

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

**Tuesday October 14, 2021 2:00 PM.
100 North 7th Avenue, Suite 400 Phoenix, AZ 85007
(Members of staff and the Committee appeared telephonically)**

I. Call to Order and Roll Call

Clate Mask, Chairman called the Arizona Commerce Authority Audit Committee meeting to order at 2:04 PM. The meeting was noticed and properly posted. Quorum of voting members present.

Committee Members present via conference call

John Wolfe, Member
Clate Mask, Chairman

Arizona Commerce Authority (ACA) Staff present via conference call

Ken Burns, CFO/COO
Gail Stelling, Controller
Anthony Smith, Staff Accountant

Others Present via conference call

Jean Dietrich, Director, CliftonLarsonAllen, LLP

II. Welcome

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

III. Approval of October 27, 2020 Minutes

Clate Mask, Chairman, moved to approve the minutes of the October 27, 2020 meeting. John Wolfe seconded. Motion approved.



IV. Presentation by CliftonLarsonAllen, LLP of Fiscal Year 2021 Audit Results

Ms. Dietrich provided an overview of the ACA's Fiscal Year 2021 Financial Statements.

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

GASB statement #84 resulting in a change in reporting of fiduciary funds which applies to the Arizona Coronavirus Relief Fund (ACRF). The AZCRF fund is a fiduciary fund since the Authority does not benefit from this fund. AZCRF funds are being used to provide support for agencies who directly provide services to Arizonans impacted by Covid-19 pandemic.

Ms. Dietrich provided an overview of Management's Discussion and Analysis. Ms. Dietrich noted that during Fiscal Year 2021, unencumbered funds as of December 31, 2020 in the Job Training Fund were returned to the State's General Fund per statute.

Ms. Dietrich provided an overview of the FY2021 Financial Statements; reviewing changes in financial position, statement of net position and statement of activities. Additionally, the AZCRF fiduciary fund net position was reviewed as a new statement as a result of GASB #84. Ms. Dietrich reviewed the notes to the financial statements and stated that they are consistent with the prior year. Next year, Note 7 Lease will include a change how the Authority accounts for right to use assets under GASB #87.

Ms. Dietrich provided an overview of the internal controls (yellow book report) letter. One audit adjustment identified as a significant deficiency in internal control.

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.

Clate Mask, Chariman, shared that he was expecting to see a greater drop in the COVID fund, and it's encouraging to see that materialized. He thanked Ms. Dietrich, CliftonLarsonAllen and ACA staff for having a clean audit.

John Wolfe additionally thanked the audit team and accounting team for having another clean audit.

V. Items for Discussion and Possible Action

A. Approval of Fiscal Year 2021 Financial Audit Report Issuance

Clate Mask, Chariman, moved to approve the Fiscal Year 2021 Financial Audit Report as presented. John Wolfe seconded the motion. Motion approved.

VI. Call to the Public

No public present.

VII. Adjournment

Clate Mask, Chairman, moved to adjourn the Arizona Commerce Authority Audit Committee meeting. John Wolfe seconded. Motion approved.

Meeting adjourned at 2:31 PM.