DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR'S REPORT

Years Ended December 31, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023, 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.

2023 Restatement

As discussed in Note 12 to the financial statements the 2023 financial statements were restated to correct amounts due from the City of Albany. My opinion dated October 2, 2024 is not modified with respect to this matter.

I am required to communicate with those charged 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
October 29, 2025

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	As Restated 2023
ASSETS		
Cash	$ 550,179	$ 431,477
Investments - Certificates of Deposits	236,129	317,673
Due from the City of Albany - assessments	251,003	199,617
Due from the City of Albany - wayfinding grant	85,100	38,142
Prepaid expenses	31,599	19,242
Other receivables	37,121	16,633
Property and equipment, net of accumulated depreciation	8,918	17,549
TOTAL ASSETS	**$ 1,200,049**	**$1,040,333**
LIABILITIES		
Accounts payable	$ 59,828	$ 49,593
Accrued expenses	97,321	16,741
Reserve for assessment reductions	25,000	25,000
TOTAL LIABILITIES	182,149	91,334
NET ASSETS		
With donor restrictions	58,337	21,866
Without donor restrictions:		
Investment in property and equipment	8,918	17,549
Board designated:		
Reserve for assessments	50,000	50,000
Non-assessment	542,239	544,531
Operating reserve	150,000	150,000
Wayfinding project	172,106	125,000
Special projects	36,300	40,053
Total Board designated	950,645	909,584
Total without donor restrictions	959,563	927,133
Total net assets	1,017,900	948,999
TOTAL LIABILITIES AND NET ASSETS	**$ 1,200,049**	**$1,040,333**

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

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2024 and 2023

	2024	As Restated 2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues and Support:		
Assessment revenue	$ 881,407	$ 879,989
PILOT properties	17,494	17,298
Grant income	746,974	126,194
Events income	114,320	89,384
Interest income	9,949	2,877
Donated items and services	22,645	23,550
Advertising	4,000	-
Net assets released from restrictions	21,866	-
Total unrestricted revenues and support	1,818,655	1,139,292
Expenses:		
Program Services:		
Marketing	792,302	475,080
Clean and safe	430,218	260,624
Business development	263,567	137,594
Visual improvements	191,955	186,342
Total Program Services	1,678,042	1,059,640
Supporting Services:		
Management and general	108,183	161,191
Total program and supporting services	1,786,225	1,220,831
Assessment reductions	-	(23,909)
Total expenses	1,786,225	1,196,922
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	32,430	(57,630)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Grant income	36,471	21,866
INCREASE (DECREASE) IN NET ASSETS	**68,901**	**(35,764)**
NET ASSETS, beginning of year	948,999	984,763
NET ASSETS, end of year	**$1,017,900**	**$ 948,999**

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

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	PROGRAM SERVICES					SUPPORTING SERVICES	2024
	Marketing	Clean and Safe	Business Development	Visual Improvements	Total Program	Management and General	Program and Supporting Services
Wayfinding	$ 325,088	$ 162,544	$ 162,544	$ -	$ 650,176	$ -	$ 650,176
Salaries and related	199,855	59,156	72,191	82,885	414,087	60,499	474,586
Subcontracts	3,185	190,223	10,468	90,377	294,253	-	294,253
Special events	199,377	-	-	-	199,377	-	199,377
Professional fees	781	231	282	324	1,618	34,318	35,936
Lease expense operating lease	9,294	2,751	3,357	3,855	19,257	2,814	22,071
Supplies	10,588	5,334	746	856	17,524	625	18,149
Annual meeting	5,777	1,710	2,087	2,396	11,970	1,749	13,719
Depreciation	4,896	1,449	1,768	2,030	10,143	1,482	11,625
Advertising	11,278	-	-	-	11,278	-	11,278
Travel and entertainment	4,517	1,337	1,632	1,873	9,359	1,367	10,726
Dues and subscriptions	4,511	1,335	1,630	1,871	9,347	1,366	10,713
Insurance	4,392	1,300	1,587	1,822	9,101	1,330	10,431
Equipment lease and maintenance	4,092	1,211	1,478	1,697	8,478	1,239	9,717
Telephone	2,284	676	825	947	4,732	691	5,423
Utilities	1,273	377	460	528	2,638	385	3,023
Public relations	-	-	2,071	-	2,071	-	2,071
Training	806	239	291	334	1,670	244	1,914
Postage	245	73	88	102	508	74	582
Miscellaneous	63	272	62	58	455	-	455
Publications	-	-	-	-	-	-	-
TOTAL EXPENSES	**$ 792,302**	**$ 430,218**	**$ 263,567**	**$ 191,955**	**$ 1,678,042**	**$ 108,183**	**$ 1,786,225**

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

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	PROGRAM SERVICES					SUPPORTING SERVICES	2023
	Marketing	Clean and Safe	Business Development	Visual Improvements	Total Program	Management and General	Program and Supporting Services
Wayfinding	$ 36,308	$ 18,154	$ 18,154	$ -	$ 72,616	$ -	$ 72,616
Salaries and related	186,291	54,359	79,179	79,362	399,191	103,409	502,600
Subcontracts	34,278	175,812	18,196	88,402	316,688	-	316,688
Special events	143,174	-	-	-	143,174	-	143,174
Professional fees	-	-	-	-	-	29,187	29,187
Lease expense - operating lease	7,539	2,200	3,204	3,212	16,155	4,185	20,340
Supplies	26,763	3,203	973	5,299	36,238	1,271	37,509
Annual meeting	-	-	-	-	-	10,021	10,021
Depreciation	4,688	1,368	1,993	1,997	10,046	2,602	12,648
Advertising	15,605	-	-	-	15,605	-	15,605
Travel and entertainment	1,716	501	729	731	3,677	952	4,629
Dues and subscriptions	3,662	1,069	1,556	1,560	7,847	2,033	9,880
Insurance	4,823	1,407	2,050	2,054	10,334	2,677	13,011
Equipment lease and maintenance	3,954	1,154	1,680	1,684	8,472	2,195	10,667
Telephone	1,901	554	808	810	4,073	1,055	5,128
Utilities	1,584	462	673	675	3,394	879	4,273
Public relations	-	-	7,799	-	7,799	-	7,799
Training	888	259	378	378	1,903	493	2,396
Postage	156	45	66	66	333	86	419
Miscellaneous	262	77	156	112	607	146	753
Publications	1,488	-	-	-	1,488	-	1,488
TOTAL EXPENSES	**$ 475,080**	**$ 260,624**	**$ 137,594**	**$ 186,342**	**$ 1,059,640**	**$ 161,191**	**$ 1,220,831**

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

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	As Restated 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ 68,901	$ (35,764)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	11,626	12,648
Noncash portion of lease expense for operating lease	-	20,340
Repayments of lease liability - operating lease	-	(20,402)
Change in operating assets that provide (use) cash:		
Due from the City of Albany - assessments	(51,386)	(118,321)
Due from the City of Albany - wayfinding grant	(46,958)	(38,142)
Prepaid expenses	(12,357)	7,198
Other receivables	(20,488)	(13,133)
Change in operating liabilities that provide (use) cash:		
Accounts payable	10,235	7,385
Accrued expenses	80,580	1,200
Reserve for assessments	-	(25,000)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**40,153**	**(201,991)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan receivable	-	17,450
Certificates of Deposit	81,544	(2,696)
Purchase of property and equipment	(2,995)	-
NET CASH PROVIDED BY INVESTING ACTVITIES	**78,549**	**14,754**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**118,702**	**(187,237)**
CASH AND CASH EQUIVALENTS, beginning of year	431,477	618,714
CASH AND CASH EQUIVALENTS, end of year	**$ 550,179**	**$ 431,477**

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

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:

<u>Marketing</u> - Create and implement special events and programming and maintain a public relations campaign.

<u>Clean and Safe</u> - 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.

<u>Business Development</u> - Cultivate business development activities through partner- ships with property owners, real estate community, and City, State and County representatives for recruitment and attraction

<u>Visual Improvements</u> - 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.

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.

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 2021.

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 6 months from December 31, 2024, 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.

Advertising and Events Income

Advertising and events income and support are recorded at a point in time as that is when the advertising and events are provided and the income is earned.

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.

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

Assessment and PILOT Properties 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, 2023, have been reclassified to conform to the presentation for the year ended December 31, 2024.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the BID considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

Accounting Pronouncements Adopted

On July 30, 2025, the FASB issued Accounting Standards Update (ASU) 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets.* As permitted, the BID adopted ASU 2025-05 effective January 1, 2024. The BID elected both the practical expedient and accounting policy election. The practical expedient assumes that current conditions as of the statement of financial position date do not change for the remaining life of the asset. The accounting policy election allows the entity to consider collection activity after the statement of financial position date when estimating expected credit losses. The adoption of this pronouncement did not have a material impact on the BID's financial statements.

The BID adopted ASU 2016-13, Financial Instruments - Credit Losses (Topic 326) effective January 1, 2023, which significantly changes how entities measure credit losses for most financial assets and certain other instruments. Under the current credit loss model, an entity estimates expected credit losses based on relevant information about past events, current economic conditions, and reasonable and supportable forecasts of future economic conditions that affect the collectability of the reported amounts. The adoption of this pronouncement did not have a material impact on the BID's financial statements.

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, 2024 and 2023. 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 October 29, 2025 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 $11,278 and $15,605 for the year ended December 31, 2024 and 2023, 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 $25,000 as of December 31, 2024 and 2023. 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 $1,091 for the years ended December 31, 2024 and 2023, respectively, were based on the settlement of excess assessments from prior years.

NOTE 3 - OTHER RECEIVABLES

Receivables representing unconditional support and service fees are stated net of the allowance for credit losses. The amount of the allowance is based on management's consideration of the age of the receivables, historical trends, current economic conditions, 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 credit losses. 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, 2024 and 2023 consist of the following:

	2024	2023
Program related	$ 37,121	$ 16,633

NOTE 4 - PROPERTY AND EQUIPMENT

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

	2024	2023
Equipment, furniture and fixtures	$ 97,679	$ 94,684
Less accumulated depreciation	88,761	77,135
Total	$ 8,918	$ 17,549

NOTE 5 - DONATED ITEMS AND SERVICES

During 2024 and 2023, the BID recorded donated items and services as follows:

	2024	2023
Revenues and Support		
Contributions	$ 22,645	$ 23,550
Expenses		
Special events	$ 18,895	$ 19,750
Subcontracts	3,750	-
Annual meeting	-	2,300
Parking	-	1,500
	$ 22,645	$ 23,550

NOTE 5 - DONATED ITEMS AND SERVICES - Continued

In-kind donations and services are reported as contributions at their estimated fair value on the date of receipt and reported as expenses when utilized.

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 6 - 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 $7,887 and $7,766 and for the years ended December 31, 2024 and 2023, respectively.

NOTE 7 - LIQUIDITY

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

	2024	2023
Cash	$ 550,179	$ 431,477
Certificates of deposit	236,129	317,673
Due from City of Albany - assessments	251,003	199,617
Due from City of Albany - wayfinding grant	85,100	38,142
Other receivables	37,121	16,633
With donor restrictions	(58,337)	(21,866)
Board designated	(950,645)	(909,584)
Total financial assets available for general expenditures	$ 150,550	$ 72,092

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 8 - LEASES

The BID leases its administrative offices under annual leases. Lease expense was $22,071 and $20,340 for the years ended December 31, 2024 and 2023, respectively.

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

	2024	2023
Wayfinding	$ 58,337	$ -
Farmers market	-	21,866
	$ 58,337	$ 21,886

NOTE 10 - BOARD DESIGNATED NET ASSETS

Reserve for assessments

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

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.

Wayfinding project

Reflects the BID's share of future expenditures towards the Wayfinding project.

Special projects

Assessment revenue set aside for special projects. The balance as of December 31, 2023, was expended during 2024. The balance as of December 31, 2024 must be identified or committed to by December 31, 2025. Unidentified or uncommitted amounts will be returned to the BID property owners.

NOTE 11 - CONCENTRATIONS

Total revenue and support of 84% and 82% for the years ended December 31, 2024 and 2023, respectively was from the City of Albany.

Total cash of $550,179 at December 31, 2024 exceeded federally insured limits by $17,332.

NOTE 12 - CORRECTION OF ERROR

The 2023 financial statements were restated to correct amounts shown as Due from the City of Albany. The effect on net assets is as follows:

	Net Assets Without Donor Restrictions	Decrease in Net Assets Without Donor Restrictions
Total as previously stated	$ 949,971	$ (34,792)
Due from the City of Albany - assessments	39,751	39,751
Due from the City of Albany - wayfinding	(40,723)	(40,723)
Total as restated	$ 948,999	$ (35,764)