

**GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.**

**ST. LOUIS PARK, MINNESOTA**

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

**FOR THE YEAR ENDED DECEMBER 31, 2016**



GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

FOR THE YEAR ENDED DECEMBER 31, 2016

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of Greensboro Condominium Owners Association, Inc., which comprise the balance sheet as of December 31, 2016, 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, 2016, 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.

### Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The two bedroom, three bedroom, condo, and common supplementary information on pages 10-17 is presented for purposes of additional analysis and is not 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 the supplementary information on future major repairs and replacements on pages 18-25 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.

Michael P. Mullen, CPA, PLLC

Minneapolis, Minnesota  
April 11, 2017

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FLORIDA LICENSED COMMUNITY ASSOCIATION MANAGER

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## GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

## BALANCE SHEET

DECEMBER 31, 2016

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<u>ASSETS</u>			
Cash	\$ 110,870	\$ 445,861	\$ 556,731
Corporate bonds		885,947	885,947
Mutual funds		855,980	855,980
Fees receivable-net	22,814		22,814
Homeowner chargebacks	55,663	4,263	59,926
Income tax receivable	1,825		1,825
Prepaid insurance	8,141		8,141
Condominium units-net	17,688		17,688
Due from replacement	375		375
Due from operating		2,177	2,177
<b>TOTAL ASSETS</b>	<u>\$ 217,376</u>	<u>\$ 2,194,228</u>	<u>\$ 2,411,604</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<b>LIABILITIES</b>			
Accounts payable	\$ 17,885		\$ 17,885
Income tax payable	1,052		1,052
Prepaid fees	23,856		23,856
Security deposit	2,175		2,175
Due to replacement	2,177		2,177
Due to operating		\$ 375	375
<b>TOTAL LIABILITIES</b>	<u>47,145</u>	<u>375</u>	<u>47,520</u>
<b>FUND BALANCE</b>			
Accumulated excess of revenues over expenses	170,231	2,133,971	2,304,202
Net unrealized gain on investments		59,882	59,882
<b>TOTAL FUND BALANCE</b>	<u>170,231</u>	<u>2,193,853</u>	<u>2,364,084</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 217,376</u>	<u>\$ 2,194,228</u>	<u>\$ 2,411,604</u>

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, 2016

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Fees	\$ 741,195	\$ 328,355	\$ 1,069,550
Rental	16,674		16,674
Laundry	16,194		16,194
Other	19,388		19,388
Interest & Dividends	2	71,030	71,032
Total Revenue	793,453	399,385	1,192,838
<b>EXPENSES</b>			
Bad debts	21,813		21,813
Management fees	50,490		50,490
Rubbish removal	22,501		22,501
Property tax	4,067		4,067
Association unit	6,241		6,241
Income tax	1,052		1,052
Depreciation	2,653		2,653
Insurance	104,565		104,565
Professional fees	30,602		30,602
Office and administrative	22,192		22,192
Utilities	129,487		129,487
Lawn care and snow removal	101,859		101,859
Repair and maintenance	139,732		139,732
Contract labor	146,147		146,147
Replacement expenses		306,027	306,027
Total Expenses	783,401	306,027	1,089,428
<b>EXCESS OF REVENUES OVER EXPENSES</b>	10,052	93,358	103,410
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/15</b>	160,179	2,040,613	2,200,792
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/16</b>	\$ 170,231	\$ 2,133,971	\$ 2,304,202

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, 2016

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
EXCESS OF REVENUES OVER EXPENSES	\$ 10,052	\$ 93,358	\$ 103,410
NET CHANGE IN UNREALIZED GAIN ON INVESTMENTS		<u>89,907</u>	<u>89,907</u>
COMPREHENSIVE INCOME	<u>\$ 10,052</u>	<u>\$ 183,265</u>	<u>\$ 193,317</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, 2016

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from owners	\$ 709,204	\$ 333,059	\$ 1,042,263
Cash paid to providers	(774,413)	(306,027)	(1,080,440)
Income tax paid	(3,261)		(3,261)
Interest received	2	71,030	71,032
Net cash provided by (used in) operating activities	<u>(68,468)</u>	<u>98,062</u>	<u>29,594</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Net purchase of corporate bonds		(146,787)	(146,787)
Net redemption of investments		68,130	68,130
Net cash (used in) investing activities		<u>(78,657)</u>	<u>(78,657)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Interfund borrowing	1,069	(1,069)	-
NET INCREASE (DECREASE) IN CASH	(67,399)	18,336	(49,063)
CASH AT BEGINNING OF YEAR	178,269	427,525	605,794
CASH AT END OF YEAR	<u>\$ 110,870</u>	<u>\$ 445,861</u>	<u>\$ 556,731</u>

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

Excess of revenues over expenses	\$ 10,052	\$ 93,358	\$ 103,410
Depreciation	2,653		2,653
Bad debts	21,813		21,813
(Increase) decrease in fees receivable	(29,034)		(29,034)
(Increase) Decrease in homeowner chargebacks	(55,663)	4,704	(50,959)
(Increase) income tax receivable	(1,825)		(1,825)
Decrease in prepaid insurance	4,545		4,545
(Decrease) increase in accounts payable	(13,162)		(12,091)
(Decrease) in income tax payable	(2,209)		(2,209)
(Decrease) in prepaid fees	(4,935)		(4,935)
(Decrease) in security deposits	(703)		(703)
Total adjustments	<u>(78,520)</u>	<u>4,704</u>	<u>(73,816)</u>
Net cash provided by (used in) operating activities	<u>\$ (68,468)</u>	<u>\$ 98,062</u>	<u>\$ 29,594</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, 2016

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 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 11, 2017, the date that the financial statements were available to be issued.

NOTE 3 - 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.



GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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.

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 has established an allowance for uncollectible accounts in the amount of \$6,500.

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>(60,952)</u>
Net	<u>\$ 17,688</u>

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - INCOME TAXES

Condominium associations may be taxed either as homeowners' associations or as regular corporations. For the year ended December 31, 2016, 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 \$1,052 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 5 - 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 \$2,193,853 at December 31, 2016, is generally not available for operating purposes.

In 2016, 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, 2016

NOTE 6 - 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	\$ 905,039	\$ 885,947	\$ (19,092)
Mutual Funds	<u>777,006</u>	<u>855,980</u>	<u>78,974</u>
Total	<u>\$1,682,045</u>	<u>\$1,741,927</u>	<u>\$ 59,882</u>

**SUPPLEMENTARY INFORMATION**

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

TWO BEDROOM

SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2016

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>			
Cash	\$ 28,180	\$ 59,116	\$ 87,296
Corporate bonds		184,181	184,181
Mutual funds		144,767	144,767
Fees receivable	<u>508</u>		<u>508</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 28,688</u></b>	<b><u>\$ 388,064</u></b>	<b><u>\$ 416,752</u></b>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 780		\$ 780
Income tax payable	158		158
Prepaid fees	<u>5,702</u>		<u>5,702</u>
<b>TOTAL LIABILITIES</b>	<b><u>6,640</u></b>		<b><u>6,640</u></b>
 <b>FUND BALANCE</b>			
Accumulated excess of revenues over expenses	22,048	\$ 377,035	399,083
Net unrealized gain on investments	<u>          </u>	<u>11,029</u>	<u>11,029</u>
<b>TOTAL FUND BALANCE</b>	<b><u>22,048</u></b>	<b><u>388,064</u></b>	<b><u>410,112</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 28,688</u></b>	<b><u>\$ 388,064</u></b>	<b><u>\$ 416,752</u></b>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

TWO BEDROOM

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Fees	\$ 26,203	\$ 33,496	\$ 59,699
Other	348		348
Interest & Dividends		12,882	12,882
Total Revenue	<u>26,551</u>	<u>46,378</u>	<u>72,929</u>
EXPENSES			
Income tax	158		158
Professional fees	148		148
Utilities	8,085		8,085
Repair and maintenance	13,749		13,749
Replacement expenses		46,365	46,365
Total Expenses	<u>22,140</u>	<u>46,365</u>	<u>68,505</u>
EXCESS OF REVENUES OVER EXPENSES	4,411	13	4,424
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/15	<u>17,637</u>	<u>377,022</u>	<u>394,659</u>
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/16	<u>\$ 22,048</u>	<u>\$ 377,035</u>	<u>\$ 399,083</u>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

THREE BEDROOM

SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2016

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>			
Cash	\$ 42,947	\$ 137,331	\$ 180,278
Corporate bonds		257,204	257,204
Mutual funds		256,798	256,798
Fees receivable	5,197		5,197
Due from replacement	<u>375</u>		<u>375</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>48,519</u></b>	<b>\$ <u>651,333</u></b>	<b>\$ <u>699,852</u></b>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 138		\$ 138
Income tax payable	252		252
Prepaid fees	10,255		10,255
Due to operating		<u>\$ 375</u>	<u>375</u>
<b>TOTAL LIABILITIES</b>	<b><u>10,645</u></b>	<b><u>375</u></b>	<b><u>11,020</u></b>
 <b>FUND BALANCE</b>			
Accumulated excess of revenues over expenses	37,874	631,424	669,298
Net unrealized gain on investments		<u>19,534</u>	<u>19,534</u>
<b>TOTAL FUND BALANCE</b>	<b><u>37,874</u></b>	<b><u>650,958</u></b>	<b><u>688,832</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>48,519</u></b>	<b>\$ <u>651,333</u></b>	<b>\$ <u>699,852</u></b>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

THREE BEDROOM

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Fees	\$ 45,363	\$ 67,337	\$ 112,700
Other	1,698		1,698
Interest & Dividends		21,581	21,581
<b>Total Revenue</b>	<u>47,061</u>	<u>88,918</u>	<u>135,979</u>
EXPENSES			
Income tax	252		252
Professional fees	147		147
Utilities	20,618		20,618
Repair and maintenance	18,661		18,661
Replacement expenses		41,513	41,513
<b>Total Expenses</b>	<u>39,678</u>	<u>41,513</u>	<u>81,191</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>7,383</b>	<b>47,405</b>	<b>54,788</b>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/15</b>	<u>30,491</u>	<u>584,019</u>	<u>614,510</u>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/16</b>	<u>\$ 37,874</u>	<u>\$ 631,424</u>	<u>\$ 669,298</u>

See Independent Auditor's Report



GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

CONDO

SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2016

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>			
Cash	\$ 19,161	\$ 211,773	\$ 230,934
Corporate bonds		367,324	367,324
Mutual funds		357,933	357,933
Fees receivable-net	17,109		17,109
Homeowner chargebacks	55,663	4,263	59,926
Due from operating		2,177	2,177
<b>TOTAL ASSETS</b>	<b>\$ <u>91,933</u></b>	<b>\$ <u>943,470</u></b>	<b>\$ <u>1,035,403</u></b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 12,351		\$ 12,351
Income tax payable	358		358
Prepaid fees	7,845		7,845
Due to replacement	2,177		2,177
<b>TOTAL LIABILITIES</b>	<b><u>22,731</u></b>	<b><u>-</u></b>	<b><u>22,731</u></b>
<b>FUND BALANCE</b>			
Accumulated excess of revenues over expenses	69,202	\$ 919,001	988,203
Net unrealized gain on investments		24,469	24,469
<b>TOTAL FUND BALANCE</b>	<b><u>69,202</u></b>	<b><u>943,470</u></b>	<b><u>1,012,672</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>91,933</u></b>	<b>\$ <u>943,470</u></b>	<b>\$ <u>1,035,403</u></b>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

CONDO

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Fees	\$ 184,283	\$ 107,933	\$ 292,216
Laundry	16,194		16,194
Other	17,342		17,342
Interest & Dividends		29,521	29,521
<b>Total Revenue</b>	<u>217,819</u>	<u>137,454</u>	<u>355,273</u>
<b>EXPENSES</b>			
Office and administrative	2,404		2,404
Income tax	358		358
Bad debts	21,813		21,813
Professional fees	7,556		7,556
Utilities	88,053		88,053
Repair and maintenance	75,332		75,332
Contract labor	26,476		26,476
Replacement expenses		26,826	26,826
<b>Total Expenses</b>	<u>221,992</u>	<u>26,826</u>	<u>248,818</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(4,173)	110,628	106,455
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/15</b>	<u>73,375</u>	<u>808,373</u>	<u>881,748</u>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/16</b>	<u>\$ 69,202</u>	<u>\$ 919,001</u>	<u>\$ 988,203</u>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

COMMON

SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2016

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>			
Cash	\$ 20,582	\$ 37,642	\$ 58,224
Corporate bonds		77,238	77,238
Mutual funds		96,482	96,482
Income tax receivable	1,825		1,825
Prepaid insurance	8,141		17,688
Condominium units-net	<u>17,688</u>		<u>17,688</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 48,236</u></b>	<b><u>\$ 211,362</u></b>	<b><u>\$ 259,598</u></b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 4,616		\$ 4,616
Income tax payable	284		284
Prepaid fees	55		55
Security deposit	<u>2,175</u>		<u>2,175</u>
<b>TOTAL LIABILITIES</b>	<b><u>7,130</u></b>		<b><u>7,130</u></b>
<b>FUND BALANCE</b>			
Accumulated excess of revenues over expenses	41,106	\$ 206,511	247,617
Net unrealized gain on investments		<u>4,851</u>	<u>4,851</u>
<b>TOTAL FUND BALANCE</b>	<b><u>41,106</u></b>	<b><u>211,362</u></b>	<b><u>252,468</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 48,236</u></b>	<b><u>\$ 211,362</u></b>	<b><u>\$ 259,598</u></b>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

COMMON

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Fees	\$ 485,346	\$ 119,589	\$ 604,935
Rental	16,674		16,674
Interest & Dividends	2	7,046	7,048
	<u>502,022</u>	<u>126,635</u>	<u>628,657</u>
<b>Total Revenue</b>			
	502,022	126,635	628,657
<b>EXPENSES</b>			
Office and administrative	19,788		19,788
Management fees	50,490		50,490
Rubbish removal	22,501		22,501
Property tax	4,067		4,067
Association unit	6,241		6,241
Income tax	284		284
Depreciation	2,653		2,653
Insurance	104,565		104,565
Professional fees	22,751		22,751
Utilities	12,731		12,731
Lawn care and snow removal	101,859		101,859
Repair and maintenance	31,990		31,990
Contract labor	119,671		119,671
Replacement expenses		191,323	191,323
	<u>499,591</u>	<u>191,323</u>	<u>690,914</u>
<b>Total Expenses</b>			
	499,591	191,323	690,914
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	2,431	(64,688)	(62,257)
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/15</b>	<u>38,675</u>	<u>271,199</u>	<u>309,874</u>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/16</b>	<u>\$ 41,106</u>	<u>\$ 206,511</u>	<u>\$ 247,617</u>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON  
FUTURE MAJOR REPAIRS AND REPLACEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

In 2016, 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, 2016 is \$2,193,853. 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.

**Two-Bedroom Building Roof  
RESERVE EXPENDITURES**

Greensboro Condominium  
Owners Association  
St Louis Park, Minnesota

Explanatory Notes:

- 1) 1.8% is the estimated future inflation rate for estimating Future Replacement Costs.
- 2) FY2016 is Fiscal Year beginning January 1, 2016 and ending December 31, 2016.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Erect	Life Analysis, Years		Costs, \$				30-Year Total (Inflated)	FRL - 0 FY2016	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031							
						Useful	Remaining	Unit (2016)	Per Phase (2016)	Total (2016)																									
<b>Exterior Building Elements</b>																																			
1402	279	70 Squares		Roof, EPDM, Phased (incl. Scaupps and Downspouts)	2019	15 to 20	3 to 6	1,400.00	97,650	390,600	1,006,974						103,019	104,873	106,761	108,682															
Anticipated Expenditures, By Year											\$1,006,974	0	0	0	103,019	104,873	106,761	108,682	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0





**Three-Bedroom Building Roof  
RESERVE EXPENDITURES**

Greensboro Condominium  
Owners Association  
St. Louis Park, Minnesota

Explanatory Notes:

- 1) 1.8% is the estimated future inflation rate for estimating future replacement costs.
- 2) FY2016 is Fiscal Year beginning January 1, 2016 and ending December 31, 2016.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Expend	Life Analysis, Years Useful Remaining	Costs, \$			30-Year Total (inflated)	RUL = 0 FY2016	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15							
							Unit (2016)	Per Phase (2016)	Total (2016)			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031							
<b>Exterior Building Elements</b>																																	
1.401	450	129 Squares		Roofs, EPDM, Phased (incl. Scaupens and Downspouts)	2019	15 to 20	3 to 5	1,400.00	180,600	630,000	1,822,800				150,529	193,959	256,175																
Anticipated Expenditures, By Year											\$1,822,800	0	0	0	150,529	193,959	256,175	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Reserve Advisors, Inc.

**Condominium Building  
RESERVE EXPENDITURES**

Greensboro Condominium  
Owners Association  
St Louis Park, Minnesota

**Explanatory Notes:**

- 1) 1.8% is the estimated future inflation rate for estimating future replacement costs.
- 2) FY2016 is fiscal year beginning January 1, 2016 and ending December 31, 2016.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful/ Remaining	Costs, \$			30-Year Total (inflated)	R/L - 0 FY2019	Years															
							Unit (2016)	Per Phase (2016)	Total (2016)			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
												FY2019	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Exterior Building Elements</b>																											
1.580	16	16	Each	Skylights, Common	2027	15 to 20	11	650.00	8,800	8,800	25,471											10,708					
1.760	27,000	27,000	Square Feet	Walls, Fiber Cement Siding, Paint Finishes and Capital Repairs	2022	8 to 16	6	1.80	48,600	48,600	196,008				54,091												
1.800	37,000	12,333	Square Feet	Walls, Masonry, Inspections and Partial Repairs, Phased (2016 and 2017 are Budgeted)	2016	8 to 12	6 to 2	1.40	17,767	61,800	221,842	3,760	10,000											22,584			
1.590	2,300	2,300	Square Feet	Windows and Doors, Common, Entrances and Stairwells	2043	to 40	27	55.00	126,500	126,500	204,777																
1.981	300	300	Square Feet	Windows and Doors, Common, Laundry and Boiler Rooms	2032	to 30	16	45.00	13,500	13,500	17,980																
<b>Interior Building Elements</b>																											
2.200	1,900	1,900	Square Yards	Floor Coverings, Carpet, Hallways and Stairwells	2020	8 to 12	4	54.00	102,600	102,600	415,759						140,189										
2.540	4	4	Each	Laundry Rooms, Renovation	2020	to 15	4	7,000.00	28,000	28,000	69,369						30,071										
2.560	248	248	Each	Light Fixtures, Hallways	2032	to 30	16	120.00	29,760	29,760	30,691																
2.800	23,000	23,000	Square Feet	Paint Finishes, Hallways and Stairwells	2020	6 to 18	4	1.20	29,520	29,520	121,162					32,112											
2.990	37,000	37,000	Square Feet	Wall Coverings, Hallways and Stairwells	2020	to 15	4	2.80	103,600	103,600	418,812					111,263											
<b>Building Services Elements</b>																											
3.105	3	3	Each	Boilers, Building Heat, 350-MBH, 7316	2014	to 30	2	9,550.00	28,650	28,650	29,891			29,891													
3.106	3	3	Each	Boilers, Building Heat, 350-MBH, 7316	2022	to 30	6	9,550.00	28,650	28,650	31,867																
3.107	1	1	Allowance	Boilers, Building Heat, 1,000-MBH, 7414 (Three-Burner Boiler)	2019	to 30	3	28,595.00	28,595	28,595	30,167				30,167												
3.108	1	1	Each	Boiler, Domestic Hot Water, 300-MBH, 7316	2017	to 30	1	28,595.00	28,595	28,595	29,110		29,110														
3.160	3	3	Each	Boilers, Domestic Hot Water, 300-MBH, 7316	2022	15 to 20	6	15,500.00	46,500	46,500	126,896																
3.161	3	3	Each	Boilers, Domestic Hot Water, 300-MBH, 7316	2027	15 to 20	11	15,500.00	46,500	46,500	66,582												56,582				
3.162	3	3	Each	Boilers, Domestic Hot Water, 300-MBH, 7412	2026	15 to 20	10	15,500.00	46,500	46,500	134,094												55,682				
3.163	3	3	Each	Boilers, Domestic Hot Water, 300-MBH, 7414	2027	15 to 20	11	15,500.00	46,500	46,500	55,582												55,582				
3.500	32	8	Each	Laundry Equipment, Washers and Dryers, Phased	2017	to 18	1 to 4	1,000.00	8,000	32,000	121,284		8,144	8,291	8,440	8,592											
3.500	4	4	Buildings	Life Safety Systems, Fire Detection (Includes Audio at Units)	2020	to 25	4	35,000.00	140,000	140,000	385,217					150,255											
3.580	40	40	Each	Light Fixtures, Emergency and Exit	2027	to 25	11	240.00	9,600	9,600	11,681																
3.600	660	60	Each	Pipes, Riser Sections, Building Heating, Partial	2024	to 80+	8	1,500.00	80,000	80,000	872,722							69,204									
3.605	1,640	100	Each	Pipes, Riser Sections, Domestic Water, Waste and Vent, Partial	2024	to 80+	8	1,100.00	110,000	110,000	1,223,204							126,875									
3.820	1	1	Allowance	Security Systems, Intercom Panels and Card Readers	2026	to 15	10	19,000.00	19,000	19,000	62,300																
3.860	2	2	Each	Storage Tanks, Domestic Hot Water, 7316	2031	to 25	15	5,500.00	11,000	11,000	14,375													14,375			
3.861	2	2	Each	Storage Tanks, Domestic Hot Water, 7318	2036	to 25	20	5,500.00	11,000	11,000	15,718																
3.862	2	2	Each	Storage Tanks, Domestic Hot Water, 7412	2035	to 25	19	5,500.00	11,000	11,000	15,438																
3.863	2	2	Each	Storage Tanks, Domestic Hot Water, 7414	2031	to 25	15	5,500.00	11,000	11,000	14,375													14,375			
<b>Anticipated Expenditures, By Year</b>											54,763,102	3,730	47,254	37,982	38,607	442,582	0	197,731	19,563	219,994	20,274	78,293	352,147	9,910	10,088	228,592	51,214

Printed on 11/16/2016

Condominium Building Expenditures - Section 3 - 1 of 2

Condominium Building Roof  
**RESERVE EXPENDITURES**

Greensboro Condominium  
Owners Association  
St. Louis Park, Minnesota

Explanatory Notes:

- 1) 1.5% is the estimated future inflation rate for estimating Future Replacement Costs.
- 2) FY 2016 is Fiscal Year beginning January 1, 2016 and ending December 31, 2016.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful Remaining	Costs, \$			30-Year Total (inflat)	RUL = 0 FY 2016	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031		
							Unit (2016)	Per Phase (2016)	Total (2016)																			
				<u>Exterior Building Elements</u>																								
1.400	540	135 Squares		Roof, EPDM, Phased (incl. Soppors and Downspouts)	2019	15 to 20 3 to 6	1,400.00	183,000	756,000	\$,848,979				199,391	202,980	206,633	210,353											
<u>Anticipated Expenditures, By Year</u>										\$1,848,979	0	0	0	199,391	202,980	206,633	210,353	0	0	0	0	0	0	0	0	0		

Common Property  
**RESERVE EXPENDITURES**

Greensboro Condominium  
Owners Association  
St. Louis Park, Minnesota

**Explanatory Notes:**

- 1) 1.8% is the estimated future inflation rate for estimating future replacement costs.
- 2) FY 2016 is Fiscal Year beginning January 1, 2016 and ending December 31, 2016.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analyt. Years Useful Remaining	Costs, \$				RUL = 0 FY 2016	Years 2016 to 2031																																										
							Unit (2016)	Per Phase (2016)	Total (2016)	30-Year Total (Inflated)		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15																												
<b>Property Site Elements</b>																																																						
4.020	16,585	16,585	Square Yards	Asphalt Pavement, Crack Repair, Patch and Seal Coat	2017	3 to 5	1	1.10	18,244	18,244	170,283		18,572					19,946			21,421																																	
4.040	16,585	16,585	Square Yards	Asphalt Pavement, Mill and Overlay	2030	15 to 20	14	18.00	298,530	298,530	303,228																											303,228																
4.100	10	10	Each	Catch Basins, Inspections and Capital Repairs	2030	15 to 20	14	1,200.00	12,000	12,000	15,405																											15,405																
4.110	2,100	420	Linear Feet	Concrete Curbs and Gutters, Partial	2030	10 to 15	14 to 30+	30.00	12,600	12,600	63,000																										63,000																	
4.140	1	1	Allowance	Concrete Stairwells and Staircases, Inspections and Repairs	2016	10 to 15	0 to 30+	12,000.00	12,000	12,000	621,702	26,000	70,000	70,000	12,650	12,888	13,120	13,356	13,596	13,841	14,090	14,344	14,602	14,865	15,132	15,405	15,682																											
4.200	1	1	Each	Golf Cart	2020	6 to 8	4	12,000.00	12,000	12,000	64,673																										64,673																	
4.500	6	1	Allowance	Landscape, Renovation (incl. Retaining Wall Replacement), Phased	2016	10 to 15	0 to 5	94,400.00	94,400	94,400	500,720	16,320	153,400	80,500	80,000	65,000	108,500																																					
4.501	1	1	Allowance	Landscape, Partial Replacements	2023	10 to 15	7	25,000.00	25,000	25,000	170,698																											170,698																
4.560	38	10	Each	Light Poles and Fixtures, Phased	2018	10 to 25	2 to 22	2,500.00	25,000	25,000	186,644			25,908																							25,908																	
4.650	1,700	340	Linear Feet	Pipes, Subsurface Utilities, Partial Replacements (Domestic, Sanitary and Waste)	2020	10 to 15	4 to 30+	220.00	74,800	374,000	381,316																											381,316																
4.745	520	520	Square Feet	Retaining Walls, Masonry	2043	10 to 35	27	45.00	23,400	23,400	37,800																										37,800																	
4.746	3	1	Allowance	Retaining Walls, Timber, Phased (Replace with Masonry)	2016	15 to 20	0	24,000.00	24,000	24,000	110,000	24,000	26,000	60,000																																								
4.800	2	2	Each	Signage, Property Identification	2026	15 to 20	10	6,100.00	12,200	12,200	35,418																																											
4.830	1,260	1,260	Square Yards	Tennis Court, Color Coat	2018	4 to 8	2	8.50	10,710	10,710	72,065			11,059																																								
4.840	430	430	Linear Feet	Tennis Court, Fence	2023	10 to 25	7	43.00	18,410	18,410	20,949																																											
4.860	1,260	1,260	Square Yards	Tennis Court, Surface Replacement	2023	10 to 25	7	39.00	49,140	49,140	55,676																																											
<b>Clubhouse Elements</b>																																																						
5.202	300	300	Square Feet	Balcony, Wood, Total Replacement	2036	15 to 25	20	30.00	9,000	9,000	12,859																																											
5.450	2	2	Each	HVAC Equipment, Split Systems	2018	10 to 20	2	7,000.00	14,000	14,000	35,238																																											
5.500	1	1	Allowance	Interior Renovations (Fishes, Furnishings and Kitchens)	2017	10 to 15	1	25,000.00	25,000	25,000	98,700			25,450																																								
5.513	2	2	Each	Reel Rooms, Renovations	2018	10 to 25	2	15,000.00	30,000	30,000	79,654																																											
5.600	12	12	Squares	Roof, Flat Membrane	2028	15 to 20	12	1,400.00	16,800	16,800	20,811																																											
5.800	1	1	Allowance	Windows and Doors	2038	10 to 35	22	20,000.00	20,000	20,000	29,613																																											
<b>Pool Elements</b>																																																						
6.200	3,800	3,800	Square Feet	Concrete Deck, Inspections, Partial Replacements and Repairs	2020	8 to 12	4	4.00	15,200	15,200	35,836																																											
6.400	300	300	Linear Feet	Fence, Aluminum	2037	10 to 25	21	55.00	16,500	16,500	23,989																																											
6.500	1	1	Allowance	Furniture	2020	10 to 12	4	6,000.00	6,000	6,000	24,314																																											
6.600	4	1	Allowance	Mechanical Equipment, Phased	2019	10 to 15	3 to 12	6,000.00	6,000	24,000	81,492																																											
6.800	1,300	1,300	Square Feet	Pool Fretch, Plaster	2021	8 to 12	6	17.00	22,100	22,100	89,105																																											
6.900	1,300	1,300	Square Feet	Structure and Deck, Total Replacement	2037	10 to 60	21	140.00	182,000	182,000	264,713																																											
<b>Garage Elements</b>																																																						
7.100	10	10	Squares	Roofs, EPDM, Common Property Garages	2020	15 to 20	4	1,100.00	11,000	11,000	28,689																																											
1	1	1	Allowance	Insurance Deductibles	2017	10 to 2	1	25,000.00	25,000	25,000	60,000			25,000																																								
1	1	1	Allowance	Reserve Study Update with Site Visit	2019	10 to 3	2	5,250.00	5,250	5,250	6,250																																											
<b>Anticipated Expenditures, by Year</b>																																																						
											\$3,705,956	66,320	318,422	290,106	129,240	205,691	165,728	20,034	145,871	13,941	42,656	28,927	165,670	133,176	43,000	449,725	23,529																											

See Independent Auditor's Report  
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