



DEVIN & ASSOCIATES, INC.  
Certified Public Accounting Firm

### **Independent Auditor's Report**

To the Board of Directors of  
One Bratenahl Place Condominium Association, Inc.

We have audited the accompanying financial statements of One Bratenahl Place Condominium Association, Inc., which comprise the balance sheet as of August 31, 2018, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the twelve months ended August 31, 2018, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management 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; this includes 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.

#### ***Auditor's Responsibility***

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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of One Bratenahl Place Condominium Association, Inc. as of August 31, 2018, and the results of its operations and its cash flows for the twelve months ended August 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

### ***Disclaimer of Opinion on Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that future major repairs and replacements on page 15 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. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in cursive script that reads "Devin & Associates".

Devin & Associates, Inc.

Westlake, Ohio  
March 9, 2019

**One Bratenahl Place Condominium Association**

**Balance Sheet  
August 31, 2018**

	Operating Fund	Replacement Fund	<u>Total All Funds</u>	
			2018	2017
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$236,176	\$1,276,805	\$1,512,981	\$1,381,950
Accounts Receivable and others (net of allowance of \$33,069 in 2018 and \$15,414 in 2017)	15,823	0	15,823	50,148
Prepaid insurance	9,642	0	9,642	10,387
Inter-fund receivable	0	0	0	0
Total current assets	<u>261,641</u>	<u>1,276,805</u>	<u>1,538,446</u>	<u>1,442,485</u>
<b>PROPERTY AND EQUIPMENT</b>				
Equipment	159,891	0	159,891	159,891
Furniture & fixtures	0	0	0	0
Guest suite improvements	18,430	0	18,430	18,430
Vehicles	11,868	0	11,868	11,868
Property under capital lease	23,944	0	23,944	23,944
Total property and equipment	<u>214,133</u>	<u>0</u>	<u>214,133</u>	<u>214,133</u>
Less accumulated depreciation	<u>(214,133)</u>	<u>0</u>	<u>(214,133)</u>	<u>(214,133)</u>
Net property and equipment	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>0</u>
<b>OTHER ASSETS</b>				
Restricted Cash	<u>\$6,410</u>	<u>\$0</u>	<u>\$6,410</u>	<u>\$2,492</u>
Total Assets	<u><u>\$268,051</u></u>	<u><u>\$1,276,805</u></u>	<u><u>\$1,544,856</u></u>	<u><u>\$1,444,977</u></u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$111,249	\$0	\$111,249	58,209
Employee Fund	6,410	0	6,410	9,492
Deferred revenues	29,165	0	29,165	20,153
Inter-fund payable	0	0	0	0
Provision for income taxes	0	0	0	0
Total current liabilities	<u>146,824</u>	<u>0</u>	<u>146,824</u>	<u>87,854</u>
<b>LONG TERM LIABILITIES</b>				
Dollar Bank - Term Loan	0	2,277,478	2,277,478	2,497,367
Accrued Interest	0	0	0	6,505
Total Long Term Liabilities	<u>0</u>	<u>2,277,478</u>	<u>2,277,478</u>	<u>2,503,872</u>
<b>FUND BALANCE</b>				
Replacement Fund	0	(1,172,502)	(1,172,502)	459,239
Fund Balance	25,718	0	25,718	475,152
Current Year Gain/Loss	95,509	171,829	267,338	(2,081,140)
Total Fund Balance	<u>121,227</u>	<u>(1,000,673)</u>	<u>(879,446)</u>	<u>(1,146,749)</u>
Total Liabilities and Fund Balance	<u><u>\$268,051</u></u>	<u><u>\$1,276,805</u></u>	<u><u>\$1,544,856</u></u>	<u><u>\$1,444,977</u></u>

*See accompanying notes and independent accountants' audit report*

**One Bratenahl Place Condominium Association**  
**Statement of Revenues and Expenses**  
**For The Twelve Months Ended August 31, 2018**

	Operating Fund	Replacement Fund	<u>Total All Funds</u>	
			2018	2017
<b>REVENUE</b>				
Maintenance fees	\$1,659,227	0	\$1,659,227	1,675,140
Reserve - contingency & replacement	0	488,282	488,282	488,283
Ancillary services	213,464	0	213,464	192,741
Guest suite	64,709	0	64,709	52,788
Utility assessment	649,789	0	649,789	633,503
Interest income	0	2,080	2,080	1,013
Miscellaneous income	0	0	0	56,819
Recovered bad debt	0	0	0	0
Total revenue	<u>\$2,587,189</u>	<u>\$490,362</u>	<u>\$3,077,551</u>	<u>\$3,100,287</u>
<b>EXPENSES</b>				
Bad debts	17,655	0	17,655	10,562
Capital replacements	0	229,904	229,904	2,771,143
Interest Expense	0	88,629	88,629	6,505
Wages	805,313	0	805,313	798,163
Employee welfare	104,857	0	104,857	117,249
General and administrative	47,596	0	47,596	38,865
Insurance	71,131	0	71,131	71,072
Decorating Fund	0	0	0	3,600
Management fees	135,245	0	135,245	134,044
Payroll taxes	69,097	0	69,097	75,192
Professional fees	83,517	0	83,517	34,035
Restaurant costs	22,000	0	22,000	38,579
Contracted services and repairs	486,495	0	486,495	415,152
Telephone and cable	65,185	0	65,185	69,169
Utilities: electric, gas, water & sewer	583,589	0	583,589	598,097
Total expenses	<u>2,491,680</u>	<u>318,533</u>	<u>2,810,213</u>	<u>5,181,427</u>
Excess (Deficiency) of Revenues Over Expenses Before Income Taxes	\$95,509	\$171,829	\$267,338	(2,081,140)
Provision For Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenses	<u>\$95,509</u>	<u>\$171,829</u>	<u>\$267,338</u>	<u>(\$2,081,140)</u>

*See accompanying notes and independent accountants' audit report*

**One Bratenahl Place Condominium Association**  
**Statement of Changes in Fund Balances**  
**For the Year Ended August 31, 2018**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total All Funds 2018</u>	<u>2017</u>
<b>Beginning Balance - September 1, 2017 &amp; 2016</b>	682,364	(\$1,829,113)	(\$1,146,749)	934,354
<b>Add:</b>				
Excess (Deficiency) of Revenues Over Expenses For The Year	95,509	171,829	267,338	(2,081,140)
<b>Net fund transfers &amp; Prior period adjustments</b>	<u>(656,746)</u>	<u>656,611</u>	<u>(35)</u>	<u>37</u>
<b>Ending Balance - August 31, 2018 &amp; 2017</b>	<u><u>\$121,127</u></u>	<u><u>(\$1,000,673)</u></u>	<u><u>(\$879,446)</u></u>	<u><u>(1,146,749)</u></u>

*See accompanying notes and independent accountants' audit report*

**One Bratenahl Place Condominium Association**  
**Statement of Cash Flows**  
**For The Year Ended August 31, 2018**

	<u>Total all funds</u>	
	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess (Deficiency) of revenues over expenses	<u>\$267,338</u>	<u>(\$2,081,140)</u>
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation	0	0
Loss on disposal	0	0
(Increase) decrease in assets:		
Accounts receivable	34,325	(19,492)
Fund transfers	(35)	37
Net Interfund payable/receivable	0	0
Prepaid expenses	745	4,117
Increase (decrease) in liabilities:		
Accounts payable & deposits	49,958	28,322
Interfund payable	0	0
Accrued interest and taxes	(6,505)	6,505
Deferred revenues	9,012	15,924
Current portion long term debt	0	0
Total adjustments	<u>87,500</u>	<u>35,413</u>
Net cash provided (used) by operating Activities	<u>354,838</u>	<u>(2,045,727)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	<u>0</u>	<u>0</u>
Net cash used by investing activities	<u>0</u>	<u>0</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Reduction) Increase in long-term debt	<u>(219,889)</u>	<u>2,377,700</u>
Net cash used from financing activities	<u>134,949</u>	<u>331,973</u>
<b>NET INCREASE (DECREASE) IN CASH</b>		
Cash At Beginning of Year - September 1, 2017 & 2016	<u>1,384,442</u>	<u>1,052,469</u>
Cash At End of Year - August 31, 2018 & 2017	<u><u>\$1,519,391</u></u>	<u><u>\$1,384,442</u></u>
<b>Supplemental Disclosures:</b>		
Income taxes paid	<u>\$0</u>	<u>\$0</u>
Interest paid	<u><u>\$88,629</u></u>	<u><u>\$6,505</u></u>

*See accompanying notes and independent accountants' audit report*