

**DADE SCHOOLS ATHLETIC FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2007**

**DADE SCHOOLS ATHLETIC FOUNDATION, INC.**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

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## Independent Auditors' Report

To the Board of Directors  
Dade Schools Athletic Foundation, Inc.

We have audited the accompanying financial statements of the Dade Schools Athletic Foundation, Inc. (the "Foundation"), as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Dade Schools Athletic Foundation, Inc. as of June 30, 2007, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2007 on our consideration of the Foundation'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Foundation has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined necessary to supplement, although not required to be part of the financial statements.

October 8, 2007

**DADE SCHOOLS ATHLETIC FOUNDATION, INC.**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

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**Assets**

Current assets:

Cash and cash equivalents	\$ 8,758
Contributions receivable	1,000
Restricted cash and cash equivalents	<u>18,159</u>
Total current assets	<u>27,917</u>

Equipment, net	<u>680</u>
Total assets	<u>28,597</u>

**Liabilities**

Accounts payable	<u>1,860</u>
Total liabilities	<u>1,860</u>

**Net Assets**

Restricted	18,159
Unrestricted	<u>8,578</u>
Total net assets	<u><u>\$ 26,737</u></u>

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

**DADE SCHOOLS ATHLETIC FOUNDATION, INC.**  
**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

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**Operating revenue**

Contributions	\$ <u>73,412</u>
Total operating revenue	<u>73,412</u>

**Operating expenses**

Golf tournament	38,701
Grants to schools	16,800
Scholar athlete luncheon	9,356
Scholarships	5,000
General and administrative	3,171
Gifting program	1,214
Woman's golf program	<u>300</u>
Total operating expenses	<u>74,542</u>
Operating loss	(1,130)

**Non-operating revenue**

Interest income	<u>558</u>
Change in net assets	(572)
Net assets at beginning of year	<u>27,309</u>
Net assets at end of year	<u>\$ 26,737</u>

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

**DADE SCHOOLS ATHLETIC FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

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**Cash flows from operating activities:**

Cash received for support	\$ 74,412
Payments for fundraising, scholarship, grants and other	(71,983)
Payments to suppliers for goods and services	<u>(2,392)</u>
Net cash used in operating activities	<u>37</u>

**Cash flows from investing activities:**

Interest on short-term investments	<u>558</u>
Net cash provided by investing activities	<u>558</u>
Net increase in cash and cash equivalents	595
Cash and cash equivalents, beginning of year	<u>26,322</u>
Cash and cash equivalents, end of year	<u>\$ 26,917</u>

**Reconciliation of statement of net assets:**

Cash and cash equivalents	\$ 8,758
Restricted cash and cash equivalents	<u>18,159</u>
Total cash and cash equivalents	<u>\$ 26,917</u>

**Reconciliation of operating loss to net cash used in operating activities:**

Operating loss	\$ (1,130)
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**Adjustments to reconcile operating loss to net cash used in operating activities:**

Depreciation	628
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**Changes in assets and liabilities:**

Decrease in contributions receivable	1,000
Decrease in accounts payable	<u>(461)</u>
Net cash used in operating activities	<u>\$ 37</u>

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

**DADE SCHOOLS ATHLETIC FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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**Note 1 - Organization**

The Dade Schools Athletic Foundation, Inc. (the "Foundation") is a not-for-profit corporation organized in accordance with Chapter 617, Florida Statutes and operated as a Miami-Dade County School Board ("School Board") direct-support organization in accordance with Section 1001.453, Florida Statutes and School Board Rule 6Gx13-1B-1.08. The Foundation was incorporated in May 1993, and began operations in February 1994, for the main purpose of providing resources for the promotion of interscholastic sports in Miami-Dade County, Florida.

**Note 2- Summary Of Significant Accounting Policies**

**Basis of Accounting and Presentation**

The financial statements of the Foundation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Foundation's significant accounting policies are described below:

The Foundation met the criteria to use enterprise fund accounting and financial reporting. Accordingly, the financial statements have been prepared on the accrual basis of accounting, which recognizes revenue when earned and expenses when a liability is incurred, regardless of when the related cash flow occurs.

**Application of FASB Standards**

In accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, the Foundation applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

**Cash and Cash Equivalents**

For purpose of the statement of cash flows, the Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Foundation maintains a seven (7) day certificate of deposit.

In addition to insurance provided by the Federal Depository Insurance Corporation, all of the Foundation's time and demand deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds.

**DADE SCHOOLS ATHLETIC FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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**Note 2- Summary Of Significant Accounting Policies (contd.)**

Under Florida Statutes, Chapter 280, "Florida Security for Public Deposits" Act (Chapter 280), the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally in the form of U.S. government and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting loss. Accordingly, all of the Foundation's cash and certificate of deposit are fully collateralized or insured.

**Contributions Receivable**

Contributions receivable consist of all contributions revenue earned during the year and not yet received by the Foundation.

**Restricted Cash and Cash Equivalents**

Restricted Cash and Cash Equivalents are cash and certificate of deposits whose use are restricted by donors.

**Income Taxes**

The Foundation is exempt from income taxes under section 501(c) (3) of the Internal Revenue Code. Accordingly, the financial statements reflect no provision for income taxes.

**Equipment**

Acquisitions greater than \$500 with a useful life longer than one (1) year are capitalized. Equipment is stated at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. Expenditures for maintenance and repairs are charged to expense when incurred. Depreciation of equipment is provided using the straight line method, based on the estimated useful life of three (3) years.

**Flow Assumption for Restricted Assets**

If both restricted and unrestricted assets are available for use for a certain purpose, it is the Foundation's policy to use restricted assets first, and then use unrestricted assets as needed.



**DADE SCHOOLS ATHLETIC FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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**Note 2- Summary Of Significant Accounting Policies (contd.)**

**Use of Estimates**

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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

**Note 3 - Equipment**

**Equipment consist of the following:**

Computer equipment	\$ 1,883
Less: accumulated depreciation	<u>(1,203)</u>
	<u>\$ 680</u>

Depreciation expense was \$628 for the year ending June 30, 2007.

**Note 4 – Restricted Net Assets**

Restricted net assets represent contributions received by the Foundation whose use has been restricted by the donors. These restricted contributions include:

Cobb family endowment	\$ 16,000
Woman's golf program	<u>2,159</u>
Total restricted net assets	<u>\$ 18,159</u>



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**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**

To the Board of Directors  
Dade Schools Athletic Foundation, Inc.

We have audited the accompanying financial statements of the Dade Schools Athletic Foundation, Inc. (Foundation), as of and for the year ended June 30, 2007, which collectively comprise the Foundation's basic financial statements and have issued our report thereon dated October 8, 2007. We conducted our 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Foundation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of 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.

This report is intended solely for the information and use of management, members of the Board of the Foundation, members of the School Board of Miami-Dade County, Florida, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Sharpton, Brunson & Company P.A.*

October 8, 2007



**DADE SCHOOLS ATHLETIC FOUNDATION, INC.  
AUDIT OBSERVATIONS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2007**

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**Current Year Observation and Recommendations**

There are no current year observations and recommendations to report.

**Status of Prior Year Observations and Recommendations**

There were no prior year observations and recommendations reported.