

**PORT OF GALVESTON
REQUEST FOR DISCUSSION AND
TRUSTEES ACTION**

**BUSINESS
ITEM – E-1**

PREPARED BY: Mark Murchison Director of Finance

April 3, 2016

SUBJECT: DISCUSS AND CONSIDER ACCEPTANCE OF THE GALVESTON WHARVES (PORT) AND GALVESTON PORT FACILITIES CORPORATION (GPFC) CONSOLIDATED 2016 FINANCIAL AUDIT, FEDERAL SINGLE AUDIT AND THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

BACKGROUND: Whitley-Penn, P.C. was engaged to perform the Port's annual Financial Audit for the Year Ending December 31, 2016. As the Port's auditor, Whitley-Penn also prepares the Federal Single Audit that is required of recipients of Federal Grants.

ADDITIONAL INFORMATION ATTACHED: No _____ Yes X

RECOMMENDATIONS: The Board of Trustees is respectfully requested to accept the Port's Annual Financial Audit as submitted by the accounting firm of Whitley-Penn, P.C. containing an unqualified opinion and financial statements that show a positive change in Net Position of \$3,648,055 and Total Net Position of \$133,858,270. The Board is also requested to instruct staff to forward copies of the Report to the City of Galveston and to the Port's Bond Repositories and to post the CAFR on the Port's website.

Respectfully Submitted By:



Peter Simons, Interim Port Director

DATE ACTION TAKEN: _____

Approved: _____

Disapproved: _____

Deferred To: _____

Incorporated into Minutes: _____

Motion By: _____

Seconded By: _____

Unanimous: Yes _____ No _____

By: _____

PORT OF GALVESTON

Briefing

DISCUSS AND CONSIDER ACCEPTANCE OF THE GALVESTON WHARVES (PORT) AND GALVESTON PORT FACILITIES CORPORATION (GPFC) CONSOLIDATED 2016 FINANCIAL AUDIT, FEDERAL SINGLE AUDIT AND THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Background

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Current Situation

Port Staff received the Independent Auditor's Report for Year Ending December 31, 2016 from Whitley-Penn, P.C. Attached is a draft copy of the Comprehensive Annual Financial Report and the Federal Single Audit Report. The 2016 Audit combines the Financial Statements of the Wharves with the Financial Statements of its blended component unit the Galveston Port Facilities Corporation (GPFC). Without this inclusion, the reporting entity's (Wharves') financial statements might be misleading or incomplete. A detailed explanation is furnished in Note 1 of the Independent Auditor's Report.

The CAFR contains an unqualified opinion on the Wharves' Financial Statements. The Financial Statements show a positive change in Net Position of \$3,648,055 and Total Net Position of \$133,858,270.

Fiscal Impact

Not Applicable.

Staff Recommendation

The Board is respectfully requested to review the attached documents, to listen to the briefing of the external auditors, the Port Director and the Director of Finance and to accept the 2016 Comprehensive Annual Financial Report and Federal Single Audit Report. The Board is also requested to instruct staff to forward copies of the Reports to the City of Galveston, to the Port's Bond Repositories and to post the CAFR on the Ports website.

Attachment