



**Jasmine Park East Condominium
Association, Inc.
Financial Statements
For the year ended
December 31, 2007**

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INDEPENDENT AUDITOR'S REPORT

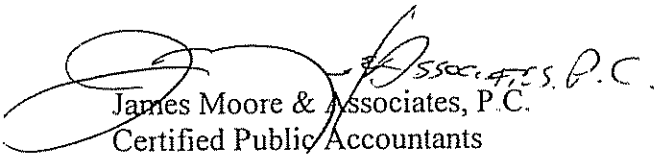
To the Board of Directors
Jasmine Park East Condominium Association, Inc.:

We have audited the accompanying balance sheet of Jasmine Park East Condominium Association, Inc. as of December 31, 2007, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because that determination is outside the scope of our audit.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jasmine Park East Condominium Association, Inc. as of December 31, 2007 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


James Moore & Associates, P.C.
Certified Public Accountants
Aurora, Colorado
April 22, 2008

Jasmine Park East Condominium Association, Inc.
Balance Sheets
December 31, 2007

	December 31, 2007		
	Operating Fund	Replacement Fund	Total
ASSETS			
Cash and cash equivalents	\$25,948	\$58,491	\$84,439
Accounts receivable, net of Allowance for uncollectible accounts of \$1,000			
Homeowners	2,620	0	2,620
Prepaid expenses	563	0	563
Property and equipment, net of Accumulated depreciation of \$17,472	20,728	0	20,728
 Total Assets	 \$49,859	 \$58,491	 \$108,350
 LIABILITIES AND FUND BALANCES			
Accounts payable	\$14,089	\$0	\$14,089
Prepaid assessments	3,722	0	3,722
Other payable	500	0	500
 Total Liabilities	 \$18,311	 \$0	 \$18,311
Working capital	39,778	0	39,778
Fund balances	(8,230)	58,491	50,261
 Total Liabilities and Fund Balances	 \$49,859	 \$58,491	 \$108,350

See accompanying notes and accountant's report.

Jasmine Park East Condominium Association, Inc.
Statements of Revenues, Expenses, and Changes in Fund Balances
Years Ended December 31, 2007

	December 31, 2007		
	Operating Fund	Replacement Fund	Total
REVENUES			
Regular assessments	\$133,200	\$0	\$133,200
Interest income	203	793	996
Late charges and fines	260	0	260
Other	6,875	0	6,875
Collection cost recovery	792	0	792
Apartment rental income	4,055	0	4,055
Cellular site rental income	19,181	0	19,181
	<u>\$164,566</u>	<u>\$793</u>	<u>\$165,359</u>
EXPENSES			
Repairs and maintenance	\$34,708	\$0	\$34,708
Utilities	51,956	0	51,956
Administration	33,434	10	33,444
Taxes and insurance	7,026	0	7,026
Reserve expenses	0	22,532	22,532
	<u>\$127,124</u>	<u>\$22,542</u>	<u>\$149,666</u>
Excess of revenues over expenses	\$37,442	(\$21,749)	\$15,693
Beginning fund balances	(18,671)	53,239	34,568
Transfer between funds	(27,001)	27,001	0
Ending fund balances	<u>(\$8,230)</u>	<u>\$58,491</u>	<u>\$50,261</u>

See accompanying notes and accountant's report.

Jasmine Park East Condominium Association, Inc.
Statements of Cash Flows
Years Ended December 31, 2007

	December 31, 2007		
	Operating Fund	Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess / (Deficit) of revenues over expenses	\$37,442	(\$21,749)	\$15,693
Adjustments to reconcile excess (deficit) of revenues over expenses to net cash provided / (used) by operating activities:			
Depreciation expense	1,273	0	1,273
(Increase) decrease in:			
Accounts receivable			
Homeowners	(1,254)	0	(1,254)
Prepaid expenses	(563)	0	(563)
Increase (decrease) in:			
Accounts payable	4,680	0	4,680
Prepaid assessments	(604)	0	(604)
Net Cash Provided / (Used) by Operating Activities	40,974	(21,749)	19,225
CASH FLOWS FROM FINANCING ACTIVITIES			
Interfund transfers	(27,001)	27,001	0
Net Cash Provided / (Used) by Financing Activities	(27,001)	27,001	0
 NET INCREASE (DECREASE) IN CASH	 13,973	 5,252	 19,225
CASH AT BEGINNING OF YEAR	11,975	53,239	65,214
CASH AT END OF YEAR	\$25,948	\$58,491	\$84,439

See accompanying notes and accountant's report.

Jasmine Park East Condominium Association, Inc.
Notes to Financial Statements
December 31, 2007

Note 1 - Nature of Organization

Jasmine Park East Condominium Association, Inc. (the Association) was incorporated on April 16, 1986, in the State of Colorado. The Association is responsible for the operation, management, and maintenance of the common property within the development. The development consists of 58 units and is located in Denver, Colorado.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

Both the accompanying financial statements and related income tax returns have been prepared in accordance with the accrual method of accounting.

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.

Cash and Cash Equivalents

The Association considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Assessments Receivable

Assessments are stated on the balance sheet at face value. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are delinquent.

Jasmine Park East Condominium Association, Inc.
Notes to Financial Statements
December 31, 2007

Recognition of Assets and Depreciation Policy

Real and personal common property acquired by the original unit owners from the developer, as well as replacements and improvements thereto, is not recognized on the Association's financial statements because it is commonly owned by individual owners and its disposition by the Association's Board is restricted. Replacements and improvements to common property are not recognized as assets because their disposition is restricted.

Working Capital Reserves

Working capital deposits collected from homeowners at the initial closing of each lot, as required by the Declarations, have been recorded as contributed capital of the operating fund.

Member Assessments

Association members are subject to regular assessment to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Owners' assessments are determined by an annual budget approved by the board to meet operating costs and contribute to the replacement fund. Assessments receivable at the balance sheet date represent fees due from unit owners. Any excess assessments at year end are retained by the Association for use in the succeeding year.

For the year ended December 31, 2007 owners were assessed between \$159 and \$247 per month.

Interest Income

Interest income is allocated to the operating and replacement fund in proportion to the interest-bearing deposits of each fund.

Income Taxes

Homeowners associations may be taxed either as homeowners associations or as regular corporations. The Association expects to file its December 31, 2007 income tax returns, as a homeowners association.

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 reporting period. Actual results could differ from those estimates.

Jasmine Park East Condominium Association, Inc.
Notes to Financial Statements
December 31, 2007

Note 3 - Property and Equipment

Property and equipment consist of the following:

Condominium unit	\$ 38,200
Accumulated depreciation	<u>17,472</u>
	<u>\$ 20,728</u>

Note 4 - Future Major Repairs and Replacements

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregated \$58,491 at December 31, 2007, are held in separate accounts and are generally not available for operating purposes.

The management of the Association conducted a study to estimate the remaining useful lives and the replacement costs of the common area components. The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

Note 5 - Contingencies

The Association is a party to various legal actions normally associated with homeowners associations, such as the collection of delinquent assessments and covenant compliance matters, the aggregate effect of which, in management's opinion, would not be material to the future financial condition of the Association.

Note 6 - Supplemental Disclosures

During the year ended December 31, 2007, the Association paid \$0 in interest expense and \$0 in income taxes.

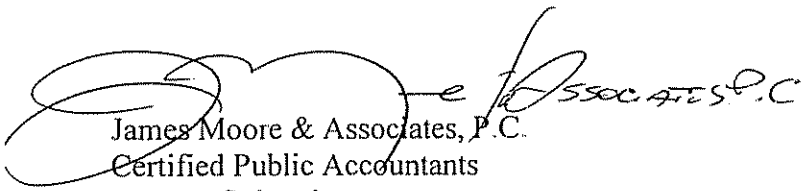


**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors
Jasmine Park East Condominium Association, Inc.:

Our report on our audit of the basic financial statements of Jasmine Park East Condominium Association, Inc. for December 31, 2007 appears on page one. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Operating Fund Expenses, Budget and Actual on page eight is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for the portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The supplementary information on future major repairs and replacements on page nine is not a required part of the basic financial statements of Jasmine Park East Condominium Association, Inc. but is supplementary information required by the American Institute of Certified Public Accountants. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However we did not audit the information and express no opinion on it.



James Moore & Associates, P.C.
Certified Public Accountants
Aurora, Colorado
April 22, 2008

Jasmine Park East Condominium Association, Inc.
Schedule of Operating Fund Expenses, Budget and Actual
Years Ended December 31, 2007

	<u>Year Ended</u>	
	<u>December 2007</u>	
	<u>Budget</u>	<u>Actual</u>
	<small>(Unaudited)</small>	
Repairs and maintenance		
Grounds maintenance	\$1,430	\$1,800
Building repairs and maintenance	22,550	25,848
Trash removal	5,937	5,577
Snow removal	500	178
Payroll	0	32
Depreciation expense	0	1,273
	<u>30,417</u>	<u>34,708</u>
Utilities		
Gas & electric	47,980	42,719
Water & sewer	10,000	9,237
	<u>57,980</u>	<u>51,956</u>
Administration		
Management fee	9,000	9,000
Legal & accounting	1,600	190
Collection fees	300	682
Administrative	1,550	1,731
Administrative	2,852	2,992
Community events	50	25
Payroll	23,000	18,814
	<u>38,352</u>	<u>33,434</u>
Taxes and insurance		
Federal income tax	0	0
State income tax	0	0
Insurance	8,782	6,478
Property taxes	600	548
	<u>9,382</u>	<u>7,026</u>
GRAND TOTAL	<u>\$136,131</u>	<u>\$127,124</u>

See accompanying notes and accountant's report.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
103 Concrete Balconies - Repair/Replace	10	6	\$9,438	\$11,269
103 Concrete Courtyard/Steps - Replace	15	4	\$13,557	\$15,258
103 Concrete Step/Landings- Replace	5	4	\$1,320	\$1,486
108 Landscape Timbers - Replace	24	14	\$1,275	\$1,929
201 Asphalt - Resurface	25	6	\$7,541	\$9,004
202 Asphalt - Seal/Repair	5	1	\$763	\$785
205 Concrete Parking Garage - Repair	20	8	\$9,620	\$12,186
303 HVAC Unit - Replace	20	2	\$1,700	\$1,804
303 HVAC Unit #1 - Replace	24	5	\$5,150	\$5,970
303 HVAC Unit #2 - Replace	24	5	\$5,750	\$6,666
303 HVAC Unit #3 - Replace	24	5	\$5,750	\$6,666
303 HVAC Unit #4 - Replace	24	5	\$5,150	\$5,970
303 HVAC Units - Replace	20	13	\$4,000	\$5,874
307 Fire Booster Pump/Motor - Rebuild	20	10	\$2,250	\$3,024
307 Fire Pump Controller - Replace	30	11	\$3,500	\$4,845
310 Boilers - Refurbish	10	9	\$4,500	\$5,871
311 Cooling Tower - Replace	28	9	\$107,500	\$140,263
311 HVAC Controllers - Replace	10	9	\$1,750	\$2,283
312 Jockey Pump Controller - Replace	15	12	\$1,900	\$2,709
320 Emergency Lights - Replace	30	26	\$4,500	\$9,705
324 Exterior Wall Lights - Replace	30	18	\$6,480	\$11,032
325 Interior Wall Lights - Replace	30	15	\$8,400	\$13,087
401 Awning - Replace	10	6	\$1,800	\$2,149
413 Planter/Benches - Replace	20	19	\$6,000	\$10,521
503 Deck Rail - Replace	40	21	\$60,221	\$112,028
503 Metal Safety Grate - Replace	40	21	\$25,972	\$48,316
601 Hallway Carpet - Replace	10	5	\$22,263	\$25,808
601 Office Carpet - Replace	10	0	\$563	\$756
603 Ceramic Tile Floor - Replace	20	10	\$2,432	\$3,268
604 Hardwood Floor - Resurface	10	4	\$901	\$1,014
701 Metal Garage Doors - Replace	20	10	\$2,500	\$3,360
801 Boiler - Replace	40	21	\$10,675	\$19,859
901 Appliances - Replace	15	8	\$2,650	\$3,357
908 Windows - Replace	30	11	\$19,800	\$27,408
909 Unit - Refurbish	15	10	\$19,800	\$26,610
911 Office Furniture - Replace	20	12	\$1,000	\$1,426
1110 Interior Surfaces - Repaint	10	7	\$12,350	\$15,189
1119 Brick Exterior - Seal	10	10	\$8,673	\$11,656
1301 Asphalt/Gravel Roof - Replace	20	18	\$83,512	\$142,174
1302 Metal Roof - Replace	40	20	\$4,408	\$7,961
1801 Elevator - Modernize	25	6	\$70,000	\$83,584
1802 Elevator Cabs - Refurbish	12	7	\$11,000	\$13,529
1803 Fire Alarm System - Replace	30	11	\$22,500	\$31,145
2560 Washers/Dryers - Replace	18	7	\$1,000	\$1,230
2746 Deciduous Trees - Replace	10	9	\$3,750	\$4,893
45 Total Funded Components				