

**DOWNTOWN ALBANY RESTORATION
PROGRAM, INC.**

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

Years Ended December 31, 2021 and 2020

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

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the accompanying financial statements of Downtown Albany Restoration Program, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, 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.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Downtown Albany Restoration Program, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirement relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Downtown Albany Restoration Program, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

INDEPENDENT AUDITOR'S REPORT - Continued

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Downtown Albany Restoration Program, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Downtown Albany Restoration Program, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charge with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Robert J. Palmerino CPA
Albany, New York
September 28, 2022

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

**STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 378,595	\$ 506,726
Investments - Certificates of Deposits	314,709	314,029
Due from the City of Albany	138,219	75,611
Grant receivable	250,000	50,900
Prepaid expenses	40,869	22,179
Loan receivable	18,873	36,725
Other receivables	30,331	25,872
Contribution receivable	-	50,000
Stabilization grants notes receivable	-	61,321
Property and equipment, net of accumulated depreciation	<u>15,185</u>	<u>9,799</u>
TOTAL ASSETS	<u>\$ 1,186,781</u>	<u>\$1,153,162</u>
LIABILITIES		
Accounts payable	\$ 42,233	\$ 30,191
Accrued expenses	14,878	23,358
Reserve for assessment reductions	<u>50,000</u>	<u>50,000</u>
TOTAL LIABILITIES	<u>107,111</u>	<u>103,549</u>
NET ASSETS		
Without donor restrictions:		
Investment in property and equipment	15,185	9,799
Board designated:		
Reserve for assessments	50,000	50,000
Special projects	167,355	240,655
Non assessment	697,130	549,159
Operating reserve	<u>150,000</u>	<u>150,000</u>
Total without donor restrictions	1,079,670	999,613
With donor restrictions	<u>-</u>	<u>50,000</u>
Total net assets	<u>1,079,670</u>	<u>1,049,613</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,186,781</u>	<u>\$1,153,162</u>

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

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

**STATEMENTS OF ACTIVITIES
Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues and Support:		
Assessment revenue	\$ 830,616	\$ 850,136
PILOT properties	28,424	28,424
Other income	101,487	20,915
PPP loan forgiveness	68,983	65,100
Employee retention credit	-	25,000
Interest income	576	1,981
Donated items and services	15,150	2,700
Grant income	199,100	90,490
Net assets released from restrictions	<u>50,000</u>	<u>-</u>
Total unrestricted revenues and support	<u>1,294,336</u>	<u>1,084,746</u>
Expenses:		
Program Services:		
Marketing	386,700	234,206
Business development	222,554	245,303
Clean and safe	219,191	194,121
Visual improvements	<u>180,370</u>	<u>170,501</u>
Total Program Services	<u>1,008,815</u>	<u>844,131</u>
Supporting Services:		
Management and general	<u>169,314</u>	<u>143,168</u>
Total program and supporting services	1,178,129	987,299
Assessment reductions	<u>36,150</u>	<u>-</u>
Total expenses	<u>1,214,279</u>	<u>987,299</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>80,057</u>	<u>97,447</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Grant income	<u>(50,000)</u>	<u>50,000</u>
INCREASE IN NET ASSETS	30,057	147,447
NET ASSETS, beginning of year	<u>1,049,613</u>	<u>902,166</u>
NET ASSETS, end of year	<u>\$ 1,079,670</u>	<u>\$ 1,049,613</u>

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

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021**

	<u>PROGRAM SERVICES</u>				<u>SUPPORTING SERVICES</u>	<u>2021 Program and Supporting Services</u>	
	<u>Marketing</u>	<u>Business Development</u>	<u>Clean and Safe</u>	<u>Visual Improvements</u>	<u>Total Program</u>		<u>Management and General</u>
Salaries and related	\$ 126,254	\$ 78,820	\$ 56,586	\$ 76,816	\$ 338,476	\$ 109,543	\$ 448,019
Subcontracts	59,711	250	152,383	80,119	292,463	-	292,463
Special events	102,380	-	-	-	102,380	-	102,380
Advertising	76,729	-	-	-	76,729	-	76,729
Stabilization grants	-	62,821	-	-	62,821	-	62,821
Resiliency grants	-	56,845	-	-	56,845	-	56,845
Professional fees	-	-	-	-	-	26,844	26,844
Occupancy	6,209	3,877	2,783	3,778	16,647	5,387	22,034
Supplies	2,945	723	1,849	12,069	17,586	1,005	18,591
Annual meeting	-	-	-	-	-	15,714	15,714
Insurance	3,438	2,147	1,541	2,092	9,218	2,983	12,201
Miscellaneous	747	8,681	335	454	10,217	648	10,865
Dues and subscriptions	2,603	1,625	1,167	1,584	6,979	2,259	9,238
Telephone	1,231	769	552	749	3,301	1,068	4,369
Equipment lease and maintenance	1,157	722	518	704	3,101	1,004	4,105
Depreciation	1,016	634	455	618	2,723	881	3,604
Public relations	-	3,217	-	-	3,217	-	3,217
Travel and entertainment	837	522	375	509	2,243	726	2,969
Publications	801	500	359	487	2,147	695	2,842
Staff development	551	344	247	335	1,477	478	1,955
Postage	91	57	41	56	245	79	324
Other grants	-	-	-	-	-	-	-
Training	-	-	-	-	-	-	-
TOTAL EXPENSES	<u>\$ 386,700</u>	<u>\$ 222,554</u>	<u>\$ 219,191</u>	<u>\$ 180,370</u>	<u>\$ 1,008,815</u>	<u>\$ 169,314</u>	<u>\$ 1,178,129</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

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

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

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

**STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 30,057	\$ 147,447
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	3,604	5,784
Change in operating assets that provide (use) cash:		
Due from the City of Albany	(62,608)	(62,345)
Grant receivable	(199,100)	(4,900)
Prepaid expenses	(18,690)	(2,681)
Other receivables	(4,459)	(9,540)
Contribution receivable	50,000	(50,000)
Change in operating liabilities that provide (use) cash:		
Accounts payable	12,042	(1,922)
Accrued expenses	<u>(8,480)</u>	<u>12,594</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(197,634)</u>	<u>34,437</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Stabilization notes receivable	61,321	(61,321)
Loan receivable	17,852	(36,725)
Certificates of Deposit	(680)	(2,870)
Purchase of property and equipment	<u>(8,990)</u>	<u>(1,487)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>69,503</u>	<u>(102,403)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(128,131)	(67,966)
CASH AND CASH EQUIVALENTS, beginning of year	<u>506,726</u>	<u>574,692</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 378,595</u>	<u>\$ 506,726</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, 2021 and 2020

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:

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

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

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, 2021 and 2020

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, 2021 and 2020

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 2018.

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 7 months from December 31, 2021 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, 2021 and 2020

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, 2020, have been reclassified to conform to the presentation for the year ended December 31, 2021.

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, 2021 and 2020

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

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, 2021 and 2020. 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.

Subsequent Events

Management has evaluated subsequent events through September 28, 2022, the date on which the financial statements were available to be issued.

Advertising

Advertising costs are charged to expense in the period incurred. Advertising expense was \$76,729 and \$7,616 for the year ended December 31, 2021 and 2020, respectively

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, 2021 and 2020. The reserve is established at year end and is based on current expectations and historical analysis of settlements and liabilities.

Assessment reductions of \$36,150 and \$-0- for the years ended December 31, 2021 and 2020, respectively, were based on the settlement of excess assessments from prior years.

NOTE 3 - 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.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 4 – GRANT, CONTRIBUTION AND OTHER RECEIVABLES

Receivables representing unconditional contributions and grants are stated net of the allowance for doubtful accounts. The amount of the allowance is based on management’s consideration of the age of the receivables, historical trends, and other pertinent factors. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to allowance for doubtful accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance account and a credit to accounts receivable.

Other receivables at December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Employee retention credit	\$ 25,000	\$ 25,000
Program related	5,331	872
Total	<u>\$ 30,331</u>	<u>\$ 25,872</u>

The grant receivable of \$250,000 as of December 31, 2021 is payable in 2022.

The contribution receivable of \$50,000 as of December 31, 2020 was paid during 2021.

NOTE 5 - PROPERTY AND EQUIPMENT

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

	<u>2021</u>	<u>2020</u>
Equipment, furniture and fixtures	\$ 91,645	\$ 82,655
Less accumulated depreciation	<u>76,460</u>	<u>72,856</u>
Total	<u>\$ 15,185</u>	<u>\$ 9,799</u>

NOTE 6 - DONATED ITEMS AND SERVICES

During 2021 and 2020, the BID recorded donated items and services as follows:

	<u>2021</u>	<u>2020</u>
<u>Revenues and Support</u>		
Contributions	<u>\$ 15,150</u>	<u>\$ 2,700</u>
<u>Expenses</u>		
Special events	\$ 7,800	\$ 1,200
Annual meeting	6,000	-
Advertising	1,350	-
Professional fees	-	1,500
	<u>\$ 15,150</u>	<u>\$ 2,700</u>

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 6 - DONATED ITEMS AND SERVICES - Continued

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 \$10,182 and \$7,580 and for the years ended December 31, 2021 and 2020, 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>2021</u>	<u>2020</u>
Cash	\$ 378,595	\$ 506,726
Certificates of deposit	314,709	314,029
Due from City of Albany	138,219	75,611
Grant receivable	250,000	-
Contribution receivable	-	50,000
Prepaid expenses	40,869	22,179
Stabilization grants notes receivable	-	61,321
Loan receivable	18,873	36,725
Other receivables	30,331	25,872
With donor restrictions	-	(50,000)
Board designated	<u>(1,064,485)</u>	<u>(989,814)</u>
Total financial assets available for general expenditures	<u>\$ 107,111</u>	<u>\$ 52,649</u>

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.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 9 - STABILIZATION GRANTS

During 2020, 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.

The loans receivable of \$61,321 as of December 31, 2020 were forgiven during 2021.

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>	
2022	\$ 19,283
2023	<u>19,283</u>
Total	<u>\$ 38,566</u>

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

Total rent expense for the years ended December 31, 2021 and 2020, was \$19,283 and \$19,029, respectively.

Total equipment lease expense for the years ended December 31, 2021 and 2020, was \$3,028 and \$3,046, respectively.

During June, 2021, the BID entered into a contract for \$88,500 related to street lighting project within its boundaries. As of December 31, 2021, the project had not begun.

NOTE 11 - PAYROLL PROTECTION PROGRAM

In February 2021, the BID received a loan in the amount of \$68,983 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. The BID met the requirements for forgiveness and the loan was forgiven in October 2021.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 11 - PAYROLL PROTECTION PROGRAM - Continued

In April 2020, the BID also received a loan in the amount of \$65,100 under the Payroll Protection Program. As of December 31, 2020, the BID met the PPP's eligibility criteria and, therefore, concluded that the PPP loan represents, in substance, a grant that is expected to be forgiven. As a result, BID 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. The loan was forgiven in June 2021.

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, 2021 must be identified or committed to by December 31, 2023. 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.

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.