

POISE FOUNDATION
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To The Board of Trustees
POISE Foundation

We have audited the accompanying financial statements of POISE Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, 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.

Auditors' 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes 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 POISE Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



DEVERSON, TANACK & WILLISON

Pittsburgh, PA
October 22, 2021

POISE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 4,002,196	\$ 870,005
Contributions and other receivables	105,928	169,278
Interest receivable	2,647	20,157
Other assets	298,433	466,646
Long-term investments at market value	7,159,137	6,174,802
Equipment at cost - less accumulated depreciation of \$13,612 in 2020 and \$12,765 in 2019	<u>9,180</u>	<u>5,149</u>
TOTAL ASSETS	<u>\$ 11,577,521</u>	<u>\$ 7,706,037</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 48,342	\$ 106,968
Grants payable	25,187	197,902
Payroll taxes payable	12,181	7,094
Agency funds held for others	<u>1,419,804</u>	<u>1,196,184</u>
TOTAL LIABILITIES	1,505,514	1,508,148
Net Assets:		
Without donor restrictions	2,459,311	2,106,294
With donor restrictions	<u>7,612,696</u>	<u>4,091,595</u>
TOTAL NET ASSETS	<u>10,072,007</u>	<u>6,197,889</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,577,521</u>	<u>\$ 7,706,037</u>

See accompanying notes to financial statements

**POISE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT, REVENUE, GAINS AND OTHER CHANGES			
Contributions	\$ 652,821	\$ 6,194,914	\$ 6,847,735
Revenues	31,294	82,525	113,819
Income on long-term investments	39,958	143,939	183,897
Unrealized gain on investments	83,120	557,818	640,938
Realized gain/(loss) on investments	(386)	19,764	19,378
Change in value of agency funds held for others	-	(223,753)	(223,753)
Net assets released from restrictions by satisfaction of program restrictions	<u>3,254,106</u>	<u>(3,254,106)</u>	<u>-</u>
TOTAL SUPPORT, REVENUE, GAINS AND OTHER CHANGES	4,060,913	3,521,101	7,582,014
EXPENSES			
Grants and distributions from agency funds	1,828,267	-	1,828,267
Program and related service expenses	1,397,231	-	1,397,231
Management and general expenses	325,270	-	325,270
Fundraising expenses	<u>157,128</u>	<u>-</u>	<u>157,128</u>
TOTAL EXPENSES	<u>3,707,896</u>	<u>-</u>	<u>3,707,896</u>
INCREASE IN NET ASSETS	353,017	3,521,101	3,874,118
NET ASSETS, BEGINNING OF YEAR	<u>2,106,294</u>	<u>4,091,595</u>	<u>6,197,889</u>
NET ASSETS, END OF YEAR	<u><u>\$ 2,459,311</u></u>	<u><u>\$ 7,612,696</u></u>	<u><u>\$ 10,072,007</u></u>

See accompanying notes to financial statements

**POISE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT, REVENUE, GAINS AND OTHER CHANGES			
Contributions	\$ 413,327	\$ 1,700,200	\$ 2,113,527
Revenues	6,241	197,139	203,380
Income on long-term investments	79,937	159,170	239,107
Unrealized loss on investments	42,361	392,544	434,905
Realized gain on investments	4,143	383,354	387,497
Change in value of agency funds held for others	-	(228,812)	(228,812)
Net assets released from restrictions by satisfaction of program restrictions	<u>2,508,278</u>	<u>(2,508,278)</u>	<u>-</u>
 TOTAL SUPPORT, REVENUE, GAINS AND OTHER CHANGES	 3,054,287	 95,317	 3,149,604
EXPENSES			
Grants and distributions from agency funds	951,107	-	951,107
Program and related service expenses	1,137,144	-	1,137,144
Management and general expenses	354,722	-	354,722
Fundraising expenses	<u>148,095</u>	<u>-</u>	<u>148,095</u>
 TOTAL EXPENSES	 <u>2,591,068</u>	 <u>-</u>	 <u>2,591,068</u>
 INCREASE IN NET ASSETS	 463,219	 95,317	 558,536
 NET ASSETS, BEGINNING OF YEAR	 <u>1,643,075</u>	 <u>3,996,278</u>	 <u>5,639,353</u>
 NET ASSETS, END OF YEAR	 <u>\$ 2,106,294</u>	 <u>\$ 4,091,595</u>	 <u>\$ 6,197,889</u>

See accompanying notes to financial statements

POISE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Grants</u>	<u>Other</u>	<u>Fundraising and Development</u>	<u>Management and Administrative</u>	
Grants and Scholarships	\$ 1,828,267	\$ -	\$ -	\$ -	\$1,828,267
Salaries and Benefits	-	396,330	121,918	246,770	765,018
Conferences and Meetings	-	12,094	-	3,711	15,805
Professional & Administrative Services	-	641,530	674	13,398	655,602
Rent	-	28,338	6,124	18,075	52,537
Office Expenses	-	9,697	2,854	10,069	22,620
Depreciation Expense	-	604	-	463	1,067
Marketing and Public Relations	-	74,216	15,539	96	89,851
Insurance, Bad Debts, Dues and Fees	-	234,422	10,019	32,688	277,129
Total Expenses	<u>\$ 1,828,267</u>	<u>\$ 1,397,231</u>	<u>\$ 157,128</u>	<u>\$ 325,270</u>	<u>\$3,707,896</u>

See accompanying notes to financial statements

POISE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Grants</u>	<u>Other</u>	<u>Fundraising and Development</u>	<u>Management and Administrative</u>	
Grants and Scholarships	\$ 951,107	\$ -	\$ -	\$ -	\$ 951,107
Salaries and Benefits	-	333,504	94,240	263,511	691,255
Conferences and Meetings	-	51,794	9,098	3,653	64,545
Professional & Administrative Services	-	650,185	17,653	11,299	679,137
Rent	-	29,518	6,594	18,249	54,361
Office Expenses	-	29,323	947	16,716	46,986
Depreciation Expense	-	514	-	219	733
Marketing and Public Relations	-	22,162	17,156	1,200	40,518
Insurance, Bad Debts, Dues and Fees	-	20,144	2,407	39,875	62,426
 Total Expenses	 <u>\$ 951,107</u>	 <u>\$ 1,137,144</u>	 <u>\$ 148,095</u>	 <u>\$ 354,722</u>	 <u>\$ 2,591,068</u>

See accompanying notes to financial statements

POISE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 3,874,118	\$ 558,536
Adjustments to reconcile increase in net assets to net cash provided by (used) by operating activities:		
Depreciation and amortization	1,067	733
Realized gain on long-term investments	(19,378)	(387,497)
Unrealized (gain) loss on long-term Investments	(640,938)	(434,905)
(Increases) and decreases in operating assets:		
Contributions and other receivables	63,350	(88,674)
Interest receivable	17,510	5,060
Other assets	168,213	(3,003)
Increases and (decreases) in operating liabilities:		
Accounts payable and accrued liabilities	(58,626)	106,394
Grants payable	(172,715)	(3,427)
Payroll taxes payable	5,087	(3,500)
Net Cash Provided By (Used) By Operating Activities	3,237,688	\$ (250,283)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,126,144)	(2,385,231)
Purchase of equipment	(4,878)	(1,965)
Proceeds from sale of investments	802,036	2,144,673
Net Cash Provided By (Used) by Investing Activities	(328,986)	(242,523)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in agency funds held for others	223,489	228,813
Net Cash Provided By Financing Activities	223,489	228,813
Net Increase (Decrease) in Cash and Cash Equivalents	3,132,191	(263,993)
Cash and Cash Equivalents, Beginning of Year	870,005	1,133,998
Cash and Cash Equivalents, End of Year	\$ 4,002,196	\$ 870,005

See accompanying notes to financial statements

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1 – ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES

Organization

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 238 individual funds (including 23 established for fiscal sponsor partners) 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, primarily living in but not limited, to the City of Pittsburgh and Allegheny County including, but not by way of limitation, (a) those which strengthen their educational, economic, health or cultural opportunities, (b) those who combat community deterioration or work towards sustainable Black communities, (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 equity and civil rights. The Board of Trustees is responsible for approving all grants.

Classification of Net Assets

In accordance with generally accepted accounting principles (GAAP), the Foundation recognizes contributions as restricted or unrestricted based on whether the donor has placed any stipulations that limit the use of the donated assets. The Foundation does not permit donors to invade the principle of endowed funds. Donors may establish distribution funds which are not endowed and may be classified as with donor restrictions or without donor restrictions depending on the nature of the contribution. Contributions, gains and losses on restricted endowed funds are reported as with donor restrictions. Investment income on restricted endowed funds are also recorded as with donor restrictions. When assets with donor restrictions become available for distribution according to the Foundation's spending policy, they are released to assets without donor restrictions. These transfers are reported on the statement of activities as net assets released from restriction. Any income derived from investments related to administrative activity of the Foundation are recorded as without donor restrictions.

Investments

Investments are 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.

Endowment Investment Policy

The primary investment objective of the Foundation, is to protect and preserve its existing assets while achieving an acceptable rate of return on investments that will provide an adequate level of growth to sustain the endowments as well as provide an income base to support the grants and operations of the Foundation. At the same time, it is the duty of the Board to ensure that any risks associated with investments is maintained at an acceptable level to protect against loss.

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

To meet the investment objectives, the strategy of the Foundation may involve four general categories of assets: cash and cash equivalents, equity instruments, fixed income instruments and other investments. Other investments may include but are not limited to direct investments in real estate, REITs or other products that are not publicly traded. The Foundation will limit investments of this type and will only execute these investments after significant due diligence has been performed. The Foundation will also restrict these types of investments to certain return on investment and risk criteria to be determined on an investment by investment basis.

Spending Policy

The Trustees of POISE Foundation made an election to be governed by Act 141 of 1998 revising section 5548 of Title 15 of the Statutes of Pennsylvania. This section describes a Total Return Policy. By making an election under this subsection, the Board of Trustees has adopted and will follow an investment policy seeking a “total return” for the assets held by the Foundation whether the return is to be derived from capital appreciation, earnings, or distributions with respect to capital or both. Under this election, the term “income” shall mean a percentage of the value of the assets so held by or for the Foundation. The Board of Trustees shall in a writing maintained as part of the permanent records of the Foundation annually select a percentage and determine that it is consistent with the long-term preservation of the real value of the assets. For the calendar years ending 2020 and 2019, the Foundation elected 5% as the spending percentage for distribution of funds. Under the election, in no event shall the percentage be less than 2% nor more than 7% per year.

In accordance with Title 15, the value of the assets of the Foundation shall be the fair market value of the assets so held by or for the Foundation, determined at least annually and averaged over a period of three or more preceding years. However, if the assets have been held for less than three years, the average shall be determined over the period during which the assets have been held.

Use of Estimates and Assumptions

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 FDIC and SPIC federally insured limits. Management believes the diversification of assets among various high-quality institutions mitigates its credit risk.

Fixed Assets and Depreciation

Land, buildings, furniture, equipment and purchased software are recorded at the lesser of cost or fair market value (FMV). These assets are depreciated over their assigned useful lives based on the straight-line method of depreciation. Purchases of these assets with a value of less than \$750 are expensed versus capitalized.

POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

Functional Allocation of Expenses

The Foundation allocates certain of its costs to programs and services based on an analysis of personnel time spent on those areas. These costs have been summarized by function in the statement of functional expenses.

Basis of Accounting

The accounts of the Foundation 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:

Net Assets Without Donor Restrictions

Net Assets With Donor Restrictions

Revenue Recognition

Contributions are recognized when the donor transfers assets to the Foundation including making unconditional promises to give. Contributions subject to conditions are recorded as revenue with such conditions have been satisfied. Contributions are recorded at the fair market at the date of the donation.

Cash and Cash Equivalents

Cash and Cash Equivalents represent all highly liquid debt instruments purchase with a maturity date of three months or less. Total cash and cash equivalents were \$4,002,196 at December 31, 2020.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available without donor restrictions limiting their use within one year of the statement of financial position date as of December 31, 2020 are comprised of the following:

Cash and cash equivalents	\$ 127,972
Receivables and other assets	175,197
Short-term investments	<u>150,195</u>
Total	<u>\$453,364</u>

The POISE Foundation receives contributions to establish endowment funds, from which the income generated from such endowments is used to fund grants and programs in accordance with donor intent. The Foundation's endowments are subject to a spending policy which determines the rate at which grants are made available from endowed funds. Under the current spending policy, \$325,996 will be made available from the endowments within the next twelve months.

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

The Foundation maintains cash, reserves and a line of credit (\$100,000 available at December 31, 2020) to meet its operating expenditures, current liabilities and obligations as they become due. The Foundation invests its excess cash in interest bearing accounts or short-term investments.

NOTE 3 – INVESTMENT SECURITIES

Investments at market value at December 31, 2020 consisted of the following:

	<u>Market Value</u>	<u>Cost</u>	<u>Excess Carrying Value</u>
Fixed Income:			
Mutual Funds	\$ 1,325,868	\$ 1,431,670	\$ (105,802)
Equities:			
Mutual Funds	<u>5,833,269</u>	<u>4,533,164</u>	<u>1,300,105</u>
Total	<u>\$ 7,159,137</u>	<u>\$ 5,964,834</u>	<u>\$ 1,194,303</u>

NOTE 4 – OTHER ASSETS

In December 2012, POISE Foundation deposited in the Hill District Federal Credit Union (HDFCU) \$250,000 to be held in cash as a guarantee for a loan the Credit Union made to the Hill House Economic Development Corporation in conjunction with the development of a grocery store in the Hill District of Pittsburgh. In 2014, POISE segregated this amount out of its cash balances to more properly reflect that it is not readily available for withdrawal. The guarantee is in force for a seven year period ending April 2020. In May 2019, the President of the Hill District Federal Credit Union indicated that the loan to the Hill District Economic Development Corporation was delinquent. Accordingly, monthly payments were taken from the secured deposit. At December 31, 2019, the balance of the secured deposit at HDFCU net of interest payments was \$239,564. The HDFCU has decided to take monthly payments out of the guarantee until a resolution for the sale of the properties in which the loan applied could take place. In November 2019, the Urban Redevelopment Authority (URA) of Pittsburgh purchased the Centre Heldman property. Concurrently, the Hill Economic Development Corporation, which held the property and loan from HDFCU, dissolved.

During the year ended December 31, 2020, HDCU charged delinquent payments in the amount of \$9,775 and recorded dividends earned in the amount of \$245. Upon the dissolution of the Hill House Association, the Hill House provided \$19,000 towards past delinquent payments. In addition, as part of the loan guarantee, in 2013 POISE Foundation made a grant to the Hill District Credit Union to increase its capital of \$50,000. This amount was returned to the POISE account upon the calling of the guarantee. As a result of these transactions, there was a net write-off of the account in the amount of \$191,586 leaving a balance of \$47,978.

In 2012, the Foundation established a Key Man Life Insurance Policy on the President and CEO. This policy is held by Guardian Life Insurance Company and is comprised of a \$500,000 term life insurance policy and a \$500,000 whole life insurance policy. The whole life insurance policy has a cash value portion that has a guarantee of 4% increase in value each year the policy is in effect. The cash value portion was valued at \$70,269 at December 31, 2020.

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 4 – OTHER ASSETS (CONTINUED)

In November 2017, the POISE Foundation Board of Trustees approved a short-term loan up to \$250,000 from the Hill District Growth Fund to support the City's Edge development project in the Hill District of Pittsburgh. The Developer Midpoint Group of Companies is an African American Development company which seeks to develop multiple properties within the city and promote minority hiring. The note has a 10% annual interest rate and was scheduled for repayment during the fourth quarter of 2018. The outstanding balance at December 31, 2018 was \$125,000. In March 2019, the Foundation disbursed a second payment of \$25,000 towards the short-term loan creating an outstanding loan balance of \$150,000. Midpoint Group of Companies experienced several delays and changing financial structures through December 31, 2020. The Foundation negotiated with Midpoint Companies to cap the loan at \$165,000 including unpaid interest. At December 31, 2020, the balance remained outstanding. Subsequent to December 31, 2020, Midpoint Companies indicated that their scheduled closing in June 2021, had been delayed due to changes in the project. It is still the intention of Midpoint Companies to execute their financial closing prior to December 31, 2021. Accordingly, the Foundation will continue to record the loan with the expectation the loan will be repaid prior to December 31, 2021.

NOTE 5 – ENDOWMENTS

The Foundation's endowment funds consist of investment funds established for a variety of purposes. The endowment includes donor-restricted endowment funds as well as funds restricted by the Board of Trustees and funds donated without restrictions. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's endowment-related activity during the year ended December 31, 2020 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,435,810	\$ 4,397,143	\$ 5,832,953
Contributions	525	251,811	252,336
Investment income, net of fees	32,281	122,506	154,787
Grants	(72,142)	(121,691)	(193,833)
Expenses	(11,248)	(37,820)	(49,068)
Net appreciation in investments	<u>82,501</u>	<u>440,243</u>	<u>522,744</u>
Change in endowment net assets	<u>31,917</u>	<u>655,049</u>	<u>686,966</u>
Endowment net assets, end of year	<u>\$ 1,467,727</u>	<u>\$ 5,052,192</u>	<u>\$ 6,519,919</u>

NOTE 6 – FUNDS HELD FOR OTHERS, AGENCY ENDOWMENTS

POISE Foundation has applied FASB *Accounting Standards Codification 958, Not-for-profit Entities*, (formerly Financial Accounting Standards (SFAS) No.136). 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). FASB ASC 958 asserts that the assets transferred from the Agency is deemed to be reciprocal because at the time of the transfer, the nonprofit organization expects to receive future distributions because it specifies itself as a beneficiary, and by acceptance of the

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 6 – FUNDS HELD FOR OTHERS, AGENCY ENDOWMENTS (CONTINUED)

transfer, the community foundation agrees to make distributions to the nonprofit organization. Because the transaction is deemed to be reciprocal, the nonprofit organization should recognize an asset and the community foundation should recognize a liability. The nonprofit is transferring its asset to POISE Foundation in exchange for future distributions. POISE Foundation, by its acceptance of the transfer, agrees that at the time of the transfer, distributions to the nonprofit are capable of fulfillment and consistent with the Foundation's mission. Accordingly, the Foundation records Agency Endowments as 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. These funds are restricted endowments of the Foundation with distributions restricted to the Agencies based on the Foundations current spending policy.

The following table summarizes the activity in funds held on behalf of others as of December 31, 2020.

Funds held for others at the beginning of the year	\$ 1,196,184
Contributions	2,723
Interest and dividend income	49,997
Realized and unrealized gains on investments	144,350
Inter-fund transfer	50,434
Distributions	(11,000)
Investment and administrative fees	<u>(13,016)</u>
Net Increase	223,489
Agency Fund Adjustment	<u>132</u>
Funds held for others at end of year	<u>\$ 1,419,804</u>

NOTE 7 - APPROVED GRANTS

The following is a summary of approved grants at December 31, 2020:

100 Black Men of Western PA	\$ 250
Support for annual fundraising events	
Afro-American Music Institute	241
Support for Direct Action Responses and Healing to Human Equity Issues	
Agape Seniors Center	5,000
Support for operations	
Allegheny County Camp Cadet	400
Support for Student Camping Expenses	
Alliance for Police Accountability	226,875
Support for operations	
Amani Community Christian Development Corporation	5,000
Grant for Landcare Development Programs	
Autism Urban Connections, Inc.	6,500
Grant for operations	

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 7 - APPROVED GRANTS (CONTINUED)

Bible Center Church – The Oasis Project	5,000
Support for Secondary Education and Prep Program	
Black Men Heal	10,000
Mental health treatment for men of color	
Boy Scouts of America	1,912
Support for Scout's projects	
Brown Chapel AME Church	500
Support for Circle of Courage awards	
BTC Center Incorporated	5,000
Support for Family & Senior Capacity Program	
Carnegie Museums of Pittsburgh	1,300
Grants in honor of Toto Fisher	
Center of Life	5,000
Support for administration and operations	
Community Transformation Partners	5,000
Support for general operation	
Cornell University	500
To support the NSMH Fund for Excellence	
Crossroads Foundation	20,000
Grant in support of Youth Education Program	
Cultural Trust of Greater Philadelphia	10,000
Support for the Womanist Working Collective Program	
Divine Intervention Ministries	5,000
Support for Database Design and Developmental Programs	
Eddie McKenzie Fellowship	550
Support for programs	
Eat Initiative	49,920
Support for administration and operations	
Faith Vision, Inc.	5,000
Grants in support of the Reach Program	
FAME	20,000
Grants in support of the Scholarship & Academic Program	
Forge Global	66,500
Support for administration and operations	

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 7 - APPROVED GRANTS (CONTINUED)

Foster Love Project	5,000
Support for excellent Hair Care Program	
Foundation of Hope	5,000
Support for administration and operations	
Healthy Start, Inc.	5,000
Support for Urban Breastfeeding Program	
Homewood Community Sports	500
Support for HCS Football Banquet	
Hosanna House, Inc.	1,000
Support for 30 th Anniversary Campaign	
Imani Christian Academy	500
General support for the school and students	
Iota Phi Chapter Omega Psi Phi	500
Support for fundraiser	
It Takes Philly, Inc.	25,000
Support for Encourage & Empower Children to Aim High Program	
Ivy Charitable Endowment	575
Support for Alpha Kappa Youth Program	
JADA House International, Inc.	5,000
Support for programming	
Josh Gibson Foundation	5,000
Support for Negro Leagues Baseball Virtual Educational Program	
Life Ain't Scripted	1,353
Anti-bullying and Self-Esteemed support	
LOI Sessions	239
Grant for operations	
Merriam Medical Center	5,000
Grant for general and operating support	
Movement Alliance Project	25,000
Grant in support of Philadelphia Community Bail Fund	
Moving Lives of Kids Mural Project	11,500
Grants for Pittsburgh Solidarity for Change	
Mt. Joy Baptist Church	1,000
Support of the Ray H. & Mary E. Jones Scholarship	

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 7 - APPROVED GRANTS (CONTINUED)

NEED	20,450
Educational program support	
North Hills Ebony Women, Inc.	200
Grant in support for scholarships to minority high schools students	
NSMH Alumni Association	5,000
Grants in support for scholarship program	
Painted Bride Art Center	15,000
General operating support for the Colored Girls Museum	
Park Place AME Church	360
Support for 15 th Annual Black History Luncheon	
Philadelphia Bail Fund, Inc.	25,000
Support for programs	
Pittsburgh Hardball Academy	31,507
General operating and program support	
POISE Foundation	6,500
Internal grants to support operations	
Professional Women Network	5,000
Support of Coro Center of Civic Leadership project	
Project Love Coalition	5,000
Support for SENSE "sustainable eco-friendly niche systems for entrepreneurs"	
Project Pneuma	250
Support for general operations	
Ronald McDonald House	1,000
Support for general operations	
Ruth's Way, Inc.	5,000
Support for Achievements Consultation Program	
She Can Win	10,000
Support for general operations	
The Sisters Lifting as We Climb Network	10,000
Grant for the Realities of Black Women's Project	
The Black Political Empowerment Project	500
Grant in support of B-PEP Program	
The Education Culture Opportunities Foundation	5,000
Grant in support of general operations	

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 7 - APPROVED GRANTS (CONTINUED)

The Legacy Arts Project	5,000
Grant in support of Youth Artists Apprentice Program	
The Neighborhood Academy	21,000
Grant in support of Students Scholarship Program	
The Pittsburgh Foundation	1,000
Annual contribution honor of Michael Burkeen	
Thelma Lovette, YMCA	2,000
Support for general operations	
The NSPA Aweintein Scholarship	670
Grant in support for Connect Center	
Urban Affairs Coalition	5,000
To support One's Up /Rising Sons Program	
Urban Impact Foundation	400
Support for UIF Youth Programs	
Urban Youth Action, Inc.	16,000
Grant for Youth Scholarship	
Willisaes Agency for Vision & Empowerment	5,000
Grant in support of general operations	
Workforce Development Global Alliance	5,000
Grant in support of general operations	
Youth Empowerment for Advanced Hangout, Inc.	10,000
Grant in support of general operations	
Youth Enrichment Services, Inc.	<u>6,500</u>
Support for the All About Me Program	
<i>Total Grants</i>	<u>\$ 775,952</u>
 <i>Grants Critical Community Need (CCNF)</i>	
1 Nation Mentoring	\$ 15,000
5A Elite Youth Empowerment	8,500
A Peace of Mind, Inc.	5,000
A.C.E. Ministries	15,000
AJAPO	10,000
African American Chamber of Commerce Foundation of WPA	7,500
Afro-American Music Institute	5,000
Aliquippa Economic Development Corporation	15,000
Allen Place Community Services, Inc.	12,500

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 7 - APPROVED GRANTS (CONTINUED)

Anna Middleton Waite Learning Center	8,500
Autism Urban Connections, Inc.	9,000
Axiom Advanced Corporation	10,000
Bethany Community Ministries, Inc.	25,000
Bethel AME Church	8,000
Bridges Community Outreach Ministries	3,000
Brown Chapel AME Church	10,000
Children's Sickle Cell Foundation, Inc.	12,500
Civically, Inc.	10,000
Coraopolis Youth Creations, Inc.	25,000
Cultivating Resilient Youth	5,000
Daddy's Hands	2,500
Destiny International Ministries	8,500
Divine Intervention Ministries	5,000
Divine Restoration Church	15,000
Ebenezer Baptist Church	15,000
First Baptist Church of Penn Hills	26,500
First Step Recovery Homes, Inc.	20,000
Fountain of Life Church of Pittsburgh	10,000
Franklin Center of Beaver County, Inc.	10,000
God's Grace Ministries	6,500
Good Hope Baptist Church	8,000
Heuer House	8,000
Hill Dance Academy Theatre (HDAT)	10,500
Hill District Consensus Group	8,500
Homewood-Brushton Business Association	10,000
I Dream a World of Hope, Inc.	5,000
John Wesley AME Zion Church	6,500
Kitchen of Grace, Inc.	10,000
Life Ain't Scripted, Inc.	6,000
Lighthouse Cathedral	15,000
Living Waters Kingdom GATE Church	10,000
Melanin Mommies Pittsburgh	5,000
Minority Emergency Preparedness Task Force	7,500
Mommy's Imagination Station, Inc.	5,000
Mom's Group, Inc.	1,500
Mount Carmel Baptist Church	5,000
M-Power House of Greater Pittsburgh	12,500
Mt. Olive Baptist Church	18,000
Nabhi Christian Ministries	9,000
Naomi's Place	9,000
Neighborhood Resilience Project	20,000
New Bethel Baptist Church	8,000
New Grace Missionary Baptist Church – Lincoln	5,000
North Side Partnership Project	10,000
Ozanam, Inc.	5,000
Pentecostal Temple Church	8,000
Pilgrim's Baptist Church	8,000
Pittsburgh Black Nurses in Action (PBNIA)	15,000
POISE Foundation	25,000
POORLAW	5,000
Praise Temple Deliverance Church	8,500

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 7 - APPROVED GRANTS (CONTINUED)

Rosedale Block Cluster, Inc.	10,000
Ruth's Way, Inc.	8,500
Second Baptist Church	15,000
Serenity Living Transitional Home	10,000
St. Paul Baptist Church	8,000
Steel Smiling	5,000
Take Action Mon Valley	7,000
The Black Urban Gardeners and Farmers of Pittsburgh Co-Op	25,000
The Church of the Holy Cross	15,000
The Family Life Center	15,000
The King's Community Center	15,000
The Stepping Stone Pathways	5,000
This Generation Connect	25,000
Tree of Hope	10,000
Triedstone Baptist Church of Rankin	8,000
Ujamaa Collective	20,000
United Somali Bantu of Greater Pittsburgh, Inc.	20,000
Unity Group of Clairton	25,000
Voices Against Violence	10,000
Wesley Center AME Zion Church	12,000
West Penn Hills Community Action, Inc.	10,000
Western Pennsylvania Diaper Bank	15,000
Will Allen Foundation	5,000
Willisaes Agency for Vision & Empowerment	9,000
Women Empowered for Entrepreneurial Excellence	25,000
Young Black Motivated Kings and Queens	8,500
Zellous Hope Project, Inc.	<u>20,000</u>

Total Grants Critical Community Need **\$ 987,000**

Total Non-Scholarship Grants **\$1,762,952**

Grant Scholarship Awards

Donor Advised Scholarship Awards (45 Students)

Allegheny College	\$ 750
Alcorn State University	592
Arcadia University	3,000
Beckley, Ms. Maya Marie	2,250
Blue Ridge Community College	3,000
California University of Pennsylvania	1,000
Carlow University	750
Community College of Allegheny County	1,000
Duquesne University	8,172
Geneva College	1,418
Hill College	3,000
Hobart & William Smith Colleges	2,500
Howard University	750
Lincoln University	3,331
Northern Virginia Community College	3,000

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 7 - APPROVED GRANTS (CONTINUED)

NSPA Aweintein Scholarship	356
Ohio University	1,500
Point Park University	1,500
Queens University of Charlotte	2,000
Seton Hill University	500
South Carolina State University	2,000
Temple University	1,313
Texas Southern University	3,000
The Kiski School	1,704
Torok, Mr. Noah Riley	1,750
UPMC Margaret School of Nursing	1,000
University of Georgia	250
University of Pittsburgh	5,411
UPMC Shadyside School of Nursing	2,000
Virginia Commonwealth University	6,000
<i>Total Donor Advised Scholarship Awards</i>	<u>\$ 64,797</u>

EITC - Opportunity Scholarships (15 Students)

Central Catholic High School	\$ 6,160
Eden Christian Academy	4,690
Fanny Edel Falk Laboratory School	2,415
Mary of Nazareth Catholic School	2,048
Northside Catholic Assumption Academy	3,600
Oakland Catholic School	5,489
Redeemer Lutheran School	2,000
Serra Catholic High School	2,269
Sewickley Academy	8,260
Shadyside Academy	6,056
Trinity Christian School	20,646
<i>Total Opportunity Scholarship Grants</i>	<u>\$ 63,633</u>

EITC - Primary and Secondary Scholarship Awards (109 Students)

Ave Maria Academy	\$ 2,500
Bishop Canevin High School	3,700
Central Catholic High School	3,700
Cornerstone Christian Preparatory Academy	700
Divine Mercy Academy	2,850
Fanny Edel Falk Laboratory School	2,267
Greater Work Christian Academy	5,000
North Catholic High School	700
Oakland Catholic School	10,150
Our Lady of Sacred Heart	2,987
Pittsburgh Urban Christian School	7,250
Redeemer Lutheran School	8,200
Sacred Heart Elementary School	2,500
Saint Edmunds Academy	700
Serra Catholic School	1,700
Seton-Lasalle Catholic High School	9,000
Shadyside Academy	2,200

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 7 - APPROVED GRANTS (CONTINUED)

Sewickley Academy	2,750
Sister Thea Bowman Catholic School	700
St. Bede School	1,450
St. Margaret School of Scotland	1,000
St. Philip School	4,800
St. Therese School	1,700
The Campus School of Carlow	700
The Ellis School	700
The Kiski School	5,645
Trinity Christian School	25,351
Winchester Thurston School	700
<i>Total Primary and Secondary Scholarship Awards</i>	<u>\$ 111,600</u>

EITC - Pre-Kindergarten Scholarships (7 Students)

Campus School of Carlow University	\$ 7,912
Holly Family Parish School	1,360
Sacred Heart Elementary School	7,364
St. Irenaeus Preschool	1,700
St. John the Baptist	1,700
St. Therese of Lisieux School	1,964
<i>Total Pre-Kindergarten Scholarships</i>	<u>\$ 22,000</u>

Total EITC Scholarship Awards (131 Students) **\$ 197,233**

Total Scholarship Awards (176 Students) **\$ 262,030**

Total Grants Approved 2020 **\$2,024,982**

Encumbered Funds for Grant Distribution:

Alliance for Police Accountability	\$ (76,875)
Visa/City of Pittsburgh Economic Development Fund	(1,940)
Grants Administration Fund	(200)
EITC - Opportunity Scholarship Grant	(60,000)
EITC - Primary Secondary Scholarship Grant	(46,000)
EITC - Pre-Kindergarten Scholarship Grant	(11,700)
<i>Total Encumbered Funds for Grant Distribution</i>	<u>\$ (196,715)</u>

TOTAL GRANTS APPROVED **\$ 1,828,267**

NOTE 8 – DESCRIPTION OF LEASE ARRANGEMENTS

The Foundation entered into a ten year operating lease agreement with Hertz Gateway in Two Gateway Center commencing on July 1, 2010. The lease was entered in with Program to Aid Citizen Enterprise jointly with each paying 50% of the total lease expense. Space at the time of the lease included a 50% share of 4,365 square feet. On July 1, 2020, POISE Foundation and Program to Aid Citizen Enterprise extended their lease for a 10 year period ending June 30, 2030. In addition, both parties jointly secured storage space during the lease term at \$62 per month. Accordingly, the following future minimum lease payments exist under the lease term:

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 8 – DESCRIPTION OF LEASE ARRANGEMENTS (CONTINUED)

<u>Year Ending December 31,</u>	<u>Total</u>	<u>POISE</u>
2021	\$ 84,508	\$ 42,254
2022	86,189	43,094
2023	88,893	44,447
Thereafter	<u>614,192</u>	<u>307,096</u>
Total	<u>\$873,782</u>	<u>\$436,891</u>

NOTE 9 – FAIR VALUE MEASUREMENTS

The Foundation has adopted FASB *Accounting Standards Codification 820, Fair Value*, (formerly Financial Accounting Standards (SFAS) No. 157). FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and enhances disclosure requirements for fair value measurements. FASB ASC 820 maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Investments whose values are based on quoted market prices in active markets are classified within level 1. Investments whose values are based on significant other observable inputs are classified within level 2. The following table summarizes investments by FASB ASC 820 fair value measurement categories as of December 31, 2020 and 2019:

December 31, 2020

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Fixed Income:			
Mutual Funds	\$ 1,325,868	\$ 1,325,868	\$ -0-
Equities:			
Mutual Funds	5,833,269	5,833,269	-0-
Other	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 7,159,137</u>	<u>\$ 7,159,137</u>	<u>\$ -0-</u>

December 31, 2019

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Fixed Income:			
Mutual Funds	\$ 1,301,864	\$ 1,301,864	\$ -0-
Equities:			
Mutual Funds	4,872,938	4,872,938	-0-
Other	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 6,174,802</u>	<u>\$ 6,174,802</u>	<u>\$ -0-</u>

**POISE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 9 - PENSION

In August 2010, POISE implemented a defined contribution pension plan for all eligible employees. Eligibility is based upon an employee attaining the age of 21 and completing one year of service. The plan provides for a 3% contribution based on compensation. Contributions were \$14,040 and 9,128 for the years ended December 31, 2020 and 2019, respectively

NOTE 10 – UNCERTAIN TAX POSITIONS

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Foundation's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2018, 2019, and 2020 are subject to examination by the IRS, generally for three years after they were filed.

NOTE 12 – EVALUATION OF SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through October 22, 2021, the date which the financial statements were available to be issued.

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state, and local governments and private entities mandating various restrictions, including travel restriction, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. The duration and severity of the pandemic cannot be reasonably estimated at this time. Given the uncertainty regarding the spread and containment of the virus, the related financial impact to the Foundation cannot reasonably be estimated at this time.

In May 2020, POISE Foundation applied for and was awarded a forgivable Paycheck Protection Program loan in the amount of \$103,100, in accordance with the rules and guidelines of the CARES Act. In November 2020, the entire loan was forgiven and the proceeds from the loan are recorded as income on the 2020 financial statements.