FINANCE & AUDIT COMMITTEE
State Bar of Arizona
4201 N. 24th Street, Suite 100
Phoenix, Arizona 85016

August 24, 2017
3pm
Cholla Room

Minutes (Approved 9/28/17)

MEMBER ATTENDANCE:
P = present in person; T = present telephonically; A= absent.
P - Brian Furuya, Chair
P - Lori Higuera, Vice Chair
P - Dave Byers
P - Tyler Carrell
T - Jim Penny (CPF Board Liaison)
T - Anna Thomasson

OTHER ATTENDEES:

Guests:

State Bar Staff:
Kathy Gerhart
Ann Leslie
Lisa Deane
Rick DeBruhl
Gayle Jackson
Lori Maxwell
Lisa Panahi
Martín Gaxiola
Mauri Hawkins
Octavius Garrett

Minutes taken by: Martín Gaxiola & Octavius Garrett

I. CALL TO ORDER
Called to Order by: Brian Furuya
Time: 3:03pm
II. CALL TO THE PUBLIC

Individuals addressing the Committee: None
Discussion: None

III. Approval of Minutes – May 18th meeting minutes

Individuals addressing the Committee: Brian F.
Discussion: None
Motion/moved by: Dave B.
   Seconded by: Tyler C.
Motion: Passed unanimously

IV. 2018 Budget Guidelines memorandum:

Individuals addressing the Committee: Kathy G.
Discussion: This item requires no vote. Incorrectly listed in Action/Vote and should have been listed in the “Discussion” section.
Motion/moved by: N/A
   Seconded by: N/A
Motion: N/A

V. 2017 Audit – Auditor Selection:

Individuals addressing the Committee: Kathy G.
Discussion: Dave B. & Tyler C. questioned the 5% increase in proposed 2017 audit fee.
Motion/moved by: Dave B. motioned to return the 2017 fee proposal to Eide Bailly and to request a cost increase commensurate to CPI.
   Seconded by: Tyler C.
Motion: Passed unanimously

VI. Officer Travel Budget and NCBP Council Meetings:

Individuals addressing the Committee: Kathy G
Discussion: Lisa Loo (past president) requesting that the SBA assist with NCBP Council travel expenses in the fall 2017 ($1K +$400) and 2018 ($4,800, which is 100% because ASU will not commit to 2018 at this time. Discussion included what the precedent was for this type of Past President expenditure assistance, what value the SBA would derive in supporting the 2018 expenses; and how to support with 2018 expenses and be good stewards of SBA member money.
Motion/moved by: Dave B. motioned to reimburse Lisa Loo 50% of fall expenses and up to 100% of the February costs while she is still a member of the Board.
VII. Los Abogados Sponsorship Request:

Individuals addressing the Committee: Kathy G.

Discussion: Dave B. asked what the staff recommendation was. Kathy G. indicated that supporting this event would be consistent with SBA support to Los Abogados in the past.

Motion/moved by: Dave B. to approve the $1K request.
Seconded by: Tyler C.

Motion: Passed unanimously

VIII. Finance & Audit Committee Orientation:

Individuals addressing the Committee: Kathy G.

Discussion: Reviewed PowerPoint presentation regarding the Finance & Audit Committee’s key financial roles & responsibilities.

IX. 2017-2018 Finance & Audit Committee Action Items:

Individuals addressing the Committee: Kathy G.; Lisa D.

Discussion: Kathy G. briefly reviewed the schedule; Lisa D. briefly reviewed the 2020 Convention Request for Proposal process; Dave B. asked for clarification on how the Finance & Audit Committee would review and manage the capital reserve policy.

X. Professional Development Revenue (CLE) – Alternative Options Financial Analysis:

Individuals addressing the Committee: Lisa Deane & Mauri Hawkins

Discussion: Four financial CLE models were reviewed with committee members; feedback was provided to review the following CLE models:
   • “Stay the course, keep things the same”
   • Establish a standardized per hour rate for CLE throughout the Bar (with some exclusions)
   • A calendar-year CLE subscription option (with some exclusions)
   • Examine bringing the InReach component in-house (Dave B. & Brian F)

The committee also requested that this item be taken off the Board of Governors agenda for September and only present new results at the September Finance & Audit Committee meeting.

XI. 2018 Budget Timeline:

Individuals addressing the Committee: Kathy G.
Discussion: Committee members stated that it was not necessary to have the revised CLE model format in the 2018 Budget financials.

XII. May, June and July 2017 SBA Financial Statements:
Individuals addressing the Committee: Kathy G.
Discussion: No comments from committee members.

XIII. June 2017 Quarterly Reports:
Individuals addressing the Committee: Kathy G.
Discussion: Ranked Vendor, Capital expenditures (DB wants a update on capital projects); significant contracts; Bench & Bar

XIV. June 2017 Client Protection Fund Financial Statements:
Individuals addressing the Committee: Jim P.
Discussion: Briefly reviewed the Financial Statements. No other comments from committee members.

XV. SBA 401(k) Audited Financial Statements and Auditor's Communication to Governance – December 31, 2016 & 2015
Individuals addressing the Committee: Kathy G.
Discussion: No comments from committee members.

XVI. SBA 401(k) 2016 IRS Form 5500:
Individuals addressing the Committee:
Discussion: No comments from committee members.

XVII. 24th St Leasing Update (& Update Arizona Legal Foundation Lease):
Individuals addressing the Committee: Kathy G.
Discussion: Brian F. (chair) confirmed the presence of member quorum, announced the general subject of a proposed executive session, and confirmed with staff that no members of the public were present. Brian F. (chair) called for an executive session which was approved unanimously by the quorum of committee members.

Meeting adjourned by: Brian F. at 4:59pm.