

**FARMWORKER COORDINATING COUNCIL
OF PALM BEACH COUNTY, INC.**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2016
(with comparable totals for 2015)**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5-6
Statement of Functional Expenses	7
NOTES TO FINANCIAL STATEMENTS	8-16
INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROL AND COMPLIANCE	
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>	17-18
SUPPLEMENTARY INFORMATION	
Schedule of Financial Assistance	19
Schedule of Program Expenses	20



Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • www.holyfieldandthomas.com

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Farmworker Coordinating Council of Palm Beach County, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 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.

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 Farmworker Coordinating Council of Palm Beach County, Inc. as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2016, on our consideration of Farmworker Coordinating Council of Palm Beach County, Inc.'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 Farmworker Coordinating Council of Palm Beach County, Inc.'s internal control over financial reporting and compliance.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of financial assistance, and program expenses on pages 19-20, are presented for purposes of additional analysis, and are not a required part of the basic 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.

Report on Summarized Comparative Information

We have previously audited the June 30, 2015 financial statements, and our report dated September 14, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
September 20, 2016

**FARMWORKER COORDINATING COUNCIL
OF PALM BEACH COUNTY, INC.**

STATEMENT OF FINANCIAL POSITION

As of June 30, 2016

(with comparable totals for 2015)

ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Totals</u>	<u>2015 Totals</u>
Cash and cash equivalents	\$ 346,475	\$ 51,267	\$ 397,742	\$ 553,540
Investments	199,164	109,511	308,675	303,951
Program funds receivable	56,951	100,000	156,951	166,423
Other current assets	3,100	-	3,100	39,650
Total current assets	605,690	260,778	866,468	1,063,564
Property and equipment, net	412,076	-	412,076	50,616
Total assets	<u>\$ 1,017,766</u>	<u>\$ 260,778</u>	<u>\$ 1,278,544</u>	<u>\$ 1,114,180</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 562	\$ -	\$ 562	\$ 15,012
Accrued expenses	20,012	-	20,012	34,147
Refundable advances	37,500	-	37,500	66,069
Current portion of mortgage payable	21,238	-	21,238	-
Total current liabilities	79,312	-	79,312	115,228
Mortgage payable	211,764	-	211,764	-
Total liabilities	<u>291,076</u>	<u>-</u>	<u>291,076</u>	<u>115,228</u>
Net assets:				
Unrestricted	726,690	-	726,690	720,432
Temporarily restricted	-	260,778	260,778	278,520
Total net assets	<u>726,690</u>	<u>260,778</u>	<u>987,468</u>	<u>998,952</u>
Total liabilities and net assets	<u>\$ 1,017,766</u>	<u>\$ 260,778</u>	<u>\$ 1,278,544</u>	<u>\$ 1,114,180</u>

See accompanying notes to financial statements.

**FARMWORKER COORDINATING COUNCIL
OF PALM BEACH COUNTY, INC.**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

(with comparable totals for 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Totals</u>	<u>2015 Totals</u>
Revenues and support:				
Governmental support	\$ 514,404	\$ -	\$ 514,404	\$ 461,817
Community support	120,921	100,505	221,426	254,739
Foundations	226,555	10,000	236,555	241,610
Other support	29,396	-	29,396	47,759
Fundraising	36,970	-	36,970	30,999
Investment income	5,313	-	5,313	4,159
	<u>933,559</u>	<u>110,505</u>	<u>1,044,064</u>	<u>1,041,083</u>
Net assets released from restrictions	<u>128,247</u>	<u>(128,247)</u>	<u>-</u>	<u>-</u>
	<u>1,061,806</u>	<u>(17,742)</u>	<u>1,044,064</u>	<u>1,041,083</u>
Expenses:				
Program	943,559	-	943,559	934,760
Management and general	102,979	-	102,979	75,454
Fundraising	9,010	-	9,010	8,322
	<u>1,055,548</u>	<u>-</u>	<u>1,055,548</u>	<u>1,018,536</u>
Change in net assets	6,258	(17,742)	(11,484)	22,547
Net assets, beginning of year	<u>720,432</u>	<u>278,520</u>	<u>998,952</u>	<u>976,405</u>
Net assets, end of year	<u>\$ 726,690</u>	<u>\$ 260,778</u>	<u>\$ 987,468</u>	<u>\$ 998,952</u>

See accompanying notes to financial statements.

**FARMWORKER COORDINATING COUNCIL
OF PALM BEACH COUNTY, INC.**

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2016

(with comparable totals for 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from:		
Governmental support	\$ 518,520	\$ 480,159
Private gifts and grants	464,164	558,539
Fundraising events	36,970	30,999
Investment income	5,313	4,159
Cash paid to vendors and employees	(1,045,718)	(1,022,199)
Interest paid	<u>(8,626)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>(29,377)</u>	<u>51,657</u>
Cash flows from investing activities:		
Increase in investments, net	(4,724)	(3,325)
Purchase of property and equipment	<u>(354,699)</u>	<u>-</u>
Net cash used in investing activities	<u>(359,423)</u>	<u>(3,325)</u>
Cash flows from financing activities:		
Advances from mortgage payable	250,000	-
Repayments of mortgage payable	<u>(16,998)</u>	<u>-</u>
Net cash provided by financing activities	<u>233,002</u>	<u>-</u>
Net change in cash and cash equivalents	(155,798)	48,332
Cash and cash equivalents, beginning	<u>553,540</u>	<u>505,208</u>
Cash and cash equivalents, ending	<u><u>\$ 397,742</u></u>	<u><u>\$ 553,540</u></u>

See accompanying notes to financial statements.

**FARMWORKER COORDINATING COUNCIL
OF PALM BEACH COUNTY, INC.**

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2016

(with comparable totals for 2015)

	<u>2016</u>	<u>2015</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ (11,484)	\$ 22,547
Adjustments to reconcile change in net cash to net cash provided by (used in) operating activities:		
Depreciation	25,489	14,882
(Increase) decrease in certain assets:		
Program funds receivable	9,472	5,383
Other current assets	4,300	(31,839)
Increase (decrease) in certain liabilities:		
Accounts payable	(14,450)	10,026
Accrued expenses	(14,135)	3,268
Refundable advances	<u>(28,569)</u>	<u>27,390</u>
Net cash provided by (used in) operating activities	<u>\$ (29,377)</u>	<u>\$ 51,657</u>

See accompanying notes to financial statements.

**FARMWORKER COORDINATING COUNCIL
OF PALM BEACH COUNTY, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2016

(with comparable totals for 2015)

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2016 Totals</u>	<u>2015 Totals</u>
Emergency fund expenses:					
Food	\$ 5,307	\$ 113	\$ -	\$ 5,420	\$ 11,273
Utilities	8,012	-	-	8,012	5,694
Assistance to individuals	48,700	-	-	48,700	54,559
Shelter	114,849	-	-	114,849	80,909
Other	18,858	-	-	18,858	22,710
Property expenses:					
Rent	35,820	3,767	-	39,587	49,936
Utilities	8,827	5,527	-	14,354	10,108
Repairs and maintenance	1,943	8,983	-	10,926	8,343
Personnel expenses:					
Salaries	497,455	15,552	4,541	517,548	523,015
Payroll taxes and benefits	98,298	10,206	976	109,480	105,666
Vehicle expenses:					
Insurance	2,933	12,637	-	15,570	11,730
Gas, toll and parking	8,464	20	-	8,484	9,259
Office and administrative:					
Telephone	8,846	3,569	-	12,415	12,904
Supplies	9,627	-	-	9,627	11,480
Professional fees	27,835	22,999	-	50,834	57,255
Printing and postage	2,560	-	-	2,560	2,460
Equipment repairs and maintenance	7,480	1,938	-	9,418	9,373
Insurance	7,359	2,602	-	9,961	3,357
Interest	-	8,626	-	8,626	-
Other	927	2,276	6	3,209	1,334
Other expenses:					
Events and special projects	4,199	2,629	3,487	10,315	8,456
Conferences and travel	245	45	-	290	890
Project supplies	311	-	-	311	1,512
Depreciation	24,184	1,305	-	25,489	14,882
Training and development	520	185	-	705	1,431
Total expenses	<u>\$ 943,559</u>	<u>\$ 102,979</u>	<u>\$ 9,010</u>	<u>\$ 1,055,548</u>	<u>\$ 1,018,536</u>

See accompanying notes to financial statements.

For the Year Ended June 30, 2016

1. **Business and Summary of Significant Accounting Policies**

Organization and Nature of Activities

The Farmworker Coordinating Council of Palm Beach County, Inc., (the "Council") is a Florida nonprofit corporation organized in 1978. The mission of the Council 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 the Council 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. FPES provides services to over 412 low income families in Palm Beach County, Florida.

Assistance for Housing Opportunities to Promote Employment (A-HOPE) provides emergency housing assistance and referrals to vocational/educational employment programs. It promotes job stability and economic advancement by encouraging clients to improve their English language proficiency, life skills and occupational competence. It also provides housing counseling to farm workers who are living in overcrowded conditions, substandard housing or facing any other housing related issue. This year the program provided \$78,000 to clients in need of Emergency Rental and/or Utility Assistance.

Bringing Resources and Information to Develop Gains in Education (BRIDGE) is designed to create a pathway for children of farm workers, their parents and educators to mitigate low education achievement levels, reduce the dropout rate and the educational gap that exists between children of farm workers and the rest of the student population. In addition, BRIDGE provides a variety of adults 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.

Community Health Access Team (CHAT) provides information, referrals and outreach activities to help uninsured/underinsured populations including language and cultural minorities to have access to healthcare coverage and services.

Basis of Accounting

The accompanying financial statements of the Council have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

For the Year Ended June 30, 2016

1. **Business and Summary of Significant Accounting Policies, continued**

Financial Statement Presentation

The Council has adopted FASB Accounting Standard Codification (FASB ASC) 958-065, *Accounting for Contributions Received and Contributions Made*. In accordance with FASB ASC 958-065, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Under FASB ASC 958-065, contributions that are initially restricted as to time or use are required to be reported as temporarily restricted support and are later reclassified to unrestricted net assets upon expiration of the time or use restriction. If the restriction placed upon a contribution is met within the same accounting period as the receipt of the contribution, FASB ASC 958-065 permits the contribution and the expense to be reported as unrestricted.

The Council has also adopted FASB ASC 958-205, *Presentation of Financial Statements*. The Council reports information regarding its financial position and activities according to three classes of net assets, described as follows:

Unrestricted Net Assets: this classification includes those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by Board designation. Changes in net assets arising from exchange transaction (except income and gains on assets that are restricted by donors or by law) are included in the unrestricted by class.

Temporarily Restricted Net Assets: this classification includes those net assets whose use by the Council has been limited by donors to either a later period of time, or after specified dates, or for a specified purpose.

Permanently Restricted Net Assets: this classification includes those net assets that must be maintained by the Council in perpetuity. Permanently restricted net assets increase when the Council receives contributions for which donor-imposed restrictions limiting its use of an asset or its economic benefits neither expire with the passage of time nor can be removed by the Council meeting certain requirements. As of June 30, 2016, the Council has no permanently restricted net assets.

Fair Value of Financial Instruments

FASB ASC 825, *Disclosure About Fair Value of Financial Instruments*, requires certain disclosures regarding the fair value of financial instruments. The Council has a number of financial instruments, none of which are held for trading purposes. The Council estimates that the fair value of all financial instruments as of June 30, 2016, 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 the Council 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 the Council could realize in a current market exchange.

For the Year Ended June 30, 2016

1. Business and Summary of Significant Accounting Policies, continued

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

Cash and Cash Equivalents

The Council considers cash and cash equivalents to include cash in banks, as well as highly liquid investments with a maturity of three months or less when purchased. The Council maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2016, the Council has no funds in excess of FDIC insured limits.

Property and Equipment

Expenditures for property and equipment are stated at cost. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. Donated assets are recorded at their estimated fair market values, when available, at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets.

Vehicles	5 years
Equipment and furniture	5 – 7 years
Building	39 years

Support and Revenue

The Council receives its operating funds from various public support programs, Palm Beach County, U.S. Department of Labor, the State of Florida as well as private donations from individuals, businesses, churches and other nonprofit organizations.

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

Donated Goods and Services

The Council periodically receives donations of equipment and furnishings for use by the Council; if of material value, these donations are recorded as a contribution as of the date of receipt. The Council 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. No amounts have been reflected in the Statements of Activities for donated goods and services for the year ended June 30, 2016.

For the Year Ended June 30, 2016

1. **Business and Summary of Significant Accounting Policies, continued**

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Functional Expenses. Accordingly, expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service. Expenses that apply to more than one functional category have been allocated among the programs and supporting services benefited.

Advertising

The Council's advertising is primarily non-direct, and such costs are expensed as incurred. There were no advertising costs incurred during the year ended June 30, 2016.

Income Taxes

The Council is a tax exempt, nonprofit corporation under Internal Revenue Code (IRC) Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements.

The Council follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This pronouncement seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The Council assesses its income tax positions based on management's evaluation of the facts, circumstances and information available at the reporting date. The Council uses the prescribed more likely than not threshold when making its assessment. The Council has not accrued any interest expense or penalties related to tax positions. There are currently no open Federal or State tax years under audit.

Prior Year Comparable Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

For the Year Ended June 30, 2016

2. Fair Value Measurements

FASB ASC 820-10, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Council has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair Value of Financial instruments: The following methods and assumptions were used by the Council in estimating fair value of financial instruments that are not disclosed under ASC 820.

Cash and equivalents – The carrying amount reported approximates fair value.

Program funds receivable – The carrying amount reported approximates fair value due to the short term duration of the instruments.

Accounts payable and accrued expenses – The carrying amount reported approximates fair value due to the short term duration of the instrument.

Mortgage payable – The carrying amount reported approximates fair value because the interest rate used approximates market rates for similar maturities.

For the Year Ended June 30, 2016

2. Fair Value Measurements, continued

Items Measured at Fair Value on a Recurring Basis: The following methods and assumptions were used by the Council in estimating fair value of financial instruments that are measured at fair value on a recurring basis under ASC 820.

Investments:

- *Certificate of deposits* – Approximate fair value, based on short term nature of the asset.
- *Mutual fund securities* – Valued at the net asset value (“NAV”) of shares held by the Council at year end.

The following table sets forth by level, within the fair value hierarchy, the Council’s assets at fair value as of June 30, 2016:

	<u>Assets at Fair Value</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Certificate of deposits	\$ -	\$ -	\$ 128,664	\$ 128,664
Balanced mutual fund	<u>180,011</u>	<u>-</u>	<u>-</u>	<u>180,011</u>
Total assets at fair value	<u>\$ 180,011</u>	<u>\$ -</u>	<u>\$ 128,664</u>	<u>\$ 308,675</u>

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Council’s level 3 assets for the year ended June 30, 2016.

Balance, beginning of year	\$ 127,744
Issuances and settlements	-
Accrued Interest	<u>920</u>
Balance, end of year	<u>\$ 128,664</u>

FASB ASC 820-10 requires disclosure of quantitative information about the unobservable inputs used to measure Level 3 assets and liabilities. The following table provides information about Level 3 assets:

	<u>Fair Value</u>	<u>Valuation Techniques</u>	<u>Unobservable Inputs</u>
Certificate of deposits	\$ 128,664	3 rd Party valuation pricing	Accumulation of interest payments

3. Investments

Investments as of June 30, 2016, consisted of bank issued certificates of deposit and a balanced mutual fund invested through a financial institution. The certificates of deposit have interest rates ranging from 0.75% to 1.20% and original maturities of 12 to 22 months. The mutual fund is a target allocation fund, with a modest equity allocation of approximately 20%.

For the Year Ended June 30, 2016

4. Program Funds Receivable

The program funds receivable consists of shared costs, which are to be reimbursed, and an allocation of next fiscal year support.

Program funds receivable as of June 30, 2016 consists of the following:

Unrestricted:	
Palm Beach County	\$ 13,334
U.S. Department of Labor	19,404
FL Dept. of Children & Families	21,610
Foundations and others	<u>2,603</u>
	56,951
Temporarily Restricted:	
Town of Palm Beach United Way	<u>100,000</u>
Total program funds receivable	<u>\$ 156,951</u>

As of June 30, 2016, the Council recognized the Town of Palm Beach United Way allocation for next year as temporarily restricted net assets.

Since all program funds receivable are expected to be received in one year or less, management has not calculated an unamortized discount and has determined that no allowance is necessary.

5. Other Current Assets

Other current assets as of June 30, 2016 consisted of prepaid bus passes, which are distributed to clients as part of the *Family Preservation & Economic Stabilization* program.

6. Property and Equipment

Property and equipment as of June 30, 2016 consisted of the following:

Land and building	\$ 349,451
Equipment and furniture	36,440
Leasehold improvements	5,383
Vehicles	<u>66,494</u>
	457,768
Less accumulated depreciation	<u>45,692</u>
Total property and equipment	<u>\$ 412,076</u>

For the Year Ended June 30, 2016

7. Temporarily Restricted Net Assets

As of June 30, 2016, the Council held temporarily restricted net assets for the following donor specified purposes:

Scholarship	\$ 129,564
Family preservation – Town of Palm Beach United Way	100,000
Glades area programs	27,700
Micro loan fund	<u>3,514</u>
Total temporarily restricted net assets	<u>\$ 260,778</u>

8. Mortgage Payable

The Council 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 balloon payment due at the maturity date of August, 2025.

Total mortgage payable	\$ 233,002
Less current portion	<u>21,238</u>
Long-term debt	<u>\$ 211,764</u>

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

Year ended <u>June 30,</u>	
2017	\$ 21,238
2018	22,160
2019	23,122
2020	24,108
2021	25,173
Thereafter	<u>117,201</u>
	<u>\$ 233,002</u>

9. Lease Obligations

On June 25, 2008, the Council signed a three-year lease commencing on August 1, 2008 for its main office located in Lake Worth, Florida. On August 1, 2014, the lease was extended for an additional two (2) year-period which expires on July 31, 2016. This lease required monthly rental payments of \$2,772, subject to an annual adjustment equal to the greater of 4% or South Florida Consumer Price Index. On August 2015, the Council purchased a building located in Lake Worth, Florida, to be used as the main office of the Council. The Council moved its operations to this new location in January 2016 and made its last payment under this lease in March 2016, as mutually agreed with the landlord. Total rent expense for the year ended June 30, 2016 was \$26,300.

For the Year Ended June 30, 2016

9. Lease Obligations, continued

The Council also leases additional office space located in Belle Glade, Florida. The original lease was for three years that ran through August 2006. The lease was renewed for each additional year thereafter through March 31, 2017. 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 year ended June 30, 2016 was \$13,286.

The Council also leases copiers with lease terms through June 2019. Rental expense associated with these leases for the year ended June 30, 2016, amounted to \$9,418.

The following is a schedule of the minimum annual lease payments for the remainder of the lease terms:

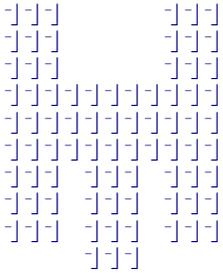
Year Ended <u>June 30,</u>	
2017	\$ 17,039
2018	6,248
2019	<u>2,603</u>
	<u>\$ 25,890</u>

10. Concentrations

During the year ended June 30, 2016, the Council received funds from three different sources that individually accounted for more than ten percent of total revenue and support. In the aggregate, these same sources accounted for approximately 54% of total revenue and support. As of June 30, 2016, approximately \$132,700 of the program funds receivable remained outstanding from these three sources.

11. Subsequent Events

Management has evaluated subsequent events through September 20, 2016, the date on which the financial statements were available to be issued, and determined there were no further disclosures required to be presented in these financial statements.



Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • www.holyfieldandthomas.com

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 of
Farmworker Coordinating Council
of Palm Beach County, Inc.
Lake Worth, 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 corporation), which comprise the statement of financial position as of June 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 September 20, 2016.

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 the Council'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 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.

Holyfield & Thomas, LLC

West Palm Beach, Florida
September 20, 2016

SUPPLEMENTARY INFORMATION

**FARMWORKER COORDINATING COUNCIL
OF PALM BEACH COUNTY, INC.**

SCHEDULE OF FINANCIAL ASSISTANCE

For the Year Ended June 30, 2016

<u>Federal/State Grantor/Pass-Through Grantor Pass-Through Grantor Program or Project Title</u>	<u>CFDA Number / Award Number</u>	<u>Total Expenditures</u>
FEDERAL		
U.S. Department of Housing and Urban Development		
Passed through from Palm Beach County, Florida: Emergency Solutions Grant Program	14.231 / R 2014-1569	\$ 18,218
U.S. Department of Labor		
National Farmworker Jobs Program	17.264 / MH-21994-11-60-A-12	<u>288,143</u>
Total 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	32,561 120,007
Department of Children and Families Palm Beach County, Florida		
Temporary Assistance for Needy Families (TANF)	N/A / R 2016-0151	<u>55,475</u>
Total expenditures of State awards		<u>208,043</u>
Total expenditures of Federal and State awards		<u><u>\$ 514,404</u></u>

See independent auditor's report.

**FARMWORKER COORDINATING COUNCIL
OF PALM BEACH COUNTY, INC.**

SCHEDULE OF PROGRAM EXPENSES

For the Year Ended June 30, 2016

	<u>FPES</u>	<u>A-Hope</u>	<u>Bridge</u>	<u>CHAT</u>	<u>Events and Special Projects</u>	<u>Total Program Expenses</u>
Emergency fund expenses:						
Food	\$ -	\$ -	\$ -	\$ -	\$ 5,307	\$ 5,307
Utilities	1,117	6,464	-	-	431	8,012
Assistance to individuals	-	-	-	-	48,700	48,700
Shelter	41,800	71,095	-	-	1,954	114,849
Other	18,218	-	-	-	640	18,858
Property expenses:						
Rent	16,505	9,075	4,887	4,749	604	35,820
Utilities	3,546	2,883	730	266	1,402	8,827
Repairs and maintenance	66	1,500	-	146	231	1,943
Personnel expenses:						
Salaries	228,734	142,404	47,293	59,930	19,094	497,455
Payroll taxes and benefits	34,629	25,544	11,429	13,423	13,273	98,298
Vehicle expenses:						
Insurance	-	-	2,933	-	-	2,933
Gas, toll and parking	3,925	2,356	358	1,825	-	8,464
Office and administrative:						
Telephone	2,814	2,000	435	3,182	415	8,846
Supplies	4,907	3,930	228	562	-	9,627
Professional fees	6,925	9,969	6,955	2,942	1,044	27,835
Printing and postage	1,511	222	308	519	-	2,560
Equipment repairs and maintenance	2,930	2,000	956	902	692	7,480
Insurance	-	5,430	1,079	850	-	7,359
Other	272	165	234	-	256	927
Other expenses:						
Events and special projects	-	-	-	209	3,990	4,199
Conferences and travel	185	60	-	-	-	245
Project supplies	-	136	175	-	-	311
Depreciation	12,092	12,092	-	-	-	24,184
Training and development	220	300	-	-	-	520
Total expenses	\$ 380,396	\$ 297,625	\$ 78,000	\$ 89,505	\$ 98,033	\$ 943,559

See independent auditor's report.