



**NASSAU COUNTY
POLICE DEPARTMENT FOUNDATION**
SUPPORTING THE SAFEST PLACE TO LIVE AND WORK

**NASSAU COUNTY POLICE DEPARTMENT
FOUNDATION, INC.**

**FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT**

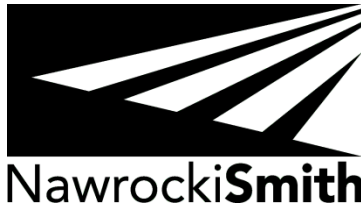
**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

**NASSAU COUNTY POLICE DEPARTMENT FOUNDATION, INC.
INDEX TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

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DRAFT



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Nassau County Police Department Foundation, Inc.:

Opinion

We have audited the accompanying financial statements of Nassau County Police Department Foundation, Inc. (the "Foundation", a nonprofit organization) which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nassau County Police Department Foundation, Inc., as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nassau County Police Department Foundation, and to meet our 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.

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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate that raise substantial doubt about Nassau County Police Department Foundation's, ability to continue as a going concern within one year after the date that the financial statements are available.

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Auditor's 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 generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks 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 the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

Hauppauge, New York
November 14, 2022

**NASSAU COUNTY POLICE DEPARTMENT FOUNDATION, INC..
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020**

ASSETS	<u>2021</u>	<u>2020</u>
Cash	\$ 3,810,088	\$ 1,650,675
Contributions receivable, net	969,753	1,096,173
Investments	3,580	-
Security deposit	<u>500</u>	<u>500</u>
 Total assets	 <u>\$ 4,783,921</u>	 <u>\$ 2,747,348</u>
 LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	<u>\$ 4,614</u>	<u>\$ 1,185</u>
 Total liabilities	 <u>4,614</u>	 <u>1,185</u>
 NET ASSETS:		
Without donor restrictions	3,809,554	1,649,990
With donor restrictions	<u>969,753</u>	<u>1,096,173</u>
 Total net assets	 <u>4,779,307</u>	 <u>2,746,163</u>
 Total liabilities and net assets	 <u>\$ 4,783,921</u>	 <u>\$ 2,747,348</u>

The accompanying notes to financial statements
are an integral part of these statements.

**NASSAU COUNTY POLICE DEPARTMENT FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:						
Contributions	\$ 986,957	\$ 2,712,500	\$ 3,699,457	\$ 109,049	\$ 2,070,000	\$ 2,179,049
In-kind contributions	419,938	-	419,938	503,244	-	503,244
Interest income	8,336	-	8,336	5,646	-	5,646
Other income	10,307	-	10,307	7,200	-	7,200
Net assets released from restrictions	2,838,920	(2,838,920)	-	1,703,874	(1,703,874)	-
Total revenues	4,264,458	(126,420)	4,138,038	2,329,013	366,126	2,695,139
EXPENSES:						
Program services	1,576,899	-	1,576,899	854,247	-	854,247
Supporting services:						
Administration	180,291	-	180,291	171,981	-	171,981
Fundraising	347,704	-	347,704	87,048	-	87,048
Total expenses	2,104,894	-	2,104,894	1,113,276	-	1,113,276
Change in net assets	2,159,564	(126,420)	2,033,144	1,215,737	366,126	1,581,863
NET ASSETS, BEGINNING OF YEAR	1,649,990	1,096,173	2,746,163	434,253	730,047	1,164,300
NET ASSETS, END OF YEAR	<u>\$ 3,809,554</u>	<u>\$ 969,753</u>	<u>\$ 4,779,307</u>	<u>\$ 1,649,990</u>	<u>\$ 1,096,173</u>	<u>\$ 2,746,163</u>

The accompanying notes to financial statements
are an integral part of these statements.

**NASSAU COUNTY POLICE DEPARTMENT FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021				2020			
	Program Services	Supporting Services			Program Services	Supporting Services		
		Administration	Fundraising	Total		Administration	Fundraising	Total
Academy-related donations	\$ 982,413	\$ -	\$ -	\$ 982,413	\$ 257,884	\$ -	\$ -	\$ 257,884
In-kind	314,954	62,991	41,993	419,938	377,433	75,487	50,324	503,244
Fundraising	-	-	274,343	274,343	-	-	11,815	11,815
Payroll	161,835	32,367	21,578	215,780	142,297	28,459	18,973	189,729
Administrative	-	70,243	-	70,243	-	59,129	-	59,129
Equipment purchases	44,255	-	-	44,255	32,109	-	-	32,109
Payroll taxes and employee benefits	30,648	6,130	4,086	40,864	16,238	3,248	2,165	21,651
Professional fees	14,125	2,825	1,883	18,833	12,600	2,520	1,680	16,800
Rent	12,244	2,450	1,631	16,325	4,563	913	608	6,084
Insurance	9,900	1,980	1,320	13,200	8,273	1,655	1,103	11,031
Office	6,525	1,305	870	8,700	2,850	570	380	3,800
Total	<u>\$ 1,576,899</u>	<u>\$ 180,291</u>	<u>\$ 347,704</u>	<u>\$ 2,104,894</u>	<u>\$ 854,247</u>	<u>\$ 171,981</u>	<u>\$ 87,048</u>	<u>\$ 1,113,276</u>

The accompanying notes to financial statements
are an integral part of these statements.

NASSAU COUNTY POLICE DEPARTMENT FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,033,144	\$ 1,581,863
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in contributions receivable, net	126,420	(366,126)
Decrease in prepaid expenses	-	-
Increase (decrease) in accounts payable and accrued expenses	<u>3,429</u>	<u>(18,504)</u>
Net cash provided by operating activities	<u>2,162,993</u>	<u>1,197,233</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in investments	<u>(3,580)</u>	<u>-</u>
Net cash provided by investing activities	<u>(3,580)</u>	<u>-</u>
NET INCREASE IN CASH	2,159,413	1,197,233
CASH, BEGINNING OF YEAR	<u>1,650,675</u>	<u>453,442</u>
CASH, END OF YEAR	<u>\$ 3,810,088</u>	<u>\$ 1,650,675</u>

The accompanying notes to financial statements are an
integral part of these statements.

NASSAU COUNTY POLICE DEPARTMENT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

(1) Organization and purpose

Nassau County Police Department Foundation, Inc. (“the Foundation”) is a not-for-profit organization whose purpose is to provide financial support to the analytic, operational and outreach components of the Nassau County Police Department (the “Department”). Nassau County (the “County”) has identified a parcel of land which will continue to be owned by the County and will be used as the location for the new state-of-the-art Police Academy (the “Academy”). The Foundation has contracted with various companies to provide for the architectural design, land surveys and environmental studies necessary for construction of the Academy. The Academy will be utilized as an academic and training institution that will address issues related to community policing and best practices in area of criminal justice. The Foundation will provide equipment and training to assist the Department with resources not available from the normal budgetary revenue streams. The Foundation will support programs that advance the relationship between the Department and academic and other institutes addressing or capable of addressing issues relating to policing. The Foundation will also be addressing specific matters of concerns, including expert changes, issues of training, best practices in law enforcement, and outreach programs.

The Foundation funds programs that bring police and the community they serve, together. The Foundation allows the Department to take advantage of rapidly emerging opportunities relating to training, equipment, or research that would further the Department’s effectiveness or professionalism.

(2) Summary of significant accounting policies

The accompanying financial statements include the assets, liabilities, revenues and expenses of the Foundation which are presented under the accrual basis of accounting. The following is a summary of significant accounting policies followed by the Foundation:

Financial statement presentation -

The accompanying financial statements include the accounts of the Foundation’s programs, administration and fundraising. The Foundation presents its financial statements in accordance with U.S. generally accepted accounting principles, which require that the Foundation’s financial statements distinguish net assets and changes in net assets between those with and without donor restrictions. The Foundation’s net assets consist of the following:

Without donor restrictions - net assets of the Foundation which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Foundation.

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.

NASSAU COUNTY POLICE DEPARTMENT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As required by U.S. generally accepted accounting principles, the Foundation has also presented Statements of Cash Flows for the years ended December 31, 2021 and 2020.

Cash and cash equivalents -

The Foundation considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. As of December 31, 2021 and 2020, the Foundation did not possess any cash equivalents.

Contributions receivable -

Contributions receivable are recognized as support in the period pledged and are recorded at the present value of estimated cash flow. The discount on these amounts is computed using a risk-adjusted rate applicable to the years in which the promises are to be received. Amortization of the discount is recorded as an addition to contribution revenue in accordance with donor-imposed restrictions. The Foundation provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables and collection information. As of December 31, 2021, the allowance for doubtful accounts was \$56,345.

Revenue recognition -

The following are the significant revenue recognition accounting policies of the Foundation:

Contributions - Contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

Fundraising revenue - The portion of fundraising revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met.

NASSAU COUNTY POLICE DEPARTMENT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

In-kind contributions -

In-kind contributions of goods and services are recognized in the financial statements if they enhance or create non-financial assets or require specialized skills that would typically need to be purchased if not donated. Services are valued at standard market rates, and goods are recorded at fair value of the items contributed, which would have been incurred by the Foundation to obtain such goods and services. As a result of the COVID-19 pandemic, the Organization received a significant number in-kind donations totaling \$419,938, which have been recognized as in-kind revenues and in-kind expenses in the Statements of Activities and Changes in Net Assets for the year ended December 31, 2021.

Donated services -

A number of volunteers have donated significant amounts of their time to the Foundation's programs, administration and fundraising. However, since these services do not meet the criteria for recognition under U.S. generally accepted accounting principles, they are not reflected in the accompanying financial statements.

Functional expenses -

Expenses are recognized when incurred. The Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Direct program expenses are reported in their respective functional categories. The significant expenses that are allocated include payroll, payroll taxes and employee benefits which are allocated on the basis of estimates of time and effort. Rent is allocated on the basis of square footage and usage, and all other expenses are allocated on a systematic and rational basis.

Liquidity considerations -

Quantitative

As of December 31, 2021, the Foundation had \$3,813,668 of cash assets available to meet needs for program and supporting services expenses within one year of the Statements of Financial Position date. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for expenditures within the ensuing fiscal year.

Qualitative

As of December 31, 2021, the Foundation has a goal to maintain financial assets, which consist of cash on hand, to meet 60 days of normal operating expenses, which are on average approximately \$265,000.

**NASSAU COUNTY POLICE DEPARTMENT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Income taxes -

The Foundation qualifies as a tax-exempt not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and applicable New York State tax laws. Accordingly, no provision for Federal or State income taxes is required.

Uncertainty in income taxes -

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition. The Foundation is no longer subject to examination by the applicable taxing jurisdictions for tax years prior to 2018.

The use of estimates in the preparation of financial statements -

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates.

(3) Contributions receivable, net

Contributions receivable, net of discount and allowance for doubtful accounts, consist of the following as of December 31, 2021:

Amounts due in less than one year	\$ 466,627
Amounts due in one to five years	<u>708,892</u>
Contributions receivable	1,175,519
Discount to present value	(149,421)
Less: allowance for doubtful accounts	<u>(56,345)</u>
Contributions receivable, net	<u><u>\$ 969,753</u></u>

(4) Academy- related donations

Academy-related donations consist of various payments made by the Foundation to professionals related to the design of the training facility to be held and used in the name of the Academy. For the years ended December 31, 2021 and 2020, such donations totaled \$982,413 and \$257,884, respectively.

NASSAU COUNTY POLICE DEPARTMENT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(5) Related-party transactions

During 2021, members of the Board of Directors and the Advisory Board of the Foundation contributed, or pledged to contribute in future years, specific amounts to help fulfill the objectives of the Foundation. Included in contributions receivable as of December 31, 2021 and 2020, were contributions due from members of the Board of Directors and Advisory Board in the amounts of \$287,500 and \$200,000, respectively.

(6) Concentrations of risk

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

(7) Commitments and contingencies

Lease commitments -

The Foundation leases office space on a year-to-year basis. Rent expense for the years ended December 31, 2021 and 2020 was \$16,325 and \$6,084, respectively.

(8) Net assets with donor restrictions

Net assets with donor restrictions relate to time restricted donor contributions. As of December 31, 2021 and 2020, net assets with donor restrictions were \$969,753 and \$1,096,173, respectively.

(9) Subsequent events

Nassau County Police Department Foundation, Inc. has evaluated subsequent events through November 14, 2022, which is the date these financial statements were available to be issued, noting no additional matters requiring consideration.