

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

FINANCIAL STATEMENTS

JUNE 30, 2008

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, 2008, 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 audits.

We conducted our audits 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 the Dade Schools Athletic Foundation, Inc. as of June 30, 2008, the results of its operations, 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 our report dated October 31, 2008 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 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.

October 31, 2008

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

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2008

ASSETS

Current Assets:

Cash and cash equivalents	\$ <u>7,905</u>
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Noncurrent assets:

Equipment, net	52
Endowment investment - certificate of deposit	<u>11,500</u>
Total assets	<u>\$19,457</u>

NET ASSETS

Net Assets:

Unrestricted:

Designated for contingencies	\$ 4,000
Undesignated	<u>2,338</u>
Total unrestricted	6,338
Temporarily restricted	1,619
Permanently restricted	<u>11,500</u>
Total net assets	<u>\$19,457</u>

See notes to financial statements.

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
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STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and Support:				
Golf tournament	\$ 48,006	\$ -	\$ -	\$ 48,006
Scholarships	5,000	-	-	5,000
Scholar athlete luncheon	8,150	-	-	8,150
General contributions	12,244	-	1,000	13,244
Donated services	10,000	-	-	10,000
Interest	-	467	-	467
Net assets released from restrictions	1,595	(1,595)	-	-
Total revenues and support	<u>84,995</u>	<u>(1,128)</u>	<u>1,000</u>	<u>84,867</u>
Expenses:				
Program services:				
Athletic programs	30,595	-	-	30,595
Scholarships	5,000	-	-	5,000
Total program services	<u>35,595</u>	<u>-</u>	<u>-</u>	<u>35,595</u>
Supporting services:				
Fundraising	32,754	-	-	32,754
Management and general	23,798	-	-	23,798
Total supporting services	<u>56,552</u>	<u>-</u>	<u>-</u>	<u>56,552</u>
Total expenses	<u>92,147</u>	<u>-</u>	<u>-</u>	<u>92,147</u>
Change in Net Assets	<u>(7,152)</u>	<u>(1,128)</u>	<u>1,000</u>	<u>(7,280)</u>
Net Assets, Beginning	8,578	2,159	16,000	26,737
Prior Period Adjustment (Note 4)	<u>4,912</u>	<u>588</u>	<u>(5,500)</u>	<u>-</u>
Net Assets, Beginning, as Restated	<u>13,490</u>	<u>2,747</u>	<u>10,500</u>	<u>26,737</u>
Net Assets, Ending	<u>\$ 6,338</u>	<u>\$ 1,619</u>	<u>\$ 11,500</u>	<u>\$ 19,457</u>

See notes to financial statements.

DADE SCHOOLS ATHLETIC FOUNDATION, INC.
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STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2008

Cash Flows from Operating Activities:	
Change in net assets	\$(7,280)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	628
Changes in operating assets and liabilities:	
Decrease in:	
Contributions receivable	1,000
Decrease in:	
Accounts payable	<u>(1,862)</u>
Net cash used by operating activities	<u>(7,514)</u>
Cash Flows from Investing Activities:	
Contribution to endowment	<u>1,000</u>
Net Decrease in Cash and Cash Equivalents	(6,514)
Cash and Cash Equivalents, Beginning, as Restated (Note 4)	<u>14,419</u>
Cash and Cash Equivalents, Ending	<u>\$ 7,905</u>

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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.

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 (FASB) in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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.

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 funds. The endowment investment is not classified as a cash equivalent.

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)

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, 2008.

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 with SFAS No. 116, *Accounting 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 SFAS No. 116, *Accounting 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 2. EQUIPMENT

Equipment consists of the following as of June 30, 2008:

Computer equipment	\$ 1,883
Less accumulated depreciation	<u>(1,831)</u>
	<u>\$ 52</u>

Depreciation expense was \$628 for the year ended June 30, 2008.

NOTE 3. RESTRICTED NET ASSETS

Temporarily Restricted Net Assets

As of June 30, 2008, the remaining balance of \$1,619 is presented as a temporarily restricted net asset and can only be used for the athletic programs.

Permanently Restricted Net Assets

Permanently restricted net assets of \$11,500 represent endowment funds received by the Foundation for middle school athletics for deposit in low risk interest bearing financial instruments. 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, 2008, interest earned on endowment funds was approximately \$467.

NOTE 4. PRIOR PERIOD ADJUSTMENT

In prior years, the Foundation was accounted for following the requirements of the Governmental Accounting Standards Board Pronouncements. It was determined that the requirements of the Financial Accounting Standards Board Pronouncements should have been followed. Therefore, a prior period adjustment is presented on the statement of activities to reflect this change to the beginning net assets classifications. In addition, cash and cash equivalents in prior years included a restricted endowment investment. This investment is now separately presented on the statement of financial position and this also affected the presentation on the statement of cash flows.



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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. (the "Foundation") as of and for the year ended June 30, 2008 and have issued our report thereon dated October 31, 2008. 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 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 organization'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 the Board of Directors of the Foundation, management, and 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.



October 31, 2008



DADE SCHOOLS ATHLETIC FOUNDATION, INC.
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FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2008

Current Year Findings and Responses

There are no current year findings and responses to report.

Status of Prior Year Findings and Responses

There are no prior year findings and responses to report.