

**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
D/B/A FIRST RESPONDERS CHILDREN'S FOUNDATION**

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**FINANCIAL STATEMENTS,
INDEPENDENT AUDITORS' REPORT, AND
SUPPLEMENTARY INFORMATION**

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AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
D/B/A FIRST RESPONDERS CHILDREN'S FOUNDATION**

**FINANCIAL STATEMENTS,
INDEPENDENT AUDITORS' REPORT, AND
SUPPLEMENTARY INFORMATION**

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

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Independent Auditors' Report

To the Board of Directors of
National Law Enforcement and Firefighters Children's Foundation
D/B/A First Responders Children's Foundation
New York, NY 10016

Opinion

We have audited the accompanying financial statements of National Law Enforcement and Firefighters Children's Foundation D/B/A First Responders Children's Foundation (a Delaware not-for-profit organization) (the "Foundation"), which comprise the balance sheet as of December 31, 2024, and the related statements of activities; the related statement of functional expenses; and the related statement of cash flows, all 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 National Law Enforcement and Firefighters Children's Foundation D/B/A First Responders Children's Foundation as of December 31, 2024, and the results of its operations 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Law Enforcement and Firefighters Children's Foundation D/B/A First Responders Children's Foundation and to meet our other ethical responsibilities in accordance with the 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.

Responsibilities of Management 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, 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 National Law Enforcement and Firefighters Children's Foundation D/B/A First Responders Children's Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

(continued)

Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America 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, including omissions, 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 auditing standards generally accepted in the United States of America, 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 National Law Enforcement and Firefighters Children's Foundation D/B/A First Responders Children's 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, which raise substantial doubt about National Law Enforcement and Firefighters Children's Foundation D/B/A First Responders Children's 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 17 and 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon and Hechtman CPA's, LLP

New York, NY

July 25, 2025

NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
D/B/A FIRST RESPONDERS CHILDREN'S FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Cash			
Cash and cash equivalents - without donor restrictions	\$ 4,236,777	\$ -	\$ 4,236,777
Cash and cash equivalents - with donor restrictions	-	1,685,151	1,685,151
Total cash	<u>4,236,777</u>	<u>1,685,151</u>	<u>5,921,928</u>
Fixed assets			
Fixed assets - at cost	71,143	-	71,143
Less: accumulated depreciation	<u>(45,881)</u>	<u>-</u>	<u>(45,881)</u>
Fixed assets - net book value	<u>25,262</u>	<u>-</u>	<u>25,262</u>
Other assets			
Pledges receivable	-	115,195	115,195
Security deposits	38,916	-	38,916
Prepaid expenses	9,043	-	9,043
Toy inventory, net of reserve of \$2,003,304	-	-	-
Total other assets	<u>47,959</u>	<u>-</u>	<u>163,154</u>
 Total assets	 <u><u>\$ 4,309,998</u></u>	 <u><u>\$ 1,800,346</u></u>	 <u><u>\$ 6,110,344</u></u>
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	\$ 185,039	\$ -	\$ 185,039
Credit cards payable	<u>140</u>	<u>-</u>	<u>140</u>
Total liabilities	<u>185,179</u>	<u>-</u>	<u>185,179</u>
Net assets			
Without donor restrictions	\$ 4,124,819	-	\$ 4,124,819
With donor restrictions	<u>-</u>	<u>1,800,346</u>	<u>1,800,346</u>
Total net assets	<u>4,124,819</u>	<u>1,800,346</u>	<u>5,925,165</u>
Total liabilities and net assets	<u><u>\$ 4,309,998</u></u>	<u><u>\$ 1,800,346</u></u>	<u><u>\$ 6,110,344</u></u>

The notes are an integral part of these financial statements.

NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
D/B/A FIRST RESPONDERS CHILDREN'S FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Donated goods and services	\$ -	\$ 26,521,804	\$ 26,521,804
Contributions	4,725,858	-	4,725,858
Interest income	237,584	3,102	240,686
Miscellaneous income	47,759	-	47,759
Net assets with donor restrictions released from donor restrictions	8,407,108	(8,407,108)	-
Total revenue	<u>13,418,309</u>	<u>18,117,798</u>	<u>31,536,107</u>
Functional Expenses			
Program	12,042,435	17,998,153	30,040,588
Management and general	1,409,079	-	1,409,079
Fundraising	807,476	-	807,476
Total functional expenses	<u>14,258,990</u>	<u>17,998,153</u>	<u>32,257,143</u>
(Decrease) in net assets	(840,681)	119,645	(721,036)
Net assets - January 1, 2024	<u>4,965,500</u>	<u>1,680,701</u>	<u>6,646,201</u>
Net assets - December 31, 2024	<u>\$ 4,124,819</u>	<u>\$ 1,800,346</u>	<u>\$ 5,925,165</u>

The notes are an integral part of these financial statements.

NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
D/B/A FIRST RESPONDERS CHILDREN'S FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program	Management and General	Fundraising	Total
Schedule 1				
Direct program expenses:				
Public Service Announcements program	\$ 22,354,420	\$ -	\$ -	\$ 22,354,420
"Toy Express" program	3,214,553	194,697	-	3,409,250
Disaster relief	1,346,000	-	-	1,346,000
Thanksgiving program	361,994	-	-	361,994
Program consultants	49,047	86,100	71,642	206,789
Outside contract services	18,249	-	164,514	182,763
National First Responders Day program	29,992	-	-	29,992
Program supplies	12,640	-	-	12,640
Miscellaneous program expenses	7,624	-	-	7,624
Total direct program expenses	<u>\$ 27,394,519</u>	<u>\$ 280,797</u>	<u>\$ 236,156</u>	<u>\$ 27,911,472</u>

Schedule 2				
Scholarships:				
General scholarships	\$ 612,928	\$ -	\$ -	\$ 612,928
Devon Energy Scholarship	73,000	-	-	73,000
Children of Heroes Scholarships	56,250	-	-	56,250
CSX Scholarships	50,000	-	-	50,000
TIAA Scholarships	36,750	-	-	36,750
PwC Scholarships	34,000	-	-	34,000
T-Mobile Scholarships	30,000	-	-	30,000
Universal Music Group Scholarships	20,000	-	-	20,000
Home Clean Heroes Scholarship	20,000	-	-	20,000
Luis Alvarez Memorial Scholarships	17,500	-	-	17,500
Cradlepoint / Verizon Scholarships	10,625	-	-	10,625
Patrick Cantlay Scholarship	10,000	-	-	10,000
Smiling Rocks Scholarship	6,250	-	-	6,250
Other scholarships	6,157	-	-	6,157
Niagara Cares Scholarship	5,000	-	-	5,000
SERVPRO Scholarships	5,000	-	-	5,000
Bennett Memorial Scholarship	5,000	-	-	5,000
Ford's Garage Scholarship	5,000	-	-	5,000
Victoria Ovis Scholarship	5,000	-	-	5,000
Rosewood Foundation Scholarship	4,000	-	-	4,000
Strategic Event Design Scholarship	3,000	-	-	3,000
Brian Payne Memorial Scholarship	2,500	-	-	2,500
Total scholarships	<u>\$ 1,017,960</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,017,960</u>

Schedule 3				
Financial Grants:				
Bereavement support grants	\$ 160,089	\$ -	\$ -	\$ 160,089
Mental health assistance grants	160,058	-	-	160,058
Disaster relief grants	115,800	-	-	115,800
Emergency hardship grants	117,399	-	-	117,399
Community engagement grants	16,150	-	-	16,150
Total financial grants	<u>\$ 569,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 569,496</u>
Total program expenses, scholarships, and financial grants	<u>\$ 28,981,975</u>	<u>\$ 280,797</u>	<u>\$ 236,156</u>	<u>\$ 29,498,928</u>

(continued on page 6)

The notes are an integral part of these financial statements.

NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
D/B/A FIRST RESPONDERS CHILDREN'S FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

(continued from page 5)

Schedule 4

Wages, taxes, and employee benefits:

	Program	Management and General	Fundraising	Total
Wages - other	\$ 628,462	\$ 513,800	\$ 178,555	\$ 1,320,817
Wages - officers	88,296	72,765	106,593	267,654
Employee benefits	112,519	92,082	44,763	249,364
Payroll taxes	56,149	45,950	22,338	124,437
Profit sharing plan match	11,755	9,620	4,676	26,051
Total wages, taxes, and employee benefits	<u>\$ 897,181</u>	<u>\$ 734,217</u>	<u>\$ 356,925</u>	<u>\$ 1,988,323</u>

Schedule 5

Other expenses:

Travel, meetings, and entertainment	\$ 68,632	\$ 68,632	\$ 68,632	\$ 205,896
Office rent	23,512	23,512	23,512	70,536
Database usage fees	13,200	21,244	21,244	55,688
Marketing and public relations	17,273	17,273	17,273	51,819
Payroll processing	-	48,500	-	48,500
Advertising and promotion	-	13,643	27,287	40,930
Web-site maintenance and graphic media	12,312	12,312	12,312	36,936
Printing and publications	9,968	9,968	9,968	29,904
Bookkeeping	-	25,670	-	25,670
Professional development and training	-	24,299	-	24,299
Insurance	-	19,700	-	19,700
Legal fees	-	18,077	-	18,077
Postage and shipping	5,875	5,875	5,875	17,625
Accounting and audit fees	-	17,348	-	17,348
Bank, credit card, and other processing fees	-	-	15,197	15,197
Depreciation	-	14,229	-	14,229
Board development	-	12,552	-	12,552
Filing fees	-	12,267	-	12,267
Telephone and internet	3,623	3,623	3,623	10,869
Computer maintenance and supplies	-	5,046	5,046	10,092
Office expenses	2,512	2,444	2,412	7,368
Utilities	2,015	2,015	2,014	6,044
Business gifts	1,010	4,210	-	5,220
Cleaning	-	5,056	-	5,056
Other professional fees	-	4,119	-	4,119
Dues and subscriptions	-	1,670	-	1,670
Charitable contributions	1,500	-	-	1,500
Storage	-	781	-	781
Total other expenses	<u>\$ 161,432</u>	<u>\$ 394,065</u>	<u>\$ 214,395</u>	<u>\$ 769,892</u>

Total functional expenses

<u>\$ 30,040,588</u>	<u>\$ 1,409,079</u>	<u>\$ 807,476</u>	<u>\$ 32,257,143</u>
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The notes are an integral part of these financial statements.

**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
D/B/A FIRST RESPONDERS CHILDREN'S FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Cash flows from operating activities:	
(Decrease) in net assets	\$ (721,036)
Adjustments to reconcile (decrease) in net assets to net cash flows (used for) operating activities:	
Depreciation	14,229
Change in operating accounts:	
Pledges receivable	(56,156)
Prepaid expenses	26,846
Employee loan	1,023
Security deposits	22,883
Accounts payable and accrued expenses	69,231
Credit cards payable	(957)
Net cash (used for) operating activities	<u>(643,937)</u>
Cash flows from investing activities	<u>-</u>
Cash flows from financing activities	<u>-</u>
Net (decrease) in cash and cash equivalents	(643,937)
Cash and cash equivalents - January 1, 2024	<u>6,565,865</u>
Cash and cash equivalents - December 31, 2024	<u><u>\$ 5,921,928</u></u>

Supplemental information:

Composition of cash and cash equivalents

Cash and cash equivalents - unrestricted	\$ 4,236,777
Cash and cash equivalents - restricted	1,685,151
Total cash and cash equivalents - end of year	<u><u>\$ 5,921,928</u></u>

Cash used for:

Interest expense	\$ -
Income taxes paid	\$ -

The notes are an integral part of these financial statements.

Supplementary Information

**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
D/B/A FIRST RESPONDERS CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 – ORGANIZATION, SUMMARY, AND HIGHLIGHTS OF OPERATIONS

Organization

The National Law Enforcement and Firefighters Children's Foundation D/B/A First Responders Children's Foundation (the "Foundation") is a Delaware not-for-profit organization formed in 2002. The Foundation's administrative office is in New York City.

Summary Of Operations

The First Responders Children's Foundation was founded in the aftermath of September 11, 2001, to support the eight hundred children who lost a first responder parent on that tragic day. In times of crisis: medical emergencies, fires, and natural disasters, first responders are always there for us. Helping their children and their families is our way of honoring their service. Over the last 23 years, the Foundation has grown into a national nonprofit that helps children of first responders and their families heal, grow, and thrive in the wake of hardship, injury, and tragedy.

The Foundation provides programs nationwide that are designed to empower resilience and potential in first responder children. We offer support to families through bereavement grants, emergency financial assistance, mental health services, and scholarships. The Foundation also supports educational activities and programs created and operated by first responder agencies whose purpose is to benefit children and their communities. In 2024, we were able to impact over 88,000 children of first responders with the help of 447 first responder agencies in 463 cities in 47 states.

Highlights of Operations During the Year Ended December 31, 2024

During 2024 the Foundation's Board of Directors and staff began a strategic plan to set a clear direction, identify goals, and develop a plan to achieve those goals over the next five years. During this process, we reviewed and refined our values, vision, and mission.

Our vision is a future where every community uplifts the children of first responders to grow, thrive and achieve their dreams. Our values are service, integrity and empathy. Inspired by the selfless acts of first responder heroes, we commit to uphold their sense of duty and respect in all we do. We serve with unwavering dedication, putting others first, and striving to make a positive impact in every community we touch. Transparency, honesty, and accountability mean maintaining the highest ethical standards in all we do. We express deep compassion and understanding by listening to first responder families and addressing their unique challenges with kindness, respect, and care.

Our targeted, nationwide programs are designed to meet the unique emotional and financial needs of first responder children and their families.

Mental Health Resiliency

In 2022, the Foundation recognized the unique emotional burdens that children of first responders carry. We added our Resiliency Program that empowers children to cope with stress, manage their fears and build mental resilience. The goal of the program is to protect and strengthen the mental resiliency of the children

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**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
D/B/A FIRST RESPONDERS CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 – ORGANIZATION, SUMMARY, AND HIGHLIGHTS OF OPERATIONS (continued)

of police, firefighters, sheriffs, Emergency Medical Technicians, and 911 dispatchers. In 2024, the program was available to first responder families in eight states: Arizona, California, Florida, Hawaii, New Jersey, New York, Tennessee, and Texas. The program continues to develop and is expected to expand into more states.

In 2024, this program served 153 first responder children, providing 2,720 hours of free, one-on-one mental health counseling by culturally competent, licensed professionals. The cost of these sessions totaled approximately \$160,000.

Financial Assistance

This program honors the sacrifice first responders make by providing critical financial assistance when misfortune strikes by continuing emergency assistance to hundreds of families with our bereavement, disaster relief, and family hardship grants. The Foundation has a "grants committee" comprised of members of the Board of Directors that review applications, set criteria, and determine award amounts. See Notes 9 and 10. During 2024, the committee awarded:

- 34 bereavement and line of duty death grants totaling approximately \$160,000.
- 48 emergency assistance grants totaling approximately \$115,000.
- 51 disaster relief grants to families affected by Hurricanes Helene and Milton totaling approximately \$115,800.

Our newest program is "Financial Wellness" seminars. We began offering these seminars in the fourth quarter of 2024 to empower families with knowledge and tools they need to secure their financial future.

Scholarships

Our work helps children of first responders achieve their dreams through scholarships and a powerful network. In 2024, the Foundation awarded 366 scholarships totaling approximately \$1,018,000. In addition, scholarship recipients are eligible to participate in our "Scholars Council" which provides peer-to-peer support; career readiness; and leadership mentoring. Scholars can also take advantage of mental health counseling, a curated "Speaker Series" with professional leaders across various industries, and Financial Wellness education.

Community Outreach

This program impacted over 140,000 children in 2024 to forge lasting relationships between communities and public safety agencies. We create positive, fun experiences that connect children with their local first responders. Last year, we awarded approximately \$57,000 in community engagement grants to First Responder agencies. These grants allowed agencies to host Junior First Responder camps and Public Safety events to build healthy relationships between children and first responders as well as inspire a new generation of heroes to consider careers in public safety.

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**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
D/B/A FIRST RESPONDERS CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 – ORGANIZATION, SUMMARY, AND HIGHLIGHTS OF OPERATIONS (continued)

Our signature event, the "Thanksgiving Day Breakfast" was held in November 2001 following the aftermath of September 11, 2001 to help heal the spirits of first responder families. Subsequently, at this annual event, we honor first responders who have made the ultimate sacrifice and give thanks to their families who also sacrifice year-round to keep us safe. More than 24,000 children and relatives of first responders have attended the breakfast over the years, which includes free "VIP" viewing of the "Macy's Thanksgiving Day Parade" thanks to corporate and individual donors.

October 26th has been designated National First Responders Day" by the United States House of Representatives. The Foundation hosts a "Roll Call of Heroes" ceremony held on a national stage in New York City's Times Square and honors a first responder in each line of work who has risked their life to rescue others. The honorees received the award on behalf of all first responders in their respective first responder category. We also received proclamations from the President of the United States of America; the governors of twenty States; and the Mayor of New York City.

"Toy Express Program"

Established in 2020, the "Toy Express Program" in 2024 received donations of toys valued in excess of \$2.8 million from leading toy manufacturers. The Foundation delivered toys to agencies and hospitals in two hundred communities across the country. The holiday season is a natural opportunity for first responders to brighten the holidays for children, particularly in underserved areas, and strengthen community bonds. The Foundation also makes a special effort to deliver toys and care packages to 120 families in the United States with children who lost a first responder parent or guardian.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation and Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America ("USGAAP"). Income is recorded when earned. Expenses are recorded when incurred. The financial statements have been prepared to focus on the Foundation 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 financial statements present expenses in accordance with the overall mission of the Foundation displayed with their natural classifications.

The Foundation applies Accounting Standards Update Number 2016-14 ("ASU 2016-14"), *Presentation of Financial Statements for Not-for-Profit Entities* to its financial statements. ASU 2016-14 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally (donor) imposed restrictions.

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**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
D/B/A FIRST RESPONDERS CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ASU 2016-14 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the Foundation to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. A description of the two net asset categories follows:

- Net assets without donor restrictions include revenue and expenses of the Foundation associated with its principal mission and are not subject to a specific use by the Foundation. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction(s) expires in the reporting period in which the support is recognized.
- Net assets with donor restrictions include revenue for which the donor has imposed restriction(s) for a specific use(s) by the Foundation. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction(s) expires in the reporting period in which the support is recognized. See Note 9.

Fair Values of Financial Instruments

The Foundation's financial instruments consist primarily of cash and cash equivalents and are presented at their respective fair values.

Revenue Recognition

In May 2014, the Financial Accounting Standards Bureau issued *Accounting Standards Update Number 2014-09, "Revenue from Contracts with Customers"*. This Standard, along with its related amendments, requires not-for-profit entities to recognize revenue to depict the transfer of promised goods or services to customers (donors) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of this standard during the year ended December 31, 2024 did not have a material effect on the Foundation's financial statements and required no adjustment.

Public Service Announcements

Public service announcements which promote the Foundation's accomplishments are provided throughout the year at no cost to the Foundation. The media sources broadcasting these messages include print media, national and local broadcast and cable television and radio stations. During the year ended December 31, 2024, the market value of these announcements was \$22,354,420 and are reported in the accompanying Statement of Functional Expenses, page 5, Schedule 1, and in the supplementary information, page 18, Schedule 6. In accordance with USGAAP, the Foundation simultaneously records income in the same amount of the recorded expense. The aforementioned income is included on page 4 in the accompanying Statement of Activities in the category "Revenue – donated goods and services – with donor restrictions. See Note 8.

Advertising Costs

The Foundation expenses advertising costs as incurred. Advertising costs are reported separately under "advertising and promotion" in the accompanying Statement of Functional Expenses, page 6, Schedule 5, and in the supplementary information, page 19, Schedule 10. The Foundation incurred advertising and promotion expenses of \$40,930 during the year ended December 31, 2024.

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**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
D/B/A FIRST RESPONDERS CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Shipping and Handling Costs

Shipping and handling costs are reported separately under "postage and shipping" in the accompanying Statement of Functional Expenses, page 6, Schedule 5, and in the supplementary information, page 19, Schedule 10. The Foundation incurred shipping expenses of \$17,625 during the year ended December 31, 2024.

Methods Used for Allocation of Functional Expenses Among Program and Support Functions

The Foundation's financial statements report certain categories of expenses that are attributable to the Foundation's three functional cost centers:

- Program expenses: Grants for support of projects of the Foundation (See Note 1).
- Management and general expenses: Involve the direction of the overall business of the Foundation, including professional fees, administration, and other areas.
- Fundraising expenses: Involve the direction of the overall fundraising of the Foundation.

Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These allocations are calculated based on studies conducted by the Foundation. The Foundation reviews the allocation methods and amounts annually and makes revisions as required.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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.

Income Taxes

The Foundation is exempt from income tax under Internal Revenue Code Section 501(c)(3), (the "Code"), although it is subject to income tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. In addition, the Foundation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the Code. For the year ended December 31, 2024, the Foundation had no net unrelated business income. Accordingly, no provision for Federal or New York state income tax has been provided in the accompanying financial statements.

USGAAP requires the evaluation of tax positions taken or expected to be taken while preparing the Foundation's tax returns to determine whether the tax positions are more likely than not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more likely than not threshold would be recorded as a tax benefit or expense in the current reporting period. A reconciliation is not provided within these financial statements, as the beginning and ending amounts of unrecognized benefits are zero, with no

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**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

interim additions, reductions, or settlements. The Foundation is relying on its tax-exempt status and its adherence to all applicable laws and regulations to preserve that status. However, the conclusions regarding accounting for uncertainty in income taxes will be subject to review and may be adjusted later based on factors including, but not limited to, ongoing analysis of tax laws, regulations, and interpretations thereof. The Foundation files the appropriate required information returns to the Internal Revenue Service and the State of New York.

NOTE 3 - CASH AND CASH EQUIVALENTS AND CONCENTRATIONS OF CREDIT RISK

The Foundation maintains its cash balances in several accounts at a bank domiciled in the United States of America. At certain times during the reporting periods, the Foundation's cash balances exceeded Federal Deposit Insurance Corporation limits.

As of December 31, 2024, the Foundation's cash balances exceeded these limits by approximately \$5,400,000. The management of the Foundation considers this an acceptable business risk. The Foundation has not experienced any losses on its cash balances which exceeded insurance limits.

Cash equivalents consist of a money market bank account with a balance of approximately \$5,600,000 at December 31, 2024.

NOTE 4 - FIXED ASSETS

Fixed assets, consisting primarily of computer equipment and peripherals, are recorded at cost and are shown net of accumulated depreciation. The fixed assets are depreciated over five years using the straight-line method. Expenditures for repairs and maintenance are charged to expense as incurred. Depreciation expense for the year ended December 31, 2024 was \$14,229.

NOTE 5 - TOY INVENTORY

Toy inventory represents in-kind donations of toys made to the Foundation which were not distributed as of December 31, 2024. The fair value of the donated products is recorded pursuant to the criteria for recognition under accounting principles generally accepted in the United States of America. As of December 31, 2004, the undistributed toy inventory was \$2,003,004. See Notes 7 and 8.

NOTE 6 - PLEDGES RECEIVABLE

In accordance with USGAAP, accounting for pledges is primarily governed by the Financial Accounting Standards Board Accounting Standards Codification Topic 958, "Not-For-Profit Entities."

Accounting for pledges involves the identification, recognition, measurement, and disclosure of unconditional promises made by donors to contribute cash or other assets to the done. At December 31, 2024, the Foundation had pledges receivable of \$115,195.

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**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
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NOTE 7 – RESERVE FOR FUTURE TOY DISTRIBUTIONS

The reserve for future toy distributions represents the lower of cost or market value of the toys that are in inventory at December 31, 2024, and are expected to be distributed within the next twelve months. At December 31, 2024, the value of these goods was \$2,003,004. See Notes 5 and 8.

NOTE 8 - DONATED IN-KIND GOODS AND SERVICES

During the year ended December 31, 2024, the Foundation received goods and services donated by numerous vendors for use by the Foundation in conducting its various programs and services. The fair value of the donated products is recorded pursuant to the criteria for recognition under accounting principles generally accepted in the United States of America.

Radio and televised public service announcement airtime and print advertising are donated to the Foundation to communicate the mission of the Foundation; create awareness of the Foundation's programs; and to encourage the public to support the first responder community. Public service announcements are valued based on the number of times the announcements are broadcast and the period in which the advertisements are aired at the television or radio station's equivalent advertising rate charged to paying customers. The fair value of the public service announcements totaled \$22,354,000 for the year ended December 31, 2024, and is included in the accompanying statement of activities as "Revenue - donated goods and services – with donor restrictions" and in the corresponding schedule functional expenses. See Note 2.

During 2024, the Foundation received donated products from several toy manufacturers for the Foundation's "Toy Express Program". The fair value of the donated products, which are included in the accompanying financial statements, pursuant to the criteria for recognition under accounting principles generally accepted in the United States of America, was approximately \$2,800,000. See Notes 1 and 12.

During 2024, the Foundation received donated social services from various providers for victims of disasters. The fair value of the donated services, which are included in the accompanying financial statements, pursuant to the criteria for recognition under accounting principles generally accepted in the United States of America, was approximately \$1,300,000. See Notes 1 and 12.

NOTE 9 – NET ASSETS WITHOUT DONOR RESTRICTIONS AND NET ASSETS WITH DONOR RESTRICTIONS

As more fully discussed in Note 2, the Foundation classifies its resources for accounting and reporting purposes into two net asset categories: without donor restrictions and with donor restrictions. Restrictions fall into two categories as well: programmatic or geographic. Following is a summary of programs holding net assets with donor restrictions:

Scholarships

Since its inception, the Foundation has awarded scholarships to hundreds of children of first responders. Priority is given to applicants with first responder parents who have been killed or injured in the line of duty. Awards are based on financial need, academic merits, and achievements such as demonstrated

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**NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
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**NOTE 9 – NET ASSETS WITHOUT DONOR RESTRICTIONS AND NET ASSETS WITH DONOR RESTRICTIONS
(continued)**

leadership, excellence in the arts or sports, and volunteer activities benefiting the community. The number of scholarships awarded varies from year to year. Scholarships may be renewed annually for up to four years depending on the availability of funds, the applicant's financial need, and the recipient's academic record.

Mental Health

Given licensing and privacy requirements that vary from state to state, our "Mental Health Resiliency" program is customized to meet the laws and policies of each jurisdiction. When expanding our reach, we also need to identify; vet; and train culturally competent therapists. Because of the start-up costs associated with each new state, the Foundation seeks multi-year funding to provide free counseling to children of first responders and their families.

Community Engagement

We help forge lasting relationships that build trust and inspire futures. The goal of these powerful programs is to help foster healthy relationships between first responders and children in the communities they serve, while also inspiring a new generation who may have an interest in a first responder career. Funding for programs such as "National Night Out", "National First Responders' Day" and "First Responder Camps" often cross calendar years and thus, the funds are restricted at year end based upon the donor's request.

Geographic

First Responder Children's Foundation also receives some donations that have geographic restrictions. A donor may request that the funds be used to support programming in their city, county, or state.

During the year ended December 31, 2024, net assets with donor restrictions of \$8,407,108 were released from restrictions.

As of December 31, 2024, the balance of net assets with donor restrictions was \$1,800,346 an increase of \$119,165 from the year ended December 31, 2023, as follows:

<u>Description</u>	<u>Amount</u>
Restricted for scholarships	\$ 1,487,384
Restricted for community engagement	265,000
Restricted for mental health grants	28,000
Geographic restrictions	<u>20,000</u>
Total net assets with donor restrictions	\$ 1,800,346

NOTE 10 – FINANCIAL GRANTS

During the year ended December 31, 2024, the Foundation made financial grants totaling \$569,496. Funding was provided to the families of first responders who were injured or killed in the line of duty. Grants were also provided to the families of first responders facing hardships. Each of the specific categories of financial grants has an application process. A committee appointed by the Foundation's management reviews the completed applications and makes the final decision as to the recipients and amounts of the grants. See Note 1.

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NOTE 11 - LEASE COMMITMENTS

The Foundation maintains two leases for space rental. The first lease is for the current office space location and has a fixed monthly rent is \$5,304 for the period of July 1, 2022 to May 31, 2026. Monthly rental payments will increase by 2.8% from the \$5,304 base for each of the following four years. For the year ended December 31, 2024, the monthly rent is \$5,765. The standby letter of credit the Foundation renewed in August 2023 in the amount of approximately \$22,000 is part of the rental agreement. The second lease is for warehouse space in South Haven, Michigan. The rent is \$11,294 monthly and expires in December of 2025.

NOTE 12 – SIGNIFICANT CONCENTRATIONS

During the year ended December 31, 2024, one source provided approximately 70% of the Foundation's total revenue, in the form of donated in-kind media. See Note 8.

NOTE 13 - SUBSEQUENT EVENTS – PART 1

Subsequent events have been evaluated through July 25, 2025, which was the date the financial statements were available to be issued.

NOTE 14 – MANAGEMENT COMMENTARY

As the needs of the first responder community have evolved over the past several years, so too have the services offered by the Foundation. During the year ended December 31, 2024 the Foundation:

- Honored individuals from departments around the country who made countless sacrifices and have been tireless leaders on the front lines with the "Roll Call of Heroes." See Note 1.
- Continued to expand the Foundation's Mental Health Resiliency program for children of first responders. We provided "Cultural Competency Training" for therapists. See Note 1.
- Provided ongoing networking opportunities for our scholars through participation in the "Scholars Council."
- The Foundation was invited to host a panel on mental health that included several police chiefs and therapists.
- Featured charity on "The Five" for the FOX-TV news "Tree Lighting" in November 2024.
- Broadcast additional public service announcements highlighting the contributions and needs of the first responder community using donated media across television, radio, and print. See Note 8.
- Received *GuideStar's* "Platinum Transparency Seal".
- Received *Charity Navigator's* 100 out of 100 rating.

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	Expenditures	In-Kind	Total
Schedule 6			
Direct program expenses:			
Public Service Announcements program	\$ -	\$ 22,354,420	\$ 22,354,420
"Toy Express" program	587,866	2,821,384	3,409,250
Disaster relief	-	1,346,000	1,346,000
Thanksgiving program	361,994	-	361,994
Program consultants	206,789	-	206,789
Outside contract services	182,763	-	182,763
National First Responders Day program	29,992	-	29,992
Program supplies	12,640	-	12,640
Miscellaneous program expenses	7,624	-	7,624
Total direct program expenses	<u>\$ 1,389,668</u>	<u>\$ 26,521,804</u>	<u>\$ 27,911,472</u>
Schedule 7			
Scholarships:			
General scholarships	\$ 612,928	\$ -	\$ 612,928
Devon Energy Scholarship	73,000	-	73,000
Children of Heroes Scholarships	56,250	-	56,250
CSX Scholarships	50,000	-	50,000
TIAA Scholarships	36,750	-	36,750
PwC Scholarships	34,000	-	34,000
T-Mobile Scholarships	30,000	-	30,000
Universal Music Group Scholarships	20,000	-	20,000
Home Clean Heroes Scholarship	20,000	-	20,000
Luis Alvarez Memorial Scholarships	17,500	-	17,500
Cradlepoint / Verizon Scholarships	10,625	-	10,625
Patrick Cantlay Scholarship	10,000	-	10,000
Smiling Rocks Scholarship	6,250	-	6,250
Other scholarships	6,157	-	6,157
Niagara Cares Scholarship	5,000	-	5,000
SERVPRO Scholarships	5,000	-	5,000
Bennett Memorial Scholarship	5,000	-	5,000
Ford's Garage Scholarship	5,000	-	5,000
Victoria Ovis Scholarship	5,000	-	5,000
Rosewood Foundation Scholarship	4,000	-	4,000
Strategic Event Design Scholarship	3,000	-	3,000
Brian Payne Memorial Scholarship	2,500	-	2,500
Total scholarships paid	<u>\$ 1,017,960</u>	<u>\$ -</u>	<u>\$ 1,017,960</u>
Schedule 8			
Financial grants:			
Bereavement support grants	\$ 160,089	\$ -	\$ 160,089
Mental health assistance grants	160,058	-	160,058
Emergency hardship grants	117,399	-	117,399
Disaster relief grants	115,800	-	115,800
Community engagement grants	16,150	-	16,150
Total financial grants	<u>\$ 569,496</u>	<u>\$ -</u>	<u>\$ 569,496</u>
Total program expenses, scholarships, and financial grants	<u>\$ 2,977,124</u>	<u>\$ 26,521,804</u>	<u>\$ 29,498,928</u>
Schedule 9			
Wages, taxes, and employee benefits:			
Wages - other	\$ 1,320,817	\$ -	\$ 1,320,817
Wages - officers	267,654	-	267,654
Employee benefits	249,364	-	249,364
Payroll taxes	124,437	-	124,437
Profit sharing plan match	26,051	-	26,051
Total wages, taxes, and employee benefits	<u>\$ 1,988,323</u>	<u>\$ -</u>	<u>\$ 1,988,323</u>

(continued on page 19)

The notes are an integral part of these financial statements.

NATIONAL LAW ENFORCEMENT AND FIREFIGHTERS CHILDREN'S FOUNDATION
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SUPPLEMENTARY INFORMATION
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	<u>Expenditures</u>	<u>In-Kind</u>	<u>Total</u>
(continued from page 18)			
Schedule 10			
Other expenses:			
Travel, meetings, and entertainment	\$ 205,896	\$ -	\$ 205,896
Office rent	70,536	-	70,536
Database usage fees	55,688	-	55,688
Marketing and public relations	51,819	-	51,819
Payroll processing	48,500	-	48,500
Advertising and promotion	40,930	-	40,930
Web-site maintenance and graphic media	36,936	-	36,936
Printing and publications	29,904	-	29,904
Bookkeeping	25,670	-	25,670
Professional development and training	24,299	-	24,299
Insurance	19,700	-	19,700
Legal fees	18,077	-	18,077
Postage and shipping	17,625	-	17,625
Accounting and audit fees	17,348	-	17,348
Bank, credit card, and other processing fees	15,197	-	15,197
Depreciation	14,229	-	14,229
Board development	12,552	-	12,552
Filing fees	12,267	-	12,267
Telephone and internet	10,869	-	10,869
Computer maintenance and supplies	10,092	-	10,092
Office expenses	7,368	-	7,368
Utilities	6,044	-	6,044
Business gifts	5,220	-	5,220
Cleaning	5,056	-	5,056
Other professional fees	4,119	-	4,119
Dues and subscriptions	1,670	-	1,670
Charitable contributions	1,500	-	1,500
Storage	781	-	781
Total other expenses	<u>\$ 769,892</u>	<u>\$ -</u>	<u>\$ 769,892</u>
Total functional expenses	<u>\$ 5,735,339</u>	<u>\$ 26,521,804</u>	<u>\$ 32,257,143</u>

The notes are an integral part of these financial statements.