

**LOS ANGELES POLICE  
FOUNDATION**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

# LOS ANGELES POLICE FOUNDATION

## FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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THE GLOBAL ADVISORY  
AND ACCOUNTING NETWORK

**AUDIT  
AND  
ASSURANCE**

## **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, 2020, 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, 2020, 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.

To the Board of Directors  
Los Angeles Police Foundation

**Report on Summarized Comparative Information**

We have previously audited LAPF's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Green Hasson & Janks LLP*

July 21, 2021  
Los Angeles, California

## LOS ANGELES POLICE FOUNDATION

### STATEMENT OF FINANCIAL POSITION

December 31, 2020

With Summarized Totals at December 31, 2019

<b>ASSETS</b>	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Cash	\$ 621,780	\$ 3,104,914	\$ 3,726,694	\$ 7,055,747
Investments	6,423,233	-	6,423,233	2,085,921
Pledges Receivable (Net)	589,538	3,116,428	3,705,966	1,818,729
Prepaid Expenses	4,080	-	4,080	27,382
Property and Equipment (Net)	6,551	-	6,551	10,075
<b>TOTAL ASSETS</b>	<b>\$ 7,645,182</b>	<b>\$ 6,221,342</b>	<b>\$ 13,866,524</b>	<b>\$ 10,997,854</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES:</b>				
Grants Payable	\$ 6,091,031	\$ -	\$ 6,091,031	\$ 6,316,530
Accounts Payable and Accrued Liabilities	67,698	-	67,698	153,118
<b>TOTAL LIABILITIES</b>	6,158,729	-	6,158,729	6,469,648
<b>NET ASSETS:</b>				
Without Donor Restrictions	1,486,453	-	1,486,453	939,967
With Donor Restrictions	-	6,221,342	6,221,342	3,588,239
<b>TOTAL NET ASSETS</b>	1,486,453	6,221,342	7,707,795	4,528,206
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,645,182</b>	<b>\$ 6,221,342</b>	<b>\$ 13,866,524</b>	<b>\$ 10,997,854</b>

The Accompanying Notes are an Integral Part of These Financial Statements

**LOS ANGELES POLICE FOUNDATION**

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2020

With Summarized Totals for the Year Ended December 31, 2019

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>REVENUE AND SUPPORT:</b>				
Contributions	\$ 358,871	\$ 5,470,930	\$ 5,829,801	\$ 8,219,971
In-Kind Contributions	827,022	-	827,022	310,233
Special Events (Net of \$264,368 of Costs of Direct Benefits to Donors)	566,382	-	566,382	715,091
Board Membership Dues	236,500	-	236,500	160,000
Contribution Revenue - PPP Loan	72,192	-	72,192	-
Miscellaneous Income	37,802	-	37,802	7,243
Investment Return (Net)	30,799	-	30,799	47,231
Government Contracts	-	-	-	267,750
Net Assets Released from Donor Restrictions	2,837,827	(2,837,827)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	4,967,395	2,633,103	7,600,498	9,727,519
<b>EXPENSES:</b>				
Program Services	3,824,233	-	3,824,233	8,037,850
Management and General	284,168	-	284,168	539,332
Fundraising	312,508	-	312,508	176,630
<b>TOTAL EXPENSES</b>	4,420,909	-	4,420,909	8,753,812
<b>CHANGE IN NET ASSETS</b>	546,486	2,633,103	3,179,589	973,707
Net Assets - Beginning of Year	939,967	3,588,239	4,528,206	3,554,499
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,486,453</u>	<u>\$ 6,221,342</u>	<u>\$ 7,707,795</u>	<u>\$ 4,528,206</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**LOS ANGELES POLICE FOUNDATION**

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

With Summarized Totals for the Year Ended December 31, 2019

	2020				2019 Total
	Program Services: LAPD Support	Supporting Services		Total	
		Management and General	Fundraising		
Salaries	\$ 125,598	\$ 49,379	\$ 184,878	\$ 359,855	\$ 498,157
Payroll Taxes	8,557	3,364	12,596	24,517	30,558
Employee Benefits	3,974	4,596	9,633	18,203	34,335
<b>TOTAL PERSONNEL EXPENSE</b>	138,129	57,339	207,107	402,575	563,050
Grants and Scholarships	3,610,222	-	-	3,610,222	7,277,555
Professional Services	-	186,757	-	186,757	170,706
Rent and Parking	15,706	6,175	23,119	45,000	45,000
Development and Public Relations	-	-	41,886	41,886	7,518
Program Event Expense	40,779	-	-	40,779	574,167
Miscellaneous	3,330	8,502	8,612	20,444	12,398
Merchant Credit Card Fees	-	16,927	-	16,927	16,861
Equipment Rentals	4,410	1,734	6,492	12,636	12,155
Telephone and Utilities	3,717	1,461	5,471	10,649	12,992
Insurance	3,715	1,461	5,469	10,645	15,074
Printing	295	884	4,712	5,891	4,594
Postage	-	897	3,590	4,487	1,386
Office Supplies	1,274	501	1,875	3,650	5,201
Depreciation	1,230	483	1,811	3,524	4,086
Repairs and Maintenance	1,098	432	1,616	3,146	27,218
Meetings	106	528	421	1,055	1,990
Travel and Vehicle Expense	222	87	327	636	1,861
<b>TOTAL 2020 FUNCTIONAL EXPENSES</b>	<u>\$ 3,824,233</u>	<u>\$ 284,168</u>	<u>\$ 312,508</u>	<u>\$ 4,420,909</u>	
<b>TOTAL 2019 FUNCTIONAL EXPENSES</b>	<u>\$ 8,037,850</u>	<u>\$ 539,332</u>	<u>\$ 176,630</u>		<u>\$ 8,753,812</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**LOS ANGELES POLICE FOUNDATION**

STATEMENT OF CASH FLOWS  
Year Ended December 31, 2020

With Summarized Totals for the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 3,179,589	\$ 973,707
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	3,524	4,086
Change in Present Value Discount on Pledges Receivable	6,301	(8,637)
Realized and Unrealized (Gain) Loss on Investments	1,841	(236)
(Increase) Decrease in:		
Pledges Receivable	(1,893,538)	(470,283)
Prepaid Expenses	23,302	(20,236)
Increase (Decrease) in:		
Grants Payable	(225,499)	4,791,794
Accounts Payable and Accrued Liabilities	(85,420)	(2,599)
	<u>1,010,100</u>	<u>5,267,596</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Reinvested Interest and Dividends	(34,904)	(45,165)
Purchase of Investments	(14,184,155)	(6,794,286)
Proceeds from Sales of Investments	9,879,906	6,797,700
	<u>(4,339,153)</u>	<u>(41,751)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		
<b>NET INCREASE (DECREASE) IN CASH</b>	<u>(3,329,053)</u>	<u>5,225,845</u>
Cash - Beginning of Year	<u>7,055,747</u>	<u>1,829,902</u>
<b>CASH - END OF YEAR</b>	<u>\$ 3,726,694</u>	<u>\$ 7,055,747</u>

The Accompanying Notes are an Integral Part of These Financial Statements



# LOS ANGELES POLICE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### 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 \$43,000,000 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.

# LOS ANGELES POLICE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### 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.
- **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.

#### (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 equity and debt securities with readily determinable market values are reported at fair value. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Securities are generally held in custodial investment accounts administered by financial institutions. Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in the statement of activities and represent the difference between the cost and fair value of investments held at the end of the fiscal year.

# LOS ANGELES POLICE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) CONTRIBUTIONS AND PLEDGES RECEIVABLE

Contributions, including endowment gifts and pledges, as well as unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return or release - are not included as revenue until the conditions on which they depend have been met.

At December 31, 2020, LAPF had no conditional pledges receivable.

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.

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.

#### (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 and Fixtures	7 Years
Office Equipment	3 Years

# LOS ANGELES POLICE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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, 2020.

#### (h) PAYCHECK PROTECTION PROGRAM LOAN

LAPF has elected to account for the forgivable loan received under the Paycheck Protection Program (PPP) provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act as a conditional government grant. Management has concluded that the PPP loan represents, in substance, a grant that is expected to be recognized as income when the associated conditions are met. Under this approach, the timing of recognition of the contribution revenue depends on when the various conditions of the PPP are substantially met or explicitly waived.

#### (i) 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, 2020, LAPF received the following in-kind contributions:

Rent and Parking	\$	45,000
Supplies and Other Goods		764,911
Professional Services		<u>17,111</u>
<b>TOTAL IN-KIND CONTRIBUTIONS</b>	<b>\$</b>	<b><u>827,022</u></b>

# LOS ANGELES POLICE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (j) GRANTS

Unconditional grants are recognized in the period in which the grant is approved by the Board of Directors. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions. Payment of grants may not necessarily be made in the year of authorization. At December 31, 2020, grants payable totaled \$6,091,031 and are payable within one year. At December 31, 2020, LAPF had no conditional grants payable.

#### (k) 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, 2020, 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.

#### (l) 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.

#### (m) 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.

# LOS ANGELES POLICE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) 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, 2019, from which the summarized information was derived.

#### (o) NEW ACCOUNTING PRONOUNCEMENTS

In June 2018, FASB issued Accounting Standards Update (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. LAPF implemented the ASU for contributions made during the year ended December 31, 2020, as permitted by the ASU. There was no impact to LAPF's financial statements as a result of the implementation of the ASU.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU is intended to improve transparency in the reporting of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. For LAPF, the ASU will be effective for the year ending December 31, 2022.

#### (p) SUBSEQUENT EVENTS

LAPF has evaluated events and transactions occurring subsequent to the statement of financial position date of December 31, 2020 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through July 21, 2021, 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 6.

# LOS ANGELES POLICE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### 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, 2020 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended December 31, 2020	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	\$ 3,680,064	\$ -	\$ 3,680,064	\$ -
Treasury Bills	1,000,000	-	1,000,000	-
Certificates of Deposit	1,743,169	-	1,743,169	-
	\$ 6,423,233	\$ -	\$ 6,423,233	\$ -

The fair value of money market funds, treasury bills, and certificates of deposit are estimated using the rates currently offered for deposits of similar remaining maturities.

# LOS ANGELES POLICE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable (net) at December 31, 2020 are expected to be collected as follows:

Less than One Year	\$ 1,501,538
One to Five Years	<u>2,336,000</u>
<b>TOTAL</b>	3,837,538
Less: Allowance for Doubtful Accounts	(50,000)
Less: Present Value Discount	<u>(81,572)</u>
<b>PLEDGES RECEIVABLE (NET)</b>	<u>\$ 3,705,966</u>

### NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2020 are summarized as follows:

Computer Equipment	\$ 64,677
Software	33,980
Furniture and Fixtures	12,797
Office Equipment	<u>1,961</u>
<b>TOTAL</b>	113,415
Less: Accumulated Depreciation	<u>(106,864)</u>
<b>PROPERTY AND EQUIPMENT (NET)</b>	<u>\$ 6,551</u>

Depreciation expense for the year ended December 31, 2020 was \$3,524.



# LOS ANGELES POLICE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 6 - PAYCHECK PROTECTION PROGRAM LOAN

On May 19, 2020, LAPF received a Paycheck Protection Program (PPP) loan in the amount of \$72,192.

The PPP loan, administered by the Small Business Administration (SBA), bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the SBA. Interest accrues on the loan beginning with the initial disbursement; however, payments of principal and interest are deferred until the lender's determination of the amount of forgiveness applied for by the borrower is approved by the SBA.

On the date the PPP loan was received by LAPF, it was recorded as a refundable advance, in accordance with LAPF's determination of the PPP loan as a conditional government grant. During the year ended December 31, 2020, LAPF used the entire proceeds of the PPP loan for purposes consistent with the PPP, resulting in recognition of the entire amount of the PPP loan as contribution revenue in the accompanying financial statements.

On February 24, 2021, LAPF received full forgiveness of its PPP loan from the SBA.

### NOTE 7 - 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 \$4,290 for the year ended December 31, 2020.

### NOTE 8 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consisted of the following at December 31, 2020:

Undesignated Net Assets	\$	986,453
Board Designated Reserve Fund		<u>500,000</u>
<b>TOTAL NET ASSETS</b>		
<b>WITHOUT DONOR RESTRICTIONS</b>	\$	<u>1,486,453</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, 2020

### NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31, 2020:

Capital Campaign	\$ 4,878,326
Conflict Resolution Training	5,000
COVID-19 Response	43,272
Domestic Abuse Response Team	53,553
Equipment	136,158
K-9 Support	469,480
LAPD Youth Programs	260,401
Metro Division	71,947
Metro Mounted Police	5,196
Other Programs	149,867
Pacific Division	103,350
Recruitment	12,200
SWAT	32,592
	\$ 6,221,342
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>\$ 6,221,342</b>

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, 2020:

Satisfaction of Program Restrictions:	
After Action Report	\$ 282,000
Capital Campaign	241,608
Conflict Resolution Training	50,000
COVID-19 Response	348,764
Equipment	47,349
Fallen Officer Memorial Wall	546,000
Harvard Park Community Safety Partnership (CSP) Zone	250,000
K-9 Support	4,067
LAPD Youth Programs	92,539
Metro Division	994
Metro Mounted Police	45,057
Pacific Division	1,376
Protest Relief	80,334
Other Programs	232,925
Recruitment	350,500
South Park Community Safety Partnership (CSP) Zone	250,000
SWAT	14,314
	\$ 2,837,827
<b>TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<b>\$ 2,837,827</b>

# LOS ANGELES POLICE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 10 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by LAPF at December 31, 2020 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, 2020	
Cash	\$ 621,780
Investments	6,423,233
Pledges Receivable (Net)	<u>589,538</u>
<b>TOTAL FINANCIAL ASSETS AT DECEMBER 31, 2020</b>	7,634,551
Less: Amounts Not Available to Be Used within One Year, Due to:	
Board Designated Reserve Fund	<u>(500,000)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<u>\$ 7,134,551</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.

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.