

**THE MIAMI-DADE COALITION FOR
COMMUNITY EDUCATION, INC.
FINANCIAL STATEMENTS
JUNE 30, 2006**

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Independent Accountants' Report

To the Board of Directors
The Miami-Dade Coalition for Community Education, Inc.

We have audited the accompanying financial statements of The Miami-Dade Coalition for Community Education, Inc. (the "Coalition") as of and for the year ended June 30, 2006 as listed in the table of contents. These financial statements are the responsibility of the management of the Coalition. 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 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Miami-Dade Coalition for Community Education, Inc. as of June 30, 2006, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued our report dated September 22, 2006 on our consideration of the Coalition's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Coalition has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

September 22, 2006

THE MIAMI-DADE COALITION FOR COMMUNITY EDUCATION, INC.
STATEMENT OF NET ASSETS
JUNE 30, 2006

Assets

Cash and cash equivalents \$ 45,627

Total Assets \$ 45,627

Net Assets

Unrestricted \$ 27,009

Restricted 18,618

Total Net Assets \$ 45,627

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

THE MIAMI-DADE COALITION FOR COMMUNITY EDUCATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

Operating revenues:

Contributions and grants	\$ 94,703
Total operating revenues	<u>94,703</u>

Operating expenses:

Sponsorships	72,936
Other program expenses	<u>49,487</u>
Total operating expenses	<u>122,423</u>
Operating loss	(27,720)
Net assets at beginning of year	<u>73,347</u>
Net assets at end of year	<u>\$ 45,627</u>

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

THE MIAMI-DADE COALITION FOR COMMUNITY EDUCATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

Cash flows from operating activities:

Cash received for support	\$ 94,703
Payments for sponsorships	(72,936)
Payments for other program expenses	<u>(51,937)</u>
Net cash used in operating activities	<u>(30,170)</u>
Net decrease in cash and cash equivalents	(30,170)
Cash and cash equivalents, beginning of year	<u>75,797</u>
Cash and cash equivalents, end of year	<u>\$ 45,627</u>

Reconciliation at operating loss to net cash used in:

Operating activities:	
Operating loss	\$ (27,720)
Adjustments to reconcile operating income to net	
Cash provided by operating activities:	
Decrease in accounts payable	<u>(2,450)</u>
Net cash provided by operating activities	<u>\$ (30,170)</u>

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

THE MIAMI-DADE COALITION FOR COMMUNITY EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Note 1 - Organization

Organization

The Miami-Dade Coalition for Community Education, no. (the "Coalition") is a not-for-profit corporation organized in accordance with Chapter 617, Florida Statutes and operated as a Miami-Dade County School Board ("School Board") direct-support organization in accordance with Section 1001.453, Florida Statutes and School Board Rule 6Gx13-1B-1.08. The Coalition was incorporated in June 1990 for the main purpose of encouraging private and public philanthropic support of community education aid making distributions from such support to community education programs.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting and presentation

The financial statements of the Coalition have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Coalition's significant accounting policies are described below:

In accordance with GASB Statement No. 34, the Coalition met the criteria to use enterprise fund accounting and financial reporting. Accordingly, the financial statements have been prepared on the accrual basis of accounting, which recognizes revenue when earned and expenses when a liability is incurred, regardless of when the related cash flow occurs.

Application of FASB standards

GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, offers the options of following all Financial Accounting Standards Board (FASB) standards issued after November 30, 1989, unless the latter conflict with or contradict GASB pronouncements, or not following FASB standards issued after such date. The Coalition elected the option not to follow FASB standards.

Cash and cash equivalents

For purposes of the statement of cash flows, the Coalition considers all highly liquid pooled investments with a maturity of three months or less when purchased to be cash equivalents. Cash deposits are insured by federal depository insurance.

In addition to insurance provided by the Federal Depository Insurance Corporation all of the Foundation's time and demand deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds.

THE MIAMI-DADE COALITION FOR COMMUNITY EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Note 2 - Summary of Significant Accounting Policies (Cont'd)

Cash and Cash equivalents (cont'd)

Under the Florida Statutes, Chapter 280. Florida Security for Public Deposits" Act (Chapter 280), the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally in the form of U.S. government and agency securities, state or local government debt] or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting loss. Accordingly, all of the Foundations cash held by banks can be classified as category I credit risk as defined in GASB No. 3, which means they are fully collateralized or insured.

Income taxes

The Coalition is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements reflect no provision for income taxes.

Flow assumption for restricted assets

If both restricted and unrestricted assets are available for use for a certain purpose, it is the Coalitions policy to use restricted assets first, then use unrestricted assets as needed.

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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

THE MIAMI-DADE COALITION FOR COMMUNITY EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Note 3 - Restricted Net Assets

Restricted net assets represent contributions received by the Coalition whose use has been restricted by the donors. These restricted contributions include:

<u>Program</u>	
Bank of America	\$ 3,625
Parental Conferences	762
Parental Involvement	3,736
Baby & Me	7,859
Parent Academy	1,230
Inner City	<u>1,406</u>
Total restricted net assets	<u>\$ 18,618</u>



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Independent Auditors' 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
The Miami-Dade Coalition for
Community Education, Inc.

We have audited the financial statements of the Miami-Dade Coalition for Community Education Inc. (the "Coalition") as of and for the year ended June 30, 2006, and have issued our report thereon dated September 22, 2006. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Coalitions internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

This letter is intended solely for the information and use of the Board of Directors and management of the Coalition, management and Members of The School Board of Miami-Dade County, Florida, and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

September 22, 2006

THE MIAMI-DADE COALITION FOR COMMUNITY EDUCATION, INC.
AUDIT OBSERVATIONS AND RECOMMENDATIONS
JUNE 30, 2006

Status of Current Year Observations and Recommendations

There were no current year observations and recommendations to report.

Status of Prior Year Observations and Recommendations

There were no prior year observations and recommendations made.