

WATERFRONT COMMISSION OF NEW YORK HARBOR
FORFEITURE FUND
Financial Statements and
Independent Auditors' Report
June 30, 2020

WATERFRONT COMMISSION OF NEW YORK HARBOR
FORFEITURE FUND

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INDEPENDENT AUDITORS' REPORT

The Commissioners
Waterfront Commission of New York Harbor -
Forfeiture Fund
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Waterfront Commission of New York Harbor - Forfeiture Fund (the Forfeiture Fund), which comprise the balance sheet - modified cash basis as of June 30, 2020, and the related statement of receipts, disbursements and changes in fund balance - modified cash basis for the year then ended, and the related notes to 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 the modified cash basis of accounting described in note 1(b); this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of the Waterfront Commission of New York Harbor - Forfeiture Fund, as of June 30, 2020, and the results of it's operations for the year then ended in accordance with the modified cash basis of accounting described in note 1(b).

Basis of Accounting

We draw attention to note 1(b) of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 22, 2021, on our consideration of the Waterfront Commission of New York Harbor - Forfeiture Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Forfeiture Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Forfeiture Fund's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 22, 2021

WATERFRONT COMMISSION OF NEW YORK HARBOR
FORFEITURE FUND
Balance Sheet - Modified Cash Basis
June 30, 2020

<u>Assets</u>	
Assets:	
Cash and equivalents	\$1,235,652
Interfund receivables	<u>432,456</u>
Total assets	<u>\$1,668,108</u>
 <u>Fund Balance</u>	
Fund balance - restricted	<u>\$1,668,108</u>

See accompanying notes to financial statements.

WATERFRONT COMMISSION OF NEW YORK HARBOR
FORFEITURE FUND

Statement of Receipts, Disbursements and
Changes in Fund Balance - Modified Cash Basis
Year ended June 30, 2020

Receipts:	
Share of property forfeited	\$ 1,127,548
Dividend and interest income	12,015
Other income	<u>42,725</u>
Total receipts	<u>1,182,288</u>
Disbursements:	
Personnel services:	
Regular payroll	437,815
Overtime payroll	921
Employer payroll taxes	36,059
Group health insurance	40,290
Auditors and consultants	<u>7,500</u>
Total personnel services	<u>522,585</u>
Other than personnel services:	
Furniture and equipment	105,027
Office rentals	126,702
Information system	2,974
Special supplies	410
Communications	21,513
General office	6,020
Continuing education	7,763
Utilities	11,610
General insurance	3,897
Repairs and maintenance	5,017
Travel and auto	<u>789</u>
Total other than personnel services	<u>291,722</u>
Total disbursements	<u>814,307</u>
Excess receipts over disbursements	367,981
Fund balance at July 1, 2019	<u>1,300,127</u>
Fund balance at June 30, 2020	<u><u>\$ 1,668,108</u></u>

See accompanying notes to financial statements.

WATERFRONT COMMISSION OF NEW YORK HARBOR
FORFEITURE FUND

Notes to Financial Statements

June 30, 2020

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The Waterfront Commission of New York Harbor (the Commission) was created as a bi-state instrumentality in 1953 by joint legislative action of the States of New York and New Jersey in accordance with the Waterfront Commission Act (Act). The Commission is vested with broad investigative, licensing, and regulatory jurisdiction over the piers and terminals in the Port of New York District. The Commission is exempt from income taxes in accordance with being an instrumentality of the States of New York and New Jersey.

The mission of the Commission is to investigate, deter, combat, and remedy criminal activity and influence in the Port of New York-New Jersey and to ensure fair hiring and employment practices.

The Waterfront Commission of New York Harbor - Forfeiture Fund (the Forfeiture Fund) is a separate fund set up for the purpose of accounting for the Commission's share of seized property received and related expenditures.

(b) Basis of Accounting

The Forfeiture Fund prepared the financial statements on the modified cash basis, as noted herein, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under this basis, transactions are recognized as either cash receipts or disbursements, and noncash transactions, if any, are not recognized. Revenues are recorded when received, and expenditures are recorded when paid, except for receivables from, or payables to, other funds.

This basis of accounting differs from GAAP in that in accordance with GAAP, revenues are recorded when "measurable" and "available," and expenditures are recognized when incurred.

(c) Share of Federal Forfeited Property

As a participating law enforcement agency in the equitable sharing asset forfeiture programs of the United States Departments of the Treasury and Justice, the Fund requests and shares in the net proceeds of property seized during investigations or prosecutions. The funds received as part of the program must be used exclusively for law enforcement purposes.

(d) Cash and Equivalents

Cash and cash equivalents are considered to be amounts available for immediate withdrawal from bank accounts and highly liquid cash investments purchased with an original maturity of three months or less.

WATERFRONT COMMISSION OF NEW YORK HARBOR
FORFEITURE FUND

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Subsequent Events

The Forfeiture Fund has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Forfeiture Fund and its future results and financial position is not presently determinable.

(2) Concentrations of Credit Risk

Financial instruments that subject the Fund to concentrations of credit risk include cash and equivalents. The Forfeiture Fund maintains accounts at high quality financial institutions. While the Fund attempts to limit its financial exposure, its deposit balances may, at times, exceed federally-insured limits. The Fund has not experienced any losses on such accounts.