

Meadowlake Village Homeowners' Association

Financial Statements

September 30, 2019

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, 2019, 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.
November 18, 2019

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

BALANCE SHEET

SEPTEMBER 30, 2019

ASSETS	Operating Fund	Capital Projects & Reserves Fund	Total
Current Assets			
Cash & Cash Equivalents	\$ 197,143.26	\$ 228,628.13	\$ 425,771.39
Maintenance Fees Receivable	165,254.31	-	165,254.31
Prepaid Insurance	14,757.17	-	14,757.17
Due from/(to) other funds	<u>144,013.78</u>	<u>(144,013.78)</u>	<u>-</u>
Total Current Assets	521,168.52	84,614.35	605,782.87
Fixed Assets			
Playground Equipment	36,771.95	-	36,771.95
Pool Furniture	5,553.67	-	5,553.67
Pool House Equipment	33,032.96	-	33,032.96
Less: Accum. Depreciation	<u>(56,540.32)</u>	<u>-</u>	<u>(56,540.32)</u>
Total Fixed Assets	<u>18,818.26</u>	<u>-</u>	<u>18,818.26</u>
Total Assets	<u>\$ 539,986.78</u>	<u>\$ 84,614.35</u>	<u>\$ 624,601.13</u>
LIABILITIES & FUND BALANCES			
Current Liabilities			
Deferred Maintenance Fees	\$ 76,665.61	\$ -	\$ 76,665.61
Total Current Liabilities	76,665.61	-	76,665.61
Fund Balances	<u>463,321.17</u>	<u>84,614.35</u>	<u>547,935.52</u>
Total Liabilities & Fund Balances	<u>\$ 539,986.78</u>	<u>\$ 84,614.35</u>	<u>\$ 624,601.13</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, 2019

	Operating Fund	Capital Projects Fund	Total
REVENUE			
Maintenance Fee Income	\$ 58,030.10	\$ 18,635.50	\$ 76,665.60
Online Credit Card Processing	1,484.67		1,484.67
Legal Fee Reimbursement Income	11,804.16	-	11,804.16
Administrative Fee Income	750.00	-	750.00
Transfer Fee Income	3,025.00	-	3,025.00
Interest Income - Bank Accounts	57.57	-	57.57
Interest Income - Homeowners	1,389.70	-	1,389.70
Pool Rental Income	717.50	-	717.50
Pool Tag Updates	115.00	-	115.00
Vending Machine Income	468.00	-	468.00
Penalty Charges Income	(33.44)	-	(33.44)
Total Revenue	77,808.26	18,635.50	96,443.76
EXPENSES			
Accounting Fees	13,160.38	-	13,160.38
Audit Expense	2,000.00	-	2,000.00
Reserve Study	1,625.00	-	1,625.00
Credit Card Processing Fee	685.47	-	685.47
Mileage Reimbursement	643.22	-	643.22
Insurance Expense	4,889.93	-	4,889.93
Depreciation Expense	1,104.00	-	1,104.00
Camera Maintenance & Repair	389.70	-	389.70
Miscellaneous Expense	22.41	-	22.41
Office Supplies	827.81	-	827.81
Postage & Copying	1,108.50	-	1,108.50
Postage Meter Rental	532.92	-	532.92
Legal Fees	15,438.61	-	15,438.61
Communication	689.10	-	689.10
Recreation Committee	397.50	-	397.50
Entrance Expense	109.47	-	109.47
Bath House - Repairs & Maintenance	395.13	-	395.13
Playground - Repairs & Maintenance	150.00	-	150.00
Pool - Staff/Chemicals	24,693.55	-	24,693.55
Pool Electricity	3,051.33	-	3,051.33
Pool Overhead (Tags, Etc.)	434.38	-	434.38
Pool Repairs & Maintenance	1,265.53	-	1,265.53
Pool Telephone	180.00	-	180.00
Pool Water & Sewer	450.29	-	450.29
Electricity - Street Lights	4,493.84	-	4,493.84

See accompanying accountant's compilation report.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

STATEMENT OF INCOME AND CHANGES IN FUND BALANCES

FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	<u>Operating Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Patrol Service	23,056.00	-	23,056.00
Lawn Maintenance - Common Area	4,732.12	-	4,732.12
Maintenance Expense	718.68	-	718.68
Vending Supplies	146.26	-	146.26
	<u>107,391.13</u>	<u>-</u>	<u>107,391.13</u>
TOTAL GENERAL EXPENSES			
Net Revenues (Loss)	<u>\$ (29,582.87)</u>	<u>\$ 18,635.50</u>	<u>\$ (10,947.37)</u>
FUND BALANCE JUNE 30, 2019	\$ 492,904.04	\$ 65,978.85	\$ 558,882.89
Net Revenues (Loss)	<u>(29,582.87)</u>	<u>18,635.50</u>	<u>(10,947.37)</u>
FUND BALANCE SEPTEMBER 30, 2019	<u>\$ 463,321.17</u>	<u>\$ 84,614.35</u>	<u>\$ 547,935.52</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, 2019

	Operating Fund	Capital Projects Fund	Total
REVENUE			
Maintenance Fee Income	\$ 174,090.30	\$ 55,906.50	\$ 229,996.80
Online Credit Card Processing	4,054.81		4,054.81
Legal Fee Reimbursement Income	35,772.97	-	35,772.97
Administrative Fee Income	2,600.00	-	2,600.00
Transfer Fee Income	8,957.67	-	8,957.67
Interest Income - Bank Accounts	264.55	-	264.55
Interest Income - Homeowners	4,916.28	-	4,916.28
NSF Charges Income	105.00	-	105.00
Pool Rental Income	1,605.00	-	1,605.00
Pool Tag Updates	155.00	-	155.00
Vending Machine Income	852.00	-	852.00
Penalty Charges Income	4,966.56	-	4,966.56
Total Revenue	238,340.14	55,906.50	294,246.64
EXPENSES			
Accounting Fees	34,490.14	-	34,490.14
Auditing	2,000.00	-	2,000.00
Reserve Study	1,625.00	-	1,625.00
Bank Service Charges	40.00	-	40.00
Credit Card Processing Fee	2,532.39	-	2,532.39
Mileage Reimbursement	1,664.32	-	1,664.32
Insurance Expense	14,831.75	-	14,831.75
Depreciation Expense	3,312.00	-	3,312.00
Camera Maintenance & Repair	1,169.10	-	1,169.10
Miscellaneous	22.41	-	22.41
Office Supplies	2,287.78	-	2,287.78
Postage & Copying	3,816.76	-	3,816.76
Postage Meter Rental	693.05	-	693.05
Legal Fees	32,158.46	-	32,158.46
Bad Debt Expense	4,598.17	-	4,598.17
Communication	2,203.53	-	2,203.53
Recreation Committee	1,340.04	-	1,340.04
Entrance Expense	1,150.67	-	1,150.67
Bath House - Repairs & Maintenance	4,151.07	-	4,151.07
Playground - Repairs & Maintenance	3,281.50	-	3,281.50
Pool - Staff/Chemicals	45,204.60	-	45,204.60
Pool Electricity	6,224.13	-	6,224.13
Pool Overhead (Tags, Etc.)	1,524.44	-	1,524.44
Pool Repairs & Maintenance	2,256.69	-	2,256.69
Pool Telephone	540.00	-	540.00
Pool Water & Sewer	649.53	-	649.53

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, 2019

	Operating Fund	Capital Projects Fund	Total
Electricity - Street Lights	15,956.33	-	15,956.33
Patrol Service	63,461.58	-	63,461.58
Lawn Maintenance - Common Area	13,423.47	-	13,423.47
Maintenance Expense	718.68	-	718.68
Vending Supplies	485.84	-	485.84
Capital Expenditures	-	58,297.65	58,297.65
TOTAL GENERAL EXPENSES	<u>267,813.43</u>	<u>58,297.65</u>	<u>326,111.08</u>
 Net Revenues (Loss)	<u>\$ (29,473.29)</u>	<u>\$ (2,391.15)</u>	<u>\$ (31,864.44)</u>
 FUND BALANCE DECEMBER 31, 2018	\$ 495,185.61	\$ 84,614.35	\$ 579,799.96
 Net Revenues (Loss)	<u>(29,473.29)</u>	<u>(2,391.15)</u>	<u>(31,864.44)</u>
 FUND BALANCE SEPTEMBER 30, 2019	<u>\$ 465,712.32</u>	<u>\$ 82,223.20</u>	<u>\$ 547,935.52</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, 2019

	Actual	Budget	Difference
REVENUE			
Maintenance Fee Income	\$ 76,665.60	\$ 76,665.60	\$ -
Online Credit Card Processing	1,484.67	-	1,484.67
Legal Fee Reimbursement Income	11,804.16	-	11,804.16
Administrative Fee Income	750.00	250.00	500.00
Transfer Fee Income	3,025.00	2,500.00	525.00
Interest Income - Bank Accounts	57.57	15.00	42.57
Interest Income - Homeowners	1,389.70	750.00	639.70
NSF Charges Income	-	12.50	(12.50)
Pool Rental Income	717.50	237.50	480.00
Pool Tag Updates	115.00	-	115.00
Penalty Charges Income	(33.44)	-	(33.44)
Vending Machine Income	468.00	-	468.00
Other Income	-	25.00	(25.00)
Total Revenue	96,443.76	80,455.60	15,988.16
EXPENSES			
Accounting Fees	13,160.38	12,500.00	660.38
Audit Expense	2,000.00	500.00	1,500.00
Reserve Study	1,625.00	875.00	750.00
Bank Service Charges	-	25.00	(25.00)
Camera Maintenance	389.70	500.00	(110.30)
Credit Card Processing Fee	685.47	-	685.47
Mileage Reimbursement	643.22	-	643.22
Insurance Expense	4,889.93	4,875.00	14.93
Depreciation Expense	1,104.00	-	1,104.00
Miscellaneous	22.41	250.00	(227.59)
Office Supplies	827.81	500.00	327.81
Postage & Copying	1,108.50	1,125.00	(16.50)
Postage Meter Rental	532.92	200.00	332.92
Taxes - Property & Income	-	2.50	(2.50)
Legal Fees	15,438.61	2,500.00	12,938.61
Bad Debt Expense	-	1,250.00	(1,250.00)
Communication	689.10	950.00	(260.90)
Neighborhood Watch	-	75.00	(75.00)
Recreation Committee	397.50	375.00	22.50
Entrance Expense	109.47	1,075.00	(965.53)
Bath House - Repairs & Maintenance	395.13	1,500.00	(1,104.87)
Playground - Repairs & Maintenance	150.00	500.00	(350.00)
Pool - Staff/Chemicals	24,693.55	12,250.00	12,443.55
Pool Electricity	3,051.33	2,275.00	776.33
Pool Overhead (Tags, Etc.)	434.38	200.00	234.38
Pool Repairs	1,265.53	1,625.00	(359.47)

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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
EXPENSES (cont)			
Pool Telephone	180.00	193.75	(13.75)
Pool Water & Sewer	450.29	362.50	87.79
Tennis Courts -Repairs & Maintenance	-	250.00	(250.00)
Electricity - Street Lights	4,493.84	6,375.00	(1,881.16)
Patrol Service	23,056.00	17,625.00	5,431.00
Website	-	87.50	(87.50)
Lawn Maintenance - Common Area	4,732.12	3,875.00	857.12
Vending Machine Supplies	146.26	-	146.26
Maintenance Expense	718.68	175.00	543.68
Capital Expenditures	-	18,635.50	(18,635.50)
	<u>107,391.13</u>	<u>93,506.75</u>	<u>13,884.38</u>
Total General Expenses			
	<u>107,391.13</u>	<u>93,506.75</u>	<u>13,884.38</u>
Net Revenues (Loss) from Operations	<u>\$ (10,947.37)</u>	<u>\$ (13,051.15)</u>	<u>\$ 2,103.78</u>

Reconciliation of Net Income to Cash:

Adjustments to Net Income	
(Increase)/Decrease in Accounts Receivable	\$ (53,329.71)
(Increase)/Decrease in Prepaid Assets	(9,901.07)
Increase/(Decrease) in Acc. Depreciation	1,104.00
Increase/(Decrease) in Deferred Fees	76,665.61
Total Adjustments to Net Income	<u>\$ 14,538.83</u>
Beginning Cash Balances - June 2019	\$ 422,179.93
Net Income	(10,947.37)
Total Adjustments to Net Income	14,538.83
Ending Cash Balances - September 30, 2019	<u>\$ 425,771.39</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 SEPTEMBER 30, 2019

	Actual	Budget	Difference
REVENUE			
Maintenance Fee Income	\$ 229,996.80	\$ 229,996.80	\$ -
Online Credit Card Processing	4,054.81	-	4,054.81
Legal Fee Reimbursement Income	35,772.97	-	35,772.97
Administrative Fee Income	2,600.00	750.00	1,850.00
Transfer Fee Income	8,957.67	7,500.00	1,457.67
Interest Income - Bank Accounts	264.55	45.00	219.55
Interest Income - Homeowners	4,916.28	2,250.00	2,666.28
NSF Charges Income	105.00	37.50	67.50
Pool Rental Income	1,605.00	712.50	892.50
Pool Tag Updates	155.00	-	155.00
Penalty Charges Income	4,966.56	-	4,966.56
Vending Machine Income	852.00	-	852.00
Other Income	-	75.00	(75.00)
Total Revenue	294,246.64	241,366.80	52,879.84
EXPENSES			
Accounting Fees	34,490.14	37,500.00	(3,009.86)
Audit Expense	2,000.00	1,500.00	500.00
Reserve Study	1,625.00	2,625.00	(1,000.00)
Bank Service Charges	40.00	75.00	(35.00)
Camera Maintenance	1,169.10	1,500.00	(330.90)
Credit Card Processing Fee	2,532.39	-	2,532.39
Mileage Reimbursement	1,664.32	-	1,664.32
Insurance Expense	14,831.75	14,625.00	206.75
Depreciation Expense	3,312.00	-	3,312.00
Miscellaneous	22.41	750.00	(727.59)
Office Supplies	2,287.78	1,500.00	787.78
Postage & Copying	3,816.76	3,375.00	441.76
Postage Meter Rental	693.05	600.00	93.05
Taxes - Property & Income	-	7.50	(7.50)
Legal Fees	32,158.46	7,500.00	24,658.46
Bad Debt Expense	4,598.17	3,750.00	848.17
Communication	2,203.53	2,850.00	(646.47)
Neighborhood Watch	-	225.00	(225.00)
Recreation Committee	1,340.04	1,125.00	215.04
Entrance Expense	1,150.67	3,225.00	(2,074.33)
Bath House - Repairs & Maintenance	4,151.07	4,500.00	(348.93)
Playground - Repairs & Maintenance	3,281.50	1,500.00	1,781.50
Pool - Staff/Chemicals	45,204.60	36,750.00	8,454.60
Pool Electricity	6,224.13	6,825.00	(600.87)
Pool Overhead (Tags, Etc.)	1,524.44	600.00	924.44
Pool Repairs	2,256.69	4,875.00	(2,618.31)

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 SEPTEMBER 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
EXPENSES (cont)			
Pool Telephone	540.00	581.25	(41.25)
Pool Water & Sewer	649.53	1,087.50	(437.97)
Tennis Courts -Repairs & Maintenance	-	750.00	(750.00)
Electricity - Street Lights	15,956.33	19,125.00	(3,168.67)
Patrol Service	63,461.58	52,875.00	10,586.58
Website	-	262.50	(262.50)
Lawn Maintenance - Common Area	13,423.47	11,625.00	1,798.47
Vending Machine Supplies	485.84	-	485.84
Maintenance Expense	718.68	525.00	193.68
Capital Expenditures	<u>58,297.65</u>	<u>55,906.50</u>	<u>2,391.15</u>
Total General Expenses	<u>326,111.08</u>	<u>280,520.25</u>	<u>45,590.83</u>
Net Revenues (Loss) from Operations	<u>\$ (31,864.44)</u>	<u>\$ (39,153.45)</u>	<u>\$ 7,289.01</u>

Reconciliation of Net Income to Cash:

Adjustments to Net Income	
(Increase)/Decrease in Accounts Receivable	\$ (32,345.85)
(Increase)/Decrease in Prepaid Assets	(3,606.25)
Increase/(Decrease) in Acc. Depreciation	3,312.00
Increase/(Decrease) in Deferred Income	<u>76,665.61</u>
Total Adjustments to Net Income	<u>\$ 44,025.51</u>
Beginning Cash Balances - December 31, 2018	\$ 413,610.32
Net Income	(31,864.44)
Total Adjustments to Net Income	<u>44,025.51</u>
Ending Cash Balances - September 30, 2019	<u>\$ 425,771.39</u>

See accompanying accountant's compilation report.