MIAMI BAYSIDE FOUNDATION, INC.

FINANCIAL STATEMENTS,
INDEPENDENT AUDITOR'S REPORT AND
SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Miami Bayside Foundation, Inc., as of December 31, 2022 and 2021, 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.

Basis for Opinion

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. 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 opinions.

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 and *Government 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 and *Government 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, Rules of the Auditor General of the State of Florida, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2023 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the Foundation'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 the Foundation's internal control over financial reporting and compliance.

Verdeja de Armas Trujillo & Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
April 18, 2023

MIAMI BAYSIDE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	$ 785,808	$ 600,285
Investments, $0 and $77,702, with donor restrictions	2,752,523	2,619,759
Loan receivables, current portion	1,615,571	1,231,199
Pledge receivables, current portion	25,000	25,000
TOTAL CURRENT ASSETS	5,178,902	4,476,243
LOAN RECEIVABLES, long-term portion, net	4,394,864	4,036,735
PLEDGE RECEIVABLES, long-term portion, net	329,153	333,823
PROPERTY AND EQUIPMENT, net	4,041	3,543
OTHER ASSETS	5,645	868
TOTAL ASSETS	$ 9,912,605	$ 8,851,212

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 14,314	$ 15,433
Deferred revenue	-	412,000
Notes payable, current portion	958,138	717,927
TOTAL CURRENT LIABILITIES	972,452	1,145,360
Notes Payable, long-term portion	3,070,843	2,784,098
TOTAL LIABILITIES	4,043,295	3,929,458
NET ASSETS		
Net assets without donor restrictions	5,508,417	4,463,229
Net assets with donor restrictions	360,893	458,525
TOTAL NET ASSETS	5,869,310	4,921,754
TOTAL LIABILITIES AND NET ASSETS	$ 9,912,605	$ 8,851,212

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

MIAMI BAYSIDE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ 478,969	$ -	$ 478,969
Federal, state and local grants	1,946,249	-	1,946,249
Investment income and realized losses	14,666	-	14,666
Interest and other income	259,839	-	259,839
Net assets released from restrictions	97,632	(97,632)	-
TOTAL SUPPORT AND REVENUE	2,797,355	(97,632)	2,699,723
EXPENSES			
Program services	1,327,490	-	1,327,490
Supporting services	148,655	-	148,655
TOTAL EXPENSES	1,476,145	-	1,476,145
CHANGE IN NET ASSETS BEFORE UNREALIZED LOSS	1,321,210	(97,632)	1,223,578
UNREALIZED LOSS	(276,022)	-	(276,022)
CHANGE IN NET ASSETS	1,045,188	(97,632)	947,556
Net assets, beginning of year	4,463,229	458,525	4,921,754
Net assets, end of year	$ 5,508,417	$ 360,893	$ 5,869,310

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

MIAMI BAYSIDE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ 462,381	$ 383,823	$ 846,204
Federal grants	208,403	338,000	546,403
Investment income and realized gains	202,614	-	202,614
Interest and other income	374,214	-	374,214
Net assets released from restrictions	438,008	(438,008)	-
TOTAL SUPPORT AND REVENUE	1,685,620	283,815	1,969,435
EXPENSES			
Program services	1,142,729	-	1,142,729
Supporting services	76,865	-	76,865
TOTAL EXPENSES	1,219,594	-	1,219,594
CHANGE IN NET ASSETS BEFORE UNREALIZED GAIN	466,026	283,815	749,841
UNREALIZED GAIN	34,754	-	34,754
CHANGE IN NET ASSETS	500,780	283,815	784,595
Net assets, beginning of year	3,962,449	174,710	4,137,159
Net assets, end of year	$ 4,463,229	$ 458,525	$ 4,921,754

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, 2022

	Program Services	General & Administrative	Fundraising	Total
Awards and grants	$ 406,078	$ -	$ -	$ 406,078
Salaries	566,500	31,014	-	597,514
Payroll taxes	43,481	80	-	43,561
Bad debt	70,000	-	-	70,000
Contract services	100,126	14,924	-	115,050
Facilities and equipment	10,619	5,239	-	15,858
Management fees	-	5,880	-	5,880
Fundraising	-	-	51,542	51,542
Business fee registration	-	876	-	876
Marketing, public relations and advertising	29,325	3,258	-	32,583
Operations	17,237	3,042	-	20,279
Technical Assistance/Workshops	73,724	28,248	-	101,972
Other expenses	10,400	4,552	-	14,952
TOTAL FUNCTIONAL EXPENSES	$ 1,327,490	$ 97,113	$ 51,542	$ 1,476,145

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, 2021

	Program Services	General & Administrative	Fundraising	Total
Awards and grants	$ 407,903	$ -	$ -	$ 407,903
Salaries	346,375	38,486	-	384,861
Payroll taxes	27,564	3,063	-	30,627
Bad debt	77,000	-	-	77,000
Contract services	131,454	10,658	-	142,112
Facilities and equipment	10,349	2,587	-	12,936
Management fees	-	5,304	-	5,304
Fundraising	-	-	36	36
Business fee registration	-	984	-	984
Marketing, public relations and advertising	34,918	3,880	-	38,798
Operations	23,668	4,177	-	27,845
Technical Assistance/Workshops	39,923	-	-	39,923
Other expenses	43,575	7,690	-	51,265
TOTAL FUNCTIONAL EXPENSES	$ 1,142,729	$ 76,829	$ 36	$ 1,219,594

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, 2022 AND DECEMBER 31, 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 947,556	$ 784,595
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,007	617
Bad debt expense	70,000	77,000
Forgiveness of paycheck protection loan	-	(64,500)
Realized and unrealized losses (gains) on investments	307,110	(200,979)
(Increase) Decrease in operating assets:		
Pledge receivable	4,670	(358,823)
Other assets	(4,777)	1,566
Increase (Decrease) in operating liabilities:		
Accrued expenses	(1,119)	11,098
Deferred revenue	(412,000)	412,000
Total adjustments	(34,109)	(122,021)
NET CASH PROVIDED BY OPERATING ACTIVITIES	913,447	662,574
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,505)	(1,358)
Net purchases of investments	(439,874)	(430,976)
Proceeds from loan principal payments	1,670,140	1,297,583
Loan disbursements	(2,482,641)	(2,375,236)
NET CASH USED IN INVESTING ACTIVITIES	(1,254,880)	(1,509,987)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	1,781,650	1,676,227
Principal payments on notes payable	(1,254,694)	(915,364)
NET CASH PROVIDED BY FINANCING ACTIVITIES	526,956	760,863
Net increase (decrease) in cash and cash equivalents	185,523	(86,550)
Cash and cash equivalents, beginning of year	600,285	686,835
Cash and cash equivalents, end of year	$ 785,808	$ 600,285
SUPPLEMENTARY INFORMATION:		
Interest paid	$ 197,218	$ 52,620

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 designed to advance economic development in Miami through the support of minority businesses and education. The Foundation seeks to do this through the creation and administration of loan programs for minority businesses, through the creation of programs and educational scholarships for minorities, and by providing technical assistance to minority businesses.

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:

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 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.

Net Assets With Donor Restrictions

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 donor's instructions. Net assets with donor restrictions generally result from donor-restricted contributions. There are $360,893 and $458,525 in net assets with donor restrictions as of December 31, 2022 and 2021, 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 loans to local minority businesses. Loans consist of loans from $10,000 to $150,000, which are secured by real property. 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 $259,195 and $186,195 as of December 31, 2022 and 2021, respectively.

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.

Pledges Receivables, net

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates to the years in which the promises are received. Amortization of the discounts is included in the contributions revenue. Conditional promises to give are not recorded as revenue until the donor's conditions are substantially met. No allowance was deemed necessary for pledges receivables as they were deemed fully collectible by management.

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.

Grant Revenue

Grant revenue is derived from federal, state or local contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures or performed their obligations in compliance with specific contract or grant provisions. Amounts received prior to being incurred are reported as deferred revenue in the statement of financial position. The Foundation had deferred revenue of $0 and $412,000 as of December 31, 2022 or 2021, respectively.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS (Continued)

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 2019.

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.

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.

Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification ASC 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The standard effective January 1, 2022 using a modified retrospective approach, with certain practical expedients available.

Subsequent Events

The Foundation has evaluated subsequent events through April 18, 2023, which is the date the financial statements were available to be issued.

NOTE 2 – INVESTMENT SECURITIES

Investment securities at December 31, 2022 and 2021 were as follows:

	2022	2021
Money funds	$ 111,075	$ 29,130
Equity securities	1,012,816	1,167,727
Fixed income	1,605,327	1,369,113
Real estate & intangibles	23,305	53,789
	$ 2,752,523	$ 2,619,759

The Foundation's investment income, including income earned on cash deposits, consisted of the following for the years ended December 31, 2022 and 2021:

	2022	2021
Net realized (losses) gains	$ (31,078)	$ 166,225
Net unrealized (losses) gains	(276,022)	34,754
Interest and dividends	45,744	36,389
	$ (261,356)	$ 237,368

For the years ended December 31, 2022 and 2021, investment fees were $5,304 and $4,659, 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.

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

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, 2022.

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.

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at December 31, 2022 for each of the fair value hierarchy levels:

		Fair Value Measurement at December 31, 2022		
Description	12/31/2022	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	$ 111,075	$ 111,075	$ -	$ -
Equity	1,012,816	1,012,816	-	-
Fixed income	1,605,327	1,605,327	-	-
Real estate & Intangibles	23,305	23,305	-	-
Total investment securities	$ 2,752,523	$ 2,752,523	$ -	$ -

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Items Measured at Fair Value on a Recurring Basis (Continued)

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at December 31, 2021 for each of the fair value hierarchy levels:

		Fair Value Measurement at December 31, 2021		
Description	12/31/2021	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	$ 29,130	$ 29,130	$ -	$ -
Equity	1,167,727	1,167,727	-	-
Fixed income	1,369,113	1,369,113	-	-
Real estate & Intangibles	53,789	53,789	-	-
Total investment securities	$ 2,619,759	$ 2,619,759	$ -	$ -

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:

	2022	2021
Willy Gort	$ 5,841	$ 77,702
CDFI	-	-
Miami Produce	355,052	380,823
	$ 360,893	$ 458,525

Net assets with restrictions consist of the following assets as of December 31, 2022 and 2021:

	2022	2021
Investments	$ 5,841	$ 77,702
Cash- MP	899	22,000
Pledge receivable, net	354,153	358,823
	$ 360,893	$ 458,525

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.

NOTE 5 – LOANS RECEIVABLE (Continued)

December 31, 2022	Loans Receivable	Allowance for Loan Losses	Net Receivable
Loans	$ 6,269,630	$ 259,195	$ 6,010,435
	6,269,630	259,195	6,010,435
Less, current portion	1,615,571	-	1,615,571
Loans receivable, net of current portion	$ 4,654,059	$ 259,195	$ 4,394,864

December 31, 2021	Loans Receivable	Allowance for Loan Losses	Net Receivable
Loans	$ 5,454,129	$ 186,195	$ 5,267,934
	5,454,129	186,195	5,267,934
Less, current portion	1,231,199	-	1,231,199
Loans receivable, net of current portion	$ 4,222,930	$ 186,195	$ 4,036,735

Net loans and micro loans receivable consist of the following:

	2022	2021
Balance - allowance for loan losses, beginning of year	$ 186,195	$ 110,654
Loan loss expense	70,000	77,000
Write-offs	-	(1,459)
Recoveries	3,000	-
Balance - allowance for loan losses, end of year	$ 259,195	$ 186,195

NOTE 6 – PLEDGE RECEIVABLE

Pledge receivable at December 31, 2022 and 2021 amounted to $354,153 and 358,823, net of a present value discount, and consist of an outstanding pledge from a corporation as follows:

	2022	2021
Pledge Receivable	Without donor restriction	Without donor restriction
Less than a year	$ 25,000	$ 25,000
One to five years	125,000	125,000
More than five years	300,000	325,000
Less: present value discount (3%)	(95,847)	(116,177)
Pledge receivable, net	$ 354,153	$ 358,823

No allowance was deemed necessary as of December 31, 2022 and 2021 for pledges receivable, as they were deemed fully collectible by management.

NOTE 7 – 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, 2022 and 2021, the amounts owed were $246,962 and $360,777 respectively.

Notes payable also consists of a loan between the Foundation and Florida First Capital Finance Corp. ("FFCFC"). The terms allow FFCFC to purchase a participation in a loan being offered by the Foundation to a borrower. The amount of the FFCFC's participation shall not exceed $75,000 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, 2022 and 2021, the amounts owed were $790,128 and $633,746 respectively.

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

	2022		2021
December 31,	Amount	December 31,	Amount
2023	$ 958,138	2022	$ 717,927
2024	927,765	2023	851,448
2025	818,889	2024	820,376
2026	638,285	2025	669,369
2027	201,835	2026	327,160
Thereafter	484,069	Thereafter	115,745
	$ 4,028,981		$ 3,502,025

NOTE 8 – PAYCHECK PROTECTION PROGRAM ("PPP")

On April 16, 2020, the Foundation borrowed $64,500 from a financial institution under the Paycheck Protection Program. The unpaid balance of the loan shall bear interest at 1%. In accordance with the CARES Act, the unpaid loan balance and accrued interest may be forgiven if the proceeds were used for qualifying expenses. Monthly payments of principal and interest were deferred through the date the School submitted their forgiveness application. During the year ended December 31, 2021, the Foundation submitted their forgiveness application and received notification of approval for the forgiveness in the full amount of the loan proceeds plus accrued interest. Accordingly, a gain on loan forgiveness of $64,500 is reflected in the accompanying statement of activities for the year ended December 31, 2021.

NOTE 9 – 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 10 – 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 21% and 20% of the Foundation's total support and revenue for the years ended December 31, 2022 and 2021, respectively.

NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of December 31, 2022 and 2021 that are available for general use within one year of that date to meet cash for general expenditures.

	2022	2021
Financial assets:	$ 5,178,902	$ 4,476,243
Less those unavailable for general expenditure within one year due to:		
Donor imposed time or purpose restrictions	360,893	458,525
Financial assets available to meet cash needs for general expenditures within one year	$ 4,818,009	$ 4,017,718

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

NOTE 12 – 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 13 – COMMITMENTS AND CONTINGENCIES

Operating Leases

During the year, the Foundation's office space lease ended. Since the expiration of their prior lease, the Foundation has been on a month to month lease while negotiating a new long term agreement. As noted in ASC 842-20-25-2, the Foundation has elected not to apply ASC 842 to the short-term lease.

Subsequent to year end, the Foundation entered into an operating lease for its office space, which has an expiration date of March 31, 2026. As such, the Foundation implemented FASB ASU No. 2016-02, Leases (Topic 842) and as a result recorded a right-of-use asset and liability. An interest rate of 6% was used, which is the estimated incremental borrowing rate as of the implementation date, to discount the annual lease payments and recognize the intangible right to use this asset and the lease liability.

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)
Annual requirements to amortize the lease liability and related interest are estimated as follows:

Year Ended December 31,	Principal	Interest	Total
2023	$ 6,056	$ 1,102	$ 7,158
2024	8,799	1,028	9,827
2025	9,741	475	10,216
2026	2,553	26	2,579
	$ 27,149	$ 2,631	$ 29,780

NOTE 14 – RISKS AND UNCERTAINTIES
The Covid-19 pandemic continues to impact business continuity, including supply chains and consumer demand across a broad range of industries and countries. In addition, certain geopolitical risks abroad and inflationary pressures at home are causing significant market volatility. Management has been carefully monitoring the situation and evaluating its options during this time. As a result of these uncertainties, no adjustments have been made to these financial statements.

SUPPLEMENTARY INFORMATION

MIAMI BAYSIDE FOUNDATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal or State Agency/ Program or Project Title/ Pass Through Agency	*Federal AL/ State CSFA Number*		*Contract Number*	*Expenditure*
Expenditures of Federal Awards:				
U.S. Department of the Treasury				
CDFI Rapid Response Program	21.024		21RRP057443	$ 1,077,000
CDFI Financial Assistance Program	21.020		211FA058053	525,000
Total Expenditures of Federal Awards				$ 1,602,000
State Financial Assistance:				
Florida Department of Economic Opportunity				
Direct - Economic Development Loan Programs	40.041		D0172 & D0198	$ 259,249
Direct - Economic Development Loan Programs	40.041	*	D0172 & D0198	2,753,946
Total State Financial Assistance				$ 3,013,195
Total of Expenditures of Federal Awards and State Financial Assistance				$ 4,615,195

* Loan Program

See the accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

MIAMI BAYSIDE FOUNDATION, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the "Schedules") include the federal awards and state financial assistance project activity of Miami Bayside Foundation, Inc. (the "Foundation") under programs of the federal government and State of Florida for the year ended December 31, 2022. The information in these Schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.650, Rules of the Florida Auditor General, respectively. Because the Schedules present only a selected portion of the operations of the Foundation, they are not intended to and do not present the financial position, changes in net assets or cash flows of the Foundation.

The Foundation had no federally funded insurance programs or loan guarantees during the year ended December 31, 2022.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance and Chapter 10.650, Rules of the Florida Auditor General wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Foundation has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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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
Miami Bayside Foundation, 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 Miami Bayside Foundation, Inc. (the "Foundation") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 18, 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 or significant deficiencies may exist that were not 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 financial statements. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Verdeja DeArmas Trujillo & Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
April 18, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Miami Bayside Foundation, Inc.'s (the "Foundation") compliance with the compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the Foundation's major federal programs and state projects for the year ended December 31, 2022. The Foundation's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.650, Rules of the Florida Auditor General. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650, Rules of the Florida Auditor General are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Florida Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.

Verdeja DeArmas Trujillo & Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
April 18, 2023

MIAMI BAYSIDE FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ____ yes __X__ no
- Significant deficiency(ies) identified? ____ yes __X__ none reported

Noncompliance material to financial statements noted? ____ yes __X__ no

Federal Awards and State Projects

Type of auditor's report issued on compliance for major state projects: *Unmodified*

Internal control over major state projects:

- Material weakness(es) identified? ____ yes __X__ no
- Significant deficiency(ies) identified? ____ yes __X__ none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.650 "*Rules of the Auditor General*?" ____ yes __X__ no

Identification of major state projects:

Federal Program / State Project	AL/CSFA Number	Expenditures
U.S Department of the Treasury		
CDFI Rapid Response Program	21.024	$1,077,000
CDFI Financial Assistance Program	21.020	$525,000
Florida Department of Economic Opportunity		
Direct-Economic Development Loan Program	40.041	$1,346,527

MIAMI BAYSIDE FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION I – SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

Dollar threshold used to distinguish between type A and type B federal programs:	$750,000	
Auditee qualified as a low risk auditee?	____yes	___X__no
Dollar threshold used to distinguish between type A and type B state projects:	$750,000	

SECTION II – FINANCIAL STATEMENT FINDINGS

The audit disclosed no matters that are reportable for the current year.

SECTION III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS AND STATE PROJECTS

The audit disclosed no matters that are reportable for the current year.

SECTION IV – OTHER ISSUES

1. No management letter was issued for the year ended December 31, 2022.

2. A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to state projects.

3. A Corrective Action Plan is not required because there were no findings required to be reported under the *Department of Financial Services'* State Project Compliance Supplement.

MIAMI BAYSIDE FOUNDATION, INC.

MANAGEMENT LETTER

DECEMBER 31, 2022

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the consolidated financial statements of Miami Bayside Foundation, Inc. (the "Foundation"), as of and for the year ended December 31, 2022, and have issued our report thereon dated April 18, 2023.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General.

Other Reporting Requirements

We have issued our 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*, Independent Auditor's Report on Compliance Applicable to each Major Federal Program and State Project and on Internal Control Over Compliance in Accordance with Uniform Guidance and Chapter 10.650, Rules of the Auditor General, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated April 18, 2023, should be considered in conjunction with this management letter.

Additional Matters

Section 10.654(1)(e), Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Verdeja deArmas Trujillo & Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
April 18, 2023