

AUDIT COMMITTEE MEETING

April 30, 2026 – 10:00 a.m. - Teams Meeting (Virtual)

The Port of Tacoma Audit Committee met on **April 30, 2026**. Commissioners JT Wilcox & Kristin Ang attended. This was a closed, virtual committee meeting that was recorded and posted after the meeting.

Others in attendance virtually:

Baker Tilly – Olga Darlington

Washington State Auditor's Office – Christopher Ruiz, Sandra Groshong, and Carolyn Seeberger

Port of Tacoma – Eric Johnson, Erin Galeno, Alisa Praskovich, Don Kelley, Sara Ortquist, Yvonna Peterson & Helen Hickman

1. **CALL TO ORDER:** Commissioner Wilcox called the meeting to order at **10:04 a.m.**

2. **APPROVAL OF MINUTES:** **Audit Committee Meeting**

Commissioner Wilcox sought approval of the October 2, 2025 minutes. No changes or edits were suggested, and the minutes were approved.

3. **AGENDA ITEMS:**

Eric Johnson, Port of Tacoma Executive Director, welcomed everyone and thanked the auditors for their thorough and diligent work.

Don Kelley, Director of Accounting & Port Auditor for the Port of Tacoma, introduced the representatives from the Washington State Auditor's Office and Baker Tilly.

A. 2024 Accountability Audit Exit Conference: WA State Auditor's Office (SAO)

- Sandra Groshong (Audit Manager), Chris Ruiz (Audit Supervisor) and Carolyn Seeberger (Audit Lead) attended from the State Auditor's Office. An overall summary of the audit results was provided.
- The accountability audit covered the period of January 1, 2024 through December 31, 2024.
- Overall findings: Port operations complied with state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.
- General auditing practices were followed, using a risk-based audit approach. The following areas were examined:
 - Accounts Payable – travel expenditures and electronic funds transfers
 - Tracking/monitoring of theft sensitive assets
 - Third-party CPA system review work
 - Surplus – equipment
 - Interlocal Agreement terms compliance
 - Financial condition – reviewed for indications of financial distress
 - Open public meetings compliance – minutes, meetings & executive sessions
 - Review of Baker Tilly's (the Port's independent CPA firm) audit for the same period
- Audit costs aligned with SAO's original estimate.
- Next audit is expected in the fall of 2026.
- Expected publication of the report on the SAO website is expected in the next couple of weeks.
- A correction was made during the presentation. The dates for the next accountability for public resources covers is January 1, 2025 through December 31, 2025 (not December 2026).

B. 2025 Financial Statement Audit & Audit of Expenditures of Federal Awards: Baker Tilly

- Olga Darlington (Lead Client Service Principal) with Baker Tilly presented.
- They performed audit of the annual comprehensive financial report of the Port of Tacoma for the entirety of 2025. This included the Enterprise Fund (operations of the Port itself) and the Post-Employment Health Care Benefits Trust Fund (a fiduciary fund of the Port).
- A single audit over the expenditures of federal awards the Port received during 2025 was also conducted.
- General and government auditing standards were followed.
- The Port received a clean audit report.
- One journal entry adjustment was identified in the process, and a correction reflecting the reduction of the environmental liability for costs recorded as land asset in the amount of \$2,439,491 was made.

4. FINAL COMMENTS:

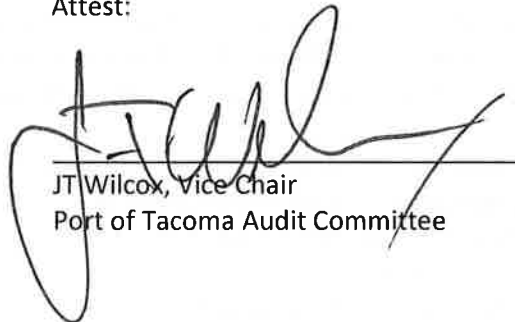
- **Don Kelley** – Thanked the SAO and Baker Tilley auditors. He acknowledged the Port team, specifically Brian Lee and Ashley Novinger, as it is a tremendous amount of work done for the audit. There is a new reporting standard next year that could potentially change how the financial statements are categorized. This will be discussed at the next Audit Committee meeting.
- **Commissioner Wilcox** – Thanked the team for their hard and high quality of work. He also recognized Eric Johnson for setting the tone resulting in a good audit. As a new Commissioner, he appreciated coming into the organization with a clean audit because it increased his confidence in the organization.
- **Commissioner Ang** – Thanked the team, the auditors, and Eric Johnson in making sure we are steady and compliant.
- **Eric Johnson** – The audits require three different teams to work together very closely on extremely complex issues. He expressed appreciation to all three teams: the Port (led by Don Kelley), Baker Tilley and the State Auditor's Office.

5. ADJOURNMENT: Commissioner Wilcox adjourned the meeting at **10:41 a.m.**

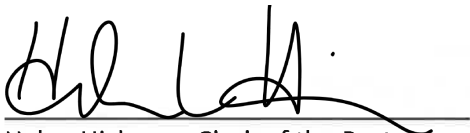
Attest:



Deanna Keller, Chair
Port of Tacoma Audit Committee



JT Wilcox, Vice Chair
Port of Tacoma Audit Committee



Helen Hickman, Clerk of the Port
Port of Tacoma