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Principal Management Group North Texas



December 19, 2011

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

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

Dear Board Member:

Please find enclosed your September 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 \$69,361.38 reported for 3 accounts: operating account managed by PMG and two Board-controlled money market accounts. Accounts Receivable is \$240.00. Other assets include \$6,118.25 prepaid insurance. Accounts payable at month's end was \$369.68.

INCOME STATEMENT (Cash Basis)

The Association had income for the month of \$376.03 which included \$372.71 Regular Assessments, and \$3.32 Interest Income. Expenses for the month totaled \$21,063.17, which left the Association with a net loss for the month of \$20,687.18, and a year-to-date net gain of \$68,199.90.

NOTES OF INTEREST

- Audit expense \$1,144.40 was for completion of FY2009 audit.
- Legal fees \$2,497.50 under GL expense code 50244 was for counsel regarding election, and media attendance at members meeting in August.
- Management Fee (GL#51000) for September was adjusted downward to reconcile accidental double entry in April.
- Pool monitor contract \$5,124.00 was for 2 months - August and September.
- Receipts and details of Board-controlled account are enclosed at back of report, and cover the months of Dec 2010, Jan 2011, June 2011, and July 2011, in addition to this period - Sep 2011.

If you have any questions regarding these reports, please feel free to call me at 682-325-5353.

Sincerely,

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

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

Enclosure



Balance Sheet Report
DeSoto PID #1/Candle Meadow
As of September 30, 2011

	Balance Sep 30, 2011	Balance Aug 31, 2011	Change
<u>Assets</u>			
<u>Current Assets</u>			
10002 - Operating FAB #3138	10,268.82	1,750.24	8,518.58
10300 - Chase BOD #5919	38,071.76	53,094.95	(15,023.19)
10301 - Chase BOD #2673	21,020.80	34,068.07	(13,047.27)
11000 - Accounts Receivable	240.00	240.00	0.00
Total Current Assets	69,601.38	89,153.26	(19,551.88)
<u>Other Assets</u>			
14700 - Prepaid Insurance	6,118.25	6,647.83	(529.58)
Total Other Assets	6,118.25	6,647.83	(529.58)
Total Assets	75,719.63	95,801.09	(20,081.46)
<u>Liabilities</u>			
<u>Current Liabilities</u>			
20100 - Accounts Payable - Trade	369.68	0.00	369.68
20124 - Prepaid Assessments	236.00	0.00	236.00
Total Current Liabilities	605.68	0.00	605.68
<u>Other Liabilities</u>			
21001 - Other Escrowed Fees	240.00	240.00	0.00
Total Other Liabilities	240.00	240.00	0.00
Total Liabilities	845.68	240.00	605.68

Balance Sheet Report
DeSoto PID #1/Candle Meadow
 As of September 30, 2011

<u>Owners' Equity</u>	<u>Balance Sep 30, 2011</u>	<u>Balance Aug 31, 2011</u>	<u>Change</u>
Equity			
30150 - DeSoto PID Contribution	728,418.92	728,418.92	0.00
30700 - Retained Earnings	(721,744.87)	(721,744.87)	0.00
Total Equity	6,674.05	6,674.05	0.00
Total Owners' Equity	6,674.05	6,674.05	0.00
Income / (Loss)	68,199.90	88,887.04	(20,687.14)
Total Liabilities and Owner Equity	75,719.63	95,801.09	(20,081.46)

Income Statement Report

DeSoto PID #1/Candle Meadow

September 01, 2011 thru September 30, 2011

	Current Period		Year to Date (12 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
Income						
Scheduled Income						
40000 - Regular Assessment	372.71	0.00	270,292.20	266,796.00	3,496.20	(3,496.20)
Total Scheduled Income	372.71	0.00	270,292.20	266,796.00	3,496.20	(3,496.20)
Miscellaneous Income						
43000 - Interest Income	3.32	0.00	42.50	0.00	42.50	(42.50)
45000 - Insurance Proceeds	0.00	0.00	2,915.00	0.00	2,915.00	(2,915.00)
Total Miscellaneous Income	3.32	0.00	2,957.50	0.00	2,957.50	(2,957.50)
Total Income	376.03	0.00	273,249.70	266,796.00	6,453.70	(6,453.70)
Expense						
Administrative Expenses						
50010 - Answering Service	0.00	6.00	0.00	72.00	(72.00)	72.00
50070 - Bank/Check Charges	40.00	0.00	514.47	0.00	514.47	(514.47)
50110 - Copies & Postage	776.12	167.00	4,568.45	2,000.00	2,568.45	(2,568.45)
50120 - Data Processing	19.50	50.00	408.19	600.00	(191.81)	191.81
50210 - Rental/Storage	5.10	33.00	456.87	400.00	56.87	(56.87)
50250 - Licenses/Permits/Inspection Fees	0.00	125.00	594.89	1,500.00	(905.11)	905.11
50270 - Meetings	782.08	33.00	802.08	400.00	402.08	(402.08)
50290 - Miscellaneous Expense	(1,130.56)	0.00	0.20	0.00	0.20	(0.20)
50295 - Office Machines	843.42	0.00	843.42	0.00	843.42	(843.42)
50300 - Supplies - Administrative	(233.42)	0.00	82.15	0.00	82.15	(82.15)
50340 - Printing/Newsletter	198.20	0.00	975.08	0.00	975.08	(975.08)
50355 - Social Committee	0.00	500.00	5,664.14	6,000.00	(335.86)	335.86
50400 - Member Relations	(512.09)	0.00	0.00	0.00	0.00	0.00
Total Administrative Expenses	788.35	914.00	14,909.94	10,972.00	3,937.94	(3,937.94)
Professional Services						
50001 - Accounting/Audit	1,144.40	125.00	2,752.16	1,500.00	1,252.16	(1,252.16)
50244 - Legal Fees-Non Collections	2,497.50	0.00	3,377.50	0.00	3,377.50	(3,377.50)
51000 - Management Fees	136.40	1,500.80	16,640.80	18,004.80	(1,364.00)	1,364.00

Income Statement Report

DeSoto PID #1/Candle Meadow

September 01, 2011 thru September 30, 2011

Expense	Current Period		Year to Date (12 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
Professional Services						
51016 - Website - Other	0.00	42.00	0.00	500.00	(500.00)	500.00
Total Professional Services	3,778.30	1,667.80	22,770.46	20,004.80	2,765.66	(2,765.66)
Taxes and Insurance						
52040 - Property/General Insurance	529.58	691.00	3,652.28	8,292.00	(4,639.72)	4,639.72
81020 - Taxes - Other	0.00	208.00	0.00	2,500.00	(2,500.00)	2,500.00
81040 - Property Taxes	0.00	269.00	0.00	3,230.00	(3,230.00)	3,230.00
Total Taxes and Insurance	529.58	1,168.00	3,652.28	14,022.00	(10,369.72)	10,369.72
Payroll and Related Benefits						
53030 - Workers' Comp Insurance	0.00	23.00	265.00	275.00	(10.00)	10.00
Total Payroll and Related Benefits	0.00	23.00	265.00	275.00	(10.00)	10.00
Utilities						
60000 - Electricity	410.89	583.00	7,464.63	7,000.00	464.63	(464.63)
60040 - Telephone / Faxes	113.02	113.00	1,475.14	1,356.00	119.14	(119.14)
60060 - Water/Sewer	2,872.17	3,222.00	18,597.44	38,660.00	(20,062.56)	20,062.56
Total Utilities	3,396.08	3,918.00	27,537.21	47,016.00	(19,478.79)	19,478.79
Contracts						
65200 - Lawn Maintenance Contract	4,811.80	4,487.00	70,022.05	53,845.00	16,177.05	(16,177.05)
65225 - Courtesy Patrol Contract	0.00	4,500.00	0.00	27,000.00	(27,000.00)	27,000.00
65300 - Pest Control Contract	0.00	25.00	0.00	300.00	(300.00)	300.00
65400 - Pools/Jacuzzis Contract	0.00	800.00	8,436.89	9,600.00	(1,163.11)	1,163.11
65425 - Pool Monitoring Contract	5,124.00	0.00	10,733.00	0.00	10,733.00	(10,733.00)
65600 - Porter Service Contract	597.50	1,133.00	12,294.46	13,600.00	(1,305.54)	1,305.54
Total Contracts	10,533.30	10,945.00	101,486.40	104,345.00	(2,858.60)	2,858.60
Repairs & Maintenance						
70080 - Common Area Maintenance	0.00	250.00	1,021.34	3,000.00	(1,978.66)	1,978.66
70110 - Electrical	0.00	208.00	679.84	2,500.00	(1,820.16)	1,820.16

Income Statement Report

DeSoto PID #1/Candle Meadow

September 01, 2011 thru September 30, 2011

Expense	Current Period		Year to Date (12 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
Repairs & Maintenance						
70140 - Fence/Gates/Walls	49.00	0.00	5,126.46	0.00	5,126.46	(5,126.46)
70240 - Lights/Bulbs	0.00	0.00	213.88	0.00	213.88	(213.88)
70300 - Plumbing	0.00	208.00	0.00	2,500.00	(2,500.00)	2,500.00
70311 - Swimming Pool	20.56	1,083.00	4,699.99	13,000.00	(8,300.01)	8,300.01
70314 - Pool Chemicals	0.00	0.00	1,491.98	0.00	1,491.98	(1,491.98)
70350 - Sprinkler / Irrigation Repair	0.00	0.00	1,858.84	0.00	1,858.84	(1,858.84)
71000 - Insurance Repairs	1,364.00	0.00	12,035.21	0.00	12,035.21	(12,035.21)
Total Repairs & Maintenance	1,433.56	1,749.00	27,127.54	21,000.00	6,127.54	(6,127.54)
Other Expenses						
70330 - Courtesy Patrol	0.00	2,250.00	0.00	27,000.00	(27,000.00)	27,000.00
70335 - Signs	604.00	0.00	1,287.00	0.00	1,287.00	(1,287.00)
Total Other Expenses	604.00	2,250.00	1,287.00	27,000.00	(25,713.00)	25,713.00
Capital Improvements						
90010 - Capital Improvement	0.00	1,417.00	978.50	17,000.00	(16,021.50)	16,021.50
90121 - Capital Improvement - Gate Access S	0.00	0.00	5,035.47	0.00	5,035.47	(5,035.47)
Total Capital Improvements	0.00	1,417.00	6,013.97	17,000.00	(10,986.03)	10,986.03
Reserve Contributions						
90421 - Reserve - Lakes/Pools/Jacuzzis	0.00	750.00	0.00	9,000.00	(9,000.00)	9,000.00
90440 - Reserve - Plumbing/Sprinkler	0.00	750.00	0.00	9,000.00	(9,000.00)	9,000.00
90470 - Reserve - Fence/Gates/Walls	0.00	750.00	0.00	9,000.00	(9,000.00)	9,000.00
Total Reserve Contributions	0.00	2,250.00	0.00	27,000.00	(27,000.00)	27,000.00
Total Expense	21,063.17	26,301.80	205,049.80	288,634.80	(83,585.00)	83,585.00
Net Income / (Loss)	(20,687.14)	(26,301.80)	68,199.90	(21,838.80)	90,038.70	(90,038.70)