

PIPOA Treasurer's Report
for the
Board Meeting held on May 23, 2023
Financial Report as of April 30, 2023

Category	YTD Budget	YTD Actual	Difference
Revenue	\$2,185,367	\$2,210,156	\$ 24,789
Expenses	\$ 690,372	\$ 562,114	\$ 128,258
YTD Budget Variance – Favorable/(Unfavorable)			\$ 153,047
Cash Balances	American Bank		\$ 378,507
	Herndon, Plant & Oakley		\$ 423,632
	Total Cash On-Hand		\$ 802,139
Total HPO Balance			\$ 13,394,161

Significant items of note since the last Board meeting:

1. Regarding the annual audit, our new auditor will not complete our audit by the end of May as promised. As mentioned last month, it has been reported that Park Fowler (PF), our previous auditor, has been unresponsive to information requests from our new audit firm. This has led to additional work for the new audit firm; they must tie out prior year's numbers and re-confirm prior year-end balances in external accounts. I have personally called PF to inquire about the situation no less than six times; I wanted to give Park Fowler a chance to correct the story. My have had conversations with PF employees asking the managing Partner to call me back and left messages directly on the managing partner's voice mail requesting a call back to no avail. This is unfathomable from a professional accounting firm.

2. On the Balance Sheet, as discussed last month, Current Accounts Receivable and Non-Current Receivables were corrected to tie to the amounts carried in the TOPS system. The correction was made between the two accounts and no change to the total balance occurred. Most of the error was that a year-end closing entry was missed in January and a smaller amount was due to April month-end timing of CAM fee deposits made by credit card.

3. On the April Income Statement, two expense categories were abnormally high. First, Common Area Special Projects were ~\$40,000. This is attributable to the resurfacing of the Coco de Baro boat ramp which was in the budget and expected. Second, Insurance expense was stated as ~\$59,000 in error. This occurred when annual payments for two insurance policies were coded to expense rather than a pre-paid asset. This will be corrected next month.
4. As of the end of April, Bulkhead expense is ~\$170,000 under budget. This compares to ~\$125,000 last month. At this rate of under-spend, by year-end, the Bulkhead budget will be underspent by nearly half of a million dollars. This is occurring because the budget was built expecting two full-time contractors, despite only having one vendor under contract at the time. The Board has interviewed, and is continuing to interview, several firms to fill this void.
5. Currently, Salaries expense is ~\$14,000 (11%) under budget. However, this budget was created expecting to have a highly compensated Bulkhead Project Manager employed. Presently, a project manager has not been hired. Based on this, Salaries expense should be ~\$23,000 (18%) under budget. This would indicate that an overspend occurred in the first three months of the year. Whether that is due to high hours, overtime or compensation levels is unknown. We will continue to monitor and analyze this situation going forward. Depending on how this ultimately turns out, it may be necessary to adopt a "zero-base" budget protocol for salaries next year.