

# *Michael A. Arnold, PLLC*

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## ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Bahia Bay Property Owners Association  
Rockport, Texas

We have compiled the accompanying statement of assets, liabilities and equity-cash basis of Bahia Bay Property Owners Association (a homeowners association) as of December 31, 2016, and the related statement of revenues and expenses-cash basis for the one and twelve months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the 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 assets, liabilities, equity revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Bahia Bay Property Owners Association.

The supplementary information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basis financial statements. The supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

*Michael A. Arnold*

Michael A. Arnold, PLLC

Rockport, Texas  
January 23, 2017

**BAHIA BAY PROPERTY OWNERS ASSOC.  
STATEMENT OF ASSETS, LIABILITIES AND  
EQUITY - CASH BASIS  
As of December 31, 2016**

**ASSETS**

Cash - Operating - Wells Fargo 7206	\$ 47,276.45
Cash - Canal Fund - Wells Fargo	117.49
Cash - Vanguard	<u>40,908.81</u>

<b>TOTAL ASSETS</b>	<b><u>\$ 88,302.75</u></b>
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**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Deferred Rev.-Prepaid Sp Assm	\$ <u>3.00</u>
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<b>Total Liabilities</b>	<u>3.00</u>
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**Fund Equity**

Fund Balance	<u>88,299.75</u>
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<b>Total Fund Equity</b>	<u>88,299.75</u>
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<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 88,302.75</u></b>
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See Accountants' Compilation Report

**BAHIA BAY PROPERTY OWNERS ASSOC.  
STATEMENT OF REVENUES AND EXPENSES-CASH BASIS  
For the 1 Month and 12 Months Ended December 31, 2016**

	<b>1 Month Ended December 31, 2016</b>	<b>12 Months Ended December 31, 2016</b>
<b>Revenues</b>		
Maintenance Fees	\$ 0.00	\$ 34,809.00
Canal Fees	0.00	14,268.00
Special Assessment Funds	0.00	65,016.00
Interest Income	34.61	154.18
Late Fees	0.00	350.00
Other Income	<u>100.00</u>	<u>900.00</u>
<b>Total Revenues</b>	<u>134.61</u>	<u>115,497.18</u>
<b>Operating Expenses</b>		
<b>Utilities</b>		
Electricity	125.62	1,521.96
Water & Sewer	<u>27.97</u>	<u>359.82</u>
<b>Total Utilities</b>	<u>153.59</u>	<u>1,881.78</u>
<b>Repairs &amp; Maintenance</b>		
Lawn Maintenance	400.00	5,950.00
General Maint. Materials/Sup.	0.00	3,833.84
Landscaping	0.00	97.02
Canal Maintenance/Water Tests	0.00	17,200.00
Bulkhead Repairs	<u>0.00</u>	<u>65,396.00</u>
<b>Total Repairs &amp; Maintenance</b>	<u>400.00</u>	<u>92,476.86</u>
<b>Administrative Expenses</b>		
Insurance	0.00	3,894.00
Professional Fees	100.00	1,250.00
Web Page	0.00	142.80
Taxes	0.00	107.67
Bank Charges	3.50	106.50
Administrative Expenses	<u>60.00</u>	<u>1,938.85</u>
<b>Total Administrative Expense</b>	<u>163.50</u>	<u>7,439.82</u>
<b>Total Operating Expenses</b>	<u>717.09</u>	<u>101,798.46</u>
<b>Excess of Revenues Over (Under) Expenses</b>	<u>\$ (582.48)</u>	<u>\$ 13,698.72</u>

See Accountants' Compilation Report

**BAHIA BAY PROPERTY OWNERS ASSOC.  
BUDGET REPORT - CASH BASIS  
Schedule 1**

	Actual 12 Months Ended December 31,	Budget 12 Months December 31,	Variance	Total Annual Budget	Budget Remaining
<b>Revenues</b>					
Maintenance Fees	\$ 34,809.00	\$ 34,809.00	\$ 0.00	\$ 34,809.00	\$ 0.00
Canal Fees	14,268.00	14,268.00	0.00	14,268.00	0.00
Special Assessment Funds	65,016.00	66,051.00	(1,035.00)	66,051.00	1,035.00
Interest Income	154.18	0.00	154.18	0.00	(154.18)
Late Fees	350.00	0.00	350.00	0.00	(350.00)
Other Income	900.00	0.00	900.00	0.00	(900.00)
<b>Total Revenues</b>	<u>115,497.18</u>	<u>115,128.00</u>	<u>369.18</u>	<u>115,128.00</u>	<u>(369.18)</u>
<b>Operating Expenses</b>					
<b>Payroll Costs</b>					
<b>Utilities</b>					
Electricity	1,521.96	2,000.00	478.04	2,000.00	478.04
Water & Sewer	<u>359.82</u>	<u>1,800.00</u>	<u>1,440.18</u>	<u>1,800.00</u>	<u>1,440.18</u>
<b>Total Utilities</b>	<u>1,881.78</u>	<u>3,800.00</u>	<u>1,918.22</u>	<u>3,800.00</u>	<u>1,918.22</u>
<b>Contract Services</b>					
<b>Repairs &amp; Maintenance</b>					
Lawn Maintenance	5,950.00	8,000.00	2,050.00	8,000.00	2,050.00
General Maint. Materials/Su	3,833.84	2,504.00	(1,329.84)	2,504.00	(1,329.84)
Landscaping	97.02	800.00	702.98	800.00	702.98
Sign/Watch Program	0.00	500.00	500.00	500.00	500.00
Canal Maintenance/Water T	17,200.00	6,000.00	(11,200.00)	6,000.00	(11,200.00)
Bulkhead Repairs	<u>65,396.00</u>	<u>80,319.00</u>	<u>14,923.00</u>	<u>80,319.00</u>	<u>14,923.00</u>
<b>Total Repairs &amp; Mainte</b>	<u>92,476.86</u>	<u>98,123.00</u>	<u>5,646.14</u>	<u>98,123.00</u>	<u>5,646.14</u>
<b>Administrative Expenses</b>					
Insurance	3,894.00	4,277.00	383.00	4,277.00	383.00
Legal	0.00	3,500.00	3,500.00	3,500.00	3,500.00
Professional Fees	1,250.00	1,500.00	250.00	1,500.00	250.00
Social	0.00	250.00	250.00	250.00	250.00
Web Page	142.80	250.00	107.20	250.00	107.20
Taxes	107.67	150.00	42.33	150.00	42.33
Bank Charges	106.50	150.00	43.50	150.00	43.50
Administrative Expenses	<u>1,938.85</u>	<u>3,128.00</u>	<u>1,189.15</u>	<u>3,128.00</u>	<u>1,189.15</u>
<b>Total Administrative Ex</b>	<u>7,439.82</u>	<u>13,205.00</u>	<u>5,765.18</u>	<u>13,205.00</u>	<u>5,765.18</u>

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**BAHIA BAY PROPERTY OWNERS ASSOC.  
BUDGET REPORT - CASH BASIS  
Schedule 1**

	<b>Actual 12 Months Ended December 31,</b>	<b>Budget 12 Months December 31,</b>	<b>Variance</b>	<b>Total Annual Budget</b>	<b>Budget Remaining</b>
<b>Total Operating Expenses</b>	<u>101,798.46</u>	<u>115,128.00</u>	<u>13,329.54</u>	<u>115,128.00</u>	<u>13,329.54</u>
<b>Excess of Revenues Over (Under) Expenses</b>	<u>\$ 13,698.72</u>	<u>\$ 0.00</u>	<u>\$ 13,698.72</u>	<u>\$ 0.00</u>	<u>\$ (13,698.72)</u>

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