

Minutes - Park Glen Neighborhood Association Board Meeting March 31, 2015, Longhorn Activity Center, Fort Worth, TX

1) Roll Call: Kevin Hammack, Russell Zwerg, Sterling Rice, Barry Bryan, and Teresa Biery were present. Susan Kenney (appointed to the Board tonight) also present.

Final – as Approved by the
PGNA Board 4/14/2015

2) Proof of Notice of meeting or waiver (ref. 7.10); ten days – confirmed that notice was placed on website as required.

3) Notice of Recordings of meetings

4) Reading of Minutes of preceding meeting - 3/17/15 Minutes not ready to present tonight

5) Reports of Officers (ref. 8.1)

a. President

i. Board Resignations/Appointments (Bylaws 7.7)

Russell made a motion that:

- **Susan Kenney be appointed to fill the position and term of Secretary Scott Newell, who resigned on 3/24;**
- **Jack Webb be appointed to fill the position and term of Director Janet Jones, who resigned on 3/24;**
- **Jack Webb also be designated "Assistant Secretary;" and**
- **the position of "Assistant Treasurer" formerly held by Janet Jones is vacant.**

Teresa seconded the Motion. The Motion passed unanimously. Susan Kenney joined the Board of Directors for the rest of the meeting. Jack Webb was out of town and not able to attend meeting.

ii. Sidewalk Update: City doesn't want to pay fee for Boy Scouts Longhorn Activity Center. We're waiting to see if they will pay for Longhorn Activity Center for meeting. Also, Traffic Study was requested of City for our neighborhood streets to lower speeds.

iii. Town Hall for City Council is April 9th, at Longhorn Activity Center for Councilman Scarth and Cary Moon for the upcoming city council election.

iv. Need 20 families or individuals to sign up if the Boy Scouts Longhorn Activity Center pool is going to open up for our residents this summer.

Resident Lyn Linder suggested the swim lessons may help to encourage residents to sign up. Kevin Hammack also suggested having movie night, etc., to spread the word of pool and encourage more residents to sign up for pool. This opportunity to join the pool in the summer is just for Park Glen residents.

v. Scholarship Committee: Members for the Scholarship Selection Committee are proposed. **Russell made motion to approve Linda Finley, Dan Thunder, and Phyllis Mc Dougal to serve on the 2015 Scholarship Committee, in accordance with the program guidelines. Sterling seconded the motion. Motion passed unanimously.** Teresa and Russell's wife will spread the word of the scholarship program to our neighborhood's high school counselors.

vi. Kevin attended the March Public Improvement District Meeting - PID6 paid for installation and mapping of Disc Golf Course, but there's no funding for maintenance. PID6 will start on fence painting any day now, Resident and PID6 member Cecilia Shilling said. Kevin said the Arcadia Park fence is a priority of the PID6 to replace and/or paint where needed. Cecelia said Redwood is on priority list.

b. Vice President

i. Storage Unit Update: Russell recommends moving out of current storage unit, because is too big, he recommends we move to 10'x10'. Russell did research and explained options of prices. Sterling recommended going with lowest price unit without climate control. There was more discussion. **Barry made motion to go with**

least expensive unit we can find including a climate controlled feature. Russell seconded it, the motion passed unanimously.

ii. Proposed time line for 2015 Board Election: Russell went over time schedule.

Russell made a motion that we adopt the presented election timetable for 2015 and to use the services of Election America to conduct the 2015 election, at a cost in the neighborhood of \$5,500.

Proposed 2015 Election Timeline

May Newsletter (April 10 Deadline) - First notice of election and candidate application period

June Newsletter (May 5 Deadline) - Candidate application process & form/method

June 1 - Application period opens

July Newsletter (June 5 deadline) - Repeat notification of application process & form/method

July 15 - Close application period

July 20 - Post candidates & candidate statements on website

July 25-28 - Election America sends ballots

August 1 - Advance Voting period opens

August 31 - Advance voting period ends

September 1 - Annual Meeting; in-person voting; results made known

Sterling seconded the motion. Motion passed unanimously. Barry asked if there was a discount last year.

Russell said yes, for the first year, Election America gave us a discount.

iii. Maintenance Status of 7 permanent message boards. Russell said he checked them all out and three need new Plexiglas and half need new locks. Russell said that he has ordered new locks and will take care of the Plexiglas.

6) Property Managers report- Dawn said that newsletter will be delivered this week. They haven't received any bankruptcy notices lately.

7) Reports of Committees

a. ACC – Gerry Sauls went over all the items on the ACC Report.

15-06 (Retaining wall and fence) has been approved 2/25/15

15-07 (patio cover extension) was approved 2/18/15

15-08 (fix rotted wood trim and paint) was withdrawn 3/4/15

15-09 (front yard landscape) was denied 3/4/15

15-10 (Storage shed) was denied 2/25/15, but an exception was made by the Board on 3/17/15

15-11 (front door replacement & paint) was approved 2/25/15

15-12 (in-ground pool) was approved 3/9/15

15-13 (repaint house & garage door) was approved 3/10/15

15-14 (replace fence) was approved 3/18/15 with conditions to meet PG and Fort Worth fence requirements

15-15 (storage shed) was denied 3/18/15 due to material of shed

15-16 (patio cover) was denied 3/25/15 due to aluminum material being used

15-17 (patio cover) was denied 3/25/15 because roof pitch was not indicated on application

15-18 (tree well) was approved 3/25/15

15-19 (storage shed) was installed prior to ACC review; denied because placement violates FW requirements.

15-20 (patio cover) was approved with the condition that a Fort Worth building permit be obtained

15-21 (replace fence) was installed prior to ACC review; denied because does not meet requirements for 8' to 6' taper with neighbor's front fence.

Discussion: Kevin said that the CCR's do not allow for aluminum sheds. A resident asked if new rules could be added to the CCR's. Russell and Kevin explained that a vote to change to the CCR's requires 67% participation from property owners.

b. Communications:

i. Dana Hammack proposed that Community News Connection, located in Allen, TX, do our newsletter starting with the June issue. Dana presented details, i.e. we will have 60 day termination period, it will be 12-16 glossy, mostly color pages.

ii. Dana said that the Alliance United Methodist Church (AUMC) was requesting if they could post events in our newsletter for community events and events that can earn them money. The Board said that would be fine for April and May, in June we will need to relook with new newsletter company.

iii. Dana said Central HS NHS has been helping PGNA with their events and requested that we provide them max. \$150 pizza party. **Susan made a motion to spend up to \$150 for pizza party for CHS NHS, Teresa seconded motion. Motion passed unanimously.**

c. Social:

i. Teresa Biery said Eggstravaganza was fantastic. We had about 775 young people. It was a great turnout. There were a lot of youngsters. Teresa said the park location was awesome, but we need to do something about parking, i.e. allow parking on only one side (blocking off the “house side” of the street to parking), so residents who live in area can get through. The face painters were great. Teresa recommended moving the DJ to a different spot, so it will workout better.

ii. Dana Hammack recommended to get a smaller sign or embroidered table cloth with “Park Glen Neighborhood Association” be on it, so people knew who they were at table.

iii. Russell said had at least 1600 people including adults and children. We had 18,000 eggs. Russell presented and recommended details of the Eggstravaganza be attached to the minutes, so that in the future, the person who heads up the event, knows the details of how it works and how to make improvements.

iv. Teresa is working on 4th of July event and parade. Russell said it has been recommended to have a car show during event. Russell said his wife Sandra will look into that.

v. Russell said May 2nd is “Shred Day” and “Talk to the Board ” event. It will be at end of Ash River at the Park in parking lot.

d. Hospitality – Dana Hammack said she is working on hospitality bags that go to new residents. Dana said that approx. 270 homes sold last year. Dawn said that the change in warranty deed is what notifies the PGNA when a new property owners moves in.

e. Development – Susan Kenney said that she was going to meet with Kroger the following Wednesday to try to improve the plans the best they can.

8) Unfinished Business

a. Proposed Newsletter - **Russell moved that we contract with Community News Connection to provide and deliver a monthly 12-16 page newsletter to Park Glen residents at no cost to the Association, starting with the June issue to be delivered in late May. Teresa seconded the motion. Motion passed unanimously.**

b. Russell made a motion that we design and send a 4x6 postcard to Park Glen homeowners to notify them of the upcoming June 1 change in property managers, give an opportunity to ask questions or express concerns, provide a website to give updates on this process, and give notice of the newly appointed Board members. We will utilize Mailbox Direct Postcards at a cost not to exceed \$1,300. Depending on space available on the card, it may also promote upcoming events.

Sterling asked what post card will say. Russell said that he would work with Kevin and Dana to create the message, but it will probably say that we have contacted seven management companies and plan to select one on April 14.

Russell said that it is important to let homeowners know of the issue before the selection

Sterling suggested to revise motion to send a bigger postcard. Russell said that it would cost about \$200 more and go by presort class instead of first class. He amended his motion to larger post card.

Russell made a motion that we design and send a 5.5x8.5 postcard to Park Glen homeowners to notify them of the upcoming June 1 change in property managers, give an opportunity to ask questions or express concerns,

provide a website to give updates on this process, and give notice of the newly appointed Board members. We will utilize Mailbox Direct Postcards at a cost not to exceed \$1,500. Depending on space available on the card, it may also promote upcoming events. Sterling seconded the motion. The motion passed unanimously.

9) Budget and Financials

Russell went over the Budget and Financials. He asked if anyone has any questions, to please ask them. He went over changes to the Income Statement for Oct. 2013-Sept. 2014. Changes made net Income change to a loss of (\$197,829.59). Sian Virana asked if there was any wrongdoing found from the audit. Russell said that he sees no wrongdoing in the audit report, which is of the Association's 9/30/14 balance sheet. Sian expressed concern about the large expense for "Bad Debt Expense." Russell said that this expense really relates to many years going back, and he will add a note to that effect on the financials to be posted on the website.

Russell made motion to accept the audited balance sheet and accompanying report from Thomas Stephen & Co., and publish both on the website. PMS is directed to produce financial statements for September 2014 with ending balances that match the financials presented, with adjustments provided by the Treasurer, and to send revised financials for October and November 2014 to the Board by April 10. Sterling seconded the motion. PMS's contract accountant, Pamela Whipple, stated that, if the deadline could be changed to April 20 (after the tax deadline), she would provide all financials through March's to the Board.

Russell amended his motion and made a motion to accept the audited balance sheet and accompanying report from Thomas Stephen & Co., and publish both on the website. PMS is directed to produce financial statements for September 2014 with ending balances that match the financials presented tonight, with adjustments provided by the Treasurer, and to send revised financials for October and November 2014 to the Board by April 20. Sterling seconded the motion. Motion passed unanimously.

10) New Business - **Russell made a motion that PMS provide the Board within one week with the latest Accounts Receivable aging report and a list of accounts and balances recommended to be cleared/adjusted because they are insignificant in amount or reasonably uncollectible. Seconded by Sterling. Motion passed unanimously.**

11) Actions since last meeting - Following the 3/17/15 Board meeting, the Board heard an appeal on case 15-10 and granted an exception to the homeowner to build an 8' x 12' x 7.5' shed.

12) Adjourn - **Russell moved to adjourn at 8:56 pm. Barry seconded. Passed unanimously.**

Eggstravaganza 2015 – Recap and Suggestions

Vendors:

18 vendors participated in the event. A few were unable to attend at the last minute, and we refunded their payment. We recruited vendors through our website, newsletter, word or mouth, and outreach. Several vendors were selling food or snacks, including yogurt, cupcakes, and the Alliance UMC Methodist Men sold hamburgers, hot dogs, soda, etc. Some paid \$35 for a booth, some paid \$5 more for us to provide a table (we used tables from our storage unit and from volunteers, and rented a few). A couple were willing to donate a good amount of candy in lieu of the vendor fee. We put vendors on both sides of the sidewalk in front of the open park area.

Scramble & Participation Estimates:

200 0-3 year-olds (gave out ~3,000 eggs)

300 4-6 (gave out ~5,000 eggs)

175 7-9 (gave out ~2,600 eggs)

100 10-12 (gave out ~1,600 eggs),

25 in last "all ages" scramble (gave out ~1,000 eggs).

Had about 18,000 eggs ready to start. Put about 5,000 filled eggs back into storage.

Estimating more than 800 adults, for an estimated total participation of more than 1,600.

Face Painting and Bunny Actor:

Face painting was a big hit. There was a non-stop line for the one face paint artist and the one balloon artist.

The bunny actor was professional and busy most of the time, especially at the beginning (youngest kids tended to come early and leave before the end)

Suggestions:

1. A homeowner suggested that we allow parking only on one side of the street, blocking off the "house side" of the street all the way around. With cars on both sides, it was very difficult to have two-way traffic and would have been hard for an emergency vehicle to pass. We could put up our own signs and/or ask the police for help with this. At the beginning of the event, the parking at Arcadia Island Park was full. We could encourage parking at that park, along Island Park in front of that park, along the park side of Seneca Drive and Rincon Way, and all along Island Circle and Greylock Drive.

2. Need at least 3 face painters and possibly 2 balloon artists, even if volunteers. I think that we would have kept them busy.

3. Plan a better spot for the bunny and for the queue line for the bunny. Needs to be good for parent photographs, but not where kids have to look into the sun.

4. Possibly put up signs around the event with the schedule.

5. Have the PGNA table in a better location (in the line with the vendors), marked, and staffed the whole time.

6. Now that we have some idea of how many kids to expect for each scramble, have the eggs set up in advance for each scramble (plus extra for an overflow group).

7. Omit the final "all ages" scramble after all ages were already covered in a by having and promoting each scramble for a certain age group AND YOUNGER.

8. Have these five scrambles: ages 2 and under at 10:30, 4 and under (who did not already participate) at 11, age 6 and under at 11:30, ages 8 and under at 12, ages 12 and under at 12:30.

9. It was good to use a bench (a brightly-colored bench that a volunteer let us use) rather than the white wicker chair for the bunny. Same story for Santa at "Holiday in the Park," so we should get rid of the white chair.

10. DJ was too close to the vendors, making it hard to communicate. Also, the DJ needs to be prepared in advance to play family-friendly songs (was a bit of a problem). We had a little problem coordinating the announcements, so possibly write up in advance with times to make the announcements.

11. It may not have been worth it to provide tables for the vendors, even at a higher fee, since our tables are heavy.

12. It was good to have three bounce houses that were different from each other and geared to different ages.

13. We had a large golden egg for each scramble with a note inside to go the PGNA table to get a special prize (a basket with special candy and a stuffed animal). Kids spotted the eggs from a distance in advance and ran as a crowd directly to it, fighting over it in one case. Better to use a regular egg (one for each scramble) but a golden note inside.

Things to think about months in advance:

13,000-15,000 eggs (we allowed kids to take home most of the eggs in 2015, intending to get new ones for 2016).

Shop for trinkets at Rebecca's.

Buy candy and get donations. Make sure that candy is individually-wrapped and will fit in eggs.

Line up one or more high school groups to stuff eggs. To avoid stress, need to start this a month or more in advance.

Get a Fort Worth permit for the park.

Any food service vendors need to get and provide a health permit.

Order a portable toilet (one is sufficient).

Order 3 different kinds of bounce houses.

Arrange to borrow or rent generators for the bounce houses and the DJ.

Line up face painters, balloon artist(s), a bunny actor, and a DJ.

Make a plan and/or line up an alternative venue for rain.

Put signs up around the neighborhood the Sunday before.

PGNA Balance Sheet Sep 30, 2014	October 2014 Beginning Balance per GL from Dawn 12/30/14	Corrected Oct 2013 thru Sept 2014 post-Audit as approved by the Board 3/31/15	Change since 12/30/14
<u>ASSETS</u>			
1010 Legend Bank-Checking Account	\$ 59,574.92	\$ 59,642.90	\$ 67.98
1015 BB&T Bank-Checking Account	\$ 127,848.64	\$ 127,848.64	\$ -
1020 Former Bank Accounts	\$ -	\$ -	\$ -
1210 Legend Bank-CD #613	\$ 117,528.26	\$ 117,528.26	\$ -
1211 Legend Bank-CD #625	\$ 56,497.13	\$ 56,497.13	\$ -
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TOTAL IN BANK	\$ 361,448.95	\$ 361,516.93	\$ 67.98
1310 Accounts Receivable-Member Accts	\$ 145,914.90	\$ 247,484.59	\$ 101,569.69
1315 Bad Debt Allowance	\$ -	\$ (226,487.00)	\$ (226,487.00)
1510 Accounts Receivable-Other	\$ -	\$ -	\$ -
1610 Prepaid Insurance	\$ 6,853.49	\$ 6,853.49	\$ -
1620 Prepaid Expenses	\$ 915.00	\$ 915.00	\$ -
Net Fixed Assets	\$ -	\$ -	\$ -
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TOTAL OTHER CURRENT ASSETS	\$ 153,683.39	\$ 28,766.08	\$ (124,917.31)
TOTAL ASSETS	\$ 515,132.34	\$ 390,283.01	\$ (124,849.33)
<u>LIABILITIES</u>			
Accrued Expenses	\$ -	\$ -	\$ -
3010 Accounts Payable	\$ 6,182.03	\$ 8,562.03	\$ 2,380.00
3050 Deferred Income	\$ -	\$ -	\$ -
3020 / 3060 Due to Management Company	\$ -	\$ 6,120.00	\$ 6,120.00
3310 Prepaid Owner Assessments	\$ 21,724.56	\$ 123,294.25	\$ 101,569.69
3400 Accum Pymt Plan Inc Reserve	\$ 890.00	\$ -	\$ (890.00)
3410 Accum Late Fee Inc Reserve	\$ 29,100.43	\$ -	\$ (29,100.43)
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TOTAL LIABILITIES	\$ 57,897.02	\$ 137,976.28	\$ 80,079.26
<u>EQUITY</u>			
5510 Retained Earnings thru Prior Year	\$ 450,136.32	\$ 450,136.32	\$ -
Current Year Net Income / (Loss)	\$ 7,099.00	\$ (197,829.59)	\$ (204,928.59)
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TOTAL EQUITY	\$ 457,235.32	\$ 252,306.73	\$ (204,928.59)
TOTAL LIABILITIES & EQUITY	\$ 515,132.34	\$ 390,283.01	\$ (124,849.33)

Income Statement Oct 2013 - Sep 2014	Interpolated Oct 2013 thru Sept 2014 (preliminary and pre-audit) from 10/1/14 Bal Sh Balances provided by Dawn 12/30/14	Corrected Oct 2013 thru Sept 2014 post- Audit as approved by the Board 3/31/15	Change since 12/30/14
6310 Assessment Income	\$ 218,988.00	\$ 218,988.00	\$ -
6340 Late Fee Income	\$ 60,561.75	\$ 60,561.75	\$ -
6350 Legal Fees Reimbursement	\$ 19,137.61	\$ 19,137.61	\$ -
6360 Letter Fees Reimbursement	\$ 4,012.60	\$ 4,012.60	\$ -
6365 Payment Plan Fees	\$ 890.00	\$ 890.00	\$ -
6370 Collection Fees Reimbursement			\$ -
6380 Credit Card Fees Reimbursement	\$ 2,163.20	\$ 2,165.18	\$ 1.98
6390 Interest on Receivables	\$ 6,939.55	\$ 6,939.55	\$ -
6400 Resale Package			\$ -
6410 Cable TV Income			\$ -
Returned Item Fee Reimb			\$ -
6460 Forced Maintenance Reimb	\$ (81.19)	\$ (81.19)	\$ -
6465 Payment Plans			\$ -
6900 Fines and Violations	\$ 7,423.68	\$ 7,423.68	\$ -
6910 Interest Income	\$ 919.61	\$ 919.61	\$ -
6920 Misc. Income	\$ 150.00	\$ 150.00	\$ -
6925 Social Event Income	\$ 10,633.00	\$ 10,633.00	\$ -
Total Income	\$ 331,737.81	\$ 331,739.79	\$ 1.98
7010 Management Fees	\$ 93,972.67	\$ 93,972.67	\$ -
7020 Accounting Fees	\$ 2,200.00	\$ 2,200.00	\$ -
7160 Legal Fees-NonCollection	\$ 58,365.93	\$ 43,365.93	\$ (15,000.00)
7170 Collection Fees-Legal & Agency	\$ -	\$ 23,500.00	\$ 23,500.00
7180 Collection Fees-Management Co.	\$ 79,174.38	\$ 79,174.38	\$ -
7200 Consulting/Professional Fees			\$ -
7250 Bank & Credit Card Fees	\$ 5,796.59	\$ 5,730.59	\$ (66.00)
7260 Postage and Courier	\$ 4,648.95	\$ 4,648.95	\$ -
7280 Insurance	\$ 360.51	\$ 360.51	\$ -
7300 Dues & Subscriptions			\$ -
7320 Office Supplies	\$ 88.19	\$ 88.19	\$ -
7330 Meetings	\$ 55.00	\$ 55.00	\$ -
7340 Website			\$ -
7400 Printing & Reproduction	\$ 2,649.68	\$ 2,649.68	\$ -
7420 Property Taxes			\$ -
7430 Taxes-Federal/Franchise			\$ -
7450 Other Taxes & Fees			\$ -
7890 Misc G & A	\$ 6,578.54	\$ 6,578.54	\$ -
7970 Payment Plan Income Reserve	\$ 890.00	\$ -	\$ (890.00)
7980 Late Fee Income Reserve	\$ 29,100.43	\$ -	\$ (29,100.43)
7990 Bad Debt Expense	\$ 1,983.87	\$ 228,470.87	\$ 226,487.00
Total Administrative Exp	\$ 285,864.74	\$ 490,795.31	\$ 204,930.57
8010 Social Activities	\$ 23,647.76	\$ 23,647.76	\$ -
8020 Scholarships/Charitable	\$ 10,000.00	\$ 10,000.00	\$ -
8030 Hospitality			\$ -
9020 Grounds Maintenance			\$ -
9110 General Maint. & Repair	\$ 4,186.31	\$ 4,186.31	\$ -
9580 Misc. Maintenance			\$ -
9610 Forced Maintenance	\$ 25.00	\$ 25.00	\$ -
9650 Security Services			\$ -
9660 Storage	\$ 915.00	\$ 915.00	\$ -
9700 Trash Removal			\$ -
Total Other Expenses	\$ 38,774.07	\$ 38,774.07	\$ -
Total Expense	\$ 324,638.81	\$ 529,569.38	\$ 204,930.57
Net Income / (Loss)	\$ 7,099.00	\$ (197,829.59)	\$ (204,928.59)

Park Glen Neighborhood Association, Inc.

Financial Statements

September 30, 2014

Park Glen Neighborhood Association, Inc.

Financial Statements

September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
of Park Glen Neighborhood Association, Inc.

We have audited the accompanying balance sheet of Park Glen Neighborhood Association, Inc. as of September 30, 2014, and the related notes.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the balance sheet referred to in the first paragraph presents fairly, in all material respects, the financial position of Park Glen Neighborhood Association, Inc. as of September 30, 2014, in accordance with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Statements of Income, Retained, Earnings, and Cash Flows

Because we were not engaged to audit the statements of income, retained earnings, and cash flows, we did not extend our auditing procedures to enable us to express an opinion on results of operations and cash flows for the year ended September 30, 2014. Accordingly, we express no opinion on the results of operations and cash flows for the year ended September 30, 2014.

Thomas Stephen & Company, LLP

Thomas Stephen & Company, LLP
March 26, 2015

Park Glen Neighborhood Association, Inc.
Balance Sheet
September 30, 2014

	2014		
	Operating Fund	Replacement Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 187,492	\$ -	\$ 187,492
Accounts receivable, net of allowance of \$226,488	20,997	-	20,997
Investments	174,025	-	174,025
Prepaid expenses	7,769	-	7,769
Total current assets	390,283	-	390,283
Total assets	\$ 390,283	\$ -	\$ 390,283
Liabilities and fund balances			
Current liabilities			
Accounts payable	\$ 8,562	\$ -	\$ 8,562
Due to Property Management Services	6,120	-	6,120
Prepaid assessments	123,294	-	123,294
Total liabilities	137,976	-	137,976
Fund balances	252,307	-	252,307
Total liabilities and fund balances	\$ 390,283	\$ -	\$ 390,283

See accompanying notes.

Park Glen Neighborhood Association, Inc.
Notes to Financial Statements
September 30, 2014

1. Nature of the Organization

Park Glen Neighborhood Association, Inc. (the “Association”), incorporated on July 25, 1997, is a 3,318 home community located in Fort Worth, Texas. The Association arose as a result of the merger and consolidation of Park Glen – Phase I Association, Inc. and Park Glen – Phase II Association, Inc. The Association is primarily responsible for the enforcement of deed restrictions, the maintenance of mailboxes, and the conducting of activities for homeowners and residents. The City of Fort Worth, along with affected parties created a Public Improvement District (PID) for the property within PGNA. The PID allows the city to levy and collect special assessments on property within PGNA for installation of improvements and maintenance of common property within the development. To the extent that the PID assessments are inadequate, the Association may make additional assessments to maintain the common property within the development.

2. Summary of Significant Accounting Policies

The following items comprise the significant accounting policies of the Association. The policies reflect industry practices and conform to generally accepted accounting principles. The financial statements and notes are the representations of the Association’s management, who is responsible for their integrity and objectivity.

Fund Accounting

The Association’s governing documents provide certain guidelines for governing its financial activities. To ensure the appropriate use of financial resources, the Association maintains its financial reports using fund accounting.

Operating Fund – This fund is used to account for the general operations of the Association.

Replacement Fund – This fund is used to account for funds designated for future major repairs and replacements.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in checking and money market accounts, time deposits, certificates of deposit and all highly liquid instruments with maturities when purchased of three months or less.

Property, Equipment and Depreciation

The Association’s policy for recognizing common property as assets in its balance sheet is to recognize common personal property and real property to which it has title and that it can dispose of for cash while retaining the proceeds or that is used to generate significant cash flows from Members on the basis of usage or from non-members. The Association has no common property capitalized.

Member Assessments

Association members are subject to annual assessments to provide funds for the Association’s operating expenses, future capital acquisitions and major repairs and replacements. Accounts receivable at the balance sheet date represents fees due from Association members. Members who have overpaid their assessments and have credit balances in accounts receivable at the balance sheet date have had their balance recorded as a prepaid assessment in the liability section of the balance sheet.

Park Glen Neighborhood Association, Inc.
Notes to Financial Statements
September 30, 2014

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The financial statements may include estimates for monthly operating expenditures when invoices are unavailable and estimates in the remaining useful lives of various depreciable assets. Actual results could differ from those estimates.

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). Revenues are recognized when earned and expenses are recognized when incurred.

3. Governing Documents and Owners Assessments

The Park Glen Neighborhood Association consists of thirteen (13) development phases. The “Declaration of Covenants, Conditions, and Restrictions” establishes the formal regulations for all of the property within the residential community (i.e. Association). Each lot within the development is subject to the Park Glen – Phase I Association Declaration or the Park Glen – Phase II Declaration filed in the Real Property Records of Tarrant County. The member assessments are \$66.00 per lot, payable annually.

4. Investments

FASB Accounting Standards Codification Topic 820 (ASC 820), Fair Value Measurements and Disclosures (previously FASB Statement No. 157, *Fair Value Measurements*), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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4. Investments (continued)

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value.

Certificates of Deposit: Valued using quoted prices for investments with similar yields.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The investments held by the Association as of September 30, 2014 consist of certificates of deposit that are considered level 2 investments. Realized and unrealized gains and losses that are related to market fluctuations are recognized in the period in which the change in market value occurs.

5. Federal Income Taxes

Homeowner associations may be taxed either as homeowners associations or as regular corporations. Associations electing to be taxed as a regular corporations file Form 1120 and those electing to be taxed as a homeowner association file Form 1120H. The election is made separately for each year and must be made by the due date of the return. The Association may file the form that results in the lowest tax.

The Association does not believe it has any uncertain tax positions as of September 30, 2014. Generally, the three prior years remain open for Internal Revenue Service examination.

6. Management Contract and Fees

The management agreement is for three years and automatically renews under the same terms and conditions unless either party delivers ninety (90) days written notice prior to expiration of the agreement. Management fees are paid on the first of the month for the upcoming month and no amounts are guaranteed. Thus, no accruals for prepaid or payable management fees have been recorded.

7. Future Major Repairs and Replacements

The Association's governing documents require funds to be accumulated for future major repairs and replacements. The funds are segregated and held primarily in interest-bearing accounts.

The Association's funding for major repairs and replacements is based upon the remaining useful lives, however actual expenditures may differ materially from the estimated amounts. The Association has the right to increase regular assessments or levy special assessments or delay major repairs and replacements until funds are available.

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8. Commitments and Contingencies

The Association has been notified by PMS of a possible assessment resulting from under billed collection cost fees in the amount of \$19,940 for the period January 1, 2011 to October 31, 2014. The Association does not believe it is liable to PMS for the amount assessed. We are unable to determine the likelihood of a loss due to the early stage of PMS's assessment.

9. Subsequent Events

The Association has evaluated the subsequent events through March 26, 2015, the date which the financial statements were available to be issued. On February 24, 2015, the Association approved the termination of the management agreement with Property Management Solutions, LLC (PMS). The management agreement and the use of PMS' services will terminate on or around May 31, 2015. The Association has no other material subsequent events.