

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

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Armando Aburto, C.P.A.
Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Lisset I. Cascudo, C.P.A.
Michelle del Sol, C.F.E., C.P.A.
Elizabeth Jarvis, C.P.A.
Cristy C. Rubio, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

Opinion

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, 2023, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2023, and the changes in net assets, cash flows and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 28, 2023

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

| | |
|---|----------------------------|
| Cash and cash equivalents, partially restricted | \$ 4,455,110 |
| Cash money market | 493,555 |
| Accounts receivable | 22,890 |
| TOTAL ASSETS | <u><u>\$ 4,971,555</u></u> |

LIABILITIES AND NET ASSETS

| | |
|---|----------------------------|
| Liabilities: | |
| Accounts payable and accrued expenses | \$ 122,245 |
| Deferred revenue | 3,072,103 |
| TOTAL LIABILITIES | <u><u>3,194,348</u></u> |
| Net assets: | |
| Net assets without donor restrictions | 481,965 |
| Net assets with donor restrictions | 1,295,242 |
| TOTAL NET ASSETS | <u><u>1,777,207</u></u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 4,971,555</u></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, 2023

| | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total |
|---------------------------------------|---|--|------------------|
| REVENUE AND SUPPORT | | | |
| Contributions | \$ - | \$ 482,218 | \$ 482,218 |
| Local grants | - | 3,174,754 | 3,174,754 |
| Special events, net | 353,576 | - | 353,576 |
| Interest income | 9,938 | - | 9,938 |
| In-kind contributions | 42,797 | - | 42,797 |
| Net assets released from restrictions | 4,145,173 | (4,145,173) | - |
| TOTAL REVENUE AND SUPPORT | 4,551,484 | (488,201) | 4,063,283 |
| EXPENSES | | | |
| Program services: | | | |
| Programs | 3,912,662 | - | 3,912,662 |
| District event | 221,295 | - | 221,295 |
| TOTAL PROGRAM SERVICES | 4,133,957 | - | 4,133,957 |
| Supporting services: | | | |
| General and administrative | 281,034 | - | 281,034 |
| Fundraising | 43,166 | - | 43,166 |
| TOTAL SUPPORTING SERVICES | 324,200 | - | 324,200 |
| TOTAL EXPENSES | 4,458,157 | - | 4,458,157 |
| CHANGE IN NET ASSETS | 93,327 | (488,201) | (394,874) |
| NET ASSETS, at beginning of year | 388,638 | 1,783,443 | 2,172,081 |
| NET ASSETS, at end of year | \$ 481,965 | \$ 1,295,242 | \$ 1,777,207 |

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, 2023

| | <u>Program Services</u> | | <u>Supporting Services</u> | | <u>Total</u> |
|----------------------------|-------------------------|-----------------------|-------------------------------------|--------------------|---------------------|
| | <u>Program Expenses</u> | <u>District Event</u> | <u>General & Administrative</u> | <u>Fundraising</u> | |
| Programs | \$ 3,826,331 | \$ 221,295 | \$ 59,527 | \$ - | \$ 4,107,153 |
| Salaries, taxes & benefits | 86,331 | - | 78,263 | 43,166 | 207,760 |
| Professional fees | - | - | 45,136 | - | 45,136 |
| Advertising & promotion | - | - | 35,552 | - | 35,552 |
| Office/Supplies | - | - | 4,624 | - | 4,624 |
| Technology | - | - | 2,691 | - | 2,691 |
| Insurance | - | - | 2,444 | - | 2,444 |
| Bad debt expense | - | - | 10,000 | - | 10,000 |
| In-kind support | - | - | 42,797 | - | 42,797 |
| TOTALS | <u>\$ 3,912,662</u> | <u>\$ 221,295</u> | <u>\$ 281,034</u> | <u>\$ 43,166</u> | <u>\$ 4,458,157</u> |

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, 2023

| | |
|--|---------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | |
| Change in net assets | \$ (394,874) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Provision for bad debt | 10,000 |
| Increase in operating assets: | |
| Increase in accounts receivable | (21,020) |
| Increase (Decrease) in operating liabilities: | |
| (Decrease) in accounts payable and accrued expenses | (60,506) |
| Increase in deferred revenue | 672,103 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>205,703</u> |
| NET INCREASE IN CASH AND EQUIVALENTS | 205,703 |
| CASH AND EQUIVALENTS, at beginning of year | <u>4,742,962</u> |
| CASH AND EQUIVALENTS, at end of year | <u>\$ 4,948,665</u> |
| | |
| Cash and cash equivalents, partially restricted | \$ 4,455,110 |
| Cash: money market | <u>493,555</u> |
| Cash and cash equivalents, end of year | <u>\$ 4,948,665</u> |

The 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, 2023**

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 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, 2023, the Foundation had \$500,123 in net assets without donor restrictions.
- Net assets 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, 2023, the Foundation had \$1,277,084 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, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summer Youth Internship Program: The Summer Youth Internship Program is a collaboration between Miami-Dade County, The Children’s Trust, Miami-Dade County Public Schools, Career Source South Florida 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 includes 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 is used to match interns with employers. Additionally, all interns and employers are 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 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.

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.

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.

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 consists primarily of amounts owed to the Foundation for program expenses. Accounts receivable is 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, 2023.

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 3).

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 a foundation other than a private foundation under Section 509(a)(2).

There are no reserves held for uncertain tax positions at June 30, 2023. 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, 2023 was \$42,797. This amount is included in management and general under supporting services in the statement of activities.

Subsequent Events

The Foundation has evaluated subsequent events through September 28, 2023, which is the date the financial statements were available to be issued.

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 – DEFERRED REVENUE

The Foundation received revenues not yet earned relating to the 2023 Summer Youth Internship Program. At June 30, 2023, deferred revenue consists of the following:

| | |
|-----------------------|---------------------|
| Miami Dade County | \$ 2,122,103 |
| Other Deferred Income | 950,000 |
| | <u>\$ 3,072,103</u> |

NOTE 4 – 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 2023, the Foundation expended approximately \$4,050,000 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 5 – CONCENTRATIONS

Approximately 77% of the Foundation’s support for the year ended June 30, 2023, came from Miami-Dade County grants.

NOTE 6 – NET ASSETS WITH RESTRICTIONS

The balance in the net assets with restrictions at June 30, 2023, was \$1,277,084 held in cash in the Statement of Financial Position. The majority of these funds are for needy families.

NOTE 7 – 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 \$3,694,471 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures.

| | |
|--|----------------------|
| | <u>June 30, 2023</u> |
| Financial assets: | |
| Cash and cash equivalents | \$ 4,455,110 |
| Cash: money market | 493,555 |
| Accounts receivable | 22,890 |
| Financial assets, at year-end | <u>4,971,555</u> |
| Less those unavailable for general expenditure within one year due to: | |
| Donor imposed time or purpose restrictions | <u>(1,277,084)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 3,694,471</u> |

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 – RISK AND UNCERTAINTY

Securities and investments are exposed to interest, market and credit risk. These securities and investments may change in value and as such can affect the carrying/fair value of the investments. Investments in certain cash, bonds, and securities are not insured by the FDIC. The financial markets are subject to considerable volatility. Accordingly, the value of investments held, as reflected in these financial statements, may be affected.

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR’S 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*

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, 2023, 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 September 28, 2023.

Report on 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) as a basis for designing 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.

Report on 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
September 28, 2023