

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011



NEW YORK CITY BUSINESS ASSISTANCE CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New York City Business Assistance Corporation

We have audited the accompanying statements of financial position of the New York City Business Assistance Corporation as of June 30, 2012 and 2011, and the related statements of activities and changes in net assets and of cash flows for the years 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 audits.

We conducted our audits 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, 2012 and 2011, 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
September 12, 2012

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 and 2011

	2012	2011
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 1,462,955	\$ 1,789,764
Contribution receivable	-	702,485
Grant receivable (Note 5)	-	1,375,951
	\$ 1,462,955	\$ 3,868,200
Total Assets	\$ 1,462,955	\$ 3,868,200
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 3,796	\$ 2,088,435
	3,796	2,088,435
Total Liabilities	3,796	2,088,435
 Net Assets		
Unrestricted	242,094	360,787
Temporarily restricted (Note 6)	1,217,065	1,418,978
	1,459,159	1,779,765
Total Net Assets	1,459,159	1,779,765
Total Liabilities and Net Assets	\$ 1,462,955	\$ 3,868,200

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, 2012 and 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2012</u>	<u>Total 2011</u>
Revenues and other support				
Contributions	\$ -	\$ 57,000	\$ 57,000	\$ 705,757
Interest and dividend income	2,915	-	2,915	5,437
Miscellaneous Income	60	-	60	-
	<u>2,975</u>	<u>57,000</u>	<u>59,975</u>	<u>711,194</u>
Net assets released from restrictions				
Program restrictions satisfied	<u>256,699</u>	<u>(256,699)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	259,674	(199,699)	59,975	711,194
Expenses				
Program expenses				
MWBE	158,399	-	158,399	16,998
DEFO/CAP	44,572	-	44,572	4,185
Industrial Park Improvement	29,204	-	29,204	633,757
Neighborhood Awards	22,524	-	22,524	19,946
Business Emergency Grant	2,000	-	2,000	3,000
Total program expenses	<u>256,699</u>	<u>-</u>	<u>256,699</u>	<u>677,886</u>
Management and general expenses	<u>130,882</u>	<u>-</u>	<u>130,882</u>	<u>109,392</u>
Total expenses	<u>387,581</u>	<u>-</u>	<u>387,581</u>	<u>787,278</u>
Change in net assets	(127,907)	(199,699)	(327,606)	(76,084)
Net assets, beginning of year	360,787	1,418,978	1,779,765	1,855,849
Adjustments to net assets	<u>9,214</u>	<u>(2,214)</u>	<u>7,000</u>	<u>-</u>
Net assets, end of year	<u>\$ 242,094</u>	<u>\$ 1,217,065</u>	<u>\$ 1,459,159</u>	<u>\$ 1,779,765</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, 2012 and 2011**

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2012</u>	<u>2011</u>
Change in net assets	\$ (327,606)	\$ (76,084)
Adjustments to net assets	7,000	-
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Decrease (increase) in contributions receivable	702,485	(633,758)
Decrease in grants receivable	1,375,951	-
Increase (decrease) in accounts payable and accrued expenses	<u>(2,084,639)</u>	<u>633,756</u>
NET CASH USED IN OPERATING ACTIVITIES	(326,809)	(76,086)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(326,809)	(76,086)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,789,764</u>	<u>1,865,850</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,462,955</u>	<u>\$ 1,789,764</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, 2012 and 2011**

Expenses	BEG	Neighborhood Awards	MWBE	DEFO/CAP	IPIP	Program Services Total	Management and General	June 30, 2012 Total	June 30, 2011 Total
Salaries	\$ -	\$ -	\$ 45,493	\$ 1,800	\$ 26,204	\$ 73,497	\$ 87,029	\$ 160,526	\$ 80,457
Professional services	-	-	43,346	33,676	-	77,022	3,796	80,818	8,000
Consulting services	-	-	53,385	8,565	-	61,950	1,115	63,065	9,920
Fringe benefits	-	-	8,694	293	3,000	11,987	23,333	35,320	9,492
Development award	-	22,470	-	-	-	22,470	-	22,470	18,863
Training	-	-	-	-	-	-	11,450	11,450	-
Meetings and conferences	-	-	7,235	238	-	7,473	2,545	10,018	22,592
Grants	2,000	-	-	-	-	2,000	-	2,000	3,000
Office supplies	-	54	-	-	-	54	-	54	-
Contractual services SBS	-	-	-	-	-	-	-	-	633,757
Miscellaneous	-	-	246	-	-	246	1,614	1,860	1,197
Total Expenses	\$ 2,000	\$ 22,524	\$ 158,399	\$ 44,572	\$ 29,204	\$ 256,699	\$ 130,882	\$ 387,581	\$ 787,278

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

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 and 2011

1. ORGANIZATION AND OPERATIONS

The New York City Business Assistance Corporation (NYCBAC) is a not-for-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.

NYCBAC 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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, 2012 and 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and judgments 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 expenditures during the reporting period. Actual results could differ from those estimates.

3. CASH AND CASH EQUIVALENTS

As of June 30, 2012 and 2011, cash and cash equivalents consisted of:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
J.P. Morgan Chase Bank		
MMA account no. XXXX5865	\$ 1,417,835	\$ 1,714,919
Interest checking account no. XXXX4466	45,120	74,843
Total	<u>\$ 1,462,955</u>	<u>\$ 1,789,762</u>

4. LEASE COMMITMENTS

NYCBAC occupies office space located at 110 William Street, New York, NY 10038. The space is donated by The City of New York and no in-kind values have been recognized in the financial statements.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 and 2011

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.

6. TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2012 and 2011, temporarily restricted net assets consisted of and available for the following purposes:

<u>Program Fund</u>	2011 Balance	Cash Received	Revenue Recognized	Closed Out	2012 Balance
Printer Relocation	\$ 645,300	\$ -	\$ -	\$ -	\$ 645,300
Minority and Women-Owned Business Enterprise	428,157	-	(158,399)	-	269,758
125th Street Development	178,672	-	-	-	178,672
Neighborhood Awards	55,183	30,000	(22,524)	-	62,659
Business Emergency Grant	40,605	-	(2,000)	-	38,605
Made in New York	16,828	-	-	-	16,828
DEFO/CAP	22,815	27,000	(44,572)	-	5,243
Industrial Park Improvement	29,204	-	(29,204)	-	-
Business Solution - Satellite	254	-	-	(254)	-
Special Events	1,960	-	-	(1,960)	-
Total	<u>\$ 1,418,978</u>	<u>\$ 57,000</u>	<u>\$ (256,699)</u>	<u>\$ (2,214)</u>	<u>\$ 1,217,065</u>

7. 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.

8. SUBSEQUENT EVENTS

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

