

ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES  
Pittsburgh, Pennsylvania

Combined Financial Statements  
and  
Supplementary Information  
For the years ended December 31, 2021 and 2020  
and Independent Auditor's Report Thereon



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Allegheny Conference on Community Development and Affiliates  
Pittsburgh, Pennsylvania

***Opinion***

We have audited the accompanying combined financial statements of the Allegheny Conference on Community Development and Affiliates (Conference and Affiliates), which comprise the combined statements of financial position as of December 31, 2021 and 2020, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, based on our audits and the reports of other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Conference and Affiliates as of December 31, 2021 and 2020, 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. (U.S. GAAP).

We did not audit the financial statements of Strategic Investment Fund, Inc. and Strategic Investment Fund Partners, a Limited Partnership, entities in which the Conference and Affiliates have equity interest, whose statements reflect total assets constituting 21% and 30% of the Conference and Affiliates' total assets as of December 31, 2021 and 2020, respectively. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Strategic Investment Fund, Inc. and Strategic Investment Fund Partners, a Limited Partnership, is based solely on the reports of the other auditors.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Conference and Affiliates 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 for our audit opinion.

***Responsibilities of Management for the Combined Financial Statements***

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with U.S. GAAP; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Combined Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Conference and Affiliates' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conference and Affiliates' ability to continue as a going concern for a reasonable period of time.

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

### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining financial statements on Pages 24-30 are presented for purposes of additional analysis and are not a required part of the 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Schneider Downs & Co., Inc.*

Pittsburgh, Pennsylvania  
May 24, 2022

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ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES

COMBINED STATEMENTS OF FINANCIAL POSITION

ASSETS	December 31	
	2021	2020
CASH AND CASH EQUIVALENTS	\$ 9,864,840	\$ 6,883,998
CERTIFICATE OF DEPOSIT	1,370,207	1,369,525
RECEIVABLES	5,218,674	740,595
PREPAID EXPENSES	178,386	174,003
INVESTMENTS	6,201,741	6,097,889
FURNITURE AND EQUIPMENT	1,053,570	983,236
Less - Accumulated depreciation and amortization	(832,575)	(751,312)
	220,995	231,924
OTHER	22,703	22,703
Total Assets	\$ 23,077,546	\$ 15,520,637
LIABILITIES AND NET ASSETS		
ACCOUNTS PAYABLE	\$ 208,795	\$ 174,731
ACCRUED LIABILITIES	540,228	556,767
DEFERRED RENT	935,192	898,379
DEFERRED REVENUES	2,467,499	850,971
Total Liabilities	4,151,714	2,480,848
NET ASSETS		
Without donor restrictions	4,607,600	4,400,180
With donor restrictions	14,318,232	8,639,609
Total Net Assets	18,925,832	13,039,789
Total Liabilities And Net Assets	\$ 23,077,546	\$ 15,520,637

See notes to combined financial statements.

ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>PUBLIC SUPPORT AND REVENUE</b>		
Contributions	\$ 465,192	\$ 1,382,686
Project, program and activities revenue	856,588	640,127
Contracts and grants	1,854,903	-
Membership dues	26,835	21,696
Investment, equity and other income	3,219	19,179
Affiliate allocation	(1,121,533)	(588,652)
Other	123,484	120,855
Net assets released from restrictions	<u>5,654,692</u>	<u>6,761,205</u>
 Total Public Support And Revenue	 7,863,380	 8,357,096
 <b>EXPENSES</b>		
Program services	5,805,727	7,361,320
Management and general	1,694,270	935,094
Fundraising	<u>155,963</u>	<u>49,460</u>
 Total Expenses	 <u>7,655,960</u>	 <u>8,345,874</u>
 Changes In Net Assets Without Donor Restrictions	 207,420	 11,222
 <b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
<b>PUBLIC SUPPORT AND REVENUE</b>		
Contributions	11,117,103	4,936,840
Investment and equity income	116,212	139,903
Project, program and activities revenue	100,000	-
Net assets released from restrictions	<u>(5,654,692)</u>	<u>(6,761,205)</u>
 Changes In Net Assets With Donor Restrictions	 <u>5,678,623</u>	 <u>(1,684,462)</u>
 Changes In Net Assets	 5,886,043	 (1,673,240)
 <b>NET ASSETS</b>		
Beginning of year	<u>13,039,789</u>	<u>14,713,029</u>
 End of year	 <u>\$ 18,925,832</u>	 <u>\$ 13,039,789</u>

See notes to combined financial statements.

ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES

COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services			
	Growing the Economy	Diversity/ Inclusion & Community	Workforce & Education	Policy Agenda
EXPENSES				
Salaries, wages and employee benefits	\$ 1,493,309	\$ 88,828	\$ 287,608	\$ 344,816
Grants and allocations	33,000	154,700	55,000	10,000
Professional services	162,560	-	39,566	127,381
Public relations, advertising and printing	30,250	-	5,782	11,846
Meetings, programs and activities	41,508	-	5,666	19,630
Facilities	-	-	-	-
Information technology	-	-	57	1,130
Travel	29,484	15	1,694	5,290
Other expenses	16,738	-	13,249	39,148
Expenses before allocation of administrative expenses	1,806,849	243,543	408,622	559,241
Allocation of administrative expenses				
Executive	33,175	5,972	11,943	-
Human resources	47,779	8,600	17,201	-
Accounting/operations	174,740	31,453	62,906	-
Information technology	44,840	8,071	16,142	-
Investor relations	67,703	12,187	24,373	-
Communications	98,358	17,705	35,409	-
Total allocation of administrative expenses (See Note 12.)	466,595	83,988	167,974	-
Total Expenses	\$ <u>2,273,444</u>	\$ <u>327,531</u>	\$ <u>576,596</u>	\$ <u>559,241</u>



Program Services						
<u>Infrastructure</u>	<u>Pandemic Response</u>	<u>Other Program</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
\$ 294,546	\$ 33,391	\$ 1,047,941	\$ 3,590,439	\$ 1,305,934	\$ 215,261	\$ 5,111,634
10,000	-	15,026	277,726	-	-	277,726
264,230	1,175	1,751	596,663	383,571	77,750	1,057,984
-	10,000	97,525	155,403	47,070	-	202,473
79	-	69,901	136,784	18,356	36,914	192,054
-	-	-	-	676,468	-	676,468
-	-	-	1,187	106,812	-	107,999
91	13	7,011	43,598	19,278	1,155	64,031
100	-	1,501	70,736	263,642	16,142	350,520
<u>569,046</u>	<u>44,579</u>	<u>1,240,656</u>	<u>4,872,536</u>	<u>2,821,131</u>	<u>347,222</u>	<u>8,040,889</u>
-	6,635	8,625	66,350	(93,718)	-	(27,368)
-	9,556	12,423	95,559	(134,976)	-	(39,417)
-	34,948	45,432	349,479	(493,636)	-	(144,157)
-	8,968	11,658	89,679	(126,671)	-	(36,992)
-	13,541	17,603	135,407	-	(191,259)	(55,852)
-	19,672	25,573	196,717	(277,860)	-	(81,143)
<u>-</u>	<u>93,320</u>	<u>121,314</u>	<u>933,191</u>	<u>(1,126,861)</u>	<u>(191,259)</u>	<u>(384,929)</u>
<u>\$ 569,046</u>	<u>\$ 137,899</u>	<u>\$ 1,361,970</u>	<u>\$ 5,805,727</u>	<u>\$ 1,694,270</u>	<u>\$ 155,963</u>	<u>\$ 7,655,960</u>

See notes to combined financial statements.

ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES

COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services			
	<u>Growing the Economy</u>	<u>Diversity/ Inclusion &amp; Community</u>	<u>Workforce &amp; Education</u>	<u>Policy Agenda</u>
EXPENSES				
Salaries, wages and employee benefits	\$ 1,882,146	\$ -	\$ 197,916	\$ 732,236
Grants and allocations	20,250	165,000	55,000	10,000
Professional services	101,650	1,022	51,743	225,619
Public relations, advertising and printing	20,889	-	9,941	37,783
Meetings, programs and activities	3,318	31,137	3,692	5,615
Facilities	-	-	-	-
Information technology	-	-	-	-
Travel	4,805	406	399	3,342
Other expenses	<u>12,750</u>	<u>5,984</u>	<u>20,711</u>	<u>34,455</u>
Expenses before allocation of administrative expenses	2,045,808	203,549	339,402	1,049,050
Allocation of administrative expenses				
Executive	193,503	-	20,306	74,375
Human resources	87,143	-	9,145	33,494
Accounting/operations	512,035	-	53,732	196,806
Information technology	37,420	-	3,927	14,383
Investor relations	100,574	-	10,554	38,657
Communications	<u>211,502</u>	<u>-</u>	<u>22,193</u>	<u>81,293</u>
Total allocation of administrative expenses (See Note 12.)	<u>1,142,177</u>	<u>-</u>	<u>119,857</u>	<u>439,008</u>
Total Expenses	<u>\$ 3,187,985</u>	<u>\$ 203,549</u>	<u>\$ 459,259</u>	<u>\$ 1,488,058</u>

Program Services						
<u>Infrastructure</u>	<u>Pandemic Response</u>	<u>Other Program</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
\$ 136,011	\$ -	\$ 298,111	\$ 3,246,420	\$ 1,598,772	\$ 222,578	\$ 5,067,770
35,000	782,000	150,000	1,217,250	-	-	1,217,250
71,022	119,870	89,439	660,365	284,682	7,500	952,547
-	41,433	16,988	127,034	71,609	-	198,643
551	8	-	44,321	19,467	953	64,741
-	4,508	-	4,508	663,926	-	668,434
-	-	-	-	129,317	-	129,317
979	14,459	-	24,390	6,607	3,624	34,621
444	4,436	160	78,940	162,567	8,098	249,605
<u>244,007</u>	<u>966,714</u>	<u>554,698</u>	<u>5,403,228</u>	<u>2,936,947</u>	<u>242,753</u>	<u>8,582,928</u>
13,844	-	29,704	331,732	(371,892)	-	(40,160)
6,235	-	13,377	149,394	(167,479)	-	(18,085)
36,634	-	78,601	877,808	(984,078)	-	(106,270)
2,677	-	5,744	64,151	(71,917)	-	(7,766)
7,196	-	15,439	172,420	-	(193,293)	(20,873)
15,132	-	32,467	362,587	(406,487)	-	(43,900)
<u>81,718</u>	<u>-</u>	<u>175,332</u>	<u>1,958,092</u>	<u>(2,001,853)</u>	<u>(193,293)</u>	<u>(237,054)</u>
<u>\$ 325,725</u>	<u>\$ 966,714</u>	<u>\$ 730,030</u>	<u>\$ 7,361,320</u>	<u>\$ 935,094</u>	<u>\$ 49,460</u>	<u>\$ 8,345,874</u>

See notes to combined financial statements.

ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES

COMBINED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 5,886,043	\$ (1,673,240)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	38,971	49,106
Equity earnings on investments	(103,852)	(128,956)
Earnings on certificate of deposit	(682)	(5,203)
Accrual of deferred rent	36,813	66,202
Changes in assets and liabilities:		
Receivables	(4,478,079)	2,100,465
Prepaid expenses	(4,383)	(791)
Accounts payable and accrued liabilities	17,525	51,019
Deferred revenues	<u>1,616,528</u>	<u>799,433</u>
Net Cash Provided By Operating Activities	3,008,884	1,258,035
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of furniture and equipment	<u>(28,042)</u>	<u>(73,298)</u>
Net Increase In Cash And Cash Equivalents	2,980,842	1,184,737
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>6,883,998</u>	<u>5,699,261</u>
End of year	<u>\$ 9,864,840</u>	<u>\$ 6,883,998</u>

See notes to combined financial statements.

ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE 1 - ORGANIZATION

The Allegheny Conference on Community Development and Affiliates (Conference and Affiliates) are comprised of the Allegheny Conference on Community Development (Conference), the Pittsburgh Regional Alliance (PRA), the Greater Pittsburgh Chamber of Commerce (Chamber), PGHQ2, LLC (PGHQ2) and SWPA Responsible Growth, Inc.

The Conference is a nonprofit organization incorporated in 1944 focused on improving the economy and quality of life of the 10-county region of southwestern Pennsylvania: Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington and Westmoreland. Its board of directors, the Conference's policy setting group, is comprised of senior executives of the region's key businesses. The majority of the Conference's revenues are contributions from over 250 organizations that are members of the Conference's Regional Investors Council (RIC).

The PRA is a nonprofit organization incorporated in 1995 to strengthen regional economic development, including marketing the business attributes of the region to companies considering relocating or expanding into southwestern Pennsylvania. The members of PRA's regional partnership include public and private sector leaders, elected officials and economic development professionals who work together to attract capital investment and create jobs in the region.

The Chamber is a private, nonprofit business membership organization incorporated in 1876 to advocate for the resources and legislative changes necessary to improve the business climate and quality of life in southwestern Pennsylvania.

PGHQ2 is a nonprofit limited liability company organized in 2017 for the purpose of promoting economic development in the region. Its sole member is the Conference. PGHQ2's initial activity ceased in 2019. In 2021, it was reconstituted to be the recipient of a \$500,000 Build Back Better Regional Challenge Grant (BBB Grant) on behalf of the southwestern Pennsylvania region. In September 2021, PGHQ2 registered a fictitious name filing with the Pennsylvania Department of State and is doing business as SWPA New Economy Collaborative. On December 15, 2021, it was awarded the \$500,000 BBB Grant, which is recorded as deferred revenue on the combined statement of activities and changes in net assets for the year ended December 31, 2021.

SWPA Responsible Growth, Inc. was established in 2021 for the purpose of shaping the external political operating environment to enable inclusive opportunity and growth policies. Its sole member is the Chamber. SWPA Responsible Growth, Inc. filed an application for recognition of exemption under Section 501(c)(4) of the Internal Revenue Code in January 2022 and is awaiting approval. In the year ended December 31, 2021, SWPA Responsible Growth, Inc. had no activity.

The Conference has a strategic affiliation with the Pennsylvania Economy League of Greater Pittsburgh (PELGP), whose purpose is to conduct research and analysis on critical issues facing southwestern Pennsylvania and the Commonwealth, to create viable implementation plans and to support the Conference and its leadership in reaching solutions. A service agreement exists between the Conference and PELGP wherein the Conference serves as the managerial entity and manages the affairs of PELGP. PELGP is a single-member limited liability company 100% owned by Pennsylvania Economy League, Inc.

ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE 1 - ORGANIZATION (Continued)

The Conference, PRA, Chamber and PELGP share in a common agenda, which uniquely positions the organizations to tackle issues of regional scope and import while gaining efficiencies by sharing the costs of common management and coordination. The Conference is advancing a 10-year vision for the vitality of the 10-county Pittsburgh region, 2020-2030 Next is Now, which has been impacted by the onset of the COVID-19 public health and economic crisis. The Conference is working to stabilize the regional economy and key assets, preserve employers and jobs, and position the region for recovery as the longer-term program is accelerated to enable the full-growth potential of high opportunity sectors. These initiatives include:

- A proactive economic development strategy focused on the growth potential of innovation-intensive industry sectors leading the recovery from the pandemic recession, including life sciences, AI/robotics, cybersecurity and fintech, and the pursuit of larger, more impactful investments leveraging the region's real estate, energy and workforce assets.
- Scaled-up talent retention and attraction efforts, including a more robust ecosystem attractive to Black talent and public policies conducive to attracting immigrant and diverse talent.
- The creation of a competitive investment environment, including advancements in statewide innovation policy and support for investment in disadvantaged communities across the region.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying combined financial statements follows:

Use of Estimates - The preparation of combined 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Combination - The combined financial statements include the accounts of the Conference, PRA, Chamber and SWPA New Economy Collaborative. Consistent with generally accepted accounting principles for not-for-profit organizations, the financial position and results of operations and cash flows are presented on a combined basis for 2021 and 2020. All intercompany balances and transactions have been eliminated in combination. The Conference has several investments in which it has control or a residual economic interest, but not both. These investments are recorded using the equity method of accounting.

ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets - The Conference and Affiliates classify resources for accounting and reporting purposes into separate net asset classes based on the absence or existence of donor-imposed restrictions. In the accompanying combined financial statements, net assets that have similar characteristics have been combined into similar categories. A description of the net asset categories of the Conference and Affiliates is as follows:

Net Assets Without Donor Restrictions - Net assets not subject to donor-imposed restrictions or stipulations as to purpose or use.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed restrictions or stipulations that may or will be met either by actions of the Conference and Affiliates or the passage of time.

The Conference and Affiliates report gifts of cash and other assets as restricted support if they are received with donor-imposed restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities and changes in net assets as net assets released from restrictions. Certain donor-restricted funds were received and expended during the year. These funds were recorded in net assets with donor restrictions, then released when the restriction was met.

Receipts of unconditional promises to give with payments due in future periods are recorded as pledges, contributions and/or grants receivable and are recognized as increases to net assets at the date of promise. Receipts of conditional promises to give, which depend on the occurrence of a specified future and uncertain event, are recognized when the conditions on which they depend are substantially met. The Conference entered into a fiscal sponsorship agreement with History Making Productions LLC (HMP) to sponsor the production of a film highlighting post-industrial Pittsburgh. Under the agreement, HMP will solicit gifts, contributions and grants for the sole purpose of this project. In December 2018, a conditional grant in the amount of \$500,000 was awarded for the project. Revenue recognition and payment of this grant were conditioned upon HMP raising enough funds to produce the film. In 2020, it was determined that sufficient funds could not be raised to meet minimum budget requirements and the conditional grant of \$500,000 was rescinded. All funds received for HMP were returned or repurposed with donor permission by the Conference in July and August 2020.

In October 2021, the Conference entered into a fiscal sponsorship agreement with the Pittsburgh Minority Business Accelerator (PMBA). PMBA's initiative is to create a sustainable framework to accelerate the growth of established, scalable minority-owned businesses in the Pittsburgh region. The Conference has determined that sponsorship of the initiative would be consistent with its goals and tax-exempt purposes. In consideration for services provided by the Conference, the Conference will be paid up to 8% of funds contributed to the Conference for this initiative.

ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Conference and Affiliates receive various donations of goods and services. In-kind services include but are not limited to advertising, marketing and media support. Due to the volume and nature of the services provided, management is unable to quantify the total benefits to the organization and relies on values provided by the contributors. To the extent quantifiable by the contributor of the goods or services, management records the valued goods and services as contribution revenue and related expense at fair value in the accompanying combined statements of activities and changes in net assets. In 2021 and 2020, such values provided by the contributors totaled approximately \$10,000 and \$45,000, respectively. The majority of the contributed services are from RIC members.

Cash and Cash Equivalents - The Conference and Affiliates maintain, at several financial institutions, cash that may at times exceed federally insured amounts. The Conference and Affiliates consider all investments with a purchased maturity of three months or less to be cash equivalents. As of December 31, 2021 and 2020, the Conference and Affiliates have restricted cash of \$3,910,228 and \$2,513,300, respectively, which consists of donor-restricted funds that are to be utilized for specific purposes.

Receivables - Receivables are carried at the amounts owed by investors, affiliates and others. Management periodically reviews these receivables for credit risks. If an account is determined to be not collectible, the remaining balance is written off. Receivables that are due in more than one year are discounted to present value, and the amount of the discount is not material.

Investments - The Conference has a certificate of deposit (CD) that is recorded at fair value and has a fixed interest rate. The CD matured on December 18, 2021 and was rolled into a new CD with a maturity date of November 18, 2022. At December 31, 2021 and 2020, the CD earned a fixed interest rate of 0.05%. Additionally, the Conference's investments in closely held limited partnerships are accounted for under the equity method, wherein the proportionate share of earnings increase or decrease the carrying value of the investments on the combined statements of financial position.

Furniture and Equipment - Purchases of furniture and equipment having a unit cost of \$2,000 or more and an estimated useful life of three or more years are capitalized at the lower of cost or fair value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Deferred Rent - The Conference has entered into an operating lease agreement for its office location. The Conference records monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of the lease term. The difference between rent expense recorded and the amount paid and allowances provided to the Conference by the lessor is adjusted to "deferred rent," which is reflected as a separate line item in the accompanying combined financial statements. (See Note 8.)

Revenue Recognition - The Conference's revenues are primarily generated from contributions, which are scoped out of the provisions of Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (ASC 606). The Conference's revenues that follow ASC 606 primarily include project, program and activities and membership dues, and are recorded in the year in which the Conference satisfies the performance obligation. A performance obligation is a promise in a contract to deliver a distinct product or service to a customer. The Conference's contracts generally have a single performance obligation, as the promise to deliver products or services is not separately identifiable from other promises in the contract and, therefore, not distinct. These revenues are recognized over time, and are recorded as deferred revenue upon receipt and recognized as revenue when the event occurs or as time and expenses are incurred.



ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES  
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract Balances - The Conference has various contract balances resulting from contracts with customers. These balances were included within accounts receivable and deferred revenue on the combined statements of financial position and were not material to the combined financial statements as a whole.

Deferred Revenues - A portion of the Conference and Affiliates' agenda consists of projects that are executed over a period of time. Project revenues related to these initiatives are recorded in the same period as the related expenses are incurred to execute on the initiative. See Note 7 for other amounts that are included as deferred revenue on the combined statements of financial position.

Income Taxes - The Conference and PRA are each individually tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC) and are also classified as entities that are not private foundations. PGHQ2 is a single-member LLC, which is a disregarded entity of the Conference for federal tax purposes. The Chamber is a tax-exempt organization under Section 501(c)(6) of the IRC and is the sole member of SWPA Responsible Growth, an entity seeking tax-exempt status under Section 501(c)(4) of the IRC.

The Financial Accounting Standards Board (FASB) issued the Accounting for Income Taxes topic of the ASC, which clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. This topic prescribes a recognition threshold and measurement principles for financial statement disclosure of tax positions taken or expected to be taken on a tax return. The Conference and Affiliates' combined statements of financial position at December 31, 2021 and 2020 do not include any liabilities associated with uncertain tax positions; further, the Conference and Affiliates have no unrecognized tax benefits. The Conference and Affiliates are no longer subject to examination of their tax returns for years before 2018.

Fair Value Measurement - The Fair Value Measurement topic of the ASC defines fair value, establishes a framework for its measurement and expands disclosures about fair value measurements. The Conference and Affiliates adopted changes issued by the FASB to fair value disclosure of financial and nonfinancial instruments. The adoption of these changes had no impact on the combined financial statements.

Accounting principles generally accepted in the United States of America established a hierarchy for which assets and liabilities must be grouped, based on significant levels of inputs as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Quoted prices in active markets for similar assets and liabilities and inputs that are observable for the asset or liability; or

Level 3 - Unobservable inputs for the asset or liability, such as discounted cash flow models or valuations.

The determination of where assets and liabilities fall within this hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The Conference and Affiliates' financial instruments consist primarily of cash and cash equivalents, certificate of deposit, receivables and accounts payable. The carrying amount of cash and cash equivalents, certificate of deposit, accounts receivable and accounts payable approximates their fair value due to the short-term nature of such instruments.

ALLEGHENY CONFERENCE ON  
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DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events - Management has performed an evaluation of subsequent events from the date of the combined financial statements, December 31, 2021, through May 24, 2022, and determined that there were no significant subsequent events that have not been recognized in the Conference and Affiliates' combined financial statements or that require disclosure.

Recently Issued Accounting Pronouncement - In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02 Leases (Topic 842) (ASU 2016-02), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). ASU 2016-02 requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. ASU 2016-02 requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. ASU 2016-02 is expected to impact the Conference and Affiliates' combined financial statements since the Conference maintains certain operating lease arrangements for which it is the lessee. ASU 2016-02 supersedes the previous leases standard, Leases (Topic 840). In June 2020, ASU No. 2020-05 was issued, deferring the required effective date for the updates to Topic 842 for nonpublic entities. ASU 2016-02 is now effective for annual reporting periods beginning after December 15, 2021. Early adoption is permitted. The Conference and Affiliates are currently in the process of evaluating the impact that the adoption of ASU 2016-02 will have on the Conference and Affiliates' combined financial position or results of operations.

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Cash	\$ 9,864,840	\$ 6,883,998
Less: restricted cash	(3,910,228)	(2,513,300)
Certificate of deposit	1,370,207	1,369,525
Receivables	5,218,674	740,595
Less: 2023 Campaign receivables	<u>(1,849,115)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,694,378</u>	<u>\$ 6,480,818</u>

ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES

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DECEMBER 31, 2021 AND 2020

NOTE 3 - LIQUIDITY AND AVAILABILITY (Continued)

The Conference regularly monitors the liquidity required to meet its operational needs and contractual commitments. The financial assets above are net of any donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

A primary source of the Conference's revenue are the contributions from members of the RIC. Based on its operating history, the Conference believes it will continue to collect sufficient revenue to cover general expenditures.

NOTE 4 - RECEIVABLES

Receivables consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Pledges	\$ 4,268,800	\$ 436,620
Contributions and grants	707,420	125,000
Other	<u>242,454</u>	<u>178,975</u>
	<u>\$ 5,218,674</u>	<u>\$ 740,595</u>

At December 31, 2021 \$3,369,559 of receivables are due within one year, with the remaining \$1,849,115 due within two years. At December 31, 2020, all receivables are due within one year.

NOTE 5 - INVESTMENTS

Investments consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Investment in SIF, Inc.	\$ 4,322,661	\$ 4,239,755
Investment in SIF Partners	413,778	429,412
Investment in Power of 32 Site Development Fund Partners, LP	1,384,230	1,355,750
Investment in Power of 32 Site Development Fund, LLC	<u>81,072</u>	<u>72,972</u>
	<u>\$ 6,201,741</u>	<u>\$ 6,097,889</u>

ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES  
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NOTE 5 - INVESTMENTS (Continued)

Power of 32 Site Development Fund, LLC and Power of 32 Site Development Fund Partners, LP

The Power of 32 Site Development Fund, LLC (P32 LLC) was organized on March 21, 2014 to function as the general partner of Power of 32 Site Development Fund Partners, LP (P32 Fund), a limited partnership. The P32 Fund provides funding for site development projects to assist in the development of high-quality real estate sites to support business relocations to and expansions in the four-state, 32-county area that is part of the Power of 32 initiative. P32 LLC has a 0.1% interest in the P32 Fund, for which the Conference has a 50% interest. The P32 Fund concluded its offering period on March 31, 2015, with a total of \$48,872,000 in capital commitments. The term of Class C and D units held by the Strategic Investment Fund Partners, LP (SIF Partners) will end on May 31, 2027, and Class A, B and E units will end on March 31, 2035. The P32 Fund has up to five years to liquidate its assets in the event of dissolution. The P32 Fund approved but did not close on any investments in 2021 and 2020.

The Conference did not contribute to the P32 Fund during 2021 and 2020. The cumulative total that has been contributed in prior years is \$1,235,719 as part of its total commitment of \$1,500,000 for a limited partnership interest. The Conference received a grant from an unrelated foundation in 2013 to fund its limited partnership interest, which is reflected in net assets with donor restrictions within the combined statement of financial position. In 2016, the foundation requested the Conference's limited partnership interest be restricted to investments located within the 10-county region. On November 3, 2016, P32 LLC approved an amendment to prospectively modify the Conference's limited partnership interest from a Class B to a Class D interest, which restricts future investment to the 10-county region. The Conference's Class B interest was \$898,977 and \$884,932 as of December 31, 2021 and 2020, respectively. The Conference's Class D interest was \$485,254 and \$470,818 as of December 31, 2021 and 2020, respectively. The Conference records its interests in P32 LLC and the P32 Fund as equity investments in the combined statements of financial position.

The Conference's investment in the P32 Fund increased \$28,481 and \$31,042 in 2021 and 2020, respectively, and is reflected in the investment and equity income of net assets with donor restrictions within the combined statements of activities and changes in net assets. The investment in P32 LLC increased \$8,100 and \$7,972 in 2021 and 2020, respectively, and is reflected in investment, equity and other income of net assets without donor restrictions within the combined statements of activities and changes in net assets.

Strategic Investment Fund, Inc. and Strategic Investment Fund Partners

The Strategic Investment Fund, Inc. (SIF, Inc.) was incorporated in 1995 as a 501(c)(4) to function as the general partner of SIF Partners, a limited partnership. The Conference invested in SIF, Inc. and SIF Partners. The bylaws of SIF, Inc. state that upon dissolution, SIF Inc.'s net assets, if any, will be distributed to the Conference. Accordingly, the Conference has recorded its contributions to SIF, Inc., plus accumulated earnings of SIF, Inc. as an investment in SIF, Inc. in the accompanying combined statements of financial position. The investment in SIF, Inc. resides within net assets with donor restrictions given the Conference must use distributed proceeds for regional economic initiatives.

The change in the investment in SIF, Inc. is recorded annually based on the change in net assets of SIF, Inc. The investment increased \$82,906 and \$89,942 in 2021 and 2020, respectively, and is reflected in the investment and equity income of the net assets with donor restrictions within the combined statements of activities and changes in net assets.

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NOTE 5 - INVESTMENTS (Continued)

A financial summary of SIF, Inc. (as derived from the audited financial statements of SIF, Inc.) for the years ended December 31 is as follows:

	<u>2021</u>	<u>2020</u>
Total Assets, Primarily Investment In Strategic Investment Fund Partners	\$ <u>4,375,306</u>	\$ <u>4,291,881</u>
Total liabilities	\$ 52,645	\$ 52,126
Net assets without donor restrictions	<u>4,322,661</u>	<u>4,239,755</u>
Total Liabilities And Net Assets Without Donor Restrictions	\$ <u>4,375,306</u>	\$ <u>4,291,881</u>
Total revenues	\$ 414,306	\$ 388,964
Total expenses	<u>331,400</u>	<u>299,022</u>
Increase In Net Assets Of SIF, Inc.	\$ <u>82,906</u>	\$ <u>89,942</u>

SIF, Inc. and the Conference organized SIF Partners to provide a source of private sector financing for projects to promote economic development, create employment opportunities, and contribute to the elimination of urban blight and the enhancement of community development in the City of Pittsburgh and Allegheny County, although SIF Partners can extend its investment to the 10 counties of southwestern Pennsylvania. SIF Partners was initially capitalized in 1996 by \$40,350,000 of capital contributions from SIF, Inc., Class A and B limited partners (Fund I). The liquidation of Fund I was completed in 2015 with a substantial portion of Fund I capital reinvested in the second fund. It completed a second round (Fund II) resulting in total capital of \$29,700,000 from SIF, Inc., Class C and D limited partners. The Class C and D limited partnership units of Fund II were scheduled to terminate in 2022, but SIF, Inc. exercised its right to a five-year extension and the new termination date is 2027.

The Conference's Class B and Class D limited partner interests were funded by unrelated foundations and are included in net assets without donor restrictions, since no grantor restrictions were specified. The Conference records its combined interest in the funds as an equity investment, Investment in SIF Partners, in the combined statements of financial position.

In 2014, Fund II committed \$20,000,000 to the P32 Fund based on a requirement for a one-to-one match by other capital raised for the limited partnership. At December 31, 2021, the assets of Fund II are composed of 21% in loans, 8% in equity, 43% in cash and cash equivalents and 28% limited partnership interest in the P32 Fund. Total assets as of December 31, 2021 and 2020 were approximately \$58,989,000 and \$59,062,000, respectively. Total partners' capital was approximately \$57,873,000 as of December 31, 2021 and 2020, of which the Conference's interest was approximately \$414,000 and \$429,000 in 2021 and 2020, respectively.

ALLEGHENY CONFERENCE ON  
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NOTES TO COMBINED FINANCIAL STATEMENTS  
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NOTE 5 - INVESTMENTS (Continued)

In both 2021 and 2020, the Conference received distributions of cash from Fund II of approximately \$8,200 and \$9,000, respectively, included in investment, equity and other income of the net assets without donor restrictions within the combined statements of activities and changes in net assets.

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable consist of the following at December 31:

	2021	2020	
Trade	\$ 198,148	\$ 147,061	
Affiliate	10,647	27,670	
	\$ 208,795	\$ 174,731	

NOTE 7 - GOVERNMENT GRANTS

In April 2020, the Conference entered into a Paycheck Protection Program (PPP) Term Note for \$802,265 under the Coronavirus Aid, Relief and Economic Security Act. At December 31, 2020, the PPP Term Note was recorded as deferred revenue in the accompanying combined statements of financial position. In April 2021, the Conference entered into a second term note under the Second Draw Paycheck Protection Program with a principal amount of \$776,810.

Both notes provided for a deferred payment structure, as well as forgiveness upon meeting the requirements of the program. Under the program, the amount of the loan available to be forgiven included certain payroll costs, covered rent obligations, and other operating costs during a defined period.

The Conference met the requirements for forgiveness on both loans, and received full forgiveness from the lender, the United States Small Business Administration, during the year ended December 31, 2021. Related income from both loans is presented as contracts and grants income in the combined statement of activities and changes in net assets.

The Conference was a recipient of an Employee Retention Credit (ERC), which is a refundable tax credit that encouraged businesses to keep employees on the payroll during the COVID-19 pandemic. The ERC provided qualifying employers up to \$5,000 of credit for each employee, based on certain wages paid after March 12, 2020, and before January 1, 2021. Subsequent legislation increased the credit for each employee to \$7,000 per calendar quarter through September 30, 2021. Based on the Conference's evaluation, ERC of approximately \$207,000 was recognized during the year ended December 31, 2021, and is recorded in contracts and grants in the combined statements of activities and changes in net assets. On May 9, 2022, a total of approximately \$207,000 was received by the Conference related to the 2020 ERC. As of December 31, 2021, the 2020 ERC was recorded as a receivable on the combined statements of financial position. Management is still determining the Conference's eligibility for the 2021 ERC.

ALLEGHENY CONFERENCE ON  
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NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE 8 - LEASES

The Conference currently occupies 21,645 square feet of office space under an escalating lease agreement that commenced on January 1, 2011. The lease agreement identified various allowances agreed upon by the landlord for the benefit of tenant improvements, the purchase of furniture, architect fees and moving expenses up to a total of \$757,000. In 2016, the lease agreement was extended through June 30, 2027, with additional escalating lease payments and a \$325,000 allowance to be used for tenant improvements or rent abatement. The allowances will be forfeited if the Conference does not use them by July 1, 2022. The rent expense relating to this lease totaled approximately \$595,000 and \$588,000 in 2021 and 2020, respectively.

The Conference leases copier, postage and other equipment under various nonescalating operating leases. Rental expense under these equipment leases totaled approximately \$4,200 and \$19,000 in 2021 and 2020, respectively.

The approximate aggregate annual payments due subsequent to December 31, 2020 for office and equipment leases are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
2022	\$ 678,000
2023	636,000
2024	649,000
2025	662,000
2026	676,000
Thereafter	<u>340,000</u>
	<u>\$ 3,641,000</u>

NOTE 9 - EMPLOYEE BENEFIT PLANS

The Conference has a defined contribution plan under Section 401(k) of the IRC covering all eligible employees. Participants may designate a portion of their elective deferral contributions as Roth elective deferral contributions. Such contributions are includible in the participant's gross income. The Conference will match up to 6% of annual salaries for employees who make voluntary contributions to the plan. Amounts contributed to the plan amounted to approximately \$230,000 and \$234,000 for the years ended December 31, 2021 and 2020, respectively. In accordance with the plan, forfeitures of employer contributions can be applied to reduce the Conference's administration fees for the plan.

The Conference also sponsors a 403(b) tax-deferred retirement plan for its employees. The Conference does not match any employee contributions to this plan.

The Conference has a level-funded health insurance plan for its employees. The Conference makes level-funded payments comprised of the monthly premium and other administrative costs. The benefits available to members under the plan vary with respect to copayments, deductibles, coinsurance and levels of payment for specific benefits depending on whether members use network providers or non-network providers.

ALLEGHENY CONFERENCE ON  
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NOTE 10 - RELATED-PARTY TRANSACTIONS

The Conference, PRA, Chamber and PELGP share certain operating expenses, including accounting, information technology and human resources, based on the percentage of time employees spend on each affiliate's strategies. The total cost reimbursed by PELGP to the Conference was approximately \$384,000 and \$237,000 for the years ended December 31, 2021 and 2020, respectively. The net amount of such expense is settled with a cash payment.

The Conference contracts with PELGP to assist it in carrying out its agenda. The Conference paid approximately \$1,122,000 and \$589,000 in project revenues to PELGP in 2021 and 2020, respectively. Included in affiliate's accounts payable are amounts the Conference owed PELGP. No amounts were owed as of December 31, 2021, and approximately \$27,000 was owed as of December 31, 2020.

On October 1, 2017, the Conference entered into an agreement with SIF, Inc. to provide management services to SIF, Inc. The management fee of \$60,000 is paid annually in equal quarterly installments. The management fee was \$60,000 for each of the years ended December 31, 2021 and 2020.

On January 1, 2019, the Conference entered into an agreement with Power of 32 to provide management services to Power of 32. The management fee of \$60,000 is paid annually in equal quarterly installments. The management fee was \$60,000 for each of the years ended December 31, 2021 and 2020.

The Conference and Affiliates engage in transactions with businesses whose executives are members of the various affiliate boards of directors.

NOTE 11 - RESTRICTIONS ON ASSETS

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

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Strategic Investment Fund, Inc.	\$ 4,322,661	\$ 4,239,755
Power of 32 Site Development Fund Partners, LP	1,648,512	1,620,031
Hillman Fund	1,525,910	1,521,497
Pittsburgh Minority Business Accelerator	395,508	-
RK Mellon Remote Talent/Startup Fund	364,234	-
Proud to Protect Fund	132,580	74,593
African-American Directors Forum	125,472	96,522
McNees Scholarship Fund	42,589	47,476
Infrastructure Regional Narrative	16,426	-
Energy and Manufacturing Workforce Fund	1,778	1,778
	<u>8,575,670</u>	<u>7,601,652</u>
Subject to passage of time:		
Pledges and Contributions	5,742,562	1,037,957
	<u>\$ 14,318,232</u>	<u>\$ 8,639,609</u>



ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE 11 - RESTRICTIONS ON ASSETS (Continued)

Net assets were released from donor restrictions during the years ended December 31 by incurring expenses satisfying the restricted purposes, passage of time or by occurrence of other events specified by donors and grantors. These amounts are summarized as follows:

	<u>2021</u>	<u>2020</u>
Satisfaction of purpose restrictions:		
RK Mellon Remote Talent/Startup Fund	\$ 141,766	\$ -
African-American Directors Forum	116,353	30,535
Pittsburgh Minority Business Accelerator	79,492	-
Infrastructure Regional Narrative	33,572	-
Proud to Protect Fund	17,010	159,909
Protective Mask Fund	10,001	-
McNees Scholarship Fund	5,025	5,025
Third Generation Project	-	150,000
Opportunity 2025/Campaign for All	-	106,543
SRD Dissolution Fund	-	875
	<u>403,219</u>	<u>452,887</u>
Expiration of time restrictions:		
Pledges and Contributions 2018/2019	396,465	-
Pledges and Contributions 2020	-	6,308,318
Pledges and Contributions 2021	<u>4,855,008</u>	<u>-</u>
	<u>\$ 5,654,692</u>	<u>\$ 6,761,205</u>

NOTE 12 - EXPENSES BY BOTH NATURE AND FUNCTION

Expenses that are specifically identifiable are charged directly to their respective functions. Certain costs are allocated between program services and management and fundraising expenses based on actual time associated with a particular activity or strategy. The allocation of shared administrative expenses includes such items as rent, professional services and depreciation. These expenses are allocated in a manner that is reasonable.

SUPPLEMENTARY INFORMATION



ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES  
COMBINING STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2021

ASSETS	<u>Allegheny Conference on Community Development</u>	<u>Pittsburgh Regional Alliance</u>	<u>Greater Pittsburgh Chamber of Commerce</u>	<u>SWPA New Economy Collaborative</u>	<u>Eliminations</u>	<u>Total Combined</u>
CASH AND CASH EQUIVALENTS	\$ 5,628,180	\$ 4,007,720	\$ 218,940	\$ 10,000	\$ -	\$ 9,864,840
CERTIFICATE OF DEPOSIT	1,370,207	-	-	-	-	1,370,207
RECEIVABLES	5,138,333	95,785	77,844	500,000	(593,288)	5,218,674
PREPAID EXPENSES	151,728	6,369	20,289	-	-	178,386
INVESTMENTS	6,201,741	-	-	-	-	6,201,741
FURNITURE AND EQUIPMENT	1,053,570	-	-	-	-	1,053,570
Less - Accumulated depreciation and amortization	<u>(832,575)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(832,575)</u>
	220,995	-	-	-	-	220,995
OTHER	<u>3,003</u>	<u>2,500</u>	<u>17,200</u>	<u>-</u>	<u>-</u>	<u>22,703</u>
Total Assets	<u>\$ 18,714,187</u>	<u>\$ 4,112,374</u>	<u>\$ 334,273</u>	<u>\$ 510,000</u>	<u>\$ (593,288)</u>	<u>\$ 23,077,546</u>

	Allegheny Conference on Community Development	Pittsburgh Regional Alliance	Greater Pittsburgh Chamber of Commerce	SWPA New Economy Collaborative	Eliminations	Total Combined
<b>LIABILITIES</b>						
ACCOUNTS PAYABLE	\$ 229,200	\$ 256,878	\$ 306,005	\$ 10,000	\$ (593,288)	\$ 208,795
ACCRUED LIABILITIES	540,220	-	8	-	-	540,228
DEFERRED RENT	935,192	-	-	-	-	935,192
DEFERRED REVENUES	-	1,963,146	4,353	500,000	-	2,467,499
Total Liabilities	1,704,612	2,220,024	310,366	510,000	(593,288)	4,151,714
<b>NET ASSETS</b>						
WITHOUT DONOR RESTRICTIONS	2,691,343	1,892,350	23,907	-	-	4,607,600
WITH DONOR RESTRICTIONS	14,318,232	-	-	-	-	14,318,232
Total Net Assets	17,009,575	1,892,350	23,907	-	-	18,925,832
Total Liabilities And Net Assets	\$ <u>18,714,187</u>	\$ <u>4,112,374</u>	\$ <u>334,273</u>	\$ <u>510,000</u>	\$ <u>(593,288)</u>	\$ <u>23,077,546</u>

The independent auditor's report should be read with these combining financial statements.

ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Allegheny Conference on Community Development	Pittsburgh Regional Alliance	Greater Pittsburgh Chamber of Commerce	SWPA New Economy Collaborative	Eliminations	Total Combined
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>						
<b>PUBLIC SUPPORT AND REVENUE</b>						
Contributions	\$ 767,631	\$ 250,000	\$ 186,949	\$ -	\$ (739,388)	\$ 465,192
Project, program and activities revenue	417,500	429,388	80,950	-	(71,250)	856,588
Contracts and grants	1,786,494	68,409	-	-	-	1,854,903
Membership dues	-	-	26,835	-	-	26,835
Investment, equity and other income	2,353	734	132	-	-	3,219
Affiliate allocation	(3,456,523)	1,233,545	1,101,445	-	-	(1,121,533)
Other	123,484	-	-	-	-	123,484
Net assets released from restrictions	5,654,692	-	-	-	-	5,654,692
<b>Total Public Support And Revenue</b>	<b>5,295,631</b>	<b>1,982,076</b>	<b>1,396,311</b>	<b>-</b>	<b>(810,638)</b>	<b>7,863,380</b>
<b>EXPENSES</b>						
Program services	3,237,978	1,982,076	1,396,311	-	(810,638)	5,805,727
Management and general	1,694,270	-	-	-	-	1,694,270
Fundraising	155,963	-	-	-	-	155,963
<b>Total Expenses</b>	<b>5,088,211</b>	<b>1,982,076</b>	<b>1,396,311</b>	<b>-</b>	<b>(810,638)</b>	<b>7,655,960</b>
Changes In Net Assets Without Donor Restrictions	207,420	-	-	-	-	207,420
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>						
<b>PUBLIC SUPPORT AND REVENUE</b>						
Contributions	11,117,103	-	-	-	-	11,117,103
Investment and equity income	116,212	-	-	-	-	116,212
Project, program and activities revenue	100,000	-	-	-	-	100,000
Net assets released from restrictions	(5,654,692)	-	-	-	-	(5,654,692)
Changes In Net Assets With Donor Restrictions	5,678,623	-	-	-	-	5,678,623
Changes In Net Assets	5,886,043	-	-	-	-	5,886,043
<b>NET ASSETS</b>						
Beginning of year	11,123,532	1,892,350	23,907	-	-	13,039,789
End of year	\$ <u>17,009,575</u>	\$ <u>1,892,350</u>	\$ <u>23,907</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>18,925,832</u>

The independent auditor's report should be read with these combining financial statements.

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ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES

COMBINING STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020

ASSETS	<u>Allegheny Conference on Community Development</u>	<u>Pittsburgh Regional Alliance</u>	<u>Greater Pittsburgh Chamber of Commerce</u>	<u>SWPA New Economy Collaborative</u>	<u>Eliminations</u>	<u>Total Combined</u>
CASH AND CASH EQUIVALENTS	\$ 5,921,372	\$ 903,128	\$ 59,498	\$ -	\$ -	\$ 6,883,998
CERTIFICATE OF DEPOSIT	1,369,525	-	-	-	-	1,369,525
RECEIVABLES	816,071	1,024,672	177,434	-	(1,277,582)	740,595
PREPAID EXPENSES	157,660	4,164	12,179	-	-	174,003
INVESTMENTS	6,097,889	-	-	-	-	6,097,889
FURNITURE AND EQUIPMENT	983,236	-	-	-	-	983,236
Less - Accumulated depreciation and amortization	<u>(751,312)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(751,312)</u>
	231,924	-	-	-	-	231,924
OTHER	<u>3,003</u>	<u>2,500</u>	<u>17,200</u>	<u>-</u>	<u>-</u>	<u>22,703</u>
Total Assets	<u>\$ 14,597,444</u>	<u>\$ 1,934,464</u>	<u>\$ 266,311</u>	<u>\$ -</u>	<u>\$ (1,277,582)</u>	<u>\$ 15,520,637</u>



	Allegheny Conference on Community Development	Pittsburgh Regional Alliance	Greater Pittsburgh Chamber of Commerce	SWPA New Economy Collaborative	Eliminations	Total Combined
LIABILITIES						
ACCOUNTS PAYABLE	\$ 1,221,498	\$ 10,566	\$ 220,249	\$ -	\$ (1,277,582)	\$ 174,731
ACCRUED LIABILITIES	551,770	-	4,997	-	-	556,767
DEFERRED RENT	898,379	-	-	-	-	898,379
DEFERRED REVENUES	<u>802,265</u>	<u>31,548</u>	<u>17,158</u>	<u>-</u>	<u>-</u>	<u>850,971</u>
Total Liabilities	3,473,912	42,114	242,404	-	(1,277,582)	2,480,848
NET ASSETS						
WITHOUT DONOR RESTRICTIONS	2,483,923	1,892,350	23,907	-	-	4,400,180
WITH DONOR RESTRICTIONS	<u>8,639,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,639,609</u>
Total Net Assets	<u>11,123,532</u>	<u>1,892,350</u>	<u>23,907</u>	<u>-</u>	<u>-</u>	<u>13,039,789</u>
Total Liabilities And Net Assets	<u>\$ 14,597,444</u>	<u>\$ 1,934,464</u>	<u>\$ 266,311</u>	<u>\$ -</u>	<u>\$ (1,277,582)</u>	<u>\$ 15,520,637</u>

The independent auditor's report should be read with these combining financial statements.

ALLEGHENY CONFERENCE ON  
COMMUNITY DEVELOPMENT AND AFFILIATES

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Allegheny Conference on Community Development	Pittsburgh Regional Alliance	Greater Pittsburgh Chamber of Commerce	SWPA New Economy Collaborative	Eliminations	Total Combined
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>						
<b>PUBLIC SUPPORT AND REVENUE</b>						
Contributions	\$ 1,297,583	\$ -	\$ 199,780	\$ -	\$ (114,677)	\$ 1,382,686
Project, program and activities revenue	352,500	244,677	42,950	-	-	640,127
Contracts and grants	-	-	-	-	-	-
Membership dues	-	-	21,696	-	-	21,696
Investment, equity and other income	17,576	1,586	17	-	-	19,179
Affiliate allocation	(5,415,848)	3,467,832	1,359,364	-	-	(588,652)
Other	120,689	-	166	-	-	120,855
Net assets released from restrictions	6,761,205	-	-	-	-	6,761,205
<b>Total Public Support And Revenue</b>	<b>3,133,705</b>	<b>3,714,095</b>	<b>1,623,973</b>	<b>-</b>	<b>(114,677)</b>	<b>8,357,096</b>
<b>EXPENSES</b>						
Program services	2,137,929	3,714,095	1,623,973	-	(114,677)	7,361,320
Management and general	935,094	-	-	-	-	935,094
Fundraising	49,460	-	-	-	-	49,460
<b>Total Expenses</b>	<b>3,122,483</b>	<b>3,714,095</b>	<b>1,623,973</b>	<b>-</b>	<b>(114,677)</b>	<b>8,345,874</b>
Changes In Net Assets Without Donor Restrictions	11,222	-	-	-	-	11,222
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>						
<b>PUBLIC SUPPORT AND REVENUE</b>						
Contributions	4,936,840	-	-	-	-	4,936,840
Investment and equity income	139,903	-	-	-	-	139,903
Project, program and activities revenue	-	-	-	-	-	-
Net assets released from restrictions	(6,761,205)	-	-	-	-	(6,761,205)
Changes In Net Assets With Donor Restrictions	(1,684,462)	-	-	-	-	(1,684,462)
Changes In Net Assets	(1,673,240)	-	-	-	-	(1,673,240)
<b>NET ASSETS</b>						
Beginning of year	12,796,772	1,892,350	23,907	-	-	14,713,029
End of year	<u>\$ 11,123,532</u>	<u>\$ 1,892,350</u>	<u>\$ 23,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,039,789</u>

The independent auditor's report should be read with these combining financial statements.