

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

**Wednesday, October 17, 2018 at 8:30 A.M.
118 North 7th Avenue, Suite 400 Phoenix, AZ 85007
(Members of the Committee appeared telephonically)**

I. Call to Order and Roll Call

Audit Committee Chair Victor Smith called the Arizona Commerce Authority Audit Committee to order at 8:29 a.m. The meeting was noticed and properly posted. Quorum of voting members present.

Committee Members present via conference call

Victor Smith, Chairman
David Goldstein, Member

Committee Members not present

Dr. Taylor Lawrence, Member

Arizona Commerce Authority (ACA) Staff present

Ken Burns, CFO/COO
Gail Stelling, Controller

Others Present via conference call

Ronald Stearns, Principal, CliftonLarsonAllen, LLP
Jean Dietrich, Director, CliftonLarsonAllen, LLP

II. Welcome

Audit Committee Chair Victor Smith welcomed the committee, ACA staff and CliftonLarsonAllen, LLP representatives to the meeting.

III. Approval of March 20, 2018 Minutes

Mr. Goldstein moved to approve the minutes of the March 20, 2018 meeting. Mr. Smith seconded. Motion approved.



IV. Presentation by CliftonLarsonAllen, LLP of Fiscal Year 2018 Audit Results

V. Items for Discussion and Possible Action

A. Approval of Fiscal Year 2018 Financial Audit Report Issuance

Ms. Dietrich provided an overview of the ACA's Fiscal Year 2018 Financial Statements.

Ms. Dietrich reported that CliftonLarsonAllen, LLP would be issuing an unmodified/"clean" financial audit opinion.

Ms. Dietrich provided an overview of the Management's Discussion and Analysis and the Fiscal Year 2018 Financial Statements.

Mr. Goldstein noted that the \$4.7 million listed for expenses for the Arizona Competes Fund (ACF) appeared to be low. Ken Burns explained that the \$4.7 million reflects only the payments for milestones reached on ACF awards. Jean Dietrich referred the Committee to Note 5, which illustrates that the ACF had \$29.2 million in grants outstanding at June 30, 2018.

Ms. Dietrich provided an overview of the notes to the financial statements, highlighting the changes from the previous year.

Ms. Dietrich provided an overview of the internal controls letter. Ms. Dietrich highlighted that no significant deficiencies or weaknesses of internal controls were detected that would prohibit the auditors from expressing an opinion on the ACA's financial statements. Ms. Dietrich also noted that ACA staff was cooperative and timely in their interaction with the audit team.

Mr. Goldstein moved to approve the Fiscal Year 2018 Financial Audit Report as presented. Chair, Mr. Smith seconded the motion. Motion approved.

Mr. Smith thanked the auditors for their work.

VI. Call to the Public

No public present.

VII. Adjournment

Mr. Goldstein moved to adjourn the Arizona Commerce Authority Audit Committee meeting. Mr. Smith seconded. Motion approved. Meeting adjourned at 8:55 a.m.