

**KAPILANA ESTATES
HOMEOWNERS ASSOCIATION, INC.**

Osage Beach, Missouri

FINANCIAL STATEMENTS

For The Years Ended December 31, 2016 and 2015

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Kapilana Estates Homeowners Association, Inc.
Osage Beach, Missouri

Management is responsible for the accompanying financial statements of Kapilana Estates Homeowners Association, Inc. which comprise the balance sheets-modified cash basis as of December 31, 2016 and 2015, and the related statements of revenues and expenses- modified cash basis, and changes in fund balance-modified cash basis for the year then ended, 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 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.

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 the disclosures ordinarily included in financial statements prepared in accordance with 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 Company's assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has omitted supplementary information about future major repairs and replacements of common property that the modified cash basis of accounting requires 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.

Evers & Company, CPA's, LLC

Evers & Company, CPA's, L.L.C.
Osage Beach, Missouri
October 5, 2017

**KAPILANA ESTATES
HOMEOWNERS ASSOCIATION, INC.
BALANCE SHEETS - MODIFIED CASH BASIS
As of December 31, 2016 and 2015**

ASSETS

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>2016 Total</u>	<u>2015 Total</u>
Current Assets				
Cash in bank-operating	\$ 56,945.62	\$ 0.00	\$ 56,945.62	\$ 75,499.34
Due from capital account	4,575.86	0.00	4,575.86	4,575.86
Undeposited Funds	0.00	0.00	0.00	760.02
Total Current Assets	<u>61,521.48</u>	<u>0.00</u>	<u>61,521.48</u>	<u>80,835.22</u>
Fixed Assets				
Furniture, fixtures, equip	14,977.28	0.00	14,977.28	14,977.28
Common ownership-swim po	75,332.70	0.00	75,332.70	75,332.70
Accumulated depreciation	(14,583.12)	0.00	(14,583.12)	(14,426.12)
Advance-resort	0.00	0.00	0.00	12,187.00
Advance received-resort	0.00	0.00	0.00	(12,187.00)
Total Fixed Assets	<u>75,726.86</u>	<u>0.00</u>	<u>75,726.86</u>	<u>75,883.86</u>
Total Assets	<u>\$ 137,248.34</u>	<u>\$ 0.00</u>	<u>\$ 137,248.34</u>	<u>\$ 156,719.08</u>

LIABILITIES AND FUND BALANCE

Current Liabilities				
Due to operating fund	\$ 0.00	\$ 4,575.86	\$ 4,575.86	\$ 4,575.86
Prepaid assessments	0.00	0.00	0.00	13,860.12
Total Current Liabilities	<u>0.00</u>	<u>4,575.86</u>	<u>4,575.86</u>	<u>18,435.98</u>
Total Liabilities	<u>0.00</u>	<u>4,575.86</u>	<u>4,575.86</u>	<u>18,435.98</u>
Fund Balance	<u>137,248.34</u>	<u>(4,575.86)</u>	<u>132,672.48</u>	<u>138,283.10</u>
Total Liabilities and Fund Balance	<u>\$ 137,248.34</u>	<u>\$ 0.00</u>	<u>\$ 137,248.34</u>	<u>\$ 156,719.08</u>

See Independent Accountants' Compilation Report.

**KAPILANA ESTATES
HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF REVENUES & EXPENSES - MODIFIED CASH BASIS
Years Ended December 31, 2016 and 2015**

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>2016 Total</u>	<u>2015 Total</u>
Revenues				
Assessment income	\$ 231,079.31	\$ 0.00	\$ 231,079.31	\$ 161,149.58
Assessment-dock	43.07	0.00	43.07	7,448.59
Services	675.28	0.00	675.28	0.00
Total Revenues	<u>231,797.66</u>	<u>0.00</u>	<u>231,797.66</u>	<u>168,598.17</u>
Expenses				
Annual meeting expense	523.75	0.00	523.75	751.64
Bank Charges	29.32	0.00	29.32	0.00
Cable tv	15,130.44	0.00	15,130.44	14,097.20
Computer and Internet	380.15	0.00	380.15	0.00
Depreciation	157.00	0.00	157.00	531.00
Contract Labor	47,552.33	0.00	47,552.33	3,600.00
Insurance	38,333.00	0.00	38,333.00	35,486.00
Landscaping	275.00	0.00	275.00	0.00
License & permits	10.50	0.00	10.50	11.25
Pest Control	902.00	0.00	902.00	0.00
Printing	0.00	0.00	0.00	17.25
Professional fees	2,175.00	0.00	2,175.00	2,695.00
Postage	0.00	0.00	0.00	98.00
Repairs & maint-buildings	32,624.55	0.00	32,624.55	27,449.20
Repairs & maint-docks	7,250.00	0.00	7,250.00	24,025.19
Repairs & maint-pool	6,817.85	0.00	6,817.85	9,990.26
Repairs & maint-grounds	41,454.26	0.00	41,454.26	8,159.53
Snow removal	0.00	0.00	0.00	1,175.45
Supplies-office	280.02	0.00	280.02	312.37
Taxes-real estate	430.23	0.00	430.23	430.12
Taxes-personal property	883.57	0.00	883.57	883.34
Taxes-annual registration	35.13	0.00	35.13	0.00
Trash	4,656.53	0.00	4,656.53	3,417.85
Utilities-electric	5,190.07	0.00	5,190.07	6,851.70
Utilities-sewer & water	34,171.15	0.00	34,171.15	28,308.68
Total Expenses	<u>239,261.85</u>	<u>0.00</u>	<u>239,261.85</u>	<u>168,291.03</u>
Revenue Over/Under Expenses Before Other Inc	<u>(7,464.19)</u>	<u>0.00</u>	<u>(7,464.19)</u>	<u>307.14</u>
Other Income				
Miscellaneous income	<u>454.68</u>	<u>0.00</u>	<u>454.68</u>	<u>222.91</u>

See Independent Accountants' Compilation Report.

**KAPILANA ESTATES
HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF REVENUES & EXPENSES - MODIFIED CASH BASIS
Years Ended December 31, 2016 and 2015**

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>2016 Total</u>	<u>2015 Total</u>
Total Other Income	454.68	0.00	454.68	222.91
Other Expenses				
Major capital improvements	0.00	0.00	0.00	19,950.00
Total Other Expenses	0.00	0.00	0.00	19,950.00
Revenue				
Over/Under Expenses	\$ (7,009.51)	\$ 0.00	\$ (7,009.51)	\$ (19,419.95)

See Independent Accountants' Compilation Report.

**KAPILANA ESTATES
HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
As of December 31, 2016 and 2015**

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>2016 Total</u>	<u>2015 Total</u>
Beginning Fund Balance	\$ 144,257.85	\$ (4,575.86)	\$ 139,681.99	\$ 157,703.05
Excess revenues over under expenses	<u>(7,009.51)</u>	<u>0.00</u>	<u>(7,009.51)</u>	<u>(19,419.95)</u>
Ending Fund Balance	<u>\$ 137,248.34</u>	<u>\$ (4,575.86)</u>	<u>\$ 132,672.48</u>	<u>\$ 138,283.10</u>

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