

**The Police Athletic League & Charter  
Schools of Manatee County, Inc.  
Audited Financial Statements  
For the Year Ended June 30, 2007**

## TABLE OF CONTENTS

Certified Public Accountant's Opinion .....	1-1a
Combined Statement of Financial Position - Charter Schools & Youth Activities .....	2
Combined Statement of Activities - Charter Schools & Youth Activities .....	3
Combined Statement of Cash Flows - Charter Schools & Youth Activities .....	4
Combined Statement of Functional Expenses .....	5
Statement of Financial Position - Youth Activities .....	6
Statement of Activities - Youth Activities .....	7
Statement of Cash Flows - Youth Activities .....	8
Program Income & Expense & Administrative Allocation - Youth Activities .....	9
Combined Statement of Financial Position - Charter Schools .....	10
Statement of Financial Position - Individual Contracts - Charter Schools .....	11
Combined Statement of Activities - Charter Schools .....	12
Statement of Activities - Individual Contracts - Charter Schools .....	13
Combined Statement of Cash Flows - Charter Schools .....	14
Schedule of Expenditures of Federal Awards and Other Contract Activity - Middle School .....	15
Schedule of Expenditures of Federal Awards and Other Contract Activity - Opportunity School .....	16
Schedule of Expenditures of Federal Awards and Other Contract Activity - MC Juvenile Justice .....	17
School Activities - Actual & Budget .....	18-20
Notes to the Financial Statements .....	21-23
Schedule of Findings & Questioned Costs .....	24
Summary Schedule of Prior Audit Findings for Federal Programs .....	25
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	26
Report on Compliance with Requirements applicable to each major program and on Internal Control over compliance in accordance with OMB Circular A-133 .....	27-28
Management Letter .....	29

6510 Kimlinda Lane  
Sarasota, FL 34243  
(941) 756-1255  
(941) 755-4215 (FAX)  
Cellphone 941-504-4420  
E-mail stephen.wicker@verizon.net

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
The Police Athletic League & Charter Schools of Manatee County, Inc.  
202 13<sup>th</sup> Ave. East  
Bradenton, Florida 34208

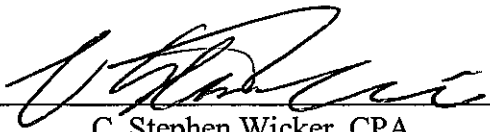
I have audited the accompanying statement of financial position of The Police Athletic League & Charter Schools of Manatee County, Inc.(PAL) as of June 30, 2007 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility 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 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 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 in the first paragraph present fairly, in all material respects, the financial position of The Police Athletic League & Charter Schools of Manatee County, Inc. as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also included my report on my consideration of PAL's internal control over financial reporting, and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was made for the purpose of forming an opinion on the basic financial statements of The Police Athletic League & Charter Schools of Manatee County, Inc. taken as a whole. The accompanying detailed financial statements (pages 6-14), Schedule of Expenditures of Federal Awards (pages 15-17) and School Activities - Actual & Budget (pages 18-20) are presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



---

C. Stephen Wicker, CPA

October 15, 2007

Combined Operations

Youth Activities & Charter Schools

**PAL Academy Charter Schools of Manatee County, Inc.**  
**Charter Schools & Youth Activities**  
**Combined Statement of Financial Position**  
**Governmental Fund Type and Account Group**  
**June 30, 2007**

	Unrestricted Net Assets	Temporarily Restricted Net Assets	General Fixed Assets	Total Year Ended 6/30/2007	Total Year Ended 6/30/2006
<b>ASSETS</b>					
Cash	\$ 1,166,287	\$	\$ 0	\$ 1,166,287	\$ 1,367,346
Due from School Board (Note 2)	42,085			42,085	15,291
Due from Lunch Program	0			0	0
Due from Grants & Leases (Note 3)	46,409	0		46,409	21,981
Other Receivable	4,167			4,167	1,269
Total Accounts Receivable	<u>92,661</u>	<u>0</u>	<u>0</u>	<u>92,661</u>	<u>38,540</u>
Prepaid Items	9,448			9,448	23,749
Utility Deposits	7,270			7,270	5,222
Intercompany Transfers	486			486	6,212
Fixed Assets:					
Furniture, Fixtures & Equipment			850,060	850,060	848,860
Computer Software			131,933	131,933	131,933
Motor Vehicles			95,429	95,429	95,429
Buildings & Leasehold Improvements			873,247	873,247	873,247
Accumulated Depreciation/Amortization			<u>(1,384,396)</u>	<u>(1,384,396)</u>	<u>(1,272,776)</u>
Net Fixed Assets	<u>0</u>	<u>0</u>	<u>566,273</u>	<u>566,274</u>	<u>676,694</u>
<b>TOTAL ASSETS</b>	<b>\$ 1,276,153</b>	<b>\$ 0</b>	<b>\$ 566,273</b>	<b>\$ 1,842,426</b>	<b>\$ 2,117,762</b>
<b>LIABILITIES &amp; FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 174,979	\$	\$	\$ 174,979	\$ 188,341
Intercompany Transfers	486			486	7,481
Accrued Salaries & Fringes	57,434			57,434	53,180
Horizon Bank Line of Credit	35,200			35,200	
Contingent Liabilities (Note 4)	80,764			80,764	
Total Liabilities	<u>348,864</u>	<u>0</u>	<u>0</u>	<u>348,864</u>	<u>249,002</u>
<b>Fund Equity:</b>					
Investment in Fixed Assets, Net			566,273	566,273	676,694
Unrestricted	842,227			842,227	635,822
Designated for Capital Project	0			0	500,000
Capital Outlay Fund Balance	85,062			85,062	56,244
Temporarily Restricted Net Assets		0		0	0
Total Net Assets	<u>927,289</u>	<u>0</u>	<u>566,273</u>	<u>1,493,562</u>	<u>1,868,760</u>
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ 1,276,153</b>	<b>\$ 0</b>	<b>\$ 566,273</b>	<b>\$ 1,842,426</b>	<b>\$ 2,117,762</b>

The accompanying notes to the financial statements are an integral part of this statement.

**The Police Athletic League & Charter Schools of Manatee County, Inc.**  
**Charter Schools & Youth Activities**  
**Combined Statement of Activities**  
**For the Fiscal Year Ended June 30, 2007**

	Unrestricted Net Assets	Temporarily Restricted Net Assets	General Fixed Assets	Total Year Ended 06/30/2007	Total Year Ended 06/30/2006
<b>Revenues:</b>					
<b>Intergovernmental:</b>					
Federal Start-up Grant	\$ 0	\$	\$	\$ 0	\$ 0
Federal Through Local	275,938			275,938	199,585
	<u>\$ 275,938</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 275,938</u>	<u>\$ 199,585</u>
<b>Local:</b>					
School Board of Manatee County	1,522,690			1,522,690	2,325,397
School Capital Outlay	187,773			187,773	165,487
Reading Coach Grant	0			0	0
Teacher Recruitment & Retention Bonus	0			0	0
	<u>1,710,463</u>	<u>0</u>	<u>0</u>	<u>1,710,463</u>	<u>2,490,884</u>
<b>Other Support:</b>					
Food Service	16,189			16,189	17,509
Charges for Sales & Other	7,375			7,375	107
Memberships	23,346			23,346	24,251
Youth Activities Program Income	142,171			142,171	95,156
Youth Activities Rental Income	205,054			205,054	133,270
Intercompany Rental Income	362,692			362,692	301,818
Gifts, Grants & Bequests	120,323			120,323	154,742
Interest Income	15,417			15,417	7,430
Net assets released from restrictions:	0			0	0
Satisfaction of program restrictions	0	0		0	(25,103)
	<u>892,568</u>	<u>0</u>	<u>0</u>	<u>892,568</u>	<u>709,179</u>
<b>Total Revenue &amp; Support</b>	<b><u>\$ 2,878,968</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 2,878,968</u></b>	<b><u>\$ 3,399,648</u></b>
<b>Expenditures:</b>					
Salaries & Employee Benefits	\$ 1,698,720	\$	\$	\$ 1,698,720	\$ 2,138,931
Professional & Technical Services	251,794			251,794	155,057
Insurance and Bond Premiums	133,285			133,285	103,901
Transportation	80,729			80,729	95,951
Repairs & Maintenance	40,360			40,360	32,424
Rentals	32,752			32,752	11,196
Intercompany Rentals	362,692			362,692	301,818
Communications	8,790			8,790	10,728
5% Administrative Cost	78,218			78,218	119,071
Instructional Materials	8,460			8,460	23,923
Food	87,339			87,339	100,406
Non-Capitalized Materials	9,214			9,214	10,390
Non-Capitalized Fixtures & Equipment	3,427			3,427	12,271
Office Supplies & Expense	18,612			18,612	7,940
Remodeling & Renovations	102,961			102,961	131,936
Capital Furniture & Equipment & LI	1,200			1,200	49,917
Capitalized Software	0			0	0
Program Expense	97,285			97,285	118,412
Occupancy Costs	119,611			119,611	127,467
Interest, Dues & Fees	8,298			8,298	6,914
	<u>3,143,746</u>	<u>0</u>	<u>0</u>	<u>3,143,746</u>	<u>3,558,653</u>
Increase (Decrease) in net assets before Depreciation	(264,778)	0	0	(264,778)	(159,005)
Depreciation			(111,620)	(111,620)	(129,176)
Increase(Decrease) in net assets	(264,777)	0	(111,620)	(376,398)	(288,181)
Capitalized Expense Transferred to Fixed Asset Fund	0	0	1,200	1,200	52,001
Net Assets- Beginning of Year	1,192,066	0	676,694	1,868,760	2,113,214
Capital Purchases	0		0	0	0
Prior Year Adjustments	0		0	0	(8,273)
<b>Net Assets- End of Year</b>	<b><u>\$ 927,289</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 566,273</u></b>	<b><u>\$ 1,493,562</u></b>	<b><u>\$ 1,868,760</u></b>

The accompanying notes to the financial statements are an integral part of this statement.

**The Police Athletic League & Charter Schools of Manatee County, Inc.**  
**Combined Charter Schools & Youth Activities**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2007**

**Cash flows from operating activities:**

Increase (Decrease) in net assets	\$	(375,198)
Depreciation & Amortization		111,621
(Increase) decrease in operating assets:		
Accounts Receivable		(55,390)
Intercompany Transfers		0
Increase (decrease) in operating liabilities:		
Accounts Payable		(13,362)
Accrued Payroll		4,255
Increase (decrease) in line of credit		80,764
Net cash provided (used) by operating activities		<u>(247,310)</u>

**Cash flows from investing activities:**

Purchase of Fixed Assets		(1,200)
Horizon Bank Line of Credit		35,200
Decrease in other assets		12,252
Leasehold & Site Improvements		0
		<u>46,251</u>
Net Increase (decrease) in cash		<u>(201,058)</u>
Balance - Beginning of Year		<u>1,367,346</u>
Balance - End of Year	\$	<u><u>1,166,287</u></u>

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

**The Police Athletic League & Charter Schools of Manatee County, Inc.**

**Combined Statement of Functional Expenses  
For the Year Ended June 30, 2007**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fund- Raising</u>	<u>Total</u>
Expenses:				
Salaries & Employee Benefits	\$ 1,274,040	\$ 424,680	\$	\$ 1,698,720
Professional & Technical Services	182,935			182,935
Accounting & Legal		68,859		68,859
Insurance and Bond Premiums	122,785	10,500		133,285
Transportation	79,529	1,200		80,729
Repairs & Maintenance	38,342	2,018		40,360
Rentals, Less Intercompany Rentals	31,252	1,500		32,752
Communications	8,351	440		8,790
5% Administrative Cost		78,218		78,218
Instructional Materials	8,460			8,460
Food	87,339			87,339
Non-Capitalized Materials	9,214			9,214
Non-Capitalized Fixtures & Equipment	3,427			3,427
Office Supplies & Expense	4,653	13,959		18,612
Remodeling & Renovations	102,961			102,961
Capital Furniture & Equipment & LI	1,200			1,200
Capitalized Software	0	0		0
Program Expense	97,285			97,285
Occupancy Costs	119,611	0		119,611
Depreciation & Amortization	106,039	5,581		111,620
Interest, Dues & Fees		8,298		8,298
	<u>\$ 2,277,421</u>	<u>\$ 615,253</u>	<u>\$ 0</u>	<u>\$ 2,892,674</u>
Percentage	<u>79%</u>	<u>21%</u>	<u>0%</u>	<u>100%</u>

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

## Youth Activities

The Police Athletic League & Charter Schools of Manatee County, Inc.

Youth Activities

Statement of Financial Position  
At June 30, 2007

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Plant & Equipment Fund	Total Year Ended 6/30/2007	Total Year Ended 6/30/2006
<b>Assets:</b>					
Cash - Checking	\$ 71,058	\$ 0	\$ 0	\$ 71,058	\$ 73,328
Special Events	0			0	0
Total Cash	<u>71,058</u>	<u>0</u>	<u>0</u>	<u>71,058</u>	<u>73,328</u>
<b>Accounts Receivable</b>					
Grants Receivable ( Note 3)	46,409	0		46,409	21,981
Interfund	0	0		0	( 1,269)
Total Receivables	<u>46,409</u>	<u>0</u>	<u>0</u>	<u>46,409</u>	<u>20,712</u>
<b>Other Assets:</b>					
Utility Deposits	7,271	0		7,271	5,222
Prepaid Insurance	7,397			7,397	10,900
Total Other Assets	<u>14,668</u>	<u>0</u>	<u>0</u>	<u>14,668</u>	<u>16,122</u>
<b>Fixed Assets ( Note 1-d ) :</b>					
Leasehold Improvements			280,241	280,241	280,241
Vehicles			29,750	29,750	29,750
Machinery & Equipment			106,461	106,461	106,461
Accumulated Depreciation			( 222,346)	( 222,346)	( 192,719)
Total Net Fixed Assets	<u>0</u>	<u>0</u>	<u>194,106</u>	<u>194,106</u>	<u>223,733</u>
Total Assets	<u>\$ 132,134</u>	<u>\$ 0</u>	<u>\$ 194,106</u>	<u>\$ 326,240</u>	<u>\$ 333,895</u>
<b>Liabilities &amp; Fund Balance:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 22,901	\$ 0	\$ 0	\$ 22,901	\$ 35,202
Horizon Bank Line of Credit	35,200			35,200	0
Total Liabilities	<u>58,101</u>	<u>0</u>	<u>0</u>	<u>58,101</u>	<u>35,202</u>
<b>Fund Equity:</b>					
Investment in Fixed Assets			194,106	194,106	223,733
Unrestricted	74,034			74,034	74,961
Temporarily Restricted Assets		0	0	0	0
Total Net Assets	<u>74,034</u>	<u>0</u>	<u>194,106</u>	<u>268,140</u>	<u>298,694</u>
Total Liabilities & Net Assets	<u>\$ 132,134</u>	<u>\$ 0</u>	<u>\$ 194,106</u>	<u>\$ 326,240</u>	<u>\$ 333,895</u>

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

**The Police Athletic League & Charter Schools of Manatee County, Inc.**

**Youth Activities**

**Statement of Activities**

**For the Year Ended June 30, 2007**

	Unrestricted	Temporarily Restricted	Plant & Equipment Fund	Total 6/30/2007	Total 6/30/2006
<b>Revenue:</b>					
Memberships	\$ 23,346	\$	\$	\$ 23,346	\$ 24,251
Donations - Cash	56,209			56,209	61,681
Donations - In Kind	0			0	0
Grants - Manatee County	51,145			51,145	58,932
NFL Grant	8,500	0		8,500	0
Grant - PALYEP	3,540			3,540	6,902
Florida Association of Police	728			728	0
Other Grants	0			0	2,000
Interest Income	0			0	4
<b>Sports Income:</b>					
After School/Summer Program	37,601			37,601	42,040
Baseball & Other				0	15,056
Basketball	10,664			10,664	9,320
Concession & Other	16,189			16,189	17,160
Football & Cheerleading	61,328			61,328	13,828
Boxing	7,367			7,367	1,839
PAL Bowl	16,213			16,213	13,073
Points Shop	4,674			4,674	0
Roller Hockey	4,325			4,325	0
Rental Income	205,054			205,054	133,270
Rental Income - Intercompany	362,692			362,692	301,818
Miscellaneous	4,671			4,671	80
<b>Total Revenue</b>	<b>\$ 874,246</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 874,246</b>	<b>\$ 701,253</b>
<b>Expenses:</b>					
Salaries & Benefits	\$ 329,630	\$	\$	\$ 329,630	\$ 342,786
Contractual Services	19,204			19,204	9,177
Supplies & Expense - Office	18,612			18,612	7,940
Supplies & Expense - Concessions	16,317			16,317	17,795
Supplies & Expense - Maintenance	6,094			6,094	16,857
Supplies - In-Kind				0	0
Insurance	92,711			92,711	49,373
Building Maintenance & Repair	96,866			96,866	112,996
Equipment Maintenance & Repair	3,514			3,514	2,733
Grounds Maintenance & Repair	35,156			35,156	29,254
Vehicle Maintenance & Repair	1,687			1,687	5,408
Utilities	119,404			119,404	123,729
Travel, Vehicle Expense & Confer.	13,461			13,461	29,468
Telephone & Internet	5,629			5,629	5,579
Equipment Rental	13,585			13,585	2,058
Dues, Fees, Licenses	1,582			1,582	2,809
Miscellaneous Expense	208			208	3,738
Program Expense	97,285			97,285	118,412
Financial Expense	4,229			4,229	1,307
<b>Total Expenses before Depreciation</b>	<b>875,173</b>	<b>0</b>	<b>0</b>	<b>875,173</b>	<b>881,420</b>
Increase ( Decrease) in net assets before Depreciation	( 927)	0	0	( 927)	( 180,167)
Depreciation		0	( 29,627)	( 29,627)	( 29,735)
<b>Increase ( Decrease) in net assets</b>	<b>\$ ( 927)</b>	<b>\$ 0</b>	<b>\$ ( 29,627)</b>	<b>\$ ( 30,554)</b>	<b>\$ ( 209,902)</b>
Net Assets - Beginning of Year	74,961	0	223,733	298,694	516,869
Prior Year Adjustments				0	( 8,273)
Capital Purchases	0		0	0	0
Donated Assets					
<b>Net Assets - End of Year</b>	<b>\$ 74,034</b>	<b>\$ 0</b>	<b>\$ 194,106</b>	<b>\$ 268,140</b>	<b>\$ 298,694</b>

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

**The Police Athletic League & Charter Schools of Manatee County, Inc.**  
**Youth Activities**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2007**

**Cash flows from operating activities:**

Increase (Decrease) in net assets	\$	(30,554)
Depreciation & Amortization		29,627
(Increase) decrease in operating assets:		
Accounts Receivable		(25,697)
Increase (decrease) in operating liabilities:		
Accounts Payable		(12,301)
Accrued Payroll		
Increase (decrease) in line of credit		<u>0</u>
Net cash provided (used) by operating activities		<u>(38,925)</u>

**Cash flows from investing activities:**

		(0)
Purchase of Fixed Assets		35,200
Horizon Bank Line of Credit		1,455
Decrease in Other Assets		<u>0</u>
Leasehold & Site Improvements		<u>36,654</u>
Net Increase (decrease) in cash		(2,271)
Balance - Beginning of Year		73,328
Balance - End of Year	\$	<u><u>71,058</u></u>

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

**The Police Athletic League & Charter Schools of Manatee County, Inc.**

**Youth Activities**

**Program Income & Expense & Administrative Allocation  
For the Year Ended June 30, 2007**

**Support Schedule 1**

	<u>Income</u>	<u>Expense</u>	<u>Net Income ( Loss) Before Allocation</u>	<u>Administrative Allocation</u>	<u>Net Income ( Loss)</u>
Grants:					
After School/Summer Program	\$ 106,547	\$ 106,547	\$ 0	\$ ( 45,774)	\$ ( 45,773)
Sports Income:					
Points Shop	4,107	539	3,568	( 232)	3,336
Basketball	26,599	13,935	12,664	( 5,987)	6,677
Football & Cheerleading	137,906	94,547	43,359	( 40,618)	2,741
Boxing	9,547	3,985	5,562	( 1,712)	3,850
Other	8,740	4,732	4,008	( 2,033)	1,975
Hockey	4,625	5,585	( 960)	( 2,399)	( 3,359)
Administration & Other Income	576,176	674,930	( 98,755)	0	0
	<u>\$ 874,246</u>	<u>\$ 904,800</u>	<u>\$ ( 30,554)</u>	<u>\$ ( 98,755)</u>	<u>\$ ( 30,554)</u>

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

## Charter Schools

**The Police Athletic League & Charter Schools of Manatee County, Inc.**  
**Combined Statement of Financial Position - Charter Schools**  
**Governmental Fund Type and Account Group**  
**June 30, 2007**

	Unrestricted Net Assets	General Fixed Assets	Total Year Ended 6/30/2007	Total Year Ended 6/30/2006
<b>ASSETS</b>				
Cash	\$ 1,095,229	\$	\$ 1,095,229	\$ 1,294,017
Due from School Board (Note 2)	42,085		42,085	15,291
Due from Lunch Program	0		0	0
Due from Federal Grant	0			
Other Receivable	4,167		4,167	1,269
Total Accounts Receivable	46,253		46,253	16,560
Prepaid Items	2,051		2,051	12,848
Intercompany Receivables	486		486	7,481
Book Inventory	0		0	0
Fixed Assets:				
Furniture, Fixtures & Equipment		743,600	743,600	742,400
Computer Software		131,933	131,933	131,933
Motor Vehicles		65,679	65,679	65,679
Buildings & Leasehold Improvements		593,006	593,006	593,006
Accumulated Depreciation		(1,162,050)	(1,162,050)	(1,080,057)
Net Fixed Assets		372,167	372,167	452,961
<b>TOTAL ASSETS</b>	\$ 1,144,019	\$	\$ 1,516,186	\$ 1,783,867
<b>LIABILITIES &amp; FUND EQUITY</b>				
Liabilities:				
Accounts Payable	\$ 152,078	\$	\$ 152,078	\$ 153,139
Intercompany Payables	486		486	7,481
Accrued Salaries & Fringes	57,434		57,434	53,180
Contingent Liabilities (Note 4)	80,764		80,764	
Total Liabilities	290,763	0	290,763	213,800
Fund Equity:				
Investment in Fixed Assets, Net		372,167	372,167	452,961
Unrestricted	768,193		768,193	560,862
Designated for Capital Project	0		0	500,000
Capital Outlay Fund Balance	85,062		85,062	56,244
Temporarily Restricted Net Assets	0		0	0
Total Net Assets	853,255	372,167	1,225,423	1,570,067
Total Liabilities & Fund Equity	\$ 1,144,019	\$	\$ 1,516,186	\$ 1,783,867

The accompanying notes to the financial statements are an integral part of this statement.

**The Police Athletic League & Charter Schools of Manatee County, Inc.**  
**Statement of Financial Position - Individual Contracts - Charter Schools**  
**Governmental Fund Type and Account Group**  
**June 30, 2007**

	Total	Academy Charter School	Opportunity Charter School	Juvenile Justice Charter School
<b>ASSETS</b>				
Cash	\$ 1,095,229	\$ 189,003	\$ 170,151	\$ 736,075
Due from School Board	42,085	22,114	2,945	17,026
Due from Lunch Program	0			
Due from Federal Grant				
Other Receivable - PAL Youth Activities	4,167	4,167		
Total Accounts Receivable	<u>46,253</u>	<u>26,281</u>	<u>2,945</u>	<u>17,026</u>
Prepaid Insurance	2,051	1,276	447	328
Intercompany Transfers	487	486	0	0
Book Inventory	0	0		
Fixed Assets:				
Furniture, Fixtures & Equipment	743,600	261,160	303,183	179,257
Computer Software	131,933	70,783	0	61,150
Motor Vehicles	65,679	40,584	0	25,095
Leasehold Improvements	593,006	246,206	265,357	81,443
Accumulated Depreciation	<u>(1,162,050)</u>	<u>(532,939)</u>	<u>(380,857)</u>	<u>(248,254)</u>
Net Fixed Assets	<u>372,167</u>	<u>85,793</u>	<u>187,683</u>	<u>98,691</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,516,186</u>	<u>\$ 302,840</u>	<u>\$ 361,226</u>	<u>\$ 852,120</u>
<b>LIABILITIES &amp; FUND EQUITY</b>				
Liabilities:				
Accounts Payable	\$ 152,078	\$ 43,640	\$ 12,765	\$ 95,674
Intercompany Transfers	486	0	245	241
Accrued Salaries & Fringes	57,434	34,176	12,671	10,587
Contingent Liabilities	80,764			80,764
Total Liabilities	<u>290,763</u>	<u>77,816</u>	<u>25,680</u>	<u>187,267</u>
Fund Equity:				
Investment in Fixed Assets, Net	372,167	85,793	187,684	98,691
Unrestricted	768,193	139,231	137,766	491,196
Designated for Capital Project	0	0		0
Capital Outlay Fund Balance	85,062		10,096	74,966
Temporarily Restricted Assets		0	0	0
Total Net Assets	<u>1,225,422</u>	<u>225,024</u>	<u>335,546</u>	<u>664,853</u>
Total Liabilities & Fund Equity	<u>\$ 1,516,186</u>	<u>\$ 302,840</u>	<u>\$ 361,226</u>	<u>\$ 852,120</u>

The accompanying notes to the financial statements are an integral part of this statement.

**The Police Athletic League & Charter Schools of Manatee County, Inc.**

**Combined Statement of Activities - Charter Schools**

**For the Fiscal Year Ended June 30, 2007**

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Year Ended 06/30/2007	Total Year Ended 06/30/2006
<b>Revenues:</b>				
Intergovernmental:				
Federal Start-up Grant	\$ 0	\$ 0	\$ 0	\$ 0
Federal Through Local	275,938		275,938	199,585
	<u>\$ 275,938</u>	<u>\$ 0</u>	<u>\$ 275,938</u>	<u>\$ 199,585</u>
Local:				
School Board of Manatee County	1,522,690		1,522,690	2,325,397
School Infrastructure Thrift Funds				
School Capital Outlay	187,773		187,773	165,487
District School Taxes				
Reading Coach Grant	0		0	0
Florida Teachers Lead Program				
	<u>1,710,463</u>	<u>0</u>	<u>1,710,463</u>	<u>2,490,884</u>
Other Support:				
Food Service	0		0	349
Charges for Sales & Other	2,704		2,704	27
Interest Income	15,417		15,417	7,426
Gift, Grants & Bequests	200		200	124
Net assets released from restrictions:				
Satisfaction of program restrictions		0		
	<u>18,321</u>	<u>0</u>	<u>18,321</u>	<u>7,926</u>
<b>Total Revenue &amp; Support</b>	<u>\$ 2,004,722</u>	<u>\$ 0</u>	<u>\$ 2,004,722</u>	<u>\$ 2,698,395</u>
<b>Expenditures:</b>				
Salaries & Benefits	\$ 1,369,090	\$ 0	\$ 1,369,090	\$ 1,796,145
Professional & Technical Services	232,590		232,590	145,880
Insurance and Bond Premiums	40,574		40,574	54,528
Transportation	65,581		65,581	61,075
Repairs & Maintenance	1,690		1,690	438
Rentals	19,167		19,167	9,138
Rentals - Intercompany	362,692		362,692	301,818
Communications	3,161		3,161	5,149
5% Administrative Cost	78,218		78,218	119,071
Instructional Materials	8,460		8,460	23,923
Food	71,022		71,022	82,611
Non-Capitalized Materials	9,214		9,214	10,390
Non-Capitalized Fixtures & Equipment	3,427		3,427	12,271
Remodeling & Renovations	0		0	2,083
Capital Furniture & Equipment & LI	1,200		1,200	49,917
Capitalized Software	0		0	0
Motor Vehicles	0		0	0
Interest, Dues & Fees	2,488		2,488	2,798
	<u>2,268,573</u>	<u>0</u>	<u>2,268,573</u>	<u>2,677,234</u>
Increase (Decrease) in net assets before				
Depreciation	(263,851)	0	(263,851)	21,161
Depreciation	(81,993)		(81,993)	(99,441)
Increase(Decrease) in net assets	<u>(345,844)</u>	<u>0</u>	<u>(345,844)</u>	<u>(78,280)</u>
Capitalized Expense Transferred to Fixed Asset				
Fund	1,200	0	1,200	52,002
Net Assets- Beginning of Year	1,570,067		1,570,067	1,596,345
Prior Year Correction			0	
Net Assets- End of Year	<u>\$ 1,225,423</u>	<u>\$ 0</u>	<u>\$ 1,225,423</u>	<u>\$ 1,570,067</u>

The accompanying notes to the financial statements are an integral part of this statement.

**The Police Athletic League & Charter Schools of Manatee County, Inc.**  
**Statement of Activities - Individual Contracts - Charter Schools**  
**For the Fiscal Year Ended June 30, 2007**

	Total	Academy Charter School	Opportunity Charter School	Juvenile Justice Charter School
<b>Revenues:</b>				
Intergovernmental:				
Federal Start-up Grant				
Federal Through Local	275,938	185,161	26,625	64,152
	\$ 275,938	\$ 185,161	\$ 26,625	\$ 64,152
Local:				
School Board of Manatee County	1,522,690	974,928	377,617	170,145
School Infrastructure Thrift Funds	0	0	0	0
School Capital Outlay	187,773	111,443	61,076	15,254
Reading Coach Grant	0	0	0	0
Florida Teachers Lead Program	0	0	0	0
	1,710,463	1,086,371	438,693	185,399
Other Support:				
Food Service	0	0	0	0
Charges for Sales & Other	2,704	2,704	0	0
Interest Income	15,417	0	0	15,417
Gift, Grants & Bequests	200	200	0	0
Net assets released from restrictions:				
Satisfaction of program restrictions	0	0	0	0
	18,321	2,904	0	15,417
<b>Total Revenue &amp; Support</b>	\$ 2,004,722	\$ 1,274,436	\$ 465,318	\$ 264,968
<b>Expenditures:</b>				
Salaries	\$ 1,369,090	\$ 740,523	\$ 324,636	\$ 303,930
Professional & Technical Services	232,590	63,583	42,865	126,142
Insurance and Bond Premiums	40,574	11,395	4,735	24,445
Transportation	65,581	49,080	15,182	1,319
Repairs & Maintenance	1,690	1,308	382	0
Rentals	381,858	289,082	50,980	41,796
Communications	3,161	91	91	2,980
5% Administrative Cost	78,218	49,712	19,184	9,322
Instructional Materials	8,460	6,014	1,694	752
Food	71,022	54,973	16,049	0
Non-Capitalized Materials	9,214	4,548	1,330	3,335
Non-Capitalized Fixtures & Equipment	3,427	0	2,159	1,268
Remodeling & Renovations	0	0	0	0
Capital Furniture & Equipment	1,200	0	0	1,200
Capital Software	0	0	0	0
Motor Vehicles	0	0	0	0
Interest, Dues & Fees	2,488	1,207	553	728
	2,268,573	1,271,515	479,842	517,217
Increase (Decrease) in net assets before				
Depreciation				
Depreciation	(263,851)	2,921	(14,524)	(252,248)
	(81,993)	(16,489)	(37,092)	(28,412)
Increase(Decrease) in net assets	(345,844)	(13,568)	(51,616)	(280,660)
Transfer to Fixed Asset Fund	1,200	0	0	1,200
Prior Year Correction	0	0	0	0
Net Assets- Beginning of Year	1,570,067	238,592	387,162	944,313
Net Assets- End of Year	\$ 1,225,422	\$ 225,024	\$ 335,546	\$ 664,852

The accompanying notes to the financial statements are an integral part of this statement.

**The Police Athletic League & Charter Schools of Manatee County, Inc.**  
**Combined Statement of Cash Flows - Charter Schools**  
**Year Ended June 30, 2007**

**Cash flows from operating activities:**

Increase (Decrease) in net assets	\$	(344,644)
Depreciation & Amortization		81,994
(Increase) decrease in operating assets:		
Accounts Receivable		(29,693)
Intercompany Transfers		0
Increase (decrease) in operating liabilities:		
Accounts Payable		(1,061)
Accrued Payroll		4,254
Increase (decrease) in line of credit		80,764
Net cash provided (used) by operating activities		(208,386)

**Cash flows from investing activities:**

Purchase of Fixed Assets		(1,200)
Increase in Prepaid Items		10,797
Leasehold & Site Improvements		0
		9,597
Net Increase (decrease) in cash		(198,788)
Balance - Beginning of Year		1,294,017
Balance - End of Year	\$	1,095,229

The accompanying notes to the financial statements are an integral part of this statement.

**The Police Athletic League & Charter Schools of Manatee County, Inc.**  
**Academy Charter Middle School**  
**Schedule of Expenditures of Federal Awards and Other Contract Activity**  
**For the Year Ended June 30, 2007**

**Schedule 1**

<u>Sources</u>	<u>Awards</u>	<u>Expenses</u>
School Board of Manatee County, Florida:		
FEFP State & Local Funding	\$ 615,964	\$ 615,964
ESE Guaranteed Allocation	55,784	55,784
Class Size Constitutional Amendment	113,960	113,960
Discretionary Local Effort	66,486	66,486
Discretionary Lottery	5,678	5,678
Safe Schools	4,826	4,826
Instructional Materials Allocation	14,345	14,345
Instructional Technology		0
Supplemental Academic Instruction	34,505	34,505
SAI - Dropout Prevention	38,234	38,234
Teacher Training		
Reading Allocation	6,378	6,378
Student Transportation	<u>18,768</u>	<u>18,768</u>
	<u>\$ 974,928</u>	<u>\$ 974,928</u>
Florida Department of Education Food & & Nutrition Management	<u>0</u>	<u>0</u>
IDEA Funds	<u>26,449</u>	<u>26,449</u>
Federal Title I - Elementary & Secondary Education Act CAFD #84.010	<u>94,779</u>	<u>94,779</u>
Florida Public Education Capital Outlay	<u>111,443</u>	<u>94,954</u>
Total Federal awards and other contract activity	<u>\$ 1,207,599</u>	<u>\$ 1,191,110</u>

The accompanying notes to the financial statements are an integral part of this statement.

**The Police Athletic League & Charter Schools of Manatee County, Inc.**  
**Opportunity Charter School**  
**Schedule of Expenditures of Federal Awards and Other Contract Activity**  
**For the Year Ended June 30, 2007**

**Schedule 1**

<u>Sources</u>	<u>Awards</u>	<u>Expenses</u>
School Board of Manatee County, Florida:		
FEFP State & Local Funding	\$ 258,026	\$ 258,026
ESE Guaranteed Allocation	14,526	14,526
Class Size Constitutional Amendment	47,124	47,124
Discretionary Local Effort	27,850	27,850
Discretionary Lottery	2,379	2,379
Safe Schools	2,021	2,021
Instructional Materials Allocation	5,709	5,709
Instructional Technology		0
Supplemental Academic Instruction	13,512	13,512
SAI Dropout Prevention	758	758
Teacher Training		0
Student Transportation	<u>5,712</u>	<u>5,712</u>
	<u>\$ 377,617</u>	<u>\$ 377,617</u>
Florida Public Education Capital Outlay	<u>61,076</u>	<u>61,076</u>
Florida Department of Education Food & & Nutrition Management	<u>18,327</u>	<u>18,327</u>
IDEA Funds	<u>8,298</u>	<u>8,298</u>
	<u>\$ 465,318</u>	<u>\$ 465,318</u>

The accompanying notes to the financial statements are an integral part of this statement.

**The Police Athletic League & Charter Schools of Manatee County, Inc.**  
**Manatee County Juvenile Justice**  
**Schedule of Expenditures of Federal Awards and Other Contract Activity**  
**For the Year Ended June 30, 2007**

**Schedule 1**

<u>Sources</u>	<u>Awards</u>	<u>Expenses</u>
School Board of Manatee County, Florida:		
FEFP State & Local Funding	\$ 109,755	\$ 109,755
ESE Guaranteed Allocation	14,111	14,111
Class Size Constitutional Amendment	20,037	20,037
Discretionary Local Effort	11,842	11,842
Discretionary Lottery	1,011	1,011
Safe Schools	860	860
Instructional Materials Allocation	2,432	2,432
Instructional Technology		
Supplemental Academic Instruction	5,774	5,774
SAI - Dropout Prevention	4,323	4,323
Teacher Training		
Student Transportation	<u>(0)</u>	<u>0</u>
Total School Board	\$ <u>170,145</u>	\$ <u>170,145</u>
Federal Title I - Elementary & Secondary Education Act CAFD #84.010	<u>41,852</u>	<u>41,852</u>
Florida Public Education Capital Outlay	<u>15,254</u>	<u>15,254</u>
IDEA Funds	<u>22,300</u>	<u>22,300</u>
	<u>\$ 249,551</u>	<u>\$ 249,551</u>

The accompanying notes to the financial statements are an integral part of this statement.

**The Police Athletic League & Charter Schools of Manatee County, Inc.**  
**Academy Charter School Activities - Actual & Budget**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Intergovernmental:			
Federal Through Local	\$ 185,161	\$ 184,000	\$ 1,161
Local:			
School Board of Manatee County	974,928	926,086	48,842
School Infrastructure Thrift Funds		0	0
School Capital Outlay	111,443	111,447	(4)
Teacher Recruitment & Retention Bonus	0	0	0
Florida Teachers Lead Program	0	0	0
	<u>1,086,371</u>	<u>1,037,533</u>	<u>48,838</u>
Other Support:			
Food Service			0
Charges for Sales	2,704	2,900	(196)
Interest Income			0
Gift, Grants & Bequests	200		200
	<u>2,904</u>	<u>2,900</u>	<u>4</u>
<b>Total Revenue &amp; Support</b>	<b>\$ <u>1,274,436</u></b>	<b>\$ <u>1,224,433</u></b>	<b>\$ <u>50,003</u></b>
<b>Expenditures:</b>			
Salaries & Benefits	\$ 740,523	759,800	\$ 19,277
Professional & Technical Services	63,583	43,300	(20,283)
Insurance and Bond Premiums	11,395	10,770	(625)
Transportation	49,080	61,200	12,120
Repairs & Maintenance	1,308	1,400	92
Rentals	289,082	284,622	(4,460)
Communications	91	150	59
5% Administrative Costs	49,712	50,678	966
Instructional Materials	6,014	6,000	(14)
Food	54,973	51,700	(3,273)
Non-Capitalized Materials	4,548	4,100	(448)
Non-Capitalized Fixtures & Equipment	0		0
Remodeling & Renovations	0		0
Capital Furniture & Equipment	0	0	0
Capital Software	0		0
Motor Vehicles	0		0
Interest, Dues & Fees	1,207	250	(957)
	<u>1,271,515</u>	<u>1,273,970</u>	<u>2,455</u>
<b>Increase (Decrease) in net assets</b>	<b>\$ <u>2,921</u></b>	<b>\$ <u>(49,537)</u></b>	<b>\$ <u>52,458</u></b>

The accompanying notes to the financial statements are an integral part of this statement.

**The Police Athletic League & Charter Schools of Manatee County, Inc.**  
**Opportunity Charter School Activities - Actual & Budget**  
**For the Fiscal Year Ended June 30, 2007**

	Actual	Budget	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental:			
Federal Through Local	\$ 26,625	\$ 26,625	\$ (0)
Local:			
School Board of Manatee County	377,617	358,736	18,881
School Infrastructure Thrift Funds		0	0
School Capital Outlay	61,076	61,076	0
Teacher Recruitment & Retention Bonus	0	0	0
Florida Teachers Lead Program	0	0	0
	<u>438,693</u>	<u>419,812</u>	<u>18,881</u>
Other Support:			
Food Service	0	0	0
Charges for Sales		0	0
Interest Income		0	0
Gift, Grants & Bequests	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Revenue &amp; Support</b>	<b>\$ 465,318</b>	<b>\$ 446,437</b>	<b>\$ 18,881</b>
<b>Expenditures:</b>			
Salaries & Benefits	\$ 324,636	325,782	\$ 1,146
Professional & Technical Services	42,865	43,100	235
Insurance and Bond Premiums	4,735	3,281	(1,454)
Transportation	15,182	15,250	68
Repairs & Maintenance	382	382	0
Rentals	50,980	50,981	1
Communications	91	150	59
5% Administrative Costs	19,184	19,487	303
Instructional Materials	1,694	2,000	306
Food	16,049	16,049	(0)
Non-Capitalized Materials	1,330	1,700	370
Non-Capitalized Fixtures & Equipment	2,159	2,200	41
Remodeling & Renovations	0		0
Capital Furniture & Equipment	0		0
Capital Software	0		0
Motor Vehicles	0		0
Interest, Dues & Fees	553	600	48
	<u>479,842</u>	<u>480,962</u>	<u>1,120</u>
<b>Increase (Decrease) in net assets</b>	<b>\$ (14,524)</b>	<b>\$ (34,525)</b>	<b>\$ 20,001</b>

The accompanying notes to the financial statements are an integral part of this statement.

**The Police Athletic League & Charter Schools of Manatee County, Inc.**  
**Manatee Juvenile Justice Charter School Activities - Actual & Budget**  
**For the Fiscal Year Ended June 30, 2007**

	Actual	Budget	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental:			
Federal Through Local	\$ 64,152	\$ 40,082	\$ 24,070
Local:			
School Board of Manatee County	170,145	791,804	(621,659)
School Infrastructure Thrift Funds		0	0
School Capital Outlay	15,254	53,836	(38,582)
Teacher Recruitment & Retention Bonus	0	0	0
Florida Teachers Lead Program	0	0	0
	185,399	845,640	(660,241)
Other Support:			
Food Service	0	0	0
Charges for Sales		0	0
Interest Income	15,417	7,000	8,417
Gift, Grants & Bequests	0		0
	15,417	7,000	8,417
<b>Total Revenue &amp; Support</b>	<b>\$ 264,968</b>	<b>\$ 892,722</b>	<b>\$ (627,754)</b>
<b>Expenditures:</b>			
Salaries & Benefits	\$ 303,930	614,866	\$ 310,936
Professional & Technical Services	126,142	71,295	(54,847)
Insurance and Bond Premiums	24,445	28,596	4,151
Transportation	1,319	3,000	1,681
Repairs & Maintenance			0
Rentals	41,796	22,545	(19,251)
Communications	2,980	5,400	2,420
5% Administrative Costs	9,322	1,022	(8,300)
Instructional Materials	752	7,500	6,748
Food			0
Non-Capitalized Materials	3,335	2,700	(635)
Non-Capitalized Fixtures & Equipment	1,268	4,400	3,132
Remodeling & Renovations		200,000	200,000
Capital Furniture & Equipment	1,200	4,000	2,800
Capital Software	0	100	100
Motor Vehicles	0		0
Interest, Dues & Fees	728	1,000	272
	517,217	966,424	449,207
Increase (Decrease) in net assets	<b>\$ (252,248)</b>	<b>\$ (73,702)</b>	<b>\$ (178,546)</b>

The accompanying notes to the financial statements are an integral part of this statement.

The Police Athletic League & Charter Schools  
of Manatee County, Inc.

Notes to Financial Statements  
Year Ended June 30, 2007

**NOTE 1. Summary of Significant Accounting Policies**

- (a) **ORGANIZATION** - The Police Athletic League & Charter Schools of Manatee County, Inc. is a not for profit organization, exempt under Section 501 (c)(3) of the Internal Revenue Code, organized to operate a charter school and youth athletic activities in Manatee County, Florida. Funding is received from The Manatee County School Board, the State and Federal departments of education, county governments, and public donations. The School formerly operated under a charter approved by its sponsor, the Police Athletic League of Manatee County, Inc., but filed articles of incorporation on May 17, 1999 and received 501(c)(3) status on February 14, 2000, retroactive to July 1, 1999. The Academy provided educational services to at least one hundred (100) students during the initial year, 145 during the second year, 195 during the third year, 406 during the fourth year, 444 during the fifth year, 378 during the sixth year, 350 during the seventh year, 337 for the last contract year and 183 for this year, excluding the Juvenile Justice Charter School which was phased out this year. The contract ran from July 1, 1997 through June 30, 2000, and on April 4<sup>th</sup>, 2000, was extended for 15 years. "The school shall serve students in grades six, seven, and eight - the approximate ages of students to be served are 11-15 years old. The purpose of the school shall be to improve student learning, increase learning opportunities for all students, with special emphasis on expanded learning experiences for students who are identified as academically low achieving; to encourage the use of different and innovative learning methods; to increase choice of learning opportunities for students; to establish a new form of accountability for schools; to require the measurement of learning outcomes and create innovative measurement tools; to make the school the unit for improvement; to create new professional opportunities for teachers, including the opportunity to own the learning program at the school site." On July 26<sup>th</sup>, 1999 the Agency entered into a ten-year agreement with the School Board of Manatee County to operate the Opportunity Charter School for students between the ages of 16 and 18. On April 8, 2003 the Academy signed a 5-year renewal contract with the School Board of Manatee County to operate the Manatee County Juvenile Justice Charter School; however, due to some environmental circumstances, that program was phased out at the end of this fiscal year.

The boards of PAL Academy Charter Schools of Manatee County, Inc. and the Police Athletic League of Manatee County, Inc. met and determined that the best course of action was to re-unite the two corporations under Academy's corporate umbrella. This was effective on October 1, 2001 and the new corporate name is "The Police Athletic League & Charter Schools of Manatee County, Inc."

The Police Athletic League & Charter Schools  
of Manatee County, Inc.

Notes to Financial Statements - Continued  
Year Ended June 30, 2007

- (b) **BASIS OF ACCOUNTING** - PAL follows standards of accounting and financial reporting prescribed for voluntary health and welfare organizations. It uses the accrual basis of accounting and accordingly reflects all significant receivables, payables and other liabilities.
- (c) **CONTRIBUTIONS & 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.
- (d) **PROPERTY AND EQUIPMENT** - the Academy capitalizes all expenditures for property and equipment in accordance with State of Florida guidelines- *Financial and Program Cost Accounting and Reporting For Florida Schools*. Capital Asset Expenditures are shown in the Statement of Activities on page 3 of this report, but are also capitalized for Balance Sheet purposes (page 2), and off-set to the equity account "Investment in General Fixed Assets," net of depreciation. Depreciation is computed using Internal Revenue Service guidelines and useful lives.

The Police Athletic League & Charter Schools  
of Manatee County, Inc.

Notes to Financial Statements - Continued  
Year Ended June 30, 2007

**NOTE 2. Grants Receivable - School Board** - Amounts due from the School Board were subsequently received in July 2007.

(a) Amounts receivable from the School Board:

Capital Outlay for June 2007:	
Academy Charter School	\$ 5,639
Opportunity Charter School	<u>2,945</u>
Total	\$ 8,584
FEFP Funding:	
Academy Charter School	5,804
National School Lunch Act:	
Academy Charter School	7,396
Title I Funding:	
Academy Charter School	3,275
IDEA Funding:	
Juvenile Justice Charter School	<u>17,026</u>
Total Receivables	<u><u>\$42,085</u></u>

**NOTE 3. Grants & Leases:**

Manatee County Board of Commissioners	\$ 4,905
Academy Charter School	25,709
Opportunity Charter School	4,605
Juvenile Justice Charter School	2,447
Oasis & Head Start	<u>8,743</u>
Total	<u><u>\$46,409</u></u>

**NOTE 4. Contingent Liabilities:**

PAL contracted with CIT Technology Financial Services for a software licensing agreement for 100 workstations for the students. At June 30, 2007 Manatee Juvenile Justice's remaining balance was \$70,262. Negotiations with CIT have not been favorable in reducing that debt. Also the Juvenile Justice program has two existing copying machine leases that total \$10,502. Subsequent payments are being made to these vendors.

The Police Athletic League & Charter Schools  
of Manatee County, Inc.

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2007

**Summary of Findings and Audit Results**

- The auditor's report expresses an unqualified opinion on the financial statements of the Police Athletic League & Charter Schools of Manatee County, Inc.
- No reportable conditions were disclosed during the audit of the financial statements.
- No instances of noncompliance material to the financial statements of PAL were disclosed during the audit.
- The results of my tests of compliance indicated that, with respect to the items tested, PAL had generally complied with the significant provisions of laws, administrative rules, regulations, contracts and grants, and other guidelines governing those programs, activities and functions and classes of transactions within the scope of the audit; and, in the course of my examination I made the following observations:
  - Accounting records were maintained on an accrual basis and all bank accounts were reconciled and well-documented. All inter-fund transactions among the school entities were reconciled, and inter-fund transactions with PAL Youth Activities have been reconciled; this was a problem in the prior year's audit
  - We examined 26% of student files from Academy, Opportunity and Juvenile Justice student files, using the following criteria:
    - School Attendance Records, Signed Student Application, Referral for Student Evaluation, Signed Parent Contract, Signed Release of Records, Signed Dress Code, Parents Consent and Medical Certification, Immunization Record and Progress Report.

The results of the test determined that all documentation for the sample size was accounted for.

The Police Athletic League & Charter Schools  
of Manatee County, Inc.

Summary Schedule of Prior Audit Findings for Federal Programs  
Year Ended June 30, 2007

There were no prior audit findings for Federal Programs.

6510 Kimlinda Lane  
Sarasota, FL 34243  
(941) 756-1255  
(941) 755-4215 (FAX)  
Cellphone 941-504-4420  
E-mail stephen.wicker@verizon.net

**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  
The Police Athletic League & Charter Schools of Manatee County, Inc.

I have audited the financial statements of The Police Athletic League & Charter Schools of Manatee County, Inc. as of and for the year ended June 30, 2007. I conducted my audit 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.

**Compliance**

As part of obtaining reasonable assurance about whether the PAL's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance 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 non-compliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Academy's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing 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.

October 15, 2007



C. Stephen Wicker

6510 Kimlinda Lane  
Sarasota, FL 34243  
(941) 756-1255  
(941) 755-4215 (FAX)  
Cellphone 941-504-4420  
E-mail [stephen.wicker@verizon.net](mailto:stephen.wicker@verizon.net)

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

**Compliance**

I have audited the compliance of The Police Athletic League & Charter Schools of Manatee County, Inc. (PAL) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. PAL's federal programs are identified in the accompanying Schedules of Expenditures of Federal Awards and Other Contract Activity, delineated on pages 15, 16 and 17 of the audit report, and none of them met the threshold of being classified as a "major program." Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs is the responsibility of PAL's management. My responsibility is to express an opinion on PAL's compliance, based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above, that could have a direct and material effect on a 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 I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of PAL's compliance with those requirements.

In my opinion, PAL complied, in all material respects, with the requirements referred to above that are applicable to each of its federal programs for the year ended June 30, 2007.

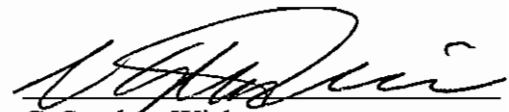
## **Internal Control Over Compliance**

The management of PAL is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered PAL's internal control over compliance with requirements that could have a direct and material effect on a federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 non-compliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program 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 compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.

October 15, 2007



C. Stephen Wicker

6510 Kimlinda Lane  
Sarasota, FL 34243  
(941) 756-1255  
(941) 755-4215 (FAX)  
Cellphone 941-504-4420  
E-mail stephen.wicker@verizon.net

MANAGEMENT LETTER

YEAR ENDED 6/30/2007

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

- **Prior Audit Report:**  
In the prior audit report, I noted a problem regarding the equipment inventory and the Board stated that they reinforced their accounting procedures to prevent that problem from reoccurring. My audit of this year's records revealed that accounting procedures are being followed. Also, the problem with reconciling inter-fund transactions between PAL Youth Activities and the Charter Schools has been resolved.
- In accordance with Rule 10.854(1)(d)2, my audit revealed that none of the conditions listed under Section 218.503(1) of the Florida Statutes (Determination of Financial Emergency) existed.

October 15, 2007

  
C. Stephen Wicker