

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
(A Direct Support Organization)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
(A Direct Support Organization)

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DADE SCHOOLS ATHLETIC FOUNDATION, INC.
(A Direct Support Organization)

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2012

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2011)

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 18,863	\$ 31,591
Contribution receivable	-	5,000
Noncurrent Assets:		
Endowment investment	<u>15,933</u>	<u>15,508</u>
Total assets	<u>\$ 34,796</u>	<u>\$ 52,099</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Net Assets:		
Unrestricted:		
Designated for contingencies	4,000	4,000
Undesignated	<u>13,363</u>	<u>31,091</u>
Total unrestricted	17,363	35,091
Temporarily restricted	1,933	2,508
Permanently restricted	<u>15,500</u>	<u>14,500</u>
Total net assets	<u>34,796</u>	<u>52,099</u>
Total liabilities and net assets	<u>\$ 34,796</u>	<u>\$ 52,099</u>

See notes to financial statements.

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
(A Direct Support Organization)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>2012 Total</u>	<u>2011 Total</u>
Revenues and Support:					
Golf tournament	\$ 42,000	\$ -	\$ -	\$ 42,000	\$ 48,000
Scholarships	8,000	-	-	8,000	8,000
Scholar athlete luncheon	8,630	-	-	8,630	6,390
General contributions (including in-kind)	1,221	-	1,000	2,221	143,173
Donated services	10,000	-	-	10,000	10,000
Investment earnings (losses)	16	(575)	-	(559)	1,088
Total revenues and support	<u>69,867</u>	<u>(575)</u>	<u>1,000</u>	<u>70,292</u>	<u>216,651</u>
Expenses:					
Program services:					
Athletic programs	38,850	-	-	38,850	154,850
Scholarships	8,000	-	-	8,000	8,000
Scholar athlete luncheon	7,789	-	-	7,789	6,774
Total program services	<u>54,639</u>	<u>-</u>	<u>-</u>	<u>54,639</u>	<u>169,624</u>
Supporting services:					
Fundraising	22,408	-	-	22,408	29,400
Management and general	10,548	-	-	10,548	11,854
Total supporting services	<u>32,956</u>	<u>-</u>	<u>-</u>	<u>32,956</u>	<u>41,254</u>
Total expenses	<u>87,595</u>	<u>-</u>	<u>-</u>	<u>87,595</u>	<u>210,878</u>
Change in Net Assets	(17,728)	(575)	1,000	(17,303)	5,773
Net Assets, Beginning	<u>35,091</u>	<u>2,508</u>	<u>14,500</u>	<u>52,099</u>	<u>46,326</u>
Net Assets, Ending	<u>\$ 17,363</u>	<u>\$ 1,933</u>	<u>\$ 15,500</u>	<u>\$ 34,796</u>	<u>\$ 52,099</u>

See notes to financial statements.

DADE SCHOOLS ATHLETIC FOUNDATION, INC.

(A Direct Support Organization)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (17,303)	\$ 5,773
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Unrealized (gain) loss on endowment fund	575	(1,008)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Contribution receivable	<u>5,000</u>	<u>(5,000)</u>
Net cash used by operating activities	(11,728)	(235)
Cash Flows from Investing Activities:		
Purchase of endowment fund investments	<u>(1,000)</u>	<u>(14,500)</u>
Net Decrease in Cash	(12,728)	(14,735)
Cash, Beginning	<u>31,591</u>	<u>46,326</u>
Cash, Ending	<u>\$ 18,863</u>	<u>\$ 31,591</u>

See notes to financial statements.

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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.

The following describes the Foundation’s programs:

Athletic Programs

The Foundation collects contributions through various sources in order to primarily fund high school athletic programs and secondarily, middle school athletic programs.

Scholar Athlete Luncheon

The Foundation raises funds to help support the annual scholar athletes’ luncheon.

Scholarships

Annually, the Foundation awards several scholarships to scholar athletes. In addition, a scholarship is awarded to a high school coach; that scholarship is provided to that respective school’s athletic department.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its standards for *Financial Statements of Not-for-Profit Organizations*. The Foundation 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.

Unrestricted

Net assets which are free of donor-imposed restrictions; all revenue, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets are classified as unrestricted.

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Basis of Presentation (Continued)

Temporarily Restricted

Net assets whose use is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to those stipulations.

Permanently Restricted

Net assets whose use is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

Investments

The Foundation's investments are stated at the fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements. Investment earnings (including realized and unrealized gains and losses on investments, interest and dividends) is included in the statement of activities as an increase or decrease in unrestricted net assets unless income or loss is restricted by donor or law. The Foundation's permanently restricted investment is in an endowment fund held with The Miami Foundation, Inc.'s moderate risk portfolio. The Foundation owns units of participation in that portfolio.

Income Taxes

The Foundation is a not-for-profit organization and a public charity as described in sections 501(c)(3) and 509(a) of the Internal Revenue Code, and exempt from Federal income taxes, except that unrelated business income is taxable. The Foundation had no unrelated business income during the year ended June 30, 2012.

Accounting principles generally accepted in the United States of American require management to evaluate tax positions taken and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken and has concluded that as of June 30, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. If the Foundation were to incur an income tax liability in the future, interest and penalties would be reported as income tax expense. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes the Foundation is not longer subject to income tax examinations for years prior to 2008.

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Equipment

Equipment is recorded at cost. Depreciation is computed on the straight-line basis over the estimated useful life of the asset, which is 3 years. The Foundation capitalizes all acquisitions of fixed assets in excess of \$1,000 and that have a useful life greater than one year. When items are sold or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any resulting gains or losses are credited or charged to activities. Repairs and maintenance are charged to expense as incurred.

Contributions

The Foundation accounts for contributions in accordance accounting standards for *Contributions Received and Contributions Made*. Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions, which are restricted by the donor, are reported as increases in unrestricted net assets if the restriction expires in the same year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Donated Services

Donated services are recognized as contributions in accordance with accounting standards for *Contributions Received and Contributions Made*, if the services create or enhance non-financial assets, or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers also provided fundraising and other services throughout the year that are not recognized as contributions in the financial statements since these are not susceptible to objective measurement or valuation.

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.

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Comparative Information/Reclassifications

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2011 from which the summarized information was derived.

Certain amounts from the 2011 financial statements were reclassified to conform to 2012 presentation.

Subsequent Events

Management has evaluated subsequent events to determine if events or transactions occurring through October XX, 2012 which was the date the financial statements were available to be issued, require potential adjustment or disclosure in the financial statements.

NOTE 2. RESTRICTED NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets of \$1,500 represent contributions and investment earnings received for middle school athletics. See permanently restricted net assets described below.

Permanently Restricted Net Assets

Permanently restricted net assets of \$15,500 represent endowment funds received by the Foundation for high school athletics. Donor stipulations do not allow the Foundation access to these funds unless approved in special circumstances by the donor; however, investment earnings can be used for middle school athletic programs. Therefore, investment earnings on these funds are recorded as temporarily restricted revenue. For the year ended June 30, 2012, there were no earnings; only net unrealized losses on the endowment funds.

NOTE 3. FAIR VALUE MEASUREMENTS

The Foundation adopted ASC 820-10 *Fair Value Measurement and Disclosure* for fair value measurements of our assets and liabilities. This guidance defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This standard establishes a three-level hierarchy for fair value measurements based upon the significant inputs used to determine fair value. Observable inputs are those which are obtained from market participants external to the company while unobservable inputs are generally developed internally, utilizing management's estimates, assumptions and specific knowledge of the assets/liabilities and related markets. The three levels are defined as follows:

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

Level 1

Valuation is based on quoted prices in active markets for identical assets and liabilities.

Level 2

Valuation is determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar instruments in markets that are not active, or by model-based techniques in which all significant inputs are observable in the market.

Level 3

Valuation is derived from model-based techniques inputs that are unobservable for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity.

The following table sets forth by level, within the fair value hierarchy, the Foundation’s assets at fair value as of June 30, 2011:

	<u>Fair Value Measurement Using:</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Endowment Fund	\$ <u> </u> -	\$ <u>15,933</u>	\$ <u> </u> -	\$ <u>15,933</u>

Level 2 – This includes the Foundation’s endowment fund investment in a moderate risk portfolio that includes debt and equity instruments with quoted prices for similar assets in active markets.

Due to the short-term nature of other financial assets and liabilities, we consider the carrying amounts of our other short-term financial instruments to approximate fair value.

NOTE 4. ENDOWMENTS

The Foundation’s endowment was established to fund middle school athletic programs. Its endowments include donor-restricted and board designated endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4. ENDOWMENTS (Continued)

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment.

As of June 30, 2012, endowment net assets consisted of the following:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ 433	\$ 15,500	<u>\$ 15,933</u>

Changes in endowment net assets for the fiscal year ended June 30, 2011 are as follows:

	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Endowment Net Assets, July 1, 2011	\$ 1,008	\$ 14,500	<u>\$ 15,508</u>
Endowment Investment Return:			
Interest and dividends	-	-	-
Net realized and unrealized gains and losses	(575)	-	(575)
Total endowment investment return	(575)	-	(575)
Contributions	-	1,000	1,000
Change in Endowment Net Assets	<u>(575)</u>	<u>1,000</u>	<u>425</u>
Endowment net assets, June 30, 2012	<u>\$ 433</u>	<u>\$ 15,500</u>	<u>\$ 15,933</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor intended. As of June 30, 2012, there were no endowment funds with deficiencies.

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4. ENDOWMENTS (Continued)

Return Objectives and Risk Parameters

The Foundation has adopted investment policies and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets and maintaining the corpus. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods or purposes. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a long-term rate of return on assets while assuming a minimal level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on certificates of deposit to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

During fiscal year ended June 30, 2012, the Foundation's policy for appropriating for distribution from the endowment was to make available any accumulated earnings in the endowment without invading the donor contributions to the endowment. There were no earnings during the year ended June 30, 2012.

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
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SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2012

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
(A Direct Support Organization)

SCHEDULE OF MANAGEMENT AND GENERAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

	<u>2011</u>	<u>2010</u>
Accounting and tax services	\$ 10,000	\$ 10,000
Bank and Administrative Charges	18	64
Office expense	405	1,665
Dues and Subscriptions	<u>125</u>	<u>125</u>
	<u>\$ 10,548</u>	<u>\$ 11,854</u>

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
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COMPLIANCE REPORT

FOR THE YEAR ENDED JUNE 30, 2012