

# **Padre Isles Property Owners Association**

Financial Statements and Report

September 30, 2024

## 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

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 September 30, 2024, and the related statements of income and retained earnings for the nine 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

October 15, 2024

**Padre Isles Property Owners Association**

Balance Sheet

As of September 30, 2024

<b>Assets</b>	
<b>Current Assets</b>	
<b>Cash and Cash Equivalents</b>	
<b>Cash</b>	
American Bank Operating 3820	207,780
HPO Cash	929,540
Bill.com Payments Processing	-
<b>Total Cash</b>	<b>1,137,320</b>
<b>Cash Equivalents</b>	
HPO Certificate of Deposit	10,806,226
<b>Total Cash Equivalents</b>	<b>10,806,226</b>
<b>Prepaid Expenses</b>	
Prepaid Insurance	46,994
<b>Total Prepaid Expenses</b>	<b>46,994</b>
<b>Short-term Investments</b>	
<b>Marketable Securities, current</b>	
American Funds Bond Fd	836,103
Dodge & Cox Income Fund	677,114
Vanguard Fixed Income ST	-
American Century SM Cap Fund	150,342
Dodge & Cox Stk Fd	448,423
Fidelity Advisor Ser Sm Cap Fun	228,800
Growth Fund America CI	441,232
<b>Total Marketable Securities, current</b>	<b>2,782,015</b>
<b>Inventory</b>	
Bulkhead Material Inventory	5,260
<b>Total Inventory</b>	<b>5,260</b>
<b>Receivables, net</b>	
Accounts Receivable, Assessments & Fees	257,856
Accounts Receivable, Trade	-
<b>Total Receivables, net</b>	<b>257,856</b>
<b>Total Current Assets</b>	<b>15,035,671</b>
<b>Assets, Noncurrent</b>	
Non-Current Receivables	361,564
Allowance for Doubtful Accounts Receivable	(199,166)
<b>Total Assets, Noncurrent</b>	<b>162,398</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>\$ 15,202,776</b>

**Padre Isles Property Owners Association**

Balance Sheet

As of September 30, 2024

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**Liabilities and Equity**

**Liabilities**

**Liabilities, current**

Accounts Payable 67,826

**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** 80,216

**Equity**

**Retained Earnings (Deficit)**

Unrealized Investment Gain (Loss) 294,865

Net Income (Loss) 1,316,623

Fund Balance 13,511,072

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**Total Equity** 15,122,559

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**Total Liabilities and Equity** \$ 15,202,776

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Unrealized Investment Gain (Loss) change from last month 39,031.76

**Padre Isles Property Owners Association**

**Sep-24 Income Statement**

<b>REVENUE</b>	<b>Sep-24</b>	<b>2024 YTD Actual</b>	<b>2024 YTD Budget</b>	<b>\$ Over/Under YTD Budget</b>	<b>2024 Annual Budget</b>	<b>Proj 2024 Expenditures</b>
<b>Operating Revenue</b>						
Assessments	0	2,091,124	2,100,000	-8,876	2,100,000	2,091,124
Miscellaneous Revenue						
ACC Applications	700	8,550	11,250	-2,700	15,000	11,400
Decal Sales	634	22,446	21,000	1,446	28,000	29,928
Resale Certificate Fee	750	10,500	9,750	750	13,000	14,000
Transfer Fees	1,500	24,047	18,750	5,297	25,000	32,062
Finance Charges	0	26,821	22,500	4,321	30,000	35,761
Misc Revenue, Other	454	8,983	1,500	7,483	2,000	11,977
<b>Total Operating Revenue</b>	<b>4,038</b>	<b>2,192,470</b>	<b>2,184,750</b>	<b>7,720</b>	<b>2,213,000</b>	<b>2,226,252</b>
<b>Non-Operating Revenue</b>						
Billish Park - City of CC Contributio	0	14,700	14,700	0	14,700	14,700
Investment Income	67,452	372,670	97,500	275,170	130,000	496,894
<b>Total Non-Operating Revenue</b>	<b>67,452</b>	<b>387,370</b>	<b>112,200</b>	<b>275,170</b>	<b>144,700</b>	<b>511,594</b>
<b>Total Revenue</b>	<b>71,490</b>	<b>2,579,840</b>	<b>2,296,950</b>	<b>282,890</b>	<b>2,357,700</b>	<b>2,737,846</b>
<b>EXPENSE</b>						
<b>Routine Operations</b>						
<b>Bulkheads &amp; Canals</b>			318,750		425,000	
Bulkhead Inspection (ACC App)	75	1,775				2,367
Bulkhead Inspection	7,700	11,350				15,133
Bulkhead / Drill & Probe	1,820	4,305				5,740
Bulkhead Panel Repair	2,950	58,915				78,553
Bulkhead Washout/Screen	5,000	37,978				50,637
Bulkhead Tieback Repair	300	1,300				1,733
Bulkhead Repair/Manta Ray Install	4,450	138,733				184,977
Bulkhead Caps Repair	1,398	197,732				263,642
Bulkhead Drain Install	0	1,625				2,167
Bulkhead Washout/Foam	26,100	42,700				56,933
Special Projects BH & Canal	0	0				0
Canal Cleanup	576	7,248	11,250	-4,003	15,000	9,663
<b>Bulkhead Repairs, Total</b>	<b>50,369</b>	<b>503,660</b>	<b>330,000</b>	<b>173,660</b>	<b>440,000</b>	<b>671,547</b>
<b>Billish Park</b>						
Billish Park Lawn Maintenance	4,250	38,959	41,250	-2,291	55,000	51,945
Billish Park Irrigation	0	894	6,000	-5,106	8,000	1,192
Billish Park Playground	0	125	2,025	-1,900	2,700	167
Billish Park General Maintenance	549	2,813	2,250	563	3,000	3,750
Billish Park Special Project	0	0	0	0		0
<b>Billish Park, Total</b>	<b>4,799</b>	<b>42,791</b>	<b>51,525</b>	<b>-8,734</b>	<b>68,700</b>	<b>57,055</b>
<b>Common Area Maintenance</b>						
Common Area Mowing/Trimming	10,414	65,081	67,500	-2,419	90,000	86,774
Boat Ramp Wash/Maintenance	3,730	41,521	42,750	-1,229	57,000	55,361
Common Area Special Projects	0	16,500	22,500	-6,000	30,000	22,000
Water Inspections	0	4,600	25,875	-21,275	34,500	6,133
Aerator Reimbursements	0	10,080	13,125	-3,045	17,500	13,440
Aerator Repair/Maintenance	0	1,425	0	1,425	2,500	1,900
Security Expense	0	0	750	-750	1,000	0
Dumpster / Trash Service	527	3,729	3,750	-21	5,000	4,972
Misc. Common Area	0	1,416	1,875	-459	2,500	1,887
<b>Common Area Maintenance, Total</b>	<b>14,671</b>	<b>144,351</b>	<b>178,125</b>	<b>-33,774</b>	<b>240,000</b>	<b>192,468</b>
<b>Cost of Routine Operations, Total</b>	<b>69,839</b>	<b>690,802</b>	<b>559,650</b>	<b>131,152</b>	<b>748,700</b>	<b>921,069</b>

	Sep-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	29,655	286,852	288,750	-1,898	385,000	382,469
Health Insurance (Employee)	0	0	13,350	-13,350	17,800	0
Computer Expense/IT	979	12,789	7,500	5,289	10,000	17,052
Contract Labor	0	21,704	3,750	17,954	5,000	28,938
POA Building Maintenance	443	1,283	3,000	-1,717	4,000	1,711
Postage and Delivery	17	5,692	6,750	-1,058	9,000	7,589
Office Machine Contracts	1,704	8,692	9,000	-308	12,000	11,589
Property Taxes	229	331	1,350	-1,019	1,800	441
Office Supplies	686	4,551	7,500	-2,949	10,000	6,067
Utilities	0					
Electricity	299	3,808	3,750	58	5,000	5,077
Water / Sewer / Trash	319	2,084	2,625	-541	3,500	2,779
Internet	127	1,219	1,350	-131	1,800	1,626
Web Site Expense	200	1,800	1,800	0	2,400	2,400
Mileage Expense	262	4,673	10,050	-5,377	13,400	6,231
Telephone Expense	255	2,040	2,325	-285	3,100	2,720
Security Alarm	255	2,484	3,000	-516	4,000	3,312
Bad Debt Expense	(10,015)	-6,207	0	-6,207		-8,275
Subscription Expense	0	0	900	-900	1,200	0
Miscellaneous Expense	1,637	2,468	3,750	-1,282	5,000	3,291
<b>Office Expense, Total</b>	<b>27,053</b>	<b>356,263</b>	<b>370,500</b>	<b>-14,237</b>	<b>494,000</b>	<b>475,017</b>
<b>Association Fees &amp; 3rd Party Expenses</b>						
Community Engagement	0	0	11,250	-11,250	15,000	0
Insurance Expense	10,067	90,157	86,625	3,532	115,500	120,210
Balloting Expense	0	17,870	11,250	6,620	15,000	23,826
Board/Annual Meeting	950	8,234	7,500	734	10,000	10,979
Boat Rental	0	0	0	0		0
Credit Card Fees	472	2,141	0	2,141		2,854
Bank Fees	75	1,565	1,875	-310	2,500	2,087
Collection Fees	0	0	11,250	-11,250	15,000	0
<b>Association Fees, Total</b>	<b>11,564</b>	<b>119,967</b>	<b>129,750</b>	<b>-9,783</b>	<b>173,000</b>	<b>159,956</b>
<b>Professional Fees</b>						
Accounting	4,551	55,615	37,500	18,115	50,000	74,153
Audit	0	0	9,000	-9,000	12,000	0
Reserve Study	0	0	15,000	-15,000	20,000	0
Legal Fees	2,890	33,071	56,250	-23,179	75,000	44,095
Investment Fees	0	7,500	7,500	0	10,000	10,000
<b>Professional Fees, Total</b>	<b>7,440</b>	<b>96,186</b>	<b>125,250</b>	<b>-29,064</b>	<b>167,000</b>	<b>128,248</b>
<b>G&amp;A, Total</b>	<b>46,058</b>	<b>572,415</b>	<b>625,500</b>	<b>-53,085</b>	<b>834,000</b>	<b>763,220</b>
<b>Total Expense</b>	<b>115,897</b>	<b>1,263,217</b>	<b>1,185,150</b>	<b>78,067</b>	<b>1,582,700</b>	<b>1,684,289</b>
<b>Net Income</b>	<b>-44,408</b>	<b>1,316,623</b>	<b>1,111,800</b>	<b>204,823</b>	<b>775,000</b>	<b>1,053,556</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.