



CROFTON CIVIC ASSOCIATION – SEPTEMBER 2019

Dear Crofton Resident:

General Membership Meeting – Guest Speaker – County Executive Pittman

The General Membership Meeting will be held at Crofton Elementary School on September 16th at 7:30 PM. The County Executive has agreed to be our guest speaker for the meeting. We will also be asking you to vote on a proposed by-law amendment. This is a meeting you will want to attend!

Proposed By-law Amendment

As you know, the Crofton Special Community Benefits District (CSCBD) is supported by tax revenues. The Crofton Civic Association (CCA), however, does not share in the tax revenues and depends completely upon grants, donations and proceeds from fundraisers. In recent years donations and fundraisers have not generated much revenue and the balance of unrestricted funds has significantly decreased. The biggest cost that has contributed to this decrease has been the costs associated with the annual financial reviews or audits conducted by an independent Certified Public Accountant. Our CPA shares our opinion that we have been spending too much money to monitor a relatively small fund. The proposed amended by-law is designed to eliminate this unnecessary spending while protecting the CCA's assets.

Current by-law on CCA Audit - Article XII, Section 8(b) The accounting records of the Association funds shall be audited at least once every third fiscal year by an independent certified public accountant. In each year in which an audit is not conducted, the records of the Association funds shall be reviewed by an independent certified public accountant. The report of each such audit and each such review shall be presented to the Board of Directors and kept on file in the offices of the Association, where they shall be available for public inspection.

Proposed Amended by-law on CCA Audit (b) (1) *If the unrestricted assets or the annual revenue (grants, donations, or proceeds from fundraisers) of the Association total less than \$50,000, the accounting records of the Association shall be reviewed by the Comptroller, the Treasurer and the Vice President of the Board of Directors each year prior to the approval of the Association budget. (Note: For purposes of this by-law, the unrestricted assets of the Association are defined as the cash assets listed as unrestricted in the annual fiscal year budget document and do not include buildings or land and improvements.)*

The review will include an examination of all donations, grants and other revenues received during the fiscal year, as well as all expenditures incurred and checks issued during that fiscal year. All financial statements for that fiscal year will also be reviewed. Bank statements will be reviewed to ensure reconciliations are accurate. The review will state the change (increase or decrease) in the assets, comparing the net assets at the beginning of the fiscal year with the net assets at the end of the fiscal year.

When completed the review shall be submitted to the Board of Directors for consideration and approval. The review must be approved by the Board of Directors before the Association budget for the next fiscal year can be approved by the Board of Directors. The reviews shall be kept on file in the offices of the Association, where they shall be available for public inspection.

If the position of Treasurer or Vice President is vacant at the time of the review the Board President shall designate one of the Board members to participate in the review process.

(2) At such time as the unrestricted assets or the annual revenue of the Association reach or exceed a total of \$50,000, the accounting records of the Association shall be audited at least every third fiscal year by an independent certified public accountant. In each year in which an audit is not conducted, the Comptroller, the Treasurer and the Vice President shall review the accounting records of the Association prior to the approval of the Association budget. Reviews shall be submitted to the Board of Directors for consideration and approval. The review must be approved by the Board of Directors before the Association budget for the next fiscal year can be approved by the Board of Directors. Copies of such reviews shall be kept on file in the offices of the Association, where they shall be available for public inspection.

Regardless of the amount of unrestricted assets or the annual revenue of the Association, the Comptroller, Treasurer or any member of the Board of Directors may request that an audit by a certified public accountant be authorized by the Board of Directors. Such a request must be considered by the Board of Directors. If a majority of the Board of Directors approves the audit request such an audit must be conducted. The audit report will be presented to the Board of Directors and kept on file in the offices of the Association, where it shall be available for public inspection.

The Board of Directors is asking for your support in approving this proposed amended by-law.

We look forward to a large turnout of residents to welcome the County Executive. See you on September 16th!