

**FINANCE & AUDIT COMMITTEE (F&AC)**

State Bar of Arizona  
4201 N. 24<sup>th</sup> Street, Suite 100  
Phoenix, Arizona 85016

May 20, 2021  
3:00 p.m.  
Telephonic Meeting

**Minutes (Approved (TBD))**

**MEMBER ATTENDANCE:**

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

**T – Benjamin Taylor, Chair**

**T – David Rosenbaum, Vice Chair**

**T – Dave Byers**

**A – Lori Higuera**

**T – Kelsi Taylor Lane**

**A – Doreen McPaul**

**T – Sandra Etherton (Client Protection Fund Board Liaison/Non-voting F&AC member)**

**OTHER ATTENDEES:**

**State Bar Staff:**

**T - Joel England**

**T - Maret Vessella**

**T - Kathy Gerhart**

**T - Joe Hengemuehler**

**T – Deanna Commack**

**A - Lori Maxwell**

**T - Lisa Panahi**

**T – Lisa Deane**

**A – Carrie Sherman**

**T – Rachel Williams**

**T – Jessica Iennarella**

**Minutes taken by: Jessica Iennarella**

**I. CALL TO ORDER:**

**Called to Order by: Benjamin Taylor**

**Time: 3:01 p.m.**

**II. CALL TO THE PUBLIC:**

**Individuals addressing the Committee:** None

**Discussion:** None

**III. Action/Vote – Approve Meeting Minutes 3/25/2021**

**Individual(s) addressing the Committee:** Benjamin Taylor, Kathy Gerhart

**Discussion:** Kathy G. presented meeting minutes to be approved.

**Motion/moved by:** Dave B. motioned to approve the meeting minutes as presented for March 25, 2021.

**Seconded by:** Kelsi L.

**Motion:** Passed unanimously

**IV. Action/Vote – Banking and Treasury Request for Proposal**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. discussed need for and timeline of banking and treasury relationship assessment. Disclosed three banks selected. Sandra E. requested to attend meetings on behalf of Client Protection Fund for knowledge regarding process.

**Action:** David R. volunteered to serve as F&AC representation in all meetings pertaining to banking and treasury RFP.

**V. Discussion – 24<sup>th</sup> Street Leasing Update**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. confirmed 24<sup>th</sup> Street is now 100% leased – Ste 140 lease signed effective May 15<sup>th</sup>.

**VI. Discussion – Annual Fees Payment Plan Research Update**

**Individual(s) addressing the Committee:** Jessica Iennarella

**Discussion:** Jessica I. updated F&AC on progress made with evaluating a potential payment plan option for annual fees. Presented findings based on discussion with similar size mandatory bar who implemented payment plan, including highlighting similarities and differences with potential implementation ability by SBA. Next steps identified regarding scope of merchant fee costs, IT costs and MCLE impact.

**VII. Information – CPF Financial Information – 1<sup>st</sup> Quarter 2021 Financial Statements**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. updated F&AC on Client Protection Fund financial statements for the first quarter of 2021.

**VIII. Information – SBA Financial Information – December 2020 Final Internal Financial Statements**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. updated F&AC on final internal SBA financial statements for 2020. Surplus anticipated to be \$758k. Reviewed impact of accounting rule change on financial statements – particularly revenue from CLE courses.

**IX. Information – SBA Financial Information – 2020 Financial Audit & 401(K) Audit Update, 2020 IRS Form 990 & 990T Update**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. updated F&AC on status of various reporting requirements. Fieldwork on financial audit ongoing, 2020 401(K) audit fieldwork begins week of May 24th. Extension filed for 990 and 990T – new due date is November 15, 2021.

**X. Information – SBA Financial Information – April 2021 Financial Statements, Certification of Compliance, 1<sup>st</sup> Quarter 2021 Reports**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. updated F&AC on other SBA financial matters. April 2021 financial statements will be distributed on Friday, May 28<sup>th</sup> – no significant updates for the month. CEO/ED and CFO Certification of Financial Statement & Policy for the 4<sup>th</sup> quarter of 2020 and 1<sup>st</sup> quarter of 2021 are signed and will be distributed with April financial statements. Brief overview provided of 1<sup>st</sup> quarter reports (Bench & Bar Activity, Capital Expenditure Analysis, Ranked Vendor Payments, Significant Contracts).

**Meeting adjourned by:** Benjamin Taylor at 3:56 p.m.