

MINUTES FOR PUBLIC MEETING OF THE ARIZONA SPORTS AND TOURISM AUTHORITY
FINANCE, BUDGET & AUDIT COMMITTEE

April 16, 2010

10:30 am

AZSTA Boardroom

One Cardinals Drive, Glendale, AZ 85305

Attendance

Members

Jody Harwood, Chairman
John Benton, Telephonically
Verma Pastor
Bill Peltier
Judy Bernas
Brad Wright

Staff

Tom Sadler, President/CEO
John Pokorney, CFO
Amy Buchan

Other Members In Attendance

Carrie Waters, Arizona Republic
Mike Allen, Fiesta Bowl
Robin Hakes, Auditor General's Office
Jeff Larsen, Auditor General's Office
Dale Chapman, Auditor General's Office
Debbie Davenport, Auditor General
Melanie Chesney, Auditor General's Office

Authority General Counsel

Sarah Strunk, Fennemore Craig
Jose Tezanos, Fennemore Craig

- 1) Call to Order- A public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Finance, Budget and Audit Committee (the "Committee") was held at the offices of the Arizona Sports and Tourism Authority on April 16, 2010 at 10:30 a.m. A quorum being present and the meeting having been duly noticed Chairman Harwood called the meeting to order
- 2) Discussion of Scope and Procedures for Special Audit pursuant to HB 2225. Mr. Sadler presented a quick update on AZSTA's financial position along with a general summary of events that put AZSTA in the financial position. Chairman Harwood then asked Ms. Davenport, Arizona's Auditor General, to give an overview of the audit process that was to commence with this committee meeting. Ms. Davenport reviewed the timeline for the audit which included the due date of the beginning of December 2010.

Mr. Chapman, Performance Audit Manager with the Auditor General's Office, gave a high level overview of the three areas they were exploring. The first is procurement/contracting/monitoring which pertains to questions 1, 4, 5 and 6 of the Senate Bill. The second which pertains to Cactus League and Youth and Amateur Sports (questions 2, 3, 7 & 9 of the bill.) The third area is the financials (questions 8, 10-17 of the bill.)

Mr. Chapman then reviewed the access to documents needed to perform the audit along with the need for office space. He also gave a more specific timeline for the audit which included-

- Regular update meetings with audit team and AZSTA staff every three-four weeks.
- The AG's office will end their field work approximately Mid-July 2010.
- Ten days after final review meeting, the AG's office will provide a preliminary draft of their report.
- The AG's office will provide the preliminary draft approx. Mid-Oct 2010
- The goal of the AG's office is to have a final report completed by Mid-November.

Ms. Strunk raised a concern with the fact that in the past the Authority has been compared to other state agencies, when in fact the Authority is a municipal corporation and is not a state agency and is not subject to the same policies and procedures as a state agency. Mr. Chapman reiterated that they will take that into consideration and typically attempt to compare policies and procedures through best practices with similar entities.

Mr. Wright stated that cooperation is key and that AZSTA and the Board of Directors will do its part to cooperate to the best of their abilities, but to keep in mind that AZSTA has a small staff of two. At the mention of moving into executive session to discuss the confidential details of the audit, Mr. Wright mentioned that his preference was not to go into E-session.

- 3) Executive Session- Recognizing Mr. Wright's statement, Chairman Harwood asked for a motion to go into executive session pursuant to A.R.S. 38-431.03(2) to discuss and consider records that are required to remain confidential by state law. Upon motion duly made by Mr. Peltier and seconded by Ms. Pastor, the Committee unanimously approved the motion to enter into Executive Session. At approximately 11:30 a.m., the Board returned to open meeting.
- 4) Announcement of Future Meeting Dates and Other Information Concerning the Committee- There were none scheduled at this time.
- 5) Adjournment- There being no further business to come before the committee Chairman Harwood moved for adjournment. Upon motion duly made by Mr. Wright and seconded by Ms. Pastor the meeting was adjourned.