

**ANTIGUA CONDOMINIUM
COUNCIL OF UNIT OWNERS**

AUDIT COMMUNICATIONS

DECEMBER 31, 2024

ANTIGUA CONDOMINIUM COUNCIL OF UNIT OWNERS

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**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
UNDER SAS NO. 114**



Wigglesworth, Layton, Moyers & Chance, P.C.

Certified Public Accountants

December 9, 2025

To the Board of Directors
Antigua Condominium Council of Unit Owners
Ocean City, Maryland

We have audited the financial statements of Antigua Condominium Council of Unit Owners (the Association) for the year ended December 31, 2024, and we will issue our report thereon dated December 9, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 25, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note 1 to the financial statements. As described in Note 6, the Association retroactively adopted an accounting policy for the recordation of leases in accordance with ASU No. 2016-02, in 2024. No other accounting policies changed. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the calculation of the reserve fund portion of total member assessments.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 9, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Supplementary Information Accompanying the Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior audit period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Required Supplementary Information

With respect to the supplementary information required by the Financial Accounting Standards Board, we applied certain limited procedures to the information, including inquiring of management about their methods of preparing the information; comparing the information for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements; and obtaining certain representations from management, including about whether the required supplementary information is measured and presented in accordance with prescribed guidelines.

This information is intended solely for the use of the Board of Directors and management of Antigua Condominium Council of Unit Owners and is not intended to be and should not be used by anyone other than those specified parties.

Very truly yours,

Wigglesworth, Layton, Moyus + Chance, P.C.

Salisbury, Maryland

**COMMUNICATION OF SIGNIFICANT DEFICIENCIES AND MATERIAL
WEAKNESSES UNDER SAS NO. 115**



Wigglesworth, Layton, Moyers & Chance, P.C.

Certified Public Accountants

December 9, 2025

To the Board of Directors
Antigua Condominium Council of Unit Owners
Ocean City, Maryland

In planning and performing our audit of the financial statements of Antigua Condominium Council of Unit Owners (the Association) as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Associations' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the weakness 2024-1 in the attached *Schedule of Findings and Recommendations* to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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.

Very truly yours,

Wigglesworth, Layton, Moyers + Chance, P.C.

Salisbury, Maryland
December 9, 2025

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

Material Weaknesses

2024-1 Segregation of duties within the accounting function

Criteria: Proper segregation of the accounting function is a good system of internal control to provide reasonable assurance that a material misstatement to the financial statements is prevented.

Condition: The basic premise is that no one employee should have access to both physical assets, such as cash, and the related accounting records or to all phases of a transaction. This level of access creates a conflict within the assigned duties and produces a high level of internal control risk. During our audit, we noted a lack of segregation of duties within the accounting function.

Cause: The lack of a good system of internal control has created conflicts concerning assigned duties.

Effect: A lack of segregation of duties does not allow employees in the normal course of performing assigned duties to prevent or detect fraud and correct unintentional or intentional errors in a timely basis.

Recommendation: We recommend that the management company and third party bookkeeper continuously strive to achieve maximum segregation of duties possible with the limited number of employees that the organization can afford to employ. In this situation it is important for Board members to continue to remain actively involved in the finances and accounting of the organization in order to mitigate this inherent risk.

Identification of Repeat Finding: Due to the size of the Organization, this is a repeat finding from the 2022 audit.

View of Responsible Officials: Management is aware of this condition and has assessed the costs to achieve maximum segregation of duties. Management has determined that the costs exceed the potential benefit of hiring additional employees. Management and the Board continue to strive to mitigate and minimize this risk.