

Padre Isles Property Owners Association

Financial Statements and Report

February 29, 2024

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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

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 February 29, 2024, 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 15, 2024

Padre Isles Property Owners Association

Balance Sheet

As of February 29, 2024

Assets		
Current Assets		
Cash and Cash Equivalents		
Cash		
	American Bank Operating 3820	92,251
	HPO Cash	199,730
	Bill.com Payments Processing	-
	Total Cash	291,981
Cash Equivalents		
	HPO Certificate of Deposit	11,037,427
	Total Cash Equivalents	11,037,427
Prepaid Expenses		
	Prepaid Insurance	10,218
	Total Prepaid Expenses	10,218
Short-term Investments		
Marketable Securities, current		
	American Funds Bond Fd	806,628
	Dodge & Cox Income Fund	651,473
	Vanguard Fixed Income ST	-
	American Century SM Cap Fund	139,847
	Dodge & Cox Stk Fd	409,350
	Fidelity Advisor Ser Sm Cap Fun	205,484
	Growth Fund America CI	391,913
	Total Marketable Securities, current	2,604,695
Inventory		
	Bulkhead Material Inventory	72,633
	Total Inventory	72,633
Receivables, net		
	Accounts Receivable, Assessments & Fees	1,222,270
	Accounts Receivable, Trade	-
	Total Receivables, net	1,222,270
	Total Current Assets	15,239,225
Assets, Noncurrent		
	Non-Current Receivables	434,482
	Allowance for Doubtful Accounts Receivable	(199,166)
	Total Assets, Noncurrent	235,316
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	\$ 15,479,248

Padre Isles Property Owners Association

Balance Sheet

As of February 29, 2024

Liabilities and Equity

Liabilities

Liabilities, current

Accounts Payable 61,637

Deferred Revenue and Credits, current

Prepaid Owner Assessments 1,631

Other Liabilities, current

Withholding Tax for Aerator Payments -

Contractor Refundable Deposits 3,700

Total Liabilities, current 66,968

Equity

Retained Earnings (Deficit)

Unrealized Investment Gain (Loss) 16,454

Net Income (Loss) 1,884,331

Fund Balance 13,511,495

Total Equity 15,412,279

Total Liabilities and Equity \$ 15,479,248

Unrealized Investment Gain (Loss) change from last month

8,016.00

Padre Isles Property Owners Association
Feb-24 Income Statement

REVENUE	Feb-24	2024 YTD Actual	2024 YTD Budget	\$ Over/Under YTD Budget	2024 Annual Budget	Proj 2024 Expenditures
Operating Revenue						
Assessments	0	2,091,124	2,100,000	-8,876	2,100,000	2,091,124
Miscellaneous Revenue						
ACC Applications	1,050	1,950	2,500	-550	15,000	11,700
Decal Sales	3,738	8,684	4,667	4,017	28,000	52,104
Resale Certificate Fee	1,000	1,400	2,167	-767	13,000	8,400
Transfer Fees	1,900	5,947	4,167	1,780	25,000	35,679
Finance Charges	0	6,964	5,000	1,964	30,000	41,783
Misc Revenue, Other	3,029	5,775	333	5,442	2,000	34,652
Total Operating Revenue	10,717	2,121,843	2,118,833	3,010	2,213,000	2,275,442
Non-Operating Revenue						
Billish Park - City of CC Contributio	0	-	14,700	-14,700	14,700	0
Investment Income	38,779	70,154	21,667	48,487	130,000	420,921
Total Non-Operating Revenue	38,779	70,154	36,367	33,787	144,700	420,921
Total Revenue	49,496	2,191,997	2,155,200	36,797	2,357,700	2,696,363
EXPENSE						
Routine Operations					425,000	
Bulkheads & Canals						
Bulkhead Inspection (ACC App)	1,175	1,175				7,050
Bulkhead Inspection	375	375				2,250
Bulkhead / Drill & Probe	0	0				0
Bulkhead Panel Repair	9,690	11,090				66,540
Bulkhead Washout/Screen	12,920	12,920				77,520
Bulkhead Tieback Repair	1,000	1,000				6,000
Bulkhead Repair/Manta Ray Install	44,651	44,651				267,906
Bulkhead Caps Repair	53,940	53,940				323,640
Special Projects BH & Canal	0	0				0
Canal Cleanup	1,347	2,220	2,500	-280	15,000	13,321
Bulkhead Repairs, Total	125,098	127,371	2,500	124,871	440,000	764,227
Billish Park						
Billish Park Lawn Maintenance	4,250	8,500	9,167	-667	55,000	51,000
Billish Park Irrigation	0	0	1,333	-1,333	8,000	0
Billish Park Playground	0	0	450	-450	2,700	0
Billish Park General Maintenance	277	484	500	-16	3,000	2,906
Billish Park Special Project	0	0	0	0		0
Billish Park, Total	4,527	8,984	11,450	-2,466	68,700	53,906
Common Area Maintenance						
Common Area Mowing/Trimming	1,792	8,625	15,000	-6,375	90,000	51,750
Boat Ramp Wash/Maintenance	4,524	10,981	9,500	1,481	57,000	65,884
Common Area Special Projects	0	0	5,000	-5,000	30,000	0
Water Inspections	0	0	5,750	-5,750	34,500	0
Aerator Reimbursements	3,360	3,360	2,917	443	17,500	20,160
Aerator Repair/Maintenance	0	0	0	0	2,500	0
Security Expense	0	0	167	-167	1,000	0
Dumpster / Trash Service	0	471	833	-362	5,000	2,826
Misc. Common Area	122	164	417	-253	2,500	981
Common Area Maintenance, Total	9,798	23,600	39,583	-15,983	240,000	141,601
Cost of Routine Operations, Total	139,423	159,956	53,533	106,422	748,700	959,734

	Feb-24	2024 YTD Actual	2024 YTD Budget	\$ Over/Under YTD Budget	2024 Annual Budget	Projected 2024 Annual Expenditures
G&A						
Office Expense						
Payroll Expenses	30,366	73,263	64,167	9,097	385,000	439,530
Health Insurance (Employee)	0	0	2,967	-2,967	17,800	0
Computer Expense/IT	879	2,779	1,667	1,112	10,000	16,673
Contract Labor	0	2,138	833	1,304	5,000	12,825
POA Building Maintenance	336	336	667	-331	4,000	2,013
Postage and Delivery	518	1,018	1,500	-482	9,000	6,108
Office Machine Contracts	1,724	2,261	2,000	261	12,000	13,563
Property Taxes	102	102	300	-198	1,800	613
Office Supplies	244	912	1,667	-755	10,000	5,471
Utilities	0					
Electricity	525	851	833	18	5,000	5,107
Water / Sewer / Trash	202	425	583	-159	3,500	2,549
Internet	143	286	300	-14	1,800	1,716
Web Site Expense	200	400	400	0	2,400	2,400
Mileage Expense	834	1,926	2,233	-308	13,400	11,553
Telephone Expense	255	510	517	-6	3,100	3,062
Security Alarm	277	277	667	-390	4,000	1,663
Bad Debt Expense	172	172	0	172		1,033
Subscription Expense	0	0	200	-200	1,200	0
Miscellaneous Expense	305	311	833	-523	5,000	1,865
Office Expense, Total	37,081	87,965	82,333	5,632	494,000	527,793
Association Fees & 3rd Party Expenses						
Community Engagement	0	0	2,500	-2,500	15,000	0
Insurance Expense	9,269	18,538	19,250	-712	115,500	111,226
Balloting Expense	0	11,299	2,500	8,799	15,000	67,794
Board/Annual Meeting	816	1,082	1,667	-585	10,000	6,492
Boat Rental	0	0	0	0		0
Credit Card Fees	480	480	0	480		2,878
Bank Fees	282	594	417	177	2,500	3,564
Collection Fees	0	0	2,500	-2,500	15,000	0
Association Fees, Total	10,846	31,992	28,833	3,159	173,000	191,954
Professional Fees						
Accounting	6,499	12,544	8,333	4,210	50,000	75,262
Audit	0	0	2,000	-2,000	12,000	0
Reserve Study	0	0	3,333	-3,333	20,000	0
Legal Fees	12,709	12,709	12,500	209	75,000	76,250
Investment Fees	0	2,500	1,667	833	10,000	15,000
Professional Fees, Total	19,209	27,753	27,833	-81	167,000	166,517
G&A, Total	67,136	147,711	139,000	8,711	834,000	886,264
Total Expense	206,559	307,666	192,533	115,133	1,582,700	1,845,998
Net Income	-157,064	1,884,331	1,962,667	-78,336	775,000	850,366

{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.

Padre Isles Property Owners Association

Financial Statements and Report

March 31, 2024

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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

Ray Singleton - Treasurer
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 March 31, 2024, and the related statements of income and retained earnings for the three 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

April 9, 2024

Padre Isles Property Owners Association

Balance Sheet

As of March 31, 2024

Assets		
Current Assets		
Cash and Cash Equivalents		
Cash		
	American Bank Operating 3820	220,201
	HPO Cash	801,434
	Bill.com Payments Processing	-
	Total Cash	1,021,635
Cash Equivalents		
	HPO Certificate of Deposit	10,825,338
	Total Cash Equivalents	10,825,338
Prepaid Expenses		
	Prepaid Insurance	-
	Total Prepaid Expenses	-
Short-term Investments		
Marketable Securities, current		
	American Funds Bond Fd	810,941
	Dodge & Cox Income Fund	651,473
	Vanguard Fixed Income ST	-
	American Century SM Cap Fund	148,025
	Dodge & Cox Stk Fd	421,840
	Fidelity Advisor Ser Sm Cap Fun	213,115
	Growth Fund America CI	404,071
	Total Marketable Securities, current	2,649,466
Inventory		
	Bulkhead Material Inventory	72,633
	Total Inventory	72,633
Receivables, net		
	Accounts Receivable, Assessments & Fees	693,062
	Accounts Receivable, Trade	-
	Total Receivables, net	693,062
	Total Current Assets	15,262,133
Assets, Noncurrent		
	Non-Current Receivables	399,807
	Allowance for Doubtful Accounts Receivable	(199,166)
	Total Assets, Noncurrent	200,641
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		\$ 15,467,481

Padre Isles Property Owners Association

Balance Sheet

As of March 31, 2024

Liabilities and Equity

Liabilities

Liabilities, current

Accounts Payable 53,254

Deferred Revenue and Credits, current

Prepaid Owner Assessments 2,096

Other Liabilities, current

Withholding Tax for Aerator Payments -

Contractor Refundable Deposits 3,700

Total Liabilities, current 59,050

Equity

Retained Earnings (Deficit)

Unrealized Investment Gain (Loss) 74,136

Net Income (Loss) 1,822,801

Fund Balance 13,511,495

Total Equity 15,408,430

Total Liabilities and Equity \$ 15,467,481

Unrealized Investment Gain (Loss) change from last month

57,681.00

Padre Isles Property Owners Association
Mar-24 Income Statement

REVENUE	Mar-24	2024 YTD Actual	2024 YTD Budget	\$ Over/Under YTD Budget	2024 Annual Budget	Proj 2024 Expenditures
Operating Revenue						
Assessments	0	2,091,124	2,100,000	-8,876	2,100,000	2,091,124
Miscellaneous Revenue						
ACC Applications	850	2,800	3,750	-950	15,000	11,200
Decal Sales	3,660	12,344	7,000	5,344	28,000	49,376
Resale Certificate Fee	1,550	2,950	3,250	-300	13,000	11,800
Transfer Fees	3,000	8,947	6,250	2,697	25,000	35,786
Finance Charges	0	6,964	7,500	-536	30,000	27,855
Misc Revenue, Other	4,184	9,960	500	9,460	2,000	39,838
Total Operating Revenue	13,244	2,135,088	2,128,250	6,838	2,213,000	2,266,979
Non-Operating Revenue						
Billish Park - City of CC Contributio	0	-	14,700	-14,700	14,700	0
Investment Income	26,703	96,857	32,500	64,357	130,000	387,428
Total Non-Operating Revenue	26,703	96,857	47,200	49,657	144,700	387,428
Total Revenue	39,947	2,231,944	2,175,450	56,494	2,357,700	2,654,407
EXPENSE						
Routine Operations						
Bulkheads & Canals					425,000	
Bulkhead Inspection (ACC App)	0	1,175				4,700
Bulkhead Inspection	0	375				1,500
Bulkhead / Drill & Probe	0	0				0
Bulkhead Panel Repair	0	11,090				44,360
Bulkhead Washout/Screen	3,000	15,920				63,680
Bulkhead Tieback Repair	0	1,000				4,000
Bulkhead Repair/Manta Ray Instal	0	44,651				178,604
Bulkhead Caps Repair	26,484	80,424				321,695
Special Projects BH & Canal	0	0				0
Canal Cleanup	734	2,954	3,750	-796	15,000	11,816
Bulkhead Repairs, Total	30,218	157,589	3,750	153,839	440,000	630,355
Billish Park						
Billish Park Lawn Maintenance	4,250	12,750	13,750	-1,000	55,000	51,000
Billish Park Irrigation	0	0	2,000	-2,000	8,000	0
Billish Park Playground	0	0	675	-675	2,700	0
Billish Park General Maintenance	152	637	750	-113	3,000	2,547
Billish Park Special Project	0	0	0	0		0
Billish Park, Total	4,402	13,387	17,175	-3,788	68,700	53,547
Common Area Maintenance						
Common Area Mowing/Trimming	1,792	10,417	22,500	-12,083	90,000	41,667
Boat Ramp Wash/Maintenance	4,908	15,889	14,250	1,639	57,000	63,555
Common Area Special Projects	6,500	6,500	7,500	-1,000	30,000	26,000
Water Inspections	0	0	8,625	-8,625	34,500	0
Aerator Reimbursements	0	3,360	4,375	-1,015	17,500	13,440
Aerator Repair/Maintenance	0	0	0	0	2,500	0
Security Expense	0	0	250	-250	1,000	0
Dumpster / Trash Service	416	887	1,250	-364	5,000	3,546
Misc. Common Area	0	164	625	-461	2,500	654
Common Area Maintenance, Total	13,615	37,215	59,375	-22,160	240,000	148,862
Cost of Routine Operations, Total	48,235	208,191	80,300	127,891	748,700	832,764

	Mar-24	2024 YTD Actual	2024 YTD Budget	\$ Over/Under YTD Budget	2024 Annual Budget	Projected 2024 Annual Expenditures
G&A						
Office Expense						
Payroll Expenses	25,221	98,485	96,250	2,235	385,000	393,939
Health Insurance (Employee)	0	0	4,450	-4,450	17,800	0
Computer Expense/IT	879	3,658	2,500	1,158	10,000	14,630
Contract Labor	1,856	3,994	1,250	2,744	5,000	15,975
POA Building Maintenance	0	336	1,000	-665	4,000	1,342
Postage and Delivery	3,084	4,103	2,250	1,853	9,000	16,410
Office Machine Contracts	722	2,983	3,000	-17	12,000	11,931
Property Taxes	0	102	450	-348	1,800	408
Office Supplies	462	1,373	2,500	-1,127	10,000	5,494
Utilities	0					
Electricity	433	1,284	1,250	34	5,000	5,136
Water / Sewer / Trash	205	630	875	-245	3,500	2,518
Internet	123	409	450	-41	1,800	1,635
Web Site Expense	200	600	600	0	2,400	2,400
Mileage Expense	848	2,773	3,350	-577	13,400	11,092
Telephone Expense	0	510	775	-265	3,100	2,041
Security Alarm	0	277	1,000	-723	4,000	1,108
Bad Debt Expense	(491)	-319	0	-319		-1,276
Subscription Expense	0	0	300	-300	1,200	0
Miscellaneous Expense	362	673	1,250	-577	5,000	2,691
Office Expense, Total	33,903	121,869	123,500	-1,631	494,000	487,474
Association Fees & 3rd Party Expenses						
Community Engagement	0	0	3,750	-3,750	15,000	0
Insurance Expense	10,218	28,755	28,875	-120	115,500	115,022
Balloting Expense	6,571	17,870	3,750	14,120	15,000	71,478
Board/Annual Meeting	2,010	3,092	2,500	592	10,000	12,368
Boat Rental	0	0	0	0		0
Credit Card Fees	155	635	0	635		2,540
Bank Fees	186	780	625	155	2,500	3,118
Collection Fees	0	0	3,750	-3,750	15,000	0
Association Fees, Total	19,139	51,132	43,250	7,882	173,000	204,526
Professional Fees						
Accounting	0	12,544	12,500	44	50,000	50,175
Audit	0	0	3,000	-3,000	12,000	0
Reserve Study	0	0	5,000	-5,000	20,000	0
Legal Fees	200	12,909	18,750	-5,841	75,000	51,636
Investment Fees	0	2,500	2,500	0	10,000	10,000
Professional Fees, Total	200	27,953	41,750	-13,797	167,000	111,811
G&A, Total	53,242	200,953	208,500	-7,547	834,000	803,811
Total Expense	101,478	409,144	288,800	120,344	1,582,700	1,636,576
Net Income	-61,530	1,822,801	1,886,650	-63,849	775,000	1,017,831

{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.