

# **NEW HAVEN PORT AUTHORITY**

## **2012 AUDIT RESULTS**

---

T. M. BYXBEE COMPANY, P. C.  
2319 WHITNEY AVENUE  
HAMDEN, CT 06518

203-281-4933  
FAX 203-288-6117  
[WWW.BYXBEE.COM](http://WWW.BYXBEE.COM)

NEW HAVEN PORT AUTHORITY  
2012 AUDIT RESULTS  
TABLE OF CONTENTS

Financial Statements	I
Communication to those Charged with Governance	II
Management Letter	III

**Audit Team Contacts**

Ed Cleary	Engagement Principal	edcleary@byxbee.com
Chris Nickse	Consulting Director	cnickse@byxbee.com
Al Stiewing	Audit Manager	astiewing@byxbee.com

**NEW HAVEN PORT AUTHORITY**

**FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**NEW HAVEN PORT AUTHORITY**

**TABLE OF CONTENTS**

**JUNE 30, 2012 AND 2011**

	<u>PAGES</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)</b>	2-3
<b>FINANCIAL STATEMENTS</b>	
Statements of Net Assets as of June 30, 2012 and 2011	4
Statements of Revenues, Expenses and Changes in Net Assets for the Years Ended June 30, 2012 and 2011	5
Statements of Cash Flows for the Years Ended June 30, 2012 and 2011	6
Notes to Financial Statements	7-9

# 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 (the "Authority"), a component unit of the City of New Haven, as of and for the years ended June 30, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures included in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 and 3 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 operational, 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. Byxbee Company, P.C.*

Hamden, Connecticut  
October 4, 2012

## NEW HAVEN PORT AUTHORITY

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

JUNE 30, 2012 AND 2011

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, 2012. 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, 2012 were \$457,748, of which \$428,736 were considered current assets. Total assets increased by \$55,039 from 2011.
- The Authority's total liabilities were \$2,515, all of which are classified as current liabilities. A decrease of \$6,189 from 2011.
- Unrestricted net assets were \$426,221, an increase of \$61,228.
- The Authority's revenues totaled \$148,269, an increase of \$4,974. All of the Authority's revenues for the year ended June 30, 2012 were from license fees associated with the leasing of land within the Port District. Expenses for the year ended June 30, 2012 totaled \$87,218 resulting in net operating income of \$61,051. Operating income increased by \$5,340.

The following financial statements are presented:

The statement of net assets 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 assets present 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.

During this past year the Federal Emergency Management Agency ("FEMA") funded project to improve surveillance at the port was completed with the installation of security cameras and improved lighting. A second collaborative project with the City involving the construction of a truck electrification area to improve air quality was opened in July but has seen no usage during its first year. In an effort to reduce the Authority's costs of operating this facility, several of the units have been taken off line, but could easily be reconnected if there was a demand. The multi-purpose response vessel funded by FEMA is under construction, with delivery expected in November 2012.

## NEW HAVEN PORT AUTHORITY

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

JUNE 30, 2012 AND 2011

We learned in March that the State of Connecticut would proceed with the much awaited reconstruction of Waterfront Street. This project also includes the installation of rail crossings providing rail connections to the four private terminals along Waterfront Street. The Executive Director has also worked with the Water Pollution Control Authority in facilitating the installation of sanitary sewer connections at Magellan and New Haven Terminals as well as Greenleaf Bio Fuels. The two terminals had been operating with holding tanks that were permitted for their existing uses. However, the construction of a new biodiesel manufacturing facility on the New Haven Terminal site required a sewer connection. It proved to be a perfect opportunity for the three parties to work together to comply with this requirement; and the project has been designed and construction has been and will continue to be coordinated with the Waterfront Street project.

In September 2011, the State of Connecticut issued an RFP for a consultant to conduct a Marketing and Economic Development Study of its three Deep Water Ports. The Authority's Executive Director was included in the consultant selection process and was afforded several opportunities to meet with and provide information to the consultants about the port of New Haven. The study has not as yet been released by the State. In that same month the Authority had an opportunity to showcase the port of New Haven when the Connecticut Maritime Coalition invited U.S. Congressman Joseph Courtney and State Senator Andrew Maynard on a waterside tour of our port. Later that month, Chairman Russo and the Executive Director toured the port district with Connecticut's Department of Transportation Commissioner James Redeker.

Of the three original license agreements for the East Shore Parkway land, Gateway continues to license Parcels A & B; New Haven Terminal has assigned its license of Parcel C to Harbor Terminals and Colony Hardware vacated Parcel E in June 2012.

During this past year we have improved the content management of our website and have seen several inquiries generated from the site regarding facilities at the port, Transportation Worker identification cards and job opportunities, to name a few.

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 Operations for port security; at monthly meetings of the Connecticut Maritime Coalition, the Connecticut Maritime Commission and the New Haven Petroleum Co-op. In addition, the Executive Director is a member of the board of directors of the North Atlantic Ports Association, and in June was named Vice-Chair of its Transportation Committee.

On the horizon, we will continue to work with our local partners as well as those at the state and national level to insure the preservation of our deep water ports, and will advocate for the resources to maintain and improve the infrastructure at the port of New Haven. The US Army Corps of Engineers has placed the maintenance dredge of the federal channel in New Haven in its 2014 budget, which will require stewardship on our part to insure that the funds are secured for that project. We await the results of the Deep Water Ports study as it may provide guidance in several areas of interest; i.e., potential markets, governance, infrastructure and investment opportunities.

NEW HAVEN PORT AUTHORITY

STATEMENTS OF NET ASSETS

JUNE 30, 2012 AND 2011

ASSETS

	<u>2012</u>	<u>2011</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 417,772	\$ 365,143
Accounts Receivable	3,024	675
Prepaid Expenses	<u>7,940</u>	<u>7,879</u>
Total Current Assets	<u>428,736</u>	<u>373,697</u>
<b>LAND (NOTE 4)</b>	<u>29,012</u>	<u>29,012</u>
TOTAL	<u>\$ 457,748</u>	<u>\$ 402,709</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 2,515	\$ 3,704
Security Deposits	<u>-</u>	<u>5,000</u>
Total Current Liabilities	<u>2,515</u>	<u>8,704</u>
<b>NET ASSETS</b>		
Invested in Capital Assets	29,012	29,012
Unrestricted	176,221	164,993
Board Designated for Major Expenditures	<u>250,000</u>	<u>200,000</u>
Total Net Assets	<u>455,233</u>	<u>394,005</u>
TOTAL	<u>\$ 457,748</u>	<u>\$ 402,709</u>



**NEW HAVEN PORT AUTHORITY**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

**FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>LICENSE FEE REVENUES</b>	\$ <u>148,269</u>	\$ <u>143,295</u>
<b>EXPENSES</b>		
Payroll	48,797	51,295
Payroll Taxes	4,083	4,291
Utilities	4,771	956
Insurance	11,981	10,995
Legal Fees	366	3,343
Professional Fees	9,313	9,465
Dues and Subscriptions	4,698	4,648
Travel	2,479	1,555
Miscellaneous	730	1,036
Total Expenses	<u>87,218</u>	<u>87,584</u>
<b>OPERATING INCOME</b>	<u>61,051</u>	<u>55,711</u>
<b>NON-OPERATING REVENUES</b>		
Interest Income	<u>177</u>	<u>328</u>
Total Non-Operating Revenues	<u>177</u>	<u>328</u>
<b>CHANGE IN NET ASSETS</b>	61,228	56,039
<b>TOTAL NET ASSETS - BEGINNING OF YEAR</b>	<u>394,005</u>	<u>337,966</u>
<b>TOTAL NET ASSETS - END OF YEAR</b>	<u>\$ 455,233</u>	<u>\$ 394,005</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, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATIONS</b>		
Receipts from License Agreements	\$ 140,920	\$ 158,075
Payments to Suppliers	(35,650)	(31,328)
Payments to Employees	(52,818)	(55,549)
Net Cash Provided By Operations	<u>52,452</u>	<u>71,198</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Income	<u>177</u>	<u>328</u>
Net Cash Provided By Investing Activities	<u>177</u>	<u>328</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	52,629	71,526
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>365,143</u>	<u>293,617</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 417,772</u>	<u>\$ 365,143</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 61,051	\$ 55,711
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operations:		
Change in Assets and Liabilities:		
Decrease (Increase) in License Fee Receivable	(2,349)	14,780
Decrease (Increase) in Prepaid Expenses	(61)	(971)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(6,189)	1,678
Net Cash Provided By Operating Activities	<u>\$ 52,452</u>	<u>\$ 71,198</u>

**NEW HAVEN PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**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 assets. 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.

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.

**NEW HAVEN PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

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

Date of Management's Review

Subsequent events have been evaluated through October 4, 2012, which is the date the financial statements were available to be issued.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

At June 30, 2012, cash and cash equivalents totaled \$417,772 of which \$294,922 are considered to be cash equivalents which were invested solely in a money market account. As part of the Dodd-Frank Reform Act, interest bearing accounts are insured up to \$250,000 on a permanent basis, and non-interest bearing accounts will have unlimited insurance through December 31, 2012. The amount of bank deposits covered by federal depository insurance was \$372,850. The remaining bank balance of \$44,922 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 – ACCOUNTS RECEIVABLE**

Accounts receivable include amounts due from licenses 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.

**NOTE 4 – 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 5 – COMMITMENTS**

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, 2012 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:

2013	\$140,952
2014	82,038
2015	62,400
2016	<u>62,400</u>
Total	<u>\$347,790</u>

**NEW HAVEN PORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 6 – CONCENTRATIONS**

For the years ended June 30, 2012 and 2011, two license holders accounted for 95% and 96% of the Authority's license fee revenues, respectively.

**NOTE 7 – 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.

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, 2012 and 2011.

**NOTE 8 – NET ASSET DESIGNATION**

On October 4, 2012 and October 6, 2011, the Board of Commissioners approved resolutions designating \$50,000 and \$200,000 of unrestricted net assets to be restricted for special projects including land acquisition or capital improvements within the port district.

# 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

October 4, 2012

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, 2012, and have issued our report thereon dated October 4, 2012. 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 June 11, 2012. 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. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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, 2012.

### *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 October 4, 2012.

*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.

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. Bybee Company, P.C.*

# 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

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, 2012, 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.



In addition, we noted other matters, which came to our attention, while not control deficiencies, involve operational or administrative efficiencies. Our observations and recommendations regarding these matters which came to our attention are as follows:

- An annual license fee increase scheduled for October 2011 was never implemented. Management has contacted the licensee to collect the additional rent, which was recorded as a receivable on the statement of financial position.
- As noted during last year's audit, the Authority assumed responsibility to operate new truck electrification stations. We were provided no documentation on the agreement between the City and the Authority regarding the operation of the stations. We recommend the Authority obtain signed documentation that includes the following:
  - Ownership of the equipment
  - Responsibility for maintenance costs
  - Entitlement to revenues generated

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. Byrbee Company, P.C.*