

## **WHP FINANCIALS - WHERE WE WERE/WHERE WE ARE HEADED**

- The Park has been around since 1983. WHP came into this year with only \$305K of reserves. The current board has worked hard to rectify this situation. **This year ALONE, the Board is projected to contribute \$70K into the reserve fund!**

*Food for thought- The Park has been around for 37 years.*

**37 x \$70k = \$2,590,000.00**

**37 x \$50k = \$1,850,000.00**

**37 x \$25k = \$925,000.00**

**37 x \$10k = \$370,000.00**

***\*\*Our community is responsible for maintaining plumbing and electric infrastructure as well as roads and amenities including marina (valued close to a million). Marina was not insured for damages (accident, fire, etc.). Marina is still NOT protected from flooding. The pool is vulnerable, under certain circumstances, as well. THIS BOARD BELIEVES IN PROFESSIONAL FINANCIAL PLANNING/MANAGEMENT TO TAKE CARE OF OUR PARK!***

- **The Year to Date budget is on target to break even this year.** Specifically:
  - Since assessments are budgeted at a flat amount for owner convenience, the operating fund balances out throughout the year.
  - As expected, WHP's expenses are front-heavy in the summer. The accounts payable and receivable cycle from April 1 to Oct 31 shows a budgeted loss of \$140K, balanced out by the profit of \$140K from Nov 1 to Mar 31.

### **Reserve Management**

A Temporary transfer has been approved because

- 1) WHP paid insurance in total (\$28,600.00), up front, that resulted in a significant cost savings.
- 2) As referenced above, WHP is routinely required to pay bills before our owners reimburse the association through their monthly payments/dues (i.e., water bill).

- Reserve Sweeps – This is a product that allows us to work with the same bank, but stay within the FDIC limit by moving funds to other FDIC insured bank accounts.
- Reserves continue to be funded monthly, as budgeted.

### **Expenses**

**Insurance** - As referenced in a previous newsletter, this Board added:

- **Damage Coverage to the Marina** (Note: The previous BOD made the decision to cover liability ONLY.)
- **Cyber Security Coverage** (particularly due to recent hacking of email)

**Legal** – *Attorney billing from April 1 to October 2020 included the Residency/ Court Case* where a small subset of owners has been suing WHP and Worcester County, resulting in the legal counsel requirement (to include the preliminary (August), settlement conference (October), preparation for the December court event, advice regarding COVID, member issues (flag, threats, false information disseminated regarding legal advice, false information communicated regarding county position/Park position regarding litigation), major ECC violations, and when members contact the attorney via email, etc.)

**Accounts Receivable - Receivable collection is critically important - it is the major source of income to pay WHP bills.**

**NOTE: Owners 30+ days overdue are approximately \$20,843.00 in debt to the association at this time.**