MINUTES OF THE
FINANCE & AUDIT COMMITTEE MEETING OF THE
CONVENTION CENTER AUTHORITY OF THE
METROPOLITAN GOVERNMENT OF NASHVILLE &
DAVIDSON COUNTY

The Finance & Audit Committee Meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on March 28, 2013 at 7:58 a.m. in Room 212 at the Nashville Convention Center, Nashville, Tennessee.

FINANCE & AUDIT COMMITTEE MEMBERS PRESENT: Mark Arnold, Francis Guess, Willie McDonald, and Marty Dickens, Ex-Officio

FINANCE & AUDIT COMMITTEE MEMBERS NOT PRESENT: Ken Levitan


The meeting was opened for business by Committee Chair Mark Arnold.

ACTION: Francis Guess made a motion to approve the Finance & Audit Committee minutes of January 31, 2013. The motion was seconded by Willie McDonald and approved unanimously by the committee.

Ric Miller and team were introduced from Willis Insurance to present the operational insurance. (Attachment #1) There was discussion.

ACTION: Francis Guess made a motion to accept the recommendation of the staff on the insurance plan as presented pending the satisfactory response to inquiries discussed. The motion was seconded by Willie McDonald and approved unanimously by the committee.

Eileen McGinn was asked to present the external audit plan for FY 2013 and there was discussion. (Attachment #1)
Denotes arrival of Marty Dickens

Charles Robert Bone was asked to discuss the operational insurance coverage and there was additional discussion.

Ryan Johnson was asked for an overview on the budget.

With no additional business a motion was made to adjourn, with no objection the Finance & Audit committee of the CCA adjourned at 9:12 a.m.

Respectfully submitted,

[Signature]
Charles L. Starks
President & CEO
Convention Center Authority

Approved:

[Signature]
Francis Guess, Committee Member
CCA Finance & Audit Committee
Meeting Minutes of March 28, 2013
Convention Center Authority of the Metropolitan Government of Nashville & Davidson County

Finance & Audit Committee
Operational Insurance Presentation
March 17, 2013

FINANCE & AUDIT COMMITTEE
March 28, 2013

TIMELINE OF RISK MANAGEMENT & INSURANCE FOR OPERATIONS

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/15/13-4/30/13</td>
<td>Owner Controlled Insurance Program (OCIP)</td>
</tr>
<tr>
<td></td>
<td>Builders Risk (property in course of construction program)</td>
</tr>
<tr>
<td></td>
<td>Project Safety</td>
</tr>
<tr>
<td></td>
<td>Loss Control</td>
</tr>
<tr>
<td></td>
<td>Claims Management</td>
</tr>
<tr>
<td></td>
<td>Note: OCIP actually continues to 7/31/13 for limited remaining construction activity</td>
</tr>
<tr>
<td>4/1/13</td>
<td>Preparations begin for permanent program</td>
</tr>
<tr>
<td></td>
<td>Estimates of 1st year events &amp; attendees</td>
</tr>
<tr>
<td></td>
<td>Payments</td>
</tr>
<tr>
<td></td>
<td>Review of safety programs, events service handbook, etc.</td>
</tr>
<tr>
<td></td>
<td>Review of vendor &amp; other contracts with sign (Bone, McKeezer &amp; Norton)</td>
</tr>
<tr>
<td>1/7/13-4/30/13</td>
<td>Short-Term Office Contents, General Lab, Work Comp, Auto &amp; Excess Lab Program to synchronize with substantial completion</td>
</tr>
<tr>
<td>5/10/13</td>
<td>Insurance negotiations begin for originally planned 1/1/13 effective date</td>
</tr>
<tr>
<td>12/12/12</td>
<td>Fortuitous benefit to MCC decision made to extend current operations insurance to 4/30/13</td>
</tr>
<tr>
<td>1/7/13-3/31/14</td>
<td>Public Officials Liability &amp; Crime programs renewed for 12 months</td>
</tr>
<tr>
<td>4/30/13-4/30/14</td>
<td>Proposed Property, Liability, &amp; related insurance programs to take effect</td>
</tr>
</tbody>
</table>

CASUALTY MARKETS APPROACHED

<table>
<thead>
<tr>
<th>Category</th>
<th>Expected Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Liability</td>
<td>$500,000</td>
</tr>
<tr>
<td>Professional Liability</td>
<td>$300,000</td>
</tr>
<tr>
<td>Workers' Compensation</td>
<td>$200,000</td>
</tr>
<tr>
<td>Property &amp; Casualty</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Auto Liability</td>
<td>$100,000</td>
</tr>
<tr>
<td>Umbrella</td>
<td>$500,000</td>
</tr>
<tr>
<td>Cyber</td>
<td>$100,000</td>
</tr>
<tr>
<td>Other</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

PROPERTY MARKETS APPROACHED

<table>
<thead>
<tr>
<th>Market</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>MVA</td>
<td>Medical Malpractice</td>
</tr>
<tr>
<td>UR</td>
<td>Medical Malpractice</td>
</tr>
<tr>
<td>Loss</td>
<td>Medical Malpractice</td>
</tr>
<tr>
<td>DPA</td>
<td>Medical Malpractice</td>
</tr>
<tr>
<td>FSC</td>
<td>Medical Malpractice</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summary of Exposures Bases Used to Negotiate Insurance Programs &amp; Premiums (3/31/13 to 4/30/14)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event</td>
</tr>
<tr>
<td>Projected Attendance</td>
</tr>
<tr>
<td>Projected Parking Revenues</td>
</tr>
<tr>
<td># of Employees</td>
</tr>
<tr>
<td>Full Time</td>
</tr>
<tr>
<td>Part Time</td>
</tr>
</tbody>
</table>

Note: Estimated Payrolls (MCC only): $5,605,925

Integrity included catering exposures before Centerplate was contracted.
KPMG Independence

- KPMG has established an enhanced and comprehensive system of quality control over independence that includes a framework of detailed policies and procedures supported by maintained, web-based, electronic systems such as a dedicated global group of experienced professionals to provide technical guidance and support.
- Our system seeks to ensure compliance with all standards established by the PCAOB Independence Standards Board and Government Auditors Office.
- Restraints on financial interests in the debt securities of the Corporation Center.
- Restrains on soliciting and referring technology services, as well as placing restrictions on the types of "non-audit" services that can be provided by KPMG.
- Annually, report to the Audit Committee the status of KPMG’s independence with respect to the Corporation Center.
- KPMG is compliant with all established independence guidelines.

Audit Scope

Applicable Financial Reporting Standards

- Accounting principles generally accepted in the United States of America

Scope of Work

- Audit of financial statements and related disclosures of the Corporation Center as of and for the year ended December 31, 2013.
- Auditing standards generally accepted in the United States of America as issued by the Auditing Standards Board of the American Institute of Certified Public Accountants.
- Governmental Auditing Standards issued by the Comptroller General of the United States.

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Reports and Other Deliverables

<table>
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<tr>
<th>Deliverables</th>
<th>Expected Release</th>
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<tbody>
<tr>
<td>Auditors' report on the consolidated financial statements of the Corporation Center</td>
<td>Jun 2013</td>
</tr>
<tr>
<td>Other Deliverables</td>
<td>Anticipated Release</td>
</tr>
<tr>
<td>Material written communication between KPMG and management</td>
<td>Nov 2013</td>
</tr>
</tbody>
</table>

Fiscal Year 2013 Audit Plan

1. Planning
   - Performed risk assessment procedures and identified risks.
   - Determined audit strategy and identified the significant risks.
   - Identified planned audit approach.

2. Control Evaluation
   - Sustained no material weaknesses.
   - Evaluated design and implementation of controls.
   - Evaluated effectiveness of controls.
   - Reviewed control and account balances.
   - Performed substantive procedures.

3. Substantive Testing
   - Plan substantive procedures.
   - Considered fraud potential.
   - Considered materiality.
   - Conducted an audit.

4. Completion
   - Perform compilation procedures.
   - Perform overall evaluation of financial statement and disclosures.
   - Form an audit opinion.

Fiscal Year 2013 Audit Time Line

<table>
<thead>
<tr>
<th>Planning/Feedback</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
</tr>
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<tbody>
<tr>
<td>Control Evaluation</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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Note: An emphasis during planning feedback for FY 2013 will result in evaluating the effectiveness of the control structure in order to recognize business as the facility will be open for business during fiscal year 2013.

Audit Approach for High-Volume Accounts and Disclosures

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<tr>
<th>High-Volumes Transaction Items</th>
<th>Planned Audit Approach</th>
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| Identification and testing of high-volume transaction items | Identify high-volume transaction items.
| Evaluation of compliance with accounting policies and procedures | Evaluate the effectiveness of systems and controls.
| Analysis of underlying transactions | Analyze underlying transactions.
| Consideration of potential fraud or illegal acts | Consider potential fraud or illegal acts.
| Consideration of potential conflicts of interest | Consider potential conflicts of interest.
| Consideration of potential tax implications | Consider potential tax implications.
| Consideration of potential financial reporting consequences | Consider potential financial reporting consequences.

For more information, refer to the KPMG Independence Standards Board and Government Auditors Office.

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For more information, refer to the KPMG Independence Standards Board and Government Auditors Office.
Recently Issued Applicable Accounting Standard

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

- Effective as of June 30, 2013
- This Statement is intended to improve financial reporting by providing users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future.

Definitions

Deferred outflow of resources
- A consumption of net assets by the government that is applicable to a future period.
- Has a nature "debit" balance and is reported similar to assets.

Deferred inflow of resources
- An acquisition of net assets by the government that is applicable to a future reporting period.
- Has a nature "credit" balance and is reported similar to liabilities.

Net position
- The residual of all elements presented in a financial position statement.

Recently Issued Applicable Accounting Standard (Continued)

- Report each of the financial position elements in a separate section in the statements of financial position in the following order:
  - Assets,
  - Deferred Outflows of Resources,
  - Liabilities,
  - Deferred Inflows of Resources, and
  - Net Position.

KPMG Ethics and Compliance Hotline 1-877-576-4033

Hotline Purpose: To provide a confidential, non-statutory, and anonymous hotline for the good-faith reporting of concerns about violations of our Code of Conduct, of employee or partner conduct, and of KPMG policy.

Hotline Process: The hotline is available to all firm partners and employees, as well as clients, contractors, vendors, and others in a business relationship with KPMG, including other KPMG member firms where partners and employees may be working with the U.S. firm or engagements with U.S. clients.

Appendix A:
Audit Committee Priorities for 2013

KPMG Contact Information

KPMG Audit Partner contact details:
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(813) 240-1000
rdavies@kpmg.com

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