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Principal Management Group North Texas



AAMC
ACCREDITED ASSOCIATION
MANAGEMENT COMPANY

May 16, 2011

Board of Directors
DeSoto PID #1/ Candle Meadow
DeSoto, Texas 75115

Re: DeSoto PID #1/ Candle Meadow Homeowners Association
April 2011 Financial Statement

Dear Board Member:

Please find enclosed your April 2011 Financial Statements. The following is a brief overview of key information contained in this report package.

BALANCE SHEET

Cash available at month's end is \$161,252.66, reported for 3 accounts: operating account managed by PMG and two Board controlled money market accounts. Following advice from Treasurer that Chase money market accounts represented in GL accounts #10200 and #10201 were closed, these accounts were zeroed out from last period. Treasurer informed manager Chase account ending in 5919 (GL#10300) is considered a savings account, and the Chase account ending in 2673 (GL#10301) is the one which receives assessment (property tax) deposits direct from Dallas County Appraisal District. Treasurer has paid various bills and reimbursements for operating expenses directly from the latter account. It is unclear whether all distributions were reported for bookkeeping purposes. He also explained that funds from the Chase #2673 account are wired into the Operating account (GL#10002) as needed for PMG to pay bills. Other assets include \$8,766.15 prepaid insurance. Accounts payable at month's end was \$0.00

INCOME STATEMENT (Cash Basis)

The Association had income for the month of \$951.78 which included \$947.31 Regular Assessments and \$4.47 Interest Income. Expenses for the month totaled \$8,736.45, which left the Association with a net loss for the month of \$7,784.67 and a year-to-date net loss of \$36,705.51.

NOTES OF INTEREST

- Regular assessment income is substantially below budget, well over \$175,000, as all deposits from County for fiscal year have yet to be reported.
- Management fees expensed in the amount of \$2,728.00 represent 2 months' bills – April and May.
- Pool cleaning service contract expense of \$1,461.30 represents 2 months' bills – March and April.
- Wall repair expense \$1,492.50 represents ½ of cost to repair damaged brick wall panels.

If I can answer any questions about these reports, please feel give me a call at 682-325-5353.

Sincerely,

PRINCIPAL MANAGEMENT GROUP,
DeSoto PID #1/Candle Meadow Homeowners Association

Thomas J. Armstrong
 Thomas Armstrong, CMCA, AMS, PCAM
 Association Manager – NRH office

Enclosure



Balance Sheet Report DeSoto PID #1/Candle Meadow

As of April 30, 2011

	<u>Balance</u> Apr 30, 2011	<u>Balance</u> Mar 31, 2011	<u>Change</u>
<u>Assets</u>			
<u>Current Assets</u>			
10002 - Operating FAB #3138	4,256.81	9,782.31	(5,525.50)
10200 - MM Chase Bank #5156 BOD	0.00	3,940.13	(3,940.13)
10201 - MM Chase Bank #0033 BOD	0.00	15,027.87	(15,027.87)
10300 - Chase BOD #5919	53,086.01	47,056.92	6,029.09
10301 - Chase BOD #2673	103,909.84	132,623.16	(28,713.32)
Total Current Assets	161,252.66	208,430.39	(47,177.73)
<u>Other Assets</u>			
14500 - Prepaid Expenses	0.00	2,323.40	(2,323.40)
14700 - Prepaid Insurance	8,766.15	2,940.83	5,825.32
Total Other Assets	8,766.15	5,264.23	3,501.92
Total Assets	170,018.81	213,694.62	(43,675.81)
<u>Liabilities</u>			
<u>Current Liabilities</u>			
20100 - Accounts Payable - Trade	0.00	8,339.51	(8,339.51)
Total Current Liabilities	0.00	8,339.51	(8,339.51)
Total Liabilities	0.00	8,339.51	(8,339.51)
<u>Owners' Equity</u>			
Equity			
30150 - DeSoto PID Contribution	785,118.92	785,118.92	0.00

Balance Sheet Report
DeSoto PID #1/Candle Meadow

As of April 30, 2011

	<u>Balance</u> <u>Apr 30, 2011</u>	<u>Balance</u> <u>Mar 31, 2011</u>	<u>Change</u>
<u>Owners' Equity</u>			
Equity			
30700 - Retained Earnings	(578,394.60)	(550,842.97)	(27,551.63)
Total Equity	<u>206,724.32</u>	<u>234,275.95</u>	<u>(27,551.63)</u>
Total Owners' Equity	<u>206,724.32</u>	<u>234,275.95</u>	<u>(27,551.63)</u>
Net Income / (Loss)	<u>(36,705.51)</u>	<u>(28,920.84)</u>	<u>(7,784.67)</u>
Total Liabilities and Equity	<u>170,018.81</u>	<u>213,694.62</u>	<u>(43,675.81)</u>

Income Statement Report DeSoto PID #1/Candle Meadow

April 01, 2011 thru April 30, 2011

	Current Period		Year to Date (7 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
Income						
Scheduled Income						
40000 - Regular Assessment	947.31	66,699.00	21,188.69	200,097.00	(178,908.31)	245,607.31
Total Scheduled Income	947.31	66,699.00	21,188.69	200,097.00	(178,908.31)	245,607.31
Miscellaneous Income						
43000 - Interest Income	4.47	0.00	11.87	0.00	11.87	(11.87)
Total Miscellaneous Income	4.47	0.00	11.87	0.00	11.87	(11.87)
Total Income	951.78	66,699.00	21,200.56	200,097.00	(178,896.44)	245,595.44
Expense						
Administrative Expenses						
50010 - Answering Service	0.00	6.00	0.00	42.00	(42.00)	72.00
50070 - Bank/Check Charges	50.00	0.00	50.00	0.00	50.00	(50.00)
50110 - Copies & Postage	875.95	167.00	2,014.38	1,167.00	847.38	(14.38)
50120 - Data Processing	0.00	50.00	339.19	350.00	(10.81)	260.81
50210 - Rental/Storage	30.10	33.00	376.37	233.00	143.37	23.63
50250 - Licenses/Permits/Inspection Fees	0.00	125.00	494.89	875.00	(380.11)	1,005.11
50270 - Meetings	0.00	33.00	0.00	233.00	(233.00)	400.00
50340 - Printing/Newsletter	257.38	0.00	257.38	0.00	257.38	(257.38)
50355 - Social Committee	0.00	500.00	0.00	3,500.00	(3,500.00)	6,000.00
Total Administrative Expenses	1,213.43	914.00	3,532.21	6,400.00	(2,867.79)	7,439.79
Professional Services						
50001 - Accounting/Audit	0.00	125.00	1,184.76	875.00	309.76	315.24
51000 - Management Fees	2,728.00	1,501.00	10,912.00	10,503.00	409.00	7,092.80
51016 - Website - Other	0.00	42.00	0.00	292.00	(292.00)	500.00
Total Professional Services	2,728.00	1,668.00	12,096.76	11,670.00	426.76	7,908.04
Taxes and Insurance						
52040 - Property/General Insurance	529.58	691.00	1,004.38	4,837.00	(3,832.62)	7,287.62
81020 - Taxes - Other	0.00	208.00	0.00	1,458.00	(1,458.00)	2,500.00

Income Statement Report DeSoto PID #1/Candle Meadow

April 01, 2011 thru April 30, 2011

Expense	Current Period		Year to Date (7 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
Taxes and Insurance						
81040 - Property Taxes	0.00	269.00	0.00	1,884.00	3,230.00	3,230.00
Total Taxes and Insurance	529.58	1,168.00	1,004.38	8,179.00	14,022.00	13,017.62
Payroll and Related Benefits						
53030 - Workers' Comp Insurance	265.00	22.00	265.00	160.00	275.00	10.00
Total Payroll and Related Benefits	265.00	22.00	265.00	160.00	275.00	10.00
Utilities						
60000 - Electricity	208.04	583.00	4,437.36	4,083.00	7,000.00	2,562.64
60040 - Telephone / Faxes	115.20	113.00	846.29	791.00	1,356.00	509.71
60060 - Water/Sewer	345.38	3,222.00	6,895.11	22,552.00	38,660.00	31,764.89
Total Utilities	668.62	3,918.00	12,178.76	27,426.00	47,016.00	34,837.24
Contracts						
65200 - Lawn Maintenance Contract	0.00	4,487.00	9,137.34	31,410.00	53,845.00	44,707.66
65225 - Courtesy Patrol Contract	0.00	0.00	0.00	4,500.00	27,000.00	27,000.00
65300 - Pest Control Contract	0.00	25.00	0.00	175.00	300.00	300.00
65400 - Pools/Jacuzzis Contract	1,461.38	800.00	5,189.38	5,600.00	9,600.00	4,410.62
65600 - Porter Service Contract	0.00	1,133.00	5,209.46	7,933.00	13,600.00	8,390.54
Total Contracts	1,461.38	6,445.00	19,536.18	49,618.00	104,345.00	84,808.82
Repairs & Maintenance						
70080 - Common Area Maintenance	228.84	250.00	672.34	1,750.00	3,000.00	2,327.66
70110 - Electrical	0.00	208.00	679.84	1,458.00	2,500.00	1,820.16
70140 - Fence/Gates/Walls	1,492.50	0.00	2,407.15	0.00	0.00	(2,407.15)
70240 - Lights/Bulbs	0.00	0.00	213.88	0.00	0.00	(213.88)
70300 - Plumbing	0.00	208.00	0.00	1,458.00	2,500.00	2,500.00
70311 - Swimming Pool	149.10	1,083.00	859.28	7,583.00	13,000.00	12,140.72
71000 - Insurance Repairs	0.00	0.00	4,460.29	0.00	0.00	(4,460.29)
Total Repairs & Maintenance	1,870.44	1,749.00	9,292.78	12,249.00	21,000.00	11,707.22

Income Statement Report DeSoto PID #1/Candle Meadow

April 01, 2011 thru April 30, 2011

	Current Period		Year to Date (7 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
Expense						
Other Expenses						
70330 - Courtesy Patrol	0.00	2,250.00	0.00	15,750.00	(15,750.00)	27,000.00
Total Other Expenses	0.00	2,250.00	0.00	15,750.00	(15,750.00)	27,000.00
Capital Improvements						
90010 - Capital Improvement	0.00	1,417.00	0.00	9,917.00	(9,917.00)	17,000.00
Total Capital Improvements	0.00	1,417.00	0.00	9,917.00	(9,917.00)	17,000.00
Reserve Contributions						
90421 - Reserve - Lakes/Pools/Jacuzzis	0.00	750.00	0.00	5,250.00	(5,250.00)	9,000.00
90440 - Reserve - Plumbing/Sprinkler	0.00	750.00	0.00	5,250.00	(5,250.00)	9,000.00
90470 - Reserve - Fence/Gates/Walls	0.00	750.00	0.00	5,250.00	(5,250.00)	9,000.00
Total Reserve Contributions	0.00	2,250.00	0.00	15,750.00	(15,750.00)	27,000.00
Total Expense	8,736.45	21,801.00	57,906.07	157,119.00	(99,212.93)	230,728.73
Net Income / (Loss)	(7,784.67)	44,898.00	(36,705.51)	42,978.00	(79,683.51)	14,866.71

Budget Spread Report

DeSoto PID #1/Candle Meadow

As of April 30, 2011

Account	Description	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	YTD	Yr Budget
Scheduled Income															
40000	Regular Assessment														
	Budget	66,699	0	0	66,699	0	0	66,699	0	0	66,699	0	0	200,097	266,796
	Actual	0	0	0	0	0	20,241	947						21,189	
	Variance	(66,699)	0	(66,699)	(66,699)	0	20,241	(65,752)						(178,908)	
Total Scheduled Income		66,699	0	0	66,699	0	20,241	947	0	0	66,699	0	0	200,097	266,796
Miscellaneous Income															
43000	Interest Income														
	Budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Actual	2	1	1	1	2	2	4						12	
	Variance	2	1	1	1	2	2	4						12	
Total Miscellaneous Income		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income															
	Budget	66,699	0	0	66,699	0	20,243	952	0	0	66,699	0	0	200,097	266,796
	Actual	2	1	1	1	2	20,243	952						21,201	
	Variance	(66,697)	1	(66,698)	(66,698)	2	20,243	(65,747)						(178,896)	
Administrative Expenses															
50010	Answering Service														
	Budget	6	6	6	6	6	6	6	6	6	6	6	6	42	72
	Actual	0	0	0	0	0	0	0						0	
	Variance	(6)	(6)	(6)	(6)	(6)	(6)	(6)						(42)	
50070	Bank/Check Charges														
	Budget	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Actual	0	0	0	0	0	0	50						50	
	Variance	0	0	0	0	0	0	50						50	
50110	Copies & Postage														
	Budget	167	166	167	167	166	167	167	166	167	167	166	167	1,167	2,000
	Actual	127	44	60	47	0	880	876						2,014	
	Variance	(40)	(122)	(107)	(120)	(166)	693	709						847	