

**AUDIT COMMITTEE OF THE
ARIZONA COMMERCE AUTHORITY BOARD OF DIRECTORS
PUBLIC MEETING MINUTES**

Pursuant to A.R.S. § 38-431.02, notice is hereby given that the Audit Committee of the ACA Board of Directors held a meeting open to the public at the following time and place:

**Monday, October 17, 2022 at 10:30 a.m.
100 North 7th Avenue, Suite 400 Phoenix, AZ 85007
(Committee members participated telephonically.)**

I. Call to Order and Roll Call

Clate Mask, Chairman called the Arizona Commerce Authority Audit Committee meeting to order at 10:32 AM. The meeting was noticed and properly posted. Quorum of voting members present.

Committee Members present via conference call

Clate Mask, Chairman
Cathleen Walker
Tony Astorga

Arizona Commerce Authority (ACA) Staff present via conference call

Ken Burns, COO
Brett Goeringer, CFO
Robin Hansen, Controller
Lauren Masseur, SVP, Operational Excellence

Others Present via conference call

Jean Dietrich, Director, CliftonLarsonAllen, LLP
David Houvion, CliftonLarsonAllen, LLP

II. Welcome

Ken Burns recognized new committee members, Cathleen Walker and Tony Astorga, as well as ACA's new CFO, Brett Goeringer. Ken welcomed all other attendees and thanked the Auditors for their work this year.

III. Approval of October 14, 2021 Minutes

Clate Mask, Chairman, asked for a motion to approve the minutes of the October 14, 2021 meeting. Tony Astorga made the motion. Cathleen Walker seconded. Motion approved.

IV. Presentation by CliftonLarsonAllen, LLP of Fiscal Year 2022 Audit Results

Ms. Dietrich provided an overview of the ACA's Fiscal Year 2022 Financial Statements. Ms. Dietrich reported that CliftonLarsonAllen, LLP would be issuing an unmodified ("clean") financial audit opinion.



Ms. Dietrich provided an overview of Management's Discussion and Analysis. Ms. Dietrich noted that during Fiscal Year 2022, unencumbered funds as of June 30, 2022 in the Job Training Fund will be returned to the State's General Fund per statute.

Ms. Dietrich provided an overview of the FY2022 Financial Statements, reviewing changes in financial position, statement of net position and statement of activities. Ms. Dietrich reviewed the notes to the financial statements and stated that they are consistent with the prior year with the exception that for FY2022 the office space leased by the ACA, which was previously classified as an operating lease, will be recorded as a Right of Use Asset (with a corresponding lease liability established initially for the same amount) under GASB Statement No. 87

Ms. Dietrich provided an overview of the internal controls letter. One misstatement was identified and an adjusting entry was posted for the audit period.

Ms. Dietrich also covered all governance disclosures, contingencies and reiterated that all communication with management was clear and transparent. No irregular or unsupported transactions were noted. Ms. Dietrich complimented Robin and Ken for work to improve reporting of modified and full accrual basis.

Call for questions.

Tony Astorga requested that the ACA host both a pre and post audit committee meeting next year. It was noted that this year Clate Mask was the only Audit Committee member present for the pre-meeting. Moving forward, ACA will conduct the pre and post audit meeting with all available Audit Committee members.

Mr. Astorga inquired about the use of funds kept in the bank account, noting the substantial balance. Mr. Burns conveyed that this allows for management of uneven cashflow and compensates for programs funded with Federal funds on a reimbursement basis. The balance also serves to keep bank fees lower. Mr. Astorga and Ms. Walker both suggested that ACA review money market account rates as there have been dramatic rate swings in last 6 months.

Clate Mask, Chairman, thanked the Auditors for their work and acknowledged Ken Burns and the ACA team for a clean audit.

V. Items for Discussion and Possible Action

A. Approval of Fiscal Year 2022 Financial Audit Report Issuance

Clate Mask, Chairman, asked for a motion to approve the Fiscal Year 2022 Financial Audit Report as presented. Cathleen Walker made the motion. Tony Astorga seconded. Motion approved.

VI. Call to Public

No public present.

VII. Adjournment

Clate Mask, Chairman, moved to adjourn the Arizona Commerce Authority Audit Committee meeting. Cathleen Walker made the motion. Tony Astorga seconded. Motion approved. Meeting adjourned at 11:10 AM.