



NEVILLE WAINIO CPAs

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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors  
Flagler County Free Clinic, Inc.  
Bunnell, Florida

We have reviewed the accompanying financial statements of Flagler County Free Clinic, Inc. and affiliates (the "Clinic" a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Prior Period Financial Statements**

The financial statements of Flagler County Free Clinic, Inc. as of December 31, 2019 were audited by our firm, and we expressed an unmodified opinion in our report dated July 20, 2020. We have not performed any auditing procedures since that date.

*Neville Wainio CPAs*

St. Augustine, Florida  
December 20, 2021

**FLAGLER COUNTY FREE CLINIC, INC.**

**STATEMENTS OF FINANCIAL POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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	<b>ASSETS</b>	<u>REVIEWED 2020</u>	<u>AUDITED 2019</u>
<b>ASSETS:</b>			
Cash and cash equivalents		\$ 96,464	\$ 40,875
<b>TOTAL</b>		<u>\$ 96,464</u>	<u>\$ 40,875</u>
	<b>LIABILITIES AND NET ASSETS</b>		
		<u>2020</u>	<u>2019</u>
<b>LIABILITIES:</b>			
Other liabilities		\$ 3,975	\$ 2,848
<b>Total Liabilities</b>		3,975	2,848
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		<u>92,489</u>	<u>38,027</u>
<b>TOTAL</b>		<u>\$ 96,464</u>	<u>\$ 40,875</u>

See independent accountants' review report. The accompanying notes are an integral part of these statements.

**FLAGLER COUNTY FREE CLINIC, INC.**

**STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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	<u>REVIEWED</u> 2020	<u>AUDITED</u> 2019
REVENUE AND SUPPORT:		
In-kind contributions	\$ 219,003	\$ 305,834
Grants	116,868	137,242
Contributions	<u>187,670</u>	<u>104,771</u>
Total Revenue	<u>523,541</u>	<u>547,847</u>
EXPENSES:		
Program services	416,210	514,017
Administration and general	41,408	32,116
Fundraising	<u>11,460</u>	<u>22,200</u>
Total Expenses	<u>469,078</u>	<u>568,333</u>
INCREASE (DECREASE) IN NET ASSETS	54,463	(20,486)
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	<u>38,026</u>	<u>58,513</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	<u>\$ 92,489</u>	<u>\$ 38,027</u>

See independent accountants' review report. The accompanying notes are an integral part of these statements.

**FLAGLER COUNTY FREE CLINIC, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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	<u>Program Services</u>	<u>Administration and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Medical professional volunteers	\$ 219,319	\$ -	\$ -	\$ 219,319
Salaries and wages	104,753	9,632	6,021	120,406
Rent	39,122	3,597	2,248	44,967
Payroll taxes	23,992	2,206	1,379	27,577
Supplies	2,917	-	1,576	4,493
Telephone and utilities	6,849	6,555	-	13,404
Other	7,958	174	-	8,132
Insurance	4,111	378	236	4,725
Management fees	4,489	964	-	5,453
Office expenses	2,700	5,239	-	7,939
Printing	-	3,413	-	3,413
Professional fees	-	9,250	-	9,250
<b>Total Expenses</b>	<u>\$ 416,210</u>	<u>\$ 41,408</u>	<u>\$ 11,460</u>	<u>\$ 469,078</u>

See independent accountants' review report. The accompanying notes are an integral part of these statements.

**FLAGLER COUNTY FREE CLINIC, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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	<u>Program Services</u>	<u>Administration and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Medical professional volunteers	\$ 307,655	\$ -	\$ -	\$ 307,655
Salaries and wages	112,417	10,337	6,460	129,214
Rent	36,314	3,339	2,087	41,740
Payroll taxes	26,336	2,422	1,514	30,272
Supplies	4,327	-	11,784	16,111
Telephone and utilities	6,900	7,421	-	14,321
Other	7,884	-	-	7,884
Insurance	6,181	568	355	7,104
Management fees	4,211	2,680	-	6,891
Office expenses	1,792	2,727	-	4,519
Printing	-	1,872	-	1,872
Professional fees	-	750	-	750
<b>Total Expenses</b>	<u>\$ 514,017</u>	<u>\$ 32,116</u>	<u>\$ 22,200</u>	<u>\$ 568,333</u>

See independent accountants' review report. The accompanying notes are an integral part of these statements.

**FLAGLER COUNTY FREE CLINIC, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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	<u>REVIEWED 2020</u>	<u>AUDITED 2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 54,463	\$ (20,486)
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:		
Increase in other liabilities	<u>1,126</u>	<u>1,458</u>
Net Cash Provided (Used) by Operating Activities	<u>55,589</u>	<u>(19,028)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	55,589	(19,028)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>40,875</u>	<u>59,903</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 96,464</u>	<u>\$ 40,875</u>

See independent accountants' review report. The accompanying notes are an integral part of these statements.

# FLAGLER COUNTY FREE CLINIC, INC.

## NOTES TO FINANCIAL STATEMENTS

### 1. ORGANIZATION

The Flagler County Free Clinic, Inc. (the "Clinic") is a community-based not-for-profit organization serving and supporting the business community of Flagler County, Florida and organized under sections 501(c)(3) of the Internal Revenue Code. The FLAGLER COUNTY FREE CLINIC, INC.'s operations commenced on July 6, 2006. The Clinic is responsible for providing free medical services and supplies to uninsured patients and to those families in the most need within the community.

The Clinic is funded through contributions, grants and in-kind medical services.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements of the Clinic have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

#### Basis of Presentation

The financial statements of the Clinic have been prepared on the accrual basis of accounting. Net assets, expenses, distributions, gains, and losses are classified based on the existence or absence of donor-imposed or other external restrictions. Accordingly, net assets of the Clinic changes therein are classified and reported as follows (prior to ASU 2016-14 these were unrestricted and temporarily restricted net assets):

- The change in net assets with donor restrictions.
- The change in net assets without donor restrictions

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash in checking accounts. The Clinic did not have funds in a single institution in excess of federally insured deposit limits as of December 31, 2020 and 2019, respectively.

#### Property and Equipment

The Clinic's policy for recognizing assets in its statement of net assets is to capitalize and depreciate tangible personal property which costs \$1,000 or more. Tangible personal property which costs under \$1,000 is expensed as incurred. Property and equipment are stated at cost less accumulated depreciation.

#### Program Services

The Clinic is responsible for providing free medical and dental treatment to uninsured patients families in need in Flagler County.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on management's knowledge and experience. Accordingly, actual results may differ from these estimates.

#### Revenue and Support with and without Donor Restrictions

Grants and other contributions are reported as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends, or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as nets assets released from restrictions. Grants and other contributions received with donor-imposed restrictions that are met in the same year in which the grant or contribution is received are classified as net assets without donor restrictions

#### Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses.

#### In-Kind Donations

The value of services provided by medical professionals is estimated based on the Volunteer Health Care Provider Program's 2020 and 2019 Annual Reporting Forms. These estimates are recorded as in-kind donations.

### 3. MANAGEMENT OF LIQUIDITY

The Clinic has financial assets available within one year of the balance sheet date for general expenditures as follows.

	REVIEWED 2020	AUDITED 2019
Financial assets at year end:		
Cash and cash equivalents	\$ 96,464	\$ 40,875
Financial assets available within one year	<u>\$ 96,464</u>	<u>\$ 40,875</u>

The Clinic manages their financial assets available within one year in mutual funds, equities and savings accounts.

See independent accountants' review report.

FLAGLER COUNTY FREE CLINIC, INC.

NOTES TO FINANCIAL STATEMENTS

**4. GRANTS**

Grants consisted of the following for the year ended Clinic:

<u>State and local grants</u>	<u>REVIEWED 2020</u>	<u>AUDITED 2019</u>
Florida Association of Free and Charitable Clinics	\$ 56,868	\$ 77,242
Flagler County Social Services	<u>60,000</u>	<u>\$ 60,000</u>
Total state and local grants	<u>\$ 116,868</u>	<u>\$ 137,242</u>

**5. LEASE COMMITMENTS**

The Clinic leases an office space for services and administrative purposes from Anthony Properties, Inc. The operating lease, effective March 1, 2018 is for a five year term with monthly base rental of \$3,483. Base rent escalates annually on March 1st each year by three percent (3%). Lease expense for the year ended December 31, 2020 and 2019 was \$44,130 and \$41,340 respectively.

Minimum future lease payments under the capital lease as of December 31, 2020 are as follows:

2021	\$ 45,454
2022	48,816
2023	<u>7,841</u>
Total minimum lease payments	<u>\$ 102,111</u>

**6. INCOME TAXES**

The Clinic is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Clinic has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2020 and 2019. The Clinic is subject to taxation by various federal, state and local jurisdictions. As of December 31, 2020, the Clinic's tax years for 2019, 2018 and 2017 are subject to examination by the tax authorities

**7. CONCENTRATIONS OF CREDIT RISK**

Economic Dependency-Major Grantor

The Clinic receives a substantial portion of its revenue from two grantors. During the years ended December 31, 2020, and 2019. The grants from Flagler County and the State of Florida totaled \$116,868 (22% of revenue) and \$137,242 (25% of revenue), respectively.

**8. SUBSEQUENT EVENTS**

The Clinic has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 20, 2021, the date the financial statements were available to be issued.

See independent accountants' review report.



Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
Net Income (Loss) Before Adjustments										
							54,462.74			
1	12/31/2020	Accounts Receivable	1100		6,000.00					
1	12/31/2020	Unrestricted Net Assets	3010			6,000.00				
To agree beginning Net Assets to PY Net Assets										
					6,000.00	6,000.00	54,462.74	0.00		
2	12/31/2020	Volunteer Labor	4002		219,002.85					
2	12/31/2020	In-Kind Volunteer Time	6004			219,002.85				
To record in-kind donations of volunteer time.										
					219,002.85	219,002.85	54,462.74	0.00		
					<b>225,002.85</b>	<b>225,002.85</b>	<b>54,462.74</b>	<b>0.00</b>		



# Flagler County Free Clinic

For People. Not for Profit.

December 20, 2021

Neville Wainio CPAs  
5 Arredondo Ave.  
St. Augustine, FL 32084

We are providing this letter in connection with your review of the financial statements of Flagler County Free Clinic, which comprise the statements of financial position as of December 31, 2020 and 2019, and for the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements, for the purpose of obtaining limited assurance as a basis for reporting whether you are aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

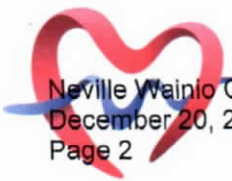
Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of December 15, 2021 the following representations made to you during your review.

- 1) We acknowledge our responsibility and have fulfilled our responsibilities for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, as set out in the terms of the engagement.
- 2) We have made available to you all—
  - a) Financial records and related data, of which we are aware, that are relevant to the preparation and fair presentation of the financial statements.
  - b) Minutes of the meetings of trustees, board of directors, and committees of directors (or other similar bodies, as applicable), or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - c) Additional information you have requested from us for the purpose of the review.
  - d) Unrestricted access to personnel from whom you determined it necessary to obtain review evidence.
- 3) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 4) All transactions have been recorded and have been properly reflected in the financial statements.
- 5) There are no uncorrected misstatements.
- 6) We acknowledge and have fulfilled our responsibility for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 7) We acknowledge our responsibility for designing, implementing, and maintaining internal control to prevent and detect fraud.
- 8) We have no knowledge of any fraud or suspected fraud affecting the entity involving management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements.
- 9) We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements as a whole communicated by employees, former employees, volunteers, regulators, or others.
- 10) We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.
- 11) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.

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[FlaglerFreeClinic.org](http://FlaglerFreeClinic.org)



- 12) The following have been properly recorded or disclosed in the financial statements:
- Related-party transactions and related accounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.
  - Significant estimates and material concentrations known to management that are required to be disclosed in accordance with *FASB ASC 275, Risks and Uncertainties*.
- 13) There are no:
- Known actual or possible instances of noncompliance with laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - Actual or possible claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with *FASB ASC 450, Contingencies*.
  - Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by *FASB ASC 450, Contingencies*.
- 14) The entity has satisfactory title of all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged.
- 15) There are no designations of net assets that were not properly authorized and approved or reclassifications of net assets that have not been properly reflected in the financial statements.
- 16) We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
- 17) We believe significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable in the circumstances.
- 18) We are in agreement with the adjusting journal entries, if any, you have recommended, and they have been posted to the entity's accounts.
- 19) We have disclosed to you all information relevant to the use of the going concern assumption in the financial statements.
- 20) No events have occurred subsequent to the date of the entity's financial statements and through the date of this letter that would require adjustment to, or disclosure in, the aforementioned financial statements.
- 21) We have responded fully and truthfully to all inquiries made to us by you during your review.
- 22) In regard to the preparation of the financial statements and services performed by you, we have—
- Assumed all management responsibilities.
  - Overseen the services by designating an individual who possesses suitable skill, knowledge, and/or experience.
  - Evaluated the adequacy and results of the services performed.
  - Accepted responsibility for the results of the services.
- 23) The organization's books and records are complete.

Signature: \_\_\_\_\_