

Delta Foundation of Pittsburgh, Inc.

FINANCIAL STATEMENTS

December 31, 2009

BUCKLER, McKENNEY & NADZADI, P.C.  
Certified Public Accountants  
MONROEVILLE, PENNSYLVANIA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Delta Foundation of Pittsburgh, Inc.  
Pittsburgh, Pennsylvania

We have audited the accompanying statement of financial position of Delta Foundation of Pittsburgh, Inc. (a nonprofit organization) as of December 31, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Delta Foundation's 2008 financial statements and, in our report dated October 28, 2009, we expressed an unqualified opinion on those financial statements.

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 Delta Foundation of Pittsburgh, Inc. as of December 31, 2009, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Buckler, McKenney & Nadzadi, P.C.

November 4, 2010

Delta Foundation of Pittsburgh, Inc.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2009

(With Comparative Totals for Year Ended December 31, 2008)

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>2009 Total</u>	<u>2008 Total</u>
<b>REVENUES AND OTHER SUPPORT</b>					
Foundation and trust grants	\$ 2,500	\$ -	\$ -	\$ 2,500	\$ -
Contributions	288,320	-	-	288,320	198,236
Program income	750	-	-	750	11,870
Advertising income	<u>362</u>	<u>-</u>	<u>-</u>	<u>362</u>	<u>-</u>
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>291,932</b>	<b>-</b>	<b>-</b>	<b>291,932</b>	<b>210,106</b>
<b>EXPENSES</b>					
Program expenses	212,621	-	-	212,621	190,928
Professional services	36,794	-	-	36,794	1,600
Advertising	18,195	-	-	18,195	17,598
Payroll expenses	14,666	-	-	14,666	-
Depreciation	7,112	-	-	7,112	5,833
Equipment	3,630	-	-	3,630	867
Supplies	3,577	-	-	3,577	1,099
Travel	3,189	-	-	3,189	361
Cash awards and grants	2,500	-	-	2,500	500
Finance charges	1,410	-	-	1,410	874
Insurance	1,051	-	-	1,051	1,150
Postage	764	-	-	764	321
Telephone	583	-	-	583	-
Bank and credit card fees	552	-	-	552	393
Memberships and dues	400	-	-	400	1,000
Printing and copying	370	-	-	370	1,188
Licenses and permits	100	-	-	100	139
Miscellaneous	<u>114</u>	<u>-</u>	<u>-</u>	<u>114</u>	<u>-</u>
<b>TOTAL EXPENSES</b>	<b><u>307,628</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>307,628</u></b>	<b><u>223,351</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>(15,696)</b>	<b>-</b>	<b>-</b>	<b>(15,696)</b>	<b>(13,245)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b><u>25,749</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>25,749</u></b>	<b><u>38,994</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 10,053</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,053</u></b>	<b><u>\$ 25,749</u></b>

See accompanying notes.

Delta Foundation of Pittsburgh, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2009

(With Comparative Totals for Year Ended December 31, 2008)

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 3,641	\$ -
Accounts receivable	<u>2,000</u>	<u>-</u>
TOTAL CURRENT ASSETS	5,641	-
FIXED ASSETS		
Furniture and equipment - at cost - net of accumulated depreciation of \$14,894 and \$7,782, respectively	<u>36,474</u>	<u>39,787</u>
TOTAL ASSETS	<u>\$ 42,115</u>	<u>\$ 39,787</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Credit card payable	\$ 14,277	\$ 13,666
Cash overdraft	-	203
Accounts payable	11,751	-
Payroll taxes withheld	2,034	-
Officer loan	4,000	-
Accrued expenses	<u>-</u>	<u>169</u>
TOTAL CURRENT LIABILITIES	32,062	14,038
NET ASSETS		
Unrestricted	10,053	25,749
Temporarily restricted	-	-
Permanently restricted	<u>-</u>	<u>-</u>
TOTAL NET ASSETS	<u>10,053</u>	<u>25,749</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 42,115</u>	<u>\$ 39,787</u>

See accompanying notes.

Delta Foundation of Pittsburgh, Inc.

STATEMENT OF CASH FLOWS

December 31, 2009

(With Comparative Totals for Year Ended December 31, 2008)

	<u>2009</u>	<u>2008</u>
Increase (decrease) in net assets	\$(15,696)	\$(13,245)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	7,112	5,833
(Increase) decrease in accounts receivable	(2,000)	-
Increase (decrease) in accounts payable	11,751	-
Increase (decrease) in payroll taxes withheld	2,034	-
Increase (decrease) in cash overdraft	(203)	203
Increase (decrease) in accrued expenses	(169)	169
Increase (decrease) in credit card payable	<u>611</u>	<u>13,658</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	3,440	6,618
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(3,799)	(14,829)
Increase (decrease) in officer loan payable	4,000	-
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	(201)	(14,829)
CASH FLOWS (USED) PROVIDED BY FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	3,641	(8,211)
CASH, BEGINNING OF PERIOD	<u>-</u>	<u>8,211</u>
CASH, END OF PERIOD	<u>\$ 3,641</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Delta Foundation of Pittsburgh, Inc. is a not-for-profit organization formed to unite and foster good fellowship between the gay, lesbian, bisexual and transgender community (GLBT) and other residents of metropolitan Pittsburgh and surrounding counties; advancing and enhancing the participation and success of GLBT residents in the community; and eliminating prejudice and discrimination against the GLBT.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

The Organization reports grants, contributions and other assets as restricted support if they are received with donor stipulations that limit use of the donated assets. When a donor 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.

Furniture and Equipment

Furniture and equipment with a useful life greater than one year are stated at cost. Depreciation is computed over their estimated useful lives (three to ten) years using the straight-line method.

Income Taxes

Delta Foundation of Pittsburgh, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. Therefore, no provision is made for taxes on income.

Basis of Accounting

The accounts of the Organization are maintained on the accrual basis of accounting. Consequently, certain revenues are recognized when earned rather than when received and liabilities are recorded when incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through November 4, 2010 the date the financial statements were available to be issued.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable consists of amounts due for 2010 sponsorships and donations which were not received by the Organization at year end. The Management of the Organization reviews the collectability of the accounts receivable on a regular basis, and no reserve for doubtful accounts has been established.

Delta Foundation of Pittsburgh, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 3 - COMPARATIVE INFORMATION

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

NOTE 4 - DONATED GOODS AND SERVICES

The Delta Foundation of Pittsburgh, Inc. receives donated items to use at its events. The fair market value of the donated items is included as unrestricted support and expense in the Statement of Activities.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

There were no temporarily restricted net assets at December 31, 2009.

NOTE 6 - OFFICE SPACE

Subsequent to December 31, 2009, the Organization entered into an agreement for office space. The lease term is from April 2010 to March 31, 2012. Future minimum lease payments are as follows:

2010	\$14,400
2011	19,650
2012	<u>4,950</u>
	<u>\$39,000</u>