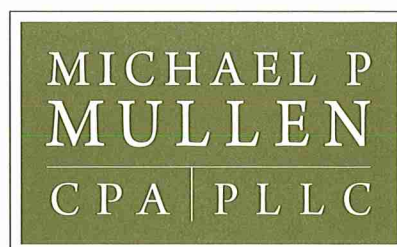


**GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.**

**ST. LOUIS PARK, MINNESOTA**

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

**FOR THE YEAR ENDED DECEMBER 31, 2018**



GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

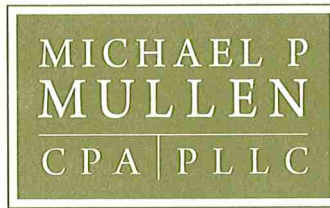
FOR THE YEAR ENDED DECEMBER 31, 2018

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Revenues, Expenses and Accumulated Excess of Revenues Over Expenses	3
Statement of Comprehensive Income	4
Statement of Cash Flows	5
Notes to Financial Statements	6
SUPPLEMENTARY INFORMATION	
Supplementary Information for 2 Bedroom, 3 Bedroom, Condo and Common	10-17
Supplementary Information on Future Major Repairs and Replacements	18-25

*Minnesota*  
5912 West 35th Street  
Minneapolis, MN 55416  
(952) 928-3011 Tel  
(952) 925-0757 Fax

*Michael P. Mullen, CPA*  
*Kim A. Beauchamp, CPA*  
*Katie A. Cortes, CPA*



*www.cpamullen.com*

*Wisconsin*  
N1539 Silver Canoe Road  
Keshena, WI 54135  
(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

### 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, 2018, 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, 2018, 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*

Michael P. Mullen, CPA, PLLC

Minneapolis, Minnesota  
April 9, 2019

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



GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

BALANCE SHEET

DECEMBER 31, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<u>ASSETS</u>			
Cash	\$ 138,991	\$ 347,199	\$ 486,190
Corporate bonds		1,249,089	1,249,089
Mutual funds		800,528	800,528
Fees receivable-net	10,835		10,835
Prepaid insurance	10,258		10,258
Condominium units-net	12,382		12,382
Due from replacement	13,804		13,804
<b>TOTAL ASSETS</b>	<u>\$ 186,270</u>	<u>\$ 2,396,816</u>	<u>\$ 2,583,086</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<b>LIABILITIES</b>			
Accounts payable	\$ 12,327		\$ 12,327
Income tax payable	8,182		8,182
Prepaid fees	44,411		44,411
Security deposit	2,175		2,175
Due to operating		\$ 13,804	13,804
<b>TOTAL LIABILITIES</b>	<u>67,095</u>	<u>13,804</u>	<u>80,899</u>
<b>FUND BALANCE</b>			
Accumulated excess of revenues over expenses	119,175	2,365,661	2,484,836
Net unrealized gain on investments		17,351	17,351
<b>TOTAL FUND BALANCE</b>	<u>119,175</u>	<u>2,383,012</u>	<u>2,502,187</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 186,270</u>	<u>\$ 2,396,816</u>	<u>\$ 2,583,086</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, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Fees	\$ 689,352	\$ 485,380	\$ 1,174,732
Watershed grant		24,918	24,918
Rental	16,700		16,700
Laundry	16,185		16,185
Other	26,401		26,401
Realized gain		13,635	13,635
Interest & Dividends	71	92,001	92,072
<b>Total Revenue</b>	<b>748,709</b>	<b>615,934</b>	<b>1,364,643</b>
<b>EXPENSES</b>			
Management fees	52,125		52,125
Rubbish removal	28,134		28,134
Property tax	4,816		4,816
Income tax	9,379		9,379
Association unit	3,753		3,753
Depreciation	2,653		2,653
Insurance	98,887		98,887
Professional fees	15,866		15,866
Office and administrative	30,086		30,086
Utilities	176,709		176,709
Lawn care and snow removal	123,185		123,185
Repair and maintenance	117,504		117,504
Contract labor	148,477		148,477
Realized loss		2,801	2,801
Replacement expenses		519,445	519,445
<b>Total Expenses</b>	<b>811,574</b>	<b>522,246</b>	<b>1,333,820</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(62,865)</b>	<b>93,688</b>	<b>30,823</b>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/17</b>	<b>182,040</b>	<b>2,271,973</b>	<b>2,454,013</b>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/18</b>	<b>\$ 119,175</b>	<b>\$ 2,365,661</b>	<b>\$ 2,484,836</b>

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, 2018

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (62,865)	\$ 93,688	\$ 30,823
NET CHANGE IN UNREALIZED GAIN ON INVESTMENTS	<u>                    </u>	<u>(130,391)</u>	<u>(130,391)</u>
COMPREHENSIVE (LOSS)	<u>\$ (62,865)</u>	<u>\$ (36,703)</u>	<u>\$ (99,568)</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, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from owners	\$ 764,769	\$ 485,380	\$ 1,250,149
Watershed grant proceeds		24,918	24,918
Cash paid to providers	(796,194)	(522,246)	(1,318,440)
Income tax paid	(145)		(145)
Interest received	71	92,001	92,072
Net cash provided by (used in) operating activities	<u>(31,499)</u>	<u>80,053</u>	<u>48,554</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Net purchase of corporate bonds		(20,970)	(20,970)
Net redemption of investments		74,290	74,290
Net cash provided by investing activities		<u>53,320</u>	<u>53,320</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Interfund borrowing	(13,804)	13,804	-
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(45,303)</b>	<b>147,177</b>	<b>101,874</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>184,294</b>	<b>200,022</b>	<b>384,316</b>
<b>CASH AT END OF YEAR</b>	<b>\$ <u>138,991</u></b>	<b>\$ <u>347,199</u></b>	<b>\$ <u>486,190</u></b>

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

Excess (deficiency) of revenues over expenses	\$ (62,865)	\$ 93,688	\$ 30,823
Depreciation	2,653		2,653
Realized (gain)		(13,635)	(13,635)
(Increase) in fees receivable	(1,056)		(1,056)
Decrease income tax receivable	2,501		2,501
(Increase) in prepaid insurance	(1,237)		(1,237)
Increase in accounts payable	4,586		(12,091)
Increase in income tax payable	8,037		8,037
Increase in deferred revenue		19,573	19,573
Increase in prepaid fees	15,882		15,882
Total adjustments	<u>31,366</u>	<u>5,938</u>	<u>37,304</u>
Net cash provided by (used in) operating activities	<u>\$ (31,499)</u>	<u>\$ 99,626</u>	<u>\$ 68,127</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, 2018

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 9, 2019, 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, 2018

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 \$2,395.

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>(66,258)</u>
Net	<u>\$ 12,382</u>

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4 - INCOME TAXES

Condominium associations may be taxed either as homeowners' associations or as regular corporations. For the year ended December 31, 2018, 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 \$9,379 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 \$2,383,012 at December 31, 2018, 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, 2018

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	\$1,273,802	\$1,249,089	\$ (24,713)
Mutual Funds	<u>758,464</u>	<u>800,528</u>	<u>42,064</u>
Total	<u>\$2,032,266</u>	<u>\$2,049,617</u>	<u>\$ 17,351</u>

**SUPPLEMENTARY INFORMATION**

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

TWO BEDROOM

SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2018

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 19,639	\$ 48,518	\$ 68,157
Corporate bonds		243,388	243,388
Mutual funds		158,752	158,752
Fees receivable	421		421
Due from repalcemenbt	<u>5,220</u>		<u>5,220</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>25,280</u></b>	<b>\$ <u>450,658</u></b>	<b>\$ <u>475,938</u></b>
 <u>LIABILITIES AND FUND BALANCE</u>			
<b>LIABILITIES</b>			
Accounts payable	\$ 526		\$ 526
Prepaid fees	5,455		5,455
Income tax payable	1,285		1,285
Due to operating		<u>\$ 5,220</u>	<u>5,220</u>
<b>TOTAL LIABILITIES</b>	<b><u>7,266</u></b>	<b><u>5,220</u></b>	<b><u>12,486</u></b>
 <b>FUND BALANCE</b>			
Accumulated excess of revenues over expenses	18,014	440,986	459,000
Net unrealized gain on investments		<u>4,452</u>	<u>4,452</u>
<b>TOTAL FUND BALANCE</b>	<b><u>18,014</u></b>	<b><u>445,438</u></b>	<b><u>463,452</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>25,280</u></b>	<b>\$ <u>450,658</u></b>	<b>\$ <u>475,938</u></b>

See Independent Auditor's Report

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, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Fees	\$ 23,539	\$ 38,800	\$ 62,339
Other	1,211		1,211
Interest & Dividends		17,695	17,695
<b>Total Revenue</b>	<b>24,750</b>	<b>56,495</b>	<b>81,245</b>
<b>EXPENSES</b>			
Income tax	1,501		1,501
Utilities	9,916		9,916
Repair and maintenance	13,710		13,710
Realized loss		1,055	1,055
Replacement expenses		31,031	31,031
<b>Total Expenses</b>	<b>25,127</b>	<b>32,086</b>	<b>57,213</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(377)</b>	<b>24,409</b>	<b>24,032</b>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/17</b>	<b>18,391</b>	<b>416,577</b>	<b>434,968</b>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/18</b>	<b>\$ 18,014</b>	<b>\$ 440,986</b>	<b>\$ 459,000</b>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

THREE BEDROOM

SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2018

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 58,413	\$ 26,536	\$ 84,949
Corporate bonds		377,373	377,373
Mutual funds		221,443	221,443
Fees receivable	7,237		7,237
Due from operating		5,220	5,220
TOTAL ASSETS	<u>\$ 65,650</u>	<u>\$ 630,572</u>	<u>\$ 696,222</u>
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 470		\$ 470
Income tax payable	2,654		2,654
Prepaid fees	17,919		17,919
Due to replacement	5,220		5,220
TOTAL LIABILITIES	<u>26,263</u>		<u>26,263</u>
FUND BALANCE			
Accumulated excess of revenues over expenses	39,387	\$ 625,119	664,506
Net unrealized gain on investments		5,453	5,453
TOTAL FUND BALANCE	<u>39,387</u>	<u>630,572</u>	<u>669,959</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 65,650</u>	<u>\$ 630,572</u>	<u>\$ 696,222</u>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

THREE BEDROOM

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED DECEMBER 31, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Fees	\$ 46,112	\$ 71,940	\$ 118,052
Other	3,044		3,044
Realized gain		7,876	7,876
Interest & Dividends		25,746	25,746
Total Revenue	<u>49,156</u>	<u>105,562</u>	<u>154,718</u>
EXPENSES			
Professional fees	2,340		2,340
Income tax	3,001		3,001
Utilities	27,701		27,701
Repair and maintenance	13,304		13,304
Replacement expenses		127,740	127,740
Total Expenses	<u>46,346</u>	<u>127,740</u>	<u>174,086</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	2,810	(22,178)	(19,368)
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/17	<u>36,577</u>	<u>647,297</u>	<u>683,874</u>
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/18	\$ <u><u>39,387</u></u>	\$ <u><u>625,119</u></u>	\$ <u><u>664,506</u></u>

See Independent Auditor's Report



GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

CONDO

SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2018

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 44,041	\$ 231,081	\$ 275,122
Corporate bonds		598,287	598,287
Mutual funds		392,047	392,047
Fees receivable-net	<u>3,177</u>		<u>3,177</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>47,218</u></b>	<b>\$ <u>1,221,415</u></b>	<b>\$ <u>1,268,633</u></b>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 8,273		\$ 8,273
Income tax payable	3,249		3,249
Prepaid fees	<u>21,037</u>		<u>21,037</u>
<b>TOTAL LIABILITIES</b>	<b><u>32,559</u></b>		<b><u>32,559</u></b>
FUND BALANCE			
Accumulated excess of revenues over expenses	14,659	\$ 1,215,077	1,229,736
Net unrealized gain on investments		<u>6,338</u>	<u>6,338</u>
<b>TOTAL FUND BALANCE</b>	<b><u>14,659</u></b>	<b><u>1,221,415</u></b>	<b><u>1,236,074</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>47,218</u></b>	<b>\$ <u>1,221,415</u></b>	<b>\$ <u>1,268,633</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, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Fees	\$ 144,625	\$ 154,040	\$ 298,665
Laundry	16,185		16,185
Other	22,015		22,015
Interest & Dividends		42,431	42,431
Total Revenue	<u>182,825</u>	<u>196,471</u>	<u>379,296</u>
<b>EXPENSES</b>			
Office and administrative	3,507		3,507
Income tax	3,752		3,752
Professional fees	291		291
Utilities	125,898		125,898
Repair and maintenance	68,131		68,131
Contract labor	31,403		31,403
Realized Loss		1,746	1,746
Replacement expenses		32,545	32,545
Total Expenses	<u>232,982</u>	<u>34,291</u>	<u>267,273</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(50,157)	162,180	112,023
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/17</b>	<u>64,816</u>	<u>1,052,897</u>	<u>1,117,713</u>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/18</b>	<u>\$ 14,659</u>	<u>\$ 1,215,077</u>	<u>\$ 1,229,736</u>

See Independent Auditor's Report

GREENSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.

COMMON

SUPPLEMENTARY INFORMATION

BALANCE SHEET

DECEMBER 31, 2018

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 16,898	\$ 41,065	\$ 57,963
Corporate bonds		30,041	30,041
Mutual funds		28,286	28,286
Prepaid insurance	10,258		10,258
Condominium units-net	12,382		12,388
Due from replacement	13,804		13,804
	<u>53,342</u>	<u>99,392</u>	<u>152,734</u>
TOTAL ASSETS	\$ <u>53,342</u>	\$ <u>99,392</u>	\$ <u>152,734</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 3,058		\$ 3,058
Income tax payable	994		994
Security deposit	2,175		2,175
Due to operating		\$ 13,804	13,804
	<u>6,227</u>	<u>13,804</u>	<u>20,031</u>
TOTAL LIABILITIES	<u>6,227</u>	<u>13,804</u>	<u>20,031</u>
FUND BALANCE			
Accumulated excess of revenues over expenses	47,115	84,479	131,594
Net unrealized gain on investments		1,109	1,109
	<u>47,115</u>	<u>85,588</u>	<u>132,703</u>
TOTAL FUND BALANCE	<u>47,115</u>	<u>85,588</u>	<u>132,703</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>53,342</u>	\$ <u>99,392</u>	\$ <u>152,734</u>

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, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Fees	\$ 475,076	\$ 220,600	\$ 695,676
Watershed grant		24,918	24,918
Rental	16,700		16,700
Other	131		131
Realized gain		5,759	5,759
Interest & Dividends	71	6,129	6,200
<b>Total Revenue</b>	<u>491,978</u>	<u>257,406</u>	<u>749,384</u>
<b>EXPENSES</b>			
Office and administrative	26,579		26,579
Management fees	52,125		52,125
Rubbish removal	28,134		28,134
Property tax	4,816		4,816
Association unit	3,753		3,753
Income tax	1,125		1,125
Depreciation	2,653		2,653
Insurance	98,887		98,887
Professional fees	13,235		13,235
Utilities	13,194		13,194
Lawn care and snow removal	123,185		123,185
Repair and maintenance	22,359		22,359
Contract labor	117,074		117,074
Replacement expenses		328,129	328,129
<b>Total Expenses</b>	<u>507,119</u>	<u>328,129</u>	<u>835,248</u>
<b>(DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>(15,141)</u>	<u>(70,723)</u>	<u>(85,864)</u>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/17</b>	<u>62,256</u>	<u>155,202</u>	<u>217,458</u>
<b>ACCUMULATED EXCESS OF REVENUES OVER EXPENSES AT 12/31/18</b>	<u>\$ 47,115</u>	<u>\$ 84,479</u>	<u>\$ 131,594</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, 2018

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, 2018 is \$2,383,012. 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.



**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 Event	Life Analysis, Years Useful Remaining	Costs, \$				30-Year Total (inflated)	RUL = 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									
							Unit (2016)	Per Phase (2016)	Total (2016)																											
				<b>Exterior Building Elements</b>																																
1.402	279	70 Squares		Roofs, EPDM, Phased (incl. Scuppers 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	108,662																		
Anticipated Expenditures, By Year											\$1,006,974	0	0	0	103,019	104,873	106,761	108,662	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0









**Condominium Building Roof  
RESERVE EXPENDITURES**

Greensboro Condominium  
Owner's 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		Costs, \$				30-Year Total (inflated)	RUL = 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>																																			
1400	540	135 Squares		Roofs, EPDM, Phased (incl. Scuppers and Downspouts)	2019	15 to 20	3 to 6	1,400.00	188,000	756,000	1,948,979					199,391	202,980	206,633	210,353																
Anticipated Expenditures, By Year											\$1,948,979	0	0	0	199,391	202,980	206,633	210,353	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

See Independent Auditor's Report  
-24-

