

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

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

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Independent Auditors' Report

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

We have audited the accompanying statement of financial position of the Dade Schools Athletic Foundation, Inc. (the "Foundation"), as of June 30, 2010, and the related statements of activities and cash flows for the year then ended. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dade Schools Athletic Foundation, Inc. as of June 30, 2010, 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, we have also issued a report dated November 16, 2010, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and on 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Foundation taken as a whole. The supplemental information included herein is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Shampton Brunson & Company P.A.

November 16, 2010



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

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2010

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 31,826
Noncurrent Assets:	
Endowment investment - certificate of deposit	<u>14,500</u>
Total assets	<u>\$ 46,326</u>

LIABILITIES AND NET ASSETS

Liabilities	<u>\$ -</u>
Net Assets:	
Unrestricted:	
Designated for contingencies	4,000
Undesignated	<u>26,326</u>
Total unrestricted	30,326
Temporarily restricted	1,500
Permanently restricted	<u>14,500</u>
Total net assets	<u>46,326</u>
Total liabilities and net assets	<u>\$ 46,326</u>

See notes to financial statements.

DADE SCHOOLS ATHLETIC FOUNDATION, INC.

(A Direct Support Organization)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and Support:				
Golf tournament	\$ 50,000	\$ -	\$ -	\$ 50,000
Scholarships	8,000	-	-	8,000
Scholar athlete luncheon	13,604	-	-	13,604
General contributions (including in-kind)	9,031	1,350	3,000	13,381
Donated services	10,000	-	-	10,000
Investment earnings	3	50	-	53
Net assets released from	50	(50)	-	-
Total revenues and support	<u>90,688</u>	<u>1,350</u>	<u>3,000</u>	<u>95,038</u>
Expenses:				
Program services:				
Athletic programs	38,500	-	-	38,500
Scholarships	8,000	-	-	8,000
Scholar athlete luncheon	7,321	-	-	7,321
Total program services	<u>53,821</u>	<u>-</u>	<u>-</u>	<u>53,821</u>
Supporting services:				
Fundraising	2,800	-	-	2,800
Management and general	12,048	-	-	12,048
Total supporting services	<u>14,848</u>	<u>-</u>	<u>-</u>	<u>14,848</u>
Total expenses	<u>68,669</u>	<u>-</u>	<u>-</u>	<u>68,669</u>
Change in Net Assets	22,019	1,350	3,000	26,369
Net Assets, Beginning	<u>8,307</u>	<u>150</u>	<u>11,500</u>	<u>19,957</u>
Net Assets, Ending	<u>\$ 30,326</u>	<u>\$ 1,500</u>	<u>\$ 14,500</u>	<u>\$ 46,326</u>

See notes to financial statements.

DADE SCHOOLS ATHLETIC FOUNDATION, INC.

(A Direct Support Organization)

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2010

Cash Flows from Operating Activities:	
Change in net assets	\$ 26,369
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Decrease in:	
Contribution receivable	500
Decrease in:	
Accounts payable	(481)
Contributions restricted for long-term purposes	<u>3,000</u>
Net cash provided by operating activities	29,388
Cash Flows from Investing Activities:	
Purchase of certificate of deposit	<u>(3,000)</u>
Net Increase in Cash and Cash Equivalents	26,388
Cash and Cash Equivalents (Including Restricted), Beginning	<u>19,938</u>
Cash and Cash Equivalents (Including Restricted), Ending	<u>\$ 46,326</u>
Reconciliation of Cash and Cash Equivalents to Statement of Financial Position:	
Cash and cash equivalents	\$ 31,826
Endowment investment - certificate of deposit	<u>14,500</u>
	<u>\$ 46,326</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, 2010

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 scholarship athletes' luncheon.

Scholarships

Annually, the Foundation awards a scholarship to one high school female scholar athlete and one high school male scholar athlete. 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.
(A Direct Support Organization)

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.

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 for its excess operating needs and for its endowment fund.

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 income or loss (including realized 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.

Income Taxes

The Foundation is exempt from income taxes under the Internal Revenue Code Section 501(c)(3) except that unrelated business income is taxable. The Foundation had no unrelated business income during the year ended June 30, 2010.

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.

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)

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.

Subsequent Events

Management has evaluated subsequent events to determine if events or transactions occurring through November 16, 2010 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 a contribution received for middle school athletics. See permanently restricted net assets described below.

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 2. RESTRICTED NET ASSETS (Continued)

Permanently Restricted Net Assets

Permanently restricted net assets of \$14,500 represent endowment funds received by the Foundation for middle school athletics which was placed in a low risk interest bearing financial instrument. Donor stipulations do not allow the Foundation access to these funds unless approved in special circumstances by the donor; however, interest earned can be used for middle school athletic programs. Therefore, interest earned on these funds is recorded as temporarily restricted revenue. For the year ended June 30, 2010, interest earned on endowment funds was approximately \$150.

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:

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.

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

NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2010:

	<u>Fair Value Measurement Using:</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificate of Deposit	<u>\$ 14,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,500</u>

Level 1 – This includes a certificate of deposit which is valued using quoted market prices in an active market.

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.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the Florida Uniform Management of Institutional Funds Act (FUMIFA) 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, 2010, endowment net assets consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Endowment Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,500</u>	<u>\$ 14,500</u>

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4. ENDOWMENTS (Continued)

Interpretation of Relevant Law

Changes in endowment net assets for the fiscal year ended June 30, 2010 are as follows:

	<u>Permanently Restricted</u>
Endowment Net Assets, July 1, 2009	\$ 11,500
Endowment Investment Return:	
Interest and dividends	50
Realized and unrealized gains and losses	-
Total endowment investment return	50
Contributions	3,000
Appropriation of Endowment for Expenditures	(50)
Change in Endowment Net Assets	3,000
Endowment net assets, June 30, 2010	\$ 14,500

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, 2010, there were no endowment funds with deficiencies.

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.

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

NOTE 4. ENDOWMENTS (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

During fiscal year ended June 30, 2010, the Foundation's policy for appropriating for distribution from the endowment was to make available all accumulated earnings in the endowment without invading the donor contributions to the endowment.

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

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2010

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

SCHEDULE OF MANAGEMENT AND GENERAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2010

Accounting Fees	\$ 10,000
Bank Charges	239
Office Expense	<u>1,809</u>
	<u>\$ 12,048</u>

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

COMPLIANCE REPORT

FOR THE YEAR ENDED JUNE 30, 2010



SHARPTON, BRUNSON & COMPANY, P.A.

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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, 2010, and have issued our report thereon dated November 16, 2010. 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 Foundation's internal control over financial reporting.

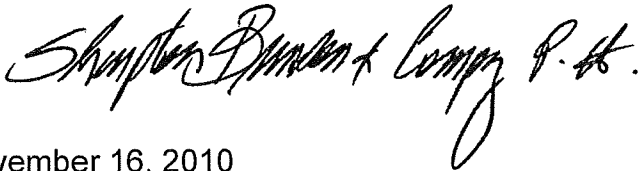
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.



November 16, 2010



**DADE SCHOOLS ATHLETIC FOUNDATION, INC.
OBSERVATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2010**

Current Year Observations 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.