

Padre Isles Property Owners Association

Financial Statements and Report

February 28, 2023

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 February 28, 2023, 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.

Gowland, Morales, & Smith, PLLC

Gowland, Morales & Smith PLLC
Corpus Christi, TX

March 16, 2023

Padre Isles Property Owners Association

Balance Sheet

As of February 28, 2023

Assets		
Current Assets		
Cash and Cash Equivalents		
Cash		
American Bank Builders Deposit	\$	-
Petty Cash		-
American Bank Operating 3820		112,110
HPO Cash		541,045
Bill.com Payments Processing		-
Total Cash		653,155
Cash Equivalents		
HPO Certificate of Deposit		9,882,924
Total Cash Equivalents		9,882,924
Prepaid Expenses		
Prepaid Insurance		5,870
Total Prepaid Expenses		5,870
Short-term Investments		
Marketable Securities, current		
American Funds Bond Fd		816,693
Dodge & Cox Income Fund		646,241
Vanguard Fixed Income ST		-
American Century SM Cap Fund		136,167
Dodge & Cox Stk Fd		363,754
Fidelity Advisor Ser Sm Cap Fun		183,925
Growth Fund America CI		302,967
Total Marketable Securities, current		2,449,746
Receivables, net		
Accounts Receivable, Assessments & Fees		1,493,097
Accounts Receivable, Trade		-
Total Receivables, net		1,493,097
Prepaid Expense		-
Total Current Assets		14,484,792
Assets, Noncurrent		
Non-Current Receivables		273,088
Allowance for Doubtful Accounts Receivable		(199,166)
Total Assets, Noncurrent		73,922
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		\$ 14,563,421

Padre Isles Property Owners Association

Balance Sheet
As of February 28, 2023

Liabilities and Equity

Liabilities

Liabilities, current

Accounts Payable 39,248

Deferred Revenue and Credits, current

Prepaid Owner Assessments 1,256

Other Liabilities, current

Withholding Tax for Aerator Payments 61

Contractor Refundable Deposits 1,700

Total Liabilities, current 42,265

Equity

Retained Earnings (Deficit)

Unrealized Investment Gain (Loss) 63,409

Net Income (Loss) 1,901,988

Fund Balance 12,555,759

Total Equity 14,521,156

Total Liabilities and Equity \$ 14,563,421

Unrealized Investment Gain (Loss) change from last month (90,165.44)

Padre Isles Property Owners Association

Feb-23 Income Statement

REVENUE	Feb-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
Bad Debt Expense	(2,294)	(1,048)	(15,000)	13,952	(90,000)	-6,286
Miscellaneous Revenue						
ACC Applications	1,650	2,450	3,333	-883	20,000	14,700
Decal Sales	5,270	6,011	3,750	2,261	22,500	36,066
Resale Certificate Fee	1,250	2,500	2,500	0	15,000	15,000
Transfer Fees	2,400	4,300	8,333	-4,033	50,000	25,800
Finance Charges	0	6,045	3,333	2,711	20,000	36,269
Misc Revenue, Other	375	375	417	-42	2,500	2,250
Total Operating Revenue	8,651	2,094,033	2,090,667	3,366	2,124,000	2,197,199
Non-Operating Revenue						
Billish Park - City of CC Contribution	14,700	14,700	14,700	0	14,700	14,700
Investment Income	25,082	41,936	21,667	20,270	130,000	251,618
Total Non-Operating Revenue	39,782	56,636	36,367	20,270	144,700	266,318
Total Revenue	48,434	2,150,669	2,127,033	23,636	2,268,700	2,463,517
EXPENSE						
Routine Operations						
Bulkheads & Canals						
Bulkhead Inspection (ACC App)	3,100	3,100	2,209	891	13,256	18,600
Bulkhead Inspection	875	2,000	2,209	-209	13,256	12,000
Bulkhead / Drill & Probe	0	450	3,622	-3,172	21,731	2,700
Bulkhead Panel Repair	120	120	3,219	-3,099	19,316	720
Bulkhead Washout/Screen	850	6,950	9,659	-2,709	57,956	41,700
Bulkhead Tieback Repair	4,500	7,000	3,622	3,378	21,731	42,000
Bulkhead Repair/Manta Ray Install	0	0	105,780	-105,780	634,682	0
Bulkhead Drain Install	0	0	9,659	-9,659	57,956	0
Bulkhead Caps Repair	16,460	39,440	6,439	33,001	38,636	236,640
Canal Dredging	0	0	-	0		0
Canal Cleanup	2,166	4,721	1,397	3,323	8,384	28,323
Bulkhead Repairs, Total	28,071	63,781	147,817	-84,036	886,900	382,683
Billish Park						
Billish Park Lawn Maintenance	4,250	8,500	8,748	-248	52,488	51,000
Billish Park Irrigation	0	0	1,333	-1,333	8,000	0
Billish Park Playground	0	0	833	-833	5,000	0
Billish Park General Maintenance	520	647	500	147	3,000	3,880
Billish Park Special Project	0	0	1,000	-1,000	6,000	0
Billish Park, Total	4,770	9,147	12,415	-3,268	74,488	54,880
Common Area Maintenance						
Common Area Mowing/Trimming	6,833	14,707	16,206	-1,499	97,233	88,240
Boat Ramp Wash/Maintenance	3,693	9,368	8,181	1,187	49,083	56,207
Common Area Special Projects	0	0	8,333	-8,333	50,000	0
Water Inspections	0	0	5,750	-5,750	34,500	0
Aerator Reimbursements	0	0	2,880	-2,880	17,280	0
Aerator Repair/Maintenance	0	0	0	0	2,500	0
Security Expense	0	0	417	-417	2,500	0
Dumpster / Trash Service	454	908	1,036	-128	6,215	5,448
Misc. Common Area	732	1,415	1,115	300	6,691	8,493
Common Area Maintenance, Total	11,713	26,398	43,917	-17,519	266,004	158,388
Cost of Routine Operations, Total	44,553	99,325	204,149	-104,823	1,227,391	595,951

	Feb-23	2023 YTD Actual	2023 YTD Budget	\$ Over/Under YTD Budget	2023 Annual Budget	Projected 2023 Annual Expenditures
G&A						
Office Expense						
Payroll Expenses	29,064	67,213	66,667	546	400,000	403,275
Computer Expense/IT	873	2,767	1,922	845	11,532	16,604
Contract Labor	1,219	4,819	2,667	2,152	16,000	28,913
POA Building Maintenance	55	136	667	-531	4,000	815
Postage and Delivery	500	2,000	1,650	350	9,900	12,000
Office Machine Contracts	1,967	2,792	1,573	1,219	9,440	16,752
Property Taxes	1,262	1,294	370	924	2,218	7,763
Office Supplies	847	1,191	2,083	-893	12,500	7,144
Utilities	0					
Electricity	294	718	792	-74	4,750	4,307
Water / Sewer / Trash	539	539	1,200	-661	7,200	3,232
Internet	140	295	274	21	1,644	1,767
Web Site Expense	200	400	450	-50	2,700	2,400
Mileage Expense	757	2,171	2,250	-79	13,500	13,029
Telephone Expense	232	465	517	-52	3,100	2,788
Security Alarm	339	603	528	75	3,167	3,617
Subscription Expense	0	0	54	-54	325	0
Miscellaneous Expense	16,442	17,961	833	17,128	5,000	107,767
Office Expense, Total	54,729	105,362	84,496	20,866	506,976	632,172
Association Fees & 3rd Party Expenses						
Community Engagement	0	0	833	-833	5,000	0
Insurance Expense	6,797	13,595	21,222	-7,627	127,329	81,570
Balloting Expense	0	7,623	2,667	4,957	16,000	45,740
Board/Annual Meeting	390	880	833	47	5,000	5,280
Boat Rental	220	220	320	-100	1,920	1,320
Credit Card Fees	2,952	3,254	3,333	-79	20,000	19,526
Bank Fees	113	480	417	63	2,500	2,877
Collection Fees	0	0	2,333	-2,333	14,000	0
Association Fees, Total	10,472	26,052	31,958	-5,906	191,749	156,312
Professional Fees						
Accounting	5,579	15,038	10,000	5,038	60,000	90,227
Audit	0	0	2,083	-2,083	12,500	0
Legal Fees	0	404	8,333	-7,929	50,000	2,424
Investment Fees	0	2,500	1,667	833	10,000	15,000
Professional Fees, Total	5,579	17,942	22,083	-4,141	132,500	107,651
G&A, Total	70,781	149,356	138,537	10,818	831,225	896,136
Non-Recurring Expenses (Revenue)						
Cyber Theft	0	0	0	0	-	0
Boat Yard Storage	0	0	0	-		
Non-Recurring, Total	0	0	0	0	0	0
Total Expense	115,334	248,681	342,686	-94,005	2,058,616	1,492,086
Net Income	-66,900	1,901,988	1,784,347	117,641	210,084	971,430

{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.