

THE LAUREN CONDOMINIUM

TREASURER'S REPORT

HIGHLIGHTS

Month Ending October 31, 2013

(See Full Report Online- <http://www.lauren.org>)

Cash and Reserves, as of October 31, 2013:

- Net Cash On Hand: **\$1,726,178.80**
- Operating Cash: **\$77,365.21**
- Unrestricted Capital Reserves: **\$ 745,729.92**
- Dedicated Capital Reserves (HVAC System Replacement): **\$ 910,429.99**
- Total Reserves: **\$1,656,159.91, which is \$90,162.55 more than on the same date last year.**

- **Year to date operations, as of October 31, 2013**
 - Total Income: **\$1,031,790**, which is under budget by \$18,700
 - Total Operating Expenses: **\$783,354**, which is over budget by \$551
 - Capital expenditures (actual): **\$247,350**

TREASURER'S REPORT

Month Ending October 31, 2013

I. Total Owners Equity / Net Cash Available

Total owner's equity / Net cash available at the end of October 2013 was **\$1,726,178.80**

A. Fund Balances as of the end of October, 2013:

1. Operating cash balance as of the end of October 2013: **\$77,365.21**

2. Reserve Funds:

b.1) Unrestricted capital reserves:	\$ 745,729.92
b.2) HVAC dedicated replacement reserve fund booked balance:	<u>\$ 910,429.99</u>
Total Reserves	\$1,656,159.91

Note re Reserve Funds:

2013 monthly reserve contributions of \$ 27,041.66 into respective reserve accounts as follows:

- General Reserves for 2013 = \$ 14,083.33 per month
- Restricted HVAC Reserves for 2013 = \$12,958.33 per month

B. Year-to-Date operations through October, 2013:

	<u>Lauren Budget</u>	<u>Simmons Report</u>	<u>Over/ (Under) Budget</u>
Income			
Fees	973,120	973,100	(20)
Other Income	<u>77,370</u>	<u>58,690</u>	<u>(18,680)</u>
<u>Total</u>	\$1,050,490	\$1,031,790	\$(18,700)*
		<u>Expenditures</u>	
Operating Expenditures	782,803	783,354	551
Capital Expenditures	0	(1,387)	(1,387)
Other (Non-Operating) Expenditures	<u>294,580</u>	<u>297,714</u>	<u>3,134</u>
<u>Total</u>	\$1,077,383	\$1,079,682	\$ 2,299**

NOTES:

1. *\$ 18,700 Income underage.

Major sources of income underage are:

- Rental income under \$10,800 and reflecting vacant status of unit between 6/1/13 and 10/31/13.
- In-unit service labor under \$3,600 and reflecting actual services rendered.
- Laundry income under \$3,055 and reflecting timing of receipt of monthly statement and accompanying check. See Section II (A) for current laundry report.
- Move-In fees under \$950 and primarily reflecting timing of receipt of fees.

2. **\$2,299 Expenditures overage Detailed Below:

OPERATING EXPENSES:

a. \$551 “Total” Operating Expense Overage

b. Overages found in following major grouping areas of operating expenses:

- \$6,057 in payroll including \$3,932 in workers compensation relating to timing of payments. Also \$6,836 in maintenance relating to special projects such as elevator façade painting, assistance with stairwell and hallway door painting. Weekend roof supervision also falls under maintenance heading due to how employee involved is coded.
- \$2,819 in administrative expenses including \$2,959 in legal expenses, a significant portion of which is related to foreclosure proceedings being undertaken by the association. Also \$1,133 over budget in licenses/permits relating to elevator inspections.
- \$1,388 in insurance including reflecting annual premiums for current policies.
- \$1,526 in taxes
- \$2,840 in utilities found primarily in water & sewer which is over \$6,507 due primarily to unbudgeted fees imposed by WASA.

c. Underage’s found in following major Grouping areas:

- Contracted Services: \$1,558 found primarily in trash removal and reflecting timing of invoices.
- Repairs and Maintenance: \$6,281 and reflecting actual expenses year-to-date
- Supplies: \$5,713 found primarily in grounds supplies (under \$3,879) and electrical supplies (under \$909) and reflecting actual expenses YTD.
- Swimming Pool: \$527 and reflecting value of supplies purchased.

d. The following areas of expenses were at budget (\$0 variance):

-None-

CAPITAL EXPENSES

- Capital Expenditures were under budget by \$1,387.
- Note that zero dollars (\$0.00) has been formally budgeted for capital expenditures in 2013.
- The \$1,387 underage is indicative of capital expenses completed and authorized for payment. Simmons Management has not yet made the payment to Seal Engineering. This amount was part of the 10/7/13 \$48,143 Capital Reserves Transfers to our Operating Account.
- It appears as though we transferred too much money but, in fact, once Simmons pays Seal, the under budget figure of \$1,387 will be reconciled.

NON-OPERATING DISBURSEMENTS

Non-Operating Disbursements were over budget by \$3,134.

C. Condo Fee Arrearage as of October, 2013:

- Total delinquent arrearage from all sources (association fees and late charges) is \$12,277.
- \$7,952 of condo fee arrearage relates to a particular unit against which the association has taken legal action.
- A significant portion of the remaining balance of \$4,325 relates to a unit sold with 2 months in arrears. Money collected at settlement has been received and forwarded to financial manager for deposit along with HUD-1 showing official change of ownership.
- We also have an efficiency unit that is approximately a month and a half in arrears. Owner has been in contact with management as to plan to bring account current in immediate future.

II. "Other" Treasurer Report Items:

A. Laundry Income:	<u>Jan. 2013</u>	<u>Feb. 2013</u>	<u>Mar. 2013</u>
• Monthly Gross Revenue:	\$ 2,790.00	\$ 2,585.50	\$ 2,471.79
• Credit Card Expenses:	(\$ 85.08)	(\$ 77.19)	(\$ 74.04)
• Commission Fees To C & G	<u>(\$ 1,168.87)</u>	<u>(\$ 1,062.27)</u>	<u>(\$ 1,138.15)</u>
Net Laundry Income per month:	\$ 1,536.05	\$ 1,446.04	\$ 1,259.60
	<u>Apr. 2013</u>	<u>May. 2013</u>	<u>Jun. 2013</u>
• Monthly Gross Revenue:	\$ 2,508.55	\$ 3,010.00	\$ 3,062.50
• Credit Card Expenses:	(\$ 80.54)	(\$ 91.82)	(\$ 95.41)
• Commission Fees to C & G	<u>(\$ 1,112.20)</u>	<u>(\$ 1,190.20)</u>	<u>(\$ 1,166.11)</u>
Net Laundry Income per month:	\$ 1,315.81	\$ 1,727.98	\$ 1,800.98

	<u>Jul. 2013</u>	<u>Aug 2013</u>	<u>Sep. 2013</u>
Monthly Gross Revenue:	\$ 2,628.00	\$ 2,627.00	\$ 2,774.50
Credit Card Expenses:	(\$ 83.55)	(\$ 80.87)	(\$ 86.19)
Commission Fees to C & G:	<u>(\$1,152.82)</u>	<u>(\$1,152.99)</u>	<u>(\$1,138.23)</u>
Net Laundry Income per month:	\$ 1,391.63	\$ 1,393.14	\$ 1,550.08
	<u>Oct. 2013</u>	<u>Nov. 2013</u>	<u>Dec. 2013</u>
Monthly Gross Revenue:	\$ 2,660.86	Pending	Pending
Credit Card Expenses:	(0.00)	Pending	Pending
Commission Fees to C & G:	<u>(1,164.47)</u>	<u>Pending</u>	<u>Pending</u>
Net Laundry Income per month:	\$ 1,496.39	Pending	Pending

Net Laundry Income:

- January 2013: \$ 1,536.05
- February 2013: \$ 1,446.04
- March 2013: \$ 1,259.60
- April 2013: \$ 1,315.81
- May 2013: \$ 1,727.98
- June 2013: \$ 1,800.98
- July 2013: \$ 1,391.63
- August 2013: \$ 1,393.14
- September 2013: \$ 1,550.08
- October 2013: \$ 1,496.39
- November 2013
- December 2013

B. CD Activity with Morgan Stanley Smith Barney

1. **Morgan Stanley Smith Barney** has been successfully conducting electronic transfers of our monthly reserve contributions to the respective reserve accounts: General Reserves & Restricted HVAC Reserves
2. **Money Market Funds:**
 - As of 4/12/13, we have advised Ted Hart to leave a solid "buffer" of cash in our Money Market account for easy access / transfer to General Reserves
 - Walter will be advising when substantial transfers will be necessary regarding various Capital Expense Invoices forthcoming.
3. **Monthly Statements:**
 - Treasurer and Property Manager have reviewed the monthly Morgan Stanley Smith Barney statement of account for The Lauren Condominium reserves and have determined it to be accurate.
 - Statements beginning for the "Period Ending October 31, 2012" are now being sent to the Board electronically.
 - Statement for the period ending October, 2013 was electronically sent to the Board on November 18, 2013.

- Interested owners are welcome to request a copy from our Property Manager in writing.
4. CD Purchases / Activity during the months listed in the monthly statement
- The Treasurer and Property Manager discuss investments with Morgan Stanley Smith Barney as needed when CD's mature and Cash Balances accumulate and need to be invested.
 - \$50,000 CD purchased from Compass Bank of Alabama on 10/2/13. Maturity date is 10/2/18. Yield at maturity is 2.118%. This CD is associated with the HVAC reserve fund.

C. Capital Expenditures – 2013:

1. **Miscellaneous Note:** Labeling/Recording of General Ledger Account numbers for 2013 will be given a ledger account number and description before we spend any money.

2. **PLANNED CAPITAL EXPENDITURES- 2013:**

- We have a number of such projects to which dollar amounts have been assigned.
- However, none have formally been approved and none were listed on budget that was sent to owners.

	<u>APPROVED</u>	<u>PAID YTD</u>
2.a) Façade Repairs	\$ 172,850.00	\$167,233.00
2.b) Façade Engineering Services Seal Engineering (Estimate)	<u>\$ 10,000.00</u>	<u>\$ 7,913.00</u>
TOTAL Approved Façade Capital Expenditures To Date:	\$ 182,850.004	\$175,146.00

3. **UNPLANNED CAPITAL EXPENDITURES:**

Our yearly budget (Line item 60065) for “unplanned” capital improvements is listed in the amount of \$60,000 for calendar year 2013.

	<u>APPROVED</u>	<u>PAID YTD</u>
3.a) Annual Boiler Preventative Maintenance	\$1,430.36	\$1,430.36
3.b) Boiler Regulator (Estimate)	\$ 600.00	\$0.00
3.c) Seal Engineering. Poolhouse Window First Round Repairs & Engineering Services	\$1,145.00	\$1,145.00
3.d) Seal Engineering. Poolhouse Window Second Round Engineering Services	\$ 903.00	\$ 903.00

3.e) James R. Walls. Poolhouse Window Second Round Repairs	\$1,305.00	\$1,305.00
3.f) Room Doctors- Design Services	\$ 713.00	\$ 713.00
3.g) Replacement Dishwasher-Unit 212	\$ 444.13	\$ 444.13
3.h) Elevator Repairs:		
• Weigh & Balance Cabs	\$ 6,573.00	\$ 6,967.39
• ADA Telephones	\$ 10,846.00	\$11,496.76
• Door Restrictors	\$ 8,770.00	\$ 9,296.20
NB: Tax added to original price		
3.i) Nichols Contracting. Front Office Window Plus Sunderland Place Door Closer/Hinge	\$ 4,290.91	\$ 4,290.91
3.j) McLean Controls. Cooling Tower Fan Controls	\$ 1,230.00	\$ 1,230.00
3.k) SETEC. CCTV Cameras	\$ 1,381.82	\$ 1,381.82
3.l) Lerch-Bates. Elevator Study	\$ 2,900.00	\$ 2,900.00
<u>3.m</u> Unit 212 Renovation	\$ 5,000.00	\$ 1,594.26
<u>3.n</u> Virginia Pump. Rebuild 2 HVAC Pumps	\$ 3,385.25	\$ 3,385.25
3.o) McQuay Service. Punch tubes in chiller.	\$ 1,470.49	\$ 1,470.49
3.p) Precise Chemical. Floor scrubber/buffer	<u>\$ 864.06</u>	<u>\$ 864.06</u>
TOTAL Approved "Unplanned" Capital Expenditures To Date:	\$ 53,252.02	\$ 50,817.63

4. CAPITAL EXPENDITURES CARRIED OVER FROM 2012 BUDGET

	<u>APPROVED</u>	<u>PAID YTD</u>
4.a) Cooling Tower (\$19,068 planned) (\$2,232 approved overage) -based on preliminary estimate- Actual overage: \$2,318 -based on actual proposal-	Yes Yes	\$19,068.00
		\$ 2,318.00
TOTAL Approved Carried Over Capital Expenditures To Date:	\$ 21,386.00	\$21,386.00

D. 2011 Tax Refund - \$9,986.00:

- **Simmons sent additional IRS paperwork, which was signed by Treasurer on 10/22/13.**
- **Said paperwork will lead to IRS tracking down previously issued check to determine what has transpired accordingly.**
- **Ultimately, of course, we are expecting that IRS will issue a new check pending the results of their search.**
- **At this time, no one knows if the original check issued on August 7, 2012 was cashed.**
- **IRS sent a notice dated November 25, 2013 which was received on November 19, 2013. Notice stated that we had been mailed a refund check in the amount of \$9,986, which expired on August 7, 2013. They provided a phone number to call to request a replacement check. The call will be made posthaste.**

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

- **5-28-13 Transfer : \$ 63,854.10**
- **7-24-13 Transfer: \$136,739.22**
- **10-7-13 Transfer: \$ 48,143.31**
- **Total To Date: \$ 248,736.63**

Year End Objective: To arrive at zero balance between expenses and transfers.

- END OF TREASURER'S REPORT -