KINGS COVE NEIGHBORHOOD ASSOCIATION
COMPILED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
ENDED FEBRUARY 28, 2017

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Kings Cove Neighborhood Association
P.O. Box 57
Atlantic City, NJ 08404

Management is responsible for the accompanying financial statements of Kings Cove Neighborhood Association, which comprise the statement of assets, liabilities, and fund balance—tax basis as of February 28, 2017, and the related statement of revenues, expenses, and changes in fund balance—tax basis and cash flows for the year then ended, and accompanying supplementary information contained on page 9, which is presented only for supplementary analysis purposes, and for determining that the tax 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.

Management has omitted supplementary information about 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, who considers it to be an essential financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Murray & Becker, LLC

Murray and Becker LLC
May 23, 2017

KINGS COVE NEIGHBORHOOD ASSOCIATION
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
-INCOME TAX BASIS
FEBRUARY 28, 2017

	Operating Fund	Reserve Fund	Total
ASSETS			
Current Assets			
Cash in bank-Checking	$ 3,504.06	$ 0.00	$ 3,504.06
Cash in bank-Reserve	0.00	119,350.88	119,350.88
Total Cash & Equivalents	3,504.06	119,350.88	122,854.94
Due to/from Operating Fund	0.00	0.00	0.00
Prepaid Expenses	4,907.62	0.00	4,907.62
Association Dues Receivable	6,242.00	0.00	6,242.00
Capital Expenditures	67,506.52	0.00	67,506.52
Less: Accumulated Depreciation	(67,506.52)	0.00	(67,506.52)
Total	11,149.62	0.00	11,149.62
TOTAL ASSETS	$ 14,653.68	$ 119,350.88	$ 134,004.56
LIABILITIES AND FUND BALANCE			
Accounts Payable	$ 6,025.13	$ 0.00	$ 6,025.13
Prepaid Association Dues	721.72	0.00	721.72
TOTAL LIABILITIES	6,746.85	0.00	6,746.85
FUND BALANCE	7,906.83	119,350.88	127,257.71
TOTAL LIABILITIES AND FUND BALANCES	$ 14,653.68	$ 119,350.88	$ 134,004.56

See Accountant's Compilation Report & Notes

KINGS COVE NEIGHBORHOOD ASSOCIATION
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE
-INCOME TAX BASIS
FOR THE YEAR ENDED FEBRUARY 28, 2017

	Operating Fund	Reserve Fund	Total
REVENUES:			
Association Dues	$ 98,650.00	$ 3,000.00	$ 101,650.00
Interest Income	0.00	534.63	534.63
Late Charges	617.00	0.00	617.00
Legal Reimbursement	969.00	0.00	969.00
	100,236.00	3,534.63	103,770.63
EXPENSES:			
General & Administrative			
Accounting Service	$ 1,600.00	$ 0.00	$ 1,600.00
Bank Charges	25.75	0.00	25.75
Donations	200.00	0.00	200.00
Electric	1,232.49	0.00	1,232.49
Grounds Maintenance	1,957.01	0.00	1,957.01
Insurance	6,124.50	0.00	6,124.50
Lawn Care/Landscaping	51,184.81	0.00	51,184.81
Legal Services	1,529.00	0.00	1,529.00
Management Fees	9,600.00	0.00	9,600.00
Meetings	1,170.71	0.00	1,170.71
Postage	347.47	0.00	347.47
Office Expense	182.33	0.00	182.33
Sprinkler System	6,377.20	0.00	6,377.20
Water	17,812.81	0.00	17,812.81
Website	447.00	0.00	447.00
Total Exp. before Income Tax	99,791.08	0.00	99,791.08
EXCESS OF REVENUES OVER EXP. BEFORE INCOME TAX	444.92	3,534.63	3,979.55
FEDERAL INCOME TAX	0.00	0.00	0.00
EXCESS OF REVENUE OVER EXPENSES	444.92	3,534.63	3,979.55
BEGINNING FUND BALANCE	4,461.91	118,816.25	123,278.16
Transfer Between Funds	3,000.00	(3,000.00)	0.00
ENDING FUND BALANCE	$ 7,906.83	$ 119,350.88	$ 127,257.71

See Accountant's Compilation Report & Notes

KINGS COVE NEIGHBORHOOD ASSOCIATION
STATEMENT OF CASH FLOWS
-INCOME TAX BASIS
FOR THE YEAR ENDED FEBRUARY 28, 2017

	Operating Fund	Reserve Fund	Total
CASH FLOWS - OPERATING ACTIVITIES			
Excess of revenue over exp	$ 444.92	$ 3,534.63	$ 3,979.55
Adj. to reconcile excess of revenues over exp. to net cash provided by operating activities:			
Depreciation			
(Increase) Decrease in:			
Association Dues Receivable	(1,631.15)		(1,631.15)
Prepaid Expenses	(359.50)		(359.50)
Increase (Decrease) in:			
Accounts Payable	(2,324.25)		(2,324.25)
Prepaid Association Dues	246.72		246.72
NET CASH PROVIDED BY OPERATING ACTIVITIES	(3,623.26)	3,534.63	(88.63)
CASH FLOWS - INVESTING ACTIVITIES			
Purchase of furn. & equip	0.00	0.00	0.00
CASH FLOWS - FINANCING ACTIVITIES			
Interfund transfers	3,000.00	(3,000.00)	0.00
Prior Period Adjustment	0.00	0.00	0.00
NET INCREASE (DECREASE) IN CASH	(623.26)	534.63	(88.63)
CASH AT BEGINNING OF YEAR	4,127.32	118,816.25	122,943.57
CASH AT END OF YEAR	$ 3,504.06	$ 119,350.88	$ 122,854.94
SUPPLEMENTAL DISCLOSURES			
Interest Paid	$ 0.00	$ 0.00	$ 0.00
Income Taxes Paid	$ 0.00	$ 0.00	$ 0.00

See Accountant's Compilation Report & Notes

KINGS COVE NEIGHBORHOOD ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2017

NOTE A - PURPOSE AND ORGANIZATION

The Kings Cove Neighborhood Association was formed on March 5, 1984. The Association is responsible for the operation and maintenance of the common property within the development. The association consists of 214 completed residential units located in Brigantine, New Jersey.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and Purpose:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

Member Assessments

Association members are subject to annual assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to retain legal counsel and pursue collection from the homeowners whose assessments are considered to be delinquent. Any excess assessments at year end are retained by the Association for use in future years.

KINGS COVE NEIGHBORHOOD ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2017

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

NOTE C - INCOME TAXES

The Association is a non-profit organization exempt from income tax under section 501(c)(4).

NOTE D - PROPERTY AND EQUIPMENT

The Association capitalizes all property and equipment to which it has title or other evidence of ownership with the exception of real property directly associated with the units. Property and equipment acquired by the association are recorded at cost.

NOTE E - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds aggregating $119,350.88 are held or due to reserve fund account and are generally not available for operating purposes.

NOTE F – EVALUATION OF SUBSEQUENT EVENTS

The Association has evaluated subsequent events occurring after the balance sheet date through the date of May 23, 2017, which is the date the financial statements were available to be issued. Based on this evaluation, the Association has determined that no subsequent events have occurred which require disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

KINGS COVE NEIGHBORHOOD ASSOCIATION
SCHEDULE OF OPERATING FUND REVENUES, AND CAPITAL TRANSACTIONS - BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2017

	Budget	Actual	Variance-Favorable (Unfavor.)
REVENUES:			
Association Dues	$ 101,650.00	$ 101,650.00	$ 0.00
Interest Income	600.00	534.63	(65.37)
Late Charges	550.00	617.00	67.00
Legal Reimbursement	0.00	969.00	969.00
	102,800.00	103,770.63	970.63
EXPENSES (EXCLUDING DEPRECIATION):			
General & Administrative			
Accounting Service	1,500.00	1,600.00	(100.00)
Bank Charges	50.00	25.75	24.25
Donations	0.00	200.00	(200.00)
Electric	400.00	1,232.49	(832.49)
Grounds Maintenance	400.00	1,957.01	(1,557.01)
Insurance	7,000.00	6,124.50	875.50
Lawn Care/Landscaping	57,000.00	51,184.81	5,815.19
Legal Services	500.00	1,529.00	(1,029.00)
Management Fees	9,600.00	9,600.00	0.00
Meetings	600.00	1,170.71	(570.71)
Office Expense	200.00	182.33	17.67
Postage and Delivery	450.00	347.47	102.53
Reserve	3,000.00	0.00	3,000.00
Sprinkler System	6,000.00	6,377.20	(377.20)
Water	15,000.00	17,812.81	(2,812.81)
Website	1,100.00	447.00	653.00
TOTAL EXPENSES	102,800.00	99,791.08	3,008.92
EXCESS OF REVENUES OVER EXPENSES BEFORE SALE OF ASSETS	0.00	3,979.55	(3,979.55)
GAIN\LOSS ON SALE OF ASSETS	0.00	0.00	0.00
EXCESS OF REVENUES OVER EXPENSES	$ 0.00	$ 3,979.55	$ (3,979.55)

See Accountant's Compilation Report & Notes