

COVELER & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

TWO MEMORIAL CITY PLAZA
820 GESSNER, SUITE 1710
HOUSTON, TEXAS 77024-4298
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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 May 31, 2020, and the related statement of revenues and expenses – modified cash basis and statement of cash flow – modified cash basis for the one month and five 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.
June 11, 2020

Sharpstown Civic Association, Inc.
Statement of Assets, Liabilities, and Net Assets
Modified Cash Basis
May 31, 2020

ASSETS

| | | | |
|--------------------------|----|----------------|-----------------------|
| Current Assets | | | |
| City Bank - Cash | \$ | 57,944 | |
| City Bank Savings | | 451,357 | |
| Prepaid Expense | | <u>3,441</u> | |
| Total Current Assets | \$ | | 512,742 |
| Fixed Assets | | | |
| Equipment | | 4,232 | |
| Accumulated Depreciation | | <u>(4,232)</u> | |
| Total Fixed Assets, Net | | | 0 |
| Other Assets | | | |
| Deposits | | <u>1,100</u> | |
| Total Other Assets | | | <u>1,100</u> |
| Total Assets | \$ | | <u><u>513,842</u></u> |

LIABILITIES AND UNRESTRICTED NET ASSETS

| | | | |
|--|----|-----------------|-----------------------|
| Current Liabilities | | | |
| Accounts Payable | \$ | 1,100 | |
| Note Payable - PPP Loan | | 16,500 | |
| FUTA Payable | | 14 | |
| SUTA Payable | | 13 | |
| Deferred Income - 2020 Dues | | 69,605 | |
| Deferred Income - 2020 S&S | | <u>138,940</u> | |
| Total Current Liabilities | \$ | | 226,171 |
| Unrestricted Net Assets | | | |
| Unrestricted Net Assets | | 339,577 | |
| Increase/(Decrease) in Unrestricted Net Assets | | <u>(51,906)</u> | |
| Total Unrestricted Net Assets | | | <u>287,670</u> |
| Total Liabilities and Unrestricted Net Assets | \$ | | <u><u>513,842</u></u> |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Revenues and Expenses
Modified Cash Basis
For the Period Ended May 31, 2020

| | <u>1 Month Ended</u> <u>May 31, 2020</u> | <u>5 Months Ended</u> <u>May 31, 2020</u> |
|---|---|--|
| Revenues | | |
| Memberships - Full | \$ 9,944 | \$ 37,579 |
| Memberships - Associate | 300 | 1,400 |
| Safety and Security | 19,849 | 73,791 |
| Architectural Fee | 1,650 | 5,400 |
| Interest & Fees | 115 | 809 |
| Donations | 110 | 110 |
| Legal Fee Reimbursement | 1,550 | 10,875 |
| SCAN | 3,810 | 10,229 |
| Transfer Fees | 3,250 | 20,950 |
| Refinance Fees | <u>1,600</u> | <u>2,800</u> |
| Total Revenues | <u>42,177</u> | <u>163,944</u> |
| Expenses | | |
| Accounting | 1,100 | 4,780 |
| Bank/Merchant Charges | 544 | 3,573 |
| Annual Fireworks Event | 16,179 | 16,179 |
| Safety and Security | 17,388 | 76,653 |
| Security Cameras | 333 | 1,667 |
| Website & Other | 100 | 499 |
| Esplanades/Lot Maintenance | 1,378 | 5,564 |
| Public Relations | 0 | 10,000 |
| Insurance | 168 | 848 |
| Legal Fees - DR/ACC | 6,340 | 19,153 |
| Membership Campaign | 0 | 8,859 |
| Mosquito Spraying | 2,571 | 2,586 |
| Office Supplies - General Post | 569 | 6,044 |
| Outreach/Incentives for GM | 0 | 244 |
| Payroll | 6,677 | 34,368 |
| Payroll Taxes | 519 | 2,785 |
| Rent | 1,100 | 5,500 |
| SCAN Printing - Postage | 1,253 | 11,306 |
| SCAN - Photographer | 0 | 330 |
| Yard Signs - Not Security | 0 | 700 |
| Telephone & Internet | 127 | 1,355 |
| TOPS Monthly Fee | 480 | 2,400 |
| Utilities | <u>84</u> | <u>458</u> |
| Total Expenses | <u>56,910</u> | <u>215,850</u> |
| Increase/(Decrease) Unrestricted Net Assets | <u>\$ (14,733)</u> | <u>\$ (51,906)</u> |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Revenues and Expenses
Modified Cash Basis
For the Periods Ended May 31, 2020 and 2019

| | <u>1 Month Ended</u> <u>May 31, 2020</u> | <u>1 Month Ended</u> <u>May 31, 2019</u> |
|---|---|---|
| Revenues | | |
| Memberships - Full | \$ 9,944 | \$ 11,129 |
| Memberships - Associate | 300 | 300 |
| Safety and Security | 19,849 | 20,913 |
| Architectural Fee | 1,650 | 215 |
| Interest & Fees | 115 | 430 |
| Donations | 110 | 3,751 |
| Legal Fee Reimbursement | 1,550 | 238 |
| SCAN | 3,810 | 0 |
| Transfer Fees | 3,250 | 5,750 |
| Refinance Fees | <u>1,600</u> | <u>1,100</u> |
| | | |
| Total Revenues | <u>42,177</u> | <u>43,826</u> |
| | | |
| Expenses | | |
| Accounting | 1,100 | 377 |
| Bank/Merchant Charges | 544 | 251 |
| Community Events & Beautificat | 0 | 5,734 |
| Annual Fireworks Event | 16,179 | 0 |
| Safety and Security | 17,388 | 21,346 |
| Security Cameras | 333 | 0 |
| Donation | 0 | 6,086 |
| Website & Other | 100 | 0 |
| Esplanades/Lot Maintenance | 1,378 | 0 |
| Insurance | 168 | 169 |
| Legal Fees - DR/ACC | 6,340 | 3,662 |
| Mosquito Spraying | 2,571 | 2,451 |
| Office Supplies - General Post | 569 | 334 |
| Outreach/Incentives for GM | 0 | 132 |
| Payroll | 6,677 | 5,602 |
| Payroll Taxes | 519 | 441 |
| Rent | 1,100 | 1,100 |
| SCAN Printing - Postage | 1,253 | 5,979 |
| Telephone & Internet | 127 | 231 |
| TOPS Monthly Fee | 480 | 480 |
| Utilities | <u>84</u> | <u>88</u> |
| | | |
| Total Expenses | <u>56,910</u> | <u>54,462</u> |
| | | |
| Increase/(Decrease) Unrestricted Net Assets | \$ <u><u>(14,733)</u></u> | \$ <u><u>(10,636)</u></u> |

See Attached Accountant's Compilation Report.

6/8/2020
15:50

Sharpstown Civic Association, Inc.
Regular Trial Balance

Company: SCA
Page: 1

| <u>Account #</u> | <u>Type</u> | <u>Description</u> | <u>1 Month Ended May 31, 2020</u> | <u>5 Months Ended May 31, 2020</u> |
|------------------|-------------|--------------------------------|---------------------------------------|--|
| 100 | A | City Bank - Cash | -24,007.09 | 57,943.58 |
| 103 | A | City Bank Savings | 114.66 | 451,356.83 |
| 177 | A | Prepaid Expense | -501.16 | 3,441.21 |
| 180 | A | Equipment | 0.00 | 4,231.94 |
| 195 | A | Accumulated Depreciation | 0.00 | -4,231.87 |
| 196 | A | Deposits | 0.00 | 1,100.00 |
| 200 | L | Accounts Payable | 0.00 | -1,100.00 |
| 210 | L | Note Payable - PPP Loan | 0.00 | -16,500.00 |
| 224 | L | FUTA Payable | -1.95 | -13.85 |
| 225 | L | SUTA Payable | -5.95 | -12.52 |
| 240 | L | Deferred Income - 2020 Dues | 3,358.63 | -69,605.40 |
| 245 | L | Deferred Income - 2020 S&S | 6,309.96 | -138,939.65 |
| 300 | L | Unrestricted Net Assets | 0.00 | -339,576.62 |
| 400 | R | Memberships - Full | -9,943.63 | -37,579.37 |
| 420 | R | Memberships - Associate | -300.00 | -1,400.00 |
| 425 | R | Safety and Security | -19,848.53 | -73,791.12 |
| 426 | R | Architectural Fee | -1,650.00 | -5,400.00 |
| 428 | R | Interest & Fees | -114.66 | -808.78 |
| 430 | R | Donations | -110.00 | -110.00 |
| 440 | R | Legal Fee Reimbursement | -1,550.00 | -10,875.22 |
| 470 | R | SCAN | -3,810.40 | -10,229.20 |
| 480 | R | Transfer Fees | -3,250.00 | -20,950.00 |
| 485 | R | Refinance Fees | -1,600.00 | -2,800.00 |
| 600 | E | Accounting | 1,100.00 | 4,779.80 |
| 620 | E | Bank/Merchant Charges | 544.20 | 3,573.36 |
| 625 | E | Community Events & Beautificat | 0.00 | 0.00 |
| 626 | L | Annual Fireworks Event | 16,179.14 | 16,179.14 |
| 630 | E | Safety and Security | 17,388.00 | 76,653.00 |
| 632 | E | Security Cameras | 333.34 | 1,666.70 |
| 646 | E | External Groups | 0.00 | 0.00 |
| 647 | E | Website & Other | 100.00 | 499.00 |
| 650 | E | Esplanades/Lot Maintenance | 1,378.00 | 5,564.00 |
| 656 | E | Public Relations | 0.00 | 10,000.00 |
| 660 | E | Insurance | 167.82 | 847.96 |
| 665 | E | Legal Fees - DR/ACC | 6,340.00 | 19,152.75 |
| 670 | E | Membership Campaign | 0.00 | 8,858.69 |
| 690 | E | Mosquito Spraying | 2,571.00 | 2,586.00 |
| 703 | E | Office Supplies - General Post | 569.31 | 6,043.95 |
| 705 | E | Outreach/Incentives for GM | 0.00 | 244.04 |
| 710 | E | Payroll | 6,677.00 | 34,368.00 |
| 720 | E | Payroll Taxes | 518.68 | 2,784.85 |
| 750 | E | Rent | 1,100.00 | 5,500.00 |
| 770 | E | SCAN Printing - Postage | 1,252.80 | 11,305.60 |
| 771 | E | SCAN - Photogropher | 0.00 | 330.00 |
| 775 | E | Yard Signs - Not Security | 0.00 | 700.00 |
| 780 | E | Telephone & Internet | 126.64 | 1,355.05 |

6/8/2020
15:50

Sharpstown Civic Association, Inc.
Regular Trial Balance

Company: SCA
Page: 2

| <u>Account #</u> | <u>Type</u> | <u>Description</u> | <u>1 Month Ended May 31, 2020</u> | <u>5 Months Ended May 31, 2020</u> |
|------------------|-------------|--------------------|---------------------------------------|--|
| 790 | E | TOPS Monthly Fee | 480.00 | 2,400.00 |
| 800 | E | Utilities | 84.19 | 458.15 |
| | | Account Balances | <u>0.00</u> | <u>0.00</u> |
| Current Profit | | 1,446.24 | Y-T-D Loss | 35,727.21 |

Sharpstown Civic Association, Inc.
Statement of Revenues and Expenses
Modified Cash Basis
For the Period Ended May 31, 2020

| | 1 Month Ended May 31, 2020 | | | | 5 Months Ended May 31, 2020 | | | |
|----------------------------|-------------------------------|---------------|---------------|-----------|--------------------------------|----------------|----------------------|--|
| | Budget | Variance | Pct | Budget | Variance | Pct | | |
| Revenues | | | | | | | | |
| Memberships - Full | \$ 9,944 | \$ 10,000 | \$ (56) | (1) | \$ 37,579 | \$ 50,000 | \$ (12,421) (25) | |
| Memberships - Associate | 300 | 208 | 92 | 44 | 1,400 | 1,042 | 358 34 | |
| Safety and Security | 19,849 | 18,333 | 1,515 | 8 | 73,791 | 91,667 | (17,876) (20) | |
| Architectural Fee | 1,650 | 417 | 1,233 | 296 | 5,400 | 2,083 | 3,317 159 | |
| Interest & Fees | 115 | 250 | (135) | (54) | 809 | 1,250 | (441) (35) | |
| Donations | 110 | 0 | 110 | 0 | 110 | 0 | 110 0 | |
| Legal Fee Reimbursement | 1,550 | 1,333 | 217 | 16 | 10,875 | 6,667 | 4,209 63 | |
| SCAN | 3,810 | 2,000 | 1,810 | 91 | 10,229 | 10,000 | 229 2 | |
| Transfer Fees | 3,250 | 5,417 | (2,167) | (40) | 20,950 | 27,083 | (6,133) (23) | |
| Refinance Fees | 1,600 | 417 | 1,183 | 284 | 2,800 | 2,083 | 717 34 | |
| Total Revenues | 42,177 | 38,375 | 3,802 | 10 | 163,944 | 191,875 | (27,931) (15) | |
| Expenses | | | | | | | | |
| Accounting | 1,100 | 583 | 517 | 89 | 4,780 | 2,917 | 1,863 64 | |
| Bank/Merchant Charges | 544 | 350 | 194 | 55 | 3,573 | 1,750 | 1,823 104 | |
| Community Events & Bea | 0 | 333 | (333) | (100) | 0 | 1,667 | (1,667) (100) | |
| Annual Fireworks Event | 16,179 | 1,667 | 14,512 | 871 | 16,179 | 8,333 | 7,846 94 | |
| Safety and Security | 17,388 | 16,667 | 721 | 4 | 76,653 | 83,333 | (6,680) (8) | |
| Security Cameras | 333 | 333 | 0 | 0 | 1,667 | 1,667 | 0 0 | |
| External Groups | 0 | 42 | (42) | (100) | 0 | 208 | (208) (100) | |
| Website & Other | 100 | 250 | (150) | (60) | 499 | 1,250 | (751) (60) | |
| Esplanades/Lot Maintena | 1,378 | 1,058 | 320 | 30 | 5,564 | 5,292 | 272 5 | |
| Public Relations | 0 | 2,917 | (2,917) | (100) | 10,000 | 14,583 | (4,583) (31) | |
| Insurance | 168 | 250 | (82) | (33) | 848 | 1,250 | (402) (32) | |
| Legal Fees - DR/ACC | 6,340 | 4,167 | 2,173 | 52 | 19,153 | 20,833 | (1,681) (8) | |
| Membership Campaign | 0 | 733 | (733) | (100) | 8,859 | 3,667 | 5,192 142 | |
| Mosquito Spraying | 2,571 | 1,750 | 821 | 47 | 2,586 | 8,750 | (6,164) (70) | |
| Office Supplies - General | 569 | 750 | (181) | (24) | 6,044 | 3,750 | 2,294 61 | |
| Outreach/Incentives for G | 0 | 250 | (250) | (100) | 244 | 1,250 | (1,006) (80) | |
| Payroll | 6,677 | 8,083 | (1,406) | (17) | 34,368 | 40,417 | (6,049) (15) | |
| Payroll Taxes | 519 | 750 | (231) | (31) | 2,785 | 3,750 | (965) (26) | |
| Rent | 1,100 | 1,100 | 0 | 0 | 5,500 | 5,500 | 0 0 | |
| SCAN Printing - Postage | 1,253 | 3,333 | (2,081) | (62) | 11,306 | 16,667 | (5,361) (32) | |
| SCAN - Photographer | 0 | 83 | (83) | (100) | 330 | 417 | (87) (21) | |
| Yard Signs - Not Security | 0 | 25 | (25) | (100) | 700 | 125 | 575 460 | |
| Telephone & Internet | 127 | 250 | (123) | (49) | 1,355 | 1,250 | 105 8 | |
| TOPS Monthly Fee | 480 | 475 | 5 | 1 | 2,400 | 2,375 | 25 1 | |
| Utilities | 84 | 133 | (49) | (37) | 458 | 667 | (209) (31) | |
| Total Expenses | 56,910 | 46,333 | 10,577 | 23 | 215,850 | 231,667 | (15,817) (7) | |
| Increase/(Decrease) Unrest | \$ (14,733) | \$ (7,958) | \$ (6,775) | 85 | \$ (51,906) | \$ (39,792) | \$ (12,115) 30 | |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Cash Flow
Modified Cash Basis
For the Period Ended May 31, 2020

| | 1 Month Ended May 31, 2020 | 5 Months Ended May 31, 2020 |
|---------------------------------------|-------------------------------|--------------------------------|
| Cash Flow From Operating Activities | | |
| Current Year's Earnings | \$ (14,733) | \$ (51,906) |
| Noncash Items Included in Net Income: | | |
| Changes in: | | |
| Prepaid Rent | \$ 0 | \$ 1,100 |
| Prepaid Expense | 501 | (2,898) |
| Accounts Payable | 0 | 1,100 |
| Note Payable - PPP Loan | 0 | 16,500 |
| FUTA Payable | 2 | (3) |
| SUTA Payable | 6 | 2 |
| Deferred Income - 2020 Dues | (3,359) | 63,765 |
| Deferred Income - 2020 S&S | (6,310) | 127,180 |
| Total Adjustments | (9,160) | 206,746 |
| Cash Provided (Used) By Operations | (23,892) | 154,840 |
| | | |
| Net Increase (Decrease) In Cash | (23,892) | 154,840 |
| Cash at Beginning of Period | 533,193 | 354,461 |
| Cash at End of Period | \$ 509,301 | \$ 509,301 |

See Attached Accountant's Compilation Report.

CITY BANK

G/L ACCOUNT #: 100 Month May YEAR: 2020

BEG. BOOK BALANCE: 81,950.67 BALANCE PER BANK: 50,641.62

ADD: DEPOSITS

| GL # | AMOUNT |
|--------------------------|-----------|
| Deposit | 31,849.77 |
| Collections | |
| Redeposit returned items | |
| Bank Fee | |

DEPOSITS IN TRANSIT:

| DATE | AMOUNT |
|-----------|----------|
| 4/30/2020 | 12831.96 |
| | |
| | |
| | |

TOTAL DEPOSITS 31,849.77 **DEPOSITS IN TRANSIT:** 12,831.96

LESS: CHECKS

OUTSTANDING CHECKS 0.00 5,530.00

LESS: DEBIT MEMOS

| GL# | AMOUNT |
|-------------|-----------|
| Misc Debits | 48,356.76 |
| Payroll | 6,089.26 |
| Tax | 1,410.84 |
| Misc | |

CORRECTING JOURNAL ENTRIES

| JE# | AMOUNT |
|-----|--------|
| | |
| | |
| | |
| | |

TOTAL DEBIT MEMOS 55,856.86 **TOTAL JE'S** 0.00

BALANCE PER BOOKS: 57,943.58 **BALANCE PER BANK:** 57,943.58 0.00
Per Check Register: 57,943.58 **Per Easy:** 57,943.58 0.00
0.00

OUTSTANDING CHECKS

| CK. # | AMOUNT | CK# | AMOUNT | CK. # | AMOUNT |
|-------|----------|-----|--------|-------|--------|
| 92 | 4,430.00 | | | | |
| Simms | 1,100.00 | | | | |

Total: 5,530.00 **Total:** 0.00 **Total:** 0.00

TOTALS: 5,530.00

**Sharpstown Civic Association
City Bank
Check Register**

| DATE | DESCRIPTION | CHECK # | AMOUNT | DEPOSIT | BALANCE |
|-----------------|----------------------------|---------------------|-----------------|-----------------|--------------------|
| 05/01/20 | Beginning Balance | | | | 81,950.67 |
| 5/1/2020 | Scott Gilbert | ACH | 2131.69 | | 79,818.98 |
| 5/1/2020 | Michael Rowan | ACH | 328.92 | | 79,490.06 |
| 5/1/2020 | Johnson Samuel | ACH | 731.42 | | 78,758.64 |
| 5/1/2020 | IRS | ACH | 723.54 | | 78,035.10 |
| 5/15/2020 | Scott Gilbert | ACH | 2121.49 | | 75,913.61 |
| 5/15/2020 | Michael Rowan | ACH | 36.94 | | 75,876.67 |
| 5/15/2020 | Johnson Samuel | ACH | 738.80 | | 75,137.87 |
| 5/15/2020 | IRS | ACH | 687.30 | | 74,450.57 |
| 5/1/2020 | USPS | Debit Card | 20.30 | | 74,430.27 |
| 5/6/2020 | TOPS | ACH | 480.00 | | 73,950.27 |
| 5/7/2020 | USPS | Debit Card | 13.90 | | 73,936.37 |
| 5/7/2020 | Illumination Fireworks | ACH | 16179.14 | | 57,757.23 |
| 5/11/2020 | USPS | Debit Card | 6.95 | | 57,750.28 |
| 5/11/2020 | Google Storage | ACH | 10.65 | | 57,739.63 |
| 5/11/2020 | Drop Box | ACH | 12.78 | | 57,726.85 |
| 5/13/2020 | USPS | Debit Card | 6.95 | | 57,719.90 |
| 5/18/2020 | SiteJab | Debit Card | 100.00 | | 57,619.90 |
| 5/20/2020 | HEB | Debit Card | 22.19 | | 57,597.71 |
| 5/22/2020 | Coveler & Associates | ACH | 1100.00 | | 56,497.71 |
| 5/22/2020 | SEAL Security Solutions | ACH | 17388.00 | | 39,109.71 |
| 5/22/2020 | Expert Yard Care | ACH | 1378.00 | | 37,731.71 |
| 5/22/2020 | DMR | ACH | 1252.80 | | 36,478.91 |
| 5/22/2020 | Lambright & Associates | ACH | 6340.00 | | 30,138.91 |
| 5/22/2020 | Liberty Office Products | ACH | 50.00 | | 30,088.91 |
| 5/22/2020 | Cypress Creek Pest Control | ACH | 2571.00 | | 27,517.91 |
| 5/22/2020 | Robert Simms | ACH | 1100.00 | | 26,417.91 |
| 5/26/2020 | Capizmo | ACH | 103.21 | | 26,314.70 |
| 5/26/2020 | Reliant Energy | ACH | 84.19 | | 26,230.51 |
| 5/27/2020 | USPS | Debit Card | 123.90 | | 26,106.61 |
| 5/28/2020 | USPS | Debit Card | 12.80 | | 26,093.81 |
| 5/31/2019 | Deposit | | | 31849.77 | 57,943.58 |
| | | Disbursement | 55856.86 | 31849.77 | Deposits |
| | | Payroll | 6089.26 | | Debits |
| | | IRS | 1410.84 | | |
| | | Checks | 0.00 | | |
| | | Misc Debits | 48356.76 | | |
| | | Total Checks | 55856.86 | 31849.77 | Collections |