance	-	375.00	(375.00)
Electricity - Street Lights	15,828.04	19,125.00	(3,296.96)
Community Trash Service	50.00	-	50.00
Patrol Service	22,844.05	54,750.00	(31,905.95)
Transfer Fee Expense	-	2,250.00	(2,250.00)
Lawn Maintenance - Common Area	9,704.24	12,750.00	(3,045.76)
Vending Machine Supplies	100.00	-	100.00
Maintenance Expense	-	525.00	(525.00)
Capital Expenditures	13,210.00	14,850.00	(1,640.00)
	<u>242,610.17</u>	<u>239,895.00</u>	<u>2,715.17</u>
Total General Expenses			
	<u>242,610.17</u>	<u>239,895.00</u>	<u>2,715.17</u>
Net Revenues (Loss) from Operations	<u>\$ 50,667.06</u>	<u>\$ 2,664.30</u>	<u>\$ 48,002.76</u>

Reconciliation of Net Income to Cash:

Adjustments to Net Income	
(Increase)/Decrease in Accounts Receivable	\$ (62,015.52)
(Increase)/Decrease in Prepaid Assets	(3,493.16)
(Increase)/Decrease in Asset Accounts	(1,079.80)
Increase/(Decrease) in Acc. Depreciation	3,108.75
Increase/(Decrease) in Unapplied A/R Payment	76,665.61
Total Adjustments to Net Income	<u>\$ 13,185.88</u>
Beginning Cash Balances - December 31, 2019	\$ 443,989.59
Net Income	50,667.06
Total Adjustments to Net Income	<u>13,185.88</u>
Ending Cash Balances - September 30, 2020	<u>\$ 507,842.53</u>

See accompanying accountant's compilation report.