

WATERFRONT COMMISSION OF NEW YORK HARBOR

Single Audit and
Independent Auditors' Report

June 30, 2020

WATERFRONT COMMISSION OF NEW YORK HARBOR

Table of Contents

	<u>Page</u>
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and Report on Schedule of Expenditures of Federal Awards	1 - 3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government</u> <u>Auditing Standards</u>	4 - 5
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8
Status of Prior Year Audit Findings	9

* * * * *

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS

The Commissioners
Waterfront Commission of New York Harbor
New York, New York

Report on Compliance for Each Major Federal Program

We have audited the Waterfront Commission of New York Harbor - Operating Fund and Forfeiture Fund's (collectively the Commission) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Commission's major federal program for the year ended June 30, 2020. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Commission's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Major Federal Program

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Commission as of and for the year ended June 30, 2020, and the related notes to financial statements. We issued our report thereon dated March 22, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 22, 2021

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Commissioners
Waterfront Commission of New York Harbor
New York, New York

We have audited, in accordance with the 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, the financial statements of the Waterfront Commission of New York Harbor - Operating Fund and Forfeiture Fund (collectively the Commission), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's financial statements, and have issued our report thereon dated March 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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 and correct, misstatements on a timely basis. A material weakness is a deficiency, or a 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 22, 2021

WATERFRONT COMMISSION OF NEW YORK HARBOR
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2020

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Justice - Equitable Sharing Program	16.922	N/A	\$ 50,000	-
U.S. Department of Treasury - Equitable Sharing Program	21.016	N/A	<u>764,307</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 814,307</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

WATERFRONT COMMISSION OF NEW YORK HARBOR

Notes to Schedule of Expenditures of Federal Awards

June 30, 2020

(1) Basis of Presentation

(a) General Information

The accompanying schedule of expenditures of federal awards (the schedule) presents the activities in all the Federal financial assistance programs of the Waterfront Commission of New York Harbor - Operating Fund and Forfeiture Fund (collectively the Commission). All financial awards received directly from federal agencies as well as financial awards passed through other governmental agencies or not-for-profit organizations are included on the schedule.

(b) Basis of Accounting

The accompanying schedule includes the federal grant activity of the Commission and is presented on the modified cash basis of accounting. The information in this schedule is prepared in accordance with requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

(c) Relationship to Basic Financial Statements

Federal award expenditures are reported in the Commission's financial statements as share of property forfeited and other income, respectively. The Commission's financial statements are presented using the modified cash basis. The schedule presents only a selected portion of the activities of the Commission. It is not intended to, and does not, present either the financial position, statement of activities, or other changes in net assets of the Commission.

(d) Indirect Costs

The Commission did not elect to use the ten percent de minimis cost rate.

(2) Noncash Assistance

There were no federal awards expended in the form of non-cash assistance by the Fund during the year ended June 30, 2020.

(3) Subrecipients

The Commission provided no federal awards to subrecipients during the year ended June 30, 2020.

WATERFRONT COMMISSION OF NEW YORK HARBOR

Schedule of Findings and Questioned Costs

Year ended June 30, 2020

PART I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statements audited were prepared in accordance with GAAP

Modified Cash

Internal control over financial reporting:

1. Material weakness(es) identified? Yes No
2. Significant deficiency(ies) identified not considered to be material weakness(es)? Yes None reported
3. Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal control over major program:

4. Material weakness(es) identified? Yes No
5. Significant deficiency(ies) identified not considered to be material weakness(es)? Yes None reported

Type of auditors' report issued on compliance for major program:

Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)? Yes No
7. The Commission's major program audited was U.S. Department of Treasury - Equitable Sharing Program, CFDA Number 21.016
8. Dollar threshold used to distinguish between Type A and Type B programs \$750,000
9. Auditee qualified as low-risk auditee? Yes No

PART II - FINANCIAL STATEMENT FINDINGS SECTION

No reportable findings.

PART III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No reportable findings and questioned costs.

WATERFRONT COMMISSION OF NEW YORK HARBOR
Schedule of Prior Year Audit Findings
Year ended June 30, 2020

There were no audit findings reported for the year ended June 30, 2019.