

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

**Wednesday, November 13, 2019 1:00 PM.
100 North 7th Avenue, Suite 400 Phoenix, AZ 85007
(Members of the Committee appeared in person and telephonically)**

I. Call to Order and Roll Call

Dr. Taylor Lawrence, Chair called the Arizona Commerce Authority Audit Committee to order at 1:02 PM. The meeting was noticed and properly posted. Quorum of voting members present.

Committee Members present in person

Dr. Taylor Lawrence, Chairman

Committee Members present via conference call

John Wolfe, Member

Clate Mask, Member

Arizona Commerce Authority (ACA) Staff present

Ken Burns, CFO/COO

Gail Stelling, Controller

Others Present via conference call

Jean Dietrich, Director, CliftonLarsonAllen, LLP

II. Welcome

Audit Committee Chair Taylor Lawrence welcomed the committee, ACA staff and the CliftonLarsonAllen, LLP representative to the meeting.

III. Approval of October 17, 2018 Minutes

Dr. Taylor Lawrence, Chair moved to approve the minutes of the October 17, 2018 meeting. John Wolfe seconded. Motion approved.

IV. Presentation by CliftonLarsonAllen, LLP of Fiscal Year 2019 Audit Results



Ms. Dietrich provided an overview of the ACA's Fiscal Year 2019 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 2019 Financial Statements.

Ms. Dietrich noted an increase in net position of \$3 million and a "healthy" Balance Sheet. Expenses were higher than the prior year due to increased grant activity. She also pointed out that the Arizona Innovation Accelerator Fund (AIAF) is no longer reflected separately from the General Fund in these statements.

Ms. Dietrich provided an overview of the notes to the financial statements, highlighting the changes from the previous year, one troubled AIAF loan, and the addition of ACA's new conference center to capital assets.

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 covered all governance disclosures, reiterated that all communication with management was clear and transparent. No irregular or unsupported transactions were noted. Ms. Dietrich, and committee members commended management on the clean audit.

V. Items for Discussion and Possible Action

A. Approval of Fiscal Year 2019 Financial Audit Report Issuance

Dr. Taylor Lawrence, Chair, moved to approve the Fiscal Year 2019 Financial Audit Report as presented. Clate Mask seconded the motion. Motion approved.

VI. Call to the Public

No public present.

VII. Adjournment

Dr. Taylor Lawrence, Chair moved to adjourn the Arizona Commerce Authority Audit Committee meeting. John Wolfe seconded. Motion approved. Meeting adjourned at 1:27 PM.