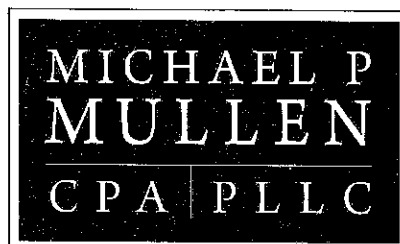


**GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.**

**ST. LOUIS PARK, MINNESOTA**

**INDEPENDENT AUDITOR'S REPORT,  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2015**



GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

FOR THE YEAR ENDED DECEMBER 31, 2015

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Minnesota  
5912 West 35th Street  
Minneapolis, MN 55416  
(952) 928-3011

*Michael P. Mullen, CPA*  
*Kim A. Beauchamp, CPA*  
*Joseph A. Wilkinson, CPA*



[www.cparamullen.com](http://www.cparamullen.com)

Wisconsin  
101 West Edison Avenue, Suite 202  
Appleton, WI 54915  
(920) 659-7099

Florida  
5072 Annunciation Circle, Suite 330  
Ave Maria, FL 34142  
(239) 674-3636

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Greensboro Condominium Owners Association, Inc.  
St. Louis Park, Minnesota

We have audited the accompanying financial statements of Greensboro Condominium Owners Association, Inc., which comprise the balance sheet as of December 31, 2015, and the related statements of revenues, expenses, and accumulated excess of revenues over expenses, comprehensive income, and cash flows for the year then ended, 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 Greensboro Condominium Owners Association, Inc. as of December 31, 2015, 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.

### Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacements on pages 10-18 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.

### Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information for unit type and common area on pages 19-26, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink, appearing to read "Michael P. Mullen, CPA, PLLC".

Michael P. Mullen, CPA, PLLC

Minneapolis, Minnesota  
April 13, 2016

CERTIFIED PUBLIC ACCOUNTANTS | LICENSED IN MINNESOTA, WISCONSIN AND FLORIDA  
FLORIDA LICENSED COMMUNITY ASSOCIATION MANAGER



## GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

## BALANCE SHEET

DECEMBER 31, 2015

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 178,269	\$ 427,525	\$ 605,794
Corporate bonds		739,891	739,891
Investments		834,204	834,204
Fees receivable	14,860		14,860
Homeowner chargeback receivable		8,235	8,235
Prepaid insurance	12,686		12,686
Condominium units-net	20,340		20,340
Due from operating		733	733
<b>TOTAL ASSETS</b>	<b>\$ <u>226,155</u></b>	<b>\$ <u>2,010,588</u></b>	<b>\$ <u>2,236,743</u></b>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 31,047		\$ 31,047
Income tax payable	3,261		3,261
Prepaid fees	28,791		28,791
Security deposit	2,145		2,145
Due to replacement	733		733
<b>TOTAL LIABILITIES</b>	<b><u>65,977</u></b>		<b><u>65,977</u></b>
<u>FUND BALANCE</u>			
Accumulated excess of revenues over expenses	160,178	\$ 2,040,613	2,200,791
Net unrealized (loss) on investments		(30,025)	(30,025)
<b>TOTAL FUND BALANCE</b>	<b><u>160,178</u></b>	<b><u>2,010,588</u></b>	<b><u>2,170,766</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>226,155</u></b>	<b>\$ <u>2,010,588</u></b>	<b>\$ <u>2,236,743</u></b>

The accompanying notes are an integral  
part of these financial statements

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

STATEMENT OF REVENUES, EXPENSES AND ACCUMULATED EXCESS  
OF REVENUES OVER EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2015

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Fees	\$ 722,718	\$ 310,500	\$ 1,033,218
Rental	21,360		21,360
Laundry	16,269		16,269
Other	25,900	17,935	43,835
Interest & Dividends	2	70,147	70,149
Total Revenue	<u>786,249</u>	<u>398,582</u>	<u>1,184,831</u>
EXPENSES			
Office and administrative	19,496		19,496
Management fees	48,600		48,600
Rubbish removal	23,332		23,332
Property tax	3,753		3,753
Income tax	3,261		3,261
Bad debts	28,531		28,531
Depreciation	2,653		2,653
Condominium units	3,973		3,973
Insurance	139,903		139,903
Professional fees	30,302		30,302
Utilities	141,399		141,399
Lawn care and snow removal	71,497		71,497
Repair and maintenance	112,850		112,850
Supplies	20,625		20,625
Contract labor	102,329		102,329
Replacement expenses		164,738	164,738
Total Expenses	<u>752,504</u>	<u>164,738</u>	<u>917,242</u>
EXCESS OF REVENUES OVER EXPENSES	33,745	233,844	267,589
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/14	245,421	1,687,781	1,933,202
INTERFUND TRANSFER	(118,988)	118,988	-
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/15	<u>\$ 160,178</u>	<u>\$ 2,040,613</u>	<u>\$ 2,200,791</u>

The accompanying notes are an integral  
part of these financial statements

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

	OPERATING FUND	REPLACEMENT FUND	TOTAL
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 33,745	\$ 233,844	\$ 267,589
NET CHANGE IN UNREALIZED (LOSS) ON INVESTMENTS		(123,465)	(123,465)
COMPREHENSIVE INCOME	<u>\$ 33,745</u>	<u>\$ 110,379</u>	<u>\$ 144,124</u>

The accompanying notes are an integral  
part of these financial statements

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from owners	\$ 799,672	\$ 335,226	\$ 1,134,898
Cash paid to providers	(712,604)	(164,738)	(877,342)
Interest received	2	70,147	70,149
Net cash provided by operating activities	<u>87,070</u>	<u>240,635</u>	<u>327,705</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Net purchase of corporate bonds		(75,490)	(75,490)
Net redemption of investments		(115,453)	(115,453)
Net cash (used in) investing activities		<u>(190,943)</u>	<u>(190,943)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Interfund transfer	(118,988)	118,988	-
Interfund borrowing	119,479	(119,479)	-
Net cash provided by (used in) financing activities	<u>491</u>	<u>(491)</u>	<u>-</u>
<b>NET INCREASE IN CASH</b>	<b>87,561</b>	<b>49,201</b>	<b>136,762</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>90,708</b>	<b>378,324</b>	<b>469,032</b>
<b>CASH AT END OF YEAR</b>	<b>\$ <u>178,269</u></b>	<b>\$ <u>427,525</u></b>	<b>\$ <u>605,794</u></b>

The following schedule reconciles the excess of revenues over expenses to net cash provided by operating activities:

Excess of revenues over expenses	\$ 33,745	\$ 233,844	\$ 267,589
Depreciation	2,653		2,653
Bad debts	28,531		28,531
Decrease in fees receivable	5,156	6,791	11,947
Decrease in vendor receivable	3,868		3,868
Decrease in prepaid insurance	14,070		14,070
(Decrease) in accounts payable	(8,614)		(8,614)
Increase in income tax payable	3,261		3,261
Increase in prepaid fees	3,305		3,305
Increase in security deposits	1,095		1,095
Total adjustments	<u>53,325</u>	<u>6,791</u>	<u>60,116</u>
Net cash provided by operating activities	<u>\$ 87,070</u>	<u>\$ 240,635</u>	<u>\$ 327,705</u>

The accompanying notes are an integral part of these financial statements

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - ORGANIZATION

Greensboro Condominium Owners Association, Inc. (Association) is a Minnesota nonprofit corporation legally organized as a condominium association. The date of incorporation was May 12, 1978. The Association is responsible for maintaining and preserving the common property known as Greensboro Condominium Owners Association, Inc. that consists of 260 residential units located in St. Louis Park, Minnesota.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pervasiveness 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Accounting

The Association's governing documents provide certain guidelines regarding its financial activities. Therefore, the Association maintains its accounts using fund accounting. State statute prohibits the use of, or borrowing from, the replacement reserves to fund operating expenses. Financial resources are classified for accounting and reporting purposes in the following funds:

Operating Fund - This fund is used to account for the 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.

Interest earned

The Board's policy is for interest to remain in the fund in which it is earned, but, at the Board's discretion, interest may be transferred from the Replacement Fund to reimburse the Operating Fund for income tax expense.

Fees

Association members are subject to monthly fees to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Any excess operating fees at year end are retained by the Association for use in future years.



GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Cash

The Association maintains cash in checking and money market accounts. Separate cash bank accounts are maintained for each fund. The Association considers all highly liquid investments with an original maturity of three months or less as cash.

Fees Receivable

Fees receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to charge a late fee and place liens on the property of accounts that are past due. This may ultimately involve foreclosure on the property after other attempts of collection have failed. The Board believes they will collect the past due fees and has not established an allowance for uncollectible accounts.

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 unit owners in common and not by the Association. Accordingly, items such as the buildings, sidewalks, roadways and land are not recognized as assets.

In conformity with industry practice, the Association's policy is to recognize the following common property as assets:

- a) Common personal property
- b) Common real property to which it has title and that it can dispose of for cash while retaining the proceeds or that is used to generate significant cash flows from members on the basis of usage or from nonmembers.

The Association owns two condominium units. The units are carried at cost and are depreciated using the straight-line method over its estimated useful life of 27-1/2 years. Net property is reported as detailed:

Condominium Units	\$ 78,640
Less accumulated depreciation	<u>(58,300)</u>
Net	<u>\$ 20,340</u>

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 13, 2016, the date that the financial statements were available to be issued.

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 3 - INCOME TAXES

Condominium associations may be taxed either as homeowners' associations or as regular corporations. For the year ended December 31, 2015, the Association elected to file as a regular corporation. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is generally taxed only on its nonmembership income such as interest earnings, at regular federal and state corporate tax rates in accordance with Internal Revenue Code Section 277. Income tax expense for the year is \$3,261 and the Board has determined that, when applicable, income tax is an expense of the operating fund.

The Association's tax returns for the past three years remain open for examination by taxing authorities.

NOTE 4 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

Minnesota State Statute 515B and the Association's governing documents require that adequate funds be maintained for future major repair and replacements. The total, which aggregates \$2,010,588 at December 31, 2015, is generally not available for operating purposes.

In 2014, the Board of Directors hired an outside firm to update the replacement fund study to estimate the remaining useful lives for the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. The estimates were obtained from repair history for the Association, industry information and, where necessary, from licensed contractors who inspected the property.

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 may pass special assessments or delay replacement or maintenance until funds are available. The effect on future assessments has not been determined at this time.

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - INVESTMENTS

Investments are comprised of mutual funds and corporate bonds. The unrealized loss is a component of the Replacement Fund Balance. Any realized gain or loss will be recognized when the investments are sold. The funds represent securities available for sale and are recorded at fair market value as follows:

	<u>COST</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN (LOSS)</u>
Corporate Bonds	\$ 814,153	\$ 739,891	\$ (74,262)
Mutual Funds	<u>789,967</u>	<u>834,204</u>	<u>\$ 44,237</u>
Total	<u>\$1,604,120</u>	<u>\$1,574,095</u>	<u>\$ (30,025)</u>

**SUPPLEMENTARY INFORMATION**

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON  
FUTURE MAJOR REPAIRS AND REPLACEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

In 2014, the Board of Directors hired an outside source to update the replacement fund study to estimate the remaining useful lives for the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. The estimates were obtained from repair history for the Association, industry information and, where necessary, from licensed contractors who inspected the property.

Estimated current replacement costs and estimated remaining useful lives have not been revised since the date of the study and do not take into account the effects of any expenditures or differences in the estimates.

The total replacement fund balance at December 31, 2015 is \$2,010,588. The board has not allocated the replacement fund balance to each component.

The attached information is based on the study and presents significant information about the components of common property.

Reserve Advisors, Inc.

RESERVE EXPENDITURES for Greenabero Condominium Owners Association Condominium Building Sub-Lot 16/F, Minnetonka

Explanatory Notes: 1) 3.2% is the estimated future inflation rate for estimating future replacement costs. 2) FY 2013 is fiscal year beginning January 1 and ending December 31.

Table with columns: Line Item, 35-Year Per Phase, Units, Life Span, Estimated Year of Replacement, Unit Remaining, 2013 Cost of Replacement, Total Future Costs, and columns for years 2013-2033. Includes sections for Exterior Building Elements, Interior Building Elements, and Building Services Elements.

Anticipated Expenditures, by Year

Summary table showing anticipated expenditures by year from 2013 to 2033, with a total of 482,308.

See Independent Auditor's Report

Reserve Advisors, Inc.

**RESERVE EXPENDITURES**  
for  
**Greensboro Condominium Owners Association**  
**Condominium Buildings**  
Saint Louis Park, Minnesota

Line Item	Reserve Component Inventory	21 2034	22 2035	23 2036	24 2037	25 2038	26 2039	27 2040	28 2041	29 2042	30 2043
<b>Exterior Building Elements</b>											
1.400	Roofs, Flat Membrane, Phased (Including Downspouts, Scuppers)					356,047	367,441	379,199	391,333		
1.580	Skylights										
1.760	Walls, Fiber Cement Siding, Paint Finishes and Repairs					100,880					
1.800	Walls, Masonry, Inspections and Repairs (Including Lintels)						117,490				
1.980	Windows and Doors, Common, Entrances and Stairwells										307,696
1.981	Windows, Common, Laundry and Boiler Rooms										
<b>Interior Building Elements</b>											
2.200	Floor Coverings, Carpet, Hallways and Stairwells										
2.560	Light Fixtures, Hallways and Stairwells										
2.700	Mailboxes										
2.800	Paint Finishes, Hallways and Stairwells										
2.980	Wall Coverings, Hallways and Stairwells										
<b>Building Services Elements</b>											
3.105	Boilers, Building Heat, 7316										
3.106	Boilers, Building Heat, 7318										
3.107	Boilers, Building Heat, 7412 (Replace 4 with 3)										
3.108	Boiler, Building Heat, 7414 (Three-Burner Boiler)										
3.160	Boiler, Domestic Hot Water, 7316					16,484					
3.161	Boiler, Domestic Hot Water, 7318										19,295
3.162	Boiler, Domestic Hot Water, 7412									18,697	
3.163	Boiler, Domestic Hot Water, 7414										19,295
3.300	Electrical System, Main Panels			264,145							
3.560	Life Safety Systems, Fire Detection (Includes Audio at Units)										360,179
3.580	Light Fixtures, Exit										
3.600	Pipes, Sections, Building Heating, Partial	58,129			63,890			70,222			77,181
3.605	Pipes, Sections, Domestic Water, Vent and Waste, Partial	149,198			163,985			180,236			198,099
3.820	Security System (Intercom Panels and Card Readers)							42,133			
3.860	Storage Tanks, Domestic Hot Water, 7316					21,978					
3.861	Storage Tanks, Domestic Hot Water, 7318										
3.862	Storage Tanks, Domestic Hot Water, 7412					21,978					
3.863	Storage Tanks, Domestic Hot Water, 7414										
3.960	Water Softeners, Phased		12,398		13,204	13,626					
<b>Anticipated Expenditures, By Year</b>		<b>207,327</b>	<b>12,398</b>	<b>264,145</b>	<b>241,079</b>	<b>530,993</b>	<b>484,931</b>	<b>671,790</b>	<b>391,333</b>	<b>18,697</b>	<b>981,745</b>

See Independent Auditor's Report

Reserve Advisors, Inc.

**RESERVE EXPENDITURES**

for  
 Greensboro Condominium Owners Association  
 Three-Bedroom Buildings  
 South Lake Park, Minnesota

Line Item	3rd-Year Total	3rd-Year Per Phase	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Useful Life (Years)	Unit Cost, \$	2010 Cost of Replacement	Total Balance of Costs of Replacement, \$	FY 2013 (See Notes 1 & 2)	Explanatory Notes:																																
											1) 3.25% is the estimated future inflation rate for estimating future replacement costs. 2) FY 2013 is Fiscal Year beginning January 1 and ending December 31.																																
											2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033													
<b>Exterior Building Elements</b>																																											
1.260	222	118	Each	Light Fixtures for Entrances	2025	10 to 20	110.00	12,700	51,449																																		
1.401	800	450	Squares	Roofs, Flat Membranes, Phased (Including Downspouts, Supports)	2016	15 to 20	1,200.00	180,000	1,933,708																																		
1.591	56	56	Each	Skylights	2027	10 to 20	830.00	23,660	46,730																																		
1.781	76,000	28,000	Square Feet	Walk, Fiber Cement Siding, Paint Finishes and Repairs	2028	10 to 15	1.70	44,200	231,338																																		
1.801	188,000	23,500	Square Feet	Walls, Masonry, Inspections and Repairs, Phased (Cracks, Chalk, Drip)	2019	8 to 12	1.40	32,000	433,293																																		
<b>Building Services Elements</b>																																											
3.351	14	1	Buildings	Water Systems, Phased	2027	10 to 15	5,000.00	5,000	728,067																																		
											\$2,727,544	36,181	36,181	0	210,703	217,446	224,404	6,433	15,328	51,932	53,994	25,918	7,520	53,801	0	0	75,595	58,000	59,856	0													
											Anticipated Expenditures, By Year																																



Reserve Advisors, Inc.

**RESERVE EXPENDITURES**  
for  
**Greensboro Condominium Owners Association**  
**Three-Bedroom Buildings**  
Saint Louis Park, Minnesota

Line Item	21 2034	22 2035	23 2036	24 2037	25 2038	26 2039	27 2040	28 2041	29 2042	30 2043
<b>Reserve Component Inventory</b>										
<b>Exterior Building Elements</b>										
1.260										32,828
Light Fixtures for Entrances										
1.401				383,341	395,608	408,267				
Roofs, Flat Membrane, Phased (Including Downspouts, Scuppers)										
1.581										
Skylights										
1.761					97,144					
Walls, Fiber Cement Siding, Paint Finishes and Repairs										
1.801						74,622	77,010			
Walls, Masonry, Inspections and Repairs, Phased (Lintels, Chim. Caps)										
<b>Building Services Elements</b>										
3.961		9,998	10,318	10,648	10,989	11,341	11,704	12,078		
Water Softeners, Phased										
<b>Anticipated Expenditures, By Year</b>										
	0	9,998	10,318	393,989	503,741	494,230	88,714	12,078	0	32,828

See Independent Auditor's Report



Reserve Advisors, Inc.

**RESERVE EXPENDITURES**

for  
Greensboro Condominium Owners Association  
Two-Bedroom Buildings  
Saint Louis Park, Minnesota

Line Item	21 2034	22 2035	23 2036	24 2037	25 2038	26 2039	27 2040	28 2041	29 2042	30 2043
<b>Reserve Component Inventory</b>										
<b>Exterior Building Elements</b>										
1.261										
Light Fixtures for Entrances and Patios										
1.402				237,671	245,277	253,126				
Roofs, Flat Membrane, Phased (Including Downspouts, Scuppers)										
1.762					59,781					
Walls, Fiber Cement Siding, Paint Finishes and Repairs										
1.802						28,579	29,493			
Walls, Masonry, Inspections and Repairs, Phased (Lintels, Chim. Caps)										
Anticipated Expenditures, By Year	0	0	0	237,671	305,058	281,705	29,493	0	0	0

See Independent Auditor's Report

Reserve Advisors, Inc.

**RESERVE EXPENDITURES**

for  
Greenboro Condominium Owners Association  
Common Property  
5401 Lull's Park, Minnetonka

Replacement Rates:  
1) 3.2% In the estimated future inflation rate for estimating future replacement costs.  
2) FY 2013 to Fiscal Year beginning January 1 and ending December 31.

Line Item	Quantity	Unit	Description	Life Analysis, Years	Estimated 1st Year of Replacement	Unit Cost, \$	2013 Replacement Cost, \$	Estimated Future Replacement Costs, \$																	
								2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Property Site Elements</b>																									
4.045	18,500	Sq. Yards	Asphalt Pavedment, Total Replacement, Paved (Including Truck Cuts and Cuts)	20	2013	36.00	247,500	855,120																	
4.109	10	Each	Cash Bunkers, Conduit, Recessed	17	2013	1,200.00	3,000	29,256																	
4.140	20	1	Concrete Sloped, Parapet Replacement	15 to 20	2015	10,000.00	10,000	54,227																	
4.333	10	10	Garage Stairs, Recessed, Flat Membrane	15 to 20	2013	8,000	8,000	53,896																	
4.500	7	1	Landscaping, Parapet Replacement	15 to 20	2013	20,000.00	20,000	244,803																	
4.543	80	10	Light Poles, Poles and Fixtures, Paved	15 to 25	2017	2,000.00	20,000	171,803																	
4.590	80	10	Pipe, Subsurface Utility, Parapet Replacement (Concrete, Embury and Storm)	15 to 25	2017	2,000.00	20,000	348,284																	
4.745	820	520	Signage, Property Identification	15 to 25	2017	42.00	21,466	42,318																	
4.760	1,700	1,700	Signage, Property Identification	15 to 25	2017	42.00	21,466	42,318																	
4.810	2	2	Signage, Property Identification	15 to 20	2025	5,000.00	12,200	19,374																	
4.820	5,000	5,000	Tennis Courts, Color Coat (Including Surface Repairs)	15 to 20	2025	5,000.00	12,200	19,374																	
4.840	800	420	Tennis Courts, Fence	15 to 25	2018	39.00	10,770	59,488																	
4.885	2,500	1,200	Tennis Courts, Surface Replacement	15 to 25	2018	34.00	42,840	144,392																	
<b>Clubhouse Elements</b>																									
5.202	600	300	Electricity, Wood	15 to 25	2015	34.00	9,000	29,724																	
5.500	4	2	HVAC Equipment, Split Systems	15 to 20	2019	6,500.00	13,000	42,444																	
5.509	2	1	Insulation Renovation (Fishes, Pennington, Kitchen)	15 to 15	2015	23,000.00	23,000	67,186																	
5.513	4	2	Rest Rooms, Renovations	15 to 25	2015	15,000.00	30,000	78,203																	
5.590	12	12	Roof, Flat Membrane	15 to 20	2028	1,450.00	17,400	27,403																	
5.630	1	1	Windows and Doors	15 to 25	2028	20,000.00	20,000	42,558																	
<b>Road Elements</b>																									
6.220	11,400	3,000	Concrete Deck, Inspections, Parapet Replacement and Repairs	10 to 12	2023	4.00	16,200	59,472																	
6.500	300	300	Linear Seal	10 to 30	2043	55.00	16,500	42,650																	
6.506	2	1	Mechanical Equipment	10 to 15	2025	10,000.00	10,000	70,022																	
6.508	2,000	1,200	Plaster Patch (Including Strain Repairs)	8 to 12	2017	20.00	28,000	94,832																	
6.510	1,300	1,300	Stucco, Replacement (Including Deck)	10 to 20	2037	140.00	182,000	347,650																	
<b>2013 Reserve Expenditures</b>																									
				2013	166	0	145,000.00	145,000																	
				2014	2	2	4,900.00	4,900																	
				<b>Reserve Study Update with Site Visit</b>				4,900																	
				<b>Anticipated Expenditures - By Year</b>				33,795,950																	

See Independent Auditor's Report

Reserve Advisors, Inc.

**RESERVE EXPENDITURES**

for  
Greensboro Condominium Owners Association  
Common Property  
Saint Louis Park, Minnesota

Line Item	Reserve Component Inventory	21 2034	22 2035	23 2036	24 2037	25 2038	26 2039	27 2040	28 2041	29 2042	30 2043
<b>Property Site Elements</b>											
4.045	Asphalt Pavement, Total Replacement, Phased (Including Partial Curbs and Gutters)										
4.100	Catch Basins, Capital Repairs, Phased										
4.140	Concrete Sidewalks, Partial Replacements	19,376	19,996	20,636	21,297	21,978	22,682	23,407	24,156	24,929	25,727
4.333	Garage Buildings, Roofs, Flat Membrane										
4.500	Landscape, Partial Replacements			53,655					62,807		
4.560	Light Poles, Posts and Fixtures, Phased		39,993						48,313		
4.643	Pipes, Subsurface Utilities, Partial Replacements (Domestic, Sanitary and Storm)	93,782							116,917		
4.745	Retaining Walls, Masonry	42,318									
4.760	Retaining Walls, Timber (replace with masonry)										
4.810	Signage, Property Identification										
4.830	Tennis Courts, Color Coat (Including Surface Repairs)										22,043
4.840	Tennis Courts, Fence					36,857					
4.860	Tennis Courts, Surface Replacement					94,155					
<b>Clubhouse Elements</b>											
5.202	Balcony, Wood				19,167						
5.450	HVAC Equipment, Split Systems			25,827							
5.500	Interior Renovations (Finishes, Furnishings, Kitchen)										
5.513	Rest Rooms, Renovations					52,748					
5.600	Roof, Flat Membrane										
5.800	Windows and Doors					43,955					
<b>Pool Elements</b>											
6.200	Concrete Deck, Inspections, Partial Replacements and Repairs										39,105
6.400	Fence										42,450
6.600	Mechanical Equipment						43,085				
6.800	Plaster Finish (Including Structure Repairs)				55,371						
6.900	Structure, Replacement (Including Deck)				387,600						
Reserve Study Update with Site Visit											
Anticipated Expenditures, By Year		155,476	59,989	101,118	483,435	249,694	65,777	23,407	252,193	24,929	129,325

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

TWO BEDROOM

UNAUDITED SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2015

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 25,407	\$ 66,843	\$ 92,250
Corporate bonds		155,219	155,219
Investments		150,943	150,943
TOTAL ASSETS	<u>\$ 25,407</u>	<u>\$ 373,005</u>	<u>\$ 398,412</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 2,090		\$ 2,090
Income tax payable	601		601
Prepaid fees	5,079		5,079
TOTAL LIABILITIES	<u>7,770</u>		<u>7,770</u>
<u>FUND BALANCE</u>			
Accumulated excess of revenues over expenses	17,637	\$ 377,022	394,659
Net unrealized (loss) on investments		(4,017)	(4,017)
TOTAL FUND BALANCE	<u>17,637</u>	<u>373,005</u>	<u>390,642</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 25,407</u>	<u>\$ 373,005</u>	<u>\$ 398,412</u>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

TWO BEDROOM

UNAUDITED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2015

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Fees	\$ 25,849	\$ 31,500	\$ 57,349
Other	725		725
Interest & Dividends		12,928	12,928
<b>Total Revenue</b>	<u>26,574</u>	<u>44,428</u>	<u>71,002</u>
<b>EXPENSES</b>			
Income tax	601		601
Professional fees	590		590
Utilities	9,752		9,752
Repair and maintenance	15,679		15,679
Supplies	158		158
Replacement expenses		6,880	6,880
<b>Total Expenses</b>	<u>26,780</u>	<u>6,880</u>	<u>33,660</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	(206)	37,548	37,342
<b>ACCUMULATED EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES AT 12/31/14</b>	(57,027)	414,344	357,317
<b>INTERFUND TRANSFER</b>	<u>74,870</u>	<u>(74,870)</u>	<u>-</u>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/15</b>	<u>\$ 17,637</u>	<u>\$ 377,022</u>	<u>\$ 394,659</u>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

THREE BEDROOM

UNAUDITED SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2015

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 42,159	\$ 108,436	\$ 150,595
Corporate bonds		214,044	214,044
Investments		250,046	250,046
Fees receivable	850		850
Due from operating		293	293
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	\$ <u>43,009</u>	\$ <u>572,819</u>	\$ <u>615,828</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 4,202		\$ 4,202
Income tax payable	981		981
Prepaid fees	7,042		7,042
Due to replacement	293		293
	<u>          </u>		<u>          </u>
TOTAL LIABILITIES	<u>12,518</u>		<u>12,518</u>
 <u>FUND BALANCE</u>			
Accumulated excess of revenues over expenses	30,491	\$ 584,019	614,510
Net unrealized (loss) on investments		(11,200)	(11,200)
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL FUND BALANCE	<u>30,491</u>	<u>572,819</u>	<u>603,310</u>
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>43,009</u>	\$ <u>572,819</u>	\$ <u>615,828</u>

See Independent Auditor's Report



GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

THREE BEDROOM

UNAUDITED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2015

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Fees	\$ 52,124	\$ 56,000	\$ 108,124
Other	1,050		1,050
Interest & Dividends		21,113	21,113
<b>Total Revenue</b>	<u>53,174</u>	<u>77,113</u>	<u>130,287</u>
<b>EXPENSES</b>			
Income tax	981		981
Professional fees	591		591
Utilities	22,866		22,866
Repair and maintenance	29,057		29,057
Supplies	367		367
Replacement expenses		24,564	24,564
<b>Total Expenses</b>	<u>53,862</u>	<u>24,564</u>	<u>78,426</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	(688)	52,549	51,861
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/14</b>	30,798	531,851	562,649
<b>INTERFUND TRANSFER</b>	<u>381</u>	<u>(381)</u>	<u>-</u>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/15</b>	<u>\$ 30,491</u>	<u>\$ 584,019</u>	<u>\$ 614,510</u>

See Independent Auditor's Report

## GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

## CONDO

## UNAUDITED SUPPLEMENTARY INFORMATION

## BALANCE SHEET

DECEMBER 31, 2015

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 96,135	\$ 163,634	\$ 259,769
Corporate bonds		292,237	292,237
Investments		328,981	328,981
Fees receivable	14,010		14,010
Homeowner chargeback receivable		8,235	8,235
Due from operating		440	440
<b>TOTAL ASSETS</b>	<b>\$ <u>110,145</u></b>	<b>\$ <u>793,527</u></b>	<b>\$ <u>903,672</u></b>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 18,365		\$ 18,365
Income tax payable	1,294		1,294
Prepaid fees	16,670		16,670
Due to replacement	440		440
<b>TOTAL LIABILITIES</b>	<b><u>36,769</u></b>		<b><u>36,769</u></b>
<u>FUND BALANCE</u>			
Accumulated excess of revenues over expenses	73,376	\$ 808,373	881,749
Net unrealized (loss) on investments		(14,846)	(14,846)
<b>TOTAL FUND BALANCE</b>	<b><u>73,376</u></b>	<b><u>793,527</u></b>	<b><u>866,903</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>110,145</u></b>	<b>\$ <u>793,527</u></b>	<b>\$ <u>903,672</u></b>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

CONDO

UNAUDITED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2015

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Fees	\$ 174,780	\$ 100,000	\$ 274,780
Rental	9,270		9,270
Laundry	16,269		16,269
Other	24,125		24,125
Interest & Dividends		27,827	27,827
<b>Total Revenue</b>	<u>224,444</u>	<u>127,827</u>	<u>352,271</u>
<b>EXPENSES</b>			
Office and administrative	2,044		2,044
Income tax	1,294		1,294
Bad debts	28,531		28,531
Professional fees	23,644		23,644
Utilities	96,983		96,983
Repair and maintenance	51,787		51,787
Supplies	4,683		4,683
Contract labor	24,010		24,010
Replacement expenses		37,345	37,345
<b>Total Expenses</b>	<u>232,976</u>	<u>37,345</u>	<u>270,321</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	(8,532)	90,482	81,950
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/14</b>	147,561	652,238	799,799
<b>INTERFUND TRANSFER</b>	<u>(65,653)</u>	<u>65,653</u>	<u>-</u>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/15</b>	<u>\$ 73,376</u>	<u>\$ 808,373</u>	<u>\$ 881,749</u>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

COMMON

UNAUDITED SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2015

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 14,568	\$ 88,612	\$ 103,180
Corporate bonds		78,391	78,391
Investments		104,234	104,234
Prepaid insurance	12,686		12,686
Condominium units-net	<u>20,340</u>		<u>20,340</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>47,594</u></b>	<b>\$ <u>271,237</u></b>	<b>\$ <u>318,831</u></b>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 6,390		\$ 6,390
Income tax payable	385		385
Security deposit	<u>2,145</u>		<u>2,145</u>
<b>TOTAL LIABILITIES</b>	<b><u>8,920</u></b>		<b><u>8,920</u></b>
<u>FUND BALANCE</u>			
Accumulated excess of revenues over expenses	38,674	\$ 271,199	309,873
Net unrealized gain on investments		<u>38</u>	<u>38</u>
<b>TOTAL FUND BALANCE</b>	<b><u>38,674</u></b>	<b><u>271,237</u></b>	<b><u>309,911</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>47,594</u></b>	<b>\$ <u>271,237</u></b>	<b>\$ <u>318,831</u></b>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

COMMON

UNAUDITED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2015

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Fees	\$ 469,965	\$ 123,000	\$ 592,965
Rental	12,090		12,090
Other		17,935	17,935
Interest & Dividends	2	8,279	8,281
<b>Total Revenue</b>	<b>482,057</b>	<b>149,214</b>	<b>631,271</b>
<b>EXPENSES</b>			
Office and administrative	17,452		17,452
Management fees	48,600		48,600
Rubbish removal	23,332		23,332
Property tax	3,753		3,753
Income tax	385		385
Depreciation	2,653		2,653
Condominium units	3,973		3,973
Insurance	139,903		139,903
Professional fees	5,477		5,477
Utilities	11,798		11,798
Lawn care and snow removal	71,497		71,497
Repair and maintenance	16,327		16,327
Supplies	15,417		15,417
Contract labor	78,319		78,319
Replacement expenses		95,949	95,949
<b>Total Expenses</b>	<b>438,886</b>	<b>95,949</b>	<b>534,835</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>43,171</b>	<b>53,265</b>	<b>96,436</b>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/14</b>	<b>124,089</b>	<b>89,348</b>	<b>213,437</b>
<b>INTERFUND TRANSFER</b>	<b>(128,586)</b>	<b>128,586</b>	<b>-</b>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/15</b>	<b>\$ 38,674</b>	<b>\$ 271,199</b>	<b>\$ 309,873</b>

See Independent Auditor's Report