



The Public Health Authority of Cabarrus County Board
 Meeting Agenda
 Tuesday, January 17, 2023
 5:30 pm

- A. CALL TO ORDER Chairperson Lara Pons, MD
- B. ADOPTION OF THE AGENDA **Motion** Dr. Lara Pons
- C. APPROVAL OF THE MINUTES **Motion** Dr. Lara Pons
 - a. OPEN SESSION MINUTES (October 16, 2022)
 - b. OPEN SESSION MINUTES (November 17, 2022)
 - c. CLOSED SESSION MINUTES (November 17, 2022)
- D. SPECIAL PRESENTATION – CHA Medical Director Erin Shoe, MPH
- E. INFORMAL PUBLIC COMMENTS Dr. Lara Pons
- F. REPORTS
 - Recovery & Resiliency Coalition Erin Babbitt, BSN
 - School Health Update Tammy Alexander, MSN, RN, NCSN
 - Committee Reports
 - Finance Committee - Sue Yates*
 - Annual Comprehensive Financial Report Sue Yates
 - Potter & Company, P.A Letters Sue Yates
 - Financial Summary Report (as of 12/31/22) Sue Yates
 - CHA Snapshot (as of 12/31/22) Sue Yates
 - Variance Analysis Year-to-Date (as of 12/31/22) Sue Yates
 - Health Director’s Report Erin Shoe, MPH
- G. CONSENT AGENDA Dr. Lara Pons
 - Budget Revisions **Motion** Sue Yates
 - Finance Policies **Motion** Sue Yates
 - Nominating Committee **Motion** Erin Shoe, MPH
- H. BUSINESS AGENDA
 - Human Resource Information System Approval **Motion** Dr. Stephen Cathcart
 - Tobacco Policy Change **Motion** Marcella Beam
- I. ANNOUNCEMENTS Dr. Lara Pons
- J. MOTION TO ADJOURN **Motion** Dr. Lara Pons

Next regular meeting date: **Tuesday, March 21, 2023 (3rd Tuesday) at 5:30pm**

Committee	Next meeting date	Members
Strategy/Data/Outcomes	Wednesday, February 1, 2023	Lara Pons MD, Kimberly Dehler DDS,MPH, Asha Rodriguez, Erin Shoe, Medjatu Kuyateh
Equity/Policy	Wednesday, February 22, 2023	Daryle Adams, Cecilia Plez, Chip Buckwell, Erin Shoe, Steve Cathcart
Finance/Sustainability	Wednesday, March 1, 2023	Mark Spitzer, Stephen Morris, Dan Hagler MD, Erin Shoe, Sue Yates



Public Health Authority of Cabarrus County
Board Meeting Minutes
October 25, 2022

A regular meeting of The Public Health Authority Board was held on Tuesday, October 25, 2022.

Board members attended in-person at CHA and virtually via Microsoft TEAMS. The meeting was live streamed on YouTube.

Members Present:

Lara Pons, MD, Chair
Mark Spitzer, Vice-Chair
Dan Hagler, MD
Daryle Adams
Cecilia Plez
Steve Morris
Asha Rodriguez
Kimberly Dehler, DDS
Dr. Chip Buckwell

Members Absent:

Staff Present: Dr. Bonnie Coyle, Erin Shoe, Sue Yates, Ryan McGhee, Raquesha Franklin, Marcella Beam, Tammy Alexander, Marcus Misenheimer, Wendy Harsch, Asma Warrich.

CHA Legal Counsel: William Isenhour, Partner (Johnston Allison Hord Law Office)

Guests and Members of Public Present: none

CALL TO ORDER

Chairperson Lara Pons called the meeting to order at 5:40 pm.

ADOPTION OF THE AGENDA

Chairperson Lara Pons requested a motion to approve the agenda. Cecilia Plez moved. Stephen Morris seconded. Motion and approval carried unanimously.

APPROVAL OF THE MINUTES

Chairperson Lara Pons asked for a motion to approve the August 16, 2022, meeting minutes. Stephen Morris moved. Dr. Chip Buckwell seconded. Motion and approval carried unanimously.

INFORMAL PUBLIC COMMENTS

No public comments.

BOARD TRAINING

Bonnie provided an introduction and advised that Attorney William Isenhour met with her and a few members to provide legal guidance regarding how the Board should function, in-person meetings, and Board Training.

Attorney William Isenhour presented Board Training: Board of Health Rolls & Responsibilities. William advised that he will be attending the next few Board meetings to assist with review, and the revision of the Governance Documents (Order of Priority), Virtual vs In-person Attendance, Fiduciary Duties of the Board Members, Order of Meetings, Agenda Items (Consent and Business), and Closed Session.

Recommendations/Suggestions:

- Vice-Chair Mark Spitzer recommended training include quorum, voting, participation, and if in-person attendance is an option for the public.
- Stephen Morris suggests that public attendance should be in-person only.
- William advised that Bylaws should be written in a way that updates are not needed; Policies can be updated at any time.

Conclusion/Questions:

- William confirmed that the Board should seek legal consult when questioning what should be in open vs. closed session.
- The purpose of Closed Session is to protect confidential and privileged information.

REPORTS

Committee Report-Outs

- *Executive Committee*
 - *Charter Resolution update* – Each subcommittee has a charter update and these will be presented at the January Board of Health meeting.
 - *Comprehensive review of Governance Documents* – the following policies are under review and no other policies will be created until current policies are updated.
 - Conflict of Interest Policy
 - Cost Principles Policy
 - Eligible Use Policy
 - Non-Discrimination Policy
 - Record Retention Policy
- *Data Committee*
 - *Communicable Disease Report* – Marcus presented the CD Report. He shared the diseases that affect Cabarrus County and the total cases from 2017 – 2021.
 - CD has expanded their outreach and has been able to participate in more community events and was able to provide HIV and Syphilis testing at Rowan Cabarrus Community College and the University of North Carolina Charlotte.
 - CD is working on putting a focus group together to better reach the targeted age group from 15 – 29.
 - Cabarrus County has had 4 tuberculosis cases reported which has shifted the County to take more precautions due to the small size of the community.

- Accreditation Update – Asma presented updates regarding the Board of Health accreditation. Asma shared details regarding National Accreditation: PHAB, NC Accreditation: NCLHD, Board of Health Responsibilities, Activity 34.4: Evidence of implementation of rules/ordinance. Asma reviewed the roles and responsibilities regarding Finance, Community Health, Health Director/Staff, and Board Training & Procedures.
- *Equity Committee* – Daryle Adams advised that Keon Lewis will present the Equity Action Plan which has been reviewed by the subcommittee.
- *Finance Committee* – Mark advised the Finance subcommittee meeting was a success; the presentation of budget will be updated. Sue Yates will present the summary, snapshot, and variance analysis.
 - *Financial Summary*: Sue Yates presented the Financial Summary Report as of the end of 09/30/22.
 - *CHA Snapshot*: Sue Yates presented the budgets as of 09/30/22.
 - *Variance Analysis Year-to-Date*: Sue Yates presented the Variance Analysis Reports as of 09/30/22.

Health Director's Report: Dr. Bonnie Coyle presented the Health Directors Report and shared a few highlights.

- The School Nurse department is down to two open positions.
- Dr. Elly Steel received an award at NCPHA in September for her work in the Dental program.
- Environmental Health is down to a two week turn around on inspections thanks to Cabarrus County approving additional positions.
- Dental is back in the schools performing kindergarten screenings; the untreated decay is up to 30%.

CONSENT AGENDA

Budget Revisions: The Finance Committee was able to review the budget revisions at an earlier meeting.

Financial Policies: The Finance Committee was able to review the following Finance Policies at an earlier meeting.

Conflict of Interest Policy, Cost Principles Policy, Eligible Use Policy, Non-Discrimination Policy, Record Retention Policy.

Chairperson Lara Pons asked for a motion to approve the Consent Agenda. Dr. Chip Buckwell moved. Mark Spitzer seconded. Motion and approval carried unanimously.

BUSINESS AGENDA

Organizational Equity Action Plan: Keon Lewis presented the Equity Action Plan. Keon shared details regarding the Equity Assessment Timeline, Participation Makeup, Results: Areas of Improvement, Action Plan Goals, and the Equity Pillars (Policy, Community Engagement, Data, and Training).

Chairperson Lara Pons asked for a motion to approve the Equity Action Plan. Cecilia Plez moved. Dr. Kimberly Dehler seconded. Motion and approval carried unanimously.

Comprehensive review of Governance Documents:

Chairperson Lara Pons asked for a motion to approve William conduct a Comprehensive review of Governance Documents and return them with recommendations. Mark Spitzer moved. Dr. Chip Buckwell seconded. Motion and approval carried unanimously.

Chairperson Lara Pons asked for a motion that CHA staff complete research on needed Board of Health Rules and return at a future meeting to present and discuss. At this time, the Board notes that there are no Rules & Ordinances to adopt or invoke any changes. Mark Spitzer moved. Stephen Morris seconded. Motion and approval carried unanimously.

ANNOUNCEMENTS

- ✓ Dr. Lara Pons advised that she had the opportunity to meet with School Health Nurses and would like to thank all of the nurses for their hard work.
- ✓ Dr. Lara Pons advised that she had the opportunity to meet with HR and discuss HR operations, challenges, and upcoming priorities.
- ✓ Dr. Lara Pons would like to thank all CHA staff for their hard work and dedication.
- ✓ March 24, 2023 Keon Lewis will be hosting a CHASM Summit and Board members are invited.
- ✓ Dr. Chip Buckwell thanked Cabarrus County for their continued support of the School Nurses.

MOTION TO ADJOURN

No further business to come before the Board.

Chairperson Lara Pons requested a motion to adjourn the meeting. Stephen Morris moved. Dr. Kimberly Dehler seconded the motion. Motion and approval carried unanimously. The meeting was adjourned at 7:35pm.

The next meeting of the board will be January 17, 2022, at 5:30pm.

Lara Pons, MD, Chair
Public Health Authority Board of Commissioners

ATTEST

Bonnie Coyle, MD
Public Health Director

Minutes Taken by Raquesha B. Franklin

DRAFT



Public Health Authority of Cabarrus County
Special Board Meeting Minutes
November 17, 2022

A special meeting of The Public Health Authority Board was held on Thursday, November 17, 2022.

Board members attended in-person and virtually.

Members Present:

Lara Pons, MD, Chair
Mark Spitzer, Vice-Chair
Dan Hagler, MD
Daryle Adams
Cecilia Plez
Steve Morris
Asha Rodriguez
Kimberly Dehler, DDS
Dr. Chip Buckwell

Members Absent:

Staff Present: Dr. Bonnie Coyle, Raquesha Franklin.

CALL TO ORDER

Chairperson Lara Pons called the meeting to order at 6:30 pm.

ADOPTION OF THE AGENDA

Chairperson Lara Pons requested a motion to approve the agenda.

Dr. Chip Buckwell moved. Mark Spitzer seconded. Motion and approval carried unanimously.

CLOSED SESSION

Chairperson Lara Pons requested a motion to enter into Closed Session G.S.143-318.11(a)(6) – to consider the qualifications, competence, performance, character, fitness, conditions or appointment, or conditions of initial employment of an individual public officer or employee or prospective public office or employee.

Cecilia Plez moved. Asha Rodriguez seconded. Motion and approval carried unanimously.

MOTION TO ADJOURN

No further business to come before the Board.

Chairperson Lara Pons requested a motion to adjourn the meeting. Chip Buckwell moved. Dr. Kim Dehler seconded the motion. Motion and approval carried unanimously. The meeting was adjourned at 5:06pm.

The next meeting of the board will be January 17, 2022, at 5:30pm.

Lara Pons, MD, Chair
Public Health Authority Board of Commissioners

Minutes Taken by Raquesha B. Franklin

DRAFT

Cabarrus Recovery & Resiliency Coalition Overview

Erin Babbitt, BSN, RN
CHA Program Manager

Community Partner Perspective

Dawn Gustafson

Cabarrus County Emergency Management Specialist



Community First – Prepare, Respond, Recover

Cabarrus Health Alliance (CHA) convened the Cabarrus Community Coalition for Recovery and Resiliency to discuss issues impacting our community as a result of the COVID-19 pandemic. The coalition met from May – December 2022 to routinely share their lived experience (personally and professionally), review data, and collect feedback from the community. The goal of the coalition was to identify: how the community has been impacted by the pandemic, what the community’s needs are post-pandemic, and how can we prepare our community and leaders now to address future emergencies in an improved manner?

Priority focus groups included adolescents, seniors, first responders, teachers, childcare providers, and Latinx community members. The coalition identified recovery needs and acknowledged constructive feedback from each group to improve responses to future emergencies (regardless of scale, public health, and non-public health incidents).

The coalition highly encourages all Cabarrus County leaders to consider these recommendations as response measures for future emergencies in their own organizations.



Community First – Prepare, Respond, Recover



Communication

Unified Voice from trusted leaders: strive for a local unified voice, as well as alignment and consistency with state and federal messaging.

Outline lead and support agency roles: Identify lead local level agency and assure that initial communication to the public outlines roles of both lead and support agencies.

Initiate Joint Information Center (JIC) early: Convene community Public Information Officers to coordinate messaging to the public with the shared aim of: be timely in delivery and use plain language.

Develop a routine cadence for updates: set a schedule for community updates and do not deviate unless eminent danger to the community.

Ensure accessibility of prepared materials: As materials are developed in English, Spanish versions should automatically be created, including plans for materials to be developed in other prominent languages as well. Aim to create materials at or below a 6th grade reading level. Plan for audio, video, and written communications.



Health & Wellbeing

Consider the whole person while addressing crises: advocate for improved access to and better collaboration between providers.

Prioritize Services supporting vulnerable populations: make it clear that identifying vulnerable populations is a priority. Meet vulnerable populations where they are in place, in understanding, in language, and in lived experience.

Ensure availability of behavioral health resources early: in vulnerable populations, consider ways to continue normal operations in a safe manner. Provide behavioral health resources early in crisis for organizations working with youth. Ensure educational resources and support for school staff.

Once stable, allow individuals to make informed choices: provide factual information from credible sources to allow individuals to make informed choices. Consider holistic strategies for health & safety and provide creative solutions to maintain connectedness and activity.



Resources

Coordinate support for first responders and healthcare staff: Provide support to first responders and healthcare staff through debriefing, structured staff check-ins, staff respite opportunities, and mental health.

Provide resiliency resources to community workforce support needs of small businesses early: Assess early and often needs of the local workforce and provide tailored resources, education, and support

Ensure continuity of social supports: Strategize safe practices to ensure continuity of social supports and maintain connectedness (Meals on Wheels, Lunch Plus, etc)

Identify and connect with population impacted early: whether a health or weather related emergency, identify the population most at risk and focus early resources and support.



School Health Updates

January 17, 2023

Staffing



Cabarrus County Schools

- 40 of 40 positions are filled
- Two positions are currently filled by Maxim agency nurses.
- School nurse supervisors are providing nursing coverage and oversight for two of the early college high schools.

Kannapolis City Schools

- 7 of 9 nurse positions are filled

The first portion of retention and recruitment bonuses have been paid for most nurses following the first 90 days of employment. The other portion of the bonus will be paid in June.

Staffing

Type of Degree	Number of nurses	Number of nurses with National Certification in School Nursing	
ADN	16	Holds Bachelor's degree in another field	1
		Exempt (grandfathered in at time policy took effect)	5
		Currently ineligible	10
BSN	35	15	
MSN	3	2	

*School Health Administrative team members are included in the data.

**PRN nurses and temporary/agency nurses are not included in the data.

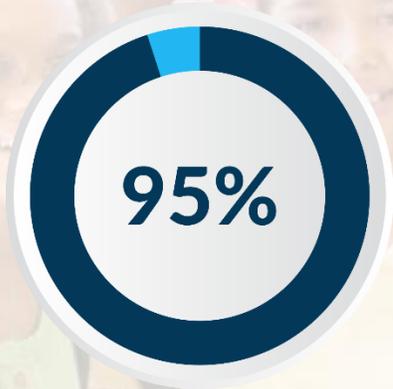


Additional supports for ADN prepared nurses:

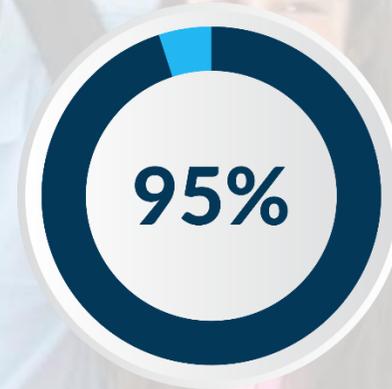
- Increased site visits from school nurse supervisors and lead nurses
- Extended probationary period if needed
- Required NCDHHS Public Health Nursing training
- Assigned preceptor for the first 2 years of employment
- Assessment of learning needs completed by the school nurse supervisor and trainings provided tailored to those needs

Refocusing on Health Promotion and Education

School Health Population Level Goals:



95% of nurses with more than one year of School Health experience, will complete at least four (4) health promotion or health education activities to impact the entire school community with a focus on the physical and mental health benefits of physical activity.



95% of nurses will identify a health topic that affects a large percentage of their school community, create an activity or program which addresses this issue and deliver it to the entire school community.

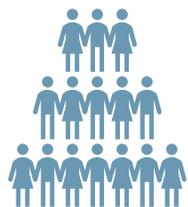
AA 362 ELC Testing – School Health Staffing



\$4.6 million awarded each year for the past two years.
We do not expect this money to roll over.

Staffing	Testing	Mental Health
<p>34 support staff</p> <ul style="list-style-type: none">• 1 at KCS Central Office• 1 Administrative Assistant• 32 assigned to schools to support nurses<ul style="list-style-type: none">• 3 CHA employees• 29 Decision Path employees	<ul style="list-style-type: none">• Rapid antigen and PCR testing offered at each school site• Home test kits distributed to families and school staff	<ul style="list-style-type: none">• Reconnect trainings• QPR trainings• Reconnect boxes• Behavioral Health Support positions for KCS

2022 ELC Data – August to December



Students presenting to the nurse
with COVID-like Illness (CLI)

252



Students with CLI who were offered
testing

218
93% (Goal 95%)



Students or parents who accepted
testing

78
36%



Program test totals

Antigen: 169
PCR: 12

2022 School Health Trends

October to December School Health Data

Returned to class with illness complaints

15,082

Dismissed from school for illness

5,087

Most commonly reported symptoms

congestion, cough, do not feel well,
fever, headache, sore throat, and
vomiting

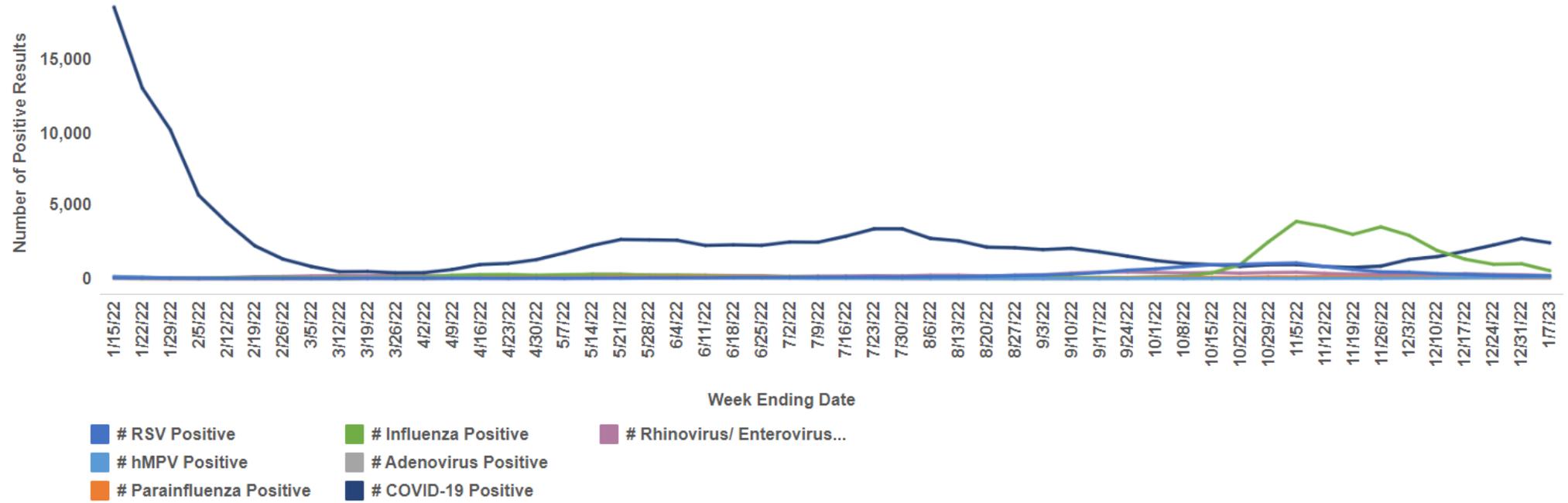
NC Respiratory Virus Surveillance

RESPIRATORY VIRUS SURVEILLANCE 2021-2022

LABORATORY SURVEILLANCE

What respiratory viruses are being found in patients tested at hospitals in the PHE network?

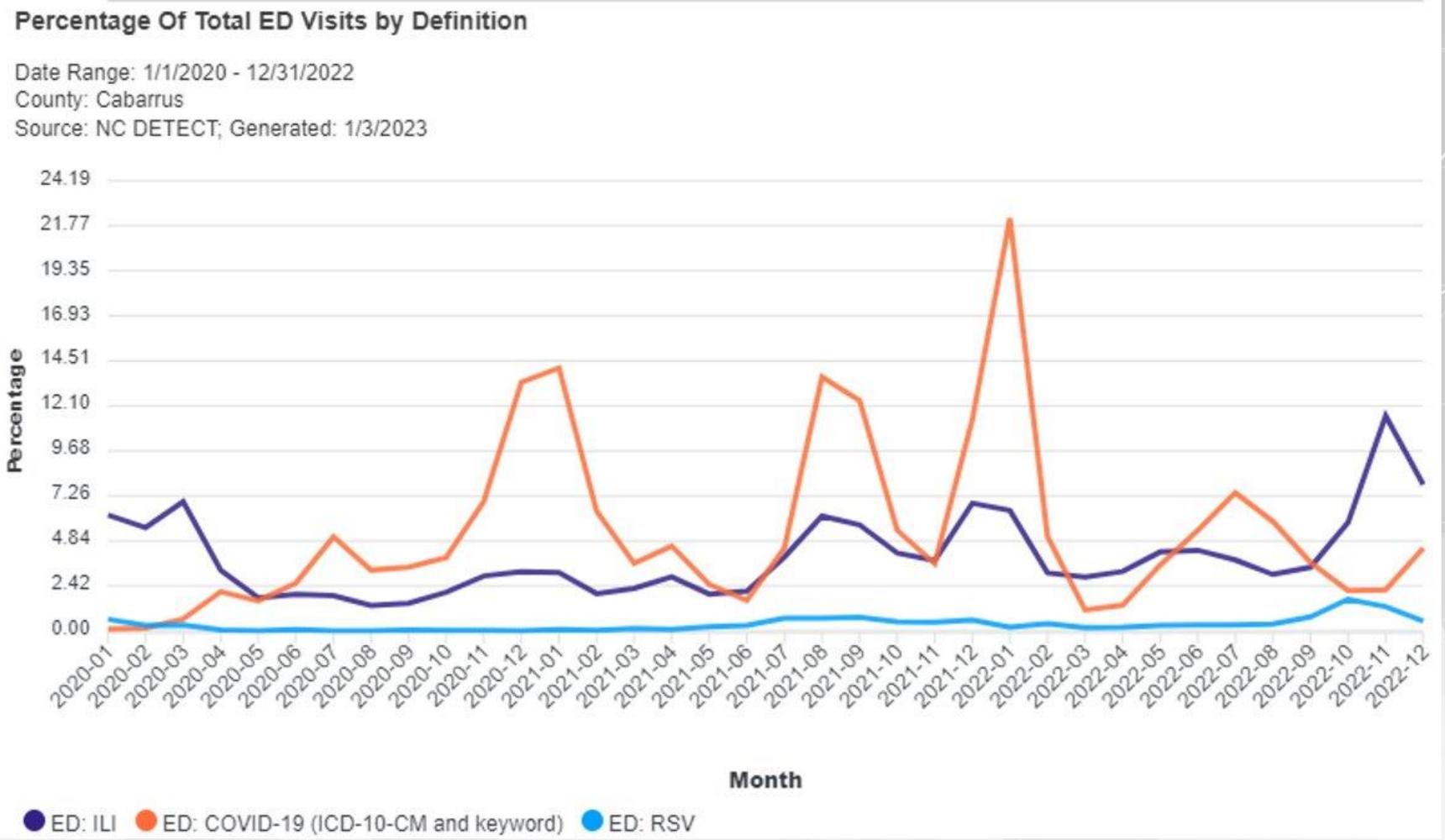
Select Respiratory Virus Type:



Many viruses can cause respiratory illness. The graph above shows tests for the listed respiratory viruses done at hospital laboratories in the PHE network. Tracking test results for patients in this network of health systems can help us to understand what other viruses are making people sick. It is important to remember that the number of positive tests depends on how many tests are done, so will change based on access to testing and testing priorities.

The below table shows the change compared to the prior week's number of positive respiratory virus results in PHE facilities, for the week ending 1/7/2023

Cabarrus County Residents ED visits for respiratory illness





CABARRUS
HEALTH
ALLIANCE



Public Health Authority of Cabarrus County



A Component Unit of Cabarrus County, North Carolina

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2022

Public Health Authority of Cabarrus County

A Component Unit of Cabarrus County,
North Carolina

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2022

Prepared By

Cabarrus Health Alliance Finance Department

Finance Director

Sue K. Yates



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**Cabarrus Health Alliance, North Carolina
Annual Comprehensive Financial Report
For the Year Ended June 30, 2022**

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Annual Comprehensive Financial Report
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Introductory Section



CABARRUS
HEALTH
ALLIANCE

at NC Research Campus

October 28, 2022

To the Board of Directors and Citizens of Cabarrus County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the Public Health Authority of Cabarrus County (dba Cabarrus Health Alliance) for the fiscal year ended June 30, 2022.

This report consists of management's representations concerning the finances of the Cabarrus Health Alliance. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Cabarrus Health Alliance has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Cabarrus Health Alliance's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Cabarrus Health Alliance's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Cabarrus Health Alliance's financial statements have been audited by Potter & Company, P.A., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Cabarrus Health Alliance for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Cabarrus Health Alliance's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Cabarrus Health Alliance was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the compliance section of the Annual Comprehensive Financial Report.

compensation levels in order to ensure competitiveness. Additional positions may only be established under this subsection if revenues are available to offset the expenditures.

Following such actions where a budget amendment is required; it is submitted for approval at the next regular meeting of the Alliance Board. Budget-to-actual comparisons are provided in this report for the general fund for which an appropriated annual budget has been adopted. This comparison is presented on page 25 as part of the basic financial statements.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Cabarrus Health Alliance operates.

Local economy. The Cabarrus Health Alliance's main office is located in the northern part of Cabarrus County. Although the County had experienced rapid growth, due to its location in the Charlotte metropolitan region, the unemployment rate continues to be a concern at 3.7%. This is a decrease from last year's 4.4%. The County population has increased by 25.83% and the per capita income increased by 37.4% in the last ten years.

The Alliance received an annual contribution and additional funding for COVID-19 response from Cabarrus County, which as of June 30, 2022, represented 27.97% of total revenues. The County allocates funds for specific mandated programs and services and limits how the funds can be allocated for administrative costs and non-mandated services. In FY22, Cabarrus County received ARPA funding for the COVID-19 response and Cabarrus County contributed a portion of those funds for Cabarrus Health Alliance's response efforts.

The Cabarrus Health Alliance sold the North Carolina Telehealth Network to the North Carolina Telehealth Network Association for \$200,000 a year for 5 years for a total of \$1 million dollars. The transfer of assets and sale of the program was part of the original plan when the Alliance helped get the project started in North Carolina.

Long-term financial planning. Unassigned fund balance in the general fund (25 percent of total general fund expenditures) exceeds the policy guidelines set by the Health Alliance Board. These funds are available, at the Board's discretion, to purchase necessary equipment, and/or to initiate new programs and activities to promote public health in Cabarrus County.

The Alliance will continue to implement a strategic plan to determine the future of existing services and revenues and will continue to seek out new revenue sources and grant opportunities as well as continue to develop and implement cost-saving work ethics to protect the future of those services provided to the citizens of Cabarrus and surrounding counties.

Relevant Financial Policies

In accordance with state statute, appropriated fund balance in any fund will not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts.

The Cabarrus Health Alliance will maintain an unassigned fund balance that exceeds eight percent (8%) of general fund expenditures in accordance with North Carolina Local Government Commission's (LGC) recommendation. Based on historical cash flow analysis, the Cabarrus Health Alliance shall maintain a target goal of fifteen percent (15%) of general fund expenditures. These funds will be used to avoid cash-flow interruptions, generate interest income, sustain operations during unanticipated emergencies and disasters and/or initiate new programs.

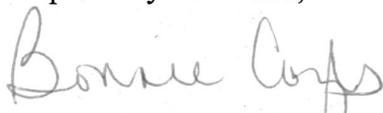
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Cabarrus Health Alliance for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the twenty second consecutive year that the Alliance has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the Cabarrus Health Alliance Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Much appreciation is expressed to Potter & Company without whose dedicated assistance this report could not have been produced. Credit also must be given to the Alliance Board for their continued interest and support in planning and conducting the financial operations of the Cabarrus Health Alliance.

Respectfully submitted,



Dr. Bonnie Coyle, Health Director
Director of Public Health/Chief Executive Officer



Sue K. Yates
Chief Financial Officer



Government Finance Officers Association

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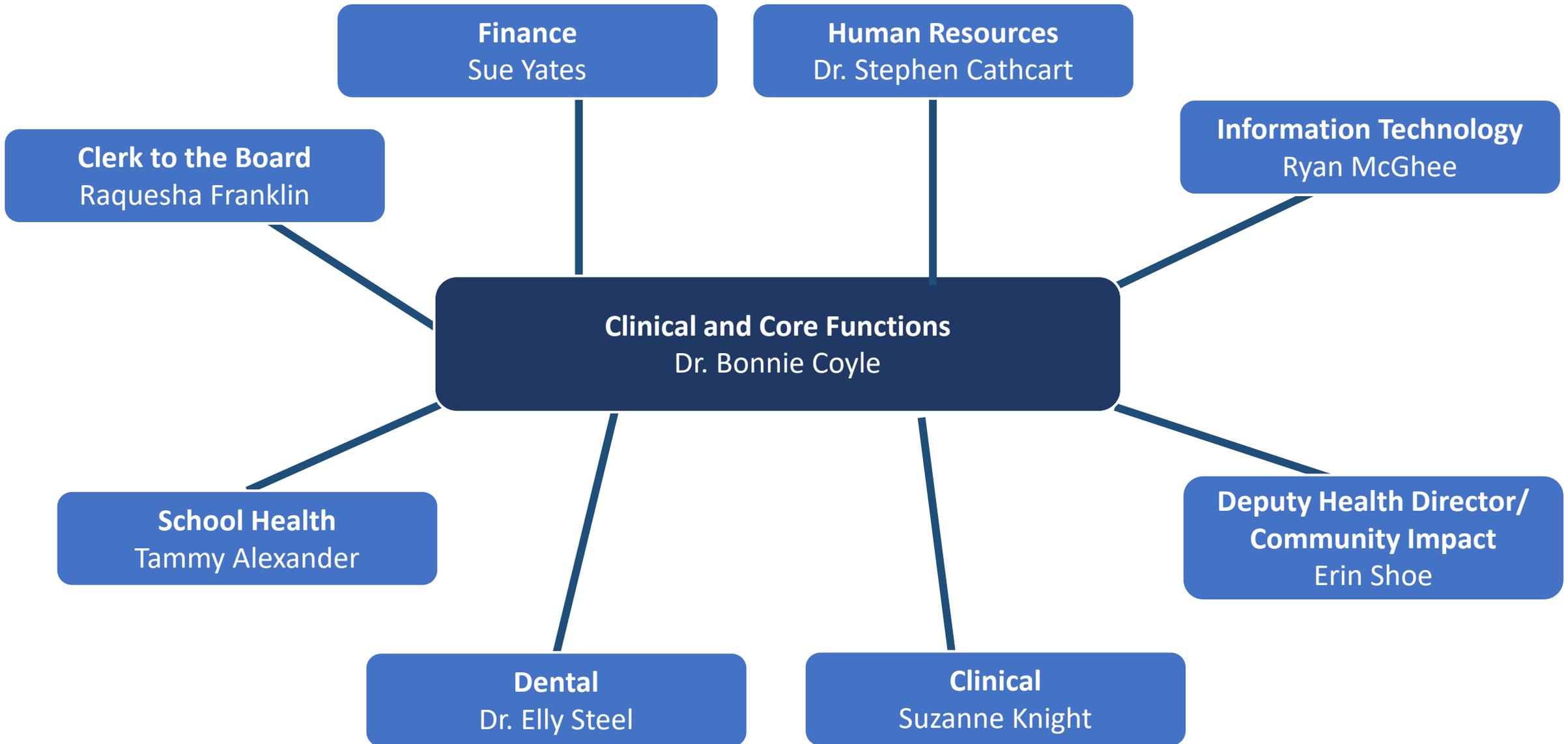
**Public Health Authority of Cabarrus County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



**List of Appointed Officials
As of June 30, 2022**

Cabarrus Health Alliance Board

Chairperson Atrium Health – Medical Staff	Lara Pons, MD
Member or Designee, Atrium Health – Infectious Disease Specialist	Dan Hagler, M.D.
Member or Designee, Cabarrus County Board of Commissioners	Stephen M. Morris
Member or Designee, Atrium Health – Regional COO	Asha Rodriguez, Facility Director
Member or Designee, Public Member	Cecillia Plez
Member or Designee, Cabarrus County and Kannapolis City Schools Systems	Daryle Adams
Member or Designee, Dental Health	Kimberly Dehler, DDS
Public Member	Mark J. Spitzer
Public Member	Chip Buckwell, EdD

**Cabarrus Health Alliance
Management/Leadership**

CEO, Public Health Director	Bonnie Coyle, MD
Deputy Public Health Director	Erin K. Shoe, MPH
Chief Finance Officer	Sue K. Yates
Chief Clinical Director	Suzanne M. Knight, RN, MPH
Chief Technology Officer	Ryan J. McGhee
Human Resources Director	Steve M. Cathcart, EdD., SPHR
Quality Improvement & Accreditation Program Manager	Asma M. Warrich
Employee Relations and Training Manager	Rolanda Patrick Forehand, MPH
Dental Program Director	Elly A. Steel
Environmental Health Program Director	Chrystal L. Swinger, RHES
Chief Community Health Officer/ Public Information Officer	Marcella A. Beam
Latino Engagement and Relations Coordinator/ Team At-Large Member	Sandra L. Torres, MPA
Clerk to the Board	Raquesha B. Franklin

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Financial Section



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cabarrus Health Alliance
Kannapolis, North Carolina

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the **Cabarrus Health Alliance**, a component unit of Cabarrus County, North Carolina, as of and for the year then ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the **Cabarrus Health Alliance's** basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the **Cabarrus Health Alliance** as of June 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the **Cabarrus Health Alliance**, 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.

Responsibility of Management's for the Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the **Cabarrus Health Alliance's** ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 GAAS and *Governmental Auditing Standards* will always detect material statement 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 financial statements.

In performing an audit in accordance with GAAS, and *Governmental Auditing Standards*, we

- Exercised professional judgement and maintained 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 responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the 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 the **Cabarrus Health Alliance's** 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 financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the **Cabarrus Health Alliance's** 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 12 through 19, and the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios on page 53, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on pages 54 and 55, respectively, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provided us will sufficient evident to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **Cabarrus Health Alliance's** basic financial statements. The Schedule of Expenditures of Federal and State Awards, 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 the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from

and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, and the procedures performed as described above, the other supplementary information section and the Schedule of Expenditures of Federal and State Awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory information and the statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2022, on our consideration of **Cabarrus Health Alliance's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **Cabarrus Health Alliance's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Cabarrus Health Alliance's** internal control over financial reporting and compliance.

Potter & Company, P.A.

October 28, 2022
Concord, North Carolina

*Management's
Discussion & Analysis*

Management’s Discussion and Analysis

As management of the Public Health Authority of Cabarrus County (dba Cabarrus Health Alliance), we offer readers of the Cabarrus Health Alliance’s financial statements this narrative overview and analysis of the financial activities of the Cabarrus Health Alliance for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Alliance’s financial statements, which follow this narrative.

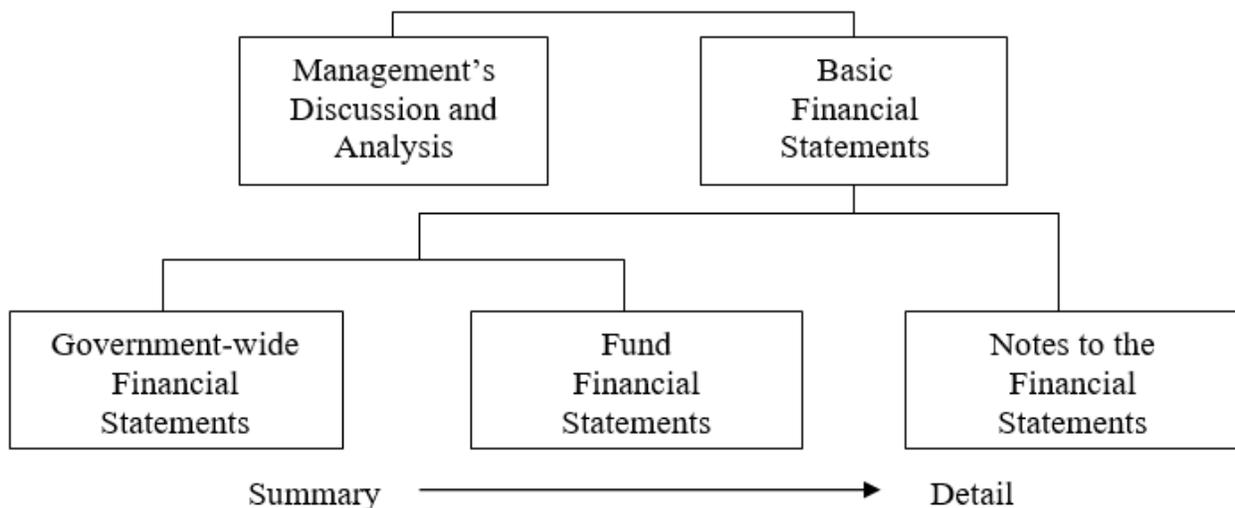
Financial Highlights

- The assets and deferred outflows of resources of the Cabarrus Health Alliance exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$8,251,422 (*net position*)
- The Alliance’s total net position increased by \$1,030,629, primarily due to an increase in accounts receivables.
- As of the close of the current fiscal year, the Cabarrus Health Alliance’s governmental funds reported combined ending fund balances of \$11,530,756 after a net increase in fund balance of \$828,094. Approximately 34.58 percent of this total amount, or \$3,987,321 is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,543,435 or 25.8 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Cabarrus Health Alliance’s basic financial statements. The Cabarrus Health Alliance’s basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Alliance through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader’s understanding of the financial condition of the Alliance.

Required Components of Annual Financial Report (Figure 1)



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Alliance's financial status.

The next statements (Exhibits 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the Alliance. These statements provide more detail than the government-wide statements. The two parts of the Fund Financial Statements are the governmental fund statements and the budgetary comparison statement.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Alliance's non-major governmental fund. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplementary information. This section contains funding information about the Alliance's post employment benefits and pension plans.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Cabarrus Health Alliance's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Alliance's financial status as a whole.

The two government-wide statements report the Alliance's net position and how it has changed. Net position is the difference between the total of the Alliance's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Alliance's financial condition.

Both of the government-wide financial statements distinguish the Human Services function of the Cabarrus Health Alliance which is principally supported by intergovernmental revenues and charges for services.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Alliance's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Cabarrus Health Alliance, like other state and local governments, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Alliance's budget ordinance.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. The Alliance maintains one individual governmental fund.

This fund focus is on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Alliance's programs. The relationship between government activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Cabarrus Health Alliance adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of Cabarrus County, the management of the Alliance, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Alliance to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Alliance complied with the budget ordinance and whether or not the Alliance succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented by revenue type and expenditures by department. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, changes to final budget and the actual resources and changes.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 28 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Cabarrus Health Alliance's progress in funding its obligation to provide other post employment benefits to its employees. Required supplementary information can be found beginning on page 53 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The Alliance's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$8,251,422 as of June 30, 2022. The Alliance's net position increased by \$1,030,629 for the fiscal year ended June 30, 2022. One portion of the net position, \$748,536 (9.07%) reflects the Alliance's net investment in capital assets (furniture, equipment, vehicles and leasehold improvements). The Alliance uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the Alliance's net position, \$3,136,129 (38.01%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$4,366,757 (52.92%) is unrestricted.

Cabarrus Health Alliance's Net Position		
	Governmental Activities	
	2022	2021
Current and other assets	\$ 14,409,759	\$ 13,127,564
Note receivable (see Note V.4)	400,000	600,000
Capital assets	748,536	481,291
Total assets	15,558,295	14,208,855
Deferred outflows of resources related to pensions	4,749,918	3,699,778
Deferred outflows of resources related to OPEB	303,203	328,382
Total deferred outflows of resources	5,053,121	4,028,160
Long-term liabilities outstanding	6,562,652	9,529,300
Other liabilities	1,597,232	1,444,033
Total liabilities	8,159,884	10,973,333
Deferred inflows of resources related to pensions	4,185,734	22,085
Deferred inflows of resources related to OPEB	14,376	20,804
Total deferred inflows of resources	4,200,110	42,889
Net position:		
Net investment in capital assets	748,536	481,291
Restricted	3,136,129	3,342,317
Unrestricted	4,366,757	3,397,185
Total net position	\$ 8,251,422	\$ 7,220,793

Several particular aspects of the Alliance's financial operations positively influenced the total unrestricted governmental net position:

- The General Fund had an original budgeted fund balance appropriation of \$880,206 that was not used during the fiscal year.
- Alliance departments were conservative in their spending and expenditures at June 30, 2022 were \$2,101,646 under budget.
- Accounts receivable increased by \$1,322,404 due to not receiving state and county reimbursement for June funds prior to year-end.
- Deferred outflows of resources related to pensions increased by \$1,024,961 and deferred inflows of resources related to pensions increased by \$4,157,221.

Cabarrus Health Alliance's Changes in Net Position		
	Governmental Activities	
	2022	2021
Revenues:		
Program revenues:		
Charges for services	\$ 9,513,438	\$ 9,915,841
Operating grants and contributions	20,060,871	15,707,492
General revenues:		
Investment earnings	15,223	4,223
Other	42,542	19,504
Special item	-	-
Total revenues	<u>29,632,074</u>	<u>25,647,060</u>
Expenses:		
Human Services:		
Administrative services	3,884,022	3,271,315
Environmental health	1,429,940	1,295,261
Dental health	3,632,008	3,170,702
Women, Infants, and Children (WIC)	811,156	1,018,343
Communicable disease	4,145,337	4,842,747
Clinical services	3,816,727	3,962,634
Family care coordinator	1,251,648	1,109,438
Health initiatives	2,502,913	1,260,913
Behavioral Health	147,967	-
School Health	6,979,727	4,152,789
Total expenses	<u>28,601,445</u>	<u>24,084,142</u>
Increase (decrease) in net position	1,030,629	1,562,918
Net position, July 1	7,220,793	5,657,875
Net position, June 30	<u>\$ 8,251,422</u>	<u>\$ 7,220,793</u>

Governmental Activities

Governmental activities increased the Alliance's net position by \$1,030,629. Key elements of this change are as follows:

- Increased operating grants and contributions by \$4,353,379.
- Increases and decreases throughout other departments include changes in state, federal, and private grant funding.
- Increases in School Health due to COVID response activities.

Financial Analysis of the Alliance's Funds

As noted earlier, the Cabarrus Health Alliance uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds. The focus of the Cabarrus Health Alliance's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Cabarrus Health Alliance's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Cabarrus Health Alliance. At the end of the current fiscal year, the Alliance's fund balance available in the General Fund was \$7,543,435 while total fund balance reached \$11,530,756. The Governing Body of the Cabarrus Health Alliance has determined that it should maintain an available fund balance of 15% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Alliance. The Alliance currently has an available fund balance of 25.78% of general fund expenditures, while total fund balance represents 39.41% of that same amount.

At June 30, 2022, the governmental funds of the Cabarrus Health Alliance reported a fund balance of \$11,530,756, a 14.27% percent increase over the previous year. The primary reasons for this increase is due to the increase in Medicaid Cost Settlement over previous years due to increases in reimbursement. Deferred outflows of resources related to pensions increased by \$1,024,961.

General Fund Budgetary Highlights. During the fiscal year, Cabarrus Health Alliance revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased all expenses by \$6,988,096.

Major budget increases (decreases) during the year include:

- Environmental Health – Increased revenue for additional fees generated from increased need for services, \$66,044; and additional fees generated from food and lodging activities, \$43,743; increased revenue for grant received, \$46,602.
- Clinical Services – Increased revenue primarily due to Medicaid Cost Settlement revenues, \$453,682.
- School Health – Increased revenue primarily for COVID-19 response funding, \$123,607.
- Family Care Coordination – Increase revenue for PPNB, AMCHP grant and Pregnancy Care Management and Care Coordination funding, \$164,754.
- Information Technology – Total revenues increased mainly due to increased revenue from County ARPA grant, \$147,140.
- Behavioral Health – Total revenues increased mainly due to Department of Justice MAT-COSSAP grant, \$253,263; and County ARPA grant, \$405,972.
- Dental Health – Total revenues increased mainly due to Medicaid Costs Settlement revenues, \$675,112.

- Communicable Disease – Increased revenue primarily for COVID-19 response funding, \$701,688.

Capital Assets

Cabarrus Health Alliance’s capital assets for its governmental activities as of June 30, 2022, totals \$748,536 (net of accumulated depreciation). These assets include furniture and fixtures, vehicles, equipment, and leasehold improvements.

Major capital asset transactions during the current fiscal year include:

- Purchased three Environmental Health Vehicles, one General Administration Vehicle, \$135,859.
- MDAcquired Ultrasound for Clinical Services, \$73,572.
- Retired Pelton & Crane Station for Dental, \$70,063.

Cabarrus Health Alliance's Capital Assets		
(net of accumulated depreciation)		
	Governmental Activities	
	2022	2021
Furniture and fixtures	\$ 10,190	\$ 25,902
Vehicles	238,919	164,706
Equipment	481,414	290,210
Leasehold Improvement	18,013	473
Total	\$ 748,536	\$ 481,291

Additional information on the Cabarrus Health Alliance’s capital assets can be found in Note IV.C on page 38 of the Basic Financial Statements.

Economic Factors and Next Year’s Budgets

The following key economic indicators reflect the fiscal challenges for the Cabarrus Health Alliance:

- The unemployment rate for Cabarrus County as of June 30, 2022 was 3.7 percent.
- The population in Cabarrus County has increased to 231,278 in 2022 from 183,806 in 2012. This represents a 25.83% increase.

Impact of Coronavirus on the County. During the fiscal year, the state and the nation were affected by the spread of a coronavirus. Cabarrus Health Alliance’s response to the coronavirus included our staff participated in testing, contact tracing, and providing guidance to community partners.

The Alliance received \$4,760,490 from the State for COVID-19 response efforts in FY22.

Budget Highlights for the Upcoming Fiscal Year Ending June 30, 2023

- The Cabarrus Health Alliance receives funding from Cabarrus County to provide mandated services to its citizens as well as School Health.

The county's contribution to the Alliance represents approximately 27.97% of the total budgeted revenues for fiscal year 2023. Although the population being served has not decreased, the County may change funding due to the fluctuations in growth of the economy.

- Revenue from the Medicaid settlement represents 8.11% of the total budgeted revenues. Historically the Alliance has received an annual amount of \$990,000 to \$3,080,488.
- Salaries and benefits continue to be our largest area of investment and represent an average of 75.8% of total budgeted expenditures, \$27.13 million. Annual performance increases were computed at an average of 3.25% for 10.5 months, an approximate cost of \$282,038. Group Health Insurance rates increased to \$7,207 from \$6,903 in FY21. The state retirement rate increased to 12.13 % from 11.38%.

Requests for Information

This report is designed to provide an overview of the Cabarrus Health Alliance's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer, Cabarrus Health Alliance, 300 Mooresville Road, Kannapolis, North Carolina 28081. You can also call (704) 920-1212, visit our website www.cabarrushealth.org or send an email to sue.yates@cabarrushealth.org for more information.

Basic Financial Statements

Cabarrus Health Alliance, North Carolina
Statement of Net Position
June 30, 2022

	Primary Government Governmental Activities
Assets	
Cash and investments	\$ 7,961,363
Restricted Assets:	
Cash	433,264
Receivables (net):	
Accounts receivable	4,559,198
Patient receivables, net	726,426
Sales tax	172,662
Note receivable - current portion	200,000
Note receivable - noncurrent portion	200,000
Capital Assets net of accumulated depreciation:	
Furniture and Fixtures	10,190
Vehicles	238,919
Equipment	481,414
Leasehold Improvement	18,013
Total Capital Assets	748,536
Right to use leased asset, net of amortization	556,846
Total assets	15,558,295
Deferred Outflows of Resources	
Pension deferrals	4,749,918
OPEB deferrals	303,203
Total deferred outflows of resources	5,053,121
Liabilities	
Accounts payable and accrued liabilities	1,162,467
Accrued interest payable	1,501
Liabilities to be paid from restricted assets	433,264
Due within one year	1,207,316
Noncurrent liabilities due in more than one year:	
Due in more than one year	354,530
Net pension liability	2,920,274
OPEB liability	2,080,532
Total liabilities	8,159,884
Deferred Inflows of Resources	
Pension deferrals	4,185,734
OPEB deferrals	14,376
Total deferred inflows of resources	4,200,110
Net Position	
Net investment in Capital Assets	748,536
Restricted for:	
Stabilization by State Statute	3,136,129
Unrestricted	4,366,757
Total Net Position	\$ 8,251,422

The notes to the financial statements are an integral part of this statement.

Cabarrus Health Alliance, North Carolina
Statement of Activities
For the Year Ended June 30, 2022

	Expenses	Program Revenues		Net (Expense) Revenue And Change in Net Position
		Charges for Services	Operating Grants and Contributions	Total Primary Government Governmental Activities
Function/Program Activities				
Governmental Activities:				
Administrative Services	\$ 3,884,022	\$ 3,584	\$ 3,151,753	\$ (728,685)
Environmental Health	1,429,940	340,160	1,073,892	(15,888)
Dental Health	3,632,008	4,823,281	83,047	1,274,320
Women, Infants, and Children	811,156	-	814,181	3,025
Communicable Disease	4,145,337	669,209	3,808,431	332,303
Clinical Services	3,816,727	2,510,988	1,145,237	(160,502)
Family Care Coordination	1,251,648	1,041,250	463,150	252,752
Health Initiatives	2,502,913	-	2,519,024	16,111
Behavioral Health	147,967	-	131,275	(16,692)
School Health	6,979,727	124,966	6,870,881	16,120
Total governmental activities	<u>\$ 28,601,445</u>	<u>\$ 9,513,438</u>	<u>\$ 20,060,871</u>	<u>\$ 972,864</u>
General Revenues:				
Unrestricted investment earnings				15,223
Miscellaneous revenues				42,542
Total General Revenues				<u>57,765</u>
Changes in net position				1,030,629
Net position, beginning, as previously reported				7,220,793
Prior period restatement - change in accounting principle				-
Net position, beginning				<u>7,220,793</u>
Net position, ending				<u>\$ 8,251,422</u>

The notes to the financial statements are an integral part of this statement.

Cabarrus Health Alliance, North Carolina
Balance Sheet
Governmental Funds
June 30, 2022

	<u>Major Fund</u>	<u>Total</u>
	<u>General Fund</u>	<u>Governmental Fund</u>
ASSETS		
Cash and investments	\$ 7,961,363	\$ 7,961,363
Restricted Assets:		
Cash	433,264	433,264
Receivables (net of allowance for uncollectibles)		
Accounts receivable	4,559,198	4,559,198
Patient receivables	726,426	726,426
Sales tax	172,662	172,662
Total assets	<u>\$ 13,852,913</u>	<u>\$ 13,852,913</u>
LIABILITIES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,162,467	\$ 1,162,467
Liabilities to be paid from restricted assets	433,264	433,264
Total liabilities	<u>1,595,731</u>	<u>1,595,731</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>726,426</u>	<u>726,426</u>
FUND BALANCES		
Restricted:		
Stabilization by State Statute	3,136,129	3,136,129
Assigned:		
Subsequent year's expenditures	851,192	851,192
Unassigned:	7,543,435	7,543,435
Total fund balances	<u>11,530,756</u>	<u>11,530,756</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,852,913</u>	
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:		
Total Fund Balance, Governmental Funds		11,530,756
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	3,106,402	
Less accumulated depreciation	<u>(2,357,866)</u>	748,536
Note Receivable (see Note V.4)		400,000
Pension related deferred outflows of resources		2,939,300
OPEB related deferred outflows of resources		212,171

Cabarrus Health Alliance, North Carolina
Balance Sheet
Governmental Funds
June 30, 2022

	<u>Major Fund</u>	<u>Total</u> <u>Governmental Fund</u>
	<u>General Fund</u>	
Deferred outflows of resources related to pension that are not reported in the funds		1,810,618
Deferred outflows of resources related to OPEB that are not reported in the funds		91,032
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.		556,846
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Deferred inflows for patient receivables	926,877	
Less allowance for doubtful accounts	<u>(200,451)</u>	726,426
Accrued interest related to right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds		(1,501)
Long term liabilities, including compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences	(999,045)	
Leases	(562,801)	
OPEB Liability	<u>(2,080,532)</u>	(3,642,378)
Net pension liability		(2,920,274)
Pension related deferred inflows of resources		(4,185,734)
OPEB related deferred inflows of resources		(14,376)
Net position of governmental activities		<u>\$ 8,251,422</u>

The notes to the financial statements are an integral part of this statement.

Cabarrus Health Alliance, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

		<u>Governmental Fund Types</u>
		<u>General</u>
Revenues:		
Intergovernmental revenues	\$	27,656,977
Permits and fees		340,160
Sales and services		1,260,270
Investment earnings		15,223
Miscellaneous		61,222
Contributions		552,665
Total Revenues		29,886,517
Expenditures:		
Current:		
Human services		28,659,728
Debt service		167,791
Capital outlay:		
Equipment		430,904
Total Expenditures		29,258,423
Excess (deficiency) of revenues over (under) expenditures before special item		628,094
Special Item:		
Special item (see Note V.4)		200,000
Net change in fund balance		828,094
Fund balance, July 1		10,702,662
Fund balance, June 30	\$	11,530,756

The notes to the financial statements are an integral part of this statement.

**Cabarrus Health Alliance, North Carolina
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2022**

Amount reported for governmental activities in the statement of activities (page 21) are different because:

Net change in fund balance - total governmental funds (page 24)		\$ 828,094
Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. See Note III.A.		267,245
Note Receivable (see Note V.4)		(200,000)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.		406,969
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities.		(20,108)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(254,443)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Pension Expense	62,883	
Compensated absences	6,891	
Leases	(7,456)	
OPEB plan expense	(59,446)	
	2,872	2,872
Total changes in net position of governmental activities (page 21)		\$ 1,030,629

The notes to the financial statements are an integral part of this statement.

Cabarrus Health Alliance, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 22,062,869	\$ 28,897,250	\$ 27,656,977	\$ (1,240,273)
Permits and fees	188,117	332,404	340,160	7,756
Sales and services	1,464,911	1,468,074	1,260,270	(207,804)
Investment earnings	5,000	5,900	15,223	9,323
Miscellaneous	33,105	56,185	61,222	5,037
Contributions	617,971	600,256	552,665	(47,591)
Total Revenues	<u>24,371,973</u>	<u>31,360,069</u>	<u>29,886,517</u>	<u>(1,473,552)</u>
Expenditures:				
<i>Human Services:</i>				
Environmental Health	1,196,025	1,434,657	1,429,940	4,717
Information Technology Systems	1,030,489	1,220,353	1,158,974	61,379
General Administration	2,825,920	3,309,565	3,144,082	165,483
Family Care Coordination	1,133,604	1,507,708	1,251,648	256,060
School Health	4,266,235	6,981,185	6,979,727	1,458
Health Initiatives	1,352,507	3,146,611	2,502,913	643,698
Dental Public Health	3,804,221	3,805,704	3,632,008	173,696
Vital Records	63,913	70,954	70,153	801
Communicable Disease	4,277,798	4,559,265	4,145,337	413,928
Clinical Services	3,516,633	4,088,871	3,816,727	272,144
Behavioral Health	-	238,000	147,967	90,033
Women, Infants, & Children (WIC)	796,027	826,428	811,156	15,272
Total Human Services	<u>24,263,372</u>	<u>31,189,301</u>	<u>29,090,632</u>	<u>2,098,669</u>
<i>Debt Service:</i>				
Principal retirement	95,954	158,121	155,144	2,977
Interest and other charges	12,647	12,647	12,647	-
Total Debt Service	<u>108,601</u>	<u>170,768</u>	<u>167,791</u>	<u>2,977</u>
Total Expenditures	<u>24,371,973</u>	<u>31,360,069</u>	<u>29,258,423</u>	<u>2,101,646</u>
Excess (deficiency) of revenues over (under) expenditures before special item	<u>(880,206)</u>	<u>(285,697)</u>	<u>628,094</u>	<u>(913,791)</u>
Other financing sources (uses):				
Fund balance appropriated	880,206	285,697	-	285,697
Special item (see Note V.4)	-	-	200,000	200,000
Net change in fund balance	<u>-</u>	<u>-</u>	<u>828,094</u>	<u>828,094</u>
Fund balance, July 1			<u>10,702,662</u>	
Fund balance, June 30			<u>\$ 11,530,756</u>	

The notes to the financial statements are an integral part of this statement.

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*Notes to the Financial
Statements*

**Public Health Authority of Cabarrus County
(dba Cabarrus Health Alliance)
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022**

I. Summary of Significant Accounting Policies

The accompanying financial statements and the following accounting policies of the Cabarrus Health Alliance and its component unit conform to accounting principles generally accepted in the United States of America as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Public Health Authority of Cabarrus County (dba Cabarrus Health Alliance), formed July 1, 1997, is a component unit of Cabarrus County, North Carolina. The Chairperson of the Board of Commissioners for Cabarrus County appoints the members of the board of the Cabarrus Health Alliance. The Alliance is reported as a discreetly presented component unit in the County's financial statements.

As required by generally accepted accounting principles, these financial statements present the Alliance. The Cabarrus Public Health Interest (the "Interest"), is a component unit of the Alliance and was created as a 501(c)(3) non-profit organization with public charity status for fundraising efforts that will benefit the Alliance and the public it serves. The Interest has no financial transactions or account balances; therefore, it is not presented in the basic financial statements.

B. Basis of Presentation

Government-wide Statements. The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through intergovernmental revenues and charges for services.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Alliance and for each function of the Alliance's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the Alliance's funds. A separate statement for the governmental fund category is presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Alliance reports the following major governmental fund:

General Fund. This is the Alliance's primary operating fund. It accounts for all financial resources of the general government. The primary revenue sources are charges for services and intergovernmental revenues. The primary expenditures are for General Administration, School Health, Dental Public Health, and Clinical Services.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

In accordance with North Carolina General Statutes, all funds of the Alliance are maintained during the year using the modified accrual basis of accounting.

Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Governmental Fund Financial Statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers all revenues, except patient receivables, to be available if they are collected within 60 days of the end of the current fiscal year. Uncollected patient fees for services that were billed during this period are shown as a receivable on these financial statements and are offset by deferred inflows of resources.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

D. Budgetary Data

The Alliance's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the capital projects fund. The budget is prepared using the modified accrual basis of accounting.

Appropriations are made at the department level and amended as necessary by the Executive Director within the following restrictions:

1. Amendments between appropriations of the same department are unrestricted.
2. Amendments between departments within the same fund are restricted to a \$25,000 maximum with an official report of such transfers to be provided at the next regular meeting of the Health Alliance Board; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$25,000 must be approved by the governing board.
3. Amendments from contingency appropriations, between departments of the same fund in excess of \$25,000 require action of the Health Alliance Board.
4. Additional authority is granted to the Executive Director to transfer amounts within and between funds for the sole purpose of funding salary and benefits adjustments consistent with the Cabarrus Health Alliance Personnel Ordinance. In instances where budget appropriations and estimated revenue have been revised during the year, budget data presented in the financial statements represent the final authorized amounts as of June 30, 2022.

Expenditures may not legally exceed budgeted appropriations at the departmental level. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

All deposits of the Alliance are made in board designated official depositories and are collateralized as required by NC General Statute 159-31. The Alliance may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Alliance may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts and certificates of deposit.

State Law (GS 159-30 (c)) authorizes the Alliance to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The Cabarrus Health Alliance's investments with maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The North Carolina Capital Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAm by S&P. The Government Portfolio is reported at fair value.

Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

2. Cash and Cash Equivalents

A centralized cash account is maintained and used by all funds. Interest is deposited into the General Administration function of the agency. The Alliance pools its moneys to facilitate disbursement and investment and to maximize investment income. Therefore all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

The balance of restricted assets as of June 30, 2022 are as follows:

FY 2022	Unexpended Amount
COVID HRSA Provider Relief Funds	\$ 181,402
Life Style Medicine	38,800
Women, Infant & Children	10,292
Delta Dental	2,273
Southern Piedmont Community Care	196,015
KCS Mental Health	4,482
Total Restricted Assets	<u>\$ 433,264</u>

These unexpended amounts are classified as restricted assets on the Statement of Net Position and the Governmental Balance Sheet. The amounts are considered restricted because their use is expressly prohibited except for the original purpose of which the funds were received.

4. Receivables

The Alliance’s receivables consist of patient receivables for services rendered and various federal and state grant revenues.

All patient receivables are shown net of an allowance for doubtful accounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Inventories and Prepaid Items

Inventory of medical supplies is considered immaterial as of June 30, 2022 and, therefore, is not reported on the balance sheets.

In governmental fund type accounts, prepaid expenses are generally accounted for using the purchase method. Under the purchases method, prepaid expenses are treated as expenditures when purchased rather than accounted for as an asset.

7. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statement. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to July 1, 2015 are recorded at estimated fair market value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value.

All other purchased or constructed capital assets are reported at cost or estimated historical value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles	5
Office equipment	5
Computer equipment	5
Leasehold improvements	15

8. Right to use assets

The Alliance has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The Alliance has two items that meet this criterion; pension related deferrals and contributions made to the pension plan in the 2022 fiscal year.

In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as revenue until then. The Alliance has two items that meets the criterion for this category, deferred patient receivables of \$726,426 as of June 30, 2022 and deferrals of pension expense that result from the implementation of GASB Statement 68.

10. Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

11. Compensated Absences

All permanent and probationary Alliance employees who are scheduled to work at least 1,000 hours during the calendar year receive vacation and sick leave benefits. The Alliance's vacation policy allows for unlimited accumulation of earned leave during the calendar year with a maximum of 240 hours being carried over to January 1. Vacation exceeding 240 hours is converted into sick leave after January 1. Vacation leave is fully vested when earned. The Alliance budgets and funds the current portion of accumulated vacation leave during each fiscal year. The Alliance's sick leave policy also allows for unlimited accumulation of earned leave.

Sick leave benefits do not vest but any unused leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. As there is not any obligation to pay sick leave until it is actually taken, no liability is recorded for these benefits.

12. Net Position/Fund Balances

Net Position

Net position in government-wide fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of three classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The governmental fund types classify fund balances as follows:

Restricted Fund Balance – this classification includes revenue sources that are restricted to specific purposes externally imposed or imposed by law.

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Cabarrus Health Alliance governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance – portion of fund balance that the Alliance’s governing board has budgeted.

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified as restricted, and the governing body approves the appropriation.

Unassigned Fund Balance – portion of fund balance that has not been restricted or assigned to specific purposes or other funds.

For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by assigned fund balance, and lastly, unassigned fund balance.

Specified in the budget ordinance, funds appropriated from fund balance require action of the Cabarrus Health Alliance Board.

The Cabarrus Health Alliance has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Alliance in such a manner that available fund balance is at least equal to or greater than 15% of budgeted expenditures.

13. Defined Benefit Pension Plans

The Cabarrus Health Alliance participates in a cost-sharing, multiple-employer, defined benefit pension plan that is administered by the State; the Local Governmental Employees’ Retirement System (LGERS). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees’ Retirement System (LGERS) and additions to/deductions from LGERS’ fiduciary net position have been determined on the same basis as they are reported by LGERS.

For this purpose, plan member contributions are recognized in the period in which the contributions are due. Cabarrus Health Alliance’s employer contributions are recognized when due and Cabarrus Health Alliance has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

II. Stewardship, Compliance, and Accountability

A. Excess of Expenditures Over Appropriations

The legal level of budgetary control is the departmental level. This is the level at which expenditures should not exceed appropriations. For the fiscal year ended June 30, 2022, the Alliance’s General Fund had no departments over expended.

III. Reconciliation of government-wide and fund financial statements

A. Explanation of a certain difference between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

<u>Description</u>	<u>Amount</u>
Capital outlay	\$ 464,447
Depreciation expense	<u>(197,202)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities.	<u>\$ 267,245</u>

IV. Detailed Notes on All Funds

A. Deposits and Investments

All of the Alliance’s deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Alliance’s agents in the unit’s name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer’s agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Alliance, these deposits are considered to be held by their agents in the entity’s name.

The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Alliance or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Alliance under the Pooling Method, the potential exists for under-collateralization, and the risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The Alliance does not have a formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and monitor them for compliance. The Alliance complies with the provision of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2022, the Alliance’s carrying amount of deposits was \$992,170 and the bank balance was \$1,231,170. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

At June 30, 2022, the Alliance had \$3,600 cash on hand.

At June 30, 2022, the Alliance’s investments consisted of \$7,398,857 in the North Carolina Capital Management Trust’s Government Portfolio, which carried a credit rating of AAA by Standard and Poor’s. The NCCMT Government Portfolio’s valuation measurement method is Amortized Cost. The Alliance does not have a formal policy regarding credit risk or interest rate risk.

B. Receivables

Receivables at the government-wide level at June 30, 2022, were as follows:

	Accounts	Patient Receivables	Sales Tax	Total
Governmental Activities:				
General	\$ 4,559,198	\$ 926,877	\$ 172,662	\$ 5,658,737
Total receivables	4,559,198	926,877	172,662	5,658,737
Allowance for doubtful accounts	-	(200,451)	-	(200,451)
Total-governmental activities	\$ 4,559,198	\$ 726,426	\$ 172,662	\$ 5,458,286

The accounts receivables that are owed to the Alliance consist of the following:

340B Income, June 2022	\$	537
BJA COSSAP payment, June 2022		15,372
BJA STOP payment, June 2022		11,365
Cabarrus County - ARPA Behavioral Health, June 2022		17,168
Cabarrus County - ARPA Behavioral Health, May 2022		29,587
Cabarrus County - Environmental Health, June 2022		14,550
Cabarrus County - School Health, June 2022		298,013
CDC - CHW payment, June 2022		50,522
CDC - SDOH payment, June 2022		7,666
DFC payment, June 2022		9,703
DPS - Cabarrus YDC, May-June 2022		82,920
DSS PPP payment, June 2022		27,294
Elevate payment, June 2022		104,307
Medicaid Cost Study		3,097,060
Medicaid, Managed Care & Health Choice reimbursements, 2022		139,203
Miscellaneous payments, refunds, and donations, 2022		2,518
NC DHSS - State Wire, June 2022		626,574
Private Pay & Insurance payments, May-June 2022		21,341
Wake Forest payment, June 2022		3,317
Returned checks		179
Total	\$	<u>4,559,198</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, being depreciated:				
Furniture and fixtures	\$ 391,287	\$ -	\$ -	\$ 391,287
Vehicles	578,160	135,859	(10,346)	703,673
Equipment	1,392,942	310,166	(291,046)	1,412,062
Leasehold Improvement	600,505	18,422	-	618,927
Total capital assets being depreciated	2,962,894	464,447	(301,392)	3,125,949
Less accumulated depreciation for:				
Furniture and fixtures	365,385	15,712	-	381,097
Vehicles	401,810	61,646	(10,346)	453,110
Equipment	1,114,375	118,962	(291,046)	942,291
Leasehold Improvement	600,033	882	-	600,915
Total accumulated depreciation	2,481,603	197,202	(301,392)	2,377,413
Total capital assets being depreciated, net	481,291	267,245	-	748,536
Governmental activities capital assets, net	\$ 481,291	\$ 267,245	\$ -	\$ 748,536

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Human Services:	
Administrative Services	\$ 98,053
Environmental Health	30,538
Dental Health	49,956
Communicable Disease	862
Clinical Services	8,583
School Health	9,210
Total depreciation expense - governmental activities	\$ 197,202

D. Right to Use Leased Assets

The Alliance has recorded six right to use leased assets. The assets are right to use assets for office equipment and buildings. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the Primary Government for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Right to use assets:				
Leased equipment	\$ -	\$ 14,416	\$ -	\$ 14,416
Leased building	-	703,531	-	703,531
Total right to use assets	-	717,947	-	717,947
Less accumulated amortization for:				
Leased equipment	-	2,703	-	2,703
Leased building	-	158,398	-	158,398
Total accumulated amortization	-	161,101	-	161,101
Right to use assets, net	\$ -	\$ 556,846	\$ -	\$ 556,846

E. Deferred Inflow of Resources

The balance in deferred inflow of resources on the fund statements is composed of the total outstanding patient receivables less allowance for doubtful accounts and is represented by the agency services listed below:

	Clinical Services	Dental Health	Total
Total Due	\$ 618,710	\$ 308,167	\$ 926,877
Allow for uncollectible receivables	37,123	163,328	200,451
Deferred Inflows of Resources	\$ 581,587	\$ 144,839	\$ 726,426

F. Long-Term Obligation Activity

1. Leases

The Alliance has entered into agreements to lease certain equipment and buildings. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payment as of the date of their inception.

The first agreement was executed in October 2020 to lease office equipment and requires 60 monthly payments of \$1,094. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.25%, the prime rate. As a result of the lease, the Alliance has a right to use asset with a net book value of \$11,713 at June 30, 2022. The right to use asset is discussed in more detail in the right to use asset section of this note.

The second agreement was executed in June 2019 to lease a building and requires 60 monthly payments of \$6,000. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.25%, the prime rate. As a result of the lease, the Alliance has a right to use asset with a net book value of \$46,736 at June 30, 2022. The right to use asset is discussed in more detail in the right to use asset section of this note.

The third agreement was executed in January 2022 to lease a building and requires 36 monthly payments of \$6,200. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.25%, the prime rate. As a result of the lease, the Alliance has a right to use asset with a net book value of \$188,719 at June 30, 2022. The right to use asset is discussed in more detail in the right to use asset section of this note.

The fourth agreement was executed in January 2022 to lease a building and requires 36 monthly payments of \$3,200. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.25%, the prime rate. As a result of the lease, the Alliance has a right to use asset with a net book value of \$98,352 at June 30, 2022. The right to use asset is discussed in more detail in the right to use asset section of this note.

The fifth agreement was executed in January 2022 to lease a building and requires 36 monthly payments of \$3,200 with the lease payment increasing to \$3,395 in January 2023 for the remainder of the lease. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.25%, the prime rate. As a result of the lease, the Alliance has a right to use asset with a net book value of \$85,482 at June 30, 2022. The right to use asset is discussed in more detail in the right to use asset section of this note.

The sixth agreement was executed in June 2019 to lease a building and requires 60 monthly payments of \$16,440. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.25%, the prime rate. As a result of the lease, the Alliance has a right to use asset with a net book value of \$125,844 at June 30, 2022. The right to use asset is discussed in more detail in the right to use asset section of this note.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Year ending <u>June 30</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2023	\$ 228,252	\$ 15,175	\$ 243,427
2024	241,634	7,683	249,317
2025	92,915	1,027	93,942
	<u>\$ 562,801</u>	<u>\$ 23,885</u>	<u>\$ 586,686</u>

The following is a summary of changes in the Alliance’s long-term obligations for the fiscal year ended June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 1,005,936	\$ 918,379	\$ (925,270)	\$ 999,045	\$ 979,064
Leases	-	717,945	(155,144)	562,801	228,252
Net pension liability	6,503,635	-	(3,583,361)	2,920,274	-
Total OPEB liability	2,019,729	73,814	(13,011)	2,080,532	-
Governmental activity Long-term liabilities	\$ 9,529,300	\$ 1,710,138	\$ (4,676,786)	\$ 6,562,652	\$ 1,207,316

The Cabarrus Health Alliance anticipates spending approximately \$979,064 for compensated absences during fiscal year 2023. Compensated absences for governmental activities are liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

G. Employee Retirement Systems and Pension Plans

1. Local Governmental Employees’ Retirement System

Plan Description. Cabarrus Health Alliance is a participating employer in the statewide Local Governmental Employees’ Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The LGERS is included in the Annual Comprehensive Financial Report for the State of North Carolina.

The State’s Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Cabarrus Health Alliance employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Cabarrus Health Alliance contractually required contribution rate for the year ended June 30, 2021, was 11.38% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Cabarrus Health Alliance were \$1,810,618 for the year ended June 30, 2022.

Refunds of Contributions. Cabarrus Health Alliance employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, Cabarrus Health Alliance reported a liability of \$2,920,274 for its proportionate share of the net pension liability. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. Cabarrus Health Alliance's proportion of the net pension liability was based on a projection of the long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, Cabarrus Health Alliance's proportion was 0.190% (measured as of June 30, 2021) which was an increase of 0.00842% from its proportion as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2021, Cabarrus Health Alliance recognized pension expense of \$1,070,872. At June 30, 2022, the Cabarrus Health Alliance reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 929,044	\$ -
Changes of assumptions	1,834,678	-
Net difference between projected and actual earnings on pension plan investments	-	4,172,194
Changes in proportion and differences between Alliance contributions and proportionate share of contributions	175,578	13,540
Alliance contributions subsequent to the measurement date	1,810,618	-
Total	<u>\$ 4,749,918</u>	<u>\$ 4,185,734</u>

\$1,810,618 reported as deferred outflows of resources related to pensions resulting from Cabarrus Health Alliance contributions subsequent to the measurement date of the net pension but before the end of the current fiscal year, June 30, 2022, will be recognized as a decrease of the net pension liability in the subsequent year, June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ 349,344
2024	(48,513)
2025	(270,548)
2026	(1,276,717)
2027	-
Thereafter	-
	<u>\$ (1,246,434)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of OPEB plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period of January 1, 2010, through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined.

Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Cabarrus Health Alliance’s proportionate share of the net pension asset to changes in the discount rate. The following presents Cabarrus Health Alliance’s proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Alliance's proportionate share of the net pension liability (asset)	\$ 11,336,259	\$ 2,920,274	\$ (4,005,593)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

2. Other Employment Benefits

The Alliance has elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employee’s Retirement System (Death Benefit Plan); a multiple employer, State administered, cost-sharing plan funded on a one year-term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee’s 12 highest months’ salary in a row during the 24 months prior to his/her death, but the benefit may not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The Alliance has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payrolls, based upon rates established by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not the Alliance, the Alliance does not determine the number of eligible participants. For the years ended June 30, 2020, June 30, 2021 and June 30, 2022, the Alliance contributed .04% of annual covered payroll or \$5,363, \$6,304, and \$6,364 respectively.

3. Supplemental Retirement Income Plan (401K)

Plan Description. The Alliance contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Prudential Investment Management Services, LLC. The Plan provides retirement benefits to law enforcement officers and general employees. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provision to the North Carolina General Assembly.

Funding Policy. Article 12E of G.S. Chapter 143 requires entities with law enforcement officers to contribute each month an amount equal to five percent of each law enforcement officer’s salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The Alliance has chosen to extend this benefit to all its full and part-time (who are eligible for North Carolina Local Government Employees’ Retirement System) employees. Contributions for the year ended June 30, 2022 were \$556,803 from the participating Alliance employees.

The Board decided in June 2018 to reinstate the employer’s contribution to this benefit. The Alliance matched up to 2% in FY2022. The Alliance contributed \$119,529 to the plan for the year ended June 30, 2022.

4. Deferred Compensation Plan

Deferred Compensation Plan. The Alliance offers its employees a deferred compensation plan (Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all Alliance employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. During the year ended June 30, 2022, the Alliance did not contribute to the plan.

The Alliance has complied with changes in the laws which govern the Alliance’s Deferred Compensation Plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. Formerly, the undistributed amounts which had been deferred by the plan participants were required to be reported as assets of the Alliance. In accordance with GASB Statement 32, “Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,” the Alliance’s Deferred Compensation Plan is no longer reported within the Alliance’s Agency Funds.

H. Other Post-Employment Benefits (OPEB),

1. Healthcare Benefits

Plan description. Under the terms of an Alliance approved policy, the Cabarrus Health Alliance administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides paid health and life insurance coverage to employees qualifying for retirement as a member of the North Carolina Local Governmental Employer Retirement System. The plan was initiated July 1, 1997, and has been revised three times. The following is a breakdown of the eligibility criteria:

1. Full-time employees of Cabarrus Health Alliance/Cabarrus County on June 30, 1997, that voluntarily did not elect the new vacation accrual schedule are not eligible for paid health and life insurance coverage at retirement.

2. Full-time employees hired or rehired on July 1, 1997, and those employees that voluntarily chose to change vacation accrual effective July 1, 1997, are eligible as follows:
 - Paid health and life insurance coverage will be provided to employees qualifying for retirement as a member of the North Carolina Local Governmental Employee’s Retirement Systems with at least ten (10) of their creditable years being in the service of Cabarrus County/Cabarrus Health Alliance. These benefits will be paid at the same level as for active employees and will be provided to retired employees until they become eligible for Medicare (or reach the age when they will have had such benefits if they had been qualified for Social Security).
 - Employees qualifying for retirement in the North Carolina Local Governmental Employees’ Retirement System but with less than ten (10) years’ service with Cabarrus County/Cabarrus Health Alliance shall receive one-half the benefit provided to retiring employees with at least ten (10) years of service.
3. Full-time employees hired on July 1, 2001 and after with ten (10) years of service with the Cabarrus Health Alliance and who qualify for retirement as a member of the North Carolina Local Governmental Employees’ Retirement System are eligible as follows:
 - Paid health and life insurance coverage, paid at the same level as for active employees, will be provided to retired employees until they become eligible for Medicare (or reach the age when they will have had such benefits if they had been qualified for Social Security).
4. Retiree health and life insurance benefits are not available for employees hired effective July 1, 2004.

Based on the above requirements, the Alliance pays the cost of coverage for these benefits through private insurers. Also, the Alliance’s retirees can purchase coverage for their dependents at the Alliance’s group rates. The Alliance board may amend the benefit provisions.

Membership of the Plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

	Number:
Inactive Employees or Beneficiaries Currently receiving benefits	12
Inactive Members entitled to but not yet receiving benefits	0
Active plan members	26
Total	<u>38</u>

Total OPEB Liability

The Alliance's total OPEB liability of \$2,080,532 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 %
Real wage growth	0.75 %
Wage inflation	3.25 %
Salary increases, including wage inflation	
General Employees	3.25 % - 8.14%
Municipal Bond Index Rate	
Prior Measurement Date	2.21%
Measurement Date	2.16%
Healthcare cost trend rates	
Pre-Medicare	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031

Discount rate. The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.16 percent which was a change from the discount rate of 2.21 percent at June 30, 2020. However, because the OPEB plan's fiduciary net position was not projected to be sufficient to make all future benefit payments, the discount rate incorporates a municipal bond rate which was 2.21 percent at June 30, 2020 per the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published by The Bond Buyer. As of June 30, 2021, the 20-year Municipal Bond Index was 2.16 percent.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 7/1/2021	\$ 2,019,729
Changes for the year	
Service cost	42,622
Interest	44,130
Changes of benefit terms	-
Differences between expected and actual experience	(12,938)
Changes in assumptions or other inputs	118,759
Benefit payments	(131,770)
Net changes	60,803
Balance at 6/30/2022	\$ 2,080,532

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Alliance, as well as what the Alliance's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 2,227,973	\$ 2,080,532	\$ 1,942,885

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Alliance, as well as what the Alliance's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 1,919,735	\$ 2,080,532	\$ 2,260,533

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Alliance recognized OPEB expense of \$200,473. At June 30, 2022, the Alliance reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 34,131	\$ 11,546
Changes of assumptions	178,040	2,830
Benefit payments and administrative costs made subsequent to the measurement date	91,032	-
Total	\$ 303,203	\$ 14,376

\$91,032 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2023.

Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$ (109,450)
2024	(61,694)
2025	(26,390)
2026	(261)
2027	-
Thereafter	-

V. Other Information

1. Risk Management

Insurance coverage for the Alliance is through Westfield and Wester Insurance Services. The Alliance pays a premium for coverage of worker’s compensation, general liability, property, automotive, and professional liability insurance coverage.

The Alliance is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Alliance carries commercial coverage for all other risks of loss. Fiscal year ended June 30, 1998 was the initial year of operations. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in 2019, 2020, and 2021.

In accordance with G.S. 159-29, the Alliance’s employees that have access to \$100 or more at any given time of the Alliance’s funds are performance bonded through a commercial surety bond. Employees that have access to funds are bonded under a blanket bond for \$250,000. The Finance Director is individually bonded for \$100,000.

2. Summary Disclosure of Significant Commitment and Contingencies

The Alliance has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

3. Benefit Payments Issued by the State

The amount listed below was paid directly to individual recipients by the State from federal money. Alliance personnel are involved with certain functions; primarily eligibility determinations that cause benefit payments to be issued by the State. The amount discloses this additional aid to County recipients, which does not appear in the basic financial statements because it is not revenues and expenditures of the Alliance.

<u>Federal</u>	Food Stamp – WIC	\$3,029,478
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4. Related Party Transactions

The Alliance relocated to its new facility located at the North Carolina Research Campus in the City of Kannapolis on April 6, 2012. Funding for the purchase of the land and expenses for the construction of the facility has been provided to the Alliance by TIF (Tax Increment Funding) bonds issued by the City of Kannapolis. The current lease agreement between the Alliance and the City of Kannapolis will terminate upon the satisfaction of all financial obligations arising under the City's bonds.

The Cabarrus Health Alliance was the project coordinator for the North Carolina Telehealth Network (NCTN) project. The NCTN project was created to provide dedicated broadband network for public and non-profit healthcare providers in North Carolina. The pilot project started in late 2007 with an award of \$12.1 million in discounts from the Federal Communications Commission. Cabarrus Health Alliance sold the NCTN project to the North Carolina Telehealth Network for \$200,000 for five years for a total of \$1,000,000. The third installment of \$200,000 was received in June 30, 2022 and is recognized in this Statement of Revenues, Expenditures and Changes in Fund Balance. The \$1,000,000 proceeds have been recognized in the Statement of Activity. This item has been reflected as a special item because it is unusual in nature but under the control of management. The balance outstanding at June 30, 2022 is \$400,000.

A portion of the Alliance's revenue is from Cabarrus County. For the year ended June 30, 2022, the Alliance received \$9,198,703 from the County. The County's contribution constituted 30.74% of the Alliance's total revenue for June 30, 2022.

5. Coronavirus Disease (COVID-19)

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the Alliance is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

6. Change in Accounting Principles

The Alliance implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, in the fiscal year ending June 30, 2022. The implementation of the statement required the Alliance to record right to use assets, accrued interest, lease liability, and the effects on net position of lease amortization incurred by the Alliance relating to leases that qualify as other than short-term leases.

VI. Subsequent Events

Management has evaluated subsequent events through October 28, 2022 and has determined that no significant events have occurred that would alter the Alliance's financial position.

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*Required
Supplementary
Information*

Cabarrus Health Alliance, North Carolina
Other Post Employment Benefits - Healthcare
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Five Fiscal Years
June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 42,622	\$ 31,666	\$ 41,909	\$ 43,089	\$ 46,158
Interest	44,130	65,459	65,238	61,819	54,609
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(12,938)	(3,804)	153,100	276	(13,347)
Changes of assumptions	118,759	162,270	48,049	(39,338)	(70,489)
Benefit payments	(131,770)	(147,633)	(145,785)	(105,215)	(84,472)
Net change in total OPEB liability	60,803	107,958	162,511	(39,369)	(67,541)
Total OPEB liability - beginning	2,019,729	1,911,771	1,749,260	1,788,629	1,856,170
Total OPEB liability - ending	\$ 2,080,532	\$ 2,019,729	\$ 1,911,771	\$ 1,749,260	\$ 1,788,629
Covered-employee payroll	1,955,838	2,640,695	2,640,695	3,267,585	3,267,585
Total OPEB liability as a percentage of covered payroll	106.38%	76.48%	72.40%	53.53%	54.74%

Notes to Schedule

There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement 75 to pay related benefits for the OPEB plan. OPEB schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal year</u>	<u>Rate</u>
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2,018	3.56%

Cabarrus Health Alliance, North Carolina
Schedule of the Alliance's Proportionate Share of the
Net Pension Liability (Asset)
Local Governmental Employees' Retirement System
Last Nine Fiscal Years *
June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Alliance's proportion of the net pension liability (asset) %	0.190%	0.182%	0.182%	0.183%	0.164%	0.167%	0.155%	0.147%	0.143%
Alliance's proportionate share of the net pension liability (asset)	\$ 2,920,274	\$ 6,503,635	\$ 4,982,567	\$ 4,352,536	\$ 2,507,299	\$ 3,539,206	\$ 697,381	\$ (864,155)	\$ 1,723,699
Alliance's covered payroll	\$ 13,790,667	\$ 12,611,316	\$ 12,510,414	\$ 12,199,464	\$ 10,589,737	\$ 10,409,469	\$ 9,570,194	\$ 8,896,942	\$ 7,836,461
Alliance's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	21.18%	47.16%	39.83%	35.68%	23.68%	34.00%	7.29%	(9.71)%	22.00%
Plan fiduciary net position as a percentage of the total pension liability	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Pension schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Cabarrus Health Alliance, North Carolina
Schedule of Alliance's Contributions
Local Governmental Employees' Retirement System
Last 8 Fiscal Years
June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,810,618	\$ 1,403,649	\$ 1,133,756	\$ 974,473	\$ 919,840	\$ 774,114	\$ 700,557	\$ 682,356	\$ 629,003
Contributions in relation to the contractually required contribution	<u>1,810,618</u>	<u>1,403,649</u>	<u>1,133,756</u>	<u>974,473</u>	<u>919,840</u>	<u>774,114</u>	<u>700,557</u>	<u>682,356</u>	<u>629,003</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Alliance's covered payroll	\$ 15,910,532	\$ 13,790,667	\$ 12,611,316	\$ 12,510,414	\$ 12,199,464	\$ 10,589,737	\$ 10,409,469	\$ 9,570,194	\$ 8,896,942
Contributions as a percentage of covered payroll	11.38%	10.18%	8.99%	7.79%	7.54%	7.31%	6.73%	7.13%	7.07%

Pension schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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*Other Supplementary
Information*

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
Revenues:				
<i>Human Services:</i>				
Environmental Health:				
Food & Lodging Grant	\$ 5,000	\$ 36,743	\$ 36,743	\$ -
Mos & Tick Suppression	-	4,000	4,000	-
Food & Lodging Grant	-	12,000	12,000	-
Assoc. of Food & Drug	-	18,341	18,341	-
Contrib - City of Concord - WN	12,000	12,000	12,000	-
Contrib - City of Kannapolis - WN	8,000	8,000	8,000	-
Contrib - Town of Mt. Pleasant - WN	420	420	420	-
Environmental Health Fees	182,117	301,828	307,210	5,382
Temporary Food Establishment Fees	6,000	30,576	32,950	2,374
Miscellaneous Revenue	100	100	-	(100)
National Environmental Health Association	-	28,261	-	(28,261)
Contrib - Cabarrus County - WN	10,762	10,762	10,762	-
Contribution from Cabarrus County	971,626	971,626	971,626	-
Total Environmental Health	1,196,025	1,434,657	1,414,052	(20,605)
Information Technology Systems:				
Sale of Assets	500	500	232	(268)
Cabarrus County ARP	-	147,140	85,419	(61,721)
Contribution from Cabarrus County	723,316	723,316	723,316	-
Total Information Tech Systems	723,816	870,956	808,967	(61,989)
General Administration:				
Admin to Aid to County Grant	77,791	77,791	79,143	1,352
Advancing Equity County Grant	-	39,900	39,900	-
DSS Dream Center	4,648	19,394	38,788	19,394
WIC Dream Center	12,194	12,194	12,193	(1)
Program Fees	5,000	3,202	3,426	224
NCTN II - Admin Fees	200,000	200,158	158	(200,000)
Dental Dream Center	12,194	12,194	10,290	(1,904)
Interest on Investments	5,000	5,900	15,223	9,323
Sale of Capital Assets	15	15	-	(15)
Overages and Shortages	5	5	(583)	(588)
Miscellaneous Revenue	500	23,877	34,895	11,018
Contributions and Private Donations	-	2,000	2,000	-
Sale of Assets	55	6,000	6,000	-
Northeast Medical Center - Children WIN	40,000	40,000	40,000	-
Cabarrus County ARP	-	7,000	-	(7,000)
Contribution from Cabarrus County	2,058,785	2,051,750	2,058,791	7,041
Total General Administration	2,416,187	2,501,380	2,340,224	(161,156)
Family Care Coordination:				
Adolescent Parenting Program Grant	100,000	100,000	103,345	3,345
Innovative Approaches Grant	165,500	165,500	157,874	(7,626)
PCM Grant	43,708	43,708	43,708	-
CC4C Grant	44,136	44,136	44,136	-
North Carolina Division of Social Security	-	140,000	111,387	(28,613)
Medicaid - PPNB	10,004	440	406	(34)
Medicaid - PCM	423,060	79,060	80,660	1,600
Medicaid - CC4C	347,196	8,567	9,079	512
Medicaid Managed Care	-	923,822	951,106	27,284
Miscellaneous Revenue	-	2,475	2,700	225
Total Family Care Coordination	1,133,604	1,507,708	1,504,401	(3,307)

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
School Health:				
ELC Reopen School SH Liaison	-	115,000	115,000	-
ELC - SH Testing	-	2,575,047	2,540,903	(34,144)
School Nurse Funding Initiative Grant	50,000	50,000	50,000	-
Kids Plus Revenue	3,151	3,151	3,270	119
Cabarrus County School System	15,561	55,561	106,169	50,608
Kannapolis City School System	2,448	17,448	15,526	(1,922)
Contributions & Private Donations	15,000	11,125	11,125	-
Contribution from Cabarrus County	4,047,853	4,153,853	4,153,853	-
Total School Health	4,134,013	6,981,185	6,995,846	14,661
Health Initiatives:				
10 Essential Services	48,000	48,000	48,837	837
TPPI Grant	75,000	75,000	74,985	(15)
MDPP Grant	230,105	230,105	238,134	8,029
Opioid CLC	100,000	110,000	113,093	3,093
Health Promotion Grant	34,354	34,354	35,469	1,115
Triple P Grant	77,445	77,445	76,571	(874)
DHHS OAP	-	862,986	717,821	(145,165)
HHS/Centers for Disease Control	125,000	953,447	552,437	(401,010)
DOJ STOP	263,592	263,592	187,022	(76,570)
UNC Chapel Hill - Med South Life	-	-	900	900
KCS SSG	-	26,956	30,474	3,518
Community Free Clinic	59,136	59,136	47,650	(11,486)
Cabarrus County School System	-	40,000	40,000	-
Miscellaneous Revenue - SEP	24,000	5,100	5,100	-
Contributions & Private Donations - Healthy Cab	-	24,000	24,000	-
NorthEast Medical Center - Healthy Cab	28,500	42,750	42,750	-
Wake Forest School of Medicine BHEI	24,000	25,000	25,040	40
Walmart Foundation HFA	161,430	156,795	156,795	-
Contribution from Cabarrus County	101,945	101,945	101,945	-
Total Health Initiatives	1,352,507	3,136,611	2,519,023	(617,588)
Dental Health:				
Office of Rural Health	-	150,000	150,000	-
Cabarrus Partnership for Children	20,000	15,000	11,262	(3,738)
Medicaid - Dental	2,197,658	1,994,286	2,032,722	38,436
Medicaid - Settlement Dental	973,599	1,886,250	1,897,023	10,773
Cabarrus YDC	1,938	10,938	10,212	(726)
Private Insurance	530,933	421,323	431,219	9,896
Patient Fees	234,086	192,413	198,267	5,854
Miscellaneous Revenue	-	7,420	4,189	(3,231)
Duke Endowment	68,799	68,799	68,800	1
Total Dental Health	4,027,013	4,746,429	4,803,694	57,265
Vital Records:				
Contribution from Cabarrus County	63,913	70,954	63,913	(7,041)
Total Vital Records	63,913	70,954	63,913	(7,041)

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
Communicable Disease:				
Communicable Disease (CD) Grant	10,734	10,734	10,734	-
Bioterrorism Grant	49,633	49,633	53,537	3,904
Tuberculosis (TB) Grant	5,194	5,194	5,194	-
ELC Enhancing Detection Activities	1,733,591	1,302,453	1,222,342	(80,111)
ED Regional Prevention Support	556,770	534,943	553,328	18,385
Viral Hepatitis Prevention	-	36,080	42,278	6,198
STD Prevention	100	100	42	(58)
Public Health Regional Workforce	-	209,429	142,946	(66,483)
CDC Vaccination Program	425,000	368,994	379,471	10,477
STD Drugs	18,089	18,089	1,960	(16,129)
HIV/STD Grant	28,000	28,000	27,998	(2)
Immunization Action Plan Grant (IAP)	31,010	31,010	31,010	-
US DHHS - COVID	52,480	152,525	150,809	(1,716)
US DHHS - Provider Relief Funds Phase 4	-	211,949	211,949	-
Federal Emergency Management Agency	-	22,195	22,194	(1)
Medicaid - Flu/Pneumonia	20,000	2,391	1,539	(852)
Medicaid - PrEP Clinic	400	450	309	(141)
Medicaid - TB	4,000	482	327	(155)
Medicaid - COVID	75,000	16,114	49,677	33,563
Medicaid - HIV/STD	15,000	2,014	2,264	250
Medicaid - IAP	27,000	2,979	3,604	625
Medicaid Managed Care	-	100,289	103,520	3,231
Medicaid Settlement - Flu/Pneumonia	200	13,155	13,223	68
Medicaid Settlement - PREP Clinic	20	20	388	368
Medicaid Settlement - TB	250	1,361	1,369	8
Medicaid Settlement - COVID 19 Crisis Response	-	5,433	5,461	28
Medicaid Settlement - HIV/STD	2,500	7,337	7,375	38
Medicaid Settlement - IAP	15,000	55,667	55,952	285
Mecklenburg County PREP	-	14,520	7,165	(7,355)
Private Insurance - IT	9,500	4,785	7,836	3,051
Private Insurance - Flu/Pneumonia	12,500	11,751	8,640	(3,111)
Private Insurance - PREP Clinic	1,700	2,250	2,330	80
Private Insurance - CD	-	1,500	1,477	(23)
Private Insurance - TB	2,000	1,492	1,634	142
Private Insurance - COVID	16,000	214,308	169,915	(44,393)
Private Insurance - HIV/STD	3,500	2,949	5,373	2,424
Private Insurance - IAP	72,000	99,000	90,798	(8,202)
Medicare - IT	-	700	587	(113)
Medicare - Flu/Pneumonia	50	250	424	174
Medicare Reimbursement	-	10	77	67
Medicare - COVID	6,480	76,159	63,479	(12,680)
Medicare - HIV/STD	-	20	147	127
Medicare - IAP	1,000	1,800	2,859	1,059
Patient Fees - IT	16,500	20,515	32,309	11,794
Patient Fees - Flu/Pneumonia	400	500	388	(112)
Patient Fees - PrEP Clinic	4,000	589	974	385
Patient Fees - TB	11,000	5,627	7,185	1,558
Patient Fees - HIV/STD	13,000	5,530	4,392	(1,138)
Patient Fees - IAP	14,000	9,706	10,357	651
Miscellaneous Revenue - CD	1,700	1,700	1,765	65
Miscellaneous Revenue	-	4,090	4,090	-
340B Program Income	108,000	41,000	38,142	(2,858)
Contribution from Cabarrus County - CD	914,497	914,497	914,497	-
Total Communicable Disease	4,277,798	4,624,268	4,477,640	(146,628)

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
Clinical Services:				
Maternal Health Grant	83,634	83,634	83,634	-
High Risk Maternity Clinic Grant	26,413	26,413	26,413	-
Family Planning Grant	113,330	113,330	109,798	(3,532)
TANF Grant	16,476	16,476	17,386	910
FP Long Acting Contraception Grant	14,200	14,200	14,265	65
Child Health Grant	26,785	26,785	26,785	-
Child Fatality Task Force Grant	1,389	1,389	1,213	(176)
BCCCP Screening Grant	56,550	56,975	53,050	(3,925)
ORH - Primary Care	150,000	150,000	146,940	(3,060)
Medicaid - Pediatric Primary Care	305,757	66,750	58,890	(7,860)
Medicaid - Adult Primary Care	24,000	11,056	12,254	1,198
Medicaid - Pregnancy Home	14,000	632	1,270	638
Medicaid - OB Clinic	37,052	26,605	27,255	650
Medicaid - GYN Clinic	1,000	1,645	1,302	(343)
Medicaid - Connections	198	-	-	-
Medicaid - PBH	10,841	754	597	(157)
Medicaid - Maternal Health	147,025	17,004	16,929	(75)
Medicaid - High Risk Maternity Clinic	7,000	24,039	24,035	(4)
Medicaid - Family Planning	75,000	15,729	17,942	2,213
Medicaid - Child Health	416,577	74,759	60,298	(14,461)
Medicaid Managed Care - Pediatric Primary Care	-	506,007	530,180	24,173
Medicaid Managed Care - Adult Primary Care	-	33,391	34,344	953
Medicaid Managed Care - Pregnancy Home	-	6,743	8,299	1,556
Medicaid Managed Care - OB Clinic	-	2,467	2,543	76
Medicaid Managed Care - GYN Clinic	-	397	1,005	608
Medicaid Managed Care - Connections	-	-	68	68
Medicaid Managed Care - Peds Behavioral Health	-	3,911	4,528	617
Medicaid Managed Care - Maternal Health	-	43,477	46,667	3,190
Medicaid Managed Care - High Risk Maternity Clinic	-	43,129	38,725	(4,404)
Medicaid Managed Care - Family Planning	-	40,621	42,426	1,805
Medicaid Managed Care - Child Health	-	361,619	375,361	13,742
Medicaid Settlement - PPC	157,761	177,153	183,836	6,683
Medicaid Settlement - APC	8,874	22,830	22,948	118
Medicaid Settlement - Pregnancy Home	3,724	-	-	-
Medicaid Settlement - OB Clinic	16,608	24,819	24,947	128
Medicaid Settlement - GYN Clinic	459	1,511	1,519	8
Medicaid Settlement - PBH	5,239	7,093	7,129	36
Medicaid Settlement - MH	75,768	119,408	114,248	(5,160)
Medicaid Settlement - FP	24,343	79,742	80,341	599
Medicaid Settlement - CH	182,213	678,709	682,388	3,679
Carolina Access Case Management	130,000	14,000	13,078	(922)
SPPCP Population Health	270,966	320,975	136,960	(184,015)
Cabarrus YDC	435,738	435,738	465,752	30,014

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
Private Insurance - PPC	26,890	10,063	10,445	382
Private Insurance - Adult Primary Care	1,528	3,595	4,479	884
Private Insurance - OB Clinic	150	25	-	(25)
Private Insurance - GYN Clinic	750	1,057	836	(221)
Private Insurance - PBH	5,149	382	302	(80)
Private Insurance - Maternal Health	8,000	9,235	10,094	859
Private Insurance - High Risk Maternity Clinic	1,000	2,248	1,779	(469)
Private Insurance - Family Planning	24,000	21,230	22,806	1,576
Private Insurance - Child Health	54,962	28,999	26,540	(2,459)
Medicare Reimbursement - MH	682	32	-	(32)
Patient Fees - Pediatric Primary Care	14,000	10,193	11,580	1,387
Patient Fees - Adult Primary Care	47,236	51,602	58,205	6,603
Patient Fees - OB Clinic	65,000	74,224	80,631	6,407
Patient Fees - GYN Clinic	30,000	23,215	20,875	(2,340)
Patient Fees - PBH	200	304	245	(59)
Patient Fees - Maternal Health	9,531	5,531	5,959	428
Private Insurance - High Risk Maternity Clinic	50	25	-	(25)
Patient Fees - Family Planning	16,776	12,744	13,759	1,015
Patient Fees - Child Health	13,000	9,289	8,823	(466)
Cabarrus County Schools	4,680	4,435	4,680	245
Kannapolis City Schools	1,560	1,560	1,950	390
Miscellaneous Revenue - PPC	500	273	335	62
Miscellaneous Revenue - APC	200	4,661	3,895	(766)
Miscellaneous Revenue - MH	3,000	3,000	2,543	(457)
Miscellaneous Revenue - FP	100	31	253	222
Miscellaneous Revenue - CH	3,000	5,928	4,739	(1,189)
Contribution from Cabarrus County	200,000	200,000	200,000	-
Total Clinical Services	<u>3,370,864</u>	<u>4,135,796</u>	<u>4,013,301</u>	<u>(122,495)</u>
Women, Infants, & Children (WIC):				
WIC - Client Services Grant	357,910	371,653	366,224	(5,429)
WIC - Nutrition Education Grant	200,463	221,818	218,235	(3,583)
WIC - Admin Grant	61,371	61,371	61,300	(71)
WIC - Breastfeeding Grant	30,488	60,863	63,431	2,568
WIC - Breastfeeding Grant - Peer Counsel	52,689	57,149	52,931	(4,218)
Cabarrus Partnership for Children	79,532	40,000	38,486	(1,514)
WIC - Johns Hopkins HPRIL	13,574	13,574	13,574	-
Total WIC	<u>796,027</u>	<u>826,428</u>	<u>814,181</u>	<u>(12,247)</u>
Behavioral Health:				
Department of Justice-COSSAP	-	75,429	23,629	(51,800)
Cabarrus County ARP Funding	-	162,571	107,646	(54,925)
Total Behavioral Health	<u>-</u>	<u>238,000</u>	<u>131,275</u>	<u>(106,725)</u>
Total Revenues	<u>23,491,767</u>	<u>31,074,372</u>	<u>29,886,517</u>	<u>(1,187,855)</u>

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
Expenditures:				
<i>Human Services:</i>				
Environmental Health:				
Salaries and Wages	720,750	831,961	831,328	633
Part Time >1000 hours	22,426	25,752	22,695	3,057
Part Time < 1000 hours	-	56,445	53,564	2,881
Temporary - Full and Part Time	103,905	23,537	23,132	405
Salary Adjustments	16,900	-	-	-
Social Security	52,928	56,643	56,968	(325)
Medicare	12,379	13,446	13,477	(31)
Group Hospital Insurance	82,341	73,388	75,756	(2,368)
Health Reimbursement Arrangement	16,590	14,187	14,466	(279)
Retirement	84,691	95,679	96,766	(1,087)
401k Match	14,874	10,599	10,528	71
Workers' Compensation	3,038	14,061	14,010	51
Office Supplies	603	1,363	1,222	141
Printing and Binding	49	1,545	1,812	(267)
Postage	2,043	1,043	1,022	21
Minor Office Equipment & Furniture	1,977	13,968	13,167	801
Automotive Supplies	163	163	72	91
Fuel	5,336	13,364	15,489	(2,125)
Other Operation Costs	13,477	14,993	15,030	(37)
Special Program Expense	597	347	40	307
Telephone	8,206	5,206	4,960	246
Auto and Truck Maintenance	3,832	6,727	7,982	(1,255)
Service Contracts	9,451	9,951	9,703	248
Mileage	755	755	719	36
Training and Education	6,290	3,590	4,002	(412)
Insurance and Bonds	10,663	8,376	8,357	19
Unemployment Compensation	1,761	812	780	32
Equipment & Furniture	-	102,210	102,210	-
Contracted Personal Service	-	32,342	28,610	3,732
Tools & Minor Equipment	-	1,854	1,854	-
Outsourced Services	-	350	219	131
Total Environmental Health	1,196,025	1,434,657	1,429,940	4,717
Information Technology Systems:				
Salaries and Wages	447,832	468,284	482,705	(14,421)
Consultants	10,000	12,330	12,328	2
Social Security	30,866	31,220	28,791	2,429
Medicare	7,219	7,309	6,740	569
Group Hospital Insurance	34,695	33,877	31,475	2,402
Health Reimbursement Arrangement	6,600	6,459	6,002	457
Retirement	56,504	58,650	54,116	4,534
401k Match	9,957	10,328	9,534	794
Workers' Compensation	1,493	1,072	1,071	1
Office Supplies	300	13	12	1
Postage	200	41	50	(9)
Hardware	139,500	135,031	133,652	1,379
Software	36,000	112,955	104,187	8,768
Telephone	250	15,718	16,491	(773)

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
Purchased Services	35,600	11,181	10,372	809
Service Contracts	190,000	197,230	199,727	(2,497)
Mileage	500	-	-	-
Training & Education	16,000	11,206	8,505	2,701
Insurance & Bonds	6,223	4,717	4,716	1
Unemployment Compensation	750	255	254	1
Equipment & Furniture	-	97,724	42,724	55,000
Printing & Binding	-	20	19	1
Minor Office Equipment	-	633	633	-
Outsourced Services	-	4,100	4,870	(770)
Total Information Tech Systems	1,030,489	1,220,353	1,158,974	61,379
General Administration:				
Salaries and Wages	1,243,050	1,592,658	1,579,001	13,657
Part Time > 1000 hours	33,578	66,738	69,969	(3,231)
Part Time < 1000 hours	32,479	4,704	7,827	(3,123)
Contracted Personal Services	8,500	6,000	2,966	3,034
Salary Adjustments	50,099	-	-	-
Auditors	22,500	22,500	22,000	500
Legal Fees	65,000	89,000	90,565	(1,565)
Social Security	114,353	116,202	96,298	19,904
Medicare	26,744	27,413	23,127	4,286
Group Hospital Insurance	153,277	158,764	149,392	9,372
Health Reimbursement Arrangement	29,418	30,808	28,708	2,100
Retirement	205,112	209,695	184,271	25,424
401k Match	35,864	36,434	23,809	12,625
Workers' Compensation	6,001	6,135	3,317	2,818
Other Benefits	114,479	114,479	95,122	19,357
Office Supplies	12,589	15,239	14,373	866
Employee Recognition	6,000	7,100	13,843	(6,743)
QA/QI	126	8,460	8,460	-
Printing and Binding	375	2,108	1,533	575
Imaging Expense	1,500	1,500	-	1,500
Postage	4,847	4,737	4,641	96
Tools & Minor Equipment	493	493	329	164
Minor Office Equipment & Furniture	7,668	36,620	28,301	8,319
Food	1,313	3,513	5,437	(1,924)
Automotive Supplies	168	168	-	168
Fuel	2,000	2,000	86	1,914
Other Operation Costs	37,353	26,121	300	25,821
Special Program Supplies	50	6,134	6,119	15
Pharmacy	50	-	-	-
Janitorial Supplies	10,000	10,000	11,131	(1,131)
Bank Service Charges	20,000	24,331	25,136	(805)
Lights and Power	176,000	157,091	147,586	9,505
Meeting	-	3,050	-	3,050
Telephone	5,700	5,850	3,619	2,231

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
Laundry & Dry Cleaning	800	840	150	690
Purchased Services	16,000	20,366	16,725	3,641
Contracted Services	122,296	179,310	177,884	1,426
Tuition Reimbursement	4,444	5,644	4,795	849
Bldg and Ground Maintenance	52,792	62,657	65,769	(3,112)
Auto & Truck Maintenance	1,251	1,251	2,997	(1,746)
Minor Equipment Maintenance	75	75	-	75
Service Contracts	48,970	30,970	13,054	17,916
Architecture	-	5,000	-	5,000
Mileage	350	2,250	2,703	(453)
Property Tax	1,826	3,005	3,997	(992)
Board Travel/Meetings	1,200	1,290	1,082	208
Dues and Subscriptions	26,650	33,076	32,436	640
Training & Education	77,134	71,196	76,791	(5,595)
Insurance and Bonds	24,187	31,026	21,550	9,476
Unemployment Compensation	3,759	3,500	1,221	2,279
Public Relations	15,000	20,942	17,751	3,191
Recruitment	2,500	6,720	5,511	1,209
Software	-	12,698	30,698	(18,000)
Medical Supplies	-	3,176	3,174	2
Equipment & Furniture	-	18,528	18,528	-
Total General Administration	2,825,920	3,309,565	3,144,082	165,483
Family Care Coordination:				
Salaries and Wages	676,599	860,143	725,150	134,993
Part Time >1000 hours	43,763	83,107	80,502	2,605
Salary Adjustments	16,946	8,106	-	8,106
Social Security	45,712	56,612	47,730	8,882
Medicare	10,691	12,291	11,163	1,128
Group Hospital Insurance	83,172	88,011	78,132	9,879
Health Reimbursement Arrangement	16,084	17,073	15,277	1,796
Retirement	85,242	91,168	89,897	1,271
401k Match	13,188	13,061	11,348	1,713
Workers' compensation	2,349	2,381	1,612	769
Office Supplies	2,880	7,630	3,778	3,852
Patient Education Supplies	1,000	3,000	1,622	1,378
Printing and Binding	1,815	5,369	5,238	131
Postage	965	1,215	1,133	82
Minor Office Equipment and Furniture	4,480	39,862	15,690	24,172
Food	2,342	1,330	1,329	1
Other Operation Costs	4,719	33,774	35,805	(2,031)
Special Program Supplies	30,734	41,494	12,207	29,287
Telephone	4,060	6,165	2,269	3,896
Contracted Services	43,854	84,354	78,736	5,618
Mileage	7,460	8,382	1,410	6,972
Dues and Subscriptions	2,400	3,748	3,645	103
Training and Education	22,177	27,204	20,115	7,089
Insurance and Bonds	9,217	9,364	6,592	2,772
Unemployment Compensation	1,755	1,779	851	928
Building & Equipment Leases	-	1,085	417	668
Total Family Care Coordination	1,133,604	1,507,708	1,251,648	256,060
School Health:				
Salaries and Wages	531,184	806,589	768,797	37,792
Part Time > 1000 hours	2,396,870	2,584,300	2,726,206	(141,906)
Part Time < 1000 hours	53,892	-	-	-
Temporary - Full and Part Time	14,120	40,820	39,748	1,072

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
Salary Adjustments	78,667	-	-	-
Social Security	196,020	212,118	204,424	7,694
Medicare	45,844	50,300	47,813	2,487
Group Hospital Insurance	345,607	370,222	358,547	11,675
Health Reimbursement Arrangement	65,471	65,601	62,973	2,628
Retirement	352,137	408,215	393,036	15,179
401k Match	61,917	45,648	37,422	8,226
Workers' Compensation	9,617	10,769	7,400	3,369
Office Supplies	1,825	15,796	10,970	4,826
Printing and Binding	372	3,471	590	2,881
Postage	200	200	200	-
Minor Office Equipment and Furniture	236	348,651	343,515	5,136
Other Operation Costs	3,374	22,174	21,667	507
Medical Supplies	2,819	7,819	7,178	641
Telephone	1,838	4,138	3,374	764
Contracted Services	44,000	8,487	7,704	783
Minor Equipment Maintenance	55	55	55	-
Mileage	3,462	5,991	1,548	4,443
Dues and Subscriptions	65	365	300	65
Training and Education	8,801	5,649	6,251	(602)
Insurance and Bonds	39,517	43,308	24,935	18,373
Unemployment Compensation	8,325	8,792	3,061	5,731
Service Contracts	-	300	271	29
Equipment & Furniture	-	51,407	51,407	-
Contracted Personnel	-	1,860,000	1,850,335	9,665
Total School Health	4,266,235	6,981,185	6,979,727	1,458
Health Initiatives:				
Salaries and Wages	596,362	1,307,335	1,123,972	183,363
Part Time > 1000 hours	128,820	182,789	80,013	102,776
Part Time < 1000 hours	-	-	3,152	(3,152)
Salary Adjustments	2,451	78	-	78
Social Security	45,300	92,248	73,927	18,321
Medicare	10,594	21,898	17,290	4,608
Group Hospital Insurance	93,443	174,297	118,550	55,747
Health Reimbursement Arrangement	18,636	32,842	22,681	10,161
Retirement	76,242	161,493	132,369	29,124
401k Match	11,484	26,187	11,901	14,286
Workers' Compensation	2,568	4,794	2,390	2,404
Office Supplies	5,800	22,350	4,490	17,860
Printing and Binding	4,198	11,931	7,941	3,990
Postage	100	375	379	(4)
Minor Office Equipment and Furniture	9,100	57,680	64,995	(7,315)
Food	-	13,200	9,389	3,811
Other Operation Costs	159,377	281,325	269,439	11,886
Special Program Supplies	12,500	153,325	14,913	138,412
Medical Supplies	-	41	40	1
Building & Equipment Leases	-	-	583	(583)
Telephone	6,185	8,222	4,483	3,739
Contracted Services	137,329	485,998	456,533	29,465
Mileage	5,397	5,646	3,321	2,325
Dues & Subscriptions	-	4,310	4,608	(298)
Training and Education	15,364	41,055	28,960	12,095
Insurance and Bonds	9,134	18,175	10,548	7,627
Unemployment Compensation	2,123	3,617	1,046	2,571
Public Relations	-	35,400	35,000	400
Total Health Initiatives	1,352,507	3,146,611	2,502,913	643,698

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
Dental Public Health:				
Salaries and Wages	2,272,635	2,080,752	2,107,067	(26,315)
Part Time > 1000 hours	79,155	88,816	80,315	8,501
Contracted Personal Services	-	120,000	109,230	10,770
Social Security	145,811	136,449	120,658	15,791
Medicare	34,100	33,939	30,963	2,976
Group Hospital Insurance	260,921	246,795	194,908	51,887
Health Reimbursement Arrangement	50,160	47,491	37,181	10,310
Retirement	266,928	259,389	244,051	15,338
401k Match	47,035	43,022	25,797	17,225
Workers' Compensation	7,294	6,797	4,403	2,394
Office Supplies	6,100	9,106	8,889	217
Laboratory Supplies	300	300	-	300
Printing and Binding	8,000	6,184	9,354	(3,170)
Postage	3,000	3,000	3,000	-
Minor Office Equipment and Furniture	28,000	51,331	59,192	(7,861)
Automotive Supplies	2,000	1,269	1,123	146
Fuel	1,000	778	630	148
Software	18,000	14,400	-	14,400
Special Program Supplies	-	8	18	(10)
Medical Supplies	-	1,400	1,359	41
Dental Supplies	250,000	324,660	330,825	(6,165)
Janitorial Supplies	4,000	4,000	2,327	1,673
Lights & Power	13,000	13,000	12,326	674
Meeting Expense	100	100	72	28
Telephone	6,626	6,577	6,625	(48)
Purchased Services	28,000	24,088	15,226	8,862
Contracted Services	48,000	53,235	48,176	5,059
Building and Ground Maintenance	5,000	8,600	6,474	2,126
Auto and Truck Maintenance	2,500	2,436	1,368	1,068
Minor Equipment Maintenance	29,000	26,000	17,866	8,134
Service Contracts	22,280	24,768	21,735	3,033
Mileage	1,325	689	512	177
Dues and Subscriptions	6,000	9,847	9,184	663
Training & Education	8,001	6,001	9,171	(3,170)
Insurance and Bonds	29,397	27,366	19,615	7,751
Unemployment Compensation	5,553	5,111	1,650	3,461
Equipment & Furniture	115,000	118,000	90,718	27,282
Total Dental Health	3,804,221	3,805,704	3,632,008	173,696
Vital Records:				
Salaries and Wages	42,723	50,923	50,723	200
Salary Adjustments	1,121	-	-	-
Social Security	2,718	2,968	2,918	50
Medicare	636	686	682	4
Group Hospital Insurance	6,939	6,939	7,023	(84)
Health Reimbursement Arrangement	1,320	1,320	1,340	(20)
Retirement	4,472	5,872	5,787	85
401k Match	877	1,027	1,014	13
Workers' Compensation	132	119	105	14
Office Supplies	1,117	117	-	117
Printing and Binding	40	40	17	23
Postage	400	100	11	89
Minor Office Equipment and Furniture	700	200	-	200
Telephone	20	20	-	20
Insurance and Bonds	548	548	467	81
Unemployment Compensation	150	75	66	9
Total Vital Records	63,913	70,954	70,153	801

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
Communicable Disease:				
Salaries and Wages	2,592,658	2,528,847	2,460,716	68,131
Part Time > 1000 hours	97,209	162,910	123,708	39,202
Part Time < 1000 hours	72,853	47,853	23,860	23,993
Temporary - Full and Part Time	2,250	500	3,065	(2,565)
Contracted Personal services	5,000	120,694	86,793	33,901
Salary Adjustments	20,919	20,919	-	20,919
Legal Fees	-	3,000	2,109	891
Social Security	172,799	175,761	155,362	20,399
Medicare	43,249	45,373	36,707	8,666
Group Hospital Insurance	329,857	308,461	263,602	44,859
Health Reimbursement Arrangement	69,327	61,341	50,968	10,373
Retirement	309,208	307,321	290,181	17,140
401k Match	56,910	41,729	31,592	10,137
Workers' Compensation	8,706	8,877	5,361	3,516
Office Supplies	12,500	15,100	7,619	7,481
Laboratory Supplies	50	1,050	-	1,050
Printing and Binding	5,000	15,133	15,004	129
Postage	550	3,550	3,536	14
International Travel Vaccine	7,500	7,500	33,128	(25,628)
Minor Office Equipment & Furniture	-	38,214	46,672	(8,458)
Food	-	3,992	1,208	2,784
Medical Records Supplies	250	250	226	24
Other Operation Costs	176,781	86,632	47,674	38,958
Special Program Supplies	1,391	1,888	1,887	1
Medical Supplies	9,600	25,612	10,868	14,744
Pharmacy	136,839	136,839	126,077	10,762
Building & Equipment Lease	-	64,300	63,383	917
Lights & Power	-	4,000	1,240	2,760
Telephone	6,220	8,454	9,833	(1,379)
Purchased Services	45,418	51,150	826	50,324
Contracted Services	700	84,362	97,248	(12,886)
Building and Ground Maintenance	-	2,500	439	2,061
Minor Equipment Maintenance	1,500	1,500	445	1,055
Service Contracts	6,997	14,497	4,544	9,953
Mileage	30,733	20,495	18,758	1,737
Dues and Subscriptions	1,800	12,157	12,398	(241)
Training and Education	8,154	8,830	11,751	(2,921)
Insurance and Bonds	36,589	34,211	23,743	10,468
Unemployment Compensation	8,281	4,874	2,639	2,235
Building Improvements	-	23,221	18,422	4,799
Equipment & Furniture	-	55,368	51,745	3,623
Total Communicable Disease	4,277,798	4,559,265	4,145,337	413,928

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
Clinical Services:				
Salaries and Wages	1,744,159	1,975,145	2,008,283	(33,138)
Part Time > 1000 hours	420,420	457,751	365,368	92,383
Part Time < 1000 hours	191,719	228,896	215,013	13,883
Temporary - Full and Part Time	76,274	76,674	43,942	32,732
Contracted Personal services	-	360	280	80
Salary Adjustments	51,189	27,519	-	27,519
Social Security	155,500	160,800	154,695	6,105
Medicare	36,369	38,469	37,146	1,323
Group Hospital Insurance	194,986	206,036	198,354	7,682
Health Reimbursement Arrangement	37,501	40,401	38,554	1,847
Retirement	249,295	302,048	268,890	33,158
401k Match	43,929	43,929	32,367	11,562
Workers' Compensation	7,836	7,836	5,291	2,545
Office Supplies	3,000	3,000	406	2,594
Patient Education Supplies	700	755	300	455
Printing and Binding	450	1,870	3,640	(1,770)
Postage	2,000	2,000	1,794	206
Minor Office Equipment & Furniture	500	1,200	1,984	(784)
Food	-	1,975	1,992	(17)
Medical Records Supplies	700	700	578	122
Other Operation Costs	40,656	32,798	17,566	15,232
Special Program Supplies	-	-	18	(18)
Medical Supplies	16,000	19,500	21,349	(1,849)
Pharmacy	42,300	42,300	41,034	1,266
Telephone	6,600	7,100	7,624	(524)
Purchased Services	56,200	36,200	-	36,200
Contracted Services	41,448	200,685	222,286	(21,601)
Child Fatality Task Force Expense	1,389	1,389	1,609	(220)
Minor Equipment Maintenance	2,200	2,550	3,680	(1,130)
Service Contracts	7,000	7,000	6,907	93
Mileage	754	754	213	541
Dues and Subscriptions	7,250	7,390	10,426	(3,036)
Training and Education	8,500	10,460	6,027	4,433
Insurance and Bonds	65,030	65,030	23,479	41,551
Unemployment Compensation	4,779	4,779	2,060	2,719
Equipment & Furniture	-	73,572	73,572	-
Total Clinical Services	<u>3,516,633</u>	<u>4,088,871</u>	<u>3,816,727</u>	<u>272,144</u>
Behavioral Health:				
Salaries and Wages	-	134,945	87,939	47,006
Part Time > 1000 hours	-	1,500	1,202	298
Social Security	-	8,618	5,394	3,224
Medicare	-	2,935	1,261	1,674
Group Hospital Insurance	-	9,222	6,564	2,658
Health Reimbursement Arrangement	-	3,600	1,295	2,305
Retirement	-	16,084	10,156	5,928
401k Match	-	3,462	712	2,750
Workers' Compensation	-	537	93	444
Office Supplies	-	4,176	907	3,269
Printing and Binding	-	350	36	314
Minor Office Equipment & Furniture	-	8,336	8,242	94
Other Operation Costs	-	860	1,004	(144)
Special Program Supplies	-	31,306	19,110	12,196
Medical Supplies	-	1,000	118	882

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
Outsourced Services	-	3,000	1,055	1,945
Service Contracts	-	6,000	-	6,000
Mileage	-	506	165	341
Training	-	1,000	2,302	(1,302)
Insurance & Bonds	-	413	412	1
Unemployment Compensation	-	150	-	150
Total Behavioral Health	-	238,000	147,967	90,033
WIC:				
Salaries and Wages	428,928	429,293	429,341	(48)
Part Time > 1000 hours	81,767	85,407	84,578	829
Temporary - Full and Part Time	31,839	29,127	26,734	2,393
Social Security	33,583	32,985	32,200	785
Medicare	7,851	8,209	7,531	678
Group Hospital Insurance	70,814	68,283	68,005	278
Health Reimbursement Arrangement	13,996	14,192	13,567	625
Retirement	57,849	60,069	57,879	2,190
401k Match	10,193	3,471	3,399	72
Workers' Compensation	1,965	1,175	1,133	42
Office Supplies	7,126	3,245	1,122	2,123
Breast Feeding Grant Expenses	5,500	5,500	5,614	(114)
Printing and Binding	720	1,745	1,693	52
Postage	4,000	6,730	6,572	158
Minor Office Equipment & Furniture	-	2,574	2,574	-
Other Operation Costs	10,983	12,430	12,403	27
Medical Supplies	-	1,951	917	1,034
Telephone	4,500	4,500	4,500	-
Contracted Services	14,048	38,631	39,081	(450)
Mileage	130	130	130	-
Dues & Subscriptions	-	5,136	1,207	3,929
Training & Education	1,874	5,572	5,084	488
Insurance and Bonds	6,769	5,118	5,052	66
Unemployment Compensation	1,592	955	840	115
Total WIC	796,027	826,428	811,156	15,272
<i>Total Human Services</i>	24,263,372	31,189,301	29,090,632	2,098,669

Cabarrus Health Alliance, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2022

	2022			
	Original Budget	Revised Budget	Actual	Variance
<i>Debt Service:</i>				
Principal retirement	95,954	158,121	155,144	2,977
Interest and other charges	12,647	12,647	12,647	-
<i>Total Debt Service</i>	108,601	170,768	167,791	2,977
Total Expenditures	24,371,973	31,360,069	29,258,423	2,101,646
Excess (deficiency) of revenues over (under) expenditures before special item	(880,206)	(285,697)	628,094	(913,791)
Other financing sources (uses):				
Fund balance appropriated	880,206	285,697	-	285,697
Total other financing sources	880,206	285,697	-	285,697
Special item (see Note V.4)	-	-	200,000	(200,000)
Net change in fund balance	\$ -	\$ -	\$ 828,094	\$ (828,094)
Fund balance, July 1			10,702,662	
Fund balance, June 30			\$ 11,530,756	

Cabarrus Health Alliance, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Governmental funds capital assets:		
Furniture and Fixtures	\$ 391,287	\$ 391,287
Vehicles	703,673	578,159
Equipment	1,412,062	1,392,943
Leasehold Improvement	<u>618,927</u>	<u>600,505</u>
Total governmental funds capital assets	<u>\$ 3,125,949</u>	<u>\$ 2,962,894</u>
Investments in governmental funds capital assets by source:		
General fund	<u>\$ 3,125,949</u>	<u>\$ 2,962,894</u>

Cabarrus Health Alliance, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2022

<u>Function and Activity</u>	Furniture and Fixtures		Vehicles	Equipment	Leasehold Improvement	Total
Human Services:						
Administrative Services	\$ 376,747	\$ 100,631	\$ 644,141	\$ 18,422	\$ 1,139,941	
Environmental Health	5,263	362,785	-	-	368,048	
Dental Health	-	240,257	504,055	600,505	1,344,817	
Communicable Disease	-	-	66,595	-	66,595	
Family Care Coordination	9,277	-	-	-	9,277	
Health Initiatives	-	-	-	-	-	
School Health	-	-	58,902	-	58,902	
Clinical Services	-	-	138,369	-	138,369	
Total governmental funds capital assets	<u>\$ 391,287</u>	<u>\$ 703,673</u>	<u>\$ 1,412,062</u>	<u>\$ 618,927</u>	<u>\$ 3,125,949</u>	

Cabarrus Health Alliance, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the fiscal year ended June 30, 2022

<u>Function and Activity</u>	Governmental Funds Capital Assets June 30, 2021	Additions	Decreases	Governmental Funds Capital Assets June 30, 2022
Human Services:				
Administrative Services	\$ 1,203,603	\$ 52,071	\$ 115,733	\$ 1,139,941
Environmental Health	276,184	102,210	10,346	368,048
Dental Health	1,352,342	133,442	140,967	1,344,817
Communicable Disease	20,017	51,745	5,167	66,595
Family Care Coordination	9,277	-	-	9,277
Health Initiatives	-	-	-	-
School Health	7,495	51,407	-	58,902
Clinical Services	93,976	73,572	29,179	138,369
	<u>\$ 2,962,894</u>	<u>\$ 464,447</u>	<u>\$ 301,392</u>	<u>\$ 3,125,949</u>
Total governmental funds capital assets	<u>\$ 2,962,894</u>	<u>\$ 464,447</u>	<u>\$ 301,392</u>	<u>\$ 3,125,949</u>

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Statistical Section

Statistical Section Contents

The information presented in this section is provided for additional analysis purposes only and has not been subjected to audit verification as presented. Information provided for either the Cabarrus Health Alliance (CHA) or Cabarrus County where appropriate.

Financial Trends - These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Net Position by Component	(CHA)	Table 1
Changes in Net Position	(CHA)	Table 2
Fund Balances of Government Funds	(CHA)	Table 3
Changes in Fund Balances of Governmental Funds	(CHA)	Table 4

Revenue Capacity - These tables contain information to help the reader assess the government's most significant local revenue sources.

Principal Sources of Revenue	(CHA)	Table 5
Intergovernmental Revenue by Source	(CHA)	Table 6
Clinical and Dental Health Revenue From Fees for Services	(CHA)	Table 7

Demographic and Economic Information - These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Demographic and Economic Statistics	(County)	Table 8
Principal Employers	(County)	Table 9

Operating Information - These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Full-time Equivalent Local Government Employees by Function	(CHA)	Table 10
Operating Indicators by Functional Area	(CHA)	Table 11
Capital Asset Statistics by Function	(CHA)	Table 12

Cabarrus Health Alliance, North Carolina
Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1

	Fiscal Year									
	2013	2014 *	2015	2016	2017 *	2018	2019	2020	2021	2022
Governmental activities										
Net invested in capital assets	\$ 959,140	\$ 771,532	\$ 698,177	\$ 591,994	\$ 415,038	\$ 454,265	\$ 332,666	\$ 621,966	\$ 481,291	\$ 748,536
Restricted	982,679	900,338	1,768,998	2,079,353	2,496,308	889,823	3,097,700	1,175,395	3,342,317	3,136,129
Unrestricted	5,305,575	5,782,236	4,312,657	4,819,120	5,157,603	5,904,428	3,509,305	3,860,514	3,397,185	4,366,757
Total governmental activities net position	\$ 7,247,394	\$ 7,454,106	\$ 6,779,832	\$ 7,490,467	\$ 8,068,949	\$ 7,248,516	\$ 6,939,671	\$ 5,657,875	\$ 7,220,793	\$ 8,251,422

* Amount at end of year 2014 was adjusted due to GASB 68 implementation.

* Amount at end of year 2017 was adjusted due to GASB 75 implementation.

Cabarrus Health Alliance, North Carolina
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
Administrative Services	\$ 5,970,016	\$ 5,898,932	\$ 5,319,606	\$ 5,195,621	\$ 6,681,301	\$ 7,324,315	\$ 7,221,834	\$ 4,985,699	\$ 3,271,315	\$ 3,884,022
Environmental Health	720,909	785,703	879,761	898,265	1,164,693	1,144,787	1,177,326	1,250,930	1,295,261	1,429,940
Dental Health	2,279,009	2,490,669	2,839,574	2,929,599	3,200,294	3,717,865	3,989,916	4,183,756	3,170,702	3,632,008
Women, Infants, and Children	940,163	939,623	881,758	873,468	923,790	825,282	778,148	907,967	1,018,343	811,156
Communicable Disease	916,609	959,162	989,202	1,127,834	1,148,149	1,122,545	1,227,655	2,332,075	4,842,747	4,145,337
Clinical Services	3,431,642	2,774,493	2,622,297	2,865,430	3,458,530	3,539,216	3,351,255	3,551,599	3,962,634	3,816,727
Family Care Coordination	1,044,584	834,573	853,351	1,001,684	976,506	1,022,194	1,109,802	1,318,213	1,109,438	1,251,648
Health Initiatives	904,654	836,081	1,588,363	2,484,054	2,952,476	2,166,182	2,336,941	2,054,566	1,260,913	2,502,913
Behavioral Health	-	-	-	-	-	-	-	-	-	147,967
School Health	1,883,640	2,329,640	2,302,709	2,530,354	2,702,923	2,817,892	2,994,671	3,117,832	4,152,789	6,979,727
Total governmental activities	\$ 18,091,226	\$ 17,848,876	\$ 18,276,621	\$ 19,906,309	\$ 23,208,662	\$ 23,680,278	\$ 24,187,548	\$ 23,702,637	\$ 24,084,142	\$ 28,601,445
Program Revenues										
Governmental activities										
Charges for services:										
Administrative Services	\$ 249,689	\$ 100,575	\$ 2,116,259	\$ 2,374,735	\$ 3,796,299	\$ 4,582,349	\$ 4,111,300	\$ 1,340,902	\$ 3,110	\$ 3,584
Environmental Health	164,353	169,520	191,891	200,365	236,375	246,785	203,853	216,482	285,057	340,160
Dental Health	2,917,617	3,046,369	3,004,364	3,614,742	4,243,091	4,134,845	4,360,905	3,706,258	4,646,487	4,823,281
Communicable Disease	325,160	382,902	337,654	320,002	313,517	306,246	279,071	402,382	864,431	669,209
Clinical Services	2,285,443	2,382,962	2,029,671	2,540,478	1,972,953	2,081,804	1,848,825	2,095,620	2,972,260	2,510,988
Family Care Coordination	690,633	652,654	747,659	739,070	757,380	763,718	808,448	677,498	839,149	1,041,250
Health Initiatives	250	-	-	-	-	-	-	-	-	-
Behavioral Health	-	-	-	-	-	-	-	-	-	-
School Health	5,399	10,649	22,566	70,780	78,276	18,838	24,977	19,667	305,347	124,966
Total charges for services	\$ 6,638,544	\$ 6,745,631	\$ 8,450,064	\$ 9,860,172	\$ 11,397,891	\$ 12,134,585	\$ 11,637,379	\$ 8,458,809	\$ 9,915,841	\$ 9,513,438
Capital grants and contributions:										
Administrative services	87,418	-	-	-	-	-	-	-	-	-
Total capital grants and contributions	87,418	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
Administrative Services	3,975,759	4,077,734	3,276,664	2,538,893	2,199,560	2,635,180	2,697,556	2,801,229	2,956,020	3,151,753
Environmental Health	630,877	705,993	721,823	729,461	853,542	933,242	874,034	917,899	953,130	1,073,892
Dental Health	122,235	76,894	241,073	32,000	44,066	16,415	96,878	282,914	105,137	83,047
Women, Infants, and Children	932,182	940,372	863,562	857,157	846,912	737,292	711,948	770,077	837,558	814,181
Communicable Disease	662,049	643,538	661,518	735,926	758,224	753,143	872,417	1,587,388	4,315,936	3,808,431
Clinical Services	489,140	554,314	484,695	482,603	895,728	1,002,947	982,250	1,191,306	1,270,714	1,145,237
Family Care Coordination	401,406	278,830	230,540	329,266	299,185	307,706	291,955	332,421	364,881	463,150
Health Initiatives	875,179	885,885	1,534,880	2,530,597	3,056,789	2,230,852	2,504,272	1,835,042	1,299,935	2,519,024
Behavioral Health	-	-	-	-	-	-	-	-	-	131,275
School Health	1,851,310	2,328,117	2,204,597	2,454,824	3,340,532	2,832,120	2,983,554	3,149,445	3,604,181	6,870,881
Total operating grants and contributions	9,940,137	10,491,677	10,219,352	10,690,727	12,294,538	11,448,897	12,014,864	12,867,721	15,707,492	20,060,871
Total governmental activities program revenues	\$ 16,666,099	\$ 17,237,308	\$ 18,669,416	\$ 20,550,899	\$ 23,692,429	\$ 23,583,482	\$ 23,652,243	\$ 21,326,530	\$ 25,623,333	\$ 29,574,309

Cabarrus Health Alliance, North Carolina
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental activities	\$ (1,425,127)	\$ (611,568)	\$ 392,795	\$ 644,590	\$ 483,767	\$ (96,796)	\$ (535,305)	\$ (2,376,107)	\$ 1,539,191	\$ 972,864
Total governmental activities net (expense)/revenue	<u>\$ (1,425,127)</u>	<u>\$ (611,568)</u>	<u>\$ 392,795</u>	<u>\$ 644,590</u>	<u>\$ 483,767</u>	<u>\$ (96,796)</u>	<u>\$ (535,305)</u>	<u>\$ (2,376,107)</u>	<u>\$ 1,539,191</u>	<u>\$ 972,864</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted investment earnings	\$ 12,948	\$ 2,033	\$ 6,283	\$ 18,393	\$ 34,710	\$ 95,743	\$ 180,096	\$ 104,186	\$ 4,223	\$ 15,223
Miscellaneous	842,073	816,247	21,333	47,652	60,005	55,723	46,364	(9,875)	19,504	42,542
Special item (see Note V.4)	-	-	-	-	-	-	-	1,000,000	-	-
Total governmental activities	<u>\$ 855,021</u>	<u>\$ 818,280</u>	<u>\$ 27,616</u>	<u>\$ 66,045</u>	<u>\$ 94,715</u>	<u>\$ 151,466</u>	<u>\$ 226,460</u>	<u>\$ 1,094,311</u>	<u>\$ 23,727</u>	<u>\$ 57,765</u>
Change in Net Position										
Governmental activities:										
Changes in Net Position	(570,106)	206,712	420,411	710,635	578,482	54,670	(308,845)	(1,281,796)	1,562,918	1,030,629
Total governmental activities	<u>\$ (570,106)</u>	<u>\$ 206,712</u>	<u>\$ 420,411</u>	<u>\$ 710,635</u>	<u>\$ 578,482</u>	<u>\$ 54,670</u>	<u>\$ (308,845)</u>	<u>\$ (1,281,796)</u>	<u>\$ 1,562,918</u>	<u>\$ 1,030,629</u>

Cabarrus Health Alliance, North Carolina
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable:										
Prepaid items	\$ -	\$ 91,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:										
Stabilization by State Statute	982,679	900,338	1,768,998	2,079,353	2,496,308	889,823	3,097,700	1,175,395	3,342,317	3,136,129
Future Equipment Purchases	-	-	-	-	-	-	-	-	-	-
Total Restricted	982,679	900,338	1,768,998	2,079,353	2,496,308	889,823	3,097,700	1,175,395	3,342,317	3,136,129
Assigned:										
Subsequent year's expenditures	102,819	185,000	241,458	215,000	301,581	1,038,299	1,120,769	901,167	880,206	851,192
Unassigned:	5,750,707	6,043,880	5,210,004	5,491,388	6,130,852	7,128,914	4,850,671	6,286,999	6,480,139	7,543,435
Total General Fund	\$ 6,836,205	\$ 7,220,310	\$ 7,220,460	\$ 7,785,741	\$ 8,928,741	\$ 9,057,036	\$ 9,069,140	\$ 8,363,561	\$ 10,702,662	\$ 11,530,756

Cabarrus Health Alliance, North Carolina
Changes in Fund Balances, General Fund
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Intergovernmental	\$ 14,343,742	\$ 14,560,281	\$ 14,284,166	\$ 16,549,263	\$ 18,101,093	\$ 16,966,106	\$ 17,295,311	\$ 17,817,152	\$ 21,954,146	\$ 27,695,119
Permits and fees	164,353	170,490	191,891	200,365	236,375	246,785	203,853	216,482	285,057	340,160
Sales and services	2,370,785	2,623,359	3,792,167	3,611,864	4,980,099	6,011,996	5,511,051	2,851,704	1,513,964	1,260,270
Investment earnings	12,948	2,033	6,283	18,393	34,710	95,743	180,096	104,186	4,223	15,223
Miscellaneous	59,561	52,934	69,854	73,868	74,533	71,982	65,673	47,321	72,748	61,222
Donations/Contributions	373,321	545,289	379,325	109,097	421,282	422,891	646,041	614,285	1,207,696	514,523
Total Revenues	17,324,710	17,954,386	18,723,686	20,562,850	23,848,092	23,815,503	23,902,025	21,651,130	25,037,834	29,886,517
Expenditures										
<i>Human Services:</i>										
Environmental Health	717,627	804,581	853,500	863,211	1,016,611	1,023,662	940,537	942,173	1,124,681	1,429,940
Information Technology Systems	907,659	1,024,725	862,220	686,960	713,288	838,463	958,323	1,153,424	951,084	1,158,974
General Administration	4,746,977	4,661,955	4,930,589	4,989,222	6,245,407	7,112,525	6,881,284	4,055,399	2,779,339	3,144,082
Family Care Coordination	1,042,419	841,031	847,335	982,591	936,255	978,968	1,040,588	1,177,374	1,109,438	1,251,648
School Health	1,881,475	2,327,439	2,298,548	2,513,116	2,664,527	2,825,137	2,994,421	3,117,582	3,965,717	6,979,727
Health Initiatives	902,489	833,880	1,584,202	2,466,816	2,914,080	2,124,811	2,268,964	1,948,057	1,260,913	2,502,913
Dental Public Health	2,183,911	2,389,765	2,854,397	2,757,956	2,982,327	3,523,777	3,723,191	4,020,629	2,939,644	3,632,008
Vital Records	47,271	48,026	50,098	50,755	51,579	62,420	65,439	54,625	57,632	70,153
Communicable Disease	907,273	949,754	977,061	1,091,130	1,109,753	1,081,174	1,159,678	2,191,236	4,657,174	4,145,337
Clinical Services	3,406,339	2,756,106	2,592,151	2,756,821	3,224,268	3,373,731	3,147,325	3,129,082	3,220,341	3,816,727
Behavioral Health	-	-	-	-	-	-	-	-	-	147,967
Women, Infants, & Children	933,666	933,019	873,435	838,991	846,997	742,540	710,171	767,128	832,770	811,156
<i>Debt Service:</i>										
Principal retirement	-	-	-	-	-	-	-	-	-	155,144
Interest and other charges	-	-	-	-	-	-	-	-	-	12,647
Total Expenditures	17,677,106	17,570,281	18,723,536	19,997,569	22,705,092	23,687,208	23,889,921	22,556,709	22,898,733	29,258,423
Excess of revenues over (under) expenditures before special item	(352,396)	384,105	150	565,281	1,143,000	128,295	12,104	(905,579)	2,139,101	628,094
Transfers to other funds	(38,405)	-	-	-	-	-	-	-	-	-
Special item (see Note V.4)	-	-	-	-	-	-	-	200,000	200,000	200,000
Net change in fund balances	\$ (390,801)	\$ 384,105	\$ 150	\$ 565,281	\$ 1,143,000	\$ 128,295	\$ 12,104	\$ (705,579)	\$ 2,339,101	\$ 828,094

Cabarrus Health Alliance, North Carolina
Principal Sources of Revenue
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 5

Fiscal Year	Intergovernmental Revenue	Permits & Fees	Sales & Services	Investment Earnings	Miscellaneous	Contributions	Total Revenue
2013	14,343,742	\$ 164,353	\$ 2,370,785	\$ 12,948	\$ 59,561	\$ 373,321	\$ 17,324,710
2014	14,560,281	170,490	2,623,359	2,033	52,934	545,289	17,954,386
2015	14,284,166	191,891	3,792,167	6,283	69,854	379,325	18,723,686
2016	16,549,263	200,365	3,611,864	18,393	73,868	109,097	20,562,850
2017	18,101,093	236,375	4,980,099	34,710	74,533	421,282	23,848,092
2018	16,966,106	246,785	6,011,996	95,743	71,982	422,891	23,815,503
2019	17,295,311	203,853	5,511,051	180,096	65,673	646,041	23,902,025
2020	17,817,152	216,482	3,051,704	104,186	47,321	614,285	21,851,130
2021	21,954,146	285,057	1,713,964	4,223	72,748	1,207,696	25,237,834
2022	27,656,977	340,160	1,260,270	15,223	61,222	552,665	29,886,517

Cabarrus Health Alliance, North Carolina
Intergovernmental Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 6

Fiscal Year	State & Federal Grants	Medicaid & Medicare Revenue	Medicaid Settlement	Cabarrus County Contributions	Other Local Governmental Contributions	Total Revenue
2013	\$ 3,997,405	\$ 4,020,473	\$ 1,072,270	\$ 5,249,177	\$ 4,417	\$ 14,343,742
2014	3,394,552	3,670,013	1,574,036	5,907,933	13,747	14,560,281
2015	3,499,698	4,257,245	793,072	5,713,868	20,283	14,284,166
2016	4,476,165	4,223,454	1,675,719	6,011,824	162,101	16,549,263
2017	5,076,783	4,913,410	1,231,391	6,343,345	536,164	18,101,093
2018	3,831,610	4,578,145	1,297,066	6,729,671	529,614	16,966,106
2019	3,953,382	4,029,767	1,599,316	7,035,312	677,534	17,295,311
2020	3,498,771	3,678,756	1,846,623	7,969,798	823,204	17,817,152
2021	5,076,539	4,487,222	2,693,197	9,299,592	397,596	21,954,146
2022	10,210,263	4,607,704	3,098,145	9,391,768	349,097	27,656,977

Cabarrus Health Alliance, North Carolina
Clinical and Dental Health Revenue From Fees for Services
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 7

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Clinical Services										
Medicaid	\$ 1,302,977	\$ 1,122,145	\$ 1,106,085	\$ 1,131,722	\$ 1,280,059	\$ 1,153,785	\$ 989,180	\$ 987,830	\$ 1,059,019	\$ 1,466,157
Medicare	2,899	4,831	2,955	1,173	2,957	2,670	4,159	29,893	248,387	67,574
Private Insurance	238,099	252,271	251,760	264,710	233,585	226,692	275,792	323,919	559,640	365,284
Patient Fees	269,023	296,851	290,247	301,488	332,447	299,927	292,533	286,653	229,213	269,214
Total Clinical Services	1,812,998	1,676,098	1,651,047	1,699,093	1,849,048	1,683,074	1,561,664	1,628,295	2,096,259	2,168,229
Dental Services										
Medicaid	1,705,951	1,744,358	2,211,208	2,221,649	2,569,061	2,529,382	2,126,063	1,854,458	2,033,970	2,032,722
Private Insurance	447,610	433,045	396,609	511,239	582,438	684,298	690,539	647,087	500,045	431,219
Patient Fees	215,680	218,218	212,059	212,049	237,279	262,506	298,167	278,762	237,191	202,457
Total Dental Services	2,369,241	2,395,621	2,819,876	2,944,937	3,388,778	3,476,186	3,114,769	2,780,307	2,771,206	2,666,398
Total Fees for Services	\$ 4,182,239	\$ 4,071,719	\$ 4,470,923	\$ 4,644,030	\$ 5,237,826	\$ 5,159,260	\$ 4,676,433	\$ 4,408,602	\$ 4,867,465	\$ 4,834,627

**CABARRUS COUNTY, NORTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Table 8

Year	Population⁽¹⁾	Personal Income⁽²⁾	Per Capita Personal Income⁽²⁾	Public School Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾	Number of Building Inspections Performed⁽⁵⁾
2012	183,806	\$ 6,453,148	\$ 35,561	34,588	9.4%	26,565
2013	186,446	7,025,450	38,079	35,125	8.2%	30,780
2014	187,226	7,301,723	39,000	34,763	6.1%	42,541
2015	192,103	7,399,908	38,521	34,609	5.5%	46,267
2016	196,762	8,286,025	41,103	35,376	4.8%	55,741
2017	201,590	9,085,784	43,920	36,669	4.1%	57,485
2018	206,872	9,556,853	45,220	33,877	3.9%	61,400
2019	211,342	10,089,975	46,615	32,955	3.8%	64,131
2020	216,453	*	*	33,579	7.6%	71,036
2021	221,479	*	*	32,555	4.4%	72,520
2022	231,278	*	*	33,565	3.7%	65,142

* Information not yet available. Information for calendar year 2020 will be available November 16, 2021.

Notes:

⁽¹⁾ United States Census Bureau

⁽²⁾ Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year

⁽³⁾ Public Schools of North Carolina/State Board of Education reported the County Official Statements

⁽⁴⁾ N. C. Department of Commerce Labor & Economic Analysis as of June 30th

⁽⁵⁾ Total number of inspections performed by Cabarrus County Inspections Department. Does not include inspections by municipalities.

**CABARRUS COUNTY, NORTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Table 9

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Atrium Health	5,156	1	4.46%	4,500	1	5.37%
Cabarrus County Schools	4,396	2	3.80%	3,800	2	4.53%
Cabarrus County Gov.	1,261	3	1.09%	950	3	1.13%
Wal-Mart (all Cabarrus locations)	1,225	4	1.06%	-		-
Amazon (all Cabarrus locations)	1,176	5	1.02%	-		-
City Of Concord	1,123	6	0.97%	901	4	1.08%
FedEx (all Cabarrus locations)	1,050	7	0.91%	-		-
Corning	956	8	0.83%	-		-
Shoe Show	811	9	0.70%	550	9	0.66%
Kannapolis City Schools	745	10	0.64%	750	7	0.89%
Connexions	-	-	-	900	5	1.07%
State of North Carolina	-	-	-	770	6	0.92%
S&D Coffee and Tea	-	-	-	575	8	0.69%
CAN	-	-	-	500	10	0.60%
Total	<u>17,899</u>		<u>15.48%</u>	<u>14,196</u>		<u>16.94%</u>

Source:

NC Employment Security Commission, Cabarrus County Economic Development Corporation and FY 2011 CAFR

Cabarrus Health Alliance, North Carolina
Full-time Equivalent Local Government Employees by Function
Last Ten Fiscal Years

Table 10

Function/Program	Full-time Equivalent Employees as of June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administrative Services	43	46	46	27	30	29	26	25	30	34
Environmental Health	10	11	11	12	14	12	15	13	18	20
Dental Health	25	26	26	29	27	39	35	37	25	35
Women, Infants, and Children	19	18	18	16	15	13	11	14	14	13
Communicable Disease	12	10	10	10	14	9	9	14	31	25
Clinical Services	50	43	43	38	36	40	39	42	41	47
Family Care Coordination	13	13	13	12	13	14	13	14	12	25
Health Initiatives	13	21	21	19	23	21	18	16	15	22
Behavioral Health	0	0	0	0	0	0	0	0	0	3
School Health	49	49	49	48	49	53	53	60	55	56
Total	234	237	237	211	221	230	219	235	241	280

Source: Cabarrus Health Alliance Finance Department
 Breakdown of Function/Program established 2004 by Local Government Commission.

Note: Vacant positions are included in the above numbers.
 Full time personnel work 2,080 hours per year (less vacation and sick leave).

Cabarrus Health Alliance, North Carolina
Operating Indicators by Functional Area/Project
Last Ten Fiscal Years

Table 11

Functional Area	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administrative Activities										
Human Resources - retention rate (% resignations)	10.4%	8.2%	7.5%	8.6%	11.1%	7.4%	3.9%	9.0%	17.7%	17.0%
Finance - accounts payable checks issued	2,839	3,084	3,057	3,185	4,001	3,624	3,762	3,081	2,360	2,552
Environmental Health										
Environmental health - permits and/or inspections	2,732	1,742	1,887	1,927	2,062	2,101	2,076	1,858	1,931	2,112
Food & Lodging - inspections and/or consultation	3,328	3,463	3,520	3,610	3,727	2,756	3,734	3,122	3,314	3,104
Dental Health										
Smart Start Dental - # of children served	3,419	3,663	2,612	20	10	11	18	6	5	5
Dental Clinic - # encounters	18,157	18,889	20,099	20,764	22,668	24,676	23,321	19,415	16,023	18,474
Women, Infants, and Children										
Avg participation of state assigned caseload/mo.	4,730	4,521	4,235	4,062	3,661	3,251	2,900	3,220	3,830	4,046
Communicable Disease										
STD - # of clients seen for STDs	1,067	1,046	929	973	1,087	916	1,707	1,377	1,009	911
International Travel - # of clients seen	471	494	380	483	573	307	513	302	5	158
Flu/Pneumonia - # doses given	2,028	1,958	1,885	1,968	2,199	1,956	1,945	1,966	1,791	2,077
Tuberculosis - # of skin tests given	958	858	757	705	772	647	994	555	339	381
Clinical Services										
Maternal Health - # of client visits	5,416	4,616	3,395	4,006	4,188	4,481	4,183	3,147	2,924	2,757
BCCCP/WW - # of clients served	233	347	347	341	299	345	309	190	175	149
Family Planning - # of clients served	2,051	970	971	1,130	1,081	1,097	974	915	703	675
Child Health - # of clients served	2,362	2,071	2,398	2,460	2,550	2,947	2,972	3,147	2,589	2,676
Family Care Coordination										
Intensive Home Visiting - # of visits	1,085	850	-	250	235	105	102	111	79	67
Care Coordination for Children - # of direct patient centered interactions	7,381	7,902	4,248	5,170	4,382	4,398	6,393	1,718^	3,474^	2,033
Pregnancy Care Management - # of direct patient centered interactions	6,189	6,033	3,249	3,445	3,607	3,606	6,937	1,347^	2,053^	1,460
Community Impact										
TRAIL Elevate - # participants reached per year	n/a	n/a	n/a	77	1,684	1,131	1,200	n/a	n/a	226
TPPI - # participants reach per year	137	107	111	212	236	162	140	105	125	110
Triple P - # provider training slots filled	40	50	51	79	29	30	20	3	11	8
REACH - # participants reached per year	n/a	n/a	90,678	90,800	98,437	102,102	n/a	n/a	n/a	n/a
STARS - # participants reached per year	n/a	n/a	87	210	402	n/a	n/a	n/a	n/a	n/a
MDPP - # participants enrolled in the program	n/a	n/a	n/a	n/a	91	104	93	84	33	49
Syringe Service Program - # of Naloxone kits provided per year	n/a	n/a	n/a	n/a	n/a	n/a	1,915	1,646	2,269	1,456
Healthy PALS - # participants reached per year	n/a	n/a	n/a	n/a	118,140	36,791	27,614	n/a	n/a	n/a
Other Services										
School Health - # of students seen by nurse	120,139	110,217	111,953	123,220	145,592	141,127	144,664	103,676	34,493	90,150

Source: Cabarrus Health Alliance Departments

Notes:

- ^Program reporting changed from #patient tasks to #centered interactions
- n/a - program/project no longer needed or not budgeted for that particular year
- **Program ended 2/29/2012

Cabarrus Health Alliance, North Carolina
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table 12

<u>Function</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administrative Services										
Furniture and Fixtures	9	9	10	11	11	12	12	13	13	13
Vehicles	11	11	10	10	8	7	6	6	5	6
Equipment	16	17	19	19	20	18	19	29	29	28
Environmental Health										
Vehicles	9	11	10	15	10	14	14	12	15	17
Furniture and Fixtures	-	-	-	1	1	1	1	1	1	1
Dental Health										
Vehicles	1	1	2	2	2	2	1	2	2	2
Equipment	40	40	45	45	46	46	46	48	48	42
Leasehold Improvements	3	3	3	3	3	3	3	3	3	3
Communicable Disease										
Equipment	5	5	5	5	3	3	2	2	2	2
Clinical Services										
Equipment	10	10	10	10	10	10	10	10	10	9
Health Initiatives										
Equipment	-	-	-	-	-	-	-	4	-	-
Family Care Coordination										
Furniture and Fixtures	-	1	1	1	1	1	1	1	1	1
School Health										
Equipment	-	-	-	-	-	1	1	1	1	1
	104	108	115	122	115	118	116	132	130	125

Compliance Section



**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***

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cabarrus Health Alliance
Kannapolis, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities and each major fund of the **Cabarrus Health Alliance**, a component unit of Cabarrus County, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises the Cabarrus Health Alliance's basic financial statements, and have issued our report thereon dated October 28, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the **Cabarrus Health Alliance's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **Cabarrus Health Alliance's** internal control. Accordingly, we do not express an opinion on the effectiveness of the Alliance'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 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 material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the **Cabarrus Health Alliance's** 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 the **Cabarrus Health Alliance's** internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the **Cabarrus Health Alliance's** internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Potter & Company, P.A.

October 28, 2022
Concord, North Carolina



Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cabarrus Health Alliance
Concord, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **Cabarrus Health Alliance's**, a component unit of Cabarrus County, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the **Cabarrus Health Alliance's** major federal programs for the year ended June 30, 2022. The **Cabarrus Health Alliance's** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the **Cabarrus Health Alliance** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **Cabarrus Health Alliance** 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 provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the **Cabarrus Health Alliance's** 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 Cabarrus Health Alliance's 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 **Cabarrus Health Alliance's** 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 GAAS, *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 **Cabarrus Health Alliance's** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 **Cabarrus Health Alliance's** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of **Cabarrus Health Alliance's** 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 **Cabarrus Health Alliance's** 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 a 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 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 Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses 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. However, material weaknesses or significant deficiencies 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.

Potter & Company, P.A.

October 28, 2022

Concord, North Carolina



Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; In Accordance With OMB Uniform Guidance; and the State Single Audit Implementation Act

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cabarrus Health Alliance
Concord, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the **Cabarrus Health Alliance's**, a component unit of Cabarrus County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the **Cabarrus Health Alliance's** major state programs for the year ended June 30, 2022. The **Cabarrus Health Alliance's** major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the **Cabarrus Health Alliance** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State 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) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **Cabarrus Health Alliance** 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 provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the **Cabarrus Health Alliance's** 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 **Cabarrus Health Alliance's** State 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 **Cabarrus Health Alliance's** 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 GAAS, *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 **Cabarrus Health Alliance's** compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *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 **Cabarrus Health Alliance's** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of **Cabarrus Health Alliance's** 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 **Cabarrus Health Alliance's** 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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 state 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state 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 Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses 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. However, material weaknesses or significant deficiencies 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Potter & Company, P.A.

October 28, 2022

Concord, North Carolina

CABARRUS HEALTH ALLIANCE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

Section I. Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(s) identified that 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 federal programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(s) identified that are not considered to be material weaknesses yes X none reported

Noncompliance material to federal awards yes X no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) yes X no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? X yes no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? yes X no

**CABARRUS HEALTH ALLIANCE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022**

-
- Significant deficiency(s) identified that are not considered to be material weaknesses _____ yes X none reported

Noncompliance material to State awards _____ yes X no

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act _____ yes X no

Identification of major State programs:

Program Name
TPPI – Adolescent Pregnancy Prevention Program
Minority Diabetes Prevention Program

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - State Awards Findings and Questioned Costs

None reported.

Section V - Corrective Action Plan

None reported.

Section VI - Summary Schedule of Prior Year Findings

None reported.

Cabarrus Health Alliance
Schedule of Expenditures of Federal and State Awards
Public Health Programs
June 30, 2022

	Federal Expenditures	State Expenditures	
Federal Awards			
U.S Department of Agriculture			
passed through NC Dept. of Health and Human Services			
Division of Public Health			
Special Supplemental Nutrition Program for			
Women Infant and Children	10.557	726,807	n/a
Total U.S. Department of Agriculture	726,807	726,807	n/a
U.S. Department of Housing and Urban Development			
passed through NC Dept. of Health and Human Services			
Division of Public Health			
Emergency Solutions Grant Program	14.241	-	n/a
U.S. Dept. of Treasury ⁵			
Passed-through the Office of State Budget and Management:			
NC Pandemic Recovery Office			
passed through NC Dept. of Health and Human Services			
Division of Public Health			
Coronavirus Relief Fund ⁴	21.019	-	n/a
U.S. Dept. of Treasury			
Passed-through the Office of State Budget and Management:			
NC Pandemic Recovery Office			
passed-through Cabarrus County			
Coronavirus State and Local Fiscal Recovery Funds	21.027	193,065	n/a
U.S. Department of Health and Human Services			
passed through NC Dept. of Health and Human Services			
Division of Public Health			
Public Health Emergency Preparedness	93.069	49,633	n/a
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	-	n/a
Maternal and Child Health Federal Consolidated Programs	93.110	-	n/a
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	50	n/a
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	-	n/a
Injury Prevention and Control Research and State and Community Based Programs	93.136	110,000	n/a
Family Planning Services	93.217	77,363	n/a
Immunization Cooperation Agreements	93.268	31,010	n/a
COVID-19 -Immunization Cooperation Agreements	93.268	345,135	n/a
Total Immunization Cooperation Agreements		376,145	
Viral Hepatitis Prevention and Control	93.270	-	n/a
Viral Hepatitis Prevention and Control	93.977	36,080	
Teenage Pregnancy Prevention Program	93.297	-	n/a
PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control	93.305	-	n/a
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	4,152,576	n/a
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	-	n/a
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		4,152,576	

COVID-19 - Public Health Emergency Response: Cooperative Agreement for National and State Tobacco Control Program	93.354	110,923	n/a
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Well-Integrated Screening and Evaluation for Women Across the Nation	93.387	-	n/a
Temporary Assistance for Needy Families	93.391	39,900	n/a
Refugee and Entrant Assistance State / Replacement Designee Administrators	93.436	-	n/a
Medical Assistance Assistance Program	93.558	16,476	n/a
Maternal , Infant, and Early Childhood Home Visiting Grant	93.566	-	n/a
Cancer Prevention and Control Programs for State, Territorial and Tribal	93.778	-	-
HIV Care Formula Grants - Ryan White Care Act	93.870	-	n/a
Healthy Start Initiative	93.898	26,075	n/a
HIV Prevention Activities Health Department Based	93.917	-	n/a
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.926	-	n/a
Preventive Health and Health Services Block Grant	93.940	27,998	n/a
Maternal and Child Health Services Block Grant	93.977	42	n/a
Total	93.991	30,607	n/a
	93.994	320,336	54,130
		\$ 6,294,076	\$ 54,130

State Awards

N.C. Department of Health and Human Services			
Division of Public Health			
Other Receipts / State Supported Expenditures			
Food and Lodging Fees		n/a	36,743
Public Health Pest Management		n/a	4,000
PH Capacity Building		n/a	125,791
Public Health Nursing		n/a	1,600
General Communicable Disease Control		n/a	10,734
Healthy Communities		n/a	3,747
Minority Diabetes Prevention Program		n/a	230,105
CLAS Standards Advancing Health Equity		n/a	-
Nurse Family Partnership		n/a	-
Positive Parenting Program (Triple P)		n/a	2,232
Child Health		n/a	6,581
HIV/STD State		n/a	1,756
Breast and Cervical Cancer		n/a	30,225
TPPI - Adol. Pregnancy Prevention Program		n/a	175,000
Care Coordination for Children		n/a	-
School Health Center		n/a	-
School Nursing Funding Initiative		n/a	50,000
Healthy Beginnings		n/a	-
Evidence - Based Strategies for MCH		n/a	-
Family Planning - State		n/a	24,095
Maternal Health		n/a	71,190
High Risk Maternity Clinics		n/a	26,413
Women Health Service Fund		n/a	14,200
Tuberculosis Control		n/a	5,144
Electronic Health Record		n/a	-
Total federal and State awards		\$ 6,294,076	\$ 873,686

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For Information:

Cabarrus Health Alliance
300 Mooresville Road
Kannapolis, NC 28081
704-920-1212



October 28, 2022

To the Board of Directors
Cabarrus Health Alliance
Kannapolis, North Carolina

We have audited the financial statements of the governmental activities and each major fund of the **Cabarrus Health Alliance**, a component unit of Cabarrus County, North Carolina, for the year ended June 30, 2022, and have issued our report thereon dated October 28, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 24, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the **Cabarrus Health Alliance** are described in Note 1 to the financial statements. GASB 87, Leases was adopted in the current fiscal year. The application of existing policies was not changed during the year ended June 30, 2022. We noted no transactions entered into by the **Cabarrus Health Alliance** during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the **Cabarrus Health Alliance's** financial statements were:

1. Accounts receivable
2. Accounts payable

Management's estimate of accounts receivable is based on the amounts management expects to collect on funds due at fiscal year end. Management's estimate of accounts payable is based on invoices received related to the fiscal year under audit but not yet paid as of fiscal year end. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures were material, either individually or in the aggregate, to the opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter date October 28, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Alliance's financial statements or determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the government unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, the Schedule of Changes in the Total OPEB Liability and Related Ratios, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on budgetary schedules and the schedule of expenditures of federal and state awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board and management of the **Cabarrus Health Alliance**, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Potter & Company, P.A.

Potter & Company, P.A.
Concord, North Carolina



October 28, 2022

Board of Directors
Cabarrus Health Alliance
Kannapolis, North Carolina

In planning and performing our audit of the financial statements of Cabarrus Health Alliance as of and for the year ended June 30, 2022 and 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Cabarrus Health Alliance's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Board of Directors, management, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

Potter & Company, P.A.

Potter & Company, P.A.
Concord, North Carolina

PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY
FINANCIAL SUMMARY REPORT
FY 2023 **6 months ending** **12/31/2022**

GENERAL FUND									
REVENUES	ACTUAL	ACTUAL	ACTUAL	ACTUAL	FY 2023	FY 2023	ACTUAL	Y-T-D %	
	FY 2019	FY 2020	FY 2021	FY 2022	ORIGINAL BUDGET	BUDGET	12/31/22	COLLECTED	
INTERGOVERNMENTAL REVENUES	\$ 21,168,562	\$ 19,287,274	\$ 22,120,317	\$ 27,563,932	\$ 32,530,746	\$ 34,317,935	\$ 12,602,336	36.72%	
PERMITS & FEES	\$ 203,853	\$ 216,482	\$ 285,057	\$ 340,160	254,360	280,760	\$ 132,430	47.17%	
SALES & SERVICES	\$ 1,785,752	\$ 1,618,074	\$ 1,708,630	\$ 1,541,742	1,519,993	1,513,975	\$ 551,449	36.42%	
INVESTMENT EARNINGS	\$ 180,096	\$ 104,186	\$ 4,223	\$ 15,223	4,000	4,000	\$ 111,692	2792.30%	
MISCELLANEOUS	\$ 65,673	\$ 47,320	\$ 72,847	\$ 67,453	767,366	789,866	\$ 25,656	3.25%	
CONTRIBUTIONS & PRIVATE GRANTS	\$ 498,089	\$ 577,794	\$ 1,002,571	\$ 579,848	1,099,264	1,536,264	\$ 287,844	18.74%	
FUND BALANCE APPROPRIATED	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	#DIV/0!	
TOTAL	\$ 23,902,025	\$ 21,851,130	\$ 25,193,646	\$ 30,108,359	\$ 36,175,729	\$ 38,442,800	\$ 13,711,408	35.67%	
EXPENDITURES	ACTUAL	ACTUAL	ACTUAL	ACTUAL	FY 2023	FY 2023	ACTUAL	Y-T-D %	
	FY 2019	FY 2020	FY 2021	FY 2022	ORIGINAL BUDGET	BUDGET	12/31/22	SPENT	
ENVIRONMENTAL HEALTH	\$ 940,537	\$ 942,173	\$ 1,124,681	\$ 1,429,941	1,729,645	1,756,045	778,610	44.34%	
INFORMATION TECHNOLOGY SYSTEMS	\$ 958,323	\$ 1,153,424	\$ 951,084	\$ 1,158,973	1,292,696	1,292,696	538,180	41.63%	
GENERAL ADMINISTRATION	\$ 6,881,284	\$ 4,055,399	\$ 2,779,340	\$ 3,235,818	4,046,654	5,150,684	2,593,700	50.36%	
FAMILY CARE COORDINATION	\$ 1,040,588	\$ 1,177,374	\$ 1,109,438	\$ 1,251,648	1,619,631	1,631,131	613,997	37.64%	
SCHOOL HEALTH	\$ 2,994,421	\$ 3,117,582	\$ 3,965,717	\$ 6,979,729	6,751,584	6,800,344	2,981,250	43.84%	
COMMUNITY IMPACT	\$ 2,268,964	\$ 1,948,057	\$ 1,260,913	\$ 2,502,914	3,281,272	3,769,754	1,234,690	32.75%	
DENTAL HEALTH	\$ 3,723,191	\$ 4,020,629	\$ 2,933,844	\$ 3,708,063	4,596,355	4,622,355	1,808,582	39.13%	
VITAL RECORDS	\$ 65,439	\$ 54,625	\$ 57,632	\$ 70,154	72,743	72,743	33,153	45.58%	
COMMUNICABLE DISEASE	\$ 1,159,678	\$ 2,191,236	\$ 4,657,174	\$ 4,145,338	7,086,662	7,610,049	2,087,050	27.42%	
CLINICAL SERVICES	\$ 3,147,325	\$ 3,129,082	\$ 3,220,341	\$ 3,816,726	4,049,603	4,049,603	1,750,012	43.21%	
BEHAVIORAL HEALTH	\$ -	\$ -	\$ -	\$ 147,966	878,956	878,956	258,295	29.39%	
WIC	710,171	767,128	832,770	811,156	769,928	808,440	363,441	44.96%	
TOTAL	\$ 23,889,921	\$ 22,556,709	\$ 22,892,933	\$ 29,258,426	\$ 36,175,729	\$ 38,442,800	\$ 15,040,959	39.13%	
Y-T-D FUND BALANCE INCREASE (DECREASE)	\$ 12,104	\$ (705,580)	\$ 2,300,712	\$ 849,933	\$ -	\$ -	\$ (1,329,551)		

ESTIMATED NET Y-T-D BALANCE 12/31/2022	\$ (1,329,551)
**PLUS 6 MOS MEDICAID SETTLEMENT (including Managed Care Separate Direct Payments) - \$2,932,077	\$ 1,382,743
	\$ 53,192

Cabarrus Health Alliance Snapshot

December 31, 2022 Target Percentage 50%

Budget	Actual	YTD Percentage	Comments	
Environmental Health				
Revenue	1,756,045	860,768	49.02%	
Expense	1,756,045	778,610	44.34%	
Information Technology				
Revenue	933,758	373,239	39.97%	
Expense	1,292,696	538,180	41.63%	
General Administration				
Revenue	4,518,096	2,017,380	44.65%	
Expense	5,150,684	2,593,700	50.36%	
Family Care Coordination				
Revenue	1,631,131	705,463	43.25%	
Expense	1,631,131	613,997	37.64%	
School Health				
Revenue	6,800,344	2,059,538	30.29%	
Expense	6,800,344	2,981,250	43.84%	 Revenues are reimbursed one month after expenses.
Community Impact				
Revenue	3,698,042	1,157,296	31.29%	
Expense	3,769,754	1,234,690	32.75%	
Dental Health				
Revenue	5,685,593	1,404,472	24.70%	
Expense	4,622,355	1,808,582	39.13%	 Cost settlement for FY23 \$2,260,000 will be received 4th quarter. Revenue actuals do not include cost settlement projections.
Vital Records				
Revenue	72,743	36,372	50.00%	
Expense	72,743	33,153	45.58%	
Communicable Disease				
Revenue	7,610,049	1,664,238	21.87%	
Expense	7,610,049	2,087,050	27.42%	 Large ARPA Agreement Addendums.
Clinical Services				
Revenue	4,049,603	1,410,448	34.83%	
Expense	4,049,603	1,750,012	43.21%	 Working through Managed Care issues.
Behavioral Health				
Revenue	878,956	304,689	34.66%	
Expense	878,956	258,295	29.39%	 Grant based reimbursement FY23. Billable services are increasing.
WIC				
Revenue	808,440	252,685	31.26%	
Expense	808,440	363,441	44.96%	 Revenues are reimbursed one month after expenses.

Variance Analysis Year-to-Date December 31, 2022

	YTD				Comments
	2023 BUDGET	2023 ACTUAL	2022 ACTUAL	YOY ACTUAL	
Revenue					
Environmental Health	1,756,045	860,768	654,761	206,007	
Information Technology	933,758	373,239	361,801	11,438	
General Administration	4,518,096	2,017,380	1,358,274	659,106	Agency Bonus
Family Care Coordination	1,631,131	705,463	682,289	23,174	
School Health	6,800,344	2,059,538	2,220,151	(160,613)	
Community Impact	3,698,042	1,157,296	966,041	191,256	Hiring for new grant staffing
Dental Health	5,685,593	1,404,472	1,358,333	46,139	
Vital Records	72,743	36,372	31,956	4,416	
Communicable Disease	7,610,049	1,664,238	2,287,802	(623,564)	Revenues for Covid AA paid one month after expense
Clinical Services	4,049,603	1,410,448	1,587,581	(177,133)	
Behavioral Health	878,956	304,689	-	304,689	New initiative FY23
WIC	808,440	252,685	334,674	(81,990)	
Total Revenue	38,442,800	12,246,587	11,843,663	402,924	
Expense					
Environmental Health	1,756,045	778,610	639,163	139,447	
Information Technology	1,292,696	538,180	533,304	4,876	
General Administration	5,150,684	2,593,700	1,400,537	1,193,162	Agency Bonus
Family Care Coordination	1,631,131	613,997	532,387	81,610	
School Health	6,800,344	2,981,250	2,870,051	111,199	
Community Impact	3,769,754	1,234,690	946,145	288,545	
Dental Health	4,622,355	1,808,582	1,619,358	189,224	
Vital Records	72,743	33,153	33,178	(25)	
Communicable Disease	7,610,049	2,087,050	1,870,462	216,588	
Clinical Services	4,049,603	1,750,012	1,834,561	(84,549)	
Behavioral Health	878,956	258,295	-	258,295	New initiative FY23
WIC	808,440	363,441	400,104	(36,663)	
Total Expense	38,442,800	15,040,959	12,679,249	2,361,710	

CHA Public Health Director's Report

January 17, 2023

Human Resources

- Human Resources Information System (HRIS) proposals received; ready to begin HRIS implementation
- Leadership Development workshops rolling out at the end of January
- Years of Service Luncheon January 23rd

Finance

- FY22 Audit and Annual Financial Report were approved by the Federal Audit Clearinghouse and the Local Government Commission. It has been submitted to the Government Finance Officer's Association for award in financial reporting
- Began the FY24 budget process with Leadership Team

Grants

- Five (5) grants were awarded in December for \$972,409 for teenage pregnancy prevention at KCS, care management for high-risk pregnancies for those who are ineligible for Medicaid, environment health, and harm reduction.
- Five (5) grants for a total value of \$669,615 are pending award determination
- One (1) grant from NIH is in development for a total of \$12,000,000 to address structural barriers that create health disparities in Black/African American and Hispanic residents. CHA is partnering with Atrium Health and NCCU to research and implement community-led cascading structural interventions to improve housing instability and perceived safety. Interventions aim to reduce allostatic load and resulting high blood pressure, hypertension, and hypertension-related dysfunction.
- CHA/CPHI has been awarded a total of \$4,997,418 thus far this fiscal year!

Information Technology

Completed two major projects to enhance CHA's cyber security:

- Connecting CHA systems to an Extended Detection and Response (XDR) managed security service.
- Deploying Endpoint Detection and Response (EDR) software for all CHA devices

Clinical Services

- We will be working with our Electronic Health Record (EHR) vendor for all clinical services to evaluate the way we use the system and will host training for staff with new upgrades to the system to better utilize it.
- Received grant funds of \$13,000 for additional funding from the state to support additional BCCCP participants this FY

Dental Health

- Dental health received \$241,179 from the Charles A. Cannon Charitable Trust for capital improvements in the Concord Dental Clinic. The project will replace 12 dental operatories (equipment averaging over 22 years old), sterilization equipment and 9 aging HVAC units.
 - Contracts were awarded to Patterson Dental for new ADEC equipment to be delivered in July 2023 and Team Mechanical to be installed in Spring 2023
 - A pending application for \$150,000 from BCBS foundation for capital improvement project submitted in early December.
- BCBS Foundation has awarded \$50,000 for additional value based dental care projects as part of the Community Oral Health Transformation grant.
- Community Mobile program has been to 8 schools since the beginning of November for comprehensive dental treatment. 387 students have been provided preventive treatment on site with many patients being scheduled and seen in clinic for restorative treatment needs. There has been a large increase in parents requesting their child be seen at the mobile dental clinics with an average of 180% more consent forms returned leading to more time being spent at each school than in previous years.
- CHA partnered with NC Dental Hygienist Association to host a local anesthetic course for dental hygienists on Saturday, December 10th. A second clinic is already scheduled for August 2022.

School Health

- School Health received a Cabarrus County Community Foundation grant for \$4600. The funds will be used to purchase Stop the Bleed Kits for all schools.
- Lauren Morgan, school nurse at Coltrane Webb Elementary, was recognized and received an Impact Through Education Award at the December CCS Board of Education meeting.

Behavioral Health (BH)

- BH is currently recruiting 3 positions which will bring our total staff to 16. This is an increase of 13 since December 2021
- The SUN clinic continues to be recognized as a model program for treating women with SUD. We recently received funding as part of a 1-million-dollar direct allocation to the SUN project from the NC budget. The current focus is on developing a strategic training plan for all women's health staff.
- The work of the SUN clinic was presented to the Kannapolis City Council meeting in December.
- Outpatient therapy services have expanded to 2 KCS and 2 CCS.

Communicable Disease (CD) (Adult Health)

- Immunization strike teams visited congregate living facilities, including the Cabarrus County Jail, 6 times in November and December, and administered 195 flu and COVID vaccines
- CD Integration staff assisted pediatric staff by administering 95 vaccines

Centralized Services

- Staff are wrapping up their agency-wide scheduling trainings and have begun to provide support to clinical scheduling
- Prepared to begin providing internal referrals 1/4 through partnership with the SDOH Screener team
- Implementing new ACD phone system to allow staff to begin functioning as a centralized call center, mirroring Front Desk staff

Healthy Living Programs

- Minority Diabetes Prevention Program (MDPP) completed a state site visit and found compliance. Remains a CDC Full Plus recognized program. Awarded FY 24 funding - \$230,105.00

Environmental Health

- Both interns in the On-site Waste-Water (OSWW) program are now authorized and assigned their own territories to work. Turnaround time for appointments is holding steady at two weeks.
- Food Lodging & Institutions (FLI) program has filled their last open position and onboarding will occur on 1/13
- The scanning project of converting five decades of paper files into an electronic format is 40% complete.
- FLI completed year one of the three-year risk factor study; awarded an addition \$21,000 for training and mentorship
- Community update:
 - 76 new facility/upfits are in queue to be permitted after construction completion
 - 11 new pools are under construction

Healthy Cabarrus

- Prepared outline of State of the County Health Report due in March 2023. Board will receive a copy in February for review.
- Three new members were added to the Healthy Cabarrus Executive Committee – Karen Calhoun (DHS), Ashlie Shanley (DA), Lashay Avery (Partners Behavioral Health)
- Staff have started outlining the timeline for the 2024 Community Health Needs Assessment which will begin in September 2023.

Equity

- CHA Sm Summit is accepting registrations! Friday, March 24th
- https://www.charlotteahec.org/documents/brochures/2023-03_69030.pdf

Communications and Marketing

- Agency wide CHA marketing training developed and distributed to staff via NeoGov training platform. All CHA staff were required to complete by December 31, 2022.
- Working with EMILY Revolutionary Marketing to streamline and enhance social media and website.

Community Health/Social Determinants of Health (Family Care Coordination)

- The Elevate Team was recognized by the Kannapolis City School Board of Education for their support and dedication to A. L. Brown High School on December 5, 2022.
- CHA hosted the first in person Case Management Regional Meeting on December 12, 2022. The community of learning initiative is aimed to help build partner engagement and identify strategies/resources to improve current services, protocol, and patient outcomes. Due to the attendee response, the meeting will be held quarterly.

Performance/Quality Improvement and Accreditation:

- The dashboard for NC Accreditation closed on December 23rd, 2022 and will reopen two days prior to the site visit on March 2, 2023.
- January 4th, 2023 is the official launch day for deployment of SDOH Screeners across multiple programs and departments.
- Atrium will not engage in a BAA for FindHelp, the referral platform. CHA plans to enter into a BAA with FindHelp directly.
- Scorecard re-categorization will be completed at the end of January 2023.
- Influenza like Illnesses (ILI) dashboard was developed to monitor trends in the county.



CABARRUS
HEALTH
ALLIANCE

Cabarrus Health Alliance Board Meeting Agenda Form

Meeting Date: January 17, 2023

Name of Item: Budget Revision Request

Submitted by: Sue K Yates

Expected Length of Presentation: 5 minutes

Brief Summary:

Budget revisions are being requested due changes in revenues and expenses. These changes are due to either an increase or decrease in a funding source, new source of funding, or realignment of revenues and/or expenses.

Requested Action:

Approval of budget revisions

1. To align budget with actuals for the dental program. The Dental renovations are not expected to begin until FY24. - \$(240,887)
2. To align budget with actuals for the Behavioral Health ARPA Grant. - \$15,864
3. To budget for the SUN Grant received from the County. - \$236,100
4. To budget for additional funding for the Family Planning Grant. - \$17,081
5. To budget for additional funding received for BCCCP. - \$2,081
6. To budget for grant received from Cabarrus County Community Foundation. - \$4,700
7. To budget for additional revenue received for Covid billing. - \$14,433
8. To budget for HRIS system funded by County ARPA dollars. - \$90,000

Previous Action/Discussion on this item? If yes, explain

No

Items reviewed by:

Bonnie Coyle, MD, Health Director

Sue K Yates, Chief Financial Officer

CABARRUS HEALTH ALLIANCE

Budget Revision/Amendment Request

#1

Date: 1/17/23

Amount: \$ (240,887)

Type of Adjustment:

Health Director: Erin Shoe

Internal Transfer Within Program

Purpose of Request: To align budget with actuals for the dental program. The Dental renovations are not expected to begin until FY24.

Transfer Between Programs

Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265815-6803-41100	Miscellaneous Revenue	\$ 704,631	\$ -	\$ 216,160	\$ 488,471
00295855-9820-41400	Building Improvements-Dental	\$ -	\$ 152,510	\$ -	\$ 152,510
00295855-9860-41400	Equipment & Furniture-Dental	\$ 350,000	\$ -	\$ 350,000	\$ -
00265855-6415-162	Medicaid Reimb-MobileDental	\$ 150,000	\$ -	\$ 50,000	\$ 100,000
00265855-6415-182	Medicaid Reimb-DCM	\$ 150,000	\$ -	\$ 50,000	\$ 100,000
00265855-6803-162	Misc Rev - Dental Mobile Cl	\$ -	\$ 2,273	\$ -	\$ 2,273
00265855-6833-41400	BCBS of NC Foundation	\$ -	\$ 73,000	\$ -	\$ 73,000
00295855-9102-162	Parttime > 1000 Hrs-DenMo	\$ -	\$ 1,448	\$ -	\$ 1,448
00295855-9104-162	Temp-Part&FullTime-DentalMobil	\$ 10,284	\$ -	\$ 10,284	\$ -
00295855-9107-162	Contracted Pers Svcs-DenMobile	\$ -	\$ 11,136	\$ -	\$ 11,136
00295855-9445-162	Purchased Services	\$ -	\$ 1,835	\$ -	\$ 1,835
00295855-9447-162	ContractedSvcs-DentalMobile	\$ 9,500	\$ -	\$ 4,000	\$ 5,500
00295855-9860-162	Equip&Furn-MobileDental	\$ 2,500	\$ -	\$ 2,500	\$ -
00295855-9102-182	Part Time > 1000 Hours-DCM	\$ -	\$ 1,450	\$ -	\$ 1,450
00295855-9104-182	Temp - Part & Full Time-DCM	\$ 10,284	\$ -	\$ 10,284	\$ -
00295855-9107-182	Contracted Personal Ser-DCM	\$ -	\$ 9,619	\$ -	\$ 9,619
00295855-9447-182	Contracted Services-DCM	\$ 6,000	\$ -	\$ 3,000	\$ 3,000
00295855-9101-41400	Salaries & Wages - Dental	\$ 1,626,130	\$ -	\$ 157,377	\$ 1,468,753
00295855-9320-41400	Printing & Binding- Dental	\$ 500	\$ 600	\$ -	\$ 1,100
00295855-9501-41400	Bldg & Ground Maint-Dental	\$ 5,000	\$ 7,000	\$ -	\$ 12,000
00295855-9102-4140A	PT>1000 Hrs-KDent	\$ -	\$ 86,000	\$ -	\$ 86,000
00295855-9103-4140A	PT<1000 Hrs - KDent	\$ -	\$ 13,110	\$ -	\$ 13,110
00295855-9301-4140A	Office Supplies-KDent	\$ 1,000	\$ 100	\$ -	\$ 1,100
00295855-9331-4140A	MinorOfficeEquip&Furn-KannDent	\$ 6,000	\$ 6,000	\$ -	\$ 12,000
00295855-9447-4140A	ContractSvcs-Dental Kannapolis	\$ 8,000	\$ 2,000	\$ -	\$ 10,000
00295855-9560-4140A	MinorEquipMaint-KannDent	\$ 7,500	\$ 2,600	\$ -	\$ 10,100
00295855-9630-4140A	Dues & Subscriptions-KDental	\$ 1,500	\$ 200	\$ -	\$ 1,700
00295855-9659-4140A	UnempComp-KannDental	\$ 938	\$ 950	\$ -	\$ 1,888

Finance Office Use Only

Finance Director _____ Health Director _____ Chairman of Cabarrus Health Alliance _____
 Approved/Denied Date _____ Approved/Denied Date _____ Approved/Denied Date _____

CABARRUS HEALTH ALLIANCE

Budget Revision/Amendment Request

#2

Date: 1/17/23

Amount: \$ 15,864

Type of Adjustment:

Health Director: Erin Shoe

Internal Transfer Within Program

Purpose of Request: To align budget with actuals for the Behavioral Health ARPA Grant.

Transfer Between Programs

Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265877-6903-399	Cabarrus County ARP Funding-BH	\$ 428,956	\$ 15,864	\$ -	\$ 444,820
00295877-9101-399	Salaries & Wages-BH	\$ 263,542	\$ 11,241	\$ -	\$ 274,783
00295877-9102-399	Part Time > 1000 Hours-BH	\$ -	\$ 2,000	\$ -	\$ 2,000
00295877-9201-399	Social Security	\$ 14,028	\$ 1,000	\$ -	\$ 15,028
00295877-9202-399	Medicare-BH	\$ 3,281	\$ 500	\$ -	\$ 3,781
00295877-9205-399	Group Hospital Ins-BH	\$ 22,059	\$ 3,000	\$ -	\$ 25,059
00295877-9206-399	HRA-BH	\$ 3,960	\$ 1,500	\$ -	\$ 5,460
00295877-9210-399	Retirement-BH	\$ 27,377	\$ 2,000	\$ -	\$ 29,377
00295877-9640-399	Insurance & Bonds-BH	\$ 2,828	\$ 500	\$ -	\$ 3,328
00295877-9659-399	Unemployment Compen-BH	\$ 300	\$ 600	\$ -	\$ 900
00295877-9320-399	Printing & Binding	\$ -	\$ 1,108	\$ -	\$ 1,108
00295877-9351-399	Hardware	\$ -	\$ 100	\$ -	\$ 100
00295877-9355-399	Other Operation Costs	\$ -	\$ 2,322	\$ -	\$ 2,322
00295877-9570-399	Service Contracts-BH	\$ 17,123	\$ 4,000	\$ -	\$ 21,123
00295877-9611-399	Mileage-BH	\$ 200	\$ 250	\$ -	\$ 450
00295877-9630-399	Dues & Subscriptions-BH	\$ -	\$ 428	\$ -	\$ 428
00295877-9356-399A	Special Program Supplies-BH	\$ 42,300	\$ 2,419	\$ -	\$ 44,719
00295877-9420-399A	Telecommunications	\$ -	\$ 471	\$ -	\$ 471
00295877-9301-399	Office Supplies-BH	\$ 1,108	\$ -	\$ 858	\$ 250
00295877-9331-399	Minor Office Equip & Furn-BH	\$ 4,250	\$ -	\$ 4,250	\$ -
00295877-9360-399	Medical Supplies-BH	\$ 2,000	\$ -	\$ 2,000	\$ -
00295877-9447-399	Outsourced Services-BH	\$ 10,467	\$ -	\$ 10,467	\$ -

Finance Office Use Only

Finance Director _____ Health Director _____ Chairman of Cabarrus Health Alliance _____
 Approved/Denied Date _____ Approved/Denied Date _____ Approved/Denied Date _____

CABARRUS HEALTH ALLIANCE

Budget Revision/Amendment Request

#3

Date: 1/17/23

Amount: \$ 236,100

Type of Adjustment:

Health Director: Erin Shoe

Internal Transfer Within Program

Purpose of Request: To budget for the SUN Grant received from the County.

Transfer Between Programs

Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265877-6902-410	Cabarrus County Grant Funds	\$ -	\$ 236,100	\$ -	\$ 236,100
00295877-9101-410	Salaries & Wages-SUN	\$ -	\$ 115,296	\$ -	\$ 115,296
00295877-9201-410	Social Security-SUN	\$ -	\$ 7,148	\$ -	\$ 7,148
00295877-9202-410	Medicare-SUN	\$ -	\$ 1,672	\$ -	\$ 1,672
00295877-9205-410	Group Hospital Insurance-SUN	\$ -	\$ 14,486	\$ -	\$ 14,486
00295877-9206-410	HRA-SUN	\$ -	\$ 2,774	\$ -	\$ 2,774
00295877-9210-410	Retirement-SUN	\$ -	\$ 13,985	\$ -	\$ 13,985
00295877-9211-410	401K Match-SUN	\$ -	\$ 2,306	\$ -	\$ 2,306
00295877-9230-410	Workers' Compensation-SUN	\$ -	\$ 692	\$ -	\$ 692
00295877-9640-410	Insurance & Bonds-SUN	\$ -	\$ 1,441	\$ -	\$ 1,441
00295877-9659-410	Unemployment Comp-SUN	\$ -	\$ 200	\$ -	\$ 200
00295877-9301-410	Office Supplies-SUN	\$ -	\$ 2,100	\$ -	\$ 2,100
00295877-9331-410	Minor Office Equip & Furn-SUN	\$ -	\$ 10,000	\$ -	\$ 10,000
00295877-9335-410	Food-SUN	\$ -	\$ 5,000	\$ -	\$ 5,000
00295877-9355-410	Other Operation Costs-SUN	\$ -	\$ 24,000	\$ -	\$ 24,000
00295877-9447-410	Outsourced Services-SUN	\$ -	\$ 15,000	\$ -	\$ 15,000
00295877-9635-410	Training & Education-SUN	\$ -	\$ 20,000	\$ -	\$ 20,000

Finance Office Use Only

Finance Director _____ Health Director _____ Chairman of Cabarrus Health Alliance _____
 Approved/Denied Date _____ Approved/Denied Date _____ Approved/Denied Date _____

CABARRUS HEALTH ALLIANCE

Budget Revision/Amendment Request

#4

Date: 1/17/23

Amount: \$ 17,081

Type of Adjustment:

Health Director: Erin Shoe

Internal Transfer Within Program

Purpose of Request: To budget for additional funding received for Family Planning.

Transfer Between Programs

Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265875-6200-5151A	CHA Grant - Family Planning	\$ 113,330	\$ 2,081	\$ -	\$ 115,411
00265875-6850-5151A	Upstream	\$ -	\$ 15,000	\$ -	\$ 15,000
00295875-9365-5151A	Pharmacy - Family Planning	\$ 20,000	\$ 17,081	\$ -	\$ 37,081

Finance Office Use Only

Finance Director _____ Health Director _____ Chairman of Cabarrus Health Alliance _____
 Approved/Denied Date _____ Approved/Denied Date _____ Approved/Denied Date _____

CABARRUS HEALTH ALLIANCE

Budget Revision/Amendment Request

#5

Date: 1/17/23

Amount: \$ 2,081

Type of Adjustment:

Health Director: Erin Shoe

Internal Transfer Within Program

Purpose of Request: To budget for additional funding received for BCCCP.

Transfer Between Programs

Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265875-6200-54520	CHA Grant - BCCCP Federal	\$ 57,400	\$ 13,000	\$ -	\$ 70,400
00295875-9447-54520	Contracted Services-BCCCP	\$ 19,784	\$ 6,500	\$ -	\$ 26,284
00295875-9447-5452C	Contr Svcs-BCCCP State \$	\$ 19,785	\$ 6,500	\$ -	\$ 26,285

Finance Office Use Only

Finance Director _____ Health Director _____ Chairman of Cabarrus Health Alliance _____
 Approved/Denied Date _____ Approved/Denied Date _____ Approved/Denied Date _____

CABARRUS HEALTH ALLIANCE

Budget Revision/Amendment Request

#6

Date: 1/17/23

Amount: \$ 4,700

Type of Adjustment:

Health Director: Erin Shoe

Internal Transfer Within Program

Purpose of Request: To budget for grant received from Cabarrus County Community Foundation.

Transfer Between Programs

Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265840-6855-202	Cabarrus County Community Foundation	\$ -	\$ 4,700	\$ -	\$ 4,700
00295840-9355-202	OtherOperationCosts-SH Misc	\$ 752	\$ 4,700	\$ -	\$ 5,452

Finance Office Use Only

Finance Director _____ Health Director _____ Chairman of Cabarrus Health Alliance _____
 Approved/Denied Date _____ Approved/Denied Date _____ Approved/Denied Date _____

CABARRUS HEALTH ALLIANCE

Budget Revision/Amendment Request

#7

Date: 1/17/23

Amount: \$ 14,433

Type of Adjustment:

Health Director: Erin Shoe

Internal Transfer Within Program

Purpose of Request: To budget for additional revenue received for Covid billing.

Transfer Between Programs

Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265865-6247-50619	US Dept Health & Human Service	\$ -	\$ 14,433	\$ -	\$ 14,433
00265865-6415-50619	Medicaid Reimb-Covid19	\$ 5,520	\$ 4,000	\$ -	\$ 9,520
00265865-6803-50619	Miscellaneous Revenue	\$ 4,000	\$ -	\$ 4,000	\$ -
00295865-9101-50619	Salaries & Wages-C19CR	\$ -	\$ 4,036	\$ -	\$ 4,036
00295865-9201-50619	Social Security-C19CR	\$ -	\$ 1,661	\$ -	\$ 1,661
00295865-9202-50619	Medicare-C19CR	\$ -	\$ 389	\$ -	\$ 389
00295865-9205-50619	Group Hospital Insur-C19CR	\$ -	\$ 2,673	\$ -	\$ 2,673
00295865-9206-50619	HRA-C19CR	\$ -	\$ 521	\$ -	\$ 521
00295865-9210-50619	Retirement-C19CR	\$ -	\$ 3,453	\$ -	\$ 3,453
00295865-9211-50619	401K Match-C19CR	\$ -	\$ 570	\$ -	\$ 570
00295865-9230-50619	Workers' Compensation-C19CR	\$ -	\$ 80	\$ -	\$ 80
00295865-9320-50619	Printing & Binding-C19CR	\$ -	\$ 420	\$ -	\$ 420
00295865-9447-50619	Contracted Services	\$ -	\$ 220	\$ -	\$ 220
00295865-9640-50619	Insurance & Bonds	\$ -	\$ 356	\$ -	\$ 356
00295865-9659-50619	Unemployment Comp-C19CR	\$ -	\$ 54	\$ -	\$ 54

Finance Office Use Only

Finance Director _____ Health Director _____ Chairman of Cabarrus Health Alliance _____
 Approved/Denied Date _____ Approved/Denied Date _____ Approved/Denied Date _____

CABARRUS HEALTH ALLIANCE

Budget Revision/Amendment Request

#8

Date: 1/17/23

Amount: \$ 90,000

Type of Adjustment:

Health Director: Erin Shoe

Internal Transfer Within Program

Purpose of Request: To budget for HRIS system funded by County ARPA dollars.

Transfer Between Programs

Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265815-6903-920	Cabarrus County ARPA Funding-HRIS	\$ -	\$ 132,391	\$ -	\$ 132,391
00295815-9352-920	Software - HRIS Cab Couty ARPA	\$ -	\$ 132,391	\$ -	\$ 132,391
00265815-6903-403	CabarrusCounty ARP Fund-KannRe	\$ 193,000	\$ -	\$ 42,391	\$ 150,609
00295815-9860-403	Equipment & Furniture-Kann Ren	\$ 100,000	\$ -	\$ 42,391	\$ 57,609

Finance Office Use Only

Finance Director _____ Health Director _____ Chairman of Cabarrus Health Alliance _____
 Approved/Denied Date _____ Approved/Denied Date _____ Approved/Denied Date _____



CABARRUS
HEALTH
ALLIANCE

Cabarrus Health Alliance Board Meeting Agenda Form

Meeting Date: January 17, 2023

Name of Item: Annual Finance Policy Review

Submitted by: Sue Yates

Expected Length of Presentation: 5 minutes

Brief Summary:

Policies are reviewed at least annually for accreditation purposes and revisions are made when necessary.

Requested Action:

To approve the following reviewed and revised policies:

- Credit Card Processing Policy
- CHA Subaward Policy
- Public Health, Primary Care & Dental Services False Claims and Fraud Prevention Policy
- Public Health, Primary Care & Dental Services Billing Policy
- Donation Policy
- Donation Policy - Cabarrus Public Health Interest
- Public Health Primary Care Services Debt Management Policy
- Dental Clinic Debt Management Policy

Previous Action/Discussion on this item? If yes, explain

Yes - The reviewed/revised policies were discussed & approved at a prior Board Meeting(s).

Items reviewed by:

Sue Yates, Chief Finance Officer

SUBJECT: PUBLIC HEALTH, PRIMARY CARE AND DENTAL
SERVICES BILLING POLICY

EFFECTIVE DATE: November 14, 2017

REVISION DATE(S): October 31, 2017; August 1, 2018; July 26, 2021

DATE OF LAST REVIEW: October 31, 2017; August 1, 2018, August 1, 2019; July 30, 2020;
July 26, 2021; January 17, 2023

POLICY STATEMENT: This policy provides guidelines to be followed when billing charges for public health, primary care services and dental rendered by the Public Health Authority of Cabarrus County dba Cabarrus Health Alliance (CHA). We are committed to preventing fraud and abuse in billing and are responsible to submit only charges that are truthful and accurate, that reflect medically necessary or appropriate services, and that are fully supported by health care record documentation. Attention is given to submitting a correct claim for payment the first time. This policy may be revised at any time if necessary and will be reviewed at least annually.

BILLING MEDICAID AND THIRD PARTY INSURANCE

Clients presenting with third party health insurance coverage where copayments are required shall be subject to collection of the required copayment at the time of service. For Family Planning (Title X) clients, the copay may not exceed the amount they would have paid for services based on sliding fee scale (SFS).

Patients will electronically or manually sign a consent allowing CHA to file insurance and a copy of the insurance card will be scanned at that time into the patient's medical record.

Third party is billed the total amount of the service provided and will not receive the benefit of the SFS. The charge and any remaining balance (minus copayments) is billed to the client based on the SFS.

Claims are filed electronically using our patient management systems or a claims clearinghouse for both clinical and dental claims.

Payments are posted electronically/manually to patient accounts. If applicable, secondary insurance is filed.

Denials are researched using the Remittance Advice (RA) for Medicaid and Medicare and EOB's (explanation of benefits) for private insurance. Any denials deemed incorrect are resubmitted as quickly as possible. Any remittance or final denial is posted to the patient's account. Remaining balance for Medicaid or Medicare clients are adjusted off unless it was for a non-covered service that the client was made aware of prior to the service being rendered.

If a patient has any form of third-party reimbursement, the payer should be billed (required if the agency is "in network," otherwise optional), unless confidentiality is a barrier. Filing an insurance claim will result in an EOB being sent to the subscriber which would violate

confidentiality if requested. Patients requesting confidentiality will sign a form that states how they will allow us to contact them and how they wish to handle payments/billing. Patients that receive STD services sign an electronic statement on the STD consent for treatment form stating whether they want services billed to their insurance. Medicaid will be billed as the payer of last resort. Patients should be made aware that they will be responsible for any balance remaining after the insurance claim has been processed. This may include coinsurance, deductibles and non-allowed charges (applied to the SFS). Family Planning clients will pay the lesser of the copay or where they fall on SFS as required by Title X.

Cabarrus Health Alliance Board Chairman

Date

SUBJECT: PUBLIC HEALTH & PRIMARY CARE SERVICES
DEBT MANAGEMENT POLICY

EFFECTIVE DATE: July 1999

REVISION DATE(S): February 2000; June 2000; September 2002; January 2004;
August 2006; November 13, 2007; June 17, 2008; July 30, 2009;
July 26, 2010; September 13, 2011; January 30, 2013; September
26, 2014; April 6, 2016; December 30, 2016; December 30, 2017;
May 18, 2018; April 30, 2020; October 6, 2021

DATE OF LAST REVIEW: February 2000; June 2000; September 2002; January 2004;
August 2006; November 13, 2007; June 17, 2008; July 30, 2009;
July 26, 2010; September 13, 2011; January 30, 2013; September
27, 2013; September 26, 2014; December 30, 2015; April 6, 2016;
December 30, 2016; December 30, 2017; May 18, 2018; April 30,
2020; March 24, 2021; October 6, 2021; January 17, 2023

POLICY STATEMENT: To implement policies and procedures ensuring collection of debts by providing necessary follow-up actions on delinquent debts resulting from billings initiated by the Public Health Authority of Cabarrus County dba Cabarrus Health Alliance (CHA).

Debt management follows a logical path or series of events, beginning from the time the service is provided to the point when it is determined that a debt is uncollectible and should be written off.

All staff members involved in fee services shall consistently follow the established guidelines for fee collection through the policy and procedure statements addressed in this document, and shall hold all client information confidential.

1. FEE COLLECTION

- 1.1. At the time of services are received, the patient will be informed of the cost of the service for that visit and of the balance of their account. Payment is due and expected at the time services are rendered. Fees may be paid by cash, check, money order, credit card, debit card or on-line payments. An itemized receipt will be provided to individuals at time of payment showing charges less any allowable discounts. Medicaid and third party payment plans will be billed showing total charges without applying any discount. However, all chargeable fees are the responsibility of the patient. Clients presenting with third party insurance coverage where co-payments are required, shall be subject to collection of the required co-payment at the time of service. For Family Planning (Title X) clients, the co-payment must not exceed the amount they would have paid for services on a sliding scale fee. Failure to pay a charge for services when rendered constitutes a debt for collection and we will endeavor to collect the unpaid balance.
- 1.2. Each self-pay family planning client including zero pay clients will be given a receipt showing the total charges for their services, the discounted amount due where they fall on the sliding fee scale, any amount paid on the account and the outstanding balance.

- 1.3. Fees will be collected prior to the provision of environmental health services unless prior authorization has been granted.
- 1.4. Any payment received at the time of visit shall be applied to current day's charges and any overage to oldest unpaid charges. Any payment received via mail shall be posted to the oldest unpaid charge unless otherwise specified by client.
- 1.5. Payment for services provided are due on the day of service, however, when the patient is unable to pay in full at the time services are rendered; a receipt will be issued for partial payment. A patient may discuss, establish, and sign a payment plan with agency personnel. **When a patient requests "confidential contact" status,** discussion of payment of outstanding debts shall occur at the time service is rendered. No statements will be mailed. Client is reminded every visit of their account balance and their responsibility for the balance.
- 1.6. If the debtor doesn't pay on the service date or has a balance over \$200.00 a legally enforceable written payment agreement may be obtained from and signed by the debtor that specifies all of the terms of the installment arrangement and contains a provision accelerating the debt payment in the event the debtor defaults. The size and frequency of the installment payments should bear a reasonable relationship to the size of the debt and the debtor's ability to pay. If possible, the installment payments should be sufficient in size and frequency to liquidate the debt in no more than one year. Medical Records staff, Supervisors, Clinic Directors, and Finance staff have the authority to discuss payment arrangements with clients. In the event the client fails to pay their debts as set forth in their installment agreement, the CHA has the ability to deny any future services to the debtor that is not statutorily required, until he/she pays the delinquent debt.
- 1.7. Clients will have 45 days to make payment of any monies received from any source that is sent directly to them as payment for services received from the CHA and also a copy of the benefits summary received from the payment source.
- 1.8. A prompt pay discount of 10% may be given if patient asks or at the discretion of the Chief Finance Officer (CFO), Accounts Receivable Supervisor or designee to reduce collection costs. Prompt pay discounts should not be applied to balances due after insurance payments, deductibles, or co-pays. Payments must be made within thirty (30) days of the patient's being informed of the discount offer.

2. SERVICE DENIALS OR APPOINTMENT RESTRICTIONS

- 2.1. Service denials or appointment restrictions will be applied to patients who do not make a "good faith effort" (1) to pay unless restricted by State or Federal regulations. (2) Any exceptions will require approval of the Medical Director AND CFO, or their designee(s), on a case by case basis. Family Planning services will not be denied because the client has a delinquent account balance. Clients presenting for emergency services can never be

(1) Good Faith Effort – payment of 10% of total bill per month or adherence to established patient payment plan.

(2) See CHA policy for protocol regarding dismissing client from services.

denied. Patients will be encouraged to pay their balance at the time of service. Patient payment plans will be established upon need or request and monitored by the CHA financial services department. Services will not be denied until after a clinic visit during which the purpose and details of the fee system are explained. Patients with active Medicaid will not be denied or have appointment restrictions if they have outstanding balances or in debt setoff.

3. RETURN CHECK FEE

3.1. A service charge fee will be applied to a patient's ledger for a returned check. The client will be notified and the fee and check must be paid in full with cash or credit card before the client receives a future appointment unless restricted by State or Federal regulations.

4. PATIENT STATEMENTS

4.1. A patient statement will be sent monthly from the date of service reminding patient of account balances of \$3.00 or more. Patient statements will continue to be sent monthly until the balance is paid in full. Accounts, with the exception of Family Planning, will be turned over to a collection agency or collection attempt to be made by the CHA Finance Department. The patient will be given a patient service ledger for balance information at the time services are rendered.

5. COLLECTION OF UNPAID DEBTS

5.1. A Family Planning patient, with a past due account of any amount, will never be required to meet with the Health Director/Chief Executive Officer (CEO) as an attempt to collect the past due amount.

5.2. A collection attempt will be made by the CHA Finance Department on accounts that have no activity after three months. If there is no response after this attempt, outstanding accounts may either be submitted to the North Carolina Debt Setoff Collection Clearinghouse, pursuant to which qualifying debts may be automatically deducted from any State tax refund or lottery winnings that is owed or turned over to a collection agency unless restricted by State or Federal regulations. Family Planning patients will not be sent to a Collection Agency for collecting past due amounts. Family Planning patients that are confidential contacts will not be sent to the North Carolina Debt Setoff Collection Clearinghouse.

6. DEBT WRITE-OFFS

6.1. When it is determined that the debt is basically uncollectible and no activity has been reported during the preceding 12 months or if a notification of client bankruptcy or deceased status is received the account will be considered uncollectible. An itemized list of uncollectible outstanding patient balances will be prepared at least annually for the Health Director/CEO's and CFO's review and approval.

6.2. Staff members may take request to have fees waived to the Clinical Director or designee for patients unable to pay and do not qualify for the schedule of discounts (SFS). Fees of individuals may be waived once determination is made and if good cause is found. Documentation of waived fees will be placed in a patient note in the patient management system along with name of authorizing person and date. Patient will be notified of

determination in person if here for an appointment or by phone.

- 6.3. The patient should never be informed that a debt has been written off with the exception of a Title X who has fees waived.
- 6.4. A patient that returns to the CHA within 60 months (5 years) after a bad debt has been determined uncollectible shall have the bad debt write-off reactivated as a prior balance and the billing process actively resumed according to the CHA Fee Policy.
- 6.5. The Accounts Receivable system shall indicate the recording of the bill as uncollectible and evidence shall be on file to document required billings. The system will also apply a consistent method of “aging” accounts.
- 6.6. Any balances less than \$1.00 will be written off when accounts are reviewed for collection letters or when bad debt write-offs are done.
- 6.7. Any balances written off for minors will not be reinstated if they return for services as an adult.

7. BANKRUPTCY

- 7.1. A legal notification must be received from the Bankruptcy Court. Once received, the patient’s account will be flagged to indicate that bankruptcy has been filed and the patient is no longer obligated for his/her outstanding debt. No further attempts will be made to collect the outstanding account. The account may be written off as an uncollectible debt. If the patient returns for services, the patient will not be responsible for any debt prior to filing bankruptcy.

8. REFUNDS

- 8.1. Refunds on patients’ accounts will be processed for amounts exceeding \$1.00 by the Finance Department unless otherwise requested by patient or third party payer. Any credits found on accounts will be used when possible before refunding. Credits can be used on any account patient has responsibility for, including any previous bad debt write offs. Only credit amount will be added back to account.

9. FOSTER PARENT OBLIGATION

- 9.1. Foster parents are not responsible for any debts incurred before child was placed in their care. Any previous debts are the responsibility of parent or guardian at that time.
- 9.2. The Debt Management Policy may be revised at any time if necessary and will be reviewed at least annually. This policy does not include dental services.

SUBJECT: **DENTAL CLINIC DEBT MANAGEMENT POLICY**

EFFECTIVE DATE: January 2004

REVISION DATE(S): August 2006; January 14, 2004; November 13, 2007; June 17, 2008; June 17, 2008; July 30, 2009; July 26, 2010; January 30, 2013; February 28, 2014; September 29, 2014; December 30, 2016; December 30, 2017; May 18, 2018; April 25, 2019

DATE OF LAST REVIEW: August 2006; January 14, 2004; November 13, 2007; June 17, 2008; June 17, 2008; July 30, 2009; July 26, 2010; December 20, 2011; January 30, 2013; February 28, 2014; September 29, 2014; December 30, 2015; December 30, 2016; December 30, 2017; May 18, 2018; April 25, 2019; April 30, 2020; March 24, 2021; February 25, 2022; January 17, 2023

POLICY STATEMENT: To implement policies and procedures ensuring collection of debts by providing necessary follow-up actions on delinquent debts resulting from billings initiated by the Public Health Authority of Cabarrus County dba Cabarrus Health Alliance (CHA). This policy covers dental health services only.

Debt management follows a logical path or series of events, beginning from the time the service is provided to the point when it is determined that a debt is uncollectible and should be written off.

Fees for the CHA services are authorized in accordance with a plan recommended by the CHA Board when they are not otherwise prohibited by law.

1. FEE COLLECTION

1.1. At the time services are received, the patient will be informed of the cost of the service for that visit and of the balance of their account. Payment is due and expected at the time services are rendered. Fees may be paid by cash, check, money order, and credit card, or debit card. An itemized receipt will be provided to individuals at time of payment showing charges less any allowable discounts. Medicaid and third party payment plans will be billed showing total charges without applying any discount. However, all chargeable fees are the responsibility of the patient. Any visit co-pay amounts must be paid at the time of service and is not subject to the sliding eligibility scale. Clients will be expected to pay any applicable deductibles or co-payments. Failure to pay a charge for services when rendered constitutes a debt for collection and we will endeavor to collect the unpaid balance.

1.2. Any payment received at the time of visit shall be applied to current day's charges and any overage to oldest unpaid charges. Any payment received via mail shall

be posted to the oldest unpaid charge unless otherwise specified by client.

- 1.3. Payment for services provided are due on the day of service; however, when the patient is unable to pay in full at the time services are rendered, a receipt will be issued for partial payment. A patient may discuss, establish, and sign a payment agreement with agency personnel. Client is reminded at every visit of their account balance and their responsibility for the balance.
- 1.4. If the debtor doesn't pay on the service date or has a balance over \$200.00 per patient or \$400 per family, a legally enforceable written payment agreement may be obtained from and signed by the debtor that specifies all of the terms of the installment arrangement and contains a provision accelerating the debt payment in the event the debtor defaults. The size and frequency of the installment payments should bear a reasonable relationship to the size of the debt and the debtor's ability to pay. If possible, the installment payments should be sufficient in size and frequency to liquidate the debt in no more than one year. In the event the client fails to pay their debts as set forth in their payment agreement, the CHA has the ability to restrict or deny any future services until he/she pays the delinquent debt unless they are below 100% of federal poverty level and we cannot refuse to provide services if they are unable to pay.
- 1.5. Clients will have 45 days to make payment of any monies received from any source that is sent directly to them as payment for dental services received from CHA and also a copy of the benefits summary received from the payment source.

2. DISCOUNTS

- 2.1. A prompt pay discount of 10% may be given if patient asks or at the discretion of the Chief Finance Officer (CFO), Accounts Receivable Supervisor or designee to reduce collection costs. Prompt pay discounts should not be applied to balances due after insurance payments, deductibles, or co-pays. Payments must be made within thirty (30) days of the patient's being informed of the discount offer.
- 2.2. Employee discounts will be given on CHA dental services. This also includes family members of the employee that are immediate family members living in the same household. Employees/Family will receive either a 20% discount or the sliding fee scale discount whichever is more beneficial to the employee but not both discounts. Discount will be applied after any insurance payments are made.

3. SERVICE DENIALS OR APPOINTMENT RESTRICTIONS

- 3.1. Service denials or appointment restrictions will be applied to patients who do not make a "good faith effort" (1) to pay unless restricted by State or Federal regulations. (2) Emergency services can never be denied. Patients will be encouraged to pay their balance at the time of service. Patient payment plans will

(1) Good Faith Effort – payment of 10% of total bill per month or adherence to established patient payment plan.

(2) See CHA policy for protocol regarding dismissing client from services.

be established upon need or request and monitored by the CHA financial services department. Services will not be denied until after a clinic visit during which the purpose and details of the fee system are explained. Patients with active Medicaid will not be denied or have appointment restrictions if they have outstanding balances or in debt setoff. The Dental Director or designee makes the final decision regarding service limitations/denials or appointment restrictions.

4. RETURN CHECK FEE

4.1. A service charge fee will be applied to a patient's ledger for a returned check. The client will be notified and the fee and check must be paid in full before the client receives a future appointment unless restricted by State or Federal regulations. Only the Dental Director or designee can determine exemption from paying these charges prior to having an appointment scheduled if the patient's health or situation warrants otherwise.

5. PATIENT STATEMENTS

5.1. A patient statement will be sent monthly from the date of service reminding patient of their account balance.

6. COLLECTION OF UNPAID DEBTS

6.1. Collection attempt will be made by the CHA Finance Department on accounts that have no activity after three months. If there is no response after this attempt, outstanding accounts may either be submitted to the North Carolina Debt Setoff Collection Clearinghouse, pursuant to which qualifying debts may be automatically deducted from any State tax refund or lottery winnings that is owed or turned over to a collection agency unless restricted by State or Federal regulations or debt write offs.

7. DEBT WRITE-OFFS

7.1. When it is determined that the debt is basically uncollectible and no activity has been reported during the preceding 12 months or if a notification of client bankruptcy or deceased status is received the account will be considered uncollectible. An itemized list of uncollectible outstanding patient balances will be prepared at least annually for the Health Director/Chief Executive Officer (CEO) and CFO's review and approval.

7.2. Staff members may take request to have fee waived to the Dental Director or designee, CFO or Financial Services Supervisor or designee for patients unable to pay and do not qualify for the schedule of discounts (SFS). Fees of individuals may be waived once determination is made and if good cause is found. Documentation of waived fees must be made in the patient management system along with name of authorizing person.

7.3. The patient should never be informed that a debt has been written off.

7.4. When a patient requests to return to the Alliance within 60 months (5 years) after a bad debt has been determined uncollectible and written off, the entire balance

must be reinstated and paid in full before an appointment can be made. Only the Dental Director or designee, CFO or Financial Services Supervisor can determine exemption from payment in full. If an exemption is made the bad debt write-off will be reactivated as a prior balance and the billing process actively resumed according to the CHA Fee Policy.

- 7.5. The Accounts Receivable system shall indicate the recording of the bill as uncollectible and evidence shall be on file to document required billings. The system will also apply a consistent method of “aging” accounts.
- 7.6. Any balances less than \$1.00 will be written off when accounts are reviewed for collection letters or when bad debt write-offs are done.
- 7.7. Any balances written off for minors will not be reinstated if they return for services as an adult.

8. BANKRUPTCY

- 8.1. A legal notification must be received from the Bankruptcy Court. Once received, the patient’s account will be flagged to indicate that bankruptcy has been filed and the patient is no longer obligated for his/her outstanding debt. No further attempts will be made to collect the outstanding account. The account may be written off as an uncollectible debt. If the patient returns for services, the patient will not be responsible for any debt prior to filing bankruptcy.

9. REFUNDS

- 9.1. Refunds on patients’ accounts will be processed for amounts exceeding \$1.00 by the Finance Department unless otherwise requested by patient or third party payer. Any credits found on accounts will be used when possible before refunding. Credits can be used on any account patient has responsibility for, including any previous bad debt write offs. Only credit amount will be added back to account.

10. FOSTER PARENT OBLIGATION

- 10.1. Foster parents are not responsible for any debts incurred before child was placed in their care. Any previous debts are the responsibility of parent or guardian at that time.
- 10.2. The Debt Management Policy may be revised at any time if necessary and will be reviewed at least annually. This dental policy applies to dental services only.

Cabarrus Health Alliance Board Chairman

Date

SUBJECT: DONATION POLICY

EFFECTIVE DATE: November 14, 2017

REVISION DATE(S): November 2, 2017

DATE OF LAST REVIEW: November 2, 2017, October 29, 2018; September 25, 2019;
October 29, 2020; September 30, 2021; January 17, 2023

POLICY STATEMENT: The primary objective of this policy is to establish guidelines, standards, and procedures for real and/or monetary donations (federal, state and or local) administered by and/or passed through the Public Health Authority of Cabarrus County dba Cabarrus Health Alliance (CHA).

1. DONATION ACCEPTANCE AND DISPERSION

- 1.1. According to **G.S. 153A-11** (counties); **G.S. 160A-11** (municipalities), CHA has the authority to acquire and hold any property and rights of property, real and personal, that may be devised, sold, or in any manner conveyed, dedicated to, or otherwise acquired by the CHA.
- 1.2. Donations for a specific purpose can be distributed or dispersed without prior Board approval assuming the CHA has statutory authority to use/spend the donation for the purposes(s) that is intended. Such dispersion of funds will be brought to the attention of the Board at the following board meeting for informational purposes.
- 1.3. The CHA Board of Directors hereby delegates authority to formally receive donations of real or monetary value to the Chief Executive Officer (CEO) and Chief Financial Officer (CFO).
- 1.4. The CHA has the right to reject an offered donation if it does not have the statutory authority to engage in the activity or purpose(s) to which the donation is directed. At the discretion of the Board, the CHA has the right to reject a donation for any reason, even if it has statutory authority.
- 1.5. Donations of significant value should contain a receipt containing the following:
 - 1.5.1. Name of local unit and legal status under state law (county, municipality, etc.).
 - 1.5.2. Amount donated (if cash or cash equivalent) or description of the property donated.
 - 1.5.3. Purpose to which donation will be used.
 - 1.5.4. Date the donation was received.
 - 1.5.5. Either a statement that “no goods or services were received in return for the donation” or, if the donation was \$75 or more, a good faith estimate of the value of goods/services provided in exchange for the donation (if the goods/services were more than insubstantial benefit).
 - 1.5.6. A statement indicating that the donor should consult with a tax professional about the tax implications of the donation under both state and federal law.

- 1.6. Monetary donations collected or received by a CHA employee must be deposited daily in an official depository in accordance with **G.S. 159-32**.
- 1.7. Donated funds will be recognized as revenue in the annual budget ordinance (or a project/grant ordinance) and appropriated to a particular department, function, or project for expenditure before funds are disbursed as per **G.S. 159-8; G.S. 159-13**.

Cabarrus Health Alliance Board Chairman

Date

SUBJECT: DONATION POLICY

EFFECTIVE DATE: November 14, 2017

REVISION DATE(S): November 2, 2017

DATE OF LAST REVIEW: November 2, 2017, October 29, 2018; September 25, 2019;
October 29, 2020; September 30, 2021; January 17, 2023

POLICY STATEMENT: The primary objective of this policy is to establish guidelines, standards, and procedures for real and/or monetary donations (federal, state and or local) administered by and/or passed through the Public Health Authority of Cabarrus County dba Cabarrus Health Alliance's (CHA) not-for-profit organization, the Cabarrus Public Health Interest (CPHI).

GENERAL

- The CPHI will serve as a regulating body for the solicitation, receipt, management, and disbursement of all funds and/or other negotiable assets acquired by the Interest through fundraising efforts.
- The CPHI solicits and accepts gifts only for purposes that will help the CPHI further and fulfill its mission.
- The CPHI Board of Directors hereby delegates authority to formally receive donations of real or monetary value to the CHA Chief Executive Officer (CEO) and Chief Financial Officer (CFO).
- Donations for a specific purpose can be distributed or dispersed without prior Board approval. Such dispersion of funds will be brought to the attention of the Board at the following board meeting for informational purposes.
- The CPHI Board has the right to reject an offered donation for any reason.
- Donations of significant value should contain a receipt containing the following:
 - Name of local unit and legal status under state law (county, municipality, etc.).
 - Amount donated (if cash or cash equivalent) or description of the property donated.
 - Purpose to which donation will be used.
 - Date the donation was received.
 - Either a statement that “no goods or services were received in return for the donation” or, if the donation was \$75 or more, a good faith estimate of the value of goods/services provided in exchange for the donation (if the goods/services were more than insubstantial benefit).
 - A statement indicating that the donor should consult with a tax professional about the tax implications of the donation under both state and federal law.
- Monetary donations collected or received by a CHA employee will be deposited daily in an official depository.
- The CPHI will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:
 - Gifts of securities that are subject to restrictions or buy-sell agreements.
 - Documents naming the CPHI as trustee or requiring the CPHI to act in any fiduciary capacity.
 - Gifts requiring the CPHI to assume financial, legal, or other obligations.

- Transactions with potential conflicts of interest.
- Gifts of property which may be subject to environmental or other regulatory restrictions.

Restrictions on Gifts

- The CPHI will not accept gifts that:
 - a) Would result in the CPHI violating its corporate charter,
 - b) Would result in the CPHI losing its status as an IRC § 501(c)(3) not-for-profit organization,
 - c) Are too difficult or too expensive to administer in relation to their value,
 - d) Would result in any unacceptable consequences for CPHI, or
 - e) Are for purposes outside CPHI's mission. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Directors Chairman, in consultation with the CHA Chief Executive Director (CEO).

Gifts Generally Accepted Without Review

- *Cash*. Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line. Donors wishing to make a gift by credit card must complete the Donation Form and provide the card type (e.g., Visa, MasterCard), card number, expiration date, and name of the card holder as it appears on the credit card.
- *Marketable Securities*. Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by CPHI. In some cases, marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift. In such instances, the decision whether to accept the restricted securities shall be made by the Board.
- *Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans*. Donors are encouraged to make bequests to the CPHI under their wills, and to name the CPHI as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.
- *Charitable Remainder Trusts*. The CPHI will accept designation as a remainder beneficiary of charitable remainder trusts.
- *Charitable Lead Trusts*. The CPHI will accept designation as an income beneficiary of charitable lead trusts.

Gifts Accepted Subject to Prior Review

- Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:
 - *Tangible Personal Property*. The Board shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations: does the property further the organization's mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which the organization may be responsible? Is the title/provenance of the property clear?
 - *Life Insurance*. The CPHI will accept gifts of life insurance where the CPHI is

named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.

- *Real Estate.* All gifts of real estate are subject to review by the Board. Prior to acceptance of any gift of real estate other than a personal residence, the CPHI shall require an initial environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include: Is the property useful for the organization's purposes? Is the property readily marketable? Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property? Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property? Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

Cabarrus Public Health Interest Board Chairman

Date

SUBJECT: CREDIT CARD PROCESSING POLICY

EFFECTIVE DATE: June 12, 2018

REVISION DATE: June 11, 2019

DATE OF LAST REVIEW: May 25, 2018; June 11, 2019, July 30, 2020; July 26, 2021;
January 17, 2023

POLICY STATEMENT: Merchant credit or debit card transactions are monetary transactions and are subject to the same control and reconciliation policies as cash transactions. Improper protection of merchant card data, whether in electronic or paper form, could lead to a security breach that may result in customer ill-will, fines, legal fees and response-related costs. All technology implementation associated with the credit card processing must be in accordance with the Payment Card Industry (PCI) Data Security Standard. The goal of the PCI Data Security Standard is to protect cardholder data and sensitive authentication data wherever it is processed, stored or transmitted. Violations of this policy and these procedures may result in disciplinary action, termination of employment or legal action.

DEFINITION: We currently use credit card terminals connected to a phone line for processing in our clinical and environmental health locations. Current process does not use a computer or any device connected to our network. We currently use credit card terminals connected to our data network for our dental locations. Current process is that no data is stored on the network. It uses point 2 point encryption. Once the card is swiped or inserted the numbers are encrypted as they traverse our network and internet till they're decrypted and processed in AxiaMed's network. We use the PCI Data Security Standard SAQ B (Self-Assessment Questionnaire) and Attestation of Compliance for our connection via phone lines. We use the PCI Data Security Standard SAQ P2PE for our connection via the network. Employees will be trained on how to process credit cards safely and securely, and on the importance of cardholder data security.

PROCEDURES TO BE FOLLOWED:

1. PERMITTED PROCESSES:

- 1.1. Entering credit card number or swiping credit card while customer is present.
- 1.2. Entering credit card number while customer is on the phone.
- 1.3. Writing down a credit card number on a sheet of paper to type into credit card terminal. This sheet of paper must be secured until the credit card has been processed and then placed in a Shred-It bin. Under no circumstances should this information be stored.
- 1.4. Only the last four digits of a credit card number is displayed on printed receipts.
- 1.5. Only employees authorized by management are handling and processing customer's credit cards, and using the credit card machines.
- 1.6. Cardholder data received via an unintended channel should be immediately removed. An

example of this would be receiving an email from a customer with cardholder data. If this happens, do not “reply” using the same email that contains the cardholder data. Contact the customer via an alternate communication to complete the transaction or remove sensitive data from the email response before replying.

- 1.7. When necessary communicate with clients on the risks of sending cardholder data through unsecure channels and ensure customers are aware of our secure methods for submitting payment information.
- 1.8. Report to your supervisor if you aware of any tampering or substitution of devices.
- 1.9. A daily accounting of receipts from our patient software systems should be balanced against merchant card transactions via daily batch settlement reports. The actual funds for the merchant card transactions are electronically deposited into the agency’s bank account automatically and reconciled by the Finance Department.

2. **PROHIBITED PROCESSES:**

- 2.1. Storing CHD (cardholder data) on paper following the completion of a transaction as it must be disposed of immediately in a Shred-IT bin.
- 2.2. Receiving credit card numbers and storing credit card numbers in any digital format. This includes Excel, Word, PDF files, in Email, in instant chat and also in any database.
- 2.3. Scanning in any paperwork which contains credit card numbers.
- 2.4. Employees making any changes to the credit card terminals without authorization.
- 2.5. No employee may disclose or acquire any information concerning a cardholder’s account without the cardholder’s consent. Employees shall not sell, purchase, provide, disclose or exchange card account information or any other transaction information to any third person other than Cabarrus Health Alliance (CHA) Staff for assistance, to merchant card processor, to any Card Association as applicable, or as may be required by applicable law or regulation.
- 2.6. Accepting payment cards for cash advances.

Cabarrus Health Alliance Board Chairman

Date



~~CHA Finance | 2022~~ ~~Subaward~~ and Monitoring Policy

SUBJECT: SUBAWARD AND MONITORING POLICY

EFFECTIVE DATE: August 16, 2022

REVISION DATE(S): ~~N/A~~ January __, 2023

DATE OF LAST REVIEW: ~~August 16~~ November 3, 2022

WHEREAS the Public Health Authority of Cabarrus County *d.b.a.* Cabarrus Health Alliance (hereinafter referred to as “CHA”), has received an allocation of funds; and

WHEREAS the funds are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Part 200 (UG), as provided in [eCFR](#); and

WHEREAS the funding source authorizes CHA to enter subaward agreements with subrecipients to assist CHA to carry out the terms of the funding initiative(s); and

WHEREAS if CHA enters into a subaward as a subrecipient, it acts as a pass-through entity, as described in 2 CFR 200.1; and

WHEREAS the 2 CFR Part 200 (UG), as provided in [eCFR](#) provides, in relevant part:

Subrecipient Monitoring. Recipients that are pass-through entities as described under 2 CFR 200.1 are required to manage and monitor their subrecipients to ensure compliance



with requirements of the award pursuant to 2 CFR 200.332 regarding requirements for pass-through entities.

First, CHA must clearly identify to the subrecipient: (1) that the award is a subaward of funds; (2) any and all compliance requirements for use of the funds; and (3) any and all reporting requirements for expenditures of the funds.

Next, CHA will need to evaluate each subrecipient's risk of noncompliance based on a set of common factors. These risk assessments may include factors such as prior experience in managing federal funds, previous audits, personnel, and policies or procedures for award execution and oversight. Ongoing monitoring of any given subrecipient should reflect its assessed risk and include monitoring, identification of deficiencies, and follow-up to ensure appropriate remediation.

Accordingly, CHA should develop written policies and procedures for subrecipient monitoring and risk assessment and maintain records of all award agreements identifying or otherwise documenting subrecipients' compliance obligations.



Recipients should also note that subrecipients do not include individuals and organizations that received the funds as end users. Such individuals and organizations are beneficiaries and not subject to audit pursuant to the Single Audit Act and 2 C.F.R. Part 200, Subpart F.



Separately or in addition, many recipients may choose to provide a subaward (e.g., via contract or grant) to other entities to provide services to other end users. For example, a recipient may provide a grant to a nonprofit to provide homeless services to individuals experiencing homelessness. In this case, the subaward to a nonprofit is based on the services that the Recipient intends to provide, assistance to households experiencing homelessness, and the nonprofit is serving as the subrecipient, providing services on behalf of the recipient. Subrecipients are subject to audit pursuant to the Single Audit Act and 2 CFR part 200, subpart F regarding audit requirements; and

WHEREAS Subpart D of the UG dictates subrecipient and award requirements for expenditure of the funds; and

WHEREAS 2 CFR 200.332 states that:

All pass-through entities must:

- (a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the ~~{required}~~ information at the time of the subaward . . . When some of ~~{the required information}~~ is not available, the pass-through entity must provide the best information available to describe the federal award and subaward.
- (b) Evaluate each subrecipient’s risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.
- (c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described by 2 CFR 200.208.
- (d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.
- (e) Depending upon the pass-through entity’s assessment of risk posed by the subrecipient, ~~{specific}~~ monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements ~~and~~ achievement of performance goals.
- (f) Verify that every subrecipient is audited as required by ~~{2 CFR 200, Subpart F}~~ when it is expected that the subrecipient’s federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501.



- (g) Consider whether the results of the subrecipient’s audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity’s own records.
- (h) Consider taking enforcement action against noncompliant subrecipients as described in 2 CFR 200.339 and in program regulations.

BE IT RESOLVED that the governing board of CHA hereby adopts and enacts the following Subaward and Monitoring Policy for the expenditure of the funds.

SUBAWARD & MONITORING POLICY FOR EXPENDITURE OF FEDERAL FUNDS

I. POLICY OVERVIEW

~~H.~~ Title 2 U.S. Code of Federal Regulations Part 200, (2 CFR 200) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance (UG), specifically Subpart D, defines requirements of pass-through entities initiating subaward agreements. CHA shall adhere to all applicable subaward and monitoring requirements governing the use of funds. This policy establishes procedures for classifying, making an award to, and monitoring a subrecipient consistent with grant award terms and all applicable federal regulations in the UG.

II. DEFINITIONS

The definitions in 2 CFR 200.1 apply to this policy, including the following:

- ~~*~~Contract:** for the purpose of federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a federal award. For additional information on subrecipient and contractor determinations, see [§ 200.331](#). See also the definition of *subaward* in this section.
- ~~*~~Contractor:** an entity that receives a contract as defined in this section.
- ~~*~~Pass-through Entity:** a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program (*CHA is the pass-through entity if it awards a subaward to a subrecipient*).
- ~~*~~Recipient:** an entity, usually but not limited to non-federal entities that receives a federal award directly from a federal awarding agency. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.
- ~~*~~Subaward:** an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.
- ~~*~~Subrecipient:** an entity, usually but not limited to non-federal entities, that receives a subaward from a pass-through entity to carry out part of a federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.



***UG or Federal UG:** Uniform Guidance or Federal Uniform Guidance – a set of authoritative rules and regulations for the use of federal grant funding from the Office of Management and Budget (OMB).

***Federal Audit Clearinghouse (FAC):** operates on behalf of the Office of Management and Budget (OMB). Its primary purposes are to: Distribute single audit reporting packages to federal agencies. Support OMB oversight and assessment of federal award audit requirements.

***POP:** Period of Performance of the grant/award.

III. SUBRECIPIENT CLASSIFICATION

CHA must make a case-by-case determination whether an agreement with another government entity or private entity, that is not a beneficiary, casts the party receiving the funds in the role of a subrecipient or contractor. 2 CFR 200.331.

A subaward is for the purpose of carrying out a portion of a federal award and creates a federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-federal entity as a subrecipient include when the non-federal entity:

- (1) Determines who is eligible to receive what federal assistance;
- (2) Has its performance measured in relation to whether objectives of a federal program were met;
- (3) Has responsibility for programmatic decision-making;
- (4) Is responsible for adherence to applicable federal program requirements specified in the federal award, including eligibility of subaward⁺; and
- (5) In accordance with its agreement, uses the federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

A contract is for the purpose of obtaining goods and services for the non-federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-federal entity and a contractor are when the contractor:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the federal program; and,
- (5) Is not subject to compliance requirements of the federal program as a result of the agreement, though similar requirements may apply for other reasons.

In determining whether an agreement between a pass-through entity and another non-federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

The Grant Writer/Development Officer will use the above criteria to make an initial determination, using the Subrecipient or Contractor Classification Checklist in Appendix 1



~~(Appendix 1: Subrecipient or Contractor Classification Checklist)~~, on if an agreement involving the expenditure of the funds ~~are~~is a contract or subaward. CHA's Finance Director shall approve the determination. After grant award, the **Project Budget Manager** shall seek approval for the determination with the funder's Program Officer. The **Project Budget Manager** shall then file/store the determination properly according to the Record Retention Policy in the appropriate folder.

If the agreement involves a contractor relationship (including a contract for services) CHA must follow its Allowable Costs and Cost Principles Policy when entering into the contract.

If the agreement involves a subrecipient relationship, CHA must proceed to Sections IV- through VII- below.

IV. ASSESSMENT OF RISK

Before engaging in a subaward, CHA must evaluate a subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward to determine whether to award the subaward and the appropriate subrecipient monitoring.

CHA’s Finance Director or designee will conduct the risk assessment, which will include consideration of the following factors:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with 2 CFR 200 Subpart F and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency). 2 CFR 200.332(b).

The results of the risk assessment must be documented in the Subrecipient Assessment of Risk form in Appendix 2 and will be used to dictate the types and degree of subrecipient monitoring. ~~(Appendix 2: Subrecipient Assessment of Risk)~~ CHA will assign an overall risk level to the subrecipient indicating the following:

Low Risk	Moderate Risk	High Risk
There is a low risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.	There is moderate risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.	There is high risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.

If a proposed subrecipient is deemed high risk, CHA’s Finance Director or designee must provide written justification to proceed with the subaward. The justification must be approved by CHA’s authorized attorney.

V. SUBRECIPIENT MONITORING



In collaboration with CHA's Finance Department, the Program-~~or Project~~ Manager will develop and implement a subrecipient monitoring plan for the particular subaward based on the findings of the Subrecipient Assessment of Risk. According to 2 CFR 200.332(d), the monitoring plan must involve:

- (1) Reviewing financial and performance reports required by the pass-through entity.
- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written



confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.

- (3) Issuing a management decision for applicable audit findings pertaining only to the federal award provided to the subrecipient from the pass-through entity as required by 2 CFR [200.521](#).
- (4) The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving crosscutting findings. If a subrecipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of federal funding (*e.g.*, has been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with Section 2 CFR [200.513\(a\)\(3\)\(vii\)](#). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

CHA’s monitoring plan will vary based on the overall subrecipient risk assessment as low risk, medium risk, or high risk, detailed as follows:

Subrecipient Deemed Low Risk	Subrecipient Deemed Medium Risk	Subrecipient Deemed High Risk
<ul style="list-style-type: none"> • Payment validations (monthly) • Report reviews (quarterly) • Desk reviews (at least once per year and more frequently if requested by {County/City/Town/Village CHA or subrecipient} <u>CHA or subrecipient</u>) • <u>Onsite reviews (upon request of CHA or subrecipient)</u> • Onsite reviews (upon request of subrecipient {County/City/Town/Village CHA or subrecipient}) • <u>Audit review (yearly)</u> • Audit review (yearly) 	<ul style="list-style-type: none"> • More detailed financial reporting <u>Reporting</u> • Payment validations (monthly) • Report reviews (bi-monthly) • Desk reviews (within 6 months of project start and every six months thereafter) • Onsite reviews (within 12 months of project start and annually thereafter, or more frequently as requested by {County/City/Town/Village CHA or subrecipient} <u>CHA or subrecipient</u>) • <u>Audit review (yearly)</u> • Audit review (yearly) • Procedures engagement (if subrecipient not subject to Single Audit Act; yearly) 	<ul style="list-style-type: none"> • More detailed financial reporting • Compliance training (one-time) • Prior approvals for certain expenditures • Payment validations (monthly) • Report reviews (monthly) • Desk reviews (within 3 months of project start and at least quarterly thereafter) • Onsite reviews (within 6 months of project start and bi-annually thereafter, or more frequently as requested by <u>more frequently as requested by</u> {County/City/Town/Village} or <u>CHA or</u> requested by <u>subrecipient</u>) • Audit review (yearly) • Procedures engagement (if subrecipient not subject to Single Audit Act; yearly)



- A) **Payment validation:** All subrecipient documentation for project expenditures must be reviewed by the **Project Budget Manager** for compliance with subaward requirements. Any non-compliant expenditures will be denied and the subrecipient will be provided a reasonable description of the reason for denial and an opportunity to cure the deficiency. For a subrecipient on a reimbursement-based payment structure, the validation will occur before a reimbursement payment is approved. For a subrecipient that received an up-front payment, any funds found to have been expended in violation of the subaward requirements must be repaid to CHA.
- B) **Report review:** A subrecipient must submit quarterly financial and performance reports, based on the schedule set forth in the subaward. The nature and scope of the reports will depend on the project and be spelled out in the subaward. The reports will be reviewed by the **Project Program Manager**. Any deficiencies or other performance concerns will be addressed with the subrecipient in a timely manner and could trigger additional monitoring requirements or other interventions, as specified in the subaward.
- C) **Audit review:** CHA must verify that every subrecipient is audited as required by 2 CFR 200 Subpart F (Single Audit) when it is expected that the subrecipient's federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501. CHA must obtain a copy of the subrecipient's Single Audit from the Federal Audit Clearinghouse (FAC). Within six months of the acceptance of the audit report by the FAC, CHA will issue a management decision for any audit findings related to the subaward. The decision will clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action. (The decision will include reference numbers the auditor assigned to each finding.) The decision will provide a timetable for responsive actions by the subrecipient. Prior to issuing the management decision, CHA may request additional information or documentation from the auditee, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs.
- D) **Procedures engagement:** Applicable only to subrecipients who are not subject to the Single Audit Act. An auditor will perform specific procedures and report on findings. The scope must be limited to the following compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; and reporting. The review will be arranged and paid for by CHA. CHA will verify completion of the procedures engagement. Within six months of the acceptance of the procedures engagement report, CHA will issue a management decision for any



findings related to the subaward. The decision will provide a timetable for responsive actions by the subrecipient. Prior to issuing the management decision, CHA may request additional information or documentation from the subrecipient, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs.

The specific monitoring plan for each subrecipient, including the type and frequency of reviews, will be detailed in the subaward agreement. For all requirements beyond those listed under the Low-Risk category above, CHA will notify the subrecipient of the following in the subaward:

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- (1) The nature of the additional requirements;
- (2) The reason why the additional requirements are being imposed;
- (3) The nature of the action needed to remove the additional requirement, if applicable;
- (4) The time allowed for completing the actions if applicable; and,
- (5) The method for requesting reconsideration of the additional requirements imposed.

To implement the monitoring plan, the **Project Budget Manager** must perform periodic reviews and document findings in the Subrecipient Monitoring Form (**Appendix 3: Subrecipient Monitoring Form**).

VI. SUBRECIPIENT INTERVENTIONS

CHA may adjust specific subaward conditions as needed, in accordance with 2 CFR 200.208 and 2 CFR 200.339. If CHA determines that the subrecipient is not in compliance with the subaward, CHA may institute an intervention. The degree of the subrecipient's performance or compliance deficiency will determine the degree of intervention. All possible interventions must be indicated in the subaward agreement.

CHA must provide written notice to the subrecipient of any intervention within thirty days of the completion of a report review, desk review, onsite review, audit review, or procedures engagement review or as soon as possible after CHA otherwise learns of a subaward compliance or performance deficiency.

Pursuant to 2 CFR 200.208, the written notice must notify the subrecipient of the following related to the intervention:

- (1) The nature of the additional requirements;
- (2) The reason why the additional requirements are being imposed;
- (3) The nature of the action needed to remove the additional requirement, if applicable;
- (4) The time allowed for completing the actions if applicable; and
- (5) The method for requesting reconsideration of the additional requirements imposed.

The following interventions may be imposed on a subrecipient, based on the level of the compliance or performance deficiency:

A) Level 1 Interventions. These interventions may be required for minor compliance or performance issues.

- (1) Subrecipient addresses specific internal control, documentation, financial management, compliance, or performance issues within a specified time period
- (2) More frequent or more thorough reporting by the subrecipient
- (3) More frequent monitoring by CHA
- (4) Required subrecipient technical assistance or training



B) Level 2 Interventions. These interventions may be required, in addition to Level 1 interventions, for more serious compliance or performance issues.

- (1) Restrictions on funding payment requests by subrecipient
- (2) Disallowing payments to subrecipient
- (3) Requiring repayment for disallowed cost items
- (4) Imposing probationary status on subrecipient



C) Level 3 Interventions. These interventions may be required, in addition to Level 1 and 2 interventions, for significant and/or persistent compliance or performance issues.

- (1) Temporary or indefinite funding suspension to subrecipient
- (2) Nonrenewal of funding to subrecipient in subsequent year
- (3) Terminate funding to subrecipient in the current year
- (4) Initiate legal action against subrecipient



Further Action for High Risk Subrecipients:

- * **Desk review:** Should a subrecipient be deemed *High Risk*, CHA’s Finance Director or designee will conduct a meeting to review the subrecipient’s award administration capacity and financial management. The meeting may be held virtually or in person. Topics covered will depend on project scope and subrecipient risk assessment and may include governance, budgeting, accounting, internal controls, conflict of interest, personnel, procurement, inventory, and record keeping. CHA will produce a report which summarizes the results and any corrective actions if deemed necessary. The report will be shared in a timely manner with the subrecipient.
- * **Onsite review:** Should a subrecipient be deemed *High Risk*, CHA’s Finance Director or designee will conduct an on-site meeting at the subrecipient’s location to review the subrecipient’s project performance and compliance. Topics covered will depend on project scope and subrecipient risk assessment and may include project procurement, data systems, activity and performance tracking, project reporting, inventory, and software systems. CHA’s Finance Director or designee will produce a report which summarizes the results and any corrective actions deemed necessary. The report will be shared in a timely manner with the subrecipient.

VII. SUBAWARD AGREEMENT & EXECUTION

The subaward agreement will be drafted by the ~~Contract Administrator~~ Grant Writer/Development Officer using the Subaward Agreement Template. Contract terms and conditions may vary based on several factors, including subrecipient risk assessment findings, as documented in the Subrecipient Risk Assessment ~~of Risk~~. After review by CHA’s Finance Director or designee, the Finance Director may fully execute the subaward agreement, subject to any required budget amendments by CHA’s governing board, preaudit requirements, and any other contract execution prerequisites set by CHA and/or the funding agency.

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APPENDIX 1: Subrecipient or Contractor Classification Checklist

If ~~the~~ CHA wishes to contract with another government entity or a private entity and use federal funds to pay for that contract, CHA must determine if the relationship with the outside entity is a contractor or subrecipient. To make this determination CHA must review the project proposal, budget classification, and other related proposal documents, as well as engage in discussions with key personnel about the nature of the proposed agreement. The determination of whether a proposed agreement involves a contractor or subrecipient relationship must be recorded on this form and maintained in the project file for the duration of the records retention period for federal funding records.

Instructions: Complete sections one through three (1-3). The section with the greatest number of marked characteristics indicates the likely type of relationship. The substance of the relationship should be given greater consideration than the form of agreement between CHA and the outside entity. In borderline cases, CHA may either provide a written justification for its determination in Section 3 or, if appropriate, restructure the agreement to more clearly define it as either a contractor or subrecipient relationship.

Name of Outside Entity:

Section 1 -- Brief Description of Nature of Proposed Agreement:

Section 1 -- Subrecipient. A subaward is for the purpose of carrying out a portion of a federal award and creates a federal assistance relationship between the recipient and the subrecipient. Subrecipients may have one or more of the following characteristics:

- ~~Eligible~~ Is an eligible recipient of the federal funds.
= *All subrecipients of federal funds must be able to meet the same eligibility criteria as the primary recipient (pass-through entity) for the federal award.*
- ~~Eligible~~ May determine who may be eligible to receive federal assistance under the program guidelines.
= *For example: A subrecipient that identifies mentors and mentees under a mentoring program.*
- ~~Eligible~~ Has its performance measured in relation to whether objectives of a federal program were met?
= *The recipient will rely upon the subrecipient's data to submit its own performance data to the federal entity.*
- ~~Eligible~~ Has responsibility for programmatic decision making.
=



For example: If the recipient funds a subrecipient to develop (or improve) a particular program and the subrecipient will use its own judgment, discretion, and expertise to develop all or part of the program.

II

- In accordance with its subaward agreement (which may be in the legal form of a contract), the subrecipient uses the federal funds to carry out a program for a public purpose specified in authorizing statutes, as opposed to providing goods or services for the benefit of the recipient. *For example: To provide crime- or criminal-justice-related services (and, in the case of crime victims, compensation) to individual members of the public, such as victims of crime, or at-risk youth.*
- ~~II~~ The subrecipient will not earn a profit under the agreement.
- ~~II~~ The subrecipient is required to contribute cash or in-kind match in support of the subaward.

Section 2 -- Contractor. A contract is for the purpose of obtaining goods and services for the recipient’s own use and creates a procurement relationship between the recipient and the contractor. *Entities that include these characteristics are not subject to compliance requirements of the federal program because of the agreement, though similar requirements may apply for other reasons.* A contractor relationship may have one or more of the following characteristics:

- ~~II~~ Provides goods and services within normal business operations.
- Provides similar goods or services to many different purchasers.
- Normally operates in a competitive environment.
- ~~II~~ Provides goods or services that are ancillary to the operation of the Federal program. *Examples include but are not limited to: Office equipment, supplies, software licenses, reference books, chemical reagents, cell phones, body-worn cameras, body armor, internet services, cell phone service, website hosting, copying/printing, lodging.*
- ~~II~~ The entity may earn a profit under the contract.



FINAL DETERMINATION:

- ~~Subrecipient~~
- ~~Contractor~~

Section 3 – Justification. In determining whether an agreement between a recipient and another non-federal entity reflects a subrecipient or a contractor relationship, the substance of the relationship is more important than the form of the agreement. Considering the characteristics checked above, provide a written justification for the final determination of either a subrecipient or contractor relationship.

Explanation of Justification Determination:



Section 4 – Post-Award. Post-award, the ~~Program Director~~ **Project Budget Manager** or designee must seek written approval of this determination from the funding agency and CHA’s Finance Director before proceeding with any contract or project under the subaward.

Signature: _____ **Date:**

Print Name and Title:

This has been reviewed and approved by CHA’s Finance Director, as indicated by the signature below.

Date:

Sue K. Yates | CFO Cabarrus Health Alliance

*This section has been intentionally left blank.
Appendix 2 begins on the following page.*



APPENDIX 2: Subrecipient Risk Assessment

Please note that CHA may request copies of actual documents as part of the review process.

Identifying Information	
Legal Name of the Entity:	Other Entity Names or Acronyms Used:
Unique Entity Identifier (UEI) Number:	EIN:
Contact Information	
Name of Person Completing the Assessment:	Address:
Title:	City, State, Zip Code:
Email:	
Principal Investigator:	Grants Manager:
Email:	Email:

CERTIFICATION OF APPLICANT'S AUTHORIZED REPRESENTATIVE (REQUIRED) I certify that the statements I have made on this form and all attachments thereto are true, accurate, and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under the applicable law.

Name of Authorized Representative

Prefix: _____ First Name: _____ Middle Name: (Optional): _____

Last Name: _____ Suffix: _____



Title of Authorizing Official: _____

SIGNATURE: _____

Date submitted (mm/dd/yyyy): _____

Self-Assessment Questions	Enter Yes, No, or N/A	Attachments/Comments
Financial Management		
1. Are information systems and accounting systems in place and designed to meet all program requirements, including reporting requirements?		
2. Does your accounting and financial management system follow Generally Accepted Accounting Principles?		
3. Does your entity produce annual financial statements?		
4. Is your accounting system maintained on the accrual or cash basis?		
A—Accrual Basis		
B—Cash Basis		
5. Does an effective system of internal controls exist to provide reasonable assurance that reports submitted to the grantor agency include all activity of the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements?		
6. Does your financial management system allow you to segregate indirect costs, and define and manage existing or planned indirect cost rates?		
7. Does your entity use grant funds to pay indirect costs? If yes, please provide the current approved negotiated indirect cost rate agreement with its Federal cognizant agency. If no, please provide document to support the calculation of requested indirect cost rate in your entity's application and attach your entity's functional expense statement.		



<p>8. Does your financial management system allow you to compare actual expenditures or outlays to budgeted amounts for each grant?</p>		
--	--	--

Self-Assessment Questions	Enter Yes, No, or N/A	Attachments/Comments
9. Does your entity have a policy addressing who is authorized to request payment from the grantor, what procedures are used to ensure that requests are accurate, and when drawdown of funds will occur? If yes, please provide the title of the document.		
10. Does your financial management system support procedures for determining the reasonableness of costs allocated in accordance with 2 CFR 200 Subpart E Cost Principles?		
0. Does your financial management system provide for effective control over and accountability for all funds, property and other assets, including ensuring that all such assets are used solely for authorized purposes and activities that are allowable in accordance with the applicable cost principles and are only used during the authorized period of		

0. Does your entity have a SAM verification policy to intercept and obstruct terrorism?		
1. Does your entity have a formalized internal control and compliance program, and a risk assessment methodology for assessing, managing and monitoring organizational, operational and financial risks, especially those associated with regulatory compliance?		
Audit Information		



<p>2. Have audits been performed on your financial statements for the past two years? If yes, please provide a copy of the most recent audit report. If no, please provide the reason why in the comments section.</p>		
<p>3. If your entity has expended more than \$750,000 in federal grant funds within a fiscal year, and an OMB Uniform Guidance audit has not been performed, please provide the reason why in the comments section.</p>		

Self-Assessment Questions	Enter Yes, No, or N/A	Attachments/Comments
<u>Financial Management</u>		
<u>1. Are information systems and accounting systems in place and designed to meet all program requirements,</u>		
<u>2. Does your accounting and financial management system follow Generally Accepted Accounting</u>		
<u>3. Does your entity produce annual financial statements?</u>		
<u>4. Is your accounting system maintained on the accrual or cash basis?</u>		
<u>A – Accrual Basis</u>		
<u>B – Cash Basis</u>		
<u>5. Does an effective system of internal controls exist to provide reasonable assurance that reports submitted to the grantor agency include all activity of the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements?</u>		
<u>6. Does your financial management system allow you to segregate indirect costs, and define and manage existing or planned indirect cost rates?</u>		

<p><u>7. Does your entity use grant funds to pay indirect costs? If yes, please provide the current approved negotiated indirect cost rate agreement with its Federal cognizant agency. If no, please provide document to support the calculation of requested indirect cost rate in your entity's application and attach your entity's</u></p>		
<p><u>Self-Assessment Questions</u></p>	<p><u>Enter Yes, No, or N/A</u></p>	<p><u>Attachments/Comments</u></p>
<p><u>8. Does your financial management system allow you to compare actual expenditures or outlays to budgeted amounts for each grant?</u></p>		
<p><u>9. Does your entity have a policy addressing who is authorized to request payment from the grantor, what procedures are used to ensure that requests are accurate, and when drawdown of funds will occur? If yes, please provide the title of the document.</u></p>		
<p><u>10. Does your financial management system support procedures for determining the reasonableness of costs allocated in accordance with 2 CFR 200 Subpart E-Cost Principles?</u></p>		
<p><u>11. Does your financial management system provide for effective control over and accountability for all funds, property and other assets, including ensuring that all such assets are used solely for authorized purposes and activities that are allowable in accordance with the applicable cost principles and are only used during the authorized period of availability?</u></p>		
<p><u>12. Does your entity have a SAM verification policy to intercept and obstruct terrorism?</u></p>		
<p><u>13. Does your entity have a formalized internal control and compliance program, and a risk assessment methodology for assessing, managing and monitoring organizational, operational and financial risks, especially those associated with regulatory compliance?</u></p>		

<u>Audit Information</u>		
14. <u>Have audits been performed on your financial statements for the past two years? If yes, please provide a copy of the most recent audit report. If no, please provide the reason why in the comments section.</u>		
<u>Self-Assessment Questions</u>	<u>Enter Yes, No, or N/A</u>	<u>Attachments/Comments</u>
15. <u>If your entity has expended more than \$750,000 in federal grant funds within a fiscal year, and an OMB Uniform Guidance audit has not been performed, please provide the reason why in the comments section.</u>		
16. Are your entity's grant fund operations regularly assessed by an internal auditor or Inspector General?		
17. Does your entity formally respond to all audit findings in writing and make timely remedial actions/corrections? If there were audit findings as a result of the most recently completed audit of federal funds, please provide the organization's formal response to all audit findings.		
Operations and General Management		
18. Has your entity had new awards management personnel or new or substantially changed systems during the fiscal year? If yes, please explain.		
19. 1. Are policies, procedures and processes regularly reviewed, updated and created to ensure that the organization effectively carries out its programs and activities, including updates that may be needed for grant funds?		
20. 2. Does management periodically review all reports, deliverables, expenditures, and other requirements related to grant programs to ensure that guidelines and requirements are being met?		

<p><u>21. 3.</u>—Do key personnel assigned to this grant have <u>experience in managing grants and an understanding of the relevant regulations?</u></p>		
<p><u>22. 4.</u>—Does your entity maintain a written code of conduct governing the performance of your employees, and specifically those employees engaged in the award and administration of contracts?</p>		
<p><u>Self-Assessment Questions</u></p>	<p><u>Enter Yes, No, or</u></p>	<p><u>Attachments/Comments</u></p>
<p><u>23. 5.</u>—Does the code of conduct encompass conflicts of interest? If no, what document addresses conflicts of interest?</p>		
<p><u>24. 6.</u>—Does your entity maintain some personnel system which has the capability to create monthly reports of the activities and time of each employee whose compensation is charged to each <u>project that the employee works on including all grant programs?</u></p>		
<p><u>25. Is training and supervisory oversight provided to all employees to ensure that the organization effectively carries out its programs and activities, including</u></p>		
<p><u>26. Have any key personnel listed in the application ever been debarred or suspended from participation in Federal Assistance programs? If yes, please attach a list</u></p>		
<p><u>27. Does the entity have procedures in place to address breaches of ethics policy and/or instances of</u></p>		
<p><u>(a)If yes, do these procedures include required procedures and/or remedial actions to prevent future violations?</u></p>		
<p><u>(b) Does this process include a means to notify the appropriate agency in cases of confirmed fraud related to grant funds?</u></p>		

<p>28. <u>Are there formal policies and procedures in place for employees to confidentially report suspected violations of policies and or suspected instances of fraud or other criminal activity, including specifically those related to grant programs (e.g. a Whistleblower Policy)?</u></p>		
<p>29. <u>Do information systems policies and procedures exist for the safeguarding of data, including personally identifiable information (PII), authorization and addition of system users, termination of user rights, information back-up and recovery, and retention and</u></p>		

Self-Assessment Questions	Enter Yes, No, or N/A	Attachments/Comments
project that the employee works on including all grant programs?		
25. Is training and supervisory oversight provided to all employees to ensure that the organization effectively carries out its programs and activities, including employees working on grant programs?		
26. Have any key personnel listed in the application ever been debarred or suspended from participation in Federal Assistance programs? If yes, please attach a list indicating who, when and for what reasons.		
19. Does the entity have procedures in place to address breaches of ethics policy and/or instances of fraud or other criminal activity?		
(a) If yes, do these procedures include required procedures and/or remedial actions to prevent future violations?		
(b) Does this process include a means to notify the appropriate agency in cases of confirmed fraud related to		
27. Are there formal policies and procedures in place for employees to confidentially report suspected violations of policies and or suspected instances of fraud or other criminal activity, including specifically those related to grant programs (e.g. a Whistleblower Policy)?		
28. Do information systems policies and procedures exist for the safeguarding of data, including personally identifiable information (PII), authorization and addition of system users, termination of user rights, information back-up and recovery, and retention and destruction of data?		

Self-Assessment Questions	Enter Yes, No, or N/A	Attachments/Comments
Procurement		
30. Does your entity maintain written procurement procedures which provide reasonable assurance that procurement of goods and services are made in compliance with the provisions of 2 CFR Part 200 and that covered transactions (as defined in the suspension and debarment common rule (2 CFR Part 180)) are not made with a debarred or suspended party?		
31. Does your procurement system provide for the conduct and documentation of cost or price analysis for each procurement action?		
Subrecipient Management and Monitoring		
35 <u>32</u> . Does an effective system of internal controls exist to provide reasonable assurance that only eligible individuals and organizations receive assistance under federal award programs and that subawards are made only to eligible subrecipients?		
36 <u>33</u> . Does an effective system of internal controls exist and has your entity established policies and procedures that provide reasonable assurance that:		
(a) Federal award information and compliance requirements (2 CFR 200.331-332) are identified to subrecipients?		
(b) The impact of any sub-recipient noncompliance on the pass-through entity is evaluated and action taken?		
37 <u>34</u> . Does your entity maintain written policies regarding subrecipient monitoring?		

<p>38<u>35</u>. If yes, how does your entity monitor subrecipients and how frequently are any of the following activities performed? (for each activity used, enter the frequency)</p>		
<p><u>1.</u> e-1. Desk reviews</p>		
<p><u>2.</u> e-2. Site visits</p>		
<p><u>Self-Assessment Questions</u></p>	<p><u>Enter Yes, No, or N/A</u></p>	<p><u>Attachments/Comments</u></p>
<p><u>3.</u> e-3. Financial report reviews</p>		
<p>4. <u>Performance report reviews</u></p>		
<p>5. <u>Other (please describe)</u></p>		
<p>36. <u>Does your entity perform procedures that provide reasonable assurance that subrecipients obtain required audits and take appropriate corrective action on audit findings?</u></p>		
<p>37. <u>Does your entity maintain written procedures outlining subrecipient responsibilities that include any clauses required by federal statute or Executive Orders and their implementing regulations, and that contain a provision for compliance with 2CFR Part 200 in the subrecipient agreement?</u></p>		
<p>38. <u>Does your entity have a formalized risk assessment process in place specifically for federal grant programs to assess subrecipient eligibility and monitoring of performance? If yes, does the process include the use of standard forms and checklists?</u></p>		

Self-Assessment Questions	Enter Yes, No, or N/A	Attachments/Comments
e-4. Performance report reviews		
e-5. Other (please describe)		
39. Does your entity perform procedures that provide reasonable assurance that subrecipients obtain required audits and take appropriate corrective action on audit findings?		
40. Does your entity maintain written procedures outlining subrecipient responsibilities that include any clauses required by federal statute or Executive Orders and their implementing regulations, and that contain a provision for compliance with 2CFR Part 200 in the subrecipient agreement?		
41. Does your entity have a formalized risk assessment process in place specifically for federal grant programs to assess subrecipient eligibility and monitoring of performance? If yes, does the process include the use of standard forms and checklists?		

Pursuant to the review of the Subrecipient Risk Assessment, the risk level of the subrecipient is determined to be _____.

If the risk level was determined to be high, CHA provides the following justification for proceeding with the award:

Reviewed by:
Role:
Sue K. Yates | CFO Cabarrus Health Alliance

Signature: ____
Date Reviewed:

APPENDIX 3: Subrecipient Monitoring Form

This report reflects CHA’s substantive assessment of the subrecipient’s project implementation and subaward compliance. CHA’s grant budget manager must complete this report for each payment validation, report review, desk review, site review, and audit or procedures engagement review during the subaward term (and, as appropriate, after the expiration or termination of the subaward). Upon completion, and following review by CHA’s Finance Director or designee, the original will be filed in the subaward file. Any required subrecipient corrective actions will be detailed in writing and provided to the subrecipient within thirty days of the completion of this report.

I. Subaward Overview (complete this section for all reviews)

1. STAFF INFORMATION

Reviewed/conducted by:		Date:
Type (programmatic, financial, or both)		Date:
Review confirmed by:		Date:

2. SUBRECIPIENT INFORMATION

Subrecipient Name:	
Subrecipient Program Personnel (who participated in the review):	
Subrecipient Contact Phone Number:	
Subrecipient Fiscal/Audit Personnel (who participated in the review):	
Subrecipient Fiscal Contact Phone Number:	

3. GRANT REVIEW INFORMATION

Grant	Project #	Award \$	POP Begin	POP End	Review Period	
					Beginning Date	Ending Date

4. TYPE OF MONITORING

	Type of Monitoring	Date Completed	Comments
<input type="checkbox"/>	Payment Validation (Complete this column, but not the rest of the form.)		
<input type="checkbox"/>	Report Review (Complete this column, but not the rest of the		
<input type="checkbox"/>	Audit or Procedures Engagement Review (Complete this column, but not the rest of the form.)		



APPENDIX 3: Subrecipient Monitoring Form

This report reflects CHA’s substantive assessment of the subrecipient’s project implementation and subaward compliance. CHA’s **Project Budget Manager** must complete this report for each payment validation, report review, desk review, site review, and audit or procedures engagement review during the subaward term (and, as appropriate, after the expiration or termination of the subaward). Upon completion, and following review by CHA’s Finance Director or designee, the original will be filed in the subaward file. Any required subrecipient corrective actions will be detailed in writing and provided to the subrecipient within thirty days of the completion of this report.

I. Subaward Policy Overview (complete this section for all reviews)

A) STAFF INFORMATION

<u>Reviewed conducted by:</u>		<u>Date:</u>
<u>Type (programmatic, financial, or both)</u>		<u>Date:</u>
<u>Review confirmed by:</u>		<u>Date:</u>

B) SUBRECIPIENT INFORMATION

<u>Subrecipient Name:</u>	
<u>Subrecipient Program Personnel (who participated in the review):</u>	
<u>Subrecipient Contact Phone Number:</u>	
<u>Subrecipient Fiscal/Audit Personnel (who participated in the review):</u>	
<u>Subrecipient Fiscal Contact Phone Number:</u>	

C) GRANT REVIEW INFORMATION

<u>Grant</u>	<u>Project</u>	<u>Award</u>	<u>POP Begin</u>	<u>POP</u>	<u>Review Period</u>	
					<u>Beginning Date</u>	<u>Ending</u>

D) TYPE OF MONITORING

E)

	<u>Type of Monitoring</u>	<u>Date Completed</u>	<u>Comments</u>
<input type="checkbox"/>	<u>Payment Validation (Complete this column, but not the rest of the form.)</u>		



<input type="checkbox"/>	<u>Report Review (Complete this column, but not the rest of the</u>		
<input type="checkbox"/>	<u>Audit or Procedures Engagement Review (Complete this column, but not the rest of the form.)</u>		
<input type="checkbox"/>	Desk Review (If desk review, complete the rest of the form.)		
<input type="checkbox"/>	Onsite Review (If onsite review, complete the rest of the form.)		

II. Desk and Onsite Reviews (complete this section for desk and onsite reviews only)

A) PRE-MEETING NOTES

List any issues, concerns, or other specialty items for follow-up during review.

1. _____
2. _____

B) SUMMARY OF PROGRESS

Subrecipient must submit a written summary of the major workplan milestones during the review period at least one week prior to the review. The summary must address 1) number of clients served as compared with projections; 2) staffing; 3) activities undertaken; and 4) significant accomplishments. A copy of that summary will be appended to this written review report.

C) MONITORING OVERVIEW

PROGRAM IMPLEMENTATION

Indicate milestones met this quarter and identify milestones as scheduled to occur in the following quarter.



ACTIVITIES/PRODUCTS

Identify any reports or products that were submitted during the quarter and identify those due the following quarter.



CORRECTIVE ACTIONS FROM PRIOR REVIEWS

Indicate actions taken in response to prior review issues.

ASSESSMENT OF QUALITY OF IMPLEMENTATION

Is the project being implemented on schedule? Are the activities impacting the goals and objectives as outlined in approved application?

ISSUES/PROBLEMS

Discuss significant new issues/problems with respect to projected milestones, audits, staffing, client flow, departures from approved goals, late reports, etc.

D) MONITORING SPECIFICS (Complete all fields that are applicable to the subaward.)

Activity Goals <input type="checkbox"/> N/A	Yes	No	N/A
Scope of Service, Number of People to be Served, and any Special Terms stated within the Subaward Agreement.			
1. Has there been a change in the activity goals, scope of service, number of people to be served or other special terms as indicated in the Agreement between the	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(a) If yes, was the Recipient informed of the change?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Did the activity conform to any additional or special terms as reflected in the Subaward Agreement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Activity Goals <input type="checkbox"/> N/A	Yes	No	N/A
Scope of Service, Number of People to be Served, and any Special Terms stated within the Subaward Agreement.			
1. <u>Has there been a change in the activity goals, scope of service, number of people to be served or other special terms as indicated in the Agreement between the</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(a) If yes, was the Recipient informed of the change?</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. <u>Did the activity conform to any additional or special terms as reflected in the Subaward Agreement?</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the subrecipient providing the full scope of services as stated in the application and Subaward Agreement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Are the actual accomplishments at the time of this review the same as the planned accomplishments? Is the activity achieving the expected quantifiable levels of performance (number of persons served, achieving goals set for clients, etc.) reaching the intended client group?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Is the overall activity performance schedule being met in a timely manner (i.e. goal for number of clients served, expenditure of funds in timely manner, reporting requirements)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Did the activity operate within the approved budget as detailed in the Subaward Agreement? (i.e., budgetary line items both accurate and realistic for activity expenses; source and use of match funds accurate)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. 0- Did the activity funding source change?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. 1- Was there a change in make-up or responsibility of staff for the activity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. 7- Were invoices for reimbursement payments submitted with support documentation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. 2- Were reports outlined in the Subaward Agreement submitted on time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Comments			

General Compliance	Yes	No	N/A
Request a copy of all applicable policies and procedures required by the ARP/CSLFRF award terms and Uniform Guidance.			
1. 8- Does the subrecipient have written policies and procedures to adequately administer the ARP/CSLFRF subaward?			
2. 3- Does the subrecipient have a written conflict of interest policy for their employees?			
3. 9- Are there sufficient internal controls in place to protect against waste, fraud and abuse of Federal funds (segregation of duties, etc.)?			
4. 10- If program income will be generated by the subrecipient, have provisions been made to ensure that it is used in accordance with ARP/CSLFRF and Uniform Guidance requirements?			



What procedures does the subrecipient use to identify and account for federal property purchased with subaward funds?
Does the subrecipient have adequate safeguards for preventing loss, damage, or theft of property held (inventory control, etc.)?
Describe any technical assistance/training provided to subrecipient during the project period.
General Comments

Employee Reimbursement <input type="checkbox"/> N/A	Yes	No	N/A
Request a copy of the employee reimbursement policy, and/or have the subrecipient describe the procedure for approving and documenting expenses that are reimbursed.			
1. 11- Are detailed receipts (i.e., receipts that do not merely show a total, but the detail of what was purchased) provided for reimbursement?			
2. 12- Are reimbursements reviewed and approved by a supervisor or project manager prior to being submitted to the Fiscal Officer/Accounting Staff for payment?			
3. <u>Does the subrecipient have a Reimbursement Policy?</u>			
<u>Examine two or more reimbursements that were paid out of the grant being monitored.</u>			
4. <u>Were the detailed receipts provided to support the amounts requested?</u>			
5. <u>Were the expenses in compliance with grant requirements/guidelines and UG?</u>			
6. <u>If reimbursed for training or conference expenses, was a certificate of attendance or completion, or agenda and brochure provided to support request for reimbursement?</u>			
<u>General Comments</u>			

CHA Finance | 2022

Subaward Policy

17. Does the subrecipient have a Reimbursement Policy?			
Examine two or more reimbursements that were paid out of the grant being monitored.			
18. Were the detailed receipts provided to support the amounts requested?			
19. Were the expenses in compliance with grant requirements/guidelines and UG?			
13. If reimbursed for training or conference expenses, was a certificate of attendance or completion, or agenda and brochure provided to support request for reimbursement?			
General Comments			

Equipment	<input type="checkbox"/> N/A	Yes	No	N/A
What is the purchasing procedure for equipment purchased with grant funds? Attach copies of relevant policies and of any purchasing documentation during the review period.				
How is equipment inventoried, insured, and managed? Attach copies of relevant policies and current inventory information.				
What is the procedure for transferring equipment purchased with grant funds to another entity? Attach copies of relevant policies and documentation for any transfers during review period.				
Request an inventory list, physicalphysically locate selected items, and examine items to ensure compliance.				
1. Were all transactions conducted in a manner providing full and open competition, and quotations obtained from an adequate number of sources?				
2. Has all equipment indicated as purchased actually been purchased?				
3. Was equipment purchased in accordance with required procurement rules/policies?				
4. Were additions and deletions to the equipment budget made and approved prior to the purchase/procurement dates?				
5. Does a detailed expenditure list indicate any equipment purchased that is not accounted for in the subaward budget?				
6. Is equipment purchased with subaward funds in prior years still in inventory and still being used for subaward purposes?				
7. Has the inventory been updated, and did it account for all items transferred to other entities?				
8. For equipment that was transferred, aside from normal office equipment, was the transferee properly trained on the equipment, and is there a record of that training?				
9. For equipment transferred to other entities; have they added it to their inventory records and is it maintained/used for intended purposes?				
General Comments				

Financial Management	<input type="checkbox"/> N/A	Yes	No	N/A
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What is the Accounting System for each grant program?			
1.	Is there a separate accounting for all financial transactions for the subaward?		
2.	Is a process in place to prevent co-mingling of funds?		
3.	Does the accounting system prevent obligation or expenditure of funds outside the subaward's period of availability?		
4.	Are accounting records supported by source documentation?		
5.	Were any illegal transfers or unusual activities noted during a review of the subrecipient's fund activity reports?		
6.	Does the system provide for prompt and timely recording and reporting of all financial transactions?		



7. CHA Finance 2022 — Subaward Policy Is proper Fiscal record retention being followed (through Dec. 31, 2031)?			
What is the process for approval and payment of expenditures and posting to the General Ledger?			
8. 10. Are subaward costs identified as eligible prior to encumbering funds and placing an order?			
9. 11. Were the applicable State/Federal suspension and debarment listings consulted prior to doing business with a vendor and/or contractor?			
10. 12. Are all invoices reviewed by the project director for eligibility and marked 'okay to pay' prior to being submitted to the fiscal office or accounting staff for payment?			
11. 13. Are disbursements fully support by invoices, requisitions, purchase orders, or similar documents?			
12. 8. Are cancelled checks or warrants available for review?			
13. 14. Were all subaward funds that were received disabused within the allowable timeframe?			
What is the reconciliation process, and how are errors or adjustments handled?			
14. 15. Does the subrecipient perform routine reconciliations of its records against the General Ledger? By whom and how often?			
15. 9. Does the subrecipient have sufficient internal controls related to reconciliations?			
16. 10. Were actions taken to promptly correct any errors and/or resolve issues?			
General Comments			



Other Direct Costs <input type="checkbox"/> N/A	Yes	No	N/A
How are rent, utilities, and other items allocated for the program?			
1. Are rent payments documented by a copy of the lease agreement, and canceled checks or receipts?			
2. 11. Are receipts, bills, and invoices properly maintained?			
3. 2. Is the actual rate and method being charged to the grant consistent with the rate and method approved in the budget?			
4. 3. Are costs shared with other programs or funding sources? If yes, how are costs allocated?			
General Comments			

Personnel/Direct Labor <input type="checkbox"/> N/A	Yes	No	N/A
Describe the payroll process and who is paid by the subaward.			
1. Are personnel files maintained for each employee that include current job descriptions, performance and evaluations, and changes in pay rates?			
2. Are time sheets, activity reports, or payroll files available for review? These documents should clearly show the effort toward the subaward charged.			
3. Are individual employee time sheets and attendance records:			
• Prepared and signed by each employee for each pay period?			
• Reviewed and signed by each employee's supervisor?			
• Reconciled to the payroll master ledger?			
4. Are all authorized staff positions filled for the approved budget?			
5. Are staff salaries consistent with the approved budget?			
6. Are fringe benefits the same as what is listed in the approved budget?			
<u>General Comments</u>			



General Comments				
Reporting Requirements	<input type="checkbox"/> N/A	Yes	No	N/A
Subrecipients are required to report on progress toward implementing plans described in their application/proposal.				
1. Progress reports must be submitted based on approved work plan. Have all of the reports been submitted for this reporting period?				
2. Are there any outstanding data elements that must be tracked and reported by the subrecipient? If so, detail the plan for the subrecipient to comply with this requirement.				
Comments				



Supplies & Materials	<input type="checkbox"/> N/A	Yes	No	N/A
Explain the process of allocating supply costs to the subaward.				
1. Are purchases of supplies approved and well documented by quotes, invoices, or receipts?				
2. 12. Are expenditures for supplies consistent with the approved budget?				
3. 13. Is there a substantial supply inventory remaining at the project termination date?				
4. 2. Were all transactions conducted in a manner providing full and open competition, and quotations obtained from an adequate number of sources?				
General Comments				

Travel/Vehicle Mileage	<input type="checkbox"/> N/A	Yes	No	N/A
Request a copy of the subrecipient's travel policy or have them describe the procedure for approving and documenting travel expenses.				
1. Is employee travel approved in advance by a supervisor or project manager?				
2. 3. Are travel expenditures documented with expenses reports and/or detailed receipts (i.e., receipts do not merely show total but detail of what was purchased)?				
3. 4. Are travel expenditures appropriately supported within subaward guidelines and in the approved budget?				
4. 2. Are mileage reimbursements supported by a mileage log or similar documentation?				
General Comments				

Single Audit Review	<input type="checkbox"/> N/A	Yes	No	N/A
Obtain a copy of the subrecipient's most recent audit from FAC. Attach it to this review form.				
1. Was the Major Programs' Compliance Opinion in the Summary of Auditor's Results in the Schedule of Findings qualified?				
2. Were there any findings and/or questioned costs for federal awards in the Schedule of Findings? Were any other operational issues such as the handling of assets, lack of policies and procedures, contract non-compliance, etc., which would impact Federal dollars received?				
3. <u>Were past audit findings and/or questioned costs for federal awards satisfactorily resolved?</u>				
4. <u>Was any control issue identified which would impact the processing of Federal grant dollars (i.e., control weaknesses)?</u>				
General Comments <i>(If yes response to questions 1, 2, and/or 4, then comment on the issues noted from the audit and how this was addressed during the onsite review.)</i>				



3. Were past audit findings and/or questioned costs for federal awards satisfactorily resolved? CHA Finance 2023	Subaward Policy
4. Was any control issue identified which would impact the processing of Federal grant dollars (i.e., control weaknesses)?	
General Comments (If yes response to questions 1, 2, and/or 4, then comment on the issues noted from the audit and how this was addressed during the onsite review).	

F) RECOMMENDED CHANGES AND/OR NEW MONITORING INTERVENTIONS

Please document any recommendations for financial, programmatic, or other changes. Indicate if further monitoring interventions are warranted.

G) FFATA REPORTING REQUIREMENTS

In accordance with 2 CFR Chapter 1, Part 170 *Reporting Sub-Award and Executive Compensation Information*, Prime Awardees awarded a federal grant are required to file a FFATA sub-award report by the end of the month following the month in which the prime awardee awards any sub-grant equal to or greater than \$30,000. The reporting requirements are as follows:

This requirement is for both mandatory and discretionary grants awarded on or after October 1, 2010.

- ~~*~~ All sub-award information must be reported by the prime awardee.
- = For those new Federal grants as of October 1, 2010, if the initial award is equal to or over \$30,000, reporting of sub-award and executive compensation data is required.
- ~~*~~ If the initial award is below \$30,000 but subsequent grant
- = modifications result in a total award equal to or over \$30,000, the award will be subject ~~to~~ the reporting requirements, as of the date the award exceeds \$30,000.
- ~~*~~ If the initial award equals or exceeds \$30,000 but funding is
- = subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to the reporting requirements of the Transparency Act and this Guidance.

Document comparison by Workshare Compare on Wednesday, December 14, 2022 2:21:24 PM

Input:	
Document 1 ID	file://C:\Users\sstokes\Desktop\CHA Subaward Policy - FINAL.Board 4894-7886-1371 v.1.docx
Description	CHA Subaward Policy - FINAL.Board 4894-7886-1371 v.1
Document 2 ID	netdocuments://4878-8926-5981/1
Description	CHA Subaward Policy - Rev
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	223
Deletions	338
Moved from	1
Moved to	1
Style changes	0
Format changes	0
Total changes	563

SUBJECT: **PUBLIC HEALTH, PRIMARY CARE AND DENTAL
FALSE CLAIMS AND FRAUD PREVENTION POLICY**

EFFECTIVE DATE: November 14, 2017

REVISION DATE(S): October 31, 2017; August 1, 2018

DATE OF LAST REVIEW: October 31, 2017; August 1, 2018; August 1, 2019; July 30, 2020;
July 26, 2021; January 17, 2023

POLICY STATEMENT: The purpose of this policy is to inform employees of the key provisions of laws relating the prevention of fraud, abuse, and waste of Federal and State Programs and to comply with the requirements of Section 1396(a)(68) of the Social Security Act and other related laws. In addition, this policy provides guidance regarding efforts to combat fraud, waste, and abuse within the Public Health Authority of Cabarrus County dba Cabarrus Health Alliance (CHA). The benefits of this policy include, but are not limited to demonstrating our commitment to honest and responsible conduct, decreasing the likelihood of unlawful and unethical behavior at an early stage, and encouraging employees to report potential problems to allow for appropriate internal inquiry and corrective action. This policy may be revised at any time if necessary and will be reviewed at least annually.

DEFINITIONS

1. *Fraud:* An intentional deception or misrepresentation to achieve an unauthorized benefit.
2. *Knowing and Knowingly:* Generally means that a person with respect to information:
 - a. Has actual knowledge of the information,
 - b. Acts in deliberate ignorance of the trust or falsity of the information, or
 - c. Acts in reckless disregard of the truth or falsity of the information, and no proof of specific intent to defraud is required.
3. *Claim:* Includes any billing to Medicare, Medicaid, or other State or Federal programs.

OVERVIEW OF RELEVANT LAWS:

- *Federal Deficit Reduction Act (DRA) of 2005: Section 6032 of the DRA of 2005.* The DRA was signed into law in February 2006 and contains many provisions that reform Medicare and Medicaid. This law also provides provisions for reducing Medicaid fraud and requires an entity that receives or makes annual payments under the State Medicaid Plan of at least \$5,000,000 to establish written policies for all employees of the entity, and of any contractor or agent of the entity, that provide detailed information about the False Claims Act, administrative remedies for false claims and statements, as well as whistleblower protections for reporting waste, fraud, and abuse.
- *The False Claims Act (FCA): 31 U.S.C. Sections 3729 through 3733.* This law is one of several that have been implemented to assist in the detection and prevention of fraud, abuse, and waste in federal programs. The FCA provides that anyone who “knowingly” presents, or causes to be presented, a “false or fraudulent claim” is liable for damages.

The FCA prohibits retaliation against any party that reports any actual or potential violation of the False Claims Act.

- *North Carolina State False Claims Laws: Medicaid Fraud Statute, § 108A-70.10 et seq.*
The North Carolina Medicaid fraud statute makes it unlawful for any provider to:
 - Knowingly present, or cause to be presented to the Medical Assistance, a false or fraudulent claim for payment or approval; or
 - Knowingly make, use or cause to be made or used a false record or statement to get a false or fraudulent claim paid or approved by the Medical Assistance Program
 - Knowingly means that a provider with respect to the information:
 - Has actual knowledge of the information;
 - Acts in deliberate ignorance of the truth or falsity of the information; or
 - Acts in reckless disregard of the truth and falsity of the information. No proof of specific intent to defraud is required.
 - Upon finding that such person has intentionally violated the Medicaid Fraud Statute, the court shall assess against any provider of medical assistance under the Medical Assistance Program a civil penalty of not less than \$5,000 and not more than \$10,000 plus three times the amount of damages which the Medicaid Program sustained because of the act of the provider.
- *Program Fraud Civil Remedies Act of 1986 (DFCRA)*. DFCRA authorizes Federal agencies such as the Dept. of Health and Human Services (DHHS) to investigate and assess penalties for the submission of false claims to the agency.

It is essential that each employee be aware of compliance to existing standards for activities performed on the job. Areas include but are not limited to, medical record documentation, coding, billing, accounts receivable and compliance with state/federal regulatory requirements.

STANDARDS OF CONDUCT FOR PERSONNEL

1. No employee shall make false, or use any false, fictitious, or fraudulent statements or documents in connection with the delivery of, or payment for, health care benefits, items, or services.
2. No employee shall falsify, conceal, or cover up a material fact in the performance of their duties.
3. Each employee will be responsible for reporting any violations of this policy to their immediate supervisor.

POTENTIAL RISK AREAS

1. Billing for procedures, items or services that were not provided.
2. Billing for procedures, items or services that are not documented.
3. Submitting duplicate claims:
 - a. More than one claim for the same service.
 - b. Claim is submitted to more than one primary payer at the same time.
4. Up-coding; using a billing code that provides a higher payment rate than the billing code that accurately reflects the service furnished to the patient.
5. Inappropriate balance billing.

6. Inappropriate resolution of overpayments.
7. Incorrectly or improperly recording receivables.
8. Failure to maintain the confidentiality of information/records.
9. Alteration of documentation.
10. Destroying records/documentation without proper authority.

CLAIM AND DEVELOPMENT AND SUBMISSION PROCESS

1. Provide a mechanism for the billing or reimbursement staff to communicate effectively and accurately with the clinical and dental staff.
2. Provide proper and timely documentation of all physician, dental and other professional services prior to billing to ensure that only accurate and properly documented services are billed.
3. Emphasize that claims will be submitted only when appropriate documentation supports the claims and only when such documentation is maintained appropriately, organized in legible form, and available for audit and review.
4. Ensure that the diagnosis and procedures reported on the reimbursement claim are based on the medical record and other documentation.
5. Ensure all billings to government and private insurance payers reflect true and accurate information and conform to all pertinent federal and state laws and regulations.

REPORTING COMPLIANCE CONCERNS

Each employee has a duty to report possible wrongdoing or suspected violations of applicable federal and state laws and regulations. CHA has an open door policy available to all employees acting in good faith to encourage communication, dialogue, and the reporting of incidents of potential wrongdoing or suspected violations. CHA will not retaliate or discriminate against any employee who makes a good faith report of a suspected violation regarding the observed conduct or actions by another person by reason of such a report being made. Also see the CHA Whistleblowers Policy and Reporting Policy.

In the event you discover a compliance error that could lead to a violation of the FCA, you should bring it to the attention of your immediate supervisor or program manager.

TRAINING AND EDUCATION

Training and education is an essential component of an effective compliance policy. The amount of training provided to employees will be directly related to how much their job requires them to be involved with the provision of services, or in the coding and billing of services.

AUDITING AND MONITORING

Ongoing auditing and monitoring is an essential part of any effective compliance policy. Auditing and monitoring activities shall be conducted on an ongoing basis. These auditing and monitoring activities will be designed to address compliance with laws governing CPT, HCPCS, and ICD-10 coding, claim development and submission and reimbursement.

RESPONSE AND PREVENTION

Violations of the compliance policy threaten our status as a reliable, honest and trustworthy provider and may result in our being excluded from participating in federal healthcare programs. For this reason, supervisors will promptly respond to any and all reports of non-compliance. All

violations will be assessed to determine whether a violation of the compliance policy actually exists. If warranted, appropriate corrective action measures shall be determined on a case-by-case basis. Disciplinary action, if required will be managed in accordance with the CHA disciplinary policies.

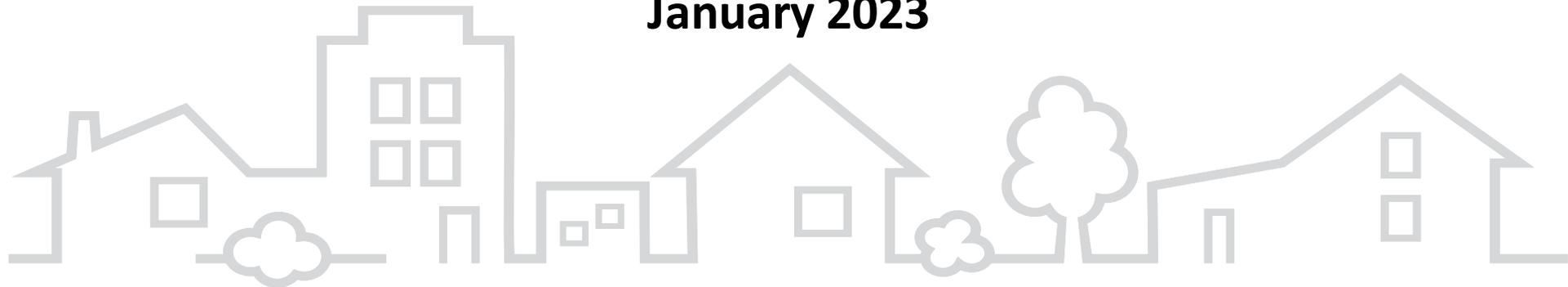
Cabarrus Health Alliance Board Chairman

Date



HRIS Update

January 2023



What is an HRIS?

- A human resources information system (HRIS) is a software solution that maintains, manages, and processes detailed employee information and human resources-related policies and procedures.
- As an interactive system of information management, the HRIS standardizes human resources and finance/payroll tasks and processes while facilitating accurate record keeping and reporting.
- ADP has been selected by CHA as our HRIS vendor.



Paternal List of ADP Workforce Now Services

- Tax Filing Service
- Employee and Manager Self Service
- Reports Library and Custom Report Writer
- Wage Garnishment Processing
- Group Term Life Auto Calculation
- Intelligent Employee Case Resolution
- Online Reports and Pay Statements
- Employee Development Tracking
- New Hire Onboarding/ I-9 Workflow
- Paid Time Off Accruals Engine
- Compliance Reporting
- Multiple Languages & Currencies
- Employee Feedback and Sentiment Surveys
- Benefits Administration
- Essential Time
- Time Collection
- PTO Management & Reporting
- Scheduling
- Request & Approval Workflows
- Executive Dashboards
- Performance and Goal Management
- Recruitment and Talent Acquisition
- Compensation Management
- Performance & Award Alignment



Expected Outcomes

- Currently three to five (3-5) employees in HR, Payroll, and IT need to enter information for most employee transactions.
- HRIS will reduce the number of employees entering information to one to two (1 to 2).
- Estimated production gains of up to 50% or more.
- Will allow more time for HR to lead and conduct workforce development activities.





Cabarrus Health Alliance Board Meeting Agenda Form

Meeting Date: January 17, 20223

Name of Item: Cabarrus County Tobacco Rule Update and Adoption

Submitted by: Marcella Beam

Expected Length of Presentation: 15 minutes

Brief Summary:

Tobacco-related policy requirements for Standard Plans and Tailored Plans contracted medical, behavioral health, intellectual/developmental disabilities (I/DD), and traumatic brain injury (TBI) service providers will be effective April 1, 2023. These requirements will apply to both Medicaid and state-funded service providers.

NC Medicaid Managed Care Standard plans and Tailored Plans will require contracted providers, not including retail pharmacies, and with the exception of the residential provider facilities noted below, to implement a tobacco-free policy covering any portion of the property on which the participating provider operates that is under its control as owner or lessee, to include buildings, grounds, and vehicles.

A tobacco-free policy includes a prohibition on smoking combustible tobacco products and the use of non-combustible tobacco products, including electronic, heated, and smokeless tobacco products, and/or nicotine products that are not approved by the FDA as tobacco treatment medications, as well as, prohibiting participating providers from purchasing, accepting as donations, and/or distributing tobacco products to the individuals they serve.

CHA Staff with assistance from the Region 4 Tobacco Manager have developed an agency wide Tobacco Policy to meet Medicaid requirements. The rule has also been reviewed by NC DHHS legal to ensure it is in compliance.

Requested Action:

Vote to adopt the new Cabarrus Health Alliance Tobacco Free Campus Policy

Previous Action/Discussion on this item? If yes, explain

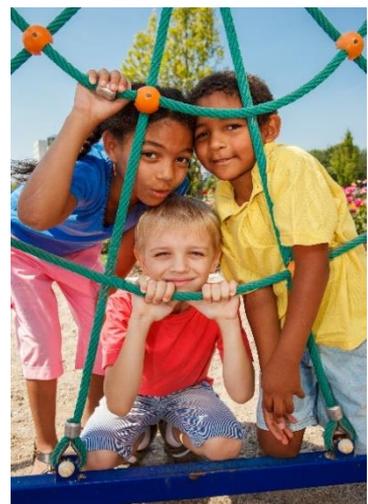
Items reviewed by:



CABARRUS
HEALTH
ALLIANCE



Cabarrus Health Alliance Tobacco Policy Adoption



Cabarrus Health Alliance – Board of Health January 17, 2022

Medicaid Requirement

Tobacco-related policy requirements for Standard Plans and Tailored Plans contracted medical, behavioral health, intellectual/developmental disabilities (IDD), and traumatic brain injury (TBI) service providers will go into effect **April 1, 2023**.

NC Medicaid Managed Care Standard plans and Tailored Plans will require contracted providers to implement a tobacco-free policy covering any portion of the property on which the participating provider operates that is under its control as owner or lessee, to include buildings, grounds, and vehicles.



CHA Medical Medicaid Reimbursement: \$1,736,341



CHA Tobacco Policy

[Link](#)



SUBJECT: TOBACCO FREE CAMPUS POLICY AND PROCEDURE

EFFECTIVE DATE: TBD

REVISION DATES:

REVIEW DATES:

PURPOSE: Secondhand smoke is a well-documented danger to health. Cabarrus Health Alliance is committed to providing a safe and healthy environment for employees, volunteers, contractual persons, as well as patients, clients and the public. No one should be exposed to secondhand smoke when they access care or while on the job. A care environment free from triggers to use tobacco products is necessary to support clients whose goal is to become tobacco-free.

Research shows that most people who use tobacco want to quit. People with behavioral health disorders die disproportionately from tobacco-related illness. Among people who try to become tobacco free, only a minority receive evidence-based care to assist them.

For these reasons, Cabarrus Health Alliance enacts this tobacco-free policy and is committed to offering every client who uses tobacco evidence-based treatment.

POLICY STATEMENT:

1. For the purposes of this policy, “tobacco products” and alternative products (irrespective as whether the nicotine is tobacco, a derivative, or synthetic) includes both combustible and non-combustible products but is not limited to cigarettes, cigars, pipe tobacco, chewing tobacco, snuff, snus, and electronic-cigarettes (also known as vapes). Substances used in those devices are commonly recognized as e-liquids or vapor, whether or not they contain nicotine or used with accessories such as lighters, filters, rolling papers, pipes, hookahs or other current or future trending products. Tobacco products do not include nicotine replacement products authorized by the FDA for treatment of tobacco dependence.
2. The use of tobacco products is prohibited in and on all of the property owned, leased, or controlled by Cabarrus Health Alliance, including the following:
 - a. Buildings
 - b. Vehicles
 - c. Outdoor grounds and walkways
 - d. Parking lots, including in private vehicles while parked in the parking lots
3. This policy applies to all persons while in or on Cabarrus Health Alliance property, including staff, contractors, vendors, patients, clients, and visitors.
4. Staff members are prohibited from using tobacco products while at off-site activities conducted by Cabarrus Health Alliance, including during services provided virtually.
5. Employees with the residual odor of smoke or tobacco products on their body or clothing during work time will be requested to remedy the situation on their own time.
6. Staff members may not possess tobacco products in or on Cabarrus Health Alliance property, except in the staff member’s locked personal vehicle or in a designated locker at

the facility.

7. Staff members are prohibited from accepting tobacco products as donations for client or staff use or purchasing tobacco products for or distributing tobacco products to clients.
8. When appropriate, clients will be assessed for history of tobacco use and dependence and, if applicable, offered or referred to evidence-based tobacco treatment. Evidence-based treatment is defined as a combination of counseling and FDA-approved medications.

PROCEDURE:

Communication

1. Signs declaring this property “tobacco-free” shall be posted at each entrance and in other conspicuous places.
2. Outside groups using Cabarrus Health Alliance property will be informed of the tobacco-free policy.
3. Staff will be informed of the tobacco-free policy when it is first enacted and through new employee orientation materials.
4. Staff will be made aware of the availability of quitting support services provided by the North Carolina Tobacco Use Quitline at 1-800-QUIT-NOW (1-800-784-8669). Staff will also be made aware of tobacco treatment and pharmacotherapy options available through their health insurance plan.
5. Clients will be informed of the tobacco-free policy upon admission.

Promoting Adherence

1. A staff member who encounters other staff members, contractors, vendors, or visitors not adhering to the tobacco-free policy should politely explain the policy and advise his/her supervisor.
2. A staff member who encounters a client who is not adhering to the tobacco-free policy should politely explain the policy and advise the client’s treatment team.
3. A staff member who does not adhere to this policy is subject to disciplinary action as determined by his/her supervisor.
4. Non-adherent contractors, vendors, visitors, and other individuals may be excluded from the property.
5. Non-adherence to this policy by a client is a treatment issue to be addressed by the client’s treatment team. This is an opportunity for the treatment team and client to collaborate on supporting the client in adhering to the policy, which may include: ensuring adequate treatment of withdrawal symptoms while onsite, minimizing triggers, and identifying coping strategies.

Date

Public Health Director