

**FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
(A Not-for-Profit Corporation)**

FINANCIAL STATEMENTS

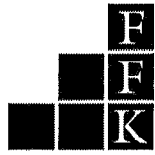
For the years ended

JUNE 30, 2017 and 2016

**FRIEDMAN FELDMESSER & KARPELES CPA LLC
CERTIFIED PUBLIC ACCOUNTANTS**

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FRIEDMAN, FELDMESSER & KARPELES, CPA, LLC

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Farmworker Coordinating Council of Palm Beach County, Inc.
Lake Worth, Florida

Report on the Financial Statements

We have audited the accompanying statements of financial position of Farmworker Coordinating Council of Palm Beach County, Inc., ("FWCC") as of June 30, 2017, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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.

The financial statements of Farmworker Coordinating Council of Palm Beach County, Inc. as of June 30, 2016, and for the year then ended were audited by other auditors, who expressed an unmodified opinion. This information was presented comparatively to the financial statements as of June 30, 2017, and for the year then ended. In our opinion the comparative presentation is consistent in all material respects.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

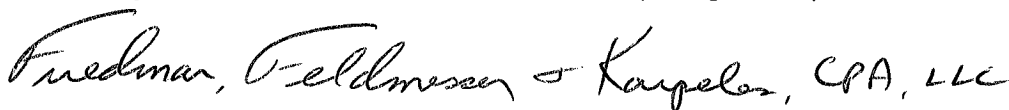
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FWCC, as of June 30, 2017 and 2016, and the change in net assets and cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

Other Reporting Required by *Government Auditing Standards*

The "Schedule of Government Financial Assistance and Expenditures" on page 15, is presented for purposes of additional analysis, and is not a required part of the basic financial statements. Such information is the responsibility of the Organization's management and is derived from, and relates directly to the underlying accounting records and other related information used to prepare the financial statements. The information has been subjected to audit procedures applied in the audit of the financial statements as at and for the year ended June 30, 2017 and certain additional procedures including comparing, and reconciling this information with the underlying accounting records in accordance with standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated, October 23, 2017, on our consideration FWCC's internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts, 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 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* in considering Council's internal control over financial reporting or compliance.



Friedman, Feldmesser & Karpeles, CPA, LLC
Jupiter, Florida
October 23, 2017

Farmworker Coordinating Council of Palm Beach
(A Not-for-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017 and 2016

ASSETS	2017	2016
Cash and cash equivalents	\$ 400,770	\$ 397,742
Investments, at market	317,076	308,675
Program funds receivable	154,294	156,951
Other current assets	5,614	3,100
	<hr/>	<hr/>
Total current assets	877,754	866,468
Property and equipment, net of accumulated depreciation	382,076	412,076
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,259,830	\$ 1,278,544
	<hr/> <hr/>	<hr/> <hr/>
 LIABILITIES AND NET ASSET		
 LIABILITIES		
Accounts payable	\$ 3,704	\$ 562
Accrued expenses	16,114	20,012
Refundable advances	22,751	37,500
Current portion of mortgage payable	22,259	21,238
	<hr/>	<hr/>
Total current liabilities	64,828	79,312
Mortgage payable	189,531	211,764
	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 254,359	\$ 291,076
	<hr/> <hr/>	<hr/> <hr/>
 NET ASSETS		
Unrestricted	762,393	726,690
Temporarily Restricted	243,078	260,778
	<hr/>	<hr/>
TOTAL NET ASSETS	1,005,471	987,468
	<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 1,259,830	\$ 1,278,544
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The accompanying notes are an integral part of these financial statements.

**Farmworker Coordinating Council of Palm Beach
(A Not-For-Profit Corporation)
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEARS ENDED JUNE 30, 2017 and 2016**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2017</u>	<u>2016</u>
REVENUES AND OTHER SUPPORT				
Governmental support	\$ 196,936	\$ -	\$ 196,936	\$ 514,404
Community support	110,155	110,000	220,155	221,426
Foundations	267,751	-	267,751	236,555
Other support	42,057	-	42,057	29,396
Fundraising	57,049	-	57,049	36,970
Investment Income	9,072	-	9,072	5,313
Total revenues and support	<u>683,020</u>	<u>110,000</u>	<u>793,020</u>	<u>1,044,064</u>
Net assets released from restrictions	<u>127,700</u>	<u>(127,700)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND OTHER SUPPORT	<u>810,720</u>	<u>(17,700)</u>	<u>793,020</u>	<u>1,044,064</u>
EXPENSES				
Program	678,884		678,884	943,559
Management and general	88,826		88,826	102,979
Fundraising	7,307		7,307	9,010
TOTAL EXPENSES	<u>775,017</u>	<u>-</u>	<u>775,017</u>	<u>1,055,548</u>
CHANGE IN NET ASSETS	35,703	(17,700)	18,003	(11,484)
NET ASSETS, BEGINNING	<u>726,690</u>	<u>260,778</u>	<u>987,468</u>	<u>998,952</u>
NET ASSETS, ENDING	<u>\$ 762,393</u>	<u>\$ 243,078</u>	<u>\$ 1,005,471</u>	<u>\$ 987,468</u>

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

Farmworker Coordinating Council of Palm Beach
(A Not-For-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2017 and 2016

	Program	Management and General	Fundraising	2017	2016
Emergency fund expenses:					
Food	\$ 4,337	\$ 294	\$ -	\$ 4,631	\$ 5,420
Utilities	11,908	-	-	11,908	8,012
Assistance to individuals	31,196	-	-	31,196	48,700
Shelter	27,036	-	-	27,036	114,849
Other	-	-	-	-	18,858
Property expenses:					
Rent	13,754	1,446	-	15,200	39,587
Utilities	7,683	4,810	-	12,493	14,354
Repairs and maintenance	1,146	4,154	-	5,300	10,926
Personnel expenses:					
Salaries	398,505	13,183	3,655	415,343	517,548
Payroll taxes and benefits	84,861	8,810	843	94,514	109,480
Vehicle expenses:					
Insurance	2,552	10,997	-	13,549	15,570
Gas, toll and parking	7,032	-	-	7,032	8,484
Office and administrative expenses:					
Telephone	8,819	3,558	-	12,377	12,415
Supplies	5,697	-	-	5,697	9,627
Professional fees	27,777	23,485	-	51,262	50,834
Printing and postage	2,780	-	-	2,780	2,560
Equipment repairs and maintenance	6,869	1,780	-	8,649	9,418
Insurance	3,451	1,285	-	4,736	9,961
Interest	-	9,538	-	9,538	8,626
Other	781	1,921	-	2,702	3,209
Other expenses:					
Events and special projects	3,388	2,065	2,809	8,262	10,315
Conferences and travel	-	-	-	-	290
Project supplies	567	-	-	567	311
Depreciation	28,500	1,500	-	30,000	25,489
Training and development	245	-	-	245	705
TOTAL EXPENSES	\$ 678,884	\$ 88,826	\$ 7,307	\$ 775,017	\$ 1,055,548

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

Farmworker Coordinating Council of Palm Beach
(A Not-For-Profit Corporation)
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
INCREASE (DECREASE) IN NET ASSETS	\$ 18,003	\$ (11,484)
ADJUSTMENTS TO RECONCILE INCREASE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Investment increase (decrease) in fair value	(9,072)	(4,724)
Depreciation	30,000	25,489
(INCREASE) DECREASE IN OPERATING ASSETS		
Program funds receivable	2,657	9,472
Other assets	(2,514)	4,300
INCREASE (DECREASE) IN OPERATING LIABILITIES		
Accounts payable	3,142	(14,450)
Accrued expenses	(3,898)	(14,135)
Other liabilities	(14,749)	(28,569)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	23,569	(34,101)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest collected	671	-
Purchase of land and building	-	(354,699)
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	671	(354,699)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from mortgage	-	250,000
Net mortgage payments	(21,212)	(16,998)
NET CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES	(21,212)	233,002
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,028	(155,798)
CASH AND CASH EQUIVALENTS, BEGINNING	397,742	553,540
CASH AND CASH EQUIVALENTS, ENDING	\$ 400,770	\$ 397,742

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

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 and 2016

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Farmworker Coordinating Council of Palm Beach County, Inc. ("FWCC") is presented to assist in understanding FWCC's financial statements. The financial statements and notes are representations of FWCC's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied to the preparation of the financial statements.

Organization

The Farmworker Coordinating Council of Palm Beach County, Inc. is a Florida nonprofit corporation organized in 1978. The mission of FWCC is to promote self-sufficiency and improve the quality of life of migrant and seasonal farm workers through education, advocacy and access to services. Some of the programs offered by FWCC include:

The Family Preservation & Economic Stabilization (FPES) Program is designed to empower clients to move from crisis to stability through ongoing support fostering client independence. The program provides a variety of services such as Case Management, Emergency Rental and Utility Assistance, Distribution of Food and Clothing, Transportation, Financial Education, Referrals and other services that promote self-sufficiency and economic stabilization. The program is based out of two offices located in Lake Worth and Belle Glade, and services are provided by Case Managers that are familiar to the culture and needs of this population. All Case Managers are English-Spanish or English-Creole speakers

The goal of the Community Health Access Teams (CHAT) is to facilitate access to health care services among uninsured and under insured, low income farm worker families. Many of these families are unable to access affordable health services because of barriers such as language, culture, immigration status and economic situation. CHAT accomplishes its goals by conducting outreach activities, health workshops and helping clients apply for Medicaid, Kid Care, Health Care District and other health care programs in our community. Client advocacy and transportation to medical appointments are key components of this program.

The Education Program offers a variety of programs for farm workers and their children. The after school mentoring and tutoring program aims to mitigate low education achievement levels, reduce the drop-out rate and bridge the educational gap that exists between children of farm workers and the rest of the student population. We also offer a pre-K program to get the children ready for school. Our Art Program seeks to educate children through art and build self-esteem. The adult program offers a variety of classes (ESOL, Literacy, Basic Computer, etc.) to help parents learn new skills that may help them find a better job or make better financial decisions that could lead to family economic stability.

Basis of Presentation

The accompanying financial statements include the assets, liabilities, net assets, revenues, and expenses as determined using the accrual basis of accounting. FWCC reports information regarding its financial position and activities according to three classes of net assets. The following is a description of each class:

Unrestricted Net Assets - not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by the actions of the Board of Directors.

Temporarily Restricted Net Assets - subject to donor-imposed stipulations that may be fulfilled by the actions of the Board of Directors or become unrestricted at the date specified by the donor.

Permanently Restricted Net Assets - subject to donor-imposed stipulations that are to be maintained permanently.

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 and 2016

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Fair Value of Financial Instruments

FASB ASC 825, "Financial Instruments", requires certain disclosures regarding the fair value of financial instruments. FWCC has a number of financial instruments, none of which are held for trading purposes. FWCC estimates that the fair value of all financial instruments as of June 30, 2017 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position. The estimated fair value amounts have been determined by FWCC using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that FWCC could realize in a current market exchange.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of public support and revenue, and expenses during the reporting period. Actual results could differ from those estimates.

Contributions and support

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. FWCC receives its operating funds from various public support programs, Palm Beach County, the State of Florida as well as private donations from individuals, businesses, churches and other nonprofit Councils.

Funding from Palm Beach County and State contracts are reimbursements for various expenses as outlined in the contracts.

Grant Income

FWCC receives various grants from state, local and private agencies for its program and supporting services. These grants are generally on a cost reimbursement basis. Revenues from grants are deemed earned and recognized on the Statement of Activities when expenditures are made for the purposes specified.

Fund-Raising Activities

FWCC's financial statements are presented in accordance with Accounting Standard Codification 958 ("ASC") *Accounting for Costs of Activities of Non-For-Profit Councils and State and Local Governments Entities that include Fund Raising* (formerly statement of position 98-2), The ASC established criteria for accounting and reporting for any activity that solicits contributions.

Donations

Assets donated to FWCC are recorded at fair value if determinable, at the date of donation. FWCC reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. FWCC also receives donations of furnishings, food and clothing for distribution to clients. If these donated items are of material value individually, they are recorded as a contribution when received.

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 and 2016

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers money market accounts and all highly liquid investments purchased with a maturity of three months or less (if any) to be cash equivalents.

Investments

Investments consist of a managed portfolio of mutual funds and equity securities which are reported at their fair values on the statement of financial position. Certificate of deposits with original maturities less than three months are classified as "cash or cash equivalents". When their original maturities are greater than three months and remaining maturities less than one year they are classified as "short-term investments". When their remaining maturities are greater than one year they are classified as "long-term investments." Investment returns is presented on the statement of activities as investment income, net and includes dividends, interest income, realized and unrealized gains and losses on investments, net of investment fees. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and equipment

Property and equipment purchases are recorded at cost. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the following estimated useful lives of the depreciable assets:

	<u>Years</u>
Building and improvements	15 - 40
Land improvements	15
Furniture, fixtures and equipment	5- 7
Vehicles	5

Allocation of Functional Expenses

The costs of providing program services have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the program services, management and general, and fundraising functions based on management's estimate of resources used. Expenses that apply to more than one functional category have been allocated among the programs and supporting services benefited.

Advertising

FWCC's advertising is primarily non-direct, and such costs are expensed as incurred. There were no advertising costs incurred during the years ended June 30, 2017 and 2016. FWCC receives about half of its revenues from government support and the other half from private and public donations through events and repeat donors.

Income taxes

FWCC is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 and 2016

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsequent Events

The subsequent events have been evaluated through October 23, 2017, the date the financial statements were available to be issued.

NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments are measured and disclosed at fair value on a recurring basis by applying ASC 820, *Fair Value Measurements and Disclosures*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. To increase consistency and comparability in fair value measurements and related disclosures, ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels, as follows:

Level 1 inputs – These are quoted prices (unadjusted) in active markets for identical assets or liabilities that FWCC has the ability to access at the measurement dates, such as stock quotes;

Level 2 inputs – These are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly in active markets, such as yield curves or other market data;

Level 3 inputs – These are unobservable inputs for the asset or liability, such as discounted cash flows.

The level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the measurement in its entirety.

The fair value of certificates of deposits and other time deposits is estimated using a discounted cash flow calculation that applies interest rates currently being offered for deposits of similar remaining maturities to a schedule of aggregated expected maturities on such deposits. Therefore, their fair values are observable, and these investments are considered a level 2 input.

Mutual fund securities - Valued at the net asset value ("NAV") of shares held by FWCC at year end.

The following is a summary of the fair value classification of investments at, June 30, 2017 and 2016:

	Level 1	Level 2	Level 3	Total at June 30, 2017
Certificate of deposits	\$ -	\$ 129,898	\$ -	\$ 129,898
Mutual funds	187,178	-	-	187,178
Total Investments at Fair Value	\$ 187,178	\$ 129,898	\$ -	\$ 317,076

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 and 2016

NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

	Level 1	Level 2	Level 3	Total at June 30, 2016
Certificate of deposits	\$ -	\$ 128,664	\$ -	\$ 128,664
Mutual funds	180,011	-	-	180,011
Total Investments at Fair Value	\$ 180,011	\$ 128,664	\$ -	\$ 308,675

The following is a summary of investment returns which is presented as Investment income, net on the Statement of Activities for the years ended June 30, 2017 and 2016:

	2017	2016
Investment, beginning balance	\$ 308,675	\$ 303,951
Dividends and Interest	9,072	5,313
Investment fees	(671)	(589)
Investment, ending balance	<u>\$ 317,076</u>	<u>\$ 308,675</u>

NOTE 3 – CONCENTRATION OF CREDIT RISK

FWCC maintains its cash in various banks considered to be high quality financial institutions, whereby interest and non-interest-bearing deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). As of June 30, 2017, and 2016, FWCC did not hold account balances in excess of the insured limit.

FWCC maintains its investments at a high-quality brokerage firm, whereby holdings are insured up to \$500,000 by the Securities Investment Protection Corporation ("SIPC"). As of June 30, 2017, and 2016, FWCC did not hold account balances in excess of the insured limit.

NOTE 4 – PROPERTY AND EQUIPMENT

Major classifications of property and equipment at June 30, 2017 and 2016, are as follows:

	2017	2016
Land and building	\$ 349,451	\$ 349,451
Furniture, fixture and equipment	36,440	36,440
Leasehold improvements	5,383	5,383
Vehicles	66,494	66,494
Property and Equipment Total	<u>457,768</u>	<u>457,768</u>
<i>Less: accumulated depreciation</i>	<u>(75,692)</u>	<u>(45,692)</u>
Property and equipment, less accumulated depreciation	<u>\$ 382,076</u>	<u>\$ 412,076</u>

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 and 2016

NOTE 5 – MORTGAGE PAYABLE

FWCC has a mortgage note payable extended by a local bank. The note is secured by a first mortgage upon the office building in Lake Worth, Florida, and UCC filings upon all furniture and equipment at this location. The note requires monthly installments of principal and interest in the amount of \$2,562 based on a ten-year amortization schedule and interest at 4.20%, with a the maturity date of August 17, 2025.

The approximate future maturities of the mortgage payable for the next years and thereafter are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 22,259
2019	23,122
2020	24,108
2021	25,173
2022	26,431
Thereafter	<u>90,697</u>
Total	<u><u>\$ 211,790</u></u>

NOTE 6 – LEASES

Premises

On August 1, 2014, FWCC extended its lease for its then main office located in Lake Worth, Florida through July 31, 2016. On August 2015, FWCC purchased a building located in Lake Worth, Florida, to be used as the main office of FWCC. FWCC moved its operations to this new location in January 2016, terminated the lease for its original main office early by an agreement with the landlord and made the last payment under this lease in March 2016. No amounts were owed for early termination. Total rent expense related to this lease for the years ended June 30, 2017, and 2016 were \$0, and \$26,300, respectively.

FWCC also leases additional office space located in Belle Glade, Florida. The original lease was for three years that ran through August 2006. The lease is renewed through March 31, 2018. The lease for the Belle Glade location requires monthly payments of \$1,124, which include the base rent plus real estate taxes. Total rent expense for the years ended June 30, 2017 and 2016 for this lease was \$13,488 and \$13,286, respectively.

FWCC also leases copiers with lease terms through June 2019. Rental expense associated with these leases for the years ended June 30, 2017, and 2016, amounted to \$8,649 and \$9,418, respectively.

The following is a schedule of the related minimum annual lease payments at June 30, 2017:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	18,504
2019	<u>2,796</u>
Total	<u><u>\$ 21,300</u></u>

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 and 2016

NOTE 7 – CONTINGENCIES

Grants from government agencies and foundations require the fulfillment of certain conditions set forth in the grant instrument. These grants and donor obligations require specific supporting documentation to be maintained and fulfillment of certain conditions. Failure to fulfill the conditions set forth could result in the loss of funds from these grantors.

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

For the years ended June 30, 2017 and 2016, temporarily restricted net assets have been restricted by donors for the following purposes:

	<u>2017</u>	<u>2016</u>
Scholarships	\$ 129,564	\$ 129,564
Family preservation - Town of Palm Beach United Way	110,000	100,000
Glades area program	-	27,700
Micro loan	<u>3,514</u>	<u>3,514</u>
Temporarily restricted net assets	<u>\$ 243,078</u>	<u>\$ 260,778</u>

Changes in restricted assets were due to amounts released as permitted by the donor restrictions.

NOTE 10 – CONCENTRATIONS

During the year ended June 30, 2017 FWCC received revenues from two sources that individually accounted for more than 10% of total revenue and support. These revenues aggregate approximately 32% of total revenue and support.

During the year ended June 30, 2016, FWCC received ten percent or more of total revenue from three sources, these revenues equal approximately 54% of total revenue.

SUPPLEMENTARY INFORMATION



FRIEDMAN, FELDMESSER & KARPELES, CPA, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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*

To the Board of Directors
Farmworker Coordinating Council of Palm Beach County, Inc.
West Palm Beach, Florida

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 Farmworker Coordinating Council of Palm Beach County, Inc. (a nonprofit Council), which comprise the statements of financial position as of June 30, 2017, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 23, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Farmworker Coordinating Council of Palm Beach County, Inc.'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 Farmworker Coordinating Council of Palm Beach County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Farmworker Coordinating Council of Palm Beach County, Inc.'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 entity'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 Farmworker Coordinating Council of Palm Beach County, Inc.'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 FWCC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FWCC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Friedman, Feldmesser & Karpeles, CPA, LLC

Friedman, Feldmesser & Karpeles, CPA, LLC
Jupiter, Florida
October 23, 2017

**Farmworker Coordinating Council of Palm Beach
(A Not-For-Profit Corporation)
Schedule of Government Financial Assistance and Expenditures
YEARS ENDED JUNE 30, 2017 and 2016**

Federal/State Grantor/Pass-through Grantor, Program or Project Title	CFDA Number/Award Number	Total Income and Expenditures	
		2017	2016
FEDERAL			
Pass through from palm Beach County, Florida: Emergency Solutions Grant Program	14.231/ R2014-1569	\$ -	\$ 18,218
U.S. Department of Labor National Farmworker Jobs Program	17.264/ MH-21994-11-60-A-12	-	288,143
Total income and expenditures of federal awards		-	<u>306,361</u>
LOCAL			
Board of County Commissioners Palm Beach County, Florida Family Preservation and Economic Stability Program:	N/A / R 2013-1394 R 2014-1438	34,936 120,000	32,561 120,007
U.S. Department of Children and Families Palm Beach County, Florida Temporary Assistance for Needy Families (TANF)	N/A / R 2016-0151	42,000	55,475
Total income and expenditures of state awards		<u>196,936</u>	<u>208,043</u>
Total income and expenditures of Federal and State awards		<u>\$ 196,936</u>	<u>\$ 514,404</u>

See independent auditor's report.