

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, 2020**

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, 2020, 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, 2020, 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 (refer to *Opinion* on page 2).

Although in their report, the external auditors issued an unmodified opinion; did not identify any deficiencies in internal control considered to be material weaknesses; did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*; and did not cite any audit findings, in the report’s *Notes to the Financial Statements’ Note 11 - Subsequent Event*, the external auditors disclosed that “the Organization received a \$1,500,000 donation from a vendor of Miami Dade County Public Schools. Such donation is currently under review by the Office of Inspector General. No decision has been made at the date of these financial statements as to the use of these funds or whether they will be returned.”

E-88

Note 12 - COVID-19 addresses the COVID-19 pandemic's worldwide economic disruption, and its effect on future operational, funding and contribution changes or delays as result of this virus.

As of June 30, 2020, the Foundation's financials reported total net assets of approximately \$2.5 million, which represents a decrease from the prior year of approximately \$490,000, or close to 16 percent. In addition, total revenues reported at June 30, 2020, were approximately \$6.2 million, of which 52 percent generated from local grant funds.

Total expenditures for program services (intended to enhance educational and cultural experiences of students) amounted to approximately \$5.7 million, or 85 percent of total expenditures; while expenditures for supporting services (which included general/administrative and fundraising) were approximately \$884,970, or 13 percent of total expenditures.

The School Board Audit and Budget Advisory Committee will review these financial statements at its February 2, 2021, 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.

The report may be accessed at:

http://mca.dadeschools.net/AuditCommittee/AC_February_2_2021/Item6.pdf

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, 2020.

MTG:em