

**From:** [Athena Durant](#)  
**To:** [BCC Opioid Abatement](#)  
**Cc:** [Chandra Smiley](#); [Walter Arrington](#); [Jason Brewster](#)  
**Subject:** [EXTERNAL]Opioid Abatement Strategy Application  
**Date:** Friday, September 13, 2024 10:14:49 AM  
**Attachments:** [CHNWF Letters of Support.pdf](#)  
[CORE Program WFAHEC Matching Funds & Letter of Support.pdf](#)  
[Escambia County Opioid Abatement Funding CHNWF Application Final.pdf](#)  
[4. Project Description.pdf](#)  
[5. Quality of Service Questionnaire.pdf](#)  
[6. Ability to Complete Activities Outline.pdf](#)  
[7. Budget Narrative.pdf](#)  
[2023 Budget.pdf](#)  
[Amendment to Big Bend Community Based Care and CHNWF.pdf](#)  
**Importance:** High

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**WARNING! This email originated from an outside network. DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.**

Please find attached the complete application for the Opioid Abatement Strategy.

Attachments include:

- Application
- Project Description
- Quality of Service Questionnaire
- Budget Narrative
- 2023 Annual Operating Budget
- CHNWF Letters of Support
- CORE Program WFAHEC Matching Funds & Letter of Support
- Amendment to Big Bend Community Based Care and CHNWF
- Ability to Complete Activities Outline

**Athena Durant, MAcc**

*Director of Finance & Grants*

**Community Health Northwest Florida**

**ADDR** 2315 W Jackson St, Pensacola FL 32505

**OFFICE** 850 436 4630 x90210

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**WEB** [healthcarewithinreach.org](http://healthcarewithinreach.org)

*Escambia Community Clinics, Inc. dba Community Health Northwest Florida is a Florida not-for-profit corporation designated as a Federally Qualified Health Center. Escambia Community Clinics, Inc. provides care and services to patients with emphasis on care for the uninsured and under insured. Escambia Community Clinics, Inc. is a member of the Florida Association of Community Health Centers. All patient information transmitted via email is considered confidential. All patient information in this email is intended for the addressed recipient only. If addressed recipient is not at this email address, please delete this email and notify sender immediately.*



# **Notice of Funding Availability (NOFA)**

**for projects aligned with Escambia County's**

# **Opioid Abatement Strategy**

**NOFA Released**

**Thursday, June 13, 2024**

**Applications Due**

**Friday, September 13, 2024 at 5:00 pm**

**Applications may be submitted by email to**

**[opiodabatement@myescambia.com](mailto:opiodabatement@myescambia.com)**

**Applications may be delivered in person or by US  
Postal Service to:**

**Escambia County Administration Office  
221 Palafox Place, 4<sup>th</sup> Floor, Pensacola, FL 32502**

**It is the responsibility of the applicant to ensure application(s) arrive prior to the due date and time.**

**Applications received after 5:00 p.m. will be returned to the applicant and will not be considered.**

**This Document can be made available in alternative accessible formats upon request.**

**Escambia County Purchasing Department**  
**Notice of Funding Availability (NOFA) for projects aligned with Escambia County’s**  
**Opioid Abatement Strategy**

Escambia County, Florida is issuing a Notice of Funding Availability (NOFA) to solicit applications for programs that address the strategies outlined in Escambia County’s 2024 Opioid Abatement Implementation Plan (Appendix 1).

Florida was the epicenter of the nation’s ongoing prescription drug epidemic, particularly the unregulated pain clinics that are cited as significant contributors to the opioid problem. To reduce the opioid abuse, the state adopted legislation regulating pain clinics and instituted a prescription drug-monitoring program. Efforts to reduce the demand for opioids, have shifted local government’s focus from punishing drug users to spending millions on treatment and prevention programs.

On May 15, 2018, the Florida Attorney General’s Office filed action in state court against some of the nation’s largest opioid manufacturers and distributors for their role in the opioid crisis.

On July 8, 2021, the Escambia County Board of County Commissioners voted to enter into the Florida Allocation and Statewide Response Agreement.

In January 2022, County Administration submitted the Florida Allocation and Statewide Response Agreement to the Florida Office of the Attorney General and designated CDAC Behavioral Health, Inc. as the local task force to address the opioid epidemic. County staff also finalized the abatement plan and interlocal agreement with the City of Pensacola to ensure adequate infrastructure was in place to effectively implement core abatement strategies upon the allocation of settlement funds. Funding was awarded to qualifying counties in June of 2022.

**Funding Available**

The grant term for this application is 1-year.  
Applicants must commit to administering the proposed project for the full 1-year term.  
Applicants may apply for reoccurring funding each year.

Opioid Abatement Funds Year 1	\$2,489,263
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**This NOFA contains information and required forms for potential applicants to apply and compete for opioid funds. Potential applicants are advised to read the materials carefully.**

**The material in this NOFA does not represent all the priorities, program components, or funding sources currently/potentially available through local, state, or federal funders and may change upon the release of NOFAs for the various funding sources. Escambia County reserves the right to apply such changes without further notice to applicants.**

**Questions Regarding this NOFA**

Questions from potential applicants must be submitted via email to [opioidabatement@myescambia.com](mailto:opioidabatement@myescambia.com), should use the subject line “NOFA Questions”, and be received no later than **5:00 pm on Friday, August 16, 2024**. Escambia County will compile all questions and answers, and provide responses to applicants no later than **5:00 pm, Friday, September 6, 2024**.

Successful applications must meet the guidelines provided in this NOFA.  
To submit an application for consideration, complete the submission requirements listed here within.

**The organization of this NOFA is as follows:**

SECTION I: ..... General Information  
SECTION II: ..... Scope of Grant Activities  
SECTION III: ..... Funding Guidelines  
SECTION IV: ..... Application Evaluation and Selection  
SECTION V: ..... Application Forms  
SECTION VI: ..... Appendix

**SECTION I: General Information**

**Strategic Use and Alignment of Resources**

Escambia County is responsible for ensuring that resources are made available to the community to assist those experiencing mental health and substance use disorders. Therefore, Escambia County reserves the right to match funding opportunities available to the applications received to ensure alignment of resources with community needs and appropriate target populations. All applications received will be evaluated for their appropriateness for each funding opportunity that may be available. Escambia County reserves the right to award more than one (1) funding source to a selected application if necessary to maximize a project’s effectiveness and overall impact.

**Funding Priorities**

Submitted applications will be evaluated based, in part, on the extent the project is able to demonstrate achievement of the strategies outlined in Escambia County’s 2024 Opioid Abatement Implementation Plan (Appendix 1).

**Priority 1: Performance Measures**

Escambia County performance measures that selected projects must report on (as applicable) to demonstrate progress toward making significant reductions in the use and abuse of opioids:

- 1. Reduction in the number of fatal overdoses.
- 2. Reduction in the number of non-fatal overdose Emergency Department visits.
- 3. Increase in substance use disorder treatment to reduce opioid overdoses.
- 4. Increase in access to substance use disorder treatment programs.
- 5. Increase access to substance use prevention programs.
- 6. Increase in substance use disorder training, treatment, and prevention in the Criminal Justice Departments.

**Proposed projects that clearly describe how the project will improve the performance measures and demonstrate progress toward making significant reductions in the use and abuse of opioids will score higher and receive priority for funding.**

**Priority 2: Innovation and Evidence Based Programs**

Proposed projects that include innovative and effective best practices will receive higher scores and consideration than those projects that are a continuation or capacity expansion of a current program.

Applicants should consider modeling programs after evidence-based initiatives created by the World Health Organization, the Substance Abuse and Mental Health Services Administration, or the State of Florida Department of Children and Families Office of Substance Abuse and Mental Health, such as those initiatives linked below.

*Notice of Funding Availability (NOFA) for projects aligned with Escambia County’s Opioid Abatement Strategy*



**World Health Organization-UNODC “Stop Overdose Safely (S-O-S)” initiative.**

<https://www.who.int/initiatives/joint-unodc-who-programme-on-drug-dependence-treatment-and-care/S-O-S-initiative>

**Substance Abuse & Mental Health Service Administration Evidence Based Practices Resource Center**

<https://www.samhsa.gov/resource-search/ebp?rc%5B0%5D=substances%3A20365>

**DCF Recovery Oriented System of Care**

<https://www.myflfamilies.com/services/samh/providers/recovery-oriented-system-care>

**Escambia County is seeking ‘out of the box’ applications. Projects may be proposed that incorporate different component types and include additional partners (with an established, formal agreement for the proposed project) to provide a specific service as part of an overall project application.**

Projects that include a mobile or community-based approach will receive **up to 5 bonus points** on their application. Mobile or community-based services reduce barriers of transportation, physical location, or income that may inhibit an individual from accessing services. Mobile or community-based programs must be able to be carried out in a location that is best suited to the individual being provided the service, including, but not limited to: homeless encampments, an individual’s residence, or at other community service providers (i.e. emergency shelters, transitional housing facilities, day centers, etc.).

### **Priority 3: Strategic Partnerships**

**Additional points will be awarded to projects that attach written documentation** (MOU or letter of support) demonstrating coordination with housing providers, workforce development boards, and healthcare organizations to provide permanent housing services. Points will be awarded for projects that have written documentation to demonstrate:

- Partnership with public and private healthcare organizations to assist program participants with obtaining medical insurance to address healthcare needs.
- Partnership with public and private healthcare organizations to provide physical healthcare to program participants, including access to prescriptions and ongoing primary care.
- Partnership with behavioral health care providers to provide mental health services and substance use disorder treatment to program participants.
- Partnerships with public housing authorities or other public/private housing providers to provide permanent housing to program participants.
- Partnership with local workforce development centers to provide employment opportunities, job training programs, and job readiness assistance to program participants.

Written documentation must clearly outline the scope of services that will be provided, the number of program participants that are anticipated to benefit from the partnership and the dollar value of the proposed commitment.

**Project Completion Timeframes** For most project types, the Proposed Project should be able to be operational within 6 months following the award of funding.

## Critical Dates and Timeline

Thursday, June 13, 2024		Escambia County Issued Request for Applications for projects aligned with Escambia County's Opioid Abatement Strategy
Wednesday, July 10, 2024	9:00 AM	<p>Optional Pre-Application Meeting</p> <p>A pre-solicitation meeting will be held on Wednesday, July 10<sup>th</sup> at 9am via Teams and at the Matt Langley Bell, III building 213 Palafox Place, 2<sup>nd</sup> floor, Pensacola, FL 32502. Attendance is not mandatory.</p> <p><b>Microsoft Teams meeting</b>  <b>Join on your computer, mobile app or room device.</b>  <a href="#">Click here to join the meeting</a>  Meeting ID: 235 177 962 994  Passcode: fyz3mg  <a href="#">Download Teams</a>   <a href="#">Join on the web</a>  <b>Or call in (audio only)</b>  <a href="#">+1 863-333-5817</a> United States, Pensacola  Phone Conference ID: 488 371 918#</p>
Friday, August 16, 2024	5:00 PM	Deadline for questions regarding NOFA
Friday, September 6, 2024	5:00 PM	Responses to NOFA Questions
Friday, September 13, 2024	5:00 PM	<b>SUBMISSION DEADLINE</b> – Project Applications
Wednesday, September 25, 2024	10:00 AM	<p><b>Performance, Evaluation, and Ranking Committee</b>  Members will meet to score each project application using the published Scoring Criteria.</p> <p><b>Microsoft Teams meeting</b>  <b>Join on your computer or mobile app.</b>  <a href="#">Click here to join the meeting</a>  Meeting ID: 222 939 350 531  Passcode: XvoM8j  <b>Or call in (audio only)</b>  <a href="#">+1 863.333.5817</a> United States, Pensacola  Phone Conference ID: 898 719 454#</p>
Friday, October 11, 2024	5:00 PM	Notice of advancement to the Opioid Abatement Board for review to all project applicants.

## Applicant Eligibility

All public (local government) and private non-profit agencies that currently provide services, as well as those that want to expand to provide services, for persons experiencing mental health, substance use, or co-occurring disorders are eligible to apply. **Applicant must include proof of 501(c)3 status with submission.**

Applicant must also meet all the following requirements:

- Serves Escambia County.
- Submitted the Letter of Determination from the IRS confirming your organization's federally tax-exempt status.
- Submitted a copy of your organization's current W-9.
- Submitted a copy of your organization's 2021 or 2022 tax return (Form 990 or 990-EZ with supporting forms). You may submit a 2020 tax return along with explanation for late filing.
- Submitted a copy of your organization's most recent 2 years of financial statements, with audit if applicable.
- Able to operate program on a Reimbursable Basis and submit required documentation to Escambia County.
- Organization has Quarterly reporting capacity.
- Program includes at least one of the "Priority" Core Strategies in Schedule A and/or one of the "approved uses" in Schedule B.

Any applicant on the excluded parties list ([www.sam.gov/SAM/](http://www.sam.gov/SAM/)) will be considered **ineligible** for funding.

## SECTION II: Scope of Grant Activities

Escambia County encourages applicants to submit applications for projects, even if the project does not 'fit' perfectly into the descriptions here within. By submitting an application, the applicant is informing Escambia County of projects it intends or desires to develop to help satisfy an unmet need in the community and collaboratively work to reduce abuse of opioids in Escambia County.

Projects acceptable under this request include:

- **New Project** - a project that does not currently exist and if funded will increase overall service capacity in Escambia County.
- **Expansion of Funding for a Current Project** – a project currently operating in the community that is being expanded. Applicants must clearly identify the need for expanded services and demonstrate a quantifiable increase in the number **and** type of services being provided.

**Funding requests that supplant or replace a project's current funding source(s) will not be accepted.**

If a project includes multiple, linked activity types (components), only one application that details the different activity types, needs to be completed. The single project application should explain in detail all activity types and the project outcomes for the different activity types.

### Eligible Activities

The following activities may be funded through this application:

1. Increased Substance Use Disorder Treatment and Recovery
2. Increased Programs and Strategies to Prevent Drug Use
3. Increased Training, Prevention, and Treatment in Our Criminal Justice System

**All projects must meet all Federal and State requirements.**

Federal Guidelines for Opioid Treatment Programs:

<https://store.samhsa.gov/product/Federal-Guidelines-for-Opioid-Treatment-Programs/PEP15-FEDGUIDEOTP>

Resources for Opioid Treatment Providers:

<https://www.hhs.gov/opioids/treatment/resources-opioid-treatment-providers/index.html>

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Federal Opioid Treatment Standards:  
<https://www.law.cornell.edu/cfr/text/42/8.12>

Federal Standards for Medication Assisted Treatment:  
<https://www.ecfr.gov/current/title-42/chapter-I/subchapter-A/part-8>

## SECTION III: Funding Guidelines

### Administrative Costs

If awarded, the project's admin funding will be based on available and allowable admin funding as determined by the funding sources and may be divided between Escambia County and the applicant. Eligible costs include general management, oversight, and coordination; training on grant requirements; consolidated plans; and environmental reviews.

Funding Source	Maximum Percent of Admin Allowed
Opioid Abatement Funding	10%

### Cost Reimbursement

All contracts will be on a cost reimbursement basis. Sub-recipient will be required to submit proper back-up documentation for project eligible expenses as determined by the funding source regulations and requirements.

### Match

No match is required for this funding.

### Cost of Submitting Applications

The cost of preparing and submitting an application is the sole responsibility of the applicant and shall not be chargeable in any manner to Escambia County, Escambia County will not reimburse any applicant for any costs associated with the preparation and submission of an application, including but not limited to, expenses incurred in making an oral presentation, or participating in an interview *(if required)*.

### Conflict of Interest

The applicant agrees that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required if a contract is awarded. The applicant further agrees that no person having any such interest shall be employed or engaged for said performance. The applicant agrees that no employee, officer, agent of the applicant or its sub-recipients shall participate in the selection, award or administration of a contract or construction bid if a conflict-of-interest, either real or implied, would be involved. The applicant or subrecipient employees, officers and agents should refrain from accepting gratuities, favors or anything of monetary value from contractors or potential contractors based on the understanding that the receipt of such an item of value would influence any action or judgment of the applicant. For federally funded contracts, conflict of interest provisions described in 2 CFR 200.112 and all other state and federal regulations currently in effect and as may be amended from time to time shall apply.

### State and Federal Administrative Requirements

Agencies must comply with Federal administrative requirements. All agencies awarded funds through this NOFA will be required to comply with a variety of requirements governing the use of State and Federal funds. Additionally, agencies awarded funds through this NOFA will be required to provide access to their financial records to a representative of Escambia County to evaluate their financial management systems. Escambia County staff will monitor each program to

ensure compliance with the terms of the funding agreement between the Escambia County and the agency. This will include monitoring records kept by the applicant to demonstrate the eligibility of clients, the services provided, and other required information.

**Liability insurance is required for all Grants.** All agencies awarded funds will be required to obtain liability and worker's compensation coverage that will be further defined in the funding agreement, if awarded. **Escambia County Board of County Commissioners must be named as the Certificate Holder and the additional insured.**

**Handicapped Accessibility** – All projects must be accessible to persons with disabilities. Programs, information, participation, communications, and services must be accessible to persons with disabilities. Agencies must comply with Section 504 of the Rehabilitation Act of 1974 and Americans with Disabilities Act (ADA).

**Nondiscrimination** – All funded agencies must ensure that all persons have fair and equal access to all forms of assistance regardless of race, color, national origin, age, sex, familial status, religious preference, disability, type or amount of disability, gender identity, perceived gender identity, marital status, sexual orientation, or perceived sexual orientation. These non-discriminatory practices apply to employment and contracting as well as to marketing, and selection of project participants. Programs funded through this funding must practice a person-centered model that incorporates participant choice and inclusion of all geographic areas and subpopulations in Escambia County, including persons who are homeless, veterans, youth, and families with children, individual adults, seniors, victims of domestic violence, and Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, and Intersex (LGBTQI) individuals and families.

Programs funded through this funding must operate in accordance with all federal statutes including, but not limited to: the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, and Title II and Title III of the Americans with Disabilities Act.

Funded agencies must maintain records demonstrating compliance with the nondiscrimination and equal opportunity requirements, including data concerning race, ethnicity, disability status, sex, and family characteristics of persons and households who are applicants for, or program participants in, any program or activity funded in whole or in part with the awarded funding source. Funded agencies must have an affirmative marketing plan that demonstrates how the agency conducts outreach to persons who are least likely to access services, including those who represent BIPOC subpopulations.

**Formal Termination Policy** – Funded agencies must develop a formal Termination Policy that clearly describes a process by which clients' services may be terminated if program requirements are violated. The process must recognize individual rights and allow termination in only the most severe cases. Termination processes services must include written notice to the program participant, with a clear statement of reasons for termination; review of decision to terminate, with opportunity for the program participant to present written or oral objections to agency; prompt written notice to the project participant of final decision.

**Supportive Assistance** – Funded agencies must assure that individuals and families are connected to appropriate supportive services including permanent housing, mental health treatment, physical health treatment, counseling, case management, supervision, recovery group and other services essential for achieving maintaining sobriety and stability. Additionally, agencies must assure that clients are assisted in obtaining other Federal, State, local and private assistance, where available. This will include individually assisting clients to identify, apply for and obtain benefits under mainstream health and social services program for which they are eligible such as: TANF, Medicaid, SSI/SSDI, Food Stamps, and various Veterans Programs. *Escambia County encourages a "warm hand-off" model, which ensures transfer of client and referral information directly to the receiving case manager, and prevents missed service connections.*

**Confidentiality** – Agencies must comply with confidentiality requirements and privacy protections outlined in HIPAA: <https://www.hhs.gov/hipaa/for-professionals/privacy/laws-regulations/index.html>

**Participation in Homeless Continuum of Care (CoC) and Behavioral Health Collaborative Systems** – Any agency awarded funding through this NOFA is **required** to:

- 1) actively participate in the homeless CoC including attendance at the monthly CoC committee meetings
- 2) actively participate in any Behavioral Health collaborative systems that exist in Escambia County
- 3) accept referrals for all funded programs through the Homeless Coordinated Entry System, and any Behavioral Health collaborative systems that exist in Escambia County

### **Minimum Funding Request**

The minimum funding request for any project is **\$50,000**. Escambia County reserves the right to award more or less than the amount of funds requested based on funding available.

## SECTION IV: Application Evaluation and Selection

### Threshold Requirements

Applications will be reviewed by Escambia County staff to ensure the submission does NOT contain any fatal flaws, as listed below. If Escambia County determines the threshold requirements are not met, the project will be rejected, and the applicant agency notified in writing. If the applicant and application are determined eligible, then the application will proceed to the Application Review, Scoring and Conditional Selection Process.

#### Fatal Flaws

Applications that commit the following will be considered as having a fatal flaw, and will not be given consideration for funding:

- Applications received after the stated due date and time.
- Applications received from an agency not eligible to apply (is not a non-profit, local government and/or is listed on the Excluded Parties List, has not provided direct services for 24 months prior to application due date).
- The Application is not signed by the agency official designated to execute contracts.

### Application Review, Scoring and Conditional Selection Process

Applications that meet threshold criteria will be forwarded to the Performance Evaluation and Ranking Committee for review, scoring and conditional selection. The Committee Members will meet to review and score each project application in accordance with the Ranking and Reallocation Policies.

*Committee Members who have an interest in a submitted project application will recuse themselves from scoring. An interest includes being an employee, volunteer and/or board member of an applicant agency or other entity that is direct partner and/or would otherwise directly benefit of the proposed project.*

#### Application Minimum Requirements:

	Category	Pass/Fail
1.	Services Escambia County.	
2.	Submitted the Letter of Determination from the IRS confirming your organization's federally tax-exempt status.	
3.	Submitted a copy of your organization's current W-9.	
4.	Submitted a copy of your organization's 2021 or 2022 tax return (Form 990 or 990-EZ with supporting forms). You may submit a 2020 tax return along with explanation for late filing.	
5.	Submitted a copy of your organization's most recent 2 years of financial statements, with audit if applicable.	
6.	Able to operate program on a Reimbursable Basis and submit required documentation to Escambia County.	
7.	Organization has Quarterly reporting capacity.	

8.	Program includes at least one of the "Priority" Core Strategies in Schedule A and/or one of the "approved uses" in Schedule B.	
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### Application Bonus Points

	Category	Total Points Possible	Score
1.	Partners with public or private organizations/agencies that provide similar services.	20	
2.	Other funding match provided.	20	
3.	Program is "Specific and Measurable".	20	
4.	Provides Free Services to Escambia County	20	
5.	Provides a Mobile Unit	20	
	<b>TOTAL BONUS POINTS</b>	<b>100</b>	

### Notice of Conditional Selection Decision

Escambia County staff will provide written notice regarding the conditional selection decision to each applicant.

### Post Award Requirements

If awarded, a contract will be executed by the Escambia County Board of County Commissioners and administered by Escambia County staff. The contract will be based upon the information submitted in the application, all accompanying exhibits/attachments and any additional information that is requested/received during the review phase. Contract language is not negotiable. **The contract is reimbursement based and the applicant must be able to pay for project costs prior to requesting payment.** Modifications and updates to application exhibits may be required prior to contract execution. Applicants should review the attached contract to ensure their ability to comply with all requirements and expectations, including potential increased insurance coverage and financial audits.



## SECTION V: Application Forms

All forms must be complete for application to be considered for conditional award.

### 1. Applicant Information

Organization Name: Escambia Community Clinics DBA/ Community Health Northwest Florida	Authorized Organization Representative Name/Title:  Chandra Smiley CEO
Address: 2315 West Jackson Street	Telephone:  850 436-4630 Ext 90210
City, State/Zip:  Pensacola Florida 32505	Organization Website:  <a href="https://healthcarewithinreach.org/">https://healthcarewithinreach.org/</a>
Contact Person Name/Title: Athena Durant Director of Finance and Grants Walter Arrington Director of CORE	Unique Entity ID (SAM #):  VMLCLHQ1E2Q3
Contract Person E-mail: adurant@healthcarewithinreach.org warrington@healthcarewithinreach.org	Federal Employer ID #:  59-3105246

### 2. Project Information

Project Name: CORE Program Expansion	
Project Address ( <i>if different from organization address</i> ): 2315 West Jackson Stree, 1400 North Palafox Street, 350 West Herman Ave, 1380 North Palafox Street, Mobile Medical Unit Escambia County	
This is a/an: <input type="checkbox"/> New Project or <input checked="" type="checkbox"/> Expanded Project	
Total Funding Requested for this Project: \$ 500,000.00	
Number of Persons to be Served: 150	
Project Type ( <i>check as many as applicable below</i> ):	
Medication Assisted Treatment <input checked="" type="checkbox"/>	Education Program <input checked="" type="checkbox"/>
Prevention <input checked="" type="checkbox"/>	Recovery <input checked="" type="checkbox"/>
Treatment (other than medication assisted) (specify model): Therapy Services, Medical Care, and Mental Health Care	
Overdose Reversal Medication Distribution <input checked="" type="checkbox"/>	Criminal Justice Training, Prevention, and Treatment <input checked="" type="checkbox"/>
Other (please specify): Case Managment, Wrap Around Care, and Peer Support	

<b>Target Population (check as many as applicable below):</b>	
<input checked="" type="checkbox"/> Chronically Homeless <input checked="" type="checkbox"/> Single Individuals <input checked="" type="checkbox"/> Victims of Domestic Violence <input checked="" type="checkbox"/> LGBTQI+ Individuals/Families/Youth <input checked="" type="checkbox"/> Other: <u>Uninsured/ Underinsured and pregnant persons</u>	<input checked="" type="checkbox"/> Families <input checked="" type="checkbox"/> Unaccompanied Youth (ages 18-24) <input checked="" type="checkbox"/> Veterans <input checked="" type="checkbox"/> Individuals with Severe and Persistent Mental Illness
<b>Target Service Location (check as many as applicable below):</b>	
<input checked="" type="checkbox"/> City of Pensacola <input checked="" type="checkbox"/> Town of Century	<input checked="" type="checkbox"/> Unincorporated Escambia County <input checked="" type="checkbox"/> All of Escambia County <input type="checkbox"/> Other: _____
Is this project using a mobile based treatment model? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

### 3. Certification

To the best of my knowledge, I certify that the information in this application is true and correct and that the document has been duly authorized by the governing body of the applicant. I will comply with the program rules and regulations if assistance is approved. I also certify that I am aware that providing false information on the application can subject the individual signing such application to criminal sanctions. I further certify that I am authorized to submit this application and have followed all policies and procedures of my agency regarding grant application submissions.

Authorized Organization Representative:

Signature:

*Chandra Smiley*  
DocuSigned by: 4DFCC1FE660B433...

Typed Name:

Chandra Smiley

Title:

CEO

Date:

9/13/2024

### 4. Project Description

Narrative response must include:

- Sufficient information to understand the scope of the project, the number and type of clients to be served, the services to be provided and the cost of the proposed activities.
- How the project will follow an evidence-based program model or creates an innovative approach to reducing opioid abuse.
- The project's plan to coordinate with housing providers, workforce development boards, and physical and behavioral healthcare organizations to provide housing and supportive services.

*Limit response to 2,000 words.*

*The narrative is required and must be attached to the application in either Word or PDF format.*

## 5. Quality of Service Questionnaire

The applicant shall provide a brief response to each question below: **SEE ATTACHED DOCUMENT**

1. Describe how the project aligns with Escambia County's Opioid Abatement Strategic Summary (Appendix 1).
2. Explain how your agency is actively participating in the Homeless Continuum of Care (CoC) and existing Behavioral Health systems in Escambia County, and how this project will integrate with those systems.
3. Describe your procedure for assessing participant's needs and making client referrals to other service providers. Describe how you ensure that participants are connected to the services they request.
4. Describe how the project will provide connections to permanent supportive solutions, include the extent to which this project will connect client to mainstream services (i.e. food stamps, SSI/SSDI, Medicare/Medicaid, physical health care, mental health care, substance abuse treatment, recovery support groups, public housing, childcare providers, etc.), and community-based supports (i.e. volunteer opportunities, faith-based organizations, civic groups, etc.) to ensure long term stability.
5. Explain how your agency engages persons with lived experience (i.e. previously or currently homeless, previously or currently experiencing MH/SUD, etc.) and historically marginalized groups (i.e. black, indigenous, people of color, LGBTQ+ populations, etc.) in the design and evaluation of programs and services. Include the number of persons engaged and their role.
6. Explain your agency's experience providing services to individuals and families who have substance use or co-occurring disorders, including federal, state, and/or local government grant experience and capacity of the organization to administer the project and oversee all compliance requirements.
7. Describe how your agency has worked to remove traditional barriers (i.e. no income, no insurance, no transportation, etc.) to services for individuals and families who have substance use or co-occurring disorders.
8. Describe how your agency evaluates program success.
9. Describe how the agency will continue to provide quality services in the community in the case of reduced or loss of funding.

## 6. Ability to Complete Activities Outline

The applicant shall provide an outline that documents their ability to complete the funded activities in the allotted timeframe. This outline shall include:

- Timelines of critical tasks to be accomplished for each proposed activity.
- Monthly spending plans and proposed drawn down schedules; and Reporting schedule for outcomes achieved.

*The outline is required and must be attached to the application in either Word or PDF format*

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## 7. Budget Narrative

The applicant shall provide a budget narrative to describe the overall project budget and sources of match funds expected for the period of the grant. The budget narrative **must** include the following criteria:

- Identify sources of leveraged funds which are currently committed to the organization for this project (***commitment letters MUST be attached***).
- Description and justification of the proposed Personnel Costs, including Fringe Benefits.
- Description and justification of the proposed Other Program Operation Costs.
- Description and justification of the proposed Administrative Costs.
- Clearly identify the timeframes and methods for obligating grant funds, and how the agency plans to ensure funds are spent before the deadline.
- If the applicant plans to provide additional services, other than those eligible under the funding in this application, clearly denote the type of other services or programs and the funding sources.

**A copy of the applicant's overall budget, including other services or programs and funding sources, general management and oversight budget, and overhead/indirect rates charged to grant sources must be attached following the Budget Narrative.**

## 8. Budget Form

Complete each line as applicable to the proposed project.

# Budget Template

## Notice of Funding Availability

**Complete ONLY BLUE fields. Do not edit grey fields.**

Year 1 (Dates will be based on award date)		
Eligible Costs	Quantity AND Description <i>(max 400 characters)</i>	Annual Assistance Requested
Case Management	2-50% FTE Case Managers/ Social Workers	50,000
Peer Support Staff	1- 50% FTE Peer Support	25,000
Nursing Staff	1- 100% FTE	55,000
Peer Specialist Certifications		
Mobile Service Delivery Vehicles and Associated Costs (i.e. mileage, maintenance, etc.)		
Computers, Phones, and other equipment for program staff		
Program Related Supplies (i.e. harm reduction materials, PPE, medications)	MAT Medications, Non-MAT Medication, and Lab Service Costs	87,000
Marketing and Educational Materials		
Other Expenses	<small>1- Psychiatry MD at 25% FTE ( 100,000).                      2- LCSWs at 50% FTE (70,000).                      1- Social Worker/Navigator/Peer support specialist at 50% FTE (32,500)</small>	202,500
Other Expenses	Fringe Benefits (All FTE's have a 28% fringe with the exception of the MD no fringe benefits for this position)	65,100
Other Expenses	Trasportation Assistance for Patients	15,400
<b>Subtotal Requested</b>		<b>\$ -</b>
<b>Admin Requested (max of 10%)</b> <i>(i.e. accounting costs, contract management costs, facility costs)</i>		<b>NA</b>
<b>Total Amount Requested</b>		<b>\$ -</b>

## 10. Project Outcomes

Applicants must provide anticipated outcomes for each of the following performance measures.

Performance Measure	Baseline Data ( <i>must include source</i> )	Desired Outcome	Describe the project component(s) that will be used, and how the outcome will be achieved and monitored.
1. Reduced number of fatal overdoses.	<a href="https://www.flhealthcharts.gov/ChartsDashboards/rdfPage.aspx?rdReport=SubstanceUse.Overdose">https://www.flhealthcharts.gov/ChartsDashboards/rdfPage.aspx?rdReport=SubstanceUse.Overdose</a> Per 6/22 report which is the most recent year that has full data available Escambia County has an overdose rate of 62.3 per 100,000 residents	Reduction in overdose rate per 100,000 residents by 10% in one year	By expanding SUD treatment capacity and being able to treat more people we will drive down overdose rates, achieving the goal. Progress will be monitored through previously referenced state dashboard
2. Reduced number of EMS overdose responses.	<a href="https://www.flhealthcharts.gov/ChartsDashboards/rdfPage.aspx?rdReport=SubstanceUse.Overdose">https://www.flhealthcharts.gov/ChartsDashboards/rdfPage.aspx?rdReport=SubstanceUse.Overdose</a> Total number of ED visits for non-intentional Overdoses in 2022 884 (EMS transported)	Reduction in total number of Non-Fatal ED visits for drug overdose by 10%	By expanding SUD treatment capacity and treating more people with SUD we will drive down the rates of EMS response in support of ED visits for non-fatal overdoses, achieving the goal. This metric will be monitored by referenced the previously referenced dashboard
3. Increase in substance use disorder treatment to reduce opioid overdoses.	Current Treatment Capacity at CHNWF 100 Active Patients (CHNWF UDS Report)	Expand Treatment Capacity at CHNWF to 250 Active Patients	Admitting new patients into the CORE program for treatment will reduce opioid overdose. This will be achieved and monitored by monthly reports listing number of new CORE patients
4. Increase in access to substance use disorder treatment programs.	Current Treatment Capacity at CHNWF 100 Active Patients (CHNWF UDS Report)	Expand Treatment Capacity at CHNWF to 250 Active Patients	Admitting new patients into the CORE program for treatment will increase the number of people that have access to treatment. This metric will be monitored and achieved through montly reports that detail number of new CORE patients
5. Increase access to substance use prevention programs.	Current Treatment Capacity at CHNWF 100 Active Patients (CHNWF UDS Report)	Expand Treatment Capacity at CHNWF to 250 Active Patients	Admitting new patients into the CORE program for treatment will increase the number of people that have access to substance use prevention. This metric will be monitored and achieved through monthly reports that detail number of new CORE patients
6. Increase in substance use disorder training, treatment, and prevention in the Criminal Justice Departments.	Current Treatment Capacity at CHNWF 100 Active Patients (CHNWF UDS Report)	Expand Treatment Capacity at CHNWF to 250 Active Patients	Admitting new patients into the CORE program for treatment will increase the number of people that have access to substance use disorder training and treatment that will prevent justice involvement and support persons that are currently or have a history of justice involvement. This metric will be monitored and achieved through monthly reports that detail number of new CORE patients
9. OTHER: _____			
If awarded, applicants will be required to submit detailed reports include de-identified and de-duplicated demographic, service, health, and outcome data.			

*Notice of Funding Availability (NOFA) for projects aligned with Escambia County's Opioid Abatement Strategy*

## Required Attachments

- a) Documentation showing the applicant is located in and provides services Escambia County.
- b) Letter of Determination from the IRS confirming your organization's federally tax-exempt status.
- c) Copy of your organization's current W-9.
- d) Copy of your organization's 2021 or 2022 tax return (Form 990 or 990-EZ with supporting forms). You may submit a 2020 tax return along with explanation for late filing.
- e) Copy of your organization's most recent 2 years of financial statements, with audit if applicable.

## 11. Completeness Checklist

Applicants must complete chart below and attach as PAGE 1 of the submission.

<b><u>Application Forms and Attachments</u></b>	<b><u>Page #</u></b>
<b><u>Project Name:</u></b> CORE Program Expansion	
<b><u>Project Applicant:</u></b> Escambia Community Clinics DBA/ Community Health Northwest Florida	
<b>Table of Contents (COMPLETENESS CHECKLIST)</b>	<b>1</b>
1. Applicant Information	
2. Project Information	
3. Certification	
4. Project Description	
5. Quality of Service Questionnaire	
6. Ability to Complete Activities Outline	
7. Budget Narrative	
8. Budget and Match Form	
9. Project Outcomes	
10. Required Attachments	
a. Documentation of Partnerships – MOUs, Letters of Commitment or Contracts demonstrating location and program services in Escambia County	
b. Applicants Annual Operating Budget	

c. Proof of 501c3 Status	
d. Current W-9	
e. 2021 and 2022 Tax returns	
f. Two most recent years' financial statements (audited, if applicable)	



## **SECTION VI: Appendix 1 - Opioid 2024 Implementation Plan**

*Notice of Funding Availability (NOFA) for projects aligned with Escambia County's Opioid Abatement Strategy*

#### 4. Project Description

The proposed expansion of the CORE program by Escambia Community Clinics DBA Community Health Northwest Florida (CHNWF) directly aligns with the Escambia County's Opioid Abatement Strategic Summary by targeting critical areas outlined in the strategy: Treatment and Recovery, Prevention, and Criminal Justice. Each component of the proposal is designed to address opioid use and its consequences comprehensively, while also integrating seamlessly with the community's broader systems of care.

**Treatment and Recovery:** CHNWF's CORE program offers outpatient substance use disorder (SUD) treatment utilizing Medication-Assisted Treatment (MAT), which is pivotal in managing opioid dependency. The expansion of CORE will enhance its capacity to deliver MAT, Naloxone distribution, and other harm reduction services. Specifically, the project will expand treatment for pregnant and postpartum individuals, as well as justice-involved persons (JIP). The program will extend its support to families and individuals aged 18 and up, incorporating clinical practices tailored to diverse needs, including family-focused, and individualized care.

The CORE program emphasizes recovery supports such as peer-led treatment, healthcare, housing, and employment supports, along with job training services. Peer support specialists will facilitate warm handoffs to necessary services, ensuring a holistic approach to recovery and integration.

**Prevention:** CHNWF operates two school-based health clinics where staff educate school-aged children about substance use and misuse. Additionally, pediatric healthcare providers across service sites offer education and early intervention on substance-related issues. For youths aged 16 and up who have a diagnosis of SUD, the CORE program will provide MAT services following best practices.

The CORE staff also conducts Continuing Medical Education (CME) and Continuing Education (CE) classes on opioid use disorder, including strategies to prevent overprescribing. These classes are delivered in collaboration with the West Florida Area Health Education Center and utilize Florida Department of Children and Families (DCF) approved curricula.

**Criminal Justice:** The CORE program maintains a robust partnership with local re-entry service providers as well as state and county probation offices. Direct referrals are facilitated through warm handoffs, and CORE staff regularly present to these agencies, ensuring effective re-entry and integration for JIP. The program's integration of housing, job training, and education supports all of which are essential for successful reintegration and ongoing treatment.

All services provided are available to individuals regardless of their ability to pay or insurance status, ensuring equity across race, age, gender, gender identity, sexual orientation, legal status, disability, and other protected classes.

#### **Integration with Homeless Continuum of Care and Behavioral Health Systems**

CHNWF has been a long-standing member of the Continuum of Care (CoC) for over two decades, holding a governance board position under the new CoC bylaws. The organization's involvement with the Homelessness Task Force of Northwest Florida, All In LOCAL Plan to End Homelessness, and the Mental Health Task Force of NWFL underscores its commitment to addressing homelessness and behavioral health challenges in the community.

CHNWF leads the Unhoused Hospital Coordination of Care Committee under the All In LOCAL Plan, a collaboration involving hospitals, outpatient clinics, and housing providers. This committee has pioneered a pilot program offering priority access to transitional housing, case management, mental health care, SUD care, and primary care for at-risk unhoused individuals. The integration of the Mobile Medical Unit within this grant proposal further exemplifies CHNWF's commitment to providing comprehensive and accessible care.

Additionally, CHNWF has partnered with Lifeview Group to ensure seamless access to higher levels of care, further demonstrating its integration with existing behavioral health systems.

### **Procedure for Assessing Needs and Referrals**

CHNWF's CORE program employs a thorough assessment process to address the multifaceted nature of SUD. Initial intake involves a biosocial assessment conducted by social workers and peer support specialists, utilizing tools like the PHQ-9, GAD-7, BAM, and PRAPARE Screening Tool. This comprehensive approach helps identify patient needs and preferences, facilitating personalized care plans.

Patients are encouraged to express their goals, and referrals are made to appropriate partner agencies when necessary. Follow-up ensures that patients are satisfied with the services received, and ongoing communication with partners helps expedite care. This approach ensures seamless access to services and addresses patient needs effectively.

### **Connections to Permanent Supportive Solutions**

CHNWF's CORE program prioritizes addressing Social Determinants of Health (SDOH) by assessing patient needs related to SNAP, SSI/SSDI, Medicaid/Medicare, housing, childcare, and community-based supports. A healthcare navigator, funded through a federal grant in partnership with West Florida AHEC, will assist patients in obtaining insurance coverage, thereby reducing unreimbursed healthcare costs.

The program connects patients to case managers who leverage partnerships with organizations like MANNA Food Bank, local housing authorities, and vocational rehabilitation services. This comprehensive network of support ensures that patients have access to essential resources for long-term stability.

### **Engagement of Persons with Lived Experience and Marginalized Groups**

CHNWF's commitment to including persons with lived experience in its operations is reflected in its board composition, with over 50% of board members being current or former patients. This representation ensures that the community's voice directly influences organizational practices.

The hiring practices at CHNWF emphasize demographic representation, including individuals with diverse backgrounds and lived experiences. Staff includes multilingual professionals, LGBTQIA+ individuals, and those in recovery from SUD or mental health disorders. This diversity enhances the organization's ability to connect with and support patients effectively.

CHNWF has also secured grants in the recent past to address care gaps for marginalized groups, such as funding for gender-affirming medications for LGBTQIA+ individuals. Partnerships with local shelter providers further demonstrate the organization's dedication to addressing the needs of unhoused populations through its Waterfront Medical Clinic and Mobile Medical Unit.

### **Experience and Capacity in Providing Services**

The CORE program, initiated through a partnership with Escambia Emergency Medical Services (EMS), has demonstrated its effectiveness in treating SUD and co-occurring disorders. With over two years of operation, CORE has achieved a treatment completion/sustainment rate of 75.23%, surpassing national averages by over 50%. CHNWF's experience in administering local, state, and federal funding further underscores its capacity to manage and oversee compliance requirements effectively.

The expansion proposal includes five CORE delivery sites: three static locations, one emergency/after-hours site, and one Mobile Medical Unit. This expansion will enhance the organization's ability to provide comprehensive care across various settings, ensuring continuity and accessibility of services.

### **Removal of Barriers to Services**

CHNWF addresses traditional barriers to care through a sliding fee scale, ensuring that no patient is turned away due to inability to pay. Homeless individuals receive services with zero copay. The organization also provides transportation assistance through contracted services and bus passes.

MAT medications are covered up to 90 days at no cost, with extended coverage available based on patient needs. The prescription assistance program and 340B pricing further reduce medication costs for uninsured patients. By integrating these services, CHNWF effectively overcomes barriers related to income, insurance, and transportation.

### **Evaluation of Program Success**

CHNWF's Quality Management Program utilizes a comprehensive approach to evaluate program success, focusing on efficacy, safety, and patient satisfaction. The program employs the PDCA model for continuous improvement and gathers data on performance metrics to inform quality initiatives.

Regular evaluations, including monthly Quality Improvement (QI) meetings and staff training, ensure that services remain effective and aligned with current standards. The proposed expansion is expected to reach 150 unique individuals and generate 4,000 clinical encounters annually, representing significant cost savings and improved community outcomes.

### **Sustainability and Future Funding**

CHNWF plans to sustain quality services by leveraging insurance billing and matching funds from West Florida AHEC and NWFL Health Network. The organization has applied for a HRSA Behavioral Health Expansion grant to reinforce and expand its behavioral health services. Future funding applications will seek to expand capacity while maintaining a sustainable payer mix.

In conclusion, the proposed grant aligns with Escambia County's Opioid Abatement Strategic Summary by enhancing treatment, prevention, and criminal justice initiatives. CHNWF's integration with local systems, commitment to addressing barriers, and focus on evaluation and sustainability ensure that the project will have a lasting impact on the community.

## 5. Quality of Service Questionnaire

### **Describe how the project aligns with Escambia County's Opioid Abatement Strategic Summary.**

The project proposed in the following grant proposal being submitted by Escambia Community Clinics DBA/ Community Health Northwest Florida (CHNWF) falls under multiple areas outlined in the Escambia Opioid Abatement Strategy. Because of this we have listed the areas of impact in order (started with proposed areas of greatest impact to areas of proposed to lesser impact) and outlined how the proposed project means to impact each area.

#### *Treatment and Recovery:*

CHNWF proposes to expand our capacity within our CORE program. The CORE program at CHNWF provides outpatient substance use disorder (SUD) treatment utilizing medication assisted treatment (MAT). The CORE program couples this treatment with the distribution of Naloxone and other harm reduction measures. The proposed grant will also help in the sustainment of our treatment of pregnant and postpartum persons as well as the continued treatment of justice involved persons (JIP) to include formerly incarcerated persons. All of the aforementioned programs are open to families and individuals aged 18 and up with clinically informed treatment modalities specific to families and unaccompanied persons.

The proposed project includes recovery supports to include peer support lead treatment modalities, healthcare, housing supports, employment supports, linkage to job training services, and employs peer support specialists that provide warm handoffs to relevant services within the CORE program.

#### *Prevention:*

CHNWF currently operates two school based health clinics where clinical staff has been trained to educate patients (all who are school aged) on the dangers of substance use and misuse. During all pediatric healthcare appointments at any of pediatric service sites healthcare professionals discuss substance use and misuses providing patient education and intervention when appropriate. In cases where a diagnosis of SUD is warranted for youth 16 and up the CORE program treats these patients within the program and will utilize MAT for care in specific circumstances following best practices.

CORE staff teaches yearly CME and CE classes on the identification of opioid use disorder to include strategies to prevent over prescribing of opioids, with instruction on best practices for appropriate prescribing. These classes are presented in a partnership with West Florida Area Health Education Center utilizing the Florida Department of Children and Families (DCF) approved course curriculum.

#### *Criminal Justice:*

The CHNWF CORE program has a long standing partnership with local re-entry service providers and takes direct referrals for their clients through warm handoffs. The CHNWF CORE program has presented to both state and county probation offices about the CORE program and takes regular referrals from these community partners. CHNWF has a well-established track record of working with JIP within the CORE program. Current treatment flows help ensure that JIP are able to reintegrate into society post incarceration while accessing SUD and MAT service within the CORE program. This effort is bolstered by the unique integration of housing, job training, education, and other social supports within the treatment protocols of the CORE program.

ALL of the aforementioned services are provided to all people regardless of ability to pay or insurance status regardless of race, age, gender, gender identity, sexual orientation, legal status, disability, and any other not mentioned protected class.

**Explain how your agency is actively participating in the Homeless Continuum of Care (CoC) and existing Behavioral Health systems in Escambia County, and how this project will integrate with those systems.**

CHNWF has been an active member of the COC for over 20 years. As the areas only Federally Qualified Health Center (FQHC) CHNWF holds an appointed governance board set under the new COC by-laws. The current director of the CORE program is a past COC board of director's member and was instrumental in bringing about the current reorganization of the COC. CHNWF is a founding member of the Homelessness Task Force of Northwest Florida, All In LOCAL Plan to End Homelessness, and member of the Mental Health Taskforce of NWFL. The program director of the CORE program at CHNWF serves on all three of the aforementioned task forces and has a long-standing record of being of service to the community while integrating care within the stated goals of the respective task forces. This proven track record will be continued under this current grant proposal. CHNWF hopes to expand available resources in service of the wider goals of the community providing an integrated community care model responsive to the ever changing needs of the community. This is especially evident in the integration of our Mobile Medical Unit in our model of care proposed in this grant.

CHNWF leads the unhoused hospital coordination of care committee that falls under the All In LOCAL Plan to End Homelessness. This is the only group with membership from all three hospitals, major outpatient healthcare clinics, and relevant housing/shelter providers. Birthed out of this committee is a pilot program in partnership with Accession Sacred Heart, REAP Max-Well Center, CHNWF, and DCF's Adult Protective Services (currently expanding to Baptist Health Care & 90 Works). This partnership identifies the most at-risk unhoused persons and gives them priority access to transitional housing, case management, mental health care, SUD care, MOUD care, and primary care. With the goal of producing better healthcare outcomes, decreased hospital utilization, long-term housing and SUD recovery. This group follows best practices as outlined in the following article. [Health Care's Role In Ending Homelessness](#)

CHNWF has a long standing partnership with Lifeview Group (MOU/MOA) to ensure that patients that require higher levels of care can access that care in a smooth and seamless manner. This partnership ensures that we are working closely with area agencies that provide similar services targeting a population that we are not best equipped to serve.

**Describe your procedure for assessing participant's needs and making client referrals to other service providers. Describe how you ensure that participants are connected to the services they request.**

The CORE program acknowledges that SUD is multifaceted. A person who stops problematic use oftentimes must face a myriad of social barriers that inhibit their ability to recover. Additionally, we understand that recovery is not a linear process rather its path is unique to the needs and experience of each person. Because of this CHNWF utilizes social workers and peer support specialists during the intake and case management work. By leaning into the unique strengths of trained social workers and

peer support specialist CHNWF is able to address patients' needs in a way that patients feel connection to the care being received while ensuring evidence based best practices are being followed.

Intake starts with staff going over all necessary program documents while collecting patient history (biosocial assessment) and engaging the patient in conversation. Staff utilizes interview techniques that make this interaction seem normal and relaxing while patients naturally volunteer information that informs their unique plan of care. Measurement tools like the PHQ-9 (Depression Screener), GAD-7 (Anxiety Screener), BAM (Brief Addiction Monitor), and PREPARE [The PRAPARE Screening Tool](#) are utilized to inform staff of potential areas that need focus. During this interview staff invites program participants to identify what they want to work on and what they would like our help accomplishing their treatment goals. If staff is unable to best assist with these patient identified goals staff refers patients to multiple partner agencies that are best equipped to meet those needs. Staff continues to follow up with patients to ensure they are satisfied with progress as well as communicating with partners behind the scenes to expedite any services. This has the effect of patients being able to seamless access services in a timely manner while meeting goals that they established.

**Describe how the project will provide connections to permanent supportive solutions, include the extent to which this project will connect client to mainstream services (i.e. food stamps, SSI/SSDI, Medicare/Medicaid, physical health care, mental health care, substance abuse treatment, recovery support groups, public housing, childcare providers, etc.), and community-based supports (i.e. volunteer opportunities, faith-based organizations, civic groups, etc.) to ensure long term stability.**

CHNWF has made Social Determinants of Health (SDOH) a focus of our CORE program. SDOH is defined as the nonmedical factors that influence health outcomes. They are the conditions in which people are born, grow, work, live, and age. At patients first appointment within the CORE program patients undergo a biosocial assessment conducted by a social worker. During this assessment patient needs related to SNAP (food stamps), SSI/SSDI, Medicaid/Medicare, healthcare needs to include mental health/ substance use, recovery supports housing, childcare, spiritual needs, and community connection supports (volunteering, social groups, and civic groups) are identified. After various needs are identified patients are connected or assisted in obtaining that identified needed resource.

During a patients first CORE appointment starting in September 2024 patients will also be seen by a healthcare navigator that will conduct an insurance review. This review utilizes the affordable care act (ACA) insurance exchange portal. Within this portal healthcare navigators are able to ascertain patient eligibility for Medicaid, Medicare, CHIP, and ACA insurance plans utilizing a single application. These positions are supported through a federal grant in partnership with West Florida AHEC. Due to the scope of work within this grant and how it integrates within our CORE program it represents a funding match of \$100,000 per year for the next five years. By integrating these healthcare navigators into our plan of care we are confident that we can ensure that the vast majority of uninsured patients can obtain insurance at their first appointment representing massive cost savings to the community by driving down unreimbursed healthcare costs.

During follow on appointments CORE patients are connected to their assigned case manager that will leverage partnerships with community organizations like MANNNA food bank, local housing authorities, shelter providers, childcare providers, vocational rehab, and local peer led recovery groups. Additionally, all our case managers are skilled in helping patients apply for SSI/SSDI when appropriate. This ability of CHNWF to leverage our wealth of partnerships creates an effective one-stop-shop for our patients when

they need services outside of our inhouse healthcare, mental health and substance use disorder medical care services.

**Explain how your agency engages persons with lived experience (i.e. previously or currently homeless, previously or currently experiencing MH/SUD, etc.) and historically marginalized groups (i.e. black, indigenous, people of color, LGBTQ+ populations, etc.) in the design and evaluation of programs and services. Include the number of persons engaged and their role.**

Engagement of persons with lived experience and persons that represent the populations of persons being served is foundational to CHNWF. Over 50% of our board members are patients of CHNWF. These board members also are made up of members that directly correlate to the demographics and characteristics of our patient base at CHNWF. This board make up ensures that the community guides our organization in a representative manner through people with lived experience.

The commitment to ensuring that persons with lived experience inform our practice at CHNWF also informs our hiring practices. CHNWF takes great care to hire personnel that are demographically representative of the community being served. This can include the hiring of persons who may have been previously justice involved (as long as they have clearance through CMS and AHCA). Of the current team that provides direct patient care in the CORE program we have persons of multiple ethnic and cultural backgrounds, persons that are multilingual, LGBTQIA+ persons, formerly unhoused persons, persons in recovery from SUD, persons in recovery from MH disorders, and persons with family members that struggle with MH/SUD. In an effort to protect the privacy of our staff I will list the positions that cover all of the aforementioned areas of lived experience. Program Director, Healthcare Providers, Registered Nurse, Therapist, Social Workers, Peer Support Specialist, Navigator, and Case Manager

Because of all the aforementioned experiences of our staff and leadership at CHNWF we are able to uniquely connect with patients. Our model of care follows a relationship based modality that is evidence based and peer reviewed having data demonstrated efficacy. Care within CORE begins with relationships not treatment. By fostering mutually beneficial relationships with our patients that are based on trust we have been able to demonstrate significantly better outcomes when compared to the national average.

CHNWF also has a long standing history of identifying gaps in care for marginalized groups. Last year CHNWF staff was awarded a grant through Sundays Child to expand our program to cover medication costs for LGBTQIA+ persons and unhoused persons. Specifically this program meant to cover medications associated with medically necessary gender affirming care. This grant insured that two of the most marginalized groups we serve had equitable access to healthcare, specifically the ability to obtain their medications.

The aforementioned grant is an example of how CHNWF identifies and fills gaps in care. CHNWF also relies heavily on our partnerships with the Waterfront Mission, Alfred Washburn Center, REAP, Bright Bridges, and other shelter providers to provide care to the unhoused. We do this through our Waterfront Medical clinic as well as our Mobile Medical Unit. Both of these resources are slated to be a part of our proposed CORE expansion project.



**Explain your agency's experience providing services to individuals and families who have substance use or co-occurring disorders, including federal, state, and/or local government grant experience and capacity of the organization to administer the project and oversee all compliance requirements.**

When the CORE program was created over 2 years ago it was birthed out of a formal partnership between Escambia Emergency Medical Services (EMS) and CHNWF. While the vision for CORE was to have all three area hospitals join in the effort with dedicated treatment spaces, that vision has evolved to best meet the needs of the community. The CORE program relies on teams from EMS that induct patients on Suboxone in the field. Those patients are then transferred to CHNWF within 3-10 days through a warm handoff. Induction is one of the most critical steps in any Medication Assisted Opioid use disorder program (MOUD). Induction is when a person is medically supervised as they transition from illicit or legally prescribed opioids to Suboxone. CHNWF also admits roughly 50% of our patients through direct referrals from rehab facilities area hospitals and from patient walk-ins. While the CORE program has only been in operation for a little over 2 years our staff collectively has decades of experience working in medical settings treating persons with SUD and co-occurring disorders.

CHNWF has over three decades of experience administering local, state, and federal funding streams. One of our recent highpoints was our ability to expand our services rapidly during the COVID-19 pandemic given the influx of federal, state and local support for that public health emergency. We have emerged from that experience having received high praise from funding source administrations for our ability to administer funding and programs in-line with ever changing grant protocols.

When looking at the overall success of the CORE program CHNWF compares our success to national success rates related to successful completion or sustainment of treatment. The percentage of people treated for SUD who completed their treatment was below 50% for all racial/ethnic groups in 2019.

[SUBSTANCE USE DISORDERS - 2022 National Healthcare Quality and Disparities Report - NCBI Bookshelf](#)

As of August 5th of 2024 CHNWF has a treatment completion/sustainment rate of 75.23% when comparing our success rates to the national average for similar programs that demonstrates that we are effectively succeeding and sustaining patients in care to completion at a much higher rate than the national average.

Currently CHNWF has two dedicated providers that see patients within the CORE program. One provider at our main CORE clinic on Palafox Street and another at our satellite CORE clinic on Jackson Street. Both of these providers have additional medical licensure to treat persons with severe and persistent mental illness as well as address CORE and primary care needs. We have three additional providers that provide Suboxone medications to patients when they miss appointments. These three providers are located at our Palafox walk-in clinic that is open 7 days a week for extended hours. This extra availability of providers for patients who miss appointments is a recent addition that ensures that patients who may miss an appointment are not lost to relapse due to wait times associated with rescheduling of appointments.

Part of our proposed expansion within this grant is the addition of our Waterfront Clinic as a treatment site. This clinic is uniquely equipped to address the needs of unhoused persons. Additionally the healthcare provider at this clinic provides coverage on our Mobile Medical Unit. By being able to expand our CORE program through this grant we will have a total of five CORE delivery sites: three static

locations, Palafox Street, Jackson Street, Herman Street, one emergency/ after-hours site Palafox Street, and One Mobile Medical Unit providing CORE, mental health, and primary care services.

Through these five sites we have created a workflow whereby patients are started in care at our main Palafox Street clinic. During this “intake phase” patients are stabilized SDOH needs are addressed and a long term plan of care is developed that treats the holistic needs of the patient. Once intake phase treatment goals are met patients are transferred to either Jackson Street, Herman Street or the Mobile Medical Unit for continued care. This workflow ensures a continuous availability of new patient appointments for persons entering care. When a patient is determined to be ready to titrate their dose of Suboxone they are transferred back to Palafox Street for care and eventual programmatic discharge. Even upon discharge patients will continue to be able to access primary care social services, and therapy service. This is done to ensure patients long term sobriety and successful healthcare outcomes.

**Describe how your agency has worked to remove traditional barriers (i.e. no income, no insurance, no transportation, etc.) to services for individuals and families who have substance use or co-occurring disorders.**

CHNWF utilizes a sliding fee scale (SFS) program. The SFS program bases the amount that a person pays for services on their income. No patient is turned away because of inability to pay for care. Additionally, for persons that are experiencing homelessness they have a zero dollar copay for services. As previously mentioned CORE staff works with all program participants to assist them with obtaining insurance.

One of the unique aspects of the CORE program is our available transportation assistance available to CORE patients. CHNWF has a contract with an appropriately licensed and insured transportation service that also has a fleet of wheelchair transport vehicles that are available if required. Bus passes are also available to CORE patients and are utilized when public transport is available.

Within the CORE program MAT medication is covered up to 90 days at no cost to the patient. This period can be longer if patient circumstances warrant. CHNWF also has a prescription assistance program (PAP) and 340B prescription pricing that enables us to provide medication to uninsured patients at a lower price than any other pharmacy in town. CHNWF has a medication delivery service for insured patients that is provided at no cost.

Coupling all the aforementioned services with our ability to provide holistic healthcare in-house within the CORE program, CHNWF is uniquely positioned to overcome traditional barriers that patients face who struggle with SUD and other co-occurring disorders.

**Describe how your agency evaluates program success.**

The Quality Management Program at CHNWF is a proactive initiative designed to track Quality Care Measures and outcomes, supporting the organization's vision of an integrated health delivery system. Key attributes of the program include treating people with dignity, providing an integrated continuum of care, ensuring effective communication and information sharing, continually improving operating and clinical practices, fostering teamwork, using resources optimally, being scientific and results-oriented, providing a safe environment, and delivering care based on the best scientific evidence and expert clinical judgment.

The program assesses key functions by collecting and analyzing data related to performance dimensions such as efficacy, appropriateness, availability, timeliness, continuity, safety, efficiency, and respect and dignity. It employs the PDCA (Plan, Do, Check, Act) model to monitor performance indicators continually. Quality Improvement (QI) initiatives are developed or redesigned with input from the community, patients, healthcare providers, and staff within the areas of case management, safety, network, quality, patient customer service, and satisfaction.

The Health Center's Continuous Quality Improvement process, derived from Shewhart's CQI Model, involves identifying opportunities or problems, determining causes through data, identifying potential solutions, implementing solutions and collecting evaluation data, analyzing data, and recommending further actions.

To address the evolving mental health and SUD service needs of patients, CHNWF will leverage its QI/QA program by implementing continuous assessment and enhancement. This will involve collecting and analyzing data on service utilization, patient outcomes, and satisfaction to identify trends and areas for improvement. Regular performance reviews and evidence-based guidelines will ensure services meet current standards. Monthly QI meetings will involve interdisciplinary teams reviewing performance metrics, discussing patient feedback, and developing action plans. The program will also facilitate staff training and professional development to ensure high-quality care delivery.

Patient outcomes related to mental health and SUD services will provide insights into trends and adjustments needed to support patients effectively in their journey to health and wellness.

CHNWF proposes that given the other funding matches that support this program and considering our proposed expansion we believe that 150 unique persons will be reached with this support. Over the one year life of the grant the fiscal support will produce 4000 unique clinical encounters across our in house CORE service lines. This includes patient appointments for SUD, MH, Therapy, PCP service, Infectious diseases treatment, social services, reproductive healthcare, laboratory care, radiological imaging, dental care, and any other in-house clinical services offered by CHNWF. This would represent a proposed savings to the community of roughly \$40,000.00 a year. This savings is realized by our proposed project expansion costing \$3,333.00 per patient per year. With the current cost to the community of each person with untreated substance use costing the community \$43,200.00 according to policy experts. [Substance Abuse: Facing the Costs | Health Policy Institute](#)

Ultimately we evaluate programmatic success by the number of patients that enter care and are able to obtain and sustain sobriety within the CORE program. Through this sobriety patients obtain a better quality of life and become more productive members of our community.

**Describe how the agency will continue to provide quality services in the community in the case of reduced or loss of funding.**

CHNWF will bill patients insurance for those who are insured. Given current payer mix within the CORE program at this time it operates at a net loss to CHNWF. However, with the matching funds from West Florida AHEC and the services that it brings we believe we can build a payer mix that is sustainable long-term. CHNWF has applied for a HRSA Behavioral Health Expansion grant. We expect to have a funding decision by the end of September of 2024. With this grant we will reinforce and expand our behavioral health & wellness department (CORE is a part of this department). After the term of the two year grant

expires the funding amount is “rolled up” into our base HRSA funding grant and is sustained in perpetuity.

CHNWF does intend to reapply in year two for Opioid Abatement Funding if awarded in year one. However our application will be for a decreased amount of funding. This is being done considering our strategy of continued CORE expansion so long as need is present within the community. Conducting this expansion in concert with our delineated plan of sustainment ensures that once expansion occurs we are able to sustain utilizing outside funding sources. CHNWF accomplishes this by maintaining a payer mix of patients that produces a net zero programmatic cost. Succinctly put, CHNWF intends to only ask for follow-up funding in order to expand capacity within the CORE program year over year.

## **6. Ability to Complete Activities Outline**

### **Timelines of critical tasks to be accomplished for each proposed activity.**

CHNWF plans on initiating the expansion starting January 1st of 2025. Monthly reports will be submitted starting February 5th 2025 and will be submitted the 5th of each following month. These reports will outline the total number of new patients admitted in the CORE Expansion Program and total number of encounters with these patients covering all service lines. These reports will maintain a running total month over month as well as itemized monthly numbers (new admissions and total service line encounters). This report will be submitted to demonstrate that CHNWF is on track to meet the 1 year goal of admitting 150 (12.5 patients monthly est) new CORE patients and providing 4000 service line encounters ( 333 encounters monthly est ) over the year.

Reporting metrics related to decreases in number of fatal overdoses and EMS supported ED overdose visits will be reported within 30 days of data being shared on the state dashboard [Substance Use Dashboard: Overdoses | CHARTS](#) due to constraints related to data analysis and deduplication this reporting metric may lag and is wholly dependent on the state uploading reported data to the aforementioned dashboard.

### **Monthly spending plans and proposed drawn down schedules; and Reporting schedule for outcomes achieved.**

CHNWF proposes a monthly drawdown schedule whereby the total grant award amount is divided by 12 and report invoices are sent by the 5th of each month for reimbursement of the previous month's services. Reports will delineate the amount of reimbursement for each grant supported by FTE as well as a de-identified line items outlining requested support for each non-FTE project cost (lab services, transportation, MAT pharmacy medications, Non-MAT pharmacy medications). Projected monthly drawdown will begin February 5th of 2025 and end January 5th 2026 each invoice is projected to be for the amount of \$41,666.66.

## **7. Budget Narrative**

**Identify sources of leveraged funds which are currently committed to the organization for this project (commitment letters MUST be attached).**

West Florida Area Health Education Centers (WFAHEC) has awarded CHNWF a grant as a sub recipient to hire, train, and house four Healthcare Navigators. These Healthcare Navigators' responsibility is to assist all community members to include CORE Program Expansion patients with Medicaid, CHIP, Affordable Care Act insurance plans, and Sliding Fee Scale applications. These navigators are vital to ensuring all program participants have the resources to overcome barriers related to insurance and lack of income.

NorthWest Florida Health Network (NWFL Health Network) is funding the CORE program partially to support and sustain the current programmatic infrastructure. The current programmatic infrastructure that the NWFL Health Network grant supports helps to offset programmatic expansion cost. This is done by the sustainment of staff and supervisory support necessary to facilitate program expansion.

### **Description and justification of the proposed Personnel Costs, including Fringe Benefits.**

Part time Psychiatry MD 1 @ 25% FTE 100,000 (no fringe)

This is to provide direct patient care for proposed patients under the CORE expansion. Additionally, this position ensures MD available for mid-level CORE healthcare providers to consult with when treating patients with complicated comorbidities.

Social Worker/ Navigator/ Peer Support Specialist 1 @ 50% FTE 32,500.00

This position is to support a clinical care team member that coordinates with all specialists within the CORE program and other service lines within CHNWF. This position is unique in that it is filled by a trained Social Worker (MSW preferred) who has a strong knowledge of social service providers in the community (Navigator). Most importantly this person has the unique lived experience and the training to be a peer support specialist. This ensures that they are trusted by CORE patients and able to foster deep therapeutic relationships.

Social Worker/ Case Manager 2 @ 50% FTE 50,000.00

These two positions are partially funded under the grant. Two separate case managers/ Social Workers will manage and address the SDOH needs of the 150 persons in the proposed CORE expansion.

Psych RN 1 @ 100% FTE 55,000.00

This position is for a specially trained registered nurse that works directly with the CORE MOUD/SUD providers to address patient needs. Our CORE providers have additional training and licenses to provide SUD and mental health care in addition to addressing patient's primary care needs.

LCSW 2 @ 50% FTE 70,000.00

This partially funds two Licensed Clinical Social Workers who provide clinical therapy services to CORE patients in individual and group therapy sessions.

Peer Support Specialist/ Case Manager 1 @ 50% FTE 25,000.00

This position is for a peer support specialist/ case manager that assists new CORE patients orient to the program. This position helps foster positive trusting therapeutic relationships with the CORE team while also supporting patients in their role as a peer support specialist.

Fringe Benefits ( 28% covering 232,500 in FTE salaries) 65,100

The fringe rate for staff at CHNWF is 28% covering retirement 403b match/ contribution. As well as medical, dental, and vision insurance. The 28% fringe rate is the same fringe rate we charge in all other grants CHNWF applies for.

**Description and justification of the proposed Other Program Operation Costs.**

Transportation 15,400.00

This line item will cover cab rides and bus passes that are provided to CORE patients that do not have transportation or who live in areas where public transit is unavailable.

NON-MAT Medication 17,000

This line item covers the cost of medications and medication co-pays for CORE patients who would not otherwise be able to afford their medically necessary medications ( insulin, blood pressure medications, behavioral health medications).

MAT Medication 50,000.00

This line item is to cover the cost of medication assisted therapy medication prescribed in the CORE program (Suboxone and Subutex)

Lab Services 20,000.00

This line item covers lab testing fees and services required under CORE programmatic protocol (Standard healthcare blood panel, Screening tests, and Urinalysis drug testing).

**Description and justification of the proposed Administrative Costs.**

NA

**Clearly identify the timeframes and methods for obligating grant funds, and how the agency plans to ensure funds are spent before the deadline.**

Grant funds will be obligated over a 12 month fiscal year starting January 1 of 2024 and ending December 31 2024. Monthly invoices will be sent to the county requesting reimbursement in an amount equal to 8.33% of the overall grant award. The overall cost of the programmatic expansion exceeds the requested funding amount. This additional cost is being absorbed by CHNWF thereby ensuring our ability to spend down funding in a timely manner.

**If the applicant plans to provide additional services, other than those eligible under the funding in this application, clearly denote the type of other services or programs and the funding sources.**

All of the following services are offered in house at CHNWF and are leveraged in as part of the CORE Program Expansion. The following services are funded through various Federal, State, Local, and Private grants as well as through insurance reimbursement.

**GENERAL PRIMARY CARE:** General primary care is provided at all health center sites (except the Fairfield Dental location) by directly employed health center providers (Col I). We also have agreements with University of Florida Residency Programs for contracted services (Pediatrics and Internal Medicine) (Col II).

**DIAGNOSTIC LABORATORY:** Waived laboratory services are available at all primary care sites. Non-waived testing is available through a formal agreement with LabCorp. The Jackson Street Main site has a full service Laboratory Department.

**DIAGNOSTIC RADIOLOGY:** Diagnostic Radiology (x-ray, mammography) services are available at the Jackson Street main service delivery location and health center patients are referred to this site for imaging. Col II Formal agreement with VRAD for radiologic interpretations.

**SCREENINGS:** Providers and staff actively promote screening for early detection and encourage preventive measures (i.e., smoking/tobacco cessation and healthy dietary habits). Providers and staff routinely perform cancer, communicable disease, cholesterol and blood lead tests, PAP, fecal occult, and blood testing. LabCorp provides contracted laboratory services for screenings and Baptist Hospital provides follow up for abnormal mammogram screenings. The health center also works with community partners to offer educational and screening opportunities such as retinal screenings.

**COVERAGE FOR AFTER HOURS/EMERGENCIES:** Twenty-four hour phone service is available. All after-hours calls are answered by an RN triage service. Calls are triaged and the on-call provider is contacted. In an acute or emergency situation, callers are instructed to call 911. All individuals referred and admitted to a local health care facility, during hours when service delivery locations are closed, are referred back to the health center for follow-up care. Formal Referral Agreement (Col III) is held with Baptist Hospital for referral of patients for Emergency Department care.

**VOLUNTARY FAMILY PLANNING, GYNECOLOGY, OBSTETRICAL (Prenatal, L&D, Postpartum Care):** Women's health services are available at our Jackson Street main site and women are referred to this service line by other health center sites. Board Certified Women's Health ARNPs offer voluntary family planning, GYN, prenatal and postnatal care/services. We have established a relationship with the University of Florida OB/GYN residency program for resident physicians and preceptors to provide care as a clinical rotation site (Contracted Col II). Patients deliver their babies at Ascension Sacred Heart Hospital in Pensacola. Voluntary family planning services and PAP smears are offered at all service delivery locations.

**IMMUNIZATIONS:** We provide immunizations at all pediatric sites, and appropriate adult immunizations at adult and family practice sites. One of the target efforts the health center has undertaken is our immunization outreach to the local housing developments and pockets of poverty in our service area. The health center deployed our mobile medical unit on numerous occasions to provide vaccines to children in an effort to overcome systemic barriers and inequities among immunized children in our community. Sites are also linked to the Florida State Health Online Tracking System (SHOTS) Immunization Registry. Florida SHOTS is designed to collect and maintain accurate, complete and current vaccination records to promote effective and cost-efficient disease prevention and control. Azara DRVS Visit Planning sheets are also used to prompt clinical teams to order immunizations.



**WELL CHILD SERVICES:** Pediatric services are offered at 10 health center pediatric sites, providing age appropriate preventive care and treatment for newborns through adolescents. We also have a Col II agreement with University of Florida Residency Programs for contracted services (Pediatrics).

**PREVENTIVE DENTAL:** We offer preventive oral health care services at four dental locations (Fairfield, Cantonment Pediatrics, Century and Milton sites) which includes basic dental screenings, x-rays, oral hygiene education, oral prophylaxis, topical application of fluoride, and application of dental sealants. Two mobile dental units also play an important role in providing preventive dental care to school aged children in Escambia and Santa Rosa Counties.

**PHARMACEUTICAL SERVICES:** The health center operates two in-house pharmacy locations and participates in the 340B Drug Pricing Program through several contracted pharmacies. We also participate in a Prescription Assistance Program (PAP) through the pharmaceutical companies compassionate drug programs. PAP Coordinators help patients enroll in prescription assistance programs. Florida A & M College of Pharmacy Pharm D program also provides onsite case management and medication therapy management to patients. Community benefit grant funds from Sacred Heart Hospital also allow patients to receive some prescriptions for free, through a written memorandum of agreement. CHNWF houses a PharmD residency program associated with Florida A&M University.

**Translation** - We shifted to a contracted tablet based virtual translation service which was funded through the American Rescue Plan Act in year 1. Deaf and hard of hearing sign language assistance is also available. For patients with limited English proficiency, staff have a policy and standard operating procedure to follow to use the translation service. All educational materials, registration and eligibility forms, and marketing materials are available in both English and Spanish.

**Care Coordination** - Coordination of care for the unhoused population is being addressed through a special hospital coordination of care program. This program was birthed out of an identified gap in care related to unhoused persons needing safe discharge locations after inpatient care. The result has been that hospitals gain priority access to beds within our emergency shelters and transitional housing resources locally. CHNWF cares for these patients upon discharge and leverages in medical case management services. The result has been better transition of care for patients at highest risk for readmission due to lack of housing. This effort currently has an 80% success rate of transitioning persons from inpatient hospital care to emergency shelter and ultimately to permanent housing.

**Social Determinants of Health (SDOH)** - Social determinants of health, such as economic stability, education, social and community context, healthcare access, and neighborhood environment, significantly affect the health outcomes of patients in our service area. These factors create a complex web of barriers that impede access to care and exacerbate health disparities. CHNWF has developed SDOH procedures and protocols utilizing the PREPARE tool, which is supported by qualitative data to ascertain patient needs related to SDOH. It has been the experience of CHNWF staff that this tool enables clinicians to efficiently and effectively ascertain the critical nature of the needs presented and reported in a manner that best meets patient needs. Further the nuanced nature of the local social safety net services have informed the pathways that patients are directed towards further removing systemic barriers within any continuum of care.

**Health Education** - The health center provides all adult patients with health education opportunities at regularly scheduled appointments and educational opportunities are routinely offered throughout the

community. We provide community education in low-income housing communities, education on healthy eating, mental and physical health, bullying, and a number of other community workshops. Smoking cessation classes are offered on site at the Jackson Street location and virtually. Yoga classes are offered as part of our wellness program.

**A copy of the applicant's overall budget, including other services or programs and funding sources, general management and oversight budget, and overhead/indirect rates charged to grant sources must be attached following the Budget Narrative.**

Due to the size of CHNWF we are able to leverage resources from other service lines to support the operation and expansion of this program. Outside of the already delineated budget for the proposed program expansion we are able to fold in additional incurred costs into our overall organizational budget. Due to the uniqueness of our operational circumstance we have a limited and narrow budget scope for this project expansion. As previously outlined our operational plan for programmatic sustainment is to work towards sustainable payer mixes once patients are admitted into the CORE program expansion. As a Federally qualified health care center CHNWF is able to bill Medicare, Medicaid, and private insurance to sustain long term expansion efforts.

**Community Health Northwest Florida  
Operating Budget - 2023**

**\* 11 Months**

<b>Patient Visits</b>	<b>181,336</b>	<b>176,294</b>	<b>157,139</b>
(@ 95% of Anticipated Productivity)			
	<b>2023</b>	<b>2022</b>	<b>* 2022</b>
<b>Gross Patient Revenue</b>	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>
Uninsured	\$9,752,360	\$8,895,677	\$8,186,992
Medicaid	\$27,570,954	\$25,666,896	\$24,031,819
Medicare	\$4,831,788	\$5,123,561	\$4,206,836
Private	\$6,877,943	\$6,840,437	\$5,947,397
<b>Gross Patient Revenue</b>	<b>\$49,033,045</b>	<b>\$46,526,571</b>	<b>\$42,373,044</b>
<b>Allowances</b>			
Uninsured	(\$9,157,911)	(\$8,607,915)	(\$7,789,688)
Medicaid	(\$11,029,847)	(\$9,639,994)	(\$9,304,875)
Medicare	(\$3,117,990)	(\$3,388,755)	(\$2,712,386)
Private	(\$4,497,140)	(\$4,483,182)	(\$3,900,271)
<b>Total Allowances</b>	<b>(\$27,802,888)</b>	<b>(\$26,119,846)</b>	<b>(\$23,707,220)</b>
<b>Net Patient Revenue</b>	<b>\$21,230,157</b>	<b>\$20,406,725</b>	<b>\$18,665,824</b>
<b>Capitation (Humana, Simply)</b>	<b>\$3,900,000</b>	<b>\$3,600,000</b>	<b>\$3,863,501</b>
<b>Total Patient Revenue</b>	<b>\$25,130,157</b>	<b>\$24,006,725</b>	<b>\$22,529,326</b>
<b>Other Revenue</b>			
HRSA Grant 330 Funding	\$3,800,000	\$3,700,000	\$9,741,460
HRSA ARPA & ECV Funding	\$3,500,000	\$5,300,000	\$0
LIP/County, Childrens Trust	\$1,600,000	\$1,500,000	\$1,508,024
Hospital Subsidy	\$1,100,000	\$1,100,000	\$1,100,000
Rx 340B Savings	\$7,500,000	\$7,125,000	\$11,289,565
Rx Pharmacy, Net	\$6,000,000	\$5,000,000	\$5,549,878
Leased Employees	\$250,000	\$250,000	\$256,958
Other Income (Incentives, CORE, etc.)	\$1,200,000	\$600,000	\$895,942
<b>Other Revenue</b>	<b>\$24,950,000</b>	<b>\$24,575,000</b>	<b>\$30,341,827</b>
<b>Total Revenue</b>	<b>\$50,080,157</b>	<b>\$48,581,725</b>	<b>\$52,871,152</b>
<b>Operating Expense</b>			
Salary and Wages	\$24,000,000	\$22,500,000	\$22,502,367
Employee Benefits @ 18%	\$4,320,000	\$5,625,000	\$4,380,144
Payroll Taxes @ 7.25%	\$1,740,000	\$1,800,000	\$1,607,877
Bad Debt	\$300,000	\$250,000	\$299,219
Medical/Administrative/Professional	\$250,000	\$440,000	\$217,354
Medical Contractual/Other Services	\$1,100,000	\$1,200,000	\$1,077,452
Rx 340B Savings @ 50% of Revenue	\$3,750,000	\$2,493,750	\$4,845,459
Rx Pharmacy @ 65% of Revenue	\$3,900,000	\$2,500,000	\$4,231,451
Durable Medical Equipment	\$250,000	\$360,000	\$235,429
Immunizations/Vaccinations	\$500,000	\$600,000	\$458,324
Supplies	\$1,000,000	\$1,800,000	\$1,612,741
Minor Equipment	\$600,000	\$600,000	\$691,231
Insurance	\$500,000	\$320,000	\$339,001
Maintenance/Repair/Fleet	\$500,000	\$500,000	\$631,490
Leases/Rent	\$2,100,000	\$1,750,000	\$1,760,817
Utilities	\$700,000	\$600,000	\$653,025
CME/Conferences	\$250,000	\$200,000	\$239,541
Software Fees	\$600,000	\$700,000	\$577,092
Other Expenses	\$1,900,000	\$2,000,000	\$3,026,391
Depreciation	\$1,300,000	\$950,000	\$1,107,699
<b>Total Operating Expense</b>	<b>\$49,560,000</b>	<b>\$47,188,750</b>	<b>\$50,494,103</b>
<b>Non-Operating</b>			
Contributions Received	\$6,000	\$6,000	\$46,003
In-House 340B Savings	\$0	(\$750,000)	(\$1,526,541)
Interest Income	\$20,000	\$12,000	\$7,431
Disposal of Assets	\$0	\$0	\$7,610
Contributions Made	(\$275,000)	(\$360,000)	(\$387,311)
<b>Total Non-Operating</b>	<b>(\$249,000)</b>	<b>(\$1,092,000)</b>	<b>(\$1,852,808)</b>
<b>Net Income / (Loss)</b>	<b>\$271,157</b>	<b>\$300,975</b>	<b>\$524,242</b>

**Community Health NWFL, CORE, V0113**

**AMENDMENT #01  
BUSINESS AGREEMENT # V0113**

**THIS Amendment**, is entered into and between **BIG BEND COMMUNITY BASED CARE, INC., d/b/a NWF HEALTH NETWORK**, hereinafter referred to as “**NWFHN**” and **ESCAMBIA COMMUNITY CLINICS, INC., d/b/a COMMUNITY HEALTH NORTHWEST FLORIDA**, hereinafter referred to as “**CONTRACTOR**”, amends Agreement #V0126 as follows:

**B. NWFHN AGREES:**

1. To pay for services described herein, for an amount not to exceed **\$430,577.00** for state fiscal year 2023-24, subject to the availability of funds. The cost of services paid under any other agreement or from any other source is not eligible for reimbursement under this Agreement.
2. The Contractor will receive monthly payments in accordance with the below payment schedule, subject to the availability of funds.

October 1, 2023 – May 31, 2024 Monthly Invoice Amount	\$47,841.88
June 1, 2024 – June 30, 2024 Monthly Invoice Amount	\$47,841.96

3. To remit payment to Contractor for authorized services within thirty (30) calendar days of a properly completed and approved invoice.

**Is hereby amended to read as follows:**

**B. NWFHN AGREES:**

1. To pay for services described herein, for an amount not to exceed **\$250,000.00** for state fiscal year 2024-25, subject to the availability of funds. The cost of services paid under any other agreement or from any other source is not eligible for reimbursement under this Agreement.
2. The Contractor will receive monthly payments in accordance with the below payment schedule, subject to the availability of funds.

July 1, 2024 – May 31, 2025 Monthly Invoice Amount	\$20,833.33
June 1, 2025 – June 30, 2025 Monthly Invoice Amount	\$20,833.37

3. To remit payment to Contractor for authorized services within thirty (30) calendar days of a properly completed and approved invoice.

**V0113, Amendment #01**

Community Health NWFL, CORE, V0113

C. NWFHN AND THE CONTRACTOR MUTUALLY AGREE:

1. This Agreement shall be effective from October 1, 2023, and end on June 30, 2024.
2. Cancellation of this agreement by either party requires thirty days written notice to the other party.

Is hereby amended to read as follows:

C. NWFHN AND THE CONTRACTOR MUTUALLY AGREE:

3. This Agreement shall be effective from July 1, 2024, and end on June 30, 2025.
4. Cancellation of this agreement by either party requires thirty days written notice to the other party.

All terms and conditions of the Contract, as well as any supplements and amendments thereto, not in conflict with this Amendment, shall remain in force and effect for this Amendment.

I have read the above Agreement and understand each paragraph. **IN WITNESS THEREOF**, the Parties hereto have caused this Business Agreement to be executed by their undersigned officials as duly authorized.

**ESCAMBIA COMMUNITY CLINICS, INC., d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA**

DocuSigned by:  
**SIGNATURE:** Chandra Smiley  
4DFCC1FE000B433...

**PRINT NAME:** Chandra Smiley

**TITLE:** CEO

**DATE:** 9/13/2024

**NWF HEALTH NETWORK**

DocuSigned by:  
**SIGNATURE:** Mike Watkins  
AEE71EFE2B6A484...

**PRINT NAME:** MIKE WATKINS/COURTNEY STANFORD

**TITLE:** CEO/COO

**DATE:** 9/13/2024

V0113, Amendment #01



08/28/2024

Mr. John Porter  
President, Board of Directors  
Escambia Community Clinics, Inc. d/b/a  
Community Health Northwest Florida  
2315 W. Jackson St.  
Pensacola, Florida 32505-7552

Dear Mr. Porter:

It is my pleasure to support your application to expand the CORE Program using opioid abatement grant funding.

The expansion aligns well with the Escambia County Opioid Abatement by targeting critical areas outlined in the strategy. Each of the proposal's components is designed to address opioid use and its consequences comprehensively, while also integrating seamlessly with the community's broader system of care.

For more than three decades, Community Health Northwest Florida has served as a medical home for the uninsured, underinsured and needy residents in our area, assuring access to affordable, quality healthcare.

Community Health Northwest Florida and Opening Doors have established a viable community partnership over the years to better meet the healthcare needs of residents in Northwest Florida. CHNWF collaborated with Opening Doors to combat homelessness and providing medical mobile units in neighborhoods to assist the homeless population.

It is at the heart of our collective mission to reach, respond and restore individuals and families in need, and Opening Doors wholeheartedly supports Community Health Northwest Florida's opioid abatement grant to ensure that resources are made available to assist those experiencing substance use disorders.

Sincerely,

A handwritten signature in cursive script that reads "Serene Keiek".

Serene Keiek  
Interim-Director  
Opening Doors Northwest Florida



**Ascension**

Mr. John Porter  
President, Board of Directors  
Escambia Community Clinics, Inc. d/b/a  
Community Health Northwest Florida  
2315 W. Jackson St.  
Pensacola, Florida 32505-7552

August 29, 2024

Dear Mr. Porter:

I am writing this letter in support of Community Health Northwest Florida and their expansion of the CORE Program utilizing opioid abatement grant funding.

The expansion proposal aligns with the Escambia County's Opioid Abatement by targeting critical areas outlined in the strategy. Each component of the proposal is designed to address opioid use and its consequences comprehensively, while also integrating seamlessly with the community's broader systems of care.

Over its 32-year history of service to our community and designation as a FQHC in 2007, Community Health Northwest Florida has demonstrated a compassionate commitment to providing access to primary health care for the uninsured, underinsured, and medically needy residents of the area. The health center's efforts to expand access to services by adding additional primary care sites and services has been instrumental in helping meet the health care needs of our most vulnerable citizens in Escambia County.

Ascension Sacred Heart has partnered with Community Health in a number of ways over the past few years. Together, we led the state in setting up the first drive through COVID testing sites during the pandemic, as well as holding the first hospital-led mass vaccination center. The two organizations worked side-by-side throughout the pandemic, sharing resources, staff and information to ensure the community was protected.

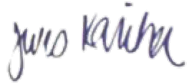
**Ascension Sacred Heart**

5151 N. 9th Avenue  
Pensacola, FL 32504

850-416-7000  
[ascension.org](https://www.ascension.org)

The CORE Program is an important asset and Ascension Sacred Heart wholeheartedly supports it to address the growing Opioid Use Disorder epidemic in Escambia County. I am pleased to offer support for the opioid abatement grant to ensure that resources are made available to the community to assist those experiencing substance use disorders.

Sincerely,

A handwritten signature in blue ink, reading "Jules Kariher".

Jules Kariher  
Chief Advocacy Officer  
Ascension Florida



Sept. 5, 2024

Mr. John Porter  
President, Board of Directors  
Escambia Community Clinics, Inc. d/b/a  
Community Health Northwest Florida  
2315 W. Jackson St.  
Pensacola, Florida 32505-7552

Dear Mr. Porter:

I offer support for Community Health Northwest Florida's application to expand the CORE Program utilizing opioid abatement grant funding.

The expansion proposal aligns with the Escambia County's Opioid Abatement by targeting critical areas outlined in the strategy. Each component of the proposal is designed to address opioid use and its consequences comprehensively, while also integrating seamlessly with the community's broader systems of care.

For more than 30 years, Community Health Northwest Florida has demonstrated a commitment to assuring access to affordable, quality healthcare for the uninsured, underinsured and medically needy residents in our area.

CHNWF and Baptist Health Care have created and maintained a partnership over the years to better meet the healthcare needs in Northwest Florida. CHNWF's efforts have helped meet the healthcare needs of our most vulnerable citizens in Escambia County.

The CORE Program is an important asset and Baptist Health Care supports it to address the growing Opioid Use Disorder epidemic in Escambia County. I am pleased to offer support for the opioid abatement grant to ensure that resources are made available to the community to assist those experiencing substance use disorders.

Sincerely,



KC Gartman  
Chief Development Officer  
Baptist Health Care



Board of County Commissioners • Escambia County, Florida

Travis Tompkins, Division Manager Emergency Management

9/5/2024

Mr. John Porter  
President, Board of Directors  
Escambia Community Clinics, Inc. d/b/a  
Community Health Northwest Florida  
2315 W. Jackson St.  
Pensacola, Florida 32505-7552

Dear Mr. Porter:

With great consideration, I strongly offer my support of Community Health Northwest Florida's application to expand the CORE Program utilizing opioid abatement grant funding.

The expansion aligns well with the Escambia County Opioid Abatement by targeting critical areas outlined in the strategy. Each of the proposal's components is designed to address opioid use and its consequences comprehensively, while also integrating seamlessly with the community's broader systems of care.

For more than 30 years, Community Health Northwest Florida has consistently shown an unwavering commitment to assuring access to affordable, quality healthcare for the uninsured, underinsured and medically needy residents in our area.

The CORE Program is a complete approach recovery, providing a gateway into addiction recovery. Escambia County Emergency Management and CHNWF are collectively committed to tackling the opioid crisis impacting our county.

The CORE Program is an important asset to address the growing Opioid Use Disorder epidemic in Escambia County. I am pleased to support Community Health's opioid abatement grant to ensure that resources are made available to the community to assist those experiencing substance use disorders.

Sincerely,

*Travis D. Tompkins*

Travis Tompkins  
Emergency Manager  
Escambia County Emergency Management



**THE SCHOOL DISTRICT OF ESCAMBIA COUNTY**

75 NORTH PACE BOULEVARD

PENSACOLA, FL 32505

PH (850)432-6121 FX (850)469-6379

<http://escambiaschools.org>

**KEITH LEONARD, SUPERINTENDENT**

September 3, 2024

Mr. John Porter  
President, Board of Directors  
Escambia Community Clinics, Inc. d/b/a  
Community Health Northwest Florida  
2315 W. Jackson St.  
Pensacola, Florida 32505-7552

Dear Mr. Porter:

Please accept this letter on behalf of the Escambia County School District to offer my support of the application to expand the CORE Program using opioid abatement grant funding.

The expansion aligns well with the Escambia County Opioid Abatement by targeting critical areas outlined in the strategy. Each of the proposal's components is designed to address opioid use and its consequences comprehensively, while also integrating seamlessly with the community's broader systems of care.

Over its 32-year history of service and designation as a FQHC in 2007, Community Health Northwest Florida has demonstrated a compassionate commitment to providing access to primary health care for the uninsured, underinsured and medically needy residents of the area.

For many years, the Escambia County School District has partnered with CHNWF, providing access to healthcare, family education and afterschool activities. CHNWF operates two school-based health clinics where staff educate school-aged children about substance use and misuse. Additionally, pediatric healthcare providers across service sites offer education and early intervention on substance-related issues.

The CORE Program is an important asset to address the growing Opioid Use Disorder epidemic in this county. I am pleased to offer support for the opioid abatement grant to ensure that resources are made available to the community to assist those experiencing substance use disorders.

Sincerely,

Keith Leonard

KL/RD/dh



September 11, 2024

Mr. John Porter  
President, Board of Directors  
Escambia Community Clinics, Inc. d/b/a  
Community Health Northwest Florida  
2315 W. Jackson St.  
Pensacola, Florida 32505-7552

Dear Mr. Porter:

With great consideration, I strongly offer my support of Community Health Northwest Florida's application to expand the CORE Program utilizing opioid abatement grant funding.

Community Health Northwest Florida is a sub-recipient of a grant that West Florida Area Health Education Center, Inc. is a recipient of to assist persons in obtaining Medicaid, CHIP, and Affordable Care Act Health Insurance Plans. The amount of the Community Health Northwest Florida award is \$133,923 annually with the intent to renew. West Florida AHEC has received official recognition as a five- year partner in the Florida Covering Kids and Families Program, also known as the "Healthcare Insurance Marketplace" in the state of Florida.

It is my understanding that Community Health Northwest Florida will be leveraging a portion of this grant award to assist patients within the proposed CORE expansion obtain insurance. These resources will help overcome traditional barriers to care for persons with substance use disorder by ensuring they have assistance in obtaining health insurance benefits.

Please consider this letter as an attestation of both support and the commitment of leveraged funds. The proposed expansion aligns well with the Escambia County Opioid Abatement by targeting critical areas outlined in the strategy. Each of the proposal's components is designed to address opioid use and its consequences comprehensively, while also integrating seamlessly with the community's broader systems of care.

For more than 30 years, Community Health Northwest Florida has consistently shown an unwavering commitment to assuring access to affordable, quality healthcare for the uninsured, underinsured and medically needy residents in our area.

The CORE Program is an important asset to address the growing Opioid Use Disorder epidemic in Escambia County. I am pleased to support Community Health Northwest Florida's effort in the opioid abatement grant to ensure that resources are made available to the community to assist those experiencing substance use disorders.

Sincerely,  
Paige Arnup  
Paige Arnup, MS  
Executive Director

1455 South Ferdon Blvd. Suite B-1 Crestview, Florida 32536  
Ph: (850) 682-2552 Fax: (850) 682-2521

**Request for Taxpayer  
Identification Number and Certification**

Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Give form to the  
requester. Do not  
send to the IRS.

**Before you begin.** For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) <b>Escambia Community Clinics, Inc.</b>	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) _____  Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____  (Applies to accounts maintained outside the United States.)
	2 Business name/disregarded entity name, if different from above. <b>Community Health Northwest Florida</b>	
	3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) _____ Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. <input checked="" type="checkbox"/> Other (see instructions) <b>501(c)(3) Not for Profit Corporation</b>	
	3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . <input type="checkbox"/>	
	5 Address (number, street, and apt. or suite no.). See instructions. <b>2315 W. Jackson Street</b> 6 City, state, and ZIP code <b>Pensacola, FL 32505</b> 7 List account number(s) here (optional)	

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Social security number									
			-				-		
or									
Employer identification number									
5	9	-	3	1	0	5	2	4	6

**Note:** If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

**Part II Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person 	Date <b>5-7-2024</b>
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**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

**What's New**

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership instructions for Schedules K-2 and K-3 (Form 1065).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

**ESCAMBIA COMMUNITY CLINICS, INC.  
d/b/a COMMUNITY HEALTH  
NORTHWEST FLORIDA**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2021 AND 2020**



[www.warrenaverett.com](http://www.warrenaverett.com)

The report accompanying this deliverable was issued  
by Warren Averett, LLC.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
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DECEMBER 31, 2021 AND 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Escambia Community Clinics, Inc.  
d/b/a Community Health Northwest Florida

### Opinion

We have audited the accompanying consolidated financial statements of Escambia Community Clinics, Inc., (d/b/a Community Health Northwest Florida) (a nonprofit organization) and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 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 financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Escambia Community Clinics, Inc. and subsidiaries as of December 31, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Escambia Community Clinics, Inc. and subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Escambia Community Clinics, Inc. and subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Escambia Community Clinics, Inc. and subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Escambia Community Clinics, Inc. and subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

**Other Matters*****Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities and the schedules of grants, contracts and reimbursements revenue, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 July 19 2022, on our consideration of Escambia Community Clinics, Inc. and subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Escambia Community Clinics, Inc. and subsidiaries' internal control over financial reporting and compliance.

*Warren Averett, LLC*

Pensacola, Florida  
July 19, 2022

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 7,683,852	\$ 10,640,863
Patient services receivable, net	6,094,177	1,981,839
Other receivables	1,050,434	2,206,041
Prepaid expenses and other current assets	<u>759,455</u>	<u>556,146</u>
Total current assets	15,587,918	15,384,889
<b>PROPERTY AND EQUIPMENT, NET</b>	11,048,048	10,581,681
<b>GOODWILL</b>	826,978	650,610
<b>OTHER ASSETS</b>		
Long-term note receivable – NMTC	<u>4,316,554</u>	<u>4,316,554</u>
Total other assets	<u>4,316,554</u>	<u>4,316,554</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 31,779,498</u></u>	<u><u>\$ 30,933,734</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 943,650	\$ 615,366
Accrued salaries and related expenses	1,008,877	897,477
Accrued compensated absences	1,100,045	1,061,943
Other current liabilities	500	500
Interest rate swaps	52,630	205,602
Current portion of long-term debt	<u>344,910</u>	<u>680,682</u>
Total current liabilities	3,450,612	3,461,570
<b>LONG-TERM LIABILITIES</b>		
NMTC - see note 6	6,417,094	6,417,094
Long-term debt	<u>3,334,457</u>	<u>5,133,482</u>
Total long-term liabilities	<u>9,751,551</u>	<u>11,550,576</u>
<b>TOTAL LIABILITIES</b>	13,202,163	15,012,146
<b>NET ASSETS</b>		
Without donor restrictions	<u>18,577,335</u>	<u>15,921,588</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 31,779,498</u></u>	<u><u>\$ 30,933,734</u></u>

See notes to the consolidated financial statements.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>OPERATING REVENUES</b>		
Net patient service revenues	\$ 18,358,988	\$ 14,922,293
340B prescription drug assistance program	8,406,008	8,126,820
Capitation revenue	3,554,110	3,261,022
Pharmacy services, net of costs of goods sold	300,451	200,553
Other	456,376	619,175
Total operating revenues	31,075,933	27,129,863
<b>PUBLIC SUPPORT</b>		
Grant, contracts and reimbursements	10,372,645	8,395,305
<b>TOTAL OPERATING REVENUES AND PUBLIC SUPPORT</b>	41,448,578	35,525,168
<b>FUNCTIONAL EXPENSES</b>		
Healthcare services	24,741,015	25,726,089
Support services	13,960,411	9,644,736
Total functional expenses	38,701,426	35,370,825
<b>INCOME FROM OPERATIONS</b>	2,747,152	154,343
<b>OTHER INCOME (EXPENSES)</b>		
Interest income	61,757	61,425
Interest expense	(253,956)	(441,205)
PPP grant income	-	4,324,100
Other income (expenses)	100,794	(117,975)
Total other income (expenses), net	(91,405)	3,826,345
<b>CHANGE IN NET ASSETS</b>	2,655,747	3,980,688
<b>NET ASSETS AT BEGINNING OF YEAR</b>	15,921,588	11,940,900
<b>NET ASSETS AT END OF YEAR</b>	\$ 18,577,335	\$ 15,921,588

See notes to the consolidated financial statements.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Healthcare Services</b>	<b>Support Services</b>	<b>Total</b>
<b>SALARIES AND RELATED EXPENSES</b>			
Salaries	\$ 12,140,265	\$ 8,093,510	\$ 20,233,775
Payroll taxes and fringe benefits	3,558,511	2,372,341	5,930,852
Total salaries and related expenses	15,698,776	10,465,851	26,164,627
<b>OTHER EXPENSES</b>			
Prescription drugs	2,327,435	-	2,327,435
Occupancy	655,882	437,256	1,093,138
Physician professional	1,055,725	-	1,055,725
Supplies	1,801,156	1,200,770	3,001,926
Telephone and utilities	339,731	226,487	566,218
Conferences	94,278	23,569	117,847
Depreciation and amortization	909,114	227,278	1,136,392
Dues and memberships	84,070	56,046	140,116
Equipment rental	5,256	21,025	26,281
Miscellaneous	113,833	455,331	569,164
Postage and shipping	29,698	3,300	32,998
Professional fees	60,737	49,695	110,432
Recruitment cost	72,810	8,090	80,900
Repairs and maintenance	329,618	219,746	549,364
Insurance	224,756	149,838	374,594
Contractual services	449,978	23,683	473,661
Software fees	416,905	178,674	595,579
Advertising	71,257	213,772	285,029
Total other expenses	9,042,239	3,494,560	12,536,799
<b>TOTAL EXPENSES</b>	<b>\$ 24,741,015</b>	<b>\$ 13,960,411</b>	<b>\$ 38,701,426</b>

See notes to the consolidated financial statements.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Healthcare Services</b>	<b>Support Services</b>	<b>Total</b>
<b>SALARIES AND RELATED EXPENSES</b>			
Salaries	\$ 13,310,017	\$ 6,132,624	\$ 19,442,641
Payroll taxes and fringe benefits	3,640,795	1,676,810	5,317,605
Total salaries and related expenses	16,950,812	7,809,434	24,760,246
<b>OTHER EXPENSES</b>			
Prescription drugs	2,061,887	-	2,061,887
Occupancy	491,689	327,792	819,481
Physician professional	1,101,304	-	1,101,304
Supplies	2,443,356	-	2,443,356
Telephone and utilities	303,282	202,188	505,470
Conferences	80,201	14,153	94,354
Depreciation and amortization	846,919	211,730	1,058,649
Dues and memberships	77,658	13,704	91,362
Equipment rental	7,737	30,948	38,685
Miscellaneous	84,609	338,438	423,047
Postage and shipping	20,666	2,296	22,962
Professional fees	50,526	41,339	91,865
Recruitment cost	61,826	6,870	68,696
Repairs and maintenance	266,531	177,688	444,219
Insurance	143,840	95,893	239,733
Contractual services	323,753	35,973	359,726
Software fees	346,962	148,698	495,660
Advertising	62,531	187,592	250,123
Total other expenses	8,775,277	1,835,302	10,610,579
<b>TOTAL EXPENSES</b>	<b>\$ 25,726,089</b>	<b>\$ 9,644,736</b>	<b>\$ 35,370,825</b>

See notes to the consolidated financial statements.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,655,747	\$ 3,980,688
Adjustments to reconcile change in net assets to cash flows provided by operating activities:		
Amortization	87,663	78,592
Depreciation	1,048,729	980,057
Changes in assets and liabilities:		
Patient services receivable	(4,112,338)	1,829,919
Other receivables	1,155,607	(337,004)
Prepaid expenses and other current assets	(203,309)	584,601
Accounts payable	328,284	(6,786)
Accrued salaries and related expenses	111,400	178,236
Accrued compensated absences	38,102	195,842
Other liabilities	(152,972)	(4,500)
Net cash provided by operating activities	<u>956,913</u>	<u>7,479,645</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of pharmacy assets	(264,031)	-
Purchase of property and equipment	(1,770,096)	(598,342)
Proceeds from sale of property and equipment	<u>255,000</u>	<u>16,990</u>
Net cash used in investing activities	<u>(1,779,127)</u>	<u>(581,352)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(2,272,441)	(736,007)
Borrowings on long-term debt	<u>137,644</u>	<u>126,999</u>
Net cash used in financing activities	<u>(2,134,797)</u>	<u>(609,008)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(2,957,011)	6,289,285
<b>CASH AT BEGINNING OF YEAR</b>	<u>10,640,863</u>	<u>4,351,578</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 7,683,852</u></u>	<u><u>\$ 10,640,863</u></u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest	<u><u>\$ 253,956</u></u>	<u><u>\$ 441,205</u></u>

See notes to the consolidated financial statements.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF ORGANIZATION**

**Description of Organization**

Escambia Community Clinics, Inc. (ECC) (d/b/a Community Health Northwest Florida) is a not-for-profit health care corporation incorporated under the laws of the state of Florida in January 1992. ECC is a Federally Qualified Health Center (FQHC) that receives federal grant funds pursuant to Section 330 of the Public Health Service Act, 42 U.S.C. 254b, a program, which is administrated by the Bureau of Primary Health Care with the United States Department of Health and Human Services (DHHS). The mission of ECC is to provide quality outpatient primary and acute health care services to citizens of Escambia County and surrounding areas, with a special focus to provide access to care for the under-insured, uninsured, working poor and the medically needy, regardless of their ability to pay for services.

**Principles of Consolidation and Basis of Accounting**

In accordance with generally accepted accounting principles (GAAP), the accompanying consolidated financial statements include the financial activities of ECC and two subsidiaries. Escambia Community Holdings (ECH) is a wholly owned subsidiary of ECC. Community Clinics Services (CCS) is wholly owned by ECC and ECH. All significant intercompany transactions have been eliminated in the accompanying consolidated financial statements. The consolidated financial statements of ECC are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Escambia Community Holdings, Inc.**

ECH, a subsidiary, was incorporated and formed in 2008 to support the establishment and the continuation of health care facilities to serve the medically underserved population. This entity had two members, Sacred Heart Health System, Inc. (SHH) and Baptist Hospital, Inc. (BH), related parties (see Note 12). ECH held cash and owned land and a building. The building was previously rented to and occupied by ECC. In 2014, the building was severely flooded and unable to be occupied. In March 2016, SHH and BH transferred their interest in ECH to ECC. The ECH Board of Directors consists of one representative from the ECC Board, along with two independent board members. The ECH acquisition was critical to the New Market Tax Credit transaction that occurred in 2016 as described in Note 6.

**Community Clinics Services, Inc.**

In 2016, ECC formed CCS to meet certain census tracking requirements related to the new facility under construction. ECC and ECH are the two members of CCS. The CCS Board of Directors is substantively the same as the ECC Board of Directors. CCS is a Qualified Active Low-Income Business (QALICB), receiving proceeds from the New Market Tax Credit transaction to fund the new facility construction project as described in Note 6.



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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF ORGANIZATION – CONTINUED**

**Financial Statement Presentation**

ECC is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions or without donor restrictions. Net assets are classified based on donor restrictions, if any, that may or may not be met by actions of management or by the passage of time. Currently, there are no net assets with donor restrictions.

**Net Patient Service Revenue and Accounts Receivable**

Patient care service revenue is reported at the amount that reflects the consideration to which ECC expects to be entitled in exchange for providing patient care. Patient receivables represent amounts due from patients and third-party payors (including health insurers and government payors).

ECC has agreements with third-party payors to charge rates at amounts different from its published rates. A summary of the payment arrangements with major third-party payors is as follows:

Medicaid – ECC, as an FQHC, receives reimbursement from Medicaid based upon its costs of providing services to Medicaid eligible patients. ECC is reimbursed for cost reimbursable items at a contracted rate with settlement determined on a quarterly basis after submission of wrap-around cost reports by ECC and audits thereof by the Medicaid fiscal intermediary. Additionally, ECC is paid a capitation payment from a managed care organization for a large portion of its Medicaid patients as a result of the state of Florida's reorganization of Medicaid.

Medicare – ECC is eligible for cost reimbursements from Medicare based upon its costs of providing services. Services rendered to Medicare patients are paid at a tentative rate with final settlement determined after submission of annual cost reports by ECC and audits thereof by the Medicare fiscal intermediary.

ECC reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients and others. Net patient services revenue is recognized in the period services are provided at the estimated net realizable amount from Medicare, Medicaid, commercial insurers, other third-party payors and patients. Established rates are maintained for patient services provided; however, actual collectible revenue is normally realized at a discount to these rates. Contractual adjustments represent the difference between the amounts billed for these services and the amounts that are reimbursable by third-party payors.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. ECC estimates the transaction price for patients with deductibles and coinsurance and for those who self-pay based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF ORGANIZATION – CONTINUED**

**Net Patient Service Revenue and Accounts Receivable – Continued**

Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. There are various factors that can impact the collection trends, such as a change in the general economy, which in turn have an impact on unemployment rates and the number of uninsured and underinsured patients, the increased burden of copayments to be made by patients with insurance and business practices related to collection efforts. These factors continuously change and can have an impact on collection trends and the revenue estimation process. As a practical expedient, the Company adopted a portfolio approach for the patient service revenue stream to group contracts with similar characteristics and analyze historical cash collections trends. The contracts within the portfolio share the characteristics conducive to ensuring that the results do not materially differ under the new standard if it were to be applied to individual patient contracts related to each patient encounter.

For receivables associated with services provided to patients who have third-party coverage, which includes patients with deductible and copayment balances due from which third-party coverage exists for part of the bill, ECC analyzes contractually due amounts and provides an allowance for implicit price concessions and a provision for implicit price concessions, if necessary. For receivables associated with self-pay patients, ECC records a significant provision for implicit price concessions in the period of service on the basis of its past experience, which indicates that many patients are unable to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for implicit price concessions. ECC does not maintain a material allowance for implicit price concessions from third-party payors, nor did it have significant write-offs from third-party payors.

**Charity Care**

Quality medical care is provided to all persons requiring treatment regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of ECC. In assessing a patient's inability to pay, ECC utilizes the most recently published Federal poverty income guidelines. In addition, charity services include charges for services provided to Medicaid patients less payments actually received. These charges are included in net patient service revenue. The cost of charity care provided by ECC for the years ended December 31, 2021 and 2020, was \$10,177,908 and \$8,907,432, respectively.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF ORGANIZATION – CONTINUED**

**Grant and Contract Revenue**

Revenue from government grants and contracts designated for specific activities is recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions. Grants and contracts awarded for the acquisition of long-lived assets are reported as changes to net assets, in the absence of donor stipulations to the contrary, during the year in which the assets are acquired. Cash received in advance of revenue recognized is recorded as deferred revenue. Grant and contract receivables are reported at their outstanding unpaid balances.

**Capitation Revenue**

ECC has agreements with managed care organizations and the Department of Public Health to provide medical services to subscribing participants. Under these agreements, ECC receives monthly capitation payments based on the number of each plan's participants assigned to ECC, regardless of services actually performed by ECC.

**Section 340B Program of the Public Health Service Act**

ECC offers reduced price medications to low-income, uninsured patients through arrangements with contracted pharmacies. Revenue is earned as prescriptions are filled and provided to patients.

**Long-Lived assets**

Long-lived assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment losses were recorded for the years ended December 31, 2021 and 2020.

**Property and Equipment**

Property and equipment is stated at cost. ECC capitalizes all property and equipment purchases in excess of \$1,000. Donated property and equipment are recorded at estimated fair market value at the date of the donation. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	39 years
Improvements	15 years
Machinery and equipment	3-7 years
Vehicles	5-6 years
Software	3 years

Property and equipment acquired with Section 330 grant funds are considered to be owned by ECC. However, the funding source has a reversionary interest in the property, as well as the right to determine the use of any proceeds from the sale of assets purchased with their funds.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF ORGANIZATION – CONTINUED**

**Goodwill**

Goodwill consists of the excess of cost over the fair value of net assets acquired. Goodwill is amortized over a ten-year period from the asset purchase date.

**Compensated Absences**

ECC provides paid time off (PTO) benefits, which include vacation, holiday and sick time, for its full-time employees and some part-time employees who meet hourly work requirements. Employees are granted PTO benefits in varying amounts to specified maximums depending on tenure with ECC. Generally, after one year of service, employees are entitled to all accrued PTO upon termination or retirement up to 80 hours. A maximum accrual of PTO is limited to two times the annual accrual (or two years).

**Donated Services**

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. Donated services totaled \$23,731 and \$15,172 for the years ended December 31, 2021 and 2020, respectively.

**Income Taxes**

ECC has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(3) as a not-for-profit corporation. ECC is not aware of any uncertain tax positions that would require disclosure or accrual in accordance with generally accepted accounting principles.

**Functional Allocation of Expenses**

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, costs have been allocated among the program and supporting services benefited. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a square footage basis; and supplies, which are allocated based on average employee headcount.

**Use of Estimates**

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenues, expenses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF ORGANIZATION – CONTINUED**

**Subsequent Events**

Management has evaluated subsequent events for recognition or disclosure through July 19, 2022, the date the consolidated financial statements were available to be issued.

**2. PATIENT SERVICES RECEIVABLE AND NET PATIENT SERVICE REVENUES**

Accounts receivable recorded net of the allowance for implicit price concessions and allowance for contractual adjustments are as follows:

	<b>2021</b>	<b>2020</b>
Patients services receivable, gross	\$ 7,044,886	\$ 2,913,340
Allowance for contractual adjustments and implicit price concessions	<u>(950,709)</u>	<u>(931,501)</u>
Patients services receivable, net	<u><u>\$ 6,094,177</u></u>	<u><u>\$ 1,981,839</u></u>

Patient fees revenue, net of provision for contractual allowances and implicit price concessions, consists of the following for the years ended:

	<b>2021</b>	<b>2020</b>
Patient fees, gross	\$ 53,180,686	\$ 48,295,769
Contractual adjustments and implicit price concessions	<u>(34,821,698)</u>	<u>(33,373,476)</u>
Patient fees, net of contractual and implicit price concessions	<u><u>\$ 18,358,988</u></u>	<u><u>\$ 14,922,293</u></u>

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### **3. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

	<b>2021</b>	<b>2020</b>
Land	\$ 385,335	\$ 610,335
Leasehold improvements	10,401,529	10,075,204
Equipment	2,816,475	2,131,916
Vehicles	794,663	726,595
Software	952,352	798,168
Construction in progress	521,773	14,812
	15,872,127	14,357,030
Less accumulated depreciation	(4,824,079)	(3,775,349)
Property and equipment, net	<u>\$ 11,048,048</u>	<u>\$ 10,581,681</u>

Depreciation expense for the years ended December 31, 2021 and 2020, totaled \$1,048,729 and \$980,057 respectively.

### **4. GOODWILL**

In April 2019, ECC acquired the assets of two pharmacies, which have historically served the under-insured, uninsured and working poor citizens of Escambia County. The purchase price was approximately \$850,000 and was allocated to the tangible and intangible assets acquired. ECC recorded goodwill of \$788,618 as of December 31, 2019, that is being amortized over 10 years.

In August 2021, ECC acquired the assets of a pharmacy. The purchase price was approximately \$270,000 and was allocated to the tangible and intangible assets acquired. ECC recorded goodwill of \$264,031 as of December 31, 2021, that is being amortized over 10 years.

Amortization expense was \$87,663 and \$78,592 as of December 31, 2021 and 2020, respectively.

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**5. LONG-TERM DEBT**

ECC has the following long-term debt:

	<u>2021</u>	<u>2020</u>
Loan from a financing institution used to fund a leveraged loan to Stonehenge Florida NMTC Investment Fund V, LLC (see Note 6). The loan requires monthly payments of \$17,500, beginning on October 1, 2017. The loan has a variable interest rate of 3.25%, plus one month ICE LIBOR. Final payment on the loan is due in September 2023.	\$ 3,412,500	\$ 3,622,500
Loan from a financing institution requiring monthly payments ranging from \$19,500 to \$29,300 beginning on June 1, 2018. The loan has a variable interest rate of 3.00%, plus one month ICE LIBOR and is secured by all property of ECH. Final payment on the loan is due in May 2025. Loan was paid off before maturity, in 2021.	-	1,397,996
Loan from a financing institution used to fund the purchase of property. The loan requires monthly payments of \$3,757, beginning on January 19, 2019. The loan has a fixed interest rate of 5.01% and is secured by property and all accounts held on deposit by ECH and ECC. Final payment on the loan is due in December 2033.	225,574	428,296
Loan payable to an individual for the purchase of assets of two pharmacies. The loan requires annual payments of \$100,000 beginning on April 1, 2020. The loan has a fixed interest rate of 2% and is unsecured. Final payment on the loan is due in April 2024. Loan was paid off before maturity, in 2021.	-	319,190
Loan from a financing institution used to fund liability insurance.	41,293	46,182
New Market Tax Credit Loans - see Note 6	<u>6,417,094</u>	<u>6,417,094</u>
	10,096,461	12,231,258
Less current portion	<u>(344,910)</u>	<u>(680,682)</u>
Long-term debt, net	<u><u>\$ 9,751,551</u></u>	<u><u>\$ 11,550,576</u></u>



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**5. LONG-TERM DEBT – CONTINUED**

At December 31, 2021, the scheduled principal repayments on long-term debt are as follows:

2022	\$ 344,910
2023	305,489
2024	3,028,968
2025	-
2026	-
Thereafter	<u>6,417,094</u>
	<u>\$ 10,096,461</u>

**6. NEW MARKET TAX CREDIT TRANSACTION**

During 2016, ECC restructured operations and entered into transactions in order to make additional funds available through the New Markets Tax Credit (NMTC) Program. The additional funds were used to partially finance the construction of a new clinic, which was completed in January 2018.

As a part of the restructuring, a new 501(c)(3) entity named CCS was created and used to construct the new facility and lease the facility to ECC upon completion. The NMTC Program permits taxpayers to claim a credit against federal, and sometimes state, income taxes for Qualified Equity Investments (QEIs) in designated Community Development Entities (CDEs). These CDEs must use substantially all (85%) of the proceeds to make Qualified Low-Income Community Investments (QLICs). The investor is provided with a tax credit, which is claimed over a seven-year period. The federal credit is equal to 5% of the QEI over the first three years and 6% annually for the final four years, resulting in a total credit amount of 39%.

On March 31, 2016, ECH borrowed \$4.2 million from a local bank, which along with other ECH funds, was used to make a leveraged loan of \$4,316,554 to the Stonehenge Florida NMTC Investment Fund V, LLC (the State Investment Fund). The State Investment Fund also received equity totaling \$2,100,540 from a tax credit investor and then made a QEI of \$6,417,094 in Stonehenge Community Development 102, LLC, (the State CDE), of which the State Investment Fund owns 99.99%. The remaining .01% is owned by Stonehenge Community Development, LLC.

The State CDE made Loan D, totaling \$3,417,094 to CCS, the Qualified Active Low-Income Community Business (the QALICB). The remaining \$3 million was used by the State CDE to make a \$3 million leveraged loan to Twain Investment Fund, LLC (the Federal Investment Fund). The Federal Investment Fund also received equity totaling \$270,427 from a tax credit investor and then made a QEI in Stonehenge Community Development 110, LLC, (the Federal CDE), of which the Federal Investment Fund owns 99.99%. The remaining .01% is owned by Stonehenge Community Development, LLC. The Federal CDE made three loans, loans A, B and C, totaling \$3 million to CCS, (the QALICB).

The debt related to the new market tax credit transaction totaled \$6,417,094 at December 31, 2021 and 2020.



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**6. NEW MARKET TAX CREDIT TRANSACTION – CONTINUED**

ECH's leveraged loan receivable from the state investment fund earns interest at 1.40% per annum quarterly, with quarterly principal payments commencing January 20, 2024. Final maturity is October 2043. The loan receivable totals \$4,316,554 as of December 31, 2021 and 2020.

CCS's notes payable A, B and C require interest to be paid quarterly to Stonehenge Community Development 110, LLC (lender) at 2.614% per annum, with quarterly principal payments commencing January 5, 2024. Final maturity is October 2050. Prepayments of principal are not allowed during the seven-year tax compliance period.

CCS's note payable D requires interest to be paid quarterly to Stonehenge Community Development 102, LLC (lender) at 1.605% per annum, with quarterly principal payments commencing January 5, 2024. Final maturity is October 2050. Prepayments of principal are not allowed during the seven-year tax compliance period.

CCS pledged substantially all of its assets as collateral for Notes A, B and C. The Lender has a lien and security interest in the collateral.

In connection with making the loan, ECC entered into "put and call" agreements with the owners of the Federal and State Investment Funds. The agreement allows the owners to "put" their combined 100% interest in the Funds to ECC at the end of the seven-year tax credit investment period. If the owners exercise these puts, ECC will pay a purchase price of \$1,000, plus any transfer or closing costs, to each owner. In the event the puts are not exercised, ECC can exercise "call" options to purchase the ownership interests in the Funds at amounts equal to the fair value of those ownership interests, as determined by an independent appraiser. No amounts have been recorded in these consolidated financial statements related to these put and call options.

**7. INTEREST RATE SWAPS**

ECC entered into an interest rate swap agreement on March 31, 2016, with a notional amount of \$4,200,000 and maturing in September 2023. ECC entered into an additional interest rate swap agreement on April 9, 2018, with a notional amount of \$1,500,000 and maturing in May 2025.

ECC has an asset (liability) recorded for the net amount of the fair value of its interest rate swaps on its consolidated balance sheets, in the amount of approximately (\$52,600) and (\$205,000), as of December 31, 2021 and 2020, respectively. The fair value has been categorized based on pricing inputs, which are observable from actively quoted midmarket values. All interest rate swap agreements are considered Level 2 assets (liabilities) because a quoted price can be obtained from a number of dealer counterparties and other market sources based on observable interest rates and yield curves for the full term of the asset or liability.

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**8. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

ECC has a policy to manage its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

	<b>2021</b>	<b>2020</b>
Cash	\$ 7,683,852	\$ 10,640,863
Patient services receivable, net	6,094,177	1,981,839
Other receivables	<u>1,050,434</u>	<u>2,206,041</u>
Financial assets available to meet cash needs for expenditures within one year	<u><u>\$ 14,828,463</u></u>	<u><u>\$ 14,828,743</u></u>

**9. RELATED PARTY TRANSACTIONS**

ECC is a recipient of community benefit grant awards through agreements with Sacred Heart Health System, Inc. (SHH) and Baptist Hospital, Inc. (BH). The grant proceeds are to be used specifically to support the otherwise uncompensated costs (including general and administrative costs properly allocable under GAAP), which ECC reasonably projects it will incur in providing comprehensive, community-based, preventive and primary health and dental care, behavioral health services, related enabling services, outreach, health education and promotion, risk management and other appropriate services and programs that promote access to and availability of continuous care for the residents of the Escambia and Santa Rosa County service area. The Chairman and Vice Chairman positions of ECC's Board of Directors are held by executives from BH and SHH.

The total amount of awards ECC received under these Community Benefit Grant Agreements for each of the years ended December 31, 2021 and 2020, was approximately \$1,100,000.

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**10. PENSION PLAN**

ECC provides a 403(b)-retirement plan for its employees. ECC contributes 3.5% of eligible compensation to eligible participants. ECC also makes discretionary contributions up to 3% of the participant's elective deferral. Contributions were \$900,938 and \$564,798 for the years ended December 31, 2021 and 2020, respectively.

**11. SELF-INSURANCE**

ECC has in place a large deductible policy for health insurance for its employees and supplements the policy with re-insurance.

ECC is responsible for paying eligible claims up to the maximum deductible of \$50,000 per employee, as well as the premium for the re-insurance. The maximum amount of losses for which ECC could be held responsible in any given policy period is \$1,000,000. The insurance company administers the claims and payments as a third-party service provider.

ECC established reserves for open and expected claims of approximately \$169,000 and \$115,000 as of December 31, 2021 and 2020, respectively, which are included in accrued expenses in the accompanying consolidated financial statements. Further adjustments to the amounts recorded from estimates and final settlements will be recorded in the income statement when adjustments become known.

**12. LEASE COMMITMENTS**

ECC leases equipment, office and clinical space under operating leases expiring at various dates through August 2026. Total lease expense for 2021 and 2020 was \$1,054,912 and \$750,981, respectively.

The following is a schedule of future minimum lease payments under operating leases as of December 31, 2021, that have initial or remaining lease terms in excess of one year:

2022	\$ 733,132
2023	764,628
2024	764,628
2025	737,028
2026	629,310
	<u>\$ 3,628,726</u>

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### **13. CONCENTRATIONS AND CREDIT RISK**

#### **Concentrations**

ECC's primary operations and service area include most communities of Escambia County, Florida. ECC grants credit without collateral to its patients, who are uninsured, insured under third-party payor arrangements, primarily with Medicare, Medicaid, and various commercial insurance companies.

The significant concentrations of patient services receivable at December 31, 2021 and 2020, were approximately:

	<u><b>2021</b></u>	<u><b>2020</b></u>
Medicare	7%	9%
Medicaid	78%	75%
Other	13%	11%
Self-pay	2%	5%
	<u>100%</u>	<u>100%</u>

Approximately 19% and 13% of ECC's total revenues in 2021 and 2020, respectively, were provided by grants through the U.S. Department of Health and Human Services. Approximately 3% of ECC's total revenues in both 2021 and 2020, were provided by community grants from Sacred Heart Health System, Inc. and Baptist Hospital, Inc. ECC is economically dependent on these funding sources.

#### **Deposits**

ECC occasionally maintains cash balances in excess of the insured limits provided by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2021 and 2020, deposits at financial institutions exceeded FDIC insured limits by approximately \$7 million and \$10 million, respectively.

### **14. MEDICAL MALPRACTICE CLAIMS COVERAGE**

The Federally Supported Health Centers Assistance Act of 1992 and 1995 granted medical malpractice liability protection through the Federal Tort Claims Act (FTCA) to FQHCs. Under this legislation, ECC, employees and eligible contractors are considered Federal employees immune from suit with the Federal government acting as their primary insurer.

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**15. CONTINGENCIES**

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations is subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for patient service previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects, if any, are not presently determinable.

During the normal course of business, ECC may become involved in various legal issues. In the opinion of management, any such matters will not have a material effect upon the financial position of ECC, and significant losses, if any, would be adequately covered by insurance.

**16. PPP LOAN FORGIVENESS**

In April 2020, ECC received loan proceeds totaling \$4,324,100 from Hancock Whitney Bank pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. Borrowers under the PPP program are eligible to have their loans forgiven if the proceeds are used for covered expenses and certain other requirements related to wage rates and maintenance of full-time equivalents are met. The loan was officially forgiven in fiscal year 2021 but was recognized based on meeting the eligibility criteria in fiscal year 2020.

**17. IMPACT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). Under ASU No. 2016-02, an entity will be required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. ASU No. 2016-02 offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the consolidated financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. As amended, ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2021, including interim periods within that reporting period, and requires a modified retrospective adoption, with early adoption permitted. ECC is currently in the process of evaluating the impact of adoption of this ASU on its consolidated financial statements.

## **SUPPLEMENTARY INFORMATION**

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021**

	<u>ECC</u>	<u>ECH</u>	<u>CCS</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 7,050,507	\$ 431,854	\$ 201,491	\$ -	\$ 7,683,852
Patient services receivable, net	6,094,177	-	-	-	6,094,177
Other receivables	1,044,834	5,600	-	-	1,050,434
Prepaid expenses and other current assets	737,423	-	22,032	-	759,455
Intercompany	1,508,807	(1,788,779)	279,972	-	-
Total current assets	16,435,748	(1,351,325)	503,495	-	15,587,918
<b>PROPERTY AND EQUIPMENT, NET</b>	2,762,756	445,406	7,839,886	-	11,048,048
<b>GOODWILL</b>	826,978	-	-	-	826,978
<b>OTHER ASSETS</b>					
Long-term note receivable – NMTC	-	4,316,554	-	-	4,316,554
Investment in subsidiaries	1,867,693	-	-	(1,867,693)	-
Total other assets	1,867,693	4,316,554	-	(1,867,693)	4,316,554
<b>TOTAL ASSETS</b>	<u>\$ 21,893,175</u>	<u>\$ 3,410,635</u>	<u>\$ 8,343,381</u>	<u>\$ (1,867,693)</u>	<u>\$ 31,779,498</u>

See independent auditors' report.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a**  
**COMMUNITY HEALTH NORTHWEST FLORIDA**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION – CONTINUED**  
**DECEMBER 31, 2021**

	<u>ECC</u>	<u>ECH</u>	<u>CCS</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 939,551	\$ 4,099	\$ -	\$ -	\$ 943,650
Accrued salaries and related expenses	1,008,877	-	-	-	1,008,877
Accrued compensated absences	1,100,045	-	-	-	1,100,045
Other current liabilities	500	-	-	-	500
Interest rate swaps	-	52,630	-	-	52,630
Current portion of long-term debt	134,910	210,000	-	-	344,910
Total current liabilities	3,183,883	266,729	-	-	3,450,612
<b>LONG-TERM LIABILITIES</b>					
NMTC - see note 6	-	-	6,417,094	-	6,417,094
Long-term debt	131,957	3,202,500	-	-	3,334,457
Total long-term liabilities	131,957	3,202,500	6,417,094	-	9,751,551
<b>TOTAL LIABILITIES</b>	3,315,840	3,469,229	6,417,094	-	13,202,163
<b>NET ASSETS</b>					
Without donor restrictions	18,577,335	(58,594)	1,926,287	(1,867,693)	18,577,335
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 21,893,175</u>	<u>\$ 3,410,635</u>	<u>\$ 8,343,381</u>	<u>\$ (1,867,693)</u>	<u>\$ 31,779,498</u>

See independent auditors' report.



**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR YEAR ENDED DECEMBER 31, 2021**

	<b>ECC</b>	<b>ECH</b>	<b>CCS</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>OPERATING REVENUES</b>					
Net patient services	\$ 18,358,988	\$ -	\$ -	\$ -	\$ 18,358,988
340B prescription drug assistance program	8,406,008	-	-	-	8,406,008
Capitation revenue	3,554,110	-	-	-	3,554,110
Pharmacy services	300,451	-	-	-	300,451
Other	456,376	-	-	-	456,376
Total operating revenues	31,075,933	-	-	-	31,075,933
<b>PUBLIC SUPPORT</b>					
Grant, contracts and reimbursements	10,372,645	-	-	-	10,372,645
<b>TOTAL OPERATING REVENUES AND PUBLIC SUPPORT</b>	41,448,578	-	-	-	41,448,578
<b>FUNCTIONAL EXPENSES</b>					
Healthcare services	24,260,396	27,425	453,194	-	24,741,015
Support services	13,753,563	11,777	195,071	-	13,960,411
Total functional expenses	38,013,959	39,202	648,265	-	38,701,426
<b>INCOME/(LOSS) FROM OPERATIONS</b>	3,434,619	(39,202)	(648,265)	-	2,747,152
<b>OTHER INCOME (EXPENSES)</b>					
Interest income	1,323	60,434	-	-	61,757
Interest expense	(6,389)	(114,302)	(133,265)	-	(253,956)
Equity earnings on subsidiaries	256,621	-	-	(256,621)	-
Other income	-	100,794	-	-	100,794
Intercompany transfers/contributions	(1,030,427)	439,455	590,972	-	-
Total other income (expenses)	(778,872)	486,381	457,707	(256,621)	(91,405)
<b>CHANGE IN NET ASSETS</b>	2,655,747	447,179	(190,558)	(256,621)	2,655,747
<b>NET ASSETS (DEFICIT) AT BEGINNING OF YEAR</b>	15,921,588	(505,773)	2,116,845	(1,611,072)	15,921,588
<b>NET ASSETS (DEFICIT) AT END OF YEAR</b>	\$ 18,577,335	\$ (58,594)	\$ 1,926,287	\$ (1,867,693)	\$ 18,577,335

See independent auditors' report.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
SCHEDULES OF GRANTS, CONTRACTS AND REIMBURSEMENTS REVENUE  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
Federal government		
Health Resources and Services Administration	\$ 7,903,164	\$ 5,101,363
Other	-	274,127
Total federal government	7,903,164	5,375,490
State government		
State of Florida Agency for Health Care Administration	809,434	1,121,603
Total state government	809,434	1,121,603
Local government		
Escambia County	468,547	531,483
Santa Rosa County	-	167,060
Total local government	468,547	698,543
Community		
Sacred Heart Health System	550,000	550,000
Baptist Health Care	550,000	550,000
Total community	1,100,000	1,100,000
Other	91,500	99,669
<b>TOTAL GRANTS, CONTRACTS AND REIMBURSEMENTS</b>	<b>\$ 10,372,645</b>	<b>\$ 8,395,305</b>

See independent auditors' report.

## COMPLIANCE SECTION

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Agency Pass-Through Entity Federal Program	Assistance Listing Number	Contract/ Award	Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipients
U.S. Department of Health & Human Services					
Health Center Cluster	93.224	6-H80CS08755-14-02	N/A	\$ 3,906,032	\$ -
Health Center Program	93.224	6-H80CS08755-14-01	N/A	130,457	-
Health Center Program	94.224	1-C14CS39783-01-00	N/A	24,583	-
Capital Assistance for Disaster Response And Recovery Efforts	93.224	1-H8FCS40574-01-00	N/A	2,682,607	-
COVID-19 - American Rescue Plan Act Funding For Health Centers	93.224	1-H8ECS38290-01-00	N/A	454,691	-
COVID-19 - FY 2020 Expanding Capacity for Coronavirus Testing (ECT)	93.224	1-H8DCS36000-01-00	N/A	611,148	-
COVID-19 - Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding					
Total Health Center Cluster				7,809,518	-
COVID-19 Provider Relief Fund					
	93.498	N/A	N/A	274,127	-
COVID-19 - Health Center Infrastructure Support					
	93.526	1-C8ECS44556-01-00	N/A	93,647	-
TOTAL EXPENDITURES OF FEDERAL AWARDS					
				\$ 8,177,292	\$ -

The accompanying notes are an integral part of this schedule.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
NOTES TO THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**1. BASIS OF PRESENTATION**

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Since the schedule presents only a select portion of the operations of Escambia Community Clinics, Inc. (ECC), it is not intended to and does not present the financial position, changes in net assets or cash flows of ECC.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of ECC under programs of the federal government for the year ended December 31, 2021. Expenditures reported on the schedule are reported on the accrual basis of accounting. ECC did not elect to utilize the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**3. PROVIDER RELIEF FUNDING**

The amounts presented on the SEFA for Assistance Listing 93.498, COVID-19 Provider Relief Fund (PRF), are based on the Period 1 PRF report submission to the PRF reporting portal. Amounts included in the Period 1 submission represent amounts received between April 10, 2020 and July 30, 2020.

**4. PROGRAM CLUSTERS**

The U.S. Office of Management and Budget Compliance Supplement defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. There was one program that met this criterion for the current fiscal year, Assistance Listing Number 93.224/93.527 – Health Center Program Cluster.

**5. CONTINGENCY**

The grant revenue accounts are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such audit, any claim for reimbursement to the grant agencies would become a liability of the Center. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

**INDEPENDENT AUDITORS' 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  
Escambia Community Clinics, Inc.  
d/b/a Community Health Northwest 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 Escambia Community Clinics, Inc. (a nonprofit organization, ECC) (d/b/a Community Health Northwest Florida), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 19, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered ECC's internal control over financial reporting (internal control) as a basis for determining the 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 ECC's internal control. Accordingly, we do not express an opinion on the effectiveness of ECC's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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; therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

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

*Warren Averett, LLC*

Pensacola, Florida  
July 19, 2022

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

To the Board of Directors  
Escambia Community Clinics, Inc.  
d/b/a Community Health Northwest Florida

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

**Opinion on Each Major Federal Program**

We have audited Escambia Community Clinics, Inc. and subsidiaries' compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Escambia Community Clinics, Inc. and subsidiaries' major federal program for the year ended December 31, 2021. Escambia Community Clinics, Inc. and subsidiaries' major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Escambia Community Clinics, Inc. and subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

**Basis for Opinion on Each Major Federal Program**

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Escambia Community Clinics, Inc. and subsidiaries and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Escambia Community Clinics, Inc. and subsidiaries' compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Escambia Community Clinics, Inc. and subsidiaries' federal programs.



### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Escambia Community Clinics, Inc. and subsidiaries' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Escambia Community Clinics, Inc. and subsidiaries' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Escambia Community Clinics, Inc. and subsidiaries' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Escambia Community Clinics, Inc. and subsidiaries' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Escambia Community Clinics, Inc. and subsidiaries' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Warren Averett, LLC*

Pensacola, Florida  
July 19, 2022

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**I. SUMMARY OF AUDITORS' RESULTS**

***Financial Statements***

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	_____	Yes	_____	X	_____	No
• Significant deficiency(ies) identified that is/are not considered to be material weaknesses?	_____	Yes	_____	X	_____	None Reported
Noncompliance material to financial statements noted?	_____	Yes	_____	X	_____	No

***Federal Awards***

Internal control over major programs:

• Material weakness(es) identified?	_____	Yes	_____	X	_____	No
• Significant deficiency(ies) identified that is/are not considered to be material weaknesses?	_____	Yes	_____	X	_____	None Reported

Type of auditors' report issued on compliance for major programs:

Unmodified

• Any audit findings disclosed that are required to be reported in accordance with section 2 CFR §200.516 audit findings paragraph (a)?

_____	Yes	_____	X	_____	No
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Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
93.224	Health Center Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____	X	Yes	_____	No
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**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**II. FINANCIAL STATEMENT FINDINGS**

The results of our audit of Escambia Community Clinics, Inc. and subsidiaries did not disclose any findings required to be reported under government auditing standards generally accepted in the United States of America.

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

We noted no findings or matters that are required to be reported in accordance with the Uniform Guidance.

**IV. SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

There were no findings reported in the prior year report.

**ESCAMBIA COMMUNITY CLINICS, INC.  
d/b/a COMMUNITY HEALTH  
NORTHWEST FLORIDA**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2022 AND 2021**



[www.warrenaverett.com](http://www.warrenaverett.com)

The report accompanying this deliverable was issued  
by Warren Averett, LLC.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
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DECEMBER 31, 2022 AND 2021**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Escambia Community Clinics, Inc.  
d/b/a Community Health Northwest Florida

### Opinion

We have audited the accompanying consolidated financial statements of Escambia Community Clinics, Inc., (d/b/a Community Health Northwest Florida) (a nonprofit organization) and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Escambia Community Clinics, Inc. and subsidiaries as of December 31, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Escambia Community Clinics, Inc. and subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Escambia Community Clinics, Inc. and subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Escambia Community Clinics, Inc. and subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Escambia Community Clinics, Inc. and subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.



**Other Matters*****Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities and the schedules of grants, contracts and reimbursements revenue, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 July 18 2023, on our consideration of Escambia Community Clinics, Inc. and subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Escambia Community Clinics, Inc. and subsidiaries' internal control over financial reporting and compliance.



Pensacola, Florida  
July 18, 2023

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2022 AND 2021**

<b>ASSETS</b>		
	<b>2022</b>	<b>2021</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 9,274,110	\$ 7,683,852
Patient services receivable, net	2,547,785	5,414,048
Other receivables	2,357,485	1,730,563
Prepaid expenses and other current assets	689,679	759,455
Interest rate swap	79,410	-
Total current assets	14,948,469	15,587,918
<b>PROPERTY AND EQUIPMENT, NET</b>	13,101,825	11,048,048
<b>OPERATING LEASE RIGHT-OF-USE ASSETS, NET</b>	6,066,813	-
<b>GOODWILL</b>	721,713	826,978
<b>OTHER ASSETS</b>		
Long-term note receivable – NMTC	4,316,554	4,316,554
<b>TOTAL ASSETS</b>	<b>\$ 39,155,374</b>	<b>\$ 31,779,498</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,010,550	\$ 943,650
Accrued salaries and related expenses	1,129,441	1,008,877
Accrued compensated absences	1,111,470	1,100,045
Other current liabilities	18,401	500
Interest rate swap	-	52,630
Current portion of operating lease liabilities	1,302,269	-
Current portion of long-term debt, net of current portion	3,299,901	344,910
Total current liabilities	7,872,032	3,450,612
<b>OPERATING LEASE LIABILITIES, NET</b>	4,827,827	-
<b>LONG-TERM LIABILITIES</b>		
NMTC - see note 6	6,417,094	6,417,094
Long-term debt, net of current portion	32,685	3,334,457
Total long-term liabilities	6,449,779	9,751,551
<b>TOTAL LIABILITIES</b>	19,149,638	13,202,163
<b>NET ASSETS</b>		
Without donor restrictions	20,005,736	18,577,335
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 39,155,374</b>	<b>\$ 31,779,498</b>

See notes to the consolidated financial statements.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>OPERATING REVENUES</b>		
Net patient service revenues	\$ 21,970,861	\$ 21,647,969
340B prescription drug assistance program	12,674,527	7,736,298
Capitation revenue	3,880,658	3,554,110
Other	580,445	456,376
Total operating revenues	39,106,491	33,394,753
<b>PUBLIC SUPPORT</b>		
Grant, contracts and reimbursements	12,976,026	10,372,645
<b>TOTAL OPERATING REVENUES AND PUBLIC SUPPORT</b>	52,082,517	43,767,398
<b>FUNCTIONAL EXPENSES</b>		
Healthcare services	34,842,743	27,059,835
Support services	15,692,530	13,960,411
Total functional expenses	50,535,273	41,020,246
<b>INCOME FROM OPERATIONS</b>	1,547,244	2,747,152
<b>OTHER INCOME (EXPENSES)</b>		
Interest income	70,711	61,757
Interest expense	(302,186)	(253,956)
Other income	112,632	100,794
Total other expenses, net	(118,843)	(91,405)
<b>CHANGE IN NET ASSETS</b>	1,428,401	2,655,747
<b>NET ASSETS AT BEGINNING OF YEAR</b>	18,577,335	15,921,588
<b>NET ASSETS AT END OF YEAR</b>	\$ 20,005,736	\$ 18,577,335

See notes to the consolidated financial statements.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Healthcare Services</b>	<b>Support Services</b>	<b>Total</b>
<b>SALARIES AND RELATED EXPENSES</b>			
Salaries	\$ 13,583,355	\$ 9,055,570	\$ 22,638,925
Payroll taxes and fringe benefits	3,594,338	2,396,226	5,990,564
Total salaries and related expenses	17,177,693	11,451,796	28,629,489
<b>OTHER EXPENSES</b>			
Prescription drugs and 340B program	9,223,477	-	9,223,477
Occupancy and security	1,165,932	777,288	1,943,220
Contracted medical professionals	1,076,714	-	1,076,714
Supplies	2,056,411	1,370,941	3,427,352
Telephone and utilities	382,262	254,842	637,104
Conferences	199,886	49,971	249,857
Depreciation and amortization	1,197,277	299,320	1,496,597
Dues and memberships	141,259	94,172	235,431
Equipment rental	2,789	11,155	13,944
Miscellaneous	74,677	298,712	373,389
Postage and shipping	31,936	3,548	35,484
Professional fees	47,175	38,597	85,772
Recruitment cost	77,615	8,624	86,239
Repairs and maintenance	403,633	269,089	672,722
Insurance	248,834	165,889	414,723
Contractual services	802,697	42,247	844,944
Software fees	404,868	173,515	578,383
Advertising	127,608	382,824	510,432
Total other expenses	17,665,050	4,240,734	21,905,784
<b>TOTAL EXPENSES</b>	<b>\$ 34,842,743</b>	<b>\$ 15,692,530</b>	<b>\$ 50,535,273</b>

See notes to the consolidated financial statements.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Healthcare Services</b>	<b>Support Services</b>	<b>Total</b>
<b>SALARIES AND RELATED EXPENSES</b>			
Salaries	\$ 12,140,265	\$ 8,093,510	\$ 20,233,775
Payroll taxes and fringe benefits	3,558,511	2,372,341	5,930,852
Total salaries and related expenses	15,698,776	10,465,851	26,164,627
<b>OTHER EXPENSES</b>			
Prescription drugs and 340B program	4,646,255	-	4,646,255
Occupancy and security	655,882	698,048	1,353,930
Contracted medical professionals	1,055,725	-	1,055,725
Supplies	1,801,156	1,200,770	3,001,926
Telephone and utilities	339,731	226,487	566,218
Conferences	94,278	23,569	117,847
Depreciation and amortization	909,114	227,278	1,136,392
Dues and memberships	84,070	56,046	140,116
Equipment rental	5,256	21,025	26,281
Miscellaneous	113,833	194,539	308,372
Postage and shipping	29,698	3,300	32,998
Professional fees	60,737	49,695	110,432
Recruitment cost	72,810	8,090	80,900
Repairs and maintenance	329,618	219,746	549,364
Insurance	224,756	149,838	374,594
Contractual services	449,978	23,683	473,661
Software fees	416,905	178,674	595,579
Advertising	71,257	213,772	285,029
Total other expenses	11,361,059	3,494,560	14,855,619
<b>TOTAL EXPENSES</b>	<b>\$ 27,059,835</b>	<b>\$ 13,960,411</b>	<b>\$ 41,020,246</b>

See notes to the consolidated financial statements.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,428,401	\$ 2,655,747
Adjustments to reconcile change in net assets to cash flows provided by operating activities:		
Amortization	105,265	87,663
Depreciation	1,391,332	1,048,729
Amortization of right-of-use assets	1,253,586	-
Loss on disposal of asset	101,467	-
Changes in assets and liabilities:		
Patient services receivable	2,866,263	(4,112,338)
Other receivables	(626,922)	1,155,607
Prepaid expenses and other current assets	69,776	(203,309)
Accounts payable	66,900	328,284
Accrued salaries and related expenses	120,564	111,400
Accrued compensated absences	11,425	38,102
Operating lease liabilities	(1,190,303)	-
Other liabilities	<u>(114,139)</u>	<u>(152,972)</u>
Net cash provided by operating activities	<u>5,483,615</u>	<u>956,913</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of pharmacy assets	-	(264,031)
Purchase of property and equipment	(3,546,576)	(1,770,096)
Proceeds from sale of property and equipment	<u>-</u>	<u>255,000</u>
Net cash used in investing activities	<u>(3,546,576)</u>	<u>(1,779,127)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(346,781)	(2,272,441)
Borrowings on long-term debt	<u>-</u>	<u>137,644</u>
Net cash used in financing activities	<u>(346,781)</u>	<u>(2,134,797)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	1,590,258	(2,957,011)
<b>CASH AT BEGINNING OF YEAR</b>	<u>7,683,852</u>	<u>10,640,863</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 9,274,110</u></u>	<u><u>\$ 7,683,852</u></u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest	<u><u>\$ 302,186</u></u>	<u><u>\$ 253,956</u></u>

See notes to the consolidated financial statements.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF ORGANIZATION**

**Description of Organization**

Escambia Community Clinics, Inc. (ECC) (d/b/a Community Health Northwest Florida) is a not-for-profit health care corporation incorporated under the laws of the state of Florida in January 1992. ECC is a Federally Qualified Health Center (FQHC) that receives federal grant funds pursuant to Section 330 of the Public Health Service Act, 42 U.S.C. 254b, a program, which is administrated by the Bureau of Primary Health Care with the United States Department of Health and Human Services (DHHS). The mission of ECC is to provide quality outpatient primary and acute health care services to citizens of Escambia County and surrounding areas, with a special focus to provide access to care for the underinsured, uninsured, working poor and the medically needy, regardless of their ability to pay for services.

**Principles of Consolidation and Basis of Accounting**

In accordance with generally accepted accounting principles (GAAP), the accompanying consolidated financial statements include the financial activities of ECC and two subsidiaries. Escambia Community Holdings (ECH) is a wholly owned subsidiary of ECC. Community Clinics Services (CCS) is wholly owned by ECC and ECH. All significant intercompany transactions have been eliminated in the accompanying consolidated financial statements. The consolidated financial statements of ECC are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Escambia Community Holdings, Inc.**

ECH, a subsidiary, was incorporated and formed in 2008 to support the establishment and the continuation of health care facilities to serve the medically underserved population. This entity had two members, Sacred Heart Health System, Inc. (SHH) and Baptist Hospital, Inc. (BH), related parties (see Note 12). ECH held cash and owned land and a building. The building was previously rented to and occupied by ECC. In 2014, the building was severely flooded and unable to be occupied. In March 2016, SHH and BH transferred their interest in ECH to ECC. The ECH Board of Directors consists of one representative from the ECC Board, along with two independent board members. The ECH acquisition was critical to the New Market Tax Credit transaction that occurred in 2016 as described in Note 6.

**Community Clinics Services, Inc.**

In 2016, ECC formed CCS to meet certain census tracking requirements related to the new facility under construction. ECC and ECH are the two members of CCS. The CCS Board of Directors is substantively the same as the ECC Board of Directors. CCS is a Qualified Active Low-Income Business (QALICB), receiving proceeds from the New Market Tax Credit transaction to fund the new facility construction project as described in Note 6.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF ORGANIZATION – CONTINUED**

**Financial Statement Presentation**

ECC is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions or without donor restrictions. Net assets are classified based on donor restrictions, if any, that may or may not be met by actions of management or by the passage of time. Currently, there are no net assets with donor restrictions.

**Net Patient Service Revenue and Accounts Receivable**

Patient care service revenue is reported at the amount that reflects the consideration to which ECC expects to be entitled in exchange for providing patient care. Patient receivables represent amounts due from patients and third-party payors (including health insurers and government payors).

ECC has agreements with third-party payors to charge rates at amounts different from its published rates. A summary of the payment arrangements with major third-party payors is as follows:

Medicaid – ECC, as an FQHC, receives reimbursement from Medicaid based upon its costs of providing services to Medicaid eligible patients. ECC is reimbursed for cost reimbursable items at a contracted rate with settlement determined on a quarterly basis after submission of wrap-around cost reports by ECC and audits thereof by the Medicaid fiscal intermediary. Additionally, ECC is paid a capitation payment from a managed care organization for a large portion of its Medicaid patients as a result of the state of Florida's reorganization of Medicaid.

Medicare – ECC is eligible for cost reimbursements from Medicare based upon its costs of providing services. Services rendered to Medicare patients are paid at a tentative rate with final settlement determined after submission of annual cost reports by ECC and audits thereof by the Medicare fiscal intermediary.

ECC reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients and others. Net patient services revenue is recognized in the period services are provided at the estimated net realizable amount from Medicare, Medicaid, commercial insurers, other third-party payors and patients. Established rates are maintained for patient services provided; however, actual collectible revenue is normally realized at a discount to these rates. Contractual adjustments represent the difference between the amounts billed for these services and the amounts that are reimbursable by third-party payors.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. ECC estimates the transaction price for patients with deductibles and coinsurance and for those who self-pay based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.



**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF ORGANIZATION – CONTINUED**

**Net Patient Service Revenue and Accounts Receivable – Continued**

Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. There are various factors that can impact the collection trends, such as a change in the general economy, which in turn have an impact on unemployment rates and the number of uninsured and underinsured patients, the increased burden of copayments to be made by patients with insurance and business practices related to collection efforts. These factors continuously change and can have an impact on collection trends and the revenue estimation process. As a practical expedient, ECC applies a portfolio approach for the patient service revenue stream to group contracts with similar characteristics and analyze historical cash collections trends. The contracts within the portfolio share the characteristics conducive to ensuring that the results do not materially differ if it were to be applied to individual patient contracts related to each patient encounter.

For receivables associated with services provided to patients who have third-party coverage, which includes patients with deductible and copayment balances due from which third-party coverage exists for part of the bill, ECC analyzes contractually due amounts and provides an allowance for implicit price concessions and a provision for implicit price concessions, if necessary. For receivables associated with self-pay patients, ECC records a significant provision for implicit price concessions in the period of service on the basis of its past experience, which indicates that many patients are unable to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for implicit price concessions. ECC does not maintain a material allowance for implicit price concessions from third-party payors, nor did it have significant write-offs from third-party payors.

**Charity Care**

Quality medical care is provided to all persons requiring treatment regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of ECC. In assessing a patient's inability to pay, ECC utilizes the most recently published federal poverty income guidelines. In addition, charity services include charges for services provided to Medicaid patients less payments actually received. These charges are included in net patient service revenue. The cost of charity care provided by ECC for the years ended December 31, 2022 and 2021, was \$8,196,772 and \$10,177,908, respectively.

**Grant and Contract Revenue**

Revenue from government grants and contracts designated for specific activities is recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions. Grants and contracts awarded for the acquisition of long-lived assets are reported as changes to net assets, in the absence of donor stipulations to the contrary, during the year in which the assets are acquired. Cash received in advance of revenue recognized is recorded as deferred revenue. Grant and contract receivables are reported at their outstanding unpaid balances.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF ORGANIZATION – CONTINUED**

**Capitation Revenue**

ECC has agreements with managed care organizations and the Department of Public Health to provide medical services to subscribing participants. Under these agreements, ECC receives monthly capitation payments based on the number of each plan's participants assigned to ECC, regardless of services actually performed by ECC.

**Section 340B Program of the Public Health Service Act**

ECC offers reduced price medications to low-income, uninsured patients through arrangements with contracted pharmacies. Revenue is earned as prescriptions are filled and provided to patients.

**Long-lived Assets**

Long-lived assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment losses were recorded for the years ended December 31, 2022 and 2021.

**Property and Equipment**

Property and equipment is stated at cost. ECC capitalizes all property and equipment purchases in excess of \$5,000. Donated property and equipment are recorded at estimated fair market value at the date of the donation. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	39 years
Improvements	15 years
Machinery and equipment	3-7 years
Vehicles	5-6 years
Software	3 years

Property and equipment acquired with Section 330 grant funds are considered to be owned by ECC. However, the funding source has a reversionary interest in the property, as well as the right to determine the use of any proceeds from the sale of assets purchased with their funds.

**Goodwill**

Goodwill consists of the excess of cost over the fair value of net assets acquired. Goodwill is amortized over a ten-year period from the asset purchase date.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF ORGANIZATION – CONTINUED**

**Compensated Absences**

ECC provides paid time off (PTO) benefits, which include vacation, holiday and sick time, for its full-time employees and some part-time employees who meet hourly work requirements. Employees are granted PTO benefits in varying amounts to specified maximums depending on tenure with ECC. Generally, after one year of service, employees are entitled to all accrued PTO upon termination or retirement up to 80 hours. A maximum accrual of PTO is limited to two times the annual accrual (or two years).

**Donated Services**

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. Donated services totaled \$43,523 and \$23,731 for the years ended December 31, 2022 and 2021, respectively.

**Income Taxes**

ECC has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(3) as a not-for-profit corporation. ECC is not aware of any uncertain tax positions that would require disclosure or accrual in accordance with GAAP.

**Functional Allocation of Expenses**

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, costs have been allocated among the program and supporting services benefited. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a square footage basis; and supplies, which are allocated based on average employee headcount.

**Use of Estimates**

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenues, expenses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Right-Of-Use Lease Assets and Lease Liabilities**

Effective January 1, 2022, ECC adopted ASC 842. The most significant impact was the recognition of right-of-use (ROU) assets and lease liabilities for operating leases. As a result of adopting the new standard, ECC recorded ROU assets and lease liabilities in the amount of approximately \$7,300,000 on January 1, 2022. ECC, in most cases, does not record leases with an initial term of 12 months or less, instead recognizes lease expense for these leases on a straight-line basis over the lease term. For leases that commenced before January 1, 2021, ECC has applied the modified retrospective transition method which resulted in comparative information not being restated. A

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number of optional practical expedients were available in transition. ECC elected the 'package of practical expedients', which permits ECC to not reassess the prior conclusions reached about lease identification, lease classification and initial direct costs.

Right-of-use assets and liabilities are initially measured at the present value of lease payments over the lease term, discounted using the interest rate implicit in the lease at the commencement date. Right-of-use assets are adjusted for any lease payments made prior to lease commencement, lease incentives, and accrued rent. If the rate implicit in the lease cannot be readily determined, the ECC used the risk-free interest rate. ECC's leases may include options to extend or terminate the lease. When it is reasonably certain that ECC will exercise such option, the lease term includes those periods. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Some of the lease agreements include variable rental payments that periodically adjust to rates and charges stated in the agreements.

**Reclassifications**

Certain minor reclassifications have been made to the 2021 amounts to conform with the 2022 classifications.

**Subsequent Events**

Management has evaluated subsequent events for recognition or disclosure through July 18, 2023, the date the consolidated financial statements were available to be issued.

**2. PATIENT SERVICES RECEIVABLE AND NET PATIENT SERVICE REVENUES**

Accounts receivable recorded net of the allowance for implicit price concessions and allowance for contractual adjustments are as follows:

	<u>2022</u>	<u>2021</u>
Patients services receivable, gross	\$ 4,079,816	\$ 6,364,757
Allowance for contractual adjustments and implicit price concessions	<u>(1,532,031)</u>	<u>(950,709)</u>
Patients services receivable, net	<u>\$ 2,547,785</u>	<u>\$ 5,414,048</u>

Patient fees revenue, net of provision for contractual allowances and implicit price concessions, consists of the following for the years ended

	<u>2022</u>	<u>2021</u>
Patient fees, gross	\$ 46,216,558	\$ 46,343,433
Contractual adjustments and implicit price concessions	<u>(24,245,697)</u>	<u>(24,695,464)</u>
Patient fees, net of contractual and implicit price concessions	<u>\$ 21,970,861</u>	<u>\$ 21,647,969</u>

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
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### **3. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

	<b>2022</b>	<b>2021</b>
Land	\$ 385,335	\$ 385,335
Buildings and leasehold improvements	11,889,011	10,401,529
Equipment	4,653,235	2,816,475
Vehicles	1,018,192	794,663
Software	1,182,187	952,352
Construction in progress	13,596	521,773
	19,141,556	15,872,127
Less accumulated depreciation	(6,039,731)	(4,824,079)
Property and equipment, net	<u>\$ 13,101,825</u>	<u>\$ 11,048,048</u>

Depreciation expense for the years ended December 31, 2022 and 2021, totaled \$1,391,332 and \$1,048,729, respectively.

### **4. GOODWILL**

In April 2019, ECC acquired the assets of two pharmacies, which have historically served the underinsured, uninsured and working poor citizens of Escambia County. The purchase price was approximately \$850,000 and was allocated to the tangible and intangible assets acquired. ECC recorded goodwill of \$788,618 as of December 31, 2019, that is being amortized over ten years.

In August 2021, ECC acquired the assets of a pharmacy. The purchase price was approximately \$270,000 and was allocated to the tangible and intangible assets acquired. ECC recorded goodwill of \$264,031 as of December 31, 2021, that is being amortized over ten years.

Amortization expense related to goodwill assets was \$105,265 and \$87,663 for the year ending December 31, 2022 and 2021, respectively.

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## 5. LONG-TERM DEBT

ECC has the following long-term debt:

	<u>2022</u>	<u>2021</u>
Loan from a financing institution used to fund a leveraged loan to Stonehenge Florida NMTC Investment Fund V, LLC (see Note 6). The loan requires monthly payments of \$17,500, beginning on October 1, 2017. The loan has a variable interest rate of 3.25%, plus one month ICE LIBOR. Final payment on the loan is due in September 2023.	\$ 3,202,500	\$ 3,412,500
Loan payable to an individual for the purchase of assets of two pharmacies. The loan requires annual payments of \$100,000 beginning on April 1, 2020. The loan has a fixed interest rate of 2% and is unsecured. Final payment on the loan is due in April 2024.	130,086	225,574
Loan from a financing institution used to fund liability insurance.	<u>-</u>	<u>41,293</u>
	3,332,586	3,679,367
Less current portion	<u>(3,299,901)</u>	<u>(344,910)</u>
Long-term debt, net	<u>\$ 32,685</u>	<u>\$ 3,334,457</u>

At December 31, 2022, the scheduled principal repayments on long-term debt are as follows:

2023	\$ 3,299,901
2024	<u>32,685</u>
	<u>\$ 3,332,586</u>

## 6. NEW MARKET TAX CREDIT TRANSACTION

During 2016, ECC restructured operations and entered into transactions in order to make additional funds available through the New Markets Tax Credit (NMTC) Program. The additional funds were used to partially finance the construction of a new clinic, which was completed in January 2018.

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**6. NEW MARKET TAX CREDIT TRANSACTION – CONTINUED**

As a part of the restructuring, a new 501(c)(3) entity named CCS was created and used to construct the new facility and lease the facility to ECC upon completion. The NMTC Program permits taxpayers to claim a credit against federal, and sometimes state, income taxes for Qualified Equity Investments (QEIs) in designated Community Development Entities (CDEs). These CDEs must use substantially all (85%) of the proceeds to make Qualified Low-Income Community Investments (QLICs). The investor is provided with a tax credit, which is claimed over a seven-year period. The federal credit is equal to 5% of the QEI over the first three years and 6% annually for the final four years, resulting in a total credit amount of 39%.

On March 31, 2016, ECH borrowed \$4.2 million from a local bank, which along with other ECH funds, was used to make a leveraged loan of \$4,316,554 to the Stonehenge Florida NMTC Investment Fund V, LLC (the State Investment Fund). The State Investment Fund also received equity totaling \$2,100,540 from a tax credit investor and then made a QEI of \$6,417,094 in Stonehenge Community Development 102, LLC, (the State CDE), of which the State Investment Fund owns 99.99%. The remaining .01% is owned by Stonehenge Community Development, LLC.

The State CDE made Loan D, totaling \$3,417,094 to CCS, the QALICB. The remaining \$3 million was used by the State CDE to make a \$3 million leveraged loan to Twain Investment Fund, LLC (the Federal Investment Fund). The Federal Investment Fund also received equity totaling \$270,427 from a tax credit investor and then made a QEI in Stonehenge Community Development 110, LLC, (the Federal CDE), of which the Federal Investment Fund owns 99.99%. The remaining .01% is owned by Stonehenge Community Development, LLC. The Federal CDE made three loans, loans A, B and C, totaling \$3 million to CCS, (the QALICB).

The debt related to the new market tax credit transaction totaled \$6,417,094 at December 31, 2022 and 2021.

ECH's leveraged loan receivable from the state investment fund earns interest at 1.40% per annum quarterly, with quarterly principal payments commencing January 20, 2024. Final maturity is October 2043. The loan receivable totals \$4,316,554 as of December 31, 2022 and 2021.

CCS's notes payable A, B and C require interest to be paid quarterly to Stonehenge Community Development 110, LLC (Lender) at 2.614% per annum, with quarterly principal payments commencing January 5, 2024. Final maturity is October 2050. Prepayments of principal are not allowed during the seven-year tax compliance period.

CCS's note payable D requires interest to be paid quarterly to Stonehenge Community Development 102, LLC (Lender) at 1.605% per annum, with quarterly principal payments commencing January 5, 2024. Final maturity is October 2050. Prepayments of principal are not allowed during the seven-year tax compliance period.

CCS pledged substantially all of its assets as collateral for Notes A, B and C. The Lender has a lien and security interest in the collateral.

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**6. NEW MARKET TAX CREDIT TRANSACTION – CONTINUED**

In connection with making the loan, ECC entered into “put and call” agreements with the owners of the Federal and State Investment Funds. The agreement allows the owners to “put” their combined 100% interest in the Funds to ECC at the end of the seven-year tax credit investment period. If the owners exercise these puts, ECC will pay a purchase price of \$1,000, plus any transfer or closing costs, to each owner. In the event the puts are not exercised, ECC can exercise “call” options to purchase the ownership interests in the Funds at amounts equal to the fair value of those ownership interests, as determined by an independent appraiser. No amounts have been recorded in these consolidated financial statements related to these put and call options.

**7. INTEREST RATE SWAP**

ECC entered into an interest rate swap agreement on March 31, 2016, with a notional amount of \$4,200,000 and maturing in September 2023. ECC entered into an additional interest rate swap agreement on April 9, 2018, with a notional amount of \$1,500,000 and maturing in May 2025.

ECC has an asset (liability) recorded for the net amount of the fair value of its interest rate swap on its consolidated statements of financial position, in the amount of approximately \$79,400 and (\$52,600), as of December 31, 2022 and 2021, respectively. The fair value has been categorized based on pricing inputs, which are observable from actively quoted midmarket values. All interest rate swap agreements are considered Level 2 assets (liabilities) because a quoted price can be obtained from a number of dealer counterparties and other market sources based on observable interest rates and yield curves for the full term of the asset or liability.

**8. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

ECC has a policy to manage its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

	<b>2022</b>	<b>2021</b>
Cash	\$ 9,274,110	\$ 7,683,852
Patient services receivable, net	2,547,785	5,414,048
Other receivables	2,357,485	1,730,563
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 14,179,380</u>	<u>\$ 14,828,463</u>



**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
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**9. RELATED PARTY TRANSACTIONS**

ECC is a recipient of community benefit grant awards through agreements with Sacred Heart Health System, Inc. (SHH) and Baptist Hospital, Inc. (BH). The grant proceeds are to be used specifically to support the otherwise uncompensated costs (including general and administrative costs properly allocable under GAAP), which ECC reasonably projects it will incur in providing comprehensive, community-based, preventive and primary health and dental care, behavioral health services, related enabling services, outreach, health education and promotion, risk management and other appropriate services and programs that promote access to and availability of continuous care for the residents of the Escambia and Santa Rosa County service area. The Chairman and Vice Chairman positions of ECC's Board of Directors are held by executives from BH and SHH. The total amount of awards ECC received under these Community Benefit Grant Agreements for each of the years ended December 31, 2022 and 2021, was approximately \$1,100,000.

**10. PENSION PLAN**

ECC provides a 403(b)-retirement plan for its employees. ECC contributes 3.5% of eligible compensation to eligible participants. ECC also makes discretionary contributions up to 3% of the participant's elective deferral. Contributions were \$932,910 and \$900,938 for the years ended December 31, 2022 and 2021, respectively.

**11. SELF-INSURANCE**

ECC has in place a large deductible policy for health insurance for its employees and supplements the policy with reinsurance.

ECC is responsible for paying eligible claims up to the maximum deductible of \$50,000 per employee, as well as the premium for the reinsurance. The maximum amount of losses for which ECC could be held responsible in any given policy period is \$1,000,000. The insurance company administers the claims and payments as a third-party service provider.

ECC established reserves for open and expected claims of approximately \$102,000 and \$169,000 as of December 31, 2022 and 2021, respectively, which are included in accrued expenses in the accompanying consolidated financial statements. Further adjustments to the amounts recorded from estimates and final settlements will be recorded in the consolidated statements of activities when adjustments become known.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
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## **12. OPERATING LEASE LIABILITIES**

ECC leases equipment, office and clinical space from various companies with lease terms that expire between 2023 through 2030. At December 31, 2022, the weighted average discount rate and the weighted average remaining term (in years) were 1.68% and 5.13, respectively. Total operating lease costs was \$1,352,475 and short term lease expense was \$190,281 for the year ended December 31, 2022. As previously disclosed under ASC 840, the rental expense for the year ended December 31, 2021, was \$801,445. The future minimum lease payment for each of the succeeding five years and thereafter, remaining under the noncancelable operating lease, consisted of the following:

<b>Year Ending December 31,</b>	<b>Amount</b>
2023	\$ 1,393,484
2024	1,408,995
2025	1,317,374
2026	950,352
2027	403,778
Thereafter	<u>934,098</u>
Total minimum lease payments	6,408,081
Less imputed interest	<u>(277,985)</u>
Present value of operating lease liabilities	6,130,096
Less current portion of operating lease liabilities	<u>1,302,269</u>
Remaining balance of operating lease liabilities	<u><u>\$ 4,827,827</u></u>

Total cash paid for operating lease liabilities for the year ended December 31, 2022, was \$1,289,192. Total ROU assets obtained in exchange for lease obligations for the year ended December 31, 2022, was \$7,320,399.

## **13. CONCENTRATIONS AND CREDIT RISK**

### **Concentrations**

ECC's primary operations and service area include most communities of Escambia County, Florida. ECC grants credit without collateral to its patients, who are uninsured, insured under third-party payor arrangements, primarily with Medicare, Medicaid and various commercial insurance companies.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
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DECEMBER 31, 2022 AND 2021**

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**13. CONCENTRATIONS AND CREDIT RISK – CONTINUED**

**Concentrations – Continued**

The significant concentrations of patient services receivable at December 31, 2022 and 2021, were approximately:

	<u><b>2022</b></u>	<u><b>2021</b></u>
Medicare	8%	7%
Medicaid	79%	78%
Other	12%	13%
Self-pay	<u>2%</u>	<u>2%</u>
	<u><u>100%</u></u>	<u><u>100%</u></u>

Approximately 20% of ECC's total revenues in 2022 and 2021, respectively, were provided by grants through DHHS. ECC is economically dependent on this funding source.

**Deposits**

ECC occasionally maintains cash balances in excess of the insured limits provided by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2022 and 2021, deposits at financial institutions exceeded FDIC insured limits by approximately \$9 million and \$7 million, respectively.

**14. MEDICAL MALPRACTICE CLAIMS COVERAGE**

The Federally Supported Health Centers Assistance Act of 1992 and 1995 granted medical malpractice liability protection through the Federal Tort Claims Act to FQHCs. Under this legislation, ECC, employees and eligible contractors are considered federal employees immune from suit with the federal government acting as their primary insurer.

**15. CONTINGENCIES**

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations is subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for patient service previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects, if any, are not presently determinable.

During the normal course of business, ECC may become involved in various legal issues. In the opinion of management, any such matters will not have a material effect upon the financial position of ECC, and significant losses, if any, would be adequately covered by insurance.

## **SUPPLEMENTARY INFORMATION**

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022**

	<u>ECC</u>	<u>ECH</u>	<u>CCS</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 9,169,296	\$ 36,588	\$ 68,226	\$ -	\$ 9,274,110
Patient services receivable, net	2,547,785	-	-	-	2,547,785
Other receivables	2,355,085	2,400	-	-	2,357,485
Prepaid expenses and other current assets	657,738	-	31,941	-	689,679
Interest rate swap	-	79,410	-	-	79,410
Intercompany	<u>1,413,307</u>	<u>(1,956,422)</u>	<u>543,115</u>	<u>-</u>	<u>-</u>
Total current assets	16,143,211	(1,838,024)	643,282	-	14,948,469
<b>PROPERTY AND EQUIPMENT, NET</b>	4,546,031	1,037,086	7,518,708	-	13,101,825
<b>OPERATING LEASE RIGHT-OF-USE ASSETS, NET</b>	6,066,813	-	-	-	6,066,813
<b>GOODWILL</b>	721,713	-	-	-	721,713
<b>OTHER ASSETS</b>					
Long-term note receivable – NMTC	-	4,316,554	-	-	4,316,554
Investment in subsidiaries	<u>2,053,911</u>	<u>-</u>	<u>-</u>	<u>(2,053,911)</u>	<u>-</u>
Total other assets	<u>2,053,911</u>	<u>4,316,554</u>	<u>-</u>	<u>(2,053,911)</u>	<u>4,316,554</u>
<b>TOTAL ASSETS</b>	<u>\$ 29,531,679</u>	<u>\$ 3,515,616</u>	<u>\$ 8,161,990</u>	<u>\$ (2,053,911)</u>	<u>\$ 39,155,374</u>

See independent auditors' report.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR YEAR ENDED DECEMBER 31, 2022**

	<u>ECC</u>	<u>ECH</u>	<u>CCS</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 1,006,449	\$ 4,101	\$ -	\$ -	\$ 1,010,550
Accrued salaries and related expenses	1,129,441	-	-	-	1,129,441
Accrued compensated absences	1,111,470	-	-	-	1,111,470
Other current liabilities	18,401	-	-	-	18,401
Current portion of operating lease liabilities	1,302,269	-	-	-	1,302,269
Current portion of long-term debt	97,401	3,202,500	-	-	3,299,901
Total current liabilities	4,665,431	3,206,601	-	-	7,872,032
<b>OPERATING LEASE LIABILITIES, NET</b>	4,827,827	-	-	-	4,827,827
<b>LONG-TERM LIABILITIES</b>					
NMTC - see note 6	-	-	6,417,094	-	6,417,094
Long-term debt , net of current portion	32,685	-	-	-	32,685
Total long-term liabilities	32,685	-	6,417,094	-	6,449,779
<b>TOTAL LIABILITIES</b>	9,525,943	3,206,601	6,417,094	-	19,149,638
<b>NET ASSETS</b>					
Without donor restrictions	20,005,736	309,015	1,744,896	(2,053,911)	20,005,736
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 29,531,679</u>	<u>\$ 3,515,616</u>	<u>\$ 8,161,990</u>	<u>\$ (2,053,911)</u>	<u>\$ 39,155,374</u>

See independent auditors' report.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR YEAR ENDED DECEMBER 31, 2022**

	<u>ECC</u>	<u>ECH</u>	<u>CCS</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>OPERATING REVENUES</b>					
Net patient services	\$ 21,970,861	\$ -	\$ -	\$ -	\$ 21,970,861
340B prescription drug assistance program	12,674,527	-	-	-	12,674,527
Capitation revenue	3,880,658	-	-	-	3,880,658
Other	580,445	-	-	-	580,445
Total operating revenues	39,106,491	-	-	-	39,106,491
<b>PUBLIC SUPPORT</b>					
Grant, contracts and reimbursements	12,976,026	-	-	-	12,976,026
<b>TOTAL OPERATING REVENUES AND PUBLIC SUPPORT</b>	52,082,517	-	-	-	52,082,517
<b>FUNCTIONAL EXPENSES</b>					
Healthcare services	34,349,876	38,083	454,785	-	34,842,743
Support services	15,484,475	11,923	196,131	-	15,692,530
Total functional expenses	49,834,351	50,006	650,916	-	50,535,273
<b>INCOME (LOSS) FROM OPERATIONS</b>	2,248,166	(50,006)	(650,916)	-	1,547,244
<b>OTHER INCOME (EXPENSES)</b>					
Interest income	9,792	60,919	-	-	70,711
Interest expense	(4,903)	(164,017)	(133,266)	-	(302,186)
Other income	(94,491)	207,123	-	-	112,632
Equity earnings on subsidiaries	186,218	-	-	(186,218)	-
Intercompany transfers/contributions	(916,381)	313,590	602,791	-	-
Total other income (expenses)	(819,765)	417,615	469,525	(186,218)	(118,843)
<b>CHANGE IN NET ASSETS</b>	1,428,401	367,609	(181,391)	(186,218)	1,428,401
<b>NET ASSETS (DEFICIT) AT BEGINNING OF YEAR</b>	18,577,335	(58,594)	1,926,287	(1,867,693)	18,577,335
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 20,005,736</u>	<u>\$ 309,015</u>	<u>\$ 1,744,896</u>	<u>\$ (2,053,911)</u>	<u>\$ 20,005,736</u>

See independent auditors' report.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
SCHEDULES OF GRANTS, CONTRACTS AND REIMBURSEMENTS REVENUE  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u><b>2022</b></u>	<u><b>2021</b></u>
Federal government		
Health Resources and Services		
Administration	<u>\$ 9,660,161</u>	<u>\$ 7,903,164</u>
Total federal government	9,660,161	7,903,164
State government		
State of Florida Agency for Health Care		
Administration	<u>1,784,282</u>	<u>1,277,981</u>
Total state government	1,784,282	1,277,981
Community		
Sacred Heart Health System	550,000	550,000
Baptist Health Care	<u>550,000</u>	<u>550,000</u>
Total community	1,100,000	1,100,000
Other	<u>431,583</u>	<u>91,500</u>
<b>TOTAL GRANTS, CONTRACTS AND REIMBURSEMENTS</b>	<u><u>\$ 12,976,026</u></u>	<u><u>\$ 10,372,645</u></u>

See independent auditors' report.



## COMPLIANCE SECTION

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<b>Federal Agency Pass-Through Entity Federal Program</b>	<b>Assistance Listing Number</b>	<b>Contract/ Award</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>	<b>Subrecipients</b>
<b>U.S. Department of Health &amp; Human Services</b>					
<b><u>Health Center Cluster</u></b>					
Health Center Program	93.224	6-H80CS08755-15-13	N/A	\$ 4,015,438	\$ -
Health Center Program	93.224	6-H80CS08755-14-01	N/A	259,304	-
Capital Assistance for Disaster Response And Recovery Efforts	93.224	1-C14CS39783-01-00	N/A	36,163	-
COVID-19 - American Rescue Plan Act Funding For Health Centers	93.224	1-H8FCS40574-01-00	N/A	4,708,156	-
Total Health Center Cluster				9,019,061	-
COVID-19 - Health Center Infrastructure Support	93.526	1-C8ECS44556-01-00	N/A	641,100	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 9,660,161</b>	<b>\$ -</b>

The accompanying notes are an integral part of this schedule.

**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
NOTES TO THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**1. BASIS OF PRESENTATION**

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Since the schedule presents only a select portion of the operations of Escambia Community Clinics, Inc. (ECC), it is not intended to and does not present the financial position, changes in net assets or cash flows of ECC.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of ECC under programs of the federal government for the year ended December 31, 2022. Expenditures reported on the schedule are reported on the accrual basis of accounting. ECC did not elect to utilize the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**3. PROGRAM CLUSTERS**

The U.S. Office of Management and Budget Compliance Supplement defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. There was one program that met this criterion for the current fiscal year, Assistance Listing Number 93.224/93.527 – Health Center Program Cluster.

**4. CONTINGENCY**

The grant revenue accounts are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such audit, any claim for reimbursement to the grant agencies would become a liability of the center. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

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

To the Board of Directors  
Escambia Community Clinics, Inc.  
d/b/a Community Health Northwest 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 Escambia Community Clinics, Inc. (a nonprofit organization, ECC) (d/b/a Community Health Northwest Florida), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 18, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered ECC's internal control over financial reporting (internal control) as a basis for determining the 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 ECC's internal control. Accordingly, we do not express an opinion on the effectiveness of ECC'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 ECC'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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Pensacola, Florida  
July 18, 2023

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

To the Board of Directors  
Escambia Community Clinics, Inc.  
d/b/a Community Health Northwest Florida

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

**Opinion on Each Major Federal Program**

We have audited Escambia Community Clinics, Inc. and subsidiaries' compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Escambia Community Clinics, Inc. and subsidiaries' major federal program for the year ended December 31, 2022. Escambia Community Clinics, Inc. and subsidiaries' major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Escambia Community Clinics, Inc. and subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

**Basis for Opinion on Each Major Federal Program**

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Escambia Community Clinics, Inc. and subsidiaries and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Escambia Community Clinics, Inc. and subsidiaries' compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Escambia Community Clinics, Inc. and subsidiaries' federal programs.

### **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Escambia Community Clinics, Inc. and subsidiaries' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Escambia Community Clinics, Inc. and subsidiaries' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Escambia Community Clinics, Inc. and subsidiaries' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Escambia Community Clinics, Inc. and subsidiaries' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Escambia Community Clinics, Inc. and subsidiaries' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Warren Averett, LLC*

Pensacola, Florida  
July 18, 2023



**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**I. SUMMARY OF AUDITORS' RESULTS**

***Financial Statements***

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
• Significant deficiency(ies) identified that is/are not considered to be material weaknesses?	_____	Yes	_____ <u>X</u> _____	None Reported
Noncompliance material to financial statements noted?	_____	Yes	_____ <u>X</u> _____	No

***Federal Awards***

Internal control over major programs:

• Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
• Significant deficiency(ies) identified that is/are not considered to be material weaknesses?	_____	Yes	_____ <u>X</u> _____	None Reported

Type of auditors' report issued on compliance for major programs:

Unmodified

• Any audit findings disclosed that are required to be reported in accordance with section 2 CFR §200.516 audit findings paragraph (a)?

	_____	Yes	_____ <u>X</u> _____	No
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Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
93.224	Health Center Cluster

Dollar threshold used to distinguish between type A and type B programs:

\_\_\_\_\_ \$750,000 \_\_\_\_\_

Auditee qualified as low-risk auditee?

	_____ <u>X</u> _____	Yes	_____	No
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**ESCAMBIA COMMUNITY CLINICS, INC. d/b/a  
COMMUNITY HEALTH NORTHWEST FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**II. FINANCIAL STATEMENT FINDINGS**

The results of our audit of Escambia Community Clinics, Inc. and subsidiaries did not disclose any findings required to be reported under government auditing standards generally accepted in the United States of America.

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

We noted no findings or matters that are required to be reported in accordance with the Uniform Guidance.

**IV. SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

There were no findings reported in the prior year report.

INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
C - 1130  
ATLANTA, GA 30301

DEPARTMENT OF THE TREASURY

Date: JAN 12 1993

ESCAPITA COMMUNITY CLINICS INC  
BA T HOSPITAL INC  
C/O GARY B LEUCHTMAN ESQ  
P O BOX 12950  
PENSACOLA, FL 32576

Employer Identification Number:  
59-3105246  
Contact Person:  
JERRY FINKLIN  
Contact Telephone Number:  
(404) 331-0172  
Accounting Period Ending:  
September 30  
Form 990 Required:  
Yes  
Addendum Applies:  
Yes

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(iii).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

Donors may deduct contributions to you as provided in section 170 of the

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ESCAMBIA COMMUNITY CLINICS INC

Code. Requests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should maintain records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain

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ESCAMBIA COMMUNITY CLINICS INC

dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

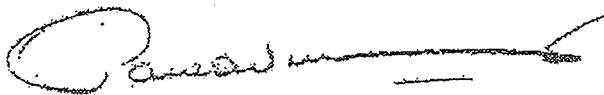
If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Paul Williams  
District Director

Enclosure(s):  
Addendum

ESCAMBIA COMMUNITY CLINICS INC

If your organization conducts fund-raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Charities Conducting Fund-Raising Events. You may obtain copies of Publication 1391 from your local IRS Office. Guidelines for deductible amounts are also set forth in Revenue Ruling 67-246, 1967-2 C.B. 104 and Revenue Procedure 90-12, 1990-1 C.B. 471 and Revenue Procedure 92-49, 1992-24 I.R.B. 18.

The value of time or personal services contributed to your organization by volunteers is not deductible by those volunteers as a charitable contribution for Federal income tax purposes. You should advise your volunteers to this effect.