

**NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)**

**AUDITED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

Angelito A. Ballo, CPA

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

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Independent Auditor's Report

Board of Directors
New York City Business Assistance Corporation:

Report on the Financial Statements

I have audited the accompanying financial statements of New York City Business Assistance Corporation ("NYBAC"), a component unit of The City of New York, which comprise the statements of net position as of June 30, 2019 and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. The financial statements of "NYBAC" as of June 30, 2018, and for the year then ended were audited by other auditors whose report dated September 6, 2018, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit 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 I 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 assessments, 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my 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, 2019 and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters


Management's Discussion and Analysis

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprised NYBAC's basic financial statements. The accompanying management's discussion and analysis ("MD&A") is presented for purposes of additional analysis, to supplement financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context, and although is not a required part of the basic financial statements is required by the Governmental Accounting Standards Board. I have applied certain limited procedures to the MD&A, in accordance with auditing standards generally accepted in United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated August 30, 2019 on my consideration of New York City Business Assistance Corporation's internal control over financial reporting and my 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 my 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 NYBAC's internal control over financial reporting and compliance.

 CPA
Angelito A. Ballo, CPA

New York, NY
August 30, 2019

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)

Management's Discussion and Analysis
Years Ended June 30, 2019 and 2018

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 ("NYBAC") financial condition as of June 30, 2019 and 2018 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 NYBAC.

Background

NYBAC 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, NYBAC 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 NYBAC 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 Neighborhood Challenge Grant program that pairs non-profit community organizations and tech companies to create and implement tools that address specific issues facing commercial districts. The Immigrant Business Initiative is designed to work with community partners to identify and address unique challenges faced by immigrant entrepreneurs and small business owners, particularly those of low-and-moderate income, who would like to start or expand a business in New York City. NYBAC has also provided support following emergencies and natural disasters that have impacted small businesses.

For Fiscal Years ended June 30, 2019 and 2018, NYBAC expended \$693,425 and \$634,652, respectively, for the various programs it currently administers. The financial highlights are detailed below.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)

Management's Discussion and Analysis
Years Ended June 30, 2019 and 2018

Financial Analysis of the Corporation

Net Position

The following table summarizes NYBAC's financial position at June 30, 2019 and 2018 and the percentage change between the years.

			Variance	
			Amount	%
	2019	2018		
Current assets	\$ 3,191,678	\$ 2,514,824	\$ 676,854	27%
Current liabilities	5,000	\$ 5,000	-	0%
Restricted net position	2,960,236	-	2,279,558	680,678
Unrestricted net position	\$ 226,442	-	230,266	\$ (3,824)
				(2%)

Current assets

As of June 30, 2019, NYBAC had current assets of \$3,191,678, consisting of cash and cash equivalents. Cash has increased by \$676,854 or 27% in comparison to the prior fiscal year. The increase in cash was primarily the result of an increase in contributions received in the current fiscal year for new programs such as the WEnyc Sublimit Loan Loss Reserve Fund, the Childcare Business Pathways Program, and the Sector-Specific Business Pathways Program.

Current liabilities

There was no change in the current liabilities as compared to the prior fiscal year, as the accrual of \$5,000 for the audit fee for the prior fiscal year was paid out and the same amount was accrued in the current fiscal year.

Restricted net position

The restricted net position has increased by \$680,678 or 30% as compared to the prior year. The increase in the restricted net position was primarily the result of the increase of contributions received in the current fiscal year for various programs such as the WEnyc Sublimit Loan Loss Reserve Fund, the Childcare Business Pathways Program, and the Sector-Specific Business Pathways Program.

Unrestricted net position

The unrestricted net position has decreased by \$3,824 or 2% as compared to the prior year. The decrease in the unrestricted net position was primarily the result of the general and administrative expenses incurred in the current fiscal year.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)

Management's Discussion and Analysis
Year Ended June 30, 2019 and 2018

Operating Activities

The following table summarizes NYBAC's operating activities for the years ended June 30, 2019 and 2018 and the percentage change between the years.

	2019	2018	Variance	
			Amount	%
Operating revenues	\$ 1,374,103	\$ 817,736	\$ 556,367	68%
Operating expenses	697,974	637,400	60,574	10%
Operating income	676,129	180,336	495,793	275%
Non-operating income	725	774	(49)	(6%)
Change in net position	\$ 676,854	\$ 181,110	\$ 495,744	(274%)

Operating revenues

During the current fiscal year, NYBAC received contributions totaling \$1,374,103 in comparison to \$817,736 in the prior year. As a result, NYBAC's revenues increased by \$556,367 or 68% due to the increase in contributions received in the current fiscal year for various new programs such as WENyc Sublimit Loan Loss Reserve Fund, the Childcare Business Pathways Program, and the Sector-Specific Business Pathways Program.

Operating expenses

During the current fiscal year, NYBAC's operating expenses were \$697,974 which was \$60,574 or 10% higher than the prior year, primarily due to an increase in grants and expenses paid out during the current fiscal year for existing programs.

Operating income

Operating income has increased by \$495,793, or 275% in comparison to the prior fiscal year. This is mainly due to the increase in contributions received in the current fiscal year without additional expenses to offset them.

Non-operating income

Non-operating income has decreased by \$49 or 6% due to lower interest income received in the current fiscal year.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)

STATEMENTS OF NET POSITION
AS OF JUNE 30, 2019 AND 2018

	<u>2019</u>	▲ <u>2018</u>
ASSETS		
Current assets		
Cash and cash equivalents (Note 3)	\$ <u>3,191,678</u>	\$ <u>2,514,824</u>
Total assets	\$ <u>3,191,678</u>	\$ <u>2,514,824</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	\$ <u>5,000</u>	\$ <u>5,000</u>
Total liabilities	5,000	5,000
NET POSITION		
Restricted - expendable (Note 4)	2,960,236	2,279,558
Unrestricted	<u>226,442</u>	<u>230,266</u>
Total net position	<u>3,186,678</u>	<u>2,509,824</u>
Total liabilities and net position	\$ <u>3,191,678</u>	\$ <u>2,514,824</u>

See notes to financial statements.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Operating revenues		
Operating grants and contributions	\$ 1,374,103	\$ 817,736
Total operating revenues	1,374,103	817,736
Operating expenses		
Salaries and fringe benefits	-	56,946
Consulting services	9,515	23,730
Professional services	7,105	26,135
Advertising & marketing	188	2,000
Meeting & conference	33,888	30,496
Grants	413,112	295,972
Service agreement	203,462	122,432
Insurance & permit	11,860	17,097
Miscellaneous	18,844	62,592
Total operating expenses	697,974	637,400
Operating income (loss)	<u>676,129</u>	<u>180,336</u>
Non-Operating revenues (expenses)		
Interest income	725	774
Total non-operating revenue	<u>725</u>	<u>774</u>
Change in net position	676,854	181,110
Net position, beginning	2,509,824	2,328,714
Net position, ending	<u>\$ 3,186,678</u>	<u>\$ 2,509,824</u>

See notes to financial statements.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
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STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from grants and contributions	\$ 1,374,103	\$ 817,736
Payments of employees wages and fringe benefits		(63,379)
Payments to vendors and suppliers	<u>(697,974)</u>	<u>(580,455)</u>
Net cash provided by (used in) operating activities	676,129	173,902
 Cash flows from investing activities		
Interest income	<u>725</u>	<u>774</u>
Net cash provided by investing activities	725	774
 Cash flows from capital and related financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	676,854	174,676
 Cash and cash equivalents at the beginning of the year	<u>2,514,824</u>	<u>2,340,148</u>
 Cash and cash equivalents at the end of the year	<u>\$ 3,191,678</u>	<u>\$ 2,514,824</u>
 Reconciliation of net operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 676,129	\$ 180,336
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:		
Increase (decrease) in accounts payable and accrued expenses	<u>-</u>	<u>(6,434)</u>
Net cash provided by (used in) operating activities	<u>\$ 676,129</u>	<u>\$ 173,902</u>

See notes to financial statements.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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

Starting for the fiscal period ending June 30, 2018, NYBAC 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, NYBAC must be included in The New York City Comptroller’s Comprehensive Annual Financial Report.

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.

NYBAC’s restricted expendable net position has been restricted in accordance with terms of an award agreement or by state law.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 2. Summary of Significant Accounting Policies (continued)

A. Basis of presentation (continued)

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.

B. Basis of accounting

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, 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. NYBAC 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.

C. Cash equivalents

For the purposes of the statement of net position and the statement of cash flows, 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.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 2. Summary of Significant Accounting Policies (continued)

D. Grants and contributions

Grants and contributions are classified as unrestricted or restricted net position in the accompanying statement of net position depending on any donor restriction.

E. 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 institution. Federal Depository Insurance Corporation provides deposit insurance up to \$250,000.

F. 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

At year end, NYBAC's cash and cash equivalents comprised of cash in bank deposited in JP Morgan Chase, which was covered by the Federal Depository Insurance Corporation ("FDIC"). FDIC provides deposit insurance up to \$250,000. Cash balance in excess of the FDIC coverage was uncollateralized. NYBAC did not have any resources that were considered cash equivalents.

All cash balance is available for support of specific programs and operating expenses.

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 4. Restricted - Expendable

Restricted - expendable net position consisted of and available for support of specific programs and operating purposes for the following:

<u>Program Services</u>	<u>2018 Balance</u>	<u>Current Year Contribution</u>	<u>Current Year Expense/ Released</u>	<u>2019 Balance</u>
Microgrant for Business	\$ 76,138	\$	\$	\$ 76,138
Storefront Improvement	38,883		38,883	-
Downtown Jamaica SIP	238,750	125,000	7,767	355,983
Printer's Fund	503,997			503,997
NYS Main Street Grant		5,792	1,328	4,464
Business Emergency Grant	30,605			30,605
Neighborhood Awards	20,352			20,352
BID - Neighborhood Challenge	557,166		354,111	203,055
Northwest Bronx Entrepreneurship - Fast Track	27,212			27,212
NYCHA Food Business Pathways	124,554		81,653	42,901
Love Your Local Grants	-	400,000	60,000	340,000
Minority and Women-Owned Business Enterprise	29,138		26,702	2,436
WE Credit Loan/Loss Fund		440,000		440,000
Childcare Business Pathways		75,000	16,697	58,303
125th Street Development	178,672			178,672
Sector Specific Business Pathways		250,000	110	249,890
Immigrant for Business Initiative	41,739		1,363	40,376
BEC for Immigrant Entrepreneur	25,000		25,000	-
Business Pitch Education & Competition Initiative	7,275			7,275
Business Solutions/Tech Coalition	24,058			24,058
Corporate Alliance Program	32,767		500	32,267
Business Relocation Assistance	319,314			319,314
Healthcare Growth Services	3,938		1,000	2,938
Hotel to Condo Impact Analysis		78,311	78,311	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ 2,279,558	\$ 1,374,103	\$ 693,425	\$ 2,960,236

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 5. Commitments

Pursuant to approved agreements between NYBAC and various grantees, NYBAC was committed to fund projects upon meeting the required terms and conditions of the award. Outstanding commitments consisted of the following:

Program/Grantee	Approval Date	Total Commitment	2018 YTD Total Expenses	2018 Outstanding Commitment	2019 YTD Total Expenses	2019 Outstanding Commitment
BID Neighborhood Challenge						
Graham Avenue BID	3/1/2016	\$ 100,000	\$ 35,363	\$ 64,637	\$ 35,363	closed
Made in Brownsville	11/1/2016	100,000	79,811	20,189	100,000	-
Chinatown Partnership	11/1/2017	100,000	20,691	79,309	100,000	-
Downtown Brooklyn Partnership	8/1/2017	100,000	58,000	42,000	99,731	closed
Long Island City Partnership	12/1/2017	100,000	-	100,000	100,000	-
Myrtle Avenue Revitalization Project	10/1/2017	100,000	57,848	42,152	99,983	closed
Rockaway Business Alliance	10/1/2017	100,000	30,250	69,750	100,000	-
Food Business Pathways						
NYC Housing Authority	2/9/2015	550,000	425,447	124,553	507,099	42,901
Downtown Jamaica Storefront Improvement Program						
Jones Limm LLC	5/1/2019	20,000	-	-	-	20,000
Make Me Over Beauty Bar	2/28/2019	7,476	-	-	-	7,476
New York Ophthalmology	5/26/2019	30,000	-	-	-	30,000
Rincon Salvadoreno & Jamz Café	5/29/2019	44,000	-	-	-	44,000
Laura Heim Architect PLLC	1/1/2018	78,500	-	-	19,400	59,100
Greater Jamaica Development Corporation	1/23/2018	38,500	-	-	38,500	-
NYS Main Street Grant Program						
Eric Richey Architect PLLC	5/20/2019	10,250	-	-	1,250	9,000
Flatly Read	5/20/2019	2,570	-	-	-	2,570
Love Your Local Grants						
Bruno in Harlem	12/19/2018	20,000	-	-	20,000	-
Lighthouse Fishmarket	12/14/2018	20,000	-	-	20,000	-
IDG Seaport	12/14/2018	20,000	-	-	20,000	-
Childcare Business Pathways						
Child Development Support Corporation	2/4/2019	44,700	-	-	14,700	30,000
Business Outreach Center Network	1/2/2019	12,600	-	-	-	12,600
Total		\$ 1,598,596	\$ 707,410	\$ 542,590	\$ 1,276,026	\$ 257,647

NEW YORK CITY BUSINESS ASSISTANCE CORPORATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 6. In-kind and Donated Services

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 statements.

NYBAC received from New York City Department of Small Business Services (“SBS”) administrative, financial, legal, and other services necessary for the administration of NYBAC free of charge and no in-kind value has been recognized in the financial statements.

Note 7. 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 August 30, 2019 for these financial statements.

Note 8. Contingencies

Funding contracts

Grants and contracts are subject to audit by the funding agency. Any unresolved disallowed/questioned cost noted during an audit can result to a refund/payback to the funding agency. No provision has been made for any liabilities that may arise from such audits since amount, if any, cannot be determined at this date.

Litigation

The City of New York, NYBAC and several SBS current and former employees were defendants in a federal civil lawsuit filed in September 2015 in the Southern District of New York by a former SBS employee alleging various violations of federal employment laws. The City of New York’s Law Department represented NYBAC and the City. The City of New York and NYBAC denied all the allegations and vigorously defended the lawsuit. On March 21, 2019, the claims against NYBAC have been dismissed and accordingly, the matter will not have a material effect on NYBAC’s financial condition.

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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:

I 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, a component unit of The City of New York, which comprise the statement of net position as of June 30, 2019 and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated August 30, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my 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, I 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.


My 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 my audit I did not identify any deficiencies in internal control that I 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, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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 with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

 CPA
Angelito A. Ballo, CPA

New York, NY
August 30, 2019