



December 3, 2014

To: Members of the Audit Committee
Reginald Avery
Gregg Schwind
Edward Berman
James Young

Cc: Members of the Columbia Association Board of Directors
Milton Matthews, President/CEO
Jackie Tuma, Chief Staff Liaison

From: Michael Cornell, Chair

The Audit Committee of the Columbia Association, Inc. Board of Directors will meet on Wednesday, December 10, 2014 at the Columbia Association Building, 10221 Wincopin Circle, Columbia, MD 21044 at 7:30 p.m.

AGENDA

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| 1. Call to order | 1 min |
| 2. Approval of agenda | 2 min |
| 3. Approval of minutes: September 10, 2014 | 2 min |
| 4. Review of the FY15 second quarter Financial Report and financial statements | 20 min |
| 5. Motions to recommend Board action (no backup) | 5 min |
| a) Motion to provide the FY15 second quarter Financial Report to the Board of Directors | |
| b) Motion to provide the FY15 second quarter financial statements to the Board of Directors | |
| 6. Motion to close for the purpose of reviewing several internal audit reports, consultation with staff personnel on legal matters, and consideration of the terms of a business transaction in accordance with HOA Section 11B-111.(4)(i, iv, and vi) | 70 min |
| 7. Committee tracking form (open meeting) | 5 min |
| 8. Adjournment – 9:15 p.m. | |

ARRANGEMENTS FOR AN INTERPRETER FOR THE HEARING IMPAIRED CAN BE MADE BY CALLING 410-715-3111 AT LEAST TWO DAYS IN ADVANCE OF THE MEETING.

DRAFT



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

DRAFT

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). Prepare a cover memo explaining the data and any assumptions/methodology used to compile the information.	V. Barnard to provide. J. Tuma to review.	7/31/2014 (from V. Barnard to J. Tuma). Sept 2014 AC Meeting (from V. Barnard to Audit Committee).	-	-	Y - See agenda item #6 (9/10/14). Note: Bold items reflect updates made during July 2014 AC Mtg.
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.