

NEW HAVEN PORT AUTHORITY

2015 AUDIT RESULTS

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NEW HAVEN PORT AUTHORITY
2015 AUDIT RESULTS
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NEW HAVEN PORT AUTHORITY

FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

NEW HAVEN PORT AUTHORITY

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T. M. BYXBEE COMPANY, P.C.

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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, 2015 and 2014, 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, 2015 and 2014, 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 3-4 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
November 5, 2015

NEW HAVEN PORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

JUNE 30, 2015 AND 2014

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, 2015. 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, 2015 were \$647,125, of which \$618,113 were considered current assets. Total assets increased by \$62,541 from 2014.
- Total liabilities were \$1,894, all of which are classified as current liabilities. A decrease of \$3,676 from 2014.
- Unrestricted net position was \$616,219 of which \$450,000 has been designated by the Board for major expenditures, an increase of \$66,217.
- Revenues totaled \$160,510, an increase of \$10,630. The majority of the Authority's revenues for the year ended June 30, 2015 were from license fees associated with the leasing of land within the Port District. Expenses for the year ended June 30, 2015 totaled \$94,335 resulting in net operating income of \$66,175. Operating income increased by \$19,128.

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.

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

The Port Authority property, formerly known East Shore Parkway, consists of five leased parcels (A, B, C, D & E). In addition there were two parcels that have not been surveyed as leased parcels, one has been acquired by the State of Connecticut for the construction of the Waterfront Street Extension and the second remains under the control of the CONNDOT per the terms of an Easement Agreement between the City and the State

NEW HAVEN PORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

JUNE 30, 2015 AND 2014

that was executed prior to its conveyance to the Port Authority. Of the five parcels identified as lease parcels, A & B are currently licensed to Gateway and Parcel C is licensed to New Haven Terminal. Portions of Parcels D & E have been licensed to Moriarty and that agreement is scheduled to terminate on September 30, 2015, and the future reuse of Parcel D will be considered as part of the Traffic Study.

The Port Authority, through the good offices of our Congresswoman, Rosa DeLauro, secured an appropriation for a Deep Draft Navigation Study to be performed by the US Army Corps of Engineers ("ACOE") as reported in last year's Management Discussion; since then the Senate has authorized the appropriation and we now await passage of the federal budget. This study will determine the feasibility of modifying the authorized depth of the channel in New Haven harbor, which is now at thirty-five feet. The Port Authority has agreed to serve as local sponsor for the project, committing to 50/50 share of the total project cost which may not exceed \$3 million. The Authority has made a request for assistance from the State of Connecticut in the form of a grant-in-aid to cover its share (\$1.5 million). An ACOE's project that has been underway since May 2014 is the restoration of New Haven harbor's three breakwaters, all of which had sustained considerable damage from Hurricane Irene and Super Storm Sandy. That work is scheduled to conclude by the end of this December, 2015.

An update on the NOAA's Physical Oceanographic Real-Time System (PORTS) installed in New Haven harbor; the Authority had served a local sponsor during FY13/14, providing funding for operations and maintenance ("O&M") of that system and had further budgeted O&M funding for FY14/15. However, in April of 2015, the State of Connecticut signed a Memorandum of Understanding with NOAA that provides funds to upgrade the New Haven system and cover the annual O&M costs through February 2020.

The Waterfront Street Reconstruction Project has been completed and there has been increased movement of freight by rail both in and out of the port. The port has also seen an increase in waterborne cargo during the past year; with opportunities for new cargo and water-dependent business ventures continuing to present themselves. Management has been and will continue to work with terminal operators to realize these opportunities.

A Request for Proposals was advertised for a Traffic Engineer to conduct a traffic study in the port district which will address current and prospective traffic volumes, circulation patterns, signage, truck staging and road conditions. In addition they will be evaluating the relationship of vehicular, rail, bicycle and pedestrian movements within the district, provide suggested improvements and identify potential funding opportunities. This study to be completed during the FY15/16.

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

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, 2015 AND 2014

ASSETS

	2015	2014
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 609,976	\$ 517,804
Accounts Receivable	554	29,393
Prepaid Expenses	<u>7,583</u>	<u>8,375</u>
Total Current Assets	618,113	555,572
LAND (NOTE 3)		
	<u>29,012</u>	<u>29,012</u>
TOTAL	<u>\$ 647,125</u>	<u>\$ 584,584</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,894	\$ 5,570
Total Current Liabilities	<u>1,894</u>	<u>5,570</u>
NET POSITION		
Invested in Capital Assets	29,012	29,012
Unrestricted	166,219	175,002
Board Designated for Major Expenditures	<u>450,000</u>	<u>375,000</u>
Total Net Position	645,231	579,014
TOTAL	<u>\$ 647,125</u>	<u>\$ 584,584</u>

The notes to the financial statements are an integral part of this statement.

NEW HAVEN PORT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
License Fees	\$ 158,010	\$ 149,880
Sale of Easement Rights	2,500	-
Total Revenues	<u>160,510</u>	<u>149,880</u>
EXPENSES		
Payroll	50,248	49,197
Payroll Taxes	4,157	4,079
Utilities	1,136	1,136
Insurance	12,666	12,334
Legal Fees	3,869	10,581
Other Professional Fees	8,040	12,160
Dues and Subscriptions	5,401	5,285
Travel	2,128	505
Fuel Assistance Program	5,437	457
Physical Oceanographic Real-Time System	-	5,000
Miscellaneous	1,253	2,099
Total Expenses	<u>94,335</u>	<u>102,833</u>
OPERATING INCOME	<u>66,175</u>	<u>47,047</u>
NON-OPERATING REVENUES		
Interest Income	42	38
Gain on Sale of Land	-	27,000
Total Non-Operating Revenues	<u>42</u>	<u>27,038</u>
CHANGE IN NET ASSETS	66,217	74,085
NET POSITION - BEGINNING OF YEAR	<u>579,014</u>	<u>504,929</u>
NET POSITION - END OF YEAR	<u>\$ 645,231</u>	<u>\$ 579,014</u>

The notes to the financial statements are an integral part of this statement.

NEW HAVEN PORT AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATIONS		
Receipts from License Agreements	\$ 159,849	\$ 149,152
Sale of Easement Rights	2,500	-
Payments to Suppliers	(42,814)	(49,129)
Payments to Employees	(54,405)	(54,793)
Fuel Assistance Program, Net	-	(816)
Net Cash Provided By Operations	<u>65,130</u>	<u>44,414</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Land Sale	27,000	-
Interest Income	<u>42</u>	<u>38</u>
Net Cash Provided By Investing Activities	<u>27,042</u>	<u>38</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	92,172	44,452
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>517,804</u>	<u>473,352</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 609,976</u>	<u>\$ 517,804</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 66,175	\$ 47,047
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operations:		
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable (License Fees)	1,839	(728)
Decrease (Increase) in Prepaid Expenses	792	(1,336)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(3,676)	247
Increase (Decrease) in Fuel Assistance Deposits, Net	-	(816)
Net Cash Provided By Operating Activities	<u>\$ 65,130</u>	<u>\$ 44,414</u>

The notes to the financial statements are an integral part of this statement.

NEW HAVEN PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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 Aldermen 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.

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. 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.

Accounts Receivable

Accounts receivable include amounts due from licenses for the monthly use of certain premises and amounts due from the State of Connecticut related to the sale of a land parcel. 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.

NEW HAVEN PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

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

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 November 5, 2015, 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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Deposits	\$189,840	\$ 97,709
Money Market	<u>420,136</u>	<u>420,095</u>
	<u>\$609,976</u>	<u>\$517,804</u>

As of June 30, 2015, the carrying amount of the Authority's cash and cash equivalents was \$609,976 with bank balances of \$615,501. The amount of bank balances covered under federal depository insurance was \$250,000. The remaining \$365,501 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.

NOTE 4 – COMMITMENTS

The Authority entered into a contract for a traffic study for \$48,000. The study is expected to begin and be completed during the fiscal year ending June 30, 2016. The Authority has also agreed to enter into a memorandum of understanding with the Army Corp of Engineers. The Authority has committed an initial payment of \$25,000 to scope a feasibility study to deepen the Federal channel in New Haven Harbor.

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.

NEW HAVEN PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

NOTE 4 – COMMITMENTS (CONTINUED)

A schedule as of June 30, 2015 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:

2016	
2017	\$150,978
2018	84,000
2019	84,000
2020	84,000
Thereafter	84,000
Total	<u>21,000</u>
	<u>\$507,978</u>

NOTE 5 – CONCENTRATIONS

For the years ended June 30, 2015 and 2014, two license holders accounted for 92% and 96% 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.

During the year ended June 30, 2013, the City of New Haven's tax assessor assessed the value of the land owned by the Authority. The Authority disagreed with the valuation and filed an Appeal of the Assessment. In May 2014 the parties settled the case and in June 2014, the Superior Court granted a judgment stipulating to the agreed upon assessments. These assessments will be used in determining future pilot payments.

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, 2015 and 2014.

NOTE 7 – NET POSITION DESIGNATION

On November 5, 2015 and November 6, 2014, the Board of Commissioners approved resolutions designating an additional \$75,000 of unrestricted net position to be restricted for special projects including land acquisition or capital improvements within the port district. The total amounts designated for special projects including land acquisition or capital improvements was \$450,000 and \$375,000 at June 30, 2015 and 2014, respectively.

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November 5, 2015

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, 2015, and have issued our report thereon dated November 5, 2015. 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 11, 2015. 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, 2015.

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 November 5, 2015.

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,

T. M. Byrbee Company, P.C.

T. M. BYXBEE COMPANY, P.C.

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To the Board of Commissioners of the
New Haven Port Authority

In planning and performing our audit of the financial statements of the New Haven Port Authority (the "Authority") as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency to be a significant deficiency in internal control:

As noted in the prior year, management relies upon the auditor to prepare financial statements in accordance with generally accepted accounting principles. Management does not have the knowledge of accounting principles to determine whether the disclosures are complete. The outsourcing of this service is not unusual in organizations of your size and is a result of management's cost benefit decision to use our accounting expertise rather than incur internal resource costs.

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

T. M. Byxbee Company, P.C.

Hamden, Connecticut
November 5, 2015