

# D'ATRI ASSOCIATES

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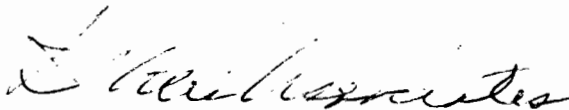
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### **The Board of Directors Police Reserve Association of the City of New York, Inc.**

We have audited the accompanying statement of financial position of the Police Reserve Association of the City of New York, Inc. as of August 31, 2007, and the related statement of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Police Reserve Association of the City of New York, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Police Reserve Association of the City of New York, Inc. as of August 31, 2007, and the changes in its net assets and its cash flows for the period then ended in conformity with generally accepted accounting principles.



January 3, 2008  
Dix Hills, New York

**Police Reserve Association of the City of New York, Inc.**  
**Statement of Activities**  
**Year ended August 31, 2007**

	<u>Unrestricted</u>	<u>Total</u>
Revenue:		
Public support:		
Received directly:		
Contributions	\$ 45,083	45,083
Special events	<u>16,730</u>	<u>16,730</u>
Total public support	<u>61,813</u>	<u>61,813</u>
Other revenue:		
Membership dues	63,486	63,486
Interest	<u>227</u>	<u>227</u>
Total other revenue	<u>63,713</u>	<u>63,713</u>
Total revenue	<u>125,526</u>	<u>125,526</u>
Expenses:		
Program services	34,553	34,553
Function and fund raising	17,821	17,821
Scholarship expense	64,150	64,150
Grant expense	11,926	11,926
Management and general expense	<u>7,191</u>	<u>7,191</u>
Total expenses	<u>135,641</u>	<u>135,641</u>
Change in net assets	(10,115)	-10,115
Net assets, beginning of year	<u>61,703</u>	61,703
Net assets, end of year	<u>\$ 51,588</u>	<u>51,588</u>

*See accompanying notes to Financial Statements*

**Police Reserve Association of the City of New York, Inc.**  
**Statement of Functional Expenses**  
**Year ended August 31, 2007**

	<u>Program</u>	<u>Function and fundraising</u>	<u>Scholarship</u>	<u>Grants</u>	<u>Management and general</u>	<u>Total</u>
Professional fees	\$ -	-	-	-	560	560
Telephone	-	-	-	-	1,628	1,628
Bank charges	-	-	-	-	466	466
Postage	2,213	-	-	-	56	2,269
Printing	593	-	-	-	-	593
Webmaster	-	-	-	-	892	892
Insurance	-	-	-	-	2,214	2,214
Computer expense	-	-	-	-	-	0
Better Business Bureau	-	-	-	-	-	-
Office supplies	-	-	-	-	825	825
Dinner expense	3,305	10,355	-	-	-	13,660
Special functions	16,672	7,020	-	-	-	23,692
Program supplies	9,795	-	-	-	-	9,795
FOP dues	1,975	-	-	-	50	2,025
Raffle	-	296	-	-	-	296
Entertainment	-	150	-	-	-	150
Annual scholarships	-	-	24,500	-	-	24,500
NYPD scholarships	-	-	39,650	-	-	39,650
Various police orgs	-	-	-	11,926	-	11,926
Miscellaneous	-	-	-	-	500	500
<b>Total functional expenses</b>	<b>\$ <u>34,553</u></b>	<b><u>17,821</u></b>	<b><u>64,150</u></b>	<b><u>11,926</u></b>	<b><u>7,191</u></b>	<b><u>135,641</u></b>

*See accompanying notes to Financial Statements*

**Police Reserve Association of the City of New York, Inc.**  
**Statement of Financial Position**  
**August 31, 2007**

<b>Assets</b>	<b><u>Unrestricted</u></b>	<b><u>Total</u></b>
Cash and other equivalents	\$ 51,588	\$ 51,588
Accounts receivable	0	0
	<hr/>	<hr/>
<b>Total assets</b>	<b><u>\$ 51,588</u></b>	<b><u>\$ 51,588</u></b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 0	\$ 0
Accrued expenses	0	0
<b>Total current liabilities</b>	<b><u>0</u></b>	<b><u>0</u></b>
Noncurrent liabilities:		
Long term debt	0	0
<b>Total noncurrent liabilities</b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Total liabilities</b>	<b><u>0</u></b>	<b><u>0</u></b>
 <b>FUND BALANCE</b>	 <b><u>\$ 51,588</u></b>	 <b><u>\$ 51,588</u></b>

*See accompanying notes to Financial Statements*

**Police Reserve Association of the City of New York, Inc.**  
**Statement of Cash Flows**  
**Year ended August 31, 2007**

Cash flow from operating activity: excess of revenues over expenses	\$ (10,115)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activity	<u>0</u>
Net cash used by operating activity	(10,115)
Cash flows from investing activity	0
Cash flows from financing activity	<u>0</u>
Net increase (decrease) in cash	(10,115)
Cash - beginning of the year	<u>61,703</u>
Cash - end of year	<u><u>\$ 51,588</u></u>

***See accompanying notes to Financial Statements***

**Police Reserve Association of the City of New York, Inc.**

**Notes to Financial Statements**

**As of August 31, 2007**

**NOTE 1: Organization**

The Police Reserve Association of the City of New York, Inc. is a membership organization that was incorporated in 1927. Dues derived from members are expended on organizational programs. No member of the organization receives any remuneration for his or her support or service. All revenues are dispersed as scholarships via a New York City Police Department merit based exam. In addition, funds are provided for continuing education in the area of graduate studies for members of the department as provided by the chief of personnel. These programs are targeted to raise the morale of all members of the New York City Police Department. All revenues not directly given as scholarships are expended in the administration of our programs.

**NOTE 2: Summary of Significant Accounting Policies**

Assets and liabilities are recorded and revenues and expenses are recognized on the accrual basis of accounting. The organization adopted the accrual basis for financial reporting on September 1, 2004 but, continues to use the cash basis of accounting for the preparation of its tax returns.

**NOTE 3: Contributions**

All contributions are considered available for the general programs of the Association.

**NOTE 4: Income Taxes**

The Association is exempt from federal income taxes under code Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in IRC Section 501(c)(3). The Association did not have any unrelated business income tax liability for the year ended August 31, 2007. Therefore, no tax liability has been provided in the accompanying financial statements.