

**Preston Highlands North Estates Homeowners Association, Inc.**

**Financial Management Report  
December 31, 2025**

**ACCOUNTS RECEIVABLE**

An Accounts Receivable Report is attached detailing collection activity and summarizing account status.

**BALANCE SHEET AND INCOME STATEMENT**

Please find attached the Balance Sheet and Income Statement for Preston Highlands North Estates Homeowners Association, Inc. for the period ending December 31, 2025.

OVERALL ACTUAL vs. BUDGET – For the year, the Association is experiencing a positive variance of \$66,291.24. Actual year-to-date net income is \$66,291.24 versus an estimated net income of \$0.00.

Revenues were above budget estimates by \$66,192.08 and operating costs were below budget estimates by \$99.16.

Comments about significant variances on the Income Statement are located on the attached report.

**Preston Highlands North Estates Homeowners Association, Inc.**  
**Income Statement Variance Report**  
**Period Ending December 31, 2025**

	Year-to-Date Actuals	Year-to-Date Budget	Year-to-Date Budget Variance	Comments	Remaining Budget Balance
<b>REVENUES</b>					
<b>Other Income</b>	100,057.08	34,100.00	65,957.08	The positive variance is due to interest earned from investments, late fees, violations and leased unit fees exceeding budget projections. This is offset by assessment interest charges, pool card and collection fee revenue falling short of budget expectations YTD.	(65,957.08)
<b>Amenity Revenues</b>	735.00	500.00	235.00	The positive variance is due to higher community center rental revenue than budgeted.	(235.00)

<b>EXPENSES</b>					
<b>Management Fees</b>	22,800.00	23,484.00	684.00	The positive variance is due to the budgeted amount being \$57.00 greater than the actual over 12 months.	684.00
<b>Professional Fees</b>	16,578.09	17,515.00	936.91	The positive is due to less than budgeted expense in Collection Services and is offset by negative variances in almost all other categories.	936.91
<b>Supplies</b>	10,795.82	8,519.00	(2,276.82)	The negative variance is primarily due to greater than budgeted expense for Community Mass Mailings and Violation Notices.	(2,276.82)
<b>Insurance</b>	12,871.00	8,698.00	(4,173.00)	The negative variance is due to greater than budgeted expense for all categories except D&O.	(4,173.00)
<b>Community Activities</b>	2,194.75	5,050.00	2,855.25	The positive variance is primarily due to less than budgeted expense in Community Activities and Meetings.	2,855.25
<b>Landscape &amp; Common Area Utilities</b>	42,468.59	40,001.00	(2,467.59)	The negative variance is due to greater than budgeted expense for Water.	(2,467.59)
<b>Landscape &amp; Common Area Maintenance</b>	59,207.92	87,008.00	27,800.08	The positive variance is present due to less than budgeted expense in all categories except General Maintenance.	27,800.08
<b>Irrigation</b>	13,571.25	11,330.00	(2,241.25)	The negative variance is primarily due to greater than budgeted expense for the Back Flow Inspections and Irrigation Repairs.	(2,241.25)
<b>Pool &amp; Pavilion</b>	69,761.41	64,555.00	(5,206.41)	The negative variance is primarily due to greater than budgeted expense for Janitorial, Pool Repairs, and Pavilion Equipment.	(5,206.41)
<b>Repair &amp; Replacement Reserves</b>	35,827.98	20,000.00	(15,827.98)	The negative variance is due to greater than budgeted expense for repairs and replacements. There is also a negative variance for interest which is actually a positive as it reflects greater interest earned than budgeted.	(15,827.98)



**Assets**

Operating Accounts		
0100-01007000-00 Veritex Bank	\$85,168.85	
Total Operating Accounts:		<u>\$85,168.85</u>
Excess Operating Accounts		
0200-02001500-00 Valley National Bank	56,785.42	
0200-02007000-00 Veritex Bank	13,104.85	
Total Excess Operating Accounts:		<u>\$69,890.27</u>
Reserve Accounts		
0300-03000920-00 Veritex Reserve CD	42,738.18	
0300-03001400-00 Pinnacle Bank	59,584.42	
0300-03001410-00 Pinnacle Reserve CD	52,462.28	
Total Reserve Accounts:		<u>\$154,784.88</u>
Accounts Receivable		
0500-05000001-00 Accounts Receivable	84,877.01	
0500-05009996-00 Other Receivables	796.18	
0500-05009997-00 Allowance For Doubtful Accounts	(21,039.44)	
Total Accounts Receivable:		<u>\$64,633.75</u>
Prepaid Expenses		
0600-06000001-00 Insurance	9,859.50	
0600-06000002-00 Other	220.50	
0600-06000015-00 Utilities	361.29	
Total Prepaid Expenses:		<u>\$10,441.29</u>
Deposits		
0700-07000000-00 Deposits	2,200.00	
Total Deposits:		<u>\$2,200.00</u>
<b>Total Assets:</b>		<u><b>\$387,119.04</b></u>

**Liabilities & Equity**

Accounts Payable		
2100-21000001-00 Vendor Payables	2,899.82	
2100-21000002-00 Accruals	8,813.12	
Total Accounts Payable:		<u>\$11,712.94</u>
Owner Assessments		
2200-22000000-00 Prepaid Assessments	93,557.14	
Total Owner Assessments:		<u>\$93,557.14</u>
Repair & Replacement Equity		
3001-30010001-00 R & R Reserve - General	154,784.88	
Total Repair & Replacement Equity:		<u>\$154,784.88</u>
Prior Years Retained Earnings		
3300-33000001-00 Prior Year's Adjustment	(4,450.78)	
3300-33001000-00 Prior Years Retained Earnings	65,223.62	
Total Prior Years Retained Earnings:		<u>\$60,772.84</u>
Net Income Gain / Loss	66,291.24	
		<u>\$66,291.24</u>
<b>Total Liabilities &amp; Equity:</b>		<u><b>\$387,119.04</b></u>



Description	Current Period			Year-to-date			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>OPERATING INCOME</b>							
<b>Assessment Revenues</b>							
50010001-00 Homeowner Assessments	\$ 21,060.00	\$ 21,060.00	\$ -	\$252,720.00	\$252,720.00	\$ -	\$252,720.00
<b>Total Assessment Revenues</b>	<b>\$ 21,060.00</b>	<b>\$ 21,060.00</b>	<b>\$ -</b>	<b>\$252,720.00</b>	<b>\$252,720.00</b>	<b>\$0.00</b>	<b>\$252,720.00</b>
<b>Working Capital/Member Fees</b>							
50020001-00 Working Capital	200.00	200.00	-	2,800.00	2,800.00	-	2,800.00
<b>Total Working Capital/Member Fees</b>	<b>\$ 200.00</b>	<b>\$ 200.00</b>	<b>\$ -</b>	<b>\$ 2,800.00</b>	<b>\$ 2,800.00</b>	<b>\$0.00</b>	<b>\$ 2,800.00</b>
<b>Other Income</b>							
50030001-00 Interest - Non-Restricted Investments	114.45	83.37	31.08	3,489.33	1,000.00	2,489.33	1,000.00
50030002-00 Interest - Restricted Investments	90.31	166.74	( 76.43)	3,801.73	2,000.00	1,801.73	2,000.00
50030003-00 Late Fees	175.00	250.00	( 75.00)	5,000.00	3,000.00	2,000.00	3,000.00
50030005-00 Assessment Interest Charges	-	-	-	( 138.98)	-	( 138.98)	-
50030013-00 Violations	450.00	291.63	158.37	70,850.00	3,500.00	67,350.00	3,500.00
50030023-00 Pool Card/Key Revenue	30.00	-	30.00	255.00	600.00	( 345.00)	600.00
50030026-00 Collection Fees Revenue	-	666.63	( 666.63)	-	8,000.00	( 8,000.00)	8,000.00
50030060-00 Leased Unit Fee	-	1,333.37	( 1,333.37)	16,800.00	16,000.00	800.00	16,000.00
<b>Total Other Income</b>	<b>\$ 859.76</b>	<b>\$ 2,791.74</b>	<b>(\$ 1,931.98)</b>	<b>\$100,057.08</b>	<b>\$ 34,100.00</b>	<b>\$65,957.08</b>	<b>\$ 34,100.00</b>
<b>Amenity Revenue</b>							
50060002-00 Community Center Rental	-	-	-	735.00	500.00	235.00	500.00
<b>Total Amenity Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 735.00</b>	<b>\$ 500.00</b>	<b>\$235.00</b>	<b>\$ 500.00</b>
<b>Total OPERATING INCOME</b>	<b>\$ 22,119.76</b>	<b>\$ 24,051.74</b>	<b>(\$ 1,931.98)</b>	<b>\$356,312.08</b>	<b>\$290,120.00</b>	<b>\$ 66,192.08</b>	<b>\$290,120.00</b>
<b>OPERATING EXPENSE</b>							
<b>Management Fees</b>							
70060001-00 Management Fees	1,900.00	1,957.00	57.00	22,800.00	23,484.00	684.00	23,484.00
<b>Total Management Fees</b>	<b>\$ 1,900.00</b>	<b>\$ 1,957.00</b>	<b>\$ 57.00</b>	<b>\$ 22,800.00</b>	<b>\$ 23,484.00</b>	<b>\$684.00</b>	<b>\$ 23,484.00</b>
<b>Professional Fees</b>							
70080001-00 Legal	( 553.60)	333.37	886.97	5,697.33	4,000.00	( 1,697.33)	4,000.00
70080002-00 Audit	-	-	-	1,884.24	-	( 1,884.24)	-
70080006-00 Tax Preparation	-	-	-	535.00	500.00	( 35.00)	500.00
70080007-00 Reserve Study	-	-	-	1,960.00	-	( 1,960.00)	-
70080010-00 Community Mailings	-	-	-	1,056.00	1,004.00	( 52.00)	1,004.00
70080011-00 Other Professional Fees	108.00	306.75	198.75	2,495.52	3,681.00	1,185.48	3,681.00
70080020-00 Collection Services	-	642.67	642.67	-	7,712.00	7,712.00	7,712.00
70080024-00 Violation Enforcement	650.00	51.50	( 598.50)	2,950.00	618.00	( 2,332.00)	618.00
<b>Total Professional Fees</b>	<b>\$ 204.40</b>	<b>\$ 1,334.29</b>	<b>\$ 1,129.89</b>	<b>\$ 16,578.09</b>	<b>\$ 17,515.00</b>	<b>\$936.91</b>	<b>\$ 17,515.00</b>
<b>Supplies</b>							
70100001-00 Postage	13.12	142.50	129.38	138.38	1,710.00	1,571.62	1,710.00
70100002-00 Admin/Office Supplies & Misc.	13.57	3.12	( 10.45)	142.58	37.00	( 105.58)	37.00
70100003-00 Community Mass Mailings	-	-	-	5,035.50	2,428.00	( 2,607.50)	2,428.00
70100008-00 Copies	0.15	5.00	4.85	47.10	60.00	12.90	60.00
70100010-00 Scanned Documents	3.15	9.00	5.85	40.35	64.00	23.65	64.00
70100011-00 Violation Notices	569.36	166.63	( 402.73)	4,198.35	2,000.00	( 2,198.35)	2,000.00
70100012-00 Collection Notices	124.46	-	( 124.46)	938.56	664.00	( 274.56)	664.00
70100013-00 Amenity Access fees	15.00	46.37	31.37	255.00	556.00	301.00	556.00
70100022-00 Miscellaneous	-	-	-	-	1,000.00	1,000.00	1,000.00
<b>Total Supplies</b>	<b>\$ 738.81</b>	<b>\$ 372.62</b>	<b>(\$ 366.19)</b>	<b>\$ 10,795.82</b>	<b>\$ 8,519.00</b>	<b>(\$2,276.82)</b>	<b>\$ 8,519.00</b>
<b>Insurance</b>							
70120001-00 General Liability	339.75	65.56	( 274.19)	3,676.50	786.50	( 2,890.00)	786.50
70120002-00 Directors & Officers	231.50	258.12	26.62	2,750.50	2,923.00	172.50	2,923.00
70120003-00 Umbrella	87.67	65.56	( 22.11)	1,388.01	786.50	( 601.51)	786.50
70120004-00 Fidelity	14.08	11.50	( 2.58)	142.77	138.00	( 4.77)	138.00
70120009-00 Property	422.50	338.63	( 83.87)	4,913.22	4,064.00	( 849.22)	4,064.00
<b>Total Insurance</b>	<b>\$ 1,095.50</b>	<b>\$ 739.37</b>	<b>(\$ 356.13)</b>	<b>\$ 12,871.00</b>	<b>\$ 8,698.00</b>	<b>(\$4,173.00)</b>	<b>\$ 8,698.00</b>
<b>Taxes</b>							
70180003-00 Property	-	-	-	309.01	-	( 309.01)	-



Description	Current Period			Year-to-date			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>Total Taxes</b>	\$-	\$-	\$-	\$309.01	\$-	(\$309.01)	\$-
<b>Other Miscellaneous</b>							
70220005-00 Bad Debt	\$312.87	\$312.87	\$-	\$3,441.17	\$3,754.00	\$312.83	\$3,754.00
70220006-00 Storage	-	-	-	170.10	170.10	-	170.10
70220007-00 Travel Reimbursement	-	-	-	-	35.90	35.90	35.90
70220009-00 Website & Internet Services	-	-	-	23.75	-	(23.75)	-
<b>Total Other Miscellaneous</b>	\$312.87	\$312.87	\$-	\$3,635.02	\$3,960.00	\$324.98	\$3,960.00
<b>Community Activities</b>							
70240001-00 Community Activities	740.65	1,000.00	259.35	1,844.75	5,000.00	3,155.25	5,000.00
70240002-00 Meetings - Town Hall/Annual	-	-	-	-	50.00	50.00	50.00
70240035-00 Community Flag Program	-	-	-	350.00	-	(350.00)	-
<b>Total Community Activities</b>	\$740.65	\$1,000.00	\$259.35	\$2,194.75	\$5,050.00	\$2,855.25	\$5,050.00
<b>LS &amp; CA Utilities</b>							
70500001-00 Water	6,318.23	2,501.00	(3,817.23)	36,128.22	30,001.00	(6,127.22)	30,001.00
70500002-00 Electric	48.22	833.37	785.15	6,340.37	10,000.00	3,659.63	10,000.00
<b>Total LS &amp; CA Utilities</b>	\$6,366.45	\$3,334.37	(\$3,032.08)	\$42,468.59	\$40,001.00	(\$2,467.59)	\$40,001.00
<b>LS &amp; CA Maintenance</b>							
70520001-00 General Maintenance	4,106.32	3,852.38	(253.94)	46,894.01	46,229.00	(665.01)	46,229.00
70520002-00 Color	-	-	-	-	2,000.00	2,000.00	2,000.00
70520003-00 Trees	-	-	-	3,210.80	5,000.00	1,789.20	5,000.00
70520008-00 Holiday Decorations	3,500.00	3,992.00	492.00	3,500.00	3,992.00	492.00	3,992.00
70520026-00 General Maint - Phase II	-	1,479.74	1,479.74	-	17,756.00	17,756.00	17,756.00
70520031-00 Landscape Improvements	-	-	-	4,946.18	5,000.00	53.82	5,000.00
70520038-00 Pest Insecticide	-	-	-	261.00	325.00	64.00	325.00
70520075-00 Electrical Maintenance	-	772.50	772.50	395.93	3,090.00	2,694.07	3,090.00
70520076-00 Fence Repair	-	-	-	-	1,000.00	1,000.00	1,000.00
70529997-00 Other C/A Maintenance	-	-	-	-	2,616.00	2,616.00	2,616.00
<b>Total LS &amp; CA Maintenance</b>	\$7,606.32	\$10,096.62	\$2,490.30	\$59,207.92	\$87,008.00	\$27,800.08	\$87,008.00
<b>Irrigation</b>							
70600003-00 Irrigation Repairs	1,026.23	944.13	(82.10)	11,770.25	11,330.00	(440.25)	11,330.00
70600009-00 Back Flow Inspections	-	-	-	1,801.00	-	(1,801.00)	-
<b>Total Irrigation</b>	\$1,026.23	\$944.13	(\$82.10)	\$13,571.25	\$11,330.00	(\$2,241.25)	\$11,330.00
<b>Pool/Pavilion</b>							
70640001-00 Contract Maintenance	1,150.00	975.00	(175.00)	13,800.00	13,800.00	-	13,800.00
70640004-00 Telephone	69.25	68.00	(1.25)	831.00	816.00	(15.00)	816.00
70640008-00 Pool Permits	-	-	-	459.00	500.00	41.00	500.00
70640010-00 Janitorial	200.00	125.00	(75.00)	6,950.00	2,400.00	(4,550.00)	2,400.00
70640013-00 Pool Repairs	-	-	-	4,816.35	2,735.00	(2,081.35)	2,735.00
70640014-00 Pavilion Repairs	-	-	-	8,505.31	10,000.00	1,494.69	10,000.00
70640027-00 Pool Opening & Closing	-	-	-	500.00	-	(500.00)	-
70640029-00 Pavilion Equipment	49.99	-	(49.99)	32,380.41	30,000.00	(2,380.41)	30,000.00
70640037-00 Plumbing	-	-	-	200.84	1,030.00	829.16	1,030.00
70640039-00 Signage	-	-	-	82.27	300.00	217.73	300.00
70640040-00 Gate Repairs	-	-	-	94.53	412.00	317.47	412.00
70640041-00 Pool Gate Cards/Keys	-	-	-	-	400.00	400.00	400.00
70640046-00 Internet/Telephone Bundle	75.27	128.75	53.48	903.25	1,545.00	641.75	1,545.00
70640052-00 Gate Software Maintenance	-	50.50	50.50	238.45	617.00	378.55	617.00
<b>Total Pool/Pavilion</b>	\$1,544.51	\$1,347.25	(\$197.26)	\$69,761.41	\$64,555.00	(\$5,206.41)	\$64,555.00
<b>Repair &amp; Replacement</b>							
75000001-00 Repair & Replacement Reserves	1,500.00	1,500.00	-	32,026.25	18,000.00	(14,026.25)	18,000.00
75000002-00 Interest on Reserves	90.31	166.74	76.43	3,801.73	2,000.00	(1,801.73)	2,000.00
<b>Total Repair &amp; Replacement</b>	\$1,590.31	\$1,666.74	\$76.43	\$35,827.98	\$20,000.00	(\$15,827.98)	\$20,000.00
<b>Total OPERATING EXPENSE</b>	<b>\$23,126.05</b>	<b>\$23,105.26</b>	<b>(\$20.79)</b>	<b>\$290,020.84</b>	<b>\$290,120.00</b>	<b>\$99.16</b>	<b>\$290,120.00</b>
<b>Net Income:</b>	<b>(\$1,006.29)</b>	<b>\$946.48</b>	<b>(\$1,952.77)</b>	<b>\$66,291.24</b>	<b>\$0.00</b>	<b>\$66,291.24</b>	<b>\$0.00</b>