

THE CLASSIC TOWNHOMES OF WEST PARK
VILLAGE ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2004

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Board of Directors
The Classic Townhomes of West Park Village Association, Inc.
Tampa, Florida

We have reviewed the accompanying balance sheet of **THE CLASSIC TOWNHOMES OF WEST PARK VILLAGE ASSOCIATION, INC.** as of December 31, 2004 and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements are the representation of the management of **THE CLASSIC TOWNHOMES OF WEST PARK VILLAGE ASSOCIATION, INC.**

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

As discussed in Note 4, the Association has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented information about the estimates of future costs of major repairs and replacements that will be required in the future that the American Institute of Certified Public Accountants has determined is required to supplement, although not required to be a part of, the basic financial statements.

Bashor & Legendre, LLP

BASHOR & LEGENDRE
Certified Public Accountants

January 22, 2005

CLASSIC TOWNHOMES OF WEST PARK VILLAGE ASSOCIATION, INC

BALANCE SHEET

AS OF DECEMBER 31, 2004

<u>ASSETS</u>	<u>OPERATING</u> <u>FUND</u>	<u>REPLACEMENT</u> <u>FUND</u>	<u>TOTAL</u>
Cash	\$ 86,406	\$ 184,739	\$ 271,145
Assessments receivable	5,372	0	5,372
Prepaid expenses	4,027	0	4,027
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 95,805	\$ 184,739	\$ 280,544
	<hr/>	<hr/>	<hr/>
 <u>LIABILITIES AND FUND BALANCE</u>			
Accounts payable	\$ 200	\$ 0	\$ 200
Prepaid assessments	6,917	0	6,917
	<hr/>	<hr/>	<hr/>
Total Liabilities	7,117	0	7,117
Fund Balance	88,688	184,739	273,427
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ 95,805	\$ 184,739	\$ 280,544
	<hr/>	<hr/>	<hr/>

See accompanying notes and accountants' report.

CLASSIC TOWNHOMES OF WEST PARK VILLAGE ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2004

<u>REVENUES</u>	<u>OPERATING</u> <u>FUND</u>	<u>REPLACEMENT</u> <u>FUND</u>	<u>TOTAL</u>
Regular assessments	\$ 75,223	\$ 61,000	\$ 136,223
Interest income	77	1,428	1,505
Other income	2,196	0	2,196
	<u>77,496</u>	<u>62,428</u>	<u>139,924</u>
 <u>EXPENSES</u>			
Management fees	16,650	0	16,650
Office expense	4,210	0	4,210
Bad debt	2,718	0	2,718
Annual CPA review	800	0	800
Insurance	4,549	0	4,549
Insurance-D&O	891	0	891
Legal fees	2,132	0	2,132
Irrigation non-contract	1,720	0	1,720
Lawn maintenance	12,975	0	12,975
Tree and shrub replacement	14,090	0	14,090
Licenses and fees	61	0	61
Replacement expense	0	6,276	6,276
	<u>60,796</u>	<u>6,276</u>	<u>67,072</u>
 <u>EXCESS (DEFICIT) REVENUES</u>			
<u>OVER EXPENSES</u>	16,700	56,152	72,852
 <u>BEGINNING FUND BALANCE</u>			
	<u>71,988</u>	<u>128,587</u>	<u>200,575</u>
 <u>ENDING FUND BALANCE</u>			
	<u>\$ 88,688</u>	<u>\$ 184,739</u>	<u>\$ 273,427</u>

See accompanying notes and accountants' report.

CLASSIC TOWNHOMES OF WEST PARK VILLAGE ASSOCIATION, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004

<u>CASH FLOWS FROM OPERATING</u> <u>ACTIVITIES</u>	<u>OPERATING</u> <u>FUND</u>	<u>REPLACEMENT</u> <u>FUND</u>	<u>TOTAL</u>
Excess (Deficit) Revenues Over Expenses	\$ 16,700	\$ 56,152	\$ 72,852
Adjustments to reconcile excess revenues over expenses to net cash from operating activities:			
(Increase) decrease in:			
Assessments receivable	7,093	0	7,093
Prepaid expenses	(1,222)	0	(1,222)
Increase (Decrease) in			
Accounts Payable	(118)	0	(118)
Prepaid assessments	3,419	0	3,419
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>25,872</u>	<u>56,152</u>	<u>82,024</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>60,534</u>	<u>128,587</u>	<u>189,121</u>
<u>CASH AT END OF YEAR</u>	<u>\$ 86,406</u>	<u>\$ 184,739</u>	<u>\$ 271,145</u>

See accompanying notes and accountants' report.

THE CLASSIC TOWNHOMES OF WEST PARK VILLAGE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1 - NATURE OF ORGANIZATION

The Classic Townhomes of West Park Village Association, Inc. was incorporated on September, 23, 1999 in the State of Florida. The Association is responsible for the operation and maintenance of the common property within the development. The development consists of residential units located in Tampa, Florida.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the board of directors and property manager. Disbursements from the replacement fund generally may be made only for designated purposes.

Interest Earned

The board's policy is to allocate interest earned to the operating and replacement fund in proportion to the interest bearing deposits of each fund.

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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

THE CLASSIC TOWNHOMES OF WEST PARK VILLAGE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 3 - OWNERS' ASSESSMENTS

Monthly assessments to owners were \$122 in 2004. Of these amounts, approximately \$58 were designated for the replacement fund.

The annual budget and assessments of owners are determined by the board of directors and are approved by the board. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

NOTE 4 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents provide certain guidelines for governing its financial activities. The Association maintains an operating fund available for general operations.

The Association has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. The board has also not developed a plan to fund those needs. When replacement funds are needed to meet future needs for major repairs and replacements, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available. The effect on future assessments has not been determined at this time.

The Association has collected funds for various deferred maintenance items. The balance in this account was \$184,739 at December 31, 2004 and is reflected as an appropriated fund balance in the financial statements.

NOTE 5 - INCOME TAXES

Homeowners' associations may be taxed either as homeowners' associations or as regular corporations. For the year ended December 31, 2004, the Association elected to be taxed as a homeowners' association. Under that election, the Association is taxed on its nonexempt function income, such as interest earnings. Exempt function income, which consists primarily of member assessments, is not taxable.

THE CLASSIC TOWNHOMES OF WEST PARK VILLAGE ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 6 - ASSESSMENTS RECEIVABLE

The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are seriously delinquent. As of December 31, 2004, the Association had net assessments receivable of \$5,372. It is the opinion of the board of directors that an allowance for doubtful accounts at December 31, 2004 is not necessary.

NOTE 7 - CONCENTRATIONS OF CREDIT RISK

The Association maintains its cash balances at financial institutions. Accounts at each institution are insured up to \$100,000.