

NEW HAVEN PORT AUTHORITY
2018 AUDIT RESULTS
TABLE OF CONTENTS

Financial Statements	I
Communication to those Charged with Governance	II

Audit Team Contacts

Al Stiewing	Engagement Principal	astiewing@byxbee.com
Nermina Krehic	Consulting Director	nkrehic@byxbee.com
Deborah Kavanaugh	Staff	dkavanaugh@byxbee.com

NEW HAVEN PORT AUTHORITY

FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NEW HAVEN PORT AUTHORITY

TABLE OF CONTENTS

JUNE 30, 2018 AND 2017

	<u>PAGES</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3-5
AUDITED FINANCIAL STATEMENTS	
Statements of Net Position	6
Statements of Revenues, Expenses and Changes in Net Position	7
Statements of Cash Flows	8
Notes to Financial Statements	9-12

T. M. BYXBEE COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

ONE HAMDEN CENTER
2319 WHITNEY AVENUE
P.O. BOX 187169
HAMDEN, CT 06518
TELEPHONE (203) 281-4933
FAX (203) 288-6117

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of the
New Haven Port Authority

We have audited the accompanying financial statements of the New Haven Port Authority, a component unit of the City of New Haven, which comprise the statements of net position as of June 30, 2018 and 2017, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the New Haven Port Authority as of June 30, 2018 and 2017, and the respective changes in financial position for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operating, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

T. M. Byrbee Company, P.C.

Hamden, Connecticut
December 6, 2018

NEW HAVEN PORT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2018 AND 2017

The Management's Discussion and Analysis of the New Haven Port Authority's (the "Authority") financial performance provides an overall review of the Authority's financial activities for the year ended June 30, 2018. The intent of this discussion and analysis is to look at the Authority's financial performance.

These financial statements have been prepared using the requirements stipulated by the Governmental Accounting Standards Board, Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* ("GASB 34"). Under GASB 34, the Authority is considered a special purpose government engaged in a business-type activity. As such, the Authority uses the economic resources measurement focus and accrual basis of accounting.

Financial Highlights:

- Total assets at June 30, 2018 were \$1,570,757 of which \$1,541,745 were considered current assets. Total assets include \$843,044 in Other Assets which represent funds held on account by the Army Corps of Engineers to include \$818,044 in unspent grant proceeds received from the state of Connecticut. Total assets decreased by \$511,138 from 2017 due in large part to grant related expenditures.
- Total liabilities were \$833,081, all of which are classified as current liabilities. A decrease of \$517,541 from 2017. Total liabilities include \$818,044 in unspent grant proceeds received from the state of Connecticut which are designated for a feasibility study to deepen the main ship channel in New Haven Harbor.
- Total net position was \$737,676, an increase of \$6,403. \$550,000 has been designated by the Board for major expenditures.
- Revenues totaled \$681,502, an increase of \$390,084. The majority of the Authority's revenues for the year ended June 30, 2018 were from license fees associated with the leasing of land within the Port District and the recognition of \$529,120 in grant proceeds from the state of Connecticut. Expenses for the year ended June 30, 2017 totaled \$675,533 resulting in net operating income of \$5,969. \$387,534 of the increase in revenues and expenses is related to expenditures of grant procedures and the related revenue recognition associated with those expenditures. Operating income decreased by \$39,536.

Overview of the Financial Statements:

The statement of net position presents the financial position of the Authority as of a specific date. It provides information about the nature and amounts of resources (assets), obligations (liabilities) and net assets.

The statement of revenue, expenses and changes in net position presents changes in net assets (revenue and expenses) over the course of the year. This statement measures the Authority's profitability and success in funding its expenses through user charges.

The statement of cash flows presents the cash activities of the Authority segregated by three major cash flow categories: operating activities, capital and related financing activities and investing activities. This statement may be useful in determining changes in the liquidity of the Authority and in understanding how cash and cash equivalents were used during the year.

NEW HAVEN PORT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2018 AND 2017

Conditions, Facts or Decisions that will Affect the Authority's Financial Position

The Port of New Haven continues to be the busiest port in Connecticut and second only to Boston in terms of volume of cargo handled annually. The Port Authority property, formerly known as East Shore Parkway ("ESP"), consisted of four parcels. Parcels 1 and 2 have been divided to create Leased Parcels A, B, C, D & E. Of these five parcels, three are being licensed; Parcels A & B to Gateway Terminal and a new agreement was executed in June with New Haven Terminal for Parcel C. Parcel 3 remains the subject of discussions with the Connecticut Department of Transportation (CONNDOT) who have occupied the site since 2006 under the terms of Construction Easement for a Waste Stockpile Area that terminated in March of 2017 with the closeout of the Harbor Crossing project. After securing a commitment from CONNDOT not to acquire the parcel, the Port Authority proposed lease terms which to date have been neither accepted nor countered. Parcel 4 was acquired by the CONNDOT for the construction of the Waterfront Street Extension. There are several additional parcels within the port district which CONNDOT is planning to sell, four of which are to be acquired by the Connecticut Port Authority insuring that the land will be used to support increased maritime activity at the port of New Haven. A fifth parcels is being considered for acquisition by the New Haven Port Authority pending environmental testing.

The Deep Draft Navigation Study of the Federal Channel is well underway; in April 2018, the U.S. Army Corps of Engineers (CORPS) released the Environmental Impact Statement and Tentatively Selected Plan which recommends deepening the channel to 40' and the widening the channel and turning basin. The project is estimated to result in approximately 400,000,000 cubic yards of dredge material. In addition to open water disposal of material at Central Long Island Sound Disposal Site, several beneficial reuses have been proposed including creation of shellfish habitat, re-establishing the Sandy Point salt marsh, filling the Morris Cove Borrow Pit. Public meetings have been held to solicit comment about the proposed plan. Several internal reviews are being conducted at the CORPS and an Agency Milestone meeting is scheduled for January 2019 at which time "...the decision maker must affirm the recommended plan and proposed way forward". This Feasibility Study has been funded by a State of Connecticut Grant in the amount of \$1.5 million. A condition of that grant is that a single audit be performed each year through the term of the project. The 2017 audit has been completed.

Other projects underway, the scope of services for a Freight Study being funded by the South Central Regional Council of Governments has been finalized. Work can now commence on developing the scope of work for a Strategic Plan which will emphasize infrastructure improvements that will support multi-modal freight moves at the port of New Haven that is being funded by the Connecticut Port Authority. The Traffic Study is being finalized by CDM Smith.

The interests of the New Haven Port Authority and marine-related businesses continue to be represented by management in several forums: as a member of the New Haven Marine Group established for Long Island Sound and charged with implementation of the Concept of Operations for port security; at monthly meetings of the New Haven Cooperative, the Connecticut Maritime Coalition and the Connecticut Port Authority. In addition, the Executive Director is a member of the Board of Directors of the North Atlantic Ports Association and serves as Chair of its Traffic Board.

NEW HAVEN PORT AUTHORITY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

JUNE 30, 2018 AND 2017

Conditions, Facts or Decisions that will Affect the Authority's Financial Position

We will continue to work with our local, state, federal and industry partners to insure the preservation of our deep water-ports and to advocate for policies and resources necessary to maintain and improve the infrastructure at the port of New Haven.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Judith Sheiffele, Executive Director, New Haven Port Authority, 200 Orange Street, Room G3, New Haven, CT 06510.

NEW HAVEN PORT AUTHORITY

STATEMENTS OF NET POSITION

JUNE 30, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 690,517	\$ 672,205
Accounts Receivable	1,419	1,356
Prepaid Expenses	6,765	7,158
Other Asset (Note 7)	<u>843,044</u>	<u>1,372,164</u>
Total Current Assets	<u>1,541,745</u>	<u>2,052,883</u>
LAND (NOTE 3)	<u>29,012</u>	<u>29,012</u>
TOTAL	<u>\$ 1,570,757</u>	<u>\$ 2,081,895</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 15,037	\$ 3,458
Other Liability (Note 7)	<u>818,044</u>	<u>1,347,164</u>
Total Current Liabilities	<u>833,081</u>	<u>1,350,622</u>
NET POSITION		
Invested in Capital Assets	29,012	29,012
Unrestricted	158,664	152,261
Board Designated for Major Expenditures	<u>550,000</u>	<u>550,000</u>
Total Net Position	<u>737,676</u>	<u>731,273</u>
TOTAL	<u>\$ 1,570,757</u>	<u>\$ 2,081,895</u>

NEW HAVEN PORT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
REVENUES		
License Fees	\$ 152,382	\$ 149,832
Grant Income (Note 7)	<u>529,120</u>	<u>141,586</u>
Total Revenues	<u>681,502</u>	<u>291,418</u>
EXPENSES		
Channel Deepening Study (Note 7)	\$ 529,120	\$ 141,586
Payroll	54,754	52,207
Other Professional Fees	45,596	9,678
Legal Fees	14,964	2,269
Insurance	10,982	11,583
Fuel Assistance Program	5,164	2,772
Dues and Subscriptions	5,058	4,991
Payroll Taxes	4,549	4,380
Miscellaneous	2,527	913
Travel	1,894	1,494
Utilities	925	1,110
Server Equipement - FBO City of New Haven	-	12,100
Computer Equipment	-	830
Total Expenses	<u>675,533</u>	<u>245,913</u>
OPERATING INCOME	<u>5,969</u>	<u>45,505</u>
NON-OPERATING REVENUES		
Interest Income	<u>434</u>	<u>420</u>
Total Non-Operating Revenues	<u>434</u>	<u>420</u>
CHANGE IN NET POSITION	6,403	45,925
NET POSITION - BEGINNING OF YEAR	<u>731,273</u>	<u>685,348</u>
NET POSITION - END OF YEAR	<u>\$ 737,676</u>	<u>\$ 731,273</u>

NEW HAVEN PORT AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATIONS		
Receipts from License Agreements	\$ 152,319	\$ 151,116
Grant Income	529,120	141,586
Payments to Suppliers	(603,140)	(187,272)
Payments to Employees	(60,421)	(57,196)
Net Cash Provided By Operations	<u>17,878</u>	<u>48,234</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	<u>434</u>	<u>420</u>
Net Cash Provided By Investing Activities	<u>434</u>	<u>420</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,312	48,654
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>672,205</u>	<u>623,551</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 690,517</u>	<u>\$ 672,205</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 5,969	\$ 45,505
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations:		
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable (License Fees)	(63)	1,284
Decrease (Increase) in Prepaid Expenses	393	374
Decrease (Increase) in Other Asset	529,120	141,586
Increase (Decrease) in Accounts Payable and Accrued Expenses	11,579	1,071
Increase (Decrease) in Other Liability	(529,120)	(141,586)
Net Cash Provided By Operating Activities	<u>\$ 17,878</u>	<u>\$ 48,234</u>

NEW HAVEN PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The accounting and reporting framework and the more significant principles and practices of the New Haven Port Authority (the “Authority”) are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the Authority’s financial activities.

On May 6, 2002, section 7-329b of the Connecticut General Statutes amended the term “port authority” to include the New Haven Port Authority. This act of the General Assembly provided the enabling legislation for the City of New Haven (the “City”) to establish the New Haven Port Authority. On February 3, 2003, the New Haven Board of Alders adopted an ordinance creating the Port Authority for the purpose of developing, operating, and serving as an advocate for the port community and district within the City. The Authority is a component unit of the City of New Haven. The Authority commenced independent operations January 2008 upon the receipt of 14.3 acres of land known as East Shore Parkway and cash from the City.

The Authority is governed by a Board of Directors which is appointed by the Mayor and confirmed by the Board of Alders. There were seven Board members as of June 30, 2018.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles (GAAP) and apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. The Authority also has the option to follow subsequent FASB guidance subject to the same limitations and elects to do so.

Revenue and Expense Classification

The Authority distinguishes operating revenue and expenses from nonoperating revenue and expenses in its statement of revenues, expenses, and changes in net position. Operating revenue consists of those revenues earned from license fees associated with the leasing of land within the port district and grants. Grant funds are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Accordingly, when such funds are received, they are recorded as a liability until related and authorized expenditures have been made. Operating expenses relate to the costs associated with administering, operating, and developing the port district in connection with its daily operations.

Cash and Cash Equivalents

Cash consists of monies held in checking accounts. Cash equivalents are comprised of money market funds.

NEW HAVEN PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable consists primarily of amounts due from license agreements for the monthly use of certain premises. The Authority uses the reserve for bad debt method of valuing doubtful accounts receivable which is based on historical experience and reviews of the existing receivables. Management has determined that all receivables are fully collectible; therefore no allowance for uncollectible accounts has been recorded in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management’s Review

Subsequent events have been evaluated through December 6, 2018, which is the date the financial statements were available to be issued.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following in the Statements of Net Position at June 30, 2018 and 2017:

	2018	2017
Deposits	\$269,151	\$251,273
Money Market	<u>421,366</u>	<u>420,932</u>
	<u>\$690,517</u>	<u>\$672,205</u>

As of June 30, 2018, the carrying amount and bank balances of the Authority’s cash and cash equivalents was \$690,517. The amount of bank balances covered under federal depository insurance was \$250,000. The remaining \$440,517 was uninsured.

The Authority entered into a third party custodial agreement with Citizens Bank in 2009 with the Bank of New York acting as custodian. The agreement collateralizes 102% of any uninsured deposits held by Citizens Bank.

NOTE 3 – LAND

There was no carrying value related to the land received from the City consistent with the City’s accounting. Capitalized costs related to the land of \$29,012 are various legal and engineering fees paid by the Authority.

NEW HAVEN PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 4 – COMMITMENTS

The Authority entered into a contract for a traffic study for \$48,000 during the fiscal year ending June 30, 2016. Through June 30, 2018, the Authority has realized \$42,550 in expenses related to the study.

The Authority, as owner, or in its capacity as agent for the City, is also the lessor under the terms of various license agreements on property owned by the Authority. Such licenses relate to the rental of certain land parcels located in the port district. Leasing arrangements require monthly license fee payments and include terms ranging from one to five years.

A schedule as of June 30, 2018 of minimum future rentals for the next five years on noncancelable license agreements where the Authority, as owner, is the licensor, is summarized as follows:

2019	\$160,242
2020	160,728
2021	94,182
2022	72,000
2023	<u>72,000</u>
Total	<u>\$559,152</u>

NOTE 5 – CONCENTRATIONS

For the years ended June 30, 2018 and 2017, two license holders accounted for 100% of the Authority's license fee revenues, respectively.

NOTE 6 – RELATED PARTIES

The ordinance establishing the Port Authority for the City of New Haven provides for, among other things, that the Authority will be assessed a payment in lieu of taxes (PILOT) payable to the City on profit-making leases of all otherwise taxable property owned by the Port Authority. In addition, the Authority shall pay a PILOT to the City, in accordance with section 7-329u of the Connecticut General Statutes, in such an amount to be established should the Authority become profitable. In no case, however, shall any payment be made unless the Authority has sufficient funds to make such payment and to operate the Authority and maintain a reasonable reserve for necessary operating and/or capital expenditures. No PILOT payment was assessed for fiscal years ended June 30, 2018 and 2017.

The City provides computer equipment, telephone equipment, and office space to the Authority at no charge.

No amounts were due to or from the City for the years ended June 30, 2018 and 2017.

NEW HAVEN PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 7 – OTHER ASSET AND OTHER LIABILITY

During the year ended June 30, 2016, the Authority received a \$1,500,000 grant from the state of Connecticut to study the feasibility of deepening the main ship channel in New Haven Harbor. The study is a 50% shared study with U.S. Army Corp of Engineers (ACOE). As a condition of the agreement with the ACOE, the Authority made an initial payment of \$25,000 to commence the study and subsequently forwarded the state of Connecticut grant funds to the ACOE. For the year ended June 30, 2018, the Authority's portion of the shared study costs totaled \$529,120 (\$141,586 at June 30, 2017). Through June 30, 2018, the Authority's share of cumulative project costs was \$681,956. The unspent funds, \$843,044, are being held in the Authority's name by the ACOE and are reported as an Other Asset on the Statement of Net Position. The unspent portion of the State Grant proceeds, \$818,044 are reported as an Other Liability on the Statement of Net Position. If project costs are less than the grant, the Authority must return the unexpended funds within sixty days following the closeout of the grant. As a condition of the grant, the Authority is subject to a program examination to test its compliance with the provisions of the award.

NOTE 8 – NET POSITION DESIGNATION

On March 1, 2018, the Board of Commissioners approved resolutions designating an additional \$50,000 of unrestricted net position to be restricted for special projects including land acquisition or capital improvements within the port district, respectively. The total amounts designated for special projects including land acquisition or capital improvements was \$550,000 at June 30, 2018 and 2017.

T. M. BYXBEE COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

ONE HAMDEN CENTER
2319 WHITNEY AVENUE
P.O. BOX 187169
HAMDEN, CT 06518
TELEPHONE (203) 281-4933
FAX (203) 288-6117

December 6, 2018

To the Board of Commissioners of the
New Haven Port Authority

We have audited the financial statements of the New Haven Port Authority for the year ended June 30, 2018, and have issued our report thereon dated December 6, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 2, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the New Haven Port Authority are described in Note 1 to the financial statements. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no significant estimates at June 30, 2018.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representation

We have requested certain representations from management that are included in the management representation letter dated December 6, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of the New Haven Port Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



