

DIAMOND CITY PARTNERSHIP, INC.

**FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

DIAMOND CITY PARTNERSHIP, INC.

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December 31, 2022 and 2021

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LAWRENCE, CABLE AND COMPANY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
106 SOUTH MAIN STREET
WILKES-BARRE, PA 18701-1612

Robert G. Lawrence, CPA, CFP, CVA
Dean M. Cable, CPA

WILKES-BARRE
(570) 825-0001
MOUNT POCONO
(570) 839-7662

INDEPENDENT AUDITORS' REPORT

Board of Directors
Diamond City Partnership, Inc.
Wilkes-Barre, Pennsylvania

Opinion

We have audited the accompanying financial statements of Diamond City Partnership, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2022 and 2021 and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Diamond City Partnership, Inc. as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Diamond City Partnership, Inc. and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Diamond City Partnership, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

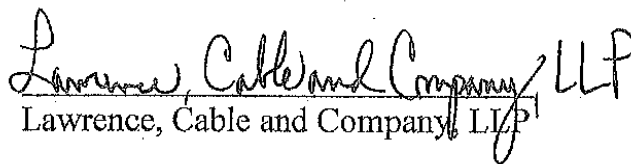
Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 our 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 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.

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

- 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 Diamond City Partnership, 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Diamond City Partnership, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.


Lawrence, Cable and Company LLP

Wilkes-Barre, Pennsylvania
November 14, 2023

DIAMOND CITY PARTNERSHIP, INC.

Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
<u>Assets</u>		
Current Assets:		
Cash	\$ 174,293	\$ 67,695
Assessments receivable	65,988	86,429
Unconditional promises to give	<u>287</u>	<u> </u>
Total Current Assets	240,568	154,124
Improvements and equipment, net	<u>4,811</u>	<u>4,728</u>
Total Assets	\$ <u>245,379</u>	\$ <u>158,852</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Line of credit	\$ 5,440	\$ 43,059
Accounts payable	20,156	7,744
Payroll liabilities	7,190	5,756
Accrued expenses	15,581	8,635
Deferred revenue	<u>120</u>	<u>120</u>
Total Liabilities	<u>48,487</u>	<u>65,314</u>
Net Assets:		
Without donor restrictions	61,184	77,000
With donor restrictions	<u>135,708</u>	<u>16,538</u>
Total Net Assets	<u>196,892</u>	<u>93,538</u>
Total Liabilities and Net Assets	\$ <u>245,379</u>	\$ <u>158,852</u>

The accompanying notes are an integral part of
these financial statements.

DIAMOND CITY PARTNERSHIP, INC.

Statement of Activities and Changes in Net Assets
For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions of cash and other financial assets	\$ 82,201	\$ 182,500	\$ 264,701
Program revenue	315,053		315,053
Grants from governmental agencies		<u>100,000</u>	<u>100,000</u>
Total revenue and support	<u>397,254</u>	<u>282,500</u>	<u>679,754</u>
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>163,330</u>	<u>(163,330)</u>	<u> </u>
Total assets released from restrictions	<u>163,330</u>	<u>(163,330)</u>	<u> </u>
Total Revenue and Support and Net Assets Released from Restrictions	<u>560,584</u>	<u>119,170</u>	<u>679,754</u>
Expenses:			
Program services:			
Business improvement	427,715		427,715
Supporting service:			
Management and general	95,729		95,729
Fund raising	<u>52,956</u>		<u>52,956</u>
Total Expenses	<u>576,400</u>		<u>576,400</u>
Change in net assets	(15,816)	119,170	103,354
Net assets, beginning	<u>77,000</u>	<u>16,538</u>	<u>93,538</u>
Net assets, ending	\$ <u>61,184</u>	\$ <u>135,708</u>	\$ <u>196,892</u>

The accompanying notes are an integral part of
these financial statements.

DIAMOND CITY PARTNERSHIP, INC.

Statement of Activities and Changes in Net Assets
For the year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions of cash and other financial assets	\$ 115,658	\$ 27,218	\$ 142,876
Program revenue	326,332		326,332
Grants from governmental agencies		72,678	72,678
Total revenue and support	<u>441,990</u>	<u>99,896</u>	<u>541,886</u>
Net assets released from restrictions:			
Satisfaction of purpose restrictions	144,616	(144,616)	_____
Total assets released from restrictions	<u>144,616</u>	<u>(144,616)</u>	_____
Total Revenue and Support and Net Assets Released from Restrictions	<u>586,606</u>	<u>(44,720)</u>	<u>541,886</u>
Expenses:			
Program services:			
Business improvement	387,300		387,300
Supporting service:			
Management and general	84,088		84,088
Fund raising	48,412		48,412
Total Expenses	<u>519,800</u>	_____	<u>519,800</u>
Change in net assets	66,806	(44,720)	22,086
Net assets, beginning	<u>10,194</u>	<u>61,258</u>	<u>71,452</u>
Net assets, ending	\$ <u>77,000</u>	\$ <u>16,538</u>	\$ <u>93,538</u>

The accompanying notes are an integral part of
these financial statements.

DIAMOND CITY PARTNERSHIP, INC.

Statement of Functional Expenses
For the year ended to December 31, 2022

	<u>Program Services</u>	<u>Supporting Service</u>		
	Business Improvement	Management and General	Fund Raising	Total
Salaries	\$ 105,246	\$ 37,643	\$ 16,133	\$ 159,022
Employee benefits	3,550	1,317	565	5,432
Payroll taxes	<u>8,354</u>	<u>2,936</u>	<u>1,258</u>	<u>12,548</u>
Total salaries and related expenses	117,150	41,896	17,956	177,002
Cleaning and maintenance	212,128			212,128
Security	8,846			8,846
Grants and awards	19,764			19,764
Professional fees	21,458	16,707	35,000	73,165
Travel and meals		6,791		6,791
Rent	525	10,826		11,351
Marketing	27,125			27,125
Insurance		4,036		4,036
Fees	750	3,243		3,993
Utilities	2,171			2,171
Supplies	10,865	1,891		12,756
Entertainment	6,933			6,933
Bank charges		433		433
Training		2,440		2,440
Interest		2,202		2,202
Telephone		1,065		1,065
Dues and subscriptions		2,650		2,650
Postage and shipping		388		388
Printing		172		172
Repairs		<u>91</u>		<u>91</u>
Total before depreciation	427,715	94,831	52,956	575,502
Depreciation		<u>898</u>		<u>898</u>
Total	\$ <u>427,715</u>	\$ <u>95,729</u>	\$ <u>52,956</u>	\$ <u>576,400</u>

The accompanying notes are an integral part of
these financial statements.

DIAMOND CITY PARTNERSHIP, INC.

Statement of Functional Expenses
For the year ended to December 31, 2021

	<u>Program Services</u>	<u>Supporting Service</u>		
	Business Improvement	Management and General	Fund Raising	Total
Salaries	\$ 46,588	\$ 32,612	\$ 13,977	\$ 93,177
Employee benefits	1,516	1,061	455	3,032
Payroll taxes	<u>3,748</u>	<u>2,624</u>	<u>1,125</u>	<u>7,497</u>
Total salaries and related expenses	51,852	36,297	15,557	103,706
Cleaning and maintenance	193,017			193,017
Security	9,989			9,989
Grants and awards	71,472			71,472
Professional fees	33,678	15,597	32,855	82,130
Travel and meals	417	3,083		3,500
Rent	225	10,298		10,523
Marketing	15,077			15,077
Insurance		3,780		3,780
Fees		3,710		3,710
Utilities	1,615			1,615
Supplies	5,636	1,828		7,464
Entertainment	3,900			3,900
Bank charges		213		213
Training		2,685		2,685
Interest		2,833		2,833
Telephone		1,341		1,341
Dues and subscriptions		1,415		1,415
Postage and shipping		469		469
Printing	<u>5</u>			<u>5</u>
Total before depreciation	386,883	83,549	48,412	518,844
Depreciation	<u>417</u>	<u>539</u>		<u>956</u>
Total	\$ <u>387,300</u>	\$ <u>84,088</u>	\$ <u>48,412</u>	\$ <u>519,800</u>

The accompanying notes are an integral part of
these financial statements.

DIAMOND CITY PARTNERSHIP, INC.

Statements of Cash Flows
For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ <u>103,354</u>	\$ <u>22,086</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	898	956
PPP loan forgiven		(17,500)
Changes in operating assets and liabilities:		
Assessments and pledges receivable	20,154	
Accounts payable and accrued expenses	<u>20,792</u>	(410)
Total adjustments	<u>41,844</u>	<u>(16,320)</u>
Net cash provided by operating activities	<u>145,198</u>	<u>5,766</u>
Cash flows from investing activities:		
Capital expenditures	<u>(981)</u>	<u>(1,219)</u>
Net cash used in investing activities	<u>(981)</u>	<u>(1,219)</u>
Cash flows from financing activities:		
Net payments on line of credit	<u>(37,619)</u>	_____
Net cash used in financing activities	<u>(37,619)</u>	_____
Net increase in cash	106,598	4,547
Cash, beginning	<u>67,695</u>	<u>63,148</u>
Cash, ending	\$ <u>174,293</u>	\$ <u>67,695</u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$ <u>2,202</u>	\$ <u>2,771</u>

The accompanying notes are an integral part of these financial statements.

DIAMOND CITY PARTNERSHIP, INC.

Notes to Financial Statements
December 31, 2022 and 2021

1. Nature of Operations

Diamond City Partnership, Inc. (DCP) is a not-for-profit entity incorporated to form an alliance of organizations, businesses, and individuals in order to plan and implement revitalization strategies for areas located within the City of Wilkes-Barre, Pennsylvania. The Downtown Wilkes-Barre Business Improvement District (DWBBID) was established under the Act 2000, P.L. 949, No. 130, Cl. 53, Neighborhood Improvement District Act (Act) and operates as a Neighborhood Improvement District (NID). DPC serves as DWBBID's Neighbor Improvement District Management Association (NIDMA). The NIDMA oversees the management of a NID. The DWBBID commenced operations in 2007 and its mission is to administer programs and services to promote and enhance a more attractive and safer district including economic growth and increased employment opportunities. The DWBBID is scheduled to sunset as of December 31, 2029. The DWBBID generally includes all taxable and tax-exempt (for real estate purposes) properties except for residential properties with fewer than five units within two to five blocks of the Public Square in the City of Wilkes-Barre.

2. Subsequent Events

Management has evaluated subsequent events through November 14, 2023, the date the financial statements were available to be issued and determined that there were no subsequent events that required disclosure.

3. Summary of Significant Accounting Policies

The following is a summary of certain significant accounting policies followed in the preparation of these financial statements. The policies conform to accounting principles generally accepted in the United States of America as contained in the Accounting Standards Codification (ASC) issued by the Financial Standards Accounting Board (FASB), and have been consistently applied.

DIAMOND CITY PARTNERSHIP, INC.

Notes to Financial Statements
December 31, 2022 and 2021

Basis of Accounting

DCP prepares the financial statements using the accrual method of accounting in accordance with generally accepted accounting principles in the United States of America (GAAP), as found in the Accounting Standards Codification (ASC) issued by the Financial Accounting Standards Board (FASB). Revenues are recognized when earned and expenses when incurred.

Financial Instruments

A financial instrument is any contract that creates a financial asset for one entity and a financial liability for, or ownership interest in, another entity. DCP's financial instruments comprise cash, accounts receivable, certain other assets, accounts payable, certain accrued expenses and short-term debt. The methods for measuring financial instruments are described in the applicable accounting policy notes.

Impairment of Nonfinancial Assets

Management reviews long-lived nonfinancial assets, including leasehold improvements and equipment, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Management evaluates recoverability by comparing the carrying value of an asset to the undiscounted future cash flows the asset is expected to generate. If the carrying value of an asset exceeds its estimated future cash flows, an impairment loss for the amount by which the carrying value of the asset exceeds the fair value of the asset is recognized. Management did not identify any long-lived nonfinancial assets as being impaired during 2022 and 2021.

DIAMOND CITY PARTNERSHIP, INC.

Notes to Financial Statements
December 31, 2022 and 2021

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

With Donor Restrictions: Net assets subject to donor-imposed stipulations that they be maintained permanently by DCP. The donors of these assets permit DCP to use part of the income earned on related investments for specified or unspecified purposes. Net assets with donor restrictions also include net assets subject to donor-imposed stipulations that may or will be met by the actions of DCP and/or the passage of time.

Without Donor Restrictions: Net assets not subject to donor-imposed stipulations.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires, restricted net assets are classified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

DIAMOND CITY PARTNERSHIP, INC.

Notes to Financial Statements
December 31, 2022 and 2021

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash, cash equivalents, accounts receivable, promises to give, accounts payable and accrued expenses, approximate fair value due to the short maturity of these instruments.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, DCP considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Assessments Receivable

A special assessment is levied on all designated properties, other than tax-exempt properties, located in a limited geographic area within the City of Wilkes-Barre. The assessments provide funds for providing additional services such as street and sidewalk cleaning and additional security within the neighborhood business improvement district. The assessments attach as an enforceable lien on the property. Assessments receivable are initially recognized at the fair value of consideration receivable, which equates to nominal value, and are subsequently measured at amortized cost, less an allowance for doubtful accounts, which equates to net realizable value. Balances remaining outstanding after DCP has used reasonable collection efforts are written off.

The annual assessment charges to be levied on property owners are to be equitably apportioned among all properties charged within the whole district service area. The assessment is calculated utilizing Luzerne County's current real estate tax assessment as the basis for the assessment. The assessed market value of each property is divided by the total assessed market value for all properties subject to the assessment and multiplying the result by the annual budgeted ratepayer revenue.

DIAMOND CITY PARTNERSHIP, INC.

Notes to Financial Statements
December 31, 2022 and 2021

Allowance for Doubtful Accounts

It is the policy of management to review the outstanding assessments receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. Management considers the aging of the assessments receivable, property owner creditworthiness, past transaction history with the property owner, current economic industry trends, and changes in property owner payment terms when determining the allowance and the collectability of specific property owner accounts.

Unconditional Promises to Give

Unconditional promises to give to be received in one year or less are recorded at net realizable value. Unconditional promises to give to be received after one year, net of an allowance for uncollectible amounts, are initially recorded at fair value, estimated by discounting them to their present value at a risk-adjusted rate. Thereafter, amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible promises to give is provided based on management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor, and other relevant factors.

Leasehold Improvements and Equipment

Leasehold improvements and equipment are stated at cost or, if donated, at estimated fair market value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives of 5 to 10 years for equipment and 15 to 40 years for leasehold improvements. Expenditures for repairs and maintenance are charged to expense as incurred. Major improvements are capitalized.

DIAMOND CITY PARTNERSHIP, INC.

Notes to Financial Statements
December 31, 2022 and 2021

Revenue and Support

All items of revenue and support are stated on the accrual basis, including revenues receivable as reimbursements for incurred costs from government units and other third party payers.

DCP has multiple revenue streams that are accounted for as reciprocal exchange transactions including assessment and program fees.

Because DCP's performance obligations relate to contracts with a duration of less than one year, DCP has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), *Revenue from Contracts with Customers*, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

Donations-in-kind and Contributed Services

Material gifts-in-kind items used in the DCP's programs and services (e.g., vehicle, free rent, equipment, etc.) and donated goods distributed (clothing, furniture, foodstuffs, etc.) are recorded as income and expense at the time the items are placed into service or distributed.

There were no material items donated to DCP in 2022 and 2021.

Contributed land, building and equipment are recorded at fair value at the date of donation as unrestricted support and revenue unless the use of such contributed assets is restricted by a donor-imposed restriction.

DIAMOND CITY PARTNERSHIP, INC.

Notes to Financial Statements
December 31, 2022 and 2021

Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets, would have been purchased if not provided by contribution, require specialized skills and are provided by individuals possessing such specialized skills. In addition, the appropriate value of donated services of individuals is recorded as an expense when such services qualify for cost reimbursement from third-party providers.

DCP receives a substantial number of services donated by individuals and entities in carrying out DCP's program services. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

Advertising

DCP expenses advertising costs as they are incurred. The total advertising expense for the years ended December 31, 2022 and 2021 was \$27,125 and \$15,077, respectively.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of DCP. Expenses related to more than one function are charged to programs and supporting services on the following basis:

- a. Salaries and fringe benefits expenses are allocated on the basis of periodic time studies.
- b. Occupancy costs and depreciation of building and improvements are allocated on the basis of square footage.
- c. Depreciation of leasehold improvements and equipment is allocated on the basis of usage of the related leasehold improvements and equipment.

DIAMOND CITY PARTNERSHIP, INC.

Notes to Financial Statements
December 31, 2022 and 2021

Income Tax Status

DCP is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies as a publicly supported organization as defined within Sections 509(a)(9) and 170(b)(1)(A)(vi).

DCP's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending December 31, 2021, 2020, and 2019 are subject to examination by the IRS.

Economic Dependence

DCP receives a substantial portion of its revenues from the BID program. BIDs are authorized for a finite period of time and their continued existence is dependent upon periodic reauthorization by the affected property owners. Act 130 also provides that, at any time, if 40% of the assessed property owners within a BID formally request its termination in writing to the governing body of the municipality, the governing body is obligated to consider that request, and the BID may be terminated based on the results of that hearing. DWBBID's current authorization expires on December 31, 2029. While reauthorization is expected to be sought, it cannot be guaranteed. DCP is dependent upon reauthorization of the DWBBID for its continued existence and ability to carry out its normal activities.

Benefiting tax-exempt properties are asked to contribute to DWBBID by entering into a voluntary agreement, based on their established assessed value. During the years ended December 31, 2022 and 2021, DCP obtained a significant portion of its revenues from three benefiting properties. This consisted of program revenues of \$94,700 and \$94,400 for the years ended December 31, 2022 and 2021, respectively. At December 31, 2022 and 2021, there were no program receivables from these properties.

DIAMOND CITY PARTNERSHIP, INC.

Notes to Financial Statements
December 31, 2022 and 2021

4. Assessments Receivable

Assessments receivable consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Assessments receivable	\$ 107,988	\$ 136,429
Less allowance for doubtful accounts	<u>42,000</u>	<u>50,000</u>
Assessments receivable, net	\$ <u>65,988</u>	\$ <u>86,429</u>

Bad debts during the years ended December 31, 2022 and 2021 amounted to \$17,903 and \$1,950, respectively.

5. Promises to Give

The following is a summary of unconditional promises to give as of December 31, 2022 and 2021, by expected period of payment:

	<u>2022</u>	<u>2021</u>
Receivable within one year	\$ <u>3,787</u>	\$ _____
Total Unconditional Promises to Give	3,787	
Less:		
Allowance for uncollectible promises to give	<u>3,500</u>	_____
Unconditional Promises to Give, net	\$ <u>287</u>	\$ _____

Bad debts during the years ended December 31, 2022 and 2021 amounted to \$250 and \$0, respectively.

DIAMOND CITY PARTNERSHIP, INC.

Notes to Financial Statements
December 31, 2022 and 2021

6. Improvements and equipment

A summary of leasehold improvements and equipment at December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Improvements	\$ 3,739	\$ 3,739
Equipment	<u>6,520</u>	<u>5,540</u>
	10,259	9,279
Less: Accumulated Depreciation	<u>5,448</u>	<u>4,551</u>
Improvements and equipment, net	\$ <u>4,811</u>	\$ <u>4,728</u>

Depreciation for the year ended December 31, 2022 amounted to \$898.

Depreciation for the year ended December 31, 2021 amounted to \$956.

7. Line of Credit

DCP has a \$50,000 revolving line of credit agreement with a local financial institution with interest due monthly at a rate of 3.15% above prime, which was 10.15% as of December 31, 2022. The outstanding balance on the line of credit was \$5,440 and \$43,059 as of December 31, 2022 and 2021, respectively.

Interest incurred and expensed during the years ended December 31, 2022 and 2021 was \$2,202 and \$2,833, respectively.

8. Paycheck Protection Program term note

On April 22, 2020, DCP entered into a promissory note with M&T Bank, evidencing an unsecured loan with a principal amount of \$17,500 made to DCP pursuant to the Paycheck Protection Program (PPP Term Note) under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The PPP Term Note is guaranteed by the United States Small Business Administration (SBA).

DIAMOND CITY PARTNERSHIP, INC.

Notes to Financial Statements
December 31, 2022 and 2021

The proceeds may be used to maintain payroll or make certain covered interest payments, lease payments and utility payments. On April 30, 2021, DCP was granted forgiveness for all of the loan granted under the PPP plus accrued interest of \$179. The total amount of forgiveness of \$17,679 is reported as grants from government agencies in the FY 2021 statement of activities and changes in net assets.

9. Net Asset Classifications

Net assets without donor restrictions represent net resources that can be used for the general purposes of DCP. Included with these funds are net resources voluntarily designated by the Board of Directors. These designations can be modified or reversed at the discretion of the Board of Directors and, as such, do not have the legal or donor imposed restrictions. Included with the net assets without donor restrictions at December 31, 2022 and 2021 are the following board designated funds:

	<u>2022</u>	<u>2021</u>
Designated by the Board:		
Downtown Residents Program	\$ <u>8,580</u>	\$ <u>8,723</u>
Total Board Designated Net Assets	8,580	8,723
Undesignated	<u>52,604</u>	<u>68,277</u>
Net Assets Without		
Donor Restrictions	\$ <u>61,184</u>	\$ <u>77,000</u>

DIAMOND CITY PARTNERSHIP, INC.

Notes to Financial Statements
December 31, 2022 and 2021

Net assets with donor restrictions consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Restricted for the Leadership Band Shell Program	\$	\$ 6,702
Restricted for the Façade Grant Program	4,000	4,000
Restricted for the Wayfinding Signage Program	5,836	5,836
Restricted for the ARPA Grant Program	75,872	
Restricted for the Neighborhood Partnership Program	<u>50,000</u>	<u> </u>
Total net assets with donor restrictions	\$ <u>135,708</u>	\$ <u>16,538</u>

10. Net Assets Released from Restrictions

	<u>2022</u>	<u>2021</u>
Purpose restrictions accomplished:		
Fitness:		
Program supplies and support:		
ARPA grant program	\$ 24,128	\$
Neighborhood assistance program		30,000
Special program priorities	130,000	
Façade program	2,500	2,217
Leadership band shell program	6,702	39,720
COVID-19 related costs		22,679
Downtown rents and program		<u>50,000</u>
Total restrictions released	\$ <u>163,330</u>	\$ <u>144,616</u>

DIAMOND CITY PARTNERSHIP, INC.

Notes to Financial Statements
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11. Liquidity and Funds Available

The following table reflects DCP's financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, state-requiring annuity reserves, trust assets, assets held for others, perpetual endowments and accumulated earnings net of appropriations within one year, or a long-term investment as board designated endowments. These board designations could be drawn upon if the board approves that action.

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 174,293	\$ 67,695
Assessments receivable and unconditional promises to give	<u>65,988</u>	<u>86,429</u>
Financial assets, December 31	240,281	154,124
Less those unavailable for general expenditure within one year due to:		
Restricted by donor with time or purpose restrictions	<u>(135,708)</u>	<u>(16,538)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>104,573</u>	\$ <u>137,586</u>

DCP has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. DCP has a \$50,000 revolving line of credit with M&T Bank, which it could draw upon in the event of an anticipated liquidity need. The interest rate is equal to 3.15% above the prime rate as established by the bank, currently at 10.15% with the interest due monthly and the principal due upon demand. \$5,440 were borrowed under this agreement during the year ended December 31, 2022.