

**NATIONAL LAW ENFORCEMENT AND  
FIREFIGHTERS CHILDREN'S FOUNDATION  
FOR THE YEAR ENDED MARCH 31, 2014  
WITH SUMMARIZED FINANCIAL  
INFORMATION AS OF MARCH 31, 2013**

**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS  
INDEX TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014  
WITH SUMMARIZED FINANCIAL INFORMATION  
AS OF MARCH 31, 2013**

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of National Law Enforcement and Firefighters Children's Foundation (a non profit organization), which comprise the statement of financial position as of March 31, 2014 and 2013 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### *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 misstatements, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *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, 2014 and 2013, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

New York, NY

June 20, 2014

NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION  
 STATEMENT OF FINANCIAL POSITION AT MARCH 31, 2014  
 WITH SUMMARIZED INFORMATION AT MARCH 31, 2013

ASSETS		
	2014	2013
Assets		
Cash	\$ 472,716	\$ 265,150
Cash - Restricted	47,652	39,349
Prepaid Expenses	1,127	2,690
<b>TOTAL ASSETS</b>	<b>\$ 521,495</b>	<b>\$ 307,189</b>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ -	\$ 1,040
<b>TOTAL LIABILITIES</b>	-	1,040
Net Assets		
Unrestricted	473,843	266,800
Temporarily Restricted	47,652	39,349
<b>TOTAL NET ASSETS</b>	<b>521,495</b>	<b>306,149</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 521,495</b>	<b>\$ 307,189</b>

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, 2014  
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED MARCH 31, 2013

	Unrestricted	Temporarily Restricted	2014 Total	2013 Total
<b>REVENUES</b>				
Contributions	\$ 568,188	\$ 14,285	\$ 582,473	\$ 106,224
Donated Services	21,400	-	21,400	16,334
Interest Income	3	18	21	22
Other	1,462	-	1,462	6,130
<b>NET ASSETS RELEASED FROM RESTRICTION</b>	<b>6,000</b>	<b>(6,000)</b>	<b>-</b>	<b>-</b>
<b>TOTAL REVENUE</b>	<b>597,053</b>	<b>8,303</b>	<b>605,356</b>	<b>128,710</b>
<b>EXPENSES</b>				
Program	150,988	-	150,988	127,595
Management and General	59,896	-	59,896	42,059
Fundraising	179,126	-	179,126	10,038
<b>TOTAL EXPENSES</b>	<b>390,010</b>	<b>-</b>	<b>390,010</b>	<b>179,692</b>
<b>DECREASE/INCREASE IN NET ASSETS</b>	<b>207,043</b>	<b>8,303</b>	<b>215,346</b>	<b>(50,982)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>266,800</b>	<b>39,349</b>	<b>306,149</b>	<b>357,131</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 473,843</b>	<b>\$ 47,652</b>	<b>\$ 521,495</b>	<b>\$ 306,149</b>

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

NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2014  
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED MARCH 31, 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase/(Decrease) in Net Assets	<u>\$ 215,346</u>	<u>\$ (50,982)</u>
Adjustment to reconcile (decrease)/increase in net assets to net cash flows provided by operating activities:		
Changes in Assets and Liabilities		
Contributions Receivables	-	29,558
Prepaid Expenses	1,563	(584)
Accounts Payable	(1,040)	(7,896)
Accrued Expenses	-	<u>(2,041)</u>
TOTAL ADJUSTMENTS	<u>523</u>	<u>19,037</u>
NET CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>215,869</u>	<u>(31,945)</u>
NET (DECREASE)/INCREASE IN CASH	215,869	(31,945)
CASH - BEGINNING OF YEAR	<u>304,499</u>	<u>336,444</u>
CASH - END OF YEAR	<u>\$ 520,368</u>	<u>\$ 304,499</u>
Composition of Ending Cash		
Cash - Unrestricted	\$ 472,716	\$ 265,150
Cash - Restricted	<u>47,652</u>	<u>39,349</u>
	<u>\$ 520,368</u>	<u>\$ 304,499</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, 2014

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**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 the children of law enforcement officers and firefighters impacted by a line of duty death or permanent disability.

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, benefitting the children in their communities.

The Foundation is primarily supported through public contributions and events like the Thanksgiving Parade Breakfast and the Heroes Awards Gala events held this year. Public contributions are also made in support of the scholarship and grant 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.
- The National Law Enforcement and Firefighters Children's Foundation applies Statement of Financial Accounting Standards FASB ASC 958-605, Accounting for Contributions Received and Made, and FASB ASC 958-205, Financial Statements for Not-for-Profit Organizations to its financial statements. FASB ASC 958-205 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. FASB ASC 958-605 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, 2014

*Permanently restricted net assets* include gifts, trust and pledges which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

- 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 June 20, 2014 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, 2014 and 2013, the Foundation had a cash balance in excess of these limits in the amount of \$156,825 and \$54,499, respectively. 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, 2014 and 2013:

	2014	2013
Fees	\$ 9,900	\$ 4,293
Program Expense	4,300	4,841
Rent	7,200	7,200
	\$ 21,400	\$ 16,334

**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS  
CHILDREN'S FOUNDATION**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014

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**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

**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, 2014 and 2013, the Foundation awarded \$4,000 and \$2,000 respectively to sponsor selected explorers to support a college scholarship or attend the Thanksgiving event. The balance of this donation in cash-restricted is \$11,014 and \$14,999 at March 31, 2014 and 2013, respectively.

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, 2014 and 2013, \$2,000 in scholarships were awarded each year and an additional \$0 and \$2,500 was contributed into the fund, respectively. The balance of this donation in cash-restricted is \$22,352 and \$24,350 at March 31, 2014 and 2013, respectively.

**NOTE 6 – EVENT CONCENTRATION**

During the year ended March 31, 2014, one event (Heroes Award) represented 80.43% of contributions. During the year ended March 31, 2013, one event (Thanksgiving) represented 81.22% of contributions.

In November, 2013, the Foundation established a fund to accept donations for the purpose of helping law enforcement and firefighter directly affected by Hurricane Sandy. During the year, \$1,771 was contributed into this fund, which was all disbursed to those directly affected.

**NOTE 7 – SUMMARIZED PRIOR YEAR INFORMATION**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended March 31, 2013 from which the summarized information was derived.

**INDEPENDENT AUDITORS' REPORT  
ON ADDITIONAL INFORMATION**

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

Our report on our audit of the basic financial statements of National Law Enforcement and Firefighters Children's Foundation as of March 31, 2014 and 2013 and for the year then ended appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

New York, NY

June 20, 2014

NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION  
 STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED MARCH 31, 2014  
 WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED MARCH 31, 2013

	Program	Mgmt & General	Fundraising	2014 Total	2013 Total
Events					
Heroes Award	-	\$ -	\$ 155,983	\$ 155,983	\$ -
Thanksgiving	79,152	-	-	79,152	58,286
Scholarship	22,750	-	-	22,750	18,000
Grants	5,500	-	-	5,500	5,400
Consulting	42,006	8,500	12,002	62,508	60,537
Professional Fees	-	17,015	-	17,015	11,457
Printing & Publications	376	192	5,777	6,345	-
Office Expense	-	445	-	445	1,408
Rent	-	7,200	-	7,200	7,200
Insurance	-	5,990	-	5,990	5,442
Credit Card Fees & Bank Charges	-	194	2,112	2,306	175
Travel & Entertainment	59	754	555	1,368	679
Telephone & Internet Access	-	2,115	-	2,115	1,521
Postage & Shipping	1,145	290	2,697	4,132	-
Filing Fees	-	1,516	-	1,516	2,076
Dues and Subscriptions	-	1,907	-	1,907	6,432
Advertising & Promotion	-	13,114	-	13,114	578
Miscellaneous	-	664	-	664	501
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 150,988</b>	<b>\$ 59,896</b>	<b>\$ 179,126</b>	<b>\$ 390,010</b>	<b>\$ 179,692</b>

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