

# **St. Petersburg Free Clinic, Inc. and Affiliate**

Consolidated Financial Statements

September 30, 2021 and 2020



**ST. PETERSBURG FREE CLINIC, INC., AND AFFILIATE  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
St. Petersburg Free Clinic, Inc. and Affiliate  
St. Petersburg, Florida

We have audited the accompanying consolidated financial statements of St. Petersburg Free Clinic, Inc. and Affiliate (SPFC) (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the St. Petersburg Free Clinic, Inc. and Affiliate as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



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## Other Matters

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE, on our consideration of SPFC'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 solely 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 effectiveness of SPFC's 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 the SPFC's internal control over financial reporting and compliance.

*PDR CPAs + ADVISORS*

Oldsmar, Florida  
February 28, 2022

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2021 AND 2020**

<u>ASSETS</u>		
	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 5,801,232	\$ 4,488,639
Grants receivable	584,036	412,560
Bequests receivable	4,210,927	3,022,772
Promises to give, net	1,274,123	1,517,510
Inventory	342,637	326,840
Prepaid expenses and other assets	146,999	57,255
Investments	2,644,367	2,183,725
Beneficial interest in assets held by others	617,426	483,696
Property and equipment, net	10,141,536	10,028,904
Construction in progress	52,805	838,605
<b>Total Assets</b>	<b>\$ 25,816,088</b>	<b>\$ 23,360,506</b>
 <u>LIABILITIES AND NET ASSETS</u> 		
<b>Liabilities</b>		
Accounts payable and other accrued expenses	\$ 247,083	\$ 294,165
Accrued payroll and benefits	155,636	299,418
Deferred revenue	284,742	285,590
Annuity obligations	89,955	94,852
Note payable - PPP	569,635	486,650
<b>Total liabilities</b>	1,347,051	1,460,675
<b>Net assets</b>		
Without donor restrictions:		
Operating	3,225,881	117,798
Property and equipment	10,194,341	10,867,509
Board designated for endowment	2,433,302	2,003,191
Board designated for Men's Residence	715,487	715,487
Total net assets without donor restrictions	16,569,011	13,703,985
With donor restrictions	7,900,026	8,195,846
<b>Total net assets</b>	24,469,037	21,899,831
<b>Total Liabilities and Net Assets</b>	<b>\$ 25,816,088</b>	<b>\$ 23,360,506</b>

See notes to consolidated financial statements

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021  
(WITH COMPARATIVE TOTALS FOR 2020)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
<b>Public Support and Revenue</b>				
Contributions	\$ 2,839,539	\$ -	\$ 2,839,539	\$ 3,146,031
Grants and restricted gifts	4,857,876	1,096,955	5,954,831	3,159,644
Special events, net of direct expense of \$3,574	260,134	-	260,134	-
Bequests	260,269	2,768,432	3,028,701	3,112,573
In-kind revenue				
Services	228,735	-	228,735	246,357
Food	22,390,013	-	22,390,013	24,030,152
Investment income	538,579	99,183	637,762	208,750
Net assets released from restrictions	4,260,390	(4,260,390)	-	-
<b>Total public support and revenue</b>	<b>35,635,535</b>	<b>(295,820)</b>	<b>35,339,715</b>	<b>33,903,507</b>
<b>Expenses</b>				
Program services				
Health Center	1,712,368	-	1,712,368	1,512,015
Jared S. Hechtkopf Community Food Bank	16,416,026	-	16,416,026	17,772,240
We Help Services	12,577,420	-	12,577,420	8,266,683
Baldwin Women's Residence	840,057	-	840,057	860,379
Family Residence	207,988	-	207,988	441,773
Men's Residence	414,135	-	414,135	387,453
Total program services	32,167,994	-	32,167,994	29,240,543
Support services				
General and administrative	486,741	-	486,741	436,161
Fundraising	892,512	-	892,512	786,550
Total support services	1,379,253	-	1,379,253	1,222,711
<b>Total expenses</b>	<b>33,547,247</b>	<b>-</b>	<b>33,547,247</b>	<b>30,463,254</b>
<b>Change in Net Assets From Operations</b>	<b>2,088,288</b>	<b>(295,820)</b>	<b>1,792,468</b>	<b>3,440,253</b>
<b>Other Changes in Net Assets</b>				
Gain on forgiveness of note payable - PPP	486,650	-	486,650	-
Gain on sale of property	290,088	-	290,088	-
	776,738	-	776,738	-
<b>Change in Net Assets</b>	<b>2,865,026</b>	<b>(295,820)</b>	<b>2,569,206</b>	<b>3,440,253</b>
<b>Net Assets, Beginning of Year</b>	<b>13,703,985</b>	<b>8,195,846</b>	<b>21,899,831</b>	<b>18,459,578</b>
<b>Net Assets, End of Year</b>	<b>\$ 16,569,011</b>	<b>\$ 7,900,026</b>	<b>\$ 24,469,037</b>	<b>\$ 21,899,831</b>

See notes to consolidated financial statements

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Public Support and Revenue</b>			
Contributions	\$ 3,146,031	\$ -	\$ 3,146,031
Grants and contract revenue	560,005	2,599,639	3,159,644
Special events, net of direct expense	-	-	-
Bequests	89,801	3,022,772	3,112,573
In-kind revenue:			
Services	246,357	-	246,357
Food	24,030,152	-	24,030,152
Investment income	201,663	7,087	208,750
Net assets released from restrictions	3,130,159	(3,130,159)	-
<b>Total public support and revenue</b>	<b>31,404,168</b>	<b>2,499,339</b>	<b>33,903,507</b>
<b>Expenses</b>			
Program services			
Health Center	1,512,015	-	1,512,015
Jared S. Hechtkopf Community Food Bank	17,772,240	-	17,772,240
We Help Services	8,266,683	-	8,266,683
Baldwin Women's Residence	860,379	-	860,379
Family Residence	441,773	-	441,773
Men's Residence	387,453	-	387,453
Total program services	29,240,543	-	29,240,543
Support services			
General and administrative	436,161	-	436,161
Fundraising	786,550	-	786,550
Total support services	1,222,711	-	1,222,711
<b>Total expenses</b>	<b>30,463,254</b>	<b>-</b>	<b>30,463,254</b>
<b>Change in Net Assets</b>	<b>940,914</b>	<b>2,499,339</b>	<b>3,440,253</b>
<b>Net Assets, Beginning of Year</b>	<b>12,763,071</b>	<b>5,696,507</b>	<b>18,459,578</b>
<b>Net Assets, End of Year</b>	<b>\$ 13,703,985</b>	<b>\$ 8,195,846</b>	<b>\$ 21,899,831</b>

See notes to consolidated financial statements

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Program Services						Total Program Services
	Health Center	Jared S. Hechtkopf Community Food Bank	We Help Services	Baldwin Women's Residence	Family Residence	Men's Residence	
Salaries and related expenses							
Salaries	\$ 953,312	\$ 520,453	\$ 358,651	\$ 418,531	\$ 73,003	\$ 193,791	\$ 2,517,741
Payroll taxes and employee benefits	102,365	56,998	61,815	60,987	11,689	31,621	325,475
<b>Total salaries and related expenses</b>	<u>1,055,677</u>	<u>577,451</u>	<u>420,466</u>	<u>479,518</u>	<u>84,692</u>	<u>225,412</u>	<u>2,843,216</u>
Other expenses							
Advertising	-	35	-	-	-	-	35
Bank charges	-	-	-	-	-	-	-
Computer expenses	69,729	16,272	24,061	21,327	10,278	14,613	156,280
Contract services	-	-	-	-	-	-	-
Direct assistance	28,137	4,326,024	474,189	1,985	118	2,924	4,833,377
Dues and subscriptions	15,529	581	561	546	546	546	18,309
Fees and licenses	3,833	1,597	2,573	2,304	-	350	10,657
Food	5,710	10,967,076	11,394,669	63,121	10,686	11,598	22,452,860
Insurance	26,531	13,545	17,524	29,497	4,315	9,298	100,710
Legal and professional	23,552	10,513	9,938	13,210	1,771	5,034	64,018
Maintenance and repairs	36,677	43,774	51,096	41,373	8,964	25,120	207,004
Occupancy	41,749	25,915	43,636	66,339	34,689	29,609	241,937
Other	-	-	-	-	-	-	-
Postage and printing	5,688	1,483	12,747	483	221	747	21,369
Supplies	258,231	18,456	44,661	13,878	3,283	8,384	346,893
Small equipment and furniture	5,239	18,725	4,022	24	-	13,853	41,863
Training	12,638	5,378	6,790	5,477	2,222	5,378	37,883
Transportation	193	186,854	4,511	3,464	1,447	3,037	199,506
Depreciation	123,255	202,347	65,976	97,511	44,756	58,232	592,077
<b>Total other expenses</b>	<u>656,691</u>	<u>15,838,575</u>	<u>12,156,954</u>	<u>360,539</u>	<u>123,296</u>	<u>188,723</u>	<u>29,324,778</u>
<b>Total expenses</b>	<u>\$ 1,712,368</u>	<u>\$ 16,416,026</u>	<u>\$ 12,577,420</u>	<u>\$ 840,057</u>	<u>\$ 207,988</u>	<u>\$ 414,135</u>	<u>\$ 32,167,994</u>

See notes to consolidated financial statements

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Total Program Services	Support Services		Total Support Services	Total Expenses
		General and Administrative	Fundraising		
Salaries and related expenses					
Salaries	\$ 2,517,741	\$ 234,556	\$ 496,834	\$ 731,390	\$ 3,249,131
Payroll taxes and employee benefits	325,475	90,668	69,235	159,903	485,378
<b>Total salaries and related expenses</b>	<u>2,843,216</u>	<u>325,224</u>	<u>566,069</u>	<u>891,293</u>	<u>3,734,509</u>
Other expenses					
Advertising	35	-	108,550	108,550	108,585
Bank charges	-	23,791	29,858	53,649	53,649
Computer expenses	156,280	48,095	21,677	69,772	226,052
Contract services	-	-	338	338	338
Direct assistance	4,833,377	-	-	-	4,833,377
Dues and subscriptions	18,309	4,500	9,946	14,446	32,755
Fees and licenses	10,657	7,410	30,236	37,646	48,303
Food	22,452,860	-	-	-	22,452,860
Insurance	100,710	6,615	9,841	16,456	117,166
Legal and professional	64,018	24,931	16,590	41,521	105,539
Maintenance and repairs	207,004	8,665	17,460	26,125	233,129
Occupancy	241,937	13,835	13,161	26,996	268,933
Other	-	8	920	928	928
Postage and printing	21,369	4,302	32,898	37,200	58,569
Supplies	346,893	6,136	11,577	17,713	364,606
Small equipment and furniture	41,863	1,300	1,949	3,249	45,112
Training	37,883	5,986	15,416	21,402	59,285
Transportation	199,506	-	83	83	199,589
Depreciation	592,077	5,943	5,943	11,886	603,963
<b>Total other expenses</b>	<u>29,324,778</u>	<u>161,517</u>	<u>326,443</u>	<u>487,960</u>	<u>29,812,738</u>
<b>Total expenses</b>	<u>\$ 32,167,994</u>	<u>\$ 486,741</u>	<u>\$ 892,512</u>	<u>\$ 1,379,253</u>	<u>\$ 33,547,247</u>

See notes to consolidated financial statements

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Program Services						Total Program Services
	Health Center	Jared S. Hechtkopf Community Food Bank	We Help Services	Baldwin Women's Residence	Family Residence	Men's Residence	
Salaries and related expenses							
Salaries	\$ 737,475	\$ 366,244	\$ 342,104	\$ 385,155	\$ 170,697	\$ 202,184	\$ 2,203,859
Payroll taxes and employee benefits	83,145	38,347	49,027	52,631	28,063	27,013	278,226
<b>Total salaries and related expenses</b>	<u>820,620</u>	<u>404,591</u>	<u>391,131</u>	<u>437,786</u>	<u>198,760</u>	<u>229,197</u>	<u>2,482,085</u>
Other expenses							
Advertising	7,731	6,115	6,115	6,115	6,115	6,115	38,306
Bank charges	-	-	1,229	-	-	-	1,229
Computer expenses	79,253	18,812	23,773	36,979	20,009	30,858	209,684
Contract services	-	-	-	-	-	-	-
Direct assistance	7,537	143,231	528,616	5,358	8,075	4,601	697,418
Dues and subscriptions	10,339	-	-	-	-	97	10,436
Fees and licenses	8,507	596	1,793	4,042	194	777	15,909
Food	-	16,813,805	7,106,945	88,285	54,226	33,129	24,096,390
Insurance	21,523	12,930	16,730	30,014	9,427	6,864	97,488
Legal and professional	14,001	7,789	8,721	11,203	4,414	5,077	51,205
Maintenance and repairs	35,067	23,806	23,285	29,776	24,224	9,385	145,543
Occupancy	34,786	22,535	43,385	71,377	42,852	34,342	249,277
Other	-	-	-	-	-	-	-
Postage and printing	4,400	1,025	14,697	1,233	912	1,217	23,484
Supplies	322,757	15,798	46,383	25,982	19,073	9,505	439,498
Small equipment and furniture	16,941	9,036	8,332	5,981	5,613	1,402	47,305
Training	3,071	1,062	3,050	1,008	499	968	9,658
Transportation	2,271	67,633	2,445	6,747	5,043	6,881	91,020
Depreciation	123,211	223,476	40,053	98,493	42,337	7,038	534,608
<b>Total other expenses</b>	<u>691,395</u>	<u>17,367,649</u>	<u>7,875,552</u>	<u>422,593</u>	<u>243,013</u>	<u>158,256</u>	<u>26,758,458</u>
<b>Total expenses</b>	<u>\$ 1,512,015</u>	<u>\$ 17,772,240</u>	<u>\$ 8,266,683</u>	<u>\$ 860,379</u>	<u>\$ 441,773</u>	<u>\$ 387,453</u>	<u>\$ 29,240,543</u>

See notes to consolidated financial statements

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Total Program Services	Support Services		Total Support Services	Total Expenses
		General and Administrative	Fundraising		
Salaries and related expenses					
Salaries	\$ 2,203,859	\$ 231,512	\$ 466,164	\$ 697,676	\$ 2,901,535
Payroll taxes and employee benefits	278,226	75,876	61,250	137,126	415,352
<b>Total salaries and related expenses</b>	<u>2,482,085</u>	<u>307,388</u>	<u>527,414</u>	<u>834,802</u>	<u>3,316,887</u>
Other expenses					
Advertising	38,306	-	9,872	9,872	48,178
Bank charges	1,229	11,577	22,921	34,498	35,727
Computer expenses	209,684	40,014	27,226	67,240	276,924
Contract services	-	-	20,256	20,256	20,256
Direct assistance	697,418	-	-	-	697,418
Dues and subscriptions	10,436	1,490	11,646	13,136	23,572
Fees and licenses	15,909	12,413	18,152	30,565	46,474
Food	24,096,390	-	-	-	24,096,390
Insurance	97,488	6,412	7,561	13,973	111,461
Legal and professional	51,205	9,467	19,240	28,707	79,912
Maintenance and repairs	145,543	8,656	6,079	14,735	160,278
Occupancy	249,277	11,857	10,462	22,319	271,596
Other	-	2	263	265	265
Postage and printing	23,484	5,173	40,625	45,798	69,282
Supplies	439,498	7,097	44,675	51,772	491,270
Small equipment and furniture	47,305	1,437	745	2,182	49,487
Training	9,658	850	5,645	6,495	16,153
Transportation	91,020	208	1,648	1,856	92,876
Depreciation	534,608	12,120	12,120	24,240	558,848
<b>Total other expenses</b>	<u>26,758,458</u>	<u>128,773</u>	<u>259,136</u>	<u>387,909</u>	<u>27,146,367</u>
<b>Total expenses</b>	<u>\$ 29,240,543</u>	<u>\$ 436,161</u>	<u>\$ 786,550</u>	<u>\$ 1,222,711</u>	<u>\$ 30,463,254</u>

See notes to consolidated financial statements

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 2,569,206	\$ 3,440,253
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	603,963	558,848
Realized gains on investments	(44,705)	(312,590)
Unrealized (gain) loss on investments	(453,106)	199,965
Change in value of beneficial interest in assets held by others	(133,730)	(91,887)
Gain on sale of property	(290,088)	-
Gain on forgiveness of note payable - PPP	(486,650)	-
<b>(Increase) decrease in operating assets:</b>		
Grants receivable	(171,476)	(46,381)
Bequests receivable	(1,188,155)	(2,932,058)
Unconditional promises to give, net	243,387	673,182
Inventory	(15,797)	28,380
Prepaid expenses and other assets	(89,744)	56,891
<b>Increase (decrease) in operating liabilities:</b>		
Accounts payable and accrued expenses	(47,082)	634
Accrued payroll and benefits	(143,782)	45,889
Deferred revenue	(848)	285,590
Annuity obligations	(4,897)	5,032
<b>Net cash provided by operating activities</b>	<b>346,496</b>	<b>1,911,748</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(319,335)	(497,819)
Purchases of construction in progress	(52,805)	(838,605)
Proceeds from sale of property and equipment	731,433	-
Proceeds from sale of investments	160,765	1,966,460
Purchases of investments	(123,596)	(1,731,292)
<b>Net cash provided by (used in) investing activities</b>	<b>396,462</b>	<b>(1,101,256)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from note payable	569,635	486,650
<b>Net cash provided by financing activities</b>	<b>569,635</b>	<b>486,650</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1,312,593</b>	<b>1,297,142</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>4,488,639</b>	<b>3,191,497</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 5,801,232</b>	<b>\$ 4,488,639</b>
<b>Supplemental Cash Flow Information:</b>		
Contributed services	\$ 198,001	\$ 246,357
Contributed food and supplies	\$ 22,420,747	\$ 26,863,110

See notes to consolidated financial statements

**ST. PETERSBURG FREE CLINIC, INC.  
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**NOTE A - NATURE OF ORGANIZATION**

The consolidated financial statements include the operations of St. Petersburg Free Clinic, Inc. and the Sister Margaret Freeman Foundation, Inc. (the Foundation) (collectively, the Free Clinic). This past year, to accurately describe our services and reach additional audiences, the Free Clinic chose to rebrand and market the Free Clinic as the St. Pete Clinic (SPFC). With compassion and respect, SPFC changes lives by providing health care, nutritious food, recovery housing, and education for our neighbors in need. SPFC has been caring for the underserved facing temporary emergency needs throughout Pinellas County since 1970. SPFC's range of programs reduce the economic burdens of Pinellas County's low-income and Asset Limited, Income Constrained, Employed (ALICE) population by providing services that lower monthly out-of-pocket expenditures, contribute to savings and long-term economic stability, and support long-term individual and family wellness. Current SPFC programs include:

**The SPFC Health Center**

Established in 1970, the SPFC Health Center offers access to quality healthcare for adults aged 18 - 64 who lack health insurance and meet other income requirements, allowing them to receive primary care, as well as a range of specialty care services. What could become an emergency doesn't because of our patients' capability to connect with our providers to address their health concerns. The Health Center places particular emphasis on the management of chronic health conditions, including diabetes through the Diabetes Education Management Program, our food and Lifestyle Rx Program, and a Prescription Health Program to ensure patients can access expensive medications, like insulin, at no cost. In fiscal year 2021, 5,840 patients received medical care. The Prescription Health Program provided \$2.7 million worth of prescription support to the community. Overall, the Health Center enrolled 38% more new patients than the previous fiscal year.

**The SPFC Health Education Program**

The Health Education Program encourages and supports patients on their path to living a healthier, fuller life through two key prevention programs: The Cardiovascular Program provides patients with the resources to improve and manage their heart health and the Diabetes Education Program provides education, support and provision of medication and supplies to diabetic patients. In response to COVID, the Health Education Program has expanded to post healthy living tips and recipes via social media and monthly newsletter communications. The expansion also includes a dedicated monthly event provided to our We Help FRESH Pantry clients, the FRESH Pantry Plus. Clients receive the regular free and nutritious fresh produce, meats, and food staples plus the inclusion of a health focus that provides useful resources and information enabling our clients to improve their health outcomes.

**The SPFC Dental Center**

The SPFC Dental Center provides uninsured adults with dental hygiene, fillings, extractions, dentures, and other dental services through volunteer dentists, dental assistants, and dental hygienists, as well as a small number of paid professionals. In fiscal year 2021, the Dental Center served 1,692 patients.

**Jared S. Hechtkopf Community Food Bank**

Established in 1980 as the second food bank in Florida, Jared S. Hechtkopf Community Food Bank (Jared's Food Bank) solicits food products from all segments of the food industry, as well as from groups and organizations through food drives and individual donations. Jared's Food Bank distributes food free of charge to between 50 and 60 partner agencies throughout the community, including food pantries, shelters, community kitchens, missions, residential programs, and childcare centers. These include the SPFC We Help Services, Baldwin Women's Residence, Family Residence, and its Men's Residence. Jared's Food Bank collected and distributed approximately 20.4 million pounds of food in fiscal year 2021. Over 72% of the food distributed through Jared's Food Bank is fresh produce, protein and dairy.

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**NOTE A - NATURE OF ORGANIZATION - CONTINUED**

**SPFC We Help Services**

Established in 1975, We Help Services addresses the social determinants of health by providing access to nutritious food, along with financial support for water and utility bills, assistance in obtaining driver's licenses, birth certificates, and other documents to secure housing and employment. A client advocate also specializes in providing in-depth navigation for individuals who need access to community services we do not provide. During fiscal year 2021, We Help supported 231,000 individuals with food through the FRESH Pantry and specialized partnerships. This is up from 162,000 individuals served in fiscal year 2020, a 43% increase year-over-year. We Help Services provided over 7,000 client services, and water bill support was doubled in fiscal year 2021 to \$150,000 as compared to \$75,000 in fiscal year 2020.

**Baldwin Women's Residence**

Established in 1989, the Virginia and David Baldwin Women's Residence (Baldwin Women's Residence) provides a safe place to stay as well as support services to single, homeless women in recovery as they work toward their goal of self-sufficiency. Baldwin Women's Residence provided shelter and support to 62 women in fiscal year 2021. Due to COVID-19 safety protocols, Baldwin Women's Residence operated under "COVID capacity" whereby no more than 30 women were housed at any given time. Despite the pandemic, supportive services continued for all residents. Other fiscal year accomplishments include: 92% of women in the program at the end of fiscal year 2021 were employed and 48% had three months in savings (consistently 85% of women and men in our residences obtain employment within 90 days of their stay with us); 100% of women participating in group counseling sessions at the end of fiscal year 2021 reported improvements in behavioral health symptoms.

**The SPFC Men's Residence**

Established in 1997, the SPFC Men's Residence provides safe, supportive, transitional shelter to single, homeless men in recovery. Residents work with staff to set goals, save money, and work toward independent living. The Men's Residence re-opened in June 2021 after temporary closure due to facilities challenges; 13 men were housed through the remainder of the fiscal year.

**The SPFC Family Residence**

In February 2013, SPFC acquired property for the purpose of better serving homeless families. The Residence provided transitional shelter for 60 families in fiscal years 2021. Homeless families were referred to the program by the Juvenile Welfare Board and Personal Enrichment for Mental Health Services (PEMHS). At the Family Residence, families were provided intensive navigation services to overcome the barriers to obtain permanent housing. During fiscal year 2021, the Free Clinic confirmed that the need for significant repairs to its Family Residence buildings would cost more than the value of the property. As such, SPFC transitioned the Family Residence Program to partner agency St. Vincent de Paul Cares as of April 1, 2021, where families continue to be served by that organization in the ways described. SPFC finalized sale of the property in September 2021 and will use proceeds from that sale for future capital needs benefitting the community SPFC serves.

**Affiliate**

The Sister Margaret Freeman Foundation, Inc. (the Foundation), a not-for-profit foundation, was incorporated on May 20, 1996. The Free Clinic and the Foundation are related through an economic interest and a majority voting interest on the board of directors. The Foundation's activities for the fiscal years ended September 30, 2021 and 2020 are included in these consolidated financial statements. All significant intercompany balances and transactions are eliminated in consolidation.

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying consolidated financial statements of SPFC have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

SPFC presents information regarding its financial position and activities according to two classes of net assets described as follows:

- 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 SPFC. These net assets may be used at the discretion of SPFC's management and the board of directors.
- 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 SPFC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Measure of Operations**

The consolidated statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to SPFC's ongoing services. Nonoperating activities, if any, are limited to other activities considered to be of a more unusual or nonrecurring nature.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates include the collectability of receivables and unconditional promises to give, determination of the useful lives of the property and equipment, and allocation of functional expenses.

**Investments**

Investments in debt and equity securities and mutual funds are stated at fair market value in the consolidated statements of financial position. Investment income or loss (including gains or losses on investments, interest, and dividends) is included in the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Investment income and gains earned on the endowment fund are reported as increases in net assets with donor restrictions in the reporting period in which the income and gains are recognized and released from restriction when distributed for operating purposes.

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Fair Value Measurements**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on a measurement date. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the financial instrument's level within fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on deposit with financial institutions and from time to time money market fund accounts. SPFC considers all highly liquid assets with an initial maturity of three months or less as cash.

Financial instruments which potentially subject SPFC to concentrations of credit risk consist principally of cash held in financial institutions more than federally insured limits. From time to time throughout the years ended September 30, 2021 and 2020, SPFC's cash balance may have exceeded the federally insured limit. However, SPFC has not experienced and does not expect to incur any losses in such accounts.

**Grants Receivable**

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management monitors the collection of its receivable balances on an ongoing basis. SPFC provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts when, in management's estimation, it is probable that the receivable is not collectible. SPFC has determined that all amounts are collectible; accordingly no allowance for potentially uncollectible accounts has been recorded at September 30, 2021 and 2020.

**Property and Equipment**

Property and equipment are stated at cost, if purchased or at estimated fair value at the date of receipt, if acquired by gift. Expenditures more than \$2,500 with an estimated useful life more than one year are capitalized. Depreciation is calculated using the straight-line method over the useful lives of the respective assets ranging from 3 to 40 years. Gifts of long-lived assets are reported as unrestricted support.

**Inventory**

Inventory consists of donated and purchased food and supplies. Donated food and supplies are recorded and carried in inventory at their estimated fair value at date of receipt. Purchased food and supplies are valued at the lower of cost or net realizable value with cost being determined by the first in, first-out method.

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Revenue Recognition**

Grants and Contributions - SPFC reports grants and contributions that are restricted by the donor as increases in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. All other donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions.

Certain grants, including cost reimbursement contracts, are considered conditional contributions since the grant agreements require SPFC to perform services, incur expenses or meet contract objectives to earn the grant funding. Revenue under these contracts is deferred until earned. Revenue is earned and recognized in the consolidated financial statements when eligible expenses are incurred, services performed, or grant objectives met.

Promises to Give - Conditional promises to give are not recognized in the consolidated financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

SPFC uses the allowance method to determine uncollectible promises to give. SPFC has determined that all amounts are collectible; accordingly no allowance for potentially uncollectible accounts has been recorded at September 30, 2021 and 2020.

Donated Services - Donated services that require specialized skills are recorded at fair market value. Donated services are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. These services consisted of medical services donated and totaled approximately \$229,000 and \$246,000 for the years ended September 30, 2021 and 2020, respectively.

**Charitable Gift Annuities**

SPFC maintains custody of the assets related to charitable gift annuities (CGA) and makes specified distributions to a designated beneficiary over the term of each annuity. Assets under the annuities are recorded at fair value.

The annuity liabilities associated with the CGA are determined based on the present value of the estimated future payments to be made to the designated beneficiaries. Discount rates used in computing present values range from 1.52% to 2.02%. The liability is reduced as distributions are made to the beneficiaries.

**Income Taxes**

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

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Uncertain Tax Positions**

SPFC accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. SPFC has identified its tax status as a tax-exempt entity as its only significant tax position; however, SPFC has determined that such tax position does not result in an uncertainty requiring recognition. SPFC is not currently under examination by any taxing jurisdiction. SPFC’s federal returns are generally open for examination for three years following the date filed.

**Functional Allocation of Expenses**

The costs of providing the programs and supporting services have been reported on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Program and supporting expenses, when specifically, identifiable, are classified to the function which incurred the expense. Salaries and payroll taxes have been allocated using employee timecards which documents the time spent within each program and category. Certain expenses are allocated to each function based on management's estimate.

**NOTE C - AVAILABILITY AND LIQUIDITY**

SPFC is supported by contributions with and without donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, SPFC must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for expenditure within one year. As part of SPFC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. SPFC regularly monitors liquidity to meet its operating needs and other contractual commitments. SPFC has various sources of liquidity at its disposal including cash and investments.

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**NOTE C - AVAILABILITY AND LIQUIDITY - CONTINUED**

At September 30, 2021 and 2020, SPFC's financial assets available to meet general expenditures within one year were as follows:

	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash and cash equivalents	\$ 5,801,232	\$ 4,488,639
Grants receivable	584,036	412,560
Bequests receivable	4,210,927	3,022,772
Promises to give	1,274,123	1,517,510
Investments	2,644,367	2,183,725
Beneficial interest in assets held by others	617,426	483,696
	<u>15,132,111</u>	<u>12,108,902</u>
Less amounts unavailable for general expenditure within one year due to:		
Contractual or donor imposed restrictions:		
Reserve, charitable gift annuities	(211,065)	(180,534)
Internally controlled endowments	(450,000)	(650,000)
Externally controlled endowments	(617,426)	(483,696)
Contributions with donor restrictions	(1,263,137)	(2,553,972)
Promises to give with donor restrictions	(874,123)	(917,510)
	<u>(3,415,751)</u>	<u>(4,785,712)</u>
Board designations:		
Net assets designated for endowment	(2,433,302)	(2,003,191)
Net assets designated for Men's Residence	(715,487)	(715,487)
	<u>(3,148,789)</u>	<u>(2,718,678)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 8,567,571</u>	<u>\$ 4,604,512</u>

**NOTE D - BEQUESTS RECEIVABLE**

SPFC recognizes a receivable and revenue for their interest in bequests based on the inventories of estate assets and conditions contained in the respective wills. Amounts expected to be received in future years are discounted to provide estimates in current year dollars. SPFC records bequests receivable (when the court declares the related will valid) as donor restricted. As funds from an estate (other than those required to be held in perpetuity) are collected, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Bequests receivable at September 30, 2021 and 2020 are \$4,210,927 and \$3,022,772, respectively.

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**NOTE E - UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give at September 30, 2021 and 2020 are summarized as follows:

	<u>2021</u>	<u>2020</u>
Gross unconditional promises to give	\$ 1,317,823	\$ 1,590,331
Less unamortized discount	(43,700)	(72,821)
Net unconditional promises to give	<u>\$ 1,274,123</u>	<u>\$ 1,517,510</u>
Amount due in:		
Less than one year	\$ 837,823	\$ 888,249
One to five years	480,000	702,082
	<u>\$ 1,317,823</u>	<u>\$ 1,590,331</u>

Unconditional promises to give at September 30, 2021 include pledges from two donors totaling approximately \$1.1 million or 87% of total unconditional promises to give. Amounts due from the same two donors totaled \$1.4 million or 85% of total unconditional promises to give on September 30, 2020. Promises to give with due dates extending beyond one year are discounted to present value using Treasury bill rates with similar term investments. The applicable discount rates used ranged from 1.13% to 3.44%.

**NOTE F - PROPERTY AND EQUIPMENT AND CONSTRUCTION IN PROGRESS**

Property and equipment consist of the following on September 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,698,135	\$ 1,774,435
Building and improvements	9,152,308	8,610,826
Furniture and equipment	1,248,105	1,414,856
Vehicles	693,494	549,861
	<u>12,792,042</u>	<u>12,349,978</u>
Less accumulated depreciation	(2,650,506)	(2,321,074)
	<u>\$ 10,141,536</u>	<u>\$ 10,028,904</u>

Depreciation expense was \$603,963 and \$558,848 for the years ended September 30, 2021 and 2020, respectively.

Construction in progress at September 30, 2021 and 2020 was \$52,805 and \$838,605, respectively, and represents amounts paid to date for the renovation and expansion of SPFC's facilities for the We Help and Dental programs. During the year ended September 30, 2021 part of the renovation was completed and \$838,605 was transferred from construction in progress to property and equipment. Depreciation will commence on the remainder of the construction in progress when the renovations are completed and placed in service.

During the year ended September 30, 2021, SPFC sold land, buildings, and improvements used in The Family Residence program resulting in approximately \$290,000 of gain on sale of property which is included in the accompanying consolidated statement of activities for the year ended September 30, 2021. The Family Residence property was sold to a related party.

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**NOTE G - INVESTMENTS**

SPFC's investments consist of the following at September 30, 2021 and 2020:

	<b>2021</b>		<b>2020</b>	
	Cost	Market	Cost	Market
Money market funds	\$ 34,295	\$ 34,295	\$ 56,915	\$ 56,915
US equities	1,014,739	1,511,614	985,221	1,072,226
International equities	304,550	377,208	302,176	329,391
Fixed income	680,915	721,250	683,256	725,193
	<u>\$ 2,034,499</u>	<u>\$ 2,644,367</u>	<u>\$ 2,027,568</u>	<u>\$ 2,183,725</u>

The following summarizes investment income reflected in the consolidated statements of activities:

	<b>2021</b>	<b>2020</b>
Interest and dividends	\$ 139,951	\$ 96,125
Realized gains	44,705	312,590
Unrealized gains (losses)	453,106	(199,965)
Total investment return	<u>\$ 637,762</u>	<u>\$ 208,750</u>

**NOTE H - FAIR VALUE OF FINANCIAL INSTRUMENTS**

SPFC's investments are reported at fair value in the accompanying consolidated statements of financial position. Following is a description of valuation methodologies used for investments measured at fair value.

Money Market - Valued at the net asset value of shares held by SPFC at year-end.

US and international equities - Values are based on unadjusted quoted prices for identical assets in an active market SPFC can access. As of September 30, 2021 and 2020, these investments consisted of mutual funds and individual equity securities.

Fixed income - For fixed income mutual funds, values are based on unadjusted quoted prices for identical assets in an active market SPFC can access. For investments in individual bonds and similar securities, inputs to the valuation methodologies include (1) quoted prices for similar assets in active markets; (2) quoted prices for identical or similar assets in inactive markets; (3) inputs other than quoted prices that are observable for the asset; (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Beneficial interest in assets held by others - The investments are managed by an unrelated third party and are valued based upon the third-party information without adjustment. SPFC does not develop nor are they provided with the quantitative inputs used to develop the fair market values.

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**NOTE H - FAIR VALUE OF FINANCIAL INSTRUMENTS - CONTINUED**

The fair values of assets measured on a recurring basis at September 30, 2021 are as follows:

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Assets Measured at Fair Value at September 30, 2021</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money market funds	\$ 34,295	\$ 34,295	\$ -	\$ -
US equities	1,511,614	1,511,614	-	-
International equities	377,208	377,208	-	-
Fixed income	721,250	216,972	504,278	-
Beneficial interest in assets held by others	617,426	-	-	617,426
	<u>\$ 3,261,793</u>	<u>\$ 2,140,089</u>	<u>\$ 504,278</u>	<u>\$ 617,426</u>

The fair values of assets measured on a recurring basis at September 30, 2020 are as follows:

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Assets Measured at Fair Value at September 30, 2020</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money market funds	\$ 56,915	\$ 56,915	\$ -	\$ -
US equities	1,072,226	1,072,226	-	-
International equities	329,391	329,391	-	-
Fixed income	725,193	198,448	526,745	-
Beneficial interest in assets held by others	483,696	-	-	483,696
	<u>\$ 2,667,421</u>	<u>\$ 1,656,980</u>	<u>\$ 526,745</u>	<u>\$ 483,696</u>

The following is a summary of changes in the fair value of SPFC's Level 3 assets for the years ended September 30:

	<u>2021</u>	<u>2020</u>
Balance, October 1	\$ 483,696	\$ 391,809
Contributions	51,739	91,375
Grants	(17,192)	(2,966)
Investment income, net	99,183	3,478
Balance, September 30	<u>\$ 617,426</u>	<u>\$ 483,696</u>

**ST. PETERSBURG FREE CLINIC, INC.  
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**NOTE I - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

On September 30, 2021 and 2020, SPFC has beneficial interests in assets held by the Community Foundation of Tampa Bay (the Community Foundation) of \$502,426 and \$368,696, respectively. These beneficial interests include the Food Bank Endowment, the Beth A. Houghton Leadership Endowment, and a general endowment. During the years ended September 30, 2021 and 2020, \$51,739 and \$91,375, respectively, of new gifts were contributed to these accounts by SPFC. Since these funds were transferred to the Community Foundation by SPFC and SPFC is the named beneficiary, these amounts are included in the accompanying consolidated statements of financial position.

In addition, at September 30, 2021 and 2020, the Community Foundation of Tampa Bay was holding balances of approximately \$201,000 and \$151,000, respectively, representing contributions made directly to the Community Foundation for the benefit of SPFC and matching funds for the Food Bank Endowment and Beth A. Houghton Leadership Endowment. Earnings on these funds are earmarked to be distributed on a periodic basis to SPFC. The Community Foundation has been granted variance power over these funds which provide the Community Foundation the unilateral power to redirect the use of the funds to other beneficiaries if SPFC were to discontinue operations. Because the Community Foundation has been granted variance power, funds contributed by donors to the Community Foundation on behalf of SPFC and matching endowment funds are not considered to be an asset of SPFC and have not been reported in the accompanying consolidated statements of financial position.

In 2012, the Sister Margaret Freeman Foundation invested \$115,000 with the Pinellas Community Foundation as an endowment. The Pinellas County Community Foundation matched the \$115,000 with 30% or \$34,500. The endowment will pay 5% of its year-end value to SPFC each year. The 30% match is not considered to be an asset of SPFC and has not been reported in the accompanying consolidated financial statements. As of September 30, 2021 and 2020, this endowment, including the 30% match, was valued at approximately \$169,000 and \$153,000, respectively. The portion invested by the Sister Margaret Freeman Foundation is included with beneficial interest in assets held by others on the accompanying consolidated statements of financial position.

**NOTE J - CHARITABLE GIFT ANNUITIES**

Under the charitable gift annuity agreements, SPFC receives a stated amount and, in consideration of the amount transferred, agrees to pay the annuitants a specified annuity payment. Of the three agreements in effect, one agreement requires quarterly distributions at an annual distribution rate of 4.5%. The second and third agreements require annual distributions of 11.5% and 13.5%, respectively, and distributions are deferred until the year 2031. Distributions during each of the years ended September 30, 2021 and 2020 were approximately \$4,800.

State law requires SPFC to maintain assets at least equal to the sum of the reserves on its outstanding charitable gift annuity agreements, calculated in accordance with the Internal Revenue Code, and a surplus of 10% of such reserves. SPFC voluntarily maintains assets that exceed the required reserves and surplus.

**NOTE K - DONATED FOOD AND MEDICINE**

During the years ended September 30, 2021 and 2020, SPFC received approximately 12.5 million and 13.8 million pounds of donated food, respectively. The donated food is estimated to be valued at \$1.79 a pound for fiscal year 2021 and \$1.74 a pound for fiscal year 2020, which amounts to approximately \$22,390,000 and \$24,000,000, respectively. For the year ended September 30, 2020, approximately 1.6 million pounds of purchased food was included in the donated food calculation in error. This error overstated the reported amount of in-kind revenue and expense by approximately \$2.8 million for the year ended September 30, 2020. This error had no impact on total net assets or the change in net assets for 2020 and has been corrected in the accompanying comparative 2020 consolidated statement of activities and statement of functional expenses.

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

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**NOTE K - DONATED FOOD AND MEDICINE - CONTINUED**

The donations and the inventory value of donated food are recorded when SPFC has the unilateral power to redirect the use of the transferred assets to another beneficiary.

Additionally, SPFC receives donated medicine throughout the year consisting primarily of sample items. Medicines are disbursed appropriately as needed. Due to the high volume of activity, and the difficulty in determining the fair value, revenue and expense are not recorded.

**NOTE L – PAYCHECK PROTECTION PROGRAM NOTE PAYABLE**

In April 2020, SPFC received a loan under the Paycheck Protection Program (PPP) in the amount of \$486,650. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides loans to qualifying entities. The loan and accrued interest are forgivable if the loan proceeds are used for qualifying expenses as described in the CARES Act. The loan accrues interest at 1% and was originally payable in eighteen monthly installments of principal and interest commencing seven months after the loan date if the loan, in whole or in part, was not forgiven under the provisions of the PPP. The loan is a program of the U.S. Small Business Administration (SBA) and is administered by SPFC’s bank (lender).

During 2021, SPFC used all proceeds from the loan for qualifying expenses and applied for forgiveness of the PPP loan. In April 2021, SPFC received approval of its application for loan forgiveness and the loan was fully forgiven. SPFC recognized a \$486,650 gain on forgiveness of note payable which is included in the accompanying statement of activities for the year ended September 30, 2021.

Additionally, in February 2021, SPFC received a second PPP loan in the amount of \$569,635. The note matures in February 2026 and bears interest at a fixed annual rate of 1%, with loan payments being deferred until certain events occur in accordance with the PPP program regulations. Management intends to apply for forgiveness of this loan during fiscal year ended September 30, 2022 and the principal amount of the loan is included in long term liabilities in the accompanying statement of financial position at September 30, 2021.

**NOTE M - OPERATING LEASE**

SPFC has operating leases for parking space and office equipment. Total rent expense for these leases was approximately \$25,000 and \$22,000 for the years ended September 30, 2021 and 2020, respectively. The approximate future minimum lease payments required under these operating leases at September 30, 2021 are as follows:

Years Ending September 30,	Amount
2022	\$ 21,577
2023	15,991
2024	12,000
2025	12,000
2026	3,000
	\$ 64,568

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

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**NOTE N - RETIREMENT PLAN**

SPFC has a 401(k)-retirement plan which covers all employees over 21 years of age having one year of service, provided they have met the 1,000 hours of service requirement. Annual contributions are made at the discretion of the Board. The contribution for fiscal 2021 and 2020 was approximately \$51,500 and \$43,800, respectively.

**NOTE O - FOUNDATION**

The Sister Margaret Freeman Foundation, Inc.'s net assets as of September 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Without donor restrictions, undesignated	\$ 41,760	\$ 41,741
Board designated for endowment purposes	2,433,302	2,003,191
With donor restrictions	<u>115,000</u>	<u>115,000</u>
	<u>\$ 2,590,062</u>	<u>\$ 2,159,932</u>

**NOTE P - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of September 30, 2021 and 2020 relate to assets contributed by donors and other funding sources for specific purposes and time periods as follows:

	<u>2021</u>	<u>2020</u>
<b>Subject to time restrictions:</b>		
Bequests receivable	\$ 4,210,927	\$ 3,022,772
<b>Subject to use restrictions:</b>		
Donated property	228,288	228,288
Grants and restricted gifts	1,519,262	2,893,580
Promises to give	<u>874,123</u>	<u>917,510</u>
	2,621,673	4,039,378
<b>Net assets held in perpetuity:</b>		
Tampa Bay Community Foundation	66,554	55,670
Pinellas County Community Foundation	115,000	115,000
Beth A. Houghton Leadership Endowment	137,666	112,368
Food Bank Endowment	298,206	200,658
Founders Endowment	50,000	50,000
Rothman Endowment Receivable	<u>400,000</u>	<u>600,000</u>
	<u>1,067,426</u>	<u>1,133,696</u>
	<u>\$ 7,900,026</u>	<u>\$ 8,195,846</u>

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

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**NOTE P - NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED**

Net assets were released from restrictions as follows during the years ended September 30, 2021 and 2020, by incurring expenses satisfying the restricted purposes, or by occurrence of other events specified by donors:

	<u>2021</u>	<u>2020</u>
Bequests receivable	\$ 1,580,277	\$ 90,714
Grants and restricted gifts	2,307,605	2,343,728
Project pledges	<u>372,508</u>	<u>695,717</u>
	<u>\$ 4,260,390</u>	<u>\$ 3,130,159</u>

In 2007, SPFC received a \$50,000 donation to establish an endowment fund. A stipulation of the donation was SPFC match the contributed amount from unrestricted monies. The matching funds are included as part of board designated funds. Terms of the donation require the funds to be segregated from SPFC's operating funds. Earnings will be released to SPFC for general operations. This donor-restricted endowment is included in net assets held in perpetuity.

In 2012, SPFC invested \$52,600 with the Community Foundation of Tampa Bay. SPFC will receive periodic distributions from this account in accordance with the investment agreement. The fair value of the investment is included in net assets held in perpetuity.

In 2012, the Sister Margaret Freeman Foundation invested \$115,000 within the Pinellas County Community Foundation. As an incentive for this investment the Pinellas County Community Foundation provided a 30% match on the funds invested into the Sister Margaret Freeman Foundation's account. Only the earnings on these funds will be distributed on a periodic basis to the Sister Margaret Freeman Foundation. Based on the terms of the investment, the invested amount, as well as the match provided, will never be returned to the Sister Margaret Freeman Foundation. The original \$115,000 investment is included in net assets held in perpetuity. The 30% match received is not reported in SPFC's consolidated financial statements.

In 2016, SPFC received a pledge from a donor which created a \$1,000,000 endowment. This endowment receivable has been reported as net assets with donor restrictions. During fiscal 2019, \$200,000 of this endowment pledge receivable was collected and used to fund the Food Bank Endowment leaving \$800,000 remaining in the Rothman Endowment as of September 30, 2019. During fiscal 2020, the donor amended the original gift and directed that \$200,000 of the remaining \$800,000 Rothman Endowment be used for program support in fiscal 2021 leaving \$600,000 in the Rothman Endowment as of September 30, 2020. During fiscal 2021, the donor amended the original gift again and directed that \$200,000 of the remaining \$600,000 Rothman Endowment be used for program support in fiscal 2022 leaving \$400,000 in the Rothman Endowment as of September 30, 2021.

In 2019, the Beth A. Houghton Leadership Endowment was created and funded by several contributions in the total amount of \$20,600. Since 2019, an additional \$92,925 of contributions have been added to this endowment.

**NOTE Q - ENDOWMENT FUND**

SPFC's endowment consists of the donor-restricted funds in **NOTE P** and one board designated investment fund established for the purpose of providing a continuous source of income for SPFC. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

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**NOTE Q - ENDOWMENT FUND - CONTINUED**

Endowment net asset composition by type of fund as of September 30, 2021 and 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Summary of Endowment Assets September 30, 2021:</b>			
Donor-restricted endowment	\$ -	\$ 1,067,426	\$ 1,067,426
Board-designated funds	<u>2,433,302</u>	<u>-</u>	<u>2,433,302</u>
	<u>\$ 2,433,302</u>	<u>\$ 1,067,426</u>	<u>\$ 3,500,728</u>
<b>Summary of Endowment Assets September 30, 2020:</b>			
Donor-restricted endowment	\$ -	\$ 1,133,696	\$ 1,133,696
Board-designated funds	<u>2,003,191</u>	<u>-</u>	<u>2,003,191</u>
	<u>\$ 2,003,191</u>	<u>\$ 1,133,696</u>	<u>\$ 3,136,887</u>

Changes in endowment net assets for the years ended September 30, 2021 and 2020 consist of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Changes in Endowment Net Assets for the year ended September 30, 2021:</b>			
Endowment net assets, beginning	\$ 2,003,191	\$ 1,133,696	\$ 3,136,887
Investments return:			
Investment income	36,888	4,337	41,225
Net appreciation (realized and unrealized)	<u>470,646</u>	<u>94,846</u>	<u>565,492</u>
Total investment return	<u>507,534</u>	<u>99,183</u>	<u>606,717</u>
Contributions	-	51,739	51,739
Distributions	(77,423)	(17,192)	(94,615)
Modification of restriction by donor	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>
Total funds	<u>\$ 2,433,302</u>	<u>\$ 1,067,426</u>	<u>\$ 3,500,728</u>

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

**NOTE Q - ENDOWMENT FUND - CONTINUED**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Changes in Endowment Net Assets for the year ended September 30, 2020:</b>			
Endowment net assets, beginning	\$ 1,922,823	\$ 1,238,200	\$ 3,161,023
Investments return:			
Investment income	48,837	5,127	53,964
Net appreciation (realized and unrealized)	104,821	1,960	106,781
Total investment return	153,658	7,087	160,745
Contributions	-	91,375	91,375
Distributions	(73,290)	(2,966)	(76,256)
Modification of restriction by donor	-	(200,000)	(200,000)
Total funds	<u>\$ 2,003,191</u>	<u>\$ 1,133,696</u>	<u>\$ 3,136,887</u>

*Return Objectives, Risk Parameters, and Strategies*

SPFC has adopted an investment and spending policy for endowment assets that attempts to preserve the real (inflation adjusted) value of endowment assets, increase the real value of the portfolio and facilitate a potential distribution to support some level of future operations. Endowment assets include those assets of donor-restricted funds that SPFC must hold in perpetuity or for a donor-specified period(s). These objectives are met for funds held with the Community Foundation of Tampa Bay and Pinellas Community Foundation through the control of each of those Community Foundations (see **NOTES I AND P**). The Sister Margaret Freeman Foundation Board (the Foundation Board) serves as the Investment Committee for all other endowment funds. The terms of the operating policies of the endowment fund (the Fund) requires that the Fund will be managed by the Investment Committee. The Investment Committee is responsible to oversee the portfolio's investments and monitor the investments on an ongoing basis to ensure that long-term objectives are being met. The Investment Committee has agreed to a target asset allocation for the portfolio's assets and seeks advice from professional investment managers which hold the assets. The Fund is to invest funds in accordance with the standards set forth in the Foundation Board's investment policy.

*Spending Policy*

The Foundation Board is operating under an approved endowment policy that seeks to preserve the purchasing power of the Fund while providing income at the highest attainable level. The endowment fund may distribute income and dividends. Under Florida UPMIFA capital gains may also be distributed. Investment earnings and capital gains are accumulated in net assets without donor restrictions. There is to be no invasion of the original principal of the gift given to SPFC unless the donor instructs otherwise.

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

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**NOTE R – CONTINGENCIES AND UNCERTAINTIES**

SPFC receives significant support from grantor agencies for its programs under cost reimbursement agreements. SPFC is subject to audit examination by grantor agencies. If reimbursed expenditures are disallowed, repayments could be required.

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on SPFC's financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, SPFC is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the year ended September 30, 2022.

**NOTE S - SUBSEQUENT EVENTS**

SPFC has evaluated all subsequent events through February 28, 2021, the date the consolidated financial statements were available to be issued. SPFC is not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements.

**SUPPLEMENTARY INFORMATION**

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2021**

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<u>Federal Agency Pass-Through Entity Federal Program</u>	<u>Federal Assistance Listing Number</u>	<u>Contract/ Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>	<u>Provided to Subrecipients</u>
<b>FEDERAL AWARDS:</b>				
<b>U.S. Department of Treasury</b>				
<i>Passed through Pinellas Community Foundation:</i>				
COVID-19 Coronavirus Relief Fund	21.019	N/A	\$ 3,071,253	-
<b>Total Expenditures of Federal Awards</b>			<u>\$ 3,071,253</u>	<u>\$ -</u>

See accompanying auditor's report and notes to schedule of expenditures of federal awards.

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2021**

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**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal activity of St. Petersburg Free Clinic, Inc. and Affiliate (SPFC) under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of SPFC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of SPFC.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**INDIRECT COST RATE**

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



Oldsmar / Tampa / St. Petersburg

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
St. Petersburg Free Clinic, Inc. and Affiliate  
St. Petersburg, 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 consolidated financial statements of St. Petersburg Free Clinic, Inc. and Affiliate (SPFC), which comprise the consolidated statement of financial position as of September 30, 2021, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 28, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered SPFC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of SPFC's internal control. Accordingly, we do not express an opinion on the effectiveness of SPFC'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 SPFC's consolidated 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.

**CONTINUED**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS - CONTINUED**

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether SPFC's consolidated 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 consolidated financial statements. 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 SPFC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SPFC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PDR CPAs + Advisors*

Oldsmar, Florida  
February 28, 2022



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
St. Petersburg Free Clinic, Inc. and Affiliate  
St. Petersburg, Florida

**Report on Compliance for Each Major Federal Program**

We have audited St. Petersburg Free Clinic, Inc. and Affiliate's (SPFC) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SPFC's major federal programs for the year ended September 30, 2021. SPFC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of SPFC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about SPFC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of SPFC's compliance.

**Opinion on Each Major Federal Program**

In our opinion, SPFC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

**CONTINUED**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - CONTINUED**

**Report on Internal Control over Compliance**

Management of SPFC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered SPFC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SPFC's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PDR CPAs + Advisors*

Oldsmar, Florida  
February 28, 2022

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2021**

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Type of auditor's report issued: Unmodified

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Internal control over financial reporting:

Material weakness(es) identified? \_\_\_ yes  X  no

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_ yes  X  no

**Federal Awards Section**

Internal control over major federal programs:

Material weakness(es) identified? \_\_\_ yes  X  no

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_ yes  X  none reported

Type of auditor's report on compliance for major federal programs: Unmodified

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Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516 (a) of the Uniform Guidance? \_\_\_ yes  X  no

Identification of major federal programs:

Federal Programs:

Federal Assistance Listing Number	Name of Program or Cluster
21.019	COVID 19 Coronavirus Relief Fund

Dollar threshold used to determine Type A programs:

Federal programs \$ 750,000

Auditee qualified as low-risk auditee for federal purposes? \_\_\_ yes  X  no

**ST. PETERSBURG FREE CLINIC, INC.  
AND AFFILIATE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2021**

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**Part II - Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no reportable findings.

**Part III - Federal Award Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by the Uniform Guidance.

There were no reportable findings.

**Summary Schedule of Prior Audit Findings**

A Summary Schedule of Prior Audit Findings is not necessary since there were no prior audit findings.