

**LOS ANGELES POLICE
FOUNDATION**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

LOS ANGELES POLICE FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

CONTENTS

	Page
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities.....	3
Statement of Functional Expenses.....	4
Statement of Cash Flows	5
Notes to Financial Statements	6

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Los Angeles Police Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of Los Angeles Police Foundation (LAPF), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditor's Responsibility

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 from material misstatement.

An audit involves 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 LAPF as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited LAPF's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Green Hasson & Janks LLP

April 22, 2019
Los Angeles, California

LOS ANGELES POLICE FOUNDATION

STATEMENT OF FINANCIAL POSITION

December 31, 2018

With Summarized Totals at December 31, 2017

ASSETS	2018			2017 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Cash	\$ 244,312	\$ 1,585,590	\$ 1,829,902	\$ 1,841,261
Investments	2,043,934	-	2,043,934	1,510,452
Pledges Receivable (Net)	-	1,339,809	1,339,809	476,378
Prepaid Expenses	7,146	-	7,146	8,564
Property and Equipment (Net)	14,161	-	14,161	18,246
TOTAL ASSETS	\$ 2,309,553	\$ 2,925,399	\$ 5,234,952	\$ 3,854,901
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Grants Payable	\$ 1,524,736	\$ -	\$ 1,524,736	\$ 1,739,795
Accounts Payable and Accrued Liabilities	155,717	-	155,717	117,285
TOTAL LIABILITIES	1,680,453	-	1,680,453	1,857,080
NET ASSETS:				
Without Donor Restrictions	629,100	-	629,100	601,543
With Donor Restrictions	-	2,925,399	2,925,399	1,396,278
TOTAL NET ASSETS	629,100	2,925,399	3,554,499	1,997,821
TOTAL LIABILITIES AND NET ASSETS	\$ 2,309,553	\$ 2,925,399	\$ 5,234,952	\$ 3,854,901

The Accompanying Notes are an Integral Part of These Financial Statements

LOS ANGELES POLICE FOUNDATION

STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

With Summarized Totals for the Year Ended December 31, 2017

	2018			2017 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT:				
Contributions	\$ 407,249	\$ 3,037,109	\$ 3,444,358	\$ 2,021,723
Government Contracts	301,839	-	301,839	375,371
Special Events (Net of \$409,852 of Costs of Direct Benefits to Donors)	925,535	-	925,535	-
In-Kind Contributions	669,917	-	669,917	224,636
Board Membership Dues	190,000	-	190,000	210,000
Investment Return (Net)	31,044	-	31,044	10,263
Miscellaneous Income	2,168	-	2,168	2,348
Net Assets Released from Donor Restrictions	1,507,988	(1,507,988)	-	-
TOTAL REVENUE AND SUPPORT	4,035,740	1,529,121	5,564,861	2,844,341
EXPENSES:				
Program Services	3,494,682	-	3,494,682	2,095,498
Management and General	311,227	-	311,227	397,488
Fundraising	202,274	-	202,274	214,648
TOTAL EXPENSES	4,008,183	-	4,008,183	2,707,634
CHANGE IN NET ASSETS	27,557	1,529,121	1,556,678	136,707
Net Assets - Beginning of Year	601,543	1,396,278	1,997,821	1,861,114
NET ASSETS - END OF YEAR	<u>\$ 629,100</u>	<u>\$ 2,925,399</u>	<u>\$ 3,554,499</u>	<u>\$ 1,997,821</u>

The Accompanying Notes are an Integral Part of These Financial Statements

LOS ANGELES POLICE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018

With Summarized Totals for the Year Ended December 31, 2017

	2018				2017 Total
	Program Services	Supporting Services Management and General	Fundraising	Total	
Salaries	\$ 158,228	\$ 82,329	\$ 137,044	\$ 377,601	\$ 414,923
Payroll Taxes	11,083	5,767	9,600	26,450	36,823
Employee Benefits	10,804	10,906	8,137	29,847	31,098
TOTAL PERSONNEL EXPENSE	180,115	99,002	154,781	433,898	482,844
Grants and Scholarships	2,846,572	-	-	2,846,572	1,453,439
Program Event Expense	422,374	-	-	422,374	412,111
Professional Services	-	138,564	-	138,564	137,685
Rent and Parking	16,725	16,575	11,700	45,000	74,029
Repairs and Maintenance	7,640	7,572	5,345	20,557	30,030
Merchant Credit Card Fees	-	15,304	-	15,304	9,569
Miscellaneous	4,436	6,174	4,621	15,231	29,651
Insurance	4,537	4,496	3,174	12,207	8,696
Telephone and Utilities	4,441	4,401	3,107	11,949	11,497
Bad Debts	-	10,000	-	10,000	25,000
Development and Public Relations	-	-	9,147	9,147	14,473
Equipment Rentals	3,057	3,030	2,139	8,226	6,579
Office Supplies	1,690	1,674	1,182	4,546	3,169
Depreciation	1,518	1,505	1,062	4,085	1,326
Meetings	306	1,530	1,224	3,060	1,600
Printing	142	426	2,274	2,842	2,214
Travel and Vehicle Expense	1,129	588	975	2,692	1,219
Postage	-	386	1,543	1,929	2,270
Training	-	-	-	-	233
TOTAL 2018 FUNCTIONAL EXPENSES	\$ 3,494,682	\$ 311,227	\$ 202,274	\$ 4,008,183	
TOTAL 2017 FUNCTIONAL EXPENSES	\$ 2,095,498	\$ 397,488	\$ 214,648		\$ 2,707,634

The Accompanying Notes are an Integral Part of These Financial Statements

LOS ANGELES POLICE FOUNDATION

STATEMENT OF CASH FLOWS

Year Ended December 31, 2018

With Summarized Totals for the Year Ended December 31, 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 1,556,678	\$ 136,707
Adjustments to Reconcile Change in Net Assets to Net Change in Cash:		
Cash Provided by (Used in) Operating Activities:		
Depreciation	4,085	1,326
Provision for Bad Debts	10,000	25,000
Change in Present Value Discount on Pledges Receivable	83,908	-
Realized and Unrealized Gain on Investments	(1,156)	(2,604)
(Increase) Decrease in:		
Pledges Receivable	(957,339)	(168,987)
Prepaid Expenses	1,418	(4,353)
Increase (Decrease) in:		
Grants Payable	(215,059)	(1,069,167)
Accounts Payable and Accrued Liabilities	38,432	9,769
	<u>520,967</u>	<u>(1,072,309)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	520,967	(1,072,309)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	-	(19,572)
Reinvested Interest and Dividends	(30,298)	(7,659)
Purchase of Investments	(7,460,702)	(3,623,274)
Proceeds from Sales of Investments	6,958,674	2,988,000
	<u>(532,326)</u>	<u>(662,505)</u>
NET CASH USED IN INVESTING ACTIVITIES	(532,326)	(662,505)
NET DECREASE IN CASH	(11,359)	(1,734,814)
Cash - Beginning of Year	<u>1,841,261</u>	<u>3,576,075</u>
CASH - END OF YEAR	<u>\$ 1,829,902</u>	<u>\$ 1,841,261</u>

The Accompanying Notes are an Integral Part of These Financial Statements

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 - ORGANIZATION

The Los Angeles Police Foundation (LAPF) was established in 1998 by a group of concerned community leaders to fund urgently needed programs and equipment for the Los Angeles Police Department (LAPD).

The mission of LAPF is to create partnerships to provide resources and programs that help the police perform at their highest level and to enhance LAPD-community relations.

LAPF is an independent, not-for-profit organization that provides critical resources and vital support to the LAPD. From essential equipment and state-of-the-art technology to specialized training and innovative programs that would otherwise be unfunded, the support provided by LAPF directly improves public safety, impacts officer readiness, and enhances our quality of life. As the largest source of private funding of the LAPD, LAPF is passionately dedicated to ensuring that Los Angeles remains America's safest major city.

The LAPD covers an area spanning 467 square miles with 21 diverse communities and nearly 4 million residents. Their oath to "protect and serve" is getting tougher, more complex and more dangerous, and as a result, more expensive. Modern policing requires a high level of sophistication in officer training and safety, equipment, communications, technology and community outreach.

With 96% of the LAPD's budget spent on personnel, there is little left for major projects that will enhance efficiency and modernization of the department.

Over the years, the requests for grants have grown to more than 100 received each year. LAPF has donated nearly \$32,000,000 to the LAPD in the areas of equipment and technology upgrades, specialized training, community outreach, and youth programs.

LAPF is needed more than ever in order to allow the LAPD to move beyond the constraints of municipal funding and truly excel.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) NET ASSETS

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for various reserves (Refer to Note 7).

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) NET ASSETS (continued)

- **Net Assets With Donor Restrictions.** Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both (Refer to Note 8).

(c) CASH

LAPF maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. LAPF has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

(d) INVESTMENTS

Investments in money market funds are reported at fair value. Interest and dividend income and gains and losses on investments are reflected in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulations or law.

(e) PLEDGES RECEIVABLE

Unconditional contributions, including pledges recorded at estimated fair value, are recognized as revenues in the period received. LAPF reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Discounts for pledges (pledges due over one year) are recorded as reductions to contribution revenue and pledges receivable. Discounts increase contribution revenue when the pledge is received.

Conditional promises to give that are contingent upon future events or future matching are not recorded until the contingency has been satisfied. If funds are received from such gifts, they are recorded as refundable advances until the contingency is satisfied. When the contingency has been satisfied, the gift is recognized as either with or without donor restrictions revenue depending on the intent of the donor.

Special event contributions are generally reported as increases in net assets without donor restrictions. However, if the circumstances surrounding the receipt of such contributions make clear the respective donor's implicit restriction on use, such amounts are classified as increases in net assets with donor restrictions.

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the related assets.

Expenditures for maintenance and repairs are charged to operations as incurred while renewals and betterments are capitalized. Property and equipment are capitalized if the cost of an asset is equal to or greater than \$5,000 and the useful life is greater than one year. The useful lives are as follows:

Computer Equipment	3 Years
Software	3 Years
Furniture & Fixtures	7 Years
Office Equipment	3 Years

(g) LONG-LIVED ASSETS

LAPF reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized during the year ended December 31, 2018.

(h) DONATED GOODS AND SERVICES

Contributions of donated noncash assets are recorded at fair value in the period received. Contributed services are reflected in the statement of activities at the fair value of the services received.

The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

For the year ended December 31, 2018, LAPF received the following donated goods and services:

Rent and Parking	\$	45,000
Miscellaneous Goods		<u>624,917</u>
TOTAL IN-KIND CONTRIBUTIONS	\$	<u>669,917</u>

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) GRANTS

Grants made by LAPF to other organizations are recorded as grant expense at their fair value in the period such grants are authorized by the Board of Directors. Payment of grants may not necessarily be made in the year of authorization. At December 31, 2018, grants payable totaled \$1,524,736 and are payable within one year.

(j) INCOME TAXES

LAPF is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

(k) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing LAPF's programs have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and supporting services by the method that best measures the relative degree of benefit. LAPF uses direct salary expenses and full time equivalents to allocate indirect and shared costs.

(l) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Accordingly, actual results could differ from those estimates.

(m) COMPARATIVE TOTALS

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 LAPF's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

(n) NEW ACCOUNTING PRONOUNCEMENTS

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which is intended to reduce complexity in financial reporting. The ASU focuses on improving the current net asset classification requirements and information presented in financial statements that is useful in assessing a nonprofit's liquidity, financial performance, and cash flows. LAPF implemented the ASU during the year ended December 31, 2018.

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) NEW ACCOUNTING PRONOUNCEMENTS (continued)

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which improves and converges the revenue recognition requirements of U.S. GAAP and International Financial Reporting Standards. The ASU replaces the existing accounting standards for revenue recognition with a single comprehensive five-step model, which is intended to provide principles within a single framework for revenue recognition of transactions involving contracts with customers across all industries. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires more detailed disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance has subsequently been amended through a series of ASUs between August 2015 and September 2017 to improve the operability and understandability of the implementation guidance on scope exceptions and various other narrow aspects, as identified and addressed in such updates. For LAPF, the ASU and subsequent amendments will be effective for the year ending December 31, 2019.

In June 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance. For LAPF, the ASU will be effective for the year ending December 31, 2019.

(o) SUBSEQUENT EVENTS

LAPF has evaluated events and transactions occurring subsequent to the statement of financial position date of December 31, 2018 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through April 22, 2019, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 3 - INVESTMENTS

LAPF has implemented the accounting standard which defines fair value for those assets (and liabilities) that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. This standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

The following table presents information about LAPF's investments that are measured at fair value on a recurring basis at December 31, 2018 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended December 31, 2018	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents	\$ 11,520	\$ -	\$ 11,520	\$ -
Certificates of Deposit	2,032,414	-	2,032,414	-
	\$ 2,043,934	\$ -	\$ 2,043,934	\$ -

The fair value of certificates of deposit is estimated using the rates currently offered for deposits of similar remaining maturities.

LAPF recognizes transfers at the beginning of each reporting period. Transfers between Level 1 and 2 investments generally relate to whether a market becomes active or inactive. Transfers between Level 2 and 3 investments generally relate to whether significant relevant observable inputs are available for the fair value measurement in their entirety and when redemption rules become more or less restrictive. There were no transfers between levels during the year ended December 31, 2018.

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable (net) at December 31, 2018 are expected to be collected as follows:

Less than One Year	\$ 473,717
One to Five Years	1,000,000
TOTAL	1,473,717
Less: Allowance for Doubtful Accounts	(50,000)
Less: Discount at 3.6%	(83,908)
PLEDGES RECEIVABLE (NET)	\$ 1,339,809

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2018 are summarized as follows:

Computer Equipment	\$	64,677
Software		33,980
Furniture and Fixtures		12,797
Office Equipment		<u>1,961</u>
TOTAL		113,415
Less: Accumulated Depreciation		<u>(99,254)</u>
PROPERTY AND EQUIPMENT (NET)	\$	<u><u>14,161</u></u>

Depreciation expense for the year ended December 31, 2018 as \$4,085.

NOTE 6 - PENSION PLAN

LAPF has a SIMPLE-IRA pension plan which is an individual retirement account (IRA) plan available to all employees upon successful completion of two years of service. LAPF matches up to 3% of compensation not to exceed \$5,000 per employee. LAPF contributed \$8,300 for the year ended December 31, 2018.

NOTE 7 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consisted of the following at December 31, 2018:

Undesignated Net Assets	\$	129,100
Board Designated Reserve Fund		<u>500,000</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	\$	<u><u>629,100</u></u>

The Board designated reserve fund was established by the board to set aside funds for special needs programs, capital development, facilities expansion and technology and systems support.

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31, 2018:

Cadets Fund	\$	55,760
Capital Campaign		1,513,870
Domestic Abuse Response Team		62,720
Harvard Park Community Safety Partnership (CSP) Zone		250,000
Juvenile Impact Program		372,179
K-9 Support		247,527
Metro Division		42,254
Metro Mounted Police		30,172
Other Programs		188,296
Pacific Division - Equipment		78,125
Skid Row Safer City Initiative		25,000
SWAT		59,496
		<hr/>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$	2,925,399

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of events specified by the donors as follows for the year ended December 31, 2018:

Satisfaction of Program Restrictions:		
Capital Campaign	\$	4,397
Domestic Abuse Response Team		4,000
K-9 Support		19,697
Metro Division		11,694
Metro Mounted Police		11,050
Other Programs		1,420,159
Pacific Division - Equipment		1,000
SWAT		35,991
		<hr/>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$	1,507,988

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS December 31, 2018

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by LAPF at December 31, 2018 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized in the following table:

Financial Assets at December 31, 2018	
Cash	\$ 1,829,902
Investments	2,043,934
Pledges Receivable (Net)	<u>1,339,809</u>
TOTAL FINANCIAL ASSETS AT DECEMBER 31, 2018	5,213,645
Less: Amounts Not Available to Be Used within One Year, Due to:	
Donor-Imposed Restrictions:	
Funds Held with Purpose Restrictions	(1,585,590)
Pledges Receivable (Net)	(1,339,809)
Board Designations:	
Amounts Set Aside for Special Needs Programs, Capital Development, Facilities Expansion and Technology and Systems Support	<u>(500,000)</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 1,788,246</u>

LAPF regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. LAPF is substantially supported by unrestricted contributions. As part of LAPF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

LAPF has two sources of liquidity at its disposal, including cash and short-term certificates of deposit.

The Board designated a portion of past operating surplus, totaling \$500,000, to this board designated fund. These funds may be spent at the discretion of the Board for special needs programs, capital development, facilities expansion, and technology and systems support.