



# Hispanic Business Initiative Fund of Florida, Inc.

Financial Statements  
Years Ended September 30, 2016 and 2015

# **Hispanic Business Initiative Fund of Florida, Inc.**

---

Financial Statements  
Years Ended September 30, 2016 and 2015

# Hispanic Business Initiative Fund of Florida, Inc.

## Contents

---

<b>Independent Auditor’s Report</b>	3-4
<b>Financial Statements</b>	
Statements of Financial Position	6
Statements of Activities	7
Statements of Cash Flows	8
Statements of Functional Expenses	9
Notes to Financial Statements	10-16
<b>Reports Required by Government Auditing Standards and Florida Single Audit Act</b>	
Schedule of Expenditures of State Financial Assistance	18
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 <i>Government Auditing Standards</i>	19-20
Independent Auditor’s Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance Required by Chapter 10.650, Rules of the Florida Auditor General	21-22
Schedule of Findings and Questioned Costs - State Financial Assistance	23



## Independent Auditor's Report

Board of Directors  
Hispanic Business Initiative Fund of Florida, Inc.

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Hispanic Business Initiative Fund of Florida, Inc. (the "Organization"), which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities, cash flows and functional expenses 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Hispanic Business Initiative Fund of Florida, Inc. as of September 30, 2016 and 2015, 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.

### *Other Matters*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.650, Rules of the Florida Auditor General, 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 information 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 February 28, 2017, on our consideration of the Organization's internal control over financial reporting and on our 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 our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Organization's internal control over financial reporting and compliance.

*BDO USA, LLP*

BDO USA, LLP  
February 28, 2017

## Financial Statements

---

# Hispanic Business Initiative Fund of Florida, Inc.

## Statements of Financial Position

<i>September 30,</i>	2016	2015
<b>Assets:</b>		
Cash and cash equivalents	\$ 627,809	\$ 1,156,433
Investments (Note 3)	703,800	233,796
Accounts receivable	49,346	38,083
Grants and contributions receivable	555,434	501,890
Prepaid expenses and other assets	93,679	79,903
Property and equipment, net (Note 4)	128,666	131,751
	<b>\$ 2,158,734</b>	<b>\$ 2,141,856</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 49,294	\$ 46,783
Accrued expenses	223,551	229,047
Deferred revenue	167,253	172,758
<b>Total liabilities</b>	<b>440,098</b>	<b>448,588</b>
<b>Net assets (Note 6):</b>		
Unrestricted	1,633,636	1,588,768
Temporarily restricted	85,000	104,500
<b>Total net assets</b>	<b>1,718,636</b>	<b>1,693,268</b>
	<b>\$ 2,158,734</b>	<b>\$ 2,141,856</b>

*See accompanying notes to financial statements.*

# Hispanic Business Initiative Fund of Florida, Inc.

## Statements of Activities

<i>Year Ended September 30,</i>	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues and support:</b>						
Grants (Note 2)	\$ 2,066,310	\$ -	\$ 2,066,310	\$ 1,816,292	\$ -	\$ 1,816,292
Contributions	501,708	85,000	586,708	476,926	104,500	581,426
Special event revenue:	547,984	-	547,984	643,657	-	643,657
Less: cost of direct benefit to donors	(237,438)	-	(237,438)	(288,314)	-	(288,314)
<b>Net special event revenue</b>	<b>310,546</b>	<b>-</b>	<b>310,546</b>	<b>355,343</b>	<b>-</b>	<b>355,343</b>
Other income, net	32,341	-	32,341	1,561	-	1,561
Net assets released from restrictions (Note 6)	104,500	(104,500)	-	106,984	(106,984)	-
<b>Total revenues and support</b>	<b>3,015,405</b>	<b>(19,500)</b>	<b>2,995,905</b>	<b>2,757,106</b>	<b>(2,484)</b>	<b>2,754,622</b>
<b>Expenses:</b>						
Program services	2,279,955	-	2,279,955	1,662,879	-	1,662,879
General and administrative	212,748	-	212,748	292,807	-	292,807
Fundraising	477,834	-	477,834	427,086	-	427,086
<b>Total expenses</b>	<b>2,970,537</b>	<b>-</b>	<b>2,970,537</b>	<b>2,382,772</b>	<b>-</b>	<b>2,382,772</b>
<b>Change in net assets</b>	<b>44,868</b>	<b>(19,500)</b>	<b>25,368</b>	<b>374,334</b>	<b>(2,484)</b>	<b>371,850</b>
<b>Net assets, beginning of year</b>	<b>1,588,768</b>	<b>104,500</b>	<b>1,693,268</b>	<b>1,214,434</b>	<b>106,984</b>	<b>1,321,418</b>
<b>Net assets, end of year</b>	<b>\$ 1,633,636</b>	<b>\$ 85,000</b>	<b>\$ 1,718,636</b>	<b>\$ 1,588,768</b>	<b>\$ 104,500</b>	<b>\$ 1,693,268</b>

*See accompanying notes to financial statements.*

# Hispanic Business Initiative Fund of Florida, Inc.

## Statements of Cash Flows

<i>Year Ended September 30,</i>	2016	2015
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 25,368	\$ 371,850
Adjustments to reconcile change in net assets to net cash (used for) provided by operating activities:		
Depreciation and amortization	39,159	32,639
Net unrealized loss on investment	8,670	-
Change in operating assets and liabilities:		
Accounts receivable	(11,263)	(16,758)
Grants and contributions receivable	(53,544)	35,899
Prepaid expenses and other assets	(13,776)	(14,535)
Accounts payable	2,511	4,827
Accrued expenses	(5,496)	112,008
Deferred revenue	(5,505)	19,233
<b>Net cash (used for) provided by operating activities</b>	<b>(13,876)</b>	<b>545,163</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(36,073)	(87,552)
Interest earned on certificates of deposit	1,011	(719)
Purchases of investments	(479,686)	-
<b>Net cash used for investing activities</b>	<b>(514,748)</b>	<b>(88,271)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(528,624)</b>	<b>456,892</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,156,433</b>	<b>699,541</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 627,809</b>	<b>\$ 1,156,433</b>

*See accompanying notes to financial statements.*

# Hispanic Business Initiative Fund of Florida, Inc.

## Statements of Functional Expenses

<i>Year Ended September 30,</i>	2016				2015			
	Program Services	Supporting Services			Program Services	Supporting Services		
		General and Administrative	Fundraising	Total		General and Administrative	Fundraising	Total
Salaries and wages	\$ 991,111	\$ 97,959	\$ 238,793	\$ 1,327,863	\$ 773,680	\$ 36,415	\$ 241,982	\$ 1,052,077
Taxes - payroll	74,967	6,231	16,042	97,240	60,790	3,466	17,145	81,401
Employee benefits	162,297	20,086	34,278	216,661	110,782	26,780	29,007	166,569
Contract services	363,677	4,204	1,533	369,414	236,575	-	-	236,575
Rent	149,463	8,295	13,432	171,190	117,700	8,488	7,482	133,670
Professional fees	54,648	19,145	5,767	79,560	33,554	93,000	3,881	130,435
Travel	45,409	4,188	23,303	72,900	41,203	2,262	25,606	69,071
Advertising and marketing	106,476	5,665	43,845	155,986	62,146	2,490	12,799	77,435
Postage and shipping	1,097	1,008	1,228	3,333	817	1,366	2,155	4,338
Telephone	27,320	4,188	2,809	34,317	24,557	4,389	2,550	31,496
Governmental consulting	85,000	-	-	85,000	81,667	-	-	81,667
Insurance	9,499	1,420	1,347	12,266	7,297	5,605	841	13,743
Printing	1,500	78	17,831	19,409	3,861	759	17,797	22,417
Equipment rental	18,658	1,710	844	21,212	14,372	984	709	16,065
Office supplies and other expenses	136,230	27,426	53,039	216,695	78,457	63,489	56,164	198,110
Community outreach	19,738	3,530	7,041	30,309	12,525	2,618	841	15,984
Repairs and maintenance	-	196	-	196	-	495	38	533
Depreciation and amortization	29,761	4,699	4,699	39,159	-	32,639	-	32,639
Dues and subscriptions	2,310	290	921	3,521	2,417	589	1,063	4,069
Miscellaneous	794	2,430	11,082	14,306	479	6,973	7,026	14,478
<b>Total</b>	<b>\$ 2,279,955</b>	<b>\$ 212,748</b>	<b>\$ 477,834</b>	<b>\$ 2,970,537</b>	<b>\$ 1,662,879</b>	<b>\$ 292,807</b>	<b>\$ 427,086</b>	<b>\$ 2,382,772</b>

*See accompanying notes to financial statements.*

# Hispanic Business Initiative Fund of Florida, Inc.

## Notes to Financial Statements

---

### 1. Organization and Summary of Significant Accounting Policies

#### *Nature of Organization*

The Hispanic Business Initiative Fund of Florida, Inc. (the “Organization”) is the leading Hispanic nonprofit economic development organization in Florida specializing in bilingual business development to Hispanic entrepreneurs trying to establish or expand their business. The Organization was incorporated in the state of Florida on September 1, 1995 to contribute to the growth of disadvantaged and underprivileged Hispanic minority business enterprises. The Organization provides business technical assistance to Hispanic-American operated and owned businesses in Florida. Qualified professional services such as accountants, lawyers, and business and marketing consultants are available to these minority businesses through this program. The Organization also provides educational opportunities for Hispanic-American businesses by offering seminars and workshops.

#### *Liquidity*

Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash and liabilities to their nearness of their maturity and resulting use of cash.

#### *Cash and Cash Equivalents*

The Organization considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

#### *Investments*

Investments consist of corporate bonds that are carried at fair market value. Investments also include certificates of deposit with original maturities greater than three months. Realized and unrealized gains and losses are combined with interest income and dividends earned during the period and are recorded in other income on the statements of activities.

#### *Property and Equipment*

Property and equipment acquisitions are capitalized at cost when purchased or at the fair value at the date of gift when donated. Expenditures for repairs and maintenance are expensed in the year incurred. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the shorter of the estimated useful life or the term of the lease.

#### *Grants and Contributions*

Grants represent amounts due from state and local government agencies and are recorded as exchange transactions in which each party receives and sacrifices commensurate value. Funds from these exchange transactions are not considered contributions, and, as such, are deemed to be earned and reported as revenue when such funds have been expended towards their designated purpose. Grants considered to be exchange transactions that are received in advance of expenditures are recorded as deferred revenue.

# Hispanic Business Initiative Fund of Florida, Inc.

## Notes to Financial Statements

---

Contributions of cash and goods from individuals, corporations and foundations are considered unconditional promises to give and are recorded as contributions at fair value when the promises to give are made.

Contributed services are recognized and recorded at fair value only to the extent they create and enhance nonfinancial assets or require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation.

Grants and contributions receivable at September 30, 2016 and 2015, were due in less than one year. At September 30, 2016 and 2015, in the opinion of management, all accounts were considered fully collectible and, accordingly, no allowance was necessary.

### *Donor Restricted Support*

The Organization reports contributions of cash and other assets as temporarily or permanently restricted support if 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. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

### *Net Assets*

Unrestricted net assets consist of amounts that are available for use in carrying out the activities of the Organization. Temporarily restricted net assets represent those amounts which are not available until future periods or are donor restricted for specific purposes. Permanently restricted net assets result from gifts and bequests from donors who place restrictions on the use of the funds which mandate that the original principal be invested in perpetuity. The Organization did not have any permanently restricted net assets at September 30, 2016 or 2015.

### *Special Event Revenue*

Special event revenue is recognized in the period the event takes place. Sponsorships received in advance of the event are recorded as deferred revenue.

### *Advertising*

Advertising costs are expensed the first time the advertising takes place. Total advertising costs were \$55,978 and \$47,617 during 2016 and 2015, respectively.

### *Functional Allocation of Expenses*

The cost of providing the program and other activities of the Organization have been summarized on a functional basis in the statements of activities. Salaries and related payroll expenses are allocated among functional categories based on the estimated proportion of time spent relative to each function. All other expenses are allocated based on management's estimate of the relative functional activity.

# Hispanic Business Initiative Fund of Florida, Inc.

## Notes to Financial Statements

---

### *Income Taxes*

The Organization is a not-for-profit organization and is exempt from taxation under Internal Revenue Code Section 501(c)(3) on income related to its tax-exempt purpose and from state income taxes under similar provisions of the Florida Income Tax Code.

The Organization identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the statement of financial position. The Organization has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, The Organization would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Organization's tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

### *Fair Value of Financial Instruments*

The Organization reports its financial assets and liabilities using a three-tier hierarchy, which prioritizes the inputs used in measuring 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 below:

*Level 1* - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

*Level 2* - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

*Level 3* - Inputs that are both significant to the fair value measurement and unobservable.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximate their fair values due to the short-term nature of these instruments. These financial instruments include accounts receivable, grants and contributions receivable, accounts payable and accrued expenses. The Organization's Level 1 financial assets consist of investments as disclosed in Note 3 and are valued on a daily basis in an active market. The Organization has no Level 2 or 3 financial assets or liabilities.

### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

# Hispanic Business Initiative Fund of Florida, Inc.

## Notes to Financial Statements

---

### *Accounting Pronouncements Issued but Not Yet Adopted*

#### *Presentation of Financial Statements*

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) - Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for the Organization’s financial statements for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for periods prior to adoption. Management is currently evaluating the impact of this ASU on their financial statements.

#### *Revenue*

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP.

The standard is effective for annual periods beginning after December 15, 2018, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). The new standard allows for early adoption for annual periods beginning after December 15, 2016. The Organization is currently evaluating the impact of its pending adoption of ASU 2014-09 on its financial statements and has not yet determined the method by which it will adopt the standard.

# Hispanic Business Initiative Fund of Florida, Inc.

## Notes to Financial Statements

---

### *Leases*

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

The new standard is effective for fiscal years beginning after December 15, 2019. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

### *Subsequent Events*

The Organization has evaluated events and transactions occurring subsequent to September 30, 2016 as of February 28, 2017, which is the date the financial statements were available to be issued. Subsequent events occurring after February 28, 2017 have not been evaluated by management. No material events have occurred since September 30, 2016, that require recognition or disclosure in the financial statements, except as disclosed in Note 8.

## **2. Concentrations of Credit Risk and Support**

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances.

The Organization receives substantial support from the State of Florida which represented 50.2% and 54.7% of total revenues and support during fiscal 2016 and 2015, respectively. A significant reduction in the level of this support, if this were to occur, may impact the Organization's programs and activities.

## **3. Investments**

<i>September 30,</i>	<b>2016</b>	<b>2015</b>
Certificates of deposit	\$ 334,651	\$ 233,796
Level 1:		
Corporate bonds	<b>369,149</b>	-
	<b>\$ 703,800</b>	<b>\$ 233,796</b>

---

# Hispanic Business Initiative Fund of Florida, Inc.

## Notes to Financial Statements

---

### 4. Property and Equipment

Property and equipment is comprised of the following:

<i>September 30,</i>	<i>Life</i>	<b>2016</b>	<b>2015</b>
Leasehold improvements	varies	\$ 25,659	\$ 12,995
Computer equipment	5-7 years	108,094	102,899
Software	3-5 years	43,753	31,753
Furniture and equipment	5-7 years	71,315	65,101
		<b>248,821</b>	<b>212,748</b>
Less: accumulated depreciation and amortization		<b>(120,155)</b>	<b>(80,997)</b>
		<b>\$ 128,666</b>	<b>\$ 131,751</b>

---

### 5. Operating Lease Commitments

The Organization leases office facilities and a copier under operating lease agreements expiring at various dates through May 2021.

Future rent payments due under these leases are as follows:

<i>Years Ending September 30,</i>	<i>Amount</i>
2017	\$ 174,170
2018	177,219
2019	154,707
2020	85,411
2021	41,110
<b>Total</b>	<b>\$ 632,617</b>

---

Rent expense under these leases for the years ending September 30, 2016 and 2015, amounted to \$168,862 and \$133,670, respectively.

### 6. Net Assets

#### *Unrestricted*

Unrestricted net assets as of September 30, 2016 and 2015, include \$812,025 and \$341,912, respectively, designated by the Organization's Board of Directors as an operating cash reserve.

# Hispanic Business Initiative Fund of Florida, Inc.

## Notes to Financial Statements

### *Temporarily Restricted*

Restrictions on net assets consist of the following:

<i>September 30,</i>	<b>2016</b>	<b>2015</b>
<b>Time restrictions</b>		
Contributions for future periods	<b>\$ 85,000</b>	<b>\$ 104,500</b>

Net assets released from restrictions upon the passage of time were as follows:

<i>Year Ended September 30,</i>	<b>2016</b>	<b>2015</b>
Contributions received for current period	<b>\$ 104,500</b>	<b>\$ 106,984</b>

### **7. Donated Goods and Services**

<i>Year Ended September 30,</i>	<b>2016</b>	<b>2015</b>
<b>Contributions:</b>		
Advertising	<b>\$ 40,800</b>	<b>\$ 33,770</b>
Other	<b>34</b>	<b>13,898</b>
	<b>40,834</b>	<b>47,668</b>
<b>Special event revenue:</b>		
Food and drink	<b>116,292</b>	<b>152,273</b>
Outside services	<b>39,671</b>	<b>40,580</b>
Advertising and promotions	<b>-</b>	<b>2,540</b>
Other	<b>440</b>	<b>17,469</b>
	<b>156,403</b>	<b>212,862</b>
<b>Total donated goods and services</b>	<b>\$ 197,237</b>	<b>\$ 260,530</b>

### **8. Line of Credit**

On March 9, 2015, the Organization obtained a revolving line of credit with a bank providing maximum borrowings of \$150,000 with interest payable monthly at the bank's prime rate plus 1.25% (4.5% as of September 30, 2016). In January 2017, the line of credit was increased to provide maximum borrowings of \$300,000. The line is collateralized primarily by property and equipment and receivables of the Organization and expires on March 9, 2018. At September 30, 2016 and 2015, there was no outstanding balances due on the line of credit.

**Reports Required by Government Auditing Standards  
and Florida Single Audit Act**

---

# Hispanic Business Initiative Fund of Florida, Inc.

## Schedule of Expenditures of State Financial Assistance

---

State Agency/State Project	State CSFA Number	Contract/ Grant Number	Expenditures
<b>Florida Department of Economic Opportunity:</b>			
Hispanic Business Initiative Fund Program	40.012	D0084	\$ 1,117,831
Hispanic Business Initiative Fund Program	40.041	D0094	385,466
<b>Total expenditures of state financial assistance</b>			<b>\$ 1,503,297</b>

This schedule of expenditures of state financial assistance includes the state grant activity of Hispanic Business Initiative Fund of Florida, Inc. (the "Organization") under programs of the state government for the year ended September 30, 2016. This schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Rules of the Florida Department of Financial Services, Chapter 69I-5, Florida Administrative Code. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of Hispanic Business Initiative Fund of Florida, Inc. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.



## **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  
Hispanic Business Initiative Fund of Florida, Inc.

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 Hispanic Business Initiative Fund of Florida, Inc. (the “Organization”), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2017.

### *Internal Control Over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) to determine the 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 Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’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 Organization’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 may exist that have not been identified.



### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Organization'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 determination of financial statement amounts. 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.

*BDO USA, LLP*

BDO USA, LLP  
February 28, 2017



## **Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance Required by Chapter 10.650, Rules of the Florida Auditor General**

Board of Directors  
Hispanic Business Initiative Fund of Florida, Inc.

### *Report on Compliance for the Major State Project*

We have audited Hispanic Business Initiative Fund of Florida, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the State of Florida's *Department of Financial Services State Projects Compliance Supplement* that could have a direct and material effect on the Organization's major State project for the year ended September 30, 2016. The Organization's major State project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs - state financial assistance.

### *Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major State projects.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for the Organization's major State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; and Chapter 10.650, Rules of the Florida Auditor General. Those standards and Chapter 10.650, Rules of the Florida Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major State projects occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major State projects. However, our audit does not provide a legal determination of the Organization's compliance.

### *Opinion on the Major State Project*

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state projects for the year ended September 30, 2016.



### *Report on Internal Control Over Compliance*

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on a major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major State projects and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Florida Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 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 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### *Purpose of this Report*

This 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 Chapter 10.650, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.

*BDO USA, LLP*

BDO USA, LLP  
February 28, 2017

# Hispanic Business Initiative Fund of Florida, Inc.

## Schedule of Findings and Questioned Costs - State Financial Assistance

---

### SECTION I - SUMMARY OF AUDITOR'S RESULTS

#### Financial Statements

Type of auditor's report issued

**Unmodified**

Internal control over financial reporting:

- Material weaknesses identified?
- Significant deficiencies identified?

Yes       No  
 Yes       None Reported  
 Yes       No

Non-compliance material to financial statements noted?

#### State Financial Assistance

Type of auditor's report issued on compliance for major projects

**Unmodified**

Internal control over major projects:

- Material weaknesses identified?
- Significant deficiencies identified?

Yes       No  
 Yes       None Reported

Any audit finding disclosed that are required to be reported in accordance with Chapter 10.650, Rules of the Florida Auditor General?

Yes       No

Identification of major projects:

#### State Projects

#### CSFA Number

Florida Department of Economic Opportunity:  
Hispanic Business Initiative Fund Program  
Hispanic Business Initiative Fund Program

40.012  
40.041

Dollar threshold used to distinguish between Type A and Type B programs:

N/A

### SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

### SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

### SECTION IV - OTHER ISSUES

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to State projects.

No management letter is required because there were no findings required to be reported in the management letter.

No Corrective Action Plan is required because there were no findings required to be reported under the Florida Single Audit Act.