



**ANNE ARUNDEL COUNTY  
OFFICE OF THE COUNTY AUDITOR**

January 22, 2021

The Honorable Members of the County Council  
The Honorable County Executive Steuart Pittman  
Anne Arundel County  
44 Calvert Street  
Annapolis, Maryland 21401

Dear Members and Mr. Pittman:

In accordance with § 311 of the County Charter, I am calling to your attention and taking exception to the findings and exceptions noted on the enclosed spreadsheet. Special Community Benefit Districts (Districts) are required to comply with financial reporting requirements set forth in the Md. Code Ann. Local Government Article § 16-308. The attached spreadsheet summarizes the current status of each District from our fiscal year 2020 review.

At our request, the Controller placed a hold on distributions to 12 Districts that had not complied with the financial reporting requirements prior to the Office of Finance's first scheduled FY21 distribution to Districts in November, 2020. The Controller's hold was released at our request for 2 Districts once they complied with the financial reporting requirements. The Controller's hold on distributions are still in place for 10 districts (Avalon Shores, Bayside Beach, Beverly Beach, Capetowne, Columbia Beach, Landhaven, Little Magothy River, South River Heights, Stone Haven, and Venice Beach) that have not yet complied and no funds will be released until the Districts comply with these requirements. We will continue to work with the community associations responsible for administering the Districts funds to address noncompliance issues.

Please call if you have any questions.

Sincerely,

Susan L. Smith, CPA, CFE  
County Auditor

Anne Arundel County  
Special Community Benefit District Status and Charter Section 311 Summary of Findings  
Fiscal Year 2020

N/A = The District is not required to submit financial statements. No funds were held by or disbursed directly to the District.

District	Findings to Report						Financial Statements Accepted	Community Held Assets	County Held Assets Less All Liabilities	Total Fund Balance	Comments
	No Findings To Report	Did Not File Timely	Overspent Total Budget	Spent \$ for Unallowable Purpose	Commingled	Other					
Amberley	X						X	\$ 30,763	\$ 10	\$ 30,773	
Annapolis Roads				X			X	\$ 219,936	\$ (6,412)	\$ 213,524	The Association expended \$400 and \$2,710 in District funds on unallowable expenses in FY2019 and FY2020, respectively. The Association plans to repay these District funds in FY2021.
Arundel-on-the-Bay	X						X	\$ 160,716	\$ 32,306	\$ 193,022	
Avalon Shores	CONTROLLER'S HOLD PLACED - 11/22/20										The Association has not submitted the required FY2020 District financial statement audit report. FY2020 District financial statements have been filed.
Bay Highlands							X	\$ 213,081	\$ 5	\$ 213,086	
Bay Ridge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Bayside Beach	CONTROLLER'S HOLD PLACED - 11/22/20										The Association has not submitted the FY2020 District financial statements, or the final FY2019 audit report for the revised FY2019 District financial statements.
Beverly Beach	CONTROLLER'S HOLD PLACED - 11/20/18										The Association has not submitted the FY2018, FY2019, and FY2020 District financial statements.
Birchwood					X		X	\$ 6,819	\$ 5	\$ 6,824	During FY2020, non-SCBD funds totaling \$100 were deposited into the SCBD account in error. These funds were withdrawn during FY2020.
Bittersweet		X					X	\$ 2,745	\$ 5	\$ 2,750	The Association filed the District financial statements timely, but did not file the related audit report timely.
Broadwater Creek	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Cape Anne					X		X	\$ 50,299	\$ 252	\$ 50,550	During FY2019, Association loan proceeds totaling \$60,750 were incorrectly deposited into the District account for marina costs and a community boat ramp. These loan proceeds were expended for the purposes of the loan in FY2019 and FY2020. During FY2019, the Association account was closed and the balance of \$2,818 was improperly deposited into the District account. During FY2020, these funds were transferred to a new Association account.
Cape St. Claire		X					X	\$ 195,629	\$ 22,474	\$ 218,103	
Capetowne	CONTROLLER'S HOLD PLACED - 11/22/20										The Association has not filed FY2020 District financial statements.
Carrollton Manor		X					X	\$ 194,643	\$ 57,658	\$ 252,301	
Cedarhurst-on-the-Bay	X						X	\$ 207,164	\$ 200	\$ 207,364	

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Chartwell		X					X	\$ 42,658	\$ 43	\$ 42,701		
Columbia Beach	CONTROLLER'S HOLD PLACED - 11/22/20											The Association needs to file revised FY2020 District financial statements. During FY2016, the Association spent \$3,338 of District funds on legal expenses that were deemed unallowable expenditures. The Association disputes this ruling and has stated that the Association does not have funds to repay the District.
Crofton	X						X	\$ 874,443	\$ (233)	\$ 874,210		
Deale Beach		X					X	\$ 6,578	\$ 62	\$ 6,641		
Eden Wood	X						X	\$ 71,318	\$ 5	\$ 71,323		
Epping Forest	X						X	\$ 318,941	\$ 12,480	\$ 331,421		
Fair Haven Cliffs	X						X	\$ -	\$ 26,681	\$ 26,681		
Felicity Cove	X						X	\$ 37,000	\$ 5	\$ 37,005		
Franklin Manor		X					X	\$ 112,819	\$ 10	\$ 112,829		
Gibson Island	X						X	\$ 694,310	\$ 10	\$ 694,320		
Greenbriar II			X		X		X	\$ 10,344	\$ 2,476	\$ 12,820	During FY2020, the Association expended District funds in excess of its appropriation by \$2,629. The Association stated the overexpenditure was due to adding an additional parking lot and due to tremendous rainfall this year. The Association also erroneously put \$524 in Association funds in the SCBD account. The Association intends to transfer the funds back to the Association in FY2021.	
Greenbriar Gardens		X					X	\$ 28,072	\$ 10	\$ 28,082		
Herald Harbor	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Heritage	X						X	\$ 66,487	\$ 1,136	\$ 67,623		
Hillsmere Estates	X						X	\$ 379,397	\$ 48,954	\$ 428,351		
Homewood	X						X	\$ 2,131	\$ 5	\$ 2,136		
Hunter's Harbor	X						X	\$ 9,678	\$ 4	\$ 9,682		
Idlewilde	X						X	\$ 24,025	\$ 4	\$ 24,029		
Indian Hills	X						X	\$ 19,017	\$ 5	\$ 19,022		
Kensington			X				X	\$ 4,000	\$ 5	\$ 4,005	During FY2020, the Association expended District funds in excess of its appropriation by \$5,093. According to the Association, the excess expenditures were primarily due to unexpected tree removal expenses totaling \$5,000 and the repair expenses for the ramp to their common waterfront area totaling \$3,300.	

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Landhaven	CONTROLLER'S HOLD PLACED - 10/31/12											The Association has not submitted required audited FY2011, FY2015, and FY2019 District financial statements or unaudited FY2012, FY2013, FY2014, FY2016, FY2017, or FY2018 District financial statements. Unaudited FY2011 District financial statements reported funds at the community totaling \$7,318.
Little Magothy River	CONTROLLER'S HOLD PLACED - 11/22/20											The Association has not filed the required audit report for the FY2020 District financial statements. The Association has submitted the District financial statements.
Loch Haven	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Long Point on the Severn	X						X	\$ 99,458	\$ 15,005	\$ 114,463		
Magothy Beach (Lower)	X						X	\$ 6,774	\$ 5	\$ 6,779		
Magothy Forge		X					X	\$ 18,742	\$ 2,799	\$ 21,540	The Association filed the District financial statements timely, but the related audit report was filed late.	
Manhattan Beach		X					X	\$ 87,787	\$ 10	\$ 87,797		
Mason Beach	X						X	\$ 1,823	\$ 205	\$ 2,028		
Mayo	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Mil-Bur	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
North Beach Park (Holland Point)	X						X	\$ 23,553	\$ 20	\$ 23,573		
Owings Beach		X					X	\$ 56,668	\$ 21,376	\$ 78,045		
Owings Cliffs	X						X	\$ 3,263	\$ 5	\$ 3,268		
Oyster Harbor	X						X	\$ 602,312	\$ 16	\$ 602,328		
Parke West	X						X	\$ 40,387	\$ 365	\$ 40,752		
Pine Grove Village	X						X	\$ 45,003	\$ 9,216	\$ 54,220		
Pines on the Severn	X						X	\$ 88,901	\$ 4	\$ 88,905		
Provinces (The)	X						X	\$ 31,205	\$ 1,124	\$ 32,328		
Queens Park		X					X	\$ 99,188	\$ 30,852	\$ 130,040		
Rockview Beach/Riviera Isle					X		X	\$ 13,052	\$ 5	\$ 13,057	During FY2018, the Association deposited Association funds into the District account in error. During FY2020, the Association was repaid.	
Scheides Cove	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Selby on the Bay	X						X	\$ 40,067	\$ 4,017	\$ 44,084		
Severn Grove	X						X	\$ 24,176	\$ 5	\$ 24,181		
Severna Forest	X						X	\$ 281	\$ 32,046	\$ 32,327		
Severndale	X						X	\$ 39,484	\$ 5	\$ 39,489		
Sherwood Forest	X						X	\$ 490	\$ (387)	\$ 103		

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Shoreham Beach	X						X	\$ 91,809	\$ 5	\$ 91,814		
Snug Harbor	X						X	\$ 50,623	\$ 5	\$ 50,628		
South River Heights	CONTROLLER'S HOLD PLACED - 11/20/18											The Association has not filed its FY2018, FY2019, or FY2020 District financial statements and has not filed its audit report of the FY2019 District financial statements. Unaudited FY2017 District financial statements reported funds at the community totaling \$880, and the Administration distributed \$11,124 to the Community in FY2018 prior to being placed on audit hold.
South River Manor	X						X	\$ 7,883	\$ -	\$ 7,883		
South River Park	X						X	\$ 41,200	\$ 5	\$ 41,205		
Southgate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Steedman Point	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Stone Haven	CONTROLLER'S HOLD PLACED - 11/22/20											The Association filed its District financial statements late, and the Association needs to file revised FY2020 District financial statements.
Sylvan Shores	X						X	\$ 74,712	\$ 10	\$ 74,722		
Sylvan View on the Magothy	X						X	\$ 31,692	\$ 5	\$ 31,697		
Tanglewood Lane	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Upper Magothy Beach	X						X	\$ 13,325	\$ (1,057)	\$ 12,268		
Venice Beach	CONTROLLER'S HOLD PLACED - 11/22/20											The Association needs to file revised FY2020 District financial statements.
Venice on the Bay	X						X	\$ 3,085	\$ 38	\$ 3,123		
Warthen Knolls	X						X	\$ 12,245	\$ 5	\$ 12,250		
Wetheridge Estates	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Wilelinor	X						X	\$ 32,774	\$ 5	\$ 32,779		
Woodland Beach - Londontowne	X						X	\$ 120,778	\$ (3,073)	\$ 117,705		
Woodland Beach (Pasadena)	X						X	\$ 23,761	\$ 724	\$ 24,485		