

The Pittsburgh Foundation

(And Controlled Supporting Organizations)

Consolidated Financial Statements and Additional
Information as of and for the Years Ended December 31,
2019 and 2018, and Independent Auditor's Report

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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, 2019 and 2018, and the related consolidated statements of activities, functional expenses, 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 \$10,199,080 and \$4,807,703, and total net assets of \$9,727,621 and \$4,580,692 as of December 31, 2019 and 2018, respectively, and total revenues, gains, and other support of \$9,394,082 and \$2,806,888, 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, 2019 and 2018, 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 31-38 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 audits 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, the additional information, which insofar as it relates to Neighborhood Allies, is based on the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Sisterson & Co. LLP

June 5, 2020

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 102,299,155	\$ 83,357,208
Contributions receivable and other assets	101,858,135	99,754,062
Accounts and investment income receivable	969,230	745,337
Investments	1,111,062,781	961,399,002
Program-related investments	3,278,971	3,427,500
Rental property	347,305	347,305
Furniture, fixtures and equipment, net of accumulated depreciation of \$4,776,940 and \$3,988,180 for 2019 and 2018, respectively	<u>1,343,877</u>	<u>2,077,009</u>
Total	<u><u>\$ 1,321,159,454</u></u>	<u><u>\$ 1,151,107,423</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and other liabilities	\$ 14,489,473	\$ 5,651,605
Grants payable	10,901,424	12,603,745
Accrued pension liability	<u>6,140,352</u>	<u>5,539,332</u>
Total liabilities	<u>31,531,249</u>	<u>23,794,682</u>
NET ASSETS:		
Without donor restrictions	175,301,539	156,676,265
With donor restrictions	<u>1,114,326,666</u>	<u>970,636,476</u>
Total net assets	<u>1,289,628,205</u>	<u>1,127,312,741</u>
Total	<u><u>\$ 1,321,159,454</u></u>	<u><u>\$ 1,151,107,423</u></u>

See notes to consolidated financial statements.

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:			
Contributions	\$ 15,717,853	\$ 43,328,795	\$ 59,046,648
Bequests and split-interest contributions	-	2,443,103	2,443,103
Changes in the value of split-interest agreements	-	14,924,435	14,924,435
Income on investments, net of investment fees of \$500,549 and \$4,573,664, respectively	4,089,433	13,992,337	18,081,770
Net realized and unrealized gains on investments	18,390,834	137,774,318	156,165,152
Other	1,451,518	-	1,451,518
Net assets released resulting from satisfaction of donor restrictions	60,692,474	(60,692,474)	-
	<u>100,342,112</u>	<u>151,770,514</u>	<u>252,112,626</u>
EXPENSES:			
Grants approved, net of cancellations and refunds of \$829,623	60,765,593	-	60,765,593
Program services expenses	10,816,317	-	10,816,317
Fundraising and development expenses	4,228,812	-	4,228,812
Management and general administrative expenses	5,260,107	-	5,260,107
	<u>81,070,829</u>	<u>-</u>	<u>81,070,829</u>
Other adjustments to net assets	<u>(646,009)</u>	<u>(8,080,324)</u>	<u>(8,726,333)</u>
INCREASE IN NET ASSETS	18,625,274	143,690,190	162,315,464
NET ASSETS — Beginning of year	<u>156,676,265</u>	<u>970,636,476</u>	<u>1,127,312,741</u>
NET ASSETS — End of year	<u>\$ 175,301,539</u>	<u>\$ 1,114,326,666</u>	<u>\$ 1,289,628,205</u>

See notes to consolidated financial statements.

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:			
Contributions	\$ 11,475,090	\$ 32,186,408	\$ 43,661,498
Bequests and split-interest contributions	-	26,202,536	26,202,536
Changes in the value of split-interest agreements	-	(7,475,995)	(7,475,995)
Income on investments, net of investment fees of \$681,763 and \$3,471,148, respectively	3,951,254	13,862,689	17,813,943
Net realized and unrealized losses on investments	(9,179,186)	(71,102,824)	(80,282,010)
Other	1,404,680	-	1,404,680
Net assets released resulting from satisfaction of donor restrictions	48,180,340	(48,180,340)	-
	<u>55,832,178</u>	<u>(54,507,526)</u>	<u>1,324,652</u>
EXPENSES:			
Grants approved, net of cancellations and refunds of \$564,869	65,709,545	-	65,709,545
Program services expenses	9,508,766	-	9,508,766
Fundraising and development expenses	3,770,174	-	3,770,174
Management and general administrative expenses	4,330,735	-	4,330,735
	<u>83,319,220</u>	<u>-</u>	<u>83,319,220</u>
DECREASE IN NET ASSETS	(27,487,042)	(54,507,526)	(81,994,568)
NET ASSETS — Beginning of year	<u>184,163,307</u>	<u>1,025,144,002</u>	<u>1,209,307,309</u>
NET ASSETS — End of year	<u><u>\$ 156,676,265</u></u>	<u><u>\$ 970,636,476</u></u>	<u><u>\$ 1,127,312,741</u></u>

See notes to consolidated financial statements.

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>		<u>Fundraising</u>	<u>Management</u>	
	<u>Grants</u>	<u>Other</u>	<u>and Development</u>	<u>and General</u>	<u>Total</u>
				<u>Administrative</u>	
Grants and scholarships	\$ 60,765,593	\$ 647,924	\$ -	\$ 100	\$ 61,413,617
Salaries and benefits	-	6,111,174	2,855,008	3,483,088	12,449,270
Professional and administrative services	-	2,255,533	463,437	615,484	3,334,454
Rent and building expense	-	345,492	193,159	291,389	830,040
Depreciation	-	348,022	196,071	244,667	788,760
Communications and marketing	-	518,463	223,550	212,647	954,660
Information technology	-	294,821	161,838	201,528	658,187
Professional development and travel	-	233,580	105,352	152,320	491,252
Office expenses	-	61,308	30,397	58,884	150,589
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 60,765,593</u>	<u>\$ 10,816,317</u>	<u>\$ 4,228,812</u>	<u>\$ 5,260,107</u>	<u>\$ 81,070,829</u>

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>		<u>Fundraising</u>	<u>Management</u>	
	<u>Grants</u>	<u>Other</u>	<u>and Development</u>	<u>and General</u>	<u>Total</u>
				<u>Administrative</u>	
Grants and scholarships	\$ 65,709,545	\$ 482,083	\$ -	\$ -	\$ 66,191,628
Salaries and benefits	-	4,968,829	2,475,141	2,825,176	10,269,146
Professional and administrative services	-	2,302,422	373,665	378,140	3,054,227
Rent and building expense	-	381,707	197,455	271,470	850,632
Depreciation	-	358,211	203,317	257,294	818,822
Communications and marketing	-	454,944	224,475	198,234	877,653
Information technology	-	285,263	165,466	198,648	649,377
Professional development and travel	-	221,350	101,782	149,081	472,213
Office expenses	-	53,957	28,873	52,692	135,522
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Total expenses	<u>\$ 65,709,545</u>	<u>\$ 9,508,766</u>	<u>\$ 3,770,174</u>	<u>\$ 4,330,735</u>	<u>\$ 83,319,220</u>

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 162,315,464	\$ (81,994,568)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	788,760	818,822
Contribution of noncash gifts	(14,094,697)	(52,003,284)
Net realized and unrealized (gains) losses on investments	(150,031,989)	77,401,951
Decrease in accounts, contributions, and investment income receivables and other assets	115,137	35,945,217
Increase (decrease) in total liabilities	7,736,567	(8,328,620)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	6,829,242	(28,160,482)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture, fixtures and equipment	(55,628)	(82,137)
Program-related loans receivable collected	148,529	-
Purchases of investments	(374,644,098)	(439,721,132)
Proceeds from sales of investments	386,663,902	445,013,637
	<hr/>	<hr/>
Net cash provided by investing activities	12,112,705	5,210,368
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	18,941,947	(22,950,114)
CASH AND CASH EQUIVALENTS — Beginning of year	83,357,208	106,307,322
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS — End of year	\$ 102,299,155	\$ 83,357,208
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See notes to consolidated financial statements.

THE PITTSBURGH FOUNDATION (And Controlled Supporting Organizations)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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, 2019 and 2018, were \$133,846,635 and \$116,958,888, respectively. One supporting organization for which the Foundation provided certain administrative and staff services until its dissolution in 2018, R. P. Simmons Family Charitable Trust, was not included in the consolidated financial statements for the year ended December 31, 2018, 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 August Wilson African American Cultural Center (the “AWAACC”). The AWAACC was incorporated on October 27, 2014 and has received its charitable tax exemption under Section 501(c)(3) of the Code. The AWAACC exists to own, operate, and preserve the building located at 980 Liberty Avenue, Pittsburgh, Pennsylvania 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 AWAACC, 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. None of the three members of the Other Body has a controlling financial interest and, therefore, none of the members consolidate the AWAACC 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 with donor restrictions. Gains and losses in the investment of these assets are classified as with donor restrictions. Investment income subject to restrictions that is earned and expended in the same year is reported as without donor restrictions. Unexpended investment income and contributions subject to restrictions are classified as with donor restrictions until the period in which the funds are spent, at which time these assets with donor restrictions are released to assets without donor restrictions. 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 without donor restrictions.

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 2019 and 2018. 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 \$102,299,155 and \$83,357,208 at December 31, 2019 and 2018, 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. Other investments include private equity investment partnerships and capital appreciation funds. 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, 2019 and 2018.

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 Property — Rental property 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 holds program-related investments ("PRIs"), in local entities. A PRI is defined in Section 4944 of the Internal Revenue Code as an investment in which its primary purpose is to accomplish one or more of the Foundation's exempt purposes, the production of income or capital appreciation is not a significant purpose, and influencing legislation or political campaigns on behalf of candidates is not a purpose. As of December 31, 2019 and 2018, these investments are carried at cost, which approximates fair value, and 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 1.58% to 2.39% based on the remaining life of the promise to give for the year ended December 31, 2019. For the year ended December 31, 2018, the rates ranged from 2.06% to 3.02%. 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 and functional expenses. 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, 2016 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 recorded in the December 31, 2018 consolidated financial statements have been reclassified to conform with the December 31, 2019 presentation.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the consolidated statements of financial position as of December 31, 2019 and 2018, are comprised of the following:

	2019		
	The Pittsburgh Foundation	Supporting Organizations	Total
Cash and cash equivalents	\$ 956,559	\$ 12,836,145	\$ 13,792,704
Receivables and other assets	95,673	2,259,615	2,355,288
Short-term investments	4,786,548	52,040,825	56,827,373
Total	<u>\$ 5,838,780</u>	<u>\$ 67,136,585</u>	<u>\$ 72,975,365</u>

	2018		
	The Pittsburgh Foundation	Supporting Organizations	Total
Cash and cash equivalents	\$ 331,214	\$ 8,574,827	\$ 8,906,041
Receivables and other assets	573,254	2,054,786	2,628,040
Short-term investments	<u>4,360,749</u>	<u>55,553,171</u>	<u>59,913,920</u>
Total	<u>\$ 5,265,217</u>	<u>\$ 66,182,784</u>	<u>\$ 71,448,001</u>

The Pittsburgh Foundation receives significant contributions to establish endowments; the income generated from such endowments is used to fund grants and programs in accordance with donor intent. The supporting organizations maintain financial assets in a manner that provides reasonable assurance that sufficient reserves exist for general expenditure to fund each supporting organizations' long-term program commitments in accordance with their missions, ensuring their sustainability.

As described in Note 1, the Foundation's endowments are subject to an annual spending rate. Under this spending rate, \$46,369,910 of appropriation from the endowments will be available within the next 12 months. In addition, as part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Foundation invests cash in excess of daily requirements in short-term investments.

3. INVESTMENTS

Investments are carried at fair value. The aggregate carrying value of investments, exclusive of cash equivalents, as of December 31, 2019 and 2018, is summarized as follows:

	2019	2018
Equities:		
Hedged equity	\$ 22,417,324	\$ 12,679,577
Private equity	66,569,645	52,050,384
Public equity	630,167,985	549,100,445
	<u>719,154,954</u>	<u>613,830,406</u>
Fixed income:		
Core fixed income	207,760,970	193,349,246
Hedged credit	16,648,785	16,076,591
High yield fixed income	9,153,809	8,362,355
International fixed income	11,078,112	8,301,437
Opportunistic fixed income	19,573,362	17,864,469
Private debt	10,858,977	8,521,669
	<u>275,074,015</u>	<u>252,475,767</u>
Diversifying strategies:		
Event driven funds	15,913,182	14,941,094
Global macro	37,420,355	30,206,784
Hedge fund of funds	8,416,486	9,094,142
Managed futures	2,735,102	4,802,926
	<u>64,485,125</u>	<u>59,044,946</u>
Real Assets:		
Private	24,213,395	11,060,678
Public	25,297,673	22,276,751
	<u>49,511,068</u>	<u>33,337,429</u>
Cash surrender value of life insurance	<u>2,837,619</u>	<u>2,710,454</u>
Total investments	<u>\$ 1,111,062,781</u>	<u>\$ 961,399,002</u>

As of December 31, 2019 and 2018, 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. Due to the complexity, variety, and the manner in which these assets are held, the Foundation aggregates valuation data. Therefore, the Foundation uses a conservative approach to the classification of securities and uses the highest common level for the reporting of each asset class.

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, preferred stocks, American Depositary Receipts, closed end funds, exchange-traded funds and publicly traded real estate investment trusts are valued using quoted market prices in active markets. Such actively traded securities are categorized in Level 1 of the fair value hierarchy.

Closed end funds are investment companies that are chartered to hold assets similar to open-ended mutual funds and though have shares issued on domestic exchanges which are traded throughout the trading day. While the fund itself may have a Net Asset Valuation ("NAV"), individual share prices are set by the market. Those, which are actively traded, are classified as Level 1. In the case where there is no active market for these shares, the NAV for the fund is used as a practical expedient.

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.

The fixed income securities held directly by the Foundation are all classified as Level 2. These include corporate bonds, government bonds, mortgage backed securities, and municipal bonds. Such securities are relatively unique, with specific issue being thinly traded, if at all. This requires valuation to be imputed from the bonds' tenor, par value, and issuer, along with comparable market data.

The Foundation is invested in and holds privately held corporate stock for which there is no active market. Such stock is valued annually through corporate stock appraisals. The valuations also include lack of marketability and control discounts, and as such, the Foundation classifies these assets as Level 3.

Hedge funds and private equity funds are held within limited liability partnerships. 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 and debt investments, as in the case of private equity funds.

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, private debt, short interest in common stock and convertible bonds. The valuation of the partnership interest, based upon the estimated NAV per share as a practical expedient, is performed quarterly by the general partner through unaudited statements and validated through annual audited financial statements.

Real estate investment trusts that are not actively traded are valued in the same manner as private equity funds, using the investment manager’s monthly valuation statements with support provided by annual audited financial statements. Such investments are held at the NAV per share in this determination as a practical expedient.

The fair value hierarchy table presenting the Foundation's investments measured at fair value, excluding cash surrender value of life insurance, is as follows as of December 31:

	2019	2018
Level 1 — Quoted prices in active markets for identical securities		
American depository receipts	\$ 16,814,130	\$ 14,678,764
Closed end funds	259,543	263,788
Common and foreign stocks	128,671,609	117,127,323
Exchange traded funds	97,669,756	90,851,222
Mutual funds	503,994,456	423,015,936
Preferred stocks	16,409	-
Real estate investment trusts	1,899,406	1,681,372
Total Level 1	<u>749,325,309</u>	<u>647,618,405</u>
Level 2 — Significant observable inputs		
Corporate bonds	27,103,065	30,528,263
Government bonds	18,047,804	23,056,742
Mortgage backed securities	9,126,085	6,533,082
Municipal bonds	6,039,038	8,207,730
Total Level 2	<u>60,315,992</u>	<u>68,325,817</u>
Level 3 — Significant unobservable inputs		
Privately held corporate stock	<u>7,525,262</u>	<u>6,726,992</u>
Investments measured at NAV as a practical expedient		
Closed end funds	52,539	55,375
Hedge funds	196,990,247	171,124,613
Private equity funds	93,817,115	64,645,027
Real estate investment trusts	198,698	192,319
Total investments measured at NAV as a practical expedient	<u>291,058,599</u>	<u>236,017,334</u>
Total	<u><u>\$ 1,108,225,162</u></u>	<u><u>\$ 958,688,548</u></u>

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

	2019	2018
Net realized gain on investments	\$ 27,177,286	\$ 59,478,416
Net unrealized gains (losses) on investments	<u>128,987,866</u>	<u>(139,760,426)</u>
Net realized and unrealized gains (losses) on investments	<u>\$ 156,165,152</u>	<u>\$ (80,282,010)</u>

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, 2019 and 2018:

	<u>Privately Held Corporate Stock</u>
Balance as of January 1, 2018	\$ 8,412,058
Net realized and unrealized gains	142,435
Donated	170,438
Cash flows	
Dispositions	<u>(1,997,939)</u>
Balance as of December 31, 2018	6,726,992
Net unrealized gains	<u>798,270</u>
Balance as of December 31, 2019	<u>\$ 7,525,262</u>

In accordance with 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 type of investment as well as their redemption frequency and notification requirements. In total they represent \$291,058,599 and \$236,017,334 of the total assets of the Foundation or 22.0% and 20.5% for the years ended December 31, 2019 and 2018, respectively.

	December 31, 2019			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Private equity funds	\$ 93,817,115 (a)	\$ 79,438,426	N/A	N/A
Closed end funds	52,539 (a)	-	N/A	N/A
Limited partnerships & commingled funds - daily exit	16,458,844	-	Daily	N/A
Limited partnerships & commingled funds - monthly exit	125,475,714	-	Monthly	10 - 90 Days
Limited partnerships & commingled funds - quarterly exit	40,340,988	-	Quarterly	35 - 95 Days
Limited partnerships & commingled funds - annual exit	14,251,785	-	Annual	40 - 60 Days
Limited partnerships & commingled funds - gated exit	462,916 (a)	-	N/A	N/A
Real estate investment trusts	<u>198,698 (a)</u>	-	N/A	N/A
Total fair value	<u>\$ 291,058,599</u>			

- (a) 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.

4. CONTRIBUTIONS RECEIVABLE AND OTHER ASSETS

Contributions receivable and other assets, at net present value, consisted of the following as of December 31, 2019:

	Total	Less Than One Year	One to Five Years	Thereafter
Contributions receivable:				
Bequests	\$ 16,322,527	\$ 16,322,527	\$ -	\$ -
Charitable remainder trusts	66,185,777	1,593,046	10,043,403	54,549,328
Charitable lead trusts	680,328	56,282	215,968	408,078
Contributions	<u>6,477,575</u>	<u>2,100,735</u>	<u>3,917,030</u>	<u>459,810</u>
Total contributions receivable	89,666,207	20,072,590	14,176,401	55,417,216
Other assets:				
Trusts held by others	12,129,644	-	-	12,129,644
Other	<u>62,284</u>	<u>62,284</u>	<u>-</u>	<u>-</u>
Total other assets	<u>12,191,928</u>	<u>62,284</u>	<u>-</u>	<u>12,129,644</u>
Net present value of contributions receivable and other assets	<u>\$ 101,858,135</u>	<u>\$ 20,134,874</u>	<u>\$ 14,176,401</u>	<u>\$ 67,546,860</u>

5. ACCOUNTS PAYABLE AND OTHER LIABILITIES

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

	2019	2018
Fiscal agent funds	\$ 12,149,769	\$ 3,704,485
Annuity obligations	1,642,584	1,312,667
Accounts payable	308,408	522,257
Accrued expenses	<u>388,712</u>	<u>112,196</u>
Total	<u>\$ 14,489,473</u>	<u>\$ 5,651,605</u>

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. During 2019, the Foundation recorded an adjustment related to fiscal agency funds of \$7,726,333 in other adjustments to net assets in the consolidated statement of activities.

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

6. GRANTS PAYABLE

Grants payable as of December 31, 2019, are payable in the following years:

**Years Ending
December 31,**

2020	\$ 10,256,778
2021	461,045
2022	162,601
2023	6,000
2024	4,500
Thereafter	<u>10,500</u>
Total	<u><u>\$ 10,901,424</u></u>

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.

7. 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, 2018 and 2019, is as follows:

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 60,412,412	\$ 1,017,479,559	\$ 1,077,891,971
Contributions	10,899,905	53,172,413	64,072,318
Income on investments, net of fees	1,557,344	13,862,689	15,420,033
Other	314	(1,553)	(1,239)
Expenses	(63,250,108)	-	(63,250,108)
Net assets released from donor restrictions	44,259,877	(44,259,877)	-
Net depreciation in investments	(1,516,636)	(78,578,819)	(80,095,455)
Change in endowment net assets	(8,049,304)	(55,805,147)	(63,854,451)
Endowment net assets, end of year	\$ 52,363,108	\$ 961,674,412	\$ 1,014,037,520

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 52,363,108	\$ 961,674,412	\$ 1,014,037,520
Contributions	13,218,401	34,585,228	47,803,629
Income on investments, net of fees	1,917,226	13,992,337	15,909,563
Other	645	-	645
Expenses	(60,949,236)	-	(60,949,236)
Net assets released from donor restrictions	56,153,108	(56,153,108)	-
Other adjustments to net assets	(646,009)	(7,080,324)	(7,726,333)
Net appreciation in investments	2,737,706	152,698,753	155,436,459
Change in endowment net assets	12,431,841	138,042,886	150,474,727
Endowment net assets, end of year	\$ 64,794,949	\$ 1,099,717,298	\$ 1,164,512,247

The endowment net asset composition by type of fund as of December 31, 2018 and 2019, is comprised of the following:

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Supporting organizations	\$ 416,485	\$ 5,452,723	\$ 5,869,208
Donor advised	39,310,252	291,827,262	331,137,514
Donor designated	1,875,880	162,515,807	164,391,687
Field of interest	7,070,755	199,271,932	206,342,687
Scholarship	2,438,453	63,315,604	65,754,057
Undesignated	1,251,283	239,291,084	240,542,367
Total	<u>\$ 52,363,108</u>	<u>\$ 961,674,412</u>	<u>\$ 1,014,037,520</u>

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Supporting organizations	\$ 114,735	\$ 10,236,976	\$ 10,351,711
Donor advised	48,919,623	326,468,107	375,387,730
Donor designated	1,408,828	180,584,148	181,992,976
Field of interest	9,136,678	235,956,427	245,093,105
Scholarship	2,469,058	72,896,892	75,365,950
Undesignated	2,746,027	273,574,748	276,320,775
Total	<u>\$ 64,794,949</u>	<u>\$ 1,099,717,298</u>	<u>\$ 1,164,512,247</u>

In addition to endowment net assets, the Foundation also manages other nonendowed funds. The Foundation's net assets as of December 31, 2018 and 2019, are summarized as follows:

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 52,363,108	\$ 961,674,412	\$ 1,014,037,520
Non-endowment funds	104,313,157	8,962,064	113,275,221
Total	<u>\$ 156,676,265</u>	<u>\$ 970,636,476</u>	<u>\$ 1,127,312,741</u>

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 64,794,949	\$ 1,099,717,298	\$ 1,164,512,247
Non-endowment funds	110,506,590	14,609,368	125,115,958
Total	<u>\$ 175,301,539</u>	<u>\$ 1,114,326,666</u>	<u>\$ 1,289,628,205</u>

Included within the net asset classification with donor restrictions, are assets held in perpetuity of \$17,834,212 and \$12,614,868, as of December 31, 2019 and 2018, respectively. The change in value for these assets held in perpetuity is \$5,219,344 and (\$1,119,124) for the years ending December 31, 2019 and 2018.

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,

2020	\$ 762,151
2021	402,370
2022	146,267
2023	116,820
2024	34,239
Thereafter	<u>118,117</u>
Total	<u>\$ 1,579,964</u>

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 \$470,000 to the Plan in 2020. The Board of Directors retains the responsibility for establishing standards and reviewing investment manager performance.

The Foundation follows the provisions of FASB Standards 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 \$6,140,352 and \$5,539,332 as of December 31, 2019 and 2018, respectively.

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

Years Ending December 31,	Pension Benefits
2020	\$ 1,020,453
2021	798,588
2022	794,143
2023	778,333
2024	773,950
2025–2029	4,019,550

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

	2019	2018
Accumulated benefit obligation	<u>\$ 17,038,159</u>	<u>\$ 14,622,079</u>
Projected benefit obligation	\$ 17,038,159	\$ 14,622,079
Fair value of plan assets	<u>10,897,807</u>	<u>9,082,747</u>
Unfunded status	<u>\$ (6,140,352)</u>	<u>\$ (5,539,332)</u>

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

	2019	2018
Discount rate	3.25 %	4.25 %
Mortality table	Pri-2012	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:

	2019	2018
Interest cost on projected benefit obligation	\$ 603,100	\$ 554,919
Expected return on Plan assets	(620,762)	(677,317)
Net loss for the period	<u>1,044,932</u>	<u>72,601</u>
Net periodic pension cost (benefit)	<u>\$ 1,027,270</u>	<u>\$ (49,797)</u>
Employer contributions	<u>\$ 426,250</u>	<u>\$ 305,600</u>
Benefits paid	<u>\$ 422,884</u>	<u>\$ 400,530</u>

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

	2019	2018
Discount rate	4.25 %	3.60 %
Expected return on plan assets	7.00	7.00
Rate of compensation increase	N/A	N/A
Mortality table	Pri-2012	RP 2014

The value of the assets is calculated at December 31, 2019 and 2018. Assets are allocated among the following categories as of December 31:

Asset Category	2019			2018		
	Fair Value	Actual Range	Target Range	Fair Value	Actual Range	Target Range
Cash and cash equivalents	\$ 184,832	2 %	-	\$ 185,139	2 %	-
Equity securities	7,662,206	70 %	69 %	6,321,365	70 %	69 %
Debt securities	<u>3,050,769</u>	<u>28 %</u>	<u>31 %</u>	<u>2,576,243</u>	<u>28 %</u>	<u>31 %</u>
Total	<u>\$ 10,897,807</u>	<u>100 %</u>	<u>100 %</u>	<u>\$ 9,082,747</u>	<u>100 %</u>	<u>100 %</u>

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 2019 and 2018 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:

	2019	2018
Equity securities:		
U.S. large-cap	\$ 3,556,107	\$ 2,897,759
International large-cap	2,682,357	2,225,445
International small/mid-cap	1,423,742	1,198,161
	<hr/>	<hr/>
	7,662,206	6,321,365
Debt securities — corporate bonds	3,050,769	2,576,243
Cash and cash equivalents	<hr/> 184,832	<hr/> 185,139
Total investments	<hr/> <u>\$ 10,897,807</u>	<hr/> <u>\$ 9,082,747</u>

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 2019 and 2018 was \$539,741 and \$500,319, respectively. Beginning January 1, 2015, all full-time employees of the Foundation are covered by the DC Plan.

10. CONCENTRATION

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 5, 2020, the date the consolidated financial statements were available to be issued.

Subsequent to December 31, 2019, the World Health Organization declared the novel coronavirus outbreak a public health emergency. The Foundation responded to the coronavirus outbreak by enabling its employees to work remotely, banning all non-essential travel, and placing a temporary hold on most in-person meetings. The outbreak has disrupted economic markets and the Foundation has experienced a significant decline in the market value of its investments. The duration and economic impact of the outbreak is uncertain, but could have a material effect on the Foundation's assets and liquidity. The Foundation will continue to monitor the situation and its investment strategies closely.

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ADDITIONAL INFORMATION

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

	2019							2018	
	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	\$ 84,234,849	\$ 6,072,918	\$ 9,171,627	\$ 2,762,474	\$ 57,287	\$ -	\$ -	\$ 102,299,155	\$ 83,357,208
Contributions receivable and other assets	95,318,276	460,701	6,051,838	27,320	-	-	-	101,858,135	99,754,062
Accounts and investment income receivable	1,210,451	25,250	133,630	17,944	-	-	(418,045) (a)	969,230	745,337
Due from related entity	-	-	-	-	46,145,974	873,993	(47,019,967) (a)	-	-
Investments	1,041,268,363	3,629,831	52,040,825	6,598,500	-	7,525,262	-	1,111,062,781	961,399,002
Program-related investments	3,278,971	-	-	-	-	-	-	3,278,971	3,427,500
Rental property	347,305	-	-	-	-	-	-	347,305	347,305
Furniture, fixtures and equipment, net of accumulated depreciation of \$4,776,940 and \$3,988,180 for 2019 and 2018, respectively	1,121,196	10,380	212,301	-	-	-	-	1,343,877	2,077,009
Total	\$ 1,226,779,411	\$ 10,199,080	\$ 67,610,221	\$ 9,406,238	\$ 46,203,261	\$ 8,399,255	\$ (47,438,012)	\$ 1,321,159,454	\$ 1,151,107,423
LIABILITIES AND NET ASSETS									
LIABILITIES:									
Accounts payable and other liabilities	\$ 14,370,767	\$ 266,973	\$ 121,182	\$ 148,596	\$ -	\$ -	\$ (418,045) (a)	\$ 14,489,473	\$ 5,651,605
Due to related entity	47,019,967	-	-	-	-	-	(47,019,967) (a)	-	-
Grants payable	3,661,819	204,486	5,854,950	280,169	900,000	-	-	10,901,424	12,603,745
Accrued pension liability	5,945,288	-	-	195,064	-	-	-	6,140,352	5,539,332
Total liabilities	70,997,841	471,459	5,976,132	623,829	900,000	-	(47,438,012)	31,531,249	23,794,682
NET ASSETS:									
Without donor restrictions	66,301,248	869,629	53,390,975	1,037,171	45,303,261	8,399,255	-	175,301,539	156,676,265
With donor restrictions	1,089,480,322	8,857,992	8,243,114	7,745,238	-	-	-	1,114,326,666	970,636,476
Total net assets	1,155,781,570	9,727,621	61,634,089	8,782,409	45,303,261	8,399,255	-	1,289,628,205	1,127,312,741
Total	\$ 1,226,779,411	\$ 10,199,080	\$ 67,610,221	\$ 9,406,238	\$ 46,203,261	\$ 8,399,255	\$ (47,438,012)	\$ 1,321,159,454	\$ 1,151,107,423

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

	2019							2018	
	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 NET ASSETS WITHOUT DONOR RESTRICTIONS:									
Revenues and gains (losses):									
Contributions	\$ 10,884,643	\$ 424,224	\$ 5,293,912	\$ 776,481	\$ -	\$ 500,000	\$ (2,161,407) (c)	\$ 15,717,853	\$ 11,475,090
Income on investments, net of investment fees of \$500,549 and \$681,763 in 2019 and 2018, respectively	1,900,182	24,620	1,108,522	135,481	318,162	602,466	-	4,089,433	3,951,254
Net realized and unrealized gains (losses) on investments	2,828,505	-	8,630,896	-	6,005,323	926,110	-	18,390,834	(9,179,186)
Other	1,638,749	285,670	-	11,203	113	-	(484,217) (b)	1,451,518	1,404,680
Total revenues and gains (losses) without donor restrictions	17,252,079	734,514	15,033,330	923,165	6,323,598	2,028,576	(2,645,624)	39,649,638	7,651,838
Net assets released resulting from satisfaction of donor restrictions	56,153,108	2,264,934	2,187,215	662,217	-	-	(575,000) (c)	60,692,474	48,180,340
Total revenues, gains (losses), and other support without donor restrictions	73,405,187	2,999,448	17,220,545	1,585,382	6,323,598	2,028,576	(3,220,624)	100,342,112	55,832,178
Expenses:									
Grants approved, net of cancellations and refunds of \$829,623 and \$564,869 in 2019 and 2018, respectively	46,482,367	1,226,586	12,209,814	382,523	1,780,710	1,420,000	(2,736,407) (c)	60,765,593	65,709,545
Program services expenses	6,925,710	1,569,974	1,057,473	1,416,363	-	-	(153,203) (b)	10,816,317	9,508,766
Fundraising and development expenses	2,949,757	65,477	1,159,007	107,166	-	-	(52,595) (b)	4,228,812	3,770,174
Management and general administrative expenses	4,232,260	385,116	260,034	312,552	348,014	550	(278,419) (b)	5,260,107	4,330,735
Total expenses	60,590,094	3,247,153	14,686,328	2,218,604	2,128,724	1,420,550	(3,220,624)	81,070,829	83,319,220
Other adjustments to net assets without donor restrictions	(646,009)	-	-	-	-	-	-	(646,009)	-
Increase (decrease) in net assets without donor restrictions	12,169,084	(247,705)	2,534,217	(633,222)	4,194,874	608,026	-	18,625,274	(27,487,042)

(Continued)

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

	2019							2018	
	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 NET ASSETS WITH DONOR RESTRICTIONS:									
Contributions	\$ 28,642,125	\$ 8,455,000	\$ 5,712,020	\$ 1,094,650	\$ -	\$ -	\$ (575,000) (c)	\$ 43,328,795	\$ 32,186,408
Bequests and split-interest contributions	2,443,103	-	-	-	-	-	-	2,443,103	26,202,536
Changes in the value of split-interest agreements	14,924,435	-	-	-	-	-	-	14,924,435	(7,475,995)
Income on investments, net of investment fees of \$4,573,664 and \$3,471,148 in 2019 and 2018, respectively	13,942,610	49,727	-	-	-	-	-	13,992,337	13,862,689
Net realized and unrealized gains (losses) on investments	136,539,792	154,841	-	1,079,685	-	-	-	137,774,318	(71,102,824)
Net assets released resulting from satisfaction of donor restrictions	(56,153,108)	(2,264,934)	(2,187,215)	(662,217)	-	-	575,000 (c)	(60,692,474)	(48,180,340)
Other adjustments to net assets with donor restrictions	(7,080,324)	(1,000,000)	-	-	-	-	-	(8,080,324)	-
Increase (decrease) in net assets with donor restrictions	133,258,633	5,394,634	3,524,805	1,512,118	-	-	-	143,690,190	(54,507,526)
INCREASE (DECREASE) IN NET ASSETS	145,427,717	5,146,929	6,059,022	878,896	4,194,874	608,026	-	162,315,464	(81,994,568)
NET ASSETS — Beginning of year	1,010,353,853	4,580,692	55,575,067	7,903,513	41,108,387	7,791,229	-	1,127,312,741	1,209,307,309
NET ASSETS — End of year	\$ 1,155,781,570	\$ 9,727,621	\$ 61,634,089	\$ 8,782,409	\$ 45,303,261	\$ 8,399,255	\$ -	\$ 1,289,628,205	\$ 1,127,312,741

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

	2019							2018	
	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	\$ 145,427,717	\$ 5,146,929	\$ 6,059,022	\$ 878,896	\$ 4,194,874	\$ 608,026	\$ -	\$ 162,315,464	\$ (81,994,568)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:									
Depreciation	719,617	1,605	67,538	-	-	-	-	788,760	818,822
Contribution of noncash gifts	(13,446,704)	-	(647,993)	-	-	-	-	(14,094,697)	(52,003,284)
Net realized and unrealized (gains) losses on investments	(139,368,297)	(154,841)	(8,630,896)	(1,079,685)	-	(798,270)	-	(150,031,989)	77,401,951
(Increase) decrease in accounts, contributions, and investment income receivables and other assets	2,477,492	289,045	(1,930,349)	198,021	(4,263,225)	1,264,800	2,079,353 (a)	115,137	35,945,217
Increase (decrease) in total liabilities	11,625,987	244,448	(906,819)	(23,140)	(50,000)	(1,074,556)	(2,079,353) (a)	7,736,567	(8,328,620)
Net cash provided by (used in) operating activities	7,435,812	5,527,186	(5,989,497)	(25,908)	(118,351)	-	-	6,829,242	(28,160,482)
CASH FLOWS FROM INVESTING ACTIVITIES:									
Purchases of furniture, fixtures, and equipment	(33,418)	(11,798)	(10,412)	-	-	-	-	(55,628)	(82,137)
Program-related loans receivable collected	148,529	-	-	-	-	-	-	148,529	-
Purchases of investments	(339,634,357)	(3,474,990)	(31,003,607)	(531,144)	-	-	-	(374,644,098)	(439,721,132)
Proceeds from sales of investments	344,179,863	-	41,656,049	827,990	-	-	-	386,663,902	445,013,637
Net cash provided by (used in) investing activities	4,660,617	(3,486,788)	10,642,030	296,846	-	-	-	12,112,705	5,210,368
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,096,429	2,040,398	4,652,533	270,938	(118,351)	-	-	18,941,947	(22,950,114)
CASH AND CASH EQUIVALENTS — Beginning of year	72,138,420	4,032,520	4,519,094	2,491,536	175,638	-	-	83,357,208	106,307,322
CASH AND CASH EQUIVALENTS — End of year	\$ 84,234,849	\$ 6,072,918	\$ 9,171,627	\$ 2,762,474	\$ 57,287	\$ -	\$ -	\$ 102,299,155	\$ 83,357,208

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

ELIMINATING AND ADJUSTING ENTRIES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

- (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, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

	2019					2018
	Restricted Funds	Agency Funds	Discretionary Funds	Operating Funds	Total	Total
ASSETS						
Cash and cash equivalents	\$ 723,837	\$ 350	\$ 82,554,103	\$ 956,559	\$ 84,234,849	\$ 72,138,420
Contributions receivable and other assets	35,556,410	-	59,761,866	-	95,318,276	95,692,612
Accounts and investment income receivable	-	-	364,667	845,784	1,210,451	870,504
Investments	643,527,240	12,214,138	380,740,437	4,786,548	1,041,268,363	895,441,971
Program-related investments	2,778,971	-	500,000	-	3,278,971	3,427,500
Rental property	-	-	-	347,305	347,305	347,305
Furniture, fixtures and equipment, net	7,834	-	-	1,113,362	1,121,196	1,807,395
Total	<u>\$ 682,594,292</u>	<u>\$ 12,214,488</u>	<u>\$ 523,921,073</u>	<u>\$ 8,049,558</u>	<u>\$ 1,226,779,411</u>	<u>\$ 1,069,725,707</u>
LIABILITIES AND NET ASSETS						
LIABILITIES:						
Accounts payable and other liabilities	\$ 12,398	\$ 12,154,488	\$ 1,720,645	\$ 483,236	\$ 14,370,767	\$ 5,517,478
Due to related entity	47,019,967	-	-	-	47,019,967	44,021,542
Grants payable	1,569,819	60,000	2,032,000	-	3,661,819	4,456,714
Accrued pension liability	-	-	-	5,945,288	5,945,288	5,376,120
Total liabilities	<u>48,602,184</u>	<u>12,214,488</u>	<u>3,752,645</u>	<u>6,428,524</u>	<u>70,997,841</u>	<u>59,371,854</u>
NET ASSETS :						
Without donor restrictions	<u>52,912,879</u>	<u>-</u>	<u>11,767,335</u>	<u>1,621,034</u>	<u>66,301,248</u>	<u>54,132,164</u>
With donor restrictions						
For grants	572,527,628	-	508,401,093	-	1,080,928,721	948,438,793
For administration endowment	8,551,601	-	-	-	8,551,601	7,782,896
Total net assets with donor restrictions	<u>581,079,229</u>	<u>-</u>	<u>508,401,093</u>	<u>-</u>	<u>1,089,480,322</u>	<u>956,221,689</u>
Total net assets	<u>633,992,108</u>	<u>-</u>	<u>520,168,428</u>	<u>1,621,034</u>	<u>1,155,781,570</u>	<u>1,010,353,853</u>
TOTAL	<u>\$ 682,594,292</u>	<u>\$ 12,214,488</u>	<u>\$ 523,921,073</u>	<u>\$ 8,049,558</u>	<u>\$ 1,226,779,411</u>	<u>\$ 1,069,725,707</u>

THE PITTSBURGH FOUNDATION
(Parent Only)

BY FUND SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

	2019						2018
	Restricted Funds	Agency Funds	Discretionary Funds	Operating Funds	Eliminations	Total	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:							
Revenues and gains (losses):							
Contributions	\$ 12,694,276	\$ -	\$ 524,125	\$ 1,006,446	\$ (3,340,204)	\$ 10,884,643	\$ 9,271,803
Income on investments, net of investment fees of \$7,722 and \$279,695 in 2019 and 2018, respectively	1,179,539	-	620,960	99,683	-	1,900,182	1,490,198
Net realized and unrealized gains (losses) on investments	2,490,773	-	246,933	90,799	-	2,828,505	(1,564,281)
Administrative grant transfer	(4,784,083)	-	(4,694,834)	10,552,790	-	1,073,873	876,824
Other	-	-	18	564,858	-	564,876	640,114
Fund type net asset reclass	(1,266,500)	646,009	620,491	-	-	-	-
Total revenues and gains (losses) without donor restrictions	10,314,005	646,009	(2,682,307)	12,314,576	(3,340,204)	17,252,079	10,714,658
Net assets released resulting from satisfaction of donor restrictions	36,134,868	-	20,018,240	-	-	56,153,108	44,261,430
Total revenues, gains (losses), and other support without donor restrictions	46,448,873	646,009	17,335,933	12,314,576	(3,340,204)	73,405,187	54,976,088
Expenses:							
Grants approved, net of cancellations and refunds of \$564,039 and \$290,452 in 2019 and 2018, respectively	36,125,986	-	13,642,532	54,053	(3,340,204)	46,482,367	49,925,519
Other program, development and general administrative expenses	1,190,909	-	91,788	12,825,030	-	14,107,727	12,376,849
Total expenses	37,316,895	-	13,734,320	12,879,083	(3,340,204)	60,590,094	62,302,368
Other adjustments to net assets without donor restrictions	-	(646,009)	-	-	-	(646,009)	-
Increase (decrease) in net assets without donor restrictions	9,131,978	-	3,601,613	(564,507)	-	12,169,084	(7,326,280)

(Continued)

THE PITTSBURGH FOUNDATION
(Parent Only)

BY FUND SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

	2019						2018
	Restricted Funds	Agency Funds	Discretionary Funds	Operating Funds	Eliminations	Total	Total
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:							
Contributions	\$ 19,551,937	\$ -	\$ 9,090,188	\$ -	\$ -	\$ 28,642,125	\$ 26,969,877
Bequests and split-interest contributions	2,105,565	-	337,538	-	-	2,443,103	26,202,536
Changes in the value of split-interest agreements	5,726,326	-	9,198,109	-	-	14,924,435	(7,475,995)
Income on investments, net of investment fees of \$4,573,664 and \$3,471,148 in 2019 and 2018, respectively	7,341,158	-	6,601,452	-	-	13,942,610	13,862,689
Net realized and unrealized gains (losses) on investments	72,657,291	-	63,882,501	-	-	136,539,792	(70,757,643)
Fund type net asset reclass	(9,299,448)	7,080,324	2,219,124	-	-	-	-
Net assets released resulting from satisfaction of donor restrictions	(36,134,868)	-	(20,018,240)	-	-	(56,153,108)	(44,261,430)
Other adjustments to net assets with donor restrictions	-	(7,080,324)	-	-	-	(7,080,324)	-
Increase (decrease) in net assets with donor restrictions	61,947,961	-	71,310,672	-	-	133,258,633	(55,459,966)
INCREASE (DECREASE) IN NET ASSETS	71,079,939	-	74,912,285	(564,507)	-	145,427,717	(62,786,246)
NET ASSETS — Beginning of year	562,912,169	-	445,256,143	2,185,541	-	1,010,353,853	1,073,140,099
NET ASSETS — End of year	\$ 633,992,108	\$ -	\$ 520,168,428	\$ 1,621,034	\$ -	\$ 1,155,781,570	\$ 1,010,353,853