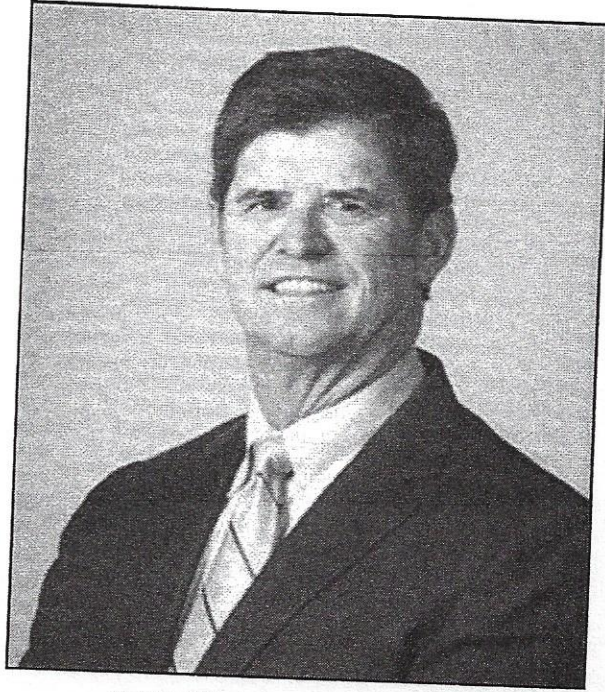


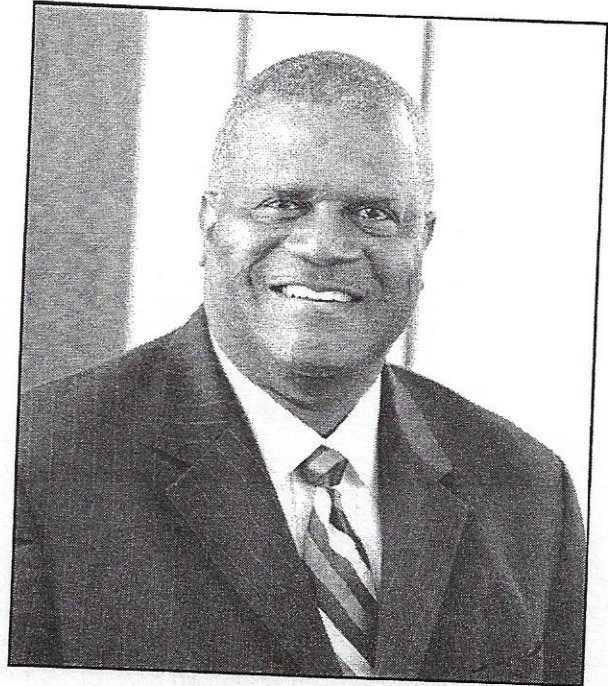
Annual Report 2020



"Providing Access To Credit"



DOUGLAS J. SHERMAN
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.



- Bank of America
- SunTrust Bank
- Wells Fargo Bank
- Seacoast Bank
- BB&T
- Bankers Trust
- JP Morgan/Chase
- PNC Bank
- Valley National Bank
- US Trust
- Regions Bank
- TD Bank
- Northern Trust
- BankUnited
- South State Bank

December 31, 2020

To Our Shareholders:

We are proud to report that the PBCBBIC has completed another successful year in its support of Black owned and controlled businesses in Palm Beach, Martin, St. Lucie, and Indian River Counties. During our 34 years of service, we have assisted 10,800 clients with some form of business assistance, provided \$33,600,000.00 in loan guarantees, and created/retained over 3,300 jobs. These accomplishments were made possible due to the leadership of our Board of Directors and their commitment to achieving our goal of expanding the ownership and development of Black owned and controlled businesses.

As we all know, 2020 was an exceptionally challenging year. The impact of the coronavirus (COVID-19) was felt by businesses in our community and around the world. Business owners had to navigate a broad range of interrelated issues that spanned from keeping their employees and customers safe, shoring-up cash and liquidity, reorienting operations, and navigating government support programs. As a result, our organization was creative and intentional with the various platforms used to communicate available resources with business owners. Through our alliances with the Black Business Investment Fund (Orlando, Florida) and the Community Reinvestment Fund (Minneapolis, Minnesota) PBCBBIC is now able to provide direct lending, SBA loans, and PPP (Paycheck Protection Program) to business owners.

We are also proud to announce that effective July 2020 we officially obtained our CDFI Certification (Community Development Financial Institution) which will serve as a gateway to a network of mission driven institutions that serve and empower economically distressed communities. This certification can invoke real change for the communities that need it the most.

PBCBBIC's Board expresses its thanks and appreciation to the many individuals and organizations that supported our programs. Special thanks are extended to the Board of County Commissioners and our Shareholders for providing resources for us to assist these businesses.

Sincerely,

Douglas J. Sherman
Chairman

Marlon D. White
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.

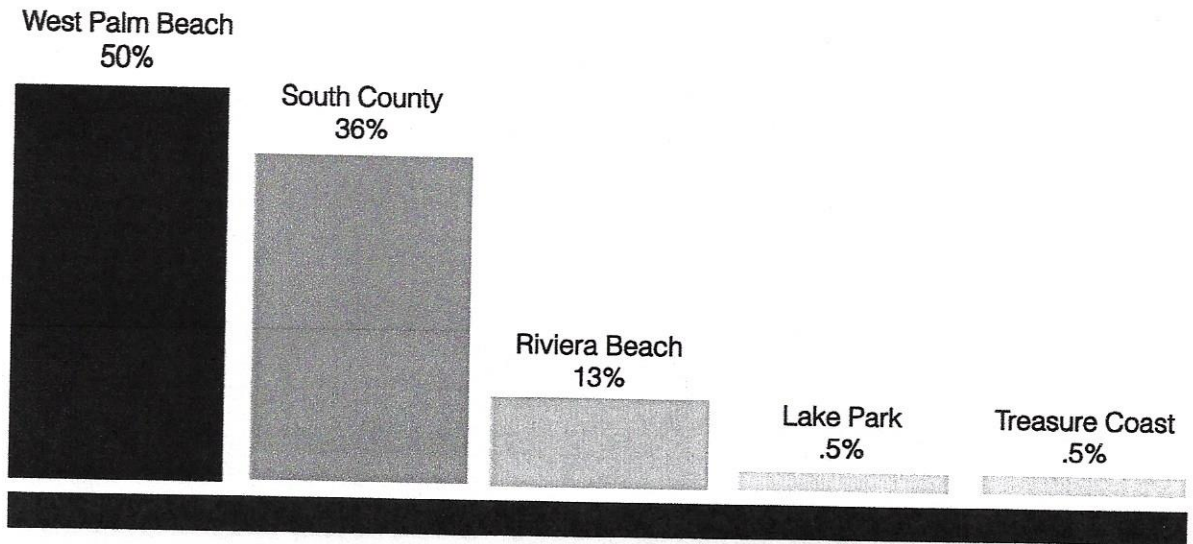
The BBIC works closely with banks in securing loans for our clients. Clients applying for loan guarantees, bonding and/or equity investments, will be closely scrutinized to assure that financing cannot be obtained through other sources.

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.

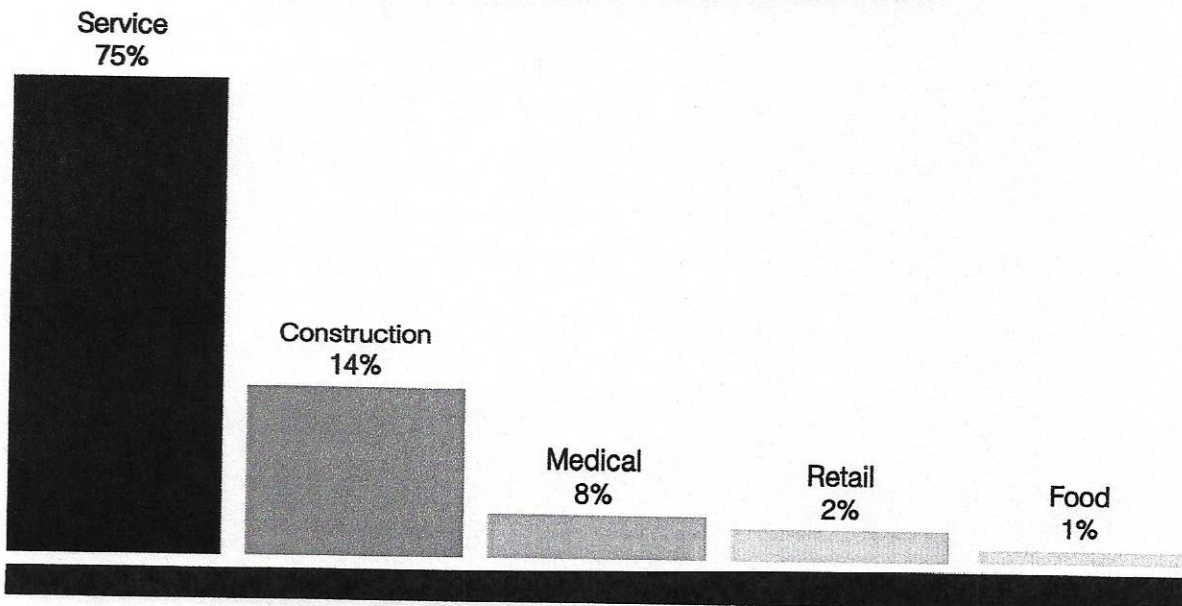
HISTORY & OVERVIEW

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 2020 - \$33,641,086.**
- 11. Total jobs created or retained - 3324.**
- 12. Average loan amount in 2020 – \$158,846.**

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)
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 DistrictThese 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 FoundationThese 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, 2020, 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, 2020, 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 November 28, 2020, 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
November 28, 2020

Mark Escoffery, P.A.

MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

BBIC

PALM BEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION

**STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020**

ASSETS

Cash	\$	379,609
Certificates of Deposit		83,898
Grant Receivable		4,500
Investments		3,329,206
Fixed Assets:		
Equipment and Furniture		3,517
Less Accumulated Depreciation		3,517
Other Assets		956
TOTAL ASSETS	\$	3,798,169

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$	6,500
Payroll Taxes Payable		3,618
		<u>10,018</u>

Net Assets:

Net Assets without restrictions		3,788,151
Total Net Assets		<u>3,788,151</u>
TOTAL LIABILITIES AND NET ASSETS	\$	3,798,169

See accompanying notes and independent auditor's report.

PALM BEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION

**STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020**

	Without Restrictions
Revenue, Gains, and Other Support:	
Investment Income	\$ 92,045
Unrealized Gain on Investment	116,625
Contract Services	54,000
Bad Debt Recovery	21,059
Program Fees and Other Income	21,000
Total Revenue	<u><u>304,729</u></u>
Expenses:	
Salaries and Benefits	153,084
Payroll Taxes	10,799
Contract Services	30,710
Occupancy	20,943
Professional Fees	7,400
Investment Fees	17,541
Office Supplies	8,392
Travel	6,188
Telephone	2,319
Insurance	5,988
Office Expenses	6,877
Total Expenses	<u><u>270,241</u></u>
Increase in Net Assets	<u>34,488</u>
Net Assets, Beginning of Year	3,740,563
Capital Contributions	<u>13,000</u>
Net Assets, End of Year	<u><u>\$ 3,788,051</u></u>

See accompanying notes and independent auditor's report.

PALM BEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Cash Flows From Operating Activities:

Increase in Net Assets \$ 34,488

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

Increase in Operating Assets/Liabilities:

Deposits 919

Accounts Payable 10,117

Net Cash Flows Provided By Operating Activities: 45,524

Cash Flows from Investing Activities:

Change in Certificate of Deposit (57)

Capital Contributions 13,000

Change in Investments (5,603)

Net Cash Flows provided by Investing Activities 7,340

Net Increase in Cash: 52,864

Cash, beginning of year 326,745

Cash, end of year \$ 379,609

See accompanying notes and independent auditor's report.

PALM BEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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 two classes of Net Assets: Net assets without donor restrictions and net assets with donor restrictions. There were only Net assets without donor restrictions at year end.

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, 2020

(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 net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions 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 2018. The Corporation is not under Internal Revenue Service examination for any years.

Fair Value Measurement

The Fair Value Measurements Topic of the FASB Accounting Standards Codification defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurements.

The Corporation measures the fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly

PALM BEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

(Continued)

transaction between market participants at the measurement date. The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable Level 1 or 2 inputs are not available.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

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.

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.

PALM BEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

(Continued)

The following table sets forth, by level within the fair value hierarchy, the Corporation's assets at fair value as of September 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money Market Funds	\$ -	\$ 129,936	\$ 129,936
Equity Securities	1,814,481	-	1,814,481
Fixed Income Securities	1,357,789	-	1,357,789
	<u>\$ 3,199,270</u>	<u>\$ 129,936</u>	<u>\$ 3,329,206</u>

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended September 30, 2020:

Interest Income	\$ 32,442
Dividend Income	57,980
Net Realized and Unrealized Gains & Losses	116,625
	<u>\$ 207,047</u>

NOTE 4 – LOAN GUARANTEE

The Corporation has guaranteed \$795,379 of total borrowings aggregating \$1,477,506 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 \$795,379.

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 2020 in the amount of \$21,059.

PALM BEACH COUNTY BLACK BUSINESS INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

(Continued)

NOTE 6 – CAPITAL CONTRIBUTIONS

During the year Bank United made capital contributions of \$13,000 to the corporation.

Capitals Contributions (included in net assets without restrictions) Beginning Balance	\$ 1,332,500
Increase in Capital Contributions	<u>13,000</u>
Total Capital Contributions	<u>\$ 1,345,500</u>

NOTE 7 – OPERATING LEASE

The Corporation leased its office space under a non-cancelable operating lease that expires October 31, 2023. Rent expense for the year ended September 30, 2020, was \$20,943. Future minimum lease payments as of September 30, 2020, (assuming the lease will be renewed) are as follows:

September 30, 2021	\$ 21,500
2022	21,500
2023	21,500
2024	22,000
2025	<u>22,000</u>
	<u>\$ 108,500</u>

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	\$ 463,507
Grants Receivable	<u>4,500</u>
Total Available for General Expenditures	<u>\$ 468,007</u>

NOTE 9 – RISKS AND UNCERTAINTIES

Risks and uncertainties could significantly affect the amounts reported in the financial statements in the near term of the Organization. The risks and uncertainties addressed can stem from the Organization's operations, the use of significant estimates and revenue stream. Management believes that the effects of Covid-19 will not have a negative impact on the Organization.

NOTE 10 - 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 November 28, 2020.



2001 Broadway, Suite 210
Riviera Beach, FL 33404

561-845-8055

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- Northern Trust
- BankUnited
- South State Bank

2020-2021 BOARD OF DIRECTORS

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Bank of America

THAIS R. SULLIVAN
Valley National Bank

MARLON D. WHITE
PBCBBIC

DONNA CARROLL
SunTrust Bank

TIMOTHY B. THOMPSON
Solid Waste Authority of Palm Beach County

CHARLES W. KEYS, III
South State Bank

STEVEN L. EASSA
Seacoast National Bank

SEAN CHADERTON
BankUnited



EQUITY SUBSCRIBERS

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BB&T
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JP Morgan/Chase
PNC Bank
Valley National Bank
US Trust
Regions Bank
TD Bank
Northern Trust
Bank United
South State Bank
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**
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