

Board Updates from 5/6/21 Town Hall Zoom Webinar -posted 5/26/21 updates in blue

- Annual Meeting/Election- The Board is working with Baker and Associates to come up with a Ballot counting process. **The Board is working very hard to comply with the bylaws. The bylaws call for ballots not to be opened until the day of the annual meeting.**

The past processes that this Board is aware of involve a practice where Ballots are opened by the election committee, and counting has started, days prior to the actual meeting.

Timing is a bit of a factor that we are handling. We are thinking that if we need more time, we may go into a recess, at some point, during the meeting, until a decision is rendered.

We are working very hard to ensure that the ballot counting is done in an accountable fashion. We are working hard so that you can be confident that the folks elected are the result of a process that involves professional expertise and is in compliance with the bylaws. Our secretary has appointed Baker and Associates to serve as her agent. We are thankful for this professional expertise along with our election committee volunteers who are willing to serve, as well, and together we look forward to conducting the annual meeting and ultimately, the election.

The meeting will be in person on June 26, 2021. We are still working on the time and the location. As soon as that information is solid, we will share it with you. We should have information within the next few days. **Update: The Meeting will be held at the Grand Hotel in Ocean City, MD with a start time of 10:00am.** The results of the election will be announced at the end of the annual meeting on 6/26. We will ask owners to RSVP if you are planning to attend, so that we can be sure we are adhering to COVID mandates/guidelines. At this time, our goal is to offer the largest capacity possible, so that owners who would like to attend will be welcome. We want to offer this while also maintaining order. It is critical to the Association that accurate records are kept. Sign in sheets are essential for documentation purposes as business is conducted during meetings of the Association. Safety is also a key priority, as is respect. We will have standards in place to facilitate a safe, civil, respectful meeting where owners can receive updates and answers to questions while having the opportunity to raise concerns.

- Ballot Packets should be in the mail soon **(by 5/28/21, so be sure to call 410-641-5102 or email whpcamd@yahoo.com today or tomorrow if you prefer to pick your ballot up at the office)**. They will contain resumes and detailed instructions for voting.
- Amendment to declaration section 3.1 has been shared for the past several months via the newsletter and on the website. **Ballots for this are available on the website, have been sent via email and will be mailed in your election ballot packet.** We have been working, under the counsel of our attorney, and have developed the proposed

amendment in an effort to maximize the days that you can use your lot under the county code.

We are excited that these things are coming together after all of the months that we have been working to prepare.

Here is some background information regarding some of the topics that have come to our attention.

- Accusations that the Board isn't holding Meetings: **There are misperceptions as to why no in person meetings have been held since September 2019. We needed to cancel our October 2019 BOD meeting after a few schedule conflicts presented an inability for our Board to achieve a quorum. We then had the usual winter break as had been done by Boards. We planned to have a Board Meeting on March 21, 2021 but the week of that meeting, everything shut down due to COVID, and we were not able to hold our March 2020 meeting. Throughout the spring and summer 2020 the opportunity for a BOD meeting, as we would have wished, was impossible due to the pandemic. Finally, in November 2020, we thought that we had found a way to hold the Annual Meeting and Election (Because our Bylaws tie the annual meeting to the election). Ballots were mailed out and we were excited. AGAIN, the week of the planned meeting, COVID spiked, and the governor reinstated a mandate against holding a large gathering.**
- *In terms of Zoom, right around the time we purchased the program, we had a few resignations from the Board. There were also personnel issues in the office which left Billie running the office and managing the park by herself for a significant chunk of time. This is a glimpse into the inside scoop as to why sometimes things don't happen as quickly or as often as owners think they should. There have been complaints that the Board didn't use the offers that were made by owners/family members of owners to help with our Zoom meetings. We deal with contact information that we are charged with protecting and we can't just allow anyone to have potential access to that information through the use of our technology. Out of an abundance of caution we chose to use our Park Manager for this responsibility. The Board has been consumed with matters involving contracts, litigation, and personnel. Countless hours are spent making sure that each Board Member is informed and able to express their concerns about each issue that arises. The litigation, especially, was an extensive process. Update- we are thankful to have the matter resolved through a settlement (information posted on the website, emailed to owners, and in the May Newsletter). Good standing is also a challenge as we work to balance a variety of perspectives while working to uphold park declarations in a fair and ethical manner. We appreciate those of you who have been patient and supportive of our efforts.*

- Management of our finances: **Through consultation with Ryan, he has prepared the following information for the Board to share with you.**

Why hire an outside accounting firm?

1. The audit prepared for the year ended March 31, 2019 identified significant problems with the financial statements and financial management of the park such as:
 - a. Significant misstatements in asset & liability balances
 - i. “In addition to the many departures from GAAP, numerous material and nonmaterial errors and inconsistencies were noted between the general ledger and the supporting documentation....” “In order for management and the board of directors to make informed decisions regarding the current and future operations of the Association and in order to maintain accountability to the Unit Owners, accurate accounting information must be maintained...”
 - b. Internal control issues – lack of segregation of duties
 - i. “An effective system of internal control requires a proper segregation of accounting functions and oversight by management. The basic premise is that no one employee has access to both the physical assets, such as cash, and the related accounting records or to all phases of a transaction. The Association has a material lack of segregation of duties...”
2. The auditors recommended 1). Engage an external accountant 2). Provide training to existing staff/creating a system of segregation with existing staff 3). Employing a trained accountant.
 - a. There are serious difficulties with 2 & 3 for WHP. The existing management does not have the time to dedicate to proper accounting functions during the busy months. Meaningful segregation of duties could not be achieved with so few people. Also, it’s unlikely that any amount of training would meet the level of expertise of an actual accountant. Locally, accountants and bookkeepers that actually know what they are doing are rare and can demand a high salary. I know this because I’m always trying to hire one myself.
 - b. Hiring a professional accounting firm gives the park access to:
 - i. Highly accurate and complete books and records
 - ii. Segregation of duties
 - iii. Access to professional advice of CPA’s for business, budgeting and other consulting advice, at no additional cost to the park.
 - iv. All at a cost less than, or at minimum comparable to, hiring a part-time professional accountant.

FYI- Ryan has expressed willingness to collaborate with the Board, in the future, to come up with a workable solution if change is ultimately desired...so that we don’t fall back into the past practices which were clearly identified by the audit as being poor bookkeeping...

It is this Board’s position that our current accounting agreement is the most desirable arrangement for the management of our finances. It is in line with audit recommendations, and it is basically cost neutral when compared to hiring an unskilled worker to manage our books in house and paying an accountant to do a

compilation at the end of the year (which was the practice prior to this Board). An on-site qualified staff member to manage our funds would likely cost much more especially if the person was hired full time.

This Board has received much positive feedback from owners regarding professional management of our investments. We hope that if change is desired, the new Board would involve the Association in any decision that would defer from the recommendations made by our auditors after they were finally able to complete the audit in October 2019. The report is posted on the website. Please visit the Financials page for more information on this topic, and please reach out to us with any questions or concerns.

Our properties are not just our homes, they are our investments. Do you want your investment being managed by a person without experience or a degree or skill in corporate accounting? Just food for thought. The decisions and changes that this Board has advocated for have been in an effort to protect each of your investments while working to preserve and protect WHP and we are proud of what we have been able to accomplish even in light of the difficult environment.