

Padre Isles Property Owners Association

Financial Statements and Report

February 29, 2020

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Gowland, Streal, Morales & Co PLLC
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Accountant's Compilation Report

Marvin Jones
Padre Isles Property Owners Association
Corpus Christi, TX, United States of America

Management is responsible for the accompanying financial statements of Padre Isles Property Owners Association (the Company), which comprise the balance sheet as of February 29, 2020, and the related statements of income and retained earnings for the two months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Jerry Spence:

Gowland, Streal, Morales & Co PLLC

Gowland, Streal, Morales & Co PLLC
Corpus Christi, TX

March 9, 2020

Padre Isles Property Owners Association

Balance Sheet

As of February 29, 2020

		2020
		\$
Assets		
Current Assets		
Cash and Cash Equivalents		
Cash		
American Bank Builders Deposit	\$	89,416
Petty Cash		100
American Bank Operating 3820		253,808
Bill.com Payments Processing		(3,345)
Total Cash		339,979
Cash Equivalents		
Cash & Equivalents HPO LTD		771,379
Restricted Cash Current		6,969,669
Total		7,741,048
Short-term Investments		
Marketable Securities, current		
American Funds Bond Fd		973,417
Dodge & Cox Income Fund		752,465
Vanguard Fixed Income ST		321,386
American Century SM Cap Fund		92,414
Dodge & Cox Stk Fd		279,265
Fidelity Advisor Ser Sm Cap Fun		144,499
Growth Fund America CI		278,308
Total Marketable Securities, current		2,841,753
Receivables, net		
Accounts Receivable, gross		1,635,050
Allowance for Doubtful Accounts Receivable		(199,166)
Total		1,435,884
Prepaid Expense		24,860
Total Current Assets		12,383,523
Assets, Noncurrent		
Property, Plant and Equipment, net		
Property, Plant and Equipment		148,710
Accumulated Depreciation, Depletion and Amortization		(141,818)
Total Property, Plant and Equipment, net		6,893
Total Assets		\$ 12,390,416

[See Accountant's compilation report]
Padre Isles Property Owners Association
 Balance Sheet
 As of February 29, 2020

Liabilities and Equity

Liabilities

Liabilities, current

Accounts Payable 16,684

Deferred Revenue and Credits, current

Prepaid Owner Assessments 10,925

Other Liabilities, current

Contractor Refundable Deposits 53,085

Total Liabilities, current 80,694

Equity

Retained Earnings (Deficit)

Unrestricted Net Assets 2,049,543

Unrealized Investment Gain (Loss) (9,792)

Net Income (Loss) 1,755,804

Total Retained Earnings (Deficit) 3,795,555

Preferred Stock

Fund Balance - Oprtns & Slf Ins 8,514,167

Total Equity 12,309,722

Total Liabilities and Equity \$ 12,390,416

Unrealized Investment Gain (Loss) change from last month (\$27,614)

Padre Isles Property Owners Association
Statement of Income
As of February 29, 2020

	TOTAL			
	Feb 20	Budget	\$ Over/Under Budget	% of Budget
Income				
Finance Charges		23,000.00	-23,000.00	0.0%
Credit Card Convenience Fees		0.00	0.00	0.0%
Compliance Fees	50.00	0.00	50.00	100.0%
Assessments	1,932,415.75	1,914,576.00	17,839.75	100.93%
Lot Mowing Assessment Collected		0.00	0.00	0.0%
Garden Maint Collected	75.00	0.00	75.00	100.0%
Investment Income	35,509.79	0.00	35,509.79	100.0%
ACC, Decal & Transfer Fees	13,524.20	104,286.60	-90,762.40	12.97%
Miscellaneous Income		0.00	0.00	0.0%
Mooring Fee		0.00	0.00	0.0%
Total Income	<u>1,981,574.74</u>	<u>2,041,862.60</u>	<u>-60,287.86</u>	<u>97.05%</u>
Gross Profit	1,981,574.74	2,041,862.60	-60,287.86	97.05%
Expense				
ACC Compliance		0.00	0.00	0.0%
Accounting/Auditing	4,088.75	45,859.00	-41,770.25	8.92%
Balloting Expense	9,085.50	8,500.00	585.50	106.89%
Board/Annual Meeting	500.00	5,304.00	-4,804.00	9.43%
Investment Fees		10,000.00	-10,000.00	0.0%
POA Building Maintenance	440.00	12,000.00	-11,560.00	3.67%
Bulkhead Repair	48,885.00	600,000.00	-551,115.00	8.15%
Canal Cleanup		5,000.00	-5,000.00	0.0%
Canal Dredging		250,000.00	-250,000.00	0.0%
Common Area Maintenance	53,045.81	264,521.00	-211,475.19	20.05%
Billish Park Special Project		0.00	0.00	0.0%
Billish Park Maintenance	13,722.12	60,000.00	-46,277.88	22.87%
Billish Park Irrigation	540.00	0.00	540.00	100.0%
Billish Park Playground	895.00	0.00	895.00	100.0%
Computer Expense/IT	21,907.12	27,565.00	-5,657.88	79.47%
Contract Labor	10,227.72	14,000.00	-3,772.28	73.06%
Miscellaneous Expense		0.00	0.00	0.0%
Collection Expense	2,500.00	0.00	2,500.00	100.0%
Insurance Expense	862.97	54,145.00	-53,282.03	1.59%
Legal Fees	17,889.25	37,000.00	-19,110.75	48.35%
Collection Fees		6,000.00	-6,000.00	0.0%
Subscription Expense	278.99	0.00	278.99	100.0%
Bank & Credit Card Fees	3,630.17	13,200.00	-9,569.83	27.5%
Special Projects		2,000.00	-2,000.00	0.0%
Office Supplies	1,986.19	7,000.00	-5,013.81	28.37%
Payroll Expenses	43,722.27	355,515.00	-311,792.73	12.3%
Postage and Delivery	1,055.37	10,000.00	-8,944.63	10.55%
Newsletter Expense		5,000.00	-5,000.00	0.0%
Property Taxes		8,000.00	-8,000.00	0.0%
Office Machine Contracts	860.89	10,000.00	-9,139.11	8.61%
Telephone Expense	307.42	5,000.00	-4,692.58	6.15%
Web Site Expense		6,000.00	-6,000.00	0.0%
Mileage Expense		5,600.00	-5,600.00	0.0%
Utilities	1,317.17	6,000.00	-4,682.83	21.95%
Security Alarm	124.68	1,000.00	-875.32	12.47%
Water Inspections		35,000.00	-35,000.00	0.0%
Aerator Reimbursements		9,120.00	-9,120.00	0.0%
Total Expense	<u>237,872.39</u>	<u>1,878,329.00</u>	<u>-1,640,456.61</u>	<u>12.66%</u>
Net Income	<u>1,743,702.35</u>			