

# 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 February 28, 2022 and the related statement of revenues and expenses – modified cash basis and statement of cash flow – modified cash basis for the one month and two 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.  
March 8, 2022

Sharpstown Civic Association, Inc.  
Statement of Assets, Liabilities, and Net Assets  
Modified Cash Basis  
February 28, 2022

ASSETS

|                          |    |                |                       |
|--------------------------|----|----------------|-----------------------|
| Current Assets           |    |                |                       |
| City Bank - Cash         | \$ | 53,967         |                       |
| City Bank Savings        |    | 400,201        |                       |
| Prepaid Expense          |    | <u>11,761</u>  |                       |
| Total Current Assets     | \$ |                | 465,929               |
| 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>467,029</u></u> |

LIABILITIES AND UNRESTRICTED NET ASSETS

|  |    |                 |                       |
|--|----|-----------------|-----------------------|
| Current Liabilities                            |    |                 |                       |
| FUTA Payable                                   | \$ | 54              |                       |
| SUTA Payable                                   |    | 34              |                       |
| Deferred Income - 2022 Dues                    |    | 68,454          |                       |
| Deferred Income - 2022 S&S                     |    | <u>134,686</u>  |                       |
| Total Current Liabilities                      | \$ |                 | 203,229               |
| Unrestricted Net Assets                        |    |                 |                       |
| Unrestricted Net Assets                        |    | 287,751         |                       |
| Increase/(Decrease) in Unrestricted Net Assets |    | <u>(23,950)</u> |                       |
| Total Unrestricted Net Assets                  |    |                 | <u>263,801</u>        |
| Total Liabilities and Unrestricted Net Assets  | \$ |                 | <u><u>467,029</u></u> |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.  
Statement of Revenues and Expenses  
Modified Cash Basis  
For the Period Ended February 28, 2022

|   | 1 Month Ended<br>Feb. 28, 2022 |    | 2 Months Ended<br>Feb. 28, 2022 |
|---|--------------------------------|----|---------------------------------|
| <b>Revenues</b>                                 |                                |    |                                 |
| Memberships - Full                              | \$ 6,845                       | \$ | 12,495                          |
| Memberships - Associate                         | 410                            |    | 660                             |
| Safety and Security                             | 13,469                         |    | 23,734                          |
| Architectural Fee                               | 525                            |    | 1,150                           |
| Interest & Fees                                 | 77                             |    | 140                             |
| Legal Fee Reimbursement                         | 0                              |    | 1,460                           |
| SCAN  | 0                              |    | 630                             |
| Transfer Fees                                   | 1,250                          |    | 8,500                           |
| Refinance Fees                                  | 0                              |    | 200                             |
| <br>Total Revenues                              | <br>22,576                     |    | <br>48,969                      |
| <br><b>Expenses</b>                             |                                |    |                                 |
| Accounting                                      | 378                            |    | 753                             |
| Bank/Merchant Charges                           | 704                            |    | 1,929                           |
| Annual Fireworks Event                          | 1,111                          |    | 2,222                           |
| Safety and Security                             | 11,430                         |    | 26,523                          |
| Esplanades/Lot Maintenance                      | 1,757                          |    | 3,749                           |
| Insurance                                       | 1,412                          |    | 2,823                           |
| Legal Fees - DR/ACC                             | 6,064                          |    | 6,144                           |
| Membership Campaign                             | 3,843                          |    | 3,843                           |
| Mosquito Spraying                               | 0                              |    | 15                              |
| Office Supplies - General Post                  | 856                            |    | 1,422                           |
| Outreach/Incentives for GM                      | 80                             |    | 219                             |
| Payroll   | 5,904                          |    | 11,516                          |
| Payroll Taxes                                   | 489                            |    | 969                             |
| Rent  | 1,100                          |    | 2,200                           |
| SCAN Printing - Postage                         | 6,740                          |    | 6,740                           |
| Telephone & Internet                            | 206                            |    | 486                             |
| TOPS Monthly Fee                                | 530                            |    | 1,060                           |
| Utilities                                       | 187                            |    | 307                             |
| <br>Total Expenses                              | <br>42,789                     |    | <br>72,919                      |
| <br>Increase/(Decrease) Unrestricted Net Assets | <br>\$ (20,213)                | \$ | <br>(23,950)                    |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.  
Statement of Cash Flow  
Modified Cash Basis  
For the Period Ended February 28, 2022

|                                       | 1 Month Ended<br>Feb. 28, 2022 | 2 Months Ended<br>Feb. 28, 2022 |
|---------------------------------------|--------------------------------|---------------------------------|
| Cash Flow From Operating Activities   |                                |                                 |
| Current Year's Earnings               | \$ (20,213)                    | \$ (23,950)                     |
| Noncash Items Included in Net Income: |                                |                                 |
| Changes in:                           |                                |                                 |
| Prepaid Expense                       | \$ 2,523                       | \$ 4,132                        |
| FUTA Payable                          | 20                             | 54                              |
| SUTA Payable                          | 17                             | 34                              |
| Deferred Income - 2022 Dues           | 11,811                         | 50,754                          |
| Deferred Income - 2022 S&S            | 21,771                         | 99,196                          |
| Total Adjustments                     | 36,142                         | 154,170                         |
| Cash Provided (Used) By Operations    | 15,929                         | 130,220                         |
| Net Increase (Decrease) In Cash       | 15,929                         | 130,220                         |
| Cash at Beginning of Period           | 438,239                        | 323,948                         |
| Cash at End of Period                 | \$ 454,168                     | \$ 454,168                      |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.  
Statement of Revenues and Expenses  
Modified Cash Basis  
For the Periods Ended February 28, 2022 and 2021

|   | <u>1 Month Ended</u><br><u>Feb. 28, 2022</u> | <u>1 Month Ended</u><br><u>Feb. 28, 2021</u> |
|---|--|--|
| <b>Revenues</b>                                 |  |  |
| Memberships - Full                              | \$ 6,845                                     | \$ 5,954                                     |
| Memberships - Associate                         | 410  | 0  |
| Safety and Security                             | 13,469                                       | 12,794                                       |
| Architectural Fee                               | 525  | 870  |
| Interest & Fees                                 | 77   | 58   |
| Legal Fee Reimbursement                         | 0  | 2,247  |
| SCAN  | 0  | 1,260  |
| Transfer Fees                                   | 1,250  | 6,250  |
| Refinance Fees                                  | <u>0</u>                                     | <u>1,000</u>                                 |
| <br>Total Revenues                              | <br><u>22,576</u>                            | <br><u>30,432</u>                            |
| <b>Expenses</b>                                 |  |  |
| Accounting                                      | 378  | 1,166  |
| Bank/Merchant Charges                           | 704  | 280  |
| Community Events & Beautificat                  | 0  | 205  |
| Annual Fireworks Event                          | 1,111  | 0  |
| Safety and Security                             | 11,430                                       | 18,239                                       |
| Website & Other                                 | 0  | 100  |
| Esplanades/Lot Maintenance                      | 1,757  | 1,597  |
| Insurance                                       | 1,412  | 148  |
| Legal Fees - DR/ACC                             | 6,064  | 5,248  |
| Membership Campaign                             | 3,843  | 0  |
| Office Supplies - General Post                  | 856  | 541  |
| Outreach/Incentives for GM                      | 80   | 53   |
| Payroll   | 5,904  | 6,608  |
| Payroll Taxes                                   | 489  | 531  |
| Rent  | 1,100  | 0  |
| SCAN Printing - Postage                         | 6,740  | 5,381  |
| Telephone & Internet                            | 206  | 297  |
| TOPS Monthly Fee                                | 530  | 530  |
| Utilities                                       | <u>187</u>                                   | <u>147</u>                                   |
| <br>Total Expenses                              | <br><u>42,789</u>                            | <br><u>41,068</u>                            |
| <br>Increase/(Decrease) Unrestricted Net Assets | <br>\$ <u><u>(20,213)</u></u>                | <br>\$ <u><u>(10,636)</u></u>                |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.  
Statement of Revenues and Expenses  
Modified Cash Basis  
For the Period Ended February 28, 2022

|                                   | 1 Month Ended      |               |                    |             | 2 Months Ended     |               |                    |             |
|-----------------------------------|--------------------|---------------|--------------------|-------------|--------------------|---------------|--------------------|-------------|
|                                   | Feb. 28, 2022      | Budget        | Variance           | Pct         | Feb. 28, 2022      | Budget        | Variance           | Pct         |
| <b>Revenues</b>                   |                    |               |                    |             |                    |               |                    |             |
| Memberships - Full                | \$ 6,845           | \$ 8,667      | \$ (1,821)         | (21)        | \$ 12,495          | \$ 17,333     | \$ (4,839)         | (28)        |
| Memberships - Associate           | 410                | 167           | 243                | 146         | 660                | 333           | 327                | 98          |
| Safety and Security               | 13,469             | 18,417        | (4,948)            | (27)        | 23,734             | 36,833        | (13,100)           | (36)        |
| Architectural Fee                 | 525                | 1,417         | (892)              | (63)        | 1,150              | 2,833         | (1,683)            | (59)        |
| Interest & Fees                   | 77                 | 108           | (32)               | (29)        | 140                | 217           | (76)               | (35)        |
| Legal Fee Reimbursement           | 0                  | 833           | (833)              | (100)       | 1,460              | 1,667         | (207)              | (12)        |
| SCAN                              | 0                  | 1,333         | (1,333)            | (100)       | 630                | 2,667         | (2,037)            | (76)        |
| Transfer Fees                     | 1,250              | 3,750         | (2,500)            | (67)        | 8,500              | 7,500         | 1,000              | 13          |
| Refinance Fees                    | 0                  | 417           | (417)              | (100)       | 200                | 833           | (633)              | (76)        |
| <b>Total Revenues</b>             | <b>22,576</b>      | <b>35,108</b> | <b>(12,533)</b>    | <b>(36)</b> | <b>48,969</b>      | <b>70,217</b> | <b>(21,248)</b>    | <b>(30)</b> |
| <b>Expenses</b>                   |                    |               |                    |             |                    |               |                    |             |
| Accounting                        | 378                | 583           | (205)              | (35)        | 753                | 1,167         | (414)              | (35)        |
| Bank/Merchant Charges             | 704                | 375           | 329                | 88          | 1,929              | 750           | 1,179              | 157         |
| Annual Fireworks Event            | 1,111              | 417           | 694                | 167         | 2,222              | 833           | 1,389              | 167         |
| Safety and Security               | 11,430             | 12,667        | (1,237)            | (10)        | 26,523             | 25,333        | 1,190              | 5           |
| Website & Other                   | 0                  | 100           | (100)              | (100)       | 0                  | 200           | (200)              | (100)       |
| Esplanades/Lot Maintena           | 1,757              | 1,333         | 424                | 32          | 3,749              | 2,667         | 1,082              | 41          |
| Insurance                         | 1,412              | 167           | 1,245              | 747         | 2,823              | 333           | 2,490              | 747         |
| Legal Fees - DR/ACC               | 6,064              | 3,333         | 2,730              | 82          | 6,144              | 6,667         | (523)              | (8)         |
| Membership Campaign               | 3,843              | 1,167         | 2,676              | 229         | 3,843              | 2,333         | 1,509              | 65          |
| Mosquito Spraying                 | 0                  | 1,667         | (1,667)            | (100)       | 15                 | 3,333         | (3,318)            | (100)       |
| Office Supplies - General         | 856                | 500           | 356                | 71          | 1,422              | 1,000         | 422                | 42          |
| Outreach/Incentives for G         | 80                 | 83            | (3)                | (4)         | 219                | 167           | 52                 | 31          |
| Payroll                           | 5,904              | 7,083         | (1,179)            | (17)        | 11,516             | 14,167        | (2,651)            | (19)        |
| Payroll Taxes                     | 489                | 583           | (95)               | (16)        | 969                | 1,167         | (198)              | (17)        |
| Rent                              | 1,100              | 1,100         | 0                  | 0           | 2,200              | 2,200         | 0                  | 0           |
| SCAN Printing - Postage           | 6,740              | 2,917         | 3,823              | 131         | 6,740              | 5,833         | 906                | 16          |
| SCAN - Photographer               | 0                  | 42            | (42)               | (100)       | 0                  | 83            | (83)               | (100)       |
| Yard Signs - Not Security         | 0                  | 62            | (62)               | (100)       | 0                  | 123           | (123)              | (100)       |
| Telephone & Internet              | 206                | 275           | (69)               | (25)        | 486                | 550           | (64)               | (12)        |
| TOPS Monthly Fee                  | 530                | 530           | 0                  | 0           | 1,060              | 1,060         | 0                  | 0           |
| Utilities                         | 187                | 125           | 62                 | 50          | 307                | 250           | 57                 | 23          |
| <b>Total Expenses</b>             | <b>42,789</b>      | <b>35,108</b> | <b>7,681</b>       | <b>22</b>   | <b>72,919</b>      | <b>70,217</b> | <b>2,702</b>       | <b>4</b>    |
| <b>Increase/(Decrease) Unrest</b> | <b>\$ (20,213)</b> | <b>\$ (0)</b> | <b>\$ (20,213)</b> | <b>999</b>  | <b>\$ (23,950)</b> | <b>\$ (0)</b> | <b>\$ (23,950)</b> | <b>999</b>  |