

COMMUNITY-POLICE RELATIONS FOUNDATION, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDING DECEMBER 31, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community-Police Relations Foundation, Inc.
Fort Lauderdale, Florida

Qualified Opinion

We have audited the accompanying financial statements of the Community-Police Relations Foundation, Inc. (referred to as "the Organization"), which comprise the statement of financial position as of December 31, 2024 and 2023, and the related statements of activities and change in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Community-Police Relations Foundation, as of December 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As discussed in Note 5 to the financial statements, the organization was unable to provide sufficient audit evidence that the value of specific donations were recorded at their fair value as required by accounting principles generally accepted in the United States of America. Instead, these amounts were recorded at the value declared by the respective donor. This represents a departure from GAAP, which requires that all contributed nonfinancial assets be measured at fair value as of the date of their contribution.

Additionally, in April 2024, the organization received a donation of \$125,000, which included specific restrictions outlined in the donation letter sent by the organization to the donor. During the audit process, management reported that these restrictions were later removed by the donor and the funds were made available for general use. However, the organization was unable to provide sufficient audit evidence that supported that the original restrictions were retracted by the donor. As a result, we are unable to determine if additional adjustments would have been required.

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Change in Accounting Policy

In 2024, the Organization revised its presentation of fundraising event income, in-kind contributions, and related expenses. These items are now shown separately from general revenues and program expenses. The change has been applied retrospectively to the 2023 comparative financials.

Responsibilities of Management 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, and for 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.

In preparing these financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community-Police Relations Foundation, Inc.'s ability to continue as a going concern for the next year.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Community-Police Relations Foundation, Inc.'s internal control. Accordingly, not such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community-Police Relations Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Community-Police Relations Foundation, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 24, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it was derived.

Gerstle, Rosen & Goldenberg, PA

Certified Public Accountants
Hollywood, Florida

November 13, 2025

COMMUNITY-POLICE RELATIONS FOUNDATION, INC.

**STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023**

ASSETS		<u>2024</u>	<u>2023</u>
CURRENT ASSETS			
Cash and Cash Equivalents	\$	2,114,943	\$ 1,860,314
Prepaid Expenses		1,126	2,432
Grants Receivable		10,000	-
Accrued Interest Receivable		1,787	14,707
Total Current Assets		2,127,856	1,877,453
NON-CURRENT ASSETS			
In-Kind Contributions - Inventory		115,000	115,000
Fixed Assets		5,441	7,521
Undeposited Funds		-	15,000
Total Non-current Assets		120,441	137,521
TOTAL ASSETS	\$	2,248,296	\$ 2,014,974
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable		52,439	-
Credit Card Payable		-	8,708
Accrued Expense		11,000	4,584
Total Liabilities		63,439	13,292
NET ASSETS			
With Donor Restrictions		125,000	-
Without Donor Restrictions		2,059,858	2,001,682
Total Net Assets		2,184,858	2,001,682
TOTAL LIABILITIES	\$	2,248,296	\$ 2,014,974

COMMUNITY-POLICE RELATIONS FOUNDATION, INC.

**STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>
SUPPORT AND REVENUE		
Donations Received	\$ 885,270	\$ 895,383
Event Proceeds	395,236	271,607
In-Kind Donations	489,841	216,163
Total Support and Revenue	<u>1,770,347</u>	<u>1,383,153</u>
EXPENSES		
Program Services	914,672	596,904
Depreciation	2,080	2,080
Supporting Services:		
Wages	139,616	164,127
Contractors	161,228	142,702
Travel	19,912	29,286
Fundraising	357,288	296,383
Taxes and Licenses	3,934	4,918
Office Supplies	37,117	15,608
Legal and Professional	71,580	20,351
Business Cards	1,000	6,631
Badges	-	4,184
Insurance	3,156	3,559
Bank Charges	1,925	131
Website	1,396	2,420
Interest	-	-
General Expenses	24,506	42,247
Total Expenses	<u>1,739,410</u>	<u>1,331,530</u>
OTHER INCOME		
Interest Earned	66,480	25,707
Unrealized Gain / (Loss)	-	(66)
Total Other Income	<u>66,480</u>	<u>25,641</u>
 Change in Net Assets without restrictions	 97,417	 77,264
Prior Period Adjustment	(39,240)	
Net Assets at Beginning of Year	2,001,682	1,924,419
 NET ASSETS WITHOUT RESTRICTIONS AT END OF YEAR	 <u><u>\$ 2,059,858</u></u>	 <u><u>\$ 2,001,682</u></u>

COMMUNITY-POLICE RELATIONS FOUNDATION, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

	2024			Summarized 2023 Totals
	Program Services	Supporting Services	Total Expenses	
In-Kind Donations	\$ 489,841	\$ -	\$ 489,841	\$ 101,163
Charitable Activities	424,831	-	424,831	620,165
Depreciation	-	2,080	2,080	2,080
Wages	-	139,616	139,616	164,127
Contractors	-	161,228	161,228	142,702
Travel	-	19,912	19,912	29,286
Fundraising	-	357,288	357,288	171,959
Taxes and Licenses	-	3,934	3,934	4,918
Office Supplies	-	37,117	37,117	15,608
Legal and Professional	-	71,580	71,580	20,351
Business Cards	-	1,000	1,000	6,631
Insurance	-	3,156	3,156	4,184
Badges	-	0	0	3,559
Website	-	1,396	1,396	131
Bank Charges	-	1,925	1,925	2,420
Interest	-	-	-	0
General Expenses	-	24,506	24,506	42,247
TOTAL	914,672	824,738	1,739,410	1,331,531

COMMUNITY-POLICE RELATIONS FOUNDATION, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 97,417	\$ 77,330
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Noncash Adjustment - Prior Period Adjustment	(39,240)	-
(Increase) Decrease in Assets:		
Grants Receivable	(10,000)	250,000
Prepaid Expenses	2,432	2,906
Undeposited Funds	15,000	(15,000)
Accrued Interest Receivable	12,920	(14,707)
In-Kind Contributions - Inventory	-	(115,000)
Increase (Decrease) in Liabilities:		
Accounts Payable	52,439	8,708
Credit Card Payable	(9,834)	4,584
Accrued Expense	6,416	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>127,550</u>	<u>198,821</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Fixed Assets	2,080	1,406
Software	-	2,875
Unrealized Gain / (Loss)	-	(66)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>2,080</u>	<u>4,281</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash contributions restricted for future program use	125,000	-
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	<u>125,000</u>	<u>-</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	254,630	203,036
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,860,314	1,657,279
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ <u>2,114,943</u>	\$ <u>1,860,314</u>

COMMUNITY-POLICE RELATIONS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

1. GENERAL INFORMATION

Organization

Community-Police Relations Foundation, Inc. (referred to as "the Organization") is a non-profit organization under the laws of the state of Florida. The organization was established with the intent to support the welfare of police officers and other first responders in times of distress, need, or fraternity. The organization promotes and engages in community outreach programs to strengthen relationships between the community and law enforcement through community events and scholarship programs. In addition, the organization will support programs for the prevention of animal cruelty and other activities that foster the good and welfare of the community.

2. DATE OF MANagements REVIEW/SUBSEQUENT EVENTS

In preparing the financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through November 13, 2025, the date that the financial statements were available to be issued.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** – Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as assets without donor restrictions.
- **Net Assets With Donor Restrictions** – Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

COMMUNITY-POLICE RELATIONS FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

DECEMBER 31, 2024 AND 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by the net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which summarized information was derived.

Cash and Cash Equivalents

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000.

Investments

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment income, which is presented net of investment expenses paid to external investment advisors, in the Statement of Activities and Change in Net Assets.

Grants Receivable

Grants receivable is recorded at their net realizable value, which approximates fair value. Grants receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in foundation grant revenue.

Other receivables are recorded at their net realizable value, which approximates fair value.

As of December 31, 2024 there were \$10,000 in pledges receivable.

Contributions and Grants

Contributions and grants are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual contribution and grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.

COMMUNITY-POLICE RELATIONS FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

DECEMBER 31, 2024 AND 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grants (Continued)

Contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Contributions and grants that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements. The Organization did not have any unrecognized conditional awards at December 31, 2024.

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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. Community-Police Relations Foundation, Inc. is not a private foundation.

Uncertain Tax Positions

For the year ended December 31, 2024, the Organization has documented its consideration of FASB ASC 740-10, Income Taxes, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

COMMUNITY-POLICE RELATIONS FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

DECEMBER 31, 2024 AND 2023

4. PROGRAM SERVICES (CHARITABLE ACTIVITIES EXPENSE)

For the year ended December 31, 2024, the Organization incurred total program service expenses of \$1,158,073, comprising of \$489,841 in In-kind Donations and \$668,232 in charitable activities. These efforts are categorized into three primary areas:

Community Support Initiatives: Collaborating with community-giving programs and charities nationwide, the Organization provides essential resources such as food drives and educational scholarships to enhance individual and family well-being. Additionally, it sponsors events that integrate uniformed law enforcement officers into non-law enforcement settings, fostering positive interactions and building mutual trust between officers and community members.

Support for Law Enforcement: The Organization invests in the mental health of law enforcement personnel by sponsoring programs like "Struggle Well," a five-day initiative designed to help officers cope with stress and transform challenges into strengths. It also provides assistance to law enforcement officers, first responders, and their families during times of distress, ensuring they receive necessary support during challenging periods.

Other Charitable Programs: The Organization supports programs aimed at confronting criminal animal cruelty, promoting humane treatment within communities. It also engages in community education initiatives designed to raise awareness and prevent human trafficking.

5. IN-KIND CONTRIBUTIONS / INVENTORY

The Organization receives various in-kind contributions, including donated goods and services. These contributions are recognized as revenue and expensed in accordance with generally accepted accounting principles (GAAP) at the time the donated items are received or utilized by the Organization. However, as noted in the basis for the qualified opinion, the Organization records in-kind contributions at the value provided by the donor rather than at their fair value, as required by GAAP. This accounting treatment represents a departure from GAAP.

As of December 31, 2024, the Organization began the year with an In-Kind Contributions Inventory balance of \$115,000, received \$489,841 in in-kind contributions of which \$489,841 was expensed, resulting in ending balance of \$115,000 which is presented on the balance sheet as "In-Kind Contributions - Inventory". A breakdown of the In-Kind Contributions for 2024 are as follows:

	BALANCE	CONTRIBUTIONS	EXPENSED	BALANCE
Furniture and Fixtures	\$ 115,000	\$ -	\$ -	\$ 115,000
Equipment and Machinery	-	-	-	-
Event Supplies	-	489,841	(489,841)	-
	<u>115,000</u>	<u>489,841</u>	<u>(489,841)</u>	<u>115,000</u>

COMMUNITY-POLICE RELATIONS FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

DECEMBER 31, 2024 AND 2023

6. FUNDRAISING EVENT PROCEEDS

In addition to regular contributions and donations, the Organization recognized \$395,236 in event proceeds during the year ended December 31, 2024. These proceeds were generated from various fundraising events hosted by the Organization, including a charitable poker tournament and a golf tournament. Income was derived from participant payments for entry into the event, activities such as charity auctions and raffles, and from food and beverage sales. Additionally, a portion of the proceeds includes sponsorship payments made by third-party vendors in support of these events.

7. FIXED ASSETS AND DEPRECIATION

The Organization capitalizes purchases of Office Equipment on the balance sheet. Depreciation is computed on a straight-line basis over the useful lives of the category. As of the December 31, 2024, the current year depreciation was \$2,080 resulting an accumulated depreciation of \$5,419 and a net fixed asset balance of \$5,441.

	<u>Useful Lives</u>	<u>Cost</u>
Office Equipment	5 Years	\$10,860
Less: Accumulated Depreciation		<u>(5,419)</u>
Fixed Assets - Net as of Dec. 31 2024		<u><u>\$5,441</u></u>

8. CONCENTRATION OF CREDIT RISK

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

9. PRIOR PERIOD ADJUSTMENT

Prior period adjustments are transactions and corrections relating to prior accounting periods, and are made in order to reflect the current year without distortion. This prior period adjustment is (\$39,240) and is comprised of unrecorded expenses, the return of donations from 2023 to their respective donors, and unrecorded investment income of \$14,773.

COMMUNITY-POLICE RELATIONS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

DECEMBER 31, 2024 AND 2023

10. CONTINGENCIES

Legal

The Organization is from time-to-time subject to complaints and claims, including litigation, arising in the ordinary course of business. In 2024, the Organization resolved a dispute between founding members regarding governance and funds temporarily held outside the Organization's general accounts. A settlement was reached in November 2024, resulting in the return of \$284,224 to the Organization and \$189,482 remitted to the original donor. All claims were dismissed with no admission of liability, and no further financial impact is expected.