

MINUTES OF EVERETT PORT COMMISSION  
SPECIAL MEETING  
April 15, 2016

PRESENT:	Glen Bachman	President
	Tom Stiger	Secretary
	Les Reardanz	Executive Director
	John Carter	Chief Finance Officer
	Brad Cattle	Port Attorney

ABSENT: Commissioner Troy McClelland was absent due to previously scheduled travel.

CALL TO ORDER: The Special Commission Meeting of April 15, 2016 was called to order at 2:30 p.m. by Commission President Glen Bachman.

1. STATE AUDIT ENTRANCE CONFERENCE FOR FISCAL YEAR 2015

John Carter, Chief Financial Officer, reported that according to the state legislation and RCWs, the Port has an annual audit of both the financial statements as well as the Port's compliance to state rules and regulations; and that audit is performed by the state auditor's office. As part of the audit procedures, the auditors speak to the Commissioners about the audit and the expectations of the audit.

Scott Hylton, lead auditor, introduced Courtney Amonsens, assistant audit manager, and Anthony Squires, staff auditor, and commented that they would be performing the audit for the Port of Everett over the next several weeks.

**Audit Scope**

Auditor Scott Hylton reported that two audits will be performed. The first audit is the Accountability Audit for 2015, and the auditors will be reviewing the use and safeguarding of public resources to ensure there is protection from misuse and misappropriation. The auditors will also evaluate where there is reasonable assurance for adherence to applicable state laws, regulations and policies and procedures. Selected areas include the following:

- Marine Terminal operations and receivables;
- Disbursements;
- Procurement card and travel activity;
- Financial condition; and
- Open Public Meetings Act compliance

The second audit is the Financial Statement Audit for fiscal year 2015. The purpose of the financial statement audit is to provide an opinion on whether the Port's financial statements are presented fairly, in all material respects, in accordance with the applicable reporting framework. The audit does not attempt to confirm the accuracy of every amount, but does search for errors large enough to affect the conclusions and decisions of a financial statement user.

Scott Hylton added that there are three main levels of reporting. The Findings are the highest level of reporting, and if there is a Finding, it would be reported in the audit report and discussed at the exit conference. The Port would also have the ability to respond to the Findings.

Management Letters are the next level of reporting. Management Letters are not included in the report, but there is a reference to them in the report; and it would be discussed at the exit conference. A formal letter is drafted to management and the commissioners, and that is a public record.

Finally, exit items are housekeeping type items and address control deficiencies or non-compliance with laws or regulations that have an insignificant or immaterial effect, or errors with an immaterial effect on the financial statements. These issues are informally communicated to management.

Courtney Amonsén added a few reminders: If there is confidential information provided to the auditors during the audit, please let the auditors know to take the appropriate steps to keep the information confidential.

Audit costs are approximately \$28,500, plus travel expenses. Bob Marion will be the auditors' main contact during the audit and any information for the auditors should go through Bob Marion.

If at the end of the audit there are any difficulties or disagreements, there is a process in place to go through, and to please let the auditors know if there are concerns. The auditors would like to try to mitigate these concerns.

At the end of the audit a customer service survey will be provided to gain any information that would be helpful to improve the audit process.

**CITIZEN COMMENTS**

There were no Citizen comments.

No Executive Session was held.

THE SPECIAL COMMISSION MEETING WAS ADJOURNED at 2:45 p.m.

APPROVED: this 10<sup>th</sup> day of May, 2016.

EVERETT PORT COMMISSION

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Glen Bachman, President

  
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Tom Stiger, Vice President

  
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Troy McClelland, Secretary