

# **Padre Isles Property Owners Association**

Financial Statements and Report

October 31, 2019

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Gowland, Strealy, Morales & Co PLLC  
5934 Staples St. Ste 201  
Corpus Christi, TX 78413  
(361) 993-1000

**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 October 31, 2019, and the related statements of income and retained earnings for the ten 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, Strealy, Morales & Co PLLC*

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

December 13, 2019

**Padre Isles Property Owners Association**

Balance Sheet

As of October 31, 2019

	2019
	\$
<b>Assets</b>	
<b>Current Assets</b>	
<b>Cash and Cash Equivalents</b>	
<b>Cash</b>	
American Bank Builders Deposit	\$ 72,568
Petty Cash	100
American Bank Operating 3820	124,381
<b>Total Cash</b>	197,049
<b>Cash Equivalents</b>	
Cash & Equivalents HPO LTD	115,281
Restricted Cash Current	7,407,923
<b>Total</b>	7,523,204
<b>Short-term Investments</b>	
<b>Marketable Securities, current</b>	
American Funds Bond Fd	956,882
Dodge & Cox Income Fund	740,429
Vanguard Fixed Income ST	318,131
American Century SM Cap Fund	103,181
Dodge & Cox Stk Fd	312,305
Fidelity Advisor Ser Sm Cap Fun	157,520
Growth Fund America Cl	289,376
<b>Total Marketable Securities, current</b>	2,877,825
<b>Receivables, net</b>	
Accounts Receivable, gross	393,336
Allowance for Doubtful Accounts Receivable	(199,166)
<b>Total</b>	194,170
Prepaid Expense	24,860
<b>Total Current Assets</b>	10,817,108
<b>Assets, Noncurrent</b>	
<b>Property, Plant and Equipment, net</b>	
Property, Plant and Equipment	148,710
Accumulated Depreciation, Depletion and Amortization	(141,818)
<b>Total Property, Plant and Equipment, net</b>	6,893
<b>Total Assets</b>	\$ 10,824,000



**Padre Isles Property Owners Association**

Balance Sheet

As of October 31, 2019

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**Liabilities and Equity**

**Liabilities**

**Liabilities, current**

Accounts Payable 601

**Deferred Revenue and Credits, current**

Prepaid Owner Assessments 766

**Other Liabilities, current**

Contractor Refundable Deposits 42,385

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**Total Liabilities, current** 43,753

**Equity**

**Retained Earnings (Deficit)**

Unrestricted Net Assets 1,164,769

Unrealized Investment Gain (Loss) 270,045

Net Income (Loss) 831,267

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**Total Retained Earnings (Deficit)** 2,266,081

**Preferred Stock**

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

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**Total Equity** 10,780,248

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**Total Liabilities and Equity** \$ 10,824,000

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**Padre Isles Property Owners Association**  
**Statement of Income**  
For the 10 months ended October 31, 2019

	TOTAL			
	Jan - Oct 19	Budget	\$ Over/Under Budget	% of Budget
<b>Income</b>				
Finance Charges	362.39	23,000.00	-22,637.61	1.58%
Credit Card Convenience Fees	30.00	0.00	30.00	100.0%
Compliance Fees	50.00	0.00	50.00	100.0%
Assessments	1,875,639.15	1,858,812.00	16,827.15	100.91%
Lot Mowing Assessment Collected	120.00	0.00	120.00	100.0%
Garden Maint Collected	250.00	0.00	250.00	100.0%
Investment Income	158,928.45	0.00	158,928.45	100.0%
ACC, Decal & Transfer Fees	82,149.40	102,000.00	-19,850.60	80.54%
Miscellaneous Income	1,497.16	15,000.00	-13,502.84	9.98%
Mooring Fee	500.00	0.00	500.00	100.0%
<b>Total Income</b>	<b>2,119,526.55</b>	<b>1,998,812.00</b>	<b>120,714.55</b>	<b>106.04%</b>
<b>Gross Profit</b>	<b>2,119,526.55</b>	<b>1,998,812.00</b>	<b>120,714.55</b>	<b>106.04%</b>
<b>Expense</b>				
ACC Compliance	2,850.82	5,000.00	-2,149.18	57.02%
Accounting/Auditing	51,259.30	20,000.00	31,259.30	256.3%
Balloting Expense	7,529.95	8,500.00	-970.05	88.59%
Board/Annual Meeting	4,197.87	0.00	4,197.87	100.0%
Investment Fees	3,395.00	7,000.00	-3,605.00	48.5%
POA Building Maintenance	15,415.43	12,000.00	3,415.43	128.46%
Bulkhead Repair	244,844.00	605,000.00	-360,156.00	40.47%
Canal Cleanup	5,004.20	50,000.00	-44,995.80	10.01%
Canal Dredging	0.00	75,000.00	-75,000.00	0.0%
Common Area Maintenance	215,906.64	300,000.00	-84,093.36	71.97%
Billish Park Special Project	125,797.79	0.00	125,797.79	100.0%
Billish Park Maintenance	52,056.58	40,000.00	12,056.58	130.14%
Tieback Inspection	0.00	0.00	0.00	0.0%
Computer Expense/IT	16,674.90	40,000.00	-23,325.10	41.69%
Contract Labor	31,164.00	7,000.00	24,164.00	445.2%
Miscellaneous Expense	1,706.19	0.00	1,706.19	100.0%
Collection Expense	3,979.40	0.00	3,979.40	100.0%
Insurance Expense	40,631.42	57,300.00	-16,668.58	70.91%
Legal Fees	24,705.97	50,000.00	-25,294.03	49.41%
Collection Fees	0.00	10,000.00	-10,000.00	0.0%
Subscription Expense	2,961.22	2,100.00	861.22	141.01%
Bank & Credit Card Fees	8,897.65	6,500.00	2,397.65	136.89%
Special Projects	760.00	10,000.00	-9,240.00	7.6%
Office Supplies	6,826.49	11,000.00	-4,173.51	62.06%
Payroll Expenses	340,545.30	357,000.00	-16,454.70	95.39%
Postage and Delivery	5,803.69	10,000.00	-4,196.31	58.04%
Newsletter Expense	5,085.10	6,000.00	-914.90	84.75%
Property Taxes	6,722.60	7,000.00	-277.40	96.04%
Office Machine Contracts	10,290.89	7,500.00	2,790.89	137.21%
Telephone Expense	3,840.49	8,000.00	-4,159.51	48.01%
Web Site Expense	730.00	3,000.00	-2,270.00	24.33%
Mileage Expense	5,016.29	0.00	5,016.29	100.0%
Utilities	4,983.48	7,500.00	-2,516.52	66.45%
Security Alarm	740.24	1,000.00	-259.76	74.02%
Water Inspections	30,746.61	47,000.00	-16,253.39	65.42%
Aerator Reimbursements	7,190.00	0.00	7,190.00	100.0%
<b>Total Expense</b>	<b>1,288,259.51</b>	<b>1,770,400.00</b>	<b>-482,140.49</b>	<b>72.77%</b>
<b>Net Income</b>	<b>831,267.04</b>			

Budget for Income based on 12 months and the Budget for expenses is based on 10 months