

Meadowlake Village Homeowners' Association

Financial Statements

December 31, 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 December 31, 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.

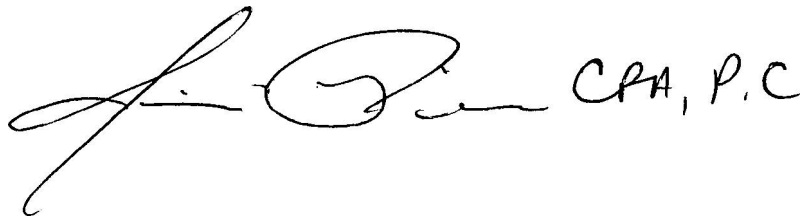
Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence 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.
February 7, 2022

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 fluid and cursive.

MEADOWLAKE VILLAGE HOMEOWNERS' ASSOCIATION

BALANCE SHEET

DECEMBER 31, 2021

ASSETS	Operating Fund	Capital Projects & Reserves Fund	Total
Current Assets			
Cash & Cash Equivalents	\$ 163,197.10	\$ 271,765.56	\$ 434,962.66
Maintenance Fees Receivable	86,400.94	-	86,400.94
Prepaid Insurance	10,144.17	-	10,144.17
Due from/(to) other funds	<u>44,805.27</u>	<u>(44,805.27)</u>	<u>-</u>
Total Current Assets	304,547.48	226,960.29	531,507.77
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>(66,779.00)</u>	<u>-</u>	<u>(66,779.00)</u>
Total Fixed Assets	<u>10,951.83</u>	<u>-</u>	<u>10,951.83</u>
Total Assets	<u>\$ 315,499.31</u>	<u>\$ 226,960.29</u>	<u>\$ 542,459.60</u>
LIABILITIES & FUND BALANCES			
Current Liabilities			
Tennis Court Deposits	\$ 240.00	\$ -	\$ 240.00
Total Current Liabilities	\$ 240.00	\$ -	\$ 240.00
Fund Balances	<u>\$ 315,259.31</u>	<u>\$ 226,960.29</u>	<u>\$ 542,219.60</u>
Total Liabilities & Fund Balances	<u>\$ 315,499.31</u>	<u>\$ 226,960.29</u>	<u>\$ 542,459.60</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, 2021

	Operating Fund	Capital Projects Fund	Total
REVENUE			
Maintenance Fee Income	\$ 34,415.60	\$ 42,250.00	\$ 76,665.60
Online Credit Card Processing	1,428.95		1,428.95
Legal Fee Reimbursement Income	5,716.87	-	5,716.87
Administrative Fee Income	1,805.00	-	1,805.00
Transfer Fee Income	9,130.00	-	9,130.00
Interest Income - Bank Accounts	68.49	-	68.49
Interest Income - Homeowners	1,403.68	-	1,403.68
NSF Charges Income	70.00	-	70.00
Pool Rental Income	152.75	-	152.75
Penalty Charges Income	4,800.00	-	4,800.00
Total Revenue	58,991.34	42,250.00	101,241.34
EXPENSES			
Accounting Fees	18,122.93	-	18,122.93
Bank Service Charges	20.00	-	20.00
Credit Card Processing Fee	1,971.18	-	1,971.18
Mileage Reimbursement	585.76	-	585.76
Insurance Expense	4,603.50	-	4,603.50
Depreciation Expense	1,165.00	-	1,165.00
Camera Maintenance & Repair	389.70	-	389.70
Office Supplies	1,579.06	-	1,579.06
Postage & Copying	1,008.50	-	1,008.50
Deed Restriction Software	480.00	-	480.00
Trash Maintenance - Common Area	1,437.13	-	1,437.13
Legal Fees	13,822.05	-	13,822.05
Communication	652.32	-	652.32
Postage Meter Rental	282.40	-	282.40
Entrance Expense	129.22	-	129.22
Bath House - Repairs & Maintenance	12,794.32	-	12,794.32
Playground - Repairs & Maintenance	200.00	-	200.00
Pool - Staff/Chemicals	3,019.71	-	3,019.71
Pool Electricity	1,603.98	-	1,603.98
Pool Repairs & Maintenance	1,325.00	-	1,325.00
Pool Telephone	180.00	-	180.00
Pool Water & Sewer	189.63	-	189.63
Patrol Service	8,928.40	-	8,928.40
Electricity - Street Lights	5,148.85	-	5,148.85
Lawn Maintenance - Common Area	4,692.12	-	4,692.12
Taxes - Property	6.84	-	6.84
Transfer/Resale Fee Expense	9,817.50	-	9,817.50
Capital Expenditures	-	15,452.69	15,452.69
TOTAL GENERAL EXPENSES	94,155.10	15,452.69	109,607.79
Net Revenues (Loss)	\$ (35,163.76)	\$ 26,797.31	\$ (8,366.45)
FUND BALANCE SEPTEMBER 30, 2021	\$ 350,423.07	\$ 200,162.98	\$ 550,586.05
Net Revenues (Loss)	(35,163.76)	26,797.31	(8,366.45)
FUND BALANCE DECEMBER 31, 2021	\$ 315,259.31	\$ 226,960.29	\$ 542,219.60

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, 2021

	Operating Fund	Capital Projects Fund	Total
REVENUE			
Maintenance Fee Income	\$ 137,662.40	\$ 169,000.00	\$ 306,662.40
Online Credit Card Processing	5,420.64		5,420.64
Legal Fee Reimbursement Income	39,770.00	-	39,770.00
Administrative Fee Income	2,490.00	-	2,490.00
Transfer Fee Income	28,050.00	-	28,050.00
Interest Income - Bank Accounts	271.62	-	271.62
Interest Income - Homeowners	5,295.44	-	5,295.44
NSF Charges Income	105.00	-	105.00
Pool Rental Income	732.75	-	732.75
Pool Tag Updates	15.39	-	15.39
Vending Machine Income	398.00	-	398.00
Penalty Charges Income	8,520.00	-	8,520.00
Total Revenue	228,731.24	169,000.00	397,731.24
EXPENSES			
Accounting Fees	50,656.26	-	50,656.26
Bank Service Charges	40.00	-	40.00
Credit Card Processing Fee	5,225.45	-	5,225.45
Mileage Reimbursement	2,082.29	-	2,082.29
Insurance Expense	17,635.91	-	17,635.91
Depreciation Expense	4,660.00	-	4,660.00
Camera Maintenance & Repair	1,688.70	-	1,688.70
Miscellaneous	445.08	-	445.08
Office Supplies	3,286.11	-	3,286.11
Postage & Copying	4,687.00	-	4,687.00
Deed Restriction Software	1,920.00	-	1,920.00
Trash Maintenance - Common Area	4,212.13	-	4,212.13
Postage Meter Rental	1,157.18	-	1,157.18
Legal Fees	56,457.20	-	56,457.20
Bad Debt Expense	10,007.36	-	10,007.36
Communication	3,097.36	-	3,097.36
Transfer/Resale Fee Expense	9,817.50	-	9,817.50
Taxes	6.84	-	6.84
Entrance Expense	2,845.25	-	2,845.25
Bath House - Repairs & Maintenance	13,125.21	-	13,125.21
Playground - Repairs & Maintenance	8,050.00	-	8,050.00
Pool - Staff/Chemicals	48,222.87	-	48,222.87
Pool Electricity	7,938.77	-	7,938.77
Pool Overhead (Tags, Etc.)	1,627.73	-	1,627.73
Pool Repairs & Maintenance	7,718.13	-	7,718.13
Pool Telephone	774.01	-	774.01
Pool Water & Sewer	1,066.89	-	1,066.89

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, 2021

	Operating Fund	Capital Projects Fund	Total
Electricity - Street Lights	20,629.38	-	20,629.38
Vending Supplies	273.97	-	273.97
Patrol Service	44,581.58	-	44,581.58
Lawn Maintenance - Common Area	16,600.36	-	16,600.36
Capital Expenditures	-	144,470.79	144,470.79
	<u>350,536.52</u>	<u>144,470.79</u>	<u>495,007.31</u>
TOTAL GENERAL EXPENSES			
Net Revenues (Loss)	<u>\$ (121,805.28)</u>	<u>\$ 24,529.21</u>	<u>\$ (97,276.07)</u>
FUND BALANCE DECEMBER 31, 2020	\$ 560,002.69	\$ 79,492.98	\$ 639,495.67
Net Revenues (Loss)	<u>(121,805.28)</u>	<u>24,529.21</u>	<u>(97,276.07)</u>
FUND BALANCE DECEMBER 31, 2021	<u>\$ 438,197.41</u>	<u>\$ 104,022.19</u>	<u>\$ 542,219.60</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, 2021

	Actual	Budget	Difference
REVENUE			
Maintenance Fee Income	\$ 76,665.60	\$ 76,665.60	\$ -
Online Credit Card Processing	1,428.95	-	1,428.95
Legal Fee Reimbursement Income	5,716.87	-	5,716.87
Administrative Fee Income	1,805.00	625.00	1,180.00
Transfer Fee Income	9,130.00	2,500.00	6,630.00
Interest Income - Bank Accounts	68.49	50.00	18.49
Interest Income - Homeowners	1,403.68	750.00	653.68
NSF Charges Income	70.00	12.50	57.50
Pool Rental Income	152.75	250.00	(97.25)
Penalty Charges Income	4,800.00	-	4,800.00
Total Revenue	101,241.34	80,853.10	20,388.24
EXPENSES			
Accounting Fees	18,122.93	15,000.00	3,122.93
Audit Expense	-	662.50	(662.50)
Bank Service Charges	20.00	25.00	(5.00)
Camera Maintenance	389.70	500.00	(110.30)
Credit Card Processing Fee	1,971.18	-	1,971.18
Mileage Reimbursement	585.76	-	585.76
Insurance Expense	4,603.50	4,875.00	(271.50)
Depreciation Expense	1,165.00	-	1,165.00
Deed Restriction Software	480.00	600.00	(120.00)
Trash Maintenance - Common Area	1,437.13	-	1,437.13
Miscellaneous	-	250.00	(250.00)
Office Supplies	1,579.06	625.00	954.06
Postage & Copying	1,008.50	1,125.00	(116.50)
Postage Meter Rental	282.40	250.00	32.40
Taxes - Property & Income	6.84	2.50	4.34
Legal Fees	13,822.05	2,500.00	11,322.05
Bad Debt Expense	-	1,250.00	(1,250.00)
Communication	652.32	775.00	(122.68)
Neighborhood Watch	-	75.00	(75.00)
Recreation Committee	-	375.00	(375.00)
Entrance Expense	129.22	462.50	(333.28)
Bath House - Repairs & Maintenance	12,794.32	1,500.00	11,294.32
Playground - Repairs & Maintenance	200.00	187.50	12.50
Pool - Staff/Chemicals	3,019.71	12,250.00	(9,230.29)
Pool Electricity	1,603.98	2,125.00	(521.02)
Pool Overhead (Tags, Etc.)	-	250.00	(250.00)
Pool Repairs & Maintenance	1,325.00	1,625.00	(300.00)

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, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
EXPENSES (cont)			
Pool Telephone	180.00	193.75	(13.75)
Pool Water & Sewer	189.63	362.50	(172.87)
Tennis Courts -Repairs & Maintenance	-	125.00	(125.00)
Electricity - Street Lights	5,148.85	6,375.00	(1,226.15)
Patrol Service	8,928.40	18,750.00	(9,821.60)
Transfer Fee Expense	9,817.50	750.00	9,067.50
Lawn Maintenance - Common Area	4,692.12	4,250.00	442.12
Maintenance Expense	-	1,150.00	(1,150.00)
Capital Expenditures	<u>15,452.69</u>	<u>42,250.00</u>	<u>(26,797.31)</u>
Total General Expenses	<u>109,607.79</u>	<u>121,496.25</u>	<u>(11,888.46)</u>
Net Revenues (Loss) from Operations	<u>\$ (8,366.45)</u>	<u>\$ (40,643.15)</u>	<u>\$ 32,276.70</u>

Reconciliation of Net Income to Cash:

Adjustments to Net Income	
(Increase)/Decrease in Accounts Receivable	\$ 73,105.11
(Increase)/Decrease in Prepaid Assets	4,603.50
(Increase)/Decrease in Tennis Court Deposits	20.00
Increase/(Decrease) in Acc. Depreciation	1,165.00
Increase/(Decrease) in Deferred Fees	<u>(76,665.61)</u>
Total Adjustments to Net Income	<u>\$ 2,228.00</u>
Beginning Cash Balances - September 2021	\$ 441,101.11
Net Income	(8,366.45)
Total Adjustments to Net Income	<u>2,228.00</u>
Ending Cash Balances - December 31, 2021	<u>\$ 434,962.66</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 TWELVE MONTHS ENDED DECEMBER 31, 2021

	Actual	Budget	Difference
REVENUE			
Maintenance Fee Income	\$ 306,662.40	\$ 306,662.40	\$ -
Online Credit Card Processing	5,420.64	-	5,420.64
Legal Fee Reimbursement Income	39,770.00	-	39,770.00
Administrative Fee Income	2,490.00	2,500.00	(10.00)
Transfer Fee Income	28,050.00	10,000.00	18,050.00
Interest Income - Bank Accounts	271.62	200.00	71.62
Interest Income - Homeowners	5,295.44	3,000.00	2,295.44
NSF Charges Income	105.00	50.00	55.00
Pool Rental Income	732.75	1,000.00	(267.25)
Pool Tag Updates	15.39	-	15.39
Penalty Charges Income	8,520.00	-	8,520.00
Vending Machine Income	398.00	-	398.00
Total Revenue	397,731.24	323,412.40	74,318.84
EXPENSES			
Accounting Fees	50,656.26	60,000.00	(9,343.74)
Audit Expense	-	2,650.00	(2,650.00)
Bank Service Charges	40.00	100.00	(60.00)
Camera Maintenance	1,688.70	2,000.00	(311.30)
Credit Card Processing Fee	5,225.45	-	5,225.45
Mileage Reimbursement	2,082.29	-	2,082.29
Insurance Expense	17,635.91	19,500.00	(1,864.09)
Depreciation Expense	4,660.00	-	4,660.00
Deed Restriction Software	1,920.00	2,400.00	(480.00)
Trash Maintenance - Common Area	4,212.13	-	4,212.13
Miscellaneous	445.08	1,000.00	(554.92)
Office Supplies	3,286.11	2,500.00	786.11
Postage & Copying	4,687.00	4,500.00	187.00
Postage Meter Rental	1,157.18	1,000.00	157.18
Taxes - Property & Income	6.84	10.00	(3.16)
Legal Fees	56,457.20	10,000.00	46,457.20
Bad Debt Expense	10,007.36	5,000.00	5,007.36
Communication	3,097.36	3,100.00	(2.64)
Neighborhood Watch	-	300.00	(300.00)
Recreation - Community	-	1,500.00	(1,500.00)
Entrance Expense	2,845.25	1,850.00	995.25
Bath House - Repairs & Maintenance	13,125.21	6,000.00	7,125.21
Playground - Repairs & Maintenance	8,050.00	750.00	7,300.00
Pool - Staff/Chemicals	48,222.87	49,000.00	(777.13)
Pool Electricity	7,938.77	8,500.00	(561.23)
Pool Overhead (Tags, Etc.)	1,627.73	1,000.00	627.73
Pool Repairs	7,718.13	6,500.00	1,218.13

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 TWELVE MONTHS ENDED DECEMBER 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
EXPENSES (cont)			
Pool Telephone	774.01	775.00	(0.99)
Pool Water & Sewer	1,066.89	1,450.00	(383.11)
Tennis Courts -Repairs & Maintenance	-	500.00	(500.00)
Electricity - Street Lights	20,629.38	25,500.00	(4,870.62)
Patrol Service	44,581.58	75,000.00	(30,418.42)
Transfer Fee Expense	9,817.50	3,000.00	6,817.50
Lawn Maintenance - Common Area	16,600.36	17,000.00	(399.64)
Vending Machine Supplies	273.97	-	273.97
Maintenance Expense	-	4,600.00	(4,600.00)
Capital Expenditures	<u>144,470.79</u>	<u>169,000.00</u>	<u>(24,529.21)</u>
 Total General Expenses	 <u>495,007.31</u>	 <u>485,985.00</u>	 <u>9,022.31</u>
 Net Revenues (Loss) from Operations	 <u>\$ (97,276.07)</u>	 <u>\$ (162,572.60)</u>	 <u>\$ 65,296.53</u>

Reconciliation of Net Income to Cash:

Adjustments to Net Income	
(Increase)/Decrease in Accounts Receivable	\$ 38,634.56
(Increase)/Decrease in Prepaid Assets	(778.09)
(Increase)/Decrease in Tennis Key Deposits	240.00
Increase/(Decrease) in Acc. Depreciation	<u>4,660.00</u>
Total Adjustments to Net Income	<u>\$ 42,756.47</u>
 Beginning Cash Balances - December 31, 2020	 \$ 489,482.26
Net Income	(97,276.07)
Total Adjustments to Net Income	<u>42,756.47</u>
Ending Cash Balances - December 31, 2021	<u>\$ 434,962.66</u>

See accompanying accountant's compilation report.