

**BRICKELL 25, INC.,
A CONDOMINIUM ASSOCIATION**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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To the Board of Directors and Members
Brickell 25, Inc., a Condominium Association
Miami, Florida

Independent Accountant's Review Report

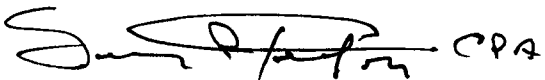
We have reviewed the accompanying balance sheet of Brickell 25, Inc., A Condominium Association as of December 31, 2014, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of my procedures provide a reasonable basis for my report.

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

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property on pages 8 through 9 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have compiled the required supplementary information without audit or review, and, accordingly, we do not express an opinion or provide any assurance on it.



Sergio R. Penton, P.A.
March 13, 2015

**BRICKELL 25, INC., A CONDOMINIUM ASSOCIATION
BALANCE SHEET
DECEMBER 31, 2014**

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<u>ASSETS</u>			
Cash	\$ 31,260	\$ 707	\$ 31,967
Assessments Receivable- Net	1,718	-	1,718
Prepaid Insurance & Expenses	26,232	-	26,232
Equipment & Leasehold Improvements	22,490	-	22,490
Less Accumulated Depreciation	(19,425)	-	(19,425)
 Total Assets	 \$ 62,275	 \$ 707	 \$ 62,982
 <u>LIABILITIES AND FUND BALANCE</u>			
Accounts Payable	\$ 463	-	463
Accrued Expenses	1,978	-	1,978
Insurance Payable	14,132	-	14,132
Prepaid Assessments	14,827	-	14,827
 TOTAL LIABILITIES	 31,400	 -	 31,400
 FUND BALANCE	 30,875	 707	 31,582
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 62,275	 \$ 707	 \$ 62,982

See Accountants' Review Report and The Accompanying Notes

BRICKELL 25, INC., A CONDOMINIUM ASSOCIATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Regular Assessments	\$ 247,620	\$ -	\$ 247,620
Interest Income	16	-	16
Laundry Income	5,837	-	5,837
Other	655	-	655
TOTAL REVENUES	\$ 254,128	\$ -	\$ 254,128
<u>EXPENSES</u>			
Bank Cgarges	\$ -	\$ 15	15
Legal & Professional	4,251	-	4,251
Insurance	77,644	-	77,644
Electricity	15,509	-	15,509
Water & Sewer	12,788	-	12,788
Cable-TV	18,333	-	18,333
Telephone	3,987	-	3,987
Elevator Maintenance	12,931	-	12,931
Fire Pannel Monitoring	4,477	-	4,477
Janitorial Services	7,890	-	7,890
Managements Fees	11,376	-	11,376
Lawn Maintenance & Landscaping	3,865	-	3,865
Trash Pick up	18,045	-	18,045
Salaries	24,841	-	24,841
Payroll and Other Taxes	6,030	-	6,030
Pool Maintenance & Repairs	9,177	-	9,177
Repairs, Maintenance & Replacements	27,554	-	27,554
ADP, Postage & Others	4,015	-	4,015
Depreciation	1,512	-	1,512
TOTAL EXPENSES	\$ 264,225	\$ 15	\$ 264,240
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(10,097)	(15)	0
BEGINNING FUND BALANCE	40,972	722	41,694
ENDING FUND BALANCE	\$ 30,875	707	31,582

See Accountants' Review Report and The Accompanying Notes

BRICKELL 25, INC., A CONDOMINIUM ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	OPERATING FUND	REPLACEMENT FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (Deficiency) of Revenue Over Expenses	\$ (10,097)	(15)	\$ (10,112)
Adjustments to Reconcile Revenues (Deficiency) To Net Cash Provided by Operating Activities:			
Depreciation	1,512	-	1,512
(Increase) Decrease in:			
Assessments Receivables	3,514	-	3,514
Prepaid Insurance & Expenses	(1,335)	-	(1,335)
Deposits	2,289		2,289
Increase (Decrease) in:			
Accounts Payable	463	-	463
Insurance Payable	(3,203)	-	(3,203)
Accrued Expenses	1,528	-	1,528
Prepaid Assessments	7,670	-	7,670
	<u>2,341</u>	<u>(15)</u>	<u>2,326</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 2,341	\$ (15)	\$ 2,326
CASH FLOWS FROM INVESTING ACTIVITIES			
ACQUISITION OF FURNITURE	\$ (4,577)	\$ -	\$ (4,577)
	<u>(4,577)</u>	<u>-</u>	<u>(4,577)</u>
NET INCREASE (DECREASE) IN CASH	(2,236)	(15)	(2,251)
CASH AT BEGINNING OF YEAR	33,496	722	34,218
	<u>33,496</u>	<u>722</u>	<u>34,218</u>
CASH AT END OF YEAR	\$ 31,260	\$ 707	\$ 31,967
	<u>31,260</u>	<u>707</u>	<u>31,967</u>

See Accountants' Review Report and The Accompanying Notes

BRICKELL 25, INC., A CONDOMINIUM ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE – A ORGANIZATION

Brickell 25, Inc., (The “Association”) is a statutory condominium association incorporated in the State of Florida on January 1, 1969. The Association is responsible for the operation and maintenance of the common areas owned by the individual unit owners. Brickell 25, Inc., A Condominium Association consists of 37 residential units located in Miami, Florida.

NOTE – B DATE OF MANAGEMENT REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 13, 2015, the date that the financial statements were available to be issued.

NOTE – C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The association maintains its accounts using fund accounting. Financial resources are currently classified for accounting and reporting purpose in the following funds established according to their nature and purpose:

Operating Funds

These funds are used to account for financial resources available for the general operation of the association and reflect the operating assessments paid by members and regular costs of operation, including any special assessments.

Replacement and Deferred Maintenance Fund

This fund is used to account for financial resources designated for future major repairs and replacements and capital improvements as required under section 718.112(2)(F) of the Florida statutes.

Member Assessments

Association unit owners are subject to monthly assessments based on an annual budget to provide funds for the association’s operating expenses, future capital acquisitions and major repairs and replacements. Any excess assessments at year-end are retained by the association for use in future years. Special assessments for specific purpose may also be imposed from time to time as deemed appropriate by the Board of Directors. The Association’s policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are forty days or more delinquent. The Association considers all assessments receivable at December 31, 2014 to be fully collectible.

BRICKELL 25, INC., A CONDOMINIUM ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE – C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Property and Equipment

Real property and common areas acquired from the developer are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalized Equipment and Leasehold Improvements at cost and depreciates it using the straight-line method, over an estimated useful live of five and seven years.

Prepaid Maintenance Assessments

Represents assessments collected in advance and to be reported as earned in subsequent periods.

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purpose of reporting cash flow, cash in bank includes cash available, which is on deposit in bank accounts.

Income Taxes

Homeowners' associations may be taxed as a tax-exempt homeowners' association under Internal Revenue code section 528 or a regular corporation. For the year ended December 31, 2014, the association was taxed as a regular corporation and filed Form 1120.

NOTE – D FUTURE MAJOR REPAIRS AND REPLACEMENTS

Florida Statutes provide that each proposed budget include provisions for reserves for future major repairs and replacements. These amounts are restricted to their intended purpose unless modified by a qualified unit owners vote. Accumulated funds, which aggregate \$ 707 at December 31, 2014, are held in separate accounts. Actual expenditures may vary from the estimate future expenditures for major repairs and replacements, 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 member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

BRICKEL 25, INC., A CONDOMINIUM ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE – E COMMITMENTS AND CONTINGENCIES

Management Contract

The Association entered into a management agreement with M&E Associates of Miami, Inc. a subsidiary of Vesta Property Services. The agreement is for a period of one year expiring on December 31, 2014, for an annual fee of \$ 11,376.00 payable monthly.

Waste Pick Up Service

The Association entered into a three years waste and recycling pick-up service agreement on October 10, 1998 with United Environmental Services of South Florida. This contract is automatically renewed every three years and expires on October 16, 2015, the current monthly service charge of approximate \$ 1,758. During 2014, the company was acquired by Progressive Waste Solutions.

Elevator Maintenance Service Agreement

On August 1, 1991, the association entered into an elevator maintenance agreement with Executive Elevator Service, Inc., renewable every three years, payable at the current price of \$ 1,096.00 per month. Otis Elevator Company acquired Executive Elevator Service, Inc., the contract expires on April 1, 2015

Cable Service

Bulk cable service is provided by Comcast of Miami, Inc. on a month to month basis. The current monthly service charges are \$1,540.

SUPPLEMENTARY INFORMATION

**BRICKEL 25, INC., A CONDOMINIUM ASSOCIATION
SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The Association conducted an internal study to estimate the remaining useful lives and the replacements costs of components of common property. The following information is based on the study and presents significant information about the components of common property.

<u>Common Area Component</u>	<u>Estimated Remaining Useful Life (in years)</u>	<u>Estimated Current Replacement Cost</u>	<u>Replacement Fund Balance at December 31, 2014</u>
Roof water proofing	14	\$ 144,000	\$ 707
Painting and water proofing	5	20,000	-
Elevators	0	500,000	-
		<u>\$ 664,000</u>	<u>\$ 707</u>

See Accountant's Review Report