THE ATLANTA POLICE FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Warren Averett
CPAs AND ADVISORS
www.warrenaverett.com

The report accompanying this deliverable was issued by Warren Averett, LLC.

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AND SUBSIDIARIES
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Warren Averett
CPAs AND ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Atlanta Police Foundation, Inc.

Opinion
We have audited the accompanying consolidated financial statements of The Atlanta Police Foundation, Inc. and Subsidiaries. (the Organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years 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 Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 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, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 audits, significant audit findings and certain internal control related matters that we identified during the audits.

Warren Averett, LLC

Atlanta, Georgia
July 2, 2026

THE ATLANTA POLICE FOUNDATION, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 8,826,383	$ 16,912,709
Restricted cash	2,795,494	10,423,285
Certificates of deposit with original maturities over 90 days	1,808,436	2,003,253
Current portion of contributions receivable, less reserve for bad debts of $167,700 and $40,611, respectively	7,715,183	2,307,056
Current portion of note receivable	7,837,200	-
Other receivables	1,626,309	344,316
Prepaid expenses	46,910	461,724
Home inventory	2,888,047	1,559,359
Total current assets	33,543,962	34,011,702
PROPERTY AND EQUIPMENT, NET	143,679,398	112,642,331
CONTRIBUTIONS RECEIVABLE, NET	7,260,834	1,418,333
NOTE RECEIVABLE, NET	7,823,000	15,660,200
LEASE RIGHT-OF-USE ASSETS – OPERATING, NET	883,193	1,021,051
OTHER ASSETS	21,447	23,887
TOTAL ASSETS	$193,211,834	$ 164,777,504

See notes to the consolidated financial statements.

THE ATLANTA POLICE FOUNDATION, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts payable and accruals	$ 2,886,669	$ 5,066,320
Deferred revenue	95,873	110,843
Other liabilities	-	3,040,790
Current portion of lease liabilities – operating	129,691	121,648
Current portion of notes payable	11,760,000	-
Total current liabilities	14,872,233	8,339,601
LONG-TERM DEBT		
Line of credit	18,280,673	-
Notes payable, less current portion and net of unamortized debt issuance costs	10,293,497	21,895,336
Long-term lease liabilities – operating	835,875	976,860
Total long-term debt	29,410,045	22,872,196
TOTAL LIABILITIES	44,282,278	31,211,797
NET ASSETS		
Without donor restrictions	119,844,368	26,570,967
With donor restrictions		
Purpose restrictions	28,681,888	106,321,240
Time restrictions	403,300	673,500
Total donor restricted net assets	29,085,188	106,994,740
TOTAL NET ASSETS	148,929,556	133,565,707
TOTAL LIABILITIES AND NET ASSETS	$ 193,211,834	$ 164,777,504

See notes to the consolidated financial statements.

THE ATLANTA POLICE FOUNDATION, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(with comparative totals for 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
PUBLIC SUPPORT AND REVENUE				
Contributions	$ 1,215,798	$ 26,081,890	$ 27,297,688	$ 45,280,228
Contributions of nonfinancial assets	3,292,693	284,200	3,576,893	1,303,061
Special events, net of direct expenses of $993,091 and $820,884, respectively	576,079	-	576,079	740,820
Program fees	2,477,988	-	2,477,988	1,869,864
Home sales	1,352,265	-	1,352,265	3,210,961
Interest income	531,795	-	531,795	1,589,310
Other income	636,001	-	636,001	161,123
TOTAL PUBLIC SUPPORT AND REVENUE BEFORE TRANSFERS	10,082,619	26,366,090	36,448,709	54,155,367
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of donor-imposed restrictions	104,275,642	(104,275,642)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	114,358,261	(77,909,552)	36,448,709	54,155,367
EXPENSES				
Program	19,469,216	-	19,469,216	15,458,275
Management and general	1,297,300	-	1,297,300	1,682,135
Fundraising	318,344	-	318,344	307,416
TOTAL EXPENSES	21,084,860	-	21,084,860	17,447,826
CHANGE IN NET ASSETS	93,273,401	(77,909,552)	15,363,849	36,707,541
NET ASSETS AT				
BEGINNING OF YEAR	26,570,967	106,994,740	133,565,707	96,858,166
END OF YEAR	$ 119,844,368	$ 29,085,188	$ 148,929,556	$ 133,565,707

See notes to the consolidated financial statements.

THE ATLANTA POLICE FOUNDATION, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions	$ 1,066,687	$ 44,213,541	$ 45,280,228
Contributions of nonfinancial assets	1,255,761	47,300	1,303,061
Special events, net of direct expenses of $820,884	740,820	-	740,820
Program fees	1,869,864	-	1,869,864
Home sales	3,210,961	-	3,210,961
Interest income	1,589,310	-	1,589,310
Other income	161,123	-	161,123
TOTAL PUBLIC SUPPORT AND REVENUE BEFORE TRANSFERS	9,894,526	44,260,841	54,155,367
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of donor-imposed restrictions	11,475,570	(11,475,570)	-
TOTAL PUBLIC SUPPORT AND REVENUE	21,370,096	32,785,271	54,155,367
EXPENSES			
Program	15,458,275	-	15,458,275
Management and general	1,682,135	-	1,682,135
Fundraising	307,416	-	307,416
TOTAL EXPENSES	17,447,826	-	17,447,826
CHANGE IN NET ASSETS	3,922,270	32,785,271	36,707,541
NET ASSETS AT			
BEGINNING OF YEAR	22,648,697	74,209,469	96,858,166
END OF YEAR	$ 26,570,967	$ 106,994,740	$ 133,565,707

THE ATLANTA POLICE FOUNDATION, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(with comparative totals for 2024)

	2025										2024
	Program										
	Youth Initiatives	APD Support	Community Policing	Smart Policing	Recruitment and Training	Communications	Total Program	Management and General	Fundraising	Total	2024
Outside services	$ 1,994,577	$ 90,985	$ 1,524,270	$ 211,475	$ 625,011	$ 56,380	$ 4,502,698	$ 262,538	$ 31,740	$ 4,796,976	$ 4,908,825
Community engagement	335,454	375,289	1,516,466	23,733	1,200,000	-	3,450,942	1,060	-	3,452,002	4,627,401
Compensation and related costs	1,170,999	186,956	342,770	736,438	70,191	290,586	2,797,940	302,025	230,156	3,330,121	3,210,121
Depreciation and amortization	518,837	21,130	14,588	-	2,526,529	-	3,081,084	91,383	-	3,172,467	845,605
Program equipment and maintenance	246,257	84,006	12,058	534,170	56,967	-	933,458	7,848	-	941,306	776,743
Occupancy	451,345	827	7,520	164,194	50,020	6,244	680,150	124,570	6,843	811,563	775,654
Meetings	113,229	216,425	195	20,375	8,018	239	358,481	13,095	3,295	374,871	411,152
Supplies	150,709	44,422	4	6,656	449	-	202,240	24,887	2,009	229,136	260,719
Travel	16,090	19,468	975	5,633	49,052	-	91,218	10,200	-	101,418	218,997
Insurance	73,053	44,067	-	8,376	12,222	-	137,718	28,087	-	165,805	155,119
Telecommunications	89,201	323	2,084	4,522	4,766	600	101,496	17,936	1,900	121,332	100,797
Marketing	19,163	1,653,115	-	1,960	27,050	24,942	1,726,230	18,429	62	1,744,721	82,932
Dues and subscriptions	1,484	1,525	60	1,644	2,145	1,896	8,754	31,324	388	40,466	37,284
Printing and copying	8,681	68	-	1,192	-	-	9,941	3,011	227	13,179	8,632
Postage	432	-	-	484	-	-	916	4,040	1,619	6,575	4,197
Interest	-	-	-	-	-	-	-	158,702	-	158,702	93,951
Bad debt expense	-	-	-	-	-	-	-	132,589	-	132,589	216,003
Other	5,853	188,998	-	1,187,362	3,737	-	1,385,950	65,576	40,105	1,491,631	713,694
TOTAL EXPENSES	$ 5,195,364	$ 2,927,604	$ 3,420,990	$ 2,908,214	$ 4,636,157	$ 380,887	$ 19,469,216	$ 1,297,300	$ 318,344	$ 21,084,860	$ 17,447,826

See notes to the consolidated financial statements.

THE ATLANTA POLICE FOUNDATION, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024									
	Program									
	Youth Initiatives	APD Support	Community Policing	Smart Policing	Recruitment and Training	Communications	Total Program	Management and General	Fundraising	Total
Outside services	$ 1,884,341	$ 35,872	$ 2,085,304	$ 25,411	$ 485,426	$ 60,000	$ 4,576,354	$ 294,767	$ 37,704	$ 4,908,825
Community engagement	454,866	294,784	3,851,558	1,463	-	-	4,602,671	24,730	-	4,627,401
Compensation and related costs	1,113,507	69,475	334,498	490,307	48,040	263,682	2,319,509	656,125	234,487	3,210,121
Depreciation and amortization	554,716	21,130	15,311	1,400	160,439	-	752,996	92,609	-	845,605
Program equipment and maintenance	103,161	15,612	65,603	509,063	58,813	-	752,252	24,491	-	776,743
Occupancy	426,922	7,169	29,665	133,367	56,224	4,985	658,332	111,731	5,591	775,654
Meetings	120,707	243,018	161	32,070	82	235	396,273	11,923	2,956	411,152
Supplies	206,738	33,422	290	3,892	131	87	244,560	15,380	779	260,719
Travel	165,158	33,624	901	7,097	-	-	206,780	11,047	1,170	218,997
Insurance	76,228	42,973	-	5,784	10,087	-	135,072	20,047	-	155,119
Telecommunications	67,109	300	2,517	4,103	4,305	750	79,084	19,813	1,900	100,797
Marketing	12,826	37,704	-	4,955	-	12,286	67,771	13,967	1,194	82,932
Dues and subscriptions	2,094	375	260	1,854	825	4,060	9,468	27,740	76	37,284
Printing and copying	6,781	-	-	766	-	-	7,547	1,085	-	8,632
Postage	208	-	-	-	-	-	208	2,640	1,349	4,197
Interest	-	-	-	-	-	-	-	93,951	-	93,951
Bad debt expense	-	-	-	-	-	-	-	216,003	-	216,003
Other	5,494	183,110	-	450,037	10,652	105	649,398	44,086	20,210	713,694
TOTAL EXPENSES	$ 5,200,856	$ 1,018,568	$ 6,386,068	$ 1,671,569	$ 835,024	$ 346,190	$ 15,458,275	$ 1,682,135	$ 307,416	$ 17,447,826

See notes to the consolidated financial statements.

THE ATLANTA POLICE FOUNDATION, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 15,363,849	$ 36,707,541
Adjustment to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	3,172,467	845,605
Gain on sale of property and equipment	(25,797)	-
Amortization of debt issuance costs	158,161	90,412
Amortization of right-of-use asset	137,858	166,895
Changes in assets and liabilities		
Contributions receivable	(11,250,628)	(445,639)
Other receivables	(1,281,993)	294,670
Prepaid expenses	414,814	168,394
Home inventory	(1,328,688)	1,043,713
Other assets	2,440	7,030
Accounts payable and accruals	(2,179,651)	1,041,086
Deferred revenue	(14,970)	(8,974)
Other liabilities	(3,040,790)	2,615,954
Payments on operating lease liabilities	(132,942)	(158,128)
Net cash (used in) provided by operating activities	(5,870)	42,368,559
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(34,478,742)	(62,033,471)
Proceeds from sale of property and equipment	295,005	-
Certificates of deposit	194,817	(694,150)
Issuance of note receivable	-	(7,823,000)
Net cash used in investing activities	(33,988,920)	(70,550,621)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	18,280,673	-
Proceeds from loan payable – NMTC	-	10,830,000
Debt issuance costs	-	(541,999)
Net cash provided by financing activities	18,280,673	10,288,001
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,714,117)	(17,894,061)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	27,335,994	45,230,055
CASH AND CASH EQUIVALENTS END OF YEAR	$ 11,621,877	$ 27,335,994
RECONCILIATION OF CASH BALANCE		
Cash and cash equivalents	$ 8,826,383	$ 16,912,709
Cash restricted for New Market Tax Credit	2,795,494	10,423,285
	$ 11,621,877	$ 27,335,994
SUPPLEMENTAL INFORMATION		
Interest paid	$ 541	$ 1,527
NONCASH ACTIVITIES		
Purchases of property and equipment with payables	$ 716,062	$ 4,259,223

See notes to the consolidated financial statements.

1. ORGANIZATION

The Atlanta Police Foundation, Inc. (the Foundation), was established in 2003 to provide vital support to the Mayor, the Chief of Police and the Atlanta Police Department. The organization is based on a public-private partnership model that has proven to be highly effective in the prevention and reduction of crime in other major cities. Since its inception, the Foundation has worked to secure and leverage private resources to fund high priority projects designed to enhance the City of Atlanta's ability to fight and prevent crime.

APF Support, Inc. (APF Support), a 501(c)(3) organization, was created by board members of the Foundation in order to raise and distribute funds for the Organization. The Foundation has control over APF Support, and therefore, the accounts of this entity are included in the accompanying consolidated financial statements.

APF Properties, LLC (APF Properties), was created by board members of the Foundation in order to hold program related real estate for the Organization. APF Properties is wholly owned by the Foundation and the accounts of this entity are included in the accompanying consolidated financial statements.

The assets, liabilities and income and expenses of APF Support, APF Properties and the Foundation (the Organization) have been consolidated in these financial statements, as required by generally accepted accounting principles. All intercompany transactions between these entities have been eliminated for purposes of these consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements reflect the financial position of the Organization. All interorganizational transactions have been eliminated in consolidation.

Basis of Presentation

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities at year end. Net assets, revenues, expenses, gains and losses are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

> *Without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and are currently available for purposes under the direction of the board, designated by the board for specific use, or resources invested in furniture and equipment.
>
> *With donor restrictions* – Net assets subject to donor-imposed stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

Use Of Estimates
The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and Cash Equivalents and Restricted Cash
For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents of the Organization consist of cash in bank and shares of a money market fund. Restricted cash, which may be held in separate bank accounts, includes amounts restricted for construction.

Concentrations of Credit and Market Risk
Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents. At times, the Organization’s cash balances exceed the federally insured limit. The Organization maintains its cash and cash equivalents with high credit, quality financial institutions, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

As of December 31, 2025, 63% of contributions receivable were related to four sources and 26% of the Organization’s 2025 contributions were attributable to two sources.

As of December 31, 2024, 24% of contributions receivable were related to two sources and 55% of the Organization’s 2024 contributions were attributable to four sources.

Fair Value of Financial Instruments
Financial instruments, primarily cash, receivables, and payables are reported at values which the Organization believes are not significantly different from fair value.

Property and Equipment
Property and equipment in excess of $1,000 are capitalized at cost or, if donated, at the fair market value on the date of donation. Repairs and maintenance that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets ranging from three to forty years.

Receivables
Receivables are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions and grants with payment dates in future periods, restricted by the donor for specific purposes or designated for future periods, are reported as revenue with donor restrictions that increases that net asset class. Management reviews amounts past due and provides an allowance for those amounts deemed uncollectible. As of December 31, 2025 and 2024, management has deemed that an allowance of $167,700 and $40,611, respectively, is appropriate. Management has determined the remainder of receivables are collectible.

Other Receivables
Other receivables consist primarily of amounts due from various counterparties in the normal course of operations. Management has evaluated the collectability of these receivables and determined that no allowance for credit losses is necessary as of December 31, 2025. All balances are expected to be collected in full.

Support and Revenue Recognition
Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made or ownership of other assets is transferred to the Organization.

A portion of the Organization's grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as reclassifications.

The Organization reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the long-lived assets are placed into service.

The Organization recognizes revenue from contracts in accordance with Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the five-step approach. Revenues are recognized at a point in time.

Functional Allocation of Expenses

The costs of providing the Organization's programs and supporting services have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, personnel costs have been allocated among the program and supporting services benefited based on estimates of time and effort. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification.

Advertising

In 2025 and 2024, the Organization charged advertising totaling approximately $1,745,000 and $83,000 respectively, to expense. For non-direct-response advertising, the Organization's policy is to expense costs as incurred.

Debt Issuance Costs

Debt issuance costs represent costs incurred in connection with the issuance of long-term debt. Such costs are being amortized over the term of the respective debt using the straight-line method.

Contributed Nonfinancial Assets

For the years ended December 31, contributed nonfinancial assets recognized within the consolidated statements of activities included:

	2025	2024
Advertising	$ 1,499,000	$ 23,706
Equipment and furnishings	800,721	305,488
Land	284,200	47,300
Training	264,750	-
Police service	240,412	235,633
Vehicle	113,278	11,645
Rent	110,376	131,129
Event costs	106,154	19,864
At-Promise services	44,400	284,930
Gift cards	5,233	7,500
Other	108,369	235,866
	$ 3,576,893	$ 1,303,061

The Organization receives various contributed nonfinancial assets in the form of donated services, rent, event costs, advertising and other items. These contributions are not donor restricted. Additionally, the Organization receives contributed land that is donor restricted for Secure Neighborhoods.

Contributed services recognized relate to donated police services and services related to the Organization's At-Promise youth centers. Contributed services are valued and are reported at the estimated fair value in the consolidated financial statements based on current rates for similar services.

Contributed land recognized relates to donated land received by the Organization for its officer housing program. Contributed land is valued and reported at the tax assessed value. Contributed rent recognized relates to donated land leases received by the Organization for its At-Promise youth centers. Contributed rent is valued and reported at the fair value in the consolidated financial statements based on current rates for similar rental properties.

Contributed event costs primarily relate to event venue costs. Contributed event costs are valued and reported at the estimated fair value in the consolidated financial statements based on rates for similar venue costs.

Contributed advertising and other costs relate to advertising received to raise funds and other costs that primarily relate to communication services. These contributed services are valued and reported at the estimated fair value in the consolidated financial statements based on current rates for similar advertising and communication services.

Income Taxes
The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of December 31, 2025 and 2024, there are no known items which would result in a material accrual related to where the Organization has federal or state attributable tax positions. Generally, taxing authorities have from the later of the taxing filing or extended due date to examine a tax filing.

The Foundation and APF Support are exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no income taxes are reflected in the accompanying consolidated financial statements.

The Foundation has been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

APF Support has been classified as a supporting organization within the meaning of Section 509(a)(3) of the Internal Revenue Code.

Events Occurring After Report Date
Management has evaluated events and transactions that occurred between December 31, 2025 and July 2, 2026, which is the date that the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements.

3. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31, 2025 are due as follows:

2026	$ 7,882,883
2027	4,161,251
2028	2,389,583
2029	660,000
2030	50,000
	15,143,717
Less allowance for doubtful accounts	(167,700)
Net contributions receivable	$ 14,976,017

4. HOME INVENTORY

During 2015, the Organization, as part of its Secure Neighborhood Initiative, began a program whereby the Organization along with both governmental and private partners collaborated on the development of homes in a targeted neighborhood to sell to police officers meeting certain defined qualifications. As of December 31, 2025 and 2024, home inventory represents costs on rehabilitating or constructing homes by the Organization which will be partially recovered when the homes are sold.

5. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2025 and 2024, is summarized as follows:

	2025	2024
Construction in progress	$ 9,836,359	$ 94,105,141
Building and improvements	127,761,518	19,383,706
Furniture and equipment	11,262,869	1,209,737
Land	617,081	657,852
Leasehold improvements	557,006	529,233
Less accumulated depreciation	(6,355,435)	(3,243,338)
	$ 143,679,398	$ 112,642,331

Construction in progress represents construction costs of a youth center currently under construction. Amounts are stated at cost and not depreciated. Once the center is completed, these costs will be reclassified to buildings and depreciation of the asset will begin. At December 31, 2025, estimated completion costs are approximately $100,000.

Depreciation expense for the years ended December 31, 2025 and 2024, amounted to $3,172,467 and $845,605, respectively.

6. NET ASSETS

Net assets with donor restrictions at December 31, 2025 and 2024, are as follows:

	2025	2024
Net assets with donor restrictions – purpose		
At-Promise construction	$ 11,457,219	$ 7,230,000
At-Promise operations	7,329,252	3,967,042
Public Safety Training Center	5,780,688	92,617,696
Secure Neighborhoods	2,179,920	553,282
Officer recruitment	307,084	398,572
Strategic initiatives	639,132	939,116
Field day	251,419	258,484
Training	6,000	6,000
Crime Stoppers	4,584	217,701
Other	726,590	133,347
Net assets with donor restrictions – time	403,300	673,500
	$ 29,085,188	$ 106,994,740

At December 31, 2025 and 2024, a portion of the net assets with donor restrictions were also time restricted in line with the related receivable as follows:

	2025	2024
Year ended December 31, 2025	$ -	$ 2,099,167
Year ended December 31, 2026	7,676,249	603,333
Year ended December 31, 2027	4,067,918	200,000
Year ended December 31, 2028	2,296,250	190,000
Year ended December 31, 2029	650,000	-
Year ended December 31, 2030	50,000	-
	$ 14,740,417	$ 3,092,500

Net assets with donor restrictions released from restrictions during the years ended December 31, 2025 and 2024, were as follows:

	2025	2024
Public Safety Training Center	$ 92,832,181	$ -
Strategic initiatives	2,915,821	4,300,963
At-Promise operations	4,524,913	3,736,906
Officer recruitment	1,972,091	528,434
Secure Neighborhoods	1,007,562	743,983
Crime stoppers	224,336	27,689
At-Promise construction	29,094	-
Field day	8,059	544,142
Other	78,085	310,453
Passage of time	683,500	1,283,000
	$ 104,275,642	$ 11,475,570

In 2022, the Organization launched the 2022-2024 Public Safety First Campaign (PSF), chaired by Alex Taylor, President and CEO of Cox Enterprises. The PSF campaign was a $90 million comprehensive public safety strategy designed to address the City of Atlanta's current crime surge and to reestablish the lost momentum in building a safer city and a world class police department. This strategy includes the building of a state-of-the-art Public Safety Training Center, the At-Promise Youth initiative, our Operation Shield Camera Program, Secure Neighborhoods and community policing initiatives, recruitment and training programs and other proven, innovative measures. The Public Safety Training Center was completed and placed in service in 2025 and subsequently leased to the City of Atlanta (see Note 10).

7. COMMITMENTS

The Organization holds two long-term leases. The first lease relates to the Organization's primary office space in Atlanta under an operating lease that extends through March 2033. The second lease relates to additional office space for one of the Organization's programs under an operating lease that extends through March 2028.

Operating right-of-use assets and lease liabilities are classified as follows on the consolidated statements of financial position as of December 31, 2025 and 2024:

	2025	2024
Operating lease right-of-use assets, net	$ 883,193	$ 1,021,051
Current portion of operating lease liabilities	$ 129,691	$ 121,648
Operating lease liabilities, net of current portion	835,875	976,860
Total operating lease liabilities	$ 965,566	$ 1,098,508

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2025 and 2024:

	2025	2024
Weighted Average Remaining Lease Term	6.55 years	7.46 years
Weighted Average Discount Rate	2.29%	2.29%

Future maturities of lease liabilities as of December 31, 2025, were as follows:

For the Year Ended December 31,	
2026	$ 163,357
2027	168,269
2028	168,676
2029	121,123
2030	124,766
Thereafter	294,229
Total lease payments	1,040,420
Less interest	(74,854)
Present value of lease liabilities	$ 965,566

For the years ended December 31, 2025 and 2024, total operating lease expense for these leases, an equipment lease and contributed donated rent was approximately $201,000 and

$203,000, respectively. A portion of the lease expense amount is grouped with the program lines on the consolidated statements of functional expenses.

Not included in the amounts above are leases with an initial term of 12 months or less. Expenses for these such leases are not significant for the years ended December 31, 2025 and 2024.

8. NEW MARKET TAX CREDIT

The New Market Tax Credit Program (NMTC Program) was established by Congress in 2000 to attract investment capital to low-income communities by permitting investors to receive tax credit incentives in exchange for making equity investments in certified Community Development Entities (CDE). Under this program, certain commercial banks and other investors are able to subsidize eligible projects that meet the NMTC Program requirements.

In July 2019, a new 501(c)(3), APF Support, Inc., was formed to facilitate the New Market Tax Credit transaction by holding funds and certain properties transferred to it by the Atlanta Police Foundation, Inc. during the seven-year term of the NMTC Program. Capital campaign funds and NMTC proceeds received under the NMTC Program were disbursed to create two youth centers in blighted areas of Atlanta.

On December 31, 2019, to benefit under the NMTC Program, the Organization entered into a series of agreements and transactions with the AEMI Fund XXIII, LLC and TNT-APF NMTC Fund, LLC.

Additionally, as a part of the original agreement and transactions with the AEMI Fund XXIII, LLC and TNT-APF NMTC Fund, LLC on December 31, 2019. APF Support obtained a note receivable from the TNT-APF NMTC Fund, LLC in the amount of $7,837,200. APF Support is required to pay the AEMI Fund XXIII, LLC an interest rate of 1% on the full loan amount each year for seven years. Per the agreement, all interest payments will be repaid to APF Support on a yearly basis.

On November 13, 2024, the Organization entered into an additional series of agreements and transactions with AEMI Fund XXXVI, LLC and TCDE 128, LLC, APF Support obtained a note receivable from MLK APC Atlanta Investment Fund, LLC in the amount of $7,823,000. APF Support is required to pay MLK APC Atlanta Investment Fund, LLC an interest rate of 1% on the full loan amount each year for seven years. Per the agreement, all interest payments will be repaid to APF Support on a yearly basis.

At December 31, 2025 and 2024, notes payable related to the NMTC Program totaled $22,590,000 and $22,590,000, respectively (see Note 9).

If certain conditions are met under the NMTC Program, all notes payable and notes receivable are expected to be forgiven after seven years.

9. DEBT

For the years ended December 31, 2025 and 2024, notes payable includes four New Market Tax Credit loans of $7,837,200, $3,922,800, $7,823,000 and $3,007,000. The Organization is required to make annual interest payments equal to 1% of the original loan balances for seven years. This interest payment will be refunded each year by December 31. The loans are expected to be forgiven at the end of the seven-year compliance period, provided all program requirements are satisfied (see Note 8).

The Organization entered into a construction line of credit agreement with a bank in October 2023 with maximum available borrowings up to $20,000,000. The line has an interest rate of SOFR plus 2% (5.87% at December 31, 2025) and matures in October 2028. At December 31, 2025 and 2024, the outstanding balance on the line of credit was $18,280,673 and $0, respectively.

As of December 31, 2025 and 2024, the balance presented on the consolidated statement of financial position includes $1,108,007 of debt issuance costs net of $571,504 and $413,343 of accumulated amortization, respectively. Amortization expense for the years ended December 31, 2025 and 2024 was $158,161 and $90,412, respectively, and is included in interest expense on the consolidated statement of functional expenses.

10. PUBLIC SAFETY TRAINING CENTER LEASE ARRANGEMENTS

In October 2021, the Organization entered into a ground lease agreement with the City of Atlanta (the "City") for approximately 85 acres of City-owned property located in DeKalb County, Georgia. Pursuant to the agreement, the Organization leases the property from the City for the purpose of developing a public safety training campus and related improvements for use by the City's public safety agencies. The lease term is 50 years and requires annual ground rent of $10.

The Organization funded and coordinated the design and construction of the Public Safety Training Center and related site improvements.

During 2025, the Organization entered into an agreement with the City to lease the Public Safety Training Center. The agreement provides for annual lease payments of $1,200,000 and includes a stated term of 30 years, subject to annual appropriation by the City. The agreement permits both the Organization and the City to terminate the arrangement under specified provisions. The lease also includes a purchase option; however management concluded that exercise of the option is not reasonably certain.

The Organization evaluated the arrangement in accordance with Accounting Standards Codification (ASC) Topic 842, *Leases,* and concluded that the lease is an operating lease. Accordingly, the Organization retains the underlying asset on its statement of financial position and continues to depreciate the asset over its estimated useful life.

Under the terms of the agreement, the Organization retains ownership of the Public Safety Training Center and remains responsible for operating and maintaining the facility throughout the lease term. As the lessor, the Organization continues to be exposed to risks associated with ownership of the asset, including operating, maintenance, and residual value risks. The agreement contains customary protective rights designed to safeguard the Organization's interest in the property; however, such rights do not provide substantive decision-making authority and were not considered in the lease classification assessment.

Lease income is recognized on a straight-line basis over the lease term. For the year ended 2025, lease income recognized under this operating lease totaled $1,200,000 and is included in program fees on the consolidated statement of activities.

The future minimum lease payments to be received as of December 31, 2025 is as follows:

2026	$ 1,200,000
2027	1,200,000
2028	1,200,000
2029	1,200,000
2030	1,200,000
Thereafter	28,800,000
Total lease payments	34,800,000

11. CONTINGENCY

Contributions often require the fulfillment of certain conditions as set forth in the terms of the related instrument. Failure to fulfill the conditions could result in the return of the funds to the grantor. Management represents that the Organization has complied with any such conditions. Although the return of funds is a possibility, management deems the contingency unlikely.

12. RELATED PARTY TRANSACTIONS

For the years ended December 31, 2025 and 2024, the Organization received Public Safety Training Center and At Promise Center construction costs of approximately $26,000,000 and $50,000,000, respectively, from a company whose officers also served as board members to the Organization. For the years ended December 31, 2025 and 2024, the Organization received legal services with costs of approximately $243,000 and $226,000, respectively, from a company whose officers also served as board members to the Organization. These construction costs and legal services costs are included in property and equipment.

The Organization has a related party receivable with Public Safety Training Center Foundation totaling $616,692 as of December 31, 2025.

13. EMPLOYEE PENSION PLAN

During 2016, the Organization started a Tax Deferred Annuity plan under Section 403(b) of the Internal Revenue Code (IRC). An eligible employee may make contributions to the plan through a salary reduction agreement with the Organization, subject to certain maximum limitations. The Organization may make discretionary contributions to the plan. The plan is underwritten and maintained by an outside party. For the years ended December 31, 2025 and 2024, the contributions to the plan totaled approximately $56,000 and $53,000, respectively.

14. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Organization's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one-year, perpetual endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for specific contingency reserves and projects or a long-term investment as Board designated endowments. Home inventory is expected to be sold within one year.

	2025	2024
Cash and cash equivalents	$ 8,826,383	$ 16,912,709
Certificates of deposit	1,808,436	2,003,253
Current portion of contributions receivable	7,715,183	2,307,056
Other receivables	1,626,309	344,316
Home inventory	2,888,047	1,559,359
Financial assets, at year end	22,864,358	23,126,693
Less: Assets unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Purpose and time restrictions	29,085,188	106,994,740
Adjusted for long-lived assets not placed in service	(11,457,219)	(93,040,990)
Adjusted for long-term contributions receivable	(7,260,834)	(1,418,333)
	10,367,135	12,535,417
Financial assets available to meet cash needs for general expenditures within one year	$ 12,497,223	$ 10,591,276

The Organization is substantially supported by contributions. As a result of its current capital campaign, the majority of its contributions are restricted. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to donors. Therefore, certain financial assets may not be available for general expenditures within one year. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments.