

**2444 Madison Road Condominium
Owners' Association, Inc.**

**Financial Statements and Supplementary
Information for the Years Ended
December 31, 2023 and 2022
and Independent Auditors' Report**



LOCEY, MITCHELL
— & Associates —
CERTIFIED PUBLIC ACCOUNTANTS

Connecting with the Community

**2444 Madison Road Condominium Owners' Association, Inc.
For the Years Ended December 31, 2023 and 2022**

Contents	Page
Independent Auditors' Report	1-3
Financial Statements	
Balance Sheets	4-5
Statements of Revenues, Expenses and Accumulated Changes of Revenues over Expenses	6
Statements of Cash Flows	7
Notes to the Financial Statements	8-11
Supplementary Information	
Schedules of Other Expenses	12
Schedules of Common Area Improvements	13
Supplementary Information on Future Major Repairs and Replacements (Unaudited)	14

Independent Auditors' Report

To the Board of Directors
2444 Madison Road Condominium Owners' Association, Inc.
Cincinnati, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of 2444 Madison Road Condominium Owners' Association, Inc., which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of revenues, expenses and accumulated changes of revenues over expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 2444 Madison Road Condominium Owners' Association, Inc. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 2444 Madison Road Condominium Owners' Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 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 2444 Madison Road Condominium Owners' Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are 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 auditors' report that includes our 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 judgment made by a reasonable user based on the financial statements.

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

- 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 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 2444 Madison Road Condominium Owners' Association, Inc.'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 our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about 2444 Madison Road Condominium Owners' Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with accounting principles generally accepted in the United States of America to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Other Expenses and Schedules of Common Area Improvements are presented for purposes of additional analysis and are not a required part of the 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 our 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

Accounting principles generally accepted in the United States of America require that Supplementary Information on Future Major Repairs and Replacements be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Locey, Mitchell & Associates, Ltd.
Certified Public Accountants
Cincinnati, OH
March 1, 2023

2444 Madison Road Condominium Owners'

Balance Sheets

December 31, 2023 and 2022

	2023 Operating Funds		2023 Replacement Funds		2023	2022 Operating Funds		2022 Replacement Funds		2022
	Tower	Square	Tower	Square	Total	Tower	Square	Tower	Square	Total
Assets										
Cash and cash equivalents	\$ 412,862	\$ 23,128	\$ 938,355	\$ 271,764	\$ 1,646,109	\$ 331,969	\$ 21,818	\$ 1,044,050	\$ 453,395	\$ 1,851,232
Assessments receivable (no allowance for doubtful accounts)	-	-	-	-	-	4,835	691	-	-	5,526
Prepaid expenses	163,483	39,163	-	-	202,646	149,096	35,787	-	1,402	186,285
Due from (to) replacement/operating fund	-	-	-	-	-	73,644	-	(73,644)	-	-
Due from (to) Tower/Square	58,689	(58,689)	-	-	-	45,215	(45,215)	6,020	(6,020)	-
Insurance /other receivable	-	-	-	-	-	-	-	1,650,000	-	1,650,000
Certificates of deposit	-	-	500,066	757,451	1,257,517	-	-	726,621	491,145	1,217,766
Property and equipment										
Accounting office and multipurpose room	10,000	-	-	-	10,000	10,000	-	-	-	10,000
Beauty parlor	82,000	-	-	-	82,000	82,000	-	-	-	82,000
Equipment	226,449	18,143	-	-	244,592	190,939	6,762	-	-	197,701
Vehicles	39,916	18,784	-	-	58,700	39,916	18,784	-	-	58,700
Cabanas and garages	2,416	-	-	-	2,416	2,416	-	-	-	2,416
Furniture and fixtures	75,912	-	-	-	75,912	75,912	-	-	-	75,912
Improvements-decorating	5,952	-	-	-	5,952	5,952	-	-	-	5,952
Fitness center	163,922	-	-	-	163,922	163,922	-	-	-	163,922
Total property and equipment	606,567	36,927	-	-	643,494	571,057	25,546	-	-	596,603
Less: accumulated depreciation	311,276	23,360	-	-	334,636	278,077	19,646	-	-	297,723
Net property and equipment	295,291	13,567	-	-	308,858	292,980	5,900	-	-	298,880
Other assets										
Liquor license	30,000	-	-	-	30,000	30,000	-	-	-	30,000
Deposits	1,670	-	-	-	1,670	1,670	-	-	-	1,670
Total other assets	31,670	-	-	-	31,670	31,670	-	-	-	31,670
Total Assets	\$ 961,995	\$ 17,169	\$ 1,438,421	\$ 1,029,215	\$ 3,446,800	\$ 929,409	\$ 18,981	\$ 3,353,047	\$ 939,922	\$ 5,241,359

See notes to the financial statements.

2444 Madison Road Condominium Owners'

Balance Sheets (continued)

December 31, 2023 and 2022

	2023 Operating Funds		2023 Replacement Funds		2023	2022 Operating Funds		2022 Replacement Funds		2022
	Tower	Square	Tower	Square	Total	Tower	Square	Tower	Square	Total
Liabilities										
Accounts payable	\$ 132,898	\$ 7,638	\$ 747,810	\$ -	\$ 888,346	\$ 115,016	\$ 4,495	\$ 2,339,000	\$ -	\$ 2,458,511
Prepaid assessments	189,094	8,405	-	-	197,499	165,489	5,743	-	-	171,232
Accrued expenses	1,284	21	8,407	3,272	12,984	24,831	883	2,640	-	28,354
Deposits	14,430	795	-	-	15,225	13,890	675	-	-	14,565
Contract liabilities (assessments received in advance-replacement fund)	-	-	682,204	1,025,943	1,708,147	-	-	1,011,407	939,922	1,951,329
Total liabilities	337,706	16,859	1,438,421	1,029,215	2,822,201	319,226	11,796	3,353,047	939,922	4,623,991
Fund Balances										
Accumulated changes of revenues over expenses (expenses over revenues)	624,289	310	-	-	624,599	610,183	7,185	-	-	617,368
Total Liabilities and Fund Balances	\$ 961,995	\$ 17,169	\$ 1,438,421	\$ 1,029,215	\$ 3,446,800	\$ 929,409	\$ 18,981	\$ 3,353,047	\$ 939,922	\$ 5,241,359

See notes to the financial statements.

2444 Madison Road Condominium Owners'

**Statements of Revenues, Expenses and Accumulated Changes of Revenues over Expenses
For the Years Ended December 31, 2023 and 2022**

	2023 Operating Funds		2023 Replacement Funds		2023 Total	2022 Operating Funds		2022 Replacement Funds		2022 Total
	Tower	Square	Tower	Square		Tower	Square	Tower	Square	
Revenues										
Owner assessments	\$ 2,100,498	\$ 253,842	\$ 851,830	\$ 79,068	\$ 3,285,238	\$ 1,990,993	\$ 242,901	\$ 1,408,817	\$ 75,992	\$ 3,718,703
Garage assessments	169,200	-	-	-	169,200	169,200	-	-	-	169,200
Utility assessments	337,543	-	-	-	337,543	319,945	-	-	-	319,945
Cable television assessments	161,865	43,883	-	-	205,748	152,712	41,402	-	-	194,114
Restaurant and beauty shop rental	84,435	-	-	-	84,435	84,435	-	-	-	84,435
Maintenance services	44,190	6,001	-	-	50,191	38,872	3,323	-	-	42,195
Antenna income	46,259	-	-	-	46,259	50,259	-	-	-	50,259
Pool membership	2,200	-	-	-	2,200	1,866	-	-	-	1,866
Interest income	53	-	21,506	26,342	47,901	58	-	1,200	2,338	3,596
Late fees	3,034	625	-	-	3,659	2,963	1,022	-	-	3,985
Vending, miscellaneous and other	22,163	15,363	-	-	37,526	30,254	759	-	-	31,013
Total Revenues	2,971,440	319,714	873,336	105,410	4,269,900	2,841,557	289,407	1,410,017	78,330	4,619,311
Expenses										
Payroll and related costs	1,056,503	45,944	-	-	1,102,447	1,005,788	45,644	-	-	1,051,432
Utilities	191,373	2,977	-	-	194,350	209,665	3,326	-	-	212,991
Maintenance	549,091	97,775	-	-	646,866	507,106	85,054	-	-	592,160
Management and administrative	61,498	10,883	-	-	72,381	68,175	11,003	-	-	79,178
Recreational expenses	64,974	-	-	-	64,974	39,438	-	-	-	39,438
Other (see supplemental schedule)	996,523	144,161	-	-	1,140,684	924,200	128,157	-	-	1,052,357
Common area improvements (see supplemental schedule)	-	-	838,865	121,353	960,218	-	-	1,340,198	74,112	1,414,310
Depreciation	33,199	3,714	-	-	36,913	34,456	3,242	-	-	37,698
Interest expense	-	-	-	-	-	-	-	-	-	-
Real estate taxes	18,190	-	-	-	18,190	17,403	-	-	-	17,403
Federal and local income taxes	-	-	20,454	5,192	25,646	-	-	16,742	423	17,165
Total Expenses	2,971,351	305,454	859,319	126,545	4,262,669	2,806,231	276,426	1,356,940	74,535	4,514,132
Excess of revenues over expenses (expenses over revenue)	89	14,260	14,017	(21,135)	7,231	35,326	12,981	53,077	3,795	105,179
Beginning accumulated changes of revenues over expenses (expenses over revenues)	610,183	7,185	-	-	617,368	521,780	(9,591)	-	-	512,189
Transfer between funds - fixed assets and other	49,343	(8,154)	(49,343)	8,154	-	66,098	3,795	(66,098)	(3,795)	-
Transfer between funds - prior year operating excess	(35,326)	(12,981)	35,326	12,981	-	(13,021)	-	13,021	-	-
Ending Accumulated Changes of Revenues over Expenses (Expenses over Revenues)	\$ 624,289	\$ 310	\$ -	\$ -	\$ 624,599	\$ 610,183	\$ 7,185	\$ -	\$ -	\$ 617,368

See notes to the financial statements.

2444 Madison Road Condominium Owners'

Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

	2023 Operating Funds		2023 Replacement Funds		2023	2022 Operating Funds		2022 Replacement Funds		2022
	Tower	Square	Tower	Square	Total	Tower	Square	Tower	Square	Total
Cash Flows from Operating Activities										
Changes of revenues over expenses (expenses over revenue)	\$ 89	\$ 14,260	\$ 14,017	\$ (21,135)	\$ 7,231	\$ 35,326	\$ 12,981	\$ 53,077	\$ 3,795	\$ 105,179
Adjustments to reconcile changes of revenues to net cash and cash equivalents provided by (used for) operating activities:										
Depreciation	33,199	3,714	-	-	36,913	34,456	3,242	-	-	37,698
Loss on disposal of property and equipment	-	-	-	-	-	3,406	-	-	-	3,406
Change in assets and liabilities										
Assessments receivable	4,835	691	1,650,000	-	1,655,526	42,289	(512)	-	-	41,777
Interest receivable	-	-	-	-	-	-	-	-	11,405	11,405
Insurance receivable	-	-	-	-	-	-	-	(1,650,000)	-	(1,650,000)
Rents and other receivable	1,128	-	-	-	1,128	-	(10,002)	-	2,050	(7,952)
Prepaid expenses	(14,387)	(3,376)	-	1,402	(16,361)	(40,865)	-	-	-	(40,865)
Deposits	-	-	-	-	-	-	(1,421)	-	(978)	(2,399)
Accounts payable	17,882	3,143	(1,591,190)	-	(1,570,165)	25,500	890	2,339,000	-	2,365,390
Accrued expenses	(24,675)	(862)	-	-	(25,537)	(30,944)	(8,761)	-	-	(39,705)
Prepaid assessments	23,605	2,662	-	-	26,267	2,896	30	-	-	2,926
Deposits held	540	120	-	-	660	450	-	200,000	85,857	286,307
Contract liabilities	-	-	(329,203)	86,021	(243,182)	-	-	(911,075)	-	(911,075)
Accrued taxes	-	-	5,767	3,272	9,039	-	-	390	-	390
Net cash and cash equivalents provided by (used for) operating activities	42,216	20,352	(250,609)	69,560	(118,481)	72,514	(3,553)	31,392	102,129	202,482
Cash Flows from Investing Activities										
Purchase of equipment	(35,510)	(11,381)	-	-	(46,891)	(70,990)	-	-	-	(70,990)
Net cash and cash equivalents used for investing activities	(35,510)	(11,381)	-	-	(46,891)	(70,990)	-	-	-	(70,990)
Cash Flows from Financing Activities										
Proceeds from sales of certificates of deposits	-	-	226,555	(266,306)	(39,751)	-	-	(2,728)	(491,145)	(493,873)
Interfund borrowing	73,644	(2,134)	(73,644)	2,134	-	(74,970)	(31,917)	73,644	31,917	(1,326)
Intercompany borrowing	(7,454)	7,454	-	-	-	(45,708)	45,708	(6,020)	6,020	-
Interfund transfers	7,997	(12,981)	(7,997)	12,981	-	53,077	-	(53,077)	-	-
Net cash and equivalents (used for) provided by financing activities	74,187	(7,661)	144,914	(251,191)	(39,751)	(67,601)	13,791	11,819	(453,208)	(495,199)
Net Change in Cash and Cash Equivalents	80,893	1,310	(105,695)	(181,631)	(205,123)	(66,077)	10,238	43,211	(351,079)	(363,707)
Cash and Cash Equivalents - beginning of year	331,969	21,818	1,044,050	453,395	1,851,232	398,046	11,580	1,000,839	804,474	2,214,939
Cash and Cash Equivalents - end of year	\$ 412,862	\$ 23,128	\$ 938,355	\$ 271,764	\$ 1,646,109	\$ 331,969	\$ 21,818	\$ 1,044,050	\$ 453,395	\$ 1,851,232

See notes to the financial statements.

2444 Madison Road Condominium Owners' Association, Inc.

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

1. Organization

2444 Madison Road Condominium Owners' Association, Inc. is a statutory condominium association, located in Cincinnati, Ohio, organized as an Ohio nonprofit corporation in February 1984 for the purpose of maintaining and preserving the common property of its owners. The common property includes the land and all the buildings, improvements, easements, hot water heaters, air-conditioning equipment and gas furnaces serving the units and all pipes, wires and ducts extending from such equipment to each unit, the commercial space, the garage, the pool, the recreation room and two apartments located on the first floor of the high-rise building. The high-rise building (The Tower) consists of 228 residential units and 8 commercial units. The low-rise building (The Square) consists of 61 residential units.

2. Summary of Significant Accounting Policies

Fund Accounting – 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 designed for future major repairs and replacements.

Member Assessments – Association owners are subject to monthly assessments to provide funds for the Association's operating expenses, utility fees, future capital acquisitions, and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose.

Assessments receivable at the balance sheet date represent fees due from unit owners. Prepaid assessments represent assessments paid by the unit owners in advance of their due date. The Association's policy is to assess a late fee of \$25 plus 0.67% interest on delinquent assessments after the assessment is ten days past due. The Association retains legal counsel and places liens on the properties of homeowners whose assessments are seventy days or more delinquent. Any excess operating assessments at year-end are retained by the Association and transferred to the replacement fund for use in the succeeding year to pay for future major repairs and replacements.

Property and Equipment – Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual owners in common and not by the Association. The Association capitalizes real property in which they hold the title, can dispose of the property and retain the proceeds. The Association capitalizes personal property and real property at cost and depreciates property using the straight-line method over its useful life ranging from five to thirty years.

Contract Liabilities (assessments received in advance-replacement fund) – The Association recognizes revenue from owners as the related performance obligations are satisfied. A contract liability (assessments received in advance-replacement fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Leases – The Association has adopted FASB Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842) in the year ended December 31, 2022 and has elected to apply the short-term lease exception to all leases with a term of one year or less. The adoption resulted in no changes to the prior period presented.

Cash Equivalents – For the purpose of the statements of cash flows, the Association considers all investment instruments purchased with original maturities of three months or less to be cash equivalents. At December 31, 2023 and 2022, cash equivalents existed in money market accounts of \$82,627 and \$102,611, respectively.

Supplemental Cash Flow Information – Cash paid for taxes for the years ended December 31, 2023 and 2022 are \$15,110 and \$14,380, respectively.

3. Future Major Repairs and Replacements

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate savings accounts and certificates of deposits and generally are not available to fund expenditures for normal operations.

The Association's management and board conduct ongoing studies to determine the remaining useful lives of the components of common property and estimates of the cost of major repairs and replacements that may be required in the future. They have developed a plan to fund future needs based on these studies and ongoing evaluations of common property components. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts designated for future repairs and replacements may not be adequate to meet the future needs. If additional funds are needed, however, the Association has the right, subject to owner approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

4. Concentration Of Credit Risk

The Association maintains its cash in financial institutions insured by Federal Deposit Insurance Company. Deposit accounts, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

5. Federal Taxes

Condominium associations may be taxed either as homeowners' associations or as regular corporations. For the years ended December 31, 2023 and 2022, the Association filed its income tax return as a regular corporation. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on its non-membership income, such as interest earnings or commercial rental income, at regular federal corporate rates. For the year ended December 31, 2023 and 2022 the Association has excess income over expenses for the maintenance of common property of approximately \$60,000 and \$875,000, respectively. The deficit each year will be carried forward and used to offset future expenses when the Association files as a regular corporation. The accumulated net deficit available to carryforward to 2024 is approximately \$600,000.

The Association is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Association has no other tax positions which must be considered for disclosure. The Association holds no uncertain tax positions and, therefore, has no policy for evaluating them.

6. Certificates of Deposit

The Association holds the following certificates of deposit:

<u>Term</u>	<u>Interest Rate</u>	<u>Balance at 12/31/2023</u>	<u>Balance at 12/31/2022</u>
August 2022 – August 2023	1.25%	-	240,841
September 2022 – March 2023	0.25%	-	242,386
December 2022 – March 2023	0.05%	-	243,394
December 2022 – June 2023	3.30%	-	242,317
December 2022 – June 2023	3.30%	-	248,828
February 2023 – January 2024	4.10%	250,000	-
August 2023 – January 2024	4.98%	250,066	-
August 2023 – March 2024	5.00%	245,644	-
December 2023 – May 2025	5.15%	258,944	-
December 2023 – December 2024	5.25%	<u>252,863</u>	-
Total certificates of deposit		<u>\$1,257,517</u>	<u>\$1,217,766</u>

7. LEASES

The Association is the lessor of commercial and rooftop spaces under various operating leases. Minimum future rentals to be received for the next five years and in the aggregate, recognized under a method which approximates straight-line, is as follows:

2024	\$ 129,196
2025	130,967
2026	105,672
2027	93,627
2028	65,286
Thereafter	<u>480,048</u>
Total minimum future rental	<u>\$1,044,796</u>

8. INSURANCE LOSS

In July 2022, the Tower sustained an estimated \$4,750,000 in damages due to a water main break in the building. The Association recognized a loss of approximately \$100,000 as a result of the damage and disruptions, representing, in the aggregate, the property damage insurance deductible. This amount has been recorded as an expense in major repairs and improvements on the December 31, 2022 financial statements. The estimated future repairs expected due to this loss are approximately \$2,339,000 and the additional insurance reimbursement expected is approximately \$1,650,000. These amounts have been recorded on the balance sheets in accounts payable and insurance receivable at December 31, 2022. At December 31, 2013 all insurance proceeds have been received and the remaining balance of the insurance loss accrual of approximately \$615,000 is recorded in accounts payable on the balance sheet.

9. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 1, 2024, the date that the financial statements were available to be issued.

**Supplementary
Information**

2444 Madison Road Condominium Owners' Association, Inc.

Schedules of Other Expenses

For the Years Ended December 31, 2023 and 2022

	2023 Operating Funds			2022 Operating Funds		
	Tower	Square	Total	Tower	Square	Total
Doorman service	\$ 182,679	\$ -	\$ 182,679	\$ 181,576	\$ -	\$ 181,576
Valet service	197,188	-	197,188	200,974	-	200,974
Patrol service	26,228	8,905	35,133	25,030	8,142	33,172
Water and sewer	119,734	30,030	149,764	127,199	31,800	158,999
Insurance	224,103	54,698	278,801	177,838	43,161	220,999
Decorating expense	6,159	-	6,159	6,108	-	6,108
Cable television	149,172	42,733	191,905	130,334	37,413	167,747
Trash removal	19,909	4,740	24,649	19,733	4,607	24,340
Social activities	6,765	-	6,765	2,215	-	2,215
Water treatment	12,677	-	12,677	14,382	-	14,382
Vehicle and maintenance equipment	3,531	980	4,511	3,502	1,085	4,587
Fire protection	21,372	2,079	23,451	17,968	1,949	19,917
Beauty parlor expenses	14,506	-	14,506	13,908	-	13,908
Bad debts	12,500	-	12,500	27	-	27
Miscellaneous operating/maintenance	-	(4)	(4)	3,406	-	3,406
Total	\$ 996,523	\$ 144,161	\$ 1,140,684	\$ 924,200	\$ 128,157	\$ 1,052,357

See notes to the financial statements and independent auditors' report.

2444 Madison Road Condominium Owners' Association, Inc.

Schedules of Common Area Improvements

For the Years Ended December 31, 2023 and 2022

	2023 Replacement Funds			2022 Replacement Funds		
	Tower	Square	Total	Tower	Square	Total
Concrete/asphalt	\$ -	\$ -	\$ -	\$ 38,928	\$ 9,732	\$ 48,660
Landscape improvements	18,085	6,747	24,832	-	4,981	4,981
Garage	81,203	-	81,203	305,671	-	305,671
HVAC	-	-	-	487,662	-	487,662
Lot #1 Boardwalk	59,663	-	59,663	-	-	-
Building exterior	14,350	-	14,350	-	-	-
Furnace - A/C replacement	-	48,050	48,050	-	41,000	41,000
Dana wall	-	-	-	-	7,075	7,075
Camera system	-	-	-	-	5,807	5,807
Lot #2 repair	342,685	-	342,685	367,172	-	367,172
Roofs/decks	-	25,891	25,891	-	-	-
Street light replacements	3,149	-	3,149	-	-	-
Patios	-	-	-	-	4,779	4,779
Domestic hot water heater	-	1,620	1,620	-	738	738
Lobby, hall, mailroom upgrade	319,730	-	319,730	28,685	-	28,685
Pool	-	-	-	10,293	-	10,293
Foundation	-	39,045	39,045	-	-	-
Water main break	-	-	-	101,711	-	101,711
Lobby vestibule remodel	-	-	-	76	-	76
Total	\$ 838,865	\$ 121,353	\$ 960,218	\$ 1,340,198	\$ 74,112	\$ 1,414,310

See notes to the financial statements and independent auditors' report.

2444 Madison Road Condominium Owners' Association, Inc.**Supplementary Information on Future Major Repairs and Replacements (Unaudited)****December 31, 2023**

The Association's board of trustees conducts an ongoing study throughout the year to estimate the remaining useful lives and the 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 end of their useful lives. Estimated current replacement costs do not take into account the effects of inflation between the current date and the date that the components will require repair or replacement.

The following information is based on the study and presents significant information about the components of common property. (Amounts are rounded to the nearest hundred dollar).

ITEMS	ESTIMATED REMAINING USEFUL LIFE (YEARS)	ESTIMATED FUTURE REPLACEMENT COST	ESTIMATED 2024 FUNDING REQUIREMENTS
TOWER			
HVAC Equipment	1 to 12	\$ 6,144,000	\$ 219,700
Plumbing and electrical	1 to 11	1,955,000	62,100
Pool equipment	1 to 17	207,000	8,200
Fire equipment	1 to 31	610,000	31,100
Building exterior	1 to 21	8,481,000	366,300
Building interior	1 to 14	4,011,500	162,800
		<u>21,408,500</u>	<u>850,200</u>
SQUARE			
Exterior of buildings	1 to 19	2,882,900	127,900
HVAC equipment	1 to 11	1,190,300	49,500
Miscellaneous	1 to 19	1,288,500	63,300
		<u>5,361,700</u>	<u>240,700</u>
Total		<u>\$ 26,770,200</u>	<u>\$ 1,090,900</u>

See notes to the financial statements and independent auditors' report.



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