

Padre Isles Property Owners Association

Financial Statements and Report

August 31, 2023

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Accountant's Compilation Report

Drew Diggins
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, 2023, 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 18, 2023

Padre Isles Property Owners Association

Balance Sheet

As of August 31, 2023

Assets		
Current Assets		
Cash and Cash Equivalents		
Cash		
American Bank Builders Deposit	\$	-
Petty Cash		-
American Bank Operating 3820		171,390
HPO Cash		194,733
Bill.com Payments Processing		-
Total Cash		366,123
Cash Equivalents		
HPO Certificate of Deposit		10,661,318
Total Cash Equivalents		10,661,318
Prepaid Expenses		
Prepaid Legal Expenses		161
Prepaid Alchemist		100,000
Prepaid Insurance		65,831
Total Prepaid Expenses		165,992
Short-term Investments		
Marketable Securities, current		
American Funds Bond Fd		804,471
Dodge & Cox Income Fund		644,147
Vanguard Fixed Income ST		-
American Century SM Cap Fund		131,260
Dodge & Cox Stk Fd		381,002
Fidelity Advisor Ser Sm Cap Fun		188,406
Growth Fund America CI		354,293
Total Marketable Securities, current		2,503,579
Receivables, net		
Accounts Receivable, Assessments & Fees		263,658
Accounts Receivable, Trade		-
Total Receivables, net		263,658
Total Current Assets		13,960,670
Assets, Noncurrent		
Non-Current Receivables		364,374
Allowance for Doubtful Accounts Receivable		(199,166)
Total Assets, Noncurrent		165,208
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	\$	14,130,586

Padre Isles Property Owners Association

Balance Sheet
As of August 31, 2023

Liabilities and Equity

Liabilities

Liabilities, current

Accounts Payable 100,024

Deferred Revenue and Credits, current

Prepaid Owner Assessments 3,395

Other Liabilities, current

Withholding Tax for Aerator Payments -

Contractor Refundable Deposits 3,700

Total Liabilities, current 107,119

Equity

Retained Earnings (Deficit)

Unrealized Investment Gain (Loss) 219,931

Net Income (Loss) 1,256,134

Fund Balance 12,547,403

Total Equity 14,023,466

Total Liabilities and Equity \$ 14,130,586

Unrealized Investment Gain (Loss) change from last month (13,826.75)

**Padre Isles Property Owners Association
Aug-23 Income Statement**

REVENUE	Aug-23	2023 YTD Actual	2023 YTD Budget	\$ Over/Under YTD Budget	2023 Annual Budget	Proj 2023 Expenditures
Operating Revenue						
Assessments	0	2,073,400	2,084,000	-10,600	2,084,000	2,073,400
Miscellaneous Revenue						
ACC Applications	1,300	9,950	13,333	-3,383	20,000	14,925
Decal Sales	1,618	26,141	15,000	11,141	22,500	39,212
Resale Certificate Fee	1,000	8,900	10,000	-1,100	15,000	13,350
Transfer Fees	1,900	18,750	33,333	-14,583	50,000	28,125
Finance Charges	(0)	29,207	13,333	15,874	20,000	43,811
Misc Revenue, Other	0	4,160	1,667	2,494	2,500	6,240
Total Operating Revenue	5,818	2,170,508	2,170,667	(159)	2,214,000	2,219,062
Non-Operating Revenue						
Billish Park - City of CC Contribution	0	14,700	14,700	0	14,700	14,700
Investment Income	41,472	176,370	86,667	89,703	130,000	264,554
Total Non-Operating Revenue	41,472	191,070	101,367	89,703	144,700	279,254
Total Revenue	47,290	2,361,577	2,272,033	89,544	2,358,700	2,498,316
EXPENSE						
Routine Operations						
Bulkheads & Canals						
Bulkhead Inspection (ACC App)	1,675	13,800	8,837	4,963	13,256	20,700
Bulkhead Inspection	980	7,055	8,837	-1,782	13,256	10,583
Bulkhead / Drill & Probe	2,625	6,595	14,487	-7,892	21,731	9,893
Bulkhead Panel Repair	240	1,440	12,877	-11,437	19,316	2,160
Bulkhead Washout/Screen	11,800	47,925	38,637	9,288	57,956	71,888
Bulkhead Tieback Repair	3,000	17,000	14,487	2,513	21,731	25,500
Bulkhead Repair/Manta Ray Install	0	4,500	423,121	-418,621	634,682	6,750
Bulkhead Drain Install	0	385	38,637	-38,252	57,956	578
Bulkhead Caps Repair	83,440	249,505	25,757	223,748	38,636	374,258
Canal Dredging	0	0	-	0		0
Canal Cleanup	965	10,316	5,589	4,727	8,384	15,475
Bulkhead Repairs, Total	104,725	358,521	591,267	-232,745	886,900	537,782
Billish Park						
Billish Park Lawn Maintenance	4,250	37,378	34,992	2,386	52,488	56,067
Billish Park Irrigation	0	0	5,333	-5,333	8,000	0
Billish Park Playground	0	0	3,333	-3,333	5,000	0
Billish Park General Maintenance	305	1,841	2,000	-159	3,000	2,762
Billish Park Special Project	0	0	4,000	-4,000	6,000	0
Billish Park, Total	4,555	39,220	49,658	-10,439	74,488	58,829
Common Area Maintenance						
Common Area Mowing/Trimming	6,833	61,942	64,822	-2,881	97,233	92,913
Boat Ramp Wash/Maintenance	3,812	34,133	32,722	1,411	49,083	51,199
Common Area Special Projects	679	45,546	33,333	12,212	50,000	68,318
Water Inspections	6,900	19,339	23,000	-3,661	34,500	29,008
Aerator Reimbursements	0	5,280	11,520	-6,240	17,280	7,920
Aerator Repair/Maintenance	0	460	0	460	2,500	690
Security Expense	0	394	1,667	-1,273	2,500	591
Dumpster / Trash Service	0	2,957	4,144	-1,186	6,215	4,436
Misc. Common Area	516	4,087	4,461	-374	6,691	6,130
Common Area Maintenance, Total	18,741	174,137	175,669	-1,532	266,004	261,205
Cost of Routine Operations, Total	128,020	571,878	816,594	-244,716	1,227,391	857,816

	Aug-23	2023 YTD Actual	2023 YTD Budget	\$ Over/Under YTD Budget	2023 Annual Budget	Projected 2023 Annual Expenditures
G&A						
Office Expense						
Payroll Expenses	31,648	212,763	266,667	-53,904	400,000	319,144
Computer Expense/IT	1,085	8,217	7,688	529	11,532	12,325
Contract Labor	4,083	33,393	10,667	22,726	16,000	50,089
POA Building Maintenance	65	742	2,667	-1,924	4,000	1,113
Postage and Delivery	500	5,000	6,600	-1,600	9,900	7,500
Office Machine Contracts	1,598	7,992	6,293	1,699	9,440	11,988
Property Taxes	0	1,294	1,478	-185	2,218	1,941
Office Supplies	867	5,024	8,333	-3,309	12,500	7,536
Utilities	0					
Electricity	422	2,917	3,167	-249	4,750	4,376
Water / Sewer / Trash	329	2,547	4,800	-2,253	7,200	3,821
Internet	140	1,133	1,096	37	1,644	1,700
Web Site Expense	200	1,600	1,800	-200	2,700	2,400
Mileage Expense	1,310	7,187	9,000	-1,813	13,500	10,781
Telephone Expense	254	1,734	2,067	-333	3,100	2,600
Security Alarm	683	2,622	2,112	510	3,167	3,933
Bad Debt Expense	71	310	10,000	-9,690	15,000	466
Subscription Expense	0	121	217	-95	325	182
Miscellaneous Expense	23	21,810	3,333	18,477	5,000	32,715
Office Expense, Total	43,276	316,407	347,984	-31,577	521,976	474,611
Association Fees & 3rd Party Expenses						
Community Engagement	0	0	3,333	-3,333	5,000	0
Insurance Expense	9,269	65,910	84,886	-18,976	127,329	98,865
Balloting Expense	0	14,477	10,667	3,811	16,000	21,716
Board/Annual Meeting	2,091	6,621	3,333	3,287	5,000	9,931
Boat Rental	0	220	1,280	-1,060	1,920	330
Credit Card Fees	927	19,725	13,333	6,392	20,000	29,588
Bank Fees	90	1,218	1,667	-449	2,500	1,827
Collection Fees	2,000	2,000	9,333	-7,333	14,000	3,000
Association Fees, Total	14,377	110,171	127,833	-17,661	191,749	165,257
Professional Fees						
Accounting	0	41,335	40,000	1,335	60,000	62,003
Audit	0	9,700	8,333	1,367	12,500	14,550
Legal Fees	23,469	48,412	33,333	15,079	50,000	72,619
Investment Fees	40	7,540	6,667	873	10,000	11,310
Professional Fees, Total	23,509	106,988	88,333	18,654	132,500	160,481
G&A, Total	81,162	533,566	564,150	-30,584	846,225	800,349
Total Expense	209,182	1,105,444	1,380,744	-275,300	2,073,616	1,658,166
Net Income	-161,892	1,256,134	891,289	364,844	285,084	840,151

{See Accountant's compilation report}

Depreciation Expense is not recorded on a monthly basis but rather at the end of the year when the audit is performed.