

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 May 31, 2024 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. 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.

The supplementary information contained in Schedule I and II is presented for purposes of additional analysis and is not a required part of basic financial statements. Such information is the responsibility of management. The supplemental information was subject to our compilation engagement. We have not audited or reviewed the supplemental information and do not express an opinion, a conclusion, nor provide any assurance on such information.

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.
June 4, 2024

Sharpstown Civic Association, Inc.
Statement of Cash Flow
Modified Cash Basis
For the Period Ended May 31, 2024

| | <u>1 Month Ended</u> <u>May 31, 2024</u> | <u>5 Months Ended</u> <u>May 31, 2024</u> |
|--|---|--|
| Cash Flow From Operating Activities | | |
| Current Year's Earnings | \$ (5,860) | \$ (68,546) |
| Noncash Items Included in Net Income: | | |
| Changes in: | | |
| Prepaid Expense | \$ 1,749 | \$ (6,233) |
| FUTA Payable | 7 | 14 |
| SUTA Payable | 3 | 5 |
| Deferred Income - 2024 Dues | (1,996) | 49,198 |
| Deferred Income - 2024 S&S | <u>(3,925)</u> | <u>96,826</u> |
| Total Adjustments | <u>(4,162)</u> | <u>139,810</u> |
| Cash Provided (Used) By Operations | <u>(10,022)</u> | <u>71,264</u> |
| | | |
| Net Increase (Decrease) In Cash | (10,022) | 71,264 |
| Cash at Beginning of Period | <u>322,380</u> | <u>241,094</u> |
| Cash at End of Period | \$ <u><u>312,358</u></u> | \$ <u><u>312,358</u></u> |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Assets, Liabilities, and Net Assets
Modified Cash Basis
May 31, 2024

ASSETS

| | | | |
|----------------------|----|---------|---------|
| Current Assets | | | |
| City Bank - Cash | \$ | 20,047 | |
| City Bank Savings | | 292,311 | |
| Prepaid Expense | | 16,346 | |
| Total Current Assets | \$ | | 328,704 |
| Other Assets | | | |
| Deposits | | 1,100 | |
| Total Other Assets | | | 1,100 |
| Total Assets | \$ | | 329,804 |

LIABILITIES AND NET ASSETS

| | | | |
|--|----|----------|---------|
| Current Liabilities | | | |
| FUTA Payable | \$ | 14 | |
| SUTA Payable | | 6 | |
| Deferred Income - 2024 Dues | | 54,993 | |
| Deferred Income - 2024 S&S | | 107,556 | |
| Total Current Liabilities | \$ | | 162,569 |
| Net Assets | | | |
| Without restrictions | | 235,781 | |
| Increase/(Decrease) without restrictions | | (68,546) | |
| Total Net Assets | | | 167,235 |
| Total Liabilities and Net Assets | \$ | | 329,804 |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Revenues and Expenses
Modified Cash Basis

| | 1 Month Ended May 31, 2024 | | 5 Months Ended May 31, 2024 |
|---|-------------------------------|---------------|--------------------------------|
| Revenues | | | |
| Memberships - Full | \$ 7,856 | \$ | 30,567 |
| Safety and Security | 15,365 | | 58,143 |
| Architectural Fees | 1,300 | | 4,871 |
| Interest and Fees | 985 | | 2,388 |
| Booth Fee | 100 | | 100 |
| Legal Fee Reimbursement | 300 | | 4,048 |
| SCAN | 175 | | 1,000 |
| Transfer Fees | 3,500 | | 17,750 |
| Refinance Fees | 0 | | 300 |
| Total Revenues | 29,581 | | 119,167 |
| Expenses | | | |
| Accounting | 450 | | 3,713 |
| Bank/Merchant Charges | 194 | | 2,928 |
| Safety and Security | 12,913 | | 63,019 |
| Esplanades/Lot Maintenance | 1,874 | | 9,247 |
| Insurance | 1,749 | | 8,743 |
| Legal Fees - DR/ACC | 2,780 | | 9,263 |
| Membership Campaign | 0 | | 2,736 |
| Mosquito Spraying | 2,724 | | 4,771 |
| Office Supplies - General Post | 548 | | 14,114 |
| Outreach/Incentives for GM | 1,177 | | 1,919 |
| Payroll | 6,602 | | 32,631 |
| Payroll Taxes | 515 | | 2,607 |
| Rent | 1,100 | | 5,500 |
| SCAN Printing - Postage | 0 | | 11,898 |
| Telephone & Internet | 219 | | 1,626 |
| TOPS Monthly Fee | 2,469 | | 12,344 |
| Utilities | 127 | | 654 |
| Total Expenses | 35,441 | | 187,713 |
| Increase/(Decrease) in Net Asstes Without restrictions | \$ (5,860) | \$ | (68,546) |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Revenues and Expenses
Modified Cash Basis

| | 1 Month Ended May 31, 2024 | | 1 Month Ended May 31, 2023 |
|--|-------------------------------|----|-------------------------------|
| Revenues | | | |
| Memberships - Full | \$ 7,856 | \$ | 9,075 |
| Safety and Security | 15,365 | | 18,034 |
| Architectural Fees | 1,300 | | 925 |
| Interest and Fees | 985 | | 377 |
| Booth Fee | 100 | | 0 |
| Legal Fee Reimbursement | 300 | | 300 |
| SCAN | 175 | | 0 |
| Transfer Fees | 3,500 | | 6,250 |
| Total Revenues | 29,581 | | 34,961 |
| Expenses | | | |
| Accounting | 450 | | 800 |
| Bank/Merchant Charges | 194 | | 193 |
| Community Events & Beautificat | 0 | | 16 |
| Safety and Security | 12,913 | | 17,005 |
| External Groups | 0 | | 74 |
| Esplanades/Lot Maintenance | 1,874 | | 1,847 |
| Insurance | 1,749 | | 1,593 |
| Legal Fees - DR/ACC | 2,780 | | 2,088 |
| Mosquito Spraying | 2,724 | | 2,047 |
| Office Supplies - General Post | 548 | | 1,227 |
| Outreach/Incentives for GM | 1,177 | | 74 |
| Payroll | 6,602 | | 6,271 |
| Payroll Taxes | 515 | | 489 |
| Rent | 1,100 | | 1,100 |
| Telephone & Internet | 219 | | 302 |
| TOPS Monthly Fee | 2,469 | | 2,982 |
| Utilities | 127 | | 120 |
| Total Expenses | 35,441 | | 38,228 |
| Increase/(Decrease) in Net Asstes | | | |
| Without restrictions | \$ (5,860) | \$ | (3,268) |

See Attached Accountant's Compilation Report.

Sharpstown Civic Association, Inc.
Statement of Revenues and Expenses
Modified Cash Basis

| | 1 Month Ended | | | | 5 Months Ended | | | |
|--|---------------|---------------|----------------|-------------|----------------|----------------|-----------------|-------------|
| | May 31, 2024 | Budget | Variance | Pct | May 31, 2024 | Budget | Variance | Pct |
| Revenues | | | | | | | | |
| Memberships - Full | \$ 7,856 | \$ 8,667 | \$ (811) | (9) | \$ 30,567 | \$ 43,333 | \$ (12,767) | (29) |
| Memberships - Associate | 0 | 42 | (42) | (100) | 0 | 208 | (208) | (100) |
| Safety and Security | 15,365 | 18,417 | (3,051) | (17) | 58,143 | 92,083 | (33,940) | (37) |
| Architectural Fees | 1,300 | 583 | 717 | 123 | 4,871 | 2,917 | 1,955 | 67 |
| Interest and Fees | 985 | 333 | 652 | 196 | 2,388 | 1,667 | 721 | 43 |
| Booth Fee | 100 | 0 | 100 | 0 | 100 | 0 | 100 | 0 |
| Legal Fee Reimbursement | 300 | 833 | (533) | (64) | 4,048 | 4,167 | (119) | (3) |
| SCAN | 175 | 667 | (492) | (74) | 1,000 | 3,333 | (2,333) | (70) |
| Transfer Fees | 3,500 | 3,750 | (250) | (7) | 17,750 | 18,750 | (1,000) | (5) |
| Refinance Fees | 0 | 83 | (83) | (100) | 300 | 417 | (117) | (28) |
| Total Revenues | 29,581 | 33,375 | (3,794) | (11) | 119,167 | 166,875 | (47,708) | (29) |
| Expenses | | | | | | | | |
| Accounting | 450 | 583 | (133) | (23) | 3,713 | 2,917 | 796 | 27 |
| Bank/Merchant Charges | 194 | 333 | (139) | (42) | 2,928 | 1,667 | 1,261 | 76 |
| Community Events & Bea | 0 | 83 | (83) | (100) | 0 | 417 | (417) | (100) |
| Annual Fireworks Event | 0 | 417 | (417) | (100) | 0 | 2,083 | (2,083) | (100) |
| Safety and Security | 12,913 | 14,000 | (1,087) | (8) | 63,019 | 70,000 | (6,981) | (10) |
| External Groups | 0 | 42 | (42) | (100) | 0 | 208 | (208) | (100) |
| Website & Other | 0 | 167 | (167) | (100) | 0 | 833 | (833) | (100) |
| Esplanades/Lot Maintena | 1,874 | 1,667 | 207 | 12 | 9,247 | 8,333 | 914 | 11 |
| Insurance | 1,749 | 1,667 | 83 | 5 | 8,743 | 8,333 | 410 | 5 |
| Legal Fees - DR/ACC | 2,780 | 2,500 | 280 | 11 | 9,263 | 12,500 | (3,237) | (26) |
| Membership Campaign | 0 | 0 | 0 | 0 | 2,736 | 0 | 2,736 | 0 |
| Mosquito Spraying | 2,724 | 1,750 | 974 | 56 | 4,771 | 8,750 | (3,979) | (45) |
| Office Supplies - General | 548 | 750 | (202) | (27) | 14,114 | 3,750 | 10,364 | 276 |
| Outreach/Incentives for G | 1,177 | 250 | 927 | 371 | 1,919 | 1,250 | 669 | 53 |
| Payroll | 6,602 | 6,667 | (65) | (1) | 32,631 | 33,333 | (703) | (2) |
| Payroll Taxes | 515 | 517 | (2) | (0) | 2,607 | 2,583 | 23 | 1 |
| Rent | 1,100 | 1,100 | 0 | 0 | 5,500 | 5,500 | 0 | 0 |
| SCAN Printing - Postage | 0 | 1,667 | (1,667) | (100) | 11,898 | 8,333 | 3,565 | 43 |
| Yard Signs - Not Security | 0 | 25 | (25) | (100) | 0 | 125 | (125) | (100) |
| Telephone & Internet | 219 | 250 | (31) | (12) | 1,626 | 1,250 | 376 | 30 |
| TOPS Monthly Fee | 2,469 | 2,500 | (31) | (1) | 12,344 | 12,500 | (156) | (1) |
| Utilities | 127 | 167 | (40) | (24) | 654 | 833 | (179) | (21) |
| Total Expenses | 35,441 | 37,100 | (1,659) | (4) | 187,713 | 185,500 | 2,213 | 1 |
| Increase/(Decrease) in Net Asstes | | | | | | | | |
| Without restrictions | \$ (5,860) | \$ (3,725) | \$ (2,135) | 57 | \$ (68,546) | \$ (18,625) | \$ (49,921) | 268 |

See Attached Accountant's Compilation Report.

6/3/2024
15:19

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, 2024</u> | <u>5 Months Ended May 31, 2024</u> |
|------------------|-------------|--------------------------------|---------------------------------------|--|
| 100 | A | City Bank - Cash | -11,006.49 | 20,046.97 |
| 103 | A | City Bank Savings | 985.01 | 292,311.04 |
| 177 | A | Prepaid Expense | -1,749.24 | 16,346.29 |
| 196 | A | Deposits | 0.00 | 1,100.00 |
| 224 | L | FUTA Payable | -6.91 | -13.82 |
| 225 | L | SUTA Payable | -2.88 | -5.75 |
| 240 | L | Deferred Income - 2024 Dues | 1,995.71 | -54,993.14 |
| 245 | L | Deferred Income - 2024 S&S | 3,925.19 | -107,556.26 |
| 300 | L | Without restrictions | 0.00 | -235,781.49 |
| 400 | R | Memberships - Full | -7,856.17 | -30,566.57 |
| 420 | R | Memberships - Associate | 0.00 | 0.00 |
| 425 | R | Safety and Security | -15,365.19 | -58,143.20 |
| 426 | R | Architectural Fees | -1,300.00 | -4,871.25 |
| 428 | R | Interest and Fees | -985.01 | -2,388.15 |
| 429 | R | Booth Fee | -100.00 | -100.00 |
| 440 | R | Legal Fee Reimbursement | -300.00 | -4,047.54 |
| 470 | R | SCAN | -175.00 | -1,000.20 |
| 480 | R | Transfer Fees | -3,500.00 | -17,750.00 |
| 485 | R | Refinance Fees | 0.00 | -300.00 |
| 600 | E | Accounting | 450.00 | 3,712.50 |
| 620 | E | Bank/Merchant Charges | 194.25 | 2,928.14 |
| 625 | E | Community Events & Beautificat | 0.00 | 0.00 |
| 626 | E | Annual Fireworks Event | 0.00 | 0.00 |
| 630 | E | Safety and Security | 12,913.00 | 63,018.95 |
| 646 | E | External Groups | 0.00 | 0.00 |
| 647 | E | Website & Other | 0.00 | 0.00 |
| 650 | E | Esplanades/Lot Maintenance | 1,874.00 | 9,247.00 |
| 660 | E | Insurance | 1,749.24 | 8,743.02 |
| 665 | E | Legal Fees - DR/ACC | 2,779.86 | 9,263.11 |
| 670 | E | Membership Campaign | 0.00 | 2,736.00 |
| 690 | E | Mosquito Spraying | 2,724.36 | 4,771.38 |
| 703 | E | Office Supplies - General Post | 547.82 | 14,113.87 |
| 705 | E | Outreach/Incentives for GM | 1,177.43 | 1,918.71 |
| 710 | E | Payroll | 6,601.75 | 32,630.84 |
| 720 | E | Payroll Taxes | 514.82 | 2,606.62 |
| 750 | E | Rent | 1,100.00 | 5,500.00 |
| 770 | E | SCAN Printing - Postage | 0.00 | 11,898.22 |
| 775 | E | Yard Signs - Not Security | 0.00 | 0.00 |
| 780 | E | Telephone & Internet | 218.95 | 1,626.49 |
| 790 | E | TOPS Monthly Fee | 2,468.75 | 12,343.75 |
| 800 | E | Utilities | 126.75 | 654.47 |
| Account Balances | | | 0.00 | 0.00 |

Current Loss

5,859.61

Y-T-D Loss

68,546.16

CITY BANK

G/L ACCOUNT #: 100 Month May YEAR: 2024

BEG. BOOK BALANCE: 31,053.46 BALANCE PER BANK: 20,787.70

ADD: DEPOSITS

| GL # | AMOUNT |
|--------------------|-----------|
| Deposit | 22,407.90 |
| Deposit in Transit | |
| Double booked | |

DEPOSITS IN TRANSIT:

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

TOTAL DEPOSITS 22,407.90 DEPOSITS IN TRANSIT: 0.00

LESS: CHECKS

1,100.00

OUTSTANDING

CHECKS

740.73

LESS: DEBIT MEMOS

| GL# | AMOUNT |
|-------------|-----------|
| Misc Debits | 24,860.21 |
| Payroll | 5,956.60 |
| Tax | 1,497.58 |
| Bank | |

CORRECTING JOURNAL ENTRIES

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

TOTAL DEBIT MEMOS 32,314.39 TOTAL JE'S 0.00

BALANCE PER BOOKS: 20,046.97 BALANCE PER BANK: 20,046.97 0.00
 Per Check Register: 20,046.97 Per Easy: 20,046.97 0.00
 0.00

OUTSTANDING CHECKS

| CK. # | AMOUNT | CK# | AMOUNT | CK. # | AMOUNT |
|-------|--------|-----|--------|-------|--------|
|-------|--------|-----|--------|-------|--------|

IRS 740.73

Total: 0.00 0.00 Total: 740.73

TOTALS: 740.73