



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

To: Civic or Community Association Representative
From: Office of the County Auditor
Date: July 31 2026
Subject: Fiscal Year 2026 Special Community Benefit District Financial Report Instructions

In accordance with the Annotated Code of Maryland, Local Government Article § 16-308, all special community benefit districts (SCBDs) are required to file an annual financial report for fiscal year 2026 (FY26) with the Office of the County Auditor by **Monday, September 28, 2026**.

Enclosed are the financial reporting requirements, please review these documents carefully to ensure the SCBD's financial report complies with the reporting requirements and regulations. **Attachment 1** provides the financial reporting requirements.

The SCBDs with annual expenditures exceeding \$250,000 must submit an annual audit while SCBDs with expenditures of less than \$250,000 must submit an audit every four years. If an SCBD is required to submit audited financial statements and elects to use an audit committee, the SCBD must obtain approval of that committee prior to submitting their financial report. Please submit the request to oca-scbd@aaacounty.org. The committee members must be independent of the Board of Directors (Board) in the current year and in the year under audit. The request must include: (1) the names of the proposed committee members, (2) a statement that they do not currently serve on the Board and were not on the Board in the year under audit, and (3) a statement that they are not related to any current Board members or any members of the Board who served in the year under audit. Please refer to **Attachment 1, Section 5** for the specific audit requirements, **Attachment 2** for the audit committee approval request form, and **Attachment 3** for an example of an audit committee report template.

The Office of Finance will distribute fund statements showing the SCBD's FY26 transactions. **Attachment 4** provides an example of an Office of Finance SCBD fund statement. **Attachments 5 and 6** present financial statement templates using that information to indicate which amounts should be used to prepare the SCBD's financial report, using the cash and accrual basis of accounting, respectively. The SCBD's FY26 Approved Budget Request Form, bank statements, invoices, and receipts will also be needed to prepare and support the stated balances within the SCBD's financial report.

The attachments included in this email are provided to assist you with the preparation of the SCBD's financial report. Please contact the Office of the County Auditor at oca-scbd@aaacounty.org or (410) 222-1138 if you have any questions regarding these requirements. We look forward to receiving each SCBD's required submission no later than **September 28, 2026**.

Enclosures: **Attachments 1-6**