

**DENVER POLICE OFFICERS FOUNDATION**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

TOGETHER WITH INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**DENVER POLICE OFFICERS FOUNDATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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May 24, 2024

Independent Accountants' Review Report

Board of Directors  
Denver Police Officers Foundation  
Denver, Colorado

We have reviewed the accompanying financial statements of **Denver Police Officers Foundation** (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as December 31, 2023, and the related statement of revenues, expenses, and other changes in net assets – modified cash basis, and functional expenses – modified cash basis for the year ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

***Accountants' Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

***Accountants' Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

***Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

*Taylor Roth and Company PLLC*

TAYLOR, ROTH AND COMPANY, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS  
DENVER, COLORADO

**DENVER POLICE OFFICERS FOUNDATION**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS**  
**MODIFIED CASH BASIS**  
**DECEMBER 31, 2023**

	2023
<u>Assets</u>	
Cash and cash equivalents	\$ 674,812
Accounts receivable	409
Investments (Note 4)	526,338
Total assets	\$ 1,201,559
 <u>Liabilities and net assets</u>	
<u>Liabilities</u>	
Accounts payable	\$ -
 <u>Net assets</u>	
Without donor restrictions	975,640
With donor restrictions (Note 5)	225,919
Total net assets	1,201,559
Total liabilities and net assets	\$ 1,201,559

See accompanying notes and independent accountants' review report

**DENVER POLICE OFFICERS FOUNDATION**  
**STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS**  
**MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenue and other support</u>			
Wills and bequests	\$ 242,691	\$ 200,000	\$ 442,691
Contributions	101,070	31,827	132,897
Special events	24,000	-	24,000
Less: cost of direct benefits to donors	(10,470)	-	(10,470)
Investment income, net	11,147	-	11,147
In-kind donations (Note 6)	1,200	-	1,200
Net assets released from restrictions (Note 7)	6,000	(6,000)	-
Total revenue and other support	<u>375,638</u>	<u>225,827</u>	<u>601,465</u>
<u>Expense</u>			
Program services	92,387	-	92,387
Supporting services			
Management and general	5,063	-	5,063
Fundraising	1,325	-	1,325
Total expense	<u>98,775</u>	<u>-</u>	<u>98,775</u>
Change in net assets	276,863	225,827	502,690
Net assets, beginning of year	<u>698,777</u>	<u>92</u>	<u>698,869</u>
Net assets, end of year	<u>\$ 975,640</u>	<u>\$ 225,919</u>	<u>\$ 1,201,559</u>

See accompanying notes and independent accountants' review report

**DENVER POLICE OFFICERS FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**MODIFIED CASH BASIS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023			
		<u>Supporting Services</u>		
	<u>Program</u>	<u>Management</u>		
	<u>Services</u>	<u>And</u>	<u>Fund-</u>	<u>Total</u>
		<u>General</u>	<u>raising</u>	
Salaries, taxes and benefits	\$ 14,333	\$ 1,371	\$ 1,145	\$ 16,849
Financial assistance	31,115	-	-	31,115
Grants to others	20,700	-	-	20,700
Professional fees	13,473	-	-	13,473
Personal and career wellness	8,955	-	-	8,955
Memorial activities	2,350	-	-	2,350
Accounting and legal	-	2,247	-	2,247
Rent	300	780	120	1,200
Compassionate outreach	556	-	-	556
Awareness and recognition	500	-	-	500
Telephone	105	135	60	300
Board	-	267	-	267
Office expense	-	207	-	207
Interest	-	36	-	36
Bank charges	-	20	-	20
Total expenses	<u>\$ 92,387</u>	<u>\$ 5,063</u>	<u>\$ 1,325</u>	<u>\$ 98,775</u>

See accompanying notes and independent accountants' review report

# DENVER POLICE OFFICERS FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### NOTE 1 - NATURE OF ACTIVITIES

The Denver Police Officers Foundation (the Organization), provides financial assistance and support to active and former Denver Police Officers, civilians, and their immediate family members in times of crisis. The Organization is supported primarily by contributions from individuals and city payroll deductions.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

#### 1. Basis of Accounting

The Organization policy is to prepare its financial statements on the modified cash basis of accounting; consequently, certain revenues are recognized when received rather than earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

#### 2. Basis of Presentation

The financial statements of the Organization have been prepared on the modified – cash basis of accounting. Under that basis certain revenues and the related assets are recognized when received rather than when pledged and certain expenses are recognized when paid rather than when the obligation is incurred. This basis of accounting differs from accounting principles generally accepted in the United States of America (“GAAP”) primarily because the Organization has not recognized pledges receivable and certain liabilities, and their related effects on earnings in the accompanying financial statements.

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulation regarding how long the contributed asset must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.



NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents, except for those amounts held in the investment portfolio which are invested for long-term purposes.

4. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; are received.

5. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$1,000. The fair value of donated assets is similarly capitalized. Depreciation of furniture, equipment, and office space is provided over the estimated useful lives of the respective assets on a straight-line basis. As of December 31, 2023, the Organization had no capitalized furniture and equipment.

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c) (3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Fair Value Measurements

The Organization follows the provisions of the Fair Value Measurements and Disclosures Topic of FASB ASC, which requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

9. Functional Reporting of Expenses

For the year ended December 31, 2023, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocations are determined by management on a rational and systematic basis. Salaries and benefits are allocated on a time and effort basis. Rent is allocated on square footage. All other expenses are allocated on a time and effort basis or an allocation to the program services benefited.

10. Subsequent Events

Management has evaluated subsequent events through May 24, 2024, the date the financial statements were available to be distributed.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents Denver Police Officers Foundation financial assets at December 31, 2023:

Financial assets at year-end:	
	<u>Amount</u>
Cash and cash equivalents	\$ 674,812
Accounts receivable	409
Investments	<u>526,338</u>
	1,201,559
Less amounts not available to be used within one year:	
Donor purpose restricted funds	<u>(225,919)</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$ 975,640</u>

The Organization's goal is generally to maintain financial assets to meet at least one year of operating expenses. Management considers donor restricted contributions that will be used within one year as part of its ordinary operations, as being available for general expenditures.

NOTE 4 - INVESTMENTS

Investments, carried at market value (level one inputs), consist of two twelve-month, one two-year, and one five year certificates of deposit. Investment income of \$1,147 consists of interest earned on the certificates of deposit and other cash balances.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

At year-end, net assets with donor restrictions were available for the following program purpose:

<u>Description</u>	<u>Amount</u>
Scholarships	\$ 223,279
Financial assistance	<u>2,640</u>
Total	<u>\$ 225,919</u>

NOTE 6 - IN-KIND CONTRIBUTIONS

The fair value of donated services included as contributions in the financial statements and the corresponding program expenses for the year consist of:

Description	Utilization in Programs/Management And general and Fundraising	Donor Restrictions	<u>Revenue</u> <u>Recognized</u>
Office space		None	<u>\$ 1,200</u>

The value of the donated office space is based on the estimated fair value for similar rental prices in the area.

NOTE 7 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the period, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes:

<u>Description</u>	<u>Amount</u>
Funeral expenses	<u>\$ 6,000</u>

NOTE 8 - CONCENTRATION OF REVENUE SOURCE

The Organization received approximately 74% of its revenue from two bequests during the year.

NOTE 9 - CONCENTRATION OF CASH

The Organization keeps its cash in one financial institution. As of year-end, the Organization has cash balances totaling approximately \$951,000 in excess of the \$250,000 National Credit Union Administration (NCUA) limit. Management has evaluated its banking needs and the strength of the financial institutions and feels that it is in the best long-term interest of the organization to continue its existing relationships.