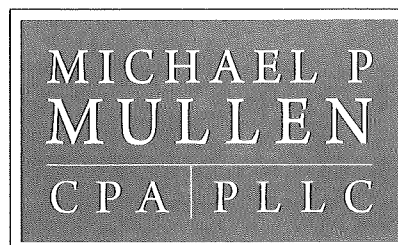


GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

ST. LOUIS PARK, MINNESOTA

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

FOR THE YEAR ENDED DECEMBER 31, 2017



GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

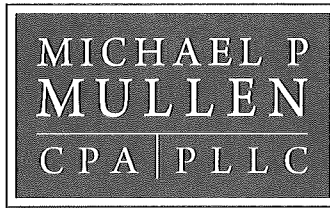
FOR THE YEAR ENDED DECEMBER 31, 2017

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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, 2017, 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

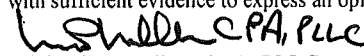
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greensboro Condominium Owners Association, Inc. as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting 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
February 15, 2018

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



GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

BALANCE SHEET

DECEMBER 31, 2017

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 159,294	\$ 200,022	\$ 359,316
Cash-Designated	25,000		25,000
Corporate bonds		1,228,119	1,228,119
Mutual funds		991,574	991,574
Fees receivable-net	9,780		9,780
Income tax receivable	2,501		2,501
Prepaid insurance	9,021		9,021
Condominium units-net	15,035		15,035
TOTAL ASSETS	\$ 220,631	\$ 2,419,715	\$ 2,640,346
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 7,741		\$ 7,741
Income tax payable	145		145
Prepaid fees	28,529		28,529
Security deposit	2,175		2,175
TOTAL LIABILITIES	38,590		38,590
FUND BALANCE			
Accumulated excess of revenues over expenses	182,041	\$ 2,271,973	2,454,014
Net unrealized gain on investments		147,742	147,742
TOTAL FUND BALANCE	182,041	2,419,715	2,601,756
TOTAL LIABILITIES AND FUND BALANCE	\$ 220,631	\$ 2,419,715	\$ 2,640,346

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, 2017

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Fees	\$ 693,580	\$ 430,276	\$ 1,123,856
Rental	16,990		16,990
Laundry	16,194		16,194
Other	34,088		34,088
Interest & Dividends	3	81,170	81,173
Total Revenue	760,855	511,446	1,272,301
EXPENSES			
Bad debts	935		935
Management fees	51,000		51,000
Rubbish removal	23,227		23,227
Property tax	4,159		4,159
Income tax	1,197		1,197
Association unit	2,863		2,863
Depreciation	2,653		2,653
Insurance	95,408		95,408
Professional fees	20,388		20,388
Office and administrative	25,355		25,355
Utilities	156,833		156,833
Lawn care and snow removal	111,998		111,998
Repair and maintenance	135,979		135,979
Contract labor	117,050		117,050
Realized loss		8,919	8,919
Replacement expenses		364,525	364,525
Total Expenses	749,045	373,444	1,122,489
EXCESS OF REVENUES OVER EXPENSES	11,810	138,002	149,812
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/16	170,231	2,133,971	2,304,202
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/17	\$ 182,041	\$ 2,271,973	\$ 2,454,014

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, 2017

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
EXCESS OF REVENUES OVER EXPENSES	\$ 11,810	\$ 138,002	\$ 149,812
NET CHANGE IN UNREALIZED GAIN ON INVESTMENTS		<u>87,859</u>	<u>87,859</u>
COMPREHENSIVE INCOME	<u>\$ 11,810</u>	<u>\$ 225,861</u>	<u>\$ 237,671</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, 2017

	OPERATING FUND	REPLACEMENT FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from owners	\$ 832,611	\$ 434,539	\$ 1,267,150
Cash paid to providers	(755,285)	(364,525)	(1,119,810)
Income tax paid	(2,104)		(2,104)
Interest received	3	81,170	81,173
Net cash provided by operating activities	<u>75,225</u>	<u>151,184</u>	<u>226,409</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net purchase of corporate bonds		(368,088)	(368,088)
Net purchase of investments		(30,736)	(30,736)
Net cash (used in) investing activities		<u>(398,824)</u>	<u>(398,824)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interfund borrowing	(1,801)	1,801	-
NET INCREASE (DECREASE) IN CASH	73,424	(245,839)	(172,415)
CASH AT BEGINNING OF YEAR	110,870	445,861	556,731
CASH AT END OF YEAR	<u>\$ 184,294</u>	<u>\$ 200,022</u>	<u>\$ 384,316</u>

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

Excess of revenues over expenses	\$ 11,810	\$ 138,002	\$ 149,812
Depreciation	2,653		2,653
Bad debts	935		935
Realized loss		8,919	8,919
Decrease in fees receivable	12,099	4,263	16,362
Decrease in homeowner chargebacks	55,663		55,663
Decrease income tax receivable	(676)		(676)
(Increase) in prepaid insurance	(880)		(880)
(Decrease) in accounts payable	(10,144)		(12,091)
(Decrease) in income tax payable	(907)		(907)
Increase in prepaid fees	4,672		4,672
Total adjustments	<u>63,415</u>	<u>13,182</u>	<u>76,597</u>
Net cash provided by operating activities	<u>\$ 75,225</u>	<u>\$ 151,184</u>	<u>\$ 226,409</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, 2017

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 February 15, 2018, 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, 2017

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>(63,605)</u>
Net	<u>\$ 15,035</u>

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - INCOME TAXES

Condominium associations may be taxed either as homeowners' associations or as regular corporations. For the year ended December 31, 2017, 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 \$1,197 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 \$2,419,715 at December 31, 2017, 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, 2017

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	\$1,245,116	\$1,228,119	\$ (16,997)
Mutual Funds	<u>826,835</u>	<u>991,574</u>	<u>164,739</u>
Total	<u>\$2,071,951</u>	<u>\$2,219,693</u>	<u>\$ 147,742</u>

SUPPLEMENTARY INFORMATION

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

TWO BEDROOM

SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2017

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 23,105	\$ 33,572	\$ 56,677
Corporate bonds		241,555	241,555
Mutual funds		167,807	167,807
Fees receivable	439		439
TOTAL ASSETS	\$ <u>23,544</u>	\$ <u>442,934</u>	\$ <u>466,478</u>

LIABILITIES AND FUND BALANCE

LIABILITIES			
Prepaid fees	\$ 5,140		\$ 5,140
Income tax payable	13		13
TOTAL LIABILITIES	<u>5,153</u>		<u>5,153</u>
FUND BALANCE			
Accumulated excess of revenues over expenses	18,391	\$ 416,577	434,968
Net unrealized gain on investments		26,357	26,357
TOTAL FUND BALANCE	<u>18,391</u>	<u>442,934</u>	<u>461,325</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>23,544</u>	\$ <u>442,934</u>	\$ <u>466,478</u>

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

TWO BEDROOM

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Fees	\$ 18,248	\$ 37,428	\$ 55,676
Other	175		175
Interest & Dividends		14,542	14,542
Total Revenue	<u>18,423</u>	<u>51,970</u>	<u>70,393</u>
EXPENSES			
Office and administrative	56		56
Income tax	215		215
Professional fees	624		624
Utilities	10,297		10,297
Repair and maintenance	10,888		10,888
Realized loss		1,346	1,346
Replacement expenses		11,082	11,082
Total Expenses	<u>22,080</u>	<u>12,428</u>	<u>34,508</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(3,657)	39,542	35,885
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/16	<u>22,048</u>	<u>377,035</u>	<u>399,083</u>
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/17	<u>\$ 18,391</u>	<u>\$ 416,577</u>	<u>\$ 434,968</u>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

THREE BEDROOM

SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2017

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 45,503	\$ 40,046	\$ 85,549
Corporate bonds		356,579	356,579
Mutual funds		297,203	297,203
Fees receivable	<u>3,033</u>		<u>3,033</u>
TOTAL ASSETS	\$ <u>48,536</u>	\$ <u>693,828</u>	\$ <u>742,364</u>
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Prepaid fees	\$ <u>11,959</u>		\$ <u>11,959</u>
TOTAL LIABILITIES	<u>11,959</u>		<u>11,959</u>
FUND BALANCE			
Accumulated excess of revenues over expenses	36,577	\$ 647,297	683,874
Net unrealized gain on investments		<u>46,531</u>	<u>46,531</u>
TOTAL FUND BALANCE	<u>36,577</u>	<u>693,828</u>	<u>730,405</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>48,536</u>	\$ <u>693,828</u>	\$ <u>742,364</u>

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, 2017

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Fees	\$ 44,600	\$ 61,248	\$ 105,848
Other	1,850		1,850
Interest & Dividends		23,937	23,937
Total Revenue	<u>46,450</u>	<u>85,185</u>	<u>131,635</u>
EXPENSES			
Professional fees	2,537		2,537
Income tax	347		347
Utilities	26,649		26,649
Repair and maintenance	18,214		18,214
Realized loss		3,029	3,029
Replacement expenses		66,283	66,283
Total Expenses	<u>47,747</u>	<u>69,312</u>	<u>117,059</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(1,297)	15,873	14,576
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/16	<u>37,874</u>	<u>631,424</u>	<u>669,298</u>
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/17	<u>\$ 36,577</u>	<u>\$ 647,297</u>	<u>\$ 683,874</u>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

CONDO

SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2017

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 75,021	\$ 124,007	\$ 199,028
Corporate bonds		574,276	574,276
Mutual funds		414,565	414,565
Fees receivable-net	<u>6,307</u>		<u>6,307</u>
TOTAL ASSETS	\$ <u>81,328</u>	\$ <u>1,112,848</u>	\$ <u>1,194,176</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 5,082		\$ 5,082
Prepaid fees	<u>11,430</u>		<u>11,430</u>
TOTAL LIABILITIES	<u>16,512</u>		<u>16,512</u>
FUND BALANCE			
Accumulated excess of revenues over expenses	64,816	\$ 1,052,897	1,117,713
Net unrealized gain on investments		<u>59,951</u>	<u>59,951</u>
TOTAL FUND BALANCE	<u>64,816</u>	<u>1,112,848</u>	<u>1,177,664</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>81,328</u>	\$ <u>1,112,848</u>	\$ <u>1,194,176</u>

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, 2017

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Fees	\$ 156,134	\$ 119,800	\$ 275,934
Laundry	16,194		16,194
Other	14,617		14,617
Interest & Dividends		33,923	33,923
Total Revenue	<u>186,945</u>	<u>153,723</u>	<u>340,668</u>
EXPENSES			
Office and administrative	3,442		3,442
Bad debts	935		935
Income tax	503		503
Professional fees	2,256		2,256
Utilities	106,925		106,925
Repair and maintenance	77,270		77,270
Realized Loss		2,802	2,802
Replacement expenses		17,025	17,025
Total Expenses	<u>191,331</u>	<u>19,827</u>	<u>211,158</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(4,386)	133,896	129,510
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/16	<u>69,202</u>	<u>919,001</u>	<u>988,203</u>
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/17	<u>\$ 64,816</u>	<u>\$ 1,052,897</u>	<u>\$ 1,117,713</u>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

COMMON

SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2017

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 15,665	\$ 2,397	\$ 18,062
Cash-Designated	25,000		25,000
Corporate bonds		55,708	55,708
Mutual funds		112,000	112,000
Income tax receivable	2,501		2,501
Prepaid insurance	9,021		17,688
Condominium units-net	15,035		15,035
	<u>67,222</u>	<u>170,105</u>	<u>237,327</u>
TOTAL ASSETS	\$ <u>67,222</u>	\$ <u>170,105</u>	\$ <u>237,327</u>
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 2,659		\$ 2,659
Income tax payable	132		132
Security deposit	2,175		2,175
	<u>4,966</u>		<u>4,966</u>
TOTAL LIABILITIES	<u>4,966</u>		<u>4,966</u>
FUND BALANCE			
Accumulated excess of revenues over expenses	62,256	\$ 155,202	217,458
Net unrealized gain on investments		14,903	14,903
	<u>62,256</u>	<u>170,105</u>	<u>232,361</u>
TOTAL FUND BALANCE	<u>62,256</u>	<u>170,105</u>	<u>232,361</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>67,222</u>	\$ <u>170,105</u>	\$ <u>237,327</u>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

COMMON

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Fees	\$ 474,598	\$ 211,800	\$ 686,398
Rental	16,990		16,990
Other	17,446		17,446
Interest & Dividends	3	8,768	8,771
Total Revenue	<u>509,037</u>	<u>220,568</u>	<u>729,605</u>
EXPENSES			
Office and administrative	21,857		21,857
Management fees	51,000		51,000
Rubbish removal	23,227		23,227
Property tax	4,159		4,159
Association unit	2,863		2,863
Income tax	132		132
Depreciation	2,653		2,653
Insurance	95,408		95,408
Professional fees	14,971		14,971
Utilities	12,962		12,962
Lawn care and snow removal	111,998		111,998
Repair and maintenance	29,607		29,607
Contract labor	117,050		117,050
Realized loss		1,742	1,742
Replacement expenses		270,135	270,135
Total Expenses	<u>487,887</u>	<u>271,877</u>	<u>759,764</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	21,150	(51,309)	(30,159)
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/16	<u>41,106</u>	<u>206,511</u>	<u>247,617</u>
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/17	<u>\$ 62,256</u>	<u>\$ 155,202</u>	<u>\$ 217,458</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, 2017

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, 2017 is \$2,419,715. 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.

