

Padre Isles Property Owners Association

Financial Statements and Report

July 31, 2023

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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 July 31, 2023, 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 24, 2023

Padre Isles Property Owners Association

Balance Sheet
As of July 31, 2023

Assets		
Current Assets		
Cash and Cash Equivalents		
Cash		
American Bank Builders Deposit	\$	-
Petty Cash		-
American Bank Operating 3820		176,290
HPO Cash		103,301
Bill.com Payments Processing		-
Total Cash		279,590
Cash Equivalents		
HPO Certificate of Deposit		10,886,408
Total Cash Equivalents		10,886,408
Prepaid Expenses		
Prepaid Legal Expenses		161
Prepaid Insurance		75,100
Total Prepaid Expenses		75,260
Short-term Investments		
Marketable Securities, current		
American Funds Bond Fd		812,379
Dodge & Cox Income Fund		647,810
Vanguard Fixed Income ST		-
American Century SM Cap Fund		139,029
Dodge & Cox Stk Fd		390,157
Fidelity Advisor Ser Sm Cap Fun		192,282
Growth Fund America CI		360,659
Total Marketable Securities, current		2,542,316
Receivables, net		
Accounts Receivable, Assessments & Fees		279,586
Accounts Receivable, Trade		-
Total Receivables, net		279,586
Total Current Assets		14,063,161
Assets, Noncurrent		
Non-Current Receivables		368,060
Allowance for Doubtful Accounts Receivable		(199,166)
Total Assets, Noncurrent		168,894
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	\$	14,236,761

Padre Isles Property Owners Association

Balance Sheet
As of July 31, 2023

Liabilities and Equity

Liabilities

Liabilities, current

Accounts Payable 31,664

Deferred Revenue and Credits, current

Prepaid Owner Assessments 2,212

Other Liabilities, current

Withholding Tax for Aerator Payments -

Contractor Refundable Deposits 3,700

Total Liabilities, current 37,575

Equity

Retained Earnings (Deficit)

Unrealized Investment Gain (Loss) 233,757

Net Income (Loss) 1,418,025

Fund Balance 12,547,403

Total Equity 14,199,185

Total Liabilities and Equity \$ 14,236,761

Unrealized Investment Gain (Loss) change from last month 54,497.25

Padre Isles Property Owners Association

Jul-23 Income Statement

REVENUE	Jul-23	2023 YTD Actual	2023 YTD Budget	\$ Over/Under YTD Budget	2023 Annual Budget	Proj 2023 Expenditures
Operating Revenue						
Assessments	0	2,073,400	2,084,000	-10,600	2,084,000	2,073,400
Miscellaneous Revenue						
ACC Applications	1,150	8,650	11,667	-3,017	20,000	14,829
Decal Sales	1,898	24,523	13,125	11,398	22,500	42,039
Resale Certificate Fee	1,250	7,900	8,750	-850	15,000	13,543
Transfer Fees	2,400	16,850	29,167	-12,317	50,000	28,886
Finance Charges	9,037	29,207	11,667	17,540	20,000	50,069
Misc Revenue, Other	50	4,160	1,458	2,702	2,500	7,132
Total Operating Revenue	15,785	2,164,690	2,159,833	4,857	2,214,000	2,229,897
Non-Operating Revenue						
Billish Park - City of CC Contribution	0	14,700	14,700	0	14,700	14,700
Investment Income	18,177	134,897	75,833	59,064	130,000	231,253
Total Non-Operating Revenue	18,177	149,597	90,533	59,064	144,700	245,953
Total Revenue	33,963	2,314,287	2,250,367	63,921	2,358,700	2,475,850
EXPENSE						
Routine Operations						
Bulkheads & Canals						
Bulkhead Inspection (ACC App)	4,000	12,125	7,732	4,393	13,256	20,786
Bulkhead Inspection	75	6,075	7,732	-1,657	13,256	10,414
Bulkhead / Drill & Probe	280	3,970	12,676	-8,706	21,731	6,806
Bulkhead Panel Repair	360	1,200	11,267	-10,067	19,316	2,057
Bulkhead Washout/Screen	6,800	36,125	33,807	2,318	57,956	61,929
Bulkhead Tieback Repair	500	14,000	12,676	1,324	21,731	24,000
Bulkhead Repair/Manta Ray Install	0	4,500	370,231	-365,731	634,682	7,714
Bulkhead Drain Install	0	385	33,807	-33,422	57,956	660
Bulkhead Caps Repair	25,960	166,065	22,537	143,528	38,636	284,683
Canal Dredging	0	0	-	0		0
Canal Cleanup	1,481	9,352	4,891	4,461	8,384	16,031
Bulkhead Repairs, Total	39,456	253,797	517,358	-263,562	886,900	435,080
Billish Park						
Billish Park Lawn Maintenance	4,250	33,128	30,618	2,510	52,488	56,791
Billish Park Irrigation	0	0	4,667	-4,667	8,000	0
Billish Park Playground	0	0	2,917	-2,917	5,000	0
Billish Park General Maintenance	127	1,536	1,750	-214	3,000	2,634
Billish Park Special Project	0	0	3,500	-3,500	6,000	0
Billish Park, Total	4,377	34,665	43,451	-8,786	74,488	59,425
Common Area Maintenance						
Common Area Mowing/Trimming	9,703	55,108	56,719	-1,611	97,233	94,471
Boat Ramp Wash/Maintenance	5,846	30,321	28,632	1,689	49,083	51,979
Common Area Special Projects	4,546	44,866	29,167	15,700	50,000	76,914
Water Inspections	4,600	12,439	20,125	-7,686	34,500	21,323
Aerator Reimbursements	0	5,280	10,080	-4,800	17,280	9,051
Aerator Repair/Maintenance	460	460	0	460	2,500	789
Security Expense	0	394	1,458	-1,065	2,500	675
Dumpster / Trash Service	552	2,957	3,626	-668	6,215	5,070
Misc. Common Area	300	3,571	3,903	-333	6,691	6,121
Common Area Maintenance, Total	26,008	155,396	153,710	1,686	266,004	266,393
Cost of Routine Operations, Total	69,841	443,857	714,520	-270,662	1,227,391	760,898

	Jul-23	2023 YTD Actual	2023 YTD Budget	\$ Over/Under YTD Budget	2023 Annual Budget	Projected 2023 Annual Expenditures
G&A						
Office Expense						
Payroll Expenses	21,370	181,115	233,333	-52,219	400,000	310,482
Computer Expense/IT	873	7,132	6,727	405	11,532	12,226
Contract Labor	4,466	29,310	9,333	19,976	16,000	50,245
POA Building Maintenance	0	677	2,333	-1,656	4,000	1,161
Postage and Delivery	500	4,500	5,775	-1,275	9,900	7,714
Office Machine Contracts	438	6,394	5,507	888	9,440	10,962
Property Taxes	0	1,294	1,294	0	2,218	2,218
Office Supplies	428	4,157	7,292	-3,134	12,500	7,127
Utilities	0					
Electricity	383	2,496	2,771	-275	4,750	4,278
Water / Sewer / Trash	258	2,219	4,200	-1,981	7,200	3,803
Internet	140	993	959	35	1,644	1,703
Web Site Expense	200	1,400	1,575	-175	2,700	2,400
Mileage Expense	740	5,878	7,875	-1,997	13,500	10,076
Telephone Expense	0	1,480	1,809	-329	3,100	2,537
Security Alarm	545	1,939	1,848	92	3,167	3,324
Bad Debt Expense	(257)	239	8,750	-8,511	15,000	410
Subscription Expense	0	121	190	-68	325	208
Miscellaneous Expense	48	21,787	2,917	18,871	5,000	37,350
Office Expense, Total	30,131	273,131	304,486	-31,355	521,976	468,225
Association Fees & 3rd Party Expenses						
Community Engagement	0	0	2,917	-2,917	5,000	0
Insurance Expense	9,269	56,641	74,275	-17,634	127,329	97,099
Balloting Expense	0	14,477	9,333	5,144	16,000	24,818
Board/Annual Meeting	750	4,530	2,917	1,613	5,000	7,765
Boat Rental	0	220	1,120	-900	1,920	377
Credit Card Fees	1,283	18,799	11,667	7,132	20,000	32,226
Bank Fees	75	1,128	1,458	-330	2,500	1,934
Collection Fees	0	0	8,167	-8,167	14,000	0
Association Fees, Total	11,377	95,795	111,854	-16,059	191,749	164,219
Professional Fees						
Accounting	4,300	41,335	35,000	6,335	60,000	70,860
Audit	0	9,700	7,292	2,408	12,500	16,629
Legal Fees	3,518	24,944	29,167	-4,223	50,000	42,761
Investment Fees	2,500	7,500	5,833	1,667	10,000	12,857
Professional Fees, Total	10,318	83,479	77,292	6,187	132,500	143,106
G&A, Total	51,826	452,405	493,631	-41,227	846,225	775,551
Total Expense	121,668	896,262	1,208,151	-311,889	2,073,616	1,536,449
Net Income	-87,705	1,418,025	1,042,216	375,810	285,084	939,401

{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.