

**NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
110 WILLIAM STREET
NEW YORK, NY 10038**

**AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2016 AND 2015

BALLO & CO.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

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Independent Auditor's Report

Board of Directors
New York City Business Assistance Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of New York City Business Assistance Corporation, which comprise the statement of financial position as of June 30, 2016 and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. The financial statements of New York City Business Assistance Corporation as of June 30, 2015, and for the year then ended were audited by other auditors whose report dated September 24, 2015, expressed an unqualified opinion on those 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 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 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 from material misstatements.

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 risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, 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 present fairly, in all material respects, the financial position of New York City Business Assistance Corporation as of June 30, 2016 and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, We have also issued our report dated September 15, 2016 on our consideration of New York City Business Assistance Corporation'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 to describe the scope of our testing of internal control over financial reporting and the compliance and the results of that testing, and not to provide an opinion on 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 New York City Business Assistance Corporation's internal control over financial reporting and compliance.



Ballo & Co.

New York, NY
September 15, 2016

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
 STATEMENTS OF FINANCIAL POSITION
 AS OF JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets		
Cash and cash equivalents (Note 3)	\$ 3,352,776	\$ 2,614,131
Accounts receivable	<u> -</u>	<u> 4,047</u>
Total Assets	<u>\$ 3,352,776</u>	<u>\$ 2,618,178</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ <u> 6,500</u>	\$ <u> 10,917</u>
Total Liabilities	6,500	10,917
Net assets		
Unrestricted	221,161	219,663
Temporarily restricted (Note 5)	<u>3,125,115</u>	<u>2,387,598</u>
Total Net Assets	<u>3,346,276</u>	<u>2,607,261</u>
Total Liabilities and Net Assets	<u>\$ 3,352,776</u>	<u>\$ 2,618,178</u>

See notes to financial statements.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2016</u>	<u>2015</u>
Revenues and other support				
Government grants	\$	\$ 500,000	\$ 500,000	\$
Contributions		1,376,444	1,376,444	1,250,000
Interest income	1,730		1,730	1,804
Miscellaneous income and reimbursements	<u>2,740</u>		<u>2,740</u>	<u>-</u>
	4,470	1,876,444	1,880,914	1,251,804
Net assets release from restrictions				
Program restrictions satisfied	<u>1,138,927</u>	<u>(1,138,927)</u>	<u>-</u>	<u>-</u>
Total Revenues and Support	1,143,397	737,517	1,880,914	1,251,804
Expenses				
Program expenses:				
BID - Neighborhood Challenge	325,515		325,515	291,989
Business Assistance Relocation	52,500		52,500	
Build Business Capacity	28,906		28,906	14,210
Corporate Alliance Program	2,202		2,202	
Division of Economic and Financial Opportunity	25,000		25,000	4,532
Healthcare Growth Services	50,273		50,273	
Industrial Park Improvement	500		500	80,286
Immigrant for Business Initiative	209,704		209,704	83,138
MWBE Program	4,821		4,821	33,723
Microgrant for Business	43,433		43,433	457,269
Neighborhood Awards	6,134		6,134	1,863
Northwest Bronx Entrepreneurship - Fast Track	20,788		20,788	27,000
NYCHA Food Business Pathways	129,431		129,431	137,572
Printer's Fund	10,925		10,925	12,344
Business Solution/Tech Coalition	138,795		138,795	175,275
Women's Entrepreneurship Initiative	<u>90,000</u>		<u>90,000</u>	<u>75,000</u>
Total Program Expenses	1,138,927	-	1,138,927	1,394,201
Management and general	<u>2,972</u>		<u>2,972</u>	<u>7,843</u>
Total Expenses	1,141,899	-	1,141,899	1,402,044
Increase (decrease) in net assets	1,498	737,517	739,015	(150,240)
Net assets, beginning	219,663	2,387,598	2,607,261	2,757,501
Net assets, ending	<u>\$ 221,161</u>	<u>\$ 3,125,115</u>	<u>\$ 3,346,276</u>	<u>\$ 2,607,261</u>

See notes to financial statements.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Cash flows from operating activities:		
Net increase (decrease) in net assets	\$ 739,015	\$ (150,240)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	4,047	(4,047)
Increase (decrease) in accounts payable and accrued expenses	(4,417)	7,417
Net cash provided (used) by operating activities	738,645	(146,870)
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase (decrease) in cash	738,645	(146,870)
Cash, beginning	2,614,131	2,761,001
Cash, ending	\$ 3,352,776	\$ 2,614,131

See notes to financial statements.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	Program Services										
	BID - Neighborhood Challenge	Business Assistance Relocation	Build Business Capacity	Corporate Alliance Program	Division of Economic & Financial Opportunity	Healthcare Growth Services	Industrial Park Improvement	Immigrant for Business Initiative	MWBE Program	Micro- Grant for Business	Neighbor- hood Awards
Expenses:											
Salaries	\$	\$	\$	\$	\$	\$	\$	\$	\$	175	\$
Fringe benefits										13	
Consulting services	1,407							2,212			5,734
Filing fees											
Bank fees											
Professional services	500	2,500		370	900		500	6,958	2,609	500	400
Office supplies											
Printing											
Meeting & conferences	2,130			1,404	24,100	273					
Neighborhood dev. Awards											
Grants	321,340	50,000								42,745	
Service agreement			28,906			50,000		201,690			
Insurance & permits											
Administrative											
Miscellaneous	138			428				1,056			
Total	\$ 325,515	\$ 52,500	\$ 28,906	\$ 2,202	\$ 25,000	\$ 50,273	\$ 500	\$ 209,704	\$ 4,821	\$ 43,433	\$ 6,134

See notes to financial statements.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	Program Services							Management and General	Total 2016	2015
	Northwest Bronx Entrepreneurship Fast Track	NYCHA Food Business Pathways	Printer's Fund	Business Solution/ Tech Coalition	Women's Entre- preneurship Initiative	Program Services Total				
Expenses:										
Salaries	\$	\$ 32,219	\$	\$	\$	\$ 32,394	\$	\$ 32,394	\$	\$ 112,797
Fringe benefits		7,690				7,703	104	7,807		16,688
Consulting services			10,725			20,078	500	20,578		22,976
Filing fees				105		105	275	380		
Bank fees						-	100	100		20
Professional services		13,020	200	8,500		36,957	1,458	38,415		34,842
Office supplies						-	175	175		
Printing						-		-		
Meeting & conferences	4,295	1,275		3,302		36,779		36,779		6,583
Neighborhood dev. Awards						-		-		1,275
Grants						414,085		414,085		654,077
Service agreement	11,568	48,760		126,888	90,000	557,812		557,812		538,769
Insurance & permits		19,233				19,233		19,233		1,275
Administrative						-		-		-
Miscellaneous	4,925	7,234				13,781	360	14,141		12,742
						-		-		
Total	\$	\$ 20,788	\$ 129,431	\$ 10,925	\$ 138,795	\$ 90,000	\$ 1,138,927	\$ 2,972	\$ 1,141,899	\$ 1,402,044

See notes to financial statements.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 1. Organization and Nature of Business

New York City Business Assistance Corporation (“NYBAC”) 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 business 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 organization is a 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

New York City Business Assistance Corporation’s financial statements are presented consistent with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958, Not-for-Profit Organizations. Under FASB ASC 958, the corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increases in the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 2. Summary of Significant Accounting Policies (continued)

A. Basis of presentation (continued)

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.

There are no permanently restricted funds received during the year.

For the purposes of the statement of financial position and the statement of cash flows, the NYBAC considers as cash equivalents money market funds and all highly liquid resources, such as investments in certificates of deposit, with an original maturity of three months or less.

At June 30, 2016 the NYBAC did not have any resources that were considered cash equivalents.

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited by the expenses. NYBAC classifies expenses which are not directly related to a specific program, as Management and General expenses.

B. Basis of accounting

The organization uses the accrual method of accounting to account for its revenues and expenses.

C. Concentration of credit and market risk

Financial instruments that potentially expose New York City Business Assistance Corporation to concentrations of credit and market risk consist primarily of cash. Cash is maintained at high quality financial institutions which were fully covered by the Federal Depository Insurance Corporation ("FDIC"). FDIC provides deposit insurance up to \$250,000.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 2. Summary of Significant Accounting Policies (continued)

D. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3. Cash and Cash Equivalents

As of June 30, 2016 and 2015 cash and cash equivalents consisted of:

	<u>2016</u>	<u>2015</u>
Chase Manhattan bank		
Checking account	\$ 1,526,451	\$ 789,536
Savings account	<u>1,826,325</u>	<u>1,824,595</u>
Total	\$ <u>3,352,776</u>	\$ <u>2,614,131</u>

Note 4. Lease Commitment

The New York City Business Assistance Corporation occupies its office space at 110 William Street, New York, NY 10038 rent free. The space is donated by The City of New York and no in-kind values have been recognized in the financial statement.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 5. Temporarily Restricted Net Assets

At June 30, 2016 and 2015, temporarily restricted net assets consisted of and available for following program services:

<u>Program Services</u>	<u>Beginning Balance</u>	<u>Additional Contribution</u>	<u>Revenue/Expense Recognized</u>	<u>Ending Balance</u>
Industrial Park Improvement	\$ 3,337	\$	\$ 500	\$ 2,837
Microgrant for Business	229,571		43,433	186,138
NYC Small Business Campaign	5,931			5,931
Printer's Fund	542,533		10,925	531,608
Business Emergency Grant	32,605			32,605
Neighborhood Awards	27,486		6,134	21,352
BID - Neighborhood Challenge	580,048	500,000	325,515	754,533
Northwest Bronx Entrepreneurship - Fast Track	48,000		20,788	27,212
NYCHA Food Business Pathways	212,428	100,000	129,431	182,997
Division of Economic and Financial Opportunity	31,711		25,000	6,711
Minority and Women-Owned Business Enterprise	52,678		4,821	47,857
Women's Entrepreneurship Initiative	75,000	100,000	90,000	85,000
125th Street Development	178,672			178,672
Immigrant for Business Initiative	166,619	450,000	209,704	406,915
Build Business Capacity	38,126		28,906	9,220
Business Pitch Education & Competition Initiative		25,000		25,000
Business Solutions/Tech Coalition	162,853		138,795	24,058
Corporate Alliance Program		4,600	2,202	2,398
Business Relocation Assistance		421,844	52,500	369,344
City Harvest Business Education		50,000		50,000
Healthcare Growth Services		150,000	50,273	99,727
Immigrant Entrepreneurship Service		75,000		75,000
Total	<u>\$ 2,387,598</u>	<u>\$ 1,876,444</u>	<u>\$ 1,138,927</u>	<u>\$ 3,125,115</u>

Note 6. Subsequent Events Evaluation by Management

Management evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected in the financial statements. Such evaluation is performed through the date the financial statements were available to be issued, which was September 15, 2016 for these financial statements.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 7. Accounting for Uncertainty in Income Tax

The New York City Business Assistance Corporation adopted the recognition requirement for uncertain income tax positions as required by accounting principles generally accepted in the United States of America. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more likely than not to be sustained upon examination by taxing authorities. There was no impact on The New York City Business Assistance Corporation financial statements as a result of the implementation of Financial Accounting Standard Board's ASC 740-10 (formerly known as FASB Interpretation No. 48, Accounting for Uncertainty in Income taxes). Accordingly New York City Business Assistance Corporation has not recorded any reserves or related accruals for interest and penalties for uncertain tax position as of June 30, 2016.

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

Independent Auditor's Report

Board of Directors
New York City Business Assistance Corporation:

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 New York City Business Assistance Corporation which comprise the statement of financial position as of June 30, 2016 and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New York City Business Assistance Corporation's internal control over financial reporting (internal control) to determine the 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 New York City Business Assistance Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of New York City Business Assistance Corporation'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 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 design 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 New York City Business Assistance Corporation's financial statements are free of material misstatements, 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 determination of financial statements amounts. However, providing an opinion on compliance with these 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose


Ballo & Co.

New York, NY
September 15, 2016