



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, 2017, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the twelve months ended August 31, 2017, 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, 2017, and the results of its operations and its cash flows for the twelve months ended August 31, 2017 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.

Devin & Associates

Devin & Associates, Inc.

Westlake, Ohio

January 23, 2018

One Bratenahl Place Condominium Association

Balance Sheet

August 31, 2017

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total All Funds</u>	
			2017	2016
ASSETS				
CURRENT ASSETS				
Cash	\$707,191	\$674,759	\$1,381,950	\$1,051,185
Accounts Receivable and others (net of allowance of \$15,414 in 2017 and \$4,852 in 2016)	50,148	0	50,148	30,656
Prepaid insurance	10,387	0	10,387	14,504
Inter-fund receivable	0	0	0	380,309
Total current assets	<u>767,726</u>	<u>674,759</u>	<u>1,442,485</u>	<u>1,476,654</u>
PROPERTY AND EQUIPMENT				
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>
OTHER ASSETS				
Restricted Cash	<u>\$2,492</u>	<u>\$0</u>	<u>\$2,492</u>	<u>\$1,284</u>
Total Assets	<u><u>\$770,218</u></u>	<u><u>\$674,759</u></u>	<u><u>\$1,444,977</u></u>	<u><u>\$1,477,938</u></u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$58,209	\$0	\$58,209	32,495
Deposits/Employee Fund	9,492	0	9,492	6,884
Deferred revenues	20,153	0	20,153	4,229
Inter-fund payable	0	0	0	380,309
Provision for income taxes	0	0	0	0
Total current liabilities	<u>87,854</u>	<u>0</u>	<u>87,854</u>	<u>423,917</u>
LONG TERM LIABILITIES				
Dollar Bank - Term Loan	0	2,497,367	2,497,367	119,667
Accrued Interest	0	6,505	6,505	0
Total Long Term Liabilities	<u>0</u>	<u>2,503,872</u>	<u>2,503,872</u>	<u>119,667</u>
FUND BALANCE				
Replacement Fund	0	459,239	459,239	590,869
Fund Balance	475,152	0	475,152	0
Current Year Gain/Loss	207,212	(2,288,352)	(2,081,140)	343,485
Total Fund Balance	<u>682,364</u>	<u>(1,829,113)</u>	<u>(1,146,749)</u>	<u>934,354</u>
Total Liabilities and Fund Balance	<u><u>\$770,218</u></u>	<u><u>\$674,759</u></u>	<u><u>\$1,444,977</u></u>	<u><u>\$1,477,938</u></u>

One Bratenahl Place Condominium Association
Statement of Revenues and Expenses
For The Twelve Months Ended August 31, 2017

	Operating Fund	Replacement Fund	<u>Total All Funds</u>	
			2017	2016
REVENUE				
Maintenance fees	\$1,675,140	0	\$1,675,140	1,591,929
Reserve - contingency & replacement	0	488,283	488,283	524,057
Ancillary services	192,741	0	192,741	210,638
Guest suite	52,788	0	52,788	39,856
Utility assessment,	633,503	0	633,503	642,688
Interest income	0	1,013	1,013	1,127
Miscellaneous income	56,819	0	56,819	57,959
Recovered bad debt	0	0	0	27,755
Total revenue	<u>\$2,610,991</u>	<u>\$489,296</u>	<u>\$3,100,287</u>	<u>\$3,096,009</u>
EXPENSES				
Bad debts	10,562	0	10,562	0
Capital replacements	0	2,771,143	2,771,143	366,038
Interest Expense	0	6,505	6,505	0
Wages	798,163	0	798,163	758,276
Employee welfare	117,249	0	117,249	186,781
General and administrative	38,865	0	38,865	52,126
Insurance	71,072	0	71,072	68,700
Decorating Fund	3,600	0	3,600	3,600
Management fees	134,044	0	134,044	140,670
Payroll taxes	75,192	0	75,192	66,650
Professional fees	34,035	0	34,035	32,163
Restaurant costs	38,579	0	38,579	2,328
Contracted services and repairs	415,152	0	415,152	479,694
Telephone and cable	69,169	0	69,169	68,837
Utilities: electric, gas, water & sewer	598,097	0	598,097	526,661
Total expenses	<u>2,403,779</u>	<u>2,777,648</u>	<u>5,181,427</u>	<u>2,752,524</u>
Excess (Deficiency) of Revenues Over Expenses Before Income Taxes	\$207,212	(\$2,288,352)	(\$2,081,140)	343,485
Provision For Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenses	<u>\$207,212</u>	<u>(\$2,288,352)</u>	<u>(\$2,081,140)</u>	<u>\$343,485</u>