

Padre Isles Property Owners Association

Financial Statements and Report

August 31, 2024

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Accountant's Compilation Report

George Reed - 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 August 31, 2024, 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 9, 2024

Padre Isles Property Owners Association

Balance Sheet

As of August 31, 2024

Assets	
Current Assets	
Cash and Cash Equivalents	
Cash	
American Bank Operating 3820	289,876
HPO Cash	762,758
Bill.com Payments Processing	-
Total Cash	1,052,634
Cash Equivalents	
HPO Certificate of Deposit	10,889,707
Total Cash Equivalents	10,889,707
Prepaid Expenses	
Prepaid Insurance	58,206
Total Prepaid Expenses	58,206
Short-term Investments	
Marketable Securities, current	
American Funds Bond Fd	832,509
Dodge & Cox Income Fund	678,160
Vanguard Fixed Income ST	-
American Century SM Cap Fund	151,297
Dodge & Cox Stk Fd	441,458
Fidelity Advisor Ser Sm Cap Fun	226,620
Growth Fund America CI	428,788
Total Marketable Securities, current	2,758,832
Inventory	
Bulkhead Material Inventory	5,260
Total Inventory	5,260
Receivables, net	
Accounts Receivable, Assessments & Fees	264,712
Accounts Receivable, Trade	-
Total Receivables, net	264,712
Total Current Assets	15,029,351
Assets, Noncurrent	
Non-Current Receivables	361,608
Allowance for Doubtful Accounts Receivable	(199,166)
Total Assets, Noncurrent	162,442
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	\$ 15,196,500

Padre Isles Property Owners Association

Balance Sheet

As of August 31, 2024

Liabilities and Equity

Liabilities

Liabilities, current

Accounts Payable 56,174

Deferred Revenue and Credits, current

Prepaid Owner Assessments 8,690

Other Liabilities, current

Withholding Tax for Aerator Payments -

Contractor Refundable Deposits 3,700

Total Liabilities, current 68,564

Equity

Retained Earnings (Deficit)

Unrealized Investment Gain (Loss) 255,834

Net Income (Loss) 1,361,031

Fund Balance 13,511,072

Total Equity 15,127,935

Total Liabilities and Equity \$ 15,196,500

Unrealized Investment Gain (Loss) change from last month 52,911.70

Padre Isles Property Owners Association

Aug-24 Income Statement

REVENUE	Aug-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	1,112	7,850	10,000	-2,150	15,000	11,775
Decal Sales	1,386	21,812	18,667	3,145	28,000	32,718
Resale Certificate Fee	1,150	9,750	8,667	1,083	13,000	14,625
Transfer Fees	2,300	22,547	16,667	5,880	25,000	33,820
Finance Charges	(18)	26,821	20,000	6,821	30,000	40,231
Misc Revenue, Other	188	8,529	1,333	7,196	2,000	12,794
Total Operating Revenue	6,118	2,188,432	2,175,333	13,099	2,213,000	2,237,086
Non-Operating Revenue						
Billish Park - City of CC Contributio	0	14,700	14,700	0	14,700	14,700
Investment Income	22,616	305,219	86,667	218,552	130,000	457,828
Total Non-Operating Revenue	22,616	319,919	101,367	218,552	144,700	472,528
Total Revenue	28,734	2,508,351	2,276,700	231,651	2,357,700	2,709,614
EXPENSE						
Routine Operations						
Bulkheads & Canals			283,333		425,000	
Bulkhead Inspection (ACC App)	0	1,700				2,550
Bulkhead Inspection	975	3,650				5,475
Bulkhead / Drill & Probe	1,470	2,485				3,728
Bulkhead Panel Repair	19,500	55,965				83,948
Bulkhead Washout/Screen	1,375	32,978				49,467
Bulkhead Tieback Repair	0	1,000				1,500
Bulkhead Repair/Manta Ray Instal	12,000	134,283				201,424
Bulkhead Caps Repair	10,915	196,334				294,501
Bulkhead Drain Install	0	1,625				2,438
Bulkhead Washout/Foam	0	16,600				24,900
Special Projects BH & Canal	0	0				0
Canal Cleanup	756	6,671	10,000	-3,329	15,000	10,007
Bulkhead Repairs, Total	46,992	453,291	293,333	159,957	440,000	679,936
Billish Park						
Billish Park Lawn Maintenance	4,689	34,709	36,667	-1,958	55,000	52,063
Billish Park Irrigation	0	894	5,333	-4,439	8,000	1,342
Billish Park Playground	125	125	1,800	-1,675	2,700	188
Billish Park General Maintenance	0	2,264	2,000	264	3,000	3,396
Billish Park Special Project	0	0	0	0		0
Billish Park, Total	4,814	37,992	45,800	-7,808	68,700	56,988
Common Area Maintenance						
Common Area Mowing/Trimming	6,833	54,667	60,000	-5,333	90,000	82,000
Boat Ramp Wash/Maintenance	4,415	37,791	38,000	-209	57,000	56,686
Common Area Special Projects	0	16,500	20,000	-3,500	30,000	24,750
Water Inspections	0	4,600	23,000	-18,400	34,500	6,900
Aerator Reimbursements	3,360	10,080	11,667	-1,587	17,500	15,120
Aerator Repair/Maintenance	800	1,425	0	1,425	2,500	2,137
Security Expense	0	0	667	-667	1,000	0
Dumpster / Trash Service	1,184	3,202	3,333	-131	5,000	4,803
Misc. Common Area	352	1,416	1,667	-251	2,500	2,123
Common Area Maintenance, Total	16,944	129,680	158,333	-28,653	240,000	194,520
Cost of Routine Operations, Total	68,750	620,963	497,467	123,496	748,700	931,444

	Aug-24	2024 YTD Actual	2024 YTD Budget	\$ Over/Under YTD Budget	2024 Annual Budget	Projected 2024 Annual Expenditures
G&A						
Office Expense						
Payroll Expenses	29,738	257,197	256,667	530	385,000	385,795
Health Insurance (Employee)	0	0	11,867	-11,867	17,800	0
Computer Expense/IT	979	11,810	6,667	5,144	10,000	17,715
Contract Labor	0	21,704	3,333	18,370	5,000	32,555
POA Building Maintenance	55	840	2,667	-1,826	4,000	1,261
Postage and Delivery	7	5,675	6,000	-325	9,000	8,512
Office Machine Contracts	596	6,987	8,000	-1,013	12,000	10,481
Property Taxes	0	102	1,200	-1,098	1,800	153
Office Supplies	980	3,864	6,667	-2,802	10,000	5,796
Utilities	0					
Electricity	286	3,508	3,333	175	5,000	5,263
Water / Sewer / Trash	201	1,765	2,333	-568	3,500	2,648
Internet	157	1,092	1,200	-108	1,800	1,639
Web Site Expense	200	1,600	1,600	0	2,400	2,400
Mileage Expense	342	4,411	8,933	-4,523	13,400	6,616
Telephone Expense	0	1,785	2,067	-282	3,100	2,677
Security Alarm	255	2,229	2,667	-438	4,000	3,343
Bad Debt Expense	13	3,809	0	3,809		5,713
Subscription Expense	0	0	800	-800	1,200	0
Miscellaneous Expense	0	831	3,333	-2,502	5,000	1,247
Office Expense, Total	33,809	329,209	329,333	-124	494,000	493,814
Association Fees & 3rd Party Expenses						
Community Engagement	0	0	10,000	-10,000	15,000	0
Insurance Expense	10,067	80,090	77,000	3,090	115,500	120,136
Balloting Expense	0	17,870	10,000	7,870	15,000	26,804
Board/Annual Meeting	450	7,284	6,667	618	10,000	10,927
Boat Rental	0	0	0	0		0
Credit Card Fees	314	1,668	0	1,668		2,502
Bank Fees	207	1,490	1,667	-177	2,500	2,235
Collection Fees	0	0	10,000	-10,000	15,000	0
Association Fees, Total	11,038	108,402	115,333	-6,931	173,000	162,604
Professional Fees						
Accounting	18,859	51,064	33,333	17,731	50,000	76,596
Audit	0	0	8,000	-8,000	12,000	0
Reserve Study	0	0	13,333	-13,333	20,000	0
Legal Fees	2,740	30,182	50,000	-19,818	75,000	45,272
Investment Fees	0	7,500	6,667	833	10,000	11,250
Professional Fees, Total	21,599	88,746	111,333	-22,588	167,000	133,118
G&A, Total	66,446	526,357	556,000	-29,643	834,000	789,536
Total Expense	135,196	1,147,320	1,053,467	93,853	1,582,700	1,720,980
Net Income	-106,462	1,361,031	1,223,233	137,797	775,000	988,634

{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.