

# **Padre Isles Property Owners Association**

Financial Statements and Report

July 31, 2022

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### **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 July 31, 2022, and the related statements of income and retained earnings for the seven 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

August 3, 2022

**Padre Isles Property Owners Association**

Balance Sheet  
As of July 31, 2022

<b>Assets</b>	
<b>Current Assets</b>	
<b>Cash and Cash Equivalents</b>	
<b>Cash</b>	
American Bank Builders Deposit	\$ -
Petty Cash	-
American Bank Operating 3820	76,613
HPO Cash	585,863
Bill.com Payments Processing	-
<b>Total Cash</b>	<b>662,476</b>
<b>Cash Equivalents</b>	
HPO Certificate of Deposit	9,459,710
<b>Total Cash Equivalents</b>	<b>9,459,710</b>
<b>Prepaid Expenses</b>	
Prepaid Insurance	70,896
<b>Total Prepaid Expenses</b>	<b>70,896</b>
<b>Short-term Investments</b>	
<b>Marketable Securities, current</b>	
American Funds Bond Fd	872,768
Dodge & Cox Income Fund	674,497
Vanguard Fixed Income ST	302,150
American Century SM Cap Fund	135,758
Dodge & Cox Stk Fd	368,184
Fidelity Advisor Ser Sm Cap Fun	181,926
Growth Fund America Cl	324,415
<b>Total Marketable Securities, current</b>	<b>2,859,699</b>
<b>Receivables, net</b>	
Accounts Receivable, Assessments & Fees	204,240
Accounts Receivable, Trade	-
<b>Total Receivables, net</b>	<b>204,240</b>
<b>Total Current Assets</b>	<b>13,257,021</b>
<b>Assets, Noncurrent</b>	
Non-Current Receivables	344,320
Allowance for Doubtful Accounts Receivable	(199,166)
<b>Total Assets, Noncurrent</b>	<b>145,154</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>\$ 13,406,882</b>

**Padre Isles Property Owners Association**

Balance Sheet

As of July 31, 2022

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**Liabilities and Equity**

**Liabilities**

**Liabilities, current**

Accounts Payable 77,792

**Deferred Revenue and Credits, current**

Prepaid Owner Assessments 3,467

**Other Liabilities, current**

Withholding Tax for Aerator Payments 61

Contractor Refundable Deposits 1,700

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**Total Liabilities, current** 83,020

**Equity**

**Retained Earnings (Deficit)**

Unrealized Investment Gain (Loss) (546,879)

Net Income (Loss) 1,004,107

Fund Balance 12,866,633

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**Total Equity** 13,323,861

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**Total Liabilities and Equity** \$ 13,406,882

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Unrealized Investment Gain (Loss) change from last month \$121,542

## Padre Isles Property Owners Association

## Jul-22 Income Statement

REVENUE	Jul-22	2022 YTD Actual	2022 YTD Budget	\$ Over/Under YTD Budget	2022 Annual Budget	Proj 2022 Expenditures
<b>Operating Revenue</b>						
Assessments	0	2,037,823	2,000,000	37,823	2,000,000	2,037,823
Miscellaneous Revenue						
ACC Applications	1,500	10,650	11,667	-1,017	20,000	18,257
Decal Sales	2,375	23,010	13,125	9,885	22,500	39,446
Resale Certificate Fee	1,800	14,900	8,750	6,150	15,000	25,543
Transfer Fees	3,500	28,450	29,167	-717	50,000	48,771
Finance Charges	0	18,697	11,667	7,030	20,000	32,051
Misc Revenue, Other	41	940	1,458	-518	2,500	1,612
<b>Total Operating Revenue</b>	<b>9,216</b>	<b>2,134,470</b>	<b>2,075,833</b>	<b>58,637</b>	<b>2,130,000</b>	<b>2,203,503</b>
<b>Non-Operating Revenue</b>						
Investment Income	7,714	76,542	75,833	709	130,000	131,215
<b>Total Non-Operating Revenue</b>	<b>7,714</b>	<b>76,542</b>	<b>75,833</b>	<b>709</b>	<b>130,000</b>	<b>131,215</b>
<b>Total Revenue</b>	<b>16,930</b>	<b>2,211,012</b>	<b>2,151,667</b>	<b>59,346</b>	<b>2,260,000</b>	<b>2,334,719</b>
<b>EXPENSE</b>						
<b>Routine Operations</b>						
<b>Bulkheads &amp; Canals</b>					762,000	
Tieback Inspection	0	39,800				68,229
Bulkhead Inspection	0	12,615				21,626
Bulkhead / Drill & Probe	0	1,000				1,714
Bulkhead Panel Repair	0	510				874
Bulkhead Washout/Screen	0	52,900				90,686
Bulkhead Tieback Repair	0	0				0
Bulkhead Drain Install	1,540	3,850				6,600
Bulkhead Caps Repair	27,500	221,520				379,749
Canal Dredging	0	0				0
Canal Cleanup	858	5,980				10,251
<b>Bulkhead Repairs, Total</b>	<b>29,898</b>	<b>338,175</b>	<b>444,500</b>	<b>106,325</b>	<b>762,000</b>	<b>579,728</b>
<b>Billish Park</b>						
Billish Park Lawn Maintenance	4,250	27,738	26,250	1,488	45,000	47,550
Billish Park Irrigation	6,232	8,823	5,833	2,989	10,000	15,124
Billish Park Playground	0	14	5,833	-5,819	10,000	24
Billish Park General Maintenance	177	1,729	408	1,321	700	2,964
Billish Park Special Project	0	0	2,917	-2,917	5,000	0
Billish Park - City of CC Contribution	0	0	-8,575	8,575	(14,700)	0
<b>Billish Park, Total</b>	<b>10,659</b>	<b>38,303</b>	<b>32,667</b>	<b>5,637</b>	<b>56,000</b>	<b>65,663</b>
<b>Common Area Maintenance</b>						
Common Area Mowing/Trimming	6,833	47,626	93,333	-45,707	160,000	81,645
Boat Ramp Wash/Maintenance	2,121	27,715	29,167	-1,452	50,000	47,511
Common Area Special Projects	78,424	302,088	204,167	97,921	350,000	517,865
Water Inspections	4,600	13,800	18,958	-5,158	32,500	23,657
Aerator Reimbursements	0	3,315	6,417	-3,102	11,000	5,683
Aerator Repair/Maintenance	0	1,490	0	0	-	2,554
Security Expense	0	0	1,458	-1,458	2,500	0
Dumpster / Trash Service	454	1,344	3,500	-2,156	6,000	2,304
Misc. Common Area	738	1,537	0	1,537	-	2,634
<b>Common Area Maintenance, Total</b>	<b>93,170</b>	<b>398,914</b>	<b>357,000</b>	<b>40,425</b>	<b>612,000</b>	<b>683,853</b>
<b>Cost of Routine Operations, Total</b>	<b>133,727</b>	<b>775,393</b>	<b>834,167</b>	<b>152,387</b>	<b>1,430,000</b>	<b>1,329,244</b>

	Jul-22	2022 YTD Actual	2022 YTD Budget	\$ Over/Under YTD Budget	2022 Annual Budget	Projected 2022 Annual Expenditures
<b>G&amp;A</b>						
<b>Office Expense</b>						
Payroll Expenses	25,421	186,998	233,333	-46,335	400,000	320,568
Computer Expense/IT	1,439	7,784	13,125	-5,341	22,500	13,344
Contract Labor	463	12,239	16,917	-4,677	29,000	20,982
Credit Card Fees	914	14,071	11,667	2,405	20,000	24,122
POA Building Maintenance	174	2,698	5,250	-2,552	9,000	4,625
Postage and Delivery	500	3,557	2,917	640	5,000	6,097
Office Machine Contracts	1,234	6,114	5,833	281	10,000	10,482
Property Taxes	(27)	0	1,458	-1,458	2,500	0
Office Supplies	375	4,672	6,417	-1,744	11,000	8,010
Utilities	0					
Electricity	362	2,656	2,217	439	3,800	4,553
Water / Sewer / Trash	12	2,372	3,063	-690	5,250	4,067
Internet	137	1,005	1,050	-45	1,800	1,723
Web Site Expense	200	1,400	1,750	-350	3,000	2,400
Mileage Expense	1,049	6,018	4,667	1,351	8,000	10,316
Telephone Expense	233	1,826	1,750	76	3,000	3,130
Security Alarm	264	1,884	1,867	17	3,200	3,229
Subscription Expense	0	0	292	-292	500	0
Miscellaneous Expense	28	840	1,750	-910	3,000	1,439
<b>Office Expense, Total</b>	<b>32,776</b>	<b>256,134</b>	<b>315,321</b>	<b>-59,187</b>	<b>540,550</b>	<b>439,087</b>
<b>Association Fees &amp; 3rd Party Expenses</b>						
Community Engagement	0	0	5,833	-5,833	10,000	0
Insurance Expense	11,385	76,490	58,333	18,157	100,000	131,126
Balloting Expense	0	14,563	8,167	6,396	14,000	24,965
Board/Annual Meeting	15	7,922	4,375	3,547	7,500	13,581
Bank Fees	75	1,446	1,458	-12	2,500	2,480
Collection Fees	0	0	0	0	-	0
<b>Association Fees, Total</b>	<b>11,475</b>	<b>100,422</b>	<b>78,167</b>	<b>22,255</b>	<b>134,000</b>	<b>172,152</b>
<b>Professional Fees</b>						
Accounting	7,986	28,238	39,083	-10,846	67,000	48,407
Audit	0	0	7,583	-7,583	13,000	0
Legal Fees	0	35,521	14,583	20,937	25,000	60,892
Investment Fees	2,500	7,520	5,833	1,687	10,000	12,891
<b>Professional Fees, Total</b>	<b>10,486</b>	<b>71,278</b>	<b>67,083</b>	<b>4,195</b>	<b>115,000</b>	<b>122,191</b>
<b>G&amp;A, Total</b>	<b>54,738</b>	<b>427,835</b>	<b>460,571</b>	<b>-32,736</b>	<b>789,550</b>	<b>733,431</b>
<b>Non-Recurring Expenses (Revenue)</b>						
Cyber Theft	0	3,678	0	3,678	-	0
<b>Non-Recurring, Total</b>	<b>0</b>	<b>3,678</b>	<b>0</b>	<b>3,678</b>	<b>0</b>	<b>0</b>
<b>Total Expense</b>	<b>188,465</b>	<b>1,206,905</b>	<b>1,294,738</b>	<b>123,328</b>	<b>2,219,550</b>	<b>2,062,675</b>
<b>Net Income</b>	<b>-171,535</b>	<b>1,004,107</b>	<b>856,929</b>	<b>-63,983</b>	<b>40,450</b>	<b>272,044</b>