

Neighborhood Allies

Financial Statements and Supplementary Information

Years Ended December 31, 2017 and 2016 with
Independent Auditor's Report

MaherDuessel

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NEIGHBORHOOD ALLIES

YEARS ENDED DECEMBER 31, 2017 AND 2016

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Independent Auditor's Report

Board of Directors Neighborhood Allies

We have audited the accompanying financial statements of Neighborhood Allies (Organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Maheer Duessel

Pittsburgh, Pennsylvania
April 25, 2018

NEIGHBORHOOD ALLIES

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016

	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,453,402	\$ 3,557,740
Program-related notes receivable	-	183,831
Accounts receivable	-	450
Prepaid expenses	7,368	9,873
Grants receivable - current portion	467,953	477,772
Total current assets	3,928,723	4,229,666
Grants receivable - long-term portion	200,000	100,000
Fixed assets, net of accumulated depreciation of \$127,720 and \$124,926 in 2017 and 2016, respectively	2,706	5,500
Total Assets	\$ 4,131,429	\$ 4,335,166
Liabilities and Net Assets		
Current Liabilities:		
Grants payable	\$ 149,867	\$ 514,317
Accounts payable and accrued expenses	78,377	123,251
Total Liabilities	228,244	637,568
Net Assets:		
Unrestricted	1,340,240	1,279,393
Temporarily restricted	2,562,945	2,418,205
Total Net Assets	3,903,185	3,697,598
Total Liabilities and Net Assets	\$ 4,131,429	\$ 4,335,166

See accompanying notes to financial statements.

NEIGHBORHOOD ALLIES

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017

(With Comparative Totals for Year Ended December 31, 2016)

	2017				2016	
	Unrestricted	Unrestricted- Designated	Total Unrestricted	Temporarily Restricted	Total	Total
Revenues and Other Support:						
Gifts and grants	\$ 495,159	\$ -	\$ 495,159	\$ 1,995,000	\$ 2,490,159	\$ 2,900,076
Fee revenue	78,619	-	78,619	-	78,619	183,700
Interest, net of bank fees of \$1,054	4,347	-	4,347	-	4,347	12,284
Other income	825	-	825	-	825	1,168
Net assets released from restrictions	1,850,260	-	1,850,260	(1,850,260)	-	-
Total revenues and other support	<u>2,429,210</u>	<u>-</u>	<u>2,429,210</u>	<u>144,740</u>	<u>2,573,950</u>	<u>3,097,228</u>
Expenses:						
Community development activities:						
Grants approved, net of cancellations of \$0 and refunds of paid grants of \$0	809,408	-	809,408	-	809,408	1,463,690
Program development and other program costs	1,221,953	-	1,221,953	-	1,221,953	1,040,799
Administrative expenses:						
Finance, governance, and administration	258,313	-	258,313	-	258,313	255,809
Fundraising	78,689	-	78,689	-	78,689	74,600
Total expenses	<u>2,368,363</u>	<u>-</u>	<u>2,368,363</u>	<u>-</u>	<u>2,368,363</u>	<u>2,834,898</u>
Change in Net Assets	60,847	-	60,847	144,740	205,587	262,330
Net Assets:						
Beginning of year	1,279,393	-	1,279,393	2,418,205	3,697,598	3,435,268
End of year	<u>\$ 1,340,240</u>	<u>\$ -</u>	<u>\$ 1,340,240</u>	<u>\$ 2,562,945</u>	<u>\$ 3,903,185</u>	<u>\$ 3,697,598</u>

See accompanying notes to financial statements.

NEIGHBORHOOD ALLIES

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Unrestricted- Designated	Total Unrestricted	Temporarily Restricted	Totals
Revenues and Other Support:					
Gifts and grants	\$ 727,823	\$ -	\$ 727,823	\$ 2,172,253	\$ 2,900,076
Fee revenue	183,700	-	183,700	-	183,700
Interest, net of bank fees of \$935	12,284	-	12,284	-	12,284
Other income	1,168	-	1,168	-	1,168
Net assets released from restrictions	1,458,866	-	1,458,866	(1,458,866)	-
Total revenues and other support	<u>2,383,841</u>	<u>-</u>	<u>2,383,841</u>	<u>713,387</u>	<u>3,097,228</u>
Expenses:					
Community development activities:					
Grants approved, net of cancellations of \$5,000 and refunds of paid grants of \$0	1,463,690	-	1,463,690	-	1,463,690
Program development and other program costs	1,040,799	-	1,040,799	-	1,040,799
Administrative expenses:					
Finance, governance, and administration	255,809	-	255,809	-	255,809
Fundraising	74,600	-	74,600	-	74,600
Total expenses	<u>2,834,898</u>	<u>-</u>	<u>2,834,898</u>	<u>-</u>	<u>2,834,898</u>
Change in Net Assets	(451,057)	-	(451,057)	713,387	262,330
Net Assets:					
Beginning of year	1,730,450	-	1,730,450	1,704,818	3,435,268
End of year	<u>\$ 1,279,393</u>	<u>\$ -</u>	<u>\$ 1,279,393</u>	<u>\$ 2,418,205</u>	<u>\$ 3,697,598</u>

See accompanying notes to financial statements.

NEIGHBORHOOD ALLIES

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 205,587	\$ 262,330
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,794	2,794
Loan recovery	-	(3,488)
Change in:		
Accounts receivable	450	26,099
Grants receivable	(90,181)	163,759
Prepaid expenses	2,505	20,189
Grants payable	(364,450)	(26,079)
Accounts payable and accrued expenses	(44,874)	2,494
Total adjustments	<u>(493,756)</u>	<u>185,768</u>
Net cash provided by (used in) operating activities	<u>(288,169)</u>	<u>448,098</u>
Cash Flows From Investing Activities:		
Principal repaid on program-related notes receivable	<u>183,831</u>	<u>64,947</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(104,338)	513,045
Cash and Cash Equivalents:		
Beginning of year	<u>3,557,740</u>	<u>3,044,695</u>
End of year	<u>\$ 3,453,402</u>	<u>\$ 3,557,740</u>

See accompanying notes to financial statements.

NEIGHBORHOOD ALLIES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

1. Organization and Purpose

Neighborhood Allies (Organization), a supporting organization of The Pittsburgh Foundation, was established as the Pittsburgh Partnership for Neighborhood Development, Inc. in April 1988 to foster the economic development of households in distressed communities; to further the renovation, development, and revitalization of local neighborhoods within the City of Pittsburgh; and to promote and further the interest and purposes of The Pittsburgh Foundation.

In January 2014, the Organization signed a Memorandum of Agreement with the Local Initiative Support Corporation (LISC), a New York based national community development intermediary, whereby the Organization will have access to LISC's financial and programmatic resources for use in its community development revitalization efforts. These resources may be provided at a rate that is mutually determined by LISC and the Organization. The Organization will continue to maintain its autonomy as a separate legal entity while working in concert with LISC to provide community development resources to Southwestern Pennsylvania. In 2015, in accordance with the agreement, LISC hired a program person to identify, underwrite, and manage relationships with borrowers, equity partners, and to carry out duties associated with loans and equity investments. The Organization's agreement with LISC requires that the Organization fund the LISC staff position. The LISC program person is housed at the Organization offices, provided with office space and equipment, and will be funded by the Organization. The agreement is automatically renewed each January, unless one or both parties provides written notice to the other of its intention not to extend within 90 days prior to the end of the termination period.

2. Summary of Significant Accounting Policies

Basis of Accounting

The records of the Organization are maintained on the accrual basis of accounting. Expenses are recorded when a liability is incurred, and revenues are recognized as they are earned.

NEIGHBORHOOD ALLIES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

Basis of Presentation

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

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Cash and Cash Equivalent Investments

Cash and cash equivalent investments include highly liquid investments with original maturities of three months or less.

The Organization maintains cash accounts, which at times, may exceed federally insured limits. At December 31, 2017, book balance and bank balance of all deposits totaled \$3,453,402 and \$3,522,069, respectively. At December 31, 2016, book balance and bank balance of all deposits totaled \$3,557,740 and \$3,610,314, respectively. Of the bank balance at December 31, 2017 and 2016, \$2,718,154 and \$2,806,617, respectively, was not federally insured. The solvency of the financial institutions involved is not a concern to management at this time.

NEIGHBORHOOD ALLIES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

Program-Related Notes Receivable

Program-related notes receivable consist of unsecured and secured project loans to local civic and community organizations in the Pittsburgh area that were approved by the Real Estate Committee, a committee of the Board.

Notes receivable are considered to be on accrual status through the maturity date established by the terms of the agreement and interest is accrued accordingly. Notes receivable are placed on non-accrual status once there are clear indications collectability is in doubt. Interest income is recognized during this period only as deemed collectible by management.

Notes receivable are evaluated annually by management to determine whether they are performing or not performing, that is, whether payments are being received or are expected to be received in accordance with the terms of the agreement. If it is determined that a note is not performing, management will estimate the allowance for uncollectible notes receivable based upon past history with the borrowing organizations and the Organization's expectations of future payments. The allowance estimates are reviewed and approved by the Real Estate Committee. Uncollectible notes are charged off against the established allowance when approved by the Real Estate Committee. During 2017, all outstanding notes receivable were paid in full, therefore, no allowance for uncollectible notes was established.

Recoveries of uncollectible notes are recorded against program development and other program costs in the year of collection.

Gifts and Grants

Gifts and grants are received from various local foundations and corporations to support the purposes of the Organization. Unconditional gifts and grants receivable are reported at fair value at the date notified. Conditional promises to give are reported at fair value at the date the conditions are met.

NEIGHBORHOOD ALLIES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

Unconditional grants receivable consists of the following at December 31:

	<u>2017</u>	<u>2016</u>
Amounts due in one year	\$ 467,953	\$ 4,777,772
Amounts due in one to five years	<u>200,000</u>	<u>1,000,000</u>
Total	<u>\$ 667,953</u>	<u>\$ 5,777,772</u>

Due to the short-term nature of the expected collections, the net realizable value is considered a reasonable estimate of the fair value. Unconditional grants receivable that are expected to be collected in future years are not discounted, as a discount is deemed to be immaterial to the financial statements.

Uncollectible grants receivable are expected to be insignificant and, therefore, no allowance for uncollectible grants receivable is recorded as of December 31, 2017 and 2016.

At December 31, 2017, the Organization had \$250,000 of conditional promises to give, which represents the second and third installment on a multi-year grant from a single donor. The conditional promises to give are not recorded in the financial statements until the conditions are met. Conditions to the gifts include the meeting of certain program and operational milestones. At December 31, 2016, there was \$1,050,000 of conditional promises to give. This represented the third installment on a multi-year grant from a single donor and the second installment on a multi-year grant from another single donor. The conditions of these promises to give were met in 2017 and the revenue was recorded in the statements of activities.

Grants Approved

Grants are recorded when they are approved by the Organization's Board of Directors (Board). The grants are approved with conditions; however, the probability of the grantee not meeting the conditions are deemed to be remote. Grant cancellations and refunds of paid grants are recorded as they occur.

During 2016, pursuant to a \$1,250,000 grant from an anonymous donor to support a Real Estate Impact Fund, the Organization approved a conditional \$850,000 grant to the LISC Real Estate Impact Fund. The grant was conditioned upon LISC issuing loans to qualifying recipients and annual payments could not exceed \$425,000. During 2017, \$200,000 was paid based on conditions met and the grant expense was recognized. At December 31, 2017, \$650,000 remains conditional.

NEIGHBORHOOD ALLIES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

Fee Revenue

Fee revenues are recognized when earned. The Organization performs a variety of services to other organizations ranging from administrative support to project management and coordination. Revenues are recorded and recognized in the period for which it is earned.

Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements are capitalized if the cost exceeds \$1,500 and depreciated or amortized over a three- to ten-year period using the straight-line method.

Income Taxes

The Organization was determined to be exempt from federal income tax under the provision of Section 501(c)(3) of the Internal Revenue Code of 1986 (Code) and has been classified as an organization which is not a private foundation as defined in section 509(a)(3) of the Code. The Organization meets the definition under the Code as a Type I supporting organization. The Organization annually files a Form 990.

Use of Estimates

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

Subsequent Events

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

Pending Accounting Standards Update

The Financial Accounting Standards Board (FASB) has issued amendments to the FASB Accounting Standards Codification that will become effective in future years including ASU Nos. 2014-09 (*Revenue from Contracts with Customers [Topic 606]*), 2016-02 (*Leases [Topic*

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

842]), and 2016-14 (*Not-for-Profit Entities [Topic 958]: Presentation of Financial Statements of Not-for-Profit Entities*). Management has not yet determined the impact of these amendments on the Organization's financial statements.

3. Program-Related Note Receivable

The Organization's program-related note receivable consisted of a loan totaling \$250,000 due December 2016. Interest accrued in accordance with the agreement at 4.00%. On January 27, 2017, the Organization received the balloon payment on the outstanding loan balance of \$183,831.

4. Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2017 and 2016 are available for the following purposes:

	2017	2016
Temporary Public Art program	\$ 26,545	\$ 255,952
Grass Roots Grantmaking program	20,000	-
Model Block/Micro Market program	300,000	-
Fund My Future program	25,000	-
Real Estate Development Capacity support	1,045,648	617,350
P4 / Equitable Development	112,856	345,651
Financial Opportunity Centers	18,250	100,824
Community Trauma Fellow	39,646	100,000
FISCL Initiative	-	14,300
Citywide Mobile Trailer	-	17,500
UrbanKind project	-	15,000
Restricted for subsequent years' operations	975,000	951,628
	<u>\$ 2,562,945</u>	<u>\$ 2,418,205</u>

Temporarily restricted net assets were released for the satisfaction of purpose restrictions in the amount of \$898,632 and \$383,866 during 2017 and 2016, respectively. Temporarily

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

restricted net assets were released due to the lapsing of time in the amount of \$951,628 and \$1,075,000 during 2017 and 2016, respectively.

5. Gifts and Grants Received

As a supporting organization, the Organization receives grants from The Pittsburgh Foundation. The Organization also receives significant gifts and grants from other foundations and corporations. Gifts and grants for the years ended December 31, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
<u>Unrestricted:</u>		
Other foundations	\$ 125,000	\$ 630,668
Corporations	89,500	87,548
Governments	280,009	6,320
Miscellaneous contributions	650	3,287
Total unrestricted	<u>\$ 495,159</u>	<u>\$ 727,823</u>
<u>Temporarily Restricted:</u>		
The Pittsburgh Foundation	\$ 225,000	\$ 175,000
Other foundations	1,345,000	1,894,801
Corporations	425,000	102,452
Total temporarily restricted	<u>\$ 1,995,000</u>	<u>\$ 2,172,253</u>

6. Grants Approved, Paid and Payable

Grants approved, paid and payable for the year ended December 31, 2017 are as follows:

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NOTES TO FINANCIAL STATEMENTS

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	Payable at 12/31/2016	Approved (net of cancellations)	Paid	Payable at 12/31/2017
Action Housing	\$ 800	\$ -	\$ (800)	\$ -
Allegheny Land Trust	4,000	-	(4,000)	-
Allies and Ross	-	15,000	(7,500)	7,500
Bloomfield Development Corp	1,500	-	(1,500)	-
Bloomfield Garfield Corp	1,000	-	(1,000)	-
CARE Ownership	6,000	-	(6,000)	-
Center that CARES	6,000	-	(6,000)	-
Chuck Cooper Foundation	5,000	-	(5,000)	-
Commonwealth Press	-	894	(894)	-
Economic Development South	174,677	-	(143,980)	30,697
FOCUS Pittsburgh	8,750	-	(8,750)	-
Goodwill of SW PA - FOC	-	30,000	(30,000)	-
GTECH	-	15,750	(15,750)	-
Hill CDC	7,500	-	-	7,500
Hill Community	-	15,000	(12,000)	3,000
Hill House Association	5,000	-	-	5,000
Hilltop Alliance	16,100	-	(5,000)	11,100
Hilltop Alliance (Mt. Oliver/St. Clair)	2,000	-	(2,000)	-
Homewood Children's Village	1,500	-	(1,500)	-
Homewood Community Sports	2,000	-	(2,000)	-
Housing Alliance of PA	1,500	-	(1,500)	-
Landslide Community Farm	5,000	-	(5,000)	-
Larimer Consensus Group	5,000	-	-	5,000
Lawrenceville Corp	1,000	-	-	1,000
Lawrenceville United	2,000	-	(2,000)	-
Legacy Arts Project	5,000	-	-	5,000
LISC - Loan Officer	110,000	-	(110,000)	-
LISC - Real Estate Impact Fund	-	200,000	(200,000)	-
Love My Neighbor Program	-	49,164	(49,164)	-
Meta Mesh Wireless Communities	1,500	-	(1,500)	-
Millvale Borough DC	5,000	-	-	5,000
Millvale CDC	7,500	-	(7,500)	-
Millvale Community Library	-	15,000	(15,000)	-
Millvale Library	250	-	(250)	-
Mon Valley Initiative - FOC	-	35,000	(35,000)	-
Neighborworks Western PA	11,250	-	(11,250)	-
New Century Careers	1,500	-	(1,500)	-
New Sun Rising	10,000	72,000	(70,000)	12,000
New Sun Rising - PCOC	57,500	-	(56,000)	1,500
Oakland Planning & Development Corp. - FOC	-	40,000	(40,000)	-

NEIGHBORHOOD ALLIES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	Payable at 12/31/2016	Approved (net of cancellations)	Paid	Payable at 12/31/2017
Omicelo Cares	-	75,000	(60,000)	15,000
Operation Better Block	-	75,000	(56,250)	18,750
Pittsburgh Conservation Corps	-	65,000	(52,000)	13,000
Pittsburgh Green Innovators	500	-	-	500
Pittsburgh Schweitzer	-	1,600	(1,280)	320
Pittsburgh Struggling Students	1,000	-	(1,000)	-
Poise Foundation	5,000	-	(5,000)	-
Propel Schools	-	75,000	(75,000)	-
Rebuilding Together - Pittsburgh	5,000	-	(5,000)	-
Riverside Center for Innovation	6,990	-	(6,990)	-
The Mission Continues	25,000	-	(25,000)	-
Ujamaa Collective	-	15,000	(12,000)	3,000
University of Pittsburgh	-	15,000	(15,000)	-
Wilksburg CDC	5,000	-	-	5,000
	<u>\$ 514,317</u>	<u>\$ 809,408</u>	<u>\$ (1,123,800)</u>	<u>\$ 149,867</u>

7. Administrative Expenses

Administrative expenses, as reported in the statements of activities, consist of the following:

	2017	2016
Staff expenses	\$ 182,326	\$ 170,816
Facility and equipment expense	38,270	41,267
Operating expenses	48,503	46,760
Travel and meeting expenses	14,367	16,606
Professional fees	53,286	54,710
Other	250	250
	<u>\$ 337,002</u>	<u>\$ 330,409</u>

NEIGHBORHOOD ALLIES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

8. Leases and Expense Sharing Agreement

The Organization's lease agreement for office space became effective October 1, 2013 with monthly rental expense of \$1,185 for the first three months, monthly rental expense of \$2,370 for months four through twenty-seven, monthly rental expense of \$2,440 for months twenty-eight through fifty-one, and monthly rental expense of \$2,509 for months fifty-two through sixty-three.

Annual rental expense payable in 2018 is \$30,108. Rental expense for the years ended December 31, 2017 and 2016 was \$29,280 and \$29,782, respectively.

9. Related Party

As discussed in Note 1, the Organization is a supporting organization to The Pittsburgh Foundation. In addition to the grants given to the Organization as noted in Note 5, The Pittsburgh Foundation provides other administrative support to the Organization, including the processing of all payroll and benefits payments, at no cost to the Organization. These services are valued at approximately \$10,000 for the years ended December 31, 2017.

10. Retirement Plan

Effective January 1, 2009, the Organization began a 401(k) contribution program (401(k)) for its employees. Under the terms of the 401(k), the Organization will make contributions equal to 5% of each employee's compensation, regardless of whether they participate in the plan. In addition, the Organization will provide matching funds up to 3% of each employee's compensation. During 2017 and 2016, the Organization contributed \$33,370 and \$27,749, respectively, to the plan on behalf of its employees.