

**THE ATLANTA POLICE FOUNDATION, INC.  
AND APF SUPPORT, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023 AND 2022**



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The report accompanying this deliverable was issued  
by Warren Averett, LLC.

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AND APF SUPPORT, INC.  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The Atlanta Police, Inc.  
and APF Support, Inc.

### **Opinion**

We have audited the accompanying consolidated financial statements of The Atlanta Police Foundation, Inc. and APF Support, Inc. (the Foundation), which comprise the consolidated statements of financial position as of December 31, 2023, and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023 and 2022, 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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.

### **Prior Period Consolidated Financial Statements**

The consolidated financial statements of The Atlanta Police Foundation, Inc. as of December 31, 2022, were audited by other auditors whose report dated September 7, 2023, expressed an unmodified opinion on those statements.

### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Organization'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 consolidated 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 audits, significant audit findings and certain internal control related matters that we identified during the audits.

*Warren Averett, LLC*

Atlanta, Georgia  
September 30, 2024

**THE ATLANTA POLICE FOUNDATION, INC.  
AND APF SUPPORT, INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022**

<b>ASSETS</b>	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	44,940,865	17,609,674
Restricted cash	289,190	349,190
Certificates of deposit with original maturities over 90 days	1,309,103	1,840,018
Contributions receivables, less reserve for bad debts of \$35,047 and \$167,947, respectively	2,546,417	3,383,320
Other receivables	638,986	431,016
Prepaid expenses	630,118	1,032,760
Home inventory	2,603,072	1,782,164
Total current assets	52,957,751	26,428,142
<b>PROPERTY AND EQUIPMENT, NET</b>	51,454,465	24,954,011
<b>CONTRIBUTIONS RECEIVABLE, NET</b>	733,333	5,748,010
<b>NOTE RECEIVABLE</b>	7,837,200	7,837,200
<b>LEASE RIGHT-OF-USE ASSET – OPERATING, NET</b>	1,187,946	1,061,221
<b>OTHER ASSETS</b>	30,917	37,438
<b>TOTAL ASSETS</b>	\$ 114,201,612	\$ 66,066,022

See notes to the consolidated financial statements.

**THE ATLANTA POLICE FOUNDATION, INC.  
AND APF SUPPORT, INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022**

<b>LIABILITIES AND NET ASSETS</b>		
	<b>2023</b>	<b>2022</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accruals	4,025,234	691,446
Deferred revenue	119,817	59,146
Other liabilities	424,836	-
Current portion of lease liability – operating	138,458	96,312
Total current liabilities	4,708,345	846,904
<b>LONG-TERM DEBT</b>		
Notes payable, less capitalized loan fee – net	11,516,923	11,436,190
Long-term lease liability – operating	1,118,178	1,019,470
Total long-term debt	12,635,101	12,455,660
<b>TOTAL LIABILITIES</b>	<b>17,343,446</b>	<b>13,302,564</b>
<b>NET ASSETS</b>		
Without donor restrictions		
Unrestricted	54,162,011	23,283,742
With donor restrictions		
Purpose restrictions	40,755,655	25,782,124
Time restrictions	1,940,500	3,697,592
Total donor restricted net assets	42,696,155	29,479,716
<b>TOTAL NET ASSETS</b>	<b>96,858,166</b>	<b>52,763,458</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 114,201,612</b>	<b>\$ 66,066,022</b>

See notes to the consolidated financial statements.

**THE ATLANTA POLICE FOUNDATION, INC.  
AND APF SUPPORT, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(with comparative totals for 2022)**

	<b>2023</b>			<b>2022</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Contributions	1,915,335	\$ 50,371,641	\$ 52,286,976	\$ 21,324,095
Contributions of nonfinancial assets	788,265	147,100	935,365	433,853
Special Events, net of direct expenses of \$764,011 and \$612,801, respectively	612,099	-	612,099	1,092,563
Program fees	2,109,119	-	2,109,119	1,646,357
Home sales	1,146,351	-	1,146,351	1,723,891
Paycheck Protection Program forgiveness	-	-	-	214,053
Interest income	978,466	-	978,466	22,043
Other income	260,390	-	260,390	141,369
<b>TOTAL PUBLIC SUPPORT AND REVENUE BEFORE TRANSFERS</b>	<b>7,810,025</b>	<b>50,518,741</b>	<b>58,328,766</b>	<b>26,598,224</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
Satisfaction of donor-imposed requirements	37,302,302	(37,302,302)	-	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>45,112,327</b>	<b>13,216,439</b>	<b>58,328,766</b>	<b>26,598,224</b>
<b>EXPENSES</b>				
Program	12,993,801	-	12,993,801	13,492,535
Management and general	894,326	-	894,326	1,012,055
Fundraising	345,931	-	345,931	279,883
<b>TOTAL EXPENSES</b>	<b>14,234,058</b>	<b>-</b>	<b>14,234,058</b>	<b>14,784,473</b>
<b>CHANGE IN NET ASSETS</b>	<b>30,878,269</b>	<b>13,216,439</b>	<b>44,094,708</b>	<b>11,813,751</b>
<b>NET ASSETS AT:</b>				
<b>BEGINNING OF YEAR</b>	<b>23,283,742</b>	<b>29,479,716</b>	<b>52,763,458</b>	<b>40,949,707</b>
<b>END OF YEAR</b>	<b>\$ 54,162,011</b>	<b>\$ 42,696,155</b>	<b>\$ 96,858,166</b>	<b>\$ 52,763,458</b>

See notes to the consolidated financial statements.

**THE ATLANTA POLICE FOUNDATION, INC.  
AND APF SUPPORT, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR YEAR ENDED DECEMBER 31, 2022**

	<b>2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contributions	\$ 1,208,224	\$ 20,115,871	\$ 21,324,095
Contributions of nonfinancial assets	361,013	72,840	433,853
Fundraising and special events			
Gross	1,705,364	-	1,705,364
Less direct benefits to donors	(612,801)	-	(612,801)
Program fees	1,646,357	-	1,646,357
Home sales	1,723,891	-	1,723,891
Paycheck Protection Program forgiveness	214,053	-	214,053
Interest income	22,043	-	22,043
Other income	141,369	-	141,369
<b>TOTAL PUBLIC SUPPORT AND REVENUE BEFORE TRANSFERS</b>	<b>6,409,513</b>	<b>20,188,711</b>	<b>-</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of donor-imposed requirements	10,964,023	(10,964,023)	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>17,373,536</b>	<b>9,224,688</b>	<b>26,598,224</b>
<b>EXPENSES</b>			
Program	13,492,535	-	13,492,535
Management and general	1,012,055	-	1,012,055
Fundraising	279,883	-	279,883
<b>TOTAL EXPENSES</b>	<b>14,784,473</b>	<b>-</b>	<b>14,784,473</b>
<b>CHANGE IN NET ASSETS</b>	<b>2,589,063</b>	<b>9,224,688</b>	<b>11,813,751</b>
<b>NET ASSETS AT:</b>			
<b>BEGINNING OF YEAR</b>	<b>20,694,679</b>	<b>20,255,028</b>	<b>40,949,707</b>
<b>END OF YEAR</b>	<b>\$ 23,283,742</b>	<b>\$ 29,479,716</b>	<b>\$ 52,763,458</b>

See notes to the consolidated financial statements.



**THE ATLANTA POLICE FOUNDATION, INC.  
AND APF SUPPORT, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(with comparative totals for 2022)**

	2023										2022
	Program						Total Program	Management and General	Fundraising	Total	
	Youth Initiatives	APD Support	Community Policing	Smart Policing	Recruitment Training	Communications					
Outside services	\$ 2,109,277	\$ 22,237	\$ 1,580,475	\$ 496,658	\$ 368,403	\$ 144,550	\$ 4,721,600	\$ 143,384	\$ 44,870	\$ 4,909,854	\$ 3,906,441
Compensation and related costs	908,833	48,594	534,274	490,931	36,907	155,267	2,174,806	320,872	251,434	2,747,112	2,646,276
Community engagement	141,041	295,902	1,321,294	700	-	-	1,758,937	27,448	-	1,786,385	2,609,621
Program equipment and maintenance	158,405	9,313	317,073	1,608,741	30,357	-	2,123,889	11,061	196	2,135,146	2,953,746
Depreciation and amortization	598,143	21,130	15,311	1,400	161,940	-	797,924	54,622	-	852,546	637,944
Occupancy	165,480	591	19,835	90,710	38,896	3,960	319,472	67,664	5,735	392,871	371,420
Meetings	79,277	108,779	681	20,970	193	605	210,505	13,382	2,528	226,415	544,568
Dues and subscriptions	2,318	35,731	-	119,194	1,636	3,940	162,819	36,386	120	199,325	273,833
Marketing	19,562	134,055	-	1,653	11,575	18,985	185,830	12,365	33,682	231,877	95,106
Supplies	90,718	20,442	425	2,879	3,787	79	118,330	25,975	2,639	146,944	84,845
Insurance	61,551	43,046	-	2,594	9,684	-	116,875	12,387	-	129,262	97,427
Telecommunications	87,273	337	3,822	2,716	8,260	900	103,308	19,695	2,550	125,553	104,803
Travel	64,332	19,791	1,125	3,550	-	74	88,872	14,589	-	103,461	55,837
Printing and copying	6,033	1,670	-	2,444	-	-	10,147	403	-	10,550	13,244
Postage	246	-	8	-	-	-	254	2,542	1,753	4,549	4,158
Interest	-	-	-	-	-	-	-	81,010	-	81,010	81,010
Bad debt expense	-	-	-	-	-	-	-	(74,882)	-	(74,882)	192,311
Other	3,306	80,891	193	11,735	4,108	-	100,233	125,423	424	226,080	111,883
<b>TOTAL EXPENSES</b>	<b>\$ 4,495,795</b>	<b>\$ 842,509</b>	<b>\$ 3,794,516</b>	<b>\$ 2,856,875</b>	<b>\$ 675,746</b>	<b>\$ 328,360</b>	<b>\$ 12,993,801</b>	<b>\$ 894,326</b>	<b>\$ 345,931</b>	<b>\$ 14,234,058</b>	<b>\$ 14,784,473</b>

See notes to the consolidated financial statements.

**THE ATLANTA POLICE FOUNDATION, INC.  
AND APF SUPPORT, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022									
	Program						Total Program	Management and General	Fundraising	Total
	Youth Initiatives	APD Support	Community Policing	Smart Policing	Recruitment and Training	Communications				
Outside services	\$ 2,322,827	\$ 73,534	\$ 731,901	\$ 159,148	\$ 248,095	\$ 127,700	\$ 3,663,205	\$ 206,484	\$ 36,752	\$ 3,906,441
Compensation and related costs	784,952	213,900	408,868	527,019	186,391	85,612	2,206,742	222,939	216,595	2,646,276
Community engagement	147,632	350,620	2,101,272	2,500	-	-	2,602,024	7,597	-	2,609,621
Program equipment and maintenance	147,072	12,828	1,550,588	1,190,930	42,620	-	2,944,038	9,512	196	2,953,746
Depreciation and amortization	507,330	21,020	-	-	80,894	-	609,244	28,700	-	637,944
Occupancy	161,112	8,391	22,613	34,778	42,912	3,658	273,464	90,591	7,365	371,420
Meetings	72,764	440,249	950	2,591	1,329	2,190	520,073	22,635	1,860	544,568
Dues and subscriptions	218	4,122	130	224,396	22	4,268	233,156	29,629	11,048	273,833
Marketing	6,199	2,852	330	750	33,964	36,637	80,732	12,379	1,995	95,106
Supplies	45,237	12,838	268	2,410	6,716	-	67,469	15,958	1,418	84,845
Insurance	26,903	42,825	-	97	8,438	-	78,263	19,164	-	97,427
Telecommunications	77,561	3,321	1,500	750	635	500	84,267	19,686	850	104,803
Travel	15,968	17,774	1,800	1,983	-	-	37,525	17,381	931	55,837
Printing and copying	4,710	52	-	124	-	-	4,886	7,495	863	13,244
Postage	110	-	82	-	-	-	192	3,956	10	4,158
Interest	-	-	-	-	-	-	-	81,010	-	81,010
Bad debt expense	-	-	-	-	-	-	-	192,311	-	192,311
Other	5,168	65,734	22	13,678	2,653	-	87,255	24,628	-	111,883
<b>TOTAL EXPENSES</b>	<b>\$ 4,325,763</b>	<b>\$ 1,270,060</b>	<b>\$ 4,820,324</b>	<b>\$ 2,161,154</b>	<b>\$ 654,669</b>	<b>\$ 260,565</b>	<b>\$ 13,492,535</b>	<b>\$ 1,012,055</b>	<b>\$ 279,883</b>	<b>\$ 14,784,473</b>

See notes to the consolidated financial statements.

**THE ATLANTA POLICE FOUNDATION, INC.  
AND APF SUPPORT, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 44,094,708	\$ 11,813,751
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	938,380	723,778
Amortization of right-of-use asset	104,986	112,609
Paycheck Protection Program loan forgiveness	-	(214,053)
Changes in assets and liabilities		
Contribution receivables	5,851,580	5,629,642
Other receivables	(207,970)	(320,714)
Prepaid expenses	402,642	(934,032)
Home inventory	(820,908)	536,447
Other assets	1,420	(3,570)
Accounts payable and accruals	3,333,788	(708,361)
Deferred revenue	60,671	(612,543)
Other liabilities	424,836	-
Payments on operating lease liabilities	(90,857)	(63,568)
Net cash provided by operating activities	<u>54,093,276</u>	<u>15,959,386</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(27,353,000)	(5,562,267)
Certificate of deposits	530,915	1,519,098
Net cash used in investing activities	<u>(26,822,085)</u>	<u>(4,043,169)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	27,271,191	11,916,217
<b>CASH AND CASH EQUIVALENTS AT:</b>		
<b>BEGINNING OF YEAR</b>	<u>17,958,864</u>	<u>6,042,647</u>
<b>END OF YEAR</b>	<u>\$ 45,230,055</u>	<u>\$ 17,958,864</u>
<b>RECONCILIATION OF CASH BALANCE</b>		
Cash and cash equivalents	\$ 44,940,865	\$ 17,609,674
Cash restricted for New Market Tax Credit	289,190	349,190
	<u>\$ 45,230,055</u>	<u>\$ 17,958,864</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest paid	<u>\$ 277</u>	<u>\$ 277</u>
<b>NONCASH ACTIVITIES</b>		
Purchases of property and equipment with payables	<u>\$ 3,644,117</u>	<u>\$ 244,395</u>
Additions to right-of-use assets and lease liabilities	<u>\$ 231,711</u>	<u>\$ 1,173,830</u>

See notes to the consolidated financial statements.

**THE ATLANTA POLICE FOUNDATION, INC.  
AND APF SUPPORT, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

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## **1. ORGANIZATION**

The Atlanta Police Foundation, Inc. (the Foundation), was established in 2003 to provide vital support to the Mayor, the Chief of Police and the Atlanta Police Department. The organization is based on a public-private partnership model that has proven to be highly effective in the prevention and reduction of crime in other major cities. Since its inception, the APF has worked to secure and leverage private resources to fund high priority projects designed to enhance the City of Atlanta's ability to fight and prevent crime.

APF Support, Inc. (APF Support), a 501(c)(3) organization, was created by board members of the Foundation in order to raise and distribute funds for the Organization.

The assets, liabilities and income and expenses of APF Support and Foundation (the Organization) have been consolidated in these financial statements, as required by generally accepted accounting principles. All intercompany transactions between these entities have been eliminated for purposes of these consolidated financial statements.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Prior Period Consolidated Financial Statements**

The consolidated financial statements of The Atlanta Police Foundation as of December 31, 2023 were audited by other auditors whose report dated September 7, 2023, expressed an unmodified opinion on those statements.

### **Adoption of New Accounting Standards**

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 326 *Financial Instruments – Credit Losses*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements.

On January 1, 2022, the Organization adopted FASB Accounting Standards Update (ASU) 2016-02, *Leases*, which requires lessees to recognize leases on the statements of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2021). It also elected not to reassess at adoption: (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Organization recognized a right-of-use lease asset and lease liability of \$1,173,830. The adoption did not result in a significant effect on amounts reported in the consolidated statement of activities for the year ended December 31, 2022.

**THE ATLANTA POLICE FOUNDATION, INC.  
AND APF SUPPORT, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

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**Principles of Consolidation**

The accompanying consolidated financial statements reflect the financial position of the Organization. All interorganizational transactions have been eliminated in consolidation.

**Basis of Presentation**

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities at year end. Net assets, revenues, expenses, gains and losses are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

*Without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and are currently available for purposes under the direction of the board, designated by the board for specific use, or resources invested in furniture and equipment.

*With donor restrictions* – Net assets subject to donor-imposed stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

**Use Of Estimates**

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents of the Organization consist of cash in bank and shares of a money market fund.

**Concentrations of Credit and Market Risk**

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents. At times, the Organization's cash balances exceed the federally insured limit. The Organization maintains its cash and cash equivalents with high credit, quality financial institutions, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

As of December 31, 2023, 72% of contributions receivable were related to four sources and 64% of the Organization's 2023 contributions were attributable to one source.

As of December 31, 2022, 19% of contributions receivable were related to one source and 38% of the Organization's 2022 contributions were attributable to two sources.

**THE ATLANTA POLICE FOUNDATION, INC.  
AND APF SUPPORT, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

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**Fair Value of Financial Instruments**

Financial instruments, primarily cash, receivables, payables and investments are reported at values which the Organization believes are not significantly different from fair value.

**Property and Equipment**

Property and equipment in excess of \$1,000 are capitalized at cost or, if donated, at the fair market value on the date of donation. Repairs and maintenance that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets ranging from three to thirty years.

**Receivables**

Receivables are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions and grants with payment dates in future periods, restricted by the donor for specific purposes or designated for future periods are reported as revenue with donor restrictions that increases that net asset class. Management reviews amounts past due and provides an allowance for those amounts deemed uncollectible. As of December 31, 2023 and 2022, management has deemed an allowance of \$35,047 and \$167,947, respectively, is appropriate. Management has determined the remainder of receivables are collectible.

**Support and Revenue Recognition**

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made or ownership of other assets is transferred to the Organization.

A portion of the Organization's grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as reclassifications.

The Organization reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the long-lived assets are placed into service.

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The Organization recognizes revenue from contracts in accordance with Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the five-step approach. Revenues are recognized at a point in time.

**Functional Allocation of Expenses**

The costs of providing the Organization's programs and supporting services have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, personnel costs have been allocated among the program and supporting services benefited based on estimates of time and effort. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification.

**Advertising**

In 2023 and 2022, the Organization charged advertising totaling approximately \$232,000 and \$95,000 respectively, to expense. For non-direct-response advertising, the Organization's policy is to expense costs as incurred.

**Contributed Nonfinancial Assets**

For the years ended December 31, contributed nonfinancial assets recognized within the consolidated statement of activities included:

	<u>2023</u>	<u>2022</u>
Police service	\$ 234,493	\$ 187,740
Gas gift cards	208,900	-
Land	147,100	72,840
Advertising	122,392	14,359
Event	120,183	27,313
Rent	49,436	37,861
Vehicle	14,000	-
Equipment and furnishings	13,300	-
At-Promise services	431	82,040
Other	25,130	11,700
	<u>\$ 935,365</u>	<u>\$ 433,853</u>

The Organization receives various contributed nonfinancial assets in the form of donated services, rent, event costs, advertising and other items. These contributions are not donor restricted. Additionally, the Organization receives contributed land that is donor restricted for Secure Neighborhoods.

Contributed services recognized relate to donated police services and services related to the Organization's At-Promise youth centers. Contributed services are valued and are reported at the estimated fair value in the consolidated financial statements based on current rates for similar services.

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Contributed land recognized relates to donated land received by the Organization for its officer housing program. Contributed land is valued and reported at the tax assessed value. Contributed rent recognized relates to donated land leases received by the Organization for its At-Promise youth centers. Contributed rent is valued and reported at the fair value in the consolidated financial statements based on current rates for similar rental properties.

Contributed event costs primarily relate to event venue costs. Contributed event costs are value and are reported at the estimated fair value in the consolidated financial statements based on rates for similar venue costs.

Contributed advertising and other costs relate to advertising received to raise funds and other costs that primarily relate to communication services. These contributed services are valued and are reported at the estimated fair value in the consolidated financial statements based on current rates for similar advertising and communication services.

**Income Taxes**

The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of December 31, 2022 and 2021, there are no known items which would result in a material accrual related to where the Organization has federal or state attributable tax positions. Generally, taxing authorities have from the later of the taxing filing or extended due date to examine a tax filing.

The Foundation and APF Support are exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no income taxes are reflected in the accompanying consolidated financial statements.

The Foundation has been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

APF Support has been classified as a supporting organization within the meaning of Section 509(a)(3) of the Internal Revenue Code.

**Reclassification of Prior Year Presentation**

Certain 2022 amounts have been reclassified to conform to the 2023 presentation. These reclassifications had no effect on net assets as previously reported.

**Events Occurring After Report Date**

Management has evaluated events and transactions that occurred between December 31, 2023 and September 30, 2024 which is the date that the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements.



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**3. CONTRIBUTIONS RECEIVABLE**

Contributions receivable as of December 31 2023 are as follows:

2024	\$ 2,581,464
2025	683,333
2026	<u>50,000</u>
	3,314,797
Less allowance for doubtful accounts	<u>(35,047)</u>
Net contributions receivable	<u><u>\$ 3,279,750</u></u>

**4. HOME INVENTORY**

During 2015, the Organization, as part of its Secure Neighborhood Initiative, began a program whereby the Organization along with both governmental and private partners collaborated on the development of homes in a targeted neighborhood to sell to police officers meeting certain defined qualifications. As of December 31, 2023 and 2022, home inventory represents costs on rehabilitating or constructing homes by the Organization which will be partially recovered when the homes are sold.

**5. PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2023 and 2022, is summarized as follows:

	<u>2023</u>	<u>2022</u>
Construction in progress	\$ 32,100,855	\$ 5,484,774
Building and improvements	19,383,706	19,383,222
Furniture and equipment	1,202,065	1,062,892
Land	657,852	657,852
Leasehold improvements	528,532	-
Vehicles	14,000	-
Less accumulated depreciation	<u>(2,432,545)</u>	<u>(1,634,729)</u>
	<u><u>\$ 51,454,465</u></u>	<u><u>\$ 24,954,011</u></u>

Construction in progress represents construction costs of a youth center and a training center currently under construction. Amounts are stated at cost and not depreciated. Once the centers are completed, these costs will be reclassified to buildings and depreciation of the asset will begin. At December 31, 2023, estimated completion costs are approximately \$97,000,000.

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Depreciation expense for the years ended December 31, 2023 and 2022, amounted to \$852,546 and \$637,944, respectively.

**6. NET ASSETS**

Net assets with donor restrictions at December 31, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Net assets with donor restrictions - purpose		
Public Safety Training Center	\$ 27,616,310	\$ 16,023,350
At-Promise Operations	9,722,554	7,246,331
Strategic Initiatives	2,071,729	73,488
Secure Neighborhoods	544,960	627,379
Officer Recruitment	512,376	368,390
Crime Stoppers	241,170	339,761
Training	6,000	6,000
Centers for Hope	3,192	84,000
Buckhead Security Plan	-	36,545
CEOPS	-	5,203
Field Day	-	440,063
Life Insurance	-	25,395
Officer Support	-	397,314
Other	37,364	108,905
Net assets with donor restrictions - time	<u>1,940,500</u>	<u>3,697,592</u>
	<u>\$ 42,696,155</u>	<u>\$ 29,479,716</u>

At December 31, 2023 and 2022, a portion of the net assets with donor restrictions were also time restricted in line with the related receivable as follows:

Year ended December 31, 2023	\$ -	\$ 4,216,668
Year ended December 31, 2024	1,040,964	881,334
Year ended December 31, 2025	<u>333,333</u>	<u>333,333</u>
	<u>\$ 1,374,297</u>	<u>\$ 5,431,335</u>

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Net assets with donor restrictions released from restrictions during the years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Public Safety Training Center	\$ 26,673,882	\$ 4,597,375
At-Promise operations	3,453,978	3,568,536
Secure neighborhoods	995,680	495,706
Strategic initiatives	971,759	5,807
Field day	440,063	357,787
Officer recruitment	405,989	461,285
Officer support	405,075	12,425
Buckhead security plan	181,495	173,800
Crime stoppers	114,832	235,190
Centers for Hope	80,808	-
Chastain security plan	58,000	-
Life insurance	25,395	41,008
CEOPS	5,203	-
Operation shield	-	838,961
Training	-	2,015
Other	73,051	150,128
Passage of time	3,417,092	24,000
	<u>\$ 37,302,302</u>	<u>\$ 10,964,023</u>

In 2022, the Organization launched the 2022-2024 Public Safety First Campaign (PSF), chaired by Alex Taylor, President & CEO of Cox Enterprises. The PSF campaign is a \$90 million comprehensive public safety strategy designed to address the City of Atlanta's current crime surge and to reestablish the lost momentum in building a safer city and a world class police department. This strategy includes the building of a state-of-the-art Public Safety Training Center, the At-Promise Youth initiative, our Operation Shield Camera Program, Secure Neighborhoods and community policing initiatives, recruitment and training programs and other proven, innovative measures.

## **7. COMMITMENTS**

The Organization holds three long-term leases. The first lease relates to the Organization's primary office space in Atlanta under an operating lease that extends through March 2033. The second lease relates to additional office space for one of the Organization's programs under an operating lease that extends through March 2025. The third lease relates to additional office space for one of the Organization's programs under an operating lease that extends through December 2028.

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Operating right-of-use assets and lease liabilities are classified as follows on the consolidated statement of financial position as of December 31, 2023 and 2022:

Operating lease right-of-use assets, net	<u>\$ 1,187,946</u>
Current portion of operating lease liabilities	\$ 138,458
Operating lease liabilities, net of current portion	<u>1,118,178</u>
Total operating lease liabilities	<u>\$ 1,256,636</u>

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2023 and 2022:

<b>Weighted Average Remaining Lease Term</b>	8.98 years
<b>Weighted Average Discount Rate</b>	2%

Future maturities of lease liabilities as of December 31, 2023, were as follows:

**For the Year Ended December 31,**

2024	\$ 181,115
2025	165,425
2026	163,357
2027	168,269
2028	168,676
Thereafter	<u>540,117</u>
Total Lease Payments	1,386,959
Less interest	<u>(130,323)</u>
Present value of lease liabilities	<u>\$ 1,256,636</u>

For the years ended December 31, 2023 and 2022, total operating lease expense for these leases, an equipment lease, and contributed donated rent was approximately \$175,000 and \$174,000, respectively. A portion of the lease expense amount is grouped with the program lines on the consolidated statement of functional expenses.

Not included in the amounts above are leases with an initial term of 12 months or less. Expenses for these such leases are not significant for the years ended December 31, 2023 and 2022.

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**8. NEW MARKET TAX CREDIT**

The New Market Tax Credit Program (NMTC Program) was established by Congress in 2000 to attract investment capital to low-income communities by permitting investors to receive tax credit incentives in exchange for making equity investments in certified Community Development Entities (CDE). Under this program, certain commercial banks and other investors are able to subsidize eligible projects that meet the NMTC Program requirements.

In July 2019, a new 501(c)(3), APF Support, Inc., was formed to facilitate the New Market Tax Credit transaction by holding funds and certain properties transferred to it by the Atlanta Police Foundation, Inc. during the seven-year term of the NMTC Program. Capital campaign funds and NMTC proceeds received under the NMTC Program were disbursed to create two youth centers in blighted areas of Atlanta.

On December 31, 2019, to benefit under the NMTC Program, the Organization entered into a series of agreements and transactions with the AEMI Fund XXIII, LLC and TNT-APF NMTC Fund, LLC.

Additionally, as a part of the original agreement and transactions with the AEMI Fund XXIII, LLC and TNT-APF NMTC Fund, LLC on December 31, 2019, the Organization obtained a note receivable from the TNT-APF NMTC Fund, LLC in the amount of \$7,837,200.

The Organization is required to pay the AEMI Fund XXIII, LLC an interest rate of 1% on the full loan amount each year for seven years. Per the agreement, all interest payments will be repaid to the Organization on a yearly basis.

At December 31, 2023 and 2022, notes payable related to the NMTC Program total \$11,760,000 (Note 9).

If certain conditions are met under the NMTC Program, all notes payable and notes receivable are expected to be forgiven after seven years.

**9. NOTES PAYABLE**

For the years ended December 31, 2023 and 2022, notes payable includes two New Market Tax Credit loans held by AEMI Fund XXIII, Inc. (AEMI) of \$7,837,200 and \$3,922,800. The Organization will pay AEMI an annual interest payment of 1% on the full original balance for seven years. This interest payment will be refunded each year by December 31. The loan is expected to be fully forgiven if all requirements are met for seven years. See Note 8.

As of December 31, 2023, the balance presented on the consolidated statement of financial position includes \$243,077 of capitalized loan costs net of \$322,932 of accumulated amortization. As of December 31, 2022, the balance presented on the consolidated statement of financial position includes \$323,810 of capitalized loan costs net of \$242,199 of accumulated amortization.

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**10. CONTINGENCY**

Contributions often require the fulfillment of certain conditions as set forth in the terms of the related instrument. Failure to fulfill the conditions could result in the return of the funds to the grantor. Management represents that the Organization has complied with any such conditions. Although the return of funds is a possibility, management deems the contingency unlikely.

The Organization is regularly awarded multi-payment grants from non-profit organizations that require the Organization to fulfill certain barriers in order to receive payment. During the year ended December 31, 2022, the Organization received two grants totaling \$15,000,000 that include donor-imposed barriers. At December 31, 2022, the remaining barrier-restricted amounts include \$5,000,000 restricted for the Public Safety Training Center and \$3,000,000 restricted for the Public Safety First campaign. These barriers were met in 2023.

**11. RELATED PARTY TRANSACTIONS**

For the year ended December 31, 2023, the Organization received Public Safety Training Center construction with costs of approximately \$3,650,000 from a company which had officers that served as board members to the Organization. The Organization received legal services with costs of approximately \$235,000 from a company which had officers that served as board members to the Organization. These construction costs and legal services costs are included in property and equipment.

For the year ended December 31, 2022, the Organization received recruit housing construction with costs of approximately \$360,000 from a company which had officers that served as board members to the Organization. These construction costs are included in property and equipment.

**12. EMPLOYEE PENSION PLAN**

During 2016, the Organization started a Tax Deferred Annuity plan under Section 403(b) of the Internal Revenue Code (IRC). An eligible employee may make contributions to the plan through a salary reduction agreement with the Organization, subject to certain maximum limitations. The Organization may make discretionary contributions to the plan. The plan is underwritten and maintained by an outside party. For the year ended December 31, 2023 and 2022, the contributions to the plan totaled approximately \$40,000 and \$56,000, respectively.

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**13. LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects the Organization's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one-year, perpetual endowments and accumulated earnings net of appropriations within one year or because the governing board has set aside the funds for specific contingency reserves and projects or a long-term investment as Board designated endowments.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 44,940,865	\$ 17,609,674
Certificates of deposit	1,309,103	1,840,018
Current portion of contributions receivable	2,546,417	3,383,320
Accounts receivable	638,986	431,016
Home inventory	<u>2,603,072</u>	<u>1,782,164</u>
Financial assets, at year end	<u>52,038,443</u>	<u>25,046,192</u>
Less: Assets unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Purpose and time restrictions	42,696,155	29,479,716
Adjusted for:		
long-term contributions receivable	<u>(733,333)</u>	<u>(5,748,010)</u>
	<u>41,962,822</u>	<u>23,731,706</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,075,621</u>	<u>\$ 1,314,486</u>

The Organization is substantially supported by contributions. As a result of its current capital campaign, the majority of its contributions are restricted. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to donors. Therefore, certain financial assets may not be available for general expenditures within one year. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses. As part of the Organization'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 Organization invests cash in excess of daily requirements in various short-term investments, including certificates of deposits and short-term treasury instruments.

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**14. PAYCHECK PROTECTION PROGRAM**

In June 2021, the Organization obtained a \$214,053 loan under the Paycheck Protection Program (PPP). Under the terms of the loan agreement, the Organization will make equal monthly payments plus 1% interest over a period of time. If certain conditions are met under the programs' loan use guidelines, the loan can be forgiven.

In December 2022, the Organization applied for and received full forgiveness from its lender for the PPP loan and recognized \$214,053 of related revenue in the year ended December 31, 2022.