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

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◆

May 06, 2010

Subject: Annual Meeting – Treasurer’s Report

A. Reserves as of March 31, 2010:

Total owners equity / Net cash available at the end of March 2010 was
\$ 1,105,855.95

1. Fund Balances as of the end of March 2010

a. **Operating cash balance as of the end of March 2010: \$ 35,392.23**

b. **Reserve Funds:**

b.1) Unrestricted capital reserves: \$ 717,873.31

b.2) HVAC dedicated replacement reserve

fund booked balance: \$ 371,984.16

Total Reserves \$ 1,089,857.47

Note 1 re Reserve Funds:

2010 Monthly reserve contributions total \$ 22,635.85 into respective reserve accounts as follows:

- General Reserves for 2010 = \$14,083.33 per month
- Restricted HVAC Reserves for 2010 = \$8552.52 per month

Note 2 re Reserve Funds:

The HVAC reserve fund includes an additional subsidy transfer of \$21,972 from the general reserves as of January 1, 2010

B. Smith Barney Investment Firm:

- Designated by Board of Directors to invest all Reserves as of January, 2008.
- This past year, our previous Investment Counselor left Smith Barney for another firm. The Board opted to keep our account with Smith Barney and switched to another Smith Barney Investment Counselor, Ted Hart, located at Connecticut and L Street, NW.
- With this change, Ted advised the Board that we could have a separate account labeled as “HVAC” reserves with a separate statement for said “HVAC” Reserve funds. The Board opted to implement this to facilitate easier tracking of our “dedicated” HVAC Reserves.

- Every month, 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 Smith Barney to the Board, Lauren Management, and Simmons Management.
- All **NON Smith Barney CD's** purchased prior to the Smith Barney account have been sent to Smith Barney for investment upon maturity. There is 1 (one) remaining CD not yet with Smith Barney that will mature 7/24/10
WA First Bank: Matures 7/24/10 (5.25%) \$ 77,735.79

C. Capital Improvements

1. Five Year Reserve Study:

- **2007 Reserve Study** is available upon request, which covers projections through 2012
- **Reserve Studies are recommended to be done every 5 years.**
- **Our next Reserve Study should be done in Mid 2011**

2007 Reserves Summary re Major Projects:

- The following items were identified in the 2007 (Final Report March 2008) Reserve Study as being in line for replacement within the next five years (2009-2014).
- They are listed in the order presented in the study, not necessarily by year to be undertaken.
- Estimated costs for each at time of replacement are listed.

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

Front Awning	\$ 15,741
Sealants, Windows, Doors, Phased Replacement	\$ 33,970
Walls, Inspection and Partial Masonry Repointing	\$ 66,601
Mailboxes	\$ 30,620
Chiller, Capital Repairs	\$ 30,284
Cooling Tower, Capital Repairs	\$ 19,068
Elevator Controls	\$ 232,476
Exhaust Fans, Kitchens, Baths, Garage, Control Rm.	\$ 23,778
Fire Detection System	\$ 41,022
Laundry Equipment	\$ 25,881
Pumps, HVAC Phased Replacement	\$ 22,903
Security System, Phased Replacement	\$ 10,095
Trash Compactor	\$ 14,034
Garage Air Handling Unit	\$ 16,951
Garage Concrete, Floor, Walls, Inspect/Capital Repair	\$ <u>31,867</u>
TOTAL	\$ 629,159

2. Boiler and Hot Water Heaters:

- Final cost of \$258,752
- Projected gas cost savings on the boiler/hot water heater combined project is \$221,700 at the end of the 7th year from installation
- Installed in 2009

3. Interiors: 2009 Expenditure

- Renovations began in 2009 and are nearly completed.
- Final cost of renovations including all design fees, materials, construction, and such: \$ 265,535 (based on actual expenses incurred in 2009 plus amount budgeted in 2010)
- Our Lobby Front Desk area was not part of the renovation project and is currently in the planning stage to move forward with improvements in order to tie it in with the rest of our newly renovated areas.

4. Façade Repair:

- **Pending Engineering Study Results**

D. 2010 Year End Reserves Projection

At the end of 2010 our Reserve Fund will be **approximately \$ 1,313,579**

March 2010 Reserve Total:	\$1,089,857.00
April thru Dec. 2010 monthly contributions @\$ 22,635.85/Month	\$ 203,722.65
2010 Interest	<u>\$ 20,000.00</u>

Total Projected Reserves December, 2010 \$ 1,313,579.65

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 2009 operating expenses, according to audit, were 2.41% over budget with insurance claims expenses being approximately \$24,000 over budget due to deductibles on claims

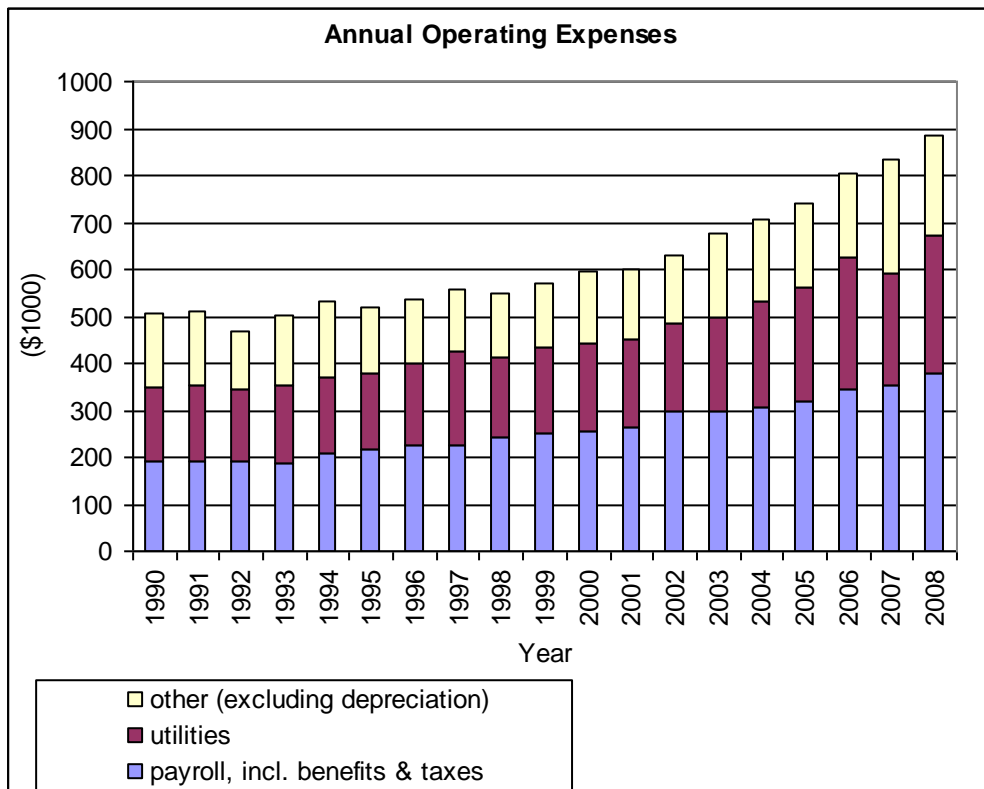
F. Graphs

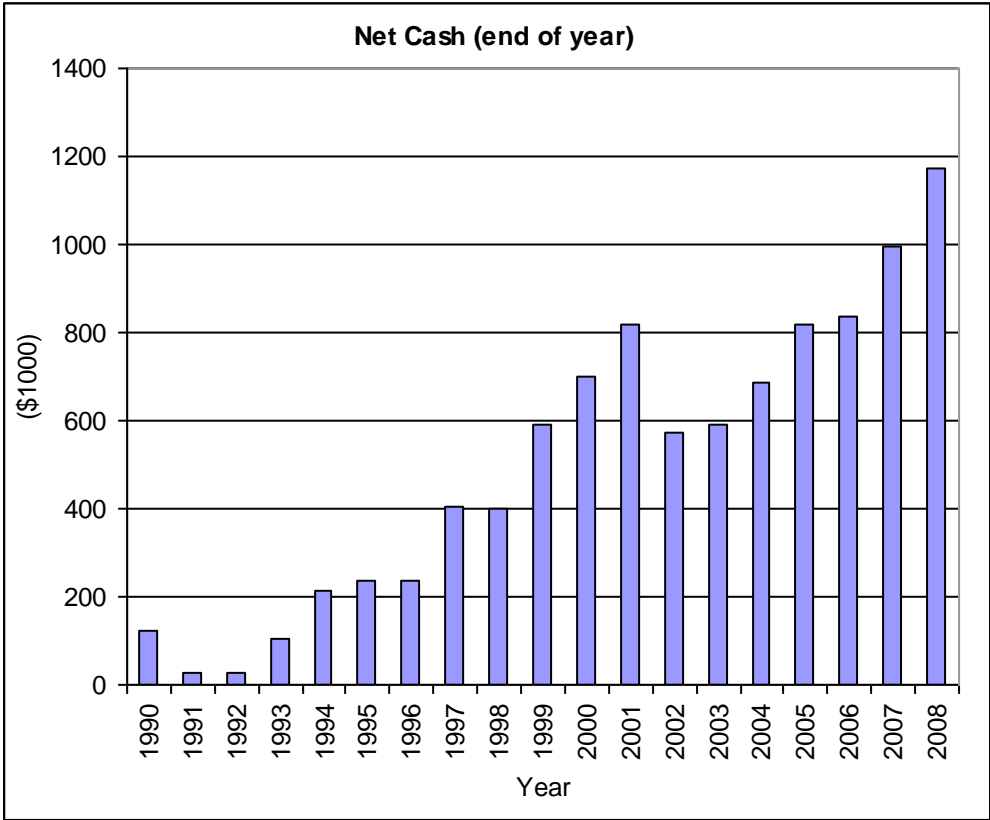
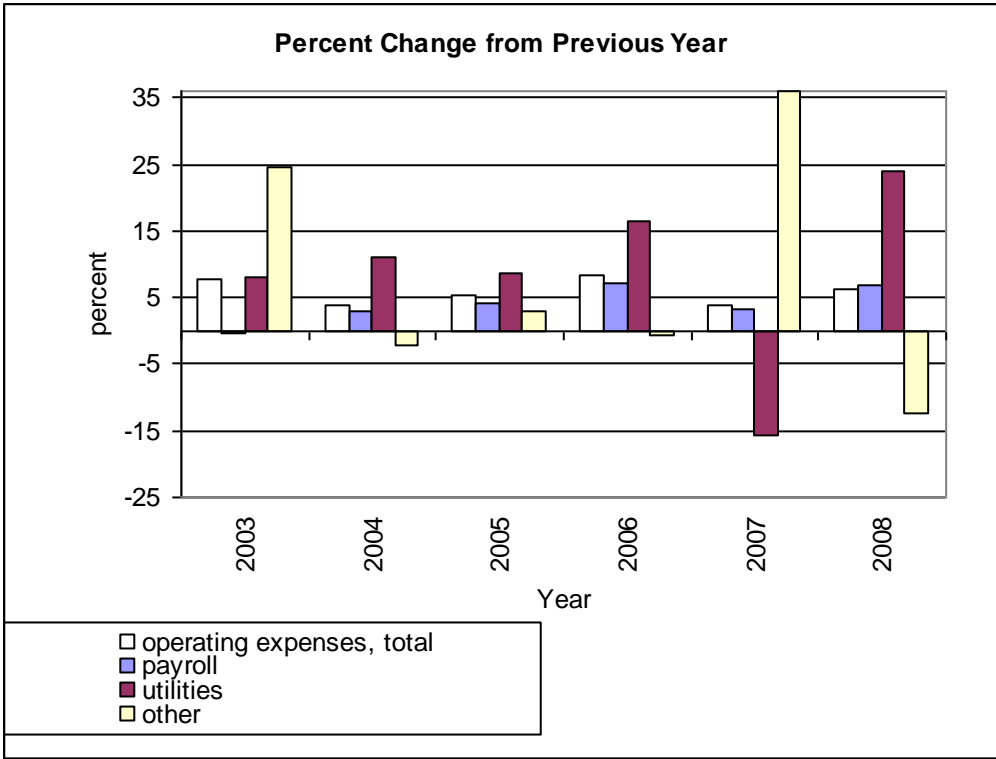
The following graphs, courtesy of fellow owner Joe Morris, show:

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

Condo Fee Increases 1990 - 2010.

<u>Year</u>	<u>% Incr</u>	<u>Year</u>	<u>% incr</u>
2010	4.62	1999	0.00
2009	5.86	1998	3.00
2008	3.50	1997	3.67
2007	5.90	1996	5.79
2006	8.81	1995	4.96
2005	4.00	1994	7.27
2004	4.50	1993	9.77
2003	1.80	1992	6.50
2002	2.00	1991	4.92
2001	2.00	1990	2.10
2000	1.00		





Expenditures from Replacement Fund

