

**515B.3-121 ACCOUNTING CONTROLS.**

(a) Subject to any additional or greater requirements set forth in the declaration or bylaws, a review of the association's financial statements shall be made at the end of the association's fiscal year, unless prior to 60 days after the end of that fiscal year, at a meeting or by mailed ballot, unit owners, other than declarant or its affiliates, of units to which at least 30 percent of the votes in the association are allocated vote to waive the review requirement for that fiscal year. A waiver vote shall not apply to more than one fiscal year, and shall not affect the board's authority to cause a review or audit to be made. The reviewed financial statements shall be delivered to all members of the association within 180 days after the end of the association's fiscal year.

(b) The review shall be made by a licensed, independent certified public accountant. A licensed, independent certified public accountant means an accountant who (i) is not an employee of the declarant or its affiliates, (ii) is professionally independent of the control of the declarant or its affiliates, (iii) is licensed in accordance with chapter 326A, and (iv) satisfies the tests for independence as promulgated by the American Institute of Certified Public Accountants.

(c) Where the financial statements are prepared by an independent certified public accountant, they shall be prepared in accordance with generally accepted accounting principles as established from time to time by the American Institute of Certified Public Accountants, and shall be reviewed in accordance with standards for accounting and review services. In such case, the financial statements shall be presented on the full accrual basis using an accounting format that separates operating activity from replacement reserve activity.

**History:** 1993 c 222 art 3 s 21; 1999 c 11 art 2 s 24; 2010 c 191 s 12; 2010 c 267 art 3 s 16