

# 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 December 31, 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 twelve 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.  
January 10, 2019

Sharpstown Civic Association, Inc.  
Statement of Assets, Liabilities, and Net Assets  
Modified Cash Basis  
December 31, 2018

ASSETS

Current Assets			
City Bank - Cash	\$	28,384	
City Bank Savings		351,347	
Prepaid Expense		<u>561</u>	
Total Current Assets			\$ 380,293
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>381,393</u></u>

LIABILITIES AND UNRESTRICTED NET ASSETS

Current Liabilities			
Deferred Income - 2019 Dues	\$	40,583	
Deferred Income - 2019 S&S		<u>80,135</u>	
Total Current Liabilities			\$ 120,718
Unrestricted Net Assets			
Unrestricted Net Assets		249,532	
Increase/(Decrease) in Unrestricted Net Assets		<u>11,144</u>	
Total Unrestricted Net Assets			<u>260,676</u>
Total Liabilities and Unrestricted Net Assets			\$ <u><u>381,393</u></u>

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.  
Statement of Revenues and Expenses  
Modified Cash Basis  
For the Period Ended December 31, 2018

	<u>1 Month Ended</u> <u>Dec. 31, 2018</u>	<u>12 Months Ended</u> <u>Dec. 31, 2018</u>
Revenues		
Memberships - Full	\$ 12,746	\$ 127,080
Safety and Security	24,538	238,805
Architectural Fee	175	4,517
Donations	0	275
Legal Fee Reimbursement	0	10,649
Interest (Chase)	(2,356)	0
Interest (City Bank)	2,602	2,602
SCAN	5,670	22,588
Transfer Fees	2,250	55,800
Refinance Fees	<u>100</u>	<u>4,450</u>
Total Revenues	<u>45,725</u>	<u>466,766</u>
Expenses		
Accounting	350	5,656
Bank/Merchant Charges	866	3,487
Beautification Project	0	1,549
Community Projects	0	3,973
Safety and Security	21,284	203,650
Security Yard Sign	0	9,300
Website & Other	1,250	2,750
Esplanades/Lot Maintenance	644	1,400
Insurance	182	2,246
Legal Fees - DR/ACC	4,264	49,554
Membership Campaign	5,538	7,492
CC Fees	(176)	0
Mosquito Spraying	593	20,410
Office Supplies - General Post	(3,650)	11,331
Outreach/Incentives for GM	0	727
Payroll	6,217	64,204
Payroll Taxes	476	5,078
Rent	1,100	13,200
SCAN Printing - Postage	5,593	38,632
SCAN - Photographer	0	962
Telephone & Internet	243	2,995
TOPS Monthly Fee	430	5,160
Utilities	<u>141</u>	<u>1,867</u>
Total Expenses	<u>45,343</u>	<u>455,622</u>
Increase/(Decrease) Unrestricted Net Assets	<u>\$ 382</u>	<u>\$ 11,144</u>

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.  
Statement of Revenues and Expenses  
Modified Cash Basis  
For the Periods Ended December 31, 2018 and 2017

	<u>1 Month Ended</u> <u>Dec. 31, 2018</u>	<u>1 Month Ended</u> <u>Dec. 31, 2017</u>
Revenues		
Memberships - Full	\$ 12,746	\$ 12,367
Safety and Security	24,538	22,714
Architectural Fee	175	150
Interest (Chase)	(2,356)	100
Interest (City Bank)	2,602	0
SCAN	5,670	0
Transfer Fees	2,250	2,750
Refinance Fees	<u>100</u>	<u>200</u>
 Total Revenues	 <u>45,725</u>	 <u>38,281</u>
Expenses		
Accounting	350	703
Bank/Merchant Charges	866	300
Safety and Security	21,284	16,652
Computer Software	0	12
Website & Other	1,250	0
Esplanades/Lot Maintenance	644	0
Insurance	182	127
Legal Fees - DR/ACC	4,264	2,120
Membership Campaign	5,538	0
CC Fees	(176)	0
Mosquito Spraying	593	0
Office Supplies - General Post	(3,650)	413
Outreach/Incentives for GM	0	552
Payroll	6,217	5,140
Payroll Taxes	476	393
Rent	1,100	1,100
SCAN Printing - Postage	5,593	8,383
Telephone & Internet	243	112
TOPS Monthly Fee	430	400
Utilities	<u>141</u>	<u>115</u>
 Total Expenses	 <u>45,343</u>	 <u>36,521</u>
 Increase/(Decrease) Unrestricted Net Assets	 <u>\$ 382</u>	 <u>\$ 1,760</u>

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.  
Statement of Revenues and Expenses  
Modified Cash Basis  
For the Period Ended December 31, 2018

	1 Month Ended				12 Months Ended			
	Dec. 31, 2018	Budget	Variance	Pct	Dec. 31, 2018	Budget	Variance	Pct
<b>Revenues</b>								
Memberships - Full	\$ 12,746	\$ 11,000	\$ 1,746	16	\$ 127,080	\$ 132,000	\$ (4,920)	(4)
Memberships - Associate	0	33	(33)	(100)	0	400	(400)	(100)
Safety and Security	24,538	21,667	2,872	13	238,805	260,000	(21,195)	(8)
Architectural Fee	175	333	(158)	(47)	4,517	4,000	517	13
Interest & Fees	0	100	(100)	(100)	0	1,200	(1,200)	(100)
Donations	0	0	0	0	275	0	275	0
Legal Fee Reimbursement	0	583	(583)	(100)	10,649	7,000	3,649	52
Interest (Chase)	(2,356)	0	(2,356)	0	0	0	0	0
Interest (City Bank)	2,602	0	2,602	0	2,602	0	2,602	0
SCAN	5,670	1,333	4,337	325	22,588	16,000	6,588	41
Community Project - Dona	0	125	(125)	(100)	0	1,500	(1,500)	(100)
Transfer Fees	2,250	3,583	(1,333)	(37)	55,800	43,000	12,800	30
Refinance Fees	100	167	(67)	(40)	4,450	2,000	2,450	123
<b>Total Revenues</b>	<b>45,725</b>	<b>38,925</b>	<b>6,800</b>	<b>17</b>	<b>466,766</b>	<b>467,100</b>	<b>(334)</b>	<b>(0)</b>
<b>Expenses</b>								
Accounting	350	583	(233)	(40)	5,656	7,000	(1,344)	(19)
Bank/Merchant Charges	866	292	574	197	3,487	3,500	(13)	(0)
Beautification Project	0	125	(125)	(100)	1,549	1,500	49	3
Community Projects	0	333	(333)	(100)	3,973	4,000	(27)	(1)
Safety and Security	21,284	19,195	2,089	11	203,650	230,342	(26,693)	(12)
Security Yard Sign	0	833	(833)	(100)	9,300	10,000	(700)	(7)
External Groups	0	83	(83)	(100)	0	1,000	(1,000)	(100)
Website & Other	1,250	0	1,250	0	2,750	0	2,750	0
Esplanades/Lot Maintena	644	250	394	158	1,400	3,000	(1,600)	(53)
Public Relations	0	42	(42)	(100)	0	500	(500)	(100)
Insurance	182	167	16	9	2,246	2,000	246	12
Legal Fees - DR/ACC	4,264	2,750	1,514	55	49,554	33,000	16,554	50
Membership Campaign	5,538	167	5,371	999	7,492	2,000	5,492	275
CC Fees	(176)	0	(176)	0	0	0	0	0
Mosquito Spraying	593	1,613	(1,020)	(63)	20,410	19,355	1,055	5
Office Supplies - General	(3,650)	833	(4,484)	(538)	11,331	10,000	1,331	13
Outreach/Incentives for G	0	208	(208)	(100)	727	2,500	(1,773)	(71)
Payroll	6,217	6,000	217	4	64,204	72,000	(7,796)	(11)
Payroll Taxes	476	495	(20)	(4)	5,078	5,942	(864)	(15)
Rent	1,100	1,100	0	0	13,200	13,200	0	0
SCAN Printing - Postage	5,593	2,833	2,760	97	38,632	34,000	4,632	14
SCAN - Photographer	0	0	0	0	962	0	962	0
Yard Signs - Not Security	0	25	(25)	(100)	0	300	(300)	(100)
Telephone & Internet	243	250	(7)	(3)	2,995	3,000	(5)	(0)
TOPS Monthly Fee	430	400	30	8	5,160	4,800	360	8
Utilities	141	133	8	6	1,867	1,600	267	17
<b>Total Expenses</b>	<b>45,343</b>	<b>38,712</b>	<b>6,632</b>	<b>17</b>	<b>455,622</b>	<b>464,539</b>	<b>(8,918)</b>	<b>(2)</b>
<b>Increase/(Decrease) Unrest</b>	<b>\$ 382</b>	<b>\$ 213</b>	<b>\$ 168</b>	<b>79</b>	<b>\$ 11,144</b>	<b>\$ 2,561</b>	<b>\$ 8,583</b>	<b>335</b>

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.  
Statement of Cash Flow  
Modified Cash Basis  
For the Period Ended December 31, 2018

Cash Flow From Operating Activities			\$ 11,144
Current Year's Earnings			11,144
Noncash Items Included in Net Income:			
Changes in:			
Prepaid Expense	\$	86	
Deferred Income - 2019 Dues		40,583	
Deferred Income - 2018 Dues		(9,901)	
Deferred Income - 2018 S&S		(18,921)	
Deferred Income - 2019 S&S		<u>80,135</u>	
Total Adjustments			<u>91,981</u>
Cash Provided (Used) By Operations			<u>103,125</u>
Net Increase (Decrease) In Cash			103,125
Cash at Beginning of Period			<u>276,606</u>
Cash at End of Period	\$		<u><u>379,732</u></u>

See Attached Accountant's Compilation Report.

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**Sharpstown Civic Association, Inc.**  
Regular Trial Balance

Company: SCA  
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<u>Account #</u>	<u>Type</u>	<u>Description</u>	<u>12 Months Ended Dec 31, 2018</u>	<u>12 Months Ended Dec 31, 2018</u>
100	A	City Bank - Cash	28,384.48	28,384.48
103	A	City Bank Savings	351,347.37	351,347.37
177	A	Prepaid Expense	561.46	561.46
180	A	Equipment	4,231.94	4,231.94
195	A	Accumulated Depreciation	-4,231.87	-4,231.87
196	A	Deposits - Rent & Utilities	1,100.00	1,100.00
241	L	Deferred Income - 2019 Dues	-40,582.73	-40,582.73
246	L	Deferred Income - 2019 S&S	-80,134.80	-80,134.80
300	L	Unrestricted Net Assets	-249,531.84	-249,531.84
400	R	Memberships - Full	-127,079.52	-127,079.52
420	R	Memberships - Associate	0.00	0.00
425	R	Safety and Security	-238,804.80	-238,804.80
426	R	Architectural Fee	-4,517.37	-4,517.37
428	R	Interest & Fees	0.00	0.00
430	R	Donations	-275.00	-275.00
440	R	Legal Fee Reimbursement	-10,648.80	-10,648.80
465	R	Interest (City Bank)	-2,601.79	-2,601.79
470	R	SCAN	-22,588.35	-22,588.35
476	R	Community Project - Donation	0.00	0.00
480	R	Transfer Fees	-55,800.00	-55,800.00
485	R	Refinance Fees	-4,450.00	-4,450.00
600	E	Accounting	5,655.95	5,655.95
620	E	Bank/Merchant Charges	3,487.14	3,487.14
623	E	Beautification Project	1,548.50	1,548.50
625	E	Community Projects	3,973.00	3,973.00
630	E	Safety and Security	203,649.50	203,649.50
631	E	Security Yard Sign	9,300.00	9,300.00
646	E	External Groups	0.00	0.00
647	E	Website & Other	2,750.00	2,750.00
650	E	Esplanades/Lot Maintenance	1,400.00	1,400.00
656	E	Public Relations	0.00	0.00
660	E	Insurance	2,245.59	2,245.59
665	E	Legal Fees - DR/ACC	49,553.64	49,553.64
670	E	Membership Campaign	7,491.92	7,491.92
690	E	Mosquito Spraying	20,410.20	20,410.20
703	E	Office Supplies - General Post	11,330.54	11,330.54
705	E	Outreach/Incentives for GM	727.15	727.15
710	E	Payroll	64,203.76	64,203.76
720	E	Payroll Taxes	5,078.45	5,078.45
750	E	Rent	13,200.00	13,200.00
770	E	SCAN Printing - Postage	38,632.17	38,632.17
771	E	SCAN - Photographer	961.66	961.66
775	E	Yard Signs - Not Security	0.00	0.00
780	E	Telephone & Internet	2,995.27	2,995.27
790	E	TOPS Monthly Fee	5,160.00	5,160.00

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**Sharpstown Civic Association, Inc.**  
Regular Trial Balance

Company: SCA  
Page: 2

<u>Account #</u>	<u>Type</u>	<u>Description</u>	<u>12 Months Ended Dec 31, 2018</u>	<u>12 Months Ended Dec 31, 2018</u>
800	E	Utilities	1,867.18	1,867.18
		Account Balances	0.00	0.00
		Current Profit	11,144.01	Y-T-D Profit 11,144.01