

**LOS ANGELES POLICE
FOUNDATION**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

LOS ANGELES POLICE FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

CONTENTS

	Page
Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows	6
Notes to Financial Statements	7

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, 2019, 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, 2019, 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.

Emphasis of Matter

As discussed in Note 9 to the financial statements, the recent COVID-19 pandemic in the United States and worldwide has resulted in reduced economic activity and market declines. As the extent and duration of the future impact to LAPF are uncertain, no adjustments were necessary to the financial statements, and our opinion is not modified with respect to this matter.

To the Board of Directors
Los Angeles Police Foundation

Report on Summarized Comparative Information

We have previously audited LAPF's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Green Hasson & Janks LLP

July 24, 2020
Los Angeles, California

LOS ANGELES POLICE FOUNDATION

STATEMENT OF FINANCIAL POSITION

December 31, 2019

With Summarized Totals at December 31, 2018

ASSETS	2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Cash	\$ 5,286,237	\$ 1,769,510	\$ 7,055,747	\$ 1,829,902
Investments	2,085,921	-	2,085,921	2,043,934
Pledges Receivable (Net)	-	1,818,729	1,818,729	1,339,809
Prepaid Expenses	27,382	-	27,382	7,146
Property and Equipment (Net)	10,075	-	10,075	14,161
TOTAL ASSETS	\$ 7,409,615	\$ 3,588,239	\$ 10,997,854	\$ 5,234,952
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Grants Payable	\$ 6,316,530	\$ -	\$ 6,316,530	\$ 1,524,736
Accounts Payable and Accrued Liabilities	153,118	-	153,118	155,717
TOTAL LIABILITIES	6,469,648	-	6,469,648	1,680,453
NET ASSETS:				
Without Donor Restrictions	939,967	-	939,967	629,100
With Donor Restrictions	-	3,588,239	3,588,239	2,925,399
TOTAL NET ASSETS	939,967	3,588,239	4,528,206	3,554,499
TOTAL LIABILITIES AND NET ASSETS	\$ 7,409,615	\$ 3,588,239	\$ 10,997,854	\$ 5,234,952

The Accompanying Notes are an Integral Part of These Financial Statements

LOS ANGELES POLICE FOUNDATION

STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

With Summarized Totals for the Year Ended December 31, 2018

	2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT:				
Contributions	\$ 269,920	\$ 7,950,051	\$ 8,219,971	\$ 3,444,358
Government Contracts	267,750	-	267,750	301,839
Special Events (Net of \$445,359 of Costs of Direct Benefits to Donors)	715,091	-	715,091	925,535
In-Kind Contributions	310,233	-	310,233	669,917
Board Membership Dues	160,000	-	160,000	190,000
Investment Return (Net)	47,231	-	47,231	31,044
Miscellaneous Income	7,243	-	7,243	2,168
Net Assets Released from Donor Restrictions	7,287,211	(7,287,211)	-	-
TOTAL REVENUE AND SUPPORT	9,064,679	662,840	9,727,519	5,564,861
EXPENSES:				
Program Services	8,037,850	-	8,037,850	3,494,682
Management and General	539,332	-	539,332	311,227
Fundraising	176,630	-	176,630	202,274
TOTAL EXPENSES	8,753,812	-	8,753,812	4,008,183
CHANGE IN NET ASSETS	310,867	662,840	973,707	1,556,678
Net Assets - Beginning of Year	629,100	2,925,399	3,554,499	1,997,821
NET ASSETS - END OF YEAR	\$ 939,967	\$ 3,588,239	\$ 4,528,206	\$ 3,554,499

The Accompanying Notes are an Integral Part of These Financial Statements

LOS ANGELES POLICE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

With Summarized Totals for the Year Ended December 31, 2018

	2019				2018 Total
	Program Services: LAPD Support	Supporting Services		Total	
		Management and General	Fundraising		
Salaries	\$ 93,112	\$ 312,883	\$ 92,162	\$ 498,157	\$ 377,601
Payroll Taxes	10,888	7,093	12,577	30,558	26,450
Employee Benefits	14,156	8,486	11,693	34,335	29,847
TOTAL PERSONNEL EXPENSE	118,156	328,462	116,432	563,050	433,898
Grants and Scholarships	7,277,555	-	-	7,277,555	2,846,572
Program Event Expense	574,167	-	-	574,167	422,374
Professional Services	-	170,706	-	170,706	138,564
Rent and Parking	22,500	7,650	14,850	45,000	45,000
Repairs and Maintenance	13,609	4,627	8,982	27,218	20,557
Merchant Credit Card Fees	-	16,861	-	16,861	15,304
Insurance	7,537	2,563	4,974	15,074	12,207
Telephone and Utilities	6,496	2,209	4,287	12,992	11,949
Miscellaneous	6,016	216	6,166	12,398	15,231
Equipment Rentals	6,078	2,066	4,011	12,155	8,226
Development and Public Relations	-	-	7,518	7,518	9,147
Office Supplies	2,601	884	1,716	5,201	4,546
Printing	230	689	3,675	4,594	2,842
Depreciation	2,043	695	1,348	4,086	4,085
Meetings	199	995	796	1,990	3,060
Travel and Vehicle Expense	663	432	766	1,861	2,692
Postage	-	277	1,109	1,386	1,929
Bad Debts	-	-	-	-	10,000
TOTAL 2019 FUNCTIONAL EXPENSES	\$ 8,037,850	\$ 539,332	\$ 176,630	\$ 8,753,812	
TOTAL 2018 FUNCTIONAL EXPENSES	\$ 3,494,682	\$ 311,227	\$ 202,274		\$ 4,008,183

The Accompanying Notes are an Integral Part of These Financial Statements

LOS ANGELES POLICE FOUNDATION

STATEMENT OF CASH FLOWS

Year Ended December 31, 2019

With Summarized Totals for the Year Ended December 31, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 973,707	\$ 1,556,678
Adjustments to Reconcile Change in Net Assets to Net Change in Cash:		
Cash Provided by Operating Activities:		
Depreciation	4,086	4,085
Provision for Bad Debts	-	10,000
Change in Present Value Discount on Pledges Receivable	(8,637)	83,908
Realized and Unrealized Gain on Investments	(236)	(1,156)
(Increase) Decrease in:		
Pledges Receivable	(470,283)	(957,339)
Prepaid Expenses	(20,236)	1,418
Increase (Decrease) in:		
Grants Payable	4,791,794	(215,059)
Accounts Payable and Accrued Liabilities	(2,599)	38,432
	<u>5,267,596</u>	<u>520,967</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	5,267,596	520,967
CASH FLOWS FROM INVESTING ACTIVITIES:		
Reinvested Interest and Dividends	(45,165)	(30,298)
Purchase of Investments	(6,794,286)	(7,460,702)
Proceeds from Sales of Investments	6,797,700	6,958,674
	<u>(41,751)</u>	<u>(532,326)</u>
NET CASH USED IN INVESTING ACTIVITIES	(41,751)	(532,326)
NET INCREASE (DECREASE) IN CASH	5,225,845	(11,359)
Cash - Beginning of Year	<u>1,829,902</u>	<u>1,841,261</u>
CASH - END OF YEAR	<u>\$ 7,055,747</u>	<u>\$ 1,829,902</u>

The Accompanying Notes are an Integral Part of These Financial Statements

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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 \$39,000,000 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-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-imposed 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, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) NET ASSETS (continued)

- **Net Assets With Donor Restrictions.** Net assets subject to donor-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 is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. When the condition 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.

Amounts received prior to incurring qualifying expenditures or fulfilling the specific performance obligations are reported as refundable advances in the statement of financial position. At December 31, 2019, LAPF had no conditional contributions.

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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, 2019.

(h) IN-KIND CONTRIBUTIONS

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, 2019, LAPF received the following in-kind contributions:

Rent and Parking	\$	45,000
Miscellaneous Goods		237,937
Miscellaneous Services		27,296
TOTAL IN-KIND CONTRIBUTIONS	\$	310,233

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) GRANTS

Grants made by LAPF to other organizations are recorded as grant expense 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, 2019, grants payable totaled \$6,316,530 and are payable within one year.

(j) TAX STATUS

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

In accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic No. 740, *Uncertainty in Income Taxes*, LAPF recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended December 31, 2019, LAPF performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the financial statements or which might have an effect on its tax-exempt status.

(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, 2018, from which the summarized information was derived.

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, FASB issued Accounting Standard Update (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. LAPF implemented the ASU during the year ended December 31, 2019. There was no impact to LAPF's financial statements as a result of the implementation of the ASU.

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. LAPF implemented this ASU during the year ended December 31, 2019 for contributions received. There was no impact to LAPF's financial statements as a result of the implementation of the ASU. LAPF deferred implementation of the ASU for contributions made until the year ended December 31, 2020, as permitted by the ASU

(o) SUBSEQUENT EVENTS

LAPF has evaluated events and transactions occurring subsequent to the statement of financial position date of December 31, 2019 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through July 24, 2020, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred except as noted in Note 9.

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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, 2019 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended December 31, 2019	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)
Money Market Funds	\$ 591,688	\$ -	\$ 591,688	\$ -
Certificates of Deposit	1,494,233	-	1,494,233	-
	<u>\$ 2,085,921</u>	<u>\$ -</u>	<u>\$ 2,085,921</u>	<u>\$ -</u>

The fair value of money market funds and 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, 2019.

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable (net) at December 31, 2019 are expected to be collected as follows:

Less than One Year	\$ 594,000
One to Five Years	<u>1,350,000</u>
TOTAL	1,944,000
Less: Allowance for Doubtful Accounts	(50,000)
Less: Present Value Discount	<u>(75,271)</u>
PLEDGES RECEIVABLE (NET)	\$ 1,818,729

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2019 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>(103,340)</u>
PROPERTY AND EQUIPMENT (NET)	\$ 10,075

Depreciation expense for the year ended December 31, 2019 was \$4,086.

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 \$13,321 for the year ended December 31, 2019.

NOTE 7 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consisted of the following at December 31, 2019:

Undesignated Net Assets	\$ 439,967
Board Designated Reserve Fund	<u>500,000</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 939,967

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, 2019

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31, 2019:

Capital Campaign	\$	2,145,345
Conflict Resolution Training		5,000
Domestic Abuse Response Team		53,553
Harvard Park Community Safety Partnership (CSP) Zone		250,000
K-9 Support		255,116
LAPD Youth Programs		343,645
Metro Division		68,967
Metro Mounted Police		38,754
Other Programs		222,681
Pacific Division - Equipment		92,626
Recruitment		110,700
SWAT		1,852
		<hr/>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$	3,588,239
		<hr/> <hr/>

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, 2019:

Satisfaction of Program Restrictions:		
Capital Campaign	\$	5,627,162
Conflict Resolution Training		90,000
Domestic Abuse Response Team		13,693
Harvard Park Community Safety Partnership (CSP) Zone		250,000
K-9 Support		22,415
LAPD Youth Programs		32,061
Metro Mounted Police		3,146
Other Programs		793,499
Recruitment		350,300
SWAT		104,935
		<hr/>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$	7,287,211
		<hr/> <hr/>

LOS ANGELES POLICE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by LAPF at December 31, 2019 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, 2019	
Cash	\$ 7,055,747
Investments	2,085,921
Pledges Receivable (Net)	<u>1,818,729</u>
TOTAL FINANCIAL ASSETS AT DECEMBER 31, 2019	10,960,397
Less: Amounts Not Available to Be Used within One Year, Due to:	
Donor-Imposed Restrictions:	
Funds Held with Purpose Restrictions	(1,769,510)
Pledges Receivable (Net)	(1,818,729)
Board Designations:	
Reserve Fund: 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>6,872,158</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. 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 has designated net assets without donor restrictions, totaling \$500,000, to the board designated reserve 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.

The recent COVID-19 outbreak in the United States and world-wide has caused business disruption which may negatively impact LAPF's contributions and grants. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. It is therefore likely there will be an impact on LAPF's operating activities and results. However, the related financial impact and duration cannot be reasonably estimated at this time.

In May 2020, LAPF received approval from a lending institution for funding of \$72,192 under the Payroll Protection Program (PPP) provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Under the terms of the PPP, the loan is unsecured, has a 2 year term, accrues interest at 1% per annum, and a portion of the loan may be forgiven if proceeds are used for specific business costs, as outlined in the PPP provisions and Small Business Administration guidance.