

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

FINANCIAL STATEMENTS

For the years ended

JUNE 30, 2020 and 2019

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

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FRIEDMAN, FELDMESSER & KARPELES, CPA, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2019 and 2018, 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.

Opinion

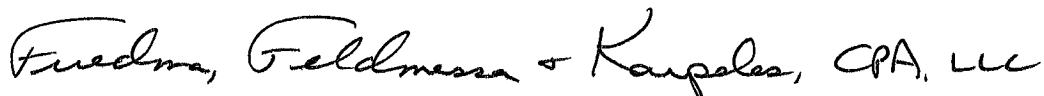
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FWCC, as of June 30, 2020 and 2019, and the change in net assets and cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 audits of the financial statements as at and for the years ended June 30, 2020 and 2019, 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, November 10, 2020, 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
November 10, 2020

Farmworker Coordinating Council of Palm Beach
(A Not-for-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 812,069	\$ 476,486
Cash and cash equivalents (board designated)	86,249	86,726
Total cash and cash equivalents	<u>898,318</u>	<u>563,212</u>
Investments, at market	265,638	208,490
Investments (board designated), at market	133,999	127,192
Program funds receivable	14,400	137,231
Other current assets	<u>6,601</u>	<u>6,508</u>
 Total current assets	 1,318,956	 1,042,633
Property and equipment, net of accumulated depreciation	<u>383,128</u>	<u>378,108</u>
 TOTAL ASSETS	 <u><u>\$ 1,702,084</u></u>	 <u><u>\$ 1,420,741</u></u>
 LIABILITIES AND NET ASSET		
LIABILITIES		
Accounts payable	\$ 949	\$ 825
Accrued expenses	26,329	12,049
Refundable advances	391,647	150,645
Mortgage payable (current)	<u>29,241</u>	<u>19,950</u>
 Total current liabilities	 448,166	 183,469
Loan payable	115,500	-
Mortgage payable (non-current)	<u>19,934</u>	<u>105,272</u>
 TOTAL LIABILITIES	 <u><u>\$ 583,600</u></u>	 <u><u>\$ 288,741</u></u>
 NET ASSETS		
Without donor restrictions (Including board designated funds of \$220,249 and \$207,206 at June 30, 2020 and 2019, respectively)	\$ 1,118,484	\$ 1,022,000
With donor restrictions	<u>-</u>	<u>110,000</u>
 TOTAL NET ASSETS	 <u>1,118,484</u>	 <u>1,132,000</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 1,702,084</u></u>	 <u><u>\$ 1,420,741</u></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 ACTIVITIES AND CHANGE IN NET ASSETS
YEARS ENDED JUNE 30, 2020 and 2019

	Without Donor Restrictions(Includ ing Board designated funds)	With Donor Restrictions	2020	2019
REVENUES AND OTHER SUPPORT				
Governmental support	\$ 163,663	\$ -	\$ 163,663	\$ 207,289
Community support	243,958	-	243,958	241,318
Foundations	503,500	-	503,500	365,717
Other support	39,223	-	39,223	33,362
Fundraising	47,887	-	47,887	67,710
Investment Income	12,986	-	12,986	11,766
Total revenues and support	<u>1,011,217</u>	<u>-</u>	<u>1,011,217</u>	<u>927,162</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND OTHER SUPPORT	<u>\$ 1,011,217</u>	<u>\$ -</u>	<u>\$ 1,011,217</u>	<u>\$ 927,162</u>
EXPENSES				
Program	\$ 817,813	\$ -	\$ 817,813	\$ 767,114
Management and general	91,222	-	91,222	88,137
Fundraising	5,698	-	5,698	10,905
TOTAL EXPENSES	<u>914,733</u>	<u>-</u>	<u>914,733</u>	<u>866,157</u>
CHANGE IN NET ASSETS	96,484	-	96,484	61,005
NET ASSETS, BEGINNING	1,022,000	-	1,132,000	1,070,995
Prior period adjustments	<u>-</u>	<u>-</u>	<u>(110,000)</u>	<u>-</u>
NET ASSETS, ENDING	<u>\$ 1,118,484</u>	<u>\$ -</u>	<u>\$ 1,118,484</u>	<u>\$ 1,132,000</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, 2020 and 2019

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2020</u>	<u>2019</u>
Emergency fund expenses:					
Food	\$ 13,573	\$ 920	\$ -	\$ 14,493	\$ 7,885
Utilities	1,647	-	-	1,647	2,128
Assistance to individuals	-	-	-	-	42,487
Shelter	59,883	-	-	59,883	69,167
Other	7,662	-	-	7,662	-
Property expenses:					
Rent	13,032	1,368	-	14,400	14,400
Utilities	7,275	4,554	-	11,829	13,770
Repairs and maintenance	2,314	8,401	-	10,715	10,053
Personnel expenses:					
Salaries	532,371	22,182	-	554,553	467,843
Payroll taxes and benefits	85,850	9,539	-	95,389	95,627
Vehicle expenses:					
Insurance	1,913	8,153	-	10,066	9,690
Gas, toll and parking	10,433	-	-	10,433	7,277
Office and administrative expenses:					
Telephone	7,877	3,217	-	11,094	9,009
Supplies	17,286	-	-	17,286	6,369
Professional fees	26,741	22,779	-	49,520	52,729
Printing and postage	1,491	-	-	1,491	2,028
Equipment repairs and maintenance	7,640	2,031	-	9,671	9,658
Insurance	5,514	2,039	-	7,553	4,043
Interest	-	4,726	-	4,726	6,340
Other expenses:					
Events and special projects	544	544	5,698	6,786	18,254
Depreciation	14,593	768	-	15,361	15,361
Training and development	175	-	-	175	2,039
TOTAL EXPENSES	\$ 817,813	\$ 91,222	\$ 5,698	\$ 914,733	\$ 866,157

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, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
INCREASE IN NET ASSETS	\$ 96,484	\$ 61,005
ADJUSTMENTS TO RECONCILE CHANGES IN NET ASSETS TO NET PROVIDED BY OPERATING ACTIVITIES		
Gain on investment	(12,353)	-
Depreciation	(59,473)	15,361
(INCREASE) DECREASE IN OPERATING ASSETS		
Program funds receivable	12,831	(2,026)
Other assets	(92)	3,192
Deposit	-	3,100
INCREASE (DECREASE) IN OPERATING LIABILITIES		
Accounts payable	124	(3,677)
Accrued expenses	14,279	(8,218)
Other liabilities	241,002	71,509
NET CASH PROVIDED BY OPERATING ACTIVITIES	292,802	124,885
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment	(51,602)	(11,038)
Disposal of equipment	54,453	(30,557)
NET CASH FLOWS PROVIDED BY (USED) IN INVESTING ACTIVITIES	2,851	(41,595)
CASH FLOWS FROM FINANCING ACTIVITIES		
Mortgage payments	(76,047)	(34,408)
Proceeds from loan payable	115,500	-
NET CASH FLOWS PROVIDED BY (USED) IN FINANCING ACTIVITIES	39,453	(34,408)
NET INCREASE IN CASH AND CASH EQUIVALENTS	335,106	64,243
CASH AND CASH EQUIVALENTS, BEGINNING	563,212	498,969
CASH AND CASH EQUIVALENTS, ENDING	\$ 898,318	\$ 563,212

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, 2020 and 2019

**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 organization also formed the program Community Health Access Teams (CHAT) to facilitate access to healthcare services among uninsured and under insured, low income farmworker families. Many of these families are unable to access affordable health services because of barriers such as language, culture, immigration status and economic condition. CHAT accomplishes its goals by conducting outreach activities, health workshops and helping clients apply for Medicaid, KidCare, Healthcare District and other healthcare 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 farmworkers and their children. The afterschool 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 farmworkers and the rest of the student population. We also offer a pre-K program to get 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.

The People in Need program's goal is to help non-farmworker individuals and families that do not qualify for our other programs but have un-met needs. Our focus is to help people that are in need of services but for one reason or another fall through the cracks and have not been served by agencies in our county. Some of the services provided by this program includes case management, emergency rental/utility assistance, distribution of food and clothing, transportation, etc.

Basis of Presentation

The accompanying financial statements include the assets, liabilities, net assets, revenues, and expenses as determined using the accrual basis of accounting. The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

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

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets with Donor Restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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 values of all financial instruments as of June 30, 2020 and 2019, do 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 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.

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 Government 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.

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

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

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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers money market accounts and all highly liquid investments purchased with a maturity of three months or less (if any) to be cash equivalents. Money markets and certificate of deposits with maturity dates of more than three months are considered to be investments. Restricted cash balances are amounts reserved for designated programs, such as a scholarship fund, micro business loans and a building fund.

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 are presented on the statement of activities as net investment income and include 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, 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.

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

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

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, 2020 and 2019. FWCC receives about 16% of its revenues from government support and the remaining 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.

Subsequent Events

In October 2020, the Organization paid off the mortgage balance in full and had all liens released from the title.

On January 21, 2020, the Center for Disease Control and Prevention (CDC) confirmed the first case of the 2019 Novel Coronavirus (COVID-19). The ongoing spread of COVID-19 has become a threat to the global economy, financial markets and public health. In May 2020, many countries attempted to resume operations regardless of there being no current resolution for this health crisis. As a result of the pandemic the Organization had a significant increase in needs for social services and an increase in public and private support. The ultimate effects of COVID-19 on the Organization and its future operations cannot fully be determined. The financial statements do not include any adjustment that may result from these conditions.

Reclassification

Certain amounts in the Organization's 2019 financial statements have been reclassified to conform with the presentation of 2020's financial statements. Reclassifications have no effect on previously reported net income or loss.

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 by the lowest level input that is significant to the measurement in its entirety.

The fair value of certificates of deposits and other time deposits are 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.

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2020 and 2019:

	Level 1	Level 2	Level 3	Total at June 30,2020
Certificate of deposits	\$ -	\$ 137,383	\$ -	\$ 137,383
Mutual Funds	262,254	-	-	262,254
Total Investment at Fair Value	\$ 262,254	\$ 137,383	\$ -	\$ 399,637

	Level 1	Level 2	Level 3	Total at June 30,2019
Certificate of deposits	\$ -	\$ 134,299	\$ -	\$ 134,299
Mutual Funds	201,383	-	-	201,383
Total Investment at Fair Value	\$ 201,383	\$ 134,299	\$ -	\$ 335,682

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, 2020 and 2019:

	2020	2019
Investment, beginning balance	\$ 335,682	\$ 324,644
Deposit on account	50,969	-
Gain or loss on investment, dividends and interest	13,943	11,946
Investment fees	(957)	(908)
Investment, ending balance	\$ 399,637	\$ 335,682

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, 2020, FWCC held balances in excess of the insured limit, by approximately \$230,000, with one financial institution. In September 2020, FWCC did transfer \$200,000 of these FDIC excess funds to a new financial institution. As of June 30, 2019, FWCC held no balances in excess of the federally 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, 2020, and 2019, FWCC did not hold account balances in excess of the insured limit.

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

NOTE 4 – PROPERTY AND EQUIPMENT

Major classifications of property and equipment at June 30, 2020 and 2019, are as follows:

	2020	2019
Land and Building	\$ 349,451	\$ 349,451
Furniture, Fixture and Equipment	29,689	62,136
Leasehold Improvements	17,953	17,953
Vehicles	44,488	66,494
Property and Equipment Total	\$ 441,581	\$ 496,034
 Less: Accumulated Depreciation	 (58,453)	 (117,926)
 Property and Equipment, Net of Accumulated Depreciation	 \$ 383,128	 \$ 378,108

NOTE 5 – MORTGAGE PAYABLE

FWCC has a mortgage note payable extended by a local bank. The note is secured by 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, an interest rate at 4.20%, and is due at the revised maturity date of February 17, 2022. The maturity date has been revised due to the organization making significant payments to the principal of the mortgage.

The approximate future maturities of the mortgage payable are as follows:

Year Ending	Amount
June 30, 2020	
2021	\$ 29,241
2022	19,934
Total	\$ 49,175

Subsequent to year end, FWCC paid off the balance of the mortgage in full.

NOTE 6 – LOAN PAYABLE

On May 2, 2020, the Organization received loan proceeds in the amount of \$115,500 under the Paycheck Protection Program (“PPP”). The PPP was established as part of the Coronavirus Aid Relief and Economic Security Act (“CARES Act”). It provides loans to qualifying businesses up to 2.5 times of the average monthly payroll expense. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The Organization was advised by the bank to wait until the end of October 2020 for the updated loan forgiveness process, which should be more favorable to businesses and organizations. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. The Organization anticipates the loan would be forgiven and carries it on the books at principal (the net present value of the debt), until forgiven, with no accruals for interest or disclosures of future minimum loan payments.

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

NOTE 7 – LEASES

Premises

FWCC leases an office space located in Belle Glade, Florida. The original lease was for three years that ran through August 2006. On June 1, 2018 the lease was renewed through March 31, 2023. The lease for the Belle Glade location required monthly base rent payments of \$1,124 plus additional charges and fees. On June 1, 2018 the lease was amended requiring monthly lease payments of \$1,200 from June 1, 2018 to May 31, 2023. Base rent includes rent and real estate taxes. Total rent expense for the years ended June 30, 2020 and 2019 for this arrangement was \$14,400 for both years.

FWCC also leases copiers with lease terms through June 2021. Rental expense associated with these leases for the years ended June 30, 2020, and 2019, amounted to \$9,671 and \$9,658, respectively.

The following is a schedule of related minimum annual lease payments for the premises at June 30, 2020:

Year Ending June 30	Amount
2021	\$ 14,400
2022	14,400
2023	<u>10,800</u>
Total	<u>\$ 39,600</u>

NOTE 8 – 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 funding from grantors.

NOTE 9 – NET ASSETS

Without donor restrictions – Board designated funds

For the years ended June 30, 2020 and 2019, a portion of unrestricted net assets are subject to expenditure as designated by the board for the following purposes:

	<u>2020</u>	<u>2019</u>
Scholarships	\$ 142,583	\$ 129,564
Building Fund	74,197	74,182
Micro Loan	<u>3,469</u>	<u>3,514</u>
Unrestricted Net Assets - Board Designated Funds	<u>\$ 220,249</u>	<u>\$ 207,260</u>

Changes in board designated unrestricted net assets were due to amounts released or allocated by board resolutions and used for designated programs.

FARMWORKER COORDINATING COUNCIL OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

With donor restrictions

For the years ended June 30, 2020 and 2019, restricted net assets are as follows:

	2020	2019
Family Preservation-Town of Palm Beach United Way	\$ -	\$ 110,000
Restricted Net Assets	\$ -	\$ 110,000

The change in restricted assets is due to a prior period adjustment for uncollected amounts held in restriction but were unrestricted revenues for the fiscal year ended June 30, 2020.

NOTE 10 – CONCENTRATIONS

During the year ended June 30, 2020 FWCC received revenues from 3 sources that individually accounted for more than 10% of total revenue and is approximately 39% of total revenue.

During the year ended June 30, 2019 FWCC received revenues from 2 sources that individually accounted for more than 10% of total revenue and is approximately 29% of total revenue.



FRIEDMAN, FELDMESSER & KARPELES, CPA, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Mark S. Feldmesser, CPA

Richard L. Karpeles, CPA

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, 2020 and 2019, 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 November 10, 2020.

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
Jupiter, Florida
November 10, 2020

SUPPLEMENTARY INFORMATION

Farmworker Coordinating Council of Palm Beach
(A Not-For-Profit Corporation)
Schedule of Government Financial Assistance and Expenditures
YEARS ENDED JUNE 30, 2020 and 2019

Federal/State Grantor/Pass-through Grantor, Program or Project Title	CFDA Number/Award Number	Total Income and Expenditures	
		2020	2019
FEDERAL			
		-	-
Total income and expenditures of federal awards		\$ -	\$ -
LOCAL			
Board of County Commissioners			
Palm Beach County, Florida			
Family Preservation and Economic Stability Program:			
	R 2017-1534	34,063	35,591
	R 2017-1534	0	120,000
	R 2019-1601	129,600	9,636
U.S. Department of Children and Families			
Palm Beach County, Florida			
Temporary Assistance for Needy Families (TANF)			
Total income and expenditures of state awards		163,663	207,227
Total income and expenditures of Federal and State awards		\$ 163,663	\$ 207,227

See independent auditor's report.