

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

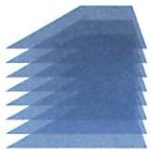
**REPORT ON
AUDITED FINANCIAL STATEMENTS**

DECEMBER 31, 2021

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors
Las Vegas Metropolitan Police Department Foundation

Opinion

We have audited the accompanying financial statements of Las Vegas Metropolitan Police Department Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then 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 Las Vegas Metropolitan Police Department Foundation as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Las Vegas Metropolitan Police Department Foundation and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adjustments to Prior Period Financial Statements

The financial statements of Las Vegas Metropolitan Police Department Foundation as of December 31, 2020 were audited by other auditors whose opinion dated June 1, 2022 on those statements was unmodified. As more fully described in Note 9, the Foundation has restated its 2021 beginning net assets balance, decreasing it with a corresponding increase to accounts payable, in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the 2020 financial statements before the restatement.

Responsibilities of Management for the Financial Statements

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

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 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 Las Vegas Metropolitan Police Department 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 Las Vegas Metropolitan Police Department 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.



Campbell Jones Cohen CPAs

Las Vegas, Nevada
June 19, 2023

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Current Assets:

Cash and cash equivalents	\$	308,895	
Contributions receivable, current portion, net (Note 4)		461,711	
Gift shop inventory		57,416	
Total current assets			\$ 828,022

Other Assets:

Contributions receivable, non-current portion, net (Note 4)			450,000
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Total Assets			<u>\$ 1,278,022</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$	3,248,129	
Related party payable (Note 8)		1,500,000	
Total current liabilities			\$ 4,748,129

Net Assets:

With donor restriction		1,122,884	
Without donor restrictions		(4,592,991)	
Total net assets			<u>(3,470,107)</u>

Total Liabilities and Net Assets			<u>\$ 1,278,022</u>
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LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Activities			
Revenue, Support and Gains:			
Contributions	\$ 364,047	\$ 8,426,197	\$ 8,790,244
Special events contributions	887,039	-	887,039
Special events exchange loss, net of direct expenses of \$523,610	(235,290)	-	(235,290)
Other income	236,008	-	236,008
Net assets released from restrictions	12,112,412	(12,112,412)	-
Total revenue, support and gains	<u>13,364,216</u>	<u>(3,686,215)</u>	<u>9,678,001</u>
Expenses and Losses:			
Program services expense	17,154,211	-	17,154,211
Supporting services:			
Management and general	485,374	-	485,374
Fundraising and development	765,895	-	765,895
Total support services	<u>1,251,269</u>	<u>-</u>	<u>1,251,269</u>
Total expenses	<u>18,405,480</u>	<u>-</u>	<u>18,405,480</u>
Change in net assets	<u>(5,041,264)</u>	<u>(3,686,215)</u>	<u>(8,727,479)</u>
Net assets, beginning of year	626,424	4,809,099	5,435,523
Prior period adjustments (Note 9)	<u>(178,151)</u>	<u>-</u>	<u>(178,151)</u>
Net assets, end of year	<u>\$ (4,592,991)</u>	<u>\$ 1,122,884</u>	<u>\$ (3,470,107)</u>

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

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Program Service</u>	<u>Management & General</u>	<u>Fundraising & Development</u>	<u>Total</u>
Community engagement	\$ 603,768	\$ -	\$ -	\$ 603,768
Salaries and wages	279,585	139,792	139,792	559,169
Foundation expenses	87,412	-	-	87,412
Metro support	1,560,117	-	-	1,560,117
Printing	-	-	16,803	16,803
Advertising	-	135,741	20,213	155,954
Professional Fees	91,460	105,247	80,545	277,252
Contract services	-	-	128,300	128,300
Administrative	-	73,878	-	73,878
Occupancy	-	30,716	-	30,716
Reality based training center	14,531,869	-	-	14,531,869
Capital campaign	-	-	380,242	380,242
Special event expenses	235,290	-	288,320	523,610
Total	<u>17,389,501</u>	<u>485,374</u>	<u>1,054,215</u>	<u>18,929,090</u>
Less: Expenses netted against revenues on the Statement of Activities:				
Special event expenses	<u>(235,290)</u>	<u>-</u>	<u>(288,320)</u>	<u>(523,610)</u>
Total expenses included in the expense section of the Statement of Activities	<u>\$ 17,154,211</u>	<u>\$ 485,374</u>	<u>\$ 765,895</u>	<u>\$ 18,405,480</u>

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Cash Flows From Operating Activities:	
Change in net assets	\$ (8,727,479)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increases in cash resulting from changes in:	
Receivables	(110,726)
Inventory	(24,365)
Payables	2,174,805
	<hr/>
Net cash used by operating activities	(6,687,765)
 Cash Flows from Financing Activities:	
Proceeds from related party	1,500,000
 Net decrease in cash and cash equivalents	 <hr/> (5,187,765)
 Cash and cash equivalents, beginning of year	 <hr/> 5,496,660
Cash and cash equivalents, end of year	 <hr/> \$ 308,895 <hr/>

Supplemental Disclosure of Cash Flow Information

Amounts paid for interest and taxes for the year ended December 31, 2021 were \$0 and \$0, respectively.

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Las Vegas Metropolitan Police Department Foundation (the “Foundation”), formerly known as the Friends of the Las Vegas Metropolitan Police, is a non-profit 501(c)(3) dedicated to supporting programs that help keep the Las Vegas community safer. The Foundation supports programs that prevent crime, save lives, and make the community a safer place to live, work and play. The Foundation receives donations from the community and uses those donations to help fund the Las Vegas Metropolitan Police Department program and equipment needs.

BASIS OF PRESENTATION

The financial statements of the Las Vegas Metropolitan Police Department Foundation have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”), which require Las Vegas Metropolitan Police Department Foundation to report information regarding its financial position and activities according to the following net asset classifications: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor- (or certain grantor-) 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restrictions when the assets are placed in service. Donor imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

CASH AND CASH EQUIVALENTS

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents.

CONTRIBUTIONS RECEIVABLE

Contributions receivable, including unconditional promises to give, are recognized as revenue in the period made. In accordance Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08 Not-For-Profit-Entities (Topic 985), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Contributions receivable, less an appropriate reserve, are recorded at their estimated fair value. Management determines the allowance for doubtful accounts by regularly evaluating the specific contributions and contracts. Receivables are written off when deemed uncollectible. At December 31, 2021 management determined that no allowance for doubtful accounts was necessary.

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVENTORY - GIFT SHOP

The Foundation inventory is comprised of program-related merchandise held for sale in the gift shop and is stated at lower of cost or net realizable value determined by the first-in first-out method. At December 31, 2021, management determined there was no need for an allowance for inventory obsolescence.

ADVERTISING COSTS

Advertising costs are expensed as incurred and approximated \$155,954 during the year ended December 31, 2021.

FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritized investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Las Vegas Metropolitan Police Department Foundation groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

- | | |
|----------------|--|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date. |
| Level 2 | Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none">• Quoted prices for similar assets/liabilities in active markets;• Quoted prices for identical or similar assets in non-active markets;• Inputs other than quoted prices that are observable for the asset/liability; and• Inputs that are derived principally from or corroborated by other observable market data. |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data. |

FUNCTIONAL EXPENSES

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated amount program activities and supporting services benefited. Such allocations are determined by management on an equitable basis.

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Community engagement	Nature of expense
Salaries and wages	Nature of expense
Foundation expense	Nature of expense
Metro support	Nature of expense
Professional fees	Nature of expense
Contract services	Nature of expense
Administrative	Nature of expense
Rent	Nature of expense
Special event expense	Nature of expense
Capital campaign	Time and effort
Printing	Time and effort
Marketing	Time and effort

INCOME TAXES

Las Vegas Metropolitan Police Department Foundation is exempt from income tax under IRC section 501(c)(3). However, the Foundation remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purpose for which it was granted exemption. No income tax provision had been recorded as the net income, if any, from an unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole. Management believes that no uncertain tax positions exist for the Foundation at December 31, 2021, The Foundation files income tax returns in the U.S. federal jurisdiction and one state jurisdiction.

RECLASSIFICATIONS

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentations.

FINANCIAL INSTRUMENTS AND CREDIT RISK

The Foundation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Foundation to be creditworthy. At times, amounts on deposit may exceed insured limits.

BUILDING, FURNITURE AND EQUIPMENT

Building, furniture and equipment are recorded at cost or at estimated fair value at the date of gift. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The Foundation follows the practice of capitalizing all expenditures for equipment in excess of \$5,000. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the Foundation to make estimates and assumptions that affect the reported amounts of 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 and those differences could be material.

REVENUE RECOGNITION

Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as additional contribution revenue. Conditional promises are recorded as revenue once the conditions are substantially met. Contributions, grants and bequests are recognized as donor restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statements of activities as Net Assets Released from Restrictions. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Special events produce contribution revenue, recognized in accordance with the policy described in the preceding paragraph, and exchange revenue related to the value of the benefits by the donors, which is recognized as the events occur.

Las Vegas Metropolitan Police Department Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Under the New Standards, Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605) as management believe the standard improved the usefulness and understandability of the Foundation's financial reporting.

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position dated, comprise the following at December 31, 2021:

	<u>December 31,</u> <u>2021</u>
Cash and cash equivalents	\$ 308,895
Contributions receivable, current portion	461,711
Less: Net assets with donor restrictions, cash portion	<u>(1,122,884)</u>
Total financial assets	<u>\$ (352,278)</u>

As part of its liquidity management plan, the Foundation maintains cash in excess of daily requirements in a depository account. The Foundation's goal is to keep at least three months of cash on hand, which would cover approximately \$1,000,000 in operating expenses.

NOTE 3 - FUNDRAISING EXPENSE

Fundraising activities include the capital campaign to raise funds to build the Reality based training center. An allocation of management and payroll expenses was made to fundraising expense. Fundraising expense amounted to \$765,895 for the year ended December 31, 2021.

NOTE 4 - CONTRIBUTIONS RECEIVABLE AND RECEIVED

Contributions receivable are estimated to be collected as follows at December 31, 2021:

	<u>December 31,</u> <u>2021</u>
Within one year	\$ 461,711
In two to five years	<u>450,000</u>
Total	911,711
Less: Allowance for uncollectible promises to give	-
Contributions receivable, net	<u>\$ 911,711</u>

At December 31, 2021, two donors accounted for 82% of total pledges receivable.

On June 19, 2019, the Foundation received an \$8,000,000 commitment restricted for the Reality Based Training Center with the following commitments:

When \$10,000,000 in readily available cash is raised, the donor will release \$3,000,000.

When \$16,000,000 in readily available cash is raised, the donor will release \$3,000,000.

When \$23,000,000 in readily available cash is raised, the donor will release \$2,000,000.

The Foundation received the first payment on June 18, 2021 and the second payment on November 8, 2021, both in the amount of \$3,000,000 each. The third payment was received in April 2022, subsequent to year end.

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets have been restricted by donors for the following purposes:

	December 31, 2021
Reality based training center	\$ -
Pathway from poverty	-
Metro programs	1,122,884
Scholarships	-
Time restricted	-
Total net assets with donor restrictions	<u>\$ 1,122,884</u>

Net assets were released from donor restrictions as follows during the year ended December 31, 2021:

	December 31, 2021
Reality based training center	\$ 10,338,054
Pathway from poverty	288,001
Metro programs	1,406,357
Scholarships	5,000
Time restricted	75,000
Total net assets released from donor restrictions	<u>\$ 12,112,412</u>

NOTE 6 - PAYCHECK PROTECTION PROGRAM FORGIVENESS

On February 24, 2021, the Foundation received proceeds in the amount of \$35,205 to fund payroll, rent, and utilities through Paycheck Protection Program (the PPP loan). The PPP loan was formally forgiven by the U.S. Small Business Administration (SBA) on September 1, 2021. This amount is included in other income on the accompanying statement of activities.

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Foundation's financial position.

NOTE 7 - REALITY BASED TRAINING CENTER

The Reality based training center is a facility where law enforcement and other first responders receive specialized training that includes conditioning, decision-making skills, stress inoculation, and de-escalation techniques to save lives and protect themselves and civilians. Construction in progress and furnishings, fixtures and equipment for the Reality based training center have been expensed, as the building and all furnishings, fixtures and equipment will become the property of the Las Vegas Metropolitan Police Department.

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 - RELATED PARTY PAYABLE

The Foundation received a loan from a board member for assistance in building the reality based training center. The balance on the loan was \$1,500,000 as of December 31, 2021. The loan had an interest rate of 0% and was due and payable January 29, 2022. Subsequent to year end, an additional \$830,000 was advanced to the Foundation. The loan was paid off in full on April 20, 2023.

	<u>December 31,</u> <u>2021</u>
Current portion	\$ 1,500,000
Long-term portion	-
	<u>\$ 1,500,000</u>

NOTE 9 - PRIOR PERIOD ADJUSTMENTS

Management discovered that accounts payable was understated at December 31, 2020 and recorded an entry to beginning net asset balances to correct this in the amount of \$178,151.

NOTE 10 - CONTINUING ECONOMIC UNCERTAINTY RELATED TO COVID-19

On January 30, 2020, the World Health Foundation declared the coronavirus outbreak (COVID-19) a “Public Health Emergency of International Concern” and on March 11, 2020, declared COVID-19 a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 have included restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate it have had and are expected to continue to have an impact on the economies and financial markets of many countries, including the geographical area in which the Foundation operates. The extent to which COVID-19 impacts the Foundation’s results will depend upon future developments, which are highly uncertain and cannot be predicted.

NOTE 11 - SUBSEQUENT EVENTS

On March 11, 2022, the Foundation entered into a revolving line of credit agreement with Lexicon Bank in the amount of \$500,000. The maturity date for the loan was March 11, 2023 and had an interest rate of 4.75% which is based on 1.500 points over Wall Street Journal West Coast Edition Prime Rate. The principal balance and accrued interest are due in full in one payment at the maturity date of the loan. On November 8, 2022, the Foundation paid off the line of credit in full.

The Foundation entered into a cash secured revolving credit loan with City National Bank on September 28, 2022 for up to \$2,000,000, with \$1,964,562 outstanding as of the date the financial statements were available to be issued. Interest calculated in the amount stated in the agreement is payable monthly. The principal payable on the maturity date of November 1, 2023. The line is secured by \$2,000,000 on deposit with City National Bank.

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 - SUBSEQUENT EVENTS (CONTINUED)

Construction of the first building of the Reality Based Training Center was completed in the spring of 2022. The structural shell and mechanicals of the second building were completed in the summer of 2022. The build-out of the interior of the second building, which will be an indoor tactical training village, started construction in the Fall of 2022 and continues into 2023.

On January 1, 2022, the Foundation changed its method of recording merchandise inventory for the Honor Guard Program to record it in an inventory account on the statement of financial position for that program and to expense the inventory when it is used for program purposes. In all prior periods, merchandise related inventory for the Honor Guard Program was expensed.

The Foundation received an anonymous donation of \$4,000,000 on March 16, 2023.

The Foundation has evaluated subsequent events through June 19, 2023, which is the date the financial statements were available to be issued.