

ACA FINANCIAL REPORT AND BUDGET



ARIZONA
COMMERCE
AUTHORITY

September 27, 2011

Explanation of Funds

Fund Categories:

- Arizona Competitiveness Funds
- ACA Program Funds



Explanation of Funds

Arizona Competitiveness Funds Category:

- Arizona Commerce Authority Fund
- Arizona Competes Fund



Explanation of Funds

Arizona Commerce Authority Fund:

- The ACA's Operating Fund
- \$10MM Annually
- Use of Funds – To cover the operating expenditures incurred in pursuing the mission of the ACA



Explanation of Funds

Arizona Competes Fund:

- The ACA's Deal-Closing Fund
- \$25MM Annually
- Use of Funds – Attract, expand, or retain Arizona enterprises; support and advance programs that enhance economic development for the State



Explanation of Funds

ACA Program Funds Category:

- ADOC Carryover Fund
- Job Training Fund
- Other Funds Managed by ACA



Explanation of Funds

ADOC Carryover Fund:

- Programs transferred from Arizona Department of Commerce with ongoing administration requirements well into Fiscal Year 2012 and beyond
- One-time transferred dollars – Not annual allocations
- Use of Funds – The use of these funds will be covered by Don Cardon later in today's presentation



Explanation of Funds

Job Training Fund:

- Revenues generated from the Employer Job Training Tax
- Average annual revenue between \$11MM - \$15MM
- Use of Funds – Support the design and delivery of customized training to meet specific needs of employers, create new jobs and help increase the skill wage levels of employees in Arizona



Explanation of Funds

Other Funds Managed by ACA:

- ACA Bond Fund
- Workforce (Federal Fund)
- Apprenticeship (Federal Fund)
- Sector Strategy Fund (Federal Fund)
- State Energy Sector Strategy Fund (Federal Fund)
- ACA Application Fees Fund for the Research & Development Tax Credit Program



Explanation of Funds

Other Funds Managed by ACA:

- Monies in these funds are controlled by intergovernmental agreements and statutory formulas and procedures
- Non-discretionary in nature



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Revenue Categories:

- **Intergovernmental Revenue:** Revenue derived from inter-agency agreements at both State and Federal Levels
- **Sales & Charges For Services, Goods & Capital:** Reserved for revenue items associated with ACA provided administration services
- **Transfers – In:** Reserved for recording of revenue associated with funding from HB 2001
- **Other Revenue:** All other revenue not specifically identified above (i.e. Treasury Investment Income, Participation Fees, Non-Refundable Fees, etc.)



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Expenditure Categories:

- **Personal Services:** Salaries/wages, annual leave and holiday leave
- **Employee-Related Expenditures:** Employee taxes, payroll servicing and employee benefits
- **Professional & Outside Services:** Consulting and advisory services including industry advisors, international contractors, economic development partners, marketing, public relations and legal services
- **Travel In State:** Airfare, meals, lodging, and other miscellaneous in-state travel

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Expenditure Categories *continued:*

- **Travel Out of State:** Airfare, meals, lodging, and other miscellaneous out-of-state travel
- **Aid to Other Organizations:** Reserved for recording expenditures for the primary mission of the ACA. Major items include grants and awards provided to organizations and/or companies that will ultimately drive economic development for the State of Arizona
- **Other Operating Expenditures:** Reserved for recording of all other operating expenditures that do not fall in one of the categories previously mentioned (i.e. building rent, advertising, trade shows, etc.)
- **Non-Capital Equipment:** Reserved for recording of furniture and equipment that do not meet the \$5,000 capitalization threshold

