



# Pine Forge Academy Foundation, Inc.

## DISCLOSURE STATEMENT

APRIL 2006

### Foundation Officers and Staff

- Dr. Melodie Mayberry-Stewart, Board Chair, President and Acting CEO
- Juanita Farmer, CPA, Treasurer
- Lawrance Martin, Assistant Treasurer
- Phyllis Pelote-Edmonds, Secretary
- Beverly Howard, Executive Assistant
- Ricky Phalgoo, Webmaster

### Foundation Board of Directors

- Debra Anderson
- Chaplain Barry Black
- Dr. W. Wendell Cheatham
- LaMetrice Dopson
- Elder Auldwin T. Humphrey
- Debra Moore
- Michael Nelson, Esq.
- Dr. Edward Pelote
- Cynthia Poole-Gibson (Ex Officio)
- Dr. Alan Sampson
- Dr. Carlton Sampson
- Dr. Laura Williams-Davis

### Planned Giving Legal Advisor

The Law Offices of Ronald E. Henderson  
([www.rehendersonlaw.com](http://www.rehendersonlaw.com))

### Investment Management Advisors

RBC Dain Rauscher (  
[www.rbcdainrauscher.com](http://www.rbcdainrauscher.com))

### Auditor Services

Squire, Lemkin + O'Brien LLP  
([www.mycpas.com](http://www.mycpas.com))

### Accounting, Taxation and State

#### Registration Advisors

BDO Seidman, LLP (Specializing in Not-For-Profit Institutions)  
(<http://nonprofit.bdo.com>)

#### Administrative Fees:

The PFA Foundation charges a small one-time set up fee of \$25.00 for each fund established and an annual administrative fee of \$25.00 for each fund. The fee is established and approved by the PFA Foundation Board annually, for donor-designated (restricted and unrestricted) donor-advised endowment and scholarships funds.

#### Investment Fees:

The funds of the Foundation share proportionately, based on market value, in investment fees. The Foundation's fees are a combination of Administration and Investment. Fees based upon the portfolio the funds invested by the Foundation. The Foundation board has adopted a policy to always remain below market rates for our donors. *(Note: A donor is not restricted to using our Advisors for managing their investments if they have their own advisor.)*

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## PFA FOUNDATION INC. DISCLOSURE STATEMENT INVESTMENT POLICY SUMMARY September 2005

expected long-term rate of inflation is assumed to be 4.0 percent.

It is recognized that the real return targets may be difficult to achieve in every five-year period, but should be achievable in the majority of five-year periods.

### Objectives:

The primary investment objective is to earn an average annual total rate of return of at least 5.0 percent greater than inflation over a five-year period. For purposes of this objective, inflation is defined as the Consumer Price Index (CPI), on an annualized basis and total rate of return includes dividend and interest income plus realized and unrealized capital appreciation.

A secondary investment objective is to maintain or enhance the purchasing power of the annual income stream before allocation of trustees' fees and administrative fees. As a result, it is expected that income will rise, when adjusted for new gifts and principal distribution, at a rate at least equal to the long-term rate of inflation as expressed by the Consumer Price Index over a five-year period. For planning purposes the

### Spending Policy:

The Foundation currently recommends a spending policy of 6% of the endowed fund's market value as of December 31. However, funds may be able to invade principal to make grants, and can exceed the 6% with the approval of the Board.

### Asset Allocations:

The PFA Foundation may use multiple investment pools and portfolios. There is one basic asset allocation strategy that will be employed by the Foundation. This represents a long-term balanced portfolio with a mix of equity and income investments which optimize income and long-term growth to meet the funding needs of PFA.

PINE FORGE ACADEMY FOUNDATION INC.

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