

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 August 31, 2019, and the related statement of revenues and expenses – modified cash basis and statement of cash flow – modified cash basis for the one month and eight 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.
September 4, 2019

Sharpstown Civic Association, Inc.
Statement of Assets, Liabilities, and Net Assets
Modified Cash Basis
August 31, 2019

ASSETS

| | | | |
|-----------------------------|----|----------------|-----------------------|
| Current Assets | | | |
| City Bank - Cash | \$ | 39,114 | |
| City Bank Savings | | 417,603 | |
| Prepaid Rent | | 1,100 | |
| Prepaid Expense | | <u>1,250</u> | |
| Total Current Assets | \$ | | 459,066 |
| 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>460,166</u></u> |

LIABILITIES AND UNRESTRICTED NET ASSETS

| | | | |
|--|----|---------------|-----------------------|
| Current Liabilities | | | |
| FUTA Payable | \$ | 1 | |
| SUTA Payable | | 8 | |
| Deferred Income - 2019 Dues | | 49,126 | |
| Deferred Income - 2019 S&S | | <u>93,335</u> | |
| Total Current Liabilities | \$ | | 142,470 |
| Unrestricted Net Assets | | | |
| Unrestricted Net Assets | | 260,676 | |
| Increase/(Decrease) in Unrestricted Net Assets | | <u>57,021</u> | |
| Total Unrestricted Net Assets | | | <u>317,697</u> |
| Total Liabilities and Unrestricted Net Assets | \$ | | <u><u>460,166</u></u> |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Revenues and Expenses
Modified Cash Basis
For the Period Ended August 31, 2019

| | 1 Month Ended Aug. 31, 2019 | 8 Months Ended Aug. 31, 2019 |
|--|--------------------------------|---------------------------------|
| Revenues | | |
| Memberships - Full | \$ 12,281 | \$ 80,735 |
| Memberships - Associate | 0 | 2,350 |
| Safety and Security | 23,334 | 151,685 |
| Architectural Fee | 610 | 1,968 |
| Interest & Fees | 326 | 2,926 |
| Donations | 0 | 14,930 |
| Legal Fee Reimbursement | 16,275 | 62,188 |
| SCAN | 2,531 | 21,818 |
| Transfer Fees | 4,750 | 42,250 |
| Refinance Fees | 900 | 4,300 |
| Total Revenues | 61,007 | 385,151 |
| Expenses | | |
| Accounting | 364 | 4,547 |
| Bank/Merchant Charges | 244 | 3,417 |
| Community Events & Beautificat | 0 | 27,387 |
| Safety and Security | 14,996 | 125,379 |
| Donation | 0 | 6,086 |
| External Groups | 0 | 200 |
| Website & Other | 0 | 75 |
| Esplanades/Lot Maintenance | 0 | 5,973 |
| Insurance | 177 | 1,494 |
| Legal Fees - DR/ACC | 11,777 | 36,555 |
| Membership Campaign | 0 | 7,698 |
| CC Fees | 0 | 148 |
| Mosquito Spraying | 2,451 | 11,692 |
| Office Supplies - General Post | 360 | 4,747 |
| Outreach/Incentives for GM | 91 | 1,536 |
| Payroll | 5,674 | 43,935 |
| Payroll Taxes | 438 | 3,510 |
| Rent | 1,100 | 8,800 |
| SCAN Printing - Postage | 4,725 | 28,090 |
| Telephone & Internet | 244 | 2,104 |
| TOPS Monthly Fee | 480 | 3,790 |
| Utilities | 131 | 968 |
| Total Expenses | 43,253 | 328,130 |
| Increase/(Decrease) Unrestricted Net Assets | \$ 17,754 | \$ 57,021 |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Revenues and Expenses
Modified Cash Basis
For the Periods Ended August 31, 2019 and 2018

| | <u>1 Month Ended</u> <u>Aug. 31, 2019</u> | <u>1 Month Ended</u> <u>Aug. 31, 2018</u> |
|---|--|--|
| Revenues | | |
| Memberships - Full | \$ 12,281 | \$ 12,134 |
| Safety and Security | 23,334 | 22,555 |
| Architectural Fee | 610 | 526 |
| Interest & Fees | 326 | 0 |
| Legal Fee Reimbursement | 16,275 | 1,127 |
| Interest (Chase) | 0 | 270 |
| SCAN | 2,531 | 0 |
| Transfer Fees | 4,750 | 5,750 |
| Refinance Fees | <u>900</u> | <u>200</u> |
| Total Revenues | <u>61,007</u> | <u>42,561</u> |
| Expenses | | |
| Accounting | 364 | 751 |
| Bank/Merchant Charges | 244 | 80 |
| Safety and Security | 14,996 | 17,674 |
| Insurance | 177 | 186 |
| Legal Fees - DR/ACC | 11,777 | 4,539 |
| Mosquito Spraying | 2,451 | 2,268 |
| Office Supplies - General Post | 360 | 480 |
| Outreach/Incentives for GM | 91 | 69 |
| Payroll | 5,674 | 7,986 |
| Payroll Taxes | 438 | 611 |
| Rent | 1,100 | 1,100 |
| SCAN Printing - Postage | 4,725 | 0 |
| Telephone & Internet | 244 | 223 |
| TOPS Monthly Fee | 480 | 430 |
| Utilities | <u>131</u> | <u>160</u> |
| Total Expenses | <u>43,253</u> | <u>36,557</u> |
| Increase/(Decrease) Unrestricted Net Assets | <u>\$ 17,754</u> | <u>\$ 6,004</u> |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Revenues and Expenses
Modified Cash Basis
For the Period Ended August 31, 2019

| | 1 Month Ended | | | | 8 Months Ended | | | |
|-----------------------------------|------------------|---------------|------------------|------------|------------------|----------------|------------------|--------------|
| | Aug. 31, 2019 | Budget | Variance | Pct | Aug. 31, 2019 | Budget | Variance | Pct |
| Revenues | | | | | | | | |
| Memberships - Full | \$ 12,281 | \$ 10,000 | \$ 2,281 | 23 | \$ 80,735 | \$ 80,000 | \$ 735 | 1 |
| Memberships - Associate | 0 | 42 | (42) | (100) | 2,350 | 333 | 2,017 | 605 |
| Safety and Security | 23,334 | 18,333 | 5,000 | 27 | 151,685 | 146,667 | 5,019 | 3 |
| Architectural Fee | 610 | 417 | 193 | 46 | 1,968 | 3,333 | (1,365) | (41) |
| Interest & Fees | 326 | 250 | 76 | 30 | 2,926 | 2,000 | 926 | 46 |
| Donations | 0 | 0 | 0 | 0 | 14,930 | 0 | 14,930 | 0 |
| Legal Fee Reimbursement | 16,275 | 1,333 | 14,942 | 999 | 62,188 | 10,667 | 51,521 | 483 |
| SCAN | 2,531 | 1,500 | 1,031 | 69 | 21,818 | 12,000 | 9,818 | 82 |
| Transfer Fees | 4,750 | 4,958 | (208) | (4) | 42,250 | 39,667 | 2,583 | 7 |
| Refinance Fees | 900 | 417 | 483 | 116 | 4,300 | 3,333 | 967 | 29 |
| Total Revenues | 61,007 | 37,250 | 23,757 | 64 | 385,151 | 298,000 | 87,151 | 29 |
| Expenses | | | | | | | | |
| Accounting | 364 | 583 | (220) | (38) | 4,547 | 4,667 | (120) | (3) |
| Bank/Merchant Charges | 244 | 333 | (89) | (27) | 3,417 | 2,667 | 750 | 28 |
| Community Events & Bea | 0 | 167 | (167) | (100) | 27,387 | 1,333 | 26,054 | 999 |
| Safety and Security | 14,996 | 16,667 | (1,671) | (10) | 125,379 | 133,333 | (7,955) | (6) |
| Donation | 0 | 0 | 0 | 0 | 6,086 | 0 | 6,086 | 0 |
| External Groups | 0 | 42 | (42) | (100) | 200 | 333 | (133) | (40) |
| Website & Other | 0 | 250 | (250) | (100) | 75 | 2,000 | (1,925) | (96) |
| Esplanades/Lot Maintena | 0 | 417 | (417) | (100) | 5,973 | 3,333 | 2,640 | 79 |
| Public Relations | 0 | 42 | (42) | (100) | 0 | 333 | (333) | (100) |
| Insurance | 177 | 250 | (73) | (29) | 1,494 | 2,000 | (506) | (25) |
| Legal Fees - DR/ACC | 11,777 | 3,000 | 8,777 | 293 | 36,555 | 24,000 | 12,555 | 52 |
| Membership Campaign | 0 | 733 | (733) | (100) | 7,698 | 5,867 | 1,831 | 31 |
| CC Fees | 0 | 0 | 0 | 0 | 148 | 0 | 148 | 0 |
| Mosquito Spraying | 2,451 | 1,750 | 701 | 40 | 11,692 | 14,000 | (2,308) | (16) |
| Office Supplies - General | 360 | 400 | (40) | (10) | 4,747 | 3,200 | 1,547 | 48 |
| Outreach/Incentives for G | 91 | 208 | (117) | (56) | 1,536 | 1,667 | (130) | (8) |
| Payroll | 5,674 | 6,250 | (576) | (9) | 43,935 | 50,000 | (6,065) | (12) |
| Payroll Taxes | 438 | 542 | (103) | (19) | 3,510 | 4,333 | (824) | (19) |
| Rent | 1,100 | 1,100 | 0 | 0 | 8,800 | 8,800 | 0 | 0 |
| SCAN Printing - Postage | 4,725 | 3,500 | 1,225 | 35 | 28,090 | 28,000 | 90 | 0 |
| SCAN - Photographer | 0 | 83 | (83) | (100) | 0 | 667 | (667) | (100) |
| Yard Signs - Not Security | 0 | 25 | (25) | (100) | 0 | 200 | (200) | (100) |
| Telephone & Internet | 244 | 258 | (15) | (6) | 2,104 | 2,067 | 38 | 2 |
| TOPS Monthly Fee | 480 | 483 | (3) | (1) | 3,790 | 3,867 | (77) | (2) |
| Utilities | 131 | 167 | (35) | (21) | 968 | 1,333 | (365) | (27) |
| Total Expenses | 43,253 | 37,250 | 6,003 | 16 | 328,130 | 298,000 | 30,130 | 10 |
| Increase/(Decrease) Unrest | \$ 17,754 | \$ 0 | \$ 17,754 | 999 | \$ 57,021 | \$ (0) | \$ 57,021 | (999) |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Cash Flow
Modified Cash Basis
For the Period Ended August 31, 2019

| | <u>1 Month Ended</u> <u>Aug. 31, 2019</u> | <u>8 Months Ended</u> <u>Aug. 31, 2019</u> |
|---------------------------------------|--|---|
| Cash Flow From Operating Activities | | |
| Current Year's Earnings | \$ 17,754 | \$ 57,021 |
| Noncash Items Included in Net Income: | | |
| Changes in: | | |
| Prepaid Rent | \$ 0 | \$ (1,100) |
| Prepaid Expense | (158) | (688) |
| FUTA Payable | 0 | 1 |
| SUTA Payable | 4 | 8 |
| Deferred Income - 2019 Dues | (10,761) | 8,543 |
| Deferred Income - 2019 S&S | <u>(20,006)</u> | <u>13,200</u> |
| Total Adjustments | <u>(30,921)</u> | <u>19,964</u> |
| Cash Provided (Used) By Operations | <u>(13,167)</u> | <u>76,985</u> |
| Net Increase (Decrease) In Cash | (13,167) | 76,985 |
| Cash at Beginning of Period | <u>469,884</u> | <u>379,732</u> |
| Cash at End of Period | \$ <u><u>456,717</u></u> | \$ <u><u>456,717</u></u> |

See Attached Accountant's Compilation Report.

CITY BANK

G/L ACCOUNT #: 100 Month August YEAR: 2019

BEG. BOOK BALANCE: 27,606.70 BALANCE PER BANK: 43,550.53

ADD: DEPOSITS

| GL # | AMOUNT |
|--------------------------|-----------|
| Deposit | 54,853.64 |
| Collections | |
| Redeposit returned items | |
| Bank Fee | |

DEPOSITS IN TRANSIT:

| DATE | AMOUNT |
|------|--------|
| | |
| | |
| | |

TOTAL DEPOSITS 54,853.64 **DEPOSITS IN TRANSIT:** 0.00

LESS: CHECKS

32,962.17

OUTSTANDING

CHECKS

4,436.85

LESS: DEBIT MEMOS

| GL# | AMOUNT |
|-------------|----------|
| Misc Debits | 4,039.88 |
| Payroll | 5,133.81 |
| Tax | 1,210.80 |
| Misc | |

CORRECTING JOURNAL ENTRIES

| JE# | AMOUNT |
|----------|--------|
| Aug 1 PR | |
| | |
| | |

TOTAL DEBIT MEMOS 10,384.49 **TOTAL JE'S** 0.00

BALANCE PER BOOKS:

39,113.68

BALANCE PER BANK:

39,113.68

0.00

Per Check Register:

39,113.68

Per Easy:

39,113.68

0.00

0.00

OUTSTANDING CHECKS

| CK. # | AMOUNT | CK# | AMOUNT | CK. # | AMOUNT |
|-------|----------|-----|--------|-------|--------|
| 92 | 4,430.00 | | | | |
| USPS | 6.85 | | | | |

Total: **4,436.85**

Total: **0.00**

Total: **0.00**

TOTALS: 4,436.85