



*"Citizens Behind
the Badge"*

P.O Box 56385
Virginia Beach, VA 23456
vbpolicefoundation.org

Board of Directors

Linwood O. Branch
President

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Towne Vacations

Bruce L. Thompson
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*A charitable, non-profit and all
volunteer private organization.*

September 17, 2018

Members of the Board of Directors
Virginia Beach Police Foundation, Inc.

Pursuant to the request of President Linwood Branch via email on July 21, 2018 and in accordance with the VBPF Financial Procedures and Audit Policy document adopted 6/8/2016 and attached hereto, I have reviewed the financial records of the Foundation as of June 30, 2018.

Bank statements from TowneBank and SunTrust have been reconciled with the June 30, 2018 Comparative Balance Sheet and Profit and Loss statements prepared by the Treasurer and attached hereto. These statements reflect an adjustment of \$34 for website maintenance to the statements attached to the July 2, 2018 Treasurer's Report. I have verified the CD and Checking Account balances reported on the Balance Sheet with reports from TowneBank and SunTrust and attached hereto.

Expenditures reported on the monthly Treasurer's Reports were properly authorized.

I observed no discrepancies in the financial records or reports and make no recommendations for changes in procedures.

I have reviewed the draft IRS 990-EZ report prepared by the Treasurer and verified that the information contained therein is consistent with the financial records of the Foundation as of June 30, 2018.

The VBPF Financial Procedures and Audit Policy document calls for the Audit Chairperson to recommend to the Board of Directors at the Annual Meeting whether or not engage an outside accounting firm or conduct an internal review. The Audit Chairperson was not appointed until after the annual meeting, so no recommendation was made at the annual meeting. By default, an internal review was done.

The VBPF Financial Procedures and Audit Policy document calls for the Board of Directors to establish an annual budget for the organization, however, this has not been done.

The VBPF Financial Procedures and Audit Policy document calls for the Board of Directors to authorize the preparation of the IRS 990 financial report either by the Treasurer or an accounting firm. The Board made no determination and by default, the Treasurer prepared the IRS 990-EZ.

Respectfully submitted,

William F. Humphrey,
Audit Chairperson and Member of the Board of Directors

Attachments:

VBPF Financial Procedures and Audit Policy
Comparative Balance Sheet and Profit and Loss Statements as of 6/30/18
TowneBank and SunTrust balance report as of 6/30/18

VBPF Financial Procedures and Audit Policy

The Board of Directors of a charitable organization has a fiduciary responsibility for the proper accounting of the assets of the organization. This document is intended to establish the policies and procedures to be followed by the Treasurer and by the Board of Directors to fulfill this responsibility.

The following practices shall be followed:

- The Board of Directors shall establish an Audit Committee to perform such reviews of the financial records of the organization as it determines necessary to insure the completeness and accuracy of the documents. The Audit Committee shall conduct an Internal Audit annually and at any time a new Treasurer is elected.
- The chairperson of the Audit Committee shall have access to the financial records of the organization, including electronic access to bank account records.
- The chairperson of the Audit Committee shall, at the annual meeting of the Board of Directors, recommend and the Board shall approve whether or not to submit the organization's financial statements to an accounting firm for compilation, review or audit.
- The Board of Directors shall establish an annual budget that reflects the goals and objectives of the organization for the coming fiscal year and the Treasurer shall report monthly on actual receipts and expenditures compared to budget.
- Bank statements for all accounts maintained by the organization shall be mailed directly by the institution to the Secretary and a copy forwarded to the Treasurer for monthly review and comparison to the financial statements prepared by the Treasurer. The Secretary shall promptly advise the President and the chairperson of the Audit committee of any discrepancies noted in this comparison.
- The Treasurer shall prepare monthly Profit and Loss, Balance Sheet and Donor statements for review and approval by the Board of Directors.
- Authorized signers on all bank accounts maintained by the organization shall include the President, Vice President and Treasurer. The President and Treasurer are authorized to hold debit cards on the organization's checking accounts to facilitate purchase transactions as authorized by the Board of Directors.
- The Treasurer shall maintain the financial records of the organization using financial software (currently QuickBooks) approved by the Board of Directors on a computer owned by the organization and which shall be available to the Audit Committee for inspection upon request. The Treasurer shall maintain the

electronic and paper copies of the financial records of the organization in accordance with the organization's Retention of Records policy.

- A majority of the Board of Directors shall approve in advance all expenditures, except that the President and Treasurer may, on his or her own initiative, authorize individual expenses not to exceed \$500 for routine transactions associated with the regular operation of the organization. These transactions shall be reported in the monthly Treasurer's report. Pursuant to the By-Laws, the Executive Committee of the Board is authorized to approve expenditures occurring between meetings of the Board, however, such expenditures shall be included in the Agenda and ratified by the full Board at its meeting which next follows the expenditure.
- The Board of Directors shall annually authorize the preparation of the organization's IRS Form 990, Form 990EZ or Form 990N either by the Treasurer or by an accounting firm selected by the Board of Directors based on the recommendation of the Audit Committee chairperson. The Board shall review the Form 990 after preparation and shall authorize the Treasurer to file the return.
- The Treasurer is authorized to invest cash not needed to meet obligations of the organization in FDIC insured Certificates of Deposits issued by banks approved by the Board of Directors with such maturities that are consistent with the projected cash needs of the organization. The Treasurer shall report all such transactions in his or her monthly report to the Board of Directors.
- In managing the financial affairs of the organization, the Treasurer shall, at all times, follow generally accepted accounting practices and exercise due diligence in the performance of his or her responsibilities.

Items the Treasurer should make available for audit:

- Bank statements for each month of the year with all enclosures
- Year-end and monthly financial statements
- Annual budget with comparison to actual expenditures
- Deposit receipts
- Documentation for all expenditures
- Detail general ledger

To internally audit the books the following should be done:

- Review the bank statements for the year and note any unusual items, items being repeated or large items. Flag for follow up and review of supporting documentation.
- A sample of deposit, bill payment and journal entries shall be reviewed for appropriate documentation, authorization and accuracy.

- The bank statement at the end of the year should be reviewed and re-reconciled by the auditor and matched with the original. As well, any outstanding checks or deposits in transit should be traced to the following month's bank statements to verify they cleared.
- Such other inquiries or reviews as may be appropriate based on the circumstances.

ADOPTED BY THE BOARD OF DIRECTORS:

Michael Prendergast, Secretary

Date: _____

VIRGINIA BEACH POLICE FOUNDATION INC
Balance Sheet Prev Year Comparison
As of June 30, 2018

	Jun 30, 18	Jun 30, 17	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
10000 · Cash - All Accounts				
10100 · Sun Trust				
10101 · SunTrust Checking	1,823.55	500.10	1,323.45	264.6%
10103 · SunTrust MMPA	7,660.24	11,555.69	-3,895.45	-33.7%
10110 · SunTrust CD Accounts				
10113 · SunTrust CD 0005 05/12/17	0.00	15,660.10	-15,660.10	-100.0%
10115 · SunTrust CD 2214 05/15/20	52,013.98	51,321.95	692.03	1.4%
Total 10110 · SunTrust CD Accounts	<u>52,013.98</u>	<u>66,982.05</u>	<u>-14,968.07</u>	<u>-22.4%</u>
Total 10100 · Sun Trust	61,497.77	79,037.84	-17,540.07	-22.2%
10200 · Towne Bank				
10201 · Community Partner Ck	8,597.29	12,457.13	-3,859.84	-31.0%
10210 · Towne Bank CD's				
10216 · TowneBank CD 7491 07/25/19	52,975.61	52,449.16	526.45	1.0%
10218 · Towne Bank CD 2134 10/23/18	51,709.63	51,195.75	513.88	1.0%
10219 · TowneBank CD 7918 08/14/22	51,391.27	50,880.55	510.72	1.0%
10220 · TowneBank CD 4188 1/24/20	25,415.06	25,000.00	415.06	1.7%
10221 · TowneBank CD 7683 08/31/20	50,650.05	0.00	50,650.05	100.0%
Total 10210 · Towne Bank CD's	<u>232,141.62</u>	<u>179,525.46</u>	<u>52,616.16</u>	<u>29.3%</u>
Total 10200 · Towne Bank	240,738.91	191,982.59	48,756.32	25.4%
10300 · Southern Bank/Heritage Bank				
10301 · Southern Bank/ CD 0001 08/29/17	0.00	51,391.07	-51,391.07	-100.0%
Total 10300 · Southern Bank/Heritage Bank	<u>0.00</u>	<u>51,391.07</u>	<u>-51,391.07</u>	<u>-100.0%</u>
Total 10000 · Cash - All Accounts	<u>302,236.68</u>	<u>322,411.50</u>	<u>-20,174.82</u>	<u>-6.3%</u>
Total Checking/Savings	302,236.68	322,411.50	-20,174.82	-6.3%
Accounts Receivable				
11000 · Accounts Receivable	1,557.00	0.00	1,557.00	100.0%
Total Accounts Receivable	1,557.00	0.00	1,557.00	100.0%
Other Current Assets				
12100 · Inventory Asset				
12101 · Challenge Coins	253.26	271.35	-18.09	-6.7%
12105 · Memorial Tee Shirts Short Sleeve	289.03	301.33	-12.30	-4.1%
12106 · Memorial Tee Shirts Long Sleeve	270.26	270.26	0.00	0.0%
Total 12100 · Inventory Asset	<u>812.55</u>	<u>842.94</u>	<u>-30.39</u>	<u>-3.6%</u>

VIRGINIA BEACH POLICE FOUNDATION INC
Balance Sheet Prev Year Comparison
As of June 30, 2018

	Jun 30, 18	Jun 30, 17	\$ Change	% Change
12200 · Prepaid Expenses				
12210 · Prepaid Insurance - D&O	451.68	451.68	0.00	0.0%
12220 · Prepaid Website Security	75.00	0.00	75.00	100.0%
Total 12200 · Prepaid Expenses	526.68	451.68	75.00	16.6%
Total Other Current Assets	1,339.23	1,294.62	44.61	3.5%
Total Current Assets	305,132.91	323,706.12	-18,573.21	-5.7%
Other Assets				
18600 · Other Assets				
18601 · Software Development Costs	3,995.00	3,995.00	0.00	0.0%
18602 · Accum Amort-Website Development	-1,165.22	-166.46	-998.76	-600.0%
Total 18600 · Other Assets	2,829.78	3,828.54	-998.76	-26.1%
19000 · Memorial Statue				
19002 · Memorial Copyright	6,000.00	6,000.00	0.00	0.0%
19003 · Logo Copyright	1,087.90	1,087.90	0.00	0.0%
19004 · Challenge Coin Copyright	1,087.90	1,087.90	0.00	0.0%
19005 · Accumulated Amortization	-2,861.89	-2,316.84	-545.05	-23.5%
Total 19000 · Memorial Statue	5,313.91	5,858.96	-545.05	-9.3%
Total Other Assets	8,143.69	9,687.50	-1,543.81	-15.9%
TOTAL ASSETS	313,276.60	333,393.62	-20,117.02	-6.0%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
20000 · Accounts Payable	33.75	312.25	-278.50	-89.2%
Total Accounts Payable	33.75	312.25	-278.50	-89.2%
Total Current Liabilities	33.75	312.25	-278.50	-89.2%
Total Liabilities	33.75	312.25	-278.50	-89.2%
Equity				
31300 · Perm. Restricted Net Assets				
31310 · Reserved-Financial Assistance	24,000.00	24,000.00	0.00	0.0%
31311 · Reserved-K9 Vest Purchases	4,576.68	9,130.68	-4,554.00	-49.9%
Total 31300 · Perm. Restricted Net Assets	28,576.68	33,130.68	-4,554.00	-13.8%

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Accrual Basis

VIRGINIA BEACH POLICE FOUNDATION INC
Balance Sheet Prev Year Comparison
As of June 30, 2018

	<u>Jun 30, 18</u>	<u>Jun 30, 17</u>	<u>\$ Change</u>	<u>% Change</u>
32000 · Unrestricted Net Assets	304,504.69	298,405.91	6,098.78	2.0%
Net Income	-19,838.52	1,544.78	-21,383.30	-1,384.2%
Total Equity	<u>313,242.85</u>	<u>333,081.37</u>	<u>-19,838.52</u>	<u>-6.0%</u>
TOTAL LIABILITIES & EQUITY	<u>313,276.60</u>	<u>333,393.62</u>	<u>-20,117.02</u>	<u>-6.0%</u>

VIRGINIA BEACH POLICE FOUNDATION INC
Profit & Loss Prev Year Comparison
 July 2017 through June 2018

	Jul '17 - Jun 18	Jul '16 - Jun 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
43400 · Direct Public Support				
43410 · Corporate Contributions	7,922.84	35,849.19	-27,926.35	-77.9%
43420 · Fund Raisers				
43421 · Fund Raisers - General				
43421.1 · Film Fallen	0.00	5,881.00	-5,881.00	-100.0%
Total 43421 · Fund Raisers - General	0.00	5,881.00	-5,881.00	-100.0%
43422 · Challenge Coins	65.00	700.00	-635.00	-90.7%
43427 · 50th Anniversary Badge Sales	100.00	0.00	100.00	100.0%
43428 · Memorial Tee Shirt	30.00	600.00	-570.00	-95.0%
43420 · Fund Raisers - Other	20.00	20.00	0.00	0.0%
Total 43420 · Fund Raisers	215.00	7,201.00	-6,986.00	-97.0%
43441 · Gifts in Kind - Goods	0.00	3,726.00	-3,726.00	-100.0%
43450 · Individual Contributions	2,032.00	7,120.27	-5,088.27	-71.5%
Total 43400 · Direct Public Support	10,169.84	53,896.46	-43,726.62	-81.1%
43430 · Dedicated Projects				
43431 · K9 Ballistic Vests	290.00	11,173.50	-10,883.50	-97.4%
Total 43430 · Dedicated Projects	290.00	11,173.50	-10,883.50	-97.4%
44800 · Indirect Public Support				
44820 · United Way, CFC Contributions	3,632.38	3,904.85	-272.47	-7.0%
Total 44800 · Indirect Public Support	3,632.38	3,904.85	-272.47	-7.0%
45000 · Investments				
45030 · Interest-Checking & Savings	3,493.40	2,711.09	782.31	28.9%
Total 45000 · Investments	3,493.40	2,711.09	782.31	28.9%
46400 · Other Types of Income				
46430 · Miscellaneous Revenue	10.00	12.00	-2.00	-16.7%
Total 46400 · Other Types of Income	10.00	12.00	-2.00	-16.7%
Total Income	17,595.62	71,697.90	-54,102.28	-75.5%
Cost of Goods Sold				
50700 · Cost of Sales - Inventory Sales				
50701 · Cost of Challenge Coin Sold	18.09	211.05	-192.96	-91.4%
50706 · Cost of Memorial T Shirts Sold	12.30	271.63	-259.33	-95.5%
Total 50700 · Cost of Sales - Inventory Sales	30.39	482.68	-452.29	-93.7%
Total COGS	30.39	482.68	-452.29	-93.7%
Gross Profit	17,565.23	71,215.22	-53,649.99	-75.3%
Expense				
60150 · Program Expenses - Site Enhance	0.00	37,152.18	-37,152.18	-100.0%
60300 · Awards and Grants				
60310 · Scholarship Awards	25,449.14	13,879.58	11,569.56	83.4%
60320 · Cash Awards and Grants	100.00	0.00	100.00	100.0%
60330 · K9 Ballistic Vests	4,844.00	4,820.00	24.00	0.5%
60350 · Medal of Valor Recognition	0.00	2,787.00	-2,787.00	-100.0%
Total 60300 · Awards and Grants	30,393.14	21,486.58	8,906.56	41.5%
60500 · Fund Raising Expense				
60502 · Inventory Adjustments	0.00	-85.24	85.24	100.0%
60503 · Film Fallen	0.00	6,038.84	-6,038.84	-100.0%
60500 · Fund Raising Expense - Other	0.00	12.06	-12.06	-100.0%
Total 60500 · Fund Raising Expense	0.00	5,965.66	-5,965.66	-100.0%
60700 · Officer Support and Morale	100.00	758.94	-658.94	-86.8%
60900 · Business Expenses				
60920 · Business Registration Fees	125.00	75.00	50.00	66.7%
Total 60900 · Business Expenses	125.00	75.00	50.00	66.7%
62800 · Facilities and Equipment				
62820 · Memorial Maintenance	3,300.00	1,500.00	1,800.00	120.0%
Total 62800 · Facilities and Equipment	3,300.00	1,500.00	1,800.00	120.0%

VIRGINIA BEACH POLICE FOUNDATION INC
Profit & Loss Prev Year Comparison
 July 2017 through June 2018

	Jul '17 - Jun 18	Jul '16 - Jun 17	\$ Change	% Change
65000 · Operations				
65001 · Advertising & Promotional	125.00	397.50	-272.50	-68.6%
65020 · Postage, Mailing Service	119.53	144.47	-24.94	-17.3%
65040 · Supplies				
65041 · Recognition Awards	0.00	30.51	-30.51	-100.0%
65040 · Supplies - Other	56.23	0.00	56.23	100.0%
Total 65040 · Supplies	56.23	30.51	25.72	84.3%
65060 · Internet Web Site	1,063.15	781.58	281.57	36.0%
65070 · Bank Charges				
65071 · Pay Pal Fees on Donations	35.89	125.95	-90.06	-71.5%
Total 65070 · Bank Charges	35.89	125.95	-90.06	-71.5%
Total 65000 · Operations	1,399.80	1,480.01	-80.21	-5.4%
65100 · Insurance				
65110 · D&O Insurance	542.00	541.77	0.23	0.0%
Total 65100 · Insurance	542.00	541.77	0.23	0.0%
Total Expense	35,859.94	68,960.14	-33,100.20	-48.0%
Net Ordinary Income	-18,294.71	2,255.08	-20,549.79	-911.3%
Other Income/Expense				
Other Expense				
69801 · Amortization Expense	1,543.81	710.30	833.51	117.4%
Total Other Expense	1,543.81	710.30	833.51	117.4%
Net Other Income	-1,543.81	-710.30	-833.51	-117.4%
Net Income	-19,838.52	1,544.78	-21,383.30	-1,384.2%

Home Accounts Transfers Payments Payroll Services Administration

My Bank Alerts & Messages Preferences

My Bank

Welcome kelly benigno.

Account Balances ^

Checking Accounts ^

Account Number	Account Name	Current Balance	Available Balance	As Of
*****5791	Primary Business Checking	\$1,823.55	\$1,823.55	07/02/2018 10:37

Money Market ^

Account Number	Account Name	Current Balance	Available Balance	As Of
*****1841	Bus Advanlge Money Market	\$7,660.24	\$7,660.24	07/02/2018 10:37

Certificate of Deposit ^

Account Number	Account Name	Current Balance
*****0001	CD INVESTMENT	\$52,013.98
*****0006	CD INVESTMENT	Currently Not Available

Closed Accounts ^

Account Number	Account Name	Closed Date
*****0005	CD INVESTMENT	11/24/2017 00:00

Info Center

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Transactions ^

Select Account: ^

Date	Transaction	Description	Amount
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Quick Transfer ^

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Company: VIRGINIA BEACH POLICE FOUNDATION, INC.

Account Summary							
Information valid as of Monday, July 02, 2018 at 10:41 AM EST. Get the latest balances.							
Deposit Accounts							
Description	Type	Account Number	Current Balance	Available Balance	Collected Balance	More	Stmt
COMMUNITY PARTNER CK	COMMUNITY PARTNER CK	xxxxxx0619	8,597.29	8,597.29	8,597.29	Q	📄
Totals			8,597.29		8,597.29		
Other Accounts							
Description	Type	Account Number	Current Balance	Available Balance			
*30-35 MONTHS	*30-35 MONTHS	xxxxxx4188	25,415.06	415.06			
*36-47 MONTHS	*36-47 MONTHS	xxxxxx7683	50,650.05	650.05			
REWARD BUS 34-43M T	*36-47 MONTHS	xxxxxx7918	51,391.27	1,391.27			
REWARD PER 28-33M T	*36-47 MONTHS	xxxxxx7491	52,975.61	917.60			
REWARDS NO PENALTY	*30-35 MONTHS	xxxxxx2134	51,709.63	1,274.45			
Totals			232,141.62				

TowneBank