



August 9, 2024

ANDREW M. HAYNIE, CPA
SUSAN P. KEEN, CPA
MICHAEL C. KLEGER, CPA
JAMES D. MAYBURY, CPA
E. LEE McCABE, CPA
JEFFREY A. MICHALIK, CPA
ROBERT L. MOORE, CPA
DANIEL M. O'CONNELL II, CPA
ASHLEY M. STERN, CPA
JOHN M. STERN, JR., CPA

To the Board of Directors and Management
White Horse Park Community Association, Inc.

We are pleased to provide this management letter containing comments, observations, and recommendations on the procedures of White Horse Park Community Association, Inc.. This letter is based on our review of the financial statements of the Association for the year ended March 31, 2024. We would be glad to discuss the matter raised in this letter or any other concerns that you may have.

PKSca.com

Salisbury

1801 SWEETBAY DRIVE
P.O. Box 72
SALISBURY, MD 21803
TEL: 410.546.5600
FAX: 410.548.9576

Due to Replacement Fund

As of March 31, 2024, the operating fund owes the replacement fund \$2,591. We recommend these funds be transferred as soon as possible.

Due to replacement fund is as follows:

Total replacement fund contribution for FY24	120,004
Deposits into the replacement fund bank account	(110,004)
Replacement fund expenses paid from the operating fund bank account	(7,409)
Due to replacement fund, end of year	<u><u>\$ 2,591</u></u>

Ocean City

12216 OCEAN GATEWAY
SUITE 800
OCEAN CITY, MD 21842
TEL: 410.213.7185
FAX: 410.213.7638

Lewes

1143 SAVANNAH ROAD
SUITE 1
P.O. Box 192
LEWES, DE 19958
TEL: 302.645.5757
FAX: 302.645.1757

Uninsured Deposits

As of March 31, 2024, the balance of the Association's deposits at the Farmers Bank of Willards exceeded FDIC coverage of \$250,000. We recommend the Association work with its bankers to minimize this exposure.

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NEW MARYLAND LEGISLATION AND FUNDING REQUIREMENT

The Maryland General Assembly recently enacted legislation that makes obtaining and funding replacement studies applicable to condominiums, cooperatives, and homeowner's associations a statewide requirement.

The new law requires all associations to obtain a reserve study every five years. The Association's most recent study was performed in January 2021. Therefore, an update of the study will be required in January 2026.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Association, and is not intended to be and should not be used by anyone other than these specified parties.

Thank you for your continued confidence in our firm and the cooperation received in the completion of our engagement. Please call Lee McCabe or Michelle Grager if we can assist you in any way.

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