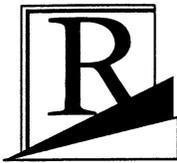


REPORT ON AUDIT OF FINANCIAL STATEMENTS
with supplementary information
SAN FRANCISCO COMMUNITY CLINIC
CONSORTIUM
(a non profit corporation)
San Francisco, California
June 30, 2012 and 2011

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To the Board of Directors
San Francisco Community Clinic Consortium
San Francisco, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of San Francisco Community Clinic Consortium, (the "Organization"), a nonprofit corporation, as of June 30, 2012 and 2011, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

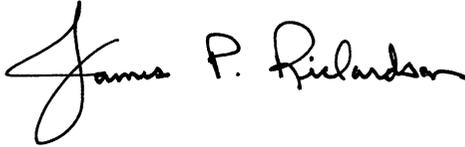
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Francisco Community Clinic Consortium (a nonprofit corporation) at June 30, 2012 and 2011, 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.

In accordance with **Government Auditing Standards**, we have also issued our report, dated September 11, 2012, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with **Government Auditing Standards** and should be considered in assessing the results of our audit.

DEPENDENT AUDITOR'S REPORT (Continued)

Our audit was performed for the purpose of forming an opinion on the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "James P. Richardson". The signature is written in a cursive style with a large initial "J".

Richmond, California
September 11, 2012
EIN 26-1218230

STATEMENTS OF FINANCIAL POSITION
San Francisco Community Clinic Consortium
June 30, 2012 and 2011

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash	\$ 41,126	\$ 116,217
Grants receivable	13,700	52,352
Contracts receivable	2,713,596	1,653,009
Receivable from member clinics	28,065	
Other receivables	2,452	789
Prepaid expenses	100,462	54,438
Security deposit	14,035	14,035
Total Current Assets	2,913,436	1,890,840
NON-CURRENT ASSETS		
Furniture and equipment - Note B, net of accumulated depreciation of \$785,663 and \$743,511 respectively	132,494	128,607
TOTAL ASSETS	3,045,930	2,019,447
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Grants payable	2,306,174	1,854,636
Accounts payable and accrued expenses	168,165	178,219
Trust fund payable	11,385	59,063
Total Current Liabilities	2,485,724	2,091,918
NET ASSETS		
Unrestricted	(255,383)	(287,765)
Temporarily restricted	815,589	215,294
Net Assets	560,206	(72,471)
TOTAL LIABILITIES AND NET ASSETS	\$ 3,045,930	\$ 2,019,447

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF ACTIVITIES
San Francisco Community Clinic Consortium
June 30, 2012 and 2011

	2012	2011
<u>UNRESTRICTED</u>		
Support and Revenue		
Government contracts and grants	\$ 7,825,766	\$ 7,985,546
Donations	60,431	72,505
Donated goods and services	266,454	322,949
Clinic revenue	213,900	261,118
Membership revenue	151,549	15,000
Event revenue	10,000	14,600
Interest income	31	44
Other revenue	66,923	80,155
Net assets released from restrictions	1,156,984	1,306,351
Total Support and Revenue	9,752,038	10,058,268
Expenses		
Program services	3,264,772	3,498,041
General services	197,237	248,638
Fundraising	80,629	170,137
	3,542,638	3,916,816
Allocation to sub-recipients	6,180,451	6,194,960
Total Expenses	9,723,089	10,111,776
Change in Unrestricted Net Assets	28,949	(53,508)
Prior period adjustments (Note J)	3,433	
Net assets (unrestricted), beginning of year	(287,765)	(234,257)
NET ASSETS (unrestricted), ending of year	\$ (255,383)	\$ (287,765)
<u>TEMPORARILY RESTRICTED</u>		
Support and Revenue		
Foundation grants and contributions	\$ 1,757,279	\$ 1,039,539
Total Support and Revenue	1,757,279	1,039,539
Net assets released from restrictions	(1,156,984)	(1,306,351)
Change in Temporarily Restricted Net Assets	600,295	(266,812)
Net Assets (temporarily restricted), beginning of year	215,294	482,106
NET ASSETS (temporarily restricted), end of year	\$ 815,589	\$ 215,294

The accompanying notes are an integral part of these
financial statements.

STATEMENTS OF CASH FLOWS
San Francisco Community Clinic Consortium
For the Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flow from Operating Activities		
Change in net assets	\$ 629,244	\$ (320,320)
Adjustments to reconcile change in net assets to cash flow from operating activities		
Prior period adjustment	3,433	
Depreciation	42,151	48,636
Decrease (increase) in accounts and grant receivable	(1,051,663)	(325,289)
Decrease (increase) in prepaid expenses	(46,023)	(23,621)
Increase (decrease) in accounts payable and accrued expenses	(10,054)	21,498
Increase (decrease) in grants payable	451,538	633,915
Increase (decrease) in trust fund payable	(47,678)	(458)
Net Cash Provided (Used) by Operating Activities	(29,052)	34,361
Cash Flow from Investing Activities		
Purchase of property and equipment	(46,039)	(13,304)
Net Cash Used by Investing Activities	(46,039)	(13,304)
Increase(decrease) in Cash	(75,091)	21,057
Cash, beginning of year	116,217	95,160
Cash, end of year	\$ 41,126	\$ 116,217

The accompanying notes are an integral part of these
financial statements.

STATEMENT OF FUNCTIONAL EXPENSES
San Francisco Community Clinic Consortium
For the Year Ended June 30, 2012

	<u>Program Services</u>	<u>Fundraising</u>	<u>General and Admin.</u>	<u>Total 2012</u>
Salaries and wages	\$ 1,805,159	\$ 45,143	\$ 64,446	\$ 1,914,748
Volunteers	215,231	-	-	215,231
Payroll taxes and fringe benefits	419,797	11,536	14,562	445,895
Consultants	104,366	5,522	22,285	132,173
Occupancy	219,205	5,112	14,547	238,864
Travel & reimbursement	50,040	-	2,685	52,725
Equipment and supplies	152,446	675	5,859	158,980
Training & recruitment	8,441	36	38,237	46,714
Dues and subscriptions	27,973	1,354	1,264	30,591
Communications	176,775	1,899	8,394	187,068
Meetings & conferences	7,494	120	7,402	15,016
Depreciation	33,945	-	8,206	42,151
Insurance	23,698	561	3,309	27,568
Bank & Payroll Fees	6,579	1,659	1,211	9,449
Postage and shipping	1,534	6,423	407	8,364
Utilities	3,354	127	695	4,176
Repairs & maintenance	8,735	162	2,096	10,993
Miscellaneous exp.	-	300	1,632	1,932
	<u>\$ 3,264,772</u>	<u>\$ 80,629</u>	<u>\$ 197,237</u>	<u>\$ 3,542,638</u>

The accompanying notes are an integral part of these
financial statements.

STATEMENT OF FUNCTIONAL EXPENSES
San Francisco Community Clinic Consortium
For the Year Ended June 30, 2011

	<u>Program Services</u>	<u>Fundraising</u>	<u>General and Admin.</u>	<u>Total 2011</u>
Salaries and wages	\$ 1,875,704	\$ 118,193	\$ 83,450	\$ 2,077,347
Volunteers	238,661	-	-	238,661
Payroll taxes and fringe benefits	397,964	18,919	18,502	435,385
Consultants	236,385	906	55,030	292,321
Occupancy	167,049	6,919	39,532	213,500
Travel & reimbursement	73,568	-	1,944	75,512
Equipment and supplies	185,363	572	3,447	189,382
Training & recruitment	5,643	-	830	6,473
Dues and subscriptions	19,099	2,413	8,772	30,284
Communications	150,357	2,162	11,584	164,103
Meetings & conferences	20,375	11,131	16,563	48,069
Depreciation	43,284	-	5,352	48,636
Insurance	41,064	897	1,241	43,202
Support service	49			49
Bank & Payroll Fees	7,753	775	735	9,263
Postage and shipping	4,441	6,860	122	11,423
Utilities	4,234	145	161	4,540
Repairs & maintenance	23,338	245	1,023	24,606
Miscellaneous exp.	3,710	-	350	4,060
	<u>\$ 3,498,041</u>	<u>\$ 170,137</u>	<u>\$ 248,638</u>	<u>\$ 3,916,816</u>

NOTES TO FINANCIAL STATEMENTS
San Francisco Community Clinic Consortium
June 30, 2012 and 2011

A - GENERAL AND ORGANIZATION

San Francisco Community Clinic Consortium (SFCCC) was incorporated in 1983 as a non-profit public benefit corporation to promote the provision of health care for everyone on an equal basis in the City and County of San Francisco by working for the common good of non-profit community based health centers. SFCCC is an association of ten partner clinics providing a full range of community-based related services geared to lower income families of the City and County of San Francisco. The Organization is exempt from Federal and California income taxes under Section 501 (c)(3) of the Internal Revenue Code, and Section 23701(d) of the California Revenue and Taxation Code.

B - SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The Organization maintains its books and prepares its statements and exempt tax returns using the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS (Continued)
San Francisco Community Clinic Consortium
June 30, 2012 and 2011

B - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method. Estimated useful lives for depreciation purposes are as follows: buildings, 40 years; building improvements, 20 years; and furniture and equipment, 5 to 10 years.

Maintenance, repairs and renewals which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred.

Restricted and Unrestricted Support and Revenue

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as "net assets released from restriction".

Expense Allocation

The cost of providing various programs and activities have been summarized on a functional basis in the Statements of Activities and the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

C - CONCENTRATION OF CREDIT RISK

Certain financial instruments potentially subject the Organization to concentrations of credit risk. These financial instruments consist primarily of cash, cash equivalents and receivables. The Organization places its cash and cash equivalents with high credit, quality financial institutions. Concentrations of credit risk with respect to receivables are generally diversified due to the large number of tenants and other payers owing the Project. The Organization writes off uncollectible amounts as they become known.

NOTES TO FINANCIAL STATEMENTS (Continued)
San Francisco Community Clinic Consortium
June 30, 2012 and 2011

D - DONATED GOODS AND SERVICES

San Francisco Community Clinic Consortium recognizes the estimated fair value of donated goods and certain services received both as revenue and an offsetting expense item. Donated goods and services totaled \$266,454 and \$322,949 for the years ended June 30, 2012 and 2011, respectively. Donated goods and services were mainly medical staff volunteer services and medical supplies used to support SFCCC's Street Outreach program.

E - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

Healthcare for the Homeless -- Funded by the Federal Bureau of Primary Health Care, SFCCC provides medical care, dental services health education, outreach and referral, and substance abuse and mental health services to more than 14,000 homeless clients annually. In addition to its partner clinics, SFCCC also works with the San Francisco Department of Public Health and its in-house Street Outreach Services to provide this service.

Street Outreach Services (SOS) -- Working under the funding of the Healthcare for the Homeless program and through the volunteer efforts of UCSF Internal Medicine residents and others, SOS is instrumental in meeting the health needs of homeless people in San Francisco's Mission, China Basin and Bayview neighborhoods. The SOS team, in addition to providing needed medical services for the homeless population, is also active in the creation of new clinics in previously underserved areas of San Francisco.

HIV/AIDS -- Funded through Part C of the Ryan White C.A.R.E. Act, SFCCC provides medical care, medication adherence support, HIV counseling and testing, and treatment advocacy to approximately 1,000 HIV/AIDS clients annually. With additional public support, SFCCC provides additional resources such as bus tokens, grocery vouchers and nutritional supplements to these same clients.

Health Policy and Planning -- Funded in part by the California Endowment SFCCC researches and develops solutions related to community health care delivery issues at the local, state and national level.

NOTES TO FINANCIAL STATEMENTS (Continued)
San Francisco Community Clinic Consortium
June 30, 2012 and 2011

E - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES (Continued)

Information Technology -- Funded partially by the Kaiser Foundation, SFCCC strives to improve the quality and access to care delivered to SFCCC uninsured and underinsured patients, through the installation of access to the San Francisco Department of Public Health's electronic medical records application via a wide area network.

Americorps / Health Corps -- Funded primarily by the National Association of Community Health Centers via a grant from the National Services Program, SFCCC has been the host site for the San Francisco Community HealthCorps, an AmeriCorps program with a health and human service focus. The program places individuals who have an interest in pursuing careers in the health professions at SFCCC partner clinics, on the SOS medical van, and at other community based organizations. The mission of the program is to engage HealthCorps members in service while expanding access to comprehensive, affordable and culturally appropriate health care for under-served San Franciscans. In addition, the HealthCorp serves as a workforce development program, training tomorrow's health professionals as a means to reinforce community based health care.

Training and Technical Support -- Offers guidance and training to support partner clinics in the area of staff development, disaster preparedness training, chronic care, disease management, data collection, coding, and personnel management.

Continuous Quality Improvement -- Funded primarily by the Kaiser Foundation, the program interprets health outcome data across consortium sites, shares effective strategies for improving health care, and collaborates in identifying best practices for treating patients with specific health conditions such as diabetes and cardiovascular disease.

Healthy San Francisco -- Funded by the San Francisco Department of Public Health, SFCCC and its partner clinics assist eligible patients in enrolling into the City's safety-net health care system in order to access primary health care for uninsured and underinsured individuals.

Management and General

This category supports the general management and administrative functions of the Organization, including parts or all of the staff time and expenses associated with general management, financial operations and reporting, administrative activities and organizational planning.

NOTES TO FINANCIAL STATEMENTS (Continued)
San Francisco Community Clinic Consortium
June 30, 2012 and 2011

F - VULNERABILITY DUE TO CONCENTRATION

The Organization receives a substantial portion of its support from government agencies. A significant reduction in the level of this support may have an adverse effect on its ability to continue those programs and activities, which are funded by these government agencies. In addition, the related grants/contracts are subject to audit by funding agencies; and disallowed costs, if any, found as a result of the audits must be repaid to the grantor.

G - COMMITMENTS AND CONTINGENCIES

SFCCC has entered into various non-cancelable office space and equipment operating leases that expire at various dates through April 2016. For the year ended June 30, 2012 and 2011, occupancy expense including utilities totaled \$234,788 and \$207,823 respectively. For the years ended June 30, 2012 and 2011 equipment lease expense was \$8,252 and \$10,216, respectively. The future minimum lease payments required under these leases are as follows:

June 30, 2013	\$212,684
2014	222,085
2015	231,494
2016	79,777

SFCCC receives funding from governmental agencies and foundations in the form of grants and contracts. Significant amounts of these grants and contracts are passed through to its partner clinics. As a pass-through entity, SFCCC is responsible for monitoring the sub-recipient's use of federal awards to provide reasonable assurance that the sub-recipient administers federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. SFCCC and the partner clinics are subject to review or audit by these agencies regarding compliance with terms and conditions of the grants, contracts and specific program performances and requirements. Management believes that SFCCC has complied with all aspects of the grant and contract provisions and those adjustments, if any, would be insignificant to the financial position of SFCCC.

NOTES TO FINANCIAL STATEMENTS (Continued)
San Francisco Community Clinic Consortium
June 30, 2012 and 2011

H - PENSION AND RETIREMENT PLANS

SFCCC has two 403(b) plans for all eligible employees. One plan is for employee contributions and all employees are eligible. Contributions to this plan are voluntary and 100% vested. The second plan is for employer contributions. Eligibility for this plan is based on 1,000 hours of service and active employment on the last day of the plan year. This plan provides for discretionary contributions by SFCCC, as determined annually by the Board of Directors, and allocated to each participant proportional to their compensation. This plan is also 100% vested. SFCCC had no contributions in 2012 and 2011.

I - RELATED PARTY TRANSACTIONS

SFCCC has significant interaction with its partner clinics. All are sub-recipients of the federal awards SFCCC receives. Each has representation on the SFCCC Board of Directors. Some partner clinics have cooperative purchasing arrangements with SFCCC and all pay membership fees to be a part of the organization. Each clinic that is a sub-recipient of SFCCC is monitored by SFCCC for quality assurance and contract compliance. The ten partner clinics comprising SFCCC are:

Curry Senior Center: Located in the Tenderloin, CSC provides community-based long-term care for people 55 and older.

Glide Health Services: Located in the Tenderloin, Glide Health Services is a program instituted by the Board of Trustees of the Glide Foundation that offers urgent, primary care, and behavioral health services.

Haight Ashbury Free Clinics, Inc.: Provides primary care for low-income and uninsured San Franciscans with linkages to outpatient and residential substance abuse treatment.

Lyon-Martin Health Services: Provides primary care and preventive services for and by women and transgender people.

Mission Neighborhood Health Center: Offers a full range of medical care and preventive services for a predominantly Latino population.

Native American Health Center: Provides medical and dental services for a primarily Native American population.

NOTES TO FINANCIAL STATEMENTS (Continued)
 San Francisco Community Clinic Consortium
 June 30, 2012 and 2011

I - RELATED PARTY TRANSACTIONS (Continued)

North East Medical Services: Provides a comprehensive array of outpatient services to a predominantly Asian population.

San Francisco Free Clinic: Provides routine and preventive care to children, adults and elderly who are uninsured.

St. Anthony Free Medical Clinic: Provides free medical care and referrals for uninsured adults and children in San Francisco.

South of Market Health Center: Serving the multi-cultural South of Market neighborhood, SMHC offers a full range of primary, prevention and dental services.

	<u>2012</u>	<u>2011</u>
Payments to partner clinics as sub-recipients of federal and public grants for the year ended June 30:	<u>\$4,804,194</u>	<u>\$4,687,004</u>
Payments from partner clinics for federal matching requirements, membership fees, and other services:	<u>\$151,549</u>	<u>\$15,000</u>
Grants payable to partner clinics at June 30:	<u>\$1,890,411</u>	<u>\$1,540,265</u>

J - PRIOR PERIOD ADJUSTMENT

Prior period adjustment of \$3,433 was an overbooking of expenses for maintenance and support fee that was not adjusted in the fiscal year ended June 30, 2011.

SUPPLEMENTARY INFORMATION

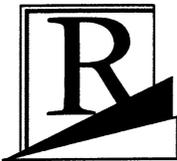
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
San Francisco Community Clinic Consortium
For the Year Ended June 30, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD NUMBER	EXPENDITURE
Healthy Center Cluster	93.224 *	6H80CS00049-10-04	\$ 1,238,674
Healthy Center Cluster	94.224 *	6H80CS00049-11-04	3,613,902
Total Consolidated Healthy Center Cluster			4,852,576
Ryan White Part C Outpatient EIS Program	93.918 *	5H76HA00163-19-00	431,818
Ryan White Part C Outpatient EIS Program	94.918 *	5H76HA00163-20-00	473,446
Total Ryan White Part C Outpatient EIS Program			905,264
American Recovery & Reinvestment Act: Capital Improvement Program	93.703	1C81CS13430-01-00	198,992
AmeriCorps - VISTA Program	94.013	09VSPCA014	11,000
Pass-Through National Association of Community Health Centers, Inc.			
AmeriCorps Program Community HealthCorps	94.006	10EDHMD0020002	26,141
	94.006	10EDHMD0020002	211,124
			237,265
Pass-Through University of California San Francisco			
Area Health Education Program	93.189	6U77HP03015-17-00	11,995
	93.189	6U77HP03015-18-00	62,403
			74,398
TOTAL			\$ 6,279,495

* Major program determined in accordance with OMB Circular A-133.

Note:

This Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting.



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To the Board of Directors
San Francisco Community Clinic Consortium
San Francisco, California

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

We have audited the financial statements of San Francisco Community Clinic Consortium, (the "Organization") as of and for the year ended June 30, 2012, and have issued our report thereon dated September 11, 2012. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered San Francisco Community Clinic Consortium's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of San Francisco Community Clinic Consortium's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of San Francisco Community Clinic Consortium's internal control over financial reporting.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

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

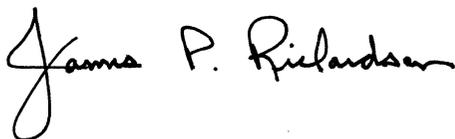
(Continued)

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

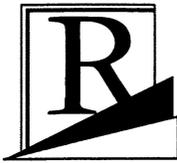
Compliance and Other Matters

As part of obtaining reasonable assurance about whether San Francisco Community Clinic Consortium's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards**.

This report is intended solely for the information and use of the Board of Directors, management and grantor awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Richmond, California
September 11, 2012



JAMES P. RICHARDSON CPA, INC.

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To the Board of Directors
San Francisco Community Clinic Consortium
San Francisco, California

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of San Francisco Community Clinic Consortium with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of San Francisco Community Clinic Consortium's major federal programs for the year ended June 30, 2012. San Francisco Community Clinic Consortium's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of San Francisco Community Clinic Consortium's management. Our responsibility is to express an opinion on San Francisco Community Clinic Consortium's compliance based on our audit.

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 OMB Circular A-133. Those standards and OMB Circular A-133 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 San Francisco Community Clinic Consortium'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. Our audit does not provide a legal determination on San Francisco Community Clinic Consortium's compliance with those requirements.

In our opinion, San Francisco Community Clinic Consortium complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

(Continued)

Internal Control Over Compliance

Management of San Francisco Community Clinic Consortium is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered San Francisco Community Clinic Consortium's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, a 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 the entity'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.

Our consideration of the 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 that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management and grantor awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Richmond, California
September 11, 2012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
San Francisco Community Clinic Consortium
For the Year Ended June 30, 2012

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the Organization's financial statements.
2. No material weaknesses in internal control over financial reporting were identified.
3. No instances of noncompliance material to the Organization's financial statements were disclosed.
4. No material weaknesses in internal control over major federal programs were identified.
5. The auditor's report on compliance for the Organization's major federal award programs expresses an unqualified opinion.
6. No audit findings are reported relative to the Organization's major federal award programs.
7. Major programs included:

<u>Name</u>	<u>CFDA No.</u>
Community Health Centers	93.224
HIV Clusters	93.918
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Organization was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
San Francisco Community Clinic Consortium
For the Year Ended June 30, 2012

CURRENT FINDINGS

There are no current year audit findings.

QUESTIONED COST

None

**AUDITOR'S COMMENTS ON RESOLUTION MATTERS
RELATING TO GOVERNMENT PROGRAMS**

STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.

STATUS OF OTHER REVIEW REPORTS

All required responses have been submitted to the Cognizant Agencies.