

# **Padre Isles Property Owners Association**

Financial Statements and Report

October 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 October 31, 2024, and the related statements of income and retained earnings for the ten 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

November 13, 2024

**Padre Isles Property Owners Association**

Balance Sheet

As of October 31, 2024

<b>Assets</b>		
<b>Current Assets</b>		
<b>Cash and Cash Equivalents</b>		
<b>Cash</b>		
	American Bank Operating 3820	211,931
	HPO Cash	1,197,194
	Bill.com Payments Processing	(3,880)
	<b>Total Cash</b>	<b>1,405,245</b>
<b>Cash Equivalents</b>		
	HPO Certificate of Deposit	10,343,287
	<b>Total Cash Equivalents</b>	<b>10,343,287</b>
<b>Prepaid Expenses</b>		
	Prepaid Insurance	36,021
	<b>Total Prepaid Expenses</b>	<b>36,021</b>
<b>Short-term Investments</b>		
<b>Marketable Securities, current</b>		
	American Funds Bond Fd	810,941
	Dodge & Cox Income Fund	659,322
	Vanguard Fixed Income ST	-
	American Century SM Cap Fund	148,434
	Dodge & Cox Stk Fd	447,246
	Fidelity Advisor Ser Sm Cap Fun	221,775
	Growth Fund America CI	439,340
	<b>Total Marketable Securities, current</b>	<b>2,727,058</b>
<b>Inventory</b>		
	Bulkhead Material Inventory	108,852
	<b>Total Inventory</b>	<b>108,852</b>
<b>Receivables, net</b>		
	Accounts Receivable, Assessments & Fees	239,334
	Accounts Receivable, Trade	-
	<b>Total Receivables, net</b>	<b>239,334</b>
	<b>Total Current Assets</b>	<b>14,859,797</b>
<b>Assets, Noncurrent</b>		
	Non-Current Receivables	353,668
	Allowance for Doubtful Accounts Receivable	(199,166)
	<b>Total Assets, Noncurrent</b>	<b>154,502</b>
<b>Property, Plant and Equipment, net</b>		
	Property, Plant and Equipment	148,710
	Accumulated Depreciation, Depletion and Amortization	(144,003)
	<b>Total Property, Plant and Equipment, net</b>	<b>4,707</b>
<b>Total Assets</b>		<b>\$ 15,019,006</b>

**Padre Isles Property Owners Association**

Balance Sheet

As of October 31, 2024

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**Liabilities and Equity**

**Liabilities**

**Liabilities, current**

Accounts Payable 79,159

**Deferred Revenue and Credits, current**

Prepaid Owner Assessments 8,690

**Other Liabilities, current**

Withholding Tax for Aerator Payments -

Contractor Refundable Deposits 3,700

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**Total Liabilities, current** 91,548

**Equity**

**Retained Earnings (Deficit)**

Unrealized Investment Gain (Loss) 226,970

Net Income (Loss) 1,189,416

Fund Balance 13,511,072

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**Total Equity** 14,927,456

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**Total Liabilities and Equity** \$ 15,019,006

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Unrealized Investment Gain (Loss) change from last month (67,895.53)

**Padre Isles Property Owners Association**  
**Oct-24 Income Statement**

REVENUE	Oct-24	2024 YTD Actual	2024 YTD Budget	\$ Over/Under YTD Budget	2024 Annual Budget	Proj 2024 Expenditures
<b>Operating Revenue</b>						
Assessments	(154)	2,090,970	2,100,000	-9,030	2,100,000	2,090,970
Miscellaneous Revenue						
ACC Applications	650	9,200	12,500	-3,300	15,000	11,040
Decal Sales	890	23,336	23,333	2	28,000	28,003
Resale Certificate Fee	1,250	11,750	10,833	917	13,000	14,100
Transfer Fees	2,500	26,547	20,833	5,713	25,000	31,856
Finance Charges	(2)	26,818	25,000	1,818	30,000	32,182
Misc Revenue, Other	187	9,170	1,667	7,504	2,000	11,004
<b>Total Operating Revenue</b>	<b>5,321</b>	<b>2,197,790</b>	<b>2,194,167</b>	<b>3,624</b>	<b>2,213,000</b>	<b>2,219,155</b>
<b>Non-Operating Revenue</b>						
Billish Park - City of CC Contribution	0	14,700	14,700	0	14,700	14,700
Investment Income	70,179	442,849	108,333	334,516	130,000	531,419
<b>Total Non-Operating Revenue</b>	<b>70,179</b>	<b>457,549</b>	<b>123,033</b>	<b>334,516</b>	<b>144,700</b>	<b>546,119</b>
<b>Total Revenue</b>	<b>75,499</b>	<b>2,655,340</b>	<b>2,317,200</b>	<b>338,140</b>	<b>2,357,700</b>	<b>2,765,274</b>
<b>EXPENSE</b>						
<b>Routine Operations</b>						
<b>Bulkheads &amp; Canals</b>			354,167		425,000	
Bulkhead Inspection (ACC App)	400	2,175				2,610
Bulkhead Inspection	10,500	21,850				26,220
Bulkhead / Drill & Probe	1,750	6,055				7,266
Bulkhead Panel Repair	8,128	67,043				80,451
Bulkhead Washout/Screen	0	37,978				45,574
Bulkhead Tieback Repair	0	1,300				1,560
Bulkhead Repair/Manta Ray Instal	33,060	171,793				206,151
Bulkhead Caps Repair	26,760	224,492				269,390
Bulkhead Drain Install	0	1,625				1,950
Bulkhead Washout/Foam	20,900	63,600				76,320
Special Projects BH & Canal	0	0				0
Canal Cleanup	1,417	8,665	12,500	-3,835	15,000	10,397
<b>Bulkhead Repairs, Total</b>	<b>102,915</b>	<b>606,575</b>	<b>366,667</b>	<b>239,908</b>	<b>440,000</b>	<b>727,889</b>
<b>Billish Park</b>						
Billish Park Lawn Maintenance	3,541	42,500	45,833	-3,333	55,000	51,000
Billish Park Irrigation	0	894	6,667	-5,772	8,000	1,073
Billish Park Playground	0	125	2,250	-2,125	2,700	150
Billish Park General Maintenance	709	3,522	2,500	1,022	3,000	4,226
Billish Park Special Project	0	0	0	0		0
<b>Billish Park, Total</b>	<b>4,250</b>	<b>47,041</b>	<b>57,250</b>	<b>-10,209</b>	<b>68,700</b>	<b>56,449</b>
<b>Common Area Maintenance</b>						
Common Area Mowing/Trimming	7,965	73,046	75,000	-1,954	90,000	87,655
Boat Ramp Wash/Maintenance	6,657	48,178	47,500	678	57,000	57,813
Common Area Special Projects	0	16,500	25,000	-8,500	30,000	19,800
Water Inspections	0	4,600	28,750	-24,150	34,500	5,520
Aerator Reimbursements	0	10,080	14,583	-4,503	17,500	12,096
Aerator Repair/Maintenance	905	2,330	0	2,330	2,500	2,796
Security Expense	0	0	833	-833	1,000	0
Dumpster / Trash Service	139	3,868	4,167	-299	5,000	4,641
Misc. Common Area	0	1,416	2,083	-668	2,500	1,699
<b>Common Area Maintenance, Total</b>	<b>15,666</b>	<b>160,016</b>	<b>197,917</b>	<b>-37,900</b>	<b>240,000</b>	<b>192,020</b>
<b>Cost of Routine Operations, Total</b>	<b>122,830</b>	<b>813,632</b>	<b>621,833</b>	<b>191,799</b>	<b>748,700</b>	<b>976,359</b>

	Oct-24	2024 YTD Actual	2024 YTD Budget	\$ Over/Under YTD Budget	2024 Annual Budget	Projected 2024 Annual Expenditures
<b>G&amp;A</b>						
<b>Office Expense</b>						
Payroll Expenses	30,365	317,217	320,833	-3,617	385,000	380,660
Health Insurance (Employee)	0	0	14,833	-14,833	17,800	0
Computer Expense/IT	6,271	19,060	8,333	10,727	10,000	22,872
Contract Labor	0	21,704	4,167	17,537	5,000	26,044
POA Building Maintenance	150	1,433	3,333	-1,900	4,000	1,720
Postage and Delivery	5	5,697	7,500	-1,803	9,000	6,836
Office Machine Contracts	545	9,236	10,000	-764	12,000	11,084
Property Taxes	0	331	1,500	-1,169	1,800	397
Office Supplies	898	5,448	8,333	-2,885	10,000	6,538
Utilities	0					
Electricity	306	4,113	4,167	-53	5,000	4,936
Water / Sewer / Trash	153	2,237	2,917	-679	3,500	2,685
Internet	127	1,346	1,500	-154	1,800	1,615
Web Site Expense	200	2,000	2,000	0	2,400	2,400
Mileage Expense	1,142	5,815	11,167	-5,352	13,400	6,978
Telephone Expense	255	2,295	2,583	-288	3,100	2,754
Security Alarm	273	2,757	3,333	-576	4,000	3,309
Bad Debt Expense	10,054	3,847	0	3,847		4,617
Subscription Expense	179	179	1,000	-821	1,200	215
Miscellaneous Expense	152	2,620	4,167	-1,547	5,000	3,144
<b>Office Expense, Total</b>	<b>51,074</b>	<b>407,337</b>	<b>411,667</b>	<b>-4,330</b>	<b>494,000</b>	<b>488,804</b>
<b>Association Fees &amp; 3rd Party Expenses</b>						
Community Engagement	0	0	12,500	-12,500	15,000	0
Insurance Expense	10,067	100,224	96,250	3,974	115,500	120,269
Balloting Expense	0	17,870	12,500	5,370	15,000	21,443
Board/Annual Meeting	316	8,550	8,333	217	10,000	10,260
Boat Rental	500	500	0	500		600
Credit Card Fees	220	2,361	0	2,361		2,833
Bank Fees	90	1,655	2,083	-428	2,500	1,986
Collection Fees	0	0	12,500	-12,500	15,000	0
<b>Association Fees, Total</b>	<b>11,193</b>	<b>131,160</b>	<b>144,167</b>	<b>-13,007</b>	<b>173,000</b>	<b>157,392</b>
<b>Professional Fees</b>						
Accounting	9,895	65,510	41,667	23,843	50,000	78,612
Audit	0	0	10,000	-10,000	12,000	0
Reserve Study	0	0	16,667	-16,667	20,000	0
Legal Fees	5,189	38,260	62,500	-24,240	75,000	45,912
Investment Fees	2,525	10,025	8,333	1,692	10,000	12,030
<b>Professional Fees, Total</b>	<b>17,609</b>	<b>113,795</b>	<b>139,167</b>	<b>-25,372</b>	<b>167,000</b>	<b>136,554</b>
<b>G&amp;A, Total</b>	<b>79,877</b>	<b>652,292</b>	<b>695,000</b>	<b>-42,708</b>	<b>834,000</b>	<b>782,750</b>
<b>Total Expense</b>	<b>202,707</b>	<b>1,465,924</b>	<b>1,316,833</b>	<b>149,091</b>	<b>1,582,700</b>	<b>1,759,109</b>
<b>Net Income</b>	<b>-127,208</b>	<b>1,189,416</b>	<b>1,000,367</b>	<b>189,049</b>	<b>775,000</b>	<b>1,006,165</b>

(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.

