

Padre Isles Property Owners Association

Financial Statements and Report

September 30, 2019

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Gowland, Streatly, Morales & Co PLLC
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Corpus Christi, TX 78413
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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 September 30, 2019, and the related statements of income and retained earnings for the nine 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:

A handwritten signature in black ink that reads "Gowland, Streatly, Morales & Co PLLC". The signature is written in a cursive, flowing style.

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

November 18, 2019

Padre Isles Property Owners Association

Balance Sheet

As of September 30, 2019

	2019
	\$
Assets	
Current Assets	
Cash and Cash Equivalents	
Cash	
American Bank Builders Deposit	81,585
Petty Cash	100
American Bank Operating 3820	128,380
Total Cash	210,065
Cash Equivalents	
Cash & Equivalents HPO LTD	198,828
Restricted Cash, current	7,404,692
Total	7,813,585
Short-term Investments	
Marketable Securities, current	
Taxable Income Funds:American Funds Bond Fd	955,444
Taxable Income Funds:Dodge & Cox Income Fund	737,290
Taxable Income Funds:Vanguard Fixed Income ST	317,835
Equity Mutual Funds:American Century Sm Cap Fund	102,636
Equity Mutual Funds:Dodge & Cox Stk Fd	305,145
Equity Mutual Funds:Fidelity Advisor Ser Sm Cap Fun	153,947
Equity Mutual Funds:Growth Fund America CI	280,372
Total Marketable Securities, current	2,852,669
Receivables, net	
Accounts Receivable, gross	418,196
Allowance for Doubtful Accounts Receivable	-199,166
Total	219,030
Prepaid Expense	24,860
Total Current Assets	10,910,144
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	6,892
Total assets	10,917,036

Liabilities and Equity

Liabilities

Padre Isles Property Owners Association

Balance Sheet

As of September 30, 2019

Liabilities, current	
Accounts Payable	601
Deferred Revenue and Credits, current	
Prepaid Owner Assessments	143
Other Liabilities, current	
Contractor Refundable Deposits	47,135
Total Liabilities, current	47,879
Equity	
Retained Earnings (Deficit)	
Unrestricted Net Assets	1,164,769
Accumulated Other Comprehensive Income	245,394
Net Income (Loss)	944,827
Total Retained Earnings (Deficit)	2,354,990
Preferred Stock	
Fund Balance - Oprtns & Slf Ins	8,514,167
Total equity	10,869,157
Total liabilities and equity	10,917,036

Padre Isles Property Owners Association
Statement of Income
For the 9 months ended September 30, 2019

	TOTAL			
	Jan - Sep 19	Budget	\$ Over/Under Budget	% of Budget
Income				
Finance Charges	0.00	23,000.00	-23,000.00	0.0%
Finance Charges Collected	0.00	0.00	0.00	0.0%
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	127,218.86	0.00	127,218.86	100.0%
ACC, Decal & Transfer Fees	77,279.40	102,000.00	-24,720.60	75.76%
Miscellaneous Income	1,497.16	15,000.00	-13,502.84	9.98%
Mooring Fee	500.00	0.00	500.00	100.0%
Total Income	2,082,554.57	1,998,812.00	83,742.57	104.19%
Gross Profit	2,082,554.57	1,998,812.00	83,742.57	104.19%
Expense				
ACC Compliance	2,850.82	5,000.00	-2,149.18	57.02%
Accounting/Auditing	34,459.77	20,000.00	14,459.77	172.3%
Balloting Expense	7,529.95	8,500.00	-970.05	88.59%
Board/Annual Meeting	3,685.87	0.00	3,685.87	100.0%
Investment Fees	3,395.00	7,000.00	-3,605.00	48.5%
POA Building Maintenance	14,975.43	12,000.00	2,975.43	124.8%
Bulkhead Repair	223,559.00	605,000.00	-381,441.00	36.95%
Canal Cleanup	3,934.95	50,000.00	-46,065.05	7.87%
Canal Dredging	0.00	75,000.00	-75,000.00	0.0%
Common Area Maintenance	186,563.50	300,000.00	-113,436.50	62.19%
Billish Park Special Project	125,797.79	0.00	125,797.79	100.0%
Billish Park Maintenance	45,747.15	40,000.00	5,747.15	114.37%
Tieback Inspection	0.00	0.00	0.00	0.0%
Computer Expense/IT	9,505.19	40,000.00	-30,494.81	23.76%
Contract Labor	25,745.42	7,000.00	18,745.42	367.79%
Miscellaneous Expense	1,530.19	0.00	1,530.19	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	24,425.97	50,000.00	-25,574.03	48.85%
Collection Fees	0.00	10,000.00	-10,000.00	0.0%
Subscription Expense	2,749.27	2,100.00	649.27	130.92%
Bank & Credit Card Fees	6,749.93	6,500.00	249.93	103.85%
Special Projects	200.00	10,000.00	-9,800.00	2.0%
Office Supplies	6,266.94	11,000.00	-4,733.06	56.97%
Payroll Expenses	302,792.50	357,000.00	-54,207.50	84.82%
Postage and Delivery	5,303.69	10,000.00	-4,696.31	53.04%
Newsletter Expense	5,085.10	6,000.00	-914.90	84.75%
Property Taxes	84.78	7,000.00	-6,915.22	1.21%
Office Machine Contracts	8,310.11	7,500.00	810.11	110.8%
Telephone Expense	3,840.49	8,000.00	-4,159.51	48.01%
Web Site Expense	250.00	3,000.00	-2,750.00	8.33%
Mileage Expense	4,218.21	0.00	4,218.21	100.0%
Utilities	4,145.93	7,500.00	-3,354.07	55.28%
Security Alarm	677.90	1,000.00	-322.10	67.79%
Water Inspections	21,546.61	47,000.00	-25,453.39	45.84%
Aerator Reimbursements	7,190.00	0.00	7,190.00	100.0%
Total Expense	1,137,728.28	1,770,400.00	-632,671.72	64.26%
Net Income	944,826.29	228,412.00	716,414.29	413.65%
Unrealized Investment Gain(Loss)	245,394.66	0.00	245,394.66	100.0%