

**DOWNTOWN ALBANY RESTORATION
PROGRAM, INC.**

**FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR'S REPORT**

Years Ended December 31, 2020 and 2019

**ROBERT J. PALMERINO
*CERTIFIED PUBLIC ACCOUNTANT***

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Downtown Albany Restoration Program, Inc.
Albany, New York

I have audited the accompanying financial statements of Downtown Albany Restoration Program, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Downtown Albany Restoration Program, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Robert J. Palmerino

September 14, 2021
Albany, New York

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

**STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 506,726	\$ 574,692
Investments - Certificates of Deposits	314,029	311,159
Due from the City of Albany	75,611	13,266
Contribution receivable	50,000	-
Prepaid expenses	22,179	19,498
Stabilization grants notes receivable	56,821	-
Loan receivable	36,725	-
Other receivables	76,772	62,332
Property and equipment, net of accumulated depreciation	<u>9,799</u>	<u>14,096</u>
TOTAL ASSETS	<u>\$ 1,148,662</u>	<u>\$ 995,043</u>
LIABILITIES		
Accounts payable	\$ 25,691	\$ 32,113
Accrued expenses	23,358	10,764
Reserve for assessment reductions	<u>50,000</u>	<u>50,000</u>
TOTAL LIABILITIES	<u>99,049</u>	<u>92,877</u>
NET ASSETS		
Without donor restrictions:		
Investment in property and equipment	9,799	14,096
Board designated:		
Reserve for assessments	50,000	50,000
Special projects	240,655	180,987
Non assessment	549,159	507,083
Operating reserve	<u>150,000</u>	<u>150,000</u>
Total without donor restrictions	999,613	902,166
With donor restrictions	<u>50,000</u>	<u>-</u>
Total net assets	<u>1,049,613</u>	<u>902,166</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,148,662</u>	<u>\$ 995,043</u>

See independent auditor's report and notes to financial statements.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

**STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues and Support:		
Assessment revenue	\$ 850,136	\$ 796,445
PILOT properties	28,424	28,424
Other income	111,405	276,251
PPP loan forgiveness	65,100	-
Employee retention credit	25,000	-
Interest income	1,981	1,359
Donated items and services	<u>2,700</u>	<u>11,346</u>
Total unrestricted revenues and support	<u>1,084,746</u>	<u>1,113,825</u>
Expenses:		
Program Services:		
Business development	245,303	314,937
Marketing	234,206	207,052
Clean and safe	194,121	187,653
Visual improvements	<u>170,501</u>	<u>176,404</u>
Total Program Services	<u>844,131</u>	<u>886,046</u>
Supporting Services:		
Management and general	<u>143,168</u>	<u>182,455</u>
Total program and supporting services	987,299	1,068,501
Assessment reductions	<u>-</u>	<u>44,633</u>
Total expenses	<u>987,299</u>	<u>1,113,134</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>97,447</u>	<u>691</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contribution	<u>50,000</u>	<u>-</u>
INCREASE IN NET ASSETS	147,447	691
NET ASSETS, beginning of year	<u>902,166</u>	<u>901,475</u>
NET ASSETS, end of year	<u>\$1,049,613</u>	<u>\$ 902,166</u>

See independent auditor's report and notes to financial statements.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	<u>PROGRAM SERVICES</u>				<u>SUPPORTING SERVICES</u>	<u>2020 Program and Supporting Services</u>	
	<u>Business Development</u>	<u>Marketing</u>	<u>Clean and Safe</u>	<u>Visual Improvements</u>	<u>Total Program</u>	<u>Management and General</u>	
Salaries and related	\$ 75,876	\$ 120,318	\$ 53,743	\$ 73,397	\$ 323,334	\$ 100,721	\$ 424,055
Subcontracts	5,417	35,576	130,800	78,922	250,715	-	250,715
Other grants	78,525	-	-	-	78,525	-	78,525
Supplies	35,038	20,403	593	5,911	61,945	862	62,807
Professional fees	3,432	3,064	1,369	1,869	9,734	24,613	34,347
Stabilization grants	31,000	-	-	-	31,000	-	31,000
Special events	-	24,664	-	-	24,664	-	24,664
Occupancy	3,995	6,335	2,830	3,864	17,024	5,303	22,327
Insurance	2,203	3,494	1,560	2,131	9,388	2,925	12,313
Public relations	5,261	4,639	-	-	9,900	-	9,900
Dues and subscriptions	1,502	2,381	1,064	1,453	6,400	1,993	8,393
Advertising	-	7,616	-	-	7,616	-	7,616
Telephone	1,099	1,742	778	1,063	4,682	1,459	6,141
Depreciation	1,035	1,641	733	1,001	4,410	1,374	5,784
Equipment lease and maintenance	623	988	441	603	2,655	827	3,482
Annual meeting	-	-	-	-	-	2,697	2,697
Travel and entertainment	218	346	154	211	929	289	1,218
Publications	-	874	-	-	874	-	874
Postage	79	125	56	76	336	105	441
TOTAL EXPENSES	<u>\$ 245,303</u>	<u>\$ 234,206</u>	<u>\$ 194,121</u>	<u>\$ 170,501</u>	<u>\$ 844,131</u>	<u>\$ 143,168</u>	<u>\$ 987,299</u>

See independent auditor's report and notes to financial statements.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019**

	<u>PROGRAM SERVICES</u>					<u>SUPPORTING SERVICES</u>	<u>2019 Program and Supporting Services</u>
	<u>Business Development</u>	<u>Marketing</u>	<u>Clean and Safe</u>	<u>Visual Improvements</u>	<u>Total Program</u>	<u>Management and General</u>	
Salaries and related	\$ 63,972	\$ 100,462	\$ 38,986	\$ 57,050	\$ 260,470	\$ 127,334	\$ 387,804
Subcontracts	-	-	135,627	74,805	210,432	-	210,432
Other grants	183,400	-	-	-	183,400	-	183,400
Supplies	2,016	6,111	5,195	33,073	46,395	1,514	47,909
Professional fees	1,782	2,798	1,086	1,588	7,254	23,226	30,480
Stabilization grants	-	-	-	-	-	-	-
Special events	48,253	68,653	-	-	116,906	-	116,906
Occupancy	3,700	5,810	2,255	3,298	15,063	7,364	22,427
Insurance	1,107	1,739	675	986	4,507	2,204	6,711
Public relations	4,425	-	-	-	4,425	-	4,425
Dues and subscriptions	953	1,497	581	850	3,881	1,897	5,778
Advertising	-	11,615	-	-	11,615	-	11,615
Telephone	925	1,453	564	826	3,768	1,842	5,610
Depreciation	1,286	2,019	784	1,147	5,236	2,559	7,795
Equipment lease and maintenance	568	892	346	509	2,315	1,131	3,446
Annual meeting	-	-	-	-	-	8,311	8,311
Travel and entertainment	1,342	2,107	818	1,196	5,463	2,670	8,133
Publications	1,021	1,603	622	910	4,156	2,032	6,188
Postage	187	293	114	166	760	371	1,131
TOTAL EXPENSES	<u>\$ 314,937</u>	<u>\$ 207,052</u>	<u>\$ 187,653</u>	<u>\$ 176,404</u>	<u>\$ 886,046</u>	<u>\$ 182,455</u>	<u>\$ 1,068,501</u>

See independent auditor's report and notes to financial statements.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

**STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 147,447	\$ 691
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Reserve for assessment reductions	-	-
Depreciation	5,784	7,795
Change in operating assets that provide (use) cash:		
Due from the City of Albany	(62,345)	540
Contribution receivable	(50,000)	-
Prepaid expenses	(2,681)	13,373
Other receivables	(14,440)	(6,332)
Change in operating liabilities that provide (use) cash:		
Accounts payable	(6,422)	15,244
Accrued expenses	<u>12,594</u>	<u>(796)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>29,937</u>	<u>30,515</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Stabilization notes receivable	(56,821)	-
Loan receivable	(36,725)	-
Certificates of Deposit	(2,870)	(2,176)
Purchase of property and equipment	<u>(1,487)</u>	<u>(1,654)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(97,903)</u>	<u>(3,830)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(67,966)	26,685
CASH AND CASH EQUIVALENTS, beginning of year	<u>574,692</u>	<u>548,007</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 506,726</u>	<u>\$ 574,692</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Unrelated business taxes	<u>\$ 250</u>	<u>\$ 250</u>

See independent auditor's report and notes to financial statements.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 1 - ORGANIZATION AND MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Mission

The Downtown Albany Restoration Program, Inc. d/b/a Downtown Albany Business Improvement District, Inc. (BID) was formed in 1996 under the Not-For-Profit Corporation Laws of New York State. The primary purpose of the BID is to restore, promote and maintain the character and viability of downtown Albany and to improve the quality of life and overall image for those who live, work and visit the Capital City.

Program Services

The BID's four major programs within the specified boundaries of the improvement district include the following:

Business Development - Cultivate business development activities through partnerships with property owners, real estate community, and City, State and County representatives for recruitment and attraction.

Marketing - Create and implement special events and programming and maintain a public relations campaign.

Clean and Safe - Provide assistance in maintaining and augmenting clean streets/curbs, trash pickup and cleaning of snow and ice from crosswalk intersections; and working collaboratively with the Albany Police Department.

Visual Improvements - Collaborate with property owners and city officials to research, develop and implement streetscape improvement strategies.

Supporting Services

Maintenance and General

This supporting service category includes the functions necessary to secure proper administrative functioning of the BID's governing board, maintain an adequate working environment, and manage financial responsibilities of the BID.

Economic Dependency

The district was created pursuant to legislation passed by the Common Council of the City of Albany, New York. The City of Albany contracts with the BID to provide services within the district. Should the Common Council decide to terminate the contract, the BID would be required to pursue alternate funding sources since its revenues are derived almost exclusively from its contract with the City of Albany.

Basis of Accounting Presentation

The financial statements are prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 1 - ORGANIZATION AND MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Assets

Non-profit organizations are required to report information regarding their financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

The BID reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, that net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Management Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include valuation allowances for receivables and reserves for assessment reductions. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ, significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 1 - ORGANIZATION AND MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Tax Status

The BID qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and comparable New York State laws and has been classified as an organization other than a private foundation. It is, however, subject to taxes on unrelated business income earned primarily through advertising placed in periodicals published by the BID.

Income tax benefits are recognized for income tax positions taken or expected to be taken on a tax return, only when it is deemed that the income tax position will be more likely than not sustained upon examination by taxing authorities. The BID believes that its income tax positions would be sustained under examination by taxing authorities. There are currently no examinations in progress, and the BID believes it is no longer subject to income tax examinations for the tax years prior to 2017.

Functional Expenses

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the BID are reported as expenses of those functional areas. A portion of management and general expenses that benefit multiple functional areas (indirect costs) have been allocated across programs and other supporting services based on the percentage of time employees spend on program and supporting services.

Investments - Certificates of Deposits

Certificates of deposit mature within 8 months from December 31, 2020 and are stated at cost because that approximates market value.

Measure of Operations

The statement of activities includes all changes in net assets resulting from operating and nonoperating activities. Operating activities consist of those activities related to the BID's mission and program services and interest earned on investments. Nonoperating activities are of an unusual or nonrecurring nature.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 1 - ORGANIZATION AND MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment

Purchases of property and equipment are reported at cost. Donations of property and equipment are recorded at their estimated fair value at the date of donation. Assets are depreciated over periods of 3 to 10 years, which approximates estimated useful lives.

Assessment Revenue Recognition

The BID has entered into a contract with the City of Albany (City) whereby, in exchange for managing programs in downtown Albany, the City levies a special real estate assessment on taxable and non-taxable (PILOT - payments in lieu of taxes) commercial properties within the Business Improvement District, collects the funds, and holds them for the BID. The BID recognizes revenue from the assessments when they are levied by the City, irrespective of whether the BID has received or expended the funds. The City remits monies to the BID based on vouchered amounts that are comprised of the BID's actual monthly expenditures incurred. Fees collected by the City but not yet drawn by the BID earn interest on the BID's behalf. If the fees are still unspent at year-end, they are carried forward for use in the next fiscal year. Assessments deemed uncollectible by the City are turned over to the County for collection. Although there is no formal agreement in place, the County has traditionally reimbursed the City for those assessments when it assumes collective action.

Reclassifications

Certain amounts for the year ended December 31, 2019, have been reclassified to conform to the presentation for the year ended December 31, 2020.

Accounting Pronouncements Adopted

The BID adopted ASU 2014-09 *Revenue from Contracts with Customers* as of January 1, 2020. The ASU is based on the principles that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The adoption of this pronouncement does not have a significant impact on the financial statements.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 1 - ORGANIZATION AND MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounting Pronouncements Adopted - Continued

The BID adopted ASU 2018-08 “*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*” as of January 1, 2019 and has applied the amendment of this standard on a modified prospective basis and elected to apply the standard only to agreements that were entered into after the effective date, where the BID serves as the resource recipient. This standard did not result in a material change to the financial statements or the timing of revenue recognition for the BID’s contributions. The comparative information has not been restated and continues to be reported under the accounting standard in effect for those periods. The amendments for transactions in which the entity serves as the resource provider (for contributions made by the BID) will be applicable to annual periods beginning after December 15, 2019 and will be adopted by the BID at that time.

The BID adopted ASU 2016-15 “*Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*” and ASU 2016-18, “*Statement of Cash Flows (Topic 230): Restricted Cash*” as of January 1, 2019. The ASU amended the presentation of certain cash transactions. The adoption of these pronouncements had no effect on the BID’s financial statements.

Contribution Revenue

The BID recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the condition are met. There were no conditional promises to donate for the years ended December 31, 2020 and 2019. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues without donor restrictions.

Any funds received that are considered conditional are initially recorded as a refundable advance (liability). Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

The contribution receivable as of December 31, 2020 is due in 2021.

Subsequent Events

Management has evaluated subsequent events through September 14, 2021, the date on which the financial statements were available to be issued.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 2 - RESERVE FOR ASSESSMENT REDUCTIONS

There have been numerous grievances filed protesting the assessments of properties located within the BID's district. Any adjustments to the assessments could result in refunds to the property owners. Management has recorded a reserve for estimated refunds due to assessment reductions in the amount of \$50,000 as of December 31, 2020 and 2019. The reserve is established at year end and is based on current expectations and historical analysis of settlements and liabilities.

Assessment reductions of \$-0- and \$44,633 for the years ended December 31, 2020 and 2019, respectively, were based on the settlement of excess assessments from prior years.

NOTE 3 - LINE-OF-CREDIT

The BID had a line-of-credit with Community Bank (formerly The National Union Bank of Kinderhook) secured by the business assets of the BID. Interest was charged at prime rate plus 1.00% with a minimum interest rate of 4.75% and had a maximum borrowing limit of \$250,000. The prime rate was 4.75% as of December 31, 2019. The line-of-credit expired March 1, 2020. There was no outstanding balance under the line-of-credit as of December 31, 2019.

NOTE 4 - LOAN RECEIVABLE

Loan receivable due from the Albany Center Galleries, Inc. d/b/a Albany Gallery (Gallery) due based on the receipt by the Gallery of a grant from the NYS Department of Housing and Community Renewal. Interest is not charged.

NOTE 5 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of December 31:

	<u>2020</u>	<u>2019</u>
Equipment, furniture and fixtures	\$ 82,655	\$ 81,167
Less accumulated depreciation	<u>72,856</u>	<u>67,071</u>
Total	<u>\$ 9,799</u>	<u>\$ 14,096</u>

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 6 - DONATED ITEMS AND SERVICES

During 2020 and 2019, the BID recorded donated items and services as follows:

	<u>2020</u>	<u>2019</u>
<u>Revenues and Support</u>		
Contributions	\$ <u>2,700</u>	\$ <u>11,346</u>
<u>Expenses</u>		
Special events	\$ 1,200	\$ 9,013
Parking	-	2,333
Professional fees	<u>1,500</u>	<u>-</u>
	<u>\$ 2,700</u>	<u>\$ 11,346</u>

A substantial number of unpaid volunteers, mainly board members, have made significant contributions of their time to the organization. The value of their time is not reflected in these financial statements because it is not susceptible to objective measurement and valuation.

NOTE 7 - PENSION PLAN

The BID participates in a salary reduction pension plan, which is intended to conform to, and qualify under, Section 401(k) of the Internal Revenue Code. All employees are eligible to participate after 30 days of service. The BID matches a certain percentage of employee contributions after one year of service. The matching contributions were \$7,580 and \$5,055 and for the years ended December 31, 2020 and 2019, respectively.

NOTE 8 - LIQUIDITY

The BID's financial assets available within one year of the statement of financial position for general expenditures are as follows:

	<u>2020</u>	<u>2019</u>
Cash	\$ 506,726	\$ 574,692
Certificates of deposit	314,029	311,159
Due from City of Albany	75,111	13,266
Contribution receivable	50,000	-
Prepaid expenses	22,179	19,498
Stabilization grants notes receivable	56,821	-
Loan receivable	36,725	-
Other receivables	25,872	16,332
With donor restrictions	(50,000)	-
Board designated	<u>(999,613)</u>	<u>(888,070)</u>
Total financial assets available for general expenditures	<u>\$ 37,850</u>	<u>\$ 46,877</u>

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 8 - LIQUIDITY - Continued

The BID maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations become due. The BID has Board Designated net assets without donor restrictions that, while the BID does not intend to spend for purposes other than those identified, the amounts could be made available for current operations, if necessary.

NOTE 9 - STABILIZATION GRANTS

As small businesses experienced major economic impacts related to COVID-19, the Downtown Albany Business Improvement District (BID) made available one-time business stabilization forgiveness loans up to \$3,000 for eligible small businesses. The program focused on brick-and-mortar small businesses located within the BID boundaries in industries with the highest impact from the pandemic, including retail (storefront), restaurant/food industry, and personal care.

The loans are forgivable upon the submittal of receipts supporting the approved expenditures outlined in the grant application. Recipients must also attend a one hour webinar held through the Small Business Development Center at the University of Albany.

Recipients not meeting the forgiveness requirements must repay the loan over an 18-month period, including interest at 2% per annum.

NOTE 10 - COMMITMENTS

The BID leases its offices under an operating lease with an initial or noncancelable lease term in excess of one year. Future minimum lease payments under this this are as follows:

<u>Year Ending</u>	
2021	\$ 19,283
2022	19,283
2023	<u>19,283</u>
Total	<u>\$ 57,849</u>

The base rent is increased each January 1 by the percentage-based Consumer Price Index (CPI).

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 10 - COMMITMENTS - Continued

Total rent expense for the years ended December 31, 2020 and 2019, was \$19,029 and \$18,761, respectively.

Total equipment lease expense for the years ended December 31, 2020 and 2019, was \$3,046 and \$3,493, respectively.

NOTE 11 - PAYROLL PROTECTION PROGRAM

In April 2020, the BID received a loan in the amount of \$65,100 under the Payroll Protection Program (PPP). The PPP Loan is forgivable if the BID uses the PPP Loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities.

As of December 31, 2020, the BID met the PPP's eligibility criteria and, therefore, has concluded that the PPP Loan represents, in substance, a grant that is expected to be forgiven. As a result, RISSE has accounted for the PPP Loan in accordance with FASB ASC 958-605 resulting in recognition of the entire PPP Loan amount as revenue in the accompanying financial statements.

NOTE 12 - BOARD DESIGNATED NET ASSETS

Reserve for assessments

Reflects the projected liability in property assessment challenges and Supreme Court Orders (SCOs).

Special projects

Assessment revenue set aside for special projects. The balance as of December 31, 2020 must be identified or committed to by December 31, 2022. Unidentified or uncommitted amounts will be returned to the BID property owners.

Non assessment

Revenue generated from advertising sales and sponsorships that has been set aside for economic development and business attraction projects.

Operating reserve

Net assets designated for future operating needs.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted to meeting the general needs of the community.

NOTE 14 - CONTINGENCY

The COVID-19 outbreak in the United States has caused significant business disruptions and uncertainties. While the disruption and uncertainties are expected to be temporary, there is considerable uncertainty regarding the duration. The related financial impact cannot be reasonably estimated at this time.