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Pittsburgh Downtown Partnership

Financial Statements

Years Ended December 31, 2018 and 2017
with Independent Auditor's Report

04/23/2019

PITTSBURGH DOWNTOWN PARTNERSHIP

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YEARS ENDED DECEMBER 31, 2018 AND 2017

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Independent Auditor's Report

Board of Directors
Pittsburgh Downtown
Partnership

We have audited the accompanying financial statements of the Pittsburgh Downtown Partnership (Partnership), which comprise the statements of financial position as of December 31, 2018 and 2017, 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As described in Note 2 to the financial statements, the Partnership adopted ASU-2016-14, *"Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities,"* which requires not-for-profit entities to use the placed-in-service approach for contributions related to long-lived assets, among other requirements. Our opinion is not modified with respect to this matter.

Pittsburgh, Pennsylvania
DATE

PITTSBURGH DOWNTOWN PARTNERSHIP

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STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 AND 2017

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents:		
Without donor restrictions, undesignated	$ 1,280,554	$ 933,165
With donor restrictions and board-designated	1,779,466	2,578,061
Total cash and cash equivalents	3,060,020	3,511,226
Grants and sponsorships receivable	252,389	120,434
Program income receivables	20,789	-
Membership receivables	14,700	50,851
BID receivable, net of allowance of $4,334 and $4,334, respectively	38,768	35,830
Prepaid expenses	28,863	27,469
Total current assets	3,415,529	3,745,810
Noncurrent assets:		
Property, building, and equipment	1,580,200	1,544,220
Less - accumulated depreciation	(1,279,072)	(1,141,363)
Total fixed assets	301,128	402,857
Loan receivable - noncurrent	105,000	105,000
Total Assets	$ 3,821,657	$ 4,253,667
Liabilities and Net Assets		
Liabilities:		
Current liabilities:		
Accounts payable	$ 902,259	$ 459,679
Accrued liabilities	75,809	28,376
Deferred revenue	13,100	13,900
Total current liabilities	991,168	501,955
Noncurrent liabilities:		
Loans payable	105,000	105,000
Total Liabilities	1,096,168	606,955
Net Assets:		
Without donor restrictions:		
Board-designated	218,859	218,838
Investment in fixed assets	301,128	402,857
Undesignated	677,745	665,794
Total without donor restrictions	1,197,732	1,287,489
With donor restrictions	1,527,757	2,359,223
Total Net Assets	2,725,489	3,646,712
Total Liabilities and Net Assets	$ 3,821,657	$ 4,253,667

See accompanying notes to financial statements.

PITTSBURGH DOWNTOWN PARTNERSHIP

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STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:			
Grants and sponsorships	$ 1,273,117	$ 74,570	$ 1,347,687
BID assessment	2,092,318	-	2,092,318
Program income	698,463	-	698,463
Membership	153,750	-	153,750
Contributed services and materials	104,988	-	104,988
Interest income	2,393	7,731	10,124
Net assets released from restrictions	913,767	(913,767)	-
Total support and revenues	5,238,796	(831,466)	4,407,330
Expenses:			
Program services	4,624,891	-	4,624,891
Administration	566,737	-	566,737
Fundraising	136,925	-	136,925
Total expenses	5,328,553	-	5,328,553
Change in Net Assets	(89,757)	(831,466)	(921,223)
Net Assets:			
Beginning of year, as restated	1,287,489	2,359,223	3,646,712
End of year	$ 1,197,732	$ 1,527,757	$ 2,725,489

See accompanying notes to financial statements.

PITTSBURGH DOWNTOWN PARTNERSHIP

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STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:			
Grants and sponsorships	$ 1,299,772	$ 1,641,631	$ 2,941,403
BID assessment	1,944,268	-	1,944,268
Program income	597,606	-	597,606
Membership	185,750	-	185,750
Contributed services and materials	52,000	-	52,000
Interest income	2,106	3,416	5,522
Net assets released from restrictions	749,161	(749,161)	-
Total support and revenues	4,830,663	895,886	5,726,549
Expenses:			
Program services	4,215,624	-	4,215,624
Administration	527,917	-	527,917
Fundraising	136,480	-	136,480
Total expenses	4,880,021	-	4,880,021
Change in Net Assets	(49,358)	895,886	846,528
Net Assets:			
Beginning of year, as restated	1,336,847	1,463,337	2,800,184
End of year	$ 1,287,489	$ 2,359,223	$ 3,646,712

See accompanying notes to financial statements.

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PITTSBURGH DOWNTOWN PARTNERSHIP

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

	Program Services				Supporting Activities			
	Operations	Economic Development and Programming	Transportation	Total Program Services	Administration	Fundraising	Total Supporting Activities	Total Expenses
Salaries and wages	$ 90,105	$ 554,665	$ 112,690	$ 757,460	$ 135,286	$ 109,906	$ 245,192	$ 1,002,652
Benefits and payroll taxes	16,789	116,851	17,430	151,070	21,891	20,769	42,660	193,730
Improvement projects	22,929	252,507	277,931	553,367	-	-	-	553,367
Market Square improvements	7,506	33,184	-	40,690	-	-	-	40,690
Downtown made easy	-	-	10,330	10,330	-	-	-	10,330
Development projects and strategic planning	-	393,419	-	393,419	-	-	-	393,419
Travel	-	3,077	-	3,077	10,842	-	10,842	13,919
Occupancy	-	-	22,560	22,560	74,814	-	74,814	97,374
Equipment rental and repair	-	1,992	-	1,992	49,828	-	49,828	51,820
Supplies	-	-	-	-	8,571	1,300	9,871	9,871
Postage	-	-	-	-	3,379	1,200	4,579	4,579
Telephone	-	-	-	-	19,573	-	19,573	19,573
Conferences and meetings	-	1,685	3,442	5,127	57,991	-	57,991	63,118
Marketing	1,582	1,435,880	1,328	1,438,790	501	-	501	1,439,291
Professional services and contractors	1,038,648	67,080	21,548	1,127,276	76,265	3,750	80,015	1,207,291
Dues and fees	-	-	665	665	25,258	-	25,258	25,923
Insurance	-	490	-	490	33,401	-	33,401	33,891
Other	-	-	-	-	1,401	-	1,401	1,401
Bad debt expense	-	-	-	-	28,606	-	28,606	28,606
Depreciation	23,039	95,539	-	118,578	19,130	-	19,130	137,708
Total	$ 1,200,598	$ 2,956,369	$ 467,924	$ 4,624,891	$ 566,737	$ 136,925	$ 703,662	$ 5,328,553

See accompanying notes to financial statements.

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PITTSBURGH DOWNTOWN PARTNERSHIP

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017

	Program Services				Supporting Activities			
	Operations	Economic Development and Programming	Transportation	Total Program Services	Administration	Fundraising	Total Supporting Activities	Total Expenses
Salaries and wages	$ 92,907	$ 574,964	$ 125,788	$ 793,659	$ 132,673	$ 113,464	$ 246,137	$ 1,039,796
Benefits and payroll taxes	18,520	122,612	20,851	161,983	24,204	20,516	44,720	206,703
Improvement projects	88,435	363,114	3,618	455,167	-	-	-	455,167
Market Square improvements	21,848	34,873	-	56,721	-	-	-	56,721
Downtown made easy	-	-	10,339	10,339	-	-	-	10,339
Development projects and strategic planning	-	290,119	-	290,119	-	-	-	290,119
Travel	-	3,150	-	3,150	11,994	-	11,994	15,144
Occupancy	-	14,400	21,342	35,742	62,074	-	62,074	97,816
Equipment rental and repair	-	2,155	3,703	5,858	41,402	-	41,402	47,260
Supplies	-	-	-	-	8,418	1,300	9,718	9,718
Postage	-	-	-	-	5,045	1,200	6,245	6,245
Telephone	-	-	-	-	17,105	-	17,105	17,105
Conferences and meetings	-	3,011	2,572	5,583	53,759	-	53,759	59,342
Marketing	12,385	1,151,249	16,275	1,179,909	2,711	-	2,711	1,182,620
Professional services and contractors	963,987	106,617	38,038	1,108,642	74,298	-	74,298	1,182,940
Dues and fees	-	-	300	300	25,511	-	25,511	25,811
Insurance	-	-	-	-	30,578	-	30,578	30,578
Other	-	151	-	151	1,847	-	1,847	1,998
Bad debt expense	-	-	-	-	23,188	-	23,188	23,188
Depreciation	910	107,391	-	108,301	13,110	-	13,110	121,411
Total	$ 1,198,992	$ 2,773,806	$ 242,826	$ 4,215,624	$ 527,917	$ 136,480	$ 664,397	$ 4,880,021

See accompanying notes to financial statements.

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PITTSBURGH DOWNTOWN PARTNERSHIP

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STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash Flows From Operating Activities:		
Change in net assets	$ (921,223)	$ 846,528
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	137,708	121,411
Bad debt provisions	28,606	23,188
Loss on disposal of fixed assets	-	2,330
Donated vehicle	(14,100)	(54,613)
Change in:		
Grants and sponsorships receivable	(131,955)	136,423
Program income receivables	(20,789)	39,601
Membership receivables	36,151	(3,701)
BID receivable	(31,544)	(9,744)
Prepaid expenses	(1,394)	3,167
Accounts payable	442,581	36,977
Accrued liabilities	47,433	4,125
Deferred revenue	(800)	13,900
Net cash provided by (used in) operating activities	(429,326)	1,159,592
Cash Flows From Investing Activities:		
Purchases of fixed assets	(21,880)	(30,155)
Net Increase (Decrease) in Cash and Cash Equivalents	(451,206)	1,129,437
Cash and Cash Equivalents:		
Beginning of year	3,511,226	2,381,789
End of year	$ 3,060,020	$ 3,511,226
Supplemental Disclosure:		
Noncash investing and financing transaction:		
Donated vehicle	$ 14,100	$ 54,613

See accompanying notes to financial statements.

1. Organization

The Pittsburgh Downtown Partnership's (Partnership) mission is to provide dynamic leadership and a consistent voice to improve the vitality of Downtown Pittsburgh, Pennsylvania (Downtown) through enhanced services, advocacy, marketing, economic development, and transportation. A private nonprofit organization, under Internal Revenue Code Section 501(c)(3), the Partnership is the Downtown advocate. Members of the Partnership believe that a vital Downtown is necessary to maintaining a high quality of life for the Pittsburgh region. The Partnership achieves its mission through partnerships with business, property owners, and other organizations, and advocacy for actions that will strengthen Downtown and enhance its beauty and vitality. The Partnership may receive grants from corporations, foundations, and government agencies.

The Downtown Pittsburgh Business Improvement District (BID) was established in the fall of 1996 and started operations in 1997. BID operations are funded through monies raised through the special levy charged to property owners located within the Downtown area and collected in conjunction with real estate taxes. The BID was extended for a five-year term, expiring in 2021, through legislative action by the Council of the City of Pittsburgh. For the term of 2016-2021, the BID assessment will be based on total property value (land and building) compared to only land value as used in the prior years.

2. Summary of Significant Accounting Policies

<u>Basis of Accounting</u>

The accompanying financial statements have been prepared on the accrual basis of accounting, recognizing revenue when earned and expenses are recorded when incurred.

<u>Basis of Presentation</u>

The Partnership is required to report information regarding its financial position and activities according to two classes of net assets (with donor restrictions and without donor restrictions), established according to their nature and purpose.

Net assets of the Partnership are reported as follows:

Without Donor Restrictions - Represents the portion of expendable funds that are available for support of the Partnership's operations.

As of December 31, 2018 and 2017, the Partnership had the following net assets without donor restrictions:

	2018	2017
Vacant Upper Floor Loan Program	$ 41,503	$ 41,482
Board-reserved for future operations	177,356	177,356
	$ 218,859	$ 218,838

The Vacant Upper Floor Loan Program designated amount signifies the amount held as collateral against default of the Vacant Upper Floor Loan described in Note 3.

With Donor Restrictions - Represents a portion of the net assets of the Partnership resulting (a) from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that can be fulfilled and removed by actions of the organization pursuant to those stipulations and (b) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, and their fulfillment and removal by action of the organization pursuant to those stipulations. Also included in this category are net assets subject to donor-imposed stipulations to be maintained in perpetuity. The Partnership currently has no net assets with donor restrictions that are to be maintained in perpetuity as of December 31, 2018 and 2017.

Revenue Recognition

Contributed support includes grants and sponsorships. Contributions, which include unconditional promises to give funds to the Partnership, are recognized as support with donor restrictions or without donor restrictions as of the earlier of the date on which unconditional promises or the cash or property contributed is received or promised depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. Restricted contributed support, the restrictions of which are met in the same reporting period, are reported as contributed support without donor restrictions in the financial statements. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. There were no conditional promises to give at December 31, 2018 and 2017.

The BID assessment is based on the amount of revenue the Partnership is allowed to collect based on legislation. BID assessment is recognized as revenue at the time of billing.

The Partnership has a membership campaign for businesses and residents of the downtown area. Membership dues are assessed by the Partnership according to the categorization of members. Membership dues are considered contributed support and are recognized as members are invoiced.

Program income is recognized when earned and invoiced. Revenues for programs received in advance of the year to which they relate are deferred.

Cash and Cash Equivalents

The Partnership considers all investments with a purchased maturity of three months or less to be cash equivalents. The Partnership maintains at various banks in Pittsburgh, Pennsylvania, its cash and cash equivalents, which may exceed federally insured amounts at times. Book balance and bank balance of all cash in banks totals $3,060,020 and $3,074,621, respectively, at December 31, 2018. Total FDIC insured funds are $1,000,000 and uninsured funds total $2,074,621 on December 31, 2018. Management is currently satisfied with the solvency of the financial institutions that hold its deposits.

Book balance and bank balance of all cash in banks totaled $3,511,226 and $3,523,584, respectively, at December 31, 2017. Total FDIC insured funds were $750,000 and uninsured funds totaled $2,773,584 on December 31, 2017.

Receivables

Receivables consist of unconditional promises to give related to grants and sponsorships, program income, and outstanding membership dues, as well as for amounts billed for the BID assessment and are stated at the amount management expects to collect from balances outstanding at year-end. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to bad debt expense and a credit to the receivable. All receivables are expected to be collected in the next year. The allowance for doubtful accounts, related to the BID receivable, was $4,334 at December 31, 2018 and 2017.

Accounting Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment of the Partnership are recorded at the lower of cost or fair value. The Partnership has established a policy to capitalize all property and equipment purchases over $5,000. Depreciation expense is recorded on the straight-line method over estimated useful lives. Estimated useful lives range from three to thirty-nine years. Repairs and maintenance costs that do not extend the lives of the applicable assets are charged to expense as incurred. Gain or loss resulting from the retirement or other disposition of assets is included in the statements of activities.

Liquidity and Availability

The primary sources of funding for the Partnership are grants and sponsorships and BID assessment revenue. The Partnership structures its financial assets to be available as general expenditures, liabilities, and other obligations become due. Project revenue and expense reports are prepared and reviewed on a regular basis to assist in monitoring liquidity.

As of December 31, 2018, financial assets available within one year for general expenditures, such as operating expenses, were as follows:

Cash and cash equivalents	$	3,060,020
Grants and sponsorships receivable		252,389
Program income receivables		20,789
Membership receivables		14,700
BID receivable, net		38,768
Total financial assets	$	3,386,666
Less those unavailable for general expenditures within one year due to:		
Restricted by donor with time or purpose restrictions		(1,527,757)
Board-designated for vacant upper floor loan program		(41,503)
Board-designated for future operations		(177,356)
Financial assets available to meet cash needs for general expenses within one year	$	1,640,050

Income Taxes

The Partnership is tax exempt under Section 501(c)(3) of the United States Internal Revenue Code, except on net income derived from unrelated business activities. In addition, the Partnership qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation. Further, the Partnership annually files a Form 990 as applicable. Management asserts that they have no uncertain tax positions.

Contributed Services and Materials

Contributed services and materials meeting the requirements of accounting principles generally accepted in the United States of America are reflected as contributions in the statements of activities at their estimated fair values at the date of receipt. The Partnership recognized revenues and related expenses of $104,988 and $52,000 for December 31, 2018 and 2017, respectively, for such marketing services contributions.

Functional Allocation of Expenses

Expenses directly related to a specific program are charged to that program. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits, and payroll taxes, which are allocated on the basis of estimated time and effort.

Advertising Costs

The Partnership's policy is to expense advertising costs in the period incurred. Such costs approximated $155,000 and $168,000 for the years ended December 31, 2018 and 2017, respectively.

Reclassifications

Certain reclassifications have been made to the financial statements for the year ended December 31, 2017 to conform to the current year's presentation.

Adopted Accounting Standard

For the year ended December 31, 2018, the Partnership adopted ASU 2016-14, *"Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities."* As a result of adopting ASU-2016-14, the Partnership's net assets have been restated as of January 1, 2017 and 2018. $377,442 and $323,556 was added to net assets without donor restrictions at January 1, 2017 and January 1, 2018, respectively, to reflect the placed-in-service approach for long-lived assets. The table below shows the transfers between net asset classifications as a result of the adoption.

	Unrestricted	Temporarily Restricted	With Donor Restrictions	Without Donor Restrictions
Net assets as of January 1, 2017, before adoption	$ 959,405	$ 1,840,779	$ -	$ -
Transfers between classes as a result of adoption	(959,405)	(1,840,779)	1,463,337	1,336,847
Net assets as of January 1, 2017, as restated	$ -	$ -	$ 1,463,337	$ 1,336,847
Net assets as of January 1, 2018, before adoption	$ 963,933	$ 2,682,779	$ -	$ -
Transfers between classes as a result of adoption	(963,933)	(2,682,779)	2,359,223	1,287,489
Net assets as of January 1, 2018, as restated	$ -	$ -	$ 2,359,223	$ 1,287,489

Pending Pronouncements

The Financial Accounting Standards Board (FASB) has issued amendments of the FASB Accounting Standard Codification that will become effective in future years as shown below. Management has not yet determined the impact of these statements on the Partnership's financial statements:

In February 2016, the FASB issued ASU No. 2016-02, *"Leases (Topic 842),"* which is intended to increase transparency and comparability among entities that enter into leasing arrangements. This ASU requires recognition of lease assets and lease liabilities on the balance sheet for nearly all leases (other than short-term leases), as well as a retrospective recognition and measurement of existing impacted leases. The requirements of the new standard will be effective for annual reporting periods beginning after December 15, 2019. The new standard is required to be applied with a modified retrospective approach to each prior reporting period with various optional practical expedients.

In May 2014, the FASB issued ASU No. 2014-09, *"Revenue from Contracts with Customers,"* which provides a single, comprehensive revenue recognition model for all contracts with customers, and contains principles to determine the measurement of revenue and timing of when it is recognized. The requirements of the new standard will be effective for annual reporting periods beginning after December 15, 2018. Early adoption will be permitted for annual reporting periods beginning after December 15, 2017.

ASU 2018-08, "*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*," is effective for the financial statements for the year ending December 31, 2019. This amendment provides guidance for characterizing grants and similar contracts with government agencies and others as reciprocal transactions (exchanges) or nonreciprocal transactions (contributions) and distinguishing between conditional and unconditional contributions.

ASU 2016-18, "*Statement of Cash Flows (Topic 230): Restricted Cash*," is effective for the financial statements for the year ending December 31, 2019. This amendment requires that the statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

3. Loan Receivable

During 2010, the Partnership issued a $105,000 loan for its Vacant Upper Floor Loan Program. As of December 31, 2018, $105,000 is still outstanding on this loan. Payments on this loan were to begin in May 2013. As of December 31, 2018, no payments have been received, and the Partnership does not expect to receive principal payments in 2019. The Partnership is working with the Urban Redevelopment Authority (URA) and the Heinz Endowments to transfer this loan to the URA for servicing. This loan receivable was funded with loans payable incurred by the Partnership as described in Note 7. The Partnership fully anticipates that the loan receivable will be fully offset by relief to the Partnership from the loans payable and no loss to the Partnership will occur.

4. Property, Building, and Equipment

Property, building, and equipment, net of depreciation, is composed of the following amounts:

	Balance at December 31, 2017	Additions	Deletions	Balance at December 31, 2018
Office/computer and misc. equipment	$ 402,052	$ 14,880	$ -	$ 416,932
Equipment	62,242	14,100	-	76,342
Office renovations	15,123	-	-	15,123
Wi-Fi equipment	297,094	-	-	297,094
Lights	188,359	-	-	188,359
Deposit on Smithfield bus shelter	45,345	-	-	45,345
Picklesburgh balloon	16,750	-	-	16,750
Santa's House and Chalets	517,255	7,000	-	524,255
Total fixed assets	1,544,220	35,980	-	1,580,200
Accumulated depreciation	(1,141,363)	(137,709)	-	(1,279,072)
Net fixed assets	$ 402,857	$ (101,729)	$ -	$ 301,128

	Balance at December 31, 2016	Additions	Deletions	Balance at December 31, 2017
Office/computer and misc. equipment	$ 391,150	$ 16,980	$ (6,078)	$ 402,052
Equipment	7,629	54,613	-	62,242
Office renovations	15,123	-	-	15,123
Wi-Fi equipment	297,094	-	-	297,094
Lights	188,359	-	-	188,359
Deposit on Smithfield bus shelter	45,345	-	-	45,345
Picklesburgh balloon	16,750	-	-	16,750
Santa's House and Chalets	504,080	13,175	-	517,255
Total fixed assets	1,465,530	84,768	(6,078)	1,544,220
Accumulated depreciation	(1,023,700)	(121,411)	3,748	(1,141,363)
Net fixed assets	$ 441,830	$ (36,643)	$ (2,330)	$ 402,857

5. Net Assets with Donor Restrictions

Net assets with donor restrictions were available at December 31, 2018 and 2017 for the following purposes or periods:

	2018	2017
Paris to Pittsburgh	$ 704,684	$ 881,174
Economic development	-	2,052
Wayfinding	95,051	199,809
Housing revitalization	36,831	36,774
Wi-Fi	-	195
Main Street	-	858
State of Downtown	11,477	21,242
Volunteer program	43	309
Envision	158,538	396,536
Strawberry Way	6,196	27,233
Small business	285	8,925
Sustainable Pittsburgh	38,654	18,732
Annual meeting	-	7,000
604 Liberty	320,076	514,488
Kids Play	2,012	1,947
Downtown Activation and Public Art Initiative	122,650	193,093
Police service enhancements	8,485	25,014
Keep America Beautiful	728	728
Market Square projects	22,024	23,114
Other	23	-
	$ 1,527,757	$ 2,359,223

6. Release of Net Assets with Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the other events specified by donors for the years ended December 31, 2018 and 2017 as follows:

	2018	2017
Purpose restrictions accomplished:		
Market Square reconstruction	$ 1,125	$ -
Paris to Pittsburgh	181,160	347,029
Economic development	2,052	-
Police service enhancements	21,539	-
Wayfinding	104,988	32,267
Wi-Fi	194	4,641
Light Up Night	-	8,502
Main Street	858	-
Envision	238,353	257,033
604 Liberty	207,181	-
Strawberry Way	21,069	11,325
Sustainable Pittsburgh	-	15,777
Small business	8,649	37,965
Volunteer program	266	-
State of Downtown	21,242	-
Holiday Market	-	21,580
Downtown Activation and Public Art Initiative	97,653	13,042
Annual meeting	7,000	-
Kids play	438	-
	$ 913,767	$ 749,161

7. Long-Term Debt

Long-term debt consists of the following:

	December 31, 2018	December 31, 2017
A $52,500 loan payable with Heinz Endowments to provide funds for the Vacant Upper Floor Loan Program. Payments on the loan were originally to begin in 2015 with a maturity date in 2025. Required payments have been delayed as discussed below. The loan bears a 3% annual interest.	$ 52,500	$ 52,500
A $52,500 loan payable with the Urban Redevelopment Authority to provide funds for the Vacant Upper Floor Loan Program. Payments on the loan were to begin April 15, 2014 with a maturity date in 2025. Required payments have been delayed as discussed below. The loan bears a 3% annual interest.	52,500	52,500
	105,000	105,000
Less: current portion of long-term debt	-	-
	$ 105,000	$ 105,000

As described in Note 3, these loans payable are directly related to the loan receivable to the Partnership from the Vacant Upper Floor Loan Program. The Partnership is working to transfer the loan receivable to the URA for servicing, which will also relieve the Partnership from payment obligations for these loans payable. The lenders have agreed to adjust the payment schedule to allow for time for the transfer of the loan. The Partnership is not required to make payments on these loans at this time, as the loans are to be transferred to the URA. As of December 31, 2018 and 2017, any accrued interest is not considered to be significant and has not been recorded.

8. Operating Leases

The Partnership leases office space with monthly payments approximating $7,100 through the lease term ending May 31, 2020. Rent expense for the years ended December 31, 2018 and 2017 approximated $85,000 and $85,000, respectively. Also, the Partnership has leases for a copier and postage machine.

Future minimum lease payments are as follows:

	Amount
2019	$ 102,156
2020	52,701
2021	17,376
2022	4,821
2023	556
	$ 177,610

9. Employee Benefit Plans

The Partnership has a defined contribution retirement plan (plan) covering all eligible employees. Participation in the plan is subject to specific eligibility provisions of the plan. Employees may make contributions from their salaries up to or equal to the salary reduction dollar limit set by the IRS. Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Effective July 1, 2013, the Partnership changed from a 403(b) plan to a 401(k) plan. As a result, beginning in 2013, the Partnership is required to make a fully-vested Safe Harbor Non-Elective contribution equal to 3% of each employee's pay. The Partnership, at its discretion, may make additional contributions to the plan. The Partnership contributed $26,041 to the plan for the year ended December 31, 2018 and $28,861 to the plan for the year ended December 31, 2017.

10. Economic Dependency

The Partnership has received a majority of its support from grants and sponsorships. Total support received by the Partnership in the form of grants and sponsorships was approximately 31% for the year ended December 31, 2018 and 52% for the year ended December 31, 2017. Management anticipates that support will continue from the Partnership's contributors. Any significant reduction in the level of contribution support would significantly affect the Partnership's programs and would result in current staffing being evaluated.

11. Related Parties

A member of the Partnership's Board of Directors is the Executive Director at the URA. The Partnership is administering a loan program that is funded by the URA. As of December 31, 2018 and 2017, one loan has been issued from the loan program. This $52,500 loan was issued in 2010. In 2018, the URA provided funding for the State of Downtown Program. In 2017 the URA reimbursed the Partnership for expenses incurred for the 2016 BizzBuzz Program and provided funding for the State of Downtown Program. A total of $10,000 and $12,593 in 2018 and 2017, respectively, was distributed to the Partnership for these programs. The Partnership considers the contracts to have been negotiated at "arm's length" and not indicative of a conflict of interest.

A member of the Partnership's Board of Directors is President of Ewart Associates, L.P., which owns 925 Liberty Avenue, where the Partnership is a tenant and pays rent pursuant to a lease agreement. In 2018 and 2017, the Partnership paid $86,910 and $87,734, respectively, to Ewart Associates, L.P. for rent and repair and maintenance charges. The Partnership considers the lease agreement to have been negotiated at "arm's length" and not indicative of a conflict of interest.

A member of the Partnership's Board of Directors is the President and CEO of the Pittsburgh Cultural Trust. During 2018 and 2017, $6,312 and $3,989, respectively, was paid to the Pittsburgh Cultural Trust for services. Also, during 2018 and 2017, the Pittsburgh Cultural Trust paid the Partnership $6,270 and $26,331, respectively, for various events and sponsorships.

A member of the Partnership's Board of Directors is a shareholder of Buchanan, Ingersoll, & Rooney. During 2018 and 2017, $16,004 and $18,805, respectively, was paid to Buchanan, Ingersoll, & Rooney for legal and consulting services.

Organizations with which the Board of Directors are affiliated do contribute to the Partnership throughout the year.