

**NEW YORK CITY BUSINESS RELOCATION
ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)
110 WILLIAM STREET
NEW YORK, NY 10038**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016, 2015 AND 2014**

NEW YORK CITY BUSINESS RELOCATION ASSISTANCE CORP.
(A COMPONENT UNIT OF THE CITY OF NEW YORK)

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Independent Auditor's Report

To the Board of Directors
New York City Business Relocation Assistance Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of New York City Business Relocation Assistance Corporation ("BRAC"), a component unit of The City of New York, which comprise the statement of financial position as of June 30, 2016, and the related statements of revenues, expenditures and changes in net assets, and cash flows for the year then ended, and the related notes to the financial 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 audit. We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 risks 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, 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 BRAC 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.

As noted in Note 7, BRAC, having its ability to acquire new funds for industrial retention purposes ended, has ceased operation and has filed for the dissolution and distribution of assets with the Attorney General of the State of New York.

Other Matters

Management's Discussion and Analysis

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprised BRAC'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. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We 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, We have also issued our report dated September 9, 2016 on our consideration of BRAC'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 BRAC's internal control over financial reporting and compliance.


Ballo & Co.

New York, NY
September 9, 2016

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

Management's Discussion and Analysis

The intent of providing management's discussion and analysis is to provide readers with a comprehensive overview of the New York City Business Relocation Assistance Corporation's ("BRAC") financial condition as of June 30, 2016 and the result of its operations for the year 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 BRAC.

New York City Business Relocation Assistance Corporation, having its ability to acquire new funds for industrial retention purposes ended, has ceased operation and at a special meeting of the Board of Directors of the Corporation held on July 29, 2015, a plan of dissolution and distribution of assets was duly submitted and passed by a majority vote of the Directors and that at a meeting of the members held later on the same date, the plan of dissolution and distribution of assets was approved by a vote of at least $\frac{3}{4}$ majority.

The Directors and members have approved for the transfer of all the assets owned by BRAC subject to any unpaid liabilities of the corporation to the New York Business Assistance Corporation ("NYBAC"), a non-profit organization, engaged in activities substantially similar to BRAC's activities.

The Plan of dissolution and distribution of assets is approved by the Attorney General of the State of New York on June 28, 2016.

The assets of BRAC, all monetary, for a total of \$421,844, were transferred to NYBAC on June 28, 2016. BRAC has no liabilities as of June 30, 2016.

NEW YORK CITY BUSINESS RELOCATION ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2016, 2015 AND 2014

ASSETS	<u>2016</u>	<u>2015</u>	<u>2014</u>
Current assets			
Cash and cash equivalents (Note 3)	\$ -	\$ 425,389	\$ 523,522
Total Assets	<u>\$ -</u>	<u>\$ 425,389</u>	<u>\$ 523,522</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable	\$ -	\$ 3,500	\$ 5,500
Total Liabilities	<u>-</u>	<u>3,500</u>	<u>5,500</u>
Net assets			
Restricted - Expendable (Note 6)	<u>-</u>	<u>421,889</u>	<u>518,022</u>
Total Net Assets	<u>-</u>	<u>421,889</u>	<u>518,022</u>
Total Liabilities and Net Assets	<u>\$ -</u>	<u>\$ 425,389</u>	<u>\$ 523,522</u>

See Notes to Financial Statements

NEW YORK CITY BUSINESS RELOCATION ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2016, 2015 AND 2014

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses	\$ 255	\$ 96,385	\$ 52,750
Program revenue	<u>-</u>	<u>-</u>	<u>-</u>
Net revenue (expenses)	<u>(255)</u>	<u>(96,385)</u>	<u>(52,750)</u>
General revenues			
Interest income	<u>210</u>	<u>252</u>	<u>286</u>
Total general revenue	<u>210</u>	<u>252</u>	<u>286</u>
Change in net assets	<u>(45)</u>	<u>(96,133)</u>	<u>(52,464)</u>
Add: Net assets, beginning of the year	421,889	518,022	570,486
Distribution of assets (Note 7)	<u>(421,844)</u>		
Net assets, end of the year	<u>\$ -</u>	<u>\$ 421,889</u>	<u>\$ 518,022</u>

See Notes to Financial Statements

NEW YORK CITY BUSINESS RELOCATION ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2016, 2015 AND 2014

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating revenue	\$ -	\$ -	\$ -
Total operating revenue	-	-	-
Operating expenses			
Program relocation grants		92,884	50,000
Other operating	255	3,501	2,750
Total operating expenses	<u>255</u>	<u>96,385</u>	<u>52,750</u>
Operating loss	(255)	(96,385)	(52,750)
Non-operating revenues (expenses)			
Interest income	210	252	286
Non-operating revenue	<u>210</u>	<u>252</u>	<u>286</u>
Decrease in net assets	(45)	(96,133)	(52,464)
Add: Net assets, beginning of the year	421,889	518,022	570,486
Distribution of assets (Note 7)	<u>(421,844)</u>		
Net assets, end of the year	<u>\$ -</u>	<u>\$ 421,889</u>	<u>\$ 518,022</u>
 Components of net assets at the end of the year			
Restricted - expendable	\$ -	\$ 421,889	\$ 518,022
Net assets, end of the year	<u>\$ -</u>	<u>\$ 421,889</u>	<u>\$ 518,022</u>

See Notes to Financial Statements

NEW YORK CITY BUSINESS RELOCATION ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016, 2015 AND 2014

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:			
Grants payment	\$ -	\$ (92,884)	\$ (50,000)
Payments to professionals	(3,500)	(5,500)	-
Other payments	<u>(255)</u>	<u>(1)</u>	<u>-</u>
Net cash used in operating activities	(3,755)	(98,385)	(50,000)
Cash flows from investing activities			
Interest income	<u>210</u>	<u>252</u>	<u>286</u>
Net cash provided by investing activities	210	252	286
Cash flows from capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(3,545)	(98,133)	(49,714)
Cash and cash equivalents at the beginning of the year	425,389	523,522	573,236
Distribution of cash (Note 7)	<u>(421,844)</u>		
Cash and cash equivalents at the end of the year	\$ <u>-</u>	\$ <u>425,389</u>	\$ <u>523,522</u>
Reconciliation of net operating loss to net cash used in operating activities:			
Operating loss	\$ (255)	\$ (96,385)	\$ (52,750)
Adjustments to reconcile net decrease in assets to cash used in operating activities:			
Increase (decrease) in accounts payable	<u>(3,500)</u>	<u>(2,000)</u>	<u>2,750</u>
Net cash used in operating activities	\$ <u>(3,755)</u>	\$ <u>(98,385)</u>	\$ <u>(50,000)</u>

See Notes to Financial Statements

NEW YORK CITY BUSINESS RELOCATION ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016, 2015 and 2014

1. Organization and Nature of Business

The New York City Business Relocation Assistance Corporation (“BRAC”) is a not for profit corporation incorporated in 1981 pursuant to Section 402 of the Not-for-Profit Corporation Law of the State of New York for the purpose of implementing and administering the Relocation Incentive Program (“RIP”) and other related programs. BRAC provides relocation assistance to qualifying commercial and manufacturing firms moving within the City of New York.

BRAC 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, BRAC must be included in The New York City Comptroller’s Comprehensive Annual Financial Report.

The funds for RIP were provided by owners/developers of certain residential projects, which caused the relocation of commercial and manufacturing businesses previously located at those sites. These funds consisted of conversion contributions or escrow payments mandated by the Zoning Resolution of The City of New York for this type of development. The ability of the Corporation to exact fees for residential conversion ended on January 1, 1998 per Section 1550 of the Zoning Resolution.

Specifically, the Zoning Resolution of The City of New York required developers/owners of properties within designated areas of the City to pay a conversion contribution (BRAC payment) in order to receive a building permit for the conversion of space from commercial to residential use. The price was calculated from a dollar per square foot ratio specified within the resolution and confirmed by the Board of Standards and Appeals. As stipulated by Zoning Resolution, in the event that such conversion resulted in the displacement of industrial and/or commercial businesses located within The City of New York, the developer was required to establish an escrow account for each business displaced. The funds in the escrow account would be released to the displaced business once an eligible relocation had taken place.

NEW YORK CITY BUSINESS RELOCATION ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016, 2015 AND 2014

1. Organization and Nature of Business (continued)

If the firm failed to relocate within the New York City, the funds held in escrow would be deposited into a BRAC fund (the BRAC fund). In addition, if the space to be converted was vacant for less than five (5) years, the conversion contribution was made to the BRAC fund.

All conversion contributions received by BRAC are restricted for the use of administering industrial retention/relocation programs. One such program, the Industrial Relocation Grant Program (“IRG”), provides grants up to \$30,000 to eligible New York City manufacturing firms to defray their moving costs. Grants are paid as reimbursement of moving costs after a firm completes its relocation.

In fiscal year 2007, BRAC had received \$1.5 million contributions from New York City Economic Development Corporation for the Greenpoint Relocation Program. This program is intended to help defray relocation costs for those industrial firms that may need to relocate due to the rezoning of the Greenpoint-Williamsburg area of Brooklyn. The grants are determined by the total square footage of the eligible firm’s move-out space multiplied by the current warehousing and trucking index for the maximum grant of \$50,000.

BRAC is a not-for-profit corporation operating under the Internal Revenue Code Section 501(c)(4) and is, therefore, not subject to federal, state and city taxes.

BRAC's federal tax returns for the years after 2010 remain subject to examination by the relevant taxing authorities.

At a special meeting on July 29, 2015, the Board of Directors and members of the corporation approved a plan to dissolve and distribute the assets of the corporation.

NEW YORK CITY BUSINESS RELOCATION ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016, 2015 AND 2014

2. Summary of Significant Accounting Policies

a) Basis of 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, 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.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. BRAC has determined that it functions as a Business Type Activity as defined by GASB. The significant GASB standards followed by BRAC are described as follows:

GASB Statement No. 34, Financial Statements and Management’s Discussion and Analysis for State and Local Governments: This statement establishes that the basic financial statements and required supplementary information (“RSI”) for general-purpose government units should consist of management’s discussion and analysis, basic financial statements and RSI.

GASB Statement No. 37, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus. This statement is implemented simultaneously with Statement No. 34.

GASB Statement No. 38, Certain Financial Statement Note Disclosures: This statement is implemented simultaneously with Statement No. 34.

BRAC’s policy for operating activities in the statement of revenues, expenditures and changes in net assets are those that generally result from exchange transactions such as grants and fees. Certain other transactions are reported as non-operating activities in accordance with GASB Statement No. 35. These non-operating activities include interest income.

NEW YORK CITY BUSINESS RELOCATION ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016, 2015 AND 2014

2. Summary of Significant Accounting Policies (continued):

b) Net Assets

GASB Statement No. 34 requires that resources be classified for accounting purposes into the following four net assets categories:

- i. Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repairs or improvement of those assets.
- ii. Restricted Non-expendable: Net assets subject to externally imposed conditions requiring the corporation to maintain them in perpetuity.
- iii. Restricted Expendable: Net assets whose use is subject to externally imposed conditions that can be fulfilled by the actions of the corporation or by the passage of time.
- iv. Unrestricted: All other categories of net assets, including, net assets designated by actions of the Board of Directors.

c) Basis of Accounting

BRAC, having ended its ability to generate funds for which it was created, has ceased operation and has filed for dissolution and distribution of assets with the NYS Attorney General. Accordingly, for the year ended June 30, 2016, the organization uses the Liquidation Basis of Accounting to account for its revenues and expenses. This basis of accounting is considered appropriate when liquidation of a company is imminent. Under this basis of accounting, assets are valued at their net realizable values and liabilities are stated at their estimated settlement amounts.

d) Use of 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.

NEW YORK CITY BUSINESS RELOCATION ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016, 2015 AND 2014

3. Cash and Cash Equivalents

At year end, BRAC's cash and cash equivalents comprised of cash in bank deposited in Citibank, which was covered by the Federal Depository Insurance Corporation ("FDIC"). FDIC provides deposit insurance up to \$250,000.

4. Lease Commitments

BRAC 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.

5. Related Party Transaction

There are no related party transactions between Department of Small Business Services ("SBS") and BRAC during this Fiscal Year. BRAC received from SBS administrative, financial, legal, and other services necessary for the administration of BRAC free of charge and no in-kind value has been recognized in the financial statements.

6. Net Assets

GASB No. 34 requires that resources be classified for accounting purposes into the following net asset categories: (a) Invested in Capital Assets, (b) Restricted Non-expendable, (c) Restricted Expendable and (d) Unrestricted.

BRAC's net asset is classified as restricted expendable.

NEW YORK CITY BUSINESS RELOCATION ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE CITY OF NEW YORK)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016, 2015 AND 2014

7. Plan of Dissolution and Distribution of Assets

At a special meeting of the Board of Directors of the Corporation held on July 29, 2015, a plan of dissolution was duly submitted and passed by a majority vote of the Directors and that at a meeting of the members held later on the same date, the plan of dissolution and distribution of assets was approved by a vote of at least $\frac{3}{4}$ majority.

The Directors and members have approved for the transfer of all the assets owned by BRAC subject to any unpaid liabilities of the corporation to the New York Business Assistance Corporation (“NYBAC”), a non-profit organization that is engaged in activities substantially similar to BRAC’s activities.

The Plan of dissolution and distribution of assets is approved by the Attorney General of the State of New York on June 28, 2016.

The assets of BRAC, all monetary for a total of \$421,844, were transferred to NYBAC on June 28, 2016. BRAC has no liabilities as of June 30, 2016. NYBAC is to continue the processing of applicants under the Greenpoint-Williamsburg Industrial and Manufacturing Relocation Grant Program.

8. 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 9, 2016 for these financial statements.

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 Relocation 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 Relocation Assistance Corporation which comprise the statement of financial position as of June 30, 2016 and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 9, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New York City Business Relocation 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 Relocation Assistance Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of New York City Business Relocation 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 Relocation 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 9, 2016