

Padre Isles Property Owners Association

Financial Statements and Report

June 30, 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 June 30, 2023, and the related statements of income and retained earnings for the six 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

July 10, 2023

Padre Isles Property Owners Association

Balance Sheet
As of June 30, 2023

Assets		
	Current Assets	
	Cash and Cash Equivalents	
	Cash	
	American Bank Builders Deposit	\$ -
	Petty Cash	-
	American Bank Operating 3820	307,885
	HPO Cash	1,373,233
	Bill.com Payments Processing	-
	Total Cash	1,681,118
	Cash Equivalents	
	HPO Certificate of Deposit	9,595,177
	Total Cash Equivalents	9,595,177
	Prepaid Expenses	
	Prepaid Legal Expenses	2,576
	Prepaid Insurance	84,368
	Total Prepaid Expenses	86,944
	Short-term Investments	
	Marketable Securities, current	
	American Funds Bond Fd	815,255
	Dodge & Cox Income Fund	646,241
	Vanguard Fixed Income ST	-
	American Century SM Cap Fund	130,306
	Dodge & Cox Stk Fd	371,814
	Fidelity Advisor Ser Sm Cap Fun	183,561
	Growth Fund America CI	346,264
	Total Marketable Securities, current	2,493,441
	Receivables, net	
	Accounts Receivable, Assessments & Fees	306,190
	Accounts Receivable, Trade	-
	Total Receivables, net	306,190
	Total Current Assets	14,162,869
	Assets, Noncurrent	
	Non-Current Receivables	372,412
	Allowance for Doubtful Accounts Receivable	(199,166)
	Total Assets, Noncurrent	173,246
	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	\$ 14,340,822

Padre Isles Property Owners Association

Balance Sheet
As of June 30, 2023

Liabilities and Equity

Liabilities

Liabilities, current

Accounts Payable 102,596

Deferred Revenue and Credits, current

Prepaid Owner Assessments 2,133

Other Liabilities, current

Withholding Tax for Aerator Payments -

Contractor Refundable Deposits 3,700

Total Liabilities, current 108,429

Equity

Retained Earnings (Deficit)

Unrealized Investment Gain (Loss) 179,260

Net Income (Loss) 1,505,730

Fund Balance 12,547,403

Total Equity 14,232,392

Total Liabilities and Equity \$ 14,340,822

Unrealized Investment Gain (Loss) change from last month 61,878.55

Padre Isles Property Owners Association

Jun-23 Income Statement

REVENUE	Jun-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	1,000	7,500	10,000	-2,500	20,000	15,000
Decal Sales	2,928	22,625	11,250	11,375	22,500	45,250
Resale Certificate Fee	1,600	6,650	7,500	-850	15,000	13,300
Transfer Fees	3,000	14,450	25,000	-10,550	50,000	28,900
Finance Charges	0	20,170	10,000	10,170	20,000	40,339
Misc Revenue, Other	2,925	4,110	1,250	2,860	2,500	8,221
Total Operating Revenue	11,453	2,148,905	2,149,000	(95)	2,214,000	2,224,410
Non-Operating Revenue						
Billish Park - City of CC Contribution	0	14,700	14,700	0	14,700	14,700
Investment Income	19,849	116,720	65,000	51,720	130,000	233,440
Total Non-Operating Revenue	19,849	131,420	79,700	51,720	144,700	248,140
Total Revenue	31,303	2,280,324	2,228,700	51,624	2,358,700	2,472,549
EXPENSE						
Routine Operations						
Bulkheads & Canals						
Bulkhead Inspection (ACC App)	3,000	8,125	6,628	1,497	13,256	16,250
Bulkhead Inspection	2,425	6,000	6,628	-628	13,256	12,000
Bulkhead / Drill & Probe	1,505	3,690	10,865	-7,175	21,731	7,380
Bulkhead Panel Repair	600	840	9,658	-8,818	19,316	1,680
Bulkhead Washout/Screen	12,825	29,325	28,978	347	57,956	58,650
Bulkhead Tieback Repair	3,000	13,500	10,865	2,635	21,731	27,000
Bulkhead Repair/Manta Ray Install	0	4,500	317,341	-312,841	634,682	9,000
Bulkhead Drain Install	0	385	28,978	-28,593	57,956	770
Bulkhead Caps Repair	23,820	140,105	19,318	120,787	38,636	280,210
Canal Dredging	0	0	-	0		0
Canal Cleanup	649	7,870	4,192	3,678	8,384	15,740
Bulkhead Repairs, Total	47,824	214,340	443,450	-229,110	886,900	428,680
Billish Park						
Billish Park Lawn Maintenance	4,250	28,878	26,244	2,634	52,488	57,756
Billish Park Irrigation	0	0	4,000	-4,000	8,000	0
Billish Park Playground	0	0	2,500	-2,500	5,000	0
Billish Park General Maintenance	38	1,409	1,500	-91	3,000	2,819
Billish Park Special Project	0	0	3,000	-3,000	6,000	0
Billish Park, Total	4,288	30,288	37,244	-6,956	74,488	60,575
Common Area Maintenance						
Common Area Mowing/Trimming	6,833	45,405	48,617	-3,212	97,233	90,810
Boat Ramp Wash/Maintenance	3,834	24,475	24,542	-67	49,083	48,950
Common Area Special Projects	0	40,320	25,000	15,320	50,000	80,640
Water Inspections	2,300	7,839	17,250	-9,411	34,500	15,677
Aerator Reimbursements	2,880	5,280	8,640	-3,360	17,280	10,560
Aerator Repair/Maintenance	0	0	0	0	2,500	0
Security Expense	0	394	1,250	-856	2,500	788
Dumpster / Trash Service	0	2,405	3,108	-702	6,215	4,811
Misc. Common Area	793	3,271	3,346	-75	6,691	6,541
Common Area Maintenance, Total	16,640	129,388	131,752	-2,364	266,004	258,776
Cost of Routine Operations, Total	68,752	374,016	612,446	-238,430	1,227,391	748,032

	Jun-23	2023 YTD Actual	2023 YTD Budget	\$ Over/Under YTD Budget	2023 Annual Budget	Projected 2023 Annual Expenditures
G&A						
Office Expense						
Payroll Expenses	18,935	159,744	200,000	-40,256	400,000	319,488
Computer Expense/IT	1,085	6,259	5,766	493	11,532	12,518
Contract Labor	6,770	24,844	8,000	16,844	16,000	49,687
POA Building Maintenance	338	677	2,000	-1,323	4,000	1,355
Postage and Delivery	500	4,000	4,950	-950	9,900	8,000
Office Machine Contracts	1,598	5,956	4,720	1,236	9,440	11,913
Property Taxes	0	1,294	1,109	185	2,218	2,588
Office Supplies	565	3,729	6,250	-2,521	12,500	7,459
Utilities	0					
Electricity	351	2,113	2,375	-262	4,750	4,226
Water / Sewer / Trash	317	1,960	3,600	-1,640	7,200	3,921
Internet	140	854	822	32	1,644	1,707
Web Site Expense	200	1,200	1,350	-150	2,700	2,400
Mileage Expense	745	5,138	6,750	-1,612	13,500	10,275
Telephone Expense	507	1,480	1,550	-70	3,100	2,960
Security Alarm	0	1,395	1,584	-189	3,167	2,789
Bad Debt Expense	(734)	496	7,500	-7,004	15,000	992
Subscription Expense	121	121	163	-41	325	243
Miscellaneous Expense	1,714	21,740	2,500	19,240	5,000	43,480
Office Expense, Total	33,151	243,000	260,988	-17,988	521,976	486,000
Association Fees & 3rd Party Expenses						
Community Engagement	0	0	2,500	-2,500	5,000	0
Insurance Expense	9,269	47,372	63,665	-16,292	127,329	94,745
Balloting Expense	0	14,477	8,000	6,477	16,000	28,954
Board/Annual Meeting	32	3,780	2,500	1,280	5,000	7,560
Boat Rental	0	220	960	-740	1,920	440
Credit Card Fees	946	17,515	10,000	7,515	20,000	35,031
Bank Fees	75	1,053	1,250	-197	2,500	2,106
Collection Fees	0	0	7,000	-7,000	14,000	0
Association Fees, Total	10,322	84,418	95,875	-11,457	191,749	168,835
Professional Fees						
Accounting	6,078	37,035	30,000	7,035	60,000	74,069
Audit	9,700	9,700	6,250	3,450	12,500	19,400
Legal Fees	1,660	21,426	25,000	-3,574	50,000	42,852
Investment Fees	0	5,000	5,000	0	10,000	10,000
Professional Fees, Total	17,439	73,161	66,250	6,911	132,500	146,322
G&A, Total	60,912	400,578	423,112	-22,534	846,225	801,157
Total Expense	129,664	774,594	1,035,558	-260,964	2,073,616	1,549,189
Net Income	-98,361	1,505,730	1,193,142	312,588	285,084	923,361

{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.