



July 1, 2014

**MINUTES
AUDIT COMMITTEE MEETING
Held: Monday, June 23, 2014**

Participants: Michael Cornell, Audit Committee
Gregg Schwind, Audit Committee (arrived 7:50 p.m.)
Reginald Avery, Audit Committee
Edward Berman, Audit Committee
James Young, Audit Committee
Milton Matthews, President
Jackie Tuma, Chief Staff Liaison

Ms. Tuma called the meeting to order at 7:35 p.m.

Mr. Avery moved to approve the agenda and Mr. Cornell seconded. The agenda was approved with a vote of 4-0-0.

For: Messrs. Cornell, Avery, Berman and Young
Against: None
Abstain: None

Mr. Cornell moved to approve the draft minutes from the March 12, 2014 meeting and Mr. Berman seconded. The minutes were approved as presented with a vote of 3-0-1.

For: Messrs. Cornell, Berman and Young
Against: None
Abstain: Mr. Avery

Mr. Berman moved to nominate Mr. Cornell as chair of the Audit Committee for FY15. Mr. Young seconded the motion, and it passed with a vote of 4-0-0.

For: Messrs. Cornell, Avery, Berman and Young
Against: None
Abstain: None

Mr. Cornell moved to nominate Mr. Avery as vice chair of the Audit Committee for FY15. Mr. Berman seconded the motion, and it passed with a vote of 4-0-0.

For: Messrs. Cornell, Avery, Berman and Young
Against: None

Abstain: None

Mr. Schwind arrived at 7:50 p.m.

Ms. Susan Krabbe, Chief Financial Officer, presented the FY14 fourth quarter Financial Report. Staff responded to questions from the Committee. Several requests for information, including questions presented in advance by Mr. Andy Stack, were placed on the tracking log for follow up. Committee members requested that the FY 14 fourth quarter Financial Report be amended to include an explanation of the discount amortization adjustment and its impact on membership and package plan revenue.

Mr. Avery moved to provide the FY14 fourth quarter Financial Report (amended as described above) to the Board of Directors and Mr. Schwind seconded. The motion passed with a vote of 5-0-0.

For: Messrs. Cornell, Avery, Schwind, Berman and Young
Against: None
Abstain: None

The Audit Committee and Internal Audit Department Charters were reviewed and reauthorized by committee members, Mr. Matthews and Ms. Tuma.

Ms. Tuma presented the memorandum regarding the Internal Audit Department's conformity to the Institute of Internal Auditors' professional standards in FY14. Mr. Young suggested that going forward, this information should be communicated in a closed meeting.

At 9:00 p.m., Mr. Schwind moved to close the meeting pursuant to HOA Section 11B-111.(4)(i, iv) to review several internal audit reports and for consultation with staff personnel on legal matters. Mr. Avery seconded the motion. The motion passed with a vote of 5-0-0.

For: Messrs. Cornell, Avery, Schwind, Berman and Young
Against: None
Abstain: None

The meeting continued in closed session.

At 10:25 p.m. the open meeting reconvened.

The Committee's tracking form was reviewed.

At 10:26 p.m., the meeting was adjourned by unanimous consent.