



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

**“FOR DISCUSSION ONLY”**

**DATE: MARCH 10, 2016**

**TO: AUDIT COMMITTEE OF THE BOARD OF HARBOR COMMISSIONERS**

**SUBJECT: ANNUAL FINANCIAL AUDITS**

Submitted for your review are three annual audit reports for fiscal year 2014-15 as follows: (1) the Comprehensive Annual Financial Report of the Harbor Department, (2) the Single Audit Report of the Harbor Department, and (3) the audited financial statements of the Intermodal Container Transfer Facility Joint Powers Authority (ICTF-JPA). All three audits are performed by Simpson & Simpson, LLP, an independent public accounting firm.

At the Audit Committee meeting, the partner from Simpson & Simpson will present its required communications regarding the financial and single audits as our external auditor and also provide what it views to be the highlights of the Harbor Department's financial statements.

The ICTF-JPA report is provided for your reference.

**TRANSMITTALS:**

1. Comprehensive Annual Financial Report
2. Single Audit Report
3. Intermodal Container Transfer Facility Joint Powers Authority Financial Statements

  
FOR EUGENE D. SEROKA  
Executive Director

  
MB/FL/Accounting Division  
Author: F. Liu

## Agenda Item #1

# Accounting Division Annual Financial Audit

### Transmittals:

1. A copy of the Port's Comprehensive Annual Financial Report is available on the Port's website  
[https://www.portoflosangeles.org/finance/financial\\_statements.asp](https://www.portoflosangeles.org/finance/financial_statements.asp)
2. A copy of the Port's Single Audit Report is available on the Port's website  
[https://www.portoflosangeles.org/finance/financial\\_statements.asp](https://www.portoflosangeles.org/finance/financial_statements.asp)
3. A copy of the Intermodal Container Transfer Facility Joint Powers Authority (ICTF-JPA) Financial Statements will be available on the ICTF-JPA's website after the ICTF-JPA's approval  
[http://ictf-jpa.org/past\\_events.php](http://ictf-jpa.org/past_events.php)

# PORT OF LOS ANGELES

## Presentation to the Audit Committee March 17, 2016

### I. Required Communications

- ❖ Our responsibilities under the Generally Accepted Auditing Standards, Government Auditing Standards, and OMB Circular A-133
  - To express an opinion about whether the financial statements prepared by management with the oversight of those charged with governance are presented fairly, in all material respect, in conformity with generally accepted accounting standards (GAAP)
  - To report on our consideration of internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*
  - To express opinion on compliance for each major program; report on our consideration of internal control over compliance; and express opinion on schedule of expenditures of federal awards required by OMB Circular A-133
  - The audit is designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement
  - The audit of the financial statements does not relieve management or those charged with governance of their responsibilities
- ❖ Evaluation of significant accounting policies
- ❖ Evaluation of accounting estimates used by management
- ❖ Evaluation of financial statements disclosures
- ❖ No significant unusual transactions
- ❖ No significant audit adjustments proposed
- ❖ No major issues discussed in connection with our retention as auditors
- ❖ No disagreements with management
- ❖ No significant difficulties encountered during our audit
- ❖ Not aware of management consultation with other accountants about audit and accounting matters

### II. Financial Highlights for Audited Financial Statements

- ❖ Unmodified opinion
- ❖ Statements of Net Position
- ❖ Statements of Revenues, Expenses, and Changes in Net Position
- ❖ Statements of Cash Flows
- ❖ Notes to Financial Statements
- ❖ Required Supplementary Information

### III. Results of Single Audit

- ❖ Unmodified opinion on compliance for two selected major programs
- ❖ Two findings of noncompliance were identified
- ❖ Management is taking corrective actions to resolve the findings

### IV. SAS 115 Communication on Internal Control

- ❖ No material weaknesses were identified

