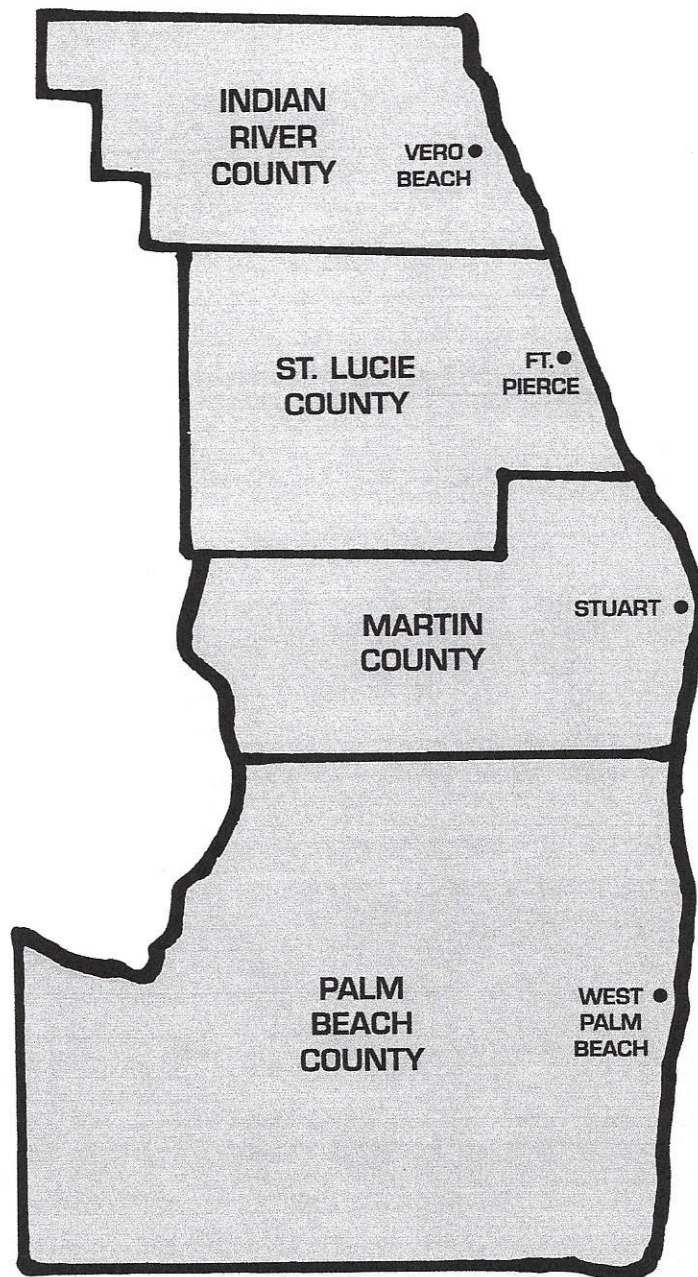
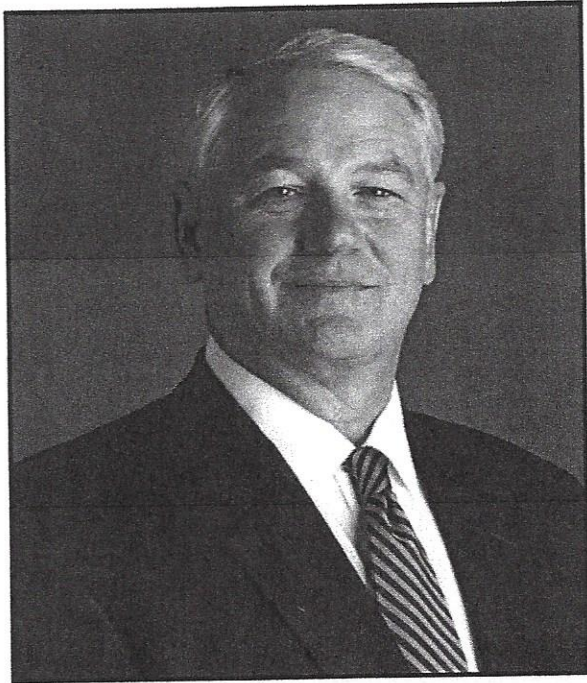


# Annual Report 2017

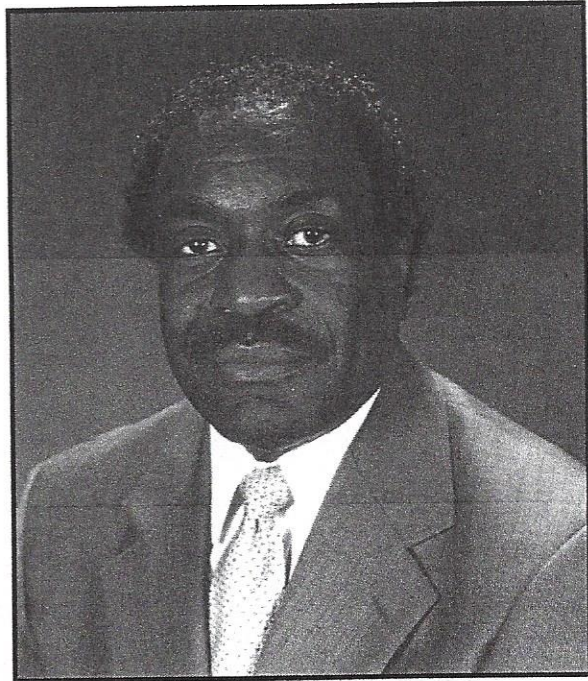


*Meeting The Challenge*

**Palm Beach County  
Black Business Investment Corporation**



JOHN M. AHRENHOLZ  
*Chairman*



JOHN H. HOWARD  
*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.





Palm Beach County  
**Black Business Investment Corporation**

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

December 31, 2017

To Our Shareholders:

For the past 30 years the Palm Beach County Black Business Investment Corporation (BBIC) has provided financial assistance to Black Businesses in Palm Beach, St. Lucie, Martin and Indian River Counties. We offered our services to these businesses because we wanted to assure that they receive a fair evaluation when applying for financing from banks. Our overall statistics indicate that we have made a significant difference with these businesses.

Recently, the BBIC entered another phase of assistance to the community by investing in the development of affordable housing. Our goal is to create opportunities for low income families to own their own homes and improve their standard of living. We are very optimistic about the success of this project.

When the BBIC was formed in 1987, we wanted to have a positive effect on this community and we have. Our thanks goes out to our Board of Directors, our Members, Community Partners and others who have supported us over the years and we look forward to a continuation of this support.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Ahrenholz".

John M. Ahrenholz  
*Chairman*

A handwritten signature in black ink, appearing to read "John H. Howard".

John H. Howard  
*President*

## **PBCBBIC**

### **OPERATION SUMMARY**

Palm Beach County Black Business Investment Corporation (BBIC) is a non-profit organization formed in accordance with the Small and Minority Business Act, of 1985. The BBIC was organized by the financial and business community of Palm Beach County, for the purpose of providing business loans, bonding, equity capital, developing job opportunities and other business services to businesses owned by black citizens.

The BBIC works closely with banks in securing loans for our clients. Clients applying for loan guarantees, bonding and/or equity investments, will be closely scrutinized to assure that financing cannot be obtained through other sources.

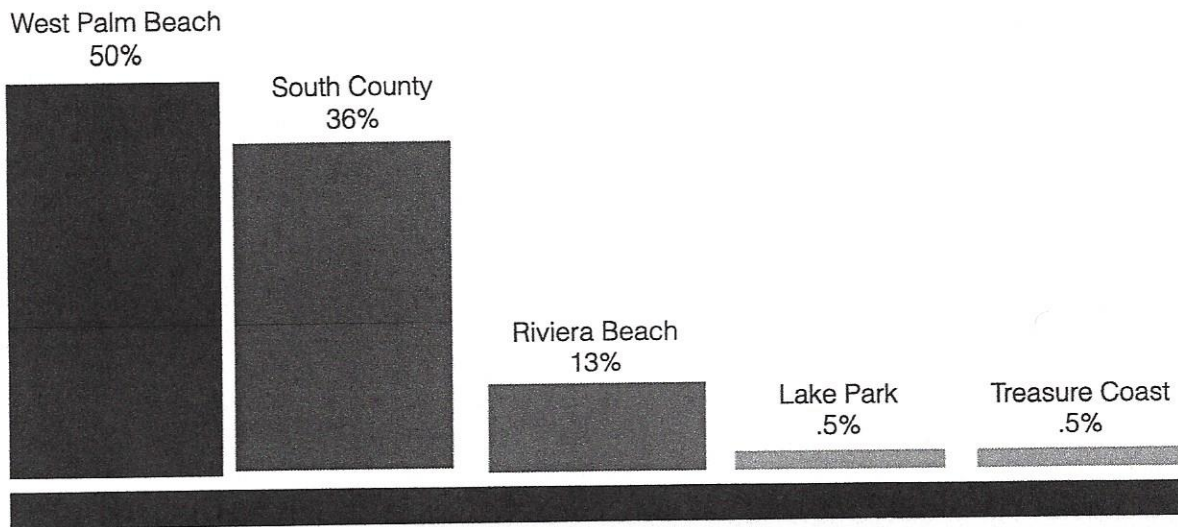
The BBIC is located at 2001 Broadway, Suite #210, in Riviera Beach, Florida. The organization is made up with a Board of Directors, supported by an Executive Committee, a Loan Committee and other committees as needed. Applications can be obtained by contacting the office at (561) 845-8055.

### **HISTORY & OVERVIEW**

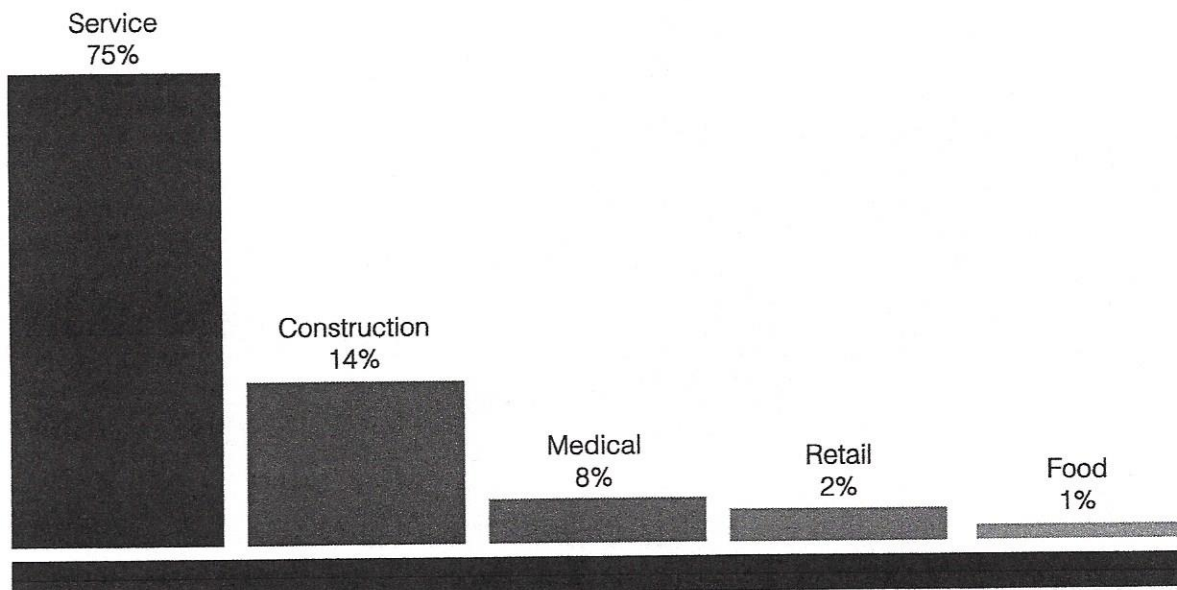
1. PBCBBIC first meeting – April 22, 1987 (Organizational).
2. PBCBBIC Incorporated (501 C 4 Non-profit) – July 31, 1987.
3. Applied for FBBIB investment – July 31, 1987.
4. Reached goal of \$500,000 investment – October 1987.
5. Obtained \$500,000 investment from FBBIB – October 1987.
6. Office officially opened – December 1987.
7. Received first loan application – January 1988.
8. Made first loan guarantee – April 1988.
9. Total loans in our first year (1988) – \$197,000.
- 10. Total loans through 2017 - \$31,317,160.**
- 11. Total jobs created or retained - 3209.**
- 12. Average equity of clients – \$70,000.**



## LOANS MADE ~ LOCATION



## LOANS MADE ~ INDUSTRY

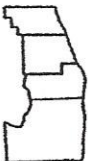




## SUPPORT ORGANIZATIONS

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)<br>3000 St. Lucie Avenue, Suite AD 408<br>Boca Raton, Florida 33431<br>(561) 862-4726  | This organization provides educational services, management and technical assistance to new and emerging businesses.                    |
| 2. Small Business Administration (SBA)<br>100 South Biscayne Blvd., 7th Floor<br>Miami, Florida 33131<br>(305) 536-5521  | This organization provides assistance through loan guarantees, bonding, management and technical assistance, etc., to small businesses. |
| 3. SCORE<br>500 Australian Ave., S. #115<br>West Palm Beach, Florida 33401<br>(561) 833-1672   | This organization provides educational services, management and technical assistance to new and emerging businesses.                    |
| 4. Minority Business Enterprise(s)<br>(a) Palm Beach County<br>(b) Palm Beach County School Board<br>(c) City of West Palm Beach<br>(d) South Florida Water Management District  | These programs assist minority businesses in the area of procurement.   |
| 5. Palm Beach County's Incubator Programs<br>(a) Center for Technology Enterprise & Development, Inc. (TED CENTER)<br>(b) The EDGE CENTER<br>(c) Enterprise Development Corp. (EDC)<br>(d) Center for Enterprise Opportunity<br>(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, 2017, 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, 2017, 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 5, 2018, 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.

*Mark Escoffery, P.A.*

Palm Beach Gardens, Florida  
January 5, 2018





**PALMBEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION**

**STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2017**

**ASSETS**

Cash	\$	30,501
Certificates of Deposit		859,935
Certificates of Deposit - Restricted		50,000
Grant Receivable		9,000
Investments		2,832,890
<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>3,784,201</u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable	\$	6,678
------------------	----	-------

**Net Assets:**

**Subscriber's Equity:**

Contributions from Private Sector	1,332,500
Unrestricted Net Assets	2,395,023
Temporarily Restricted	<u>50,000</u>
Total Net Assets	<u>3,777,523</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>3,784,201</u></b>

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



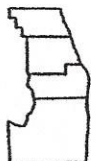


**PALMBEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<b>Unrestricted</b>
<b>Revenue, Gains, and Other Support:</b>	
Investment Income	\$ 70,991
Unrealized Gain on Investment	378,784
Realized Gain on Sale of Investments	36,046
Contract Services	54,000
Program Fees and Other Income	8,366
<b>Total Revenue</b>	<b><u>548,188</u></b>
<b>Expenses:</b>	
Salaries and Benefits	192,834
Payroll Taxes	12,954
Contract Services	5,200
Occupancy	17,581
Professional Fees	4,500
Investment Fees	12,261
Office Supplies	5,176
Travel	9,963
Telephone	5,348
Insurance	7,725
Office Expenses	3,093
<b>Total Expenses</b>	<b><u>276,635</u></b>
Increase in Net Assets	<u>271,553</u>
Transfer from Temporarily Restricted	(176,667)
<b>Net Assets, Beginning of Year</b>	<b><u>3,682,637</u></b>
<b>Net Assets, End of Year</b>	<b><u><u>\$ 3,777,523</u></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, 2017**

**Cash Flows From Operating Activities:**

Increase in Net Assets \$ 271,553

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

**Increase in Operating Liabilities:**

Grant Receivable (4,500)

**Decrease in Operating Liabilities:**

Accounts Payable (3,300)

**Net Cash Flows Provided By Operating Activities:** 263,753

**Cash Flows from Investing Activities:**

Change in Certificate of Deposit 146,673

Change in Investments (384,186)

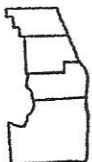
**Net Cash Flows (Used In) Investing Activities:** (237,513)

**Net Increase in Cash:** 26,240

**Cash September 30, 2016** 4,261

**Cash September 30, 2017** \$ 30,501

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



# **PALMBEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017**

### **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**

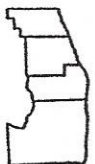
The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results may differ from those estimates.

#### **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.





# **PALM BEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017 (Continued)**

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

#### **Restricted and Unrestricted Revenue and Support (Cont'd.)**

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

#### **Investment Securities**

Investment in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the Change in Net Assets.

#### **Property and Equipment**

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided on the straight-line method over the assets estimated useful lives with range from 3 to 5 years.

#### **Income Tax Status**

The Corporation is exempt from Federal Income Tax as an organization described in Section 501 (c) (4) of the Internal Revenue Code. The Corporation's Income Tax Return, Form 990, is subject to examination by the Internal Revenue Service for years after 2014.

### **NOTE 2 - FURNITURE AND FIXTURES**

Furniture and fixtures are recorded at cost, and depreciation is provided on a straight-line basis over the estimated useful lives ranging from 3 to 5 years. Maintenance and repairs are expensed in the year incurred. Furniture and fixtures have been fully depreciated.



# **PALMBEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2017**

**(Continued)**

### **NOTE 3 – INVESTMENT**

Investments are measured according to a fair value hierarchy as described below:

**Level 1** - Valued using unadjusted prices for identical assets or liabilities in active markets.

**Level 2** - Valued using quoted prices for similar assets or liabilities in active markets.

The following table sets forth, by level within the fair value hierarchy, the Corporation's assets at fair value as of September 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money Market Funds	\$ -	\$ 130,253	\$ 130,253
Equity Securities	1,116,197	-	1,116,197
Fixed Income Securities	1,586,440	-	1,586,440
	<u>\$ 2,702,637</u>	<u>\$ 130,253</u>	<u>\$ 2,832,890</u>

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended September 30, 2017:

Interest Income	\$ 28,846
Dividend Income	40,180
Net Realized and Unrealized Gains & Losses	387,930
	<u>\$ 456,956</u>

### **NOTE 4 – LOAN GUARANTEE**

The Corporation has guaranteed \$2,000,000 of total borrowings aggregating \$2,438,000 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 \$2,000,000.





# **PALM BEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017 (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 2017 in the amount of \$36,046.

### **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:

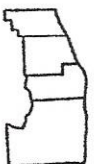
September 30, 2018	\$	17,700
2019		17,900
2020		18,400
2021		18,900
2022		19,300
2023		19,800
	\$	<u>112,000</u>

### **NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS**

The Corporation assigned \$50,000 to a commercial bank for two loans that it guaranteed during the year ended September 30, 2017.

### **NOTE 8 – 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 5, 2018.





# BBIC

Palm Beach County

**Black Business Investment Corporation**

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

## 2017 BOARD OF DIRECTORS

JOHN M. AHRENHOLZ  
First Bank of the Palm Beaches

R. MICHAEL STRICKLAND  
Northern Trust Bank

DOUGLAS J. SHERMAN  
Bank of America

MARLOND. WHITE  
PNC Bank

JOHN H. HOWARD  
PBCBBIC

DONNA CARROLL  
SunTrust Bank

C. ROBERT STOCK  
Community Representative

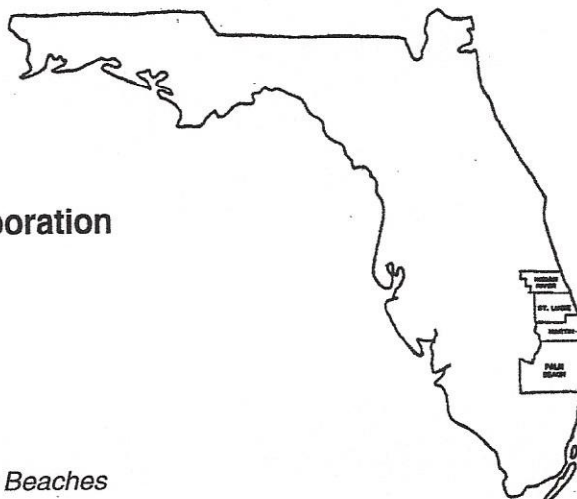
## **EQUITY SUBSCRIBERS**

*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*