The Pittsburgh Foundation

(And Controlled Supporting Organizations)

Consolidated Financial Statements and Additional Information as of and for the Years Ended December 31, 2016 and 2015, and Independent Auditor's Report

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Pittsburgh Foundation

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Pittsburgh Foundation and Controlled Supporting Organizations, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We did not audit the financial statements of Neighborhood Allies, a controlled supporting organization, which statements reflect total assets of $4,335,166 and $4,096,421, and total net assets of $3,697,598 and $3,435,268 as of December 31, 2016 and 2015, respectively, and total revenues, gains, and other support of $3,097,228 and $1,886,871, respectively, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Neighborhood Allies, is based solely on the report of the other auditors. 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

INDEPENDENT AUDITOR'S REPORT
(continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated 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 organization'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 consolidated financial statements.

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

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Pittsburgh Foundation and Controlled Supporting Organizations as of December 31, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Additional Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The additional information shown on pages 27-34 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The additional information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, which insofar as it relates to Neighborhood Allies, is based on the report of other auditors, the additional information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Sisterson + Co. LLP

June 16, 2017

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents	$ 84,712,715	$ 88,500,566
Contributions receivable and other assets	178,402,822	189,582,038
Accounts and investment income receivable	569,372	901,136
Investments	871,072,124	845,261,396
Program-related investments	3,611,331	3,672,790
Rental property	347,305	347,305
Furniture, fixtures and equipment, net of accumulated depreciation of $3,922,841 and $3,318,290 for 2016 and 2015, respectively	2,677,222	2,897,527
Total	$ 1,141,392,891	$ 1,131,162,758
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and other liabilities	$ 11,367,795	$ 12,255,181
Grants payable	14,836,530	13,694,870
Accrued pension liability	5,419,209	5,090,157
Total liabilities	31,623,534	31,040,208
NET ASSETS:		
Unrestricted	136,383,508	139,391,097
Temporarily restricted	960,699,538	948,087,660
Permanently restricted	12,686,311	12,643,793
Total net assets	1,109,769,357	1,100,122,550
Total	$ 1,141,392,891	$ 1,131,162,758

See notes to consolidated financial statements.

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CHANGES IN UNRESTRICTED NET ASSETS:		
Revenues and gains:		
Contributions	$ 14,960,767	$ 22,394,520
Income on investments, net of investment fees of $617,808 and $817,960 in 2016 and 2015, respectively	1,433,125	1,648,715
Net realized and unrealized gains (losses) on investments	5,073,049	(2,207,305)
Other	1,283,942	831,411
Total unrestricted revenues and gains	22,750,883	22,667,341
Net assets released resulting from satisfaction of donor restrictions	54,569,469	52,991,177
Total unrestricted revenues, gains and other support	77,320,352	75,658,518
Expenses:		
Grants approved, net of cancellations and refunds of $762,206 and $615,370 in 2016 and 2015, respectively	64,158,225	55,320,527
Grantmaking and related services expenses	7,397,461	6,176,435
Other fund expenses	1,319,869	1,329,512
Administrative expenses:		
Development and donor services expenses	4,476,756	4,098,081
Management and general administrative expenses	2,975,630	2,753,524
Total administrative expenses	7,452,386	6,851,605
Total expenses	80,327,941	69,678,079
Increase (decrease) in unrestricted net assets	(3,007,589)	5,980,439

See notes to consolidated financial statements.

(Continued)

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	$ 23,173,455	$ 24,383,747
Bequests and split-interest contributions	4,933,194	10,187,517
Changes in the value of split-interest agreements	715,216	(7,812,460)
Income on investments, net of investment fees of $2,839,634 and $2,701,554 in 2016 and 2015, respectively	8,847,943	8,969,133
Net realized and unrealized gains (losses) on investments	29,511,539	(18,261,204)
Net assets released resulting from satisfaction of donor restrictions	(54,569,469)	(52,991,177)
Increase (decrease) in temporarily restricted net assets	12,611,878	(35,524,444)
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS:		
Change in value of perpetual trusts held by others	42,518	(625,105)
Increase (decrease) in permanently restricted net assets	42,518	(625,105)
INCREASE (DECREASE) IN NET ASSETS	9,646,807	(30,169,110)
NET ASSETS — Beginning of year	1,100,122,550	1,130,291,660
NET ASSETS — End of year	$ 1,109,769,357	$ 1,100,122,550

See notes to consolidated financial statements.

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	$ 9,646,807	$ (30,169,110)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation	599,701	465,229
Contribution of noncash gifts	(12,162,884)	(12,135,752)
Net realized and unrealized (gains) losses on investments	(32,811,415)	19,515,783
Decrease in accounts, contributions, and investment income receivables and other assets	14,608,795	9,803,350
Increase (decrease) in total liabilities	583,326	(290,574)
Net cash used in operating activities	(19,535,670)	(12,811,074)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture, fixtures and equipment	(379,396)	(1,294,563)
Program-related loans receivable collected	61,459	32,627
Purchases of investments	(208,278,796)	(225,839,924)
Proceeds from sales of investments	224,344,552	252,941,778
Net cash provided by investing activities	15,747,819	25,839,918
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,787,851)	13,028,844
CASH AND CASH EQUIVALENTS — Beginning of year	88,500,566	75,471,722
CASH AND CASH EQUIVALENTS — End of year	$ 84,712,715	$ 88,500,566

See notes to consolidated financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization — The Pittsburgh Foundation, comprised of both a trust and corporate form, is one of the largest community foundations in the United States. The Pittsburgh Foundation Trust (the "Trust") was created in 1945 by a Declaration of Trust adopted by local banks. The Trust was determined to be exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") and has been classified as an organization that is not a private foundation as defined in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code. In 1990, a nonprofit corporation, The Pittsburgh Foundation, Inc., (the "Corporation"), became active as a component part of The Pittsburgh Foundation, primarily to provide the capacity to receive alternate forms of charitable gifts from donors. The Foundation's consolidated financial statements have been prepared on the accrual basis of accounting and include the activity of the Trust and the Corporation, each of which are components of The Pittsburgh Foundation. All intra and inter foundation balances and transactions have been eliminated in the consolidated financial statements.

The Pittsburgh Foundation's consolidated financial statements include the activity of five supporting organizations, which are Neighborhood Allies, The Pittsburgh Promise Foundation, The Forbes Funds, Charles E. Kaufman Foundation, and Jack G. Buncher Charitable Fund, as they are under the control of The Pittsburgh Foundation (collectively referred to as the "Foundation"). Total net assets related to these supporting organizations at December 31, 2016 and 2015, were $137,255,968 and $151,179,361, respectively. One supporting organization for which the Foundation provides certain administrative and staff services, R. P. Simmons Family Charitable Trust, was not included in the consolidated financial statements for the years ended December 31, 2016 and 2015, as it was not under the control of The Pittsburgh Foundation. One supporting organization, for which the Foundation provides no services, The Dietrich Foundation, was not included in the consolidated financial statements as it was not under the control of The Pittsburgh Foundation. Supporting organizations are separate charitable organizations and have separate governing boards. Their public charity status is attained through their affiliation with The Pittsburgh Foundation.

The Foundation participates with certain non-affiliated private foundations on the board of the African American Cultural Center (the "AACC"). The AACC was incorporated on October 27, 2014 and has received its charitable tax exemption under Section 501(c)(3) of the Code. The AACC exists to own, operate, and preserve the building located at 980 Liberty Avenue, Pittsburgh, Pennsylvania (known as the August Wilson Center) as a vibrant community asset focused primarily on producing and presenting African American arts and cultural programming. The privileges and powers of the members of the "Other Body," as defined in the Pennsylvania Nonprofit Corporation Law of 1988, 15 P.C.S.A. § 5103, include the ability to appoint directors on the board of the AACC, revise articles and bylaws, approve sale or disposition of the property, approve any indebtedness, approve contracts for management of property, approve dissolution, consolidation or sale of organization, and approve capital and operating plans. The Other Body consists of three members: The Foundation, Richard King Mellon Foundation, and The Heinz Endowments. None of the three members of the Other Body has a controlling financial interest and, therefore, none of the members consolidate the AACC financial results into their financial statements.

The Foundation manages various funds. Discretionary funds include undesignated and field of interest funds. Restricted funds include scholarship, designated, and donor-advised funds. The Foundation's governing boards are responsible for approval of all grants, substantially all of which are awarded to tax-exempt organizations.

Classification of Net Assets — In accordance with accounting principles generally accepted in the United States of America ("GAAP"), the Foundation considers contributions to be restricted if they are received with donor stipulations that limit the use of the donated assets. The Resolution and Declaration of Trust of the Foundation and certain donor agreements provide for the invasion of principal, subject to annual limits. Accordingly, all such contributions are reported as temporarily restricted. Gains and losses in the investment of these assets are classified as temporarily restricted. Investment income subject to restrictions that is earned and expended in the same year is reported as unrestricted. Unexpended investment income and contributions subject to restrictions are classified as temporarily restricted until the period in which the funds are spent, at which time temporarily restricted assets are released to unrestricted assets. Such transfers are reported in the consolidated statements of activities as net assets released resulting from satisfaction of donor restrictions. Income derived from assets dedicated to administrative activities is classified as unrestricted.

The Commonwealth of Pennsylvania has not adopted the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). The Commonwealth of Pennsylvania has enacted Act 141 (the "Act"). The Act allows the Foundation to elect a "total return investment policy" in regard to its endowment. Income is defined by the Act to mean a fixed percentage of the "value of the assets" held by the Foundation, not less than 2% or more than 7%. The "value of the assets" for purposes of the Act, is the average fair value of the assets over a three-year period (or the average value of the assets over any shorter period in the cases of assets held less than three years). The Foundation adopted a total investment return policy with a spending policy of 5% of the three-year average fair value of the endowment's investments for both 2016 and 2015. This spending policy determines the funds available for grant making and administrative expenses. This calculation excludes funds where the spending policy would reduce the individual fund balances below its stipulated minimum.

Endowment Investment Policy — The Pittsburgh Foundation's investment objective is to maximize returns through a highly diversified portfolio of assets consisting of equity, fixed income, and investments such as hedge funds and investment partnerships. The return objective of the Foundation is the desired annual payout, or spending policy, plus inflation as measured by the Consumer Price Index for All Urban Consumers (CPI-U) plus growth. The Foundation maintains a prudent risk policy through its Investment Policy Statement and the asset allocation described therein that is consistent with its public nature and the position of the Foundation.

Cash and Cash Equivalents — Cash and cash equivalents consist primarily of funds invested in money market accounts, including those held in trusts administered by various Pittsburgh banks and other financial services firms. Cash equivalents are recorded at carrying value, which approximates fair value, and were $84,712,715 and $88,500,566 at December 31, 2016 and 2015, respectively.

Investments — The Foundation's assets are administered by the Foundation itself, two locally based national banks, and several local financial service firms. The Board of Directors is responsible for establishing standards and reviewing investment manager performance of all invested assets.

Other investments include pooled income funds and charitable gift annuities, which are held in separately managed trusts, and life insurance contracts. The use of these assets for grant making is deferred until the death of the designated beneficiary.

Life insurance contracts are valued at cash surrender value as provided by the insurance company. Investment partnerships include private equity investment partnerships and capital appreciation funds. These investment partnerships are carried at estimated fair value as of December 31, 2016 and 2015, which totaled $150,044,184 and $161,211,024, respectively. Because these investment partnerships are not readily marketable, and the estimated value is subject to uncertainty, the reported fair value may differ from the fair value that would have been used had a ready market existed. These valuations include assumptions and methods that were prepared solely by the Foundation's investment advisors based upon information provided by the fund managers and were reviewed by, but not adjusted by, Foundation management. Additionally, these estimates are generally computed based on the Foundation's proportionate share of the overall value of the investee, net of estimated profit participation. The Foundation believes that the recorded amount of its investment partnerships is a reasonable estimate of fair value as of December 31, 2016 and 2015.

Realized and unrealized gains and losses are computed by deducting from the proceeds of the sale or the fair value of investments the historical cost of the security or its fair value at the time of donation using the average cost method. Net realized and unrealized gain or loss on investments is reflected in the consolidated statements of activities. Investment income is recorded on the accrual basis.

Rental Properties — Rental properties consist of land. Land is recorded at fair value as of date of gift.

Furniture, Fixtures and Equipment — Furniture, fixtures and equipment are recorded at cost and depreciated over their estimated useful lives, which range from 3 to 15 years on the straight-line method.

Program-Related Investments — The Foundation has program-related investments in local entities. These amounts are designed to be returned to the Foundation at future dates.

Contributions/Contributions Receivable — Contributions are recorded as revenue when an unconditional promise to give is received. Bequests are generally accrued as revenue when the respective will has been declared valid, or the likelihood of it being declared invalid is considered remote. Contributions subject to conditions are recorded as revenue when the conditions limiting the transfer of assets have been satisfied, typically when the promise becomes irrevocable. Contributions are recorded at fair value at the date of donation. Contributions receivable are recorded at the present value of expected net proceeds ultimately payable to the Foundation. The discount rates used to compute present value are a risk-free rate of return appropriate for the expected term of a promise to give. The rates ranged from 1.20% to 3.06% based on the remaining life of the promise to give for the year ended December 31, 2016. For the year ended December 31, 2015, the rates ranged from 1.06% to 3.01%. Contributions receivable are adjusted annually for any actuarial gain or loss, which is reflected in the consolidated statements of activities and is included in changes in the value of split-interest agreements. Contributions with donor-imposed restrictions that are met in the same year as received are reported as unrestricted.

Grants — Grants are recorded when they are approved by the Foundation's governing boards. Grant cancellations and refunds of paid grants are recorded as they occur.

Functional Allocation of Expenses — The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on an analysis of personnel time on the related activities.

Taxes — The Foundation adopted Financial Accounting Standards Board ("FASB") guidance for accounting for uncertainty in income taxes, which provides criteria for the recognition and measurement of uncertain tax positions. This guidance requires that an uncertain tax position should be recognized only if it is "more likely than not" that the position is not sustainable based on its technical merits. Recognizable tax positions should then be measured to determine the amount of benefit or liability recognized in the consolidated financial statements. The Foundation files U.S. federal and state information returns, and no returns are currently under examination. The statute of limitations on the

Foundation's federal tax returns remains open for the years ended December 31, 2013 through the present. The Foundation continues to evaluate its tax positions pursuant to the principles of FASB guidance and has determined that there is no material impact on the Foundation's consolidated financial statements.

Estimates and Assumptions — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties — Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in risks and values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported on the consolidated statements of financial position.

Reclassifications — Certain amounts previously reported in the December 31, 2015 consolidated financial statements have been reclassified to conform to the December 31, 2016 presentation.

Recent Accounting Pronouncements — In August 2016, the FASB issued Accounting Standards Update ("ASU") 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, Topic 958. ASU 2016-14 is intended to provide more useful information to users of financial statements for not-for-profit entities. ASU 2016-14 will reduce the number of net asset classes to two, to "with" or "without" restrictions, on the statements of financial position, and increase disclosure requirements in some instances; require the presentation of investment income to be presented net of all external and direct investment expenses on the statements of activities; require the presentation of expenses by nature and function in the financial statements; and, will require specific disclosures regarding qualitative and quantitative information about how a not-for-profit entity manages its liquidity and liquidity risk. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017 and requires retrospective application. The Foundation continues to evaluate the impacts that this standard will have on the Foundation's consolidated financial statements.

2. INVESTMENTS

The Foundation adopted FASB ASU 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value (or Its Equivalent)*, as of January 1, 2016. The amendments in ASU 2015-07 remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using net asset value (or its equivalent) ("NAV") as a practical expedient which primarily includes the Foundation's collective investment trusts and limited investment partnerships. The adoption of ASU 2015-07 did not have an impact on the Foundation's total assets or changes in net assets but changed previous disclosure requirements.

Investments are carried at fair value. The aggregate carrying value of investments, exclusive of cash equivalents, as of December 31, 2016 and 2015, is summarized as follows:

	2016	2015
Equities:		
Common stocks	$ 211,613,977	$ 203,710,169
Equity mutual funds	255,789,227	233,204,726
Limited investment partnerships	145,392,417	161,211,024
	612,795,621	598,125,919
Fixed income:		
Corporate bonds	15,103,350	12,792,492
Government bonds	23,875,028	17,309,480
Fixed income mutual funds	114,117,818	114,324,869
Asset-backed securities	8,325,604	8,746,571
	161,421,800	153,173,412
Collective investment trusts	82,776,541	81,481,964
Real estate investment trusts	3,358,598	4,346,197
Privately held corporate stock	7,065,200	4,612,175
	867,417,760	841,739,667
Cash surrender value of life insurance	3,654,364	3,521,729
Total investments	$ 871,072,124	$ 845,261,396

As of December 31, 2016 and 2015, there were no investments that represented 10% of the total value of the portfolio.

In determining fair value, the Foundation follows the FASB ASC Topic 820 regarding fair value measurements. This establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset based on market data obtained from sources independent of the organization. Unobservable inputs are inputs that would reflect an organization's assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1 — Valuations based on quoted market prices in active markets for identical assets that the organization has the ability to access. Since valuations are based on quoted market prices that are readily available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 — Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors, including, for example, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable in the market, the determination of fair value requires more judgment.

The Foundation uses prices and inputs that are current as of the measurement date, obtained through multiple third-party custodians from independent pricing services.

A description of the valuation techniques applied to the major categories of investments measured at fair value is outlined below.

The fair value of common and foreign stocks, exchange-traded funds ("ETFs") and real estate investment trusts ("REITs") are valued using quoted market prices in active markets when available. Such actively traded securities are categorized in Level 1 of the fair value hierarchy. Inactively traded equity securities valued using unobservable inputs are classified in Level 3 of the fair value hierarchy.

Equity and fixed income mutual funds are open-ended Securities and Exchange Commission-registered funds, with daily NAV. The mutual funds allow investors to sell their interests at the published daily NAV, with no restrictions on redemptions. These mutual funds are categorized in Level 1 of the fair value hierarchy.

Municipal and foreign sovereign debt securities are primarily valued based on available market data and are classified in Level 2 of the fair value hierarchy. U.S. government securities valued using quoted market prices are categorized in Level 1 of the fair value hierarchy. Noncallable agency issued debt securities are generally valued using quoted market prices. Actively traded noncallable agency-issued debt securities are categorized in Level 1 of the fair value hierarchy. Callable agency issued debt securities are valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. Callable agency-issued debt securities are categorized in Level 2 of the fair value hierarchy.

The fair value of corporate fixed income securities is estimated using recently executed transactions, market price quotations (where observable) or bond spreads. If the spread data does not reference the issuer, then data that references a comparable issuer is used. Corporate bonds are generally categorized in Level 2 of the fair value hierarchy.

A collective investment trust ("CIT") is a fund that is operated by a trust company or a bank that handles pooled groups of trust accounts, and the investments within the trust are liquid assets. Despite being invested in liquid assets, the trusts provide a thirty day NAV. The Foundation's ability to exit the trusts vary between 10 to 30 days.

Asset-backed mortgage securities including residential mortgage-backed securities, commercial mortgage-backed securities, and other securitized assets are valued through a variety of methods, including actively traded markets, market data, and observations. Evaluations utilize evaluated pricing applications that vary by asset class and incorporate available market information and, because many fixed income securities do not trade on a daily basis, apply available information through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. In addition, they use model processes, such as the Option Adjusted Spread model, to develop prepayment and interest rate scenarios for securities that have prepayment features. Correspondingly, these securities are categorized in Level 2 of the fair value hierarchy.

Limited liability partnerships are partnerships created and administered by a general partner who invests either directly in a specified investment strategy or indirectly through other limited liability partnerships in so called "fund of funds." The underlying investments of these funds can be actively traded securities in the case of certain hedge fund strategies or illiquid and privately held equity investment, as in the case of private equity investments.

The partnership documents outline the terms and conditions by which the general partner administers the partnership and its investments. Each limited partner owns a specified share of the partnership. These partnerships cannot be marketed to the public and are restricted, by regulation, to qualified investors. The underlying investments of these partnerships include many different types of investments, including interest rate swaps, commercial paper, foreign currency, private equity, short interest in common stock and convertible bonds. The valuation of the partnership interest, based upon the estimated NAV per share, is performed quarterly by the general partner through unaudited statements and validated through annual audited financial statements.

The fair value hierarchy table presenting the Foundation's investments measured at fair value is as follows as of December 31:

	2016	2015
Level 1 - Quoted prices in active markets for identical securities		
U.S. Government agencies - debt securities	$ 21,033,707	$ 13,916,160
International equity securities	22,652,302	9,883,039
Domestic equity securities	127,511,562	139,968,281
Equity ETFs	61,450,113	53,858,849
Equity mutual funds	255,789,227	233,204,726
Fixed income mutual funds	114,117,818	114,324,869
Real estate investment trusts	3,358,598	4,346,197
Total Level 1	605,913,327	569,502,121
Level 2 - Significant observable inputs		
Corporate debt obligations	15,103,350	12,792,492
Asset-backed securities	169,912	849,180
Government agency mortgage backed securities	8,155,692	7,897,391
Municipal debt securities	2,821,669	3,044,585
Foreign sovereign debt securities	19,652	348,735
Total Level 2	26,270,275	24,932,383
Level 3 - Significant unobservable inputs		
Privately held corporate stock	7,065,200	4,612,175
Investments measured at NAV as a practical expedient		
Collective investment trusts	82,776,541	81,481,964
Limited investment partnerships:		
Hedge funds	100,927,277	120,963,004
Private equity	44,465,140	40,248,020
Total investments measured at NAV as a practical expedient	228,168,958	242,692,988
Total	$ 867,417,760	$ 841,739,667

Net realized and unrealized gains (losses) on investments consists of the following for the years ended December 31:

	2016	2015
Net realized gains on investments	$ 14,574,536	$ 25,990,938
Net unrealized gains (losses) on investments	20,010,052	(46,459,447)
Net realized and unrealized gains (losses) on investments	$ 34,584,588	$ (20,468,509)

The following table sets forth a reconciliation of changes in the fair value of investments classified as Level 3 in the fair value hierarchy noted above for the years ended December 31, 2016 and 2015:

	Privately Held Corporate Stock
Balance as of January 1, 2015	$ 5,821,348
Net realized and unrealized gains	291,652
Cash flows	
Dispositions	(1,500,825)
Balance as of December 31, 2015	4,612,175
Net realized and unrealized gains	1,284,625
Cash flows	
Donated	1,962,900
Dispositions	(794,500)
Balance as of December 31, 2016	$ 7,065,200

In accordance with FASB ASU 2009-12, as a practical expedient, the Foundation has determined the fair value of its assets based on the NAV per share basis for certain investments it holds. These investments are predominantly in limited partnerships although some are held in unitized trusts. They represent investments in hedge fund of funds, direct investments in hedge funds, private equity partnerships, public equity funds and real estate. The Foundation has classified these according to the marketability of the underlying assets and has additionally classified them by types of investments as well as their redemption frequency and notification requirements. In total they represent $228,168,958 and $242,692,988 of the total assets of the Foundation or 19.99% and 21.46% for the years ended December 31, 2016 and 2015, respectively.

		December 31, 2016			
		Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Marketable Investments					
Equities		$ 73,224,221	$ -	Monthly	10 Days
Fixed income		9,552,320	-	Monthly	10 Days
Hedge funds - quarterly exit		50,941,577	-	Quarterly	60 - 95 Days
Hedge funds - annual exit		34,821,897	-	Annually	60 - 95 Days
Macro		11,618,529	-	Monthly	10 - 17 Days
Natural resources		2,309,039	-	Quarterly	60 Days
Non-Marketable Investments					
Private equity	(a)	$ 41,968,289	$ 31,889,544	N/A	N/A
Multi-Asset - gated exit	(b)	1,236,235	-	N/A	N/A
Real estate - monthly exit		506,765	-	Monthly	30 Days
Real estate - private capital	(a)	1,990,086	1,631,879	N/A	N/A
Total Fair Value		$ 228,168,958			

(a) Private equity is comprised of passive investments in private equity funds, which invest in a wide range of industries. The nature of these investments are such that distributions are received by the Foundation upon the liquidation of the underlying assets of the funds. It is estimated that the underlying assets of the funds are typically liquidated over 2 to 12 years.

(b) Assets are in the process of continuous liquidation under the terms set by the investment manager.

3. CONTRIBUTIONS RECEIVABLE AND OTHER ASSETS

Contributions receivable and other assets, at net present value, consisted of the following as of December 31, 2016:

	Total	Less Than One Year	One to Five Years	Thereafter
Contributions receivable:				
Bequests	$ 48,234,831	$ 48,234,831	$ -	$ -
Charitable remainder trusts	63,783,189	233,466	8,851,136	54,698,587
Charitable lead trusts	726,693	108,022	289,380	329,291
Contributions	47,895,678	45,741,928	2,153,750	-
Loan assignments	7,076,120	165,300	750,175	6,160,645
Total contributions receivable	167,716,511	94,483,547	12,044,441	61,188,523
Other assets - perpetual Trusts held by others	10,686,311	-	-	10,686,311
Net present value of contributions receivable and other assets	$ 178,402,822	$ 94,483,547	$ 12,044,441	$ 71,874,834

4. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities consisted of the following as of December 31:

	2016	2015
Fiscal agent funds	$ 9,660,580	$ 9,761,957
Annuity obligations	1,259,768	1,423,997
Accounts payable	363,547	686,392
Accrued expenses	83,900	382,835
Total	$ 11,367,795	$ 12,255,181

In partnership with other grantmakers and within guidelines adopted by the Foundation's Board of Directors, the Foundation serves as fiscal sponsor for pooled funds of several community-wide initiatives. In this capacity, the Foundation receives and distributes funds throughout the course of the initiative within a framework established by the funders. The amounts received are recorded as investments and liabilities until the funds are disbursed.

Annuity obligations are payments due to beneficiaries under various split-interest arrangements, and such obligations are recognized at present value.

5. GRANTS PAYABLE

Grants payable as of December 31, 2016, are payable in the following years:

Years Ending December 31,		
2017	$	14,298,966
2018		317,901
2019		198,663
2020		10,500
2021		10,500
Total	$	14,836,530

The Foundation does approve grants with conditions; however, the probability is remote that the grantees will not meet these conditions. Accordingly, such grants are accounted for as grants payable when approved.

6. ENDOWMENT

The Foundation's endowment consists of various investment funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds, and funds in which the Foundation is the beneficiary of income from certain irrevocable trusts held by trustees and are to remain in trust in perpetuity and not revert to the Foundation. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's endowment-related activity during the years ended December 31, 2016 and 2015, is as follows:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 52,667,648	$ 888,719,740	$ 12,643,793	$ 954,031,181
Contributions	13,612,373	24,327,706	-	37,940,079
Income on investments, net of fees	385,678	8,847,943	-	9,233,621
Other	138,644	-	-	138,644
Expenses	(55,106,698)	-	-	(55,106,698)
Net assets released from donor restrictions	43,066,685	(43,066,685)	-	-
Net appreciation in investments	681,595	30,226,755	42,518	30,950,868
Change in endowment net assets	2,778,277	20,335,719	42,518	23,156,514
Endowment net assets, end of year	$ 55,445,925	$ 909,055,459	$ 12,686,311	$ 977,187,695

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 34,733,165	$ 925,121,463	$ 13,268,898	$ 973,123,526
Contributions	21,405,247	23,484,518	-	44,889,765
Income on investments, net of fees	460,363	8,969,133	-	9,429,496
Other	(105,340)	(8,425)	-	(113,765)
Expenses	(46,144,939)	-	-	(46,144,939)
Net assets released from donor restrictions	42,773,285	(42,773,285)	-	-
Net depreciation in investments	(454,133)	(26,073,664)	(625,105)	(27,152,902)
Change in endowment net assets	17,934,483	(36,401,723)	(625,105)	(19,092,345)
Endowment net assets, end of year	$ 52,667,648	$ 888,719,740	$ 12,643,793	$ 954,031,181

The endowment net asset composition by type of fund as of December 31, 2016 and 2015, is comprised of the following:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Supporting organization	$ 957,148	$ 3,085,900	$ 2,000,000	$ 6,043,048
Donor advised	36,571,185	247,329,161	1,374,195	285,274,541
Donor designated	1,824,602	166,277,843	532,256	168,634,701
Field of interest/special purpose	10,710,631	176,018,300	2,079,158	188,808,089
Medical research	2,055,183	23,398,663	-	25,453,846
Scholarship	1,976,041	57,692,558	1,242,329	60,910,928
Undesignated	1,351,135	235,253,034	5,458,373	242,062,542
Total	$ 55,445,925	$ 909,055,459	$ 12,686,311	$ 977,187,695

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Supporting organization	$ 1,094,117	$ 2,699,321	$ 2,000,000	$ 5,793,438
Donor advised	33,187,426	237,430,096	1,356,615	271,974,137
Donor designated	1,703,356	160,521,027	535,270	162,759,653
Field of interest/special purpose	9,736,007	174,899,762	2,078,617	186,714,386
Medical research	2,282,187	23,524,242	-	25,806,429
Scholarship	2,100,255	56,670,808	1,246,113	60,017,176
Undesignated	2,564,300	232,974,484	5,427,178	240,965,962
Total	$ 52,667,648	$ 888,719,740	$ 12,643,793	$ 954,031,181

In addition to endowment net assets, the Foundation also manages other nonendowed funds. The Foundation's net assets as of December 31, 2016 and 2015, are summarized as follows:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds	$ 55,445,925	$ 909,055,459	$ 12,686,311	$ 977,187,695
Non-endowment funds	80,937,583	51,644,079	-	132,581,662
Total	$ 136,383,508	$ 960,699,538	$ 12,686,311	$ 1,109,769,357

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds	$ 52,667,648	$ 888,719,740	$ 12,643,793	$ 954,031,181
Non-endowment funds	86,723,449	59,367,920	-	146,091,369
Total	$ 139,391,097	$ 948,087,660	$ 12,643,793	$ 1,100,122,550

7. ADMINISTRATIVE AND GRANTMAKING EXPENSES

Administrative and grantmaking expenses consisted of the following for the years ended December 31:

	2016	2015
Salaries and related costs	$ 8,348,979	$ 7,774,744
Defined benefit pension plan costs	127,261	123,481
Funds and program development/public information	3,259,707	2,171,091
Rent	775,320	725,694
Office	1,968,116	1,381,947
Other	370,464	851,083
Total	$ 14,849,847	$ 13,028,040

8. COMMITMENTS AND CONTINGENCIES

Lease Commitments — Future minimum lease payments required under non-cancellable operating leases for office space are as follows:

Years Ending December 31,	
2017	$ 722,940
2018	719,524
2019	621,452
2020	619,752
2021	258,230
Total	$ 2,941,898

9. PENSION PLANS

Effective December 31, 2014, the Foundation froze all benefit accruals under its noncontributory defined benefit pension plan (the "Plan"). The Plan was previously amended to freeze eligibility and limit coverage to only all full-time employees of the Foundation and certain controlled supporting organizations hired prior to January 1, 2012. The Foundation expects to contribute $211,000 to the Plan in 2017. The Board of Directors retains the responsibility for establishing standards and reviewing investment manager performance.

The Foundation follows the provisions of FASB ASC for Employees' Accounting for Defined Benefit Pension and Other Postretirement plans. The Foundation has recorded a liability for accrued benefit costs on its consolidated statements of financial position of $5,419,209 and $5,090,157 as of December 31, 2016 and 2015, respectively.

Based on current data and assumptions, future benefit payments are expected to be paid as follows:

Years Ending December 31,	**Pension Benefits**
2017	$ 801,461
2018	622,661
2019	650,662
2020	666,086
2021	670,360
2022–2026	3,394,532

The financial information about the Plan is as follows as of December 31:

	2016	**2015**
Accumulated benefit obligation	$ 14,139,830	$ 13,440,121
Projected benefit obligation	14,139,830	13,440,121
Fair value of plan assets	8,720,621	8,349,964
Unfunded status	$ (5,419,209)	$ (5,090,157)

Weighted-average assumptions used to determine benefit obligations at year-end are as follows:

	2016	**2015**
Discount rate	4.15 %	4.35 %
Mortality table	RP 2014	RP 2014

A summary of the components of net periodic pension cost, employer contributions and benefits paid is as follows for the years ended December 31:

	2016	2015
Interest cost on projected benefit obligation	$ 569,980	$ 550,897
Expected return on Plan assets	(564,661)	(612,376)
Net loss for the period	410,219	127,441
Net periodic pension cost	$ 415,538	$ 65,962
Employer contributions	$ 86,486	$ -
Benefits paid	$ 254,623	$ 385,262

Weighted-average assumptions used to determine net periodic pension cost:

	2016	2015
Discount rate	4.35 %	4.00 %
Expected return on plan assets	7.00	7.00
Rate of compensation increase	N/A	N/A
Mortality table	RP 2014	RP 2014

The value of the assets is calculated at December 31, 2016 and 2015. Assets are allocated among the following categories as of December 31:

	2016			2015		
Asset Category	Fair Value	Actual Range	Target Range	Fair Value	Actual Range	Target Range
Cash and cash equivalents	$ 173,210	2 %	-	$ 252,783	3 %	-
Equity securities	6,113,940	70 %	69 %	5,767,067	69 %	69 %
Debt securities	2,433,471	28 %	31 %	2,330,114	28 %	31 %
Total	$ 8,720,621	100 %	100 %	$ 8,349,964	100 %	100 %

The investment strategy for the Plan includes a long-term, risk-controlled approach using diversified investment options with a minimal exposure to volatile investment options like derivatives. The long-term rate of return assumption of 7.00% for both 2016 and 2015 represents the expected long-term rate of return on a 65/35 stocks to bonds portfolio. Now that the Plan is in the range of 80-100% funded, the long-term investment objective of the plan is 69/31 equity to debt.

Plan assets are carried at fair value and are primarily valued based on quoted prices in active markets for identical assets (Level 1). The aggregate carrying value of assets is summarized as follows as of December 31:

	2016	2015
Equity securities:		
U.S. large-cap	$ 2,844,599	$ 2,672,401
International large-cap	1,708,098	1,607,876
International small/mid-cap	1,561,243	1,486,790
	6,113,940	5,767,067
Debt securities — corporate bonds	2,433,471	2,330,114
Cash and cash equivalents	173,210	252,783
Total investments	$ 8,720,621	$ 8,349,964

The Foundation also sponsors a 403(b) defined contribution plan (the "DC Plan") covering all full-time employees hired after December 31, 2011. The Foundation is required to contribute 10% of the employees' compensation to the DC Plan. Total expense for 2016 and 2015 was $432,570 and $399,303, respectively. Beginning January 1, 2015, all full-time employees of the Foundation are covered by the DC Plan.

10. CONCENTRATIONS

Invested assets which potentially expose the Foundation to concentrations of credit risk include cash and cash equivalents and investments. As a matter of policy, the Foundation only maintains invested assets with highly rated financial institutions. In addition, the majority of the Foundation's invested assets are held in trusts administered by locally based national banks. At times, balances of such invested assets may be in excess of FDIC and SIPC insured limits. Management believes that the credit risk for investments in the Foundation's portfolio is mitigated by the overall diversification of each managed investment portfolio.

11. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through June 16, 2017, the date the consolidated financial statements were available to be issued.

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ADDITIONAL INFORMATION

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

	2016								2015
	Parent Only	Neighborhood Allies	The Pittsburgh Promise Foundation	The Forbes Funds	Charles E. Kaufman Foundation	Jack G. Buncher Charitable Fund	Eliminations	Total	Total
ASSETS									
Cash and cash equivalents	$ 72,256,240	$ 3,557,740	$ 7,625,549	$ 1,195,646	$ 75,307	$ 2,233	$ -	$ 84,712,715	$ 88,500,566
Contributions receivable and other assets	131,674,457	587,645	46,533,629	557,091	-	-	(950,000) (a)	178,402,822	189,582,038
Accounts and investment income receivable	817,428	450	28,755	21,532	-	-	(298,793) (a)	569,372	901,136
Due from related entity	-	-	-	-	42,221,495	1,935,802	(44,157,297) (a)	-	-
Investments	826,464,798	-	31,309,593	7,400,933	-	5,896,800	-	871,072,124	845,261,396
Program-related investments	3,427,500	183,831	-	-	-	-	-	3,611,331	3,672,790
Rental property	347,305	-	-	-	-	-	-	347,305	347,305
Furniture, fixtures and equipment, net of accumulated depreciation of $3,922,841 and $3,318,290 for 2016 and 2015, respectively	2,384,559	5,500	287,163	-	-	-	-	2,677,222	2,897,527
Total	$ 1,037,372,287	$ 4,335,166	$ 85,784,689	$ 9,175,202	$ 42,296,802	$ 7,834,835	$ (45,406,090)	$ 1,141,392,891	$ 1,131,162,758
LIABILITIES AND NET ASSETS									
LIABILITIES:									
Accounts payable and other liabilities	$ 11,279,851	$ 123,251	$ 180,806	$ 82,680	$ -	$ -	$ (298,793) (a)	$ 11,367,795	$ 12,255,181
Due to related entity	44,157,297	-	-	-	-	-	(44,157,297) (a)	-	-
Grants payable	4,154,263	514,317	8,908,621	284,329	975,000	950,000	(950,000) (a)	14,836,530	13,694,870
Accrued pension liability	5,267,487	-	-	151,722	-	-	-	5,419,209	5,090,157
Total liabilities	64,858,898	637,568	9,089,427	518,731	975,000	950,000	(45,406,090)	31,623,534	31,040,208
NET ASSETS:									
Unrestricted	55,857,519	1,279,393	29,172,572	1,867,387	41,321,802	6,884,835	-	136,383,508	139,391,097
Temporarily restricted	905,969,559	2,418,205	47,522,690	4,789,084	-	-	-	960,699,538	948,087,660
Permanently restricted	10,686,311	-	-	2,000,000	-	-	-	12,686,311	12,643,793
Total net assets	972,513,389	3,697,598	76,695,262	8,656,471	41,321,802	6,884,835	-	1,109,769,357	1,100,122,550
Total	$ 1,037,372,287	$ 4,335,166	$ 85,784,689	$ 9,175,202	$ 42,296,802	$ 7,834,835	$ (45,406,090)	$ 1,141,392,891	$ 1,131,162,758

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

	2016								2015
	Parent Only	Neighborhood Allies	The Pittsburgh Promise Foundation	The Forbes Funds	Charles E. Kaufman Foundation	Jack G. Buncher Charitable Fund	Eliminations	Total	Total
CHANGES IN UNRESTRICTED NET ASSETS:									
Revenues and gains:									
Contributions	$ 12,720,261	$ 727,823	$ 2,582,520	$ 457,650	$ 17,281	$ 500,000	$ (2,044,768) (c)	$ 14,960,767	$ 22,394,520
Income (loss) on investments, net of investment fees of $617,808 and $817,960 in 2016 and 2015, respectively	243,653	12,284	592,580	140,341	(9,681)	453,948	-	1,433,125	1,648,715
Net realized and unrealized gains (losses) on investments	681,595	-	1,326,956	6,699	1,740,227	1,317,572	-	5,073,049	(2,207,305)
Other	747,560	184,868	697,788	128,679	-	-	(474,953) (b)	1,283,942	831,411
Total unrestricted revenues and gains	14,393,069	924,975	5,199,844	733,369	1,747,827	2,271,520	(2,519,721)	22,750,883	22,667,341
Net assets released resulting from satisfaction of donor restrictions	43,066,685	1,458,866	9,555,741	1,063,177	-	-	(575,000) (c)	54,569,469	52,991,177
Total unrestricted revenues, gains and other support	57,459,754	2,383,841	14,755,585	1,796,546	1,747,827	2,271,520	(3,094,721)	77,320,352	75,658,518
Expenses:									
Grants approved, net of cancellations and refunds of $762,206 and $615,370 in 2016 and 2015, respectively	43,289,578	1,463,690	18,913,213	361,512	1,800,000	950,000	(2,619,768) (c)	64,158,225	55,320,527
Grantmaking and related services expenses	3,463,443	1,040,799	1,527,613	1,365,606	-	-	-	7,397,461	6,176,435
Other fund expenses	1,319,869	-	-	-	-	-	-	1,319,869	1,329,512
Administrative expenses:									
Development and donor services expenses	3,425,362	74,600	976,794	-	-	-	-	4,476,756	4,098,081
Management and general administrative expenses	2,382,960	255,809	281,479	235,337	294,998	-	(474,953) (b)	2,975,630	2,753,524
Total administrative expenses	5,808,322	330,409	1,258,273	235,337	294,998	-	(474,953)	7,452,386	6,851,605
Total expenses	53,881,212	2,834,898	21,699,099	1,962,455	2,094,998	950,000	(3,094,721)	80,327,941	69,678,079
Increase (decrease) in unrestricted net assets	3,578,542	(451,057)	(6,943,514)	(165,909)	(347,171)	1,321,520	-	(3,007,589)	5,980,439

(Continued)

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

	2016								2015
	Parent Only	Neighborhood Allies	The Pittsburgh Promise Foundation	The Forbes Funds	Charles E. Kaufman Foundation	Jack G. Buncher Charitable Fund	Eliminations	Total	Total
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:									
Contributions	$ 19,394,512	$ 2,172,253	$ 1,159,868	$ 1,021,822	$ -	$ -	$ (575,000) (c)	$ 23,173,455	$ 24,383,747
Bequests and split-interest contributions	4,933,194	-	-	-	-	-	-	4,933,194	10,187,517
Changes in the value of split-interest agreements	715,216	-	-	-	-	-	-	715,216	(7,812,460)
Income on investments, net of investment fees of $2,839,634 and $2,701,554 in 2016 and 2015, respectively	8,847,943	-	-	-	-	-	-	8,847,943	8,969,133
Net realized and unrealized gains (losses) on investments	29,124,960	-	-	386,579	-	-	-	29,511,539	(18,261,204)
Net assets released resulting from satisfaction of donor restrictions	(43,066,685)	(1,458,866)	(9,555,741)	(1,063,177)	-	-	575,000 (c)	(54,569,469)	(52,991,177)
Increase (decrease) in temporarily restricted net assets	19,949,140	713,387	(8,395,873)	345,224	-	-	-	12,611,878	(35,524,444)
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS:									
Change in value of perpetual trusts held by others	42,518	-	-	-	-	-	-	42,518	(625,105)
Increase (decrease) in permanently restricted net assets	42,518	-	-	-	-	-	-	42,518	(625,105)
INCREASE (DECREASE) IN NET ASSETS	23,570,200	262,330	(15,339,387)	179,315	(347,171)	1,321,520	-	9,646,807	(30,169,110)
NET ASSETS — Beginning of year	948,943,189	3,435,268	92,034,649	8,477,156	41,668,973	5,563,315	-	1,100,122,550	1,130,291,660
NET ASSETS — End of year	$ 972,513,389	$ 3,697,598	$ 76,695,262	$ 8,656,471	$ 41,321,802	$ 6,884,835	$ -	$ 1,109,769,357	$ 1,100,122,550

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

	2016								2015
	Parent Only	Neighborhood Allies	The Pittsburgh Promise Foundation	The Forbes Funds	Charles E. Kaufman Foundation	Jack G. Buncher Charitable Fund	Eliminations	Total	Total
CASH FLOWS FROM OPERATING ACTIVITIES:									
Increase (decrease) in net assets	$ 23,570,200	$ 262,330	$ (15,339,387)	$ 179,315	$ (347,171)	$ 1,321,520	$ -	$ 9,646,807	$ (30,169,110)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:									
Depreciation	556,670	2,794	40,237	-	-	-	-	599,701	465,229
Contribution of noncash gifts	(11,466,383)	-	(696,501)	-	-	-	-	(12,162,884)	(12,135,752)
Net realized and unrealized (gains) losses on investments	(29,806,555)	-	(1,326,956)	(393,278)	-	(1,284,626)	-	(32,811,415)	19,515,783
(Increase) decrease in accounts, contributions, and investment income receivables and other assets	5,002,792	210,047	8,560,556	242,787	422,138	(986,894)	1,157,369 (a)	14,608,795	9,803,350
Increase (decrease) in total liabilities	1,105,264	(23,585)	(121,289)	(169,695)	-	950,000	(1,157,369) (a)	583,326	(290,574)
Net cash provided by (used in) operating activities	(11,038,012)	451,586	(8,883,340)	(140,871)	74,967	-	-	(19,535,670)	(12,811,074)
CASH FLOWS FROM INVESTING ACTIVITIES:									
Purchases of furniture, fixtures and equipment	(319,841)	-	(59,555)	-	-	-	-	(379,396)	(1,294,563)
Program-related loans receivable collected	-	61,459	-	-	-	-	-	61,459	32,627
Purchases of investments	(173,784,214)	-	(30,228,490)	(4,266,092)	-	-	-	(208,278,796)	(225,839,924)
Proceeds from sales of investments	182,800,652	-	37,216,510	4,327,390	-	-	-	224,344,552	252,941,778
Net cash provided by investing activities	8,696,597	61,459	6,928,465	61,298	-	-	-	15,747,819	25,839,918
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,341,415)	513,045	(1,954,875)	(79,573)	74,967	-	-	(3,787,851)	13,028,844
CASH AND CASH EQUIVALENTS — Beginning of year	74,597,655	3,044,695	9,580,424	1,275,219	340	2,233	-	88,500,566	75,471,722
CASH AND CASH EQUIVALENTS — End of year	$ 72,256,240	$ 3,557,740	$ 7,625,549	$ 1,195,646	$ 75,307	$ 2,233	$ -	$ 84,712,715	$ 88,500,566

ELIMINATING AND ADJUSTING ENTRIES
FOR THE YEAR ENDED DECEMBER 31, 2016

(a) To eliminate inter-foundation payables/receivables.
(b) To eliminate inter-foundation revenues/expenses.
(c) To eliminate inter-foundation grant contributions/expenditures.

THE PITTSBURGH FOUNDATION
(Parent Only)

BY FUND SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

	2016					2015
	Restricted Funds	Current Distribution Funds	Discretionary Funds	Operating Funds	Total	Total
ASSETS						
Cash and cash equivalents	$ 34,876,933	$ 9,522,538	$ 24,232,104	$ 3,624,665	$ 72,256,240	$ 74,597,655
Contributions receivable and other assets	65,039,101	200,000	66,435,356	-	131,674,457	133,315,737
Accounts and investment income receivable	-	-	448,452	368,976	817,428	1,081,125
Investments	460,028,086	-	366,436,712	-	826,464,798	797,306,113
Program-related investments	3,427,500	-	-	-	3,427,500	3,427,500
Rental property	-	-	-	347,305	347,305	347,305
Furniture, fixtures and equipment, net	-	-	-	2,384,559	2,384,559	2,621,388
Total	$ 563,371,620	$ 9,722,538	$ 457,552,624	$ 6,725,505	$ 1,037,372,287	$ 1,012,696,823
LIABILITIES AND NET ASSETS						
LIABILITIES:						
Accounts payable and other liabilities	$ 23,495	$ 9,670,988	$ 1,496,092	$ 89,276	$ 11,279,851	$ 12,122,164
Due to related entity	44,157,297	-	-	-	44,157,297	43,592,541
Grants payable	2,355,713	51,550	1,747,000	-	4,154,263	3,087,416
Accrued pension liability	-	-	-	5,267,487	5,267,487	4,951,513
Total liabilities	46,536,505	9,722,538	3,243,092	5,356,763	64,858,898	63,753,634
NET ASSETS:						
Unrestricted	40,722,045	-	13,766,732	1,368,742	55,857,519	52,278,977
Temporarily restricted						
For grants	465,127,699	-	433,005,268	-	898,132,967	878,162,045
For administration endowment	7,836,592	-	-	-	7,836,592	7,858,374
Total temporarily restricted net assets	472,964,291	-	433,005,268	-	905,969,559	886,020,419
Permanently restricted	3,148,779	-	7,537,532	-	10,686,311	10,643,793
Total net assets	516,835,115	-	454,309,532	1,368,742	972,513,389	948,943,189
TOTAL	$ 563,371,620	$ 9,722,538	$ 457,552,624	$ 6,725,505	$ 1,037,372,287	$ 1,012,696,823

THE PITTSBURGH FOUNDATION
(Parent Only)

BY FUND SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

	2016						2015
	Restricted Funds	Current Distribution Funds	Discretionary Funds	Operating Funds	Eliminations	Total	Total
CHANGES IN UNRESTRICTED NET ASSETS:							
Revenues and gains (losses):							
Contributions	$ 13,511,592	$ -	$ 100,781	$ 922,888	$ (1,815,000)	$ 12,720,261	$ 20,845,206
Income on investments, net of investment fees of $269,875 and $372,065 in 2016 and 2015, respectively	302,561	-	(57,190)	(1,718)	-	243,653	350,712
Net realized and unrealized gains (losses) on investments	688,539	-	(6,944)	-	-	681,595	(454,133)
Administrative grant transfer	(3,983,524)	-	(4,410,731)	8,410,472	-	16,217	17,524
Other	-	-	-	731,343	-	731,343	614,288
Total unrestricted revenues and gains (losses)	10,519,168	-	(4,374,084)	10,062,985	(1,815,000)	14,393,069	21,373,597
Net assets released resulting from satisfaction of donor restrictions	25,198,623	-	17,868,062	-	-	43,066,685	42,773,285
Total unrestricted revenues, gains (losses), and other support	35,717,791	-	13,493,978	10,062,985	(1,815,000)	57,459,754	64,146,882
Expenses:							
Grants approved, net of cancellations and refunds of $485,312 and $341,381 in 2016 and 2015, respectively	32,388,246	-	12,588,408	127,924	(1,815,000)	43,289,578	35,334,285
Grantmaking and related services expenses	-	-	-	3,463,443	-	3,463,443	2,926,418
Other fund expenses	1,261,999	-	57,870	-	-	1,319,869	1,329,512
Administrative expenses:							
Development and donor services expenses	-	-	-	3,425,362	-	3,425,362	3,185,375
Management and general administrative expenses	-	-	-	2,382,960	-	2,382,960	2,128,296
Total administrative expenses	-	-	-	5,808,322	-	5,808,322	5,313,671
Total expenses	33,650,245	-	12,646,278	9,399,689	(1,815,000)	53,881,212	44,903,886
Increase in unrestricted net assets	2,067,546	-	847,700	663,296	-	3,578,542	19,242,996

(Continued)

THE PITTSBURGH FOUNDATION
(Parent Only)

BY FUND SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

	2016						2015
	Restricted Funds	Current Distribution Funds	Discretionary Funds	Operating Funds	Eliminations	Total	Total
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:							
Contributions	$ 18,589,971	$ -	$ 804,541	$ -	$ -	$ 19,394,512	$ 13,297,001
Bequests and split-interest contributions	4,577,267	-	355,927	-	-	4,933,194	10,187,517
Changes in the value of split-interest agreements	909,354	-	(194,138)	-	-	715,216	(7,812,460)
Income on investments, net of investment fees of $2,839,634 and $2,701,554 in 2016 and 2015, respectively	3,918,128	-	4,929,815	-	-	8,847,943	8,969,133
Net realized and unrealized gains (losses) on investments	15,357,686	-	13,767,274	-	-	29,124,960	(18,062,423)
Fund type net asset reclass	(85,204)	-	85,204	-	-	-	-
Net assets released resulting from satisfaction of donor restrictions	(25,198,623)	-	(17,868,062)	-	-	(43,066,685)	(42,773,285)
Increase (decrease) in temporarily restricted net assets	18,068,579	-	1,880,561	-	-	19,949,140	(36,194,517)
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS:							
Change in value of perpetual trusts held by others	10,782	-	31,736	-	-	42,518	(625,105)
Increase (decrease) in permanently restricted net assets	10,782	-	31,736	-	-	42,518	(625,105)
INCREASE (DECREASE) IN NET ASSETS	20,146,907	-	2,759,997	663,296	-	23,570,200	(17,576,626)
NET ASSETS — Beginning of year	496,688,208	-	451,549,535	705,446	-	948,943,189	966,519,815
NET ASSETS — End of year	$ 516,835,115	$ -	$ 454,309,532	$ 1,368,742	$ -	$ 972,513,389	$ 948,943,189