

**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS
CHILDREN'S FOUNDATION
FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2012
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
National Law Enforcement and Firefighters
Children's Foundation

We have audited the accompanying statement of financial position of National Law Enforcement and Firefighters Children's Foundation as of March 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Law Enforcement and Firefighters Children's Foundation as of March 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America

Ribet and Gordon

New York NY

July 16, 2012

NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2012

ASSETS

Assets	
Cash	
Cash - Restricted	\$ 295,627
Contributions Receivables	40,817
Prepaid Expenses	29,558
	<u>2,106</u>
TOTAL ASSETS	<u>\$ 368,108</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts Payable	\$ 8,936
Accrued Expenses	2,041
	<u>10,977</u>
TOTAL LIABILITIES	<u>10,977</u>
Net Assets	
Unrestricted	316,314
Temporarily Restricted	40,817
	<u>357,131</u>
TOTAL NET ASSETS	<u>357,131</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 368,108</u>

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

NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2012

	Unrestricted	Temporarily Restricted	Total
REVENUES			
Contributions	\$ 212,163	\$ 13,690	\$ 225,853
Donated Services	17,756	-	17,756
Interest Income	76	21	97
NET ASSETS RELEASED FROM RESTRICTION	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
TOTAL REVENUE	<u>234,995</u>	<u>8,711</u>	<u>243,706</u>
EXPENSES			
Program	124,185	-	124,185
Management and General	47,801	-	47,801
Fundraising	<u>50,776</u>	<u>-</u>	<u>50,776</u>
TOTAL EXPENSES	<u>222,762</u>	<u>-</u>	<u>222,762</u>
INCREASE IN NET ASSETS	12,233	8,711	20,944
NET ASSETS - BEGINNING OF YEAR	<u>304,081</u>	<u>32,106</u>	<u>336,187</u>
NET ASSETS - END OF YEAR	<u>\$ 316,314</u>	<u>\$ 40,817</u>	<u>\$ 357,131</u>

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

NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2012

	Program	Management & General	Fundraising	Total
Events – Thanksgiving	\$ 41,528	\$ -	\$ -	\$ 41,528
Events – Casino Night	-	-	41,185	41,185
Scholarship	30,500	-	-	30,500
Grants	9,000	-	-	9,000
Consulting	41,757	5,568	8,351	55,676
Professional Fees	500	20,180	-	20,680
Leased Employees	-	5,532	-	5,532
Office Expense	900	5,552	-	6,452
Rent	-	4,800	-	4,800
Insurance	-	2,599	-	2,599
Credit Card Fees & Bank Charges	-	-	1,118	1,118
Travel and Entertainment	-	1,056	122	1,178
Telephone and Internet Access	-	1,038	-	1,038
Website	-	570	-	570
Miscellaneous	-	906	-	906
TOTAL FUNCTIONAL EXPENSES	\$ 124,185	\$ 47,801	\$ 50,776	\$ 222,762

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

NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
STATEMENT OF CASH FLOWS
MARCH 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in Net Assets	<u>\$ 20,944</u>
Adjustment to reconcile increase in net assets to net cash flows provided by operating activities:	
Changes in Assets and Liabilities	
Contributions Receivables	(23,560)
Prepaid Expenses	14,694
Accounts Payable	8,936
Accrued Expenses	<u>(13,143)</u>
TOTAL ADJUSTMENTS	<u>(13,073)</u>
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	<u>7,871</u>
NET INCREASE IN CASH	7,871
CASH - BEGINNING OF YEAR	<u>328,573</u>
CASH - END OF YEAR	<u><u>\$ 336,444</u></u>
Composition of Ending Cash	
Cash - Unrestricted	\$ 295,627
Cash - Restricted	40,817
	<u><u>\$ 336,444</u></u>

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

**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS
CHILDREN'S FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The National Law Enforcement and Firefighters Children's Foundation (the "Foundation") is a not for profit organization located in New York City dedicated to helping children of law enforcement and firefighting personnel and working with law enforcement and firefighting organizations to provide all children with valuable social and life skills programs.

Along with providing for these children, the Foundation is also committed to funding educational programs created and operated by various law enforcement and firefighting organizations.

The Foundation is primarily supported through public contributions and events like Thanksgiving Day and Casino Night held this year. Public contributions are also made in support of the scholarship programs.

Summary of Significant Accounting Policies

Significant accounting policies followed by National Law Enforcement and Firefighters Children's Foundation are set forth below:

- The accompanying financial statements are presented on the accrual basis of accounting and have been prepared to focus on the organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions as required by accounting standards for Not-for-Profit Organizations.
- National Law Enforcement and Firefighters Children's Foundation applies Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Made, and SFAS No. 117, Financial Statements for Not-for-Profit Organizations to its financial statements. SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization distinguish between contributions received for each net asset category in accordance with donor imposed restrictions. A description of the three net asset categories follows.

Unrestricted net assets include National Law Enforcement and Firefighters Children's Foundation revenues and expenses associated with its principal mission to helping children of law enforcement and firefighters. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Temporarily restricted net assets include gifts for which donor imposed restrictions have not been met and trust activity and pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted.

**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS
CHILDREN'S FOUNDATION**
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- Donated Materials and Services:
Donated materials and services are recognized as in-kind revenues at their estimated fair value. A corresponding expense is similarly recorded.
- Subsequent events have been evaluated through October 2, 2012 which was the date the financial statements were available to be issued.

NOTE 2 - CASH

At times during the year, the Foundation periodically had cash balances in excess of Federal Deposit Insurance Corporation (FDIC) limits. As of March 31, 2012, the Foundation had a cash balance in excess of these limits in the amount of \$95,175. The Foundation has not experienced any losses on its cash.

NOTE 3 - DONATED SERVICES AND MATERIALS

The Foundation received donated services and materials from a variety of unpaid volunteers and Companies assisting the Foundation in support of its operations, programs and special events. Their fair value of the portion of these in-kind donations, which were included in the accompanying financial statements, pursuant to the criteria for recognition under accounting principles generally accepted in the United States of America consisted of the following during the year ended March 31, 2012:

Fees	\$ 10,826
Program Expenses	2,130
Rent	<u>4,800</u>
	<u>\$ 17,756</u>

NOTE 4 - INCOME TAXES

National Law Enforcement and Firefighters Children's Foundation, Inc. is a tax-exempt organization under the Internal Revenue Code Section 501(c)(3) and is not subject to federal or state income taxes.

**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS
CHILDREN'S FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012**

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

In May, 2005, the Foundation received a donation in the amount of \$24,166 from a donor with the stated purpose of using the funds and the interest generated by these funds to award two annual scholarships in the amount of \$500 each, to the New York City Department of Corrections Law Enforcement Explorer program, until said funds are depleted. During the year ended March 31, 2012, the Foundation awarded \$2,000 to fund the program. The balance of this donation in cash-restricted is \$16,977 at March 31, 2012.

The Foundation established a scholarship fund in 2009 in honor of Victoria Ovis, who dedicated her life to law enforcement. A \$2,000 scholarship will be given to students each year in Victoria's memory. This annual scholarship is designed to reward personal character, academic excellence and the overall achievement of individuals who are or were a dependent of a firefighter of law enforcement agent. During the year ended March 31, 2012, \$3,000 in scholarships were awarded and an additional \$13,690 was contributed into the fund. The balance of this donation in cash-restricted is \$23,840 at March 31, 2012.

NOTE 6 – EVENT CONCENTRATION

During the year ended March 31, 2012, two events (Thanksgiving and Casino Night) represented 78.7% of contributions.