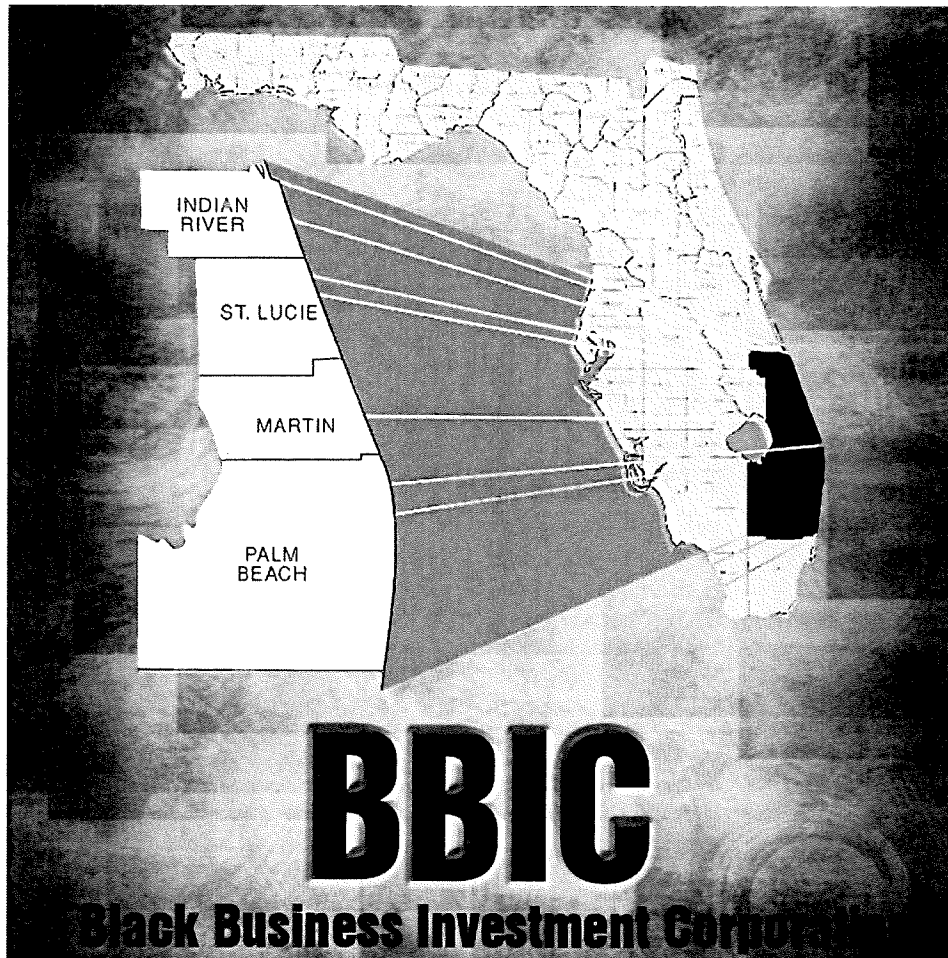
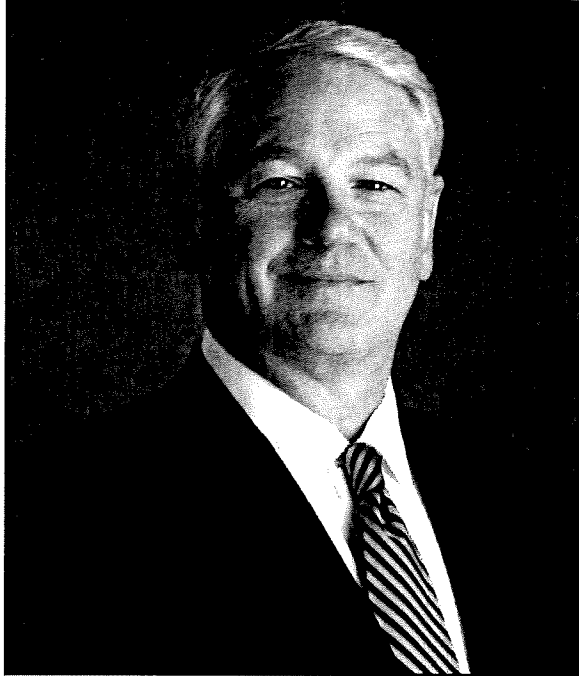


# Annual Report 2018



*Providing Access To Credit*

**Palm Beach County  
Black Business Investment Corporation**



**JOHN M. AHRENHOLZ**  
*Chairman*



**MARLON D. WHITE**  
*President*

### **MISSION STATEMENT**

The Mission of Palm Beach County Black Business Investment Corporation is to expand the participation of Black Business enterprises in all segments of Florida's economy by creating a perpetual flow of capital for their growth, and aggressively promoting an atmosphere conducive to their development.

# BBIC

Palm Beach County  
**Black Business Investment Corporation**

2001 Broadway, Suite 210, Riviera Beach, Florida 33404 (561) 845-8055

December 31, 2018

To Our Shareholders:

We continue to strive each year to ensure that Black owned businesses that deserve bank financing receive it. This financing includes Term Loans, Lines of Credit and Letters of Credit for bonding purposes. This year presented its own unique set of challenges, but with our "Can Do and Must Do Spirit," coupled with perseverance, we were able to accomplish our goals.


Our organization has served the Palm Beach, Martin, Saint Lucie and Indian River counties for the past 32 years with a wide array of financial services. We have provided over \$31.8 million in loans and assisted numerous businesses with their challenges/concerns. Additionally, these interactions have helped to create or retain over 3,200 jobs.

Challenges will continue to present themselves, but with the assistance of our Equity Partners, Board of Directors and other community resources, we look forward to overcoming the said challenges, thus enabling our clients to grow and expand their businesses while creating personal and generational wealth.

Sincerely,



John M. Ahrenholz  
*Chairman*



Marlon D. White  
*President*

## SUPPORT ORGANIZATIONS

In addition to providing capital funds for loans and fostering opportunities for black businesses, PBCBBIC assists in the training and educational programs for our clients, in cooperation with the following organizations:

1. Small Business Development Center (SBDC)  
3000 St. Lucie Avenue, Suite AD 408  
Boca Raton, Florida 33431  
(561) 862-4726  

This organization provides educational services, management and technical assistance to new and emerging businesses.
2. Small Business Administration (SBA)  
100 South Biscayne Blvd., 7th Floor  
Miami, Florida 33131  
(305) 536-5521  

This organization provides assistance through loan guarantees, bonding, management and technical assistance, etc., to small businesses.
3. SCORE  
500 Australian Ave., S. #115  
West Palm Beach, Florida 33401  
(561) 833-1672  

This organization provides educational services, management and technical assistance to new and emerging businesses.
4. Minority Business Enterprise(s)
  - (a) Palm Beach County
  - (b) Palm Beach County School Board
  - (c) City of West Palm Beach
  - (d) South Florida Water Management District

These programs assist minority businesses in the area of procurement.
5. Palm Beach County's Incubator Programs
  - (a) Center for Technology Enterprise & Development, Inc. (TED CENTER)
  - (b) The EDGE CENTER
  - (c) Enterprise Development Corp. (EDC)
  - (d) Center for Enterprise Opportunity
  - (e) Paragon Foundation

These programs assist small businesses and industries with a broad range of services.



# Mark Escoffery, P.A.

## Certified Public Accountant

8645 N. Military Trail  
Suite 503  
Palm Beach Gardens, FL 33410

Tel (561) 627-1404  
Fax (561) 627-3844

### INDEPENDENT AUDITOR'S REPORT

To The Board of Directors  
Palm Beach County Black Business Investment Corporation  
Riviera Beach, Florida

I have audited the accompanying Statement of Financial Position of Palm Beach County Black Business Investment Corporation ("the Corporation") (a nonprofit organization) as of September 30, 2018, and the related Statement of Activities and Cash Flows for the year then ended. These Financial Statements are the responsibility of the Management of the Corporation. My responsibility is to express an opinion on these Financial Statements based on my audit.

#### *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 misstatements, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

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 risk of material misstatements 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position of the Corporation as of September 30, 2018, and the respective changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated January 10, 2019, on my consideration of the Corporation's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Palm Beach Gardens, Florida  
January 10, 2019

*Mark Escoffery, P.A.*



**PALMBEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION**

**STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2018**

**ASSETS**

Cash	\$	31,486
Certificates of Deposit		489,456
Grant Receivable		9,000
Investments		3,220,964
<b>Fixed Assets:</b>		
Equipment and Furniture		3,517
Less Accumulated Depreciation		3,517
Other Assets		<u>1,875</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u><u>3,752,781</u></u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable	\$	5,000
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**Net Assets:**

**Subscriber's Equity:**

Contributions from Private Sector		1,332,500
Unrestricted Net Assets		<u>2,415,281</u>
Total Net Assets		<u>3,747,781</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u><u>3,752,781</u></u></b>

The accompanying Notes are an integral part of these Financial Statements.



**PALMBEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<b>Unrestricted</b>
<b>Revenue, Gains, and Other Support:</b>	
Investment Income	\$ 89,732
Unrealized Gain on Investment	76,363
Bad debt recovery	19,682
Contract Services	54,000
Program Fees and Other Income	<u>12,871</u>
<b>Total Revenue</b>	<b><u>252,648</u></b>
<b>Expenses:</b>	
Salaries and Benefits	213,762
Occupancy	15,377
Professional Fees	9,100
Investment Fees	13,535
Office Supplies	6,490
Travel	8,314
Telephone	3,818
Insurance	6,566
Office Expenses	<u>5,428</u>
<b>Total Expenses</b>	<b><u>282,390</u></b>
Decrease in Net Assets	(29,742)
<b>Net Assets, Beginning of Year</b>	<b><u>3,777,523</u></b>
<b>Net Assets, End of Year</b>	<b><u>\$ 3,747,781</u></b>

The accompanying Notes are an integral part of these Financial Statements.



**PALMBEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**Cash Flows From Operating Activities:**

Decrease in Net Assets \$ (29,742)

**Adjustments to Reconcile Increase in Net Assets to Net  
Cash Provided By Operating Activities:**

Increase in Operating Liabilities:

Decrease in Operating Liabilities:

Accounts Payable (1,677)

**Net Cash Flows (Used in) Operating Activities: (31,419)**

**Cash Flows from Investing Activities:**

Change in Certificate of Deposit 420,479

Change in Investments (388,073)

**Net Cash Flows (Used In) Investing Activities: 32,404**

**Net Increase in Cash: 985**

**Cash September 30, 2017 30,501**

**Cash September 30, 2018 \$ 31,486**

The accompanying Notes are an integral part of these Financial Statements.





**PALMBEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Palm Beach County Black Business Investment Corporation ("the Corporation") is a non-profit organization formed in accordance with the Florida Small and Minority Business Assistance Act of 1985. The purpose of the Corporation is to provide business loans, bonding, equity, and business services and assist in the development of joint opportunities and other services for businesses and enterprises owned by eligible black citizens.

**Basis of Accounting**

The accompanying Financial Statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Basis of Presentation**

The Corporation reports information regarding its financial position and activities according to three classes of Net Assets: Unrestricted, Temporarily Restricted and Permanently Restricted.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results may differ from those estimates.

**Concentration of Credit Risk**

Financial instruments that subject the Corporation to concentrations of credit risk include cash. While the Corporation attempts to limit its financial exposure, its deposit balances may at times exceed federally insured limits of \$250,000. The corporation has not experienced any losses on such balances.

**Restricted and Unrestricted Revenue and Support**

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.



**PALMBEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018  
(Continued)**

The following table sets forth, by level within the fair value hierarchy, the Corporation's assets at fair value as of September 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money Market Funds	\$ -	\$ 74,047	\$ 74,047
Equity Securities	1,809,190	-	1,809,190
Fixed Income Securities	1,337,727	-	1,337,727
	<u>\$ 3,146,917</u>	<u>\$ 74,047</u>	<u>\$ 3,220,964</u>

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended September 30, 2018:

Interest Income	\$ 35,293
Dividend Income	54,439
Net Realized and Unrealized Gains & Losses	76,363
	<u>\$ 166,095</u>

**NOTE 4 – LOAN GUARANTEE**

The Corporation has guaranteed \$1,300,722 of total borrowings aggregating \$1,889,266 to various banks on behalf of eligible black citizens as part of its program to develop existing black enterprises, support the formation of new black business, and foster increased employment and social stability within the black community. Participating banks originate these loans on substantially the same terms as any other loans. These loans generally require borrower's equity and/or collateral. The loan guarantee by the Corporation is offered for borrowers unable to obtain financing without assistance. If borrowers are unable to repay these loans and collateral is inadequate, the Corporation could incur losses aggregating \$1,300,722.



**PALM BEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**(Continued)**

**NOTE 5 – LOAN WRITE DOWN**

During the year ended September 30, 2016, the Corporation made a \$200,000 payment to cover a bank loan it had guaranteed that was not repaid by the borrower. The Company has recovered some of these funds during fiscal 2018 in the amount of \$19,682.

**NOTE 6 – OPERATING LEASE**

The Corporation leased its office space under a non-cancelable operating lease that expires January, 2019. Rent expense for the year ended September 30, 2017, was \$17,581. Future minimum lease payments as of September 30, 2017, (assuming the lease will be renewed) are as follows:

September 30, 2019	\$	17,700
2020		17,900
2021		18,400
2022		18,900
2023		<u>19,300</u>
	\$	<u>84,100</u>

**NOTE 7 - SUBSEQUENT EVENTS**

Management has evaluated events that occurred subsequent to the year end for potential recognition or disclosure in the financial statements, through the date on which the financial statements were available to be issued. The date when the financial statements were available to be issued was January 10, 2019.



**BBIC**

Palm Beach County  
**Black Business Investment Corporation**

2001 Broadway, Suite 210, Riviera Beach, Florida 33404 (561) 845-8055

**2018-19 BOARD OF DIRECTORS**

JOHN M. AHRENHOLZ  
First Bank of the Palm Beaches

C. ROBERT STOCK\*  
Community Representative

ROBERT J. BAMOND  
PNC Bank

R. MICHAEL STRICKLAND\*  
Northern Trust Bank

DONNA CARROLL  
SunTrust Bank

THAIS R. SULLIVAN  
Valley National Bank

JOHN H. HOWARD\*  
PBCBBIC

TIMOTHY B. THOMPSON  
Solid Waste Authority of Palm Beach County

DOUGLAS J. SHERMAN  
Bank of America

MARLON D. WHITE  
PBCBBIC

\*Retired in 2018

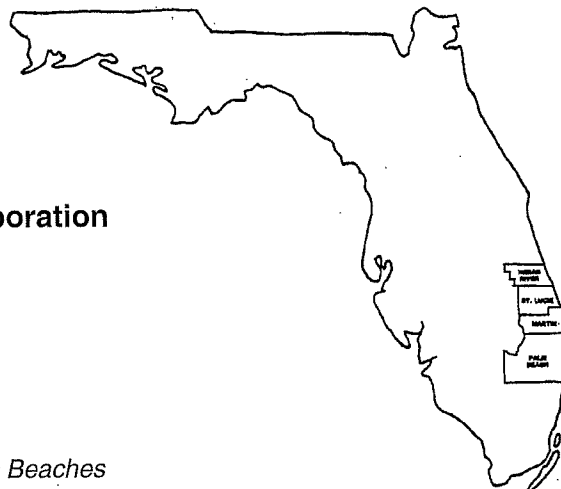
## **EQUITY SUBSCRIBERS**

*Bank of America  
Wells Fargo Bank  
SunTrust Bank  
Seacoast Bank  
BB&T  
Bankers Trust Foundation  
J.P. Morgan / Chase Bank  
Northern Trust Bank  
Valley National Bank  
T.D. Bank  
PNC Bank  
Regions Bank  
First Bank of the Palm Beaches  
First City Bank  
Indian River National Bank  
Port St. Lucie National Bank  
Boca Raton First National Bank  
First American Bank of Indian River County  
American Bank of Martin County  
Gee & Jensen, Inc.  
Hardrives of Delray, Inc.  
National Investment Company  
Pepsi Cola Bottling Company  
The Dreyfoos Group  
Pappalardo Construction Company  
Brown Distributing Company  
Perini Land & Development Company  
Sabatello Companies*

*Operating Grant Contributor  
Palm Beach County Board of County Commissioners*

**Palm Beach County**  
**Black Business Investment Corporation**  
2001 Broadway, Suite 210  
Riviera Beach, Florida 33404

(561) 845-8055



*Printed courtesy of First Bank of the Palm Beaches*