

POLICE ATHLETIC LEAGUE, INC.



FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

Years Ended December 31, 2016 And 2015
and
Single Audit Reports and Schedule

Year Ended December 31, 2016

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

POLICE ATHLETIC LEAGUE, INC.

**FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

**YEARS ENDED DECEMBER 31, 2016 AND 2015
AND**

SINGLE AUDIT REPORTS AND SCHEDULE

YEAR ENDED DECEMBER 31, 2016

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Police Athletic League, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Police Athletic League, Inc. ("PAL") which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Police Athletic League, Inc. as of December 31, 2016 and 2015, 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.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards ("SEFA") for the year ended December 31, 2016, (shown on page 17) as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, ("Uniform Guidance"), 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2017, on our consideration of PAL's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PAL's internal control over financial reporting and compliance.



New York, NY

June 1, 2017, except for SEFA for which the date is August 23, 2017

POLICE ATHLETIC LEAGUE, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents (Notes 2D and 11A)	\$ 3,237,049	\$ 861,002
Investments (Notes 2E, 3 and 12)	5,815,573	5,217,162
Accounts receivable	119,953	12,096
Contributions receivable, net (Notes 2C, 2H and 6)	598,180	445,994
Due from government agencies (Notes 2I and 5)	3,192,288	3,852,714
Prepaid expenses and other assets	332,961	208,943
Beneficial interest in split-interest agreements (Notes 2F and 13)	84,731	97,950
Property and equipment, net (Notes 2G and 4)	7,944,752	6,338,402
TOTAL ASSETS	\$ 21,325,487	\$ 17,034,263
LIABILITIES		
Accounts payable and accrued expenses (Note 2M)	\$ 2,809,710	\$ 2,170,396
Advances from government agencies (Notes 2I and 8)	5,876,181	2,539,589
Gift annuity payable (Note 2F)	92,385	98,609
TOTAL LIABILITIES	8,778,276	4,808,594
COMMITMENTS AND CONTINGENCIES (Note 10)		
NET ASSETS (Note 2B)		
Unrestricted	11,361,816	11,098,086
Temporarily restricted (Notes 9 and 13)	875,395	842,583
Permanently restricted (Note 13)	310,000	285,000
TOTAL NET ASSETS	12,547,211	12,225,669
TOTAL LIABILITIES AND NET ASSETS	\$ 21,325,487	\$ 17,034,263

The accompanying notes are an integral part of these financial statements.

POLICE ATHLETIC LEAGUE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	For the Year Ended December 31, 2016				For the Year Ended December 31, 2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE								
Support (Note 2C)								
Special events, net of expenses of \$380,625 in 2016 and \$421,639 in 2015	\$ 2,781,245	\$ -	\$ -	\$ 2,781,245	\$ 2,999,203	\$ -	\$ -	\$ 2,999,203
Contributions from foundations and corporations	438,980	960,987	-	1,399,967	290,049	644,737	-	934,786
Contributions from individuals	628,039	-	25,000	653,039	810,212	670	25,000	835,882
Bequests and legacies	36,001	-	-	36,001	33,857	-	-	33,857
Contributed services, rent and other in-kind (Note 2J)	612,752	-	-	612,752	284,103	-	-	284,103
Change in value of split-interest agreements (Note 2F)	-	(7,496)	-	(7,496)	-	(35,708)	-	(35,708)
Net assets released from restrictions (Note 9)	924,624	(924,624)	-	-	878,256	(878,256)	-	-
Total Support	<u>5,421,641</u>	<u>28,867</u>	<u>25,000</u>	<u>5,475,508</u>	<u>5,295,680</u>	<u>(268,557)</u>	<u>25,000</u>	<u>5,052,123</u>
Revenue								
Government grants (Note 2I)	22,607,929	-	-	22,607,929	21,966,890	-	-	21,966,890
Rental income and fees (Note 2L)	523,088	-	-	523,088	417,246	-	-	417,246
Investment activity (Note 3)	218,336	3,945	-	222,281	(12,594)	2,572	-	(10,022)
Total Revenue	<u>23,349,353</u>	<u>3,945</u>	<u>-</u>	<u>23,353,298</u>	<u>22,371,542</u>	<u>2,572</u>	<u>-</u>	<u>22,374,114</u>
TOTAL SUPPORT AND REVENUE	<u>28,770,994</u>	<u>32,812</u>	<u>25,000</u>	<u>28,828,806</u>	<u>27,667,222</u>	<u>(265,985)</u>	<u>25,000</u>	<u>27,426,237</u>
EXPENSES								
Program services	25,492,196	-	-	25,492,196	24,708,220	-	-	24,708,220
Management and general	1,507,799	-	-	1,507,799	1,358,331	-	-	1,358,331
Fundraising	1,507,269	-	-	1,507,269	1,215,242	-	-	1,215,242
TOTAL EXPENSES	<u>28,507,264</u>	<u>-</u>	<u>-</u>	<u>28,507,264</u>	<u>27,281,793</u>	<u>-</u>	<u>-</u>	<u>27,281,793</u>
CHANGE IN NET ASSETS	<u>263,730</u>	<u>32,812</u>	<u>25,000</u>	<u>321,542</u>	<u>385,429</u>	<u>(265,985)</u>	<u>25,000</u>	<u>144,444</u>
Net assets - beginning of year	11,098,086	842,583	285,000	12,225,669	10,712,657	1,108,568	260,000	12,081,225
NET ASSETS - END OF YEAR	<u>\$ 11,361,816</u>	<u>\$ 875,395</u>	<u>\$ 310,000</u>	<u>\$ 12,547,211</u>	<u>\$ 11,098,086</u>	<u>\$ 842,583</u>	<u>\$ 285,000</u>	<u>\$ 12,225,669</u>

The accompanying notes are an integral part of these financial statements.

POLICE ATHLETIC LEAGUE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Totals for December 31, 2015)

	For the Year Ended December 31, 2016								
	Program Services					Supporting Services			
	Child Care	Center Operations	Sports/ Recreation	Teen Programs	Total Program Services	Management and General	Fundraising	Total 2016	Total 2015
Salaries and wages	\$ 4,109,831	\$ 7,848,833	\$ 735,385	\$ 2,155,636	\$ 14,849,685	\$ 1,021,226	\$ 630,048	\$ 16,500,959	\$ 15,730,296
Payroll taxes and employee benefits (Note 7)	<u>1,132,591</u>	<u>1,667,457</u>	<u>169,266</u>	<u>518,360</u>	<u>3,487,674</u>	<u>280,837</u>	<u>220,517</u>	<u>3,989,028</u>	<u>3,725,412</u>
Total Salaries and Related Costs	5,242,422	9,516,290	904,651	2,673,996	18,337,359	1,302,063	850,565	20,489,987	19,455,708
Professional and other services	258,060	163,911	129,530	909,467	1,460,968	66,721	169,945	1,697,634	1,546,981
Supplies	152,913	253,917	98,509	141,020	646,359	41,149	22,565	710,073	791,534
Food	403,988	575,414	9,102	43,098	1,031,602	6,694	50	1,038,346	965,179
Occupancy costs (Note 10A)	341,936	494,603	83,657	66,182	986,378	-	-	986,378	980,209
Travel and conferences	24,803	403,001	14,914	103,269	545,987	18,222	6,522	570,731	539,403
Repairs and maintenance	117,803	261,203	24,993	12,289	416,288	6,226	3,113	425,627	704,422
Staff development	21,249	34,517	4,800	340	60,906	135	-	61,041	55,676
Telephone	42,331	92,639	12,525	33,095	180,590	11,201	4,892	196,683	211,019
Postage and printing	26,328	72,930	1,365	13,587	114,210	9,732	155,506	279,448	323,221
Insurance	130,868	216,796	24,058	64,549	436,271	15,606	4,529	456,406	467,502
Equipment rentals and purchases	21,625	166,173	28,796	48,099	264,693	28,471	30,626	323,790	335,023
Appeals	-	-	-	-	-	-	183,324	183,324	158,842
Bad debts	-	750	-	-	750	-	74,321	75,071	77,258
Depreciation and amortization	-	341,711	-	-	341,711	-	-	341,711	340,492
Contributed services, rent and other in-kind (Note 2J)	611,477	-	-	-	611,477	-	1,275	612,752	284,104
Miscellaneous	<u>46,304</u>	<u>10,232</u>	<u>45</u>	<u>66</u>	<u>56,647</u>	<u>1,579</u>	<u>36</u>	<u>58,262</u>	<u>45,220</u>
TOTAL EXPENSES	<u>\$ 7,442,107</u>	<u>\$ 12,604,087</u>	<u>\$ 1,336,945</u>	<u>\$ 4,109,057</u>	<u>\$ 25,492,196</u>	<u>\$ 1,507,799</u>	<u>\$ 1,507,269</u>	<u>\$ 28,507,264</u>	<u>\$ 27,281,793</u>

The accompanying notes are an integral part of these financial statements.

**POLICE ATHLETIC LEAGUE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	For the Year Ended December 31, 2015							
	Program Services					Supporting Services		
	Child Care	Center Operations	Sports/ Recreation	Teen Programs	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 4,056,476	\$ 8,078,363	\$ 682,897	\$ 1,530,562	\$ 14,348,298	\$ 962,833	\$ 419,165	\$ 15,730,296
Payroll taxes and employee benefits (Note 7)	<u>1,090,496</u>	<u>1,740,331</u>	<u>145,274</u>	<u>395,399</u>	<u>3,371,500</u>	<u>217,444</u>	<u>136,468</u>	<u>3,725,412</u>
Total Salaries and Related Costs	5,146,972	9,818,694	828,171	1,925,961	17,719,798	1,180,277	555,633	19,455,708
Professional and other services	329,763	131,017	135,679	768,415	1,364,874	56,395	125,712	1,546,981
Supplies	265,301	263,919	126,690	122,390	778,300	3,439	9,795	791,534
Food	367,008	542,177	14,941	32,467	956,593	8,579	7	965,179
Occupancy costs (Note 10A)	344,951	488,798	50,212	95,348	979,309	900	-	980,209
Travel and conferences	22,168	433,673	5,302	66,529	527,672	9,460	2,271	539,403
Repairs and maintenance	363,194	289,471	35,679	8,352	696,696	3,863	3,863	704,422
Staff development	7,892	45,741	-	548	54,181	1,495	-	55,676
Telephone	66,116	95,732	10,684	22,488	195,020	7,500	8,499	211,019
Postage and printing	25,666	60,922	2,228	8,962	97,778	26,281	199,162	323,221
Insurance	134,049	222,066	24,607	65,785	446,507	15,985	5,010	467,502
Equipment rentals and purchases	26,223	174,337	25,047	51,539	277,146	17,704	40,173	335,023
Appeals	-	-	-	-	-	-	158,842	158,842
Bad debts	-	-	-	-	-	259	76,999	77,258
Depreciation and amortization	-	340,492	-	-	340,492	-	-	340,492
Contributed services, rent and other in-kind (Note 2J)	255,150	431	-	-	255,581	-	28,523	284,104
Miscellaneous	<u>315</u>	<u>17,668</u>	<u>128</u>	<u>162</u>	<u>18,273</u>	<u>26,194</u>	<u>753</u>	<u>45,220</u>
TOTAL EXPENSES	<u>\$ 7,354,768</u>	<u>\$ 12,925,138</u>	<u>\$ 1,259,368</u>	<u>\$ 3,168,946</u>	<u>\$ 24,708,220</u>	<u>\$ 1,358,331</u>	<u>\$ 1,215,242</u>	<u>\$ 27,281,793</u>

The accompanying notes are an integral part of these financial statements.

POLICE ATHLETIC LEAGUE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 321,542	\$ 144,444
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	341,711	340,492
Realized and unrealized (gain) loss on investments	(108,747)	92,637
Change in value of split-interest agreements	7,496	35,708
Bad debt expense	75,071	77,258
Subtotal	637,073	690,539
Changes in operating assets and liabilities:		
Accounts receivable	(107,857)	1,594
Contributions receivable	(227,257)	82,987
Due from government agencies	660,426	(1,388,389)
Prepaid expenses and other assets	(124,018)	137,289
Accounts payable and accrued expenses	639,314	(451,841)
Gift annuity payable	(13,720)	(14,505)
Advances from government agencies	3,336,592	521,939
	4,800,553	(420,387)
Net Cash Provided by (Used in) Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(1,074,040)	(131,581)
Proceeds from sale of investments	597,595	232,402
Property and equipment acquisitions	(1,948,061)	(263,397)
	(2,424,506)	(162,576)
Net Cash Used in Investing Activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,376,047	(582,963)
Cash and cash equivalents - beginning of year	861,002	1,443,965
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,237,049	\$ 861,002

The accompanying notes are an integral part of these financial statements.

POLICE ATHLETIC LEAGUE, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Founded in 1914, Police Athletic League, Inc. (“PAL”) is incorporated as a private not-for-profit organization in the State of New York and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Each year PAL serves approximately 30,000 young people throughout the five boroughs of New York City by providing them with safe and supportive environments in which they can learn, play, compete, perform and develop into happy, productive people. Through six Early Learn centers, PAL’s Child Care programs help children ages 2-5 develop social skills and build strong foundations for future achievement in school. Educational enrichment, leadership development, arts, and recreational opportunities for elementary and middle school children are offered through the Center Operations unit at 23 afterschool programs and 20 summer day camps. Teen Programming includes job skills training, college preparation, recreation, and crime prevention programs at 18 teen centers. PAL also connects over 1,800 teenagers with youth employment jobs and gives a second chance to disconnected youth, such as those who have been in trouble with the law. Youth development through sports remains a key component of the Sports and Recreation portfolio, with almost 12,000 youth taking part in more than 700 sports teams and 40 Play Streets throughout the city.

These opportunities for learning and developing are supported by the New York City Police Department (“NYPD”), whose active participation and exposure to young people as mentors and playmates creates a unique learning experience and positive bonds between the police and the community they serve. PAL does not receive direct funding from the NYPD.

PAL receives its principal revenue from federal, New York State and local governmental sources.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Accounting and Use of Estimates*

The accompanying financial statements of PAL are prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

B. *Basis of Presentation*

PAL maintains its net assets under the following three classes:

- Unrestricted – represents resources available for support of PAL’s operations over which the Board of Directors has discretionary control.
- Temporarily Restricted – represents assets that are subject to donor-imposed stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently restricted – represents assets that must remain intact in perpetuity.

C. *Contributions and Pledges*

Contributions and pledges are recognized when the donor makes an unconditional promise to give. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

POLICE ATHLETIC LEAGUE, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Cash Equivalents*

PAL considers liquid debt instruments with a maturity of three months or less when acquired to be cash equivalents, with the exception of cash and those short-term investments managed by PAL's investment managers for long-term investment purposes.

E. *Investments*

Securities transactions are recorded on a trade-date basis. Realized gains and losses on sales of investments are determined on a specific identification basis and are included in investment activity in the statements of activities. Interest income is recognized when earned and dividends are recorded on the ex-dividend date. Net investment income is recorded as either unrestricted or temporarily restricted, in accordance with donor intent.

Fair value measurements are the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 12.

F. *Split-Interest Agreements*

PAL's split-interest agreements with donors consist primarily of charitable gift annuities. Contribution revenue for a charitable gift annuity is recognized at the date the agreement is established, net of the liability recorded for the present value of the estimated future payments to be made to the donor and/or other beneficiaries based upon their life expectancies using Internal Revenue Service mortality tables. The discount rates vary according to the arrangements. A reclassification from or to temporarily restricted net assets is made each year to adjust the restricted reserve of gift annuities to the extent required by New York State insurance law. Actuarial gains and losses and amortization of the present value discount on annuity obligations are reflected as changes in values of split-interest agreements in the accompanying statement of activities.

G. *Property and Equipment*

Purchases of property and equipment are recorded at cost. PAL capitalizes property and equipment having a cost of \$5,000 or more and a useful life of greater than one year. Depreciation and amortization are recognized using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the useful life of the asset or the remaining term of the lease.

H. *Allowance for Uncollectible Receivables*

PAL determines whether an allowance for uncollectibles should be provided for receivables. Such estimate is based on management's assessment of the likelihood of collection, including consideration of how long the receivables have been outstanding, creditworthiness of the debtors, current economic conditions and historical information. As of December 31, 2016 and 2015, PAL recorded an allowance for contributions receivable of \$143,500 and \$186,000, respectively.

I. *Revenue from Government Sources*

Revenue from government agency contracts is recorded as earned pursuant to the terms of the contracts. When authorized expenses or services are not reimbursed in the same time period in which they are incurred, the revenue is reflected as a receivable. Amounts received by PAL under government grants for which PAL has not yet met the conditions are reported as advances from government agencies on the statement of financial position.

POLICE ATHLETIC LEAGUE, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. *Contributed Services, Rent and Other In-Kind*

PAL receives noncash contributions consisting primarily of contributed facilities and services (legal and other program services). The contributed facilities and services have been valued at the standard market rates that would have been incurred by PAL and are reported as both revenue and expense in the accompanying financial statements because they meet the criteria prescribed by accounting principles generally accepted in the United States of America. Contributed services, rent and other in-kind contributions amounted to \$612,752 and \$284,103 for the years ended December 31, 2016 and 2015, respectively.

K. *Functional Allocation of Expenses*

The costs of providing the various programs and other activities of PAL have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services benefited.

L. *Rental Income and Fees*

Rental income and fees consist of rents paid by various organizations for space they lease from PAL. Additionally, it includes daycare fees paid by parents to PAL for daycare programs. All fees are recorded when earned.

M. *Rent Straight-Lining*

PAL leases real property under operating leases expiring at various dates in the future. Since the rent payments increase over time, PAL records an adjustment to rent expense each year to reflect its straight-line policy. The annual expense recorded for the years ended December 31, 2016 and 2015 amounted to approximately \$126,000 and \$127,000, respectively. Straight-lining of rent gives rise to a timing difference that is reflected as accounts payable and accrued expenses in the accompanying statements of financial position.

N. *Reclassifications*

Certain line items in December 31, 2015 financial statements were reclassified to conform to December 31, 2016 presentation.

NOTE 3 – INVESTMENTS

Investments consisted of the following as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Cash equivalents	\$ 1,375,786	\$ 1,005,606
Common stock	1,126,787	1,040,575
Mutual funds	1,555,075	1,479,242
Corporate and International bonds	1,281,114	1,188,107
Government securities	<u>476,811</u>	<u>503,632</u>
Total investments	<u>\$ 5,815,573</u>	<u>\$ 5,217,162</u>

Investment activity consisted of the following for the years ended December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 134,040	\$ 106,605
Realized and unrealized gain (loss)	108,747	(92,637)
Investment fees	<u>(20,506)</u>	<u>(23,990)</u>
Total investment activity	<u>\$ 222,281</u>	<u>\$ (10,022)</u>

POLICE ATHLETIC LEAGUE, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>	<u>Estimated Useful Life</u>
Land	\$ 1	\$ 1	
Fine arts	25,000	25,000	
Furniture, fixtures and equipment	765,861	765,861	5-10 years
Leasehold improvements	11,817,445	11,681,555	25-40 years
Vehicles	145,213	145,213	5 years
Construction in progress	<u>1,812,171</u>	<u>-</u>	
Total cost	14,565,691	12,617,630	
Less: accumulated depreciation and amortization	<u>6,620,939</u>	<u>6,279,228</u>	
Net Book Value	<u>\$ 7,944,752</u>	<u>\$ 6,338,402</u>	

Depreciation and amortization expense amounted to \$341,711 and \$340,492 for the years ended December 31, 2016 and 2015, respectively. During the years ended December 31, 2016 and 2015, PAL wrote off fully depreciated property and equipment in the amount of \$0 and \$1,426,095, respectively.

The construction in progress relates to renovation projects at three of PAL's sires. The starting dates of the projects vary from October 2016 to December 2016. The cost to complete the projects is approximately \$4,416,000 and the projects are expected to be completed at dates ranging from mid to late 2017.

Approximate amortization expenses of leasehold improvements of more than one year are indicated below:

2017	\$ 330,000
2018	329,000
2019	326,000
2020	298,000
2021	<u>296,000</u>
	<u>\$ 1,579,000</u>

NOTE 5 – DUE FROM GOVERNMENT AGENCIES

Due from government agencies under grants and contracts consisted of the following as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
New York City Office of the Criminal Justice Coordinator	\$ 822,503	\$ 761,725
New York City Department of Youth and Community Development	1,615,272	1,924,610
New York City Administration for Children's Services	165,001	369,613
New York State Department of Education	57,658	600,033
New York County District Attorney's Office	115,359	148,191
Queens District Attorney's Office	57,750	48,542
New York City Housing Authority	95,988	-
New York State Office of Children and Family Services	98,737	-
New York State Department of Health	154,015	-
Brooklyn District Attorney's Office	<u>10,005</u>	<u>-</u>
	<u>\$ 3,192,288</u>	<u>\$ 3,852,714</u>

POLICE ATHLETIC LEAGUE, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 6 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Due within one year	\$ 741,680	\$ 631,994
Less: allowance for doubtful accounts	<u>(143,500)</u>	<u>(186,000)</u>
	<u>\$ 598,180</u>	<u>\$ 445,994</u>

NOTE 7 – PENSION AND OTHER BENEFIT PLANS

PAL maintains a defined contribution plan. All employees who are age 20½ and older and have completed six months of service are eligible to participate. PAL's annual contribution is an amount equal to 10% of the employee's annual compensation for those employees who choose to participate. For the years ended December 31, 2016 and 2015, total employer contributions amounted to approximately \$443,000 and \$431,000. The contribution for the year ended December 31, 2016, was not yet paid as of the date of this report.

NOTE 8 – ADVANCES FROM GOVERNMENT AGENCIES

Advances from government agencies consisted of the following as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
New York City Department of Youth and Community Development	\$ 1,534,084	\$ 1,284,900
New York City Administration for Children's Services	4,038,048	658,484
New York State Department of Education	38,908	117,881
New York City Office of the Criminal Justice Coordinator	-	252,386
New York State Department of Health	76,200	55,200
New York City District Attorney's Office	113,500	113,500
New York City Housing Authority	61,250	13,250
New York State Office of Children and Family Services	-	42,968
New York State Office of Alcoholism and Substance Abuse Services	-	1,020
Brooklyn District Attorney's Office	<u>14,191</u>	<u>-</u>
	<u>\$ 5,876,181</u>	<u>\$ 2,539,589</u>

NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Center Operations	\$ 426,157	\$ 489,903
Teen Programming	70,810	157,146
Sports and Recreation	-	88,084
Unappropriated earnings	69,447	65,502
Time restricted and other	<u>308,981</u>	<u>41,948</u>
Total temporarily restricted net assets	<u>\$ 875,395</u>	<u>\$ 842,583</u>

Temporarily restricted net assets of \$924,624 and \$878,256 for the years December 31, 2016 and 2015, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors or the passage of time.

POLICE ATHLETIC LEAGUE, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 10 – COMMITMENTS AND CONTINGENCIES

- A. PAL leases office and program facilities from third parties subject to various written and unwritten lease agreements. The total rent expense related to such leases for the years ended December 31, 2016 and 2015 amounted approximately to \$530,000 and \$527,000, respectively, and is included in occupancy costs in the accompanying statement of functional expenses.

Approximate minimum lease commitments of more than one year are indicated below. The amounts include only noncancelable, written leases in effect as of December 31, 2016, and do not take into consideration any renewals, etc., negotiated after year end.

2017	\$ 321,000
2018	181,000
2019	26,000
2020	26,000
2021	26,000
Thereafter	<u>768,000</u>
	<u>\$ 1,348,000</u>

- B. PAL believes it had no uncertain tax positions as of December 31, 2016 and 2015 in accordance with Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes”, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- C. PAL is a party to various lawsuits or complaints generally arising in the ordinary course of business. PAL believes it has adequate insurance to cover any material damages and, accordingly, such litigation will not have a material adverse effect on its financial condition.

NOTE 11 – CONCENTRATIONS

A. *Concentration of Credit Risk*

Cash and cash equivalents that potentially subject PAL to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. The FDIC provides deposit insurance coverage of up to \$250,000 on interest-bearing and non-interest bearing accounts. As of December 31, 2016 and 2015, there was approximately \$3,514,000 and \$1,404,000, respectively, of cash and cash equivalents held by banks that exceeded FDIC limits. Such excess includes outstanding checks.

B. *Concentration of Revenue*

PAL derives a significant portion of its revenue from contractual arrangements with government sources. Such revenue approximated 78% and 80% of total support and revenue for the years ended December 31, 2016 and 2015, respectively. Such revenue is subject to audit and possible adjustment by the various government agencies.

NOTE 12 – FAIR VALUE MEASUREMENTS

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs. Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

POLICE ATHLETIC LEAGUE, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 12 – FAIR VALUE MEASUREMENTS (Continued)

Investments are reported at fair value based upon quoted market value. In determining fair value, PAL utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value. PAL did not hold assets characterized as Level 3 during the years ended December 31, 2016 and 2015.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual Funds – Mutual funds are valued at the daily closing price as reported by the fund. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by PAL are deemed to be actively traded.

Common stock and money market funds – Valued at the closing price reported on the active market on which the individual securities are traded.

U.S. Government Securities – are valued at the closing price reported in the active market in which the individual securities are traded.

Corporate and International bonds – are valued at the closing price reported in the market in which the individual securities are traded.

Financial assets carried at fair value at December 31, 2016 and 2015, were as follows:

	2016		
	Level 1	Level 2	Total
Investments:			
Cash equivalents	\$ 1,375,786	\$ -	\$ 1,375,786
Common stock	1,126,787	-	1,126,787
Mutual funds:			
Equity funds	152,383	-	152,383
Bond funds	1,260,409	-	1,260,409
International equity funds	142,283	-	142,283
Total mutual funds	1,555,075	-	1,555,075
Government securities	476,811	-	476,811
Corporate bonds	-	905,750	905,750
International bonds	-	375,364	375,364
Total Investments	<u>\$ 4,534,459</u>	<u>\$ 1,281,114</u>	<u>\$ 5,815,573</u>
Gift Annuity Program:			
Money market funds	\$ 4,320	\$ -	\$ 4,320
Bond index funds	47,594	-	47,594
Equity funds	32,817	-	32,817
Total Gift Annuity	<u>\$ 84,731</u>	<u>-</u>	<u>\$ 84,731</u>
Total Assets Carried at Fair Value	<u>\$ 4,619,190</u>	<u>\$ 1,281,114</u>	<u>\$ 5,900,304</u>

POLICE ATHLETIC LEAGUE, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 12 – FAIR VALUE MEASUREMENTS (Continued)

	2015		
	Level 1	Level 2	Total
Investments:			
Cash equivalents	\$ 1,005,606	\$ -	\$ 1,005,606
Common stock	1,040,575	-	1,040,575
Mutual funds:			
Equity funds	153,331	-	153,331
Bond funds	1,176,616	-	1,176,616
International equity funds	149,295	-	149,295
Total mutual funds	1,479,242	-	1,479,242
Government securities	503,632	-	503,632
Corporate bonds	-	908,799	908,799
International bonds	-	279,308	279,308
Total Investments	<u>\$ 4,029,055</u>	<u>\$ 1,188,107</u>	<u>\$ 5,217,162</u>
Gift Annuity Program:			
Money market funds	\$ 281	\$ -	\$ 281
Bond index funds	61,939	-	61,939
Equity funds	35,730	-	35,730
Total Gift Annuity	<u>\$ 97,950</u>	<u>\$ -</u>	<u>\$ 97,950</u>
Total Assets Carried at Fair Value	<u>\$ 4,127,005</u>	<u>\$ 1,188,107</u>	<u>\$ 5,315,112</u>

NOTE 13 – ENDOWMENT NET ASSETS

The Board of PAL recognizes that New York State adopted as law the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) on September 17, 2010. NYPMIFA created a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted permanent endowment fund’s fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered unrestricted by the donor will be reflected as temporarily restricted until appropriated.

PAL’s Board has interpreted NYPMIFA as allowing PAL to appropriate for expenditure or accumulate so much of an endowment fund as PAL determines is prudent for the uses, benefits, purposes and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise, the assets in a donor-restricted endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board.

The Board explicitly appropriated all earnings as of and prior to September 17, 2010, whether deemed spent or not as unrestricted. All unappropriated earnings on donor-restricted endowment funds after September 17, 2010, that would otherwise be considered unrestricted by the donor, are reflected as temporarily restricted until appropriated. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The policy for valuing PAL’s investments is described in Note 2E. In accordance with U.S. GAAP, any deterioration of the fair value of assets associated with donor-restricted endowment funds that falls below the level the donor requires PAL to retain in perpetuity is to be reported in unrestricted net assets. PAL has not incurred such deficiencies in its endowment funds as of December 31, 2016 and 2015.

POLICE ATHLETIC LEAGUE, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 13 – ENDOWMENT NET ASSETS (Continued)

PAL's endowment investment policy is to invest primarily in a mix of equities and fixed-income securities based on an asset allocation to satisfy its overall endowment financial and investment objectives, such as to preserve the principal, protect against inflation, receive stable returns and achieve long-term growth. PAL relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Changes in endowment net assets for the year ended December 31, 2016, are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investment activity:			
Interest and dividends	\$ 2,637	\$ -	\$ 2,637
Net realized/unrealized gain	<u>1,308</u>	<u>-</u>	<u>1,308</u>
Total investment activity	3,945	-	3,945
Additions	-	25,000	25,000
Amounts appropriated for expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Endowment net assets, beginning of year	<u>65,502</u>	<u>285,000</u>	<u>350,502</u>
Endowment net assets, end of year	<u>\$ 69,447</u>	<u>\$ 310,000</u>	<u>\$ 379,447</u>

Changes in endowment net assets for the year ended December 31, 2015, are as follows:

Investment activity:			
Interest and dividends	\$ 3,669	\$ -	\$ 3,669
Net realized/unrealized loss	<u>(1,097)</u>	<u>-</u>	<u>(1,097)</u>
Total investment activity	2,572	-	2,572
Additions	-	25,000	25,000
Amounts appropriated for expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Endowment net assets, beginning of year	<u>62,930</u>	<u>260,000</u>	<u>322,930</u>
Endowment net assets, end of year	<u>\$ 65,502</u>	<u>\$ 285,000</u>	<u>\$ 350,502</u>

Endowment net assets of \$379,147 and \$350,502 are included with investments in the accompanying statements of financial position as of December 31, 2016 and 2015, respectively.

NOTE 14 – SUBSEQUENT EVENTS

PAL has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through June 1, 2017, the date the financial statements were available to be issued.

POLICE ATHLETIC LEAGUE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Federal Agency/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass - through entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Sub-Recipients</u>
U.S. Department of Agriculture:				
Child And Adult Care Food Program (CACFP) Passed through New York State Department of Health	10.558	3469	\$ 769,675	\$ -
Summer Food Service Program for Children (SFSPC) Passed through New York State Education Department	10.559	310200100041	<u>176,711</u>	
Total U.S. Department of Agriculture			<u>946,386</u>	
U.S. Department of Housing and Urban Development:				
Community Development Block Grants/Entitlement Grants Passed through New York City Department of Youth and Community Development	14.218	9908A	<u>365,807</u>	
Total U.S. Department of Housing and Urban Development			<u>365,807</u>	
U.S. Department of Justice:				
Equitable Sharing Program Passed through District Attorney of New York	16.922	-----	<u>526,824</u>	
Total U.S. Department of Justice			<u>526,824</u>	
U.S. Department of Labor:				
WIA Youth Activities Passed through New York City Department of Youth and Community Development	17.259	90316A	<u>112,132</u>	
Total U.S. Department of Labor			<u>112,132</u>	
U.S. Department of Education:				
Twenty-First Century Community Learning Centers: Passed through New York State Education Department	84.287	C402113	<u>322,778</u>	
College Access Challenge Grant Program Passed through New York State Higher Education Services Corporation	83.378A	HES01-2016-00073	<u>27,342</u>	
Total U.S. Department of Education			<u>350,120</u>	
U.S. Department of Health and Human Services:				
Head Start Passed through New York City Administration of Children Services	93.600	20131407172	<u>4,238,810</u>	
HHS Programs for Disaster Relief Appropriations Act - Non Construction Passed through New York City Administration of Children Services	93.095	20131407172	<u>1,757,374</u>	
Total U.S. Department of Health and Human Services			<u>5,996,184</u>	
Executive Office of the President				
High Intensity Drug Trafficking Areas Program Passed through District Attorney of New York	95.001	-----	<u>11,034</u>	
Total Executive Office of the President			<u>11,034</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 8,308,487</u>	<u>\$ -</u>

POLICE ATHLETIC LEAGUE, INC.
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Police Athletic League, Inc. ("PAL") for the year ended December 31, 2016. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of PAL, it is not intended to and does not present the financial position, changes in net assets, or cash flows of PAL.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement.

NOTE 3 – INDIRECT COST RATES

PAL has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors of
Police Athletic League, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Police Athletic League, Inc. ("PAL"), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 1, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered PAL's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness PAL's internal control. Accordingly, we do not express an opinion on the effectiveness of PAL's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PAL's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the PAL's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



New York, NY
June 1, 2017

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors of
Police Athletic League, Inc.

Report on Compliance for Each Major Federal Program

We have audited Police Athletic League, Inc. ("PAL")'s compliance with the types of compliance requirements described in the *Office of Management and Budget ("OMB") Compliance Supplement* that could have a direct and material effect on PAL's major federal program for the year ended December 31, 2016. PAL's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of PAL's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about PAL's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of PAL's compliance.

Opinion on Major Federal Program

In our opinion, PAL complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of PAL is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered PAL's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of PAL's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



New York, NY
August 23, 2017

**POLICE ATHLETIC LEAGUE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Section I—Summary of Auditors' Results

Financial Statements

Type of Auditors' report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weaknesses identified?	_____ Yes	_X_ No	
Significant deficiency identified not considered to be material weaknesses?	_____ Yes	_X_ None reported	
Noncompliance material to financial statements noted?	_____ Yes	_X_ No	

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	_____ Yes	_X_ No	
Significant deficiency identified not considered to be material weaknesses?	_____ Yes	_X_ None reported	

Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>		
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes	_X_ No	
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Identification of major programs:

- CFDA #93.095 – HHS Programs for Disaster Relief Appropriations Act – Non Construction

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>		
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Auditee qualified as low-risk auditee?	_X_ Yes	_____ No	
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Section II—Financial Statement Findings

No matters were reported.

Section III—Federal Award Findings and Questioned Costs

No matters were reported.

**POLICE ATHLETIC LEAGUE, INC.
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Prior Year Audit Findings

There were none.

Independent Auditors' Report on Supplemental Information

The Board of Directors of
Police Athletic League, Inc.

We have audited the financial statements of Police Athletic League, Inc., ("PAL") as of and for the year ended December 31, 2016 and 2015, and our report thereon dated June 1, 2017, which contained an unmodified opinion on those financial statements and appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information (shown on pages 25-31) for the period from July 1, 2015 to June 30, 2016, 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.

Marks Paneth LLP

New York, NY
August 23, 2017

POLICE ATHLETIC LEAGUE, INC.
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
ACS FUNDED EARLYLEARN
BUDGET ID: EL-0329
FOR THE YEAR ENDED JUNE 30, 2016

BUDGET CATEGORIES	ACS FUNDED											
	Budget	EarlyLearn									Questioned Cost	
	EarlyLearn	Child Care	Child Care UPK	FCCN	CDBG	Head Start	Head Start UPK	CTL	Total EarlyLearn (A)	Variance		
Revenue:												
EarlyLearn revenue	\$ 7,474,434	\$ 2,518,306	\$ 79,969	\$ -	\$ -	\$ 3,315,967	\$ 537,736	\$ -	\$ 6,451,978	\$ 1,022,456	\$ -	
Other revenue (disability, interest, etc.)	-	-	-	-	-	-	-	-	-	-	-	
Teacher's incentive fund	-	-	-	-	-	-	-	-	-	-	-	
HRA Voucher	-	-	-	-	-	-	-	-	-	-	-	
CACFP	-	-	-	-	-	-	-	-	-	-	-	
Parent Fees	-	-	-	-	-	-	-	-	-	-	-	
In-kind contribution	-	-	-	-	-	-	-	-	-	-	-	
Sponsor's contribution	-	-	-	-	-	-	-	-	-	-	-	
Other funding source revenue	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue	\$ 7,474,434	\$ 2,518,306	\$ 79,969	\$ -	\$ -	\$ 3,315,967	\$ 537,736	\$ -	\$ 6,451,978	\$ 1,022,456	\$ -	
Expenditures												
Personnel cost												
Salaries	\$ 3,397,649	\$ 1,347,708	\$ 31,804	\$ -	\$ -	\$ 1,715,265	\$ 272,924	\$ -	\$ 3,367,701	\$ 29,948	\$ -	
Salaries - COLA	-	-	-	-	-	-	-	-	-	-	-	
Teacher's Incentive	-	-	-	-	-	-	-	-	-	-	-	
Accrued vacation	99,715	43,875	-	-	-	55,841	-	-	99,716	(1)	-	
FICA	271,995	107,414	3,963	-	-	136,708	19,348	-	267,433	4,562	-	
FICA - COLA	-	-	-	-	-	-	-	-	-	-	-	
FICA - Teacher's Incentive	-	-	-	-	-	-	-	-	-	-	-	
Accrued vacation - FICA	7,628	3,356	-	-	-	4,272	-	-	7,628	-	-	
Workers compensation	-	-	-	-	-	-	-	-	-	-	-	
Unemployment insurance	71,899	863	-	-	-	1,098	-	-	1,961	69,938	-	
Pension	174,326	-	-	-	-	110,849	29,651	-	140,500	33,826	-	
Welfare fund	112,394	21,708	2,212	-	-	27,628	10,801	-	62,349	50,045	-	
Health Insurance	442,944	159,733	8,468	-	-	203,296	41,345	-	412,842	30,102	-	
Substitutes	10,765	1,760	-	-	-	2,240	-	-	4,000	6,765	-	
Total personnel cost	4,589,315	1,686,417	46,447	-	-	2,257,197	374,069	-	4,364,130	225,185	-	
Facilities cost												
Rent	397,763	129,281	-	-	-	164,539	-	-	293,820	103,943	-	
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	
Water and sewer	-	-	-	-	-	-	-	-	-	-	-	
Licensing and permits	-	-	-	-	-	-	-	-	-	-	-	
Insurance	82,000	36,012	-	-	-	45,834	-	-	81,846	154	-	
Custodial services	-	-	-	-	-	-	-	-	-	-	-	
Alarm	-	-	-	-	-	-	-	-	-	-	-	
Telecommunications	119,939	35,824	16	-	-	45,594	79	-	81,513	38,426	-	
Utilities	63,544	20,340	-	-	-	25,888	-	-	46,228	17,316	-	
Maintenance and repairs	113,379	29,283	84	-	-	37,269	410	-	67,046	46,333	-	
Capital expenditures and renovations	-	-	-	-	-	-	-	-	-	-	-	
Other facilities costs	-	-	-	-	-	-	-	-	-	-	-	
Total facilities cost	776,625	250,740	100	-	-	319,124	489	-	570,453	206,172	-	
Family Child Care Stipend	-	-	-	-	-	-	-	-	-	-	-	
Other than personnel services (OTPS)												
Supplies	759,789	184,328	14,259	-	-	234,626	69,616	-	502,829	256,960	-	
Equipment over \$3,000 - Head Start	11,382	-	-	-	-	-	-	-	-	11,382	-	
Equipment over \$5,000 - Child Care	9,312	-	-	-	-	-	-	-	-	9,312	-	
Postage	1,145	515	-	-	-	630	-	-	1,145	-	-	
Advertising	650	-	-	-	-	-	650	-	650	-	-	
Instructional Field Trips	55,602	1,889	-	-	-	2,405	-	-	4,294	51,308	-	
Training/Staff Development	33,239	5,990	17	-	-	7,624	83	-	13,714	19,525	-	
Transportation	21,300	1,281	-	-	-	1,631	-	-	2,912	18,388	-	
Food - CACFP	-	-	-	-	-	-	-	-	-	-	-	
Non-food related cost - CACFP	-	-	-	-	-	-	-	-	-	-	-	
Audit	17,274	5,494	-	-	-	6,993	-	-	12,487	4,787	-	
Parent Services	17,569	1,233	-	-	-	1,570	-	-	2,803	14,766	-	
Consultant - programmatic	434,935	83,997	4,982	-	-	106,905	24,323	-	220,207	214,728	-	
Consultant - administrative	726,297	287,490	11,900	-	-	365,897	58,100	-	723,387	2,910	-	
Indirect cost - Head Start	-	-	-	-	-	-	-	-	-	-	-	
Other OTPS	20,000	8,932	2,264	-	-	11,365	10,406	-	32,967	(12,967)	-	
Total OTPS	2,108,494	581,149	33,422	-	-	739,646	163,178	-	1,517,395	591,099	-	
TOTAL EARLYLEARN COST	\$ 7,474,434	\$ 2,518,306	\$ 79,969	\$ -	\$ -	\$ 3,315,967	\$ 537,736	\$ -	\$ 6,451,978	\$ 1,022,456	\$ -	
Excess (deficiency) of revenue over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

POLICE ATHLETIC LEAGUE, INC.
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
ACS FUNDED OTHER THAN EARLYLEARN
BUDGET ID: EL-0329
FOR THE YEAR ENDED JUNE 30, 2016

BUDGET CATEGORIES	Other Than EarlyLearn						[A+B] Total ACS Funded (C)
	DOE CC UPK Enhancement	DOE HS UPK Enhancement	Health & Safety	Sandy Relief Fund	Other Funding	Total Other Than EarlyLearn (B)	
Revenue:							
EarlyLearn revenue	\$ 54,772	\$ 152,712	\$ 46,578	\$ 73,748	\$ -	\$ 327,810	\$ 6,779,788
Other revenue (disability, interest, etc.)	-	-	-	-	-	-	-
Teacher's incentive fund	-	30,637	-	-	-	30,637	30,637
HRA Voucher	-	-	-	-	-	-	-
CACFP	-	-	-	-	-	-	-
Parent Fees	-	-	-	-	-	-	-
In-kind contribution	-	-	-	-	-	-	-
Sponsor's contribution	-	-	-	-	-	-	-
Other funding source revenue	-	-	-	-	-	-	-
Total Revenue	\$ 54,772	\$ 183,349	\$ 46,578	\$ 73,748	\$ -	\$ 358,447	\$ 6,810,425
Expenditures							
Personnel cost							
Salaries	\$ 27,255	\$ 94,765	\$ -	\$ -	\$ -	\$ 122,020	\$ 3,489,721
Salaries - COLA	-	-	-	-	-	-	-
Teacher's Incentive	-	28,400	-	-	-	28,400	28,400
Accrued vacation	-	-	-	-	-	-	99,716
FICA	4,293	5,073	-	-	-	9,366	276,799
FICA - COLA	-	-	-	-	-	-	-
FICA - Teacher's Incentive	-	2,236	-	-	-	2,236	2,236
Accrued vacation - FICA	-	-	-	-	-	-	7,628
Workers compensation	-	-	-	-	-	-	-
Unemployment insurance	-	-	-	-	-	-	1,961
Pension	-	13,332	-	-	-	13,332	153,832
Welfare fund	1,812	3,085	-	-	-	4,897	67,246
Health Insurance	7,247	12,340	-	-	-	19,587	432,429
Substitutes	-	-	-	-	-	-	4,000
Total personnel cost	40,607	159,231	-	-	-	199,838	4,563,968
Facilities cost							
Rent	-	-	-	-	-	-	293,820
Property Taxes	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-
Licensing and permits	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	81,846
Custodial services	-	-	-	-	-	-	-
Alarm	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	81,513
Utilities	-	-	-	-	-	-	46,228
Maintenance and repairs	-	-	-	-	-	-	67,046
Capital expenditures and renovations	-	-	46,578	73,748	-	120,326	120,326
Other facilities costs	-	-	-	-	-	-	-
Total facilities cost	-	-	46,578	73,748	-	120,326	690,779
Family Child Care Stipend	-	-	-	-	-	-	-
Other than personnel services (OTPS)							
Supplies	-	-	-	-	-	-	502,829
Equipment over \$3,000 - Head Start	-	-	-	-	-	-	-
Equipment over \$5,000 - Child Care	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	1,145
Advertising	-	-	-	-	-	-	650
Instructional Field Trips	1,471	2,505	-	-	-	3,976	8,270
Training/Staff Development	-	-	-	-	-	-	13,714
Transportation	-	-	-	-	-	-	2,912
Food - CACFP	-	-	-	-	-	-	-
Non-food related cost - CACFP	-	-	-	-	-	-	-
Audit	-	-	-	-	-	-	12,487
Parent Services	-	-	-	-	-	-	2,803
Consultant - programmatic	12,694	21,613	-	-	-	34,307	254,514
Consultant - administrative	-	-	-	-	-	-	723,387
Indirect cost - Head Start	-	-	-	-	-	-	-
Other OTPS	-	-	-	-	-	-	32,967
Total OTPS	14,165	24,118	-	-	-	38,283	1,555,678
TOTAL EARLYLEARN COST	\$ 54,772	\$ 183,349	\$ 46,578	\$ 73,748	\$ -	\$ 358,447	\$ 6,810,425
Excess (deficiency) of revenue over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

POLICE ATHLETIC LEAGUE, INC.
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
NON ACS FUNDED
BUDGET ID: EL-0329
FOR THE YEAR ENDED JUNE 30, 2016

BUDGET CATEGORIES	NOT ACS FUNDED				
	Actual				
	CACFP	Cash Contribution (Head Start)	In-kind Contribution (Head Start)	Sponsor's Contribution (Other than Head Start)	Other Funding Source
Revenue:					
EarlyLearn revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue (disability, interest, etc.)	-	-	-	-	-
Teacher's incentive fund	-	-	-	-	-
HRA Voucher	-	-	-	-	-
CACFP	391,669	-	-	-	-
Parent Fees	-	-	-	-	139,956
In-kind contribution	-	-	394,913	10,975	-
Sponsor's contribution	-	-	-	-	-
Other funding source revenue ¹	-	-	-	-	-
Total Revenue	<u>\$ 391,669</u>	<u>\$ -</u>	<u>\$ 394,913</u>	<u>\$ 10,975</u>	<u>\$ 139,956</u>
Expenditures					
Personnel cost					
Salaries	\$ 65,492	\$ -	\$ -	\$ -	\$ -
Salaries - COLA	-	-	-	-	-
Teacher's Incentive	-	-	-	-	-
Accrued vacation	-	-	-	-	-
FICA	5,137	-	-	-	-
FICA - COLA	-	-	-	-	-
FICA - Teacher's Incentive	-	-	-	-	-
Accrued vacation - FICA	-	-	-	-	-
Workers compensation	-	-	-	-	-
Unemployment insurance	-	-	-	-	-
Pension	-	-	-	-	-
Welfare fund	-	-	-	-	-
Health Insurance	-	-	-	-	-
Substitutes	-	-	-	-	-
Total personnel cost	<u>70,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities cost					
Rent	-	-	353,001	-	-
Property Taxes	-	-	-	-	-
Water and sewer	-	-	-	-	-
Licensing and permits	-	-	-	-	-
Insurance	-	-	-	-	-
Custodial services	-	-	-	-	-
Alarm	-	-	-	-	-
Telecommunications	-	-	-	-	-
Utilities	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Capital expenditures and renovations	-	-	-	-	-
Other facilities costs	-	-	-	-	-
Total facilities cost	<u>-</u>	<u>-</u>	<u>353,001</u>	<u>-</u>	<u>-</u>
Family Child Care Stipend	-	-	-	-	-
Other than personnel services (OTPS)					
Supplies	-	-	-	-	-
Equipment over \$3,000 - Head Start	-	-	-	-	-
Equipment over \$5,000 - Child Care	-	-	-	-	-
Postage	-	-	-	-	-
Advertising	-	-	-	-	-
Instructional Field Trips	-	-	-	-	-
Training/Staff Development	-	-	-	-	-
Transportation	-	-	-	-	-
Food - CACFP	283,925	-	-	-	-
Non-food related cost - CACFP	37,115	-	-	-	-
Asudit	-	-	-	-	-
Parent Services	-	-	-	-	-
Consultant - programmatic	-	-	41,912	10,975	-
Consultant - administrative	-	-	-	-	-
Indirect cost - Head Start	-	-	-	-	-
Other OTPS	-	-	-	-	139,956
Total OTPS	<u>321,040</u>	<u>-</u>	<u>41,912</u>	<u>10,975</u>	<u>139,956</u>
TOTAL EARLYLEARN COST	<u>\$ 391,669</u>	<u>\$ -</u>	<u>\$ 394,913</u>	<u>\$ 10,975</u>	<u>\$ 139,956</u>
Excess (deficiency) of revenue over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

POLICE ATHLETIC LEAGUE, INC.
STATEMENT OF HEADSTART EXPENDITURES BY PROGRAM YEAR
BUDGET ID: EL-0329
FOR THE YEAR ENDED JUNE 30, 2016

Budget Category	Program Year 02 7/1/15-1/31/16	Program Year 03 2/1/16-6/30/16	Total Head Start Expenses
Personnel and fringe cost			
Salaries	\$ 903,264	\$ 867,841	\$ 1,771,105
FICA	71,900	69,080	140,980
Unemployment insurance	560	538	1,098
Pension	56,533	54,316	110,849
Welfare fund	14,091	13,538	27,629
Health insurance	103,681	99,615	203,296
Substitute staff	1,142	1,098	2,240
Total personnel and fringe cost	<u>1,151,171</u>	<u>1,106,026</u>	<u>2,257,197</u>
Facilities cost			
Rent (Delegate Agency Administered Costs)	83,915	80,624	164,539
Property taxes	-	-	-
Water/sewer	-	-	-
Utilities (Delegate Agency Administered Costs)	13,203	12,685	25,888
Insurance	23,423	22,411	45,834
Telecommunications	23,205	22,389	45,594
Maintenance and repairs	19,007	18,262	37,269
Other facilities cost	-	-	-
Total facilities cost	<u>162,753</u>	<u>156,371</u>	<u>319,124</u>
Other than personnel services (OTPS)			
Supplies	119,980	115,276	235,256
Equipment over \$3,000	-	-	-
Training	3,888	3,736	7,624
Parent services/family involvement	801	769	1,570
Programmatic consultants	54,522	52,383	106,905
Administrative consultants	186,607	179,290	365,897
Transportation	-	-	-
Audit	-	-	-
Food (not funded by CACFP)	-	-	-
Other OTPS	11,421	10,973	22,394
Total OTPS	<u>377,219</u>	<u>362,427</u>	<u>739,646</u>
Indirect cost	-	-	-
Total Expenses	1,691,143	1,624,824	3,315,967
Health and Safety	-	-	-
Less: Program Income	-	-	-
Total Head Start Funded Expenses	<u>1,691,143</u>	<u>1,624,824</u>	<u>3,315,967</u>
Non-Federal Share (NFS) Expenses			
Head Start UPK	344,151	193,585	537,736
DOE HS UPK Enhancement	82,507	100,842	183,349
Cash Contributions - Head Start	-	-	-
In-kind Contributions - Head Start	146,118	248,795	394,913
Total NFS Expenses	<u>572,776</u>	<u>543,222</u>	<u>1,115,998</u>
Total Head Start Program Expenses	<u>\$ 2,263,919</u>	<u>\$ 2,168,046</u>	<u>\$ 4,431,965</u>
NFS Program Percentage	25%	25%	25%
Administrative Expenses			
Personnel and fringe cost	\$ 149,074	\$ 109,398	\$ 258,472
Facilities cost	-	-	-
OTPS	200,280	205,183	405,463
NFS expenses	-	-	-
Total Administrative Expenses	<u>349,354</u>	<u>314,581</u>	<u>663,935</u>
Total Head Start Program Expenses	<u>\$ 2,263,919</u>	<u>\$ 2,168,046</u>	<u>\$ 4,431,965</u>
Administrative Expense Percentage	15.4%	14.5%	15.0%
Special Reporting:			
CACFP Funded Expenses	<u>\$ 176,251</u>	<u>\$ 215,418</u>	<u>\$ 391,669</u>

POLICE ATHLETIC LEAGUE, INC.
 STATEMENT OF NON-FEDERAL SHARE EXPENSES BY PROGRAM YEAR
 BUDGET ID: EL-0329
 FOR THE YEAR ENDED JUNE 30, 2016

Category	HS UPK			DOE HS UPK Enhancement			Cash Contributions - Head Start			In-kind Contributions - Head Start (Schedule 1)		
	Program Year 02 7/1/15-1/31/16	Program Year 03 2/1/16-6/30/16	Total	Program Year 02 7/1/15-1/31/16	Program Year 03 2/1/16-6/30/16	Total	Program Year 02 7/1/15-1/31/16	Program Year 03 2/1/16-6/30/16	Total	Program Year 02 7/1/15-1/31/16	Program Year 03 2/1/16-6/30/16	Total
Personnel and fringe cost												
Salaries	\$ 199,693	\$ 73,231	\$ 272,924	\$ 62,435	\$ 60,730	\$ 123,165	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FICA	14,511	4,837	19,348	3,689	3,620	7,309	-	-	-	-	-	-
Unemployment insurance	-	-	-	-	-	-	-	-	-	-	-	-
Pension	22,238	7,413	29,651	8,338	4,994	13,332	-	-	-	-	-	-
Welfare fund	8,101	2,700	10,801	1,133	1,952	3,085	-	-	-	-	-	-
Health insurance	31,009	10,336	41,345	7,718	4,622	12,340	-	-	-	-	-	-
Worker's compensation	-	-	-	-	-	-	-	-	-	-	-	-
Substitute staff	-	-	-	-	-	-	-	-	-	-	-	-
Total personnel and fringe cost	275,552	98,517	374,069	83,313	75,918	159,231	-	-	-	-	-	-
Facilities cost												
Rent (Delegate Agency Administered Costs)	-	-	-	-	-	-	-	-	-	117,553	235,448	353,001
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Water/sewer	-	-	-	-	-	-	-	-	-	-	-	-
Utilities (Delegate Agency Administered Costs)	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance and repairs	307	103	410	-	-	-	-	-	-	-	-	-
Other facilities cost	59	20	79	-	-	-	-	-	-	-	-	-
Total facilities cost	366	123	489	-	-	-	-	-	-	117,553	235,448	353,001
Other than personnel services (OTPS)												
Supplies	52,212	17,404	69,616	-	-	-	-	-	-	-	-	-
Equipment over \$3,000	-	-	-	-	-	-	-	-	-	-	-	-
Training	62	21	83	-	-	-	-	-	-	-	-	-
Parent services/family involvement	-	-	-	-	-	-	-	-	-	-	-	-
Programmatic consultants	43,575	14,525	58,100	-	21,613	21,613	-	-	-	23,093	18,819	41,912
Administrative consultants	18,242	6,081	24,323	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Audit	-	-	-	-	-	-	-	-	-	-	-	-
Food (not funded by CACFP)	-	-	-	-	-	-	-	-	-	-	-	-
Other OTPS	8,292	2,764	11,056	-	2,505	2,505	-	-	-	-	-	-
Total OTPS	122,383	40,795	163,178	-	24,118	24,118	-	-	-	23,093	18,819	41,912
Indirect cost	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 398,301	\$ 139,435	\$ 537,736	\$ 83,313	\$ 100,036	\$ 183,349	\$ -	\$ -	\$ -	\$ 140,646	\$ 254,267	\$ 394,913
Breakdown by funding source:												
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City	-	-	-	-	-	-	-	-	-	-	-	-
Private/Third-Party	-	-	-	-	-	-	-	-	-	-	-	-
Delegate Agency	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

POLICE ATHLETIC LEAGUE, INC.
SCHEDULE OF FIXED ASSETS INVENTORY
BUDGET ID: EL-0329
FOR THE YEAR ENDED JUNE 30, 2016

<u>Description</u>	<u>Date Purchased</u>	<u>Cost</u>
<u>Current Year Purchases</u>		\$ -
<u>Prior Year Inventory</u>		
Schwartz Freezer - Traulsen	2007	4,105
Schwartz Freezer	2010	4,105
Livonia Copy, Fax, Scan Machine	2014	4,400
La Puerta Work Station	2014	4,400
Livonia Engage NG	2014	4,996
Total Fixed Assets		<u>\$ 22,006</u>

POLICE ATHLETIC LEAGUE, INC.
SCHEDULE OF QUANTITATIVE PROGRAM RESULTS
BUDGET ID: EL-0329
FOR THE YEAR ENDED JUNE 30, 2016

ENROLLMENT

1	Contracted slots per site	
	a) SCHWARTTZ	103
	b) LIVONIA	185
	c) CAREY GARDEN	61
	d) LA PUERTA	54
	e) WOODSIDE	55
	f) WESTERN QUEENS	<u>48</u>
	Total	<u>506</u>
2	Number of classrooms per site	
	a) SCHWARTTZ	6
	b) LIVONIA	10
	c) CAREY GARDEN	4
	d) LA PUERTA	3
	e) WOODSIDE	3
	f) WESTERN QUEENS	<u>3</u>
	Total	<u>29</u>
3	Number of children enrolled by site	
	a) SCHWARTTZ	93
	b) LIVONIA	177
	c) CAREY GARDEN	60
	d) LA PUERTA	47
	e) WOODSIDE	52
	f) WESTERN QUEENS	<u>47</u>
	Total	<u>476</u>
4	Number of children in attendance by site	
	a) SCHWARTTZ	89
	b) LIVONIA	172
	c) CAREY GARDEN	59
	d) LA PUERTA	43
	e) WOODSIDE	50
	f) WESTERN QUEENS	<u>47</u>
	Total	<u>460</u>
5	The average attendance for contract by site (#4 divided by #3)	
	a) SCHWARTTZ	96%
	b) LIVONIA	97%
	c) CAREY GARDEN	98%
	d) LA PUERTA	91%
	e) WOODSIDE	96%
	f) WESTERN QUEENS	<u>100%</u>
	Total Average	<u>96%</u>

COST

1	Total expense for the contract. (Total EL expense in Schedule 1-A)	\$ 6,451,978
2	Total expense by site	
	a) SCHWARTTZ	\$ 1,305,219
	b) LIVONIA	2,110,143
	c) CAREY GARDEN	854,478
	d) LA PUERTA	755,525
	e) WOODSIDE	762,786
	f) WESTERN QUEENS	<u>663,828</u>
	Total	<u>\$ 6,451,978</u>
3	Average cost slots (Total expenses/Total attendance by sites)	\$ 14,026
4	Average cost per site/Total cost per site/Attendance by site)	
	a) SCHWARTTZ	\$ 14,665
	b) LIVONIA	12,268
	c) CAREY GARDEN	14,483
	d) LA PUERTA	17,570
	e) WOODSIDE	15,256
	f) WESTERN QUEENS	<u>14,124</u>
	Total	<u>\$ 88,366</u>