



December 16, 2014

**MINUTES  
AUDIT COMMITTEE MEETING  
Held: Wednesday, December 10, 2014**

Participants: Michael Cornell, Audit Committee Chair  
Gregg Schwind, Audit Committee (by teleconference)  
Reginald Avery, Audit Committee  
James Young, Audit Committee (arrived at 7:38 p.m.)  
Milton Matthews, President and CEO  
Jackie Tuma, Chief Staff Liaison and Director of Internal Audit

Mr. Cornell called the meeting to order at 7:33 p.m.

Mr. Avery moved to approve the agenda and Mr. Schwind seconded. The agenda was approved with a vote of 3-0-0.

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

Mr. Avery moved to approve the draft minutes from the September 10, 2014 meeting and Mr. Schwind seconded. The minutes were approved as presented with a vote of 3-0-0.

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

Mr. Young joined the meeting at 7:38 p.m.

Ms. Susan Krabbe, Chief Financial Officer, presented CA's FY15 second quarter Financial Report and financial statements and responded to questions from the Committee. For future Financial Reports, Mr. Schwind requested that:

- Data in the *Breakdown of Complimentary and Discounted Memberships by Quarter* graph include the number of memberships that are actually receiving a senior discount at that point in time.
- Factors contributing to membership fluctuations on the *Membership Plan Detail* chart be quantified and explained in a footnote.

Mr. Young moved to provide the FY15 second quarter Financial Report to the Board of Directors and Mr. Avery seconded. The motion passed with a vote of 4-0-0.

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

Mr. Avery moved to provide the FY15 second quarter financial statements to the Board of Directors and Mr. Young seconded. The motion passed with a vote of 4-0-0.

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

At 8:35 p.m., Mr. Avery moved to close the meeting pursuant to HOA Section 11B-111.(4)(i, iv, and vi) to review several internal audit reports, for consultation with staff personnel on legal matters, and for consideration of the terms of a business transaction. Mr. Young seconded the motion. The motion passed with a vote of 4-0-0.

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

The meeting continued in closed session.

At 9:45 p.m. the open meeting reconvened.

The Committee's tracking form was reviewed.

At 9:46 p.m., the meeting was adjourned by unanimous consent.

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September 22, 2014

**MINUTES  
AUDIT COMMITTEE MEETING  
Held: Wednesday, September 10, 2014**

Participants: Michael Cornell, Audit Committee  
Gregg Schwind, Audit Committee (joined by teleconference 7:40 p.m.)  
Reginald Avery, Audit Committee (departed 9:35 p.m.)  
Edward Berman, Audit Committee  
James Young, Audit Committee  
Milton Matthews, President  
Jackie Tuma, Chief Staff Liaison

Mr. Cornell called the meeting to order at 7:30 p.m.

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

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

Mr. Avery moved to approve the draft minutes from the July 23, 2014 meeting and Mr. Young seconded. The minutes were approved as presented with a vote of 3-0-1.

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

Mr. Schwind joined the meeting by teleconference at 7:40 p.m.

Ms. Susan Krabbe, Chief Financial Officer, presented CA's FY15 first quarter Financial Report and financial statements and responded to questions from the Committee.

Mr. Berman moved to provide the FY15 first quarter Financial Report to the Board of Directors and Mr. Avery seconded. The motion passed with a vote of 5-0-0.

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

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Mr. Avery moved to provide the FY15 first quarter financial statements to the Board of Directors and Mr. Berman seconded. The motion passed with a vote of 5-0-0.

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

Ms. Valerie Barnard, Director of Sales and Marketing, presented membership data (draft reports and other information) and responded to questions from the Committee. The Committee requested the following modifications to future membership reports:

- Use consistent color schemes on all graphs.
- In the market share data, change the phrase “CA Resident Memberships” to “CA Resident Household Memberships” and change the phrase “CA Residential Units” to “CA Residential Household Units.”
- Provide quarterly and annual detail of certain free and discounted memberships (CA Points memberships, employee memberships, income qualified memberships and senior memberships).
- Add Columbia Cards to the graph which presents memberships by resident and non-resident status.

Going forward, the quarterly membership reports will be included in CA’s Financial Reports.

At 8:45 p.m., Mr. Berman 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 9:52 p.m. the open meeting reconvened.

The Committee’s tracking form was reviewed.

At 9:54 p.m., the meeting was adjourned by unanimous consent.

**Tracking Form - Audit Committee  
Open Meeting Items**

	Submitted to Committee by (name):	Date sent to Committee	Description of Topic	Action to be Taken	Date Due to AC	Extensions	Revised Due Date to AC	Item Complete? (Y/N)
1	Mr. Stack	6/23/2014	Various questions regarding the FY14 4th quarter Financial Report	Several staff members to respond; answers will be compiled in one memo to the Board.	6/30/2014	-	-	Y - Responses emailed by S. Krabbe on 6/27/14.
2	Mr. Schwind	6/23/2014	Amend the FY 4th quarter Financial Report to include an explanation of the discount amortization adjustment and its impact on membership revenue in FY13 and FY14.	S. Krabbe to amend.	Sept 2014 AC Meeting	-	-	Y - Amended Financial Report was posted on CA's website on 6/27/14.
3	Mr. Young	6/23/2014	Provide the amount of unamortized discount scheduled to be recognized each year until it is fully amortized.	P. Papagijka to provide.	Sept 2014 AC Meeting	-	-	Y - See memo from P. Papagijka attached (Sept 2014 AC agenda/backup).
4	Various AC members	6/23/2014 & 7/23/2014	Provide unfiltered membership data in order to evaluate membership trends. Also provide market penetration data, including raw numbers (numerator/denominator). <b>Prepare a cover memo explaining the data and any assumptions/methodology used to compile the information.</b>	V. Barnard to provide. <b>J. Tuma to review.</b>	7/31/2014 (from V. Barnard to J. Tuma). <b>Sept 2014 AC Meeting (from V. Barnard to Audit Committee).</b>	-	-	Y - See agenda item #6 (9/10/14). <b>Note: Bold items reflect updates made during July 2014 AC Mtg.</b>
5	AC members	7/23/2014	Revise Note 15 in CA's FY14 audited financial statements to explain that a state of Maryland grant was assigned to Inner Arbor Trust subsequent to 4/30/14.	S. Krabbe to amend.	7/31/2014	-	-	Y - Done.
6	AC members	9/10/2014	Modify several items in the membership data reports (specifics are listed in the minutes).	Ms. Barnard to coordinate.	Dec. 2014 AC meeting	-	-	Y - Done.