



JOHNSON & CREEKMORE, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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To Management
Key Allegro Council of Co-Owners
2611 Highway 35 N
Rockport, TX 78382

Management is responsible for the accompanying financial statements of Key Allegro Council of Co-Owners (a corporation), which comprise the balance sheet as of November 30, 2017, and the related statements of income for the one month and five months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements of Standards for 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.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Required Supplementary Information

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Supplementary Information

The supplementary budget information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The supplementary budget information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary budget information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary budget information.

We are not independent with respect to Key Allegro Council of Co-Owners.

Johnson & Creekmore, PLLC

Rockport, Texas
January 14, 2018

Key Allegro Council of Co-Owners
Balance Sheet
November 30, 2017

Assets	
Current Assets	
Petty Cash	\$ 240.00
Cash-Checking-American Bank	470,431.21
Cash-Navy Army MMA	129,617.87
Accounts Receivable	82,614.95
Prepaid Insurance	<u>674.88</u>
Total Current Assets	<u>683,578.91</u>
Fixed Assets	
Other Assets	
Deposits	<u>120.00</u>
Total Other Assets	<u>120.00</u>
Total Assets	<u><u>\$ 683,698.91</u></u>
Liabilities & Equity	
Current Liabilities	
Accounts Payable	\$ 54,925.96
Catastrophe Management Reserve	10,500.00
Accrued Wages/Taxes	563.53
Maintenance Reserve	13,000.00
Fica Payable	749.08
WH Payable	468.00
Deferred Income-Mnt Fees	33,000.00
Deferred Maintenance Reserve	2,000.00
Deferred Revenue - Bulkhead	<u>170,000.00</u>
Total Current Liabilities	<u>285,206.57</u>
Total Liabilities	<u>285,206.57</u>
Association Equity	
Beginning of Year	4,425.08
Current Earnings	<u>394,067.26</u>
Total Association Equity	<u>398,492.34</u>
Total Liabilities & Association Equity	<u><u>\$ 683,698.91</u></u>

See Accountants' Compilation Report

Key Allegro Council of Co-Owners
Statement of Operations- Actual vs. Budget
For The Month Ending November 30, 2017

	<u>One Month Actual</u>	<u>One Month Budget</u>
Revenues		
Maintenance Fees	28,000.00	28,000.00
Interest Income	15.16	0.00
Miscellaneous	2,244.00	700.00
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Total Revenues	30,259.16	28,700.00
Expenditures		
Management Fee	3,500.00	3,500.00
Wages	4,896.00	5,600.00
Employee Benefits	0.00	400.00
Payroll Taxes	374.54	500.00
Uniforms	0.00	100.00
Maint-Building	0.00	5,000.00
Maint-Grounds	2,919.69	3,000.00
Maint-Electrical	0.00	500.00
Maint-Plumbing	0.00	400.00
Maint-Pool	171.25	100.00
Maint-Docks & Piers	0.00	1,000.00
Equipment Purchases	0.00	1,000.00
Pest Control	0.00	800.00
Utilities-Trash Disposal	595.38	800.00
Utilities-Electric	442.52	600.00
Utilities-Water	114.32	3,100.00
Utilities-Sewer	4.05	1,300.00
Utilities-Telephone	65.00	100.00
Insurance	421.51	500.00
Legal & Professional	850.00	1,200.00
Auto Expense	60.00	200.00
Office Supplies	(54.13)	100.00
Bank Fees	1.75	0.00
Web Expense	54.13	0.00
Catastrophe Expense	50,000.00	0.00
Miscellaneous	40.92	100.00
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Total Expenditures	64,456.93	29,900.00
Revenues Over (Under) Expenditures	<u>\$ (34,197.77)</u>	<u>\$ (1,200.00)</u>

See Accountants' Compilation Report

**Key Allegro Council of Co-Owners
For The Periods Ending November 30, 2017**

	5 Months Ended November 30, 2017 <u>Actual</u>	5 Months Ended November 30, 2017 <u>Budget</u>	Over / (Under) <u>Budget</u>
Revenue			
Maintenance Fees	\$ 150,000.00	\$ 155,000.00	\$ (5,000.00)
Rebill to Homeowner	1,581.22	0.00	1,581.22
Insurance Proceeds	1,041,996.83	0.00	1,041,996.83
Interest Income	141.85	0.00	141.85
Miscellaneous	<u>5,208.79</u>	<u>3,500.00</u>	<u>1,708.79</u>
Total Revenue	<u>1,198,928.69</u>	<u>158,500.00</u>	<u>\$ 1,040,428.69</u>
Operating Expenses			
Management Fee	17,500.00	17,500.00	0.00
Wages	26,084.43	29,400.00	(3,315.57)
Employee Benefits	119.08	2,100.00	(1,980.92)
Payroll Taxes	1,995.45	2,900.00	(904.55)
Uniforms	0.00	300.00	(300.00)
Maint-Roofs	0.00	4,000.00	(4,000.00)
Maint-Building	6,679.62	24,000.00	(17,320.38)
Maint-Grounds	21,669.33	21,000.00	669.33
Maint-Electrical	0.00	2,500.00	(2,500.00)
Maint-Plumbing	1,039.68	2,000.00	(960.32)
Maint-Pool	388.56	1,000.00	(611.44)
Maint-Prkng Lot/Tennis Crt	0.00	400.00	(400.00)
Maint-Docks & Piers	0.00	6,000.00	(6,000.00)
Maint-Painting	58.43	0.00	58.43
Equipment Purchases	108.25	3,000.00	(2,891.75)
Pest Control	927.71	4,000.00	(3,072.29)
Maint-Wood Replacement	6,515.77	0.00	6,515.77
Utilities-Trash Disposal	2,016.98	4,000.00	(1,983.02)
Utilities-Electric	1,936.17	3,000.00	(1,063.83)
Utilities-Water	10,782.68	16,600.00	(5,817.32)
Utilities-Sewer	1,623.42	7,200.00	(5,576.58)
Utilities-Telephone	130.00	500.00	(370.00)
Insurance	7,446.35	2,500.00	4,946.35
Website/ Adv. & Promotion	0.00	650.00	(650.00)
Legal & Professional	4,910.00	5,700.00	(790.00)
Auto Expense	285.00	1,000.00	(715.00)
Office Supplies	306.85	500.00	(193.15)
Bank Fees	15.72	0.00	15.72
Web Expense	54.13	0.00	54.13
Catastrophe Expense	691,430.63	0.00	691,430.63
Taxes-Other	3.13	0.00	3.13

See Accountants' Compilation Report

**Key Allegro Council of Co-Owners
For The Periods Ending November 30, 2017**

	5 Months Ended November 30, 2017 <u>Actual</u>	5 Months Ended November 30, 2017 <u>Budget</u>	Over / (Under) <u>Budget</u>
Bad Debts	2.92	0.00	2.92
Miscellaneous	<u>831.14</u>	<u>500.00</u>	<u>331.14</u>
Total Operating Expenses	<u>804,861.43</u>	<u>162,250.00</u>	<u>642,611.43</u>
Operating Income (Loss)	<u>394,067.26</u>	<u>(3,750.00)</u>	<u>397,817.26</u>

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