

GREATER MIAMI/MIAMI BEACH POLICE FOUNDATION, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDING DECEMBER 31, 2020 AND 2019

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January 4, 2023

Board of Directors
Greater Miami/Miami Beach Police Foundation, Inc.

Dear Members:

In performing our turnover audit of the financial statements of Greater Miami/Miami Beach Police Foundation, Inc., for the year ended December 31, 2020, we considered various matters. As a result of our analysis we are bringing the following matter to your attention:

1. The Organization should implement internal controls around the cash disbursement business function. All store front purchases should have receipts stored and signed by management indicating they have reviewed and approved of the purchased items.
2. All purchases by employees should be approved of before the purchase occurs by management, as well as review and indication the purchases are in line with what was approved.

We welcome the opportunity to discuss the above.

Very truly yours,

Gerstle, Rosen & Goldenberg, P.A.

GERSTLE, ROSEN & GOLDENBERG, P.A.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Greater Miami/Miami Beach Police Foundation, Inc.
Fort Lauderdale, Florida

Opinion

We have audited the accompanying financial statements of the Greater Miami/Miami Beach Police Foundation, Inc. (referred to as "the Organization"), which comprise the statement of financial position as of December 31, 2020 and 2019, 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, the accompanying financial statements present fairly, in all material respects, the financial position of Greater Miami/Miami Beach Police Foundation, Inc. as of December 31, 2020 and 2019, and the results of their activities and their cash flows for the years then ended in accordance with generally accepted accounting principles in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Greater Miami/Miami Beach Police Foundation, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Greater Miami/Miami Beach Police Foundation, Inc.'s ability to continue as a going concern for the next year

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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 Greater Miami/Miami Beach Police 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.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Miami/Miami Beach Police 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 Greater Miami/Miami Beach Police Foundation, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 4, 2023. 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 was derived.

Gerstle, Rosen & Goldenberg, PA

Certified Public Accountants
Hollywood, Florida

January 4, 2023

GREATER MIAMI/MIAMI BEACH POLICE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 520,996	\$ 227,846
Grants Receivable	250,000	-
Total Current Assets	<u>770,996</u>	<u>227,846</u>
<hr/> TOTAL ASSETS	<hr/> \$ 770,996	<hr/> \$ 227,846
LIABILITIES AND NET ASSETS		
NET ASSETS		
Without Donor Restrictions	770,996	227,846
Total Net Assets	<u>770,996</u>	<u>227,846</u>
<hr/> TOTAL LIABILITIES	<hr/> \$ 770,996	<hr/> \$ 227,846

GREATER MIAMI/MIAMI BEACH POLICE FOUNDATION, INC

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
	<u>Without Donor</u>	<u>Without Donor</u>
	<u>Restrictions</u>	<u>Restrictions</u>
SUPPORT AND REVENUE		
Donations Received- Cash	\$ 803,461	\$ 275,873
Donations Received-In Kind	74,300	-
Total Support and Revenue	877,761	275,873
 EXPENSES		
Program Services	318,823	115,465
Supporting Services:		
Insurance	853	854
Legal and Professional	1,409	-
Website	1,194	
Business Cards	2,659	1,754
Badges	5,502	2,496
Licenses	261	61
Bank Charges	2,538	1,852
General Expenses	1,372	4,638
Total Expenses	334,611	127,120
 Change in Net Assets	543,150	148,753
Net Assets at Beginning of Year	227,846	79,093
 NET ASSETS AT END OF YEAR	\$ 770,996	\$ 227,846

GREATER MIAMI/MIAMI BEACH POLICE FOUNDATION, INC

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019**

	2020			
	Program Services	Supporting Services	Total Expenses	Summarized 2019 Totals
Grants Paid	\$ 256,318	\$ -	\$ 256,318	\$ 111,793
Charitable Activities	62,505	-	62,505	3,672
Insurance	-	853	853	854
Legal and Professional	-	1,409	1,409	-
Website	-	1,194	1,194	147
Business Cards	-	2,659	2,659	1,607
Badges	-	5,502	5,502	2,496
Licenses	-	261	261	61
Bank Charges	-	2,538	2,538	1,852
General Expenses	-	1,372	1,372	4,638
TOTAL	318,823	15,788	334,611	127,120

GREATER MIAMI/MIAMI BEACH POLICE FOUNDATION, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 543,150	\$ 148,753
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in Assets:		
Grants Receivable	(250,000)	
Increase (Decrease) in Liabilities:		
Accounts Payable	-	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>293,150</u>	<u>148,753</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	293,150	148,753
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	227,846	79,093
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 520,996</u>	<u>\$ 227,846</u>

GREATER MIAMI/MIAMI BEACH POLICE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. GENERAL INFORMATION

Organization

Greater Miami/Miami Beach Police 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 January 4, 2023, 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.

GREATER MIAMI/MIAMI BEACH POLICE FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2020 AND 2019**

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, 2019, 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, 2020 there were \$250,000 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).

GREATER MIAMI/MIAMI BEACH POLICE FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2020 AND 2019**

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, 2020.

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. Greater Miami/Miami Beach Police Foundation, Inc. is not a private foundation.

Uncertain Tax Positions

For the year ended December 31, 2020, 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.