

Padre Isles Property Owners Association

Financial Statements and Report

May 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 May 31, 2023, and the related statements of income and retained earnings for the five 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

June 12, 2023

Padre Isles Property Owners Association

Balance Sheet

As of May 31, 2023

Assets		
Current Assets		
Cash and Cash Equivalents		
Cash		
American Bank Builders Deposit	\$	-
Petty Cash		-
American Bank Operating 3820		324,824
HPO Cash		1,203,383
Bill.com Payments Processing		-
Total Cash		1,528,207
Cash Equivalents		
HPO Certificate of Deposit		9,744,050
Total Cash Equivalents		9,744,050
Prepaid Expenses		
Prepaid Legal Expenses		2,576
Prepaid Insurance		93,637
Total Prepaid Expenses		96,213
Short-term Investments		
Marketable Securities, current		
American Funds Bond Fd		823,163
Dodge & Cox Income Fund		650,427
Vanguard Fixed Income ST		-
American Century SM Cap Fund		117,766
Dodge & Cox Stk Fd		349,482
Fidelity Advisor Ser Sm Cap Fun		168,239
Growth Fund America CI		323,612
Total Marketable Securities, current		2,432,689
Receivables, net		
Accounts Receivable, Assessments & Fees		352,447
Accounts Receivable, Trade		-
Total Receivables, net		352,447
Total Current Assets		14,153,606
Assets, Noncurrent		
Non-Current Receivables		375,131
Allowance for Doubtful Accounts Receivable		(199,166)
Total Assets, Noncurrent		175,965
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	\$	14,334,278

Padre Isles Property Owners Association

Balance Sheet
As of May 31, 2023

Liabilities and Equity

Liabilities

Liabilities, current

Accounts Payable 57,025

Deferred Revenue and Credits, current

Prepaid Owner Assessments 1,898

Other Liabilities, current

Withholding Tax for Aerator Payments -

Contractor Refundable Deposits 3,700

Total Liabilities, current 62,623

Equity

Retained Earnings (Deficit)

Unrealized Investment Gain (Loss) 117,382

Net Income (Loss) 1,604,091

Fund Balance 12,550,183

Total Equity 14,271,655

Total Liabilities and Equity \$ 14,334,278

Unrealized Investment Gain (Loss) change from last month (43,789.76)

**Padre Isles Property Owners Association
May-23 Income Statement**

REVENUE	May-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	1,400	6,500	8,333	-1,833	20,000	15,600
Decal Sales	2,840	19,697	9,375	10,322	22,500	47,273
Resale Certificate Fee	1,600	5,050	6,250	-1,200	15,000	12,120
Transfer Fees	2,950	11,450	20,833	-9,383	50,000	27,480
Finance Charges	0	20,170	8,333	11,836	20,000	48,407
Misc Revenue, Other	325	1,185	1,042	143	2,500	2,844
Total Operating Revenue	9,115	2,137,451	2,138,167	(715)	2,214,000	2,227,123
Non-Operating Revenue						
Billish Park - City of CC Contribution	0	14,700	14,700	0	14,700	14,700
Investment Income	29,751	96,871	54,167	42,704	130,000	232,490
Total Non-Operating Revenue	29,751	111,571	68,867	42,704	144,700	247,190
Total Revenue	38,866	2,249,022	2,207,033	41,989	2,358,700	2,474,313
EXPENSE						
Routine Operations						
Bulkheads & Canals						
Bulkhead Inspection (ACC App)	150	5,125	5,523	-398	13,256	12,300
Bulkhead Inspection	1,050	3,575	5,523	-1,948	13,256	8,580
Bulkhead / Drill & Probe	1,610	2,185	9,054	-6,869	21,731	5,244
Bulkhead Panel Repair	120	240	8,048	-7,808	19,316	576
Bulkhead Washout/Screen	550	16,500	24,148	-7,648	57,956	39,600
Bulkhead Tieback Repair	0	10,500	9,054	1,446	21,731	25,200
Bulkhead Repair/Manta Ray Install	4,500	4,500	264,451	-259,951	634,682	10,800
Bulkhead Drain Install	0	385	24,148	-23,763	57,956	924
Bulkhead Caps Repair	32,350	116,285	16,098	100,187	38,636	279,084
Canal Dredging	0	0	-	0		0
Canal Cleanup	822	7,222	3,493	3,728	8,384	17,332
Bulkhead Repairs, Total	41,152	166,517	369,542	-203,025	886,900	399,640
Billish Park						
Billish Park Lawn Maintenance	4,250	24,628	21,870	2,758	52,488	59,108
Billish Park Irrigation	0	0	3,333	-3,333	8,000	0
Billish Park Playground	0	0	2,083	-2,083	5,000	0
Billish Park General Maintenance	360	1,371	1,250	121	3,000	3,290
Billish Park Special Project	0	0	2,500	-2,500	6,000	0
Billish Park, Total	4,610	25,999	31,036	-5,037	74,488	62,398
Common Area Maintenance						
Common Area Mowing/Trimming	8,568	38,572	40,514	-1,942	97,233	92,572
Boat Ramp Wash/Maintenance	3,873	20,641	20,451	190	49,083	49,539
Common Area Special Projects	0	40,320	20,833	19,487	50,000	96,768
Water Inspections	5,539	5,539	14,375	-8,836	34,500	13,292
Aerator Reimbursements	0	2,400	7,200	-4,800	17,280	5,760
Aerator Repair/Maintenance	0	0	0	0	2,500	0
Security Expense	394	394	1,042	-648	2,500	945
Dumpster / Trash Service	579	2,405	2,590	-185	6,215	5,773
Misc. Common Area	286	2,477	2,788	-311	6,691	5,946
Common Area Maintenance, Total	19,239	112,748	109,793	2,955	266,004	270,595
Cost of Routine Operations, Total	65,000	305,264	510,371	-205,107	1,227,391	732,633

	May-23	2023 YTD Actual	2023 YTD Budget	\$ Over/Under YTD Budget	2023 Annual Budget	Projected 2023 Annual Expenditures
G&A						
Office Expense						
Payroll Expenses	21,788	140,810	166,667	-25,857	400,000	337,943
Computer Expense/IT	661	5,174	4,805	369	11,532	12,418
Contract Labor	6,090	18,074	6,667	11,407	16,000	43,377
POA Building Maintenance	55	339	1,667	-1,327	4,000	815
Postage and Delivery	500	3,500	4,125	-625	9,900	8,400
Office Machine Contracts	472	4,359	3,933	426	9,440	10,461
Property Taxes	0	1,294	924	370	2,218	3,105
Office Supplies	735	3,164	5,208	-2,044	12,500	7,594
Utilities	0					
Electricity	305	1,762	1,979	-217	4,750	4,229
Water / Sewer / Trash	258	1,643	3,000	-1,357	7,200	3,944
Internet	139	714	685	29	1,644	1,712
Web Site Expense	200	1,000	1,125	-125	2,700	2,400
Mileage Expense	751	4,393	5,625	-1,232	13,500	10,542
Telephone Expense	254	973	1,292	-319	3,100	2,334
Security Alarm	264	1,395	1,320	75	3,167	3,347
Bad Debt Expense	305	1,230	6,250	-5,020	15,000	2,951
Subscription Expense	0	0	135	-135	325	0
Miscellaneous Expense	2,053	20,026	2,083	17,943	5,000	48,063
Office Expense, Total	34,830	209,849	217,490	-7,641	521,976	503,637
Association Fees & 3rd Party Expenses						
Community Engagement	0	0	2,083	-2,083	5,000	0
Insurance Expense	(40,945)	38,104	53,054	-14,950	127,329	91,449
Balloting Expense	0	14,477	6,667	7,811	16,000	34,745
Board/Annual Meeting	1,316	3,748	2,083	1,664	5,000	8,995
Boat Rental	0	220	800	-580	1,920	528
Credit Card Fees	4,408	16,570	8,333	8,236	20,000	39,767
Bank Fees	75	978	1,042	-64	2,500	2,347
Collection Fees	0	0	5,833	-5,833	14,000	0
Association Fees, Total	-35,146	74,096	79,895	-5,799	191,749	177,831
Professional Fees						
Accounting	11,676	30,956	25,000	5,956	60,000	74,295
Audit	0	0	5,208	-5,208	12,500	0
Legal Fees	6,456	19,766	20,833	-1,067	50,000	47,438
Investment Fees	0	5,000	4,167	833	10,000	12,000
Professional Fees, Total	18,132	55,722	55,208	514	132,500	133,733
G&A, Total	17,816	339,667	352,594	-12,927	846,225	815,200
Total Expense	82,816	644,931	862,965	-218,034	2,073,616	1,547,833
Net Income	-43,950	1,604,091	1,344,068	260,023	285,084	926,480

{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.