

Padre Isles Property Owners Association

Financial Statements and Report

September 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 September 30, 2023, 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 18, 2023

Padre Isles Property Owners Association

Balance Sheet

As of September 30, 2023

Assets		
Current Assets		
Cash and Cash Equivalents		
Cash		
American Bank Builders Deposit	\$	-
Petty Cash		-
American Bank Operating 3820		198,169
HPO Cash		111,805
Bill.com Payments Processing		-
Total Cash		309,973
Cash Equivalents		
HPO Certificate of Deposit		10,610,814
Total Cash Equivalents		10,610,814
Prepaid Expenses		
Prepaid Legal Expenses		-
Prepaid Alchemist		100,000
Prepaid Insurance		56,562
Total Prepaid Expenses		156,562
Short-term Investments		
Marketable Securities, current		
American Funds Bond Fd		782,185
Dodge & Cox Income Fund		621,647
Vanguard Fixed Income ST		-
American Century SM Cap Fund		123,900
Dodge & Cox Stk Fd		369,966
Fidelity Advisor Ser Sm Cap Fun		178,171
Growth Fund America CI		337,834
Total Marketable Securities, current		2,413,703
Receivables, net		
Accounts Receivable, Assessments & Fees		254,817
Accounts Receivable, Trade		-
Total Receivables, net		254,817
Total Current Assets		13,745,869
Assets, Noncurrent		
Non-Current Receivables		360,628
Allowance for Doubtful Accounts Receivable		(199,166)
Total Assets, Noncurrent		161,462
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		\$ 13,912,038

Padre Isles Property Owners Association

Balance Sheet
As of September 30, 2023

Liabilities and Equity

Liabilities

Liabilities, current

Accounts Payable 58,673

Deferred Revenue and Credits, current

Prepaid Owner Assessments 3,459

Other Liabilities, current

Withholding Tax for Aerator Payments -

Contractor Refundable Deposits 3,700

Total Liabilities, current 65,832

Equity

Retained Earnings (Deficit)

Unrealized Investment Gain (Loss) 140,080

Net Income (Loss) 1,158,723

Fund Balance 12,547,403

Total Equity 13,846,205

Total Liabilities and Equity \$ 13,912,038

Unrealized Investment Gain (Loss) change from last month (79,850.58)

Padre Isles Property Owners Association
Sep-23 Income Statement

REVENUE	Sep-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	11,350	15,000	-3,650	20,000	15,133
Decal Sales	1,202	27,343	16,875	10,468	22,500	36,457
Resale Certificate Fee	1,300	10,200	11,250	-1,050	15,000	13,600
Transfer Fees	2,250	21,000	37,500	-16,500	50,000	28,000
Finance Charges	0	29,207	15,000	14,207	20,000	38,943
Misc Revenue, Other	200	4,360	1,875	2,485	2,500	5,814
Total Operating Revenue	6,352	2,176,860	2,181,500	(4,640)	2,214,000	2,211,347
Non-Operating Revenue						
Billish Park - City of CC Contribution	0	14,700	14,700	0	14,700	14,700
Investment Income	6,562	182,932	97,500	85,432	130,000	243,909
Total Non-Operating Revenue	6,562	197,632	112,200	85,432	144,700	258,609
Total Revenue	12,914	2,374,492	2,293,700	80,792	2,358,700	2,469,956
EXPENSE						
Routine Operations						
Bulkheads & Canals						
Bulkhead Inspection (ACC App)	850	14,650	9,942	4,708	13,256	19,533
Bulkhead Inspection	375	7,430	9,942	-2,512	13,256	9,907
Bulkhead / Drill & Probe	910	7,505	16,298	-8,793	21,731	10,007
Bulkhead Panel Repair	150	1,590	14,487	-12,897	19,316	2,120
Bulkhead Washout/Screen	6,475	54,400	43,467	10,933	57,956	72,533
Bulkhead Tieback Repair	0	17,000	16,298	702	21,731	22,667
Bulkhead Repair/Manta Ray Install	0	4,500	476,011	-471,511	634,682	6,000
Bulkhead Drain Install	0	385	43,467	-43,082	57,956	513
Bulkhead Caps Repair	24,720	274,225	28,977	245,248	38,636	365,633
Canal Dredging	0	0	-	0		0
Canal Cleanup	981	11,298	6,288	5,010	8,384	15,064
Bulkhead Repairs, Total	34,461	392,983	665,175	-272,192	886,900	523,977
Billish Park						
Billish Park Lawn Maintenance	4,250	41,628	39,366	2,263	52,488	55,504
Billish Park Irrigation	0	0	6,000	-6,000	8,000	0
Billish Park Playground	0	0	3,750	-3,750	5,000	0
Billish Park General Maintenance	152	1,994	2,250	-256	3,000	2,658
Billish Park Special Project	0	0	4,500	-4,500	6,000	0
Billish Park, Total	4,402	43,622	55,866	-12,244	74,488	58,163
Common Area Maintenance						
Common Area Mowing/Trimming	6,833	68,775	72,925	-4,150	97,233	91,700
Boat Ramp Wash/Maintenance	3,777	37,909	36,812	1,097	49,083	50,546
Common Area Special Projects	1,962	47,507	37,500	10,007	50,000	63,343
Water Inspections	2,300	21,639	25,875	-4,236	34,500	28,851
Aerator Reimbursements	3,360	8,640	12,960	-4,320	17,280	11,520
Aerator Repair/Maintenance	187	647	0	647	2,500	862
Security Expense	0	394	1,875	-1,481	2,500	525
Dumpster / Trash Service	579	3,537	4,662	-1,125	6,215	4,716
Misc. Common Area	494	4,581	5,019	-438	6,691	6,108
Common Area Maintenance, Total	19,491	193,628	197,628	-4,000	266,004	258,171
Cost of Routine Operations, Total	58,355	630,233	918,668	-288,435	1,227,391	840,310

	Sep-23	2023 YTD Actual	2023 YTD Budget	\$ Over/Under YTD Budget	2023 Annual Budget	Projected 2023 Annual Expenditures
G&A						
Office Expense						
Payroll Expenses	22,206	234,969	300,000	-65,031	400,000	313,292
Computer Expense/IT	661	8,878	8,649	229	11,532	11,837
Contract Labor	5,587	38,980	12,000	26,980	16,000	51,973
POA Building Maintenance	935	1,677	3,000	-1,323	4,000	2,236
Postage and Delivery	500	5,500	7,425	-1,925	9,900	7,333
Office Machine Contracts	643	8,635	7,080	1,555	9,440	11,514
Property Taxes	0	1,294	1,663	-369	2,218	1,725
Office Supplies	247	5,271	9,375	-4,104	12,500	7,028
Utilities	0					
Electricity	426	3,343	3,563	-219	4,750	4,457
Water / Sewer / Trash	282	2,829	5,400	-2,571	7,200	3,772
Internet	143	1,276	1,233	43	1,644	1,701
Web Site Expense	200	1,800	2,025	-225	2,700	2,400
Mileage Expense	890	8,077	10,125	-2,048	13,500	10,769
Telephone Expense	507	2,241	2,325	-85	3,100	2,988
Security Alarm	368	2,990	2,375	614	3,167	3,986
Bad Debt Expense	(719)	-408	11,250	-11,658	15,000	-544
Subscription Expense	870	991	244	747	325	1,322
Miscellaneous Expense	(4,898)	16,913	3,750	13,163	5,000	22,550
Office Expense, Total	28,848	345,255	391,482	-46,227	521,976	460,340
Association Fees & 3rd Party Expenses						
Community Engagement	0	0	3,750	-3,750	5,000	0
Insurance Expense	9,269	75,179	95,497	-20,318	127,329	100,239
Balloting Expense	0	14,477	12,000	2,477	16,000	19,303
Board/Annual Meeting	1,357	7,977	3,750	4,227	5,000	10,637
Boat Rental	90	310	1,440	-1,130	1,920	413
Credit Card Fees	427	20,152	15,000	5,152	20,000	26,870
Bank Fees	90	1,308	1,875	-567	2,500	1,744
Collection Fees	0	2,000	10,500	-8,500	14,000	2,667
Association Fees, Total	11,232	121,404	143,812	-22,408	191,749	161,872
Professional Fees						
Accounting	4,308	45,643	45,000	643	60,000	60,858
Audit	0	9,700	9,375	325	12,500	12,933
Legal Fees	7,561	55,974	37,500	18,474	50,000	74,632
Investment Fees	20	7,560	7,500	60	10,000	10,080
Professional Fees, Total	11,890	118,877	99,375	19,502	132,500	158,503
G&A, Total	51,970	585,536	634,669	-49,133	846,225	780,715
Total Expense	110,325	1,215,769	1,553,337	-337,568	2,073,616	1,621,025
Net Income	-97,410	1,158,723	740,363	418,360	285,084	848,931

{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.