

The Pittsburgh Foundation

(And Controlled Supporting Organizations)

Consolidated Financial Statements and Additional
Information as of and for the Years Ended December 31,
2023 and 2022, 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

Opinion

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, 2023 and 2022, 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.

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, 2023 and 2022, 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.

We did not audit the financial statements of Neighborhood Allies, a controlled supporting organization, which statements reflect total assets of \$16,613,943 and \$16,458,287, and total net assets of \$16,448,211 and \$16,115,765 as of December 31, 2023 and 2022, respectively, and total revenues, gains (losses), and other support of \$6,021,771 and \$4,232,864, respectively, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for Neighborhood Allies, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of The Pittsburgh Foundation and Controlled Supporting Organizations and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

INDEPENDENT AUDITOR'S REPORT

(continued)

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Pittsburgh Foundation and Controlled Supporting Organizations' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Pittsburgh Foundation and Controlled Supporting Organizations' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Pittsburgh Foundation and Controlled Supporting Organizations' ability to continue as a going concern for a reasonable period of time.

INDEPENDENT AUDITOR'S REPORT

(continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identify during the audit.

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 29-33 is presented for purposes of additional analysis of the consolidated financial statements 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 U.S. GAAS. 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 11, 2024

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 100,344,890	\$ 87,114,172
Contributions receivable and other assets	83,958,619	77,503,801
Accounts and investment income receivable	2,498,064	1,709,743
Investments	1,304,118,828	1,214,933,093
Program-related investments	4,566,507	3,578,971
Pension asset	665,755	-
Furniture, fixtures and equipment, net of accumulated depreciation of \$6,238,367 and \$6,080,891 for 2023 and 2022, respectively	1,247,106	988,093
Total	<u>\$ 1,497,399,769</u>	<u>\$ 1,385,827,873</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and other liabilities	\$ 3,614,505	\$ 5,262,993
Grants payable	12,979,985	13,094,219
Fiscal agency liability	15,258,374	14,631,219
Accrued pension liability	-	635,303
Total liabilities	<u>31,852,864</u>	<u>33,623,734</u>
NET ASSETS:		
Without donor restrictions	174,307,834	157,587,384
With donor restrictions	<u>1,291,239,071</u>	<u>1,194,616,755</u>
Total net assets	<u>1,465,546,905</u>	<u>1,352,204,139</u>
Total	<u>\$ 1,497,399,769</u>	<u>\$ 1,385,827,873</u>

See notes to consolidated financial statements.

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:			
Contributions	\$ 17,302,868	\$ 32,332,537	\$ 49,635,405
Bequests and split-interest contributions	-	5,075,690	5,075,690
Changes in the value of split-interest agreements	-	7,522,109	7,522,109
Income on investments, net of investment fees of \$416,683 and \$5,877,653, respectively	5,831,971	16,933,689	22,765,660
Net realized and unrealized gains on investments	10,614,565	109,408,617	120,023,182
Other	709,557	-	709,557
Net assets released resulting from satisfaction of donor restrictions	74,585,354	(74,585,354)	-
Total revenues, gains, and other support	109,044,315	96,687,288	205,731,603
EXPENSES:			
Grants approved, net of cancellations and refunds of \$475,897	67,601,234	-	67,601,234
Program and other grantmaking related expenses	14,937,798	-	14,937,798
Fundraising and development expenses	3,851,520	-	3,851,520
Management and general administrative expenses	5,853,720	-	5,853,720
Total expenses	92,244,272	-	92,244,272
Other adjustments to net assets	(79,593)	(64,972)	(144,565)
INCREASE IN NET ASSETS	16,720,450	96,622,316	113,342,766
NET ASSETS — Beginning of year	157,587,384	1,194,616,755	1,352,204,139
NET ASSETS — End of year	\$ 174,307,834	\$ 1,291,239,071	\$ 1,465,546,905

See notes to consolidated financial statements.

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS (LOSSES), AND OTHER SUPPORT:			
Contributions	\$ 10,506,168	\$ 32,103,088	\$ 42,609,256
Bequests and split-interest contributions	-	11,214,524	11,214,524
Changes in the value of split-interest agreements	-	(36,027,634)	(36,027,634)
Income on investments, net of investment fees of \$532,175 and \$4,761,207, respectively	4,493,443	18,978,078	23,471,521
Net realized and unrealized losses on investments	(22,906,510)	(165,964,124)	(188,870,634)
Other	1,001,945	-	1,001,945
Net assets released resulting from satisfaction of donor restrictions	70,973,813	(70,973,813)	-
Total revenues, gains (losses), and other support	64,068,859	(210,669,881)	(146,601,022)
EXPENSES:			
Grants approved, net of cancellations and refunds of \$373,948	70,079,898	-	70,079,898
Program and other grantmaking related expenses	15,132,686	-	15,132,686
Fundraising and development expenses	3,651,762	-	3,651,762
Management and general administrative expenses	5,570,714	-	5,570,714
Total expenses	94,435,060	-	94,435,060
DECREASE IN NET ASSETS	(30,366,201)	(210,669,881)	(241,036,082)
NET ASSETS — Beginning of year	187,953,585	1,405,286,636	1,593,240,221
NET ASSETS — End of year	\$ 157,587,384	\$ 1,194,616,755	\$ 1,352,204,139

See notes to consolidated financial statements.

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<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	\$ 67,601,234	\$ 979,862	\$ -	\$ 4,875	\$ 68,585,971
Salaries and benefits	-	7,902,530	2,626,861	3,796,580	14,325,971
Professional and administrative services	-	3,933,057	541,025	870,390	5,344,472
Rent and building expense	-	367,531	165,764	322,175	855,470
Depreciation	-	77,988	36,080	43,408	157,476
Communications and marketing	-	837,852	151,187	205,009	1,194,048
Information technology	-	545,159	220,930	369,079	1,135,168
Professional development and travel	-	230,615	88,768	194,215	513,598
Office expenses	-	63,204	20,905	47,989	132,098
Total expenses	<u>\$ 67,601,234</u>	<u>\$ 14,937,798</u>	<u>\$ 3,851,520</u>	<u>\$ 5,853,720</u>	<u>\$ 92,244,272</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, 2022

	<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	\$ 70,079,898	\$ 1,841,896	\$ -	\$ 2,061	\$ 71,923,855
Salaries and benefits	-	7,574,403	2,542,817	3,485,534	13,602,754
Professional and administrative services	-	3,809,741	420,822	853,031	5,083,594
Rent and building expense	-	361,797	157,023	324,347	843,167
Depreciation	-	119,755	57,742	67,561	245,058
Communications and marketing	-	652,819	156,107	226,777	1,035,703
Information technology	-	506,877	214,876	384,269	1,106,022
Professional development and travel	-	229,667	87,725	190,352	507,744
Office expenses	-	35,731	14,650	36,782	87,163
Total expenses	<u>\$ 70,079,898</u>	<u>\$ 15,132,686</u>	<u>\$ 3,651,762</u>	<u>\$ 5,570,714</u>	<u>\$ 94,435,060</u>

See notes to consolidated financial statements.

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 113,342,766	\$ (241,036,082)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation	157,476	245,058
Contribution of noncash gifts	(26,474,923)	(28,830,651)
Net realized and unrealized (gains) losses on investments	(116,521,301)	183,966,769
Net realized gain on sale of rental property	-	(353,319)
(Increase) decrease in accounts, contributions, and investment income receivables, pension asset and other assets	(2,833,207)	44,572,559
Increase (decrease) in total liabilities	(1,770,870)	132,690
	<u>(34,100,059)</u>	<u>(41,302,976)</u>
Net cash used in operating activities	<u>(34,100,059)</u>	<u>(41,302,976)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture, fixtures and equipment	(416,489)	(343,792)
Proceeds from sale of rental property	-	700,624
Program-related investments made	(862,536)	-
Purchases of investments	(422,702,795)	(429,024,449)
Proceeds from sales of investments	471,312,597	445,565,060
	<u>47,330,777</u>	<u>16,897,443</u>
Net cash provided by investing activities	<u>47,330,777</u>	<u>16,897,443</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,230,718	(24,405,533)
CASH AND CASH EQUIVALENTS — Beginning of year	87,114,172	111,519,705
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 100,344,890</u>	<u>\$ 87,114,172</u>

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, 2023 AND 2022**

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, 2023 and 2022, were \$141,710,262 and \$134,599,580, respectively. 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. During 2023, the Foundation board approved the exploration and execution of a transition process for three of the controlled supporting organizations, The Pittsburgh Promise Foundation, The Forbes Funds and Neighborhood Allies to become independent 501(c)(3) public charities.

The Foundation participates with certain non-affiliated private foundations on the board of the August Wilson African American Cultural Center (the “AWAACC”); these foundations are referred to as the “Foundations Body”. 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 Foundations Body retained the power to approve sale or disposition of the building, approve indebtedness, and approve dissolution, consolidation or sale of the AWAACC, among other matters. None of the three members of the Foundations 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, including undesignated and field of interest funds, from which grants are primarily distributed for operating and programmatic support to tax-exempt organizations in Allegheny and Westmoreland counties. Funds with additional restrictions for use include scholarship, designated, and donor-advised funds. The Foundation’s governing boards are responsible for approval of all grants.

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 2023 and 2022. This spending policy determines the funds available for grant making and administrative expenses unless additional grant making is otherwise stipulated. 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 \$100,344,890 and \$87,114,172 at December 31, 2023 and 2022, 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, 2023 and 2022.

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 consisted of land. The land was sold in 2022 for \$700,624 at a gain of \$353,319.

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 investments 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, 2023 and 2022, 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 3.88% to 4.20% based on the remaining life of the promise to give for the year ended December 31, 2023. For the year ended December 31, 2022, the rates ranged from 3.35% to 4.73%. 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, 2020 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.

Adopted Accounting Standard — The provisions of this Accounting Standards Update (“ASU”) have been adopted and incorporated into these consolidated financial statements:

On January 1, 2023, the Foundation adopted ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326), as amended, that replaced the incurred loss model for measuring the allowance for credit losses with a new model that reflects current expected credit losses (“CECL”) over the lifetime of the underlying financial assets. The CECL methodology is applicable to financial assets that the Foundation measures at amortized cost, including certain receivable balances. The Foundation adopted the changes in accounting for credit losses using a modified retrospective method. The adoption of this new standard did not have a material impact on the Foundation’s consolidated financial statements and related disclosures.

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 date, comprise of the following:

	2023		
	The Pittsburgh Foundation	Supporting Organizations	Total
Cash and cash equivalents	\$ 2,537,931	\$ 3,915,942	\$ 6,453,873
Receivables and other assets	-	2,551,509	2,551,509
Short-term investments	5,955,172	52,716,036	58,671,208
Total	<u>\$ 8,493,103</u>	<u>\$ 59,183,487</u>	<u>\$ 67,676,590</u>

	2022		
	The Pittsburgh Foundation	Supporting Organizations	Total
Cash and cash equivalents	\$ 1,705,781	\$ 12,826,331	\$ 14,532,112
Receivables and other assets	-	3,024,604	3,024,604
Short-term investments	5,500,897	41,833,924	47,334,821
Total	<u>\$ 7,206,678</u>	<u>\$ 57,684,859</u>	<u>\$ 64,891,537</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, \$59,979,529 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, 2023 and 2022, is summarized as follows:

	2023	2022
Equities:		
Hedged equity	\$ 31,915,080	\$ 31,694,835
Private equity	136,302,677	129,329,563
Public equity	641,081,570	615,759,013
	<u>809,299,327</u>	<u>776,783,411</u>
Fixed income:		
Core fixed income	248,449,368	200,574,928
Hedged credit	22,827,920	21,792,839
High yield fixed income	6,203,577	7,007,605
International fixed income	16,117,186	6,442,054
Opportunistic fixed income	15,950,016	11,718,980
Private debt	20,411,867	18,093,024
	<u>329,959,934</u>	<u>265,629,430</u>
Diversifying strategies:		
Event driven funds	59,386,773	55,328,804
Global macro	28,248,247	18,994,235
Hedge fund of funds	1,805,354	5,786,699
Managed futures	75,130	7,397,909
	<u>89,515,504</u>	<u>87,507,647</u>
Real Assets:		
Private	40,761,573	41,036,538
Public	32,162,197	41,460,076
	<u>72,923,770</u>	<u>82,496,614</u>
Cash surrender value of life insurance	<u>2,420,293</u>	<u>2,515,991</u>
Total investments	<u>\$ 1,304,118,828</u>	<u>\$ 1,214,933,093</u>

As of December 31, 2023 and 2022, there were no investments that represented 10% of the total value of the portfolio.

The Foundation adopted ASU 2018-13, Fair Value Measurement – Disclosure Framework (“Topic 820”). The ASU 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 stocks, American Depositary Receipts, 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.

Equity and fixed-income mutual funds are open-ended Securities and Exchange Commission-registered funds, with daily Net Asset Valuation (“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, municipal bonds, and real estate investment trust 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 independent corporate stock appraisals. The valuations also include lack of marketability and control discounts in the amount of 35% and 10% respectively, 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 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, 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.

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:

	2023	2022
Level 1 — Quoted prices in active markets for identical securities		
American depository receipts	\$ 15,629,129	\$ 15,144,478
Common stocks	143,705,673	140,651,530
Exchange traded funds	262,526,277	205,680,750
Mutual funds	356,118,274	371,446,722
Real estate investment trusts	<u>1,607,652</u>	<u>2,528,737</u>
Total Level 1	<u>779,587,005</u>	<u>735,452,217</u>
Level 2 — Significant observable inputs		
Corporate bonds	50,606,951	38,608,439
Government bonds	50,017,721	34,250,410
Mortgage backed securities	28,573,498	19,356,878
Municipal bonds	8,136,088	6,792,422
Real estate investment trust bonds	<u>1,247,011</u>	<u>2,466,508</u>
Total Level 2	<u>138,581,269</u>	<u>101,474,657</u>
Level 3 — Significant unobservable inputs		
Privately held corporate stock	<u>8,695,289</u>	<u>9,107,118</u>
Investments measured at NAV as a practical expedient		
Commingled funds	185,664,650	187,007,747
Private equity funds	<u>189,170,322</u>	<u>179,375,363</u>
Total investments measured at NAV as a practical expedient	<u>374,834,972</u>	<u>366,383,110</u>
Total	<u>\$ 1,301,698,535</u>	<u>\$ 1,212,417,102</u>

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

	2023	2022
Net realized gains on investments	\$ 12,339,715	\$ 21,621,497
Net unrealized gains (losses) on investments	<u>107,683,467</u>	<u>(210,492,131)</u>
Net realized and unrealized gains (losses) on investments	<u>\$ 120,023,182</u>	<u>\$ (188,870,634)</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 which may be commingled. The Foundation has classified these according to the type of

investment as well as their redemption frequency and notification requirements. In total they represent \$374,834,972 and \$366,383,110 of the total assets of the Foundation or 25.0% and 26.4% for the years ended December 31, 2023 and 2022, respectively.

	December 31, 2023			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Private equity funds	\$ 189,170,322 (a)	\$ 111,854,324	N/A	N/A
Limited partnerships & commingled funds - daily exit	13,096,933	-	Daily	N/A
Limited partnerships & commingled funds - monthly exit	55,428,222	-	Monthly	5 - 90 Days
Limited partnerships & commingled funds - quarterly exit	106,884,503	-	Quarterly	35 - 90 Days
Limited partnerships & commingled funds - annual exit	9,879,565	3,562,790	Annual	45 - 60 Days
Limited partnerships & commingled funds - gated exit	<u>375,427 (a)</u>	-	N/A	N/A
Total fair value	<u>\$374,834,972</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, 2023:

	Total	Less Than One Year	One to Five Years	Thereafter
Contributions receivable:				
Bequests	\$ 11,692,972	\$ 11,692,972	\$ -	\$ -
Charitable remainder trusts	50,278,598	821,169	7,910,284	41,547,145
Charitable lead trusts	1,034,703	135,470	420,105	479,128
Other planned gifts	1,985,525	1,985,525	-	-
Contributions	<u>8,419,879</u>	<u>4,939,918</u>	<u>3,479,961</u>	<u>-</u>
Total contributions receivable	73,411,677	19,575,054	11,810,350	42,026,273
Other assets:				
Trusts held by others	10,239,692	-	-	10,239,692
Other	<u>307,250</u>	<u>287,551</u>	<u>19,699</u>	<u>-</u>
Total other assets	<u>10,546,942</u>	<u>287,551</u>	<u>19,699</u>	<u>10,239,692</u>
Net present value of contributions receivable and other assets	<u>\$ 83,958,619</u>	<u>\$ 19,862,605</u>	<u>\$ 11,830,049</u>	<u>\$ 52,265,965</u>

5. ACCOUNTS PAYABLE AND OTHER LIABILITIES

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

	2023	2022
Annuity obligations	\$ 2,411,745	\$ 2,107,113
Accounts payable	923,985	3,047,959
Accrued expenses	<u>278,775</u>	<u>107,921</u>
Total	<u>\$ 3,614,505</u>	<u>\$ 5,262,993</u>

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, 2023, are payable in the following years:

Years Ending December 31,

2024	\$ 11,866,175
2025	735,092
2026	366,718
2027	4,500
2028	3,000
Thereafter	<u>4,500</u>
Total	<u>\$ 12,979,985</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. FISCAL AGENCY LIABILITY

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 2023, the Foundation recorded an adjustment related to fiscal agency funds of \$144,565 in other adjustments to net assets in the consolidated statement of activities.

8. 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, 2023 and 2022, is as follows:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 46,664,436	\$ 1,178,180,118	\$ 1,224,844,554
Contributions	9,338,669	31,423,938	40,762,607
Income on investments, net of fees	3,044,283	16,933,689	19,977,972
Other	3,893	-	3,893
Expenses	(74,713,538)	-	(74,713,538)
Net assets released from donor restrictions	66,173,269	(66,173,269)	-
Other adjustments to net assets	(79,593)	(64,972)	(144,565)
Net appreciation in investments	2,044,731	116,930,726	118,975,457
Change in endowment net assets	5,811,714	99,050,112	104,861,826
Endowment net assets, end of year	\$ 52,476,150	\$ 1,277,230,230	\$ 1,329,706,380

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 57,740,666	\$ 1,389,580,303	\$ 1,447,320,969
Contributions	7,769,959	33,250,436	41,020,395
Income on investments, net of fees	1,980,886	18,978,078	20,958,964
Other	617	-	617
Expenses	(75,236,513)	(315,537)	(75,552,050)
Net assets released from donor restrictions	61,321,404	(61,321,404)	-
Net depreciation in investments	(6,912,583)	(201,991,758)	(208,904,341)
Change in endowment net assets	(11,076,230)	(211,400,185)	(222,476,415)
Endowment net assets, end of year	\$ 46,664,436	\$ 1,178,180,118	\$ 1,224,844,554

The endowment net asset composition by type of fund as of December 31, 2023 and 2022, is comprised of the following:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Supporting organizations	\$ -	\$ 15,500,412	\$ 15,500,412
Donor advised	43,530,186	394,637,142	438,167,328
Donor designated	417,048	219,560,946	219,977,994
Field of interest	1,367,104	264,533,902	265,901,006
Scholarship	2,354,861	86,820,550	89,175,411
Undesignated	4,806,951	296,177,278	300,984,229
Total	<u>\$ 52,476,150</u>	<u>\$ 1,277,230,230</u>	<u>\$ 1,329,706,380</u>

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Supporting organizations	\$ -	\$ 14,186,413	\$ 14,186,413
Donor advised	39,012,648	358,478,681	397,491,329
Donor designated	119,589	199,848,898	199,968,487
Field of interest	1,818,126	252,109,059	253,927,185
Scholarship	2,652,860	81,763,639	84,416,499
Undesignated	3,061,213	271,793,428	274,854,641
Total	<u>\$ 46,664,436</u>	<u>\$ 1,178,180,118</u>	<u>\$ 1,224,844,554</u>

In addition to endowment net assets, the Foundation also manages other non-endowed funds. The Foundation's net assets as of December 31, 2023 and 2022, are summarized as follows:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 52,476,150	\$ 1,277,230,230	\$ 1,329,706,380
Non-endowment funds	121,831,684	14,008,841	135,840,525
Total	<u>\$ 174,307,834</u>	<u>\$ 1,291,239,071</u>	<u>\$ 1,465,546,905</u>

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 46,664,436	\$ 1,178,180,118	\$ 1,224,844,554
Non-endowment funds	110,922,948	16,436,637	127,359,585
Total	<u>\$ 157,587,384</u>	<u>\$ 1,194,616,755</u>	<u>\$ 1,352,204,139</u>

Included within the net asset classification with donor restrictions, are assets held in perpetuity of \$20,972,639 and \$19,003,885, as of December 31, 2023 and 2022, respectively. The change in value for these assets held in perpetuity is \$1,968,754 and (\$6,320,675) for the years ending December 31, 2023 and 2022, respectively.

9. COMMITMENTS AND CONTINGENCIES

Lease Commitments — On May 18, 2023, the Foundation entered into a lease agreement to occupy office space at 912 Fort Duquesne Boulevard expected to commence on June 1, 2024. The agreement was subsequently amended to commence on September 1, 2024. The new lease agreement extends through August 31, 2039. Upon commencement of the lease, the Foundation expects to record a right of use asset and lease liability in accordance with ASU 2016-02 *Leases (Topic 842)*. The final project costs are still to be determined.

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

Years Ending December 31,

2024	\$ 344,958
2025	361,670
2026	843,448
2027	859,832
2028	876,530
Thereafter	<u>10,253,156</u>
Total	<u>\$ 13,539,594</u>

10. 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. Pension benefit recognized in 2023 and 2022 was \$174,134 and \$397,527, respectively. 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 an asset and liability for accrued benefit costs on its consolidated statements of financial position of \$665,755 and (\$635,303) as of December 31, 2023 and 2022, respectively.

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

Years Ending December 31,	Pension Benefits
2024	\$ 831,723
2025	736,481
2026	805,461
2027	808,263
2028	802,750
2029–2033	4,206,745

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

	2023	2022
Accumulated benefit obligation	<u>\$ 12,832,174</u>	<u>\$ 12,377,463</u>
Projected benefit obligation	12,832,174	12,377,463
Fair value of plan assets	<u>13,497,929</u>	<u>11,742,160</u>
Funded (unfunded) status	<u>\$ 665,755</u>	<u>\$ (635,303)</u>

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

	2023	2022
Discount rate	5.00 %	5.25 %
Mortality table	Pri-2012	Pri-2012

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

	2023	2022
Interest cost on projected benefit obligation	\$ 628,998	\$ 472,825
Expected return on Plan assets	(827,945)	(975,184)
Net gain for the period	<u>(1,102,111)</u>	<u>(1,021,478)</u>
Net periodic pension cost	<u>\$ (1,301,058)</u>	<u>\$ (1,523,837)</u>
Employer contributions	<u>\$ -</u>	<u>\$ 500,000</u>
Benefits paid	<u>\$ 516,613</u>	<u>\$ 525,058</u>

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

	2023	2022
Discount rate	5.25 %	2.85 %
Expected return on Plan assets	7.00	7.00
Rate of compensation increase	N/A	N/A
Mortality table	Pri-2012	Pri-2012

The value of the assets is calculated at December 31, 2023 and 2022. Assets are allocated among the following categories as of December 31:

Asset Category	2023			2022		
	Fair Value	Actual Range	Target Range	Fair Value	Actual Range	Target Range
Cash and cash equivalents	\$ 260,210	2 %	-	\$ 243,295	2 %	-
Equity securities	9,517,364	70 %	69 %	8,148,125	69 %	69 %
Debt securities	<u>3,720,355</u>	<u>28 %</u>	<u>31 %</u>	<u>3,350,740</u>	<u>29 %</u>	<u>31 %</u>
Total	<u>\$ 13,497,929</u>	<u>100 %</u>	<u>100 %</u>	<u>\$ 11,742,160</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 minimal exposure to volatile investment options like derivatives. The long-term rate of return assumption of 7.00% for both 2023 and 2022 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.

The aggregate carrying value of assets is summarized as follows as of December 31:

	2023	2022
Level 1 — Quoted prices in active markets for identical securities		
Equity securities:		
U.S. large-cap	\$ 4,417,111	\$ 3,714,348
International large-cap	3,351,202	2,892,289
International small/mid-cap	1,749,051	1,541,488
	<u>9,517,364</u>	<u>8,148,125</u>
Level 2 — Significant observable inputs		
Debt securities — corporate bonds	<u>3,720,355</u>	<u>3,350,740</u>
Cash and cash equivalents	<u>260,210</u>	<u>243,295</u>
Total assets	<u>\$ 13,497,929</u>	<u>\$ 11,742,160</u>

The Pittsburgh Foundation also sponsors a 403(b) defined contribution plan (the “DC Plan”) covering all full-time employees hired after December 31, 2011. The Pittsburgh Foundation is required to contribute 10% of the employees’ compensation to the DC Plan. Total expense for 2023 and 2022 was \$648,592 and \$650,721, respectively. Beginning January 1, 2015, all full-time employees of The Pittsburgh Foundation are covered by the DC Plan.

The supporting organizations of The Pittsburgh Foundation also sponsor defined contribution plans for employees with varying terms and conditions. Total expense for 2023 and 2022 was \$283,057 and \$362,190, respectively.

11. 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.

12. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through June 11, 2024, the date the consolidated financial statements were available to be issued.

At December 31, 2023, the Foundation recorded \$373,986 of accumulated software development costs in furniture, fixtures and equipment for The Pittsburgh Promise Foundation. Subsequently, it was determined that the related project could not be completed. The accumulated costs were written off as of May 1, 2024.

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ADDITIONAL INFORMATION

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 (WITH COMPARATIVE TOTALS FOR 2022)

	2023							2022	
	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	\$ 91,320,600	\$ 3,939,660	\$ 2,807,099	\$ 2,262,402	\$ 15,129	\$ -	\$ -	\$ 100,344,890	\$ 87,114,172
Contributions receivable and other assets	75,960,156	2,702,956	5,084,806	673,201	-	-	(462,500) (a)	83,958,619	77,503,801
Accounts and investment income receivable	2,582,248	5,500	123,108	36,077	-	-	(248,869) (a)	2,498,064	1,709,743
Due from related entity	-	-	-	-	50,339,403	362,582	(50,701,985) (a)	-	-
Investments	1,226,693,615	8,675,137	52,716,036	7,338,751	-	8,695,289	-	1,304,118,828	1,214,933,093
Program-related investments	3,278,971	1,287,536	-	-	-	-	-	4,566,507	3,578,971
Pension asset	648,386	-	-	17,369	-	-	-	665,755	-
Furniture, fixtures and equipment, net of accumulated depreciation of \$6,238,367 and \$6,080,891 for 2023 and 2022, respectively	819,969	3,154	423,983	-	-	-	-	1,247,106	988,093
Total	<u>\$ 1,401,303,945</u>	<u>\$ 16,613,943</u>	<u>\$ 61,155,032</u>	<u>\$ 10,327,800</u>	<u>\$ 50,354,532</u>	<u>\$ 9,057,871</u>	<u>\$ (51,413,354)</u>	<u>\$ 1,497,399,769</u>	<u>\$ 1,385,827,873</u>
LIABILITIES AND NET ASSETS									
LIABILITIES:									
Accounts payable and other liabilities	\$ 3,226,065	\$ 150,732	\$ 215,255	\$ 271,072	\$ 250	\$ -	\$ (248,869) (a)	\$ 3,614,505	\$ 5,262,993
Due to related entity	50,701,985	-	-	-	-	-	(50,701,985) (a)	-	-
Grants payable	8,270,878	15,000	3,303,944	301,200	1,088,963	462,500	(462,500) (a)	12,979,985	13,094,219
Fiscal agency liability	15,258,374	-	-	-	-	-	-	15,258,374	14,631,219
Accrued pension liability	-	-	-	-	-	-	-	-	635,303
Total liabilities	<u>77,457,302</u>	<u>165,732</u>	<u>3,519,199</u>	<u>572,272</u>	<u>1,089,213</u>	<u>462,500</u>	<u>(51,413,354)</u>	<u>31,852,864</u>	<u>33,623,734</u>
NET ASSETS:									
Without donor restrictions	62,116,825	767,117	52,102,547	1,460,655	49,265,319	8,595,371	-	174,307,834	157,587,384
With donor restrictions	1,261,729,818	15,681,094	5,533,286	8,294,873	-	-	-	1,291,239,071	1,194,616,755
Total net assets	<u>1,323,846,643</u>	<u>16,448,211</u>	<u>57,635,833</u>	<u>9,755,528</u>	<u>49,265,319</u>	<u>8,595,371</u>	<u>-</u>	<u>1,465,546,905</u>	<u>1,352,204,139</u>
Total	<u>\$ 1,401,303,945</u>	<u>\$ 16,613,943</u>	<u>\$ 61,155,032</u>	<u>\$ 10,327,800</u>	<u>\$ 50,354,532</u>	<u>\$ 9,057,871</u>	<u>\$ (51,413,354)</u>	<u>\$ 1,497,399,769</u>	<u># \$ 1,385,827,873</u>

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023 (WITH COMPARATIVE TOTALS FOR 2022)

	2023							2022
	Parent Only	Neighborhood Allies	The Pittsburgh Promise Foundation	The Forbes Funds	Charles E. Kaufman Foundation	Jack G. Buncher Charitable Fund	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:								
Revenues and gains (losses):								
Contributions	\$ 9,361,168	\$ 789,598	\$ 8,312,401	\$ 669,111	\$ -	\$ 500,000	\$ (2,329,410) (c)	\$ 17,302,868
Income on investments, net of investment fees of \$416,683 and \$532,175 in 2023 and 2022, respectively	3,062,241	38,986	1,211,092	230,613	518,610	770,429	-	5,831,971
Net realized and unrealized gains (losses) on investments	2,062,641	12,773	5,449,099	-	3,466,626	(376,574)	-	10,614,565
Other	901,779	218,094	-	265,945	-	-	(676,261) (b)	709,557
Total revenues and gains (losses) without donor restrictions	15,387,829	1,059,451	14,972,592	1,165,669	3,985,236	893,855	(3,005,671)	34,458,961
Net assets released resulting from satisfaction of donor restrictions	65,879,339	4,433,164	3,519,498	1,363,353	-	-	(610,000) (c)	74,585,354
Total revenues, gains (losses), and other support without donor restrictions	81,267,168	5,492,615	18,492,090	2,529,022	3,985,236	893,855	(3,615,671)	109,044,315
Expenses:								
Grants approved, net of cancellations and refunds of \$475,897 and \$373,948 in 2023 and 2022, respectively	58,336,325	1,357,432	7,579,171	190,000	1,777,716	1,300,000	(2,939,410) (c)	67,601,234
Program and other grantmaking related expenses	7,585,930	3,260,741	2,404,133	1,687,427	-	-	(433) (b)	14,937,798
Fundraising and development expenses	2,414,054	204,940	1,113,944	118,779	-	-	(197) (b)	3,851,520
Management and general administrative expenses	4,345,295	866,212	413,298	573,934	330,612	-	(675,631) (b)	5,853,720
Total expenses	72,681,604	5,689,325	11,510,546	2,570,140	2,108,328	1,300,000	(3,615,671)	92,244,272
Others adjustments to net assets without donor restrictions	(79,593)	-	-	-	-	-	-	(79,593)
Increase (decrease) in net assets without donor restrictions	8,505,971	(196,710)	6,981,544	(41,118)	1,876,908	(406,145)	-	16,720,450

(Continued)

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023 (WITH COMPARATIVE TOTALS FOR 2022)

	2023							2022	
	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	\$ 26,348,248	\$ 3,958,500	\$ 1,318,739	\$ 1,317,050	\$ -	\$ -	\$ (610,000) (c)	\$ 32,332,537	\$ 32,103,088
Bequests and split-interest contributions	5,075,690	-	-	-	-	-	-	5,075,690	11,214,524
Changes in the value of split-interest agreements	7,522,109	-	-	-	-	-	-	7,522,109	(36,027,634)
Income on investments, net of investment fees of \$5,877,653 and \$4,761,207 in 2023 and 2022, respectively	16,791,063	142,626	-	-	-	-	-	16,933,689	18,978,078
Net realized and unrealized gains (losses) on investments	107,943,314	861,194	-	604,109	-	-	-	109,408,617	(165,964,124)
Net assets released resulting from satisfaction of donor restrictions	(65,879,339)	(4,433,164)	(3,519,498)	(1,363,353)	-	-	610,000 (c)	(74,585,354)	(70,973,813)
Other adjustments to net assets with donor restrictions	(64,972)	-	-	-	-	-	-	(64,972)	-
Increase (decrease) in net assets with donor restrictions	97,736,113	529,156	(2,200,759)	557,806	-	-	-	96,622,316	(210,669,881)
INCREASE (DECREASE) IN NET ASSETS	106,242,084	332,446	4,780,785	516,688	1,876,908	(406,145)	-	113,342,766	(241,036,082)
NET ASSETS — Beginning of year	1,217,604,559	16,115,765	52,855,048	9,238,840	47,388,411	9,001,516	-	1,352,204,139	1,593,240,221
NET ASSETS — End of year	<u>\$ 1,323,846,643</u>	<u>\$ 16,448,211</u>	<u>\$ 57,635,833</u>	<u>\$ 9,755,528</u>	<u>\$ 49,265,319</u>	<u>\$ 8,595,371</u>	<u>\$ -</u>	<u>\$ 1,465,546,905</u>	<u>\$ 1,352,204,139</u>

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

CONSOLIDATING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023 (WITH COMPARATIVE TOTALS FOR 2022)

	2023							2022	
	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	\$ 106,242,084	\$ 332,446	\$ 4,780,785	\$ 516,688	\$ 1,876,908	\$ (406,145)	\$ -	\$ 113,342,766	\$ (241,036,082)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:									
Depreciation	105,701	1,807	49,968	-	-	-	-	157,476	245,058
Contribution of noncash gifts	(26,467,919)	-	(7,004)	-	-	-	-	(26,474,923)	(28,830,651)
Net realized and unrealized (gains) losses on investments	(110,005,955)	(873,967)	(5,449,099)	(604,109)	-	411,829	-	(116,521,301)	183,966,769
Net realized gain on sale of rental property	-	-	-	-	-	-	-	-	(353,319)
(Increase) decrease in accounts, contributions, and investment income receivables, pension asset and other assets	(3,714,242)	227,988	1,523,979	(646,162)	(2,212,936)	181,816	1,806,350 (a)	(2,833,207)	44,572,559
Increase (decrease) in total liabilities	3,656,969	(176,790)	(2,087,446)	(8,966)	(1,160,787)	(187,500)	(1,806,350) (a)	(1,770,870)	132,690
Net cash used in operating activities	(30,183,362)	(488,516)	(1,188,817)	(742,549)	(1,496,815)	-	-	(34,100,059)	(41,302,976)
CASH FLOWS FROM INVESTING ACTIVITIES:									
Purchases of furniture, fixtures, and equipment	(346,950)	-	(69,539)	-	-	-	-	(416,489)	(343,792)
Proceeds from sale of rental property	-	-	-	-	-	-	-	-	700,624
Program-related investments made	-	(862,536)	-	-	-	-	-	(862,536)	-
Purchases of investments	(397,194,231)	(1,279,596)	(23,634,671)	(594,297)	-	-	-	(422,702,795)	(429,024,449)
Proceeds from sales of investments	452,260,777	49,205	18,208,662	793,953	-	-	-	471,312,597	445,565,060
Net cash provided by (used in) investing activities	54,719,596	(2,092,927)	(5,495,548)	199,656	-	-	-	47,330,777	16,897,443
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	24,536,234	(2,581,443)	(6,684,365)	(542,893)	(1,496,815)	-	-	13,230,718	(24,405,533)
CASH AND CASH EQUIVALENTS — Beginning of year	66,784,366	6,521,103	9,491,464	2,805,295	1,511,944	-	-	87,114,172	111,519,705
CASH AND CASH EQUIVALENTS — End of year	\$ 91,320,600	\$ 3,939,660	\$ 2,807,099	\$ 2,262,402	\$ 15,129	\$ -	\$ -	\$ 100,344,890	\$ 87,114,172

THE PITTSBURGH FOUNDATION
(And Controlled Supporting Organizations)

ELIMINATING AND ADJUSTING ENTRIES
FOR THE YEAR ENDED DECEMBER 31, 2023

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