

POISE FOUNDATION
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
YEAR ENDED DECEMBER 31, 2008

Deverson & Tanack

Certified Public Accountants
A Professional Corporation
Pittsburgh, PA 15241

**POISE FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008**

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A Professional Corporation

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
POISE Foundation

We have audited the accompanying statement of financial position of POISE Foundation (the Foundation) as of December 31, 2008 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of POISE Foundation as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



DEVERSON & TANACK
CERTIFIED PUBLIC ACCOUNTANTS

Pittsburgh, Pennsylvania
September 8, 2009

**POISE FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008**

ASSETS

Cash and cash equivalents	\$ 236,452
Long-term investments at market value	2,911,675
Contributions and other receivables	22,018
Interest receivable	7,179
Other assets	6,935
Equipment at cost - less accumulated depreciation of \$1,731	<u>2,042</u>
TOTAL ASSETS	<u>\$ 3,186,301</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 16,529
Grants payable	46,447
Payroll taxes payable	4,058
Agency funds held for others	<u>691,554</u>
TOTAL LIABILITIES	758,588
 Net Assets:	
Unrestricted	765,515
Temporarily restricted	<u>1,662,198</u>
TOTAL NET ASSETS	<u>2,427,713</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,186,301</u>

See accompanying notes to financial statements

**POISE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT, REVENUE, GAINS AND OTHER CHANGES			
Contributions	\$ 4,290	\$ 325,994	\$ 330,284
Revenues	300	-	300
Income on long-term investments	34,379	108,421	142,800
Other Income	-	141	141
Unrealized gain (loss) on investments	(304,576)	(1,018,655)	(1,323,231)
Realized gain (loss) on investments	(206)	6,452	6,246
Change in value of agency funds held for others	-	344,159	344,159
Net assets released from restrictions by satisfaction of program restrictions	<u>569,542</u>	<u>(569,542)</u>	<u>-</u>
 TOTAL SUPPORT, REVENUE, GAINS AND OTHER CHANGES	 303,729	 (803,030)	 (499,301)
 EXPENSES			
Grants and distributions from agency funds	298,895	-	298,895
Program and related service expenses	230,870	-	230,870
Management and general expenses	84,831	-	84,831
Fundraising expenses	<u>20,156</u>	<u>-</u>	<u>20,156</u>
 TOTAL EXPENSES	 <u>634,752</u>	 <u>-</u>	 <u>634,752</u>
 DECREASE IN NET ASSETS	 (331,023)	 (803,030)	 (1,134,053)
 NET ASSETS, BEGINNING OF YEAR	 <u>1,096,538</u>	 <u>2,465,228</u>	 <u>3,561,766</u>
 NET ASSETS, END OF YEAR	 <u>\$ 765,515</u>	 <u>\$ 1,662,198</u>	 <u>\$ 2,427,713</u>

See accompanying notes to financial statements

**POISE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008**

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (1,134,053)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:	
Depreciation	563
Realized gain on long-term investments	(6,246)
Unrealized loss on long-term investments	1,323,231
Changes in operating assets and liabilities	
Increase in contributions and other receivables	(13,558)
Decrease in interest receivable	333
Decrease in other assets	3,566
Increase in accounts payable and accrued liabilities	14,516
Decrease in grants payable	35,947
Decrease in payroll taxes payable	<u>2,242</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	226,541
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(954,403)
Proceeds from sale of investments	1,009,464
Purchase of Equipment	<u>(1,396)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	53,665
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in agency funds held for others	<u>(344,159)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(344,159)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(63,953)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>300,405</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 236,452</u>

See accompanying notes to financial statements

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 – ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES

POISE Foundation (the Foundation) (established in 1980) is incorporated under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania for such charitable, religious, educational, and scientific purposes as qualify for tax exemption under Section 501 (c)(3) of the Internal Revenue Code of 1986 (the Code) and has been classified as an organization which is not a private foundation as defined in Section 509 (A)(1) and 170(B)(1)(A) of the Code.

The Foundation is comprised of 133 individual funds and makes grants to organizations, which so qualify, with emphasis to be placed upon those programs which will improve the quality of life for African Americans living in the Pittsburgh and Allegheny County communities including, but not by way of limitation, (a) those which strengthen their educational, economic or cultural opportunities, (b) those which combat community deterioration or juvenile delinquency, (c) those which lessen neighborhood tensions or help to eliminate prejudice or discrimination, (d) those which aid the poor, the distressed, or the underprivileged, and (e) those which defend human and civil rights secured by law. The Board of Trustees is responsible for approving all grants.

Investments

Investments are held in trusts administered by various banks and investment management firms. The Board of Trustees is responsible for establishing standards and reviewing manager performance. The Foundation's investments are carried at market value, which is based on year-end published quotations. Realized and unrealized gains and losses are computed by deducting from proceeds of sale on market value of investments and historical cost of the security on its assigned value at time of acquisition using the average cost method. Unrealized gain or loss on investments is reflected in the statement of activities.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Foundation places its temporary cash investments with high credit quality financial institutions. At times such amounts may exceed federally insured limits. At December 31, 2008, the Foundation had no cash balances (including money market funds – see Note 2) that exceeded federally insured limits.

Fixed Assets and Depreciation

Land, buildings and equipment are recorded at the lesser of cost or fair market value (FMV). Currently, any equipment purchases less than \$250 are expensed in the period of purchase. This includes office equipment, peripheral computer equipment, and software not developed in-house. All purchases greater or equal to \$250 are capitalized when purchased and depreciated over their useful lives according to their fixed asset classification.

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 – ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The accounts of the organization are maintained on the accrual basis of accounting in accordance with the principles of fund accounting. Separate accounts are maintained for each fund; however, the accompanying financial statements have been prepared on a basis that shows the financial position and changes in net assets of the Foundation in total. Funds with similar characteristics have been combined for financial statement presentation in the following categories:

Funds with Unrestricted Net Assets

Administration Fund
Donor Fund Without Stipulations

Funds with Temporarily Restricted Net Assets

Donor Fund With Stipulations
Board Designated Fund

Revenue Recognition

Contributions are recognized when the donor transfers assets to the Foundation including making unconditional promises to give. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending upon the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending upon the nature of the restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash and Cash Equivalents represent all highly liquid debt instruments purchase with a maturity date of three months or less.

NOTE 2 – INVESTMENT SECURITIES

Investments at market value at December 31, 2008 consisted of the following:

	<u>Market Value</u>	<u>Cost</u>	<u>Excess Carrying Value</u>
Cash and Cash Equivalents	\$ 236,452	\$ 236,452	\$ -
Fixed Income:			
Mutual Funds	951,386	979,393	(28,007)
Equities:			
Mutual Funds	<u>1,960,289</u>	<u>2,194,807</u>	<u>(234,518)</u>
Total	<u>\$ 3,148,127</u>	<u>\$ 3,410,652</u>	<u>\$ (262,525)</u>

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 3 – FUNDS HELD FOR OTHERS, AGENCY ENDOWMENTS

For the year ending December 31, 2006, POISE Foundation applied Statement of Financial Accounting Standards (SFAS) No.136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*. This accounting rule applies to treatment of funds transferred from a non profit (Agency) in which the Agency is the beneficiary of the funds transferred or the beneficiary of the expected future cash flows (i.e., Agency endowment fund). SFAS No. 136 asserts that the assets transferred from the Agency are not contributions to POISE Foundation. Accordingly, the Foundation must record both an asset and a liability for the amounts transferred. The net activity for these funds increases or decreases the asset or liability during each period.

The following table summarizes the activity in funds held on behalf of others as of December 31, 2008.

Funds held for others at the beginning of the year	\$ 1,035,713
Contributions	-0-
Interest and dividend income	33,258
Realized and unrealized gains on investments	(302,125)
Distributions	(66,174)
Investment and administrative fees	(9,118)
Net Decrease	<u>(344,159)</u>
Funds held for others at end of year	<u>\$ 691,554</u>

NOTE 4 - APPROVED GRANTS

The following is a summary of approved grants at December 31, 2008:

100 Black Men	\$ 600
To support fundraising initiatives for program	
African American Chamber of Commerce	500
Membership support	
Africa Yetu	2,500
Support student artistic excellence workshop and mentoring program	
Alpha Phi Alpha	2,000
Support for mentoring program	
Brown Chapel Sunday School	500
To support Christmas program fundraiser	
Center for Victims of Violent Crime	2,000
Program support for 2008 Shyne awards recognizing youth	
Champion Enterprises	750
Grant for Thanksgiving Dinner program for seniors	

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 - APPROVED GRANTS (CONTINUED)

Christian Evangelistic Economic Development	5,000
Program support for bridging gaps between African Americans and Africans	
Citizens to Abolish Domestic Apartheid	3,000
Support for summer program operations	
Diakonia Ministries	2,000
To support youth summer program	
East End Cooperative Ministry	3,500
To support summer day camp	
GOAL	800
Program support for the Genesis Foundation Fund	
Greater Pittsburgh Literacy Council	2,000
To support adult basic education program	
Hightower Scholars, Inc.	100
Grant for scholarship banquet	
Hill House	3,500
Support for MLK mural project	
Kid's Voice	2,500
Support education and jobs for teens program in urban inner city neighborhoods	
Leadership Pittsburgh	2,500
Sponsor for diversity session for Leadership Pittsburgh participants	
LJS Publishing	250
Sponsorship support for African American Weekend	
Manchester Craftsman's Guild	2,000
To support Ken Simms coloring book project	
Melting Pot Ministries	2,000
Miss Black Teenage Pageant	1,000
Support 2008 Miss Black Teenage Pageant	
Monumental Mission Ministries	29,866
Grant for youth sports leagues in Hill District	
Mt. Ararat Community Center	2,500
To support community youth program	
NEED	500
Support for annual fundraiser	

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 - APPROVED GRANTS (CONTINUED)

Network for Hope – Coraopolis Church of God	3,000
Grant for afterschool program, site renovations and equipment	
North Shore Family Institute	3,000
Support for youth programs	
Parental Stress Center, Inc.	4,500
Prevention Point Pittsburgh	2,000
Support for outreach program in Hill District	
Program to Aid Citizen Enterprise	9,070
Support for Greater Pittsburgh Afterschool Consortium facilitation	
Public Interest Projects, Inc.	5,000
Support for Southwest PA Dream Fund – minority contracting and education equity	
Resurrection Power, Inc.	2,000
To support summer youth program	
Sickle Cell Society, Inc.	4,500
The Nehemiah Project	4,500
Support for summer youth program at the Pine Valley Bible Camp	
The Open Door, Inc.	2,000
The Pittsburgh Foundation	2,500
Support for Neighbor Aid Fund	
Tickets for Kids	1,000
Support for African American kids to visit entertainment/cultural events	
Urban Youth Action	70,174
Support program operations	\$66,174
Support Youth Business Symposium	\$ 1,500
Support Charles Drew Science Fair	\$ 2,500
Western PA Minority Suppliers Diversity Council	500
Woodland Hills Aquatic Team	100
Swim-a-thon fundraiser	

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 - APPROVED GRANTS (CONTINUED)

Yoga in Schools	2,500
Grant for Yoga in Schools program with Pittsburgh Public Schools	
Refund of Prior Years Grants	<u>(3,000)</u>
Grant for One Hood - The Gathering Conference	
<i>Total Non Scholarship Grants</i>	\$ 185,210
<i>Scholarship Awards</i>	
<i>Post Secondary (23 Students)</i>	
California University of PA	2,000
Carlow University	3,000
Clarion University	2,500
Duquesne University	1,000
Florida A&M	1,000
Hampton University	1,000
Hill House Association	320
Homer S. Brown Law Association	1,000
Johnson C. Smith University	1,000
LaRoche College	750
NEED	409
Penn State Greater Allegheny	1,000
Penn State University	1,750
Point Park University	1,000
Slippery Rock University	1,000
Temple University	1,000
University of Pittsburgh	1,500
Virginia State University	<u>1,200</u>
<i>Total Post Secondary Scholarships</i>	\$ 22,429
<i>Kindergarten through Twelfth Grades (207 Students)</i>	
Bishop Canevin	500
Bishop McDowell	750
Cardinal Wright Regional School	4,000
Central Catholic	6,750
Christ Lutheran	500
Faulk School	500
Greater Works Academy	500
Holy Rosary	15,535
Imani Christian Academy	2,050
Immaculate Conception	1,000
Mt. Alvernia	1,000
North Catholic	2,500
Oakland Catholic School	2,250
Pittsburgh Urban Christian School	2,250
Praise Christian	400
Sacred Heart	800
Saint John the Baptist	500

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 - APPROVED GRANTS (CONTINUED)

Saint Margaret of Scotland	500
Seton-Lasalle Catholic School - refund	(350)
Sewickley Academy	900
St. Agnes Catholic School	17,422
St. Bartholomew	2,800
St. Benedict the Moor	11,050
St. James School	11,850
St. John Neumann Regional Catholic School	800
St. Joseph School	1,000
St. Rosalia Academy	2,500
The Campus School of Carlow	500
Word of God Catholic School	<u>500</u>
 <i>Total Kindergarten through Twelfth Scholarships</i>	 <u>\$ 91,257</u>
 Total Grants Approved	 <u>\$ 298,895</u>

NOTE 5 - MANAGEMENT AND GENERAL EXPENSES

Administrative expenses, as reported in the Statement of Activities, consist of those expenses that are not attributable to the Foundation's programs or its fundraising activities as following:

Salaries Expense	\$ 41,321
Benefits	4,788
Rent	10,655
Dues and Fees	1,596
Depreciation Expense	563
Supplies, Postage, Printing and Photography	1,667
Professional Services	7,367
Marketing and Public Relations	450
Other Administrative Expenses	<u>16,424</u>
 Total Administrative Expenses	 <u>\$ 84,831</u>

NOTE 6 - DESCRIPTION OF LEASE ARRANGEMENTS

The Foundation entered into a one year sublease agreement with the Program to Aid Citizens Enterprise in One Gateway Center commencing on May 30, 2008. The leased space at the time of the lease included 1,407 square feet at a rate of \$1,875 per month. Upon the expiration of the lease on May 30, 2009, the term becomes a month-to-month lease. Future minimum lease payments under this arrangement for the years subsequent to December 31, 2008 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2009	<u>\$ 9,375</u>