

**DOWNTOWN ALBANY RESTORATION
PROGRAM, INC.**

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

Years Ended December 31, 2019 and 2018

**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., (a non-profit organization) which comprise the statements of financial position as of December 31, 2019 and 2018, 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, 2019 and 2018, 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 18, 2020
Albany, New York

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 574,692	\$ 548,007
Due from the City of Albany	13,266	13,806
Sponsorship receivables	16,332	10,000
Prepaid expenses	19,498	32,871
Investments - Certificates of Deposits	311,159	308,983
Grant receivable	46,000	46,000
Property and equipment, net of accumulated depreciation	<u>14,096</u>	<u>20,237</u>
TOTAL ASSETS	<u>\$ 995,043</u>	<u>\$ 979,904</u>
LIABILITIES		
Accounts payable	\$ 32,113	\$ 16,869
Accrued expenses	10,764	11,560
Reserve for assessment reductions	<u>50,000</u>	<u>50,000</u>
TOTAL LIABILITIES	<u>92,877</u>	<u>78,429</u>
NET ASSETS		
Without donor restrictions:		
Investment in property and equipment	14,096	20,237
Board designated:		
Reserve for assessments	50,000	50,000
Special projects	180,987	123,061
Non assessment	507,083	456,912
Operating reserve	<u>150,000</u>	<u>251,265</u>
Total without donor restrictions	<u>902,166</u>	<u>901,475</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 995,043</u>	<u>\$ 979,904</u>

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

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues and Support:		
Assessment revenue	\$ 796,445	\$ 791,918
PILOT properties	28,424	16,740
Other income	276,251	250,303
Interest income	1,359	1,416
Donated items and services	<u>11,346</u>	<u>17,716</u>
Total unrestricted revenues and support	<u>1,113,825</u>	<u>1,078,093</u>
Expenses:		
Program Services:		
Business development	314,937	234,582
Marketing	207,052	205,536
Clean and safe	187,653	180,295
Visual improvements	<u>176,404</u>	<u>209,002</u>
Total Program Services	<u>886,046</u>	<u>829,415</u>
Supporting Services:		
Management and general	<u>182,455</u>	<u>139,390</u>
Total program and supporting services	1,068,501	968,805
Assessment reductions	<u>44,633</u>	<u>(24,586)</u>
Total expenses	<u>1,113,134</u>	<u>944,219</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>691</u>	<u>133,874</u>
INCREASE IN NET ASSETS	691	133,874
NET ASSETS, beginning of year	<u>901,475</u>	<u>767,601</u>
NET ASSETS, end of year	<u>\$ 902,166</u>	<u>\$ 901,475</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>	2019 Program and Supporting Services
	<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
Grants	183,400	-	-	-	183,400	-	183,400
Special events	48,253	68,653	-	-	116,906	-	116,906
Supplies and materials	443	5,613	4,091	32,790	42,937	882	43,819
Professional fees	1,782	2,798	1,086	1,588	7,254	23,226	30,480
Occupancy	3,700	5,810	2,255	3,298	15,063	7,364	22,427
Advertising	-	11,615	-	-	11,615	-	11,615
Annual meeting	-	-	-	-	-	8,311	8,311
Travel and entertainment	1,342	2,107	818	1,196	5,463	2,670	8,133
Depreciation	1,286	2,019	784	1,147	5,236	2,559	7,795
Insurance	1,107	1,739	675	986	4,507	2,204	6,711
Publications	1,021	1,603	622	910	4,156	2,032	6,188
Dues and subscriptions	953	1,497	581	850	3,881	1,897	5,778
Telephone	925	1,453	564	826	3,768	1,842	5,610
Public relations	4,425	-	-	-	4,425	-	4,425
Miscellaneous	1,573	498	1,104	283	3,458	632	4,090
Equipment lease and maintenance	568	892	346	509	2,315	1,131	3,446
Postage	187	293	114	166	760	371	1,131
Training	-	-	-	-	-	-	-
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.

**STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2018**

	PROGRAM SERVICES				SUPPORTING SERVICES	2018 Program and Supporting Services	
	<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	\$ 68,456	\$ 102,139	\$ 43,528	\$ 61,541	\$ 275,664	\$ 90,743	\$ 366,407
Subcontracts	-	23,238	124,963	107,524	255,725	-	255,725
Grants	100,000	-	-	11,070	111,070	-	111,070
Special events	45,991	49,710	-	-	95,701	-	95,701
Supplies and materials	1,858	4,944	3,141	17,824	27,767	2,463	30,230
Professional fees	-	-	-	-	-	15,290	15,290
Occupancy	4,134	6,168	2,628	3,716	16,646	5,479	22,125
Advertising	-	7,175	-	-	7,175	-	7,175
Annual meeting	-	-	-	-	-	12,760	12,760
Travel and entertainment	745	1,112	474	670	3,001	988	3,989
Depreciation	1,508	2,251	959	1,356	6,074	2,000	8,074
Insurance	2,358	3,518	1,499	2,120	9,495	3,126	12,621
Publications	242	360	154	217	973	320	1,293
Dues and subscriptions	967	1,443	615	869	3,894	1,282	5,176
Telephone	924	1,379	588	831	3,722	1,225	4,947
Public relations	5,993	-	-	-	5,993	-	5,993
Miscellaneous	359	536	1,081	323	2,299	476	2,775
Equipment lease and maintenance	807	1,205	513	726	3,251	1,070	4,321
Postage	240	358	152	215	965	318	1,283
Training	-	-	-	-	-	1,850	1,850
TOTAL EXPENSES	<u>\$ 234,582</u>	<u>\$ 205,536</u>	<u>\$ 180,295</u>	<u>\$ 209,002</u>	<u>\$ 829,415</u>	<u>\$ 139,390</u>	<u>\$ 968,805</u>

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

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 691	\$ 133,874
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Reserve for assessment reductions	-	(29,500)
Depreciation	7,795	8,074
Change in operating assets that provide (use) cash:		
Due from the City of Albany	540	19,335
Sponsorship receivables	(6,332)	(8,000)
Prepaid expenses	13,373	(11,354)
Grant receivable	-	(4,574)
Change in operating liabilities that provide (use) cash:		
Accounts payable	15,244	(6,838)
Accrued expenses	<u>(796)</u>	<u>(230)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>30,515</u>	<u>100,787</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Certificates of Deposit	(2,176)	(444)
Purchase of property and equipment	<u>(1,654)</u>	<u>(9,910)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(3,830)</u>	<u>(10,354)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (payments) on line-of-credit	<u>-</u>	<u>(29,910)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	26,685	60,523
CASH AND CASH EQUIVALENTS, beginning of year	<u>548,007</u>	<u>487,484</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 574,692</u>	<u>\$ 548,007</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Unrelated business taxes	<u>\$ 250</u>	<u>\$ 250</u>
Interest	<u>\$ -</u>	<u>\$ 256</u>

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

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

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, 2019 and 2018

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, 2019 and 2018

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 2016.

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 14 months from December 31, 2019 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, 2019 and 2018

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, 2018, have been reclassified to conform to the presentation for the year ended December 31, 2019.

Accounting Pronouncements Adopted

The BID adopted ASU 2016-14, "*Presentation of Financial Statements of Not-for-Profit Entities*" (Topic 958) as of January 1, 2018. The ASU amended the reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions," (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gift used to acquire or construct long-lives assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return-net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirement that not-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method).

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

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, 2019 and 2018. 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 18, 2020, the date on which the financial statements were available to be issued.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

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, 2019 and 2018. The reserve is established at year end and is based on current expectations and historical analysis of settlements and liabilities.

Assessment reductions of \$44,633 and \$4,914 for the years ended December 31, 2019 and 2018, respectively, were based on the settlement of excess assessments from prior years.

NOTE 3 - LINE-OF-CREDIT

The BID obtained a line-of-credit with Community Bank (formerly The National Union Bank of Kinderhook) secured by the business assets of the BID. Interest is charged at prime rate plus 1.00% with a minimum interest rate of 4.75% and has a maximum borrowing limit of \$250,000. The prime rate was 4.75% and 5.5% as of December 31, 2019 and 2018, respectively. The line-of-credit expires March 1, 2020. There was no outstanding balance under the line-of-credit as of December 31, 2019 and 2018.

Interest expense was \$-0- and \$256 for the years ended December 31, 2019 and 2018, respectively.

NOTE 4 - PROPERTY AND EQUIPMENT

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

	<u>2019</u>	<u>2018</u>
Equipment, furniture and fixtures	\$ 81,167	\$ 79,513
Less accumulated depreciation	<u>67,071</u>	<u>59,276</u>
Total	<u>\$ 14,096</u>	<u>\$ 20,237</u>

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 5 - DONATED ITEMS AND SERVICES

During 2019 and 2018, the BID recorded donated items and services as follows:

	<u>2019</u>	<u>2018</u>
<u>Revenues and Support</u>		
Contributions	\$ 11,346	\$ 17,716
<u>Expenses</u>		
Special events	\$ 9,013	\$ 7,643
Parking	2,333	2,383
Annual meeting	-	6,250
Supplies and materials	-	1,440
	<u>\$ 11,346</u>	<u>\$ 17,716</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 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 \$5,055 and \$4,690 and for the years ended December 31, 2019 and 2018, 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:

	<u>2019</u>	<u>2018</u>
Cash	\$ 574,692	\$ 548,007
Due from City of Albany	13,266	13,806
Other receivables	16,332	10,000
Prepaid expenses	19,498	32,871
Certificates of deposit	311,159	308,983
Board designated	<u>(888,070)</u>	<u>(881,238)</u>
Total financial assets available for general expenditures	<u>\$ 46,877</u>	<u>\$ 32,429</u>

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 7 - 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 these for purposes other than those identified, the amounts could be made available for current operations, if necessary. The BID also has a \$250,000 line-of-credit which it could draw upon to manage unanticipated expenditures.

NOTE 8 - 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:

Year Ending

2020

\$ 19,092

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, 2019 and 2018, was \$18,761 and \$18,300, respectively.

Total equipment lease expense for the years ended December 31, 2019 and 2018, was \$3,493 and \$2,424, respectively.

NOTE 9 - 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, 2019 must be identified or committed to by December 31, 2021. Unidentified or uncommitted amounts will be returned to the BID property owners.

DOWNTOWN ALBANY RESTORATION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 9 - BOARD DESIGNATED ASSETS - Continued

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 10 - SUBSEQUENT EVENT

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.