

Padre Isles Property Owners Association

Financial Statements and Report

August 31, 2022

Table of Contents

Accountant's Compilation Report.....	1
Balance Sheet.....	2
Statement of Income.....	4



GOWLAND, MORALES & SMITH, PLLC

Certified Public Accountants

555 N. Carancahua, Suite 1040
Corpus Christi, TX 78401
Telephone: (361) 993-1000
Fax: (361) 991-2880

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 August 31, 2022, and the related statements of income and retained earnings for the eight 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.

Gowland, Morales, & Smith, PLLC

Gowland, Morales & Smith PLLC
Corpus Christi, TX

September 14, 2022

Padre Isles Property Owners Association

Balance Sheet

As of August 31, 2022

Assets	
Current Assets	
Cash and Cash Equivalents	
Cash	
American Bank Builders Deposit	\$ -
Petty Cash	-
American Bank Operating 3820	151,563
HPO Cash	550,280
Bill.com Payments Processing	-
Total Cash	701,843
Cash Equivalents	
HPO Certificate of Deposit	9,247,814
Total Cash Equivalents	9,247,814
Prepaid Expenses	
Prepaid Insurance	59,738
Total Prepaid Expenses	59,738
Short-term Investments	
Marketable Securities, current	
American Funds Bond Fd	846,887
Dodge & Cox Income Fund	658,799
Vanguard Fixed Income ST	297,711
American Century SM Cap Fund	129,488
Dodge & Cox Stk Fd	359,062
Fidelity Advisor Ser Sm Cap Fun	176,294
Growth Fund America CI	313,347
Total Marketable Securities, current	2,781,588
Receivables, net	
Accounts Receivable, Assessments & Fees	188,983
Accounts Receivable, Trade	-
Total Receivables, net	188,983
Total Current Assets	12,979,966
Assets, Noncurrent	
Non-Current Receivables	339,045
Allowance for Doubtful Accounts Receivable	(199,166)
Total Assets, Noncurrent	139,879
Property, Plant and Equipment, net	
Property, Plant and Equipment	148,710
Accumulated Depreciation, Depletion and Amortization	(144,003)
Total Property, Plant and Equipment, net	4,707
Total Assets	\$ 13,124,551

Padre Isles Property Owners Association

Balance Sheet

As of August 31, 2022

Liabilities and Equity

Liabilities

Liabilities, current

Accounts Payable 69,654

Deferred Revenue and Credits, current

Prepaid Owner Assessments 3,568

Other Liabilities, current

Withholding Tax for Aerator Payments 61

Contractor Refundable Deposits 1,700

Total Liabilities, current 74,983

Equity

Retained Earnings (Deficit)

Unrealized Investment Gain (Loss) (635,080)

Net Income (Loss) 818,015

Fund Balance 12,866,633

Total Equity 13,049,568

Total Liabilities and Equity \$ 13,124,551

Unrealized Investment Gain (Loss) change from last month (\$88,201)

Padre Isles Property Owners Association
Aug-22 Income Statement

REVENUE	Aug-22	2022 YTD Actual	2022 YTD Budget	\$ Over/Under YTD Budget	2022 Annual Budget	Proj 2022 Expenditures
Operating Revenue						
Assessments	0	2,037,823	2,000,000	37,823	2,000,000	2,037,823
Miscellaneous Revenue						
ACC Applications	1,500	12,150	13,333	-1,183	20,000	18,225
Decal Sales	1,405	24,415	15,000	9,415	22,500	36,623
Resale Certificate Fee	1,500	16,400	10,000	6,400	15,000	24,600
Transfer Fees	2,950	31,400	33,333	-1,933	50,000	47,100
Finance Charges	0	18,697	13,333	5,363	20,000	28,045
Misc Revenue, Other	28	968	1,667	-699	2,500	1,452
Total Operating Revenue	7,383	2,141,852	2,086,667	55,186	2,130,000	2,193,867
Non-Operating Revenue						
Investment Income	12,631	89,174	86,667	2,507	130,000	133,761
Total Non-Operating Revenue	12,631	89,174	86,667	2,507	130,000	133,761
Total Revenue	20,014	2,231,026	2,173,333	57,693	2,260,000	2,327,628
EXPENSE						
Routine Operations						
Bulkheads & Canals					762,000	
Tieback Inspection	0	39,800				59,700
Bulkhead Inspection	1,825	14,440				21,660
Bulkhead / Drill & Probe	0	1,000				1,500
Bulkhead Panel Repair	0	510				765
Bulkhead Washout/Screen	0	52,900				79,350
Bulkhead Tieback Repair	0	0				0
Bulkhead Drain Install	4,950	8,800				13,200
Bulkhead Caps Repair	99,550	321,070				481,605
Canal Dredging	0	0				0
Canal Cleanup	537	6,517				9,775
Bulkhead Repairs, Total	106,862	445,037	508,000	62,963	762,000	667,555
Billish Park						
Billish Park Lawn Maintenance	4,250	31,988	30,000	1,988	45,000	47,981
Billish Park Irrigation	723	9,546	6,667	2,879	10,000	14,319
Billish Park Playground	0	14	6,667	-6,653	10,000	21
Billish Park General Maintenance	179	1,908	467	1,441	700	2,862
Billish Park Special Project	0	0	3,333	-3,333	5,000	0
Billish Park - City of CC Contribution	0	0	-9,800	9,800	(14,700)	0
Billish Park, Total	5,152	43,456	37,333	6,122	56,000	65,184
Common Area Maintenance						
Common Area Mowing/Trimming	6,833	54,460	106,667	-52,207	160,000	81,689
Boat Ramp Wash/Maintenance	5,702	33,417	33,333	84	50,000	50,126
Common Area Special Projects	4,140	306,228	233,333	72,895	350,000	459,342
Water Inspections	6,900	20,700	21,667	-967	32,500	31,050
Aerator Reimbursements	1,785	5,100	7,333	-2,233	11,000	7,650
Aerator Repair/Maintenance	0	1,490	0	0	-	2,235
Security Expense	0	0	1,667	-1,667	2,500	0
Dumpster / Trash Service	0	1,344	4,000	-2,656	6,000	2,016
Misc. Common Area	323	1,860	0	1,860	-	2,790
Common Area Maintenance, Total	25,684	424,599	408,000	15,109	612,000	636,898
Cost of Routine Operations, Total	137,698	913,091	953,333	84,195	1,430,000	1,369,637

	Aug-22	2022 YTD Actual	2022 YTD Budget	\$ Over/Under YTD Budget	2022 Annual Budget	Projected 2022 Annual Expenditures
G&A						
Office Expense						
Payroll Expenses	38,248	225,246	266,667	-41,421	400,000	337,869
Computer Expense/IT	983	8,767	15,000	-6,233	22,500	13,151
Contract Labor	1,474	13,713	19,333	-5,620	29,000	20,570
Credit Card Fees	661	14,732	13,333	1,399	20,000	22,098
POA Building Maintenance	14	2,712	6,000	-3,288	9,000	4,068
Postage and Delivery	12	3,568	3,333	235	5,000	5,353
Office Machine Contracts	1,598	7,712	6,667	1,045	10,000	11,568
Property Taxes	0	0	1,667	-1,667	2,500	0
Office Supplies	78	4,750	7,333	-2,583	11,000	7,125
Utilities	0					
Electricity	51	2,707	2,533	173	3,800	4,060
Water / Sewer / Trash	1,494	3,866	3,500	366	5,250	5,799
Internet	137	1,142	1,200	-58	1,800	1,713
Web Site Expense	200	1,600	2,000	-400	3,000	2,400
Mileage Expense	1,551	7,569	5,333	2,236	8,000	11,354
Telephone Expense	258	2,084	2,000	84	3,000	3,126
Security Alarm	264	2,148	2,133	14	3,200	3,221
Subscription Expense	0	0	333	-333	500	0
Miscellaneous Expense	595	1,435	2,000	-565	3,000	2,152
Office Expense, Total	47,617	303,751	360,367	-56,615	540,550	455,627
Association Fees & 3rd Party Expenses						
Community Engagement	0	0	6,667	-6,667	10,000	0
Insurance Expense	11,158	87,649	66,667	20,982	100,000	131,473
Balloting Expense	0	14,563	9,333	5,230	14,000	21,845
Board/Annual Meeting	15	7,937	5,000	2,937	7,500	11,906
Bank Fees	88	1,534	1,667	-133	2,500	2,301
Collection Fees	0	0	0	0	-	0
Association Fees, Total	11,261	111,683	89,333	22,350	134,000	167,525
Professional Fees						
Accounting	3,780	32,018	44,667	-12,649	67,000	48,026
Audit	0	0	8,667	-8,667	13,000	0
Legal Fees	5,730	41,250	16,667	24,583	25,000	61,875
Investment Fees	20	7,540	6,667	873	10,000	11,310
Professional Fees, Total	9,529	80,808	76,667	4,141	115,000	121,212
G&A, Total	68,407	496,242	526,367	-30,125	789,550	744,363
Non-Recurring Expenses (Revenue)						
Cyber Theft	0	3,678	0	3,678	-	0
Non-Recurring, Total	0	3,678	0	3,678	0	0
Total Expense	206,106	1,413,011	1,479,700	57,748	2,219,550	2,113,999
Net Income	-186,092	818,015	693,633	-55	40,450	213,628