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**THE LAUREN, A CONDOMINIUM
1301 TWENTIETH STREET, N.W.
WASHINGTON, D.C. 20036**

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May 9, 2012

Subject: Annual Meeting – Treasurer’s Report

A. Reserves as of March, 2012:

Total owners equity / Net cash available at the end of March 2012 was
\$1,633,100.32

Fund Balances as of the end of March 2012

a. Operating cash balance as of the end of March 2012:	\$108,815.21
b. Reserve Funds:	
b.1) Unrestricted capital reserves:	\$ 864,757.39
b.2) HVAC dedicated replacement reserve fund booked balance:	<u>\$ 671,935.86</u>
Total Reserves	\$ 1,536,693.25

Note: Regarding Reserve Funds:

2012 monthly reserve contributions of \$ 25,726.99 into respective reserve accounts as follows:

- General Reserves for 2012 = \$ 15,048.66 per month
- Restricted HVAC Reserves for 2012 = \$10,678.33 per month

B. Morgan Stanley / Smith Barney Investment Firm:

- Designated by Board of Directors to invest all Reserves as of January, 2008.
- Ted Hart, located at Connecticut and L Street, NW, remains as our Investment Advisor.
- Every month, Morgan Stanley / Smith Barney conducts an electronic transfer of Reserves from The Lauren’s RBC Operating Account directly into our respective “General” and “HVAC” Reserve accounts.
- Said transaction is confirmed monthly by them to the Board, Lauren Management , and Simmons Management.
- All **NON Morgan Stanley / Smith Barney CD’s** purchased prior to this account have been sent to them for investment....There are no other Money Market Investments outside this investment account. The last and final one matured in 2010 and was transferred accordingly.

C. Capital Improvements

1. Five Year Reserve Study:

- Reserve Studies are recommended to be done every 5 years.
- Our most Reserve Study was completed 2011

Reserves Summary re Major Projects:

- The following items were identified in the 2011 (Final Report September 2011) Reserve Study as being in line for replacement for the three year period 2012-2015
- Estimated costs for each at time of replacement are listed.
- Items already replaced per the 2011 Report are not included.

Please note the timeline for replacement /repair will not necessarily coincide with that projected in the Reserve Study:

Chiller Repairs	\$ 32,137
Cooling Tower Repairs	\$ 27,852
Electrical System Inspections/Partial Replacements	\$ 37,493
Elevators, Traction, Modernization	\$ 332,080
Life Safety System (Control Panel & Emergency Devices	\$ 40,707
Pumps, HVAC, Phased Replacements	\$ 11,642
Security System, Phased Replacements	\$ 10,311
Contingency Expenses	\$ 32,149
Reserve Study Update	<u>\$ 4,200</u>
TOTAL	\$ 528,571

- These are taken exactly as presented in the 2011 Reserve Study.
- The first phase of the HVAC convector replacement is scheduled to commence in 2017

2. Capital Expenditures: 2012

Miscellaneous Notes:

- Seal Engineering's October 24, 2011 Facade Survey delineated several "WORK ITEMS" by code totaling \$178,512 that will need to be addressed over time (2011 through 2014)
- Our 2012 budget has included \$ 95,835 for such repairs we anticipate will take place in calendar year 2012

a. BUDGETED/PLANNED CAPITAL EXPENDITURES: TOTAL = \$201,013

Budgeted Capital Expenditures 2012	<u>Approved</u>	<u>Paid YTD</u>
a.1) \$30,284 (EST) - Chiller Repair	No	Pending
a.2) \$19,068 (EST) - Cooling Tower Repair	No	Pending
a.3) \$23,778 (EST) – Exhaust Fans	No	Pending
a.4) \$10,095 (EST) – Security System Phased Replacements	Yes	\$155.00
a.5) \$21,953 (EST) – Laundry Equipment Lease as opposed to purchase	Yes	\$ 0.00
a.6) \$95,835 (EST) - Façade Repairs		
\$ 112,775 Approved at 3-6-12 Board Mttg	<u>Yes</u>	<u>Pending</u>
TOTAL YTD		\$155.00

b. UNPLANNED CAPITAL EXPENDITURES:

- Our yearly budget (Line item 60065) for "unplanned" capital improvements is listed in the amount of \$60,000 for calendar year 2012
- YTD \$ 4,501.50 has been spent and paid for "UNPLANNED" Expenses

UNPLANNED CAPITAL EXPENDITURES YTD:

Approximate Approved Total this date = \$ 12,383

	<u>APPROVED</u>	<u>PAID YTD</u>
b.1) Seal Engineering: Facade Design & Bidding (\$2,200)	Yes	Pending
b.2) Seal Engineering: Facade Contract Compliance & Inspection (\$2,335 –Estimated)	Yes	Pending
b.3) Drywall repair above 40 Unit Doors(\$2,125)	Yes	Pending
b.4) Pool House Window Leak Remediation (Estimate Pending)	Pending	
b.5) Computer & software-business office (\$ 2,500 est.)	Yes	\$1,279.00
b.6) Front Door Intercom Replacement (\$ 2,123.50)	Yes	\$2,123.50
b.7) Replace Hallway Air Handler Control(\$ 1,099)	Yes	\$1,099.00
b.8) Free WIFI / Front Desk Computer (\$1,500 Est)	<u>Yes</u>	<u>Pending</u>
TOTAL PAID YTD		\$ 4,501.50

c. CARRIED OVER FROM 2011 BUDGET

**CARRIED OVER FROM 2011 BUDGET YTD:
Approximate Approved Total this date = \$25,955**

	<u>APPROVED</u>	<u>PAID YTD</u>
c.1) Front entryway modification (\$25,000 est.)	Yes	\$ 4,905.00
c.2) Front Office Window Replacement (\$955 Balance)	Yes	<u>\$ 955.00</u>
TOTAL PAID YTD		\$ 5,860.00

2. Reserves Transfers from General Reserves to RBC Operating Account by Morgan Stanley Smith Barney: 2012

- None to date
- Objective: To arrive at zero balance between expenses and transfers at year end.

D. 2012 Year End Reserves Projection

At the end of 2011 our Reserve Fund will be **approximately \$1,262,553.05**

March 2012 Reserve Total:	\$1,536,693.25
April thru Dec. 2012 monthly contributions @\$ 25,726.99/Month	\$ 231,542.91
2012 Interest	<u>\$ 30,000.00</u>
Total Projected Reserves December, 2012	\$ 1,798,236.16

Projected Capital Expenses- Remainder of 2012: (\$ 257,779.00)
JOHN: the \$257,779 figure is derived by using the budgeted capital expense total of \$261,013 minus the \$3,234 that appears in March financials as YTD capital expenditures.

This presents a summary of which those items you previously detailed in 2a, 2b, 2c above are included.

Projected Reserve Balance less BUDGETED Capital Expenses- December, 2012:	\$ 1,540,457.16
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E. Budget Versus Actual Expenditures

- Over the past 5 – 10 years our budget estimates have fallen within 2% to 3%—plus or minus— actual expenditures.
- Our 2011 operating expenses, according to audit, were 4.07% under budget.

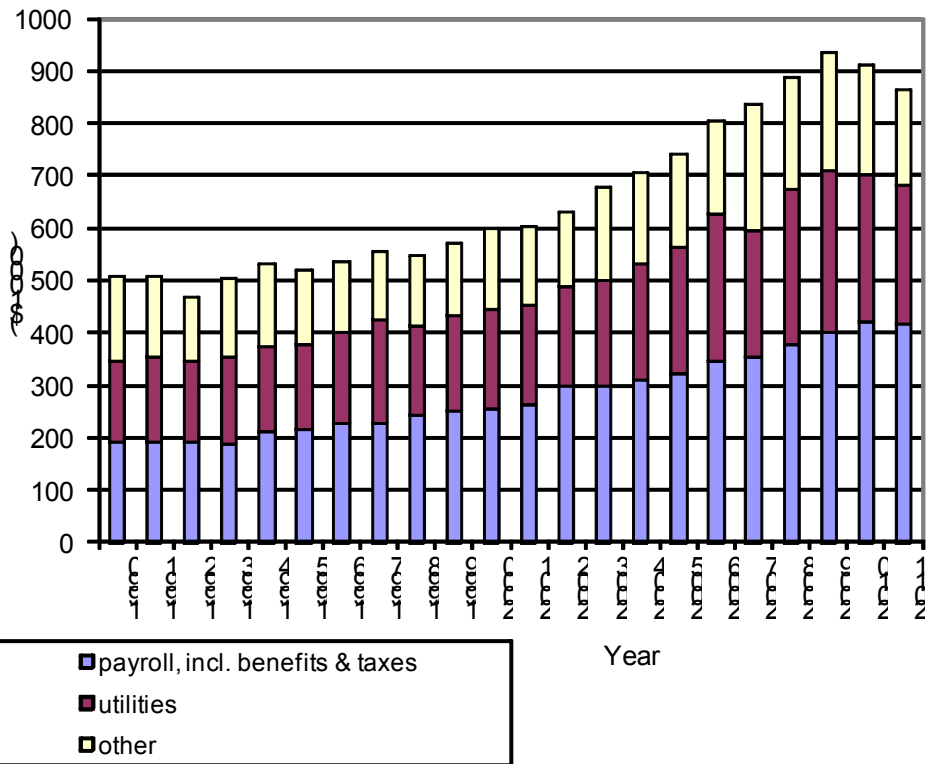
F. Graphs

The following graphs, courtesy of fellow owner Joe Morris, show:

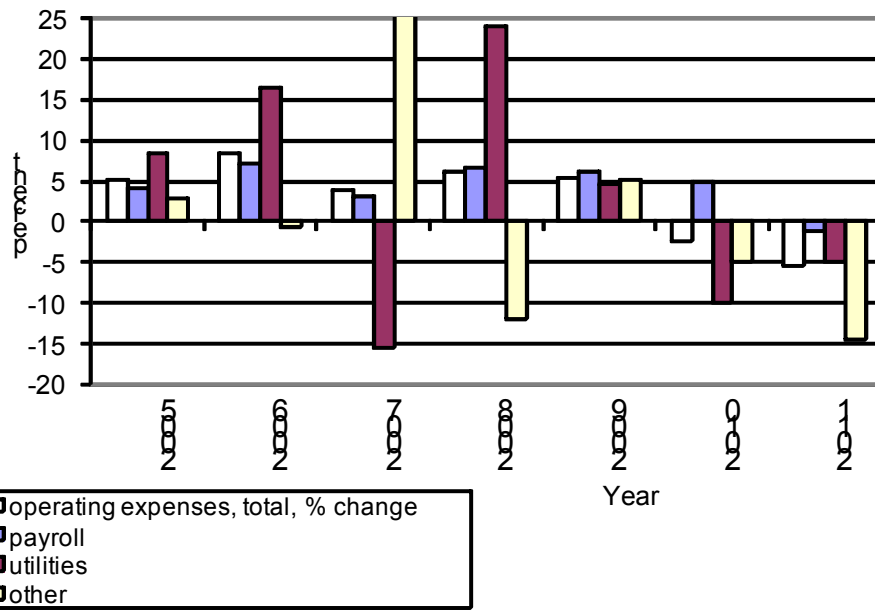
- Condo Fee Increases over past several years.
- Annual Operating Expenses
- Percent Change From Previous Year
- Net Cash (End of Year)

Condo Fee Increases over past several years.	
	% Increase From Prior Year
2012	1.20
2011	3.98
2010	4.62
2009	5.86
2008	3.50
2007	5.90
2006	8.81
2005	4.00
2004	4.50
2003	1.80
2002	2.00
2001	2.00
2000	1.00
1999	0.00
1998	3.00
1997	3.67
1996	5.79
1995	4.96
1994	7.27
1993	9.77
1992	6.50
1991	4.92
1990	2.10

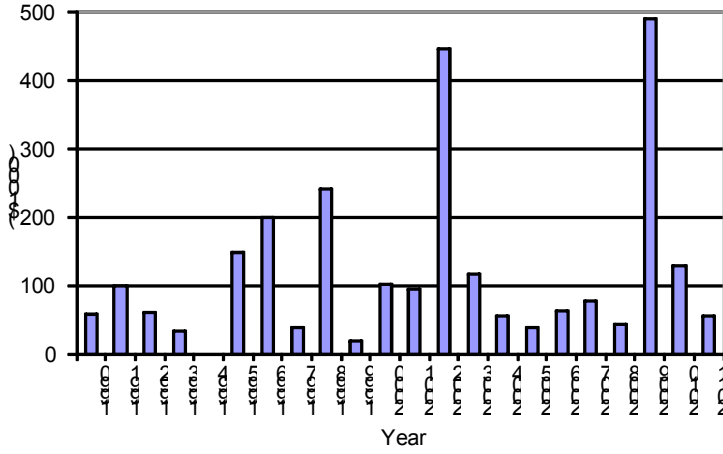
Annual Operating Expenses



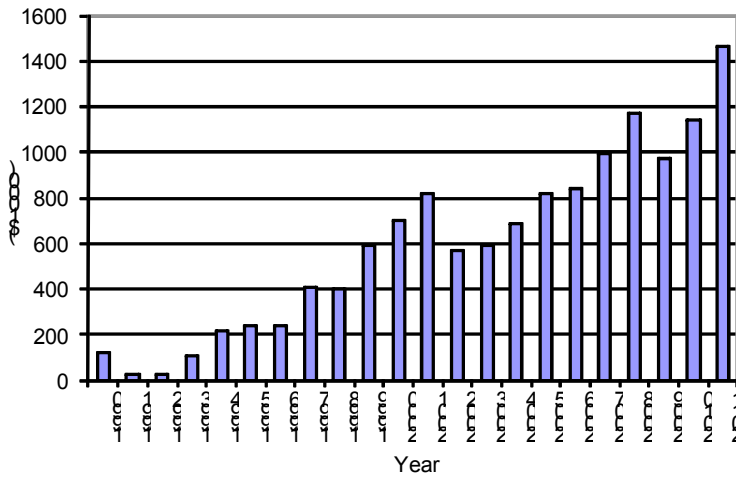
Percent Change from Previous Year, 2005-2011



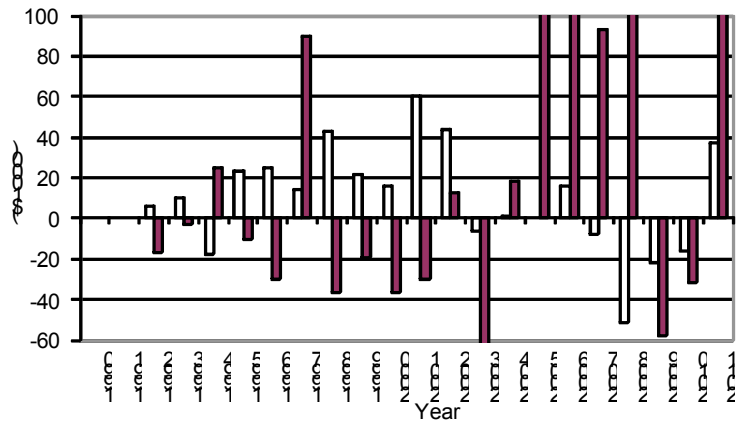
Expenditures from Replacement Fund



Net Cash (end of year)



Budgeted versus Actual Expenditures



operating expenditures, budget less actual
 capital expenditures, budget less actual