MIAMI BAYSIDE FOUNDATION, INC.

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Miami Bayside Foundation, Inc.
Miami, Florida

We have audited the accompanying financial statements of Miami Bayside Foundation, Inc., (the "Foundation") (a non-profit organization) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years 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 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 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 Miami Bayside Foundation, Inc., as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Verdeja, De Armas, & Trujillo LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
March 26, 2019

MIAMI BAYSIDE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

ASSETS

	2018	2017
CURRENT ASSETS		
Cash and cash equivalents, $0 and $5,778, with donor restrictions	$ 173,925	$ 151,923
Investments, $95,830 and $201,765, with donor restrictions	1,684,875	1,602,239
Loan receivables, current portion	505,574	400,090
TOTAL CURRENT ASSETS	2,364,374	2,154,252
LOAN RECEIVABLES, long-term portion, net	879,268	714,619
PROPERTY AND EQUIPMENT, net	1,233	-
OTHER ASSETS	2,282	-
TOTAL ASSETS	$ 3,247,157	$ 2,868,871

LIABILITIES AND NET ASSETS

	2018	2017
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 15,067	$ 4,069
Notes payable, current portion	212,896	109,911
TOTAL CURRENT LIABILITIES	227,963	113,980
NOTES PAYABLE, long-term portion	233,560	171,581
NET ASSETS		
Net assets without donor restrictions	2,689,804	2,375,767
Net assets with donor restrictions	95,830	207,543
TOTAL NET ASSETS	2,785,634	2,583,310
TOTAL LIABILITIES AND NET ASSETS	$ 3,247,157	$ 2,868,871

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

MIAMI BAYSIDE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ 551,729	$ -	$ 551,729
Federal grants	-	412,500	412,500
Investment income and realized gains	87,157	-	87,157
Interest and other income	80,973	-	80,973
Net assets released from restrictions	524,213	(524,213)	-
TOTAL SUPPORT AND REVENUE	1,244,072	(111,713)	1,132,359
EXPENSES			
Program services	636,947	-	636,947
Supporting services	194,230	-	194,230
TOTAL EXPENSES	831,177	-	831,177
CHANGE IN NET ASSETS BEFORE UNREALIZED LOSS	412,895	(111,713)	301,182
UNREALIZED LOSS	(98,858)	-	(98,858)
CHANGE IN NET ASSETS	314,037	(111,713)	202,324
Net assets, beginning of year	2,375,767	207,543	2,583,310
Net assets, end of year	$ 2,689,804	$ 95,830	$ 2,785,634

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

MIAMI BAYSIDE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ 439,189	$ 150,000	$ 589,189
Federal grants	-	62,500	62,500
Investment income and realized gains	71,744	-	71,744
Interest and other income	53,661	-	53,661
Net assets released from restrictions	164,951	(164,951)	-
TOTAL SUPPORT AND REVENUE	729,545	47,549	777,094
EXPENSES			
Program services	597,713	-	597,713
Supporting services	150,593	-	150,593
TOTAL EXPENSES	748,306	-	748,306
CHANGE IN NET ASSETS BEFORE UNREALIZED GAIN	(18,761)	47,549	28,788
UNREALIZED GAIN	118,187	-	118,187
CHANGE IN NET ASSETS	99,426	47,549	146,975
Net assets, beginning of year	2,276,341	159,994	2,436,335
Net assets, end of year	$ 2,375,767	$ 207,543	$ 2,583,310

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

MIAMI BAYSIDE FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 202,324	$ 146,975
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	616	-
Bad debt expense	50,604	31,070
Realized and unrealized gains on investments	(53,290)	(144,863)
(Increase) Decrease in operating assets:		
Grants receivable	-	20,814
Other assets	(2,282)	1,521
(Increase) Decrease in operating liabilities:		
Accrued expenses	10,998	(6,995)
Total adjustments	6,646	(98,453)
NET CASH PROVIDED BY OPERATING ACTIVITIES	208,970	48,522
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,849)	-
Net purchases of investments	(29,346)	(13,594)
Proceeds from loan principal payments	528,763	557,932
Loan disbursements	(849,500)	(619,992)
NET CASH USED IN INVESTING ACTIVITIES	(351,932)	(75,654)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	287,000	211,006
Principal payments on notes payable	(122,036)	(94,454)
NET CASH PROVIDED BY FINANCING ACTIVITIES	164,964	116,552
Net increase in cash and cash equivalents	22,002	89,420
Cash and cash equivalents, beginning of year	151,923	62,503
Cash and cash equivalents, end of year	$ 173,925	$ 151,923
SUPPLEMENTARY INFORMATION:		
Interest paid	$ 15,758	$ 9,249

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

MIAMI BAYSIDE FOUNDATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	General & Administrative	Fundraising	Total
Awards and grants	$ 359,212	$ -	$ -	$ 359,212
Salaries	105,111	63,066	42,044	210,221
Payroll taxes	7,972	4,783	3,189	15,944
Bad debt	50,604	-	-	50,604
Business expense	-	-	-	-
Contract services	73,545	8,469	-	82,014
Facilities and equipment	6,045	6,045	3,023	15,113
Management fees	-	-	-	-
Fundraising	-	-	43,797	43,797
Business fee registration	-	370	-	370
Marketing, public relations and advertising	5,571	-	1,857	7,428
Operations	3,078	2,786	845	6,709
Travel and meetings	2,761	2,808	351	5,920
Microloan	20	-	-	20
Small business training	11,528	-	-	11,528
Other expenses	11,500	10,391	406	22,297
TOTAL FUNCTIONAL EXPENSES	$ 636,947	$ 98,718	$ 95,512	$ 831,177

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

MIAMI BAYSIDE FOUNDATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services	General & Administrative	Fundraising	Total
Awards and grants	$ 422,160	$ -	$ -	$ 422,160
Salaries	65,243	39,146	26,097	130,486
Payroll taxes	5,297	3,178	2,119	10,594
Bad debt	31,070	-	-	31,070
Business expense	3,757	-	-	3,757
Contract services	47,478	19,473	6,091	73,042
Facilities and equipment	4,584	4,584	2,292	11,460
Management fees	-	4,851	-	4,851
Fundraising	-	-	28,083	28,083
Business fee registration	-	418	-	418
Marketing, public relations and advertising	-	6,773	-	6,773
Operations	2,740	2,335	885	5,960
Travel and meetings	1,073	1,842	622	3,537
Microloan	38	-	-	38
Small business training	11,873	-	-	11,873
Other expenses	2,400	1,162	642	4,204
TOTAL FUNCTIONAL EXPENSES	$ 597,713	$ 83,762	$ 66,831	$ 748,306

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS

Nature of Organization

Miami Bayside Foundation (the "Foundation") is a not-for-profit organization whose objective is designed to advance economic development in the City of Miami through the support of minority businesses and education. The Foundation seeks to do this through the creation and administration of a loan program to minority businesses, through the creation of a vocational/educational scholarship fund for minorities, and by providing technical assistance to local community development corporations engaged in economic development.

Basis of Accounting and Presentation

The financial statements have been prepared on the accrual basis of accounting and in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). The Foundation is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions on the use of the net assets. The two net asset categories are as follows:

<u>Net Assets Without Donor Restrictions</u>

The portion of the net assets of the Foundation that can be used subject to the broad limits resulting from the nature of the Foundation, 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.

<u>Net Assets With Donor Restrictions</u>

The portion 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. There are $95,830 and $207,543 in net assets with donor restrictions as of December 31, 2018 and 2017, respectively.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of 90 days or less.

Contributions

The Foundation follows the provisions of an accounting standard where contributions are recognized when the donor makes a promise to give the Foundation that is, in substance, unconditional. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions.

Investments

The Foundation reports its investments under an accounting standard where a not-for-profit organization is required to report investments in equity securities with readily determinable fair values and all investments in debt securities at fair value, with realized and unrealized gains and losses included in the statements of activities. The fair value of marketable securities is determined by quoted market prices.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS (Continued)

Loans Receivable

Loans receivable consist of regular loans and micro loans to local minority businesses. Regular loans consist of loans from $10,000 to $150,000, which are secured by real property. Micro loans consist of loans from $2,500 to $10,000, which are generally unsecured. Interest income is recognized over the life of the receivables and is determined using the effective interest method. On a periodic basis, the Foundation evaluates its receivables and adjusts the allowance for loan losses, when deemed necessary, based on a historic review of collections and current credit conditions.

Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are stated at the amount of unpaid principal, reduced by an allowance for loan losses. The allowance for loan losses is established through a provision for losses charged to expense. Loans are charged against the allowance for loan losses when management believes that collectability of the principal is unlikely. Subsequent recoveries of prior year charges against the allowance, if any, are recorded as revenue in the period received.

The allowance is an amount that management believes will be adequate to absorb estimated losses on existing loans, based on an evaluation of the collectability of loans and prior loss experience. This evaluation also takes into consideration such factors as changes in the nature and volume of the loan portfolio, overall portfolio quality, and review of specific problem loans, and current economic conditions that may affect the borrower's ability to pay. While management uses the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic conditions. The Foundation has allowances of $78,874 and $35,122 as of December 31, 2018 and 2017.

Once a loan is delinquent more than six months, the Foundation no longer recognizes interest income on the loan balance. Any payments received on loans previously written off are recorded as loan loss recoveries.

Restricted Contributions Whose Restrictions Are Met in the Same Reporting Period

Donor restricted contributions whose restrictions are met in the same reporting period are reported as without donor restrictions.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

The Foundation recognizes and measures tax positions taken or expected to be taken in its tax return based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction and Florida are the major tax jurisdictions where the Foundation files tax returns. The Foundation is generally no longer subject to U.S. Federal or State examinations by tax authorities for years before 2015.

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS (Continued)

Concentrations of Credit Risk

Although cash balances may exceed federally insured limits at times during the year, the Foundation has not experienced and does not expect to incur any losses in such accounts.

New Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The Foundation has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standard changes the following aspects of the Foundation's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called *net assets with donor restrictions.*
- The unrestricted net asset class has been renamed *net assets without donor restrictions.*
- The financial statements include a new disclosure about liquidity and availability of resources (see Note 9) and expands on the disclosure related to the functional allocation of expenses.

The accompanying information from the 2017 financial statements has been restated to conform to the 2018 presentation and disclosure requirements of ASU 2016-14. As a result, previously reported temporarily restricted net assets of $207,543 are presented as net assets with donor restrictions as of December 31, 2017.

Subsequent Events

The Foundation has evaluated subsequent events through March 26, 2019, which is the date the financial statements were available to be issued.

NOTE 2 – INVESTMENT SECURITIES

Investment securities at December 31, 2018 and 2017 were as follows:

	2018	2017
Money funds	$ 171,778	$ 7,263
Equity securities	891,510	950,977
Fixed income	558,233	567,609
Real estate & intangibles	63,354	76,390
	$ 1,684,875	$ 1,602,239

The Foundation's investment income, including income earned on cash deposits, consisted of the following for the years ended December 31, 2018 and 2017:

	2018	2017
Net realized gains	$ 45,568	$ 36,866
Net unrealized gains (losses)	98,858	118,187
Interest and dividends	41,589	34,878
	$ 186,015	$ 189,931

For the years ended December 31, 2018 and 2017, investment fees were $4,716 and $3,876, respectively. These amounts were included in the schedules of functional expenses under the caption "Management Fees".

NOTE 3 – FAIR VALUE MEASUREMENTS
The FASB established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Items Measured at Fair Value on a Recurring Basis
The asset's or liability's fair measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a depreciation of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018.

The Equity Portfolio consists of equity securities and mutual funds managed primarily through investments held by independent investment advisors with discretionary investment authority. Equity securities consist primarily of common stocks. Equity Portfolio investments are valued at the closing price reported in the active market in which the individual securities are traded.

The Fixed Income Portfolio consists of investments in securities issued by the U.S. Treasury and corporate bonds through independent investment advisors. Those investments are valued at the closing price reported in the active market in which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although The Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at December 31, 2018 for each of the fair value hierarchy levels:

		Fair Value Measurement at December 31, 2018		
Description	12/31/2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Investment Securities:				
Money funds	$ 171,778	$ 171,778	$ -	$ -
Equity	891,510	891,510	-	-
Fixed income	558,233	558,233	-	-
Real estate & Intangibles	63,354	63,354	-	-
Total investment securities	$ 1,684,875	$ 1,684,875	$ -	$ -

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at December 31, 2017 for each of the fair value hierarchy levels:

		Fair Value Measurement at December 31, 2017		
Description	12/31/2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Investment Securities:				
Money funds	$ 7,263	$ 7,263	$ -	$ -
Equity	950,977	950,977	-	-
Fixed income	567,609	567,609	-	-
Real estate & Intangibles	76,390	76,390	-	-
Total investment securities	$ 1,602,239	$ 1,602,239	$ -	$ -

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

These net assets are restricted for specific purposes or until specific events occur. Net assets are restricted to the following purposes or time periods as of December 31:

	2018	2017
Willy Gort	$ 95,830	$ 201,765
CDFI	-	5,778
	$ 95,830	$ 207,543

Net assets with donor restrictions are held in cash and cash equivalents and investments.

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)
The following schedule summarizes restricted net assets used in accordance with donor-imposed restrictions for the Foundation's operations during the years ended December 31:

	2018	2017
Willy Gort	$ 105,935	$ 108,229
CDFI	418,278	56,722
	$ 524,213	$ 164,951

NOTE 5 – LOANS RECEIVABLE
Loans receivable consists of loans disbursed under the Loan Programs offered by the Foundation. Loans are secured loans for a maximum of $150,000 given to minority-owned small businesses for 5 year terms at 6% interest and collateralized by corporate assets. Micro loans receivable consist of unsecured loans disbursed under the Micro Loans Program. Micro loans range from $2,500 to $10,000 for 17 or 23 months with effective annual interest rates of 6.7% and 6.9%, respectively.

December 31, 2018	**Loans Receivable**	**Allowance for Loan Losses**	**Net Receivable**
Loans	$ 1,455,417	$ 75,996	$ 1,379,421
Micro Loans	8,299	2,878	5,421
	1,463,716	78,874	1,384,842
Less, current portion	505,574	-	505,574
Loans receivable, net of current portion	$ 958,142	$ 78,874	$ 879,268

December 31, 2017	**Loans Receivable**	**Allowance for Loan Losses**	**Net Receivable**
Loans	$ 1,136,366	$ 32,244	$ 1,104,122
Micro Loans	13,465	2,878	10,587
	1,149,831	35,122	1,114,709
Less, current portion	400,090	-	400,090
Loans receivable, net of current portion	$ 749,741	$ 35,122	$ 714,619

Net loans and micro loans receivable consist of the following:

	2018	2017
Balance - allowance for loan losses, beginning of year	$ 35,122	$ 60,988
Loan loss expense	50,603	31,070
Write-offs	(6,851)	(56,936)
Recoveries	-	-
Balance - allowance for loan losses, end of year	$ 78,874	$ 35,122

NOTE 6 – NOTES PAYABLE
Notes payable consists of loans obtained under the SSBCI Loan Support Program between the Foundation and Enterprise Florida, Inc. (“EFI”). The terms allow EFI to purchase a participation in a loan being offered by the Foundation to a borrower. The amount of EFI’s participation shall not exceed 50%, or $75,000 for each loan. Loans are secured loans for a maximum of $150,000 given to minority-owned small businesses for 3 and 5 year terms at 6% interest and collateralized by corporate assets. During the years ended December 31, 2018 and 2017, the amounts owed were $414,226 and $230,520, respectively.

Notes payable also consists of a loan between the Foundation and Biscayne Bank (the “Bank”). The terms allow the Bank to purchase a participation in a loan being offered by the Foundation to a borrower. The amount of the Bank’s participation shall not exceed 50%, or $37,500 for each loan. Loans are secured loans for a maximum of $75,000 given to minority-owned small businesses for a maximum of 5 year terms at 6% interest and collateralized by corporate assets. During the years ended December 31, 2018 and 2017, the amounts owed were $32,230 and $50,972 respectively.

Future maturities of notes payable for the next five years and thereafter are as follows:

December 31,	Amount
2019	$ 212,896
2020	147,322
2021	86,238
	$ 446,456

NOTE 7 – FUNCTIONAL ALLOCATION OF EXPENSES
The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Depreciation is allocated based on square footage. Costs of other categories were allocated on estimates of time and effort.

NOTE 8 – ECONOMIC DEPENDENCE
The Foundation provides a substantial portion of its services with funds contributed from one source. A significant reduction in the level of this funding, if this were to occur, may have an effect on the Foundation’s programs and activities. Contributions received from one entity represented approximately 36% and 41% of the Foundation’s total support and revenue for the years ended December 31, 2018 and 2017, respectively.

NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS
The following reflects the Foundation’s financial assets as of December 31, 2018 that are available for general use within one year of that date to meet cash for general expenditures.

	2018	2017
Financial assets:	$ 2,364,374	$ 2,154,252
Less those unavailable for general expenditure within one year due to:		
Donor imposed time or purpose restrictions	95,830	207,543
Financial assets available to meet cash needs for general expenditures within one year	$ 2,268,544	$ 1,946,709

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE 10 – MINORITY PARTICIPATION AGREEMENT

On September 2014, the City of Miami (the "City") and Bayside Marketplace, LLC (the "Developer") amended the Minority Participation Agreement which set forth the Developer's obligations with regard to minority participation in connection with the development of Bayside Marketplace. The term of the Minority Participation Agreement as amended, expires on November 30, 2060. The Developer agrees to pay the Foundation a contribution in the amount of $350,000 annually each year during the term of the agreement. The contribution shall increase each year by 2%. If the Foundation ceases to be a 501 (c)(3) tax exempt organization, the contributions shall be placed in an interest bearing escrow account and paid to the Foundation at such time as the Foundation shall satisfactorily prove to the Developer that it has qualified as a 501(c)(3) tax exempt organization, or, at the written request of the City, be paid to another not for profit organization qualified as a 501(c)(3) tax exempt organization.

NOTE 11 – AWARDS TO OTHERS

The Foundation has committed to support programs based in the City of Miami. As of December 31, 2018, the commitments are as following:

Year Ending December 31,		
2019	$	15,000
2020		15,000
2021		15,000
2022		15,000
Total	$	60,000