



**FLAGLER COUNTY FREE CLINIC, INC.**

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED  
DECEMBER 31, 2021 AND 2020



5 ARREDONDO AVE  
ST. AUGUSTINE, FLORIDA 32080  
(904) 586-0048 · NEVILLEWAINIO.COM

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Flagler County Free Clinic, Inc. (the "Clinic" a Florida nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows 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 audits. 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 the Flagler County Free Clinic, Inc. as of December 31, 2021, 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.

### **Prior Period Financial Statements**

The 2020 financial statements were reviewed by our firm, and we are not aware of any material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America, in our report dated December 20, 2021.

A handwritten signature in cursive script that reads 'Neville Wainio CPAs'.

St. Augustine, Florida  
June 22, 2022

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FLAGLER COUNTY FREE CLINIC, INC.

STATEMENTS OF FINANCIAL POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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	ASSETS	
	AUDITED 2021	REVIEWED 2020
ASSETS:		
Cash and cash equivalents	\$ 135,320	\$ 96,464
TOTAL	<u>\$ 135,320</u>	<u>\$ 96,464</u>
	LIABILITIES AND NET ASSETS	
	2021	2020
LIABILITIES:		
Other liabilities	\$ 6,269	\$ 3,975
Total Liabilities	6,269	3,975
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>129,051</u>	<u>92,489</u>
TOTAL	<u>\$ 135,320</u>	<u>\$ 96,464</u>

The accompanying notes are an integral part of these statements.

**FLAGLER COUNTY FREE CLINIC, INC.**

**STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	AUDITED 2021	REVIEWED 2020
<b>REVENUE AND SUPPORT:</b>		
In-kind contributions	\$ 305,019	\$ 219,003
Grants	112,758	116,868
Contributions and other income	198,824	187,670
Total Revenue	616,601	523,541
 <b>EXPENSES:</b>		
Program expenses	520,349	416,210
Administration and general	45,052	41,408
Fundraising expenses	14,638	11,460
Total Expenses	580,039	469,078
INCREASE IN NET ASSETS	36,562	54,463
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	92,489	38,026
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	\$ 129,051	\$ 92,489

The accompanying notes are an integral part of these statements.

**FLAGLER COUNTY FREE CLINIC, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Program Services</u>	<u>Administration and General</u>	<u>Fundraising</u>	<u>2021 Total</u>
Medical professional volunteers	\$ 306,088	\$ -	\$ -	\$ 306,088
Salaries and wages	122,386	11,254	7,034	140,674
Rent	39,545	3,636	2,273	45,454
Payroll taxes	28,124	2,586	1,616	32,326
Supplies	5,148	6,063	3,384	14,595
Telephone and utilities	6,632	5,883	-	12,515
Other	3,408	3,002	-	6,410
Insurance	5,757	529	331	6,617
Management fees	1,761	1,084	-	2,845
Office expenses	1,500	1,912	-	3,412
Printing	-	4,553	-	4,553
Professional fees	-	4,550	-	4,550
<b>Total Expenses</b>	<u>\$ 520,349</u>	<u>\$ 45,052</u>	<u>\$ 14,638</u>	<u>\$ 580,039</u>

The accompanying notes are an integral part of these statements.

**FLAGLER COUNTY FREE CLINIC, INC.**

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

	Program Services	Administration and General	Fundraising	2020 Total
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
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Expenses</b>	<b><u>\$ 416,210</u></b>	<b><u>\$ 41,408</u></b>	<b><u>\$ 11,460</u></b>	<b><u>\$ 469,078</u></b>

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, 2021 AND 2020

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	<u>AUDITED 2021</u>	<u>REVIEWED 2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 36,562	\$ 54,463
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:		
Increase in other liabilities	<u>2,294</u>	<u>1,126</u>
Net Cash Provided by Operating Activities	<u>38,856</u>	<u>55,589</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	38,856	55,589
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>96,464</u>	<u>40,875</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 135,320</u>	<u>\$ 96,464</u>

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 Clinic'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:

- 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, 2021 and 2020, 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.

#### 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 net 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 2021 and 2020 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.

	AUDITED 2021	REVIEWED 2020
Financial assets at year end:		
Cash and cash equivalents	\$ 135,320	\$ 96,464
Total financial assets at year end:	135,320	96,464
Financial assets available within one year	\$ 135,320	\$ 96,464

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

**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>AUDITED 2021</u>	<u>REVIEWED 2020</u>
Florida Association of Free and Charitable Clinics	\$ 52,758	\$ 56,868
Flagler County Social Services	<u>60,000</u>	<u>\$ 60,000</u>
Total state and local grants	<u>\$ 112,758</u>	<u>\$ 116,868</u>

**5. LEASE COMMITMENTS**

The Clinic leases office space for services and administrative purposes from a third party. The operating lease, effective March 1, 2018 is for a five year term with monthly base rental of \$3,483. Base rent escalates by three percent (3%) annually on March 1st. Lease expense for the year ended December 31, 2021 and 2020 was \$44,130 and \$41,340, respectively.

Minimum future lease payments under the capital lease as of December 31, 2021 are as follows:

2022	\$ 48,816
2023	<u>7,841</u>
Total minimum lease payments	<u>\$ 56,657</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, 2021. The Clinic is subject to taxation by various federal, state and local jurisdictions. As of December 31, 2021, the Clinic's tax years for 2020, 2019 and 2018 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, 2021, and 2020. The grants from Flagler County and the State of Florida totaled \$112,758 (22% of revenue) and \$116,868 (25% of revenue), respectively.

**8. SUBSEQUENT EVENTS**

The Clinic has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 22, 2022, the date the financial statements were available to be issued.

**Flagler County Free Clinic**

Year End: December 31, 2021

Adjusted Trial Balance

CY Document	Prepared by	Reviewed by	Reviewed by
DC 4/12/2022	DC 4/12/2022	TH 4/18/2022	

A-1

Account	Prelim	Adj's	Rep	Rep 12/20	Amount	Chg %Chg
1000 SunTrust checking XX7670	135,320.28	0.00	135,320.28	96,464.49	38,855.79	40
<b>01-1A Cash and cash equivalents</b>	<b>135,320.28</b>	<b>0.00</b>	<b>135,320.28</b>	<b>96,464.49</b>	<b>38,855.79</b>	<b>40</b>
2110 MasterCard Corp-1343	134,857.19	0.00	134,857.19	111,089.51	23,767.68	21
2111 MasterCard Corp-1343:Mastercard--1728-Terri	(128,925.62)	0.00	(128,925.62)	(107,633.86)	(21,291.76)	20
2112 MasterCard Corp-1343:Mastercard-9370-Mich	(7,693.09)	0.00	(7,693.09)	(7,431.84)	(261.25)	4
2200 Accrued Salaries Payable	0.00	(3,739.46)	(3,739.46)	0.00	(3,739.46)	0
2201 Accrued Payroll Taxes Payable	0.00	(767.98)	(767.98)	0.00	(767.98)	0
<b>11-1C Other liabilities</b>	<b>(1,761.52)</b>	<b>(4,507.44)</b>	<b>(6,268.96)</b>	<b>(3,976.19)</b>	<b>(2,292.77)</b>	<b>58</b>
3000 Opening Balance Equity	(142,766.52)	0.00	(142,766.52)	(142,766.52)	0.00	0
3010 Unrestricted Net Assets	50,278.22	0.00	50,278.22	104,740.96	(54,462.74)	(52)
<b>16-1BU Net assets without donor restrictions</b>	<b>(92,488.30)</b>	<b>0.00</b>	<b>(92,488.30)</b>	<b>(38,025.56)</b>	<b>(54,462.74)</b>	<b>143</b>
6004 In-Kind Volunteer Time	0.00	(305,018.75)	(305,018.75)	(219,002.85)	(86,015.90)	39
<b>21-1A In-kind contributions</b>	<b>0.00</b>	<b>(305,018.75)</b>	<b>(305,018.75)</b>	<b>(219,002.85)</b>	<b>(86,015.90)</b>	<b>39</b>
6003 FC Grant; Rent & Spec Staff	(60,000.00)	0.00	(60,000.00)	(60,000.00)	0.00	0
6005 FAFCC Grant	(52,758.32)	0.00	(52,758.32)	(56,867.57)	4,109.25	(7)
<b>21-1BU Grants</b>	<b>(112,758.32)</b>	<b>0.00</b>	<b>(112,758.32)</b>	<b>(116,867.57)</b>	<b>4,109.25</b>	<b>(4)</b>
6001 General Donations	(143,713.78)	0.00	(143,713.78)	(120,013.43)	(23,700.35)	20
6002 Corporate Donations	(20,763.15)	0.00	(20,763.15)	(58,863.64)	38,100.49	(65)
6007 Fundraisers-External	0.00	0.00	0.00	(6,412.40)	6,412.40	(100)
6008 DONATIONS - BOARD MEMBERS	(11,045.06)	0.00	(11,045.06)	0.00	(11,045.06)	0
6010 CONTRIBUTIONS:08. Fee for Service Incom	(291.23)	0.00	(291.23)	0.00	(291.23)	0
6011 Interest earned -SunTrust	(11.09)	0.00	(11.09)	(4.67)	(6.42)	137
6013 Miscellaneous Income	0.00	0.00	0.00	(2,375.83)	2,375.83	(100)
6110 Restricted Contributions Diabetes	(3,000.00)	0.00	(3,000.00)	0.00	(3,000.00)	0
6111 Restricted Contributions Dental	(20,000.00)	0.00	(20,000.00)	0.00	(20,000.00)	0
<b>21-1DU Contributions and other income</b>	<b>(198,824.31)</b>	<b>0.00</b>	<b>(198,824.31)</b>	<b>(187,669.97)</b>	<b>(11,154.34)</b>	<b>6</b>
202 Phone/Internet	6,632.21	0.00	6,632.21	6,849.47	(217.26)	(3)
302 Post Office Box Rental	134.00	0.00	134.00	106.00	28.00	26
401 Rent	45,454.30	0.00	45,454.30	44,129.62	1,324.68	3
402 FAFCC Mgmt Fee Expense	1,760.57	0.00	1,760.57	4,489.42	(2,728.85)	(61)
700 INSURANCE-GEN'L & BODs	5,523.19	0.00	5,523.19	3,189.15	2,334.04	73
800 Leashold Improvements	0.00	0.00	0.00	880.00	(880.00)	(100)
900 Med'l Equip & Expense	0.00	0.00	0.00	485.94	(485.94)	(100)
901 Diabetes Monitors/Strips	1,523.11	0.00	1,523.11	497.45	1,025.66	206
902 Tests-A1C & INRs	417.75	0.00	417.75	577.06	(159.31)	(28)
904 Pharm/Meds/Vaccines	551.74	0.00	551.74	245.64	306.10	125
905 Medical Supplies Other	438.81	0.00	438.81	1,110.84	(672.03)	(60)
906 Medical Services Purchased Other	46.00	0.00	46.00	0.00	46.00	0
908 Medical Services Purchased Paps	348.11	0.00	348.11	0.00	348.11	0
909 Diabetes Program Wells County FL	463.34	0.00	463.34	0.00	463.34	0
4000 Payroll Net Salaries	136,933.99	3,739.46	140,673.45	120,405.91	20,267.54	17
4001 Payroll Taxes/Deductions	31,558.43	767.98	32,326.41	27,577.41	4,749.00	17
4002 Volunteer Labor	0.00	305,018.75	305,018.75	219,002.85	86,015.90	39
4003 Workers' Comp Ins	1,094.00	0.00	1,094.00	1,536.00	(442.00)	(29)

**Flagler County Free Clinic**  
**Year End: December 31, 2021**  
**Adjusted Trial Balance**

A-1-1

CY Document	Prepared by	Reviewed by	Reviewed by
DC 4/12/2022	DC 4/12/2022	TH 4/18/2022	

Account	Prelim	Adj's	Rep	Rep 12/20	Amount	Chg %Chg
8000 Volunteer Management	1,068.82	0.00	1,068.82	316.25	752.57	238
8003 Miscellaneous/Other	0.00	0.00	0.00	2,812.49	(2,812.49)	(100)
8004 Bank Fees	611.00	0.00	611.00	670.00	(59.00)	(9)
201.1 Postage	226.60	0.00	226.60	837.75	(611.15)	(73)
201.5 Janitorial Expenses	1,500.00	0.00	1,500.00	2,700.00	(1,200.00)	(44)
201.6 Personal Protection Supplies	1,359.63	0.00	1,359.63	0.00	1,359.63	0
201.7 Miscellaneous	2,436.51	0.00	2,436.51	0.00	2,436.51	0
201.8 Annual Campaign	0.00	0.00	0.00	3,488.53	(3,488.53)	(100)
22-1A Adjustments	0.00	(29,259.28)	(29,259.28)	(25,697.75)	(3,561.53)	14
<b>22-1A Program expenses</b>	<b>240,082.11</b>	<b>280,266.91</b>	<b>520,349.02</b>	<b>416,210.03</b>	<b>104,138.99</b>	<b>25</b>
101 Accounting & Audit Expenses	4,550.00	0.00	4,550.00	9,250.00	(4,700.00)	(51)
200 Administrative Membership Fees	1,083.77	0.00	1,083.77	963.84	119.93	12
204 Travel- Conferences	3,002.00	0.00	3,002.00	174.00	2,828.00	1625
5000 Printing	442.43	0.00	442.43	2,070.05	(1,627.62)	(79)
7000 Utilities	5,882.90	0.00	5,882.90	6,554.81	(671.91)	(10)
201.2 Supplies	6,063.32	0.00	6,063.32	5,238.80	824.52	16
201.3 IT Equipment/Supplies	1,912.27	0.00	1,912.27	0.00	1,912.27	0
201.4 Copier/FAX Machine	4,109.15	0.00	4,109.15	1,342.29	2,766.86	206
22-1B Adjustments	0.00	18,005.71	18,005.71	15,814.00	2,191.71	14
<b>22-1B Administration and general</b>	<b>27,045.84</b>	<b>18,005.71</b>	<b>45,051.55</b>	<b>41,407.79</b>	<b>3,643.76</b>	<b>9</b>
5001 General Fundraising Expenses	3,384.22	0.00	3,384.22	0.00	3,384.22	0
5007 2020:Christmas in July	0.00	0.00	0.00	1,576.08	(1,576.08)	(100)
22-1C Adjustments	0.00	11,253.57	11,253.57	9,883.75	1,369.82	14
<b>22-1C Fundraising expenses</b>	<b>3,384.22</b>	<b>11,253.57</b>	<b>14,637.79</b>	<b>11,459.83</b>	<b>3,177.96</b>	<b>28</b>
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>
<b>Net Income (Loss)</b>	<b>41,070.46</b>		<b>36,563.02</b>	<b>54,462.74</b>	<b>(17,899.72)</b>	<b>(33)</b>

**Magler County Free Clinic**  
 Year End: December 31, 2021  
 Adjusting Journal Entries  
 Date: 1/1/2021 To 12/31/2021

B-1

CY Document	Prepared by	Reviewed by	Reviewed by
DC 4/13/2022	DC 4/13/2022	JH 4/18/2022	

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
Net Income (Loss) Before Adjustments										
							41,070.46			
1	12/31/2021	Volunteer Labor	4002		305,018.75					
1	12/31/2021	In-Kind Volunteer Time	6004			305,018.75				
		To record in-kind donations of volunteer time			305,018.75		41,070.46	0.00		
4	12/31/2021	Accrued Salaries Payable	2200			3,739.46				
4	12/31/2021	Accrued Payroll Taxes Payable	2201			767.98				
4	12/31/2021	Payroll Net Salaries	4000		3,739.46					
4	12/31/2021	Payroll Taxes/Deductions	4001		767.98					
		To Accrue end of year payroll (9 days)			4,507.44		36,563.02	(4,507.44)		
					309,526.19	309,526.19	36,563.02	(4,507.44)		