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**Principal Management Group North Texas**



**AAMC**  
ACCREDITED ASSOCIATION  
MANAGEMENT COMPANY

December 16, 2011

**FILE COPY**

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

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

Dear Board Member:

Please find enclosed your August 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 \$88,913.26, reported for 3 accounts: operating account managed by PMG and two Board-controlled money market accounts. This is a decrease of \$35,438.06 from the prior month. Accounts Receivable is \$240.00. Other assets include \$6,647.83 prepaid insurance. Accounts payable at month's end was \$0.00.

INCOME STATEMENT (Cash Basis)

The Association had income for the month of \$654.48 which included \$648.69 Regular Assessments, and \$5.79 Interest Income. Expenses for the month totaled \$36,622.12, which left the Association with a net loss for the month of \$35,967.64 and a year-to-date net gain of \$88,887.04.

NOTES OF INTEREST

- Copies & postage expense \$1,041.33 represents cost for Election Meeting in addition to routine mailings.
- Legal Fees Non-Collection refers to counsel regarding upcoming election.
- Lawn Maintenance contract expense \$12,335.40 represents 3 months' invoices, June, July & August
- Porter Svcs contract expense \$3,892.50 represents 3 months' invoices, June, July & August.
- Irrigation repair cost \$1,858.84 was to repair lines and wires for Cockrell Hill construction damage.
- Receipts and details of expenditures from Board-controlled account totaling \$4,414.14 were for National Night Out "NNO" and Back To School "BTS" social events.

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 Armstrong*

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

Enclosure



**Balance Sheet Report**  
**DeSoto PID #1/Candle Meadow**  
As of August 31, 2011

	<u>Balance</u> <u>Aug 31, 2011</u>	<u>Balance</u> <u>Jul 31, 2011</u>	<u>Change</u>
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
10002 - Operating FAB #3138	1,750.24	5,201.53	(3,451.29)
10300 - Chase BOD #5919	53,094.95	53,092.57	2.38
10301 - Chase BOD #2673	34,068.07	66,057.22	(31,989.15)
11000 - Accounts Receivable	240.00	240.00	0.00
<b>Total Current Assets</b>	<b>89,153.26</b>	<b>124,591.32</b>	<b>(35,438.06)</b>
<b><u>Other Assets</u></b>			
14700 - Prepaid Insurance	6,647.83	7,177.41	(529.58)
<b>Total Other Assets</b>	<b>6,647.83</b>	<b>7,177.41</b>	<b>(529.58)</b>
<b>Total Assets</b>	<b>95,801.09</b>	<b>131,768.73</b>	<b>(35,967.64)</b>
<b><u>Liabilities</u></b>			
<b><u>Other Liabilities</u></b>			
21001 - Other Escrowed Fees	240.00	240.00	0.00
<b>Total Other Liabilities</b>	<b>240.00</b>	<b>240.00</b>	<b>0.00</b>
<b>Total Liabilities</b>	<b>240.00</b>	<b>240.00</b>	<b>0.00</b>
<b><u>Owners' Equity</u></b>			
<b><u>Equity</u></b>			
30150 - DeSoto PID Contribution	728,418.92	728,418.92	0.00

**Balance Sheet Report**  
**DeSoto PID #1/Candle Meadow**  
 As of August 31, 2011

	<u>Balance Aug 31, 2011</u>	<u>Balance Jul 31, 2011</u>	<u>Change</u>
<b><u>Owners' Equity</u></b>			
Equity			
30700 - Retained Earnings	(721,744.87)	(721,744.87)	0.00
<b>Total Equity</b>	<b>6,674.05</b>	<b>6,674.05</b>	<b>0.00</b>
<b>Total Owners' Equity</b>	<b>6,674.05</b>	<b>6,674.05</b>	<b>0.00</b>
<b>Income / (Loss)</b>	<b>88,887.04</b>	<b>124,854.68</b>	<b>(35,967.64)</b>
<b>Total Liabilities and Owner Equity</b>	<b>95,801.09</b>	<b>131,768.73</b>	<b>(35,967.64)</b>

# Income Statement Report

## DeSoto PID #1/Candle Meadow

August 01, 2011 thru August 31, 2011

	Current Period		Year to Date (11 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
<b>Income</b>						
<b>Scheduled Income</b>						
40000 - Regular Assessment	648.69	0.00	269,919.49	266,796.00	3,123.49	(3,123.49)
<b>Total Scheduled Income</b>	<b>648.69</b>	<b>0.00</b>	<b>269,919.49</b>	<b>266,796.00</b>	<b>3,123.49</b>	<b>(3,123.49)</b>
<b>Miscellaneous Income</b>						
43000 - Interest Income	5.79	0.00	39.18	0.00	39.18	(39.18)
45000 - Insurance Proceeds	0.00	0.00	2,915.00	0.00	2,915.00	(2,915.00)
<b>Total Miscellaneous Income</b>	<b>5.79</b>	<b>0.00</b>	<b>2,954.18</b>	<b>0.00</b>	<b>2,954.18</b>	<b>(2,954.18)</b>
<b>Total Income</b>	<b>654.48</b>	<b>0.00</b>	<b>272,873.67</b>	<b>266,796.00</b>	<b>6,077.67</b>	<b>(6,077.67)</b>
<b>Expense</b>						
<b>Administrative Expenses</b>						
50010 - Answering Service	0.00	6.00	0.00	66.00	(66.00)	72.00
50070 - Bank/Check Charges	50.00	0.00	474.47	0.00	474.47	(474.47)
50110 - Copies & Postage	1,041.33	166.00	3,792.33	1,833.00	1,959.33	(1,792.33)
50120 - Data Processing	0.00	50.00	388.69	550.00	(161.31)	211.31
50210 - Rental/Storage	5.10	34.00	451.77	367.00	84.77	(51.77)
50250 - Licenses/Permits/Inspection Fees	0.00	125.00	594.89	1,375.00	(780.11)	905.11
50270 - Meetings	20.00	34.00	20.00	367.00	(347.00)	380.00
50290 - Miscellaneous Expense	0.00	0.00	1,130.76	0.00	1,130.76	(1,130.76)
50300 - Supplies - Administrative	0.00	0.00	315.57	0.00	315.57	(315.57)
50340 - Printing/Newsletter	0.00	0.00	776.88	0.00	776.88	(776.88)
50355 - Social Committee	4,414.14	500.00	5,664.14	5,500.00	164.14	335.86
50400 - Member Relations	0.00	0.00	512.09	0.00	512.09	(512.09)
<b>Total Administrative Expenses</b>	<b>5,530.57</b>	<b>915.00</b>	<b>14,121.59</b>	<b>10,058.00</b>	<b>4,063.59</b>	<b>(3,149.59)</b>
<b>Professional Services</b>						
50001 - Accounting/Audit	0.00	125.00	1,607.76	1,375.00	232.76	(107.76)
50244 - Legal Fees-Non Collections	880.00	0.00	880.00	0.00	880.00	(880.00)
51000 - Management Fees	1,500.40	1,500.00	16,504.40	16,504.00	0.40	1,500.40

# Income Statement Report

## DeSoto PID #1/Candle Meadow

August 01, 2011 thru August 31, 2011

	Current Period		Year to Date (11 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
<b>Expense</b>						
<b>Professional Services</b>						
51016 - Website - Other	0.00	41.00	0.00	458.00	(458.00)	500.00
<b>Total Professional Services</b>	<b>2,380.40</b>	<b>1,666.00</b>	<b>18,992.16</b>	<b>18,337.00</b>	<b>655.16</b>	<b>1,012.64</b>
<b>Taxes and Insurance</b>						
52040 - Property/General Insurance	529.58	691.00	3,122.70	7,601.00	(4,478.30)	5,169.30
81020 - Taxes - Other	0.00	209.00	0.00	2,292.00	(2,292.00)	2,500.00
81040 - Property Taxes	0.00	269.00	0.00	2,961.00	(2,961.00)	3,230.00
<b>Total Taxes and Insurance</b>	<b>529.58</b>	<b>1,169.00</b>	<b>3,122.70</b>	<b>12,854.00</b>	<b>(9,731.30)</b>	<b>10,899.30</b>
<b>Payroll and Related Benefits</b>						
53030 - Workers' Comp Insurance	0.00	23.00	265.00	252.00	13.00	10.00
<b>Total Payroll and Related Benefits</b>	<b>0.00</b>	<b>23.00</b>	<b>265.00</b>	<b>252.00</b>	<b>13.00</b>	<b>10.00</b>
<b>Utilities</b>						
60000 - Electricity	1,133.07	584.00	7,053.74	6,417.00	636.74	(53.74)
60040 - Telephone / Faxes	105.02	113.00	1,362.12	1,243.00	119.12	(6.12)
60060 - Water/Sewer	3,996.49	3,221.00	15,725.27	35,438.00	(19,712.73)	22,934.73
<b>Total Utilities</b>	<b>5,234.58</b>	<b>3,918.00</b>	<b>24,141.13</b>	<b>43,098.00</b>	<b>(18,956.87)</b>	<b>22,874.87</b>
<b>Contracts</b>						
65200 - Lawn Maintenance Contract	12,335.40	4,487.00	65,210.25	49,358.00	15,852.25	(11,365.25)
65225 - Courtesy Patrol Contract	0.00	4,500.00	0.00	22,500.00	(22,500.00)	27,000.00
65300 - Pest Control Contract	0.00	25.00	0.00	275.00	(275.00)	300.00
65400 - Pools/Jacuzzis Contract	838.94	800.00	8,436.89	8,800.00	(363.11)	1,163.11
65425 - Pool Monitoring Contract	2,604.00	0.00	5,609.00	0.00	5,609.00	(5,609.00)
65600 - Porter Service Contract	3,892.50	1,134.00	11,696.96	12,467.00	(770.04)	1,903.04
<b>Total Contracts</b>	<b>19,670.84</b>	<b>10,946.00</b>	<b>90,953.10</b>	<b>93,400.00</b>	<b>(2,446.90)</b>	<b>13,391.90</b>
<b>Repairs &amp; Maintenance</b>						
70080 - Common Area Maintenance	0.00	250.00	1,021.34	2,750.00	(1,728.66)	1,978.66
70110 - Electrical	0.00	209.00	679.84	2,292.00	(1,612.16)	1,820.16

# Income Statement Report

## DeSoto PID #1/Candle Meadow

August 01, 2011 thru August 31, 2011

Expense	Current Period		Year to Date (11 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
<b>Repairs &amp; Maintenance</b>						
70140 - Fence/Gates/Walls	0.00	0.00	5,077.46	0.00	5,077.46	(5,077.46)
70240 - Lights/Bulbs	0.00	0.00	213.88	0.00	213.88	(213.88)
70300 - Plumbing	0.00	209.00	0.00	2,292.00	(2,292.00)	2,500.00
70311 - Swimming Pool	689.56	1,084.00	4,679.43	11,917.00	(7,237.57)	8,320.57
70314 - Pool Chemicals	583.75	0.00	1,491.98	0.00	1,491.98	(1,491.98)
70350 - Sprinkler / Irrigation Repair	1,858.84	0.00	1,858.84	0.00	1,858.84	(1,858.84)
71000 - Insurance Repairs	0.00	0.00	10,671.21	0.00	10,671.21	(10,671.21)
<b>Total Repairs &amp; Maintenance</b>	<b>3,132.15</b>	<b>1,752.00</b>	<b>25,693.98</b>	<b>19,251.00</b>	<b>6,442.98</b>	<b>(4,693.98)</b>
<b>Other Expenses</b>						
70330 - Courtesy Patrol	0.00	2,250.00	0.00	24,750.00	(24,750.00)	27,000.00
70335 - Signs	144.00	0.00	683.00	0.00	683.00	(683.00)
<b>Total Other Expenses</b>	<b>144.00</b>	<b>2,250.00</b>	<b>683.00</b>	<b>24,750.00</b>	<b>(24,067.00)</b>	<b>26,317.00</b>
<b>Capital Improvements</b>						
90010 - Capital Improvement	0.00	1,416.00	978.50	15,583.00	(14,604.50)	16,021.50
90121 - Capital Improvement - Gate Access S	0.00	0.00	5,035.47	0.00	5,035.47	(5,035.47)
<b>Total Capital Improvements</b>	<b>0.00</b>	<b>1,416.00</b>	<b>6,013.97</b>	<b>15,583.00</b>	<b>(9,569.03)</b>	<b>10,986.03</b>
<b>Reserve Contributions</b>						
90421 - Reserve - Lakes/Pools/Jacuzzis	0.00	750.00	0.00	8,250.00	(8,250.00)	9,000.00
90440 - Reserve - Plumbing/Sprinkler	0.00	750.00	0.00	8,250.00	(8,250.00)	9,000.00
90470 - Reserve - Fence/Gates/Walls	0.00	750.00	0.00	8,250.00	(8,250.00)	9,000.00
<b>Total Reserve Contributions</b>	<b>0.00</b>	<b>2,250.00</b>	<b>0.00</b>	<b>24,750.00</b>	<b>(24,750.00)</b>	<b>27,000.00</b>
<b>Total Expense</b>	<b>36,622.12</b>	<b>26,305.00</b>	<b>183,986.63</b>	<b>262,333.00</b>	<b>(78,346.37)</b>	<b>104,648.17</b>
<b>Net Income / (Loss)</b>	<b>(35,967.64)</b>	<b>(26,305.00)</b>	<b>88,887.04</b>	<b>4,463.00</b>	<b>84,424.04</b>	<b>(110,725.84)</b>