

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
(a component unit of the City of New York)

Financial Statements
(With Independent Auditor's Report and Required Supplementary Information)

Years Ended June 30, 2024 and 2023



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NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
(a component unit of the City of New York)

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PART I – FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New York City Business Assistance Corporation

Opinion

We have audited the accompanying financial statements of New York City Business Assistance Corporation (the "Organization"), a component unit of The City of New York, which comprise the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses and changes in net position, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Organization as of June 30, 2024 and 2023, and the respective changes in net position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to audits applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate that raise substantial doubt about the Organization's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The management's discussion and analysis is presented for the purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS and *Government Auditing Standards*. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2024, on our consideration of the Organization's internal control over financial reporting and on 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 Organization'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 Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 25, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has derived.

Padilla and Company, LLP

*Jamaica, New York
September 13, 2024*

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

(a component unit of the City of New York)

Management's Discussion and Analysis

June 30, 2024 and 2023

The intent of providing management's discussion and analysis is to provide readers with a comprehensive overview of the New York City Business Assistance Corporation's (the "Organization") financial condition as of June 30, 2024 and 2023 and the result of its operations for the years then ended. Management has prepared the financial statements and related footnote disclosures in accordance with accounting principles generally accepted in the United States of America. This management's discussion and analysis should be used in conjunction with the audited financial statements and related footnotes of the Organization.

Background

The Organization was created with the exclusively charitable and public purposes of promoting and providing for maximum employment, maintaining and bettering job opportunities in the City of New York, supporting new and existing industries, encouraging the economic development of the City of New York and lessening the burdens of government. Over the years, the Organization has operated or assisted in numerous programs, including the Urban Summit, a conference of mayors that focused on common problems facing urban areas and the UN50 Celebration, a series of events designed to celebrate the 50th anniversary of the United Nations.

Currently, the Organization operates various programs with the ultimate goal of encouraging economic development in the City of New York. These programs serve small businesses throughout the City of New York involving assistance to community organizations and support services for businesses. These programs include the Food Business Pathway Program designed exclusively to promote entrepreneurial training for public housing residents. Another initiative is the Downtown Jamaica Storefront Improvement Program that is designed to revitalize building facades, improve commercial corridors and promote the character and stability of Downtown Jamaica. The Love Your Local Program pays for fit-out grants which will be awarded to eligible retail businesses through the Love Your Local program, a grant program designed to preserve essential local jobs, goods and services by providing marketing, technical assistance, and grants to small businesses. The Black Entrepreneurs NYC (BE NYC) creates equity of opportunity by advancing Black entrepreneurship. The Organization has also provided support following emergencies and natural disasters that have impacted small businesses.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

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Management's Discussion and Analysis

June 30, 2024 and 2023

For fiscal years ended June 30, 2024 and 2023, the Organization expended \$13,766 and \$653,238, respectively, for the various programs it currently administers. The financial highlights are detailed below.

Financial Highlights - Fiscal Year 2024

Net Position: \$2,961,165

- Cash and cash equivalents and assets limited as to use decreased by \$19,646 (or 1%)
- Accounts payable and accrued expenses decreased by \$1,000 (or 13%)

Change in Net Position: \$18,646 decrease

- Operating grants and contributions amounted to \$1,000 (or 100% increase)
- Operating expenses amounted to \$20,446 (or 97% decrease)
- Other income amounted to \$800 (or 47% decrease)

Overview of the Financial Statements

This report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The Organization follows enterprise fund reporting; therefore, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position presents the financial position of the Organization as of June 30, 2024 and 2023. It provides information about the nature and the amount of resources (assets), plus deferred outflows (as applicable), obligations (liabilities), plus deferred inflows (as applicable) and net position.

The statement of revenue, expenses and changes in net position presents the change in net position over the course of the years ended June 30, 2024 and 2023. The change in net position may be useful in assessing whether the financial position improved or deteriorated for the year.

The statement of cash flows presents the cash activities segregated by operating and investing activities. This statement may be useful in determining the changes in liquidity and in understanding how cash and cash equivalents were used during the years ended June 30, 2024 and 2023.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
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Management's Discussion and Analysis
June 30, 2024 and 2023

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis of the Organization's Net Position

The following table summarizes the Organization's financial position at June 30, 2024 and 2023 and the percentage change between the years.

	2024	2023	Variance	
			Amount	%
Current assets	\$ 225,493	\$ 232,373	\$ (6,880)	-3%
Assets limited as to use	2,742,672	2,755,438	(12,766)	-1%
Current liabilities	7,000	8,000	(1,000)	-13%
Restricted net position	2,742,672	2,755,438	(12,766)	-1%
Unrestricted net position	218,493	224,373	(5,880)	-3%

Current assets

As of June 30, 2024, the Organization had current assets of \$225,493 consisting of cash, cash equivalents, and accounts receivable. Cash and cash equivalents decreased by \$6,880 or 3% in comparison to the fiscal year. The decrease was primarily the result of expenditures allocated to the general and administrative functions of the Organization.

Assets limited as to use

As of June 30, 2024, the Organization had assets limited as to use of \$2,742,672 consisting of cash, cash equivalents and investments. Assets limited as to use decreased by \$12,766 or 1% in comparison to the prior fiscal year. The decrease was primarily the result of expenditures allocated to the programs of the Organization partially offset by the \$1,000 contributions received during the year.

Current liabilities

As of June 30, 2024, the Organization has current liabilities of \$7,000 accrual for audit fees. Current liabilities decreased by \$1,000 or 13% in comparison to prior fiscal year.

Restricted net position

The restricted net position has decreased by \$12,766 or 1% as compared to the prior year. The decrease in the restricted net position was primarily from the release from restriction of the incurred program expenses.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

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Management's Discussion and Analysis

June 30, 2024 and 2023

Unrestricted net position

The unrestricted net position has decreased by \$5,880 or 3% as compared to the prior year. The decrease in the unrestricted net position was primarily the result of general and administrative expenses incurred in the current fiscal year.

Operating Activities

The following table summarizes the Organization's operating activities for the years ended June 30, 2024 and 2023 and the percentage change between the years.

	2024	2023	Variance	
			Amount	%
Operating revenues	\$ 1,000	\$ -	\$ 1,000	100%
Operating expenses	20,446	664,577	(644,131)	-97%
Operating loss	(19,446)	(664,577)	645,131	-97%
Non-operating income	800	1,512	(712)	-47%
Change in net position	<u>\$ (18,646)</u>	<u>\$ (663,065)</u>	<u>\$ 644,419</u>	<u>-97%</u>

Operating revenues

During the current fiscal year, the Organization's operating revenues were \$1,000 which was 100% higher than prior year. The Organization received a \$1,000 funding from Strategic Funding Source, Inc. in support of the BE NYC program.

Operating expenses

During the current fiscal year, the Organization's operating expenses were \$20,446 which was 97% lower than the prior year. The decrease was primarily due to the one-time expenses recorded in 2023 which include the write-off of loan loss receivable amounting to \$287,000 and services associated with administering of the Black Entrepreneur Program.

Operating loss

Operating loss has decreased by \$645,131 or 97% in comparison to the prior fiscal year. This is mainly due to lower program expenses during the year.

Non-operating income

Non-operating income has decreased by \$712 or 47% due to the lower interest income earned in the current fiscal year from the temporary investment.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
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Statements of Net Position
As of June 30, 2024 and 2023

ASSETS	2024	2023
Current Assets		
Cash and cash equivalents (Note 3 and 8)	\$ 75,746	\$ 82,626
Accounts receivable (Note 5 and 8)	149,747	149,747
Total current assets	225,493	232,373
 Assets Limited as to Use		
Cash and cash equivalents (Note 3 and 8)	1,219,227	1,232,694
Investments (Note 4 and 8)	1,523,445	1,522,744
Total assets limited as to use	2,742,672	2,755,438
 Total Assets	\$ 2,968,165	\$ 2,987,811
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 7,000	\$ 8,000
 Commitments and Contingencies (Note 7)		
 Net Position		
Restricted - expendable (Note 6)	2,742,672	2,755,438
Unrestricted	218,493	224,373
Total net position	2,961,165	2,979,811
Total Liabilities and Net Position	\$ 2,968,165	\$ 2,987,811

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

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
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Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating revenues		
Operating grants and contributions	\$ 1,000	\$ -
Operating expenses		
Program services:		
BE NYC	11,330	353,663
Minority and Women-Owned Business Enterprise	2,436	-
WE Credit Loan/Loss Fund	-	287,000
Downtown Jamaica SIP	-	12,575
Total program services:	13,766	653,238
General & administrative	6,680	11,339
Total operating expenses	20,446	664,577
Operating loss	(19,446)	(664,577)
Non-Operating revenues		
Interest income	800	1,512
Change in net position	(18,646)	(663,065)
Net position, beginning of the year	2,979,811	3,642,876
Net position, end of the year	<u>\$ 2,961,165</u>	<u>\$ 2,979,811</u>

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

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
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Statements of Cash Flows
For the years ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Cash received from grants and contributions	\$ 1,000	\$ -
Write-off of loan loss reserve receivable	-	287,000
Payments to vendors and suppliers	(21,446)	(663,577)
Net cash used in operating activities	(20,446)	(376,577)
Cash flows from investing activities		
Interest income	800	1,512
Purchase of certificate of deposit	(701)	(1,393)
Net cash provided by investing activities	99	119
Net decrease in cash and cash equivalents	(20,347)	(376,458)
Cash and cash equivalents and assets limited as to use at the beginning of the year	1,315,320	1,691,778
Cash and cash equivalents and assets limited as to use at the end of the year	1,294,973	1,315,320
Reconciliation of net operating loss to net cash used in operating activities:		
Operating loss	(19,446)	(664,577)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Decrease in loan loss reserve receivable	-	287,000
(Decrease) increase in accounts payable and accrued expenses	(1,000)	1,000
Net cash used in operating activities	\$ (20,446)	\$ (376,577)

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

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
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Statements of Functional Expenses
For the years ended June 30, 2024 and 2023

Program Services

	BE NYC	Minority and Women-Owned Business Enterprise	Total Program Services	General & Administrative	Grand Total 2024	Total 2023
Meeting & conference	\$ 5,000	\$ 1,642	\$ 6,642	\$ 1,187	\$ 7,829	\$ 2,312
Professional services	2,000	794	2,794	4,206	7,000	320,043
Service agreement	2,000	-	2,000	-	2,000	42,250
Insurance & permit	-	-	-	814	814	118
Fringe benefits	-	-	-	338	338	-
Bad debt expense	-	-	-	-	-	287,000
Grants	-	-	-	-	-	12,375
Consulting services	-	-	-	-	-	200
Miscellaneous	2,330	-	2,330	135	2,465	279
Total expenses	\$ 11,330	\$ 2,436	\$ 13,766	\$ 6,680	\$ 20,446	\$ 664,577

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

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

(a component unit of the City of New York)

Notes to the Financial Statements

June 30, 2024 and 2023

NOTE 1: ORGANIZATION AND NATURE OF BUSINESS

New York City Business Assistance Corporation (the “Organization”) 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

Basis of Accounting and Presentation

The accompanying financial statements have been prepared using the economic resource measurement focus and accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as prescribed by Governmental Accounting Standards Board (“GASB”), Financial Accounting Standards Board (“FASB”) Statements and Interpretations and Accounting Principles Board Opinions, unless those pronouncements conflict with or contradict GASB pronouncements. The Organization has determined that it functions as an enterprise fund as defined by GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Starting for the fiscal period ended June 30, 2018, the Organization has been determined to meet the criteria established by the Governmental Accounting Standards Board (“GASB”) Statement No. 14 and as a result is classified as a component unit of New York City. Component units are separate entities, which are incorporated into The City of New York’s financial statements for reporting purposes. Pursuant to GASB 14, the Organization must be included in The New York City Comptroller’s Comprehensive Annual Financial Report.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

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Notes to the Financial Statements

June 30, 2024 and 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GASB No. 34 requires that resources be classified for accounting purposes into the following net position categories: (a) Invested in capital assets, (b) Restricted non-expendable, (c) Restricted expendable and (d) Unrestricted. The Organization's restricted expendable net position has been restricted in accordance with terms of an award agreement or by state law.

Operating activities in the statement of revenues, expenses and changes in net position are those that generally result from exchange transactions such as grants and fees. Operating revenues and expenses are those that directly relate to the organization fulfilling its mission statement including certain administrative expense. Certain other transactions that are not meeting this definition are reported as non-operating activities in accordance with GASB Statement No. 35. These non-operating activities include interest income.

Cash and Cash Equivalents and Assets Limited as to Use

For the purposes of the statement of net position and the statement of cash flows, the Organization 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. Assets limited as to use include cash and cash equivalents which have restrictions based on funding agreements.

Grants and Contracts Receivable

Grants and contracts receivable consists of costs under the grant and contract agreements which were incurred prior to year-end for which payment has not been received. Grants and contracts receivable credit risk is limited due to the nature of the grants and contracts. The Organization regularly monitors its grants and contract receivable by investigating delayed payments and differences when payments received do not conform to the amount billed. The Organization considers all grants and contracts as collectible.

Concentration of Credit Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash, cash equivalents and temporary investments.

Cash and cash equivalents are maintained at high quality financial institutions, which from time to time, exceed the federal deposit insurance coverage limit of \$250,000. However, the Organization has not experienced any losses in such accounts to date. The Organization routinely reviews its cash balances. As a consequence, the Organization believes that concentrations of credit risk are limited.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

(a component unit of the City of New York)

Notes to the Financial Statements

June 30, 2024 and 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Revenue Source

The Organization receives contributions from multiple funders. Though the Organization did not receive significant funding for the year ended June 30, 2024, the Organization expects to maintain its relationship with the funders.

Claims and Litigation

The Organization is not involved in any pending or threatened litigation, claims or assessments.

Revenue Recognition

Transactions where the Organization often receives value indirectly by providing societal benefit, although the societal benefit is not considered to be of commensurate value, are deemed to be contributions.

Contributions are presented in accordance with the recommendations of ASC Statement No. 958-605, *Accounting for Contributions Received and Contributions Made*, whereby contributions received are recorded as with donor restriction or without donor restriction support depending on the existence and/or nature of donor restrictions. When a donor stipulation expires, that is, when a stipulated time restrictions ends or the purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Conditional promises to give are not recorded as contributions until they become unconditional; that is when the barrier has been overcome and right of release/right of return no longer exists. Any funding received prior to overcoming the barrier is recognized as refundable advance.

Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions with donor restrictions and net assets released from restriction as donor restrictions are met.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

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Notes to the Financial Statements

June 30, 2024 and 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Expense Classification

The Organization distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. The principal operating revenues are grants from and through the City of New York. The Organization's operating expenses include project and program costs and general administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Organization's policy to use restricted resources first, and then unrestricted resources as needed.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Such allocations are determined by management in accordance with grant provisions or other equitable bases.

Management and General Activities

This includes functions necessary to provide support for the Organization's program activities which includes but not limited to the following: activities that provide governance, oversight, business management, financial recordkeeping, and similar functions that ensure an adequate working environment and equitable employment program.

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.

Fair Value Measurements

The Organization accounts for fair value measurements under ASC 820, *Fair Value Measurements*, which establishes a hierarchy for inputs used to measure fair value based on the nature of the data input, which generally ranges from Level 1 to Level 3. Multiple inputs may be used to measure fair value.

Level 1: Inputs to the valuation methodology that are unadjusted quoted prices for the identical assets or liabilities in active markets in which they are traded.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

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Notes to the Financial Statements

June 30, 2024 and 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Level 2: Measurements derived indirectly from observable inputs or from quoted prices for markets that are less liquid. Measurements may consider inputs that other market participants would use in valuing a portfolio, quoted market prices for similar securities, interest rates, credit risk and others.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Reclassification

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications have no effect on previously reported results of operations or net position.

Adoption of New Accounting Pronouncement

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments*. ASU No. 2016-13 requires financial assets measured at amortized cost to be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. ASU No. 2016-13 is effective for annual periods beginning after December 15, 2022, subject to early adoption.

The new accounting pronouncement has no significant impact on the financial statements of the Organization.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

(a component unit of the City of New York)

Notes to the Financial Statements

June 30, 2024 and 2023

NOTE 3: CASH AND CASH EQUIVALENTS AND ASSETS LIMITED AS TO USE: CASH AND CASH EQUIVALENTS

The Organization's cash and cash equivalents consist of cash in bank deposited in JP Morgan Chase, which was covered by the Federal Depositary Insurance Corporation ("FDIC"). FDIC provides deposit insurance up to \$250,000. Cash balance in excess of the FDIC coverage is uncollateralized.

The following table provides a reconciliation of cash and cash equivalents and assets limited as to use: cash and cash equivalents reported within the statements of net position that sum to the total of the same such amounts shown in the statements of cash flows:

	2024	2023
Cash and cash equivalents	\$ 75,746	\$ 82,626
Assets limited to use: cash and cash equivalents	1,219,227	1,232,694
Total	<u>\$ 1,294,973</u>	<u>\$ 1,315,320</u>

NOTE 4: ASSETS LIMITED AS TO USE: INVESTMENTS

Investments include certificate of deposit (CD) in the bank with original maturities of more than three months. As of audit report date, the Organization's investment consists of a CD with JP Morgan Chase amounting to \$1,500,000 that matured on October 6, 2020 with an interest rate of 1.49% per annum before maturity and 0.05% per annum after maturity. Interest income arising from the CD amounted to \$701 and \$1,393 for fiscal year ended June 30, 2024 and 2023, respectively. The fair value of the investment approximates their carrying amount due to the short-term nature of this financial asset.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
(a component unit of the City of New York)

Notes to the Financial Statements
June 30, 2024 and 2023

NOTE 5: ACCOUNTS RECEIVABLE

This account consists of grants receivable for the following programs:

	2024	2023
Small Business Financing	\$ 149,225	\$ 149,225
Immigrant for Business Initiative	522	522
Total	<u>\$ 149,747</u>	<u>\$ 149,747</u>

There were no subsequent collections as of the audit report date.

NOTE 6: RESTRICTED - EXPENDABLE

Restricted expendable net position represents resources provided by donors to fund various projects undertaken for the benefit of and on behalf of the City of New York. The following table summarizes support received from donors and expenditures made for such projects for the years ended June 30, 2024 and 2023.

	Net Position Balance at June 30, 2023	Current Year		Net Position Balance at June 30, 2024
Program Services		Contributions and Grants	Program Services	
Microgrant for Business	\$ 76,139	\$ -	\$ -	\$ 76,139
Downtown Jamaica SIP	110,194	-	-	110,194
Printer's Fund	503,997	-	-	503,997
Business Emergency Grant	93	-	-	93
Neighborhood Awards	20,352	-	-	20,352
BID - Neighborhood Challenge	166,100	-	-	166,100
Northwest Bronx Entrepreneurship - Fast Track	27,212	-	-	27,212
NYCHA Food Business Pathways	23,537	-	-	23,537
Love Your Local Grants	1,986	-	-	1,986
Minority and Women-Owned Business Enterprise	2,436	-	2,436	-
WE Credit Loan/Loss Fund	153,000	-	-	153,000
Childcare Business Pathways	27,732	-	-	27,732
125th Street Development	178,672	-	-	178,672
Sector Specific Business Pathways	175,301	-	-	175,301
Immigrant for Business Initiative	40,375	-	-	40,375
Business Pitch Education & Competition Initiative	7,275	-	-	7,275
Business Solutions/Tech Coalition	24,058	-	-	24,058
Corporate Alliance Program	8,909	-	-	8,909
Business Relocation Assistance	319,314	-	-	319,314
Healthcare Growth Services	2,938	-	-	2,938
Small Business Financing	679,118	-	-	679,118
Covid-19 Small Business Continuity	100,000	-	-	100,000
BE NYC	106,700	1,000	11,330	96,370
Total	<u>\$ 2,755,438</u>	<u>\$ 1,000</u>	<u>\$ 13,766</u>	<u>\$ 2,742,672</u>

¹ Operating expenses include project and program costs and general administrative expenses. Amount above excludes General Fund expenses of \$6,680.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

(a component unit of the City of New York)

Notes to the Financial Statements

June 30, 2024 and 2023

NOTE 7: COMMITMENTS AND CONTINGENCIES

Certain grants recognized as revenue by the Organization are subject to continued compliance with donor-imposed restrictions and conditions. In the event of noncompliance, a donor may cancel its grant agreement and may require the Organization to return any unspent amount on the grants. In addition, certain grants and contracts are subject to independent audit by the awarding agency or funding source. Such audit could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds.

Management is of the opinion that such events, if any, would not have a material impact on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such contingency.

NOTE 8: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general expenditures because of contractual or donor-imposed restrictions within one year of the date of the statement of net position:

Financial assets	2024	2023
Cash and cash equivalents	\$ 75,746	\$ 82,626
Accounts receivable	149,747	149,747
Assets limited to use		
Cash and cash equivalents	1,219,227	1,232,694
Investments	1,523,445	1,522,744
Total financial assets	2,968,165	2,987,811
Financial assets with restrictions based on funding agreements	(2,742,672)	(2,755,438)
Financial assets available to meet general expenditures over the next 12 months	\$ 225,493	\$ 232,373

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in short-term investments such as certificate of deposits. The Organization strives to maintain liquid financial assets sufficient to cover ninety (90) days of general expenditures.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

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Notes to the Financial Statements

June 30, 2024 and 2023

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 13, 2024, the date which the financial statements were available for issue. Nothing came to our attention warranting adjustment or disclosure. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

PART II – GOVERNMENT AUDITING STANDARDS SECTION

**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 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 (the "Organization"), a component unit of The City of New York, which comprise the statement of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses and changes in net position, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 13, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Padilla and Company, LLP

Jamaica, New York

September 13, 2024

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
(a component unit of the City of New York)

Schedule of Findings and Recommendations on Internal Control

June 30, 2024

Material Weaknesses:

None.

Significant Deficiencies:

None.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

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Schedule of Findings and Recommendations on Compliance and Other Matters

June 30, 2024

Material Findings:

None.

Non-material Findings:

None.