

Martin County Police Athletic League, Inc

Financial Statements

June 30, 2022

With Independent Accountants' Review Report

MARTIN COUNTY POLICE ATHLETIC LEAGUE, INC.

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Independent Accountants' Review Report

To The Board of Directors
Martin County Police Athletic League, Inc.

We have reviewed the accompanying statement of financial position of the Martin County Police Athletic League, Inc. (the "Organization") as of June 30, 2022, and the related statements activities and changes in fund balance and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 misstatement, whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 conformity with accounting principles generally accepted in the United States of America.

DiSalvo & Associates, PLLC

DiSalvo & Associates, PLLC
West Palm Beach, FL
October 25, 2022

MARTIN COUNTY POLICE ATHLETIC LEAGUE INC.
Statement of Financial Position
June 30, 2022

<u>Assets</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 131,957	\$ 36,830	\$ 168,787
Promise to give receivable, net	9,451	-	9,451
Total current assets	<u>141,408</u>	<u>36,830</u>	<u>178,238</u>
Property and equipment, net	<u>7,691</u>	<u>-</u>	<u>7,691</u>
Other assets:			
ROU lease asset	55,080	-	55,080
Land	5,000	-	5,000
Prepaid expenses	6,223	-	6,223
Total other assets	<u>66,303</u>	<u>-</u>	<u>66,303</u>
Total assets	<u>\$ 215,403</u>	<u>\$ 36,830</u>	<u>\$ 252,233</u>
 <u>Liabilities and Net Assets</u>			
Current liabilities:			
Accrued expenses	\$ 3,029	\$ -	\$ 3,029
ROU lease liability - current	36,540	-	36,540
Total current liabilities	<u>39,569</u>	<u>-</u>	<u>39,569</u>
Long-term liabilities:			
ROU Lease Liability - LT	18,540	-	18,540
Total long-term liabilities	<u>18,540</u>	<u>-</u>	<u>18,540</u>
Equity			
Without Donor Restrictions	157,294	-	157,294
With Donor Restrictions	-	36,830	36,830
Total Net Assets	<u>157,294</u>	<u>36,830</u>	<u>194,124</u>
Total liabilities and net assets	<u>\$ 215,403</u>	<u>\$ 36,830</u>	<u>\$ 252,233</u>

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

MARTIN COUNTY POLICE ATHLETIC LEAGUE INC.
Statement of Activities and Changes in Fund Balance
Year ended June 30, 2022

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenue, gains and other support:			
Unrestricted - Contributions	\$ 210,759	\$ -	\$ 210,759
Restricted - Contributions	-	75,400	75,400
Grants	30,348	-	30,348
Program Registrations	11,476	-	11,476
Fundraising income	104,968	-	104,968
Other income	362	-	362
	<u>357,913</u>	<u>75,400</u>	<u>433,313</u>
Total revenue			
Net assets released from restrictions	<u>38,570</u>	<u>(38,570)</u>	<u>-</u>
Total revenues, gains and other support	<u>396,483</u>	<u>36,830</u>	<u>433,313</u>
Expenses:			
Program services	163,776	-	163,776
General and administrative	74,784	-	74,784
Fundraising	118,055	-	118,055
	<u>356,615</u>	<u>-</u>	<u>356,615</u>
Total expenses			
Change in net assets	39,868	36,830	76,698
Net assets, beginning of year	<u>117,426</u>	<u>-</u>	<u>117,426</u>
Net assets, end of year	<u>\$ 157,294</u>	<u>\$ 36,830</u>	<u>\$ 194,124</u>

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

MARTIN COUNTY POLICE ATHLETIC LEAGUE INC.
Statement of Functional Expenses
Year Ended June 30, 2022

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and promotion	\$ 10,000	\$ -	\$ 3,600	\$ 13,600
Bank and merchant Fees	-	2,820	-	2,820
Computer expense	700	-	-	700
Contract Labor	12,574	11,133	-	23,707
Depreciation	-	2,637	-	2,637
Fees, licenses and taxes	-	2,639	-	2,639
Event expense	-	-	50,667	50,667
Insurance expense	2,503	2,750	-	5,253
Miscellaneous	6,788	3,397	-	10,185
Office expense	16,674	11,197	-	27,871
Payroll expense	42,858	21,673	62,411	126,942
Program - Basketball	4,162	-	-	4,162
Program - Boxing	11,445	-	-	11,445
Program - Leadership	8,143	-	-	8,143
Program - Summer Camp	5,915	-	-	5,915
Program - Wrestling	3,966	-	-	3,966
Rent	16,084	16,083	-	32,167
Supplies	20,997	-	1,377	22,374
Uniform	513	-	-	513
Utilities	456	455	-	911
Total functional expenses	<u>\$ 163,776</u>	<u>\$ 74,784</u>	<u>\$ 118,055</u>	<u>\$ 356,615</u>

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

MARTIN POLICE ATHLETIC LEAGUE INC.
Statement of Cash Flows
Year Ended June 30, 2022

Cash flows from operating activities:	
Change in net assets	\$ 76,698
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,637
(Increase) decrease in:	
Prepaid expenses	(6,223)
Promise to give receivable	(9,451)
Increase (decrease) in:	
Accrued expenses	3,029
Net cash provided (used) by operating activities	<u>66,689</u>
Cash flows from investing activities:	
Net cash provided (used) by investing activities	<u>-</u>
Cash flows from financing activities:	
Net cash provided (used) by financing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>66,689</u>
Cash and cash equivalents, beginning of year	<u>102,098</u>
Cash and cash equivalents, end of year	<u><u>\$ 168,787</u></u>

Supplemental disclosures of cash flow information

Interest paid during the year	\$ -
Interest received during the year	\$ -

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

MARTIN COUNTY POLICE ATHLETIC LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Note A – Organization

Martin County Police Athletic League, Inc. (the “Organization”) was organized on April 3, 2017 as a not-for-profit organization in the State of Florida. The Organization’s primary mission is to create a crime prevention community program designed to provide alternatives to drugs, crime, delinquency and violence through sports and mentoring.

Significant Programs:

Boxing: The Organizations Boxing program has USA certified boxing coaches who teach and train the youth in boxing fundamentals and conditioning. When athletes become ready and willing, they can move into the Organization’s competition team and start competing in USA boxing events.

Ilead...Ichoose...Me Leadership Program: This program is designed to provide students with an environment for leadership values to be introduced, practiced and shared. This progress offers a desirable portrait of leadership based on values that can be applicable to a student’s life, values that youth can admire, implement and choose to aspire to for a more positive and sustained style of leadership.

Wrestling: The Organization’s goal is to introduce youth to the sport of wrestling. The Organization will emphasize the fundamentals of wrestling to include basic skills, drills and techniques in a fun and positive manner and prepare them for high school wrestling.

Drumline: This program is designed to help the youth find their inner rhythm.

Impact Soccer: This program teaches youth the fundamental skills and techniques of soccer.

Golf: This program is an introduction to golf designed to help youths understand the sport of golf and learn skills to play.

Note B – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets received that are not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

MARTIN COUNTY POLICE ATHLETIC LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Balance Sheet Classification

A one-year time period is used as the basis for classifying assets and liabilities.

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents are comprised of \$168,787 in bank accounts at June 30, 2022.

Fair Value Measurement

Fair value measurement does not apply to non-public companies and not-for-profit organizations.

Contributions

The organization records contributions received as restricted or unrestricted support depending on the existence or nature of any donor restrictions. Contributions are recorded as income at the time of receipt from the donors.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using an interest rate utilized on the Organization's other debts, for the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. The promise to give receivable equals \$9,451 less the discount of \$0, resulting in a net promise to give of \$9,451 at June 30, 2022.

Donated Materials, Services and Facilities

Contributions of materials and services are reflected in the financial statements at the fair value of the property contributed. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization recorded in-kind income and an in-kind expense for services requiring specialized skills in the amount of \$0 for the year ended June 30, 2022.

The Organization does not account for the value of non-specialized services provided by volunteers or court ordered community services.

Fixed Assets

The Organization capitalizes expenditures of \$2,500 or more for equipment and leasehold improvements at cost. The fair value of donated fixed assets is similarly capitalized.

MARTIN COUNTY POLICE ATHLETIC LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. The Organization's income tax filings are subject to audit by various taxing authorities. The Organization's open audit periods are 2019 through 2021.

Use of Estimates

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

Concentrations of Credit Risk and Uncertainties

Cash – The Organization maintains its bank accounts at financial institutions and their balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. Cash in the form of checking and money market accounts at various banking institutions as of June 30, 2022 were not in excess of the Federal Deposit Insurance Corporation limits of \$250,000. The Organization believes there is no credit risk relative to its cash and cash equivalents.

Functional Allocation of Expenses

The Organization allocates expenses on a functional basis among the various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on management's monitoring of the expenses and the functions to which the expenses relate.

Note C – Property and Equipment

Property and equipment are summarized by major classifications as follows:

	Estimated useful lives (Years)		
Vehicles	5	\$	13,185
Total			13,185
Accumulated depreciation			(5,494)
Net fixed assets		\$	7,691

MARTIN COUNTY POLICE ATHLETIC LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Depreciation expense was \$2,637 for the year ended June 30, 2022. The Organization also owns land that is separately stated on the financial statements which was received from a donor in a prior period.

Note D – Net Assets with Donor Restrictions

1. Restricted net assets as of June 30, 2022 consist of the following:

Drumline program	\$ 4,397
Mental health counselor	13,530
Summer camp program	<u>18,903</u>
	<u>\$ 36,830</u>

2. Restricted revenue received during the year ended June 30, 2022 follows:

Drumline program	\$ 22,000
Mental health counselor	15,000
Summer camp program	30,000
Leadership program	2,500
Wrestling program	<u>5,900</u>
	<u>\$ 75,400</u>

3. Net assets that were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors during the year ended June 30, 2022 as follows:

Drumline program	\$ 17,603
Mental health counselor	1,470
Summer camp program	11,097
Leadership program	2,500
Wrestling program	<u>5,900</u>
	<u>\$ 38,570</u>

Note E - Commitments

Lease commitments – Right of use lease assets and liabilities

The Organization leases its office space under a lease agreement requiring monthly payments plus maintenance/repairs and utilities. Rent expense for the year ended June 30, 2022 was \$32,167. The lease term is from January 2022 through December 2023.

MARTIN COUNTY POLICE ATHLETIC LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

The operating lease expense is recognized on a straight-line basis over the term of the lease. The right of use asset represents the rights to use the underlying assets, which is the office space. The right of use lease asset was calculated using the straight-line method of future lease payments. The lease liability represents the future lease payments and equals the amount recorded as the right of use lease asset. The lease liability is divided into its current portion and its long-term portion on the balance sheet. On June 30, 2022, the right of use lease asset was \$55,080, the current lease liability was \$36,540, and the long-term lease liability was \$18,540.

Lease commitments – Future annual minimum rental payments

Future minimum annual rental payments required under the non-cancellable operating leases are as follows:

Year	Annual rental payments
2022-23	36,540
2023-24	18,540
2024-25	-
2025-26	-
2026-27	-
Total	55,080

Note F – Related Party Transactions

Management has reviewed all transactions of the Organization for the year and has determined that there are no material related party transactions that require disclosure.

Note G – COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19) originating in Wuhan, China and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic. Management has assessed the impact to its operations and has determined that no adjustments are necessary to the financial statements.

Note H – Subsequent Events

Management has evaluated events and transactions subsequent to the date of the financial statements and through the date of the review report. Management has determined that there are no material subsequent events to disclose at this time.