

**NORTHERN MANHATTAN
IMPROVEMENT CORPORATION AND AFFILIATES
FEDERAL IDENTIFICATION
NUMBER 13-2972415**

**CONSOLIDATED FINANCIAL REPORT
JUNE 30, 2013**



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Northern Manhattan Improvement Corporation and Affiliates
New York, New York

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Northern Manhattan Improvement Corporation and Affiliates (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2013 and 2012 and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Northern Manhattan Improvement Corporation and Affiliates as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

The consolidated financial statements of the Organization as of June 30, 2012 have been restated. As discussed in note 2 to the consolidated financial statements, the Organization restated its June 30, 2012 consolidated financial statements to correct the recording of the following items: 1) Reducing program income and construction management fees for the weatherization program for \$221,494 and recording it as refundable advances until the amounts are expended in accordance with grant requirements and 2) increase in the change in net assets due to the recording of additional transactions totaling \$8,035 relating to the transfer of ownership interest in 453 West 166th Street Limited Partnership to 453 West 166th Street HDFC. The above restatements resulted in a net decrease in the June 30, 2012 change in net assets by \$213,459. The above item number 1 restatement also reduced the consolidated net assets at July 1, 2011 by \$792,958. The last restatement pertained to the reversal of a loan that was deemed forgiven in 2008 and thus resulted in an increase in the consolidated net assets at July 1, 2011 by \$88,000. All of these restatements combined decreased the consolidated net assets as of July 1, 2011 by \$704,958, decreased change in net assets for the year ended June 30, 2012 by \$213,459, decreased consolidated net assets as of June 30, 2012 by \$918,417, decreased consolidated total assets by \$75,670, and increased consolidated total liabilities by \$842,747.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules of expenditures of federal awards on pages 43 to 45 are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and are not a required part of the consolidated financial statements. In addition, the accompanying supplementary information listed in the attached table of contents on pages 25 to 38 is also presented for purposes of additional information. The supplementary information and accompanying schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information and accompanying schedules have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and accompanying schedules are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The consolidating statements of financial position and statements of activities and changes in net assets as of June 30, 2012 have been restated. As reflected in the consolidating statement of activities and changes in net assets for the year ended June 30, 2012, Northern Manhattan Improvement Corporation's change in net assets for the year ended June 30, 2012 and net assets as of July 1, 2011 decreased by \$221,494 and \$792,958, respectively, due to the proper recording of construction management fees and program income as refundable advances until expended for the purpose of the grant. 453 West 166th Street Limited Partnership and NMIC West 166th Street Owner's Corporation's change in net assets increased by \$8,035 due to the recording of additional transactions relating to the transfer of ownership interest in the 453 West 166th Street Limited Partnership to 453 West 166th Street HDFC. 453 West 166th Street Limited Partnership's net assets as of July 1, 2011 increased by \$88,000 due to the reversal of the loan that was deemed satisfied in 2008. Refer to the notes to the supplementary information in the accompanying consolidating statement of activities and changes in net assets for the year ended June 30, 2012.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2013 on our consideration of Northern Manhattan Improvement Corporation and Affiliates' 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 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 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 Northern Manhattan Improvement Corporation and Affiliates' internal control over financial reporting and compliance.

Wiss & Company

WISS & COMPANY, LLP

Livingston, New Jersey
November 12, 2013

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS	June 30,	
	2013	2012
		<u>Restated</u>
CURRENT ASSETS:		
Cash and equivalents	\$ 2,179,580	\$ 3,477,047
Cash - client escrow	10,776	41,775
Grants and contracts receivable	2,270,313	3,904,933
Prepaid expenses	165,595	91,236
Other receivables	167,118	81,266
Total Current Assets	4,793,382	7,596,257
RESTRICTED DEPOSITS AND FUNDED RESERVES:		
Tenant security deposits	6,409	8,134
Reserves and mortgage escrows	85,860	37,202
Total Restricted Deposits and Funded Reserves	92,269	45,336
PROPERTY AND EQUIPMENT, NET	1,112,081	1,181,086
SECURITY DEPOSITS AND OTHER ASSETS	409,886	108,751
	\$ 6,407,618	\$ 8,931,430
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 2,107,748	\$ 3,973,908
Client escrow payable	10,776	41,775
Accrued vacation payable	163,084	200,253
Refundable advances	671,265	1,441,799
Other liabilities	17,470	11,870
Total Current Liabilities	2,970,343	5,669,605
MORTGAGE PAYABLE	2,757,202	2,683,044
COMMITMENT AND CONTINGENCY		
NET ASSETS:		
Unrestricted net assets		
Operations, designated by Board	900,000	900,000
Operations, undesignated	(616,117)	(321,219)
Total Unrestricted Net Assets	283,883	578,781
Temporarily Restricted	396,190	-
Total Net Assets	680,073	578,781
	\$ 6,407,618	\$ 8,931,430

See accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Year Ended June 30,			2012 <u>Restated</u>
	2013			
	Unrestricted	Temporarily Restricted	Total	
SUPPORT AND REVENUE:				
Support:				
Grants and contracts	\$ 11,856,761	\$ 396,190	\$ 12,252,951	\$ 17,995,896
Contributions	32,932	-	32,932	24,162
Contributed services	-	-	-	58,615
	<u>11,889,693</u>	<u>396,190</u>	<u>12,285,883</u>	<u>18,078,673</u>
Revenue:				
Program income	901,055	-	901,055	125,601
Rental income	252,616	-	252,616	332,991
Developer fees	78,900	-	78,900	259,235
Attorney fees	24,000	-	24,000	34,228
Interest income	1,986	-	1,986	7,054
Other income	136,336	-	136,336	68,244
	<u>1,394,893</u>	<u>-</u>	<u>1,394,893</u>	<u>827,353</u>
Total Support and Revenue	<u>13,284,586</u>	<u>396,190</u>	<u>13,680,776</u>	<u>18,906,026</u>
EXPENSES:				
Program services	10,905,630	-	10,905,630	16,828,219
Support services	2,317,345	-	2,317,345	2,208,104
NMIC Lead Safe House HDFC	194,674	-	194,674	195,668
453 West 166th Street LP	-	-	-	259,384
453 West 166th HDFC	161,835	-	161,835	-
NMIC West 166th Street Owner's Corporation	-	-	-	12,008
Total Expenses	<u>13,579,484</u>	<u>-</u>	<u>13,579,484</u>	<u>19,503,383</u>
CHANGE IN NET ASSETS	(294,898)	396,190	101,292	(597,357)
CHANGE IN NET ASSETS ATTRIBUTABLE TO NONCONTROLLING INTEREST	-	-	-	(41,271)
CHANGE IN NET ASSETS ATTRIBUTABLE TO CONTROLLING INTEREST	(294,898)	396,190	101,292	(638,628)
NET ASSETS, BEGINNING OF YEAR - CONTROLLING INTEREST AS PREVIOUSLY REPORTED	-	-	-	2,862,898
RESTATEMENT (NOTE 2)	-	-	-	(984,874)
BEGINNING OF YEAR AS RESTATED	<u>578,781</u>	<u>-</u>	<u>578,781</u>	<u>1,878,024</u>
TRANSFER TO 453 WEST HDFC	-	-	-	(660,615)
NET ASSETS, END OF YEAR - CONTROLLING INTEREST	<u>\$ 283,883</u>	<u>\$ 396,190</u>	<u>\$ 680,073</u>	<u>\$ 578,781</u>
NET ASSETS, BEGINNING OF YEAR - NONCONTROLLING INTEREST AS PREVIOUSLY REPORTED	\$ -	\$ -	\$ -	\$ (981,802)
RESTATEMENT (NOTE 2)	-	-	-	279,916
BEGINNING OF YEAR AS RESTATED	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (701,886)</u>
CHANGE IN NET ASSETS ATTRIBUTABLE TO NONCONTROLLING INTEREST	-	-	-	41,271
TRANSFER FROM 453 WEST LP	-	-	-	660,615
NET ASSETS, END OF YEAR - NONCONTROLLING INTEREST	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL CONSOLIDATED BEGINNING OF YEAR NET ASSETS	578,781	-	578,781	1,176,138
CONSOLIDATED CHANGE IN NET ASSETS	<u>(294,898)</u>	<u>396,190</u>	<u>101,292</u>	<u>(597,357)</u>
TOTAL CONSOLIDATED END OF YEAR NET ASSETS	<u>\$ 283,883</u>	<u>\$ 396,190</u>	<u>\$ 680,073</u>	<u>\$ 578,781</u>

See accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended June 30,	
	2013	2012
		<u>Restated</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 101,292	\$ (597,357)
Adjustments to reconcile changes in net assets from operating activities:		
Depreciation and amortization	69,006	113,710
Write off of mortgage	(1,446)	-
Amortization	-	(214)
Changes in operating assets and liabilities:		
Cash - client escrow	30,999	(18,450)
Grants and contracts receivable	1,634,620	(183,379)
Prepaid expenses	(74,359)	211,729
Other receivables	(85,852)	(58,712)
Tenant security deposits	1,725	(2,702)
Security deposits and other assets	(301,135)	(45,221)
Change in reserves and mortgage escrows	26,945	71,887
Accounts payable and accrued expenses	(1,866,160)	(297,724)
Client escrow payable	(30,999)	22,189
Accrued vacation payable	(37,169)	27,644
Refundable advances	(770,534)	(188)
Other liabilities	<u>5,600</u>	<u>(46,096)</u>
Net cash from operating activities	<u>(1,297,467)</u>	<u>(802,884)</u>
 NET CHANGE IN CASH AND EQUIVALENTS	 (1,297,467)	 (802,884)
 CASH AND EQUIVALENTS, BEGINNING OF YEAR	 <u>3,477,047</u>	 <u>4,279,931</u>
 CASH AND EQUIVALENTS, END OF YEAR	 <u>\$ 2,179,580</u>	 <u>\$ 3,477,047</u>

See accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013

	Northern Manhattan Improvement Corporation											Affiliate NMIC Lead Safe House HDFC	453 West 166th Street HDFC	NMIC West 166th Street Owner's Corporation	Total
	Program Services					Support Services					Total Expenses				
	Workforce Development	Adult Literacy	Legal Services	Organizing	Weatherization	Social Services	Total Program Services	Management and General	Program Development	Total Support Services	Total Expenses				
Salaries - Full time	\$ 1,013,414	\$ 461,582	\$ 1,423,211	\$ 313,543	\$ 683,012	\$ 640,658	\$ 4,535,420	\$ 1,080,263	\$ 176,660	\$ 1,256,923	\$ 5,792,343	\$ 19,250	\$ 7,800	\$ -	\$ 5,819,393
Salaries - Part time	7,952	398,428	13,184	4,200	-	-	423,764	-	-	-	423,764	-	-	-	423,764
Payroll taxes and fringe benefits - Full time	266,053	120,007	372,820	81,523	177,584	168,923	1,186,910	285,368	45,932	331,300	1,518,210	3,157	2,062	-	1,523,429
Payroll taxes and fringe benefits - Part time	965	48,329	1,600	509	-	-	51,403	-	-	-	51,403	-	-	-	51,403
Professional fees and program consultants	19,427	-	10,141	16,796	38,456	5,400	90,220	382,945	20,000	402,945	493,165	8,130	41,168	-	542,463
Rent - emergency	-	7,080	62,554	-	-	11,400	81,034	4,708	-	4,708	85,742	-	-	-	85,742
Repairs and maintenance	10,863	13,513	36,791	1,002	27,677	4,273	94,119	27,386	299	27,685	121,804	11,764	13,388	-	146,956
Occupancy	176,602	252,694	255,318	29,835	232,019	95,984	1,042,452	105,594	25,843	131,437	1,173,889	-	-	-	1,173,889
Utilities	13,688	11,060	25,623	630	17,989	5,549	74,539	12,896	418	13,314	87,853	40,258	35,054	-	163,165
Program expenses	5,925	11,981	929	-	114,753	1,199	134,787	2,690	-	2,690	137,477	150,000	-	-	287,477
Stipends	21,051	21,600	-	-	-	10	42,661	65	-	65	42,726	-	-	-	42,726
Day care provider payments	-	-	-	-	-	537,776	537,776	-	-	-	537,776	-	-	-	537,776
Office expenses	7,938	10,180	13,836	720	13,736	6,692	53,102	13,451	-	13,451	66,553	2,722	-	-	69,275
Postage	2,828	3,709	11,946	377	7,815	4,529	31,204	7,148	-	7,148	38,352	249	-	-	38,601
Telephone	7,482	4,501	15,835	1,065	24,608	10,130	63,621	7,741	-	7,741	71,362	596	-	-	71,958
Subcontract material and labor	10,000	-	-	-	2,190,590	-	2,200,590	-	-	-	2,200,590	-	-	-	2,200,590
Insurance	3,172	802	18,897	533	60,575	5,150	89,129	2,115	-	2,115	91,244	19,314	-	-	110,558
Meetings, conferences and training	1,953	-	4,361	-	5,007	825	12,146	4,870	-	4,870	17,016	-	-	-	17,016
Travel	1,678	169	3,263	414	6,711	1,847	14,082	7,943	-	7,943	22,025	-	-	-	22,025
Client Travel	29,885	770	763	60	-	527	32,005	2,519	-	2,519	34,524	-	-	-	34,524
Printing and publications	210	135	426	-	5,325	137	6,233	208	-	208	6,441	-	-	-	6,441
Equipment purchase	-	-	688	-	-	-	688	7,586	688	8,274	8,962	-	-	-	8,962
Equipment repair and leasing	9,649	12,036	26,846	5,681	12,955	7,235	74,402	9,144	1,559	10,703	85,105	-	-	-	85,105
Books and subscriptions	-	-	14,185	-	1,938	-	16,123	271	995	1,266	17,389	-	-	-	17,389
Property management fees	-	-	-	-	-	-	-	-	-	-	-	13,710	7,320	-	21,030
Interest	-	-	-	-	-	-	-	-	-	-	-	-	3,175	-	3,175
Performance-based contract expenses	-	-	-	-	-	-	-	22,009	-	22,009	22,009	-	-	-	22,009
Ownership transfer costs	-	-	-	-	-	-	-	-	-	-	-	-	87,652	-	87,652
Other costs	4,305	1,001	6,017	179	6,371	5,347	23,220	58,031	-	58,031	81,251	12,615	8,119	-	101,985
Total expenses before depreciation and amortization	1,615,040	1,379,577	2,319,234	457,067	3,627,121	1,513,591	10,911,630	2,044,951	272,394	2,317,345	13,228,975	281,765	205,738	-	13,716,478
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	62,909	6,097	-	69,006
Total expenses	1,615,040	1,379,577	2,319,234	457,067	3,627,121	1,513,591	10,911,630	2,044,951	272,394	2,317,345	13,228,975	344,674	211,835	-	13,785,484
Eliminations	-	-	-	-	(6,000)	-	(6,000)	-	-	-	(6,000)	(150,000)	(50,000)	-	(206,000)
Consolidated Total Expenses	\$ 1,615,040	\$ 1,379,577	\$ 2,319,234	\$ 457,067	\$ 3,621,121	\$ 1,513,591	\$ 10,905,630	\$ 2,044,951	\$ 272,394	\$ 2,317,345	\$ 13,222,975	\$ 194,674	\$ 161,835	\$ -	\$ 13,579,484

See accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2012

	Northern Manhattan Improvement Corporation										Affiliate NMIC Lead Safe House HDPC	453 West 166th Street HDPC	Restated 453 West 166th Street LP	NMIC West 166th Street Owner's Corporation	Total	
	Program Services					Support Services										
	Workforce Development	Adult Literacy	Legal Services	Organizing	Weatherization	Social Services	Total Program Services	Management and General	Program Development	Total Support Services	Total Expenses					
Salaries - full time	\$ 946,247	\$ 427,966	\$ 1,250,640	\$ 322,529	\$ 1,054,945	\$ 552,511	\$ 4,554,838	\$ 1,039,638	\$ 138,249	\$ 1,177,887	\$ 5,732,725	\$ 18,770	\$ -	\$ -	\$ -	\$ 5,751,495
Salaries - part time	-	379,396	2,400	9,270	87,300	-	478,366	-	-	-	478,366	-	-	-	-	478,366
Payroll taxes and fringe benefits - full time	273,105	123,402	360,716	93,045	304,833	159,431	1,314,532	380,049	39,869	419,918	1,734,450	2,883	-	-	-	1,737,333
Payroll taxes and fringe benefits - part time	-	46,020	290	1,128	10,378	-	57,816	-	-	-	57,816	-	-	-	-	57,816
Professional fees and program consultants	54,629	-	26,110	4,240	60,738	275	145,992	216,876	1,207	218,083	364,075	7,223	-	31,302	-	402,600
Rent-other	-	24,364	61,154	-	-	11,400	96,918	-	-	-	96,918	-	-	-	-	96,918
Repairs and maintenance	14,242	14,226	27,860	6,356	19,421	6,253	88,358	102,686	3,144	105,830	194,188	20,792	-	64,968	-	279,948
Occupancy	193,061	227,656	261,158	51,122	187,446	74,169	994,612	99,547	32,186	131,733	1,126,345	-	-	-	-	1,126,345
Utilities	14,472	11,446	18,032	1,480	24,174	5,919	75,523	6,210	2,377	8,587	84,110	34,906	-	57,678	-	176,694
Program expenses	11,746	11,217	544	-	249,032	759	273,298	-	-	-	273,298	-	-	-	-	273,298
Stipends	-	22,875	-	-	-	-	22,875	-	-	-	22,875	-	-	-	-	22,875
Day care provider payments	966,794	-	-	-	-	-	966,794	-	-	-	966,794	-	-	-	-	966,794
Office expenses	12,323	14,903	13,333	3,276	21,024	5,104	69,963	5,032	1,700	6,732	76,695	1,625	-	-	-	78,320
Postage	2,278	3,906	7,547	620	10,016	1,750	26,117	2,637	693	3,330	29,447	201	-	-	-	29,648
Telephone	13,887	9,935	28,327	919	23,002	7,426	83,496	1,940	2,314	4,254	87,750	659	-	-	-	88,409
Subcontract material and labor	-	-	-	-	7,144,015	-	7,144,015	-	-	-	7,144,015	-	-	-	-	7,144,015
Insurance	3,051	491	11,959	867	60,938	2,948	80,254	5,546	1,857	7,403	87,657	16,282	-	8,444	-	112,383
Meetings, conferences and training	188	2,400	2,530	40	52,908	360	58,426	5,522	-	5,522	63,948	-	-	-	-	63,948
Travel	845	63	1,587	915	22,684	1,301	27,395	6,842	-	6,842	34,237	-	-	-	-	34,237
Client travel	23,666	5,387	375	5	-	967	30,400	-	-	-	30,400	-	-	-	-	30,400
Printing and publications	976	254	548	665	18,176	167	20,786	1,261	315	1,576	22,362	-	-	-	-	22,362
Equipment purchase	18,089	-	628	505	10,402	2,714	32,338	7,554	-	7,554	39,892	-	-	-	-	39,892
Equipment repair and leasing	8,936	9,278	24,519	5,982	20,822	5,790	75,327	19,425	357	19,782	95,109	-	-	-	-	95,109
Books and subscriptions	31	-	12,421	26	1,338	-	13,816	2,630	-	2,630	16,446	-	-	-	-	16,446
Partnership management fees	-	-	-	-	-	-	-	-	-	-	-	11,995	-	16,164	12,032	40,191
Property management fees	-	-	-	-	-	-	-	-	-	-	-	-	-	7,664	-	7,664
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	22,736	-	22,736
Performance-based contract expenses	-	-	-	-	-	-	-	13,931	-	13,931	13,931	-	-	-	-	13,931
Contributed services	2,615	56,000	-	-	-	-	58,615	-	-	-	58,615	-	-	-	-	58,615
Other costs	12,722	266	5,582	437	13,155	828	32,990	64,783	357	65,140	98,130	17,423	-	23,388	(24)	138,917
Total expenses before depreciation and amortization	2,573,903	1,391,451	2,118,260	503,427	9,396,747	840,072	16,823,860	1,982,109	224,625	2,206,734	19,030,594	132,759	-	232,344	12,008	19,407,705
Depreciation and amortization	1,623	820	1,298	309	5,794	515	10,359	1,232	138	1,370	11,729	62,909	-	39,072	-	113,710
Total expenses	2,575,526	1,392,271	2,119,558	503,736	9,402,541	840,587	16,834,219	1,983,341	224,763	2,208,104	19,042,323	195,668	-	271,416	12,008	19,521,415
Eliminations	-	-	-	-	(6,000)	-	(6,000)	-	-	-	(6,000)	-	-	(12,032)	-	(18,032)
Consolidated Total Expenses	\$ 2,575,526	\$ 1,392,271	\$ 2,119,558	\$ 503,736	\$ 9,396,541	\$ 840,587	\$ 16,828,219	\$ 1,983,341	\$ 224,763	\$ 2,208,104	\$ 19,036,323	\$ 195,668	\$ -	\$ 259,384	\$ 12,008	\$ 19,503,383

See accompanying notes to consolidated financial statements

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Nature of Organization and Summary of Significant Accounting Policies:

Principles of Consolidation - The consolidated financial statements include Northern Manhattan Improvement Corporation (“NMIC”), NMIC Lead Safe House HDFC (“LSH”), 453 West 166th Street Housing Development Fund Corporation (“453 West HDFC”), 453 West 166th Street Limited Partnership (“453 West”), and NMIC West 166th Street Owner’s Corporation (“Ownership Corporation”) (collectively referred to as the “Organization”). The activity for 453 West and Ownership Corporation was reported through June 29, 2012, when ownership interest was transferred to 453 West HDFC (see note 3). NMIC Lead Safe House, 453 West 166th Street Housing Development Fund Corporation and 453 West 166th Street Limited Partnership (up until June 29, 2012) are consolidated based on control and economic interest. As further discussed below, Owner’s Corporation is a wholly owned subsidiary of NMIC.

The financial position and results of operations presented in the accompanying consolidated financial statements do not represent those of a single legal entity. All significant intercompany transactions and accounts have been eliminated in consolidation.

Non-Controlling Interest - This amount represented the aggregate balance of the limited partner’s equity in 453 West through June 29, 2012, when ownership interest was transferred to 453 West HDFC (see note 3).

Nature of the Organizations - NMIC is a community-based, not-for-profit organization incorporated in the State of New York in March of 1979. NMIC’s mission is to serve as a catalyst for positive change in the lives of the people in their community on their paths to secure violence-free and prosperous futures.

NMIC preserves affordable housing through legal services, community organizing and building weatherization; NMIC promotes economic self-sufficiency through adult education and workforce development; and stabilizes families through social services, health education and domestic violence intervention. All NMIC’s services are free and bilingual in English and Spanish.

LSH is a not-for-profit organization incorporated in February 2001 under the laws of the State of New York for the purpose of operating a building with 12 apartments. Five apartments are furnished and dedicated as temporary residences for lead safe housing; six apartments are rented as permanent residential units for low-income families and one unit is designated for use by the building’s superintendent. Rental units are leased to qualified tenants in order for the project to qualify as a low-income housing project under Section 42(g)(I)(b) of the Internal Revenue Code.

LSH leases space for storage and apartments totaling \$6,000 to NMIC. Two members of the Board of Directors are members of NMIC.

453 West HDFC is a not-for-profit organization incorporated in June 2012 under the laws of the State of New York for the purpose of developing, owning, rehabilitating, leasing, managing and maintaining an affordable housing project for persons of low-income. Ownership of this housing project was transferred to 453 West HDFC from 453 West on June 29, 2012.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Nature of Organization and Summary of Significant Accounting Policies: (Continued)

453 West was a limited partnership organized in September 1991 under the laws of the State of New York. Prior to June 29, 2012, the Partnership operated 13 apartments for low-income tenants located in New York, New York. Owner's Corporation was the general partner of 453 West (1% ownership) until June 29, 2012 when ownership interest in 453 West was transferred to 453 West HDFC (see note 3). Owner's Corporation is the 100% wholly owned subsidiary of NMIC.

Basis of Accounting - The consolidated financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis for Presentation - The Organization conforms with Statement of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 958, Financial Statements for Not-for-Profit Organizations. Under FASB ASC Topic 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. NMIC had accounting transactions in one of the net asset categories required by FASB ASC Topic 958. The unrestricted net assets category represents net assets that are not subject to donor-imposed stipulations.

The Organization is also in conformity with FASB ASC Topic 958-605, "Accounting for Contributions Received and Contributions Made." In conformity with FASB ASC 958-605, contributions received, if any, are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Estimates and Uncertainties - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the amounts of revenues and expenses during the reporting period. Actual results, as determined at a later date, could differ from those estimates.

Support and Revenues:

Unrestricted: All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting period in which the support is recognized. The Organization may retain net assets at the discretion of the funding sources. Any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Organization with the terms of the grants or contracts.

Program income, attorney fees, rental income, developer fees, interest income and other income are recognized when earned.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Nature of Organization and Summary of Significant Accounting Policies: (Continued)

Temporarily Restricted: Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions. The Organization's temporarily restricted net assets as of June 30, 2013 and 2012 was \$396,190 and \$0, respectively. The balance as of June 30, 2013 represents amounts that have been restricted for the initial outfitting costs of the Organization's brand new rented site.

Permanently Restricted: Amounts received that are to be held in perpetuity are reported as permanently restricted support that increases that net asset class. The Organization had no permanently restricted net assets as of June 30, 2013 and 2012.

Cash and Equivalents - Cash and equivalents include money market funds and all other highly liquid short-term investments purchased with maturities of three months or less.

Concentrations of Credit Risk - The Organization maintains cash with financial institutions. Cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,00 in each financial institution. The Organization also maintains funded escrows and reserves. All escrows and reserves are held in trust accounts in the Organization's name. At times, these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risks exists with respect to these cash balances at June 30, 2013 and 2012.

Property and Equipment - Fixed assets acquired by the Organization are considered to be owned by the Organization. Funding sources may have a reversionary interest in the property as well as the determination of use of any proceeds from the sale of these assets.

Fixed assets are recorded at cost. The Organization follows the practice of capitalizing expenditures for property, furniture and office equipment in excess of \$5,000. Depreciation and amortization of all such items is computed on a straight-line basis over the estimated useful lives of the assets generally as follows:

Building	27½ years
Furniture and equipment	5 years
Vehicles	3 years
Leasehold improvements	shorter of life of lease or leasehold improvement

Impairment of Long-Lived Assets - Management evaluates all long-lived assets for impairment. Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying amount is not fully recoverable, an impairment loss is recognized to reduce the carrying amount to fair value, and is charged to expense in the period of impairment. Management determined that there were no impairment losses recognized 2013 and 2012.

Refundable Advances - The Organization records restricted grant/contract support as a refundable advance until it is expended for the purpose of the grant/contract, at which time it becomes unconditional and is recognized as support.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Nature of Organization and Summary of Significant Accounting Policies: (Continued)

Income Taxes - NMIC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, NMIC has been determined by the Internal Revenue Services not to be a "private foundation" within the meaning of Section 509(a)(1) of the Code.

Other significant tax positions include its determination of whether any amounts are subject to unrelated business income tax (UBIT). Management has determined that NMIC had no activities subject to UBIT in the years ended June 30, 2013 and 2012. All significant tax positions have been considered by management and it has been determined that all tax positions would be sustained upon examination by taxing authorities.

LSH and 453 West HDFC are type D not-for-profit corporations as defined in Section 102(a)(5) of the not-for-profit corporation law of the State of New York. LSH and 453 West HDFC are treated as for-profit corporations for federal income tax purposes but are exempt from New York State and New York City income taxes.

453 West and Owner's Corporation were treated as partnerships and corporations for tax purposes until June 29, 2012, when ownership interest in 453 West was transferred to 453 West HDFC. Partnership taxable income or loss passed through to, and were reportable, by the partners individually, until June 29, 2012 (date of termination of 453 West).

Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition. The Organization is no longer subject to audits by the applicable taxing jurisdictions for periods prior to 2010.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributed Services - For the year ended June 30, 2013, over 29,400 hours were contributed for the adult education program, 1,974 hours for workforce and 2,820 for legal. These contributed services did not meet the criteria to be recorded in accordance with generally accepted accounting principles for not-for-profit organizations.

Subsequent Events - Management of the Organization has reviewed and evaluated all events and transactions from June 30, 2013 through November 12, 2013, the date the consolidated financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at the statement of financial position date have been recognized in the accompanying consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 - Restatement of Prior Year Consolidated Financial Statements:

The Organization restated its June 30, 2012 consolidated financial statements to correct the recording of the following items: 1) Reducing program income and construction management fees for the weatherization program for \$221,494 and recording it as refundable advances until the amounts are expended in accordance with grant requirements and 2) increase in the change in net assets due to the recording of additional transactions totaling \$8,035 relating to the transfer of ownership interest in 453 West 166th Street Limited Partnership to 453 West 166th Street HDfC. The above restatements resulted in a decrease in the June 30, 2012 change in net assets by \$213,459. The above item number 1 restatement also reduced the consolidated net assets at July 1, 2011 by \$792,958. The last restatement pertained to the reversal of a loan that was deemed forgiven in 2008 and thus resulted in a recognition of a gain for \$88,000 and consequently an increase in the consolidated net assets at July 1, 2011 by \$88,000. All of these restatements combined decreased the consolidated net assets as of July 1, 2011 by \$704,958, decreased change in net assets for the year ended June 30, 2012 by \$213,459, decreased consolidated net assets of June 30, 2012 by \$918,417, decreased consolidated total assets by \$75,670, and increased consolidated total liabilities by \$842,747.

Restatement affecting Change in Net Assets for the year ended June 30, 2012

The following is a summary of the restatements for fiscal year 2012, which resulted in a decrease in the change in net assets of \$213,459, from a negative change in net assets of \$383,898 as previously reported to a negative change in net assets of \$597,357 as restated.

	June 30, 2012 Increase (Decrease) in Net Assets
Recording of program income and construction management fees for the weatherization program as refundable advances	\$ (221,494)
Recording of additional transactions relating to the transfer of ownership interest in the 453 West 166th Street Limited Partnership	8,035
Total decrease	\$ (213,459)
Change in net assets previously reported	(383,898)
Change in net assets as restated	\$ (597,357)

The effect on the Organization's previously issued fiscal year 2012 consolidated financial statements is summarized as follows:

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 - Restatement of Prior Year Consolidated Financial Statements: (continued)

Consolidated Statement of Financial Position

	Difference between 2012 as previously reported and 2012 as restated Increase (Decrease)
Current Assets	\$ 2,086
Restricted Deposits and Funded Reserves	(77,084)
Property and Equipment, net	(12,953)
Security Deposits and Other Assets	12,281
Current Liabilities	930,747
Mortgage Payable	(88,000)
Net Assets	(918,417)

Consolidated Statement of Activities and Changes in Net Assets

	Difference between 2012 as previously reported and 2012 as restated Increase (Decrease)
Support and Revenue	\$ (98,185)
Expenses	115,274
Net change	\$ (213,459)

Net assets – Controlling, Non-Controlling Interest and Total

Controlling Interest:

Net assets, July 1, 2011, as previously reported	\$ 2,862,898
Adjustment for weatherization program income and construction management fees reportable as refundable advances	(792,958)
Reversal of loan for the 453 West (1% share of the general partner)	880
Reallocation of losses to the non-controlling interest	275,616
NMIC Lead Safe House reclassification from non-controlling	(468,412)
Total restatement	(984,874)
Net assets, July 1, 2011, as restated	\$ 1,878,024

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 - Restatement of Prior Year Consolidated Financial Statements: (continued)

Non-Controlling Interest:

Net assets, July 1, 2011, as previously reported,	\$	(981,802)
Reversal of loan for the 453 West (99% share of the limited partner)		87,120
Reallocation of losses from the general partner		(275,616)
NMIC Lead Safe House reclassification to non-controlling		468,412
Total restatement		<u>279,916</u>
Net assets, July 1, 2011, as restated	\$	<u>(701,886)</u>

Total consolidated Net Assets

Net assets, July 1, 2011, as previously reported	\$	1,881,096
Adjustment for weatherization program income and construction management fees reportable as refundable advances		(792,958)
Reversal of loan for the 453 West		88,000
Total restatement		<u>(704,958)</u>
Net assets, July 1, 2011, as restated	\$	<u>1,176,138</u>

Note 3 - Transfer of Ownership Interest in 453 West LP to 453 West HDFC:

453 West had been allocated low-income tax credits pursuant to Internal Revenue Code Section 42. 453 West passed the 15 year compliance period required by Section 42 and as a result participated in the New York City Department of Housing and Preservation Development's ("NYC HPD") "Year 15 Low Income Housing Tax Credit Preservation Program" where-in the Limited Partner's interest is turned over to the Project's not for profit Sponsor. The purpose of this program is to ensure the future financial and physical viability and to preserve the long-term affordability of City Assisted tax credit properties that are reaching year 15. Consequently on June 29, 2012, ownership interest was conveyed to 453 West HDFC. As part of this transaction, the Article VIII mortgage of \$952,444 was transferred to 453 West HDFC, with interest at 1% per annum to be computed beginning January 2014. The mortgage matures in September 2021. The New York City Housing Development Corporation and the City of New York, Department of Housing, Preservation and Development also issued a non-interest bearing loan of \$75,603, maturing on January 1, 2044 to finance additional capital improvements to the property. Expenses incurred related to the transfer of ownership interest totaled \$87,652 of which \$50,000 was eliminated in consolidation.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4 - Summary of Grant/Contract Funding:

The following summarizes NMIC's grant/contract support for the year ended June 30, 2013:

<u>Grantor/Funding Source</u>	<u>Grant/ Contract Period</u>	<u>Total Grant/ Contract</u>	<u>Recognized Support</u>
United States Department of Labor	09/01/12-12/31/15	\$ 1,080,000	\$ 215,468
United States Department of Homeland Security	10/01/12-09/30/14	160,000	60,000
New York State Homes and Community Renewal			
- Weatherization Assistance Program	04/01/12-03/31/13	2,940,478	2,940,478
- Weatherization Assistance Program	04/01/13-03/31/14	2,309,398	200,714
- Neighborhood Preservation Program	07/01/09-06/30/13	368,016	68,016
	2012-2013	50,500	<u>50,500</u>
			<u>3,259,708</u>
The State Education Department			
- Adult Education	07/01/12-06/30/13	518,315	518,315
- Adult Education/Civics	07/01/12-06/30/13	350,082	350,082
- Adult Education/Literacy Zone	07/01/12-06/30/13	324,485	324,485
- Adult Education/ALE	07/01/12-06/30/13	175,333	<u>175,333</u>
			<u>1,368,215</u>
The Office of the Court Administration NYS			
	04/01/12-03/31/13	646,000	506,000
	04/01/13-03/31/14	646,000	<u>161,500</u>
			<u>667,500</u>
New York State Department of Health			
- Child and Adult Care Food Program	10/01/12-09/30/13	347,100	347,100
	10/01/11-09/30/12	122,553	122,553
- Lead Safe House Program	07/01/12-06/30/13	32,647	<u>32,647</u>
			<u>502,300</u>
New York State Office of Temporary and Disability Assistance			
- Supplemental Nutrition Assistance Program	10/01/11-12/31/16	1,500,000	215,000
- Solutions to End Homelessness Program	10/01/12-09/30/13	258,342	<u>193,757</u>
			<u>408,757</u>
Nutrition Consortium of New York State	07/01/12-06/30/13	87,063	86,909
New York State Division of Criminal Justice	04/01/12-03/31/13	79,500	79,500
New York State Office of Children and Family Services	06/01/12-05/31/13	39,228	36,628

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4 - Summary of Grant/Contract Funding: (Continued)

<u>Grantor/Funding Source</u>	<u>Grant/ Contract Period</u>	<u>Total Grant/ Contract</u>	<u>Recognized Support</u>
City of New York - Department of Youth and Community Development			
- Young Adult Internship Program	07/01/12-06/30/13	\$ 346,300	\$ 346,300
- Young Adult Literacy Services	07/01/12-06/30/13	175,000	175,000
- Domestic Violence	07/01/12-06/30/13	146,909	146,909
- Neighborhood Development Area/Housing	07/01/12-06/30/13	113,776	113,776
- Neighborhood Development Area/Immigrants	07/01/12-06/30/13	107,023	107,023
- Immigrant Opportunity Initiative	07/01/12-06/30/13	35,000	35,000
City Council /Discretionary	07/01/12-06/30/13	30,000	<u>30,000</u>
			<u>954,008</u>
City of New York Boro President			
- Borough President	2013-2014	500,000	500,000
- Department of Health & Mental Hygiene	07/01/12-06/30/13	3,500	<u>3,500</u>
			<u>503,500</u>
City of New York - Department of Housing, Preservation & Development			
- Anti-Illegal Eviction and SRO Legal Services	07/01/12-06/30/13	123,409	123,409
- Neighborhood Preservation Consultant	01/01/12-06/30/14	251,928	95,046
- Family Self Sufficiency	04/01/12-03/31/13	146,605	89,425
- Family Self Sufficiency	04/01/13-03/31/14	146,605	31,725
- Housing Preservation Initiative	07/01/12-06/30/13	50,000	<u>50,000</u>
			<u>389,605</u>
City of New York - Criminal Justice Coordinator's Office			
	07/01/12-06/30/13	239,674	239,674
City of New York - Department of Homeless Services			
- Family Anti-Eviction	7/01/12-06/30/13	203,727	203,727
City of New York - Administration for Children's Services			
- Day Care	07/01/12-09/30/12	197,307	144,934
United Way of New York City			
- Emergency Food and Shelter Program	10/01/11-08/31/13	66,750	62,554

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4 - Summary of Grant/Contract Funding: (Continued)

<u>Grantor/Funding Source</u>	<u>Grant/Contract Period</u>	<u>Total Grant/ Contract</u>	<u>Recognized Support</u>
Non-Profit Assistance Corporation - SEEDCO			
- Back to Work	07/01/12-06/30/13	\$ 270,809	\$ 270,809
- Strong Fathers Stronger Families	08/30/12-08/29/13	348,300	255,973
- Strong Fathers Stronger Families	08/30/11-08/29/12	348,217	101,055
- Career Pathway Program	02/01/12-01/31/13	179,000	156,167
- Career Pathway Program	02/01/13-01/31/14	67,519	45,927
- Facilitated Enrollment	01/01/12-12/31/12	155,719	86,069
- Facilitated Enrollment	01/01/13-12/31/13	155,719	77,860
- Seedco Targeted Food Stamps Outreach	10/01/12-09/30/13	30,000	17,187
- Children's Health Insurance Program	08/18/12-08/17/13	15,000	13,000
- Seedco Wage Subsidy	06/01/13-06/30/13	4,961	4,961
			<u>1,029,008</u>
Interest on Lawyer Account Fund of the State of New York			
- Legal Services	04/01/12-03/31/13	630,000	472,500
	04/01/13-03/31/14	600,000	<u>150,000</u>
			<u>622,500</u>
The Consortium for Worker Education			
	07/01/12-06/30/13	75,000	75,000
	07/01/12-06/30/13	35,000	<u>35,000</u>
			<u>110,000</u>
New York State Department of State			
- Community Services Block Grant	12/01/11-09/30/12	100,000	30,000
MFY Legal Services			
	07/01/12-06/30/13	117,000	116,820
MFY Assigned Counsel Programs			
	07/01/12-06/30/13	109,820	<u>109,820</u>
			<u>226,640</u>
DoVE Safe Horizon, Inc			
	07/01/12-06/30/13	86,541	86,541
Community Service Society of New York			
	10/01/11-08/22/13	101,646	47,140
	08/24/12-08/23/13	45,226	29,847
Kingsbridge Heights Community Center			
	10/01/12-06/30/13	56,612	56,612

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4 - Summary of Grant/Contract Funding: (Continued)

<u>Grantor/Funding Source</u>	<u>Grant/Contract Period</u>	<u>Total Grant/ Contract</u>	<u>Recognized Support</u>
Mission of Peace National Corporation	10/01/12-09/30/13	\$ 45,000	\$ 33,750
	10/01/11-09/30/12	61,000	<u>15,250</u>
			<u>49,000</u>
CAMBA			
- Legal Services	04/01/12-03/31/13	42,000	42,000
Food Bank of NYC	2013	8,000	8,000
Columbia University Research	2013	5,750	2,550
<u>Other Funds:</u>			
Robinhood Foundation Single Stop, USA, Inc.	07/01/12-06/30/13	300,000	300,000
Oak Foundation	10/01/10-09/30/13	450,000	150,000
The Merck Childhood Asthma Network, Inc.	12/01/12-10/31/13	57,421	57,421
The Merck Childhood Asthma Network, Inc.	07/01/12-11/30/12	32,424	32,424
New York Community Trust	2013	50,000	50,000
Vantage Management Services	2013	50,000	50,000
William J & Dorothy K O'Neil Foundation	2013	30,000	30,000
Capital One	2013	15,000	15,000
Neuberger Berman Foundation	2013	11,000	11,000
Hyde & Watson Foundation	2013	10,000	10,000
The M&T Charitable Foundation	2013	5,000	5,000
Bank of Tokyo - Mitsubishi UFJ	2013	5,000	5,000
Riverside Church of NYC	2013	4,428	4,428
United Neighborhood Houses/EHA Foundation	2013	5,000	4,353
TD Charitable Foundation	2013	2,500	2,500
Sterling Bank	2013	2,000	2,000
Ridgewood Savings Bank	2013	1,000	<u>1,000</u>
			<u>730,126</u>
Total All Funds			<u>\$ 12,252,951</u>

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4 - Summary of Grant/Contract Funding: (Continued)

As displayed on pages 16 to 19, approximately 76% of NMIC's grant/contract funding was provided by nine funding sources: The New York State Department of Health, the New York State Homes and Community Renewal, Interest on Lawyer Account Fund of the State of New York, Non-Profit Assistance Corporation, the State Education Department/University of the State of New York, the City of New York, City of New York, Department of Youth and Community Development, Office of the Court Administration NYS, City of New York Borough President and the New York State Office of Temporary and Disability Assistance.

Note 5 - Grants and Contracts Receivable:

Grants and contracts receivable are deemed by management to be fully collectible and are comprised of the following:

	June 30,	
	2013	2012
City of New York - Department of Homeless Services	\$ 37,831	\$ 1,488
New York State Department of Health	93,043	96,312
New York State Office of Temporary and Disability Assistance	142,746	38,500
The State Education Department	147,725	314,468
City of New York - Criminal Justice Coordinator's Office	98,332	2,400
City of New York - Department of Youth and Community Development	52,342	72,223
City of New York - Department of Housing, Preservation & Development	147,056	100,029
Interest on Lawyer Account Fund of the State of New York	150,000	157,500
Non-Profit Assistance Corporation - SEEDCO	148,171	300,913
New York State Energy Research and Development Authority	-	27,174
Community Service Society of New York	16,523	21,754
DoVE Safe Horizon, Inc	86,541	79,257
New York State - Nutrition Consortium	42,198	-
New York State Homes and Community Renewal	231,869	2,130,840
City of New York Office of Borough President	503,500	-
Department of Homeland Security	19,380	-
New York State Office of Children and Family Services	-	18,221
The Consortium for Worker Education	46,932	61,441
MFY Legal Services	37,442	118,178
New York State Unified Court System	161,500	160,000
Hunger Solutions of New York, Inc.	-	37,308
New York State Department of State	-	45,000
Others	107,182	121,927
	\$ 2,270,313	\$ 3,904,933

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6 - Restricted Deposits and Funded Reserves:

As part of the transfer of ownership interest in the 453 West LP to 453 West HDFC, an amended regulatory agreement entered into between 453 West HDFC and the City of New York, requires 453 West HDFC to maintain certain escrow deposits and reserves. The reserves were previously maintained by 453 West LP under the terms of the original regulatory agreement. (See note 3)

Note 7 - Prepaid Expenses:

Prepaid expenses are comprised of the following:

	June 30,	
	2013	2012
Insurance	\$ 9,434	\$ 38,325
Rent	103,500	-
Transit Checks	35,061	38,501
Other	17,600	14,410
	\$ 165,595	\$ 91,236

Note 8 - Property and Equipment:

Property and equipment is comprised of the following:

	June 30,	
	2013	2012
		<u>Restated</u>
Land - NMIC Lead Safe House HDFC	\$ 1	\$ 1
Building - NMIC Lead Safe House HDFC	1,730,600	1,730,600
Land - 453 West HDFC	650	650
Building and equipment - 453 West HDFC	167,683	167,683
Furniture and equipment- NMIC	65,976	65,976
Vehicles- NMIC	73,380	73,380
Leasehold improvements- NMIC	128,099	128,099
	2,166,389	2,166,389
Less: Accumulated depreciation and amortization	1,054,308	985,303
	\$ 1,112,081	\$ 1,181,086

Depreciation and amortization expenses totaled \$69,006 and \$113,710 (restated) for the years ended June 30, 2013 and 2012, respectively.

Note 9 - Accrued Vacation Payable:

The liability for vacations earned but not taken has been charged to operations. Accrued vacation totaled \$163,084 and \$200,253 as of June 30, 2013 and 2012, respectively.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10 - Refundable Advances:

NMIC records restricted grant/contract support as a refundable advance until it is expended for the purpose of the grant/contract. This also includes any program income earned that have not yet been expended based on grantor requirements. Refundable advances consist of the following:

	June 30,	
	2013	2012
New York State Homes and Community Renewal		<u>Restated</u>
- Weatherization	\$ 265,504	\$ 380,245
Oak Foundation	37,500	37,500
Weatherization:		
Unspent Program Income	47,017	747,030
Unspent Construction Management Fees	315,765	267,422
Patrina Foundation	-	5,000
EHA Foundation	-	4,352
Others	5,479	250
	<u>\$ 671,265</u>	<u>\$ 1,441,799</u>

Note 11 - Commitment and Contingency:

Commitment:

NMIC leases office space at 76 Wadsworth Avenue, New York, New York under an operating lease through December 2013 at a monthly rent of \$80,325. In July 2012, NMIC signed a lease agreement for a new space commencing in January 2013 and terminating on December 31, 2045. Annual rent is for \$1,242,000 and increases by 2% throughout the lease term. The agreement provides for two renewal options of 8 years each option. Rent commitment as of June 30, 2013 is as follows:

June 30,	
2014	\$ 1,254,420
2015	1,279,509
2016	1,305,099
2017	1,331,201
2018	1,357,824
2019 and thereafter	<u>50,121,518</u>
	<u>\$ 56,649,571</u>

Rent expense for the years ended June 30, 2013 and 2012 totaled \$963,900 and \$954,450 and are included in occupancy in the consolidated statement of functional expenses.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 11 - Commitment and Contingency: (Continued)

Contingency:

NMIC is the parent of NMIC West 166th Street Owners Corporation, a wholly owned for-profit subsidiary. NMIC West 166th Street Owners Corporation is the general partner of 453 West 166th Street Limited Partnership. (a limited partnership) up until June 29, 2012 when the ownership interest of the limited partnership was transferred to 453 West HDFC. NMIC, as sponsor of 453 West LP, has guaranteed the performance of the general partner's obligations under the Partnership Agreement.

Note 12 - Mortgage Payable:

Mortgage payable is comprised of the following:

	June 30,	
	2013	2012
		<u>Restated</u>
NMIC Lead Safe House	\$ 1,730,600	\$ 1,730,600
453 West HDFC	<u>1,026,602</u>	<u>952,444</u>
	<u>\$ 2,757,202</u>	<u>\$ 2,683,044</u>

NMIC Lead Safe House:

Under the terms of the regulatory agreement, attached to the property (LSH) is an enforcement lien mortgage. Under the terms of the agreement should the covenants and restrictions be violated within 30 years from the commencement date (June, 2001), a mortgage in the amount of \$1,730,600 will be due to the City of New York. LSH was not in violation of its covenants and restrictions.

If on the 25th anniversary of the debt service date, the property is owned by a not-for-profit organization and there has been no default under the Regulatory Agreement, the unpaid principal will be considered paid in five equal annual installments, as follows:

<u>Anniversary</u>	<u>% Deemed paid</u>
26th	20%
27th	20%
28th	20%
29th	20%
30th	20%
	<u>100%</u>

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 12 - Mortgage Payable: (Continued)

LSH need not make payments on the note so long as the covenants set forth in the regulatory agreement and other loan documents are adhered to. If all regulations and covenants are adhered to for the term of the loan, the HDFC will not be required to repay any of the loan principal. However, if there is a breach of any regulations or covenants, the City of New York can call the loan and repayment will commence.

453 West and 453 West HDFC

Financing for the 13 apartments operated by 453 West consists of a mortgage from New York City Housing Development Corporation ("HDC") in the amount of \$952,444, with interest at 1% per annum together with a servicing fee of 1/4% per annum and maturing in 2021. The loan is payable interest and service fees only in equal monthly installments of \$992.

As part of the transfer of ownership interest in the 453 West to 453 West HDFC, a mortgage note amendment was entered into between the City of New York, Department of Housing and Preservation Development and 453 West HDFC for the Article VIII loan of \$952,444. A new loan for \$75,603 was received to finance additional capital improvements to the property (see Note 3).

Note 13 - Unrestricted Net Assets - Designated by Board:

The Board has designated \$900,000 of unrestricted net assets for a building fund as of June 30, 2013 and 2012.

Note 14 - Related Party Transaction:

NMIC, the Committee for the Heights-Inwood Homeless, Inc., the 502 W. 173rd Street Tenants' Association, and the 494 W. 158th Street Tenants' Association are the members of the Washington Heights HDFC. The Washington Heights HDFC is an exempt organization under section 501(c)(3) of the Internal Revenue Code (43 residential units) and was formed in May 1992. In August 1995, Washington Heights HDFC purchased 494 W. 158th Street, New York, New York, and property at 502 W. 173rd Street, New York, New York. NMIC is the sponsor of Washington Heights HDFC. As sponsor, NMIC has certain responsibilities and management duties. The tenants control Washington Heights HDFC.

Note 15 - Profit Sharing Plan:

NMIC has a 401(k) Profit Sharing Plan and trust covering all eligible employees. Included in payroll taxes and fringe benefits is \$266,375 and \$446,536 for the years ended June 30, 2013 and 2012, respectively, which represents NMIC's contributions to this plan.

Note 16 - Line-of-Credit:

NMIC has a \$1,000,000 line-of-credit with a bank which bears interest based on LIBOR. The line of credit expires in March 28, 2014. NMIC did not draw down any funds during the years ended June 30, 2013 and 2012.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2013

ASSETS	Consolidated	Eliminations	Northern Manhattan Improvement Corporation	NMIC Lead Safe House HDFC	453 West 166th Street HDFC	NMIC West 166th Street Owner's Corporation
CURRENT ASSETS:						
Cash and equivalents	\$ 2,179,580	\$ -	\$ 2,037,804	\$ 136,327	\$ 5,449	\$ -
Cash - client escrow	10,776	-	10,776	-	-	-
Grants and contracts receivable	2,270,313	-	2,270,313	-	-	-
Due from NMIC Lead Safe House HDFC	-	(600)	600	-	-	-
Due from 453 West 166th Street HDFC	-	(35,971)	25,996	9,975	-	-
Prepaid expenses	165,595	-	165,595	-	-	-
Other receivables	167,118	-	159,292	7,629	197	-
Total Current Assets	<u>4,793,382</u>	<u>(36,571)</u>	<u>4,670,376</u>	<u>153,931</u>	<u>5,646</u>	<u>-</u>
RESTRICTED DEPOSITS AND FUNDED RESERVES:						
Tenant Security Deposits	6,409	-	-	-	6,409	-
Reserves and Mortgage Escrows	85,860	-	-	-	85,860	-
Total Restricted Deposits and Funded Reserves	<u>92,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,269</u>	<u>-</u>
PROPERTY AND EQUIPMENT, NET	1,112,081	-	-	949,845	162,236	-
SECURITY DEPOSITS AND OTHER ASSETS	409,886	-	407,386	-	2,500	-
	<u>\$ 6,407,618</u>	<u>\$ (36,571)</u>	<u>\$ 5,077,762</u>	<u>\$ 1,103,776</u>	<u>\$ 262,651</u>	<u>\$ -</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	\$ 2,107,748	\$ (36,571)	\$ 2,116,457	\$ 11,666	\$ 16,196	\$ -
Client escrow payable	10,776	-	10,776	-	-	-
Accrued vacation payable	163,084	-	163,084	-	-	-
Refundable advances	671,265	-	671,265	-	-	-
Other Liabilities	17,470	-	-	11,061	6,409	-
Total Current Liabilities	<u>2,970,343</u>	<u>(36,571)</u>	<u>2,961,582</u>	<u>22,727</u>	<u>22,605</u>	<u>-</u>
MORTGAGE PAYABLE	2,757,202	-	-	1,730,600	1,026,602	-
COMMITMENT AND CONTINGENCY						
NET ASSETS:						
Unrestricted net assets						
Operations, designated by Board	900,000	-	900,000	-	-	-
Operations, undesignated	(616,117)	-	819,990	(649,551)	(786,556)	-
Total Unrestricted Net Assets	283,883	-	1,719,990	(649,551)	(786,556)	-
Temporarily restricted net assets	396,190	-	396,190	-	-	-
Total Net Assets	<u>680,073</u>	<u>-</u>	<u>2,116,180</u>	<u>(649,551)</u>	<u>(786,556)</u>	<u>-</u>
	<u>\$ 6,407,618</u>	<u>\$ (36,571)</u>	<u>\$ 5,077,762</u>	<u>\$ 1,103,776</u>	<u>\$ 262,651</u>	<u>\$ -</u>

See independent auditors' report and accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2012

ASSETS	Restated					
	Consolidated	Eliminations	Northern Manhattan Improvement Corporation	NMIC Lead Safe House HDFC	453 West 166th Street HDFC	NMIC West 166th Street Owner's Corporation
CURRENT ASSETS:						
Cash and equivalents	\$ 3,477,047	\$ -	\$ 3,232,119	\$ 244,928	\$ -	\$ -
Cash - client escrow	41,775	-	41,775	-	-	-
Grants and contracts receivable	3,904,933	-	3,904,933	-	-	-
Due from 453 West 166th Street HDFC	-	(34,061)	24,086	9,975	-	-
Prepaid expenses	91,236	-	91,236	-	-	-
Other receivables	81,266	-	79,177	-	2,089	-
Total Current Assets	<u>7,596,257</u>	<u>(34,061)</u>	<u>7,373,326</u>	<u>254,903</u>	<u>2,089</u>	<u>-</u>
RESTRICTED DEPOSITS AND FUNDED RESERVES:						
Tenant security deposits	8,134	-	-	-	8,134	-
Reserves and mortgage escrows	37,202	-	-	-	37,202	-
Total Restricted Deposits and Funded Reserves	<u>45,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,336</u>	<u>-</u>
PROPERTY AND EQUIPMENT, NET	1,181,086	-	-	1,012,754	168,332	-
SECURITY DEPOSITS AND OTHER ASSETS	108,751	-	89,751	-	19,000	-
	<u>\$ 8,931,430</u>	<u>\$ (34,061)</u>	<u>\$ 7,463,077</u>	<u>\$ 1,267,657</u>	<u>\$ 234,757</u>	<u>\$ -</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	\$ 3,973,908	\$ (34,061)	\$ 3,936,419	\$ 55,354	\$ 16,196	\$ -
Client escrow payable	41,775	-	41,775	-	-	-
Accrued vacation payable	200,253	-	200,253	-	-	-
Refundable advances	1,441,799	-	1,441,799	-	-	-
Other Liabilities	11,870	-	-	5,461	6,409	-
Total Current Liabilities	<u>5,669,605</u>	<u>(34,061)</u>	<u>5,620,246</u>	<u>60,815</u>	<u>22,605</u>	<u>-</u>
MORTGAGE PAYABLE	2,683,044	-	-	1,730,600	952,444	-
COMMITMENT AND CONTINGENCY						
NET ASSETS:						
Unrestricted net assets						
Operations, designated by Board	900,000	-	900,000	-	-	-
Operations, undesignated	(321,219)	-	942,831	(523,758)	(740,292)	-
Total Net Assets	<u>578,781</u>	<u>-</u>	<u>1,842,831</u>	<u>(523,758)</u>	<u>(740,292)</u>	<u>-</u>
	<u>\$ 8,931,430</u>	<u>\$ (34,061)</u>	<u>\$ 7,463,077</u>	<u>\$ 1,267,657</u>	<u>\$ 234,757</u>	<u>\$ -</u>

See independent auditors' report and accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2013

	Northern Manhattan Improvement Corporation				NMIC Lead Safe House HDFC	453 West 166th Street HDFC	NMIC West 166th Street Owner's Corporation
	Consolidated	Eliminations	Unrestricted	Temporarily Restricted			
SUPPORT AND REVENUES:							
Support							
Grants and contracts	\$ 12,252,951	\$ -	\$ 11,856,761	\$ 396,190	\$ 12,252,951	\$ -	\$ -
Contributions	32,932	-	32,932	-	32,932	-	-
Contributed services	-	-	-	-	-	-	-
	<u>12,285,883</u>	<u>-</u>	<u>11,889,693</u>	<u>396,190</u>	<u>12,285,883</u>	<u>-</u>	<u>-</u>
Revenues							
Program income	901,055	(150,000)	1,051,055	-	1,051,055	-	-
Partnership Management Fees	-	-	-	-	0	-	-
Rental income	252,616	(6,000)	10,500	-	10,500	154,003	94,113
Developer fees	78,900	(50,000)	128,900	-	128,900	-	-
Attorney fees	24,000	-	24,000	-	24,000	-	-
Interest income	1,986	-	1,986	-	1,986	-	-
Other income (loss)	136,336	-	-	-	-	64,878	71,458
	<u>1,394,893</u>	<u>(206,000)</u>	<u>1,216,441</u>	<u>-</u>	<u>1,216,441</u>	<u>218,881</u>	<u>165,571</u>
Total Support and Revenues	<u>13,680,776</u>	<u>(206,000)</u>	<u>13,106,134</u>	<u>396,190</u>	<u>13,502,324</u>	<u>218,881</u>	<u>165,571</u>
EXPENSES							
Program services	10,905,630	(6,000)	10,911,630	-	10,911,630	-	-
Support services	2,317,345	-	2,317,345	-	2,317,345	-	-
NMIC Lead Safe House HDFC	194,674	(150,000)	-	-	-	344,674	-
453 West 166th Street HDFC	161,835	(50,000)	-	-	-	-	211,835
Total Expenses	<u>13,579,484</u>	<u>(206,000)</u>	<u>13,228,975</u>	<u>-</u>	<u>13,228,975</u>	<u>344,674</u>	<u>211,835</u>
CHANGE IN NET ASSETS	101,292	-	(122,841)	396,190	273,349	(125,793)	(46,264)
LOSSES ALLOCATED TO NONCONTROLLING INTEREST	-	-	-	-	-	-	-
CHANGE IN NET ASSETS ATTRIBUTABLE TO CONTROLLING INTEREST	101,292	-	(122,841)	396,190	273,349	(125,793)	(46,264)
NET ASSETS, BEGINNING OF YEAR - CONTROLLING INTEREST	578,781	-	1,842,831	-	1,842,831	(523,758)	(740,292)
NET ASSETS, END OF YEAR - CONTROLLING INTEREST	<u>\$ 680,073</u>	<u>\$ -</u>	<u>\$ 1,719,990</u>	<u>\$ 396,190</u>	<u>\$ 2,116,180</u>	<u>\$ (649,551)</u>	<u>\$ (786,556)</u>
NET ASSETS, BEGINNING OF YEAR - NON-CONTROLLING INTEREST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET ASSETS ATTRIBUTABLE TO NON-CONTROLLING INTEREST	-	-	-	-	-	-	-
NET ASSETS, END OF YEAR - NON-CONTROLLING INTEREST	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL CONSOLIDATED END OF YEAR NET ASSETS	<u>\$ 680,073</u>	<u>\$ -</u>	<u>\$ 1,719,990</u>	<u>\$ 396,190</u>	<u>\$ 2,116,180</u>	<u>\$ (649,551)</u>	<u>\$ (786,556)</u>

See independent auditors' report and accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2012

	Restated						
	Consolidated	Eliminations	Northern Manhattan Improvement Corporation	NMIC Lead Safe House HDFC	453 West 166th Street HDFC	Non-Controlling Interest 453 West 166th Street LP	NMIC West 166th Street Owner's Corporation
SUPPORT AND REVENUES							
Support							
Grants and contracts	\$ 17,995,896	\$ -	\$ 17,995,896	\$ -	\$ -	\$ -	\$ -
Contributions	24,162	-	24,162	-	-	-	-
Contributed services	58,615	-	58,615	-	-	-	-
	<u>18,078,673</u>	<u>-</u>	<u>18,078,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues							
Program income	125,601	-	125,601	-	-	-	-
Partnership management fees	-	(12,032)	-	-	-	-	12,032
Rental income	332,991	(6,000)	48,344	140,322	-	150,325	-
Developer fees	259,235	-	259,235	-	-	-	-
Attorney fees	34,228	-	34,228	-	-	-	-
Interest income	7,054	-	3,523	-	-	3,496	35
Other income (loss)	68,244	573	-	-	-	68,357	(686)
	<u>827,353</u>	<u>(17,459)</u>	<u>470,931</u>	<u>140,322</u>	<u>-</u>	<u>222,178</u>	<u>11,381</u>
Total Support and Revenues	<u>18,906,026</u>	<u>(17,459)</u>	<u>18,549,604</u>	<u>140,322</u>	<u>-</u>	<u>222,178</u>	<u>11,381</u>
EXPENSES							
Program services	16,828,219	(6,000)	16,834,219	-	-	-	-
Support services	2,208,104	-	2,208,104	-	-	-	-
NMIC Lead Safe House HDFC	195,668	-	-	195,668	-	-	-
453 West 166th Street LP	259,384	(12,032)	-	-	-	271,416	-
NMIC West 166th Street Owner's Corporation	12,008	-	-	-	-	-	12,008
Total Expenses	<u>19,503,383</u>	<u>(18,032)</u>	<u>19,042,323</u>	<u>195,668</u>	<u>-</u>	<u>271,416</u>	<u>12,008</u>
CHANGE IN NET ASSETS	(597,357)	573	(492,719)	(55,346)	-	(49,233)	(627)
TRANSFERS	-	-	-	-	-	90,926	(90,926)
CHANGE IN NET ASSETS ALLOCATED TO NONCONTROLLING INTEREST	(41,271)	-	-	-	-	(41,271)	-
CHANGE IN NET ASSETS ATTRIBUTABLE TO CONTROLLING INTEREST	(638,628)	573	(492,719)	(55,346)	-	417	(91,553)
NET ASSETS, BEGINNING OF YEAR - CONTROLLING INTEREST AS PREVIOUSLY REPORTED	2,862,898	287,500	3,128,508	-	-	(287,500)	(265,610)
RESTATEMENT	(984,874)	(275,616)	(792,958)	(468,412)	-	276,496	275,616
BEGINNING OF YEAR AS RESTATED	1,878,024	11,884	2,335,550	(468,412)	-	(11,004)	10,006
TRANSFER TO 453 WEST HDFC	(660,615)	(12,457)	-	-	(740,292)	10,587	81,547
NET ASSETS, END OF YEAR - CONTROLLING INTEREST	\$ 578,781	\$ -	\$ 1,842,831	\$ (523,758)	\$ (740,292)	\$ -	\$ -
NET ASSETS, BEGINNING OF YEAR - NON-CONTROLLING INTEREST AS PREVIOUSLY REPORTED	\$ (981,802)	\$ -	\$ -	\$ (468,412)	\$ -	\$ (513,390)	\$ -
RESTATEMENT	279,916	-	-	468,412	-	(188,496)	-
BEGINNING OF YEAR AS RESTATED	\$ (701,886)	\$ -	\$ -	\$ -	\$ -	\$ (701,886)	\$ -
CHANGE IN NET ASSETS ATTRIBUTABLE TO NON-CONTROLLING INTEREST	41,271	-	-	-	-	41,271	-
TRANSFER FROM 453 WEST LP TO 453 WEST HDFC	660,615	-	-	-	-	660,615	-
NET ASSETS, END OF YEAR - NON-CONTROLLING INTEREST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CONSOLIDATED END OF YEAR NET ASSETS	<u>\$ 578,781</u>	<u>\$ -</u>	<u>\$ 1,842,831</u>	<u>\$ (523,758)</u>	<u>\$ (740,292)</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Above supplementary information was restated for the following items:

- 1) Decrease in program income by \$221,494 due to proper recording of construction management fees and program income as refundable advances until expended for weatherization related purposes. Beginning net assets as of July 1, 2011 was also reduced by \$792,958 for the same purpose.
- 2) Reallocation of partnership losses between the general partner and the limited partner by \$275,616.
- 3) Increase in July 1, 2011 net assets of 453 West 166th Street LP for the Section 17 loan of \$88,000 that was deemed forgiven.
- 4) Recording of additional transactions pertaining to the transfer of ownership interest in the 453 West LP to 453 West HDFC by \$8,035.
- 5) Reclassification of NMIC Lead Safe House net assets from non-controlling to controlling.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SUPPLEMENTARY INFORMATION

NEW YORK STATE HOMES AND COMMUNITY RENEWAL
WEATHERIZATION ASSISTANCE
SCHEDULE IN SUPPORT OF PROGRAM COMPLIANCE

YEAR ENDED JUNE 30, 2013

Grant C091041/2012 Contract Period 04/01/2012 3/31/2013	Grant C091041/2013 Contract Period 04/01/2013 3/31/2014
--	--

Completed Units Information

Total number of units contracted for	467	307
Total number of units completed per client files as of June 30, 2013	753	-
Total number of units certified as acceptable and complete by the New York State Homes and Community Renewal as of June 30, 2013	-	-

See independent auditors' report and accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SUPPLEMENTARY INFORMATION

NEW YORK STATE HOMES AND COMMUNITY RENEWAL
WEATHERIZATION ASSISTANCE
GRANT NUMBER C091041/2012
SCHEDULE OF ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2013

ASSETS

CURRENT ASSETS:

Cash	\$ -
Grant Receivable - NYS Homes and Community Renewal	244,728
Inventory	14,773
Due from Other Funds	<u>1,127,853</u>
	<u>\$ 1,387,354</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITES -

Accounts payable	\$ 1,372,581
Due to Other Funds	<u>-</u>
	1,372,581

RESTRICTED NET ASSETS - INVENTORY

<u>14,773</u>
<u>\$ 1,387,354</u>

See independent auditors' report and accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SUPPLEMENTARY INFORMATION

NEW YORK STATE HOMES AND COMMUNITY RENEWAL
WEATHERIZATION ASSISTANCE - GRANT NUMBER C091041/2012

SCHEDULE OF ACCOUNTS PAYABLE

JUNE 30, 2013

<u>Invoice Date</u>	<u>Vendor</u>	<u>Amount</u>
Various	A.S.K Construction, Inc.	\$ 22,921
Various	Apartment House Supply	3,149
Various	Brooklyn Mechanical Heating Corp.	128,150
Various	Commissioner of Motor Vehicles	209
Various	CSG Services, Inc.	4,120
Various	Everyday Mechanical Corporation	7,600
Various	Fred Davis Corp.	1,530
Various	Klairgar, Inc.	5,000
Various	Nextel Communications	1,090
Various	NYS Division of Housing and Community	55,109
Various	P.C. Richard	(2,028)
Various	Real Quality windows Corp.	769,588
Various	Riverdale Electrical Services, Inc.	124,566
Various	Shell	317
Various	SNS Energy Distribution Corporation	226,260
Various	Wiss and Company, LLP	25,000
		<u>\$ 1,372,581</u>

See independent auditors' report and accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SUPPLEMENTARY INFORMATION

NEW YORK STATE HOMES AND COMMUNITY RENEWAL
WEATHERIZATION ASSISTANCE - GRANT NUMBER C091041/2012

SCHEDULE OF REVENUES AND EXPENDITURES

PROJECT PERIOD APRIL 1, 2012 TO JUNE 30, 2013

	(Unaudited) Budgeted Amount	Incurred Ended 6/30/2012	Audit Ended 6/30/2013	Total 4/1/2012 6/30/2013	Over (Under) Budget
REVENUES - GRANT INCOME	\$ 2,940,478	\$ -	\$ 2,940,478	\$ 2,940,478	\$ -
EXPENDITURES MATERIAL COSTS:					
Agency	90,000	-	102,978	102,978	(12,978)
Subcontracted	900,000	-	1,409,538	1,409,538	(509,538)
	990,000	-	1,512,516	1,512,516	(522,516)
LABOR COSTS:					
Agency Salaries and Fringes	625,999	-	601,586	601,586	24,413
Subcontracted	798,685	-	370,965	370,965	427,720
	1,424,684	-	972,551	972,551	452,133
PROGRAM SUPPORT:					
Building maintenance	9,864	-	12,385	12,385	(2,521)
Office supplies	7,000	-	9,411	9,411	(2,411)
Office space	93,009	-	111,036	111,036	(18,027)
Insurance/bonding	3,982	-	-	-	3,982
Warehouse	6,000	-	4,500	4,500	1,500
Weatherization tools/supplies	3,000	-	2,602	2,602	398
Utilities/fuel	5,813	-	9,453	9,453	(3,640)
Vehicle Insurance	7,200	-	6,885	6,885	315
Office furniture/equipment	3,000	-	-	-	3,000
Vehicle maintenance	7,000	-	4,992	4,992	2,008
Travel	5,000	-	2,616	2,616	2,384
Weatherization equipment	3,000	-	-	-	3,000
Health and safety	2,000	-	154	154	1,846
Telecommunications	27,000	-	16,535	16,535	10,465
Postage and shipping	5,791	-	5,528	5,528	263
Advertising/ marketing	5,311	-	1,080	1,080	4,231
Printing and copying	20,000	-	5,325	5,325	14,675
Dues/fees	3,000	-	500	500	2,500
Energy audit	45,000	-	25,500	25,500	19,500
Other allowance	21,200	-	16,306	16,306	4,894
	283,170	-	234,808	234,808	48,362
LIABILITY INSURANCE	40,600	-	40,600	40,600	-
FINANCIAL AUDIT	25,000	-	25,000	25,000	-
TRAINING AND TECHNICAL ASSISTANCE	30,000	-	7,979	7,979	22,021
ADMINISTRATIVE COSTS:					
Salaries and fringe	105,458	-	101,920	101,920	3,538
Other allowance	41,566	-	45,104	45,104	(3,538)
	147,024	-	147,024	147,024	-
TOTAL EXPENDITURES	2,940,478	-	2,940,478	2,940,478	-
REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SUPPLEMENTARY INFORMATION

NEW YORK STATE HOMES AND COMMUNITY RENEWAL
WEATHERIZATION ASSISTANCE - GRANT NUMBER C091041/2012

SCHEDULE OF QUESTIONED COSTS
PROJECT PERIOD APRIL 1, 2012 TO JUNE 30, 2013

NONE

See independent auditors' report and accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SUPPLEMENTARY INFORMATION

NEW YORK STATE HOMES AND COMMUNITY RENEWAL
WEATHERIZATION ASSISTANCE - GRANT NUMBER C091041/2013

SCHEDULE OF REVENUES AND EXPENDITURES

PROJECT PERIOD APRIL 1, 2013 TO MARCH 31, 2014

	(Unaudited) Budgeted Amount	Inurred audit 7/1/2012 6/30/2013	Total 7/1/2012 6/30/2013	Over (Under) Budget
REVENUES - GRANT INCOME	\$ 1,770,024	\$ 200,714	\$ 200,714	\$ 1,569,310
EXPENDITURES MATERIAL COSTS:				
Agency	10,000	-	-	10,000
Subcontracted	432,549	-	-	432,549
	<u>442,549</u>	<u>-</u>	<u>-</u>	<u>442,549</u>
LABOR COSTS:				
Agency Labor	713,946	171,398	171,398	542,548
Subcontracted	262,485	-	-	262,485
	<u>976,431</u>	<u>171,398</u>	<u>171,398</u>	<u>805,033</u>
PROGRAM SUPPORT:				
Building maintenance	9,500	1,368	1,368	8,132
Office supplies	7,500	-	-	7,500
Office space	109,000	-	-	109,000
Insurance/bonding	3,982	-	-	3,982
Warehouse	6,000	-	-	6,000
Weatherization tools/supplies	3,000	-	-	3,000
Utilities/fuel	6,150	1,809	1,809	4,341
Vehicle Insurance	3,500	-	-	3,500
Office furniture/equipment	3,000	-	-	3,000
Vehicle maintenance	3,500	-	-	3,500
Travel	3,000	672	672	2,328
Weatherization equipment	2,000	-	-	2,000
Staff development	-	-	-	-
Health and safety	2,000	-	-	2,000
Telecommunications	12,000	1,118	1,118	10,882
Postage and shipping	5,690	-	-	5,690
Advertising/ marketing	-	-	-	-
Printing and copying	4,221	-	-	4,221
Dues/fees	2,000	-	-	2,000
Energy audit	7,500	-	-	7,500
Other allowance	15,500	1,618	1,618	13,882
	<u>209,043</u>	<u>6,585</u>	<u>6,585</u>	<u>202,458</u>
LIABILITY INSURANCE	<u>32,500</u>	<u>-</u>	<u>-</u>	<u>32,500</u>
FINANCIAL AUDIT	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
TRAINING AND TECHNICAL ASSITANCE	<u>6,000</u>	<u>500</u>	<u>500</u>	<u>5,500</u>
ADMINISTRATIVE COSTS:				
Salaries and fringe	84,813	21,204	21,204	63,609
Other allowance	3,688	1,027	1,027	2,661
	<u>88,501</u>	<u>22,231</u>	<u>22,231</u>	<u>66,270</u>
CAPITAL EQUIPMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,770,024</u>	<u>200,714</u>	<u>200,714</u>	<u>1,569,310</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report and accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NEW YORK CITY - ADMINISTRATION FOR CHILDREN'S SERVICES
 AGENCY FOR CHILD DEVELOPMENT - BUDGET ID NUMBER 13-935EX

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET VS. ACTUAL

YEAR ENDED JUNE 30, 2013

	(Unaudited) Budgeted Amount	Total 7/1/2012 9/30/2012	Over (Under) Budget
REVENUES:			
ACS	\$ 197,307	\$ 144,934	\$ 52,373
Parent Fees	-	19,365	(19,365)
	<u>197,307</u>	<u>164,299</u>	<u>33,008</u>
EXPENDITURES:			
Personnel costs:			
ACS regular salaries	14,853	13,595	1,258
Fringe Benefits	2,667	3,925	(1,258)
FCC Initiative Code 37	-	-	-
	<u>17,520</u>	<u>17,520</u>	<u>-</u>
PROVIDER PARENTS STIPENDS	<u>177,218</u>	<u>144,210</u>	<u>33,008</u>
OTHER NON-ITEMIZED OTPS COSTS:			
Classroom supply and equipment:	1,014	1,014	-
Other OTPS	1,555	1,555	-
	<u>2,569</u>	<u>2,569</u>	<u>-</u>
TOTAL EXPENDITURES	<u>197,307</u>	<u>164,299</u>	<u>33,008</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

**NEW YORK CITY - ADMINISTRATION FOR CHILDREN'S SERVICES
AGENCY FOR CHILD DEVELOPMENT - BUDGET ID NUMBER 13-935EX**

**DETAILED EXPLANATION OF QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

NONE

**NEW YORK CITY - ADMINISTRATION FOR CHILD DEVELOPMENT
AGENCY FOR CHILD DEVELOPMENT - BUDGET ID NUMBER 13-935 EX**

**SCHEDULE OF CONSULTANTS
YEAR ENDED JUNE 30, 2013**

NONE

**NEW YORK CITY - ADMINISTRATION FOR CHILD DEVELOPMENT
AGENCY FOR CHILD DEVELOPMENT - BUDGET ID NUMBER 13-935 EX**

**SCHEDULE OF FIXED ASSETS INVENTORY
YEAR ENDED JUNE 30, 2013**

NONE

See accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

**NEW YORK CITY ADMINISTRATION FOR CHILDREN'S SERVICES
AGENCY FOR CHILD DEVELOPMENT - BUDGET ID NUMBER 13-935 EX**

SCHEDULE OF QUANTITATIVE PROGRAM RESULTS

YEAR ENDED JUNE 30, 2013

1. Average Daily Attendance

A. The average daily attendance for the twelve months under audit (July - September) is 78 children a day.

B. This program is contracted to serve 25 providers a day.

2. Average Number of Meals Served

N/A

3. Average "Raw Food" Cost Per Meal

N/A

See accompanying notes to consolidated financial statements.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

EXIT CONFERENCE

Grantee: Northern Manhattan Improvement Corporation
Address: 76 Wadsworth Avenue New York, New York 10033
Period Audited: Year ended June 30, 2013
Where Held: Northern Manhattan Improvement Corporation
Date Held: November 5, 2013
In Attendance For:
Northern Manhattan Improvement Corporation
Barbara Lawry - Executive Director
Rosaura Morales - CFO
Maria Lizardo - Assistant Executive Director of Programs
John Lyons - Board Member
Arnold Weinstein - Board Member
Elaine Reiss - Board Member

Wiss & Company, LLP
Michael Andriola, CPA - Partner
Stephanie Mendoza, CPA - Manager

Subjects Discussed

1. Findings and Recommendations
2. The Draft and Final Report Processing Procedures
3. Grantee's right of response to Findings and Recommendations

Grantee's Comments

NONE

See accompanying notes to consolidated 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 AUDITORS' REPORT

Board of Directors
Northern Manhattan Improvement Corporation and Affiliates
New York, New York

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 of America, the consolidated financial statements of Northern Manhattan Improvement Corporation and Affiliates, which comprise the statements of financial position as of June 30, 2013 and 2012 and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 12, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Northern Manhattan Improvement Corporation and Affiliate'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Northern Manhattan Improvement Corporation and Affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of the Northern Manhattan Improvement Corporation and Affiliate'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 consolidated financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northern Manhattan Improvement Corporation and Affiliate's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. 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 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 with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wiss & Company

WISS & COMPANY, LLP

Livingston, New Jersey
November 12, 2013



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITORS' REPORT

Board of Directors
Northern Manhattan Improvement Corporation and Affiliates
New York, New York

Report on Compliance for Each Major Federal Program

We have audited Northern Manhattan Improvement Corporation and Affiliate's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. Northern Manhattan Improvement Corporation and Affiliate's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Northern Manhattan Improvement Corporation and Affiliate's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Northern Manhattan Improvement Corporation and Affiliate's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Northern Manhattan Improvement Corporation and Affiliate's compliance.

Opinion on Each Major Federal Program

In our opinion, Northern Manhattan Improvement Corporation and Affiliates complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Northern Manhattan Improvement Corporation and Affiliates is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Northern Manhattan Improvement Corporation and Affiliate's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Northern Manhattan Improvement Corporation and Affiliate's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



WISS & COMPANY, LLP

Livingston, New Jersey
November 12, 2013

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity's Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed through the City of New York, Department of Homeless Services			
- Temporary Assistance for Needy Families	93.558	N/A	\$ 101,863
Passed through the Non-Profit Assistance Corporation - SEEDCO			
- Temporary Assistance for Needy Families	93.558	N/A	202,094
- Wage Subsidy	93.558	N/A	4,961
- Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.558	N/A	86,283
Passed through the New York State Office of Children & Family Services			
- Settlement House	93.558	N/A	36,628
Sub-total			<u>431,829</u>
Passed through the New York City Community Service Society			
- Health Advocates Services	93.519	N/A	29,847
- Health Advocates Services	93.527	N/A	47,140
Passed through Columbia University			
- Cancer Centers Support Grants	93.397	N/A	2,550
Passed through MFY Legal Services			
- Title III-B of the Older American Act of 1965 Grants for Support Services	93.044	N/A	105,138
Passed through the Non-Profit Assistance Corporation - SEEDCO			
- Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	N/A	357,028
Passed through the New York State Homes and Community Renewal			
- Low Income Home Energy Assistance	93.568	C091041/2011	2,444,647
Passed through the City of New York, New York City Department of Youth and Community Development			
- Community Services Block Grant - Housing	93.569	N/A	113,776
- Community Services Block Grant - Immigration	93.569	N/A	107,023
- Domestic Violence	93.569	N/A	146,909
Passed through the State of New York, Department of State			
- Community Services Block Grant	93.569	N/A	30,000
Sub-total			<u>397,708</u>
Passed through City of New York - Administration for Children's Services			
- Childcare and Development Block Grant	93.575	N/A	81,146
Passed through the Non-Profit Assistance Corporation - SEEDCO			
- Children's Health Insurance Program	93.767	N/A	13,000
Passed through the Non-Profit Assistance Corporation - SEEDCO			
- Medical Assistance Program	93.778	N/A	163,929
Sub-total			<u>\$ 4,073,962</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity's Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through the State Education Department/The University of the State of NY - Adult Education - Basic Grants to States	84.002	N/A	\$ 1,368,215
U.S. Department of Agriculture			
Passed through the Nutrition Consortium of New York State - Food Stamp Outreach	10.561	N/A	39,331
Passed through the Non-Profit Assistance Corporation - SEEDCO - Supplemental Nutrition Assistance Program	10.561	N/A	17,187
- Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	10.561	N/A	97,298
Passed through the New York State Office of Temporary & Disability Assistance - Supplemental Nutrition Assistance Program	10.561	N/A	<u>215,000</u>
Sub-total			<u>368,816</u>
Passed through the New York State Department of Health - Child and Adult Care Food Program	10.558	N/A	469,653
U.S. Department of Housing and Urban Development			
Passed through the New York State Office of Temporary & Disability Assistance - Emergency Solutions Grant Program	14.231	N/A	193,757
Passed through the Mission of Peace National Corporation - Housing Counseling Assistance Program	14.169	N/A	49,000
Passed through the City of New York Department of Housing Preservation and Development - Community Development Block Grants/Entitlement Grants	14.218	N/A	95,046
- Section 8 Housing Choice Vouchers	14.871	N/A	121,150
U.S. Department of Energy			
Passed through the New York State Homes and Community Renewal - Weatherization Assistance Program	81.042	C091041/2011	<u>696,545</u>
Sub-total			<u>\$ 3,362,182</u>

See accompanying Schedule of Expenditures of Federal Awards.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity's Identifying Number	Federal Expenditures
U.S. Department of Homeland Security			
- Citizenship Grant Program	97.010	N/A	\$ 60,000
Passed through the United Way of New York City			
- Emergency Food and Shelter National Board Program	97.024	N/A	62,554
U.S. Department of Labor			
- Youthbuild	17.274	N/A	<u>215,468</u>
Total Expenditures of Federal Awards			<u>\$ 7,774,166</u>

See accompanying Schedule of Expenditures of Federal Awards.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

YEAR ENDED JUNE 30, 2013

Note 1 – Basis of Presentation:

The accompanying schedule of expenditures of federal awards present the activity of all federal awards of Northern Manhattan Improvement Corporation and Affiliates received directly from federal agencies as well as passed through other government agencies for the year ended June 30, 2013. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedules present only a selected portion of the operations of Northern Manhattan Improvement Corporation and Affiliates, it is not intended to and does not present the financial position, changes in net assets or cash flows of Northern Manhattan Improvement Corporation and Affiliates.

Note 2 – Summary of Significant Accounting Policies:

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	___ Yes	___ X ___	No
Reportable condition(s) identified not considered to be material weaknesses?	___ Yes	___ X ___	None reported
Non-compliance material to financial statements noted?	___ Yes	___ X ___	No

Federal Awards

Internal Control over major programs:	Unmodified		
Material weakness(es) identified?	___ Yes	___ X ___	No
Reportable condition(s) identified not considered to be material weaknesses?	___ Yes	___ X ___	None Reported

Type of auditors' report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	___ Yes	___ X ___	No

Identification of major programs:

Federal	CFDA Number	Amount
Community Services Block Grant - Housing	93.569	\$ 113,776
Community Services Block Grant - Immigration	93.569	107,023
Domestic Violence	93.569	146,909
Community Services Block Grant	93.569	30,000
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	357,028
Food Stamp Outreach	10.561	39,331
Supplemental Nutrition Assistance Program	10.561	17,187
Emergency Contingency Fund for TANF	10.561	97,298
Food Stamp Employment & Training	10.561	215,000
Adult Education - Basic Grants to States	84.002	1,368,215

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
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Qualified as low-risk auditee	___ X ___	___ ___	No
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NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2013

Section II. Financial Statements Findings

NONE

Section III. Federal Award Findings and Questioned Costs

NONE

NORTHERN MANHATTAN IMPROVEMENT CORPORATION AND AFFILIATES

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2013

Status of Prior Year Findings

There were no prior year findings.