

**FOUNDATION FOR NEW EDUCATION
INITIATIVES, INC.**

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
JUNE 30, 2020

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Verdeja • De Armas • Trujillo
 Certified Public Accountants and Advisors



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INDEPENDENT AUDITOR’S REPORT

Board of Directors
 Foundation for New Education Initiatives, Inc.
 Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Foundation for New Education Initiatives, Inc. (the “Foundation”) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

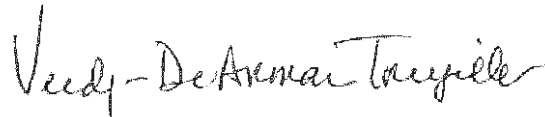
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2021, on our consideration of Foundation for New Education Initiatives, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Foundation for New Education Initiatives, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foundation for New Education Initiatives, Inc.'s internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
January 16, 2021

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

Cash and cash equivalents, partially restricted	\$ 4,089,231
Cash: money market	224,146
Accounts receivable, partially restricted	137,996
TOTAL ASSETS	<u>\$ 4,451,373</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 39,738
Deferred revenues	1,875,000
Note payable	30,675
TOTAL LIABILITIES	<u>1,945,413</u>

Net assets:	
Net assets without donor restrictions	461,473
Net assets with donor restrictions	2,044,487
TOTAL NET ASSETS	<u>2,505,960</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,451,373</u>

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 826,408	\$ 2,080,667	\$ 2,907,075
Local grants	3,184,337	-	3,184,337
Interest income	6,821	-	6,821
In-kind contributions	70,703	-	70,703
Net assets released from restrictions	1,760,393	(1,760,393)	-
TOTAL SUPPORT AND REVENUE	<u>5,848,662</u>	<u>320,274</u>	<u>6,168,936</u>
EXPENSES			
Program services:			
Youth Programs	\$ 5,684,590	\$ -	\$ 5,684,590
District event	90,605	-	90,605
TOTAL PROGRAM SERVICES	<u>5,775,195</u>	<u>-</u>	<u>5,775,195</u>
Supporting services:			
General and Administrative	331,600	-	331,600
Fundraising	553,370	-	553,370
TOTAL SUPPORTING SERVICES	<u>884,970</u>	<u>-</u>	<u>884,970</u>
TOTAL EXPENSES	<u>6,660,165</u>	<u>-</u>	<u>6,660,165</u>
CHANGE IN NET ASSETS	(811,503)	320,274	(491,229)
NET ASSETS, at beginning of year	<u>1,272,976</u>	<u>1,724,213</u>	<u>2,997,189</u>
NET ASSETS, at end of year	<u>\$ 461,473</u>	<u>\$ 2,044,487</u>	<u>\$ 2,505,960</u>

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services		Supporting Services		Total
	Program expenses	District Event	General & Administrative	Fundraising	
Youth Programs	\$ 5,277,246	\$ 90,605	\$ 16,959	\$ -	\$ 5,384,810
Salaries, taxes & benefits	-	-	172,578	-	172,578
Professional fees	-	-	31,403	-	31,403
Advertising & promotion	-	-	11,000	-	11,000
Office/Supplies	36,944	-	3,597	-	40,541
Technology	275,162	-	1,692	-	276,854
Insurance	-	-	2,668	-	2,668
Special events	95,238	-	-	553,370	648,608
Bad debt expense	-	-	21,000	-	21,000
In-kind support	-	-	70,703	-	70,703
TOTALS	\$ 5,684,590	\$ 90,605	\$ 331,600	\$ 553,370	\$ 6,660,165

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOW FROM OPERATING ACTIVITIES	
Change in net assets	\$ (491,229)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Provision for bad debt	21,000
Decrease in operating assets:	
Decrease in accounts receivable	109,687
(Decrease) Increase in operating liabilities:	
Decrease in accounts payable and accrued expenses	(194,553)
Increase in deferred revenue	1,875,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,319,905</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from note payable	<u>30,675</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>30,675</u>
NET INCREASE IN CASH AND EQUIVALENTS	1,350,580
CASH AND EQUIVALENTS, beginning of year	<u>2,962,797</u>
CASH AND EQUIVALENTS, end of year	<u>\$ 4,313,377</u>
Cash and cash equivalents, partially restricted	\$ 4,089,231
Cash: money market	<u>224,146</u>
Cash and cash equivalents, end of year	<u>\$ 4,313,377</u>

pThe accompanying notes are an integral part of these financial statements.

**FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1 – NATURE OF ACTIVITIES

Foundation for New Education Initiatives, Inc. (the “Foundation”), a not-for-profit corporation, was incorporated under the laws of the state of Florida in April 2008 and began operations on November 24, 2008. The Foundation seeks to enhance student achievement and community engagement in support of educational initiatives of Miami-Dade County Public Schools. The Foundation supports initiatives such as the Summer Youth Internship Program, the Together For Children Program and the Cultural Passport program, equipping needy students and classrooms in poor schools with wireless devices, plus many other valuable programs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Basis of Presentation

Resources are classified for accounting and reporting purposes into two classes of net assets, according to externally imposed restrictions:

- Net assets without donor restrictions: The portion of the net assets of the Foundation that can be used subject to the broad limits resulting from the nature of the organization, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by the Foundation in the normal course of business. The Foundation has the greatest ability to choose when using these resources. Net assets without donor restrictions generally result from contributions that are not subject to donor-imposed restrictions. As of June 30, 2020, the Foundation had \$461,473 in net assets without donor restrictions.
- Net asset with donor restrictions: The portions of net assets of the Foundation that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Foundation’s choices when using these resources because the Foundation has a fiduciary responsibility to its donors to follow the donors instructions. Net assets with donor restrictions generally result from donor-restricted contributions. As of June 30, 2020, the Foundation had \$2,044,487 in net assets with donor restrictions.

Program Services/Assets with Donor Restrictions

Program services represent various established programs that meet the Foundation's purpose of fostering improved education and cultural experiences for all students attending Miami-Dade County Public Schools. Funds raised for each of the programs below are restricted until expended for the applicable programs:

Cultural Passport: The Cultural Passport is an education initiative in partnership with Miami- Dade’s various arts and cultural institutions, to provide all K-12 students with a different age-appropriate cultural experience each school year. Support is provided for transportation, venue admission fees, curriculum and professional development, and other operational needs.

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summer Youth Internship Program: is a collaboration between Miami-Dade County, The Children's Trust, Miami-Dade County Public Schools, Career Source South Florida, Royal Caribbean Cruise Line, JP Morgan, Chase and the Foundation for New Education Initiatives to provide paid summer internships for youth across the county. The unique structure of the summer internship program included parent, student and employer orientations across the county, online training for interns, training curriculum including weekly assignments, and an online interface called GetMyInterns.org, which was used to match interns with employers. Additionally, all interns and employers were supported with instructional coaches throughout the five-week internship period. This internship program provided a meaningful employment opportunity for Miami-Dade County's youth.

College Tour: Provides support to the College Tour Institute which provides students an opportunity to prepare for college by visiting college campuses.

College Assistance Program (CAP): The College Assistance Program is an advisory program in the Miami Dade County Public Schools. CAP provides full time service in every senior high school. The purpose of the CAP school advisory program is to guide students and their parents through the college admission and financial aid processes. CAP advisors in the schools help students find appropriate post-secondary institutions, apply for admission, and apply for financial aid and scholarships.

Posse Foundation: Through the Posse Foundation, deserving students are awarded four-year, full tuition leadership scholarships by partner universities and colleges in the United States. Students are sent to colleges and universities in a "Posse," a group of ten students. Each Posse acts as a traveling support system to ensure that each Posse scholar succeeds and graduates from college.

Together for Children: An innovative collaboration between government, education, business, law enforcement, and justice entities, along with community-based Foundations, faith-based institutions, individual community members and investment partners. The mission of Together for Children is to leverage resources, experience and ideas to create data driven, neighborhood action plans to prevent youth violence.

Other Programs: Assisting Families in Need: Referrals, monetary, and other types of aid for students and their families in crisis.

Revenue Recognition

The Foundation recognizes contributions when an unconditional promise to give is received. Conditional promises to give, with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions are recorded as with donor restrictions or without donor restrictions, depending on the existence or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Restrictions on gifts to acquire long lived assets are considered met in the period in which the assets are acquired or placed into service.

A portion of the Foundation's revenue is derived from cost-reimbursable state and local grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

**FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Foundation considers all highly liquid financial instruments with maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable consist primarily of amounts owed to the Foundation for program expenses. Accounts receivable are stated at the amount management expects to collect from outstanding balances and contractual agreements. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. The Foundation does not believe they need an allowance for uncollectible accounts receivable as of June 30, 2020.

Deferred Revenue

Revenues from program fees are recognized over the terms of the program, and period of service provided. Amounts collected in advance but unearned are reflected in the statement of financial position as deferred revenue (See Note 5).

Concentration of Credit Risk

Cash and cash equivalents are exposed to credit risks. The Foundation maintains its cash and cash equivalents in bank deposit accounts that, at times, may exceed federally insured limits. To minimize risk, the Foundation's cash accounts are placed with high credit quality financial institutions. The Foundation regularly evaluates its depository arrangements.

Income Taxes

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Foundation other than a private foundation under Section 509(a)(2).

There are no reserves held for uncertain tax positions at June 30, 2020. Tax years that are open under the statute of limitations remain subject to examination by the IRS.

In-Kind Contributions

In-kind contributions of student transportation, venue admission fees, curriculum and professional development, and other operational needs as well as donated personnel related costs received from Miami-Dade County Public Schools and donated professional services from third parties are properly included in the accompanying statement of activities at their estimated fair market values at the date of receipt. In-kind contributions for the year ended June 30, 2020 was \$70,703. This amount is included in management and general under supporting services in the statement of activities.

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Foundation has evaluated subsequent events through January 16, 2020, which is the date the financial statements were available to be issued (See notes 11 and 12).

Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU replaces nearly all existing U.S. GAAP guidance on revenue recognition. In June 2020, the FASB issued ASU No. 2020-05, Revenue from Contracts with Customers: Topic 606: Effective Dates for Certain Entities. This standard delays the effective date for non-public entities to fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization is evaluating the impact the pronouncement may have on the financial statements.

The Organization has adopted the FASB Accounting Standards Update (ASU) No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made during the year ended June 30 2020. The ASU provides guidance in evaluating whether transactions should be accounted for as contributions or exchanges. In addition, the update introduces the concept of barriers in providing additional guidance on identifying conditions that would preclude the recognition of a contribution as revenue. The adoption of this standard did not result in any changes to the financial statements of the Organization for the year ended June 30, 2020.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2020 consists of the following:

Miami Dade County	\$ 110,996
Other receivables, net	27,000
	<u>\$ 137,996</u>

NOTE 4 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts Payable and accrued expenses as of June 30, 2020 consists of the following:

The School Board of Miami Dade County	\$ 20,050
Other payables	19,688
	<u>\$ 39,738</u>

NOTE 5 – DEFERRED REVENUE

The Foundation received revenues not yet earned relating to the 2020 Summer Youth Internship Program. At June 30, 2020, deferred revenue consists of the following:

Miami Dade County	\$ 1,875,000
	<u>\$ 1,875,000</u>

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 6 – RELATED PARTIES

The recipients of the services offered by the Foundation are primarily students enrolled in Miami-Dade County Public Schools and their families. During fiscal year 2020, the Foundation expended approximately \$5,680,000 with the District and certain schools in the District for college assistance programs, scholarships for students, after school and summer youth programs and teacher incentives. The Chair of the School Board and Superintendent serve on the Board of Directors of the Foundation. Additionally, the Foundation's financial statements are included in the financial statements of the School Board.

NOTE 7 – CONCENTRATIONS

Approximately 52% of the Foundation's support for the year ended June 30, 2020, came from Miami-Dade County grants.

NOTE 8 – NET ASSETS WITH RESTRICTIONS

The balance in the net assets with restrictions at June 30, 2020, was \$2,044,487 and the assets are held in cash of \$1,933,491 and accounts receivable of \$110,996 in the Statement of Financial Position. The majority of these funds are for needy families.

NOTE 9 – FAIR VALUE MEASUREMENTS (Continued)

The Foundation classified its investments as of June 30, 2020, based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs were not available. The three-level valuation hierarchy is established for the measurement and disclosure of fair value. The valuation hierarchy is based upon the transparency of inputs used to measure fair value. The three levels are as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical investments that the entity has the ability to access at the measurement date.

Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the assets or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (that is, the inputs are supported by little or no market activity).

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020.

Money Market – consists of negotiable certificates of deposit (CDs), government securities, and commercial paper that offer higher yields than are generally found in savings accounts. Such amounts are included in cash and cash equivalents.

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 9 – FAIR VALUE MEASUREMENTS (Continued)

Assets	Fair Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash: money market	\$ 224,146	\$ 224,146	\$ -	\$ -

NOTE 10 - NOTE PAYABLE

In April 2020, the Foundation received loan proceeds in the amount of \$30,675 from the Paycheck Protection Program (PPP). The loan and accrued interest are forgivable after eight weeks or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week or twenty-four week period. The Foundation currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan. As of June 30, 2020, the School has reflected a liability in the amount of \$30,675.

NOTE 11 – SUBSEQUENT EVENT

Subsequent to year end, 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 the funds or whether they will be returned.

NOTE 12 – COVID-19

During the fiscal year ended June 30, 2020, the novel coronavirus (COVID-19) was declared a pandemic by the World Health Organization. The effect of the virus has been felt worldwide and has caused economic disruption. While the disruption caused by the virus is expected to be temporary, there is considerable uncertainty as to the duration. Therefore, it is too early to predict or reasonably estimate the financial impact of possible operational, funding and contribution changes or delays as a result of the virus. Nevertheless, the virus presents uncertainty and risk with respect to the Foundation’s operations and financial results.

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 13 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation monitors its liquidity in the efforts to meet its operating needs and other contractual commitments while maximizing the investment of any excess operating cash. The Foundation has \$2,406,886 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures.

	<u>June 30, 2020</u>
Financial assets:	
Cash and cash equivalents	\$ 4,089,231
Cash: money market	224,146
Accounts receivable	<u>137,996</u>
Financial assets, at year-end	<u>4,451,373</u>
Less those unavailable for general expenditure within one year due to:	
Donor imposed time or purpose restrictions	<u>2,044,487</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,406,886</u>

SUPPLEMENTARY INFORMATION



Verdeja • De Armas • Trujillo
 Certified Public Accountants and Advisors



Mámy Alvarez, C.P.A.
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 Pedro M. De Armas, C.P.A.
 Edil E. Santos Moya, C.P.A.
 Alejandro R. Trujillo, C.P.A.
 Octavio A. Verdeja, C.P.A.
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Graeme F. Verdeja, Founder - 1971

Michelle del Sol, C.P.A.
 Cristy C. Rubio, C.P.A.
 Tommy Trujillo, C.P.A.
 Javier Verdeja, C.P.A.

**INDEPENDENT AUDITOR’S REPORT
 ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN
 AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
 AUDITING STANDARDS**

Board of Directors
 Foundation for New Education Initiatives, Inc.
 Miami, Florida

We have audited, in accordance with the 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, the financial statements of Foundation for New Education Initiatives (the “Foundation”) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Foundation’s internal control.

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 a 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
January 16, 2021