LONDON TOWNE PROPERTY OWNERS' ASSOCIATION, INC. WOODLAND BEACH SPECIAL COMMUNITY BENEFIT DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2026

KatzAbosch™
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
London Towne Property Owners' Association, Inc. Woodland Beach Special Community Benefit District

Opinion

We have audited the accompanying financial statements of London Towne Property Owners' Association, Inc. Woodland Beach Special Community Benefit District (SCBD), which comprise the statutory balance sheet as of June 30, 2026 and the related statutory statement of revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the statutory financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of London Towne Property Owners' Association, Inc. Woodland Beach Special Community Benefit District as of June 30, 2026, and the changes in its fund balance for the year then ended in accordance with financial reporting provisions prescribed by the Office of the County Auditor for Anne Arundel County, Maryland.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of London Towne Property Owners' Association, Inc. Woodland Beach Special Community Benefit District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

We draw attention to Note 2 of the financial statements, which describe the basis of accounting. The financial statements are prepared in accordance with the financial reporting provisions prescribed by the Office of the County Auditor for Anne Arundel County, Maryland, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Office of the County Auditor for Anne Arundel County, Maryland. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

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Board of Directors
London Towne Property Owners' Association, Inc. Woodland Beach Special Community Benefit District

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with financial reporting provisions prescribed by the Office of the County Auditor for Anne Arundel County, Maryland, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

* Exercise professional judgment and maintain professional skepticism throughout the audit.

* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of London Towne Property Owners' Association, Inc. Woodland Beach Special Community Benefit District’s internal control. Accordingly, no such opinion is expressed.

* Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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Board of Directors
London Towne Property Owners' Association, Inc. Woodland Beach Special Community Benefit District

* Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about London Towne Property Owners' Association, Inc. Woodland Beach Special Community Benefit District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Restriction of Use

This report is intended solely for the information and use of the board of directors and management of London Towne Property Owners' Association, Inc. Woodland Beach Special Community Benefit District and the Office of the County Auditor for Anne Arundel County, Maryland and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Katz, Abosch, Windesheim, Gershman & Freedman, P.A.

Timonium, Maryland
September 24, 2026

LONDON TOWNE PROPERTY OWNERS' ASSOCIATION, INC. WOODLAND BEACH
SPECIAL COMMUNITY BENEFIT DISTRICT
STATUTORY BALANCE SHEET
JUNE 30, 2026

ASSETS

ASSETS	
Cash	$ 205,715
Anne Arundel County held funds	2,085
Anne Arundel County - taxes receivable	2,315
Prepaid expenses and other assets	10,969
TOTAL ASSETS	$ 221,084

LIABILITIES AND FUND BALANCE

LIABILITIES	
Accounts payable	$ 29,785
Payroll taxes payable	4,355
TOTAL LIABILITIES	34,140
FUND BALANCE	
Fund balance	186,944
Prior year funds held for future use	0
TOTAL FUND BALANCE	186,944
TOTAL LIABILITIES AND FUND BALANCE	$ 221,084

LONDON TOWNE PROPERTY OWNERS' ASSOCIATION, INC. WOODLAND BEACH SPECIAL COMMUNITY BENEFIT DISTRICT
STATUTORY STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2026

	Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	$ 501,600	$ 507,096	$ 5,496
Interest income	0	20	20
Miscellaneous income	0	804	804
Held funds and funds available	176,417	0	(176,417)
TOTAL REVENUES	678,017	507,920	(170,097)
EXPENDITURES			
Maintenance and operation of community property	390,300	354,717	(35,583)
Security	30,500	24,609	(5,891)
Erosion control	45,000	55,698	10,698
Administrative costs	16,300	16,800	500
County administrative fee	2,000	2,000	0
Funds for future use	143,917	0	(143,917)
Loan repayment	50,000	38,305	(11,695)
TOTAL EXPENDITURES	$ 678,017	492,129	$ (185,888)
Excess of Revenues (Expenditures)		15,791	
SCBD Fund Balance June 30, 2025		171,153	
SCBD Fund Balance June 30, 2026		$ 186,944	

NOTE 1: NATURE OF ACTIVITIES

Reporting entity

The Woodland Beach Special Community Benefit District (SCBD) is a taxing district of Anne Arundel County, Maryland. It is administered by the London Towne Property Owners' Association, Inc. (Association). The purpose of the Association and the SCBD is to improve and maintain community property, provide security, and pay administrative costs related to these purposes.

The SCBD was established for the construction, maintenance, repair, and snow removal of non-county owned roads, streets, alleys and sidewalks; for the construction, erection, and maintenance of non-county owned street or road signs, drainage ditches, culverts, drainage facilities, and bulkheads as necessary for erosion control; for insect and pest control; for construction, maintenance and operation of community areas and buildings; and for the expenses related to hiring special police to provide security to the community.

To provide for these expenditures, Anne Arundel County assesses each residential property within the district, property taxes under the Special Community Benefit District Program (Program). The property taxes assessed are based upon a rate established from a fiscal year ending June 30 budget submitted by the SCBD. The budget projects the anticipated expenditures needed to provide the above itemized maintenance and services to the community. Anne Arundel County collects these assessments, charges an annual administration fee up to a maximum of $2,000 for its services, and remits the remaining property taxes back to the SCBD for its use.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with the financial reporting provisions of the Office of the County Auditor for Anne Arundel County, Maryland. These statutory financial reporting provisions allow the entity to elect either the cash basis of accounting or the accrual basis of accounting for revenue and expense recording; the SCBD has elected to follow the accrual basis of accounting. Property tax revenues are recorded based upon tax assessments billed by Anne Arundel County for the current fiscal year regardless of whether they have yet been remitted to the SCBD. Expenditures are recorded when incurred.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Anne Arundel County held funds

Held funds represent tax assessments collected by Anne Arundel County but not yet remitted to the SCBD.

Anne Arundel County - taxes receivable

These funds represent tax assessments not yet collected by Anne Arundel County for the Association as of June 30, 2026.

Capital assets/depreciation

The Association owns a club house on the common grounds of the community. Roofing, paving and remodeling expenditures are made on an "as needed" basis to maintain the property. Additionally, kitchen equipment, air conditioning units, etc. are purchased as replacements when needed. Funds for these items are included in the annual tax assessment budget approved by Anne Arundel County. The club house building and common grounds of the community are not listed as assets on the statutory balance sheet per the financial reporting provisions of the Office of the County Auditor for Anne Arundel County, Maryland, and have not been valued. All improvements, replacements and other capital items are expensed in the year purchased. Therefore, no depreciation expense is reflected in these financial statements.

Use of estimates

Management uses estimates and assumptions in preparing financial statements in accordance with the financial reporting provisions of the Office of the County Auditor for Anne Arundel County, Maryland. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from the estimates that were used.

Income taxes

The Association is a not-for-profit organization exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code. The SCBD is a division of the Association, and does not file a separate tax return.

Subsequent events

The SCBD has evaluated subsequent events through September 24, 2026, which is the date the financial statements were available to be issued.

NOTE 3: ANNE ARUNDEL COUNTY APPROVED BUDGET

The statutory statement of revenues, expenditures, and changes in fund balance is presented in a format which compares actual results by prescribed categories to the annual budget. This budget for the fiscal year July 1, 2025 to June 30, 2026 was submitted to Anne Arundel County in its final form by the SCBD on January 13, 2025 and was approved by the County prior to the beginning of the fiscal year. This fiscal year 2026 budget recognizes 6,270 property assessments at $80 per assessment for a total of $501,600 in property tax revenues. For the year ended June 30, 2026, the SCBD recorded $507,096 in actual property tax revenues.

NOTE 4: LOAN OBLIGATION

During the year ended June 30, 2018, the Association borrowed $764,180 from Severn Bank to renovate and expand the London Towne Club House. The loan instrument between the Association and Shore United Bank, formerly Severn Bank, pledges tax district revenues for the loan repayments in subsequent years. The loan was approved by the County Council via Bill No. 52-17.

District revenues were used to make principal payments totaling $37,234 and interest payments totaling $1,071 during the year ended June 30, 2023. The outstanding balance at June 30, 2026 and 2025 was $0 and $37,234, respectively.

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INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION ABOUT THE ENTITY'S COMPLIANCE WITH SPECIFIED REQUIREMENTS

Board of Directors
London Towne Property Owners' Association, Inc. Woodland Beach Special Community Benefit District

We have examined management of London Towne Property Owners' Association, Inc., Woodland Beach Special Community Benefit District (SCBD)'s assertion that the SCBD complied with Anne Arundel County, Maryland specific laws and regulations pertaining to special community benefit districts during the year ended June 30, 2026. The SCBD's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the SCBD's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the SCBD's compliance with the specified requirements.

In our opinion, management's assertion that the SCBD complied with the Anne Arundel County, Maryland specific laws and regulations pertaining to special community benefit districts for the year ended June 30, 2026 is fairly stated, in all material respects.

This report is intended solely for the information and use of the board of directors and management and the Office of the County Auditor for Anne Arundel County, Maryland. However, this report is a matter of public record and its distribution is not limited.

Katz, Abosch, Windesheim, Gershman & Freedman, P.A.

Timonium, Maryland
September 24, 2026