

FINANCE & AUDIT COMMITTEE (F&AC)

State Bar of Arizona
4201 N. 24th Street, Suite 100
Phoenix, Arizona 85016

February 21, 2019
3 p.m.
Cholla Room

Minutes (Approved)

MEMBER ATTENDANCE:

P = present in person; T = present telephonically; A= absent.

T - Denis Fitzgibbons, Chair

P - Anna Thomasson, Vice Chair

A - Dave Byers

T - Tyler Carrell

T - Jason Cobb

A - Jim Penny (Client Protection Fund Board Liaison/Non-voting F&AC member)

A - Mike Baumstark (At Large Member – Substitute for Dave Byers)

OTHER ATTENDEES:

State Bar Staff:

Joel England

Maret Vessella

Lisa Deane

Rick DeBruhl

Kathy Gerhart

Lisa Panahi

Ann Leslie

Aron Carrico

Octavius Garrett

Martin Gaxiola

Minutes taken by: Aron Carrico & Octavius Garrett

I. CALL TO ORDER:

Called to Order by: Denis Fitzgibbons

Time: 3:00pm

II. CALL TO THE PUBLIC:

Individuals addressing the Committee: None

Discussion: None

III. Approve January 17, 2019 meeting minutes

Individuals addressing the Committee: Denis Fitzgibbons

Discussion: None

Motion/moved by: Anna T.

Seconded by: Tyler C.

Motion: Passed unanimously

IV. Contribution Request – ASU Center for Race & Democracy (Review)

Individuals addressing the Committee: Kathy Gerhart

Discussion: Per the policy, if the CEO denies a contribution request due to Keller concerns, it then moves to F&AC for review. Joel E. reviewed his process that all contribution requests will go to general counsel for Keller review. Lisa P. cited that the financial request is inherently political in nature, and that it would be outside the scope of permissive Keller activities.

Motion/moved by: Tyler C. motioned to not provide financial support to this event due to Keller concerns.

Seconded by: Anna C.

Motion: Passed unanimously

V. SBA December 2018 Final Internal Financial Statements

Individuals addressing the Committee: Kathy Gerhart

Discussion: The final December 31, 2018 income statement reflects a surplus of \$185K excluding Sections. The annual surplus is \$165K more than budgeted. This is due to \$173K more in revenues and \$8K more in expenses. Sections activity reported \$43k surplus compared to a budgeted deficit of \$61K. Significant reason for the final surplus of \$185K vs. the \$76K preliminary surplus relates to the adjustment made in the current year increasing rental income to record a deferred asset for straight line rental revenue in the amount of \$127K (\$93K from prior years and \$34K for current year) to be in compliance with general accepting accounting principles.

VI. January 2018 Financial Update

Individuals addressing the Committee: Kathy Gerhart

Discussion: Kathy G. noted that there are currently no significant variances identified from budget, and that the January financial statements will be distributed by Friday, March 8th.

VII. 2018 SBA & CPF consolidated audit – status update

Individuals addressing the Committee: Kathy Gerhart

Discussion: Kathy G. reviewed the status of the audit for the SBA and CPF noting that the auditors were on site the week of February 11th. With the new auditing firm, there were additional testing and data required during the on-site field work. Now that the field work is completed, there will be continued follow up from the audit team with additional testing through March.

VIII. SBA Q4 2018 Significant contract report

Individuals addressing the Committee: Kathy Gerhart

Discussion: Deferred till the March meeting at which time will be updated to include all year to date contracts.

IX. 2019 Approved Contribution Requests Schedule

Individuals addressing the Committee: Kathy Gerhart

Discussion: Kathy G. informed the F&AC team of the additional contributions approved by the CEO since the January 2019 F&AC meeting.

- 2019 Judge Learned Hand Awards - \$900
- UA Mock Trial – \$250
- Arizona Asian American Bar Association - \$1500

Meeting adjourned by: Denis Fitzgibbons at 3:25pm.