Forest Park Estates Condominium Association, Inc.

Financial Statements and Supplementary Information

For the Year Ended December 31, 2025

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LEE PUBLIC ACCOUNTING, LLC

Independent Auditor's Report

To the Board of Directors of
Forest Park Estates Condominium Association, Inc.

Opinion

I have audited the accompanying financial statements of Forest Park Estates Condominium Association, Inc. (the "Association") which comprises the balance sheet as of December 31, 2025, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Forest Park Estates Condominium Association, Inc. as of December 31, 2025, 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.

Report on Summarized Comparative Information

We have previously audited the Forest Park Estates Condominium Association, Inc.'s December 31, 2024, financial statements, and our report dated May 15, 2025, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Association and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

The Association's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statement are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment. there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

Other Matters

Supplementary Schedule of Operating Fund Revenues and Expenses – Budget and Actual

My audit was performed for the purpose of forming an opinion on the financial statements as a whole. The *Supplemental Schedule of Operating Fund Revenues and Expenses – Budget and Actual* is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Disclaimer of Opinion on Required Supplementary Information on Future Major Repairs and Replacements

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements be presented to supplement the basic financial statements. Such 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 part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Ryan Lee, CPA

Principal
Lee Public Accounting, LLC

May 15, 2026
Littleton, Colorado

Forest Park Estates Condominium Association, Inc.
Balance Sheet
As of December 31, 2025

	Operating Fund	Replacement Fund	Total	2024 Total (comparative purposes only)
Assets				
Cash	$ 9,047	$ 85,216	$ 94,263	$ 81,354
Assessments receivable	70	-	70	70
Prepaid insurance	1,068	-	1,068	886
Interfund balance	30,163	(30,163)	-	-
Total Assets	$ 40,348	$ 55,053	$ 95,401	$ 82,310
Liabilities and Fund Balances				
Accounts payable and accrued liabilities	$ 427	$ -	$ 427	$ 521
Assessments received in advance	519	-	519	1
Total Liabilities	946	-	946	522
Fund balances	39,402	55,053	94,455	81,788
Total Liabilities and Fund Balances	$ 40,348	$ 55,053	$ 95,401	$ 82,310

See Notes to Financial Statements

Forest Park Estates Condominium Association, Inc.
Statement of Revenues, Expenses, and Changes in Fund Balances
For the Year Ended December 31, 2025

	Operating Fund	Replacement Fund	Total	2024 Total (comparative purposes only)
Revenues				
Member assessments	$ 76,914	$ -	$ 76,914	$ 76,914
Special assessments	-	-	-	70,000
Contributions to the replacement fund	(7,000)	7,000	-	-
Late fees and collection	210	-	210	510
Other income	(5)	300	295	-
Interest	-	13	13	29
Total Revenues	$ 70,119	$ 7,313	$ 77,432	$ 147,453
Expenses				
Insurance	$ 14,022	$ -	$ 14,022	$ 11,115
Landscaping and grounds	11,199	-	11,199	19,580
Electricity and gas	8,341	-	8,341	8,355
Water and sewer	8,036	-	8,036	6,959
Management fees	3,960	-	3,960	3,960
Trash removal	3,782	-	3,782	2,763
Legal and professional fees	2,569	-	2,569	2,781
Building maintenance and repairs	2,129	7,035	9,164	3,333
Office and administrative	1,786	-	1,786	1,488
Roof and gutter repairs	1,275	-	1,275	4,769
Snow removal	543	-	543	466
Plumbing and sewer	88	-	88	12,248
Concrete	-	-	-	72,548
Reserve study	-	-	-	2,200
Irrigation maintenance	-	-	-	930
Total Expenses	57,730	7,035	64,765	153,495
Excess (Deficiency) of Revenues Over Expenses	$ 12,389	$ 278	$ 12,667	$ (6,042)
Beginning Fund Balance	27,013	54,775	81,788	87,830
Ending Fund Balance	$ 39,402	$ 55,053	$ 94,455	$ 81,788

Forest Park Estates Condominium Association, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2025

	Operating Fund	Replacement Fund	Total	2024 Total (comparative purposes only)
Cash Flows From Operating Activities				
Excess (Deficiency) of Revenues Over Expenses	$ 12,389	$ 278	$ 12,667	$ (6,042)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:				
(Increase) decrease in:				
Assessments receivable	-		-	(70)
Prepaid insurance	(182)		(182)	(188)
Increase (decrease) in:				
Accounts payable and accrued liabilities	(94)		(94)	(2,061)
Assessments received in advance	518		518	(899)
Special assessments received in advance		-	-	(5,000)
Net cash provided (used) by operating activities	12,631	278	12,909	(14,260)
Cash Flows From Financing Activities				
Interfund activities	(6,734)	6,734	-	-
Net cash (used) provided by financing activities	(6,734)	6,734	-	-
Net increase (decrease) in cash	**$ 5,897**	**$ 7,012**	**$ 12,909**	**$ (14,260)**
Cash, beginning of year	3,150	78,204	81,354	95,614
Cash, end of year	$ 9,047	$ 85,216	$ 94,263	$ 81,354

See Notes to Financial Statements

Forest Park Estates Condominium Association, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2025

Note 1 – Nature of the Association

Forest Park Estates Condominium Association, Inc. (the "Association") was organized as a non-profit corporation in the State of Colorado in 1987. The purpose of the Association is to provide for the operation, administration, use, and maintenance of the common property, and to promote the common benefit and enjoyment of the residents of the community. All members are subject to the *Condominium Declaration for Forest Park Estates (A Condominium)* (the "Declaration"). The Association's membership consists of the Owners of 15 residential condominium units located in Jefferson County, Colorado.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared using 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

The Association considers all highly liquid investments with an original maturity of three months or less to be cash. The Association continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. As of December 31, 2025, the Association had no cash equivalents.

Common Area Property

Real property and common areas conveyed to the Association by the Declarant are not recorded in the Association's financial statements because the disposition of those properties is restricted by the Declaration. It is the duty of the Association to care for and maintain the common areas for the common benefit and enjoyment of its membership. Major repairs and replacements to common area property are recorded as expenditures in the Replacement Fund.

Assessments

Association members are subject to monthly 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 place liens on the properties of homeowners whose assessments are delinquent. For the year ended December 31, 2025, monthly assessments to each unit were $450, except for one stand-alone unit, which is charged $121.50.

Note 2 – Summary of Significant Accounting Policies (continued)

Special Assessment

In October 2023, the Association levied a special assessment of $5,000 per unit in order to replenish the replacement reserve fund. The special assessment was due by May 1, 2024.

Use of 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.

Note 3 – Income Taxes

The Association elects to file its federal tax return as a homeowners' association under Section 528 of the Internal Revenue Code. Under that section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property. Net non-exempt function income, which includes interest earned, is taxed at the federal and state levels at 30% and 4.40%, respectively. There was no net taxable income for the year ended December 31, 2025.

The Association's tax filings may be subject to examination by various taxing authorities. The Association's federal income tax returns beginning with the 2023 tax year remain open to potential examination by the Internal Revenue Service; State income tax returns beginning with the 2022 tax year are open to potential examination.

Note 4 – Future Major Repairs and Replacements

The Association's Declaration requires funds to be accumulated for future major repairs and replacements. Accumulated funds are held in separate accounts and are generally not available for operating purposes.

In 2024, the Association engaged a third-party to perform a study to estimate the remaining useful lives and the replacement costs of the common property 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, subject to the Declaration, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

Note 5 – Related Party Transactions

The Association's management company also provides maintenance services to the Association through affiliated entities. During the years ended December 31, 2025, and 2024 the Association paid these affiliated entities $1,642 and $10,246, respectively, for maintenance services.

Note 6 – Contingencies

The Association may be a party to various legal actions throughout the year normally associated with homeowners' associations, including, but not limited to, the collection of delinquent assessments and covenant compliance matters, the aggregate of which, in management's opinion, would not have a material adverse effect on the Association's financial position, results, or liquidity.

Note 7 – Subsequent Events

The Association has evaluated events and transactions for potential recognition or disclosure through the date of the *Independent Auditor's Report*, which is the date the financial statements were available to be issued.

Forest Park Estates Condominium Association, Inc.
Schedule of Operating Fund Revenues and Expenses - Budget and Actual
For the Year Ended December 31, 2025

	Actual	Budget (compiled)	Variance - Favorable (Unfavorable)
Operating Fund Revenues			
Member assessments	$ 76,914	$ 77,064	$ (150)
Contributions to the replacement fund	(7,000)	(5,776)	(1,224)
Late fees and collection	210	-	210
Other income	(5)	-	(5)
Interest	-	12	(12)
Total Operating Fund Revenues	$ 70,119	$ 71,300	$ (1,181)
Operating Fund Expenses			
Insurance	$ 14,022	$ 16,702	$ 2,680
Landscaping and grounds	11,199	15,200	4,001
Electricity and gas	8,341	11,908	3,567
Water and sewer	8,036	8,998	962
Management fees	3,960	3,960	-
Trash removal	3,782	3,682	(100)
Legal and professional fees	2,569	3,500	931
Building maintenance and repairs	2,129	3,400	1,271
Office and administrative	1,786	1,450	(336)
Roof and gutter repairs	1,275	500	(775)
Snow removal	543	500	(43)
Plumbing and sewer	88	1,000	912
Irrigation maintenance	-	500	500
Total Operating Fund Expenses	57,730	71,300	13,570
Excess of Revenues Over Expenses	**$ 12,389**	**$ -**	**$ 12,389**

See Independent Auditor's Report
and Notes to Financial Statements

Forest Park Estates Condominium Association, Inc.
Supplementary Information on Future Major Repairs and Replacements
December 31, 2025
Unaudited

In 2024, the Association engaged a third-party to perform a study to estimate the remaining useful lives and replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study.

The information on the following pages was extracted from the study and presents significant information about the components of common property.

Funding Summary For Forest Park Estates Condo HOA

Beginning Assumptions	
Financial Information Source	Research With Client
# of units	14
Fiscal Year End	December 31, 2025
Monthly Dues from 2024 budget	$6,422.00
Monthly Reserve Allocation from 2024 Budget	$481.33
Projected Starting Reserve Balance (as of 1/1/2025)	$77,320
Reserve Balance: Average Per Unit	$5,523
Ideal Starting Reserve Balance (as of 1/1/2025)	$145,916
Ideal Reserve Balance: Average Per Unit	$10,423
Economic Factors	
Past 20 year Average Inflation Rate (Based on CCI)	5.20%
Current Average Interest Rate	2.10%
Current Reserve Status	
Current Balance as a % of Ideal Balance	53%
Recommendations for 2025 Fiscal Year	
Monthly Reserve Allocation	$3,080
Per Unit	$220.00
Minimum Monthly Reserve Allocation	$2,425
Per Unit	$173.21
Primary Annual Increases	5.50%
# of Years	30
Additional Funding Req'd	$0
Per Unit	$0
Changes From Prior Year (2024 to 2025)	
Increase/Decrease to Reserve Allocation	$2,599
as Percentage	540%
Average Per Unit	$185.62

Significant Components For Forest Park Estates Condo HOA

ID	Asset Name	Useful Lives	Remaining Useful Lives	Ave Curr Cost	Significance: (Curr Cost/UL) As $	As %
105	Comp Shingle Roof - Replace	20	13	$27,025	$1,351	4.5704%
110	Flat Roof - Coating	15	8	$43,875	$2,925	9.8933%
204	Building Ext Surfaces - Repaint	6	0	$15,750	$2,625	8.8786%
207	Metal Railing - Repaint	6	0	$3,330	$555	1.8772%
303	Wood Siding - Major Repairs	6	0	$13,750	$2,292	7.7511%
306	Brick - Major Repairs	6	3	$14,850	$2,475	8.3712%
401	Asphalt - Major Overlay	27	26	$47,253	$1,750	5.9194%
402	Asphalt - Surface Application	4	1	$3,563	$891	3.0124%
509	Window Well - Replace	40	8	$3,750	$94	0.3171%
601	Concrete Flatwork - Partial Replace	4	2	$3,438	$859	2.9067%
611	Stairway Systems/Deck - Replacement	40	34	$182,500	$4,563	15.4318%
702	Boiler - Replace (Domestic)	20	18	$14,250	$713	2.4099%
702	Boiler - Replace (Heat)	20	14	$14,250	$713	2.4099%
703	Hot Water Storage Tank- Replace	15	1	$4,875	$325	1.0993%
703	Water Heater - Replace	15	9	$3,150	$210	0.7103%
803	Mailboxes - Replace	25	0	$4,500	$180	0.6088%
903	Security System - Replace	7	4	$2,750	$393	1.3288%
1010	Trash Enclosure - Replace	17	16	$14,000	$824	2.7854%
1602	Exterior Wall Mount - Replace	17	12	$7,875	$463	1.5668%
1701	Irrigation System - Major Repairs	5	2	$3,000	$600	2.0294%
1801	Groundcover - Replenish	6	4	$9,250	$1,542	5.2144%
2001	Sewer System - Major Repairs	4	0	$8,500	$2,125	7.1874%
2002	Plumbing	5	0	$5,500	$1,100	3.7205%