

D'ATRI ASSOCIATES

ACCOUNTANTS & CONSULTANTS

33 PEPPERMILL LANE, DIX HILLS, NY 11746-5426

TEL: (631) 462-0310

FAX: (631) 462-9281

ALEXANDER C. D'ATRI EA
FRANCINE M. D'ATRI

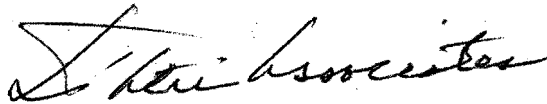
PETER J. SARKA CPA

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, 2008, 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, 2008, and the changes in its net assets and its cash flows for the period then ended in conformity with generally accepted accounting principles.



January 2, 2009
Dix Hills, New York

Independent Accountant's Review Report

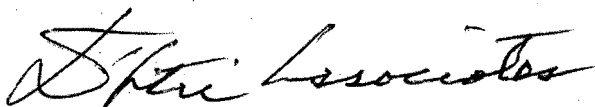
The Board of Directors

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January 2, 2009
Dix Hills, New York

Police Reserve Association of the City of New York, Inc.
Statement of Activities
Year ended August 31, 2008

	<u>Unrestricted</u>	<u>Total</u>
Revenue:		
Public support:		
Received directly:		
Contributions	\$ 45,732	45,732
Special events	25,355	25,355
Total public support	<u>71,087</u>	<u>71,087</u>
Other revenue:		
Membership dues	70,325	70,325
Interest	135	135
Total other revenue	<u>70,460</u>	<u>70,460</u>
Total revenue	<u>141,547</u>	<u>141,547</u>
Expenses:		
Program services	32,935	32,935
Function and fund raising	21,611	21,611
Scholarship expense	76,875	76,875
Grant expense	22,462	22,462
Management and general expense	7,104	7,104
Total expenses	<u>160,987</u>	<u>160,987</u>
Change in net assets	(19,440)	(19,440)
Net assets, beginning of year	<u>51,588</u>	51,588
Net assets, end of year	<u>\$ 32,148</u>	<u>32,148</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, 2008

	<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	-	-	-	-	1,410	1,410
Bank charges	-	-	-	-	255	255
Postage	2,484	-	-	-	-	2,484
Printing	-	-	-	-	-	0
Webmaster	-	-	-	-	500	500
Insurance	-	-	-	-	1,919	1,919
Computer expense	-	-	-	-	725	725
Better Business Bureau	-	-	-	-	240	240
Office supplies	-	-	-	-	624	624
Dinner expense	2,720	13,411	-	-	-	16,131
Special functions	7,631	8,050	-	-	-	15,681
Program supplies	18,150	-	-	-	-	18,150
FOP dues	1,950	-	-	-	-	1,950
Raffle	-	-	-	-	-	0
Entertainment	-	150	-	-	-	150
Annual scholarships	-	-	24,500	-	-	24,500
NYPD scholarships	-	-	52,375	-	-	52,375
Various police orgs	-	-	-	22,462	-	22,462
Miscellaneous	-	-	-	-	871	871
Total functional expenses	\$ <u>32,935</u>	<u>21,611</u>	<u>76,875</u>	<u>22,462</u>	<u>7,104</u>	<u>160,987</u>

See accompanying notes to Financial Statements

Police Reserve Association of the City of New York, Inc.
Statement of Financial Position
August 31, 2008

Assets	<u>Unrestricted</u>	<u>Total</u>
Cash and other equivalents	\$ 32,148	\$ 32,148
Accounts receivable	0	0
	<hr/>	<hr/>
Total assets	\$ <u>32,148</u>	\$ <u>32,148</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 0	\$ 0
Accrued expenses	0	0
Total current liabilities	<hr/> 0	<hr/> 0
Noncurrent liabilities:		
Long term debt	0	0
Total noncurrent liabilities	<hr/> 0	<hr/> 0
Total liabilities	<hr/> 0	<hr/> 0
 FUND BALANCE	 \$ <u>32,148</u>	 \$ <u>32,148</u>

See accompanying notes to Financial Statements

Police Reserve Association of the City of New York, Inc.
Statement of Cash Flows
Year ended August 31, 2008

Cash flow from operating activity: excess of revenues over expenses	\$ (19,440)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activity	<u>0</u>
Net cash used by operating activity	(19,440)
Cash flows from investing activity	0
Cash flows from financing activity	<u>0</u>
Net increase (decrease) in cash	(19,440)
Cash - beginning of the year	<u>51,588</u>
Cash - end of year	<u><u>\$ 32,148</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, 2008

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, 2008. Therefore, no tax liability has been provided in the accompanying financial statements.