



# MONTGOMERY VILLAGE FOUNDATION, INC.

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August 3, 2018

## MEMORANDUM

TO: MVF Audit Committee

FROM: Dave Humpton, Executive Vice President  
Daniel Salazar, Chief Financial Officer

SUBJECT: AUDIT COMMITTEE MEETING

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The next regular meeting of the Audit Committee will be held at 7:00 p.m. on Tuesday, August 14, 2018 in the North Creek board room.

### **PLEASE REMEMBER TO BRING YOUR BUDGET BOOKS!**

**Important Reminder:** the MVF Board of Directors and Audit Committee Joint Budget meeting will take place on Thursday, August 23, 2018 in the North Creek board room.

If you are unable to attend the Audit Committee meeting, please e-mail Juana Hernandez at [jhernandez@mvf.org](mailto:jhernandez@mvf.org) or call 240-243-2315.

DH/jh

**MONTGOMERY VILLAGE FOUNDATION, INC.  
AUDIT COMMITTEE**

**Tuesday, August 14, 2018**

**7:00 P.M.**

**North Creek Board Room**

**AGENDA**

1. Residents' Time
2. Call to Order
3. Review and Approve Minutes from the March 6, 2018 meeting (enclosure)
4. Review and Discuss 2019 MVF Draft Budget
5. Other Business
6. Adjournment

**MINUTES OF MEETING**  
**MONTGOMERY VILLAGE FOUNDATION**

**Audit Committee**

**March 6, 2018**

A regular meeting of the Montgomery Village Foundation Audit Committee was held at 7:00 p.m. on Tuesday, March 6, 2018 at the North Creek Community Center, Montgomery Village, Maryland.

**Audit Committee Members Present**

Pat Seery, Chairperson  
Keith Silliman, Vice Chair  
Bob Carey, Treasurer  
Beth-Ellen Berry  
Frank Mondell  
Barbara St. John  
Brenda Yombo

**Members Absent**

Ellen Gaston  
Pam Bort, Board Liaison

**Others Present**

Michele Mills, DeLeon & Stang  
Addie Blickenstaff, DeLeon & Stang  
Greg Snellings, MVF Chief Financial Officer  
Daniel Salazar, Senior Accountant  
Jennifer Thornett, Recording Secretary

**1. Residents' Time**

There were no residents present.

**2. Chairman's Remarks**

Mr. Seery called the meeting to order at 7:08 p.m.

**3. Review and approve minutes from the October 3, 2017 meeting**

**Ms. Berry moved to approve the minutes of the October 3, 2017 meeting as presented. The motion was seconded and passed (6-0-1); Mr. Silliman abstained.**

#### **4. Presentation of 2017 MVF Draft Financials & related reports**

Ms. Mills presented an overview of the 2017 audit report; it is attached for the record. She reported total assets equal \$16,763,374, an increase of 4.7% over 2016. Ms. Mills noted over \$2M of investments are held in equities and there is \$680,917 in assessments receivable; the allowance for doubtful accounts is \$161,499. She added property and equipment totals \$8.5M with over \$6M in pool improvements and \$4M in parks and lakes improvements. Ms. Mills reported total liabilities equal \$1,095,848, a decrease of 19.3% over 2016. She noted total net assets equal \$15,667,526, an increase of 6.9% over 2016. Ms. Mills explained net assets are categorized as unrestricted, board designated - reserve funds and temporarily restricted. She noted total revenues equal \$8,418,628, an increase of 2% over 2016. Ms. Mills reported total non-assessment revenues equal \$2,199,237, a decrease of 0.3% over 2016. She added total expenses equal \$7,654,612, an increase of 2.2% over 2016. Mr. Snellings noted personnel and benefits comprise 61% of total expenses and added the 4.6% increase is primarily due to significantly less turnover. Ms. Mills reported total operational expenses equal \$2,982,727, a decrease of 1.3% over 2016. She added the overall change in unrestricted net assets is an increase of \$1M.

Ms. Mills reviewed the highlights for 2017. She reported investments increased \$469,031 or 8.1% over 2016. Ms. Mills noted assessments receivable decreased 8.7% over 2016. She added the allowance for uncollectible accounts decreased 21.4% over 2016 due to MVF's collection efforts. Ms. Mills noted the MVF recorded no bad debt expense for 2017, the first time since 2006. She reported the audit did not identify any material weaknesses in internal controls over financial reporting. Ms. Mills added the AUC-260 letter was issued outside of the audit and reviewed key points of the audit.

Mr. Snellings shared an update to the budget presentation titled, "10 Years – Moving Forward"; it is attached for the record.

Ms. Berry suggested minor edits to the audit:

- Page 14, Note 2 – Property and Equipment: Combine the third and fourth sentences.
- Page 22, Note 10 – Board Designated Reserve Funds: Change "were as followed" to "were as follows".

- Page 22, Note 11 – Credit Risk: Change “Organization” to “Foundation”.
- Page 24, Note 15 – Lease Payable: Change ‘a reconciliation will be completed’ to “a reconciliation is completed”.

Mr. Seery thanked Ms. Mills for presenting the audit. He noted it is clear Mr. Snellings and his team have a firm grasp on the financials. Ms. Mills commended Mr. Snellings and his team for delivering on their promise to be ready the first week of February. Mr. Snellings attributed their success to the work of Mr. Salazar and the staff accountant. He noted the staff accountant recently left for another opportunity and a new staff accountant starts tomorrow.

**a. Recommendation to MVF Board**

**Mr. Carey moved to recommend to the MVF Board of Directors to accept the 2017 Audit Report and accompanying Financial Statements, which includes the 2017 Budgeted Contribution to Reserves, as amended. The motion was seconded and passed unanimously.**

**5. Other Business**

Mr. Snellings reported he accepted another position and will transition through the end of the month. Ms. Berry offered congratulations and noted it will be a huge loss for MVF. Mr. Seery noted the next CFO has big shoes to fill. Mr. Mondell agreed and added Mr. Snellings is leaving MVF in a better position than where he found us.

**6. Recommendation to the MVF Board for the Audit Committee Chair for 2018**

**Ms. St. John moved to recommend to the MVF Board of Directors to appoint Mr. Seery as the Audit Committee Chair for 2018. The motion was seconded and passed unanimously.**

**7. Adjournment**

**Mr. Carey moved to adjourn the meeting at 7:51 p.m. The motion was seconded and passed unanimously.**

There being no further business, the meeting was adjourned at 7:51 p.m. The report, authorizations and other documents presented at the meeting have been initialed for identification and attached hereto or filed in the offices at the Montgomery Village Foundation.

\_\_\_\_\_/s/\_\_\_\_\_  
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Jennifer Thornett  
Recording Secretary

**Motion List  
Audit Committee  
March 6, 2018**

- 1. Ms. Berry moved to approve the minutes of the October 3, 2017 meeting as presented. The motion was seconded and passed (6-0-1); Mr. Silliman abstained.**
- 2. Mr. Carey moved to recommend to the MVF Board of Directors to accept the 2017 Audit Report and accompanying Financial Statements, which includes the 2017 Budgeted Contribution to Reserves, as amended. The motion was seconded and passed unanimously.**
- 3. Ms. St. John moved to recommend to the MVF Board of Directors to appoint Mr. Seery as the Audit Committee Chair for 2018. The motion was seconded and passed unanimously.**
- 4. Mr. Carey moved to adjourn the meeting at 7:51 p.m. The motion was seconded and passed unanimously.**