



**Minutes of 162nd Public Meeting
Of the Arizona Sports & Tourism Authority
Board of Directors**

Tuesday, January 29, 2019
9:00 a.m.

Fennemore Craig, P.C. | 2394 East Camelback Drive | Phoenix, AZ 85016

Board Members attending in Person

Scarlett Spring — Board Chair
Jeff Meyer

Staff attending in Person

Tom Sadler, President and CEO

Board Members Attending Telephonically

Maria Baier
Doug Yonko
David Eberhart
Debbie Johnson
Jeff Overton
Teddy Eynon
Jody Harwood

Authority General Counsel

Sarah A. Strunk

Guests Attending:

Andrew Spillum — Eide Bailly
Monica Cardullo — Eide Bailly (telephonically)

1. Call to Order. The 162nd public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Board of Directors (the "Board") was held on Tuesday, January 29, 2019 at the offices of Fennemore Craig, P.C., 2394 East Camelback Road, Suite 600, Phoenix, Arizona 85016. A quorum being present and the meeting having been duly noticed, Chair Scarlett Spring called the meeting to order at 9:01 a.m.
2. ACTION ITEM: Review and consideration for approval of fiscal year ended June 30, 2018 financial audit (the "2018 Audit") prepared by Eide Bailly. Chair Spring asked for Mr. Spillum to review for the Board the 2018 Audit, which is attached as Exhibit A. Mr. Spillum reviewed the audit letter noting that the audit resulted in a clean audit opinion. He then highlighted for the board a number of details in the audit letter, including the various uncorrected and corrected misstatements. Mr. Spillum indicated that there were more misstatements than usual this time because the auditors were waiting for financial statements to be completed, so instead of waiting Eide Bailly just jumped in to do the accounting so as not to be delayed. Mr. Spillum then reviewed the management letter for the Board. Chair Spring asked whether it was unusual to have comments regarding segregation of duties in the

management letter and Mr. Spillum replied that it was not. He indicated that the Authority had instituted certain procedures to overcome this issue and it is just an area where they always look harder at because of the lack of segregation. Mr. Spillum indicated that every September they are pushing hard to meet their schedule on completion. He indicated that improper review and approval of journal entries and untimely closing entries delay their work. For example, Mr. Spillum indicated that routine cash journal entries are not always done on a timely basis, and that this is the foundation of where basic accounting starts. After some discussion, Member Meyer moved to approve the 2018 Audit, which was seconded by Mr. Eynon. All of the Members voted in favor of approval of the 2018 Audit.

3. ACTION ITEM: Consideration of Motion to enter into Executive Session pursuant to A.R.S. §38-431.03(A)(1) and (2) regarding legal advice with attorneys of the Authority regarding the 2018 Audit. On a motion made by Member Baier and seconded by Member Meyer, the Board unanimously voted to go into executive session. Upon completion of the executive session, the Board returned to the open meeting.
4. Adjournment. There being no further business of the Board and upon motion duly made by Member Eynon and seconded by Member Yonko, the meeting was adjourned at 10:01 a.m.