

FINANCIAL STATEMENTS

The Foundation for New Education Initiatives, Inc.

For the Years Ended June 30, 2011 and 2010

With Report of Independent Certified Public Accountants



C Borders-Byrd, CPA LLC
Accountants and Consultants

The Foundation for New Education Initiatives, Inc.

Financial Statements

For the Years Ended June 30, 2011 and 2010

Contents

Report of Independent Certified Public Accountants	1
Financial Statements	
Statements of Financial Position.....	2
Statements of Activities	3
Statements of Cash Flows	5
Notes to Financial Statements.....	6
Supplementary Information	
Listing of Members of Board of Directors (UNAUDITED).....	12



Report of Independent Certified Public Accountants

To the Board of Directors of
The Foundation for New Education Initiatives, Inc.

We have audited the accompanying statements of financial position of The Foundation for New Education Initiatives, Inc. (a nonprofit organization, the Foundation) as of June 30, 2011 and 2010 and the related statements of activities and cash flows for years ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Foundation for New Education Initiatives, Inc. as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Listing of Members of the Board of Directors is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

C Borders-Byrd, CPA LLC

Miami, Florida
October 10, 2011

The Foundation for New Education Initiatives, Inc.
Statements of Financial Position

	June 30,	
	2011	2010
Assets		
Cash and cash equivalents	\$ 900,114	\$ 602,661
Unconditional promise to give from John S. and James L. Knight Foundation (less than one year)		
Restricted for The Parent Academy	-	600,000
Restricted for Cultural Passport	477,866	-
Accounts receivable	355,743	-
Total assets	\$1,733,723	\$1,202,661
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 84,077	\$ 515,767
Deferred revenue	10,000	-
Total liabilities	94,077	515,767
Net assets:		
Unrestricted net assets	98,661	29,387
Temporarily restricted net assets	1,540,985	657,507
Total net assets	1,639,646	686,894
Total liabilities and net assets	\$1,733,723	\$1,202,661

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

The Foundation for New Education Initiatives, Inc.
Statement of Activities

For the Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions	\$ 196,499	\$ 1,817,308	\$2,013,807
Interest income	2,967	-	2,967
In-kind contributions, Note 2	1,179,208		1,179,208
Net assets released from restrictions			
Satisfaction of purpose restrictions	<u>933,830</u>	<u>(933,830)</u>	<u>-</u>
Total support and revenue	<u>2,312,504</u>	<u>883,478</u>	<u>3,195,982</u>
Expenses:			
Program services:			
Cultural Passport	1,872,625	-	1,872,625
College Tour	79,722	-	79,722
Dial a Teacher	48,838	-	48,838
DA School Incentives	36,900	-	36,900
The Parent Academy	25,796	-	25,796
Other Programs	<u>65,233</u>	<u>-</u>	<u>65,233</u>
Total program services	<u>2,129,114</u>	<u>-</u>	<u>2,129,114</u>
Supporting services			
Management and general	16,043	-	16,043
Fundraising	<u>98,073</u>	<u>-</u>	<u>98,073</u>
Total expenses	<u>2,243,230</u>	<u>-</u>	<u>2,243,230</u>
Change in net assets	<u>69,274</u>	<u>883,478</u>	<u>952,752</u>
Net assets, beginning of period	<u>29,387</u>	<u>657,507</u>	<u>686,894</u>
Net assets, end of period	<u>\$ 98,661</u>	<u>\$ 1,540,985</u>	<u>\$ 1,639,646</u>

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

The Foundation for New Education Initiatives, Inc.
Statement of Activities

For the Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue:			
Contributions	\$ 109,452	\$ 1,825,907	\$ 1,935,359
Interest income	2,435	-	2,435
In-kind contributions, Note 2	64,917	-	64,917
Net assets released from restrictions			
Satisfaction of purpose restrictions	1,228,685	(1,228,685)	-
Total support and revenue	<u>1,405,489</u>	<u>597,222</u>	<u>2,002,711</u>
Expenses:			
Program Services:			
Parent Academy-Miami-Dade County Public Schools	613,796	-	613,796
Haiti Relief	268,344	-	268,344
Cultural Passport	247,831	-	247,831
DA Plan for Success Academy	40,010	-	40,010
Macy's School Supplies	36,985	-	36,985
Northwestern Professional Development	25,000	-	25,000
The Eddies	23,002	-	23,002
Other Programs	40,696	-	40,696
Total program services	<u>1,295,664</u>	<u>-</u>	<u>1,295,664</u>
Supporting Services			
Management and general	31,577	-	31,577
Fundraising	54,410	-	54,410
Total expenses	<u>1,381,651</u>	<u>-</u>	<u>1,381,651</u>
Change in net assets	<u>23,838</u>	<u>597,222</u>	<u>621,060</u>
Net assets, beginning of period	5,549	60,285	65,834
Net assets, end of period	<u>\$ 29,387</u>	<u>\$ 657,507</u>	<u>\$ 686,894</u>

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

The Foundation for New Education Initiatives, Inc.
Statements of Cash Flows

	For the Year Ended June 30	
	2011	2010
Cash flows from operating activities		
Change in net assets	\$ 952,752	\$ 621,060
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease in unconditional promise to give	122,134	(600,000)
Increase in accounts receivable	(355,743)	-
Decrease in accounts payable	(431,690)	514,799
Increase in deferred revenue	10,000	-
Net cash provided by operating activities	297,453	535,859
Cash flows from investing activities		
Net cash provided by investing activities	-	-
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Increase in cash	297,453	535,859
Cash and cash equivalents, beginning of period	602,661	66,802
Cash and cash equivalents, end of period	\$ 900,114	\$ 602,661

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

The Foundation for New Education Initiatives, Inc.

Notes to Financial Statements

June 30, 2011 and 2010

1. Nature of Activities

The Foundation for New Education Initiatives, Inc. (the Foundation), a nonprofit organization, was incorporated under the laws of the state of Florida in April 2008 and began operations on November 24, 2008. The Foundation was formed to foster improved education and cultural experiences for impoverished and underprivileged students attending Miami-Dade County Public Schools (the District). Foundation funds include moneys that have been received by the Foundation in support of its fundraising efforts and donations by the local business community.

Program Services

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

The Parent Academy-Miami-Dade County Public Schools: The Parent Academy is a year-round initiative to help parents become full partners in their child's education by providing free classes and workshops at more than 200 sites throughout the Miami-Dade County. This program is funded by the John S. and James L. Knight Foundation. The funds are passed through to the District for implementation of the program.

Cultural Passport: The Cultural Passport is an educational initiative that provides 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. This program is partially funded by a \$1 million grant award from the John S. and James L. Knight Foundation and approximately \$1.1 million in in-kind contributions from the community in partnership with Miami-Dade County's various arts and cultural institutions.

Haiti Relief: The District's Superintendent and Board Chair initiated various plans to assist Haiti following an earthquake that devastated parts of the island nation on January 12, 2010. Funds raised were distributed through two not-for-profits working in Haiti and to the District to defray the unexpected cost of integrating displaced Haitian students into the District's system.

DA Plan for Success Academy: Intensive weekend classes for 12 weeks are provided for students in struggling schools. The Foundation through the District provides four hours of small-group instruction in core subjects to prepare students for the Florida Comprehensive Assessment Test. Nutritious breakfasts are included.

The Foundation for New Education Initiatives, Inc.

Notes to Financial Statements (continued)

1. Nature of Activities (continued)

Dial-A-Teacher: An online, free service provided by M-DCPS, in cooperation with United Teachers of Dade and WLRN. Dial-A-Teacher offers homework help in most subject areas in grades K-12 and provides parents/guardians with assistance in helping their children complete homework assignments. Hours of operation are Monday through Thursday on school nights from 5:30 p.m. to 8:30 p.m. Bilingual assistance is available.

College Tour: To support the College Tour Institute which provides students an opportunity to prepare for college.

Macy's School Supplies: Macy's Charity Event gave Macy's shoppers a 20 percent discount on purchases when they donated \$5 for an exclusive all-day shopping pass. Macy's donated 100 percent of the proceeds from each shopping pass purchased to Miami-Dade County Public Schools for classroom supplies.

Northwestern Professional Development: This program represents targeted professional development for teachers to enhance student achievement in core subjects such as math, science and language arts. Critical student data determined teacher participation and assignment.

The Eddies: A community-sponsored recognition ceremony honoring Miami-Dade County Public Schools' top employees from a variety of employment categories.

Student and Parent Incentives: Students and parents who participated in the Superintendent's Success Academy tutoring initiative earned stipends for each tutoring session they attended.

Other Programs: Teacher Incentive Fund: to reward teachers in high-need schools who provide innovation and leadership to enhance student achievement and peer motivation. Assisting Families in Need: Referrals, monetary, and other types of aid for students and their families in crisis.

The Foundation for New Education Initiatives, Inc.

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Net assets and contributions are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation are classified and reported as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or passage of time.

Permanently Restricted – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for unrestricted or specific purposes.

Revenues are reported as increase in unrestricted net assets, unless use of the related assets is limited by donor-imposed purpose or time restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions recognized on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from temporarily restricted net assets to unrestricted net assets. Temporary restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are acquired or placed in service.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

The Foundation for New Education Initiatives, Inc.

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with an original maturity date of three months or less.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. Contributions are recognized as revenue in the period earned.

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 is 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, 2011 and 2010 were approximately \$1,179,208 and \$64,916, respectively. This amount is included in management and general (\$12,344 and \$26,925), fundraising (\$48,715 and \$37,991) and in program services \$1.1 million in 2011, respectively.

Additionally, in fiscal 2010, the Foundation received 210 laptop computers for distribution to Miami-Dade County Public Schools students from the District. The estimated value of these computers is \$210.

The Foundation for New Education Initiatives, Inc.

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Foundation has a tax determination letter from the Internal Revenue Service indicating that it is a tax-exempt organization as provided for in Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation. Therefore, it is exempt from Federal and state income taxes, except for taxes pertaining to unrelated business income. Accordingly, no provision for income taxes is provided for in the accompanying financial statements because the Foundation has had no significant unrelated business income.

3. Cash and Cash Equivalents

Cash and cash equivalents consists of amounts on deposit in a financial institution. Accounts at the financial institution are insured by the National Credit Union Share Insurance Fund up to \$250,000 of bank balance. During periods of fiscal 2011 and 2010, the balance on deposit with the financial institution exceeded the insured amount.

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 2011 and 2010, the Foundation expended approximately \$337,493 and \$827,000, respectively with the District and certain schools in the District for the Parent Academy, school supplies, student transportation and the impact of new students related to the Haiti disaster.

5. Functional Allocation of Expenses

The costs of providing program services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated between the program and supporting services.

6. Commitments and Contingencies

The Foundation has pledges outstanding to another foundation in the amount of \$60,000. Installments of \$30,000 annually are due in December 2010 and 2011, respectively. The Foundation plans to satisfy this commitment in partnership with Dade Community Foundation. In fiscal 2010, Dade Community Foundation contributed \$29,000 of the amount that was due by the Foundation in fiscal 2010. Management expects the future commitment to be met through this partnership.

The Foundation for New Education Initiatives, Inc.

Notes to Financial Statements (continued)

6. Commitments and Contingencies (Continued)

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Foundation. The amount, if any, of the expenses that may be disallowed by the grantor cannot be determined at this time. The Foundation expects such amounts, if any, to be immaterial.

7. Concentrations

During 2011 and 2010, the Foundation received approximately 30% of total revenues from one donor.

SUPPLEMENTARY INFORMATION

THE FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.

LISTING OF MEMBERS OF THE BOARD OF DIRECTORS – (UNAUDITED)

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

Ms. Perla Tabares Hantman, Chair
The School Board of Miami-Dade County, Florida

SUPERINTENDENT OF SCHOOLS

Mr. Alberto M. Carvalho
Superintendent of Schools

MIAMI-DADE COUNTY COUNCIL OF PTAs/PTSAs

Ms. Carolyn Nelson-Goedert
President

BUSINESS/CIVIC MEMBER AND DONOR TO THE PARENT ACADEMY

Dr. Penny Shaffer
Market President
Blue Cross and Blue Shield of Florida

COMMUNITY REPRESENTATIVES

Ms. Natacha Munilla
Vice President
Thunder Electrical Contractors, Inc.

Mr. Bill O'Dowd
Chairman and Chief Executive Officer
Dolphin Digital Media, Inc.

Ms. Julie A.S. Williamson
Shareholder
Akerman Senterfitt LLP

OFFICERS

Mr. Alberto M. Carvalho, Chair
Ms. Perla Tabares Hantman, Vice Chair
Ms. Carolyn Nelson-Goedert, Treasurer
Dr. Penny Shaffer, Secretary