

**NEW YORK CITY BUSINESS
ASSISTANCE CORPORATION**

FINANCIAL STATEMENTS

**For the Fiscal Years Ended
June 30, 2011 and 2010**



PADILLA & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New York City Business Assistance Corporation

We have audited the accompanying statement of financial position of the New York City Business Assistance Corporation as of June 30, 2011 and 2010, and the related statements of activities and changes in net assets and of cash flows for the year then ended. These financial statements are the responsibility of the New York City Business Assistance Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 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 audit provides 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 New York City Business Assistance Corporation as of June 30, 2011 and 2010, and the results of its operations and changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Padilla and Company, LLP

Jamaica, New York

November 30, 2011

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2011 and 2010

<u>ASSETS:</u>	<u>2011</u>	<u>2010</u>
Current assets:		
Cash and cash equivalents (Note 3)	\$ 1,789,764	\$ 1,865,850
Contribution receivable	702,485	68,727
Grant receivable (Note 5)	<u>1,375,951</u>	<u>1,375,951</u>
Total Assets	<u>\$ 3,868,200</u>	<u>\$ 3,310,528</u>
 <u>LIABILITIES AND NET ASSETS:</u>		
Current liabilities:		
Accounts payable and accrued expenses (Note 6)	<u>2,088,435</u>	<u>1,454,679</u>
Total Liabilities	<u>2,088,435</u>	<u>1,454,679</u>
Net assets:		
Unrestricted	360,787	464,742
Temporarily restricted (Note 7)	<u>1,418,978</u>	<u>1,391,107</u>
Total Net Assets	<u>1,779,765</u>	<u>1,855,849</u>
Total Liabilities and Net Assets	<u>\$ 3,868,200</u>	<u>\$ 3,310,528</u>

The accompanying notes are an integral part of the financial statements.

**NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2011 and 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2011</u>	<u>Total 2010</u>
Revenues and other support				
Contributions	\$ -	\$ 705,757	\$ 705,757	\$ 2,803,127
Miscellaneous Income	-	-	-	2
Interest and dividend income	5,437	-	5,437	10,371
	<u>5,437</u>	<u>705,757</u>	<u>711,194</u>	<u>2,813,500</u>
Net assets released from restrictions:				
Program restrictions satisfied	<u>677,886</u>	<u>(677,886)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>683,323</u>	<u>27,871</u>	<u>711,194</u>	<u>2,813,500</u>
Expenses				
Program expenses				
Industrial Park Improvement	633,757 ✓	-	633,757	2,760,623
Printer Relocation	-	-	-	73,278
Business Emergency Grant	3,000 ✓	-	3,000	29,000
Neighborhood Awards	19,946 ✓	-	19,946	20,219
DEFO/CAP	4,185 ✓	-	-	-
MWBE	16,998 ✓	-	16,998	-
Total program expenses	<u>677,886</u>	<u>-</u>	<u>677,886</u>	<u>2,883,120</u>
Management and general expenses	<u>109,392</u>	<u>-</u>	<u>109,392</u>	<u>105,926</u>
Total expenses	<u>787,278</u>	<u>-</u>	<u>787,278</u>	<u>2,989,046</u>
Increase (decrease) in net assets	<u>(103,955)</u>	<u>27,871</u>	<u>(76,084)</u>	<u>(175,546)</u>
Add: Net assets, beginning of the year	<u>464,742</u>	<u>1,391,107</u>	<u>1,855,849</u>	<u>2,031,395</u>
Net assets, end of the year	<u>\$ 360,787</u>	<u>\$ 1,418,978</u>	<u>\$ 1,779,765</u>	<u>\$ 1,855,849</u>

The accompanying notes are an integral part of the financial statements.

**NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 and 2010**

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2011</u>	<u>2010</u>
Change in net assets	\$ (76,084)	\$ (175,546)
Adjustments to reconcile change in net assets to net cash flows provided by (used for) operating activities:		
(Increase) decrease in grant receivable	(633,758)	(260,401)
Increase (decrease) in accounts payable and accrued expenses	<u>633,756</u>	<u>(541,108)</u>
NET CASH FLOW PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(76,086)	(977,055)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(76,086)	(977,055)
CASH, BEGINNING OF YEAR	<u>1,865,850</u>	<u>2,842,905</u>
CASH, END OF YEAR	<u><u>\$ 1,789,764</u></u>	<u><u>\$ 1,865,850</u></u>

The accompanying notes are an integral part of the financial statements.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2011 and 2010

Expenses	BEG	Neighborhood Awards	Printer Fund	MWBE	DEFO/CAP	IPIP	Program Services Total	Management and General	June 30, 2011		June 30, 2010	
									Total	Total	Total	Total
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,457	\$ 80,457	\$ -	\$ 72,482	
Fringe benefits	-	-	-	-	-	-	-	9,492	9,492	-	10,435	
Contractual services SBS	-	-	-	-	-	633,757	633,757	-	633,757	-	1,991,787	
Consulting services	-	-	-	-	1,565	-	1,565	8,355	9,920	-	-	
Professional services	-	-	-	-	-	-	-	8,000	8,000	-	8,500	
Office supplies	-	-	-	-	-	-	-	-	-	-	1,298	
Printing	-	-	-	-	-	-	-	-	-	-	300	
Design services	-	-	-	-	-	-	-	-	-	-	70	
Meetings and conferences	-	1,083	-	16,998	2,620	-	20,701	1,891	22,592	-	23,928	
Development award	-	18,863	-	-	-	-	18,863	-	18,863	-	27,648	
Office equipment	-	-	-	-	-	-	-	-	-	-	-	
Neighborhood award	-	-	-	-	-	-	-	-	-	-	-	
Grants	3,000	-	-	-	-	-	3,000	-	3,000	-	31,000	
Printer relocation grant	-	-	-	-	-	-	-	-	-	-	5,000	
Public relations/promotions	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous expenses	-	-	-	-	-	-	-	1,197	1,197	-	2,404	
Total Expenses	\$ 3,000	\$ 19,946	\$ -	\$ 16,998	\$ 4,185	\$ 633,757	\$ 677,886	\$ 109,392	\$ 787,278	\$ 2,174,852	\$ -	

The accompanying notes are an integral part of the financial statements.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 and 2010

NOTE 1. ORGANIZATION AND OPERATIONS

The New York City Business Assistance Corporation (NYCBAC) is a non-profit organization incorporated pursuant to Section 1411 of the Not for Profit Corporation Law of the State of New York on December 4, 1988 for the purpose of relieving and reducing unemployment, promoting and providing for additional and maximum employment in New York City; encouraging the development and/or retention of businesses in New York City; instructing or training individuals to improve or develop their capabilities for jobs in business; carrying on scientific research for the purpose of aiding New York City by attracting new business or by encouraging economic development; and lessening the burdens of government, acting on the public interest, including, but not limited to promoting the general welfare of the people of New York City.

The Corporation is not for profit organization operating under the Internal Revenue Code Section 501 (c) (3) and is, therefore, not subject to Federal, State or City income taxes.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

The financial statement presentation is in conformity with accounting principles generally accepted in the United States of America (“US GAAP”) for not-for-profit organizations, which require NYCBAC to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

b) Revenue Recognition

Revenue and expenses are recognized in the financial statements on the accrual basis of accounting.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. Unconditional promises to give are recognized as revenues in the period in which the promise amount is received. Conditional promises to give are recognized as revenues upon meeting such conditions.

NYCBAC receives at no costs, legal and administrative services from the NYC Department of Small Business Services. The values for these donated services are not reflected in the financial statements.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 and 2010

NOTE 5. GRANTS RECEIVABLE

NYCBAC and New York City Economic Development Corporation (NYCEDC) have executed an agreement whereby NYCEDC agreed to fund contracts that NYCBAC enters into with Local Development Corporations to perform services in connection with the Industrial Policy Program's newly created industrial Business Zones. The total amount of grant receivable as of June 30, 2011 was still outstanding as of audit date.

NOTE 6. ACCOUNTS PAYABLE

Effective July 1, 2006, NYCBAC entered into a subcontract service agreement with the Department of Small Business (DSBS) to seek contractors that will deliver quality, customer-driven business assistance services to neighborhood industrial firms as outlined in the service agreement. NYCBAC works closely with DSBS on various matters. In consideration of the DSBS subcontracting services, NYCBAC agrees to pay through DSBS to the contractors who will perform the services. The total amount of accounts payable as of June 30, 2011 was still outstanding as of audit date.

NOTE 7. TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2011 and 2010, temporarily restricted net assets consisted of and available for the following purposes:

<u>Program Fund</u>	<u>2010 Balance</u>	<u>Cash Received</u>	<u>Revenue Recognized</u>	<u>2011 Balance</u>
Industrial Park Improvement	\$ 29,203	\$ 633,757	\$ 633,757	\$ 29,203
Printer Relocation	645,301	-	-	645,301
Business Emergency Grant	43,605	-	3,000	40,605
Neighborhood Awards	30,129	45,000	19,946	55,183
Minority and Women-Owned Business Enterprise	445,156	-	16,998	428,158
DEFO/CAP	-	27,000	4,185	22,815
Business Solution - Satellite	254	-	-	254
Made in New York	16,828	-	-	16,828
Special Events	1,960	-	-	1,960
125th Street Development	178,673	-	-	178,673
Total	<u>\$ 1,391,109</u>	<u>\$ 705,757</u>	<u>\$ 677,886</u>	<u>\$ 1,418,980</u>

NOTE 8. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject NYCBAC to concentrations of credit risk consist primarily of cash and cash equivalents which from time to time, exceed the Federal depository insurance coverage limit of \$250,000. However NYCBAC has not experienced any losses.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 and 2010

NOTE 9. SUBSEQUENT EVENTS

No subsequent events of material nature came to our attention warranting adjustment or disclosure.