

COVELER & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Sharpstown Civic Association, Inc.
Houston, TX 77036

Management is responsible for the accompanying financial statements of Sharpstown Civic Association, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of June 30, 2018, and the related statement of revenues and expenses – modified cash basis and statement of cash flow – modified cash basis for the one month and six months then ended in accordance with the modified cash basis of accounting and for determining that the modified cash basis of accounting is an acceptable financial reporting framework and the accompanying supplemental information schedules I and II, which are presented only for supplementary analysis purposes. We have performed a compilation engagement in accordance with Statements on Standards of Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included with financial statements prepared on the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, net assets and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Coveler & Associates, P.C.

COVELER & ASSOCIATES, P.C.
July 10, 2018

Sharpstown Civic Association, Inc.
Statement of Assets, Liabilities, and Net Assets
Modified Cash Basis
June 30, 2018

ASSETS

Current Assets			
City Bank - Cash	\$	22,043	
City Bank Savings		370,892	
Prepaid Expense		<u>602</u>	
Total Current Assets			\$ 393,537
Fixed Assets			
Equipment		4,232	
Accumulated Depreciation		<u>(4,232)</u>	
Total Fixed Assets, Net			0
Other Assets			
Deposits - Rent & Utilities		<u>1,100</u>	
Total Other Assets			<u>1,100</u>
Total Assets			\$ <u><u>394,637</u></u>

LIABILITIES AND UNRESTRICTED NET ASSETS

Current Liabilities			
FUTA Payable	\$	15	
SUTA Payable		21	
Deferred Income - 2018 Dues		64,093	
Deferred Income - 2018 S&S		<u>119,832</u>	
Total Current Liabilities			\$ 183,961
Unrestricted Net Assets			
Unrestricted Net Assets		249,532	
Increase/(Decrease) in Unrestricted Net Assets		<u>(38,856)</u>	
Total Unrestricted Net Assets			<u>210,676</u>
Total Liabilities and Unrestricted Net Assets			\$ <u><u>394,637</u></u>

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Revenues and Expenses
Modified Cash Basis
For the Period Ended June 30, 2018

	<u>1 Month Ended</u> <u>Jun. 30, 2018</u>	<u>6 Months Ended</u> <u>Jun. 30, 2018</u>
Revenues		
Memberships - Full	\$ 10,682	\$ 53,369
Safety and Security	19,972	99,179
Architectural Fee	180	1,175
Legal Fee Reimbursement	0	5,203
Interest (Chase)	231	1,146
SCAN	0	3,450
Transfer Fees	1,500	22,150
Refinance Fees	<u>100</u>	<u>2,350</u>
 Total Revenues	 <u>32,665</u>	 <u>188,023</u>
Expenses		
Accounting	351	3,430
Bank/Merchant Charges	0	2,289
Beautification Project	332	332
Community Projects	0	3,973
Safety and Security	17,917	96,802
Security Yard Sign	0	9,300
Esplanades/Lot Maintenance	0	756
Insurance	186	1,962
Legal Fees - DR/ACC	0	19,086
Membership Promotion	0	1,566
Mosquito Spraying	2,268	6,803
Office Supplies	4,765	13,145
Outreach/Incentives for GM	112	219
Payroll	5,672	32,768
Payroll Taxes	439	2,674
Rent	1,100	6,600
SCAN	4,982	20,199
Telephone & Internet	112	1,519
TOPS Monthly Fee	430	2,580
Utilities	<u>26</u>	<u>877</u>
 Total Expenses	 <u>38,691</u>	 <u>226,878</u>
 Increase/(Decrease) Unrestricted Net Assets	 <u>\$ (6,026)</u>	 <u>\$ (38,856)</u>

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Revenues and Expenses
Modified Cash Basis
For the Periods Ended June 30, 2018 and 2017

	<u>1 Month Ended</u> <u>Jun. 30, 2018</u>	<u>1 Month Ended</u> <u>Jun. 30, 2017</u>	
Revenues			
Memberships - Full	\$ 10,682	\$ 11,214	
Safety and Security	19,972	20,229	
Architectural Fee	180	635	
Legal Fee Reimbursement	0	525	
Interest (Chase)	231	142	
SCAN	0	1,743	
Transfer Fees	1,500	3,000	
Refinance Fees	<u>100</u>	<u>50</u>	
Total Revenues	<u>32,665</u>	<u>37,537</u>	Down 13%
Expenses			
Accounting	351	934	
Bank/Merchant Charges	0	177	
Beautification Project	332	0	
Safety and Security	17,917	18,170	
Insurance	186	0	
Legal Fees - DR/ACC	0	3,910	
Mosquito Spraying	2,268	2,063	
Office Supplies	4,765	813	
Outreach/Incentives for GM	112	0	
Payroll	5,672	5,980	
Payroll Taxes	439	470	
Rent	1,100	900	
SCAN	4,982	4,933	
Yard Signs - Not Security	0	200	
Telephone & Internet	112	316	
TOPS Monthly Fee	430	400	
Utilities	<u>26</u>	<u>158</u>	
Total Expenses	<u>38,691</u>	<u>39,425</u>	Down 1.9%
Increase/(Decrease) Unrestricted Net Assets	\$ <u>(6,026)</u>	\$ <u>(1,887)</u>	

Sharpstown Civic Association, Inc.
Statement of Revenues and Expenses
Modified Cash Basis
For the Period Ended June 30, 2018

	1 Month Ended				6 Months Ended			
	Jun. 30, 2018	Budget	Variance	Pct	Jun. 30, 2018	Budget	Variance	Pct
Revenues								
Memberships - Full	\$ 10,682	\$ 11,000	\$ (318)	(3)	\$ 53,369	\$ 66,000	\$ (12,631)	(19)
Memberships - Associate	0	33	(33)	(100)	0	200	(200)	(100)
Safety and Security	19,972	21,667	(1,695)	(8)	99,179	130,000	(30,821)	(24)
Architectural Fee	180	333	(153)	(46)	1,175	2,000	(825)	(41)
Interest & Fees	0	100	(100)	(100)	0	600	(600)	(100)
Legal Fee Reimbursement	0	583	(583)	(100)	5,203	3,500	1,702	49
Interest (Chase)	231	0	231	0	1,146	0	1,146	0
SCAN	0	1,333	(1,333)	(100)	3,450	8,000	(4,550)	(57)
Community Project - Dona	0	125	(125)	(100)	0	750	(750)	(100)
Transfer Fees	1,500	3,583	(2,083)	(58)	22,150	21,500	650	3
Refinance Fees	100	167	(67)	(40)	2,350	1,000	1,350	135
Total Revenues	32,665	38,925	(6,260)	(16)	188,023	233,550	(45,528)	(19)
Expenses								
Accounting	351	583	(233)	(40)	3,430	3,500	(70)	(2)
Bank/Merchant Charges	0	292	(292)	(100)	2,289	1,750	539	31
Beautification Project	332	125	207	165	332	750	(418)	(56)
Community Projects	0	333	(333)	(100)	3,973	2,000	1,973	99
Safety and Security	17,917	19,195	(1,278)	(7)	96,802	115,171	(18,370)	(16)
Security Yard Sign	0	833	(833)	(100)	9,300	5,000	4,300	86
Deed Restrictions	0	167	(167)	(100)	0	1,000	(1,000)	(100)
External Groups	0	83	(83)	(100)	0	500	(500)	(100)
Esplanades/Lot Maintena	0	250	(250)	(100)	756	1,500	(744)	(50)
Public Relations	0	42	(42)	(100)	0	250	(250)	(100)
Insurance	186	167	20	12	1,962	1,000	962	96
Legal Fees - DR/ACC	0	2,083	(2,083)	(100)	19,086	12,500	6,586	53
Legal Fees - Other	0	667	(667)	(100)	0	4,000	(4,000)	(100)
Membership Promotion	0	167	(167)	(100)	1,566	1,000	566	57
Mosquito Spraying	2,268	1,613	655	41	6,803	9,678	(2,874)	(30)
Office Supplies	4,765	667	4,098	615	13,145	4,000	9,145	229
Outreach/Incentives for G	112	208	(96)	(46)	219	1,250	(1,031)	(82)
Payroll	5,672	6,000	(328)	(5)	32,768	36,000	(3,232)	(9)
Payroll Taxes	439	495	(56)	(11)	2,674	2,971	(298)	(10)
Rent	1,100	1,100	0	0	6,600	6,600	0	0
SCAN	4,982	2,833	2,149	76	20,199	17,000	3,199	19
Yard Signs - Not Security	0	25	(25)	(100)	0	150	(150)	(100)
Telephone & Internet	112	250	(138)	(55)	1,519	1,500	19	1
TOPS Monthly Fee	430	400	30	8	2,580	2,400	180	8
Utilities	26	133	(107)	(80)	877	800	77	10
Total Expenses	38,691	38,712	(21)	(0)	226,878	232,270	(5,392)	(2)
Increase/(Decrease) Unrest	\$ (6,026)	\$ 213	\$ (6,239)	(999)	\$ (38,856)	\$ 1,280	\$ (40,136)	(999)

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Cash Flow
Modified Cash Basis
For the Period Ended June 30, 2018

	1 Month Ended Jun. 30, 2018	6 Months Ended Jun. 30, 2018
Cash Flow From Operating Activities		
Current Year's Earnings	\$ (6,027)	\$ (38,859)
Noncash Items Included in Net Income:		
Changes in:		
Prepaid Rent	\$ 1,100	\$ 0
Prepaid Expense	186	45
FUTA Payable	0	15
SUTA Payable	5	21
Deferred Income - 2018 Dues	(10,456)	54,193
Deferred Income - 2018 S&S	(18,959)	100,911
	(28,124)	155,185
Total Adjustments		
Cash Provided (Used) By Operations	(34,151)	116,326
Net Increase (Decrease) In Cash	(34,151)	116,326
Cash at Beginning of Period	427,084	276,607
Cash at End of Period	\$ 392,933	\$ 392,933

Our Reserve Balance By the end
of 2018 will be: \$340,000