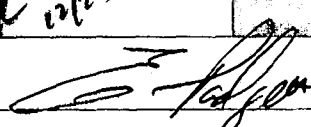


MANATEE COUNTY GOVERNMENT AGENDA MEMORANDUM

SUBJECT	Lease Agreement Between the Board of County Commissioners and the Police Athletic League of Manatee County, Florida	TYPE/AGENDA ITEM	Regular
DATE REQUESTED	January 16, 2001	DATE SUBMITTED/REVISED	December 27, 2000
BRIEFINGS/WHO?	None	CONSEQUENCES IF DEFERRED	None
DEPARTMENT/DIVISION	County Administrator	AUTHORIZED BY TITLE	Ernie Padgett County Administrator
CONTACT PERSON AND PHONE/EXTENSION	Dave Rothfuss 3722	PRESENTER/TITLE TELEPHONE/EXTENSION	Dave Rothfuss 3722
ADMINISTRATIVE APPROVAL			

ACTION DESIRED

INDICATE WHETHER: ¹REPORT OF DISCUSSION, ²FORM OF MOTION, or ³OTHER ACTION REQUIRED

Acceptance of the Audited Financial Statements of the Police Athletic League for the Year Ended December 31, 1999, into the official records of the Board of County Commissioners.

ENABLING/REGULATING AUTHORITY

(Federal/State Law(s), administrative rule(s), Manatee County Comp Plan, Code Development Code, Ordinances, resolutions, policy.)

Section 12, d, (Covenants of Lessee) of the Lease Agreement between the Board of County Commissioners and the Police Athletic League provides that, "By September 1, 1998, and at least every other year thereafter, LESSEE shall submit an audit or financial statement and letter from an Independent Certified Public Accountant which, as a minimum, will include: a review of LESSEE's books and records, including canceled checks, invoices and budgets."

BACKGROUND/DISCUSSION

- In accordance with the requirements of Section 12, d, of the subject Lease Agreement, the Police Athletic League (PAL) has submitted the attached Audited Financial Statements for the Year Ended December 31, 1999.
- The Certified Public Accountant who reviewed PAL's financial statements noted at page 1 that, "In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position at December 31, 1999, and 1998 of the Police Athletic League of Manatee County, Inc., and the results of changes in net assets and cash flows for the year ended December 31, 1999, in conformity with generally accepted accounting principles."

cc: The Honorable Charles Wells, Sheriff of Manatee County
L. J. "Jake" Jacoby, Director, Police Athletic League
Jim Seuffert, Director, Financial Management Department
Kim Umana, Director, Finance Department

APPROVED IN OPEN SESSION

JAN 09 2001

**BOARD OF COUNTY COMMISSIONERS
MANATEE COUNTY, FLORIDA**

<REF: AO00-20321>

5

HAS COUNTY ATTORNEY REVIEW BEEN REQUIRED? (Increase No. to "YES" @ right. If No. proceed to 1) below; and if "YES" proceed to 2) below)

No

1) IF "NO" TO ABOVE,
 A) PLEASE EXPLAIN BELOW: (see also following section 1B) re: contract, agreement, lease, etc..

Not required.

B) IF A CONTRACT, AGREEMENT, LEASE OR OTHER DOCUMENT WAS PREVIOUSLY APPROVED, STATE YEAR OF LAST USE @ RIGHT: N/A

2) IF "YES" TO FIRST QUESTION IN THIS SECTION,

A) HAS ENTIRE MATTER, OR ONLY A PORTION, BEEN REVIEWED? IF ONLY A PORTION, WHICH PORTION? N/A

B) HAVE ALL COMMENTS/SUGGESTIONS RAISED BY COUNTY ATTORNEY BEEN ADDRESSED/INCORPORATED? IF NOT PLEASE EXPLAIN. A COPY OF BNAL COUNTY ATTORNEY MEMO RE THIS MATTER **MUST BE ATTACHED** (if comments were Verbal, so indicate.)

N/A

ATTACHMENTS: (List in order as attached)		INSTRUCTIONS TO BOARD RECORDS	
Audited Financial Statements for the Year ended December 31, 1999.		None	
COST	None	SOURCE (ACCT# & NAME)	None
COMMENTS	None	AMT./FREQ. OF RECORRING COSTS (ATTACH FISCAL IMPACT STATEMENTS)	None



POLICE ATHLETIC LEAGUE

Of Manatee, Inc.



TO: Dave Rothfuss, Assistant County Administrator

FROM: L. J. Jacoby, P.A.L. Director

DATE: December 27, 2000

REFERENCE: Financial Audit

As per the lease agreement between Manatee County and the Police Athletic League, enclosed you will find certified Public Accountant's audited financial statement for Police Athletic League for the year ending December 31, 1999.

Please feel free to call me is you have any questions about the statement.

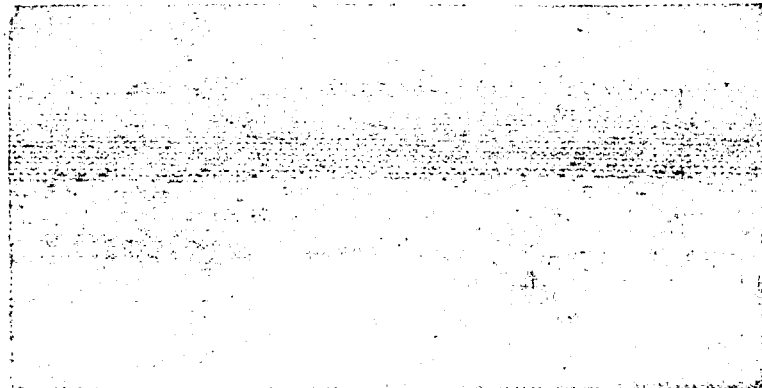
LJJ

Attachment

C. Stephen Wicker

Certified Public Accountant

6920 Rex Lane
Sarasota, Florida 34243
(941)756-1255
FAX 755-4215



**POLICE ATHLETIC LEAGUE
OF MANATEE COUNTY, INC.**

Audited Financial Statements
For the Year Ended December 31, 1999

Accepted in open session.....1/9/01.....
Board of County Commissioners, Manatee County

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Statement of Activities	3
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6920 Rex Lane
Sarasota, FL 34243
(941) 756-1255
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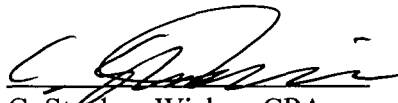
Board of Directors
Police Athletic League of Manatee County, Inc.
202 13th Ave. East
Bradenton, Florida 34208

I have audited the accompanying Statement of Financial Position at December 31, 1999 and 1998, and the related Statements of Activities, Functional Expenses, and Cash Flows of the Police Athletic League of Manatee County, Inc.(PAL) for the year ended December 31, 1999. These financial statements are the responsibility of PAL's management. My responsibility is to express an opinion on these financial statements, based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position at December 31, 1999 and 1998 of the Police Athletic League of Manatee County, Inc., and the results of changes in net assets and cash flows for the year ended December 31, 1999, in conformity with generally accepted accounting principles.

November 15, 2000


C. Stephen Wicker, CPA

**POLICE ATHLETIC LEAGUE
OF MANATEE COUNTY, INC.**
Statement of Financial Position
Years Ended December 31, 1999 and 1998

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Plant & Equipment Fund	Total 1999	Total 1998
Assets:					
Cash - Checking & Savings	\$ 27,585.93	\$ 0.00	\$ 0.00	\$ 27,585.93	\$ 167,020.47
Petty Cash	557.50			557.50	340.00
Cap Account	67,186.75			67,186.75	0.00
Operating Account	11,228.12			11,228.12	0.00
PAL Academy					248,173.95
Credit Line Account	50,006.85			50,006.85	0.00
Total Cash	<u>156,565.15</u>	<u>0.00</u>	<u>0.00</u>	<u>156,565.15</u>	<u>415,534.42</u>
Accounts Receivable					
Sponsors	12,801.62			12,801.62	18,301.50
Due from Unrestricted Fund	0.00	0.00		0.00	
Total Receivables	<u>12,801.62</u>	<u>0.00</u>	<u>0.00</u>	<u>12,801.62</u>	<u>18,301.50</u>
Other Assets:					
Utility Deposits	5,322.38	0.00		5,322.38	5,322.38
Book Inventory					9,365.38
Prepaid Insurance	5,171.95			5,171.95	5,550.25
Total Other Assets	<u>10,494.33</u>	<u>0.00</u>	<u>0.00</u>	<u>10,494.33</u>	<u>20,238.01</u>
Fixed Assets (Note 1-d):					
Leasehold Improvements			133,968.03	133,968.03	245,321.03
Vehicles			16,344.00	16,344.00	56,928.00
Machinery & Equipment			99,015.43	99,015.43	162,580.00
Software					68,500.00
Accumulated Depreciation			(80,048.00)	(80,048.00)	(124,414.00)
Total Net Fixed Assets	<u>0.00</u>	<u>0.00</u>	<u>169,279.46</u>	<u>169,279.46</u>	<u>408,915.03</u>
Total Assets	<u>\$ 179,861.10</u>	<u>\$ 0.00</u>	<u>\$ 169,279.46</u>	<u>\$ 349,140.56</u>	<u>\$ 862,988.96</u>
Liabilities & Fund Balance:					
Liabilities:					
Accounts Payable (Note 3)	\$ 63,861.78	\$ 0.00	\$ 0.00	\$ 63,861.78	\$ 31,363.97
Credit Line (Note 4)	50,000.00			50,000.00	0.00
Accrued Benefits	2,549.31			2,549.31	68.11
Total Liabilities	<u>116,411.09</u>	<u>0.00</u>	<u>0.00</u>	<u>116,411.09</u>	<u>31,432.08</u>
Net Assets:					
Excess (Deficit) Revenues over Expenses	(56,184.58)	0.00	(22,474.00)	(78,658.58)	410,743.40
Prior Year's Balance	256,391.85	166,250.00	408,915.03	831,556.88	420,813.48
Purchased by Operations & Transferred	(47,693.95)	0.00	47,693.95	0.00	
Transferred to PAL Academy	(89,063.31)	(166,250.00)	(264,855.52)	(520,168.83)	
Total Net Assets	<u>63,450.01</u>	<u>0.00</u>	<u>169,279.46</u>	<u>232,729.47</u>	<u>831,556.88</u>
Total Liabilities & Net Assets	<u>\$ 179,861.10</u>	<u>\$ 0.00</u>	<u>\$ 169,279.46</u>	<u>\$ 349,140.56</u>	<u>\$ 862,988.96</u>

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

**POLICE ATHLETIC LEAGUE
OF MANATEE COUNTY, INC.**
Statement of Activities
Year Ended December 31, 1999

	Unrestricted	Temporarily Restricted	Plant & Equipment	Total 1999
Support:				
Manatee County:				
After School Program	\$ 10,834.01	\$ 0.00	\$ 0.00	\$ 10,834.01
Evening & Weekends Program	5,518.70			5,518.70
Donations	16,114.70			16,114.70
Fundraising	866.20			866.20
Total Support	<u>33,333.61</u>	<u>0.00</u>	<u>0.00</u>	<u>33,333.61</u>
Revenue:				
Memberships	\$ 15,548.50	\$	\$	\$ 15,548.50
Interest Income	3,336.09			3,336.09
Baseball & Other	75.68			75.68
Basketball	12,059.93			12,059.93
Bradenton Blades	14,951.48			14,951.48
Concession Income	4,795.17			4,795.17
Cheerleading	3,092.84			3,092.84
COPS	697.31			697.31
Football	36,044.17			36,044.17
Roller Hockey	24,364.18			24,364.18
Rental Income	330,660.95			330,660.95
Skateboard Park	1,004.44			1,004.44
Summer Program	26,300.58			26,300.58
In-Kind Revenue (Note 1-h)	487,355.00			487,355.00
Total Revenue	<u>960,286.32</u>	<u>0.00</u>	<u>0.00</u>	<u>960,286.32</u>
 Total Support & Revenue	 \$ 993,619.93	 \$ 0.00	 \$ 0.00	 \$ 993,619.93
Expenses:				
Salaries	\$ 187,996.18	\$	\$	\$ 187,996.18
Payroll Taxes	14,237.91			14,237.91
Contractual Services	67,165.07			67,165.07
Supplies & Expense - Office	9,815.94			9,815.94
Supplies & Expense - Program	42,152.03			42,152.03
Supplies & Expense - Concessions	12,201.61			12,201.61
Insurance	14,680.64			14,680.64
Building Repair & Maintenance	27,508.22			27,508.22
Occupancy	110,274.30			110,274.30
Field Trips	5,733.95			5,733.95
Fundraising	1,987.01			1,987.01
Travel, Vehicle Expense & Confer.	40,304.96			40,304.96
Telephone	5,490.27			5,490.27
Equipment Rental & Maintenance	14,284.99			14,284.99
Dues, Fees, Licenses	4,147.56			4,147.56
In-Kind Expenses	487,355.00			487,355.00
Miscellaneous Expense	500.17			500.17
Financial Expense	3,968.70			3,968.70
Total Expenses before Depreciation	<u>1,049,804.51</u>	<u>0.00</u>	<u>0.00</u>	<u>1,049,804.51</u>
Excess Revenues from Operations	(56,184.58)	0.00	0.00	(56,184.58)
Depreciation	0.00	0.00	22,474.00	22,474.00
Excess Revenue & Support over Expenses	<u>\$ (56,184.58)</u>	<u>\$ 0.00</u>	<u>\$ (22,474.00)</u>	<u>\$ (78,658.58)</u>

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

**POLICE ATHLETIC LEAGUE
OF MANATEE COUNTY, INC.
Statement of Functional Expenses
For the Year Ended December 31, 1999**

	Program Services	Management & General	Fund- Raising	Total
Expenses:				
Salaries	\$ 166,337.99	\$ 21,658.19	\$	\$ 187,996.18
Payroll Taxes	12,597.62	1,640.29		14,237.91
Contractual Services	59,427.29	7,737.78		67,165.07
Supplies & Expense - Office	8,685.09	1,130.85		9,815.94
Supplies & Expense - Program	37,295.89	4,856.14		42,152.03
Supplies & Expense - Concessions	10,795.92	1,405.69		12,201.61
Insurance	12,989.35	1,691.29		14,680.64
Building Repair & Maintenance	24,339.12	3,169.10		27,508.22
Occupancy	97,570.10	12,704.20		110,274.30
Field Trips	5,073.37	660.58		5,733.95
Fundraising	0.00	0.00	1,987.01	1,987.01
Travel, Vehicle Expense & Confer.	35,661.61	4,643.35		40,304.96
Telephone	4,857.76	632.51		5,490.27
Equipment Rental & Maintenance	12,639.28	1,645.71		14,284.99
Dues, Fees, Licenses	3,669.74	477.82		4,147.56
Miscellaneous	3,954.03	514.84		4,468.87
Depreciation	19,884.87	2,589.13		22,474.00
Total Expenses, Including Depreciation	<u>\$ 515,779.02</u>	<u>\$ 67,157.48</u>	<u>\$ 1,987.01</u>	<u>\$ 584,923.51</u>
Percentage	<u>88.18%</u>	<u>11.48%</u>	<u>0.34%</u>	<u>100.00%</u>

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

**POLICE ATHLETIC LEAGUE
OF MANATEE COUNTY, INC.
Statement of Cash Flows
For the Year Ended December 31, 1999**

NET CASH FLOW FROM OPERATING ACTIVITIES:

Revenue from Grants, Donations & Fundraising	\$	33,333.61	
Less:			
Increase in Receivables		5,499.88	
	\$		38,833.49
 Revenue from Memberships, Interest & Other			 472,931.32
Total Cash Received from Operating Revenue			511,764.81
 Program Services Expenses		 515,779.02	
Management & General Expenses		67,157.48	
Fund Raising Expenses		1,987.01	
Increase in Deposits		0.00	
Decrease in Prepaid Items		(378.30)	
Depreciation		22,474.00	
Increase in Operating Liabilities		(84,979.01)	
Total Cash Disbursed for Operations			(522,040.20)
Net Cash from Operations	\$		(10,275.39)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of Tangible Assets			(47,693.95)
Transfer of assets to PAL Academy			(200,999.93)

LOANS FROM (PAYMENTS TO) FINANCING INSTITUTIONS

ADJUSTMENTS TO PRIOR YEAR'S FUND BALANCE			0.00
--	--	--	------

TOTAL CASH INCREASE (DECREASE)			(258,969.27)
--------------------------------	--	--	--------------

CASH BALANCE @ 12-31-98			415,534.42
CASH BALANCE @ 12-31-99	\$		156,565.15

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

**POLICE ATHLETIC LEAGUE
OF MANATEE COUNTY**
Program Income & Expense & Administrative Allocation
For the Year Ended December 31, 1999

Support Schedule 1

	Income	Expense	Net Income (Loss) Before Allocation	Administrative Allocation	Net Income (Loss)
After School/Summer Program	\$ 16,352.71	\$ 10,811.04	\$ 5,541.67	\$ 4,957.80	\$ 583.87
Baseball & Basketball	12,104.50	11,620.37	484.13	5,328.95	(4,844.82)
Bradenton Blades	14,951.48	15,190.54	(239.06)	6,966.18	(7,205.24)
PAL Bowl	31.11	16.50	14.61	7.57	7.04
Cheerleading	3,092.84	3,965.03	(872.19)	1,818.31	(2,690.50)
COPS	697.31	1,353.25	(655.94)	620.58	(1,276.52)
Summer Program	26,300.58	39,543.76	(13,243.18)	18,134.25	(31,377.43)
Football	36,044.17	36,030.38	13.79	16,523.06	(16,509.27)
Roller Hockey	24,364.18	27,858.55	(3,494.37)	12,775.56	(16,269.93)
Skate Board Park	1,004.44	55.00	949.44	25.22	924.22
Administration	371,321.61	438,479.09	(67,157.48)	0.00	0.00
	<u>\$ 506,264.93</u>	<u>\$ 584,923.51</u>	<u>\$ (78,658.58)</u>	<u>\$ 67,157.48</u>	<u>\$ (78,658.58)</u>

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

Police Athletic League of Manatee County, Inc.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1999

NOTE 1. Summary of Significant Accounting Policies

- (a) **ORGANIZATION** - Police Athletic League of Manatee County, Inc. is a not for profit organization, exempt under Section 501 (c)(3) of the Internal Revenue Code, which is dedicated to implementing and overseeing various programs geared to the development of Manatee County youth. Funding is received from various health and welfare organizations, and city and county governments. PAL also operated a charter school whose fiscal year is July 1, through June 30th, but on May 17, 1999 the school filed articles of incorporation and received 501(c)(3) status on February 14, 2000, retroactive to July 1, 1999. In the prior year's audit, transactions relating to the school were included in the report; however, adjustments were made to the balance sheet to transfer the school's assets and liabilities to the new entity. As a result, a comparative statement of activities was not presented in this report, but the comparative balance sheet and statement of cash flows were designed to show the transfer of assets.
- (b) **BASIS OF ACCOUNTING** - The financial statements of PAL have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables and payables and other liabilities.
- (c) **CONTRIBUTIONS AND RECOGNITION OF DONOR RESTRICTIONS** - In accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, contributions received are recorded as restricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Police Athletic League of Manatee County, Inc.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
December 31, 1999

- (d) **FIXED ASSETS** represent leasehold improvements, vehicles, and equipment purchased or donated to PAL, based on historical costs and insurance valuations. Depreciation is computed using IRS suggested useful lives and methods. Maintenance and repair costs are expended as incurred, and depreciation expense incurred was \$22,474.00. The State of Florida contracts for the charter school contain a clause that upon cessation of the school's charter, the property acquired with sponsor funds shall revert to the sponsor, and as noted above, all charter school assets were transferred to the new entity, PAL Academy Charter Schools of Manatee County, Inc.
- (e) **FINANCIAL STATEMENT PRESENTATION** follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Statements of Not-for-Profit organizations. Under SFAS No. 117, PAL is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.
- (f) **EXPENSE ALLOCATION** - The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses
- (g) **ESTIMATES** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- (h) **IN-KIND SERVICES** are essential to the operation of PAL's programs. Donated materials and equipment are recorded at their estimated value at date of receipt. In-kind Occupancy revenue and expenses represent the fair market value of rent of the facilities.

Land & Buildings \$487,355

NOTE 2. **ACCOUNTS RECEIVABLE** represent funds earned from sponsors and not received at December 31, 1999.

NOTE 3. **LIABILITIES: Accounts Payable** primarily consist of \$49,224.05 due to the Manatee County Sheriff's Office for overtime wages paid to kitchen workers assigned by the Sheriff's Department. This was a surprise cost that was discovered during the audit of that department, causing most of the deficit in this year's activities statement.

NOTE 4. **CREDIT LINE:** The credit line is a note payable to the American bank for funds borrowed to complete the construction of the new ball field complex. The total note was for \$150,000 and was subsequently assumed by PAL Academy Charter Schools of Manatee, Inc. and repaid in July, 2000.

6920 Rex Lane
Sarasota, FL 34243
(941) 756-1255
(941) 755-4215 (FAX)

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.

The Board of Directors
Police Athletic League of Manatee County, Inc.

I have audited the financial statements of Police Athletic League of Manatee County, Inc. (PAL) as of and for the year ended December 31, 1999, and have issued my report thereon dated November 15, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.


Compliance

As part of obtaining reasonable assurance about whether PAL's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered PAL's internal control over financial reporting in order to determine my auditing procedures for the purpose of expression my opinion on the financial statements, and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

November 15, 2000


C. Stephen Wicker