

**THE BEACON COUNCIL ECONOMIC DEVELOPMENT FOUNDATION, INC.  
D/B/A THE BEACON COUNCIL FOUNDATION**

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FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017



**THE BEACON COUNCIL ECONOMIC DEVELOPMENT FOUNDATION, INC.  
D/B/A THE BEACON COUNCIL FOUNDATION**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The Beacon Council Economic Development Foundation, Inc.  
d/b/a The Beacon Council Foundation

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Beacon Council Economic Development Foundation, Inc., d/b/a The Beacon Council Foundation ("Foundation") (a Florida not-for-profit corporation), which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities 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 audits 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 The Beacon Council Economic Development Foundation, Inc. d/b/a The Beacon Council Foundation as of September 30, 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.

### **Emphasis of Matter – Support from The Miami-Dade Beacon Council, Inc.**

As discussed in Note 3 to the financial statements, the Foundation received a significant amount of in-kind support from The Miami-Dade Beacon Council, Inc. during the years ended September 30, 2018 and 2017. The in-kind support relates to direct and overhead costs that the Foundation receives in order to carry out its program objectives. Receiving this in-kind support allows the Foundation to expend 100% of funds raised on program activities, with direct benefit of The One Community One Goal Initiatives and other programs. The loss of this support could have a material impact on the Foundation. Our opinion is not modified with respect to this matter.

*Morrison, Brown, Argiz & Farra*

Miami, Florida  
July 24, 2019

An independent member of Baker Tilly International

**THE BEACON COUNCIL ECONOMIC DEVELOPMENT FOUNDATION, INC.  
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STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30,

<b>ASSETS</b>	<b>2018</b>	<b>2017</b>
Cash	\$ 706,268	\$ 399,840
Accounts receivable	20,950	-
TOTAL ASSETS	<b>\$ 727,218</b>	<b>\$ 399,840</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 100,000	\$ -
Due to The Miami-Dade Beacon Council, Inc.	38,413	2,524
Deferred revenue	432,058	125,000
TOTAL LIABILITIES	570,471	127,524
<b>NET ASSETS</b>		
Unrestricted	135,231	153,360
Temporarily restricted	21,516	118,956
TOTAL NET ASSETS	156,747	272,316
TOTAL LIABILITIES AND NET ASSETS	<b>\$ 727,218</b>	<b>\$ 399,840</b>

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

**THE BEACON COUNCIL ECONOMIC DEVELOPMENT FOUNDATION, INC.  
D/B/A THE BEACON COUNCIL FOUNDATION**

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED SEPTEMBER 30,

	<b>2018</b>			<b>2017</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUES AND OTHER SUPPORT</b>						
Contributions	\$ -	\$ 572,628	\$ 572,628	\$ -	\$ 74,315	\$ 74,315
Interest income	-	106	106	-	-	-
In-Kind contributions - The Miami-Dade Beacon Council, Inc. (NOTE 3)	240,721	-	240,721	235,827	-	235,827
Net assets released from restrictions	670,174	(670,174)	-	274,643	(274,643)	-
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>910,895</b>	<b>(97,440)</b>	<b>813,455</b>	<b>510,470</b>	<b>(200,328)</b>	<b>310,142</b>
<b>EXPENSES</b>						
Program expenses	928,805	-	928,805	497,729	-	497,729
Support Services: Management and general	219	-	219	5,509	-	5,509
<b>TOTAL EXPENSES</b>	<b>929,024</b>	<b>-</b>	<b>929,024</b>	<b>503,238</b>	<b>-</b>	<b>503,238</b>
<b>CHANGE IN NET ASSETS</b>	<b>(18,129)</b>	<b>(97,440)</b>	<b>(115,569)</b>	<b>7,232</b>	<b>(200,328)</b>	<b>(193,096)</b>
NET ASSETS, beginning of year	153,360	118,956	272,316	146,128	319,284	465,412
<b>NET ASSETS, end of year</b>	<b>\$ 135,231</b>	<b>\$ 21,516</b>	<b>\$ 156,747</b>	<b>\$ 153,360</b>	<b>\$ 118,956</b>	<b>\$ 272,316</b>

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

**THE BEACON COUNCIL ECONOMIC DEVELOPMENT FOUNDATION, INC.  
D/B/A THE BEACON COUNCIL FOUNDATION**

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STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30,

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (115,569)	\$ (193,096)
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Increase in accounts receivable	(20,950)	-
Increase (decrease) in accounts payable and accrued expenses	100,000	(2,218)
Increase in due to related party	35,889	-
Increase in deferred revenue	307,058	125,000
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>306,428</b>	<b>(70,314)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>306,428</b>	<b>(70,314)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>399,840</b>	<b>470,154</b>
<b>CASH, END OF YEAR</b>	<b>\$ 706,268</b>	<b>\$ 399,840</b>

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

**THE BEACON COUNCIL ECONOMIC DEVELOPMENT FOUNDATION, INC.  
D/B/A THE BEACON COUNCIL FOUNDATION**

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NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018 AND 2017

**1. NATURE OF OPERATIONS**

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The Beacon Council Economic Development Foundation, Inc. d/b/a The Beacon Council Foundation (the "Foundation"), formerly known as The Dade County Economic Research Foundation, Inc. is a tax-exempt, not-for-profit organization created on August 6, 1986 in the state of Florida to implement a county-wide strategic plan for economic development. The Foundation serves as a sales, marketing and research organization in conjunction with local chambers of commerce and economic development groups to promote the economic development of Miami-Dade County, Florida.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**Basis of Presentation**

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Net assets, revenue, gains and losses are classified into three classes of net assets based on the existence or absence of donor-imposed restrictions. The three net asset categories reflected in the accompanying financial statements are as follows:

**Unrestricted** - Net assets which are neither permanently nor temporarily restricted by donor-imposed stipulations.

**Temporarily Restricted** - Net assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to those stipulations. Temporarily restricted net assets as of September 30, 2018 and 2017 were approximately \$22,000 and \$119,000, respectively, and consists of cash received but restricted for specific programs.

**Permanently Restricted** - Net assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. There were no permanently restricted net assets as of September 30, 2018 and 2017.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") 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.

**Concentration of Credit Risk**

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash. The Foundation limits its exposure by placing its cash with high quality financial institutions. At times, cash deposits may be in excess of the Federal Deposit Insurance Corporation insured limits. The Foundation has not experienced losses on its cash.

**Significant Donors**

In 2018 and 2017, four donors accounted for approximately 66% and 71%, respectively, of total revenues and other support.

**Tax Status**

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation recognizes and measures tax positions 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 BEACON COUNCIL ECONOMIC DEVELOPMENT FOUNDATION, INC.  
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NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018 AND 2017

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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**Tax Status (Continued)**

The U.S. Federal jurisdiction is the major tax jurisdiction where the Foundation files informational tax returns. The Foundation is generally no longer subject to U.S. Federal examinations by tax authorities for fiscal years before 2015.

**Contributions**

The Foundation recognizes contributions received as revenue in the period received. The Foundation considers all contributions to be available for unrestricted use unless they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as “net assets released from restrictions.”

**In-Kind Contributions**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Many volunteers provide services throughout the year that are not recognized as contributions in the financial statements, since such services are not the type that would qualify for recognition. The Council provides in-kind contributions to the Foundation (Note 3). In-kind contributions are recorded as revenue and expense in the accompanying statements of activities.

**Allocation of Functional Expenses**

The costs of the Foundation’s programs and supporting services have been summarized on a functional basis in the Statement of Activities. This requires the allocation of costs among the various programs and supporting services based on estimates made by management.

**Recent Accounting Pronouncements**

Presentation of Financial Statements of Not-for-Profit Entities

In August 2016, the Financial Accounting Standards Board (“FASB”) issued an accounting standard update which aims to improve information provided to creditors, donors, grantors, and others while also reducing complexity and costs. The update is the first phase of a project regarding not-for-profits which aims to improve and simplify net asset classification requirements and improve the information presented and disclosed in financial statements about liquidity, cash flows, and financial performance. The update is effective retrospectively for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018, with earlier application permitted. The Foundation is currently evaluating the effect the update will have on its financial statements.

Classification of Certain Cash Receipts and Cash Payments

In August 2016, the FASB issued an accounting standard update to reduce diversity in practice on eight specific statement of cash flows issues. The update is effective retrospectively for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. The Foundation is currently evaluating the effect the update will have on its financial statements.



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NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018 AND 2017

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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**Recent Accounting Pronouncements (Continued)**

Accounting Guidance for Contributions Received and Contributions Made

In June 2018, the FASB issued an accounting standard update in an effort to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The FASB believes the update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of not-for-profit guidance, or as an exchange (reciprocal) transaction subject to other guidance and (2) determining whether a contribution is conditional or not.

The update is effective on a modified prospective basis for fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019, with early adoption permitted. The Foundation is currently evaluating the potential accounting, transition, and disclosure effects the update will have on its financial statements.

**Subsequent Events**

The Foundation has evaluated subsequent events through July 24, 2019, which is the date the financial statements were available to be issued.

**3. DUE TO / IN-KIND - THE MIAMI-DADE BEACON COUNCIL, INC.**

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The Foundation conducts business with its affiliate, The Miami-Dade Beacon Council, Inc. (the "Council"). The Council is a separate entity and is tax exempt under Section 501(c)(6) of the Internal Revenue Code. During the years ended September 30, 2018 and 2017, the Council advanced certain funds to the Foundation primarily to cover program expenses for the One Community One Goal Program and other programs (NOTE 4).

Due to The Miami-Dade Beacon Council, Inc. consists of short-term advances for operating expenses and was \$38,413 and \$2,524 at September 30, 2018 and 2017, respectively.

In addition to funds advanced, the Council provides services to the Foundation. The cost associated with these services include the compensation of various employees, external audit services, and other overhead costs. Receiving this in-kind support allows the Foundation to expend funds raised on program activities instead of on management and general expenses, which are required in order to operate the Foundation. During the years ended September 30, 2018 and 2017, the amount of these services totaled approximately \$241,000 and \$236,000, respectively.

**4. ONE COMMUNITY ONE GOAL**

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During the year ended September 30, 2011, the Foundation launched a program, the One Community One Goal Targeted Industry Study for Miami-Dade County. The project identified and prioritized the target industries and required education programs which would have the best chance of creating the new jobs needed in the future for Miami-Dade County. Education and training was the foundation of the program and the study would also provide findings to integrate with all local economic development plans including the Economic Element of the Miami-Dade County Comprehensive Plan and the Economic Development portion of the Miami-Dade County Strategic Plan. The project included six elements; Research and Strengths, Weaknesses, Opportunities and Threats Analysis, Community and Business Input and Interviews, Inventory of Education Assets, Prioritization of Target Industries and the Publication of the Final Report and Recommendations.

During 2012, the study was completed and "rolled-out" to stakeholders and other community partners in the project. The Foundation entered the second phase of the project contingent upon the success of the study and securing additional funding.

During the years ended September 30, 2018 and 2017, the Foundation has been presenting the study to stakeholders and other community partners, and has incurred expenses of approximately \$688,000 and \$267,000, respectively, for the One Community One Goal program.