

Maria T. Gonzalez, Chief Auditor
Office of Management and Compliance Audits

**SUBJECT: AUDITED FINANCIAL STATEMENTS OF THE FOUNDATION
FOR NEW EDUCATION INITIATIVES, INC. AND INDEPENDENT
AUDITOR’S REPORT FOR THE YEAR ENDED JUNE 30, 2019**

COMMITTEE: FISCAL ACCOUNTABILITY AND GOVERNMENT RELATIONS

**LINK TO STRATEGIC
BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

The financial statements of the Foundation for New Education Initiatives, Inc. (the “Foundation”) for the year ended June 30, 2019, were audited by the external audit firm of Verdeja, De Armas & Trujillo, Certified Public Accountants and Advisors. The Foundation is a not-for-profit corporation organized and operated as a Miami-Dade County School Board’s Direct-Support Organization. The Foundation’s annual audit is required by State Board of Education Rule 6A-1.0013 and pursuant to Florida Statute 1.001.453(4) and School Board Policy 9215.

In the independent auditor’s report, the external auditor concluded that, in his opinion, “...the financial statements...present fairly, in all material respects, the financial position of [the] Foundation for New Education Initiatives, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.” This language constitutes an unmodified opinion, which is the strongest opinion that can be assigned to a financial statement audit.

During their consideration of internal control over financial reporting, the auditors did not identify any deficiencies in internal control considered to be material weaknesses. During their tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, audit results disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. No findings were reported.

As of June 30, 2019, the Foundation’s financials reported total net assets of approximately \$3 million, which represents an increase from the prior year of approximately \$480,000, or close to 20 percent. In addition, total revenues reported at June 30, 2019, were approximately \$6 million, of which approximately 60 percent generated from local grant funds.

Total expenditures for program services (intended to enhance educational and cultural experiences of students) amounted to approximately \$4.7 million, or 86 percent of total expenditures; while expenditures for supporting services (which included general/administrative and fundraising) were approximately \$790,400, or 14 percent of total expenditures.

The School Board Audit and Budget Advisory Committee will review these financial statements at its February 4, 2020, meeting to consider its transmission to the School Board.

Copies of these financial statements will be distributed and placed on file in the Office of the Recording Secretary to the School Board and in the Citizen Information Center. Additional copies will be provided upon request.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, receive and file the Audited Financial Statements of the Foundation for New Education Initiatives, Inc. and Independent Auditor's Report for the Year Ended June 30, 2019.

MTG:em