

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, 2018**

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 (the “Foundation”) for the year ended June 30, 2018, 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).

In the independent auditors’ report, the external auditors concluded that, in their 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, 2018, 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 (otherwise referred to as a clean opinion).

Although in their report, the external auditors issued a clean opinion and did not cite any audit findings, they disclosed under “Other Matter” a prior period adjustment to the 2017 financial statements to properly state deferred revenue as of June 30, 2018. They also disclosed the review-in-progress of the contract terms of a pass-through grant received from Miami-Dade County (related to the Children’s Trust), to determine whether the Foundation had complied with the grant’s contract terms. That review concluded after the date of issuance of the external (independent) auditors’ report, and the contract terms were amended to resolve the matter.

Total net assets at year-end were approximately \$2.52 million, which represents an increase from the prior year of approximately \$773,000, or close to 45 percent. In addition, total revenues reported at June 30, 2018, were almost \$5.95 million, of which approximately 60 percent generated from local grant funds.

E-87

Total expenditures for program services (intended to enhance educational and cultural experiences of students) amounted to approximately \$4.82 million, or 93 percent of total expenditures; while expenditures for supporting services were approximately \$349,400, or close to 7 percent of total expenditures.

The School Board Audit and Budget Advisory Committee reviewed these financial statements at its May 14, 2019, meeting and recommended its transmission to the School Board.

Copies of these financial statements were 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, 2018.

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