

Board of Health Meeting December 17, 2024

The Public Health
 Authority of Cabarrus
 County Board Meeting
 Agenda

December 17, 2024
 5:30 pm

A. CALL TO ORDER	Chairperson Lara Pons, MD
B. <u>ADOPTION OF THE AGENDA</u> December 17, 2024 <i>Motion</i>	Chairperson Lara Pons, MD
C. <u>APPROVAL OF THE MINUTES</u> October 15, 2024 <i>Motion</i> October 15, 2024: Closed Session <i>Motion</i>	Chairperson Lara Pons, MD
D. <u>INFORMAL PUBLIC COMMENTS</u>	Chairperson Lara Pons, MD
E. <u>BOARD MEMBER RECOGNITION</u>	Chairperson Lara Pons, MD Mark Spitzer, Vice-Chair
F. <u>REPORTS</u> Customer Satisfaction Survey Results Community Health Needs Assessment Update Finance Committee Comprehensive Annual Financial Report Financial Summary Report CHA Snapshot	Asma Warrich, MPH, Quality Improvement and Accreditation Jessica Grant, Ed.D., Healthy Cabarrus Sue Yates, Chief Financial Officer
G. <u>CONSENT AGENDA</u> <i>Motion</i> Budget Revisions	Chairperson Lara Pons, MD Sue Yates
H. <u>BUSINESS AGENDA</u> <i>Motion</i> Creamery Lease	Sue Yates
I. <u>ANNOUNCEMENTS</u>	Chairperson Lara Pons, MD
J. <u>CLOSED SESSION</u> <i>Motion</i>	
K. <u>MOTION TO ADJOURN</u> <i>Motion</i>	Chairperson Lara Pons, MD



C. APPROVAL OF THE MINUTES

Chairperson Lara Pons, MD

October 15, 2024
Meeting Minutes



D. INFORMAL PUBLIC COMMENTS

Chairperson Lara Pons, MD



E. BOARD MEMBER RECOGNITION

Chairperson Lara Pons, MD
Vice-Chair Mark Spitzer



F. REPORTS

Customer Satisfaction Survey Results

Asma Warrich, MPH, Quality Improvement and Accreditation

Community Health Needs Assessment

Jessica Grant, Ed.D., Healthy Cabarrus

Committee Reports

Finance Committee

Sue Yates, Chief Financial Officer

- Financial Summary Report
- CHA Snapshot



CUSTOMER SATISFACTION SURVEY RESULTS (October 2024)

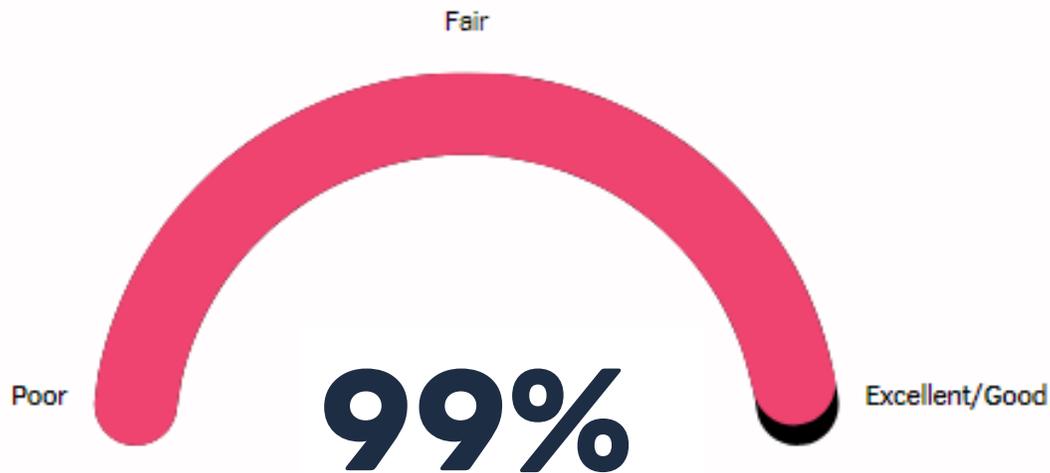
Analysis conducted by:
Asma Warrich



CABARRUS
HEALTH
ALLIANCE



CHA Clients Rated Overall Visit as Excellent/Good



- ❖ **99% of** clients rated their overall visit as Excellent/Good!
- ❖ Timeframe: October 2024
- ❖ 3 methods: Paper, QR code, survey link
 - ❖ Majority of submissions via paper survey
- ❖ **1219 total surveys collected**
 - ❖ Target **met** of collecting >1200 surveys

Cabarrus Health Alliance Customer Satisfaction Survey

Department/Program	Number of Responses	Customer Satisfaction Score
Community Health Worker	29	100%
Culinary Innovations	13	100%
Environmental Health	9	100%
Dental (Concord)	159	97%
Dental (Kannapolis)	100	99%
Lifestyle Medicine	23	96%
MDPP	22	100%
Syringe Service	51	100%
Care Management for High-Risk Pregnancy	41	100%
Care Management for At-Risk Children	26	100%

Department/Program	Number of Responses	Customer Satisfaction Score
Women, Infant and Children (WIC) (Both locations)	64	100%
LiveWell Counseling	48	96%
Jail-Based Services	25	96%
Integrated Behavioral Health	49	100%
Triple P	13	100%
School Health	404	99%
Women's Health*	37	97%
Pediatrics*	41	98%
Communicable Disease*	65	100%



CABARRUS COUNTY COMMUNITY HEALTH NEEDS

2025 ASSESSMENT OVERVIEW

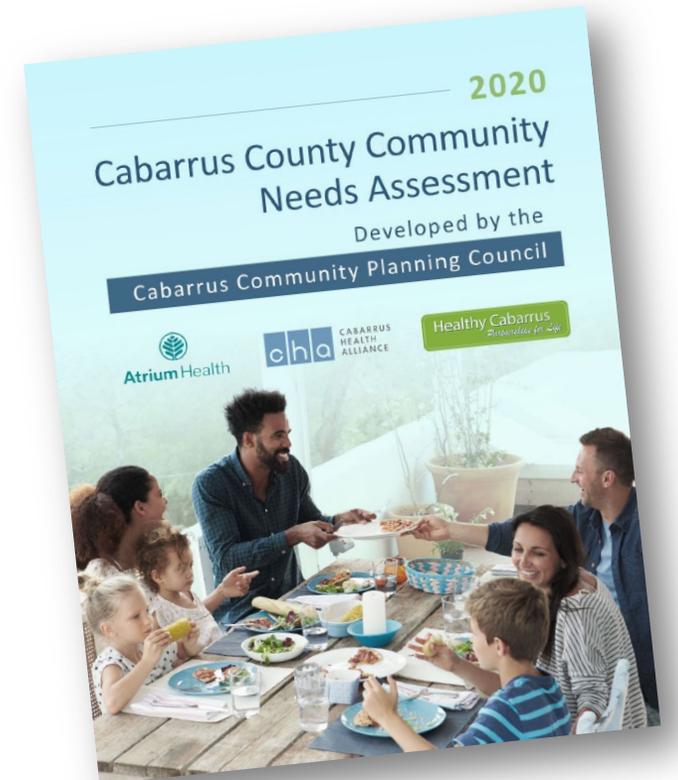


Healthy Cabarrus
Partnerships for Life

What is a Community Health Needs Assessment (CHNA)?

The CHNA is a process that engages the community in a systematic assessment and identification of key health needs of the county. This includes identifying, collecting, analyzing, and disseminating information on community assets, strengths, resources, and needs.

- Promotes **collaboration** and **partnership** among many organizations, agencies and community members
- Provides a **baseline** and **informs action plans, decisions, funding requests**
- Creates an **environment for discussion and change and empowers community members** to act on issues of concern
- Conducted every three to four years



CABARRUS COUNTY

CHNA KICKOFF

10.30.24

CROSSROADS CHURCH

8:30AM-10:00AM

Welcome

Erin Shoe

Cabarrus Health Alliance

CHNA Overview

Jessica Grant

Healthy Cabarrus

Housing

Ed Hosack

Cooperative Christian Ministry

Dr. Patrick Graham

WeBuild Concord

Early Childhood

Waynett Taylor

P.U.R.E. Excellence

Greater Cabarrus Foundation

Dr. Cam Cruickshank

Greater Cabarrus Foundation

Behavioral Health

Sonja Bohannon-Thacker

Cabarrus Health Alliance



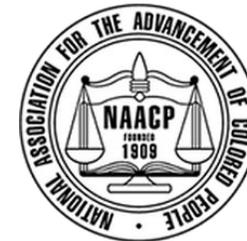
Attendees

COLLABORATION

CONNECTING COMMUNITY

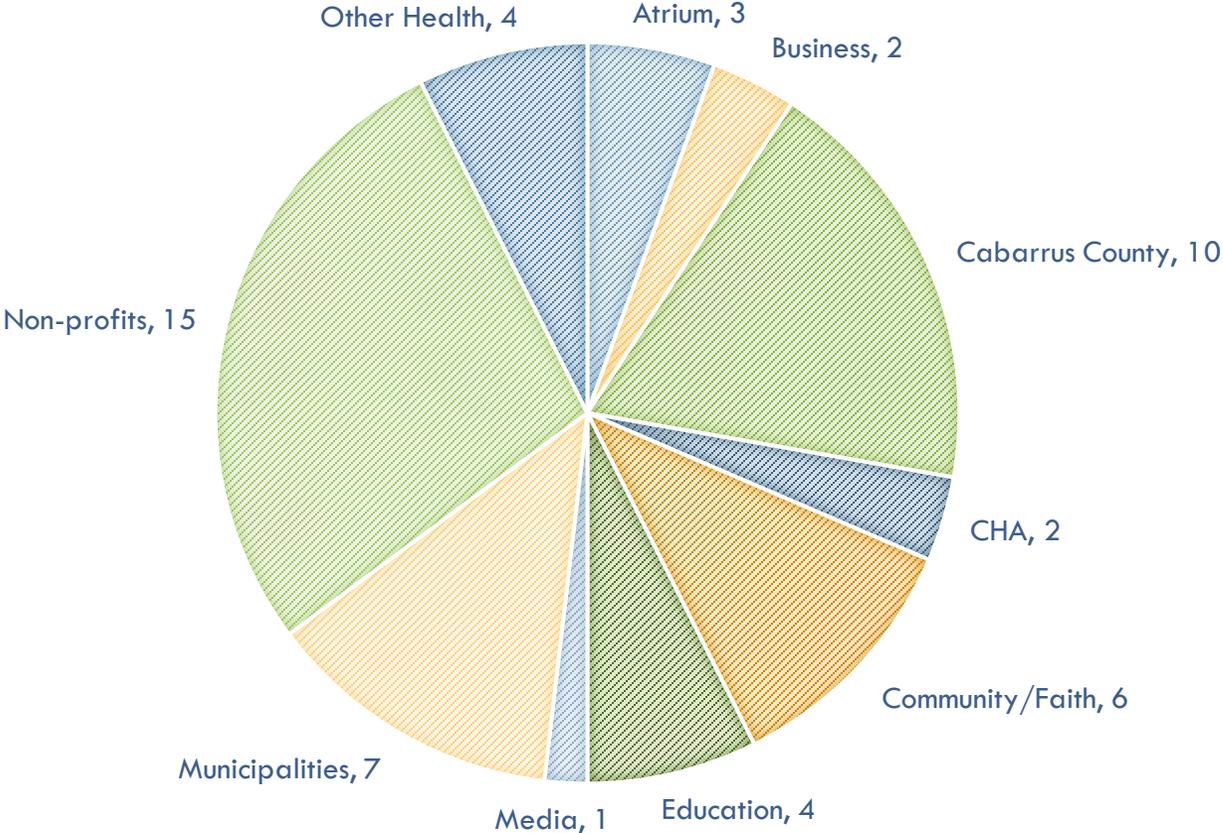


Concord Kannapolis Area Transit



2025 Community Planning Council

54 CONFIRMED
(INCLUDING EXECUTIVE COMMITTEE MEMBERS)



The Assessment Process



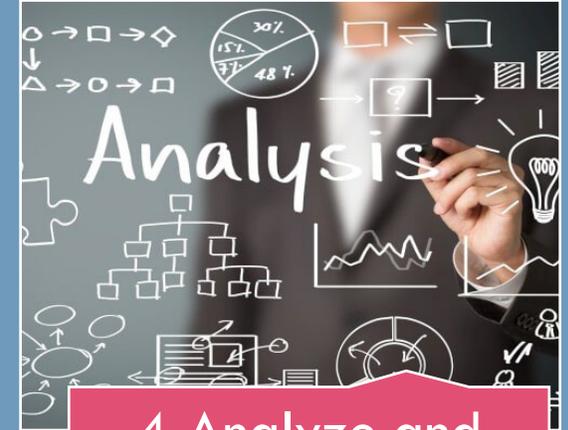
1-Establish CPC



2-Collect Primary Data



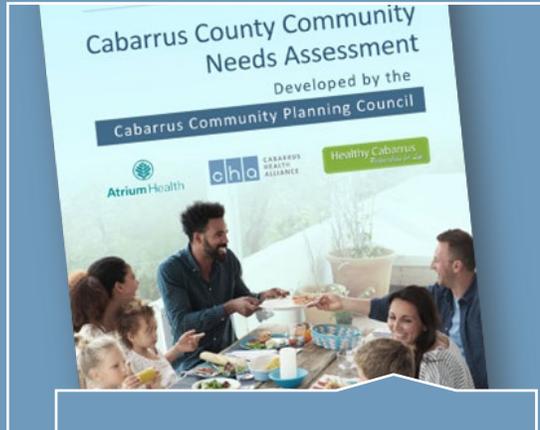
3-Collect Secondary Data



4-Analyze and Interpret Data



5-Select Priorities



6-Create Report



7-Share Results



8-Develop Action Plans

2020 Priority Needs

Housing

Behavioral Health

Early Childhood Education

December

- Introduction, Population Demographics, and Family and Social Support

January

- Community Safety, Education and Vocation/Employment

February

- Sexual Health, Health Behavior and Wellness

March

- Clinical Care, Dental Care, Mental Health and Substance Use

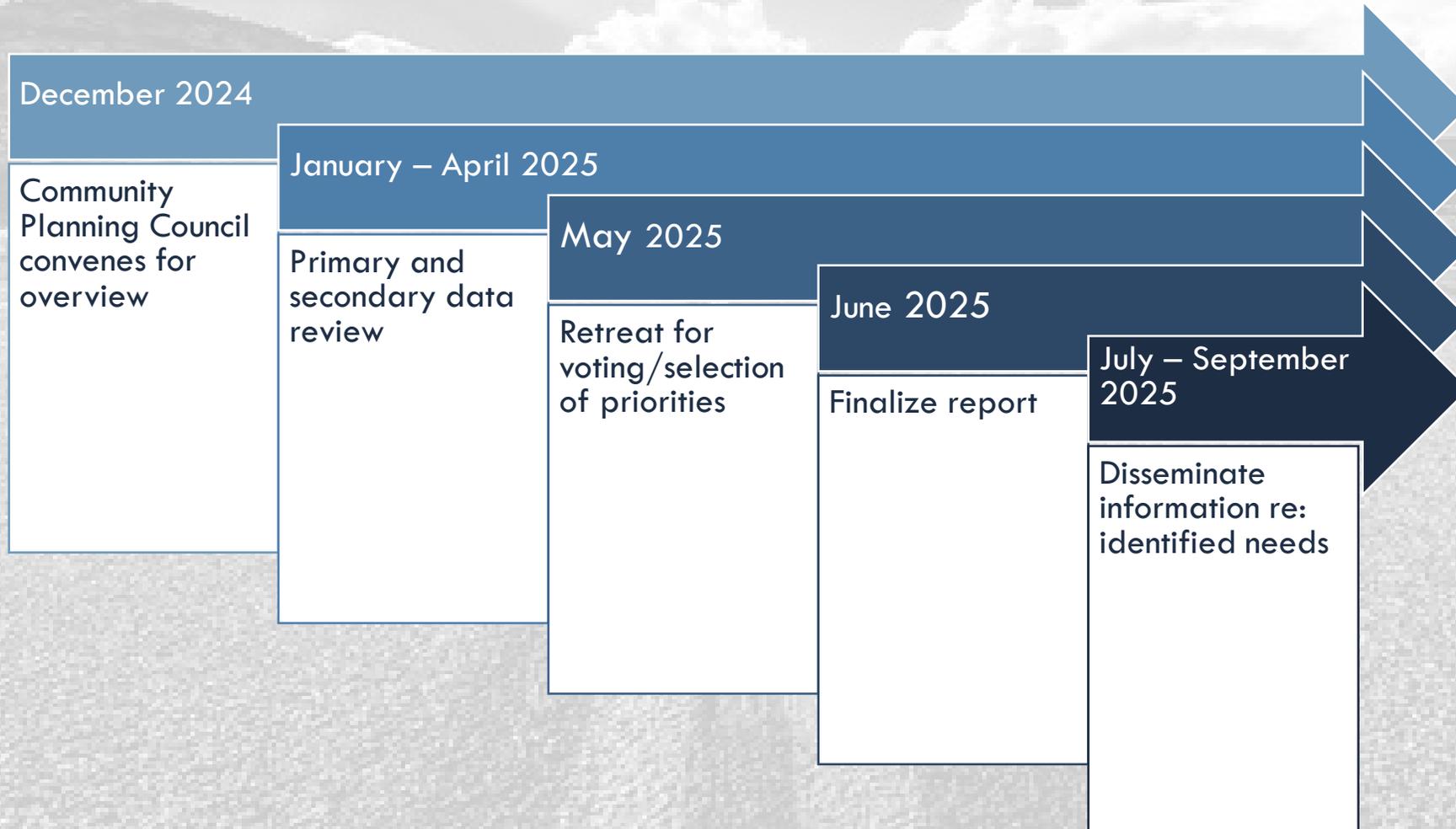
April

- Housing, Transportation, Physical Environment and Survey Findings

May

- Priority Voting/Selection

Our Path Forward





Hospital Systems



Health Departments

- Davidson
- Davie
- Forsyth
- Wilkes
- Alexander
- Cabarrus
- Gaston
- Lincoln
- Rowan
- Union
- Scotland

Partner Agencies



North Carolina Institute for Public Health (NCIPH)



Regional Collaborative

A group of people are seated at several long tables in a conference room, engaged in a meeting. They are looking towards the front of the room, where a speaker is likely presenting. The room has wood-paneled walls and a large doorway in the background with an "EXIT" sign above it. The overall atmosphere is professional and collaborative.

“The best way to predict the future is to create it together.”

-Peter Drucker

Healthy Cabarrus

**THANK
YOU!**

Jessica Grant

Healthy Cabarrus Executive Director
Cabarrus Health Alliance
704-920-1282

jessica.grant@cabarrushealth.org

Sandra Torres

Healthy Cabarrus Coordinator
Cabarrus Health Alliance
704-920-1339

sandra.torres@cabarrushealth.org



Healthy Cabarrus
Partnerships for Life



Public Health Authority of Cabarrus County



**Comprehensive Annual
Financial Report -
A Component Unit of Cabarrus County
North Carolina**

For the year ended June 30, 2024

Comprehensive Annual Finance Report (audit)
Fiscal Year 2024



Reviewed and recommended for approval by Finance Committee: 12/10/2024

PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY FINANCIAL SUMMARY REPORT					FY25 4 Months ending October 31, 2024			
	ACTUAL FY 2021	ACTUAL FY 2022	ACTUAL FY 2023	ACTUAL FY 2024	FY 2025 ORIGINAL BUDGET	FY 2025 BUDGET	ACTUAL 10/31/24	Y-T-D % COLLECTED
REVENUES								
INTERGOVERNMENTAL REVENUES	\$ 19,463,540	\$ 24,443,947	\$ 28,216,196	\$ 24,550,592	\$ 25,299,584	\$ 26,021,695	\$ 8,761,623	33.67%
MEDICAID COST SETTLEMENT	\$ 2,693,197	\$ 3,098,145	\$ 2,118,045	\$ 3,740,447	\$ 3,518,447	\$ 3,518,447	\$ 1,172,816	33.33%
MANAGED CARE QUARTERLY PAYMENT	\$ -	\$ -	\$ 529,831	\$ 450,509	\$ 458,174	\$ 458,174	\$ 83,954	18.32%
PERMITS & FEES	\$ 285,057	\$ 340,160	\$ 363,658	\$ 298,053	\$ 374,933	\$ 374,933	\$ 222,649	59.38%
SALES & SERVICES	\$ 1,716,097	\$ 1,541,742	\$ 1,243,433	\$ 1,177,936	\$ 1,285,285	\$ 1,285,285	\$ 495,339	38.54%
INVESTMENT EARNINGS	\$ 4,223	\$ 15,223	\$ 298,825	\$ 362,832	\$ 259,545	\$ 259,545	\$ 169,467	65.29%
MISCELLANEOUS	\$ 73,147	\$ 67,453	\$ 76,531	\$ 53,715	\$ 45,860	\$ 72,485	\$ 166,795	230.11%
CONTRIBUTIONS & PRIVATE GRANTS	\$ 1,002,571	\$ 579,848	\$ 1,476,544	\$ 1,595,583	\$ 3,329,705	\$ 4,236,410	\$ 879,515	20.76%
FUND BALANCE APPROPRIATED	\$ -	\$ -	\$ -	\$ -	\$ 902,169	\$ 4,304,100	\$ -	0.00%
TOTAL	\$ 25,237,834	\$ 30,086,519	\$ 34,323,063	\$ 32,229,467	\$ 35,473,702	\$ 40,531,074	\$ 11,952,157	29.49%
EXPENDITURES								
ENVIRONMENTAL HEALTH	\$ 1,124,681	\$ 1,429,941	\$ 1,735,411	\$ 1,712,590	\$ 1,996,588	\$ 1,996,588	\$ 661,387	33.13%
INFORMATION TECHNOLOGY SYSTEMS	\$ 951,084	\$ 1,158,973	\$ 1,092,401	\$ 1,054,304	\$ 1,207,803	\$ 1,207,803	\$ 460,224	38.10%
GENERAL ADMINISTRATION	\$ 2,779,340	\$ 3,235,818	\$ 4,665,661	\$ 4,307,096	\$ 7,343,403	\$ 10,942,778	\$ 2,059,991	18.83%
FAMILY CARE COORDINATION	\$ 1,109,438	\$ 1,251,648	\$ 1,582,220	\$ 1,341,827	\$ 1,492,364	\$ 1,492,364	\$ 507,821	34.03%
SCHOOL HEALTH	\$ 3,965,717	\$ 6,979,729	\$ 7,392,127	\$ 4,838,775	\$ 5,346,757	\$ 5,346,757	\$ 1,908,923	35.70%
COMMUNITY IMPACT	\$ 1,260,913	\$ 2,502,914	\$ 3,199,702	\$ 3,474,876	\$ 3,712,897	\$ 4,234,408	\$ 1,330,628	31.42%
DENTAL HEALTH	\$ 2,939,644	\$ 3,708,063	\$ 4,015,567	\$ 5,180,045	\$ 5,419,750	\$ 6,379,469	\$ 2,125,969	33.33%
VITAL RECORDS	\$ 57,832	\$ 70,154	\$ 72,346	\$ 78,036	\$ 80,188	\$ 80,188	\$ 30,224	37.69%
COMMUNICABLE DISEASE	\$ 4,657,174	\$ 4,145,338	\$ 5,158,646	\$ 4,228,051	\$ 2,595,496	\$ 2,587,113	\$ 704,855	27.24%
CLINICAL SERVICES	\$ 3,220,341	\$ 3,816,726	\$ 3,594,777	\$ 2,924,908	\$ 3,246,360	\$ 3,246,360	\$ 1,203,909	37.08%
BEHAVIORAL HEALTH	\$ -	\$ 147,966	\$ 807,960	\$ 1,636,290	\$ 2,129,454	\$ 2,114,604	\$ 617,462	29.20%
WIC	\$ 832,770	\$ 811,156	\$ 880,309	\$ 928,672	\$ 902,642	\$ 902,642	\$ 334,481	37.06%
TOTAL	\$ 22,898,733	\$ 29,258,426	\$ 34,197,127	\$ 31,705,471	\$ 35,473,702	\$ 40,531,074	\$ 11,945,874	29.47%
Y-T-D FUND BALANCE INCREASE (DECREASE)	\$ 2,339,100	\$ 828,093	\$ 125,936	\$ 523,996	\$ -	\$ -	\$ 6,284	



Cabarrus Health Alliance Snapshot

October 31, 2024

Target Percentage 33.33%

	Budget	Actual	YTD Percentage		Comments
Environmental Health					
Revenue	1,996,588	764,432	38.29%		
Expense	1,996,588	661,387	33.13%		
Information Technology					
Revenue	813,366	339,027	41.68%		
Expense	1,207,803	460,224	38.10%		
General Administration					
Revenue	10,079,518	1,461,983	14.50%		
Expense	10,942,778	2,059,991	18.83%		
Family Care Coordination					
Revenue	1,492,364	585,996	39.27%		
Expense	1,492,364	507,821	34.03%		
School Health					
Revenue	5,346,757	945,507	17.68%		
Expense	5,346,757	1,908,923	35.70%		Expenses are reimbursed one month after incurred.
Community Impact					
Revenue	4,234,408	1,202,770	28.40%		
Expense	4,234,408	1,330,628	31.42%		Expenses are reimbursed one month after incurred.
Dental Health					
Revenue	7,637,166	3,010,822	39.42%		
Expense	6,379,469	2,125,969	33.33%		Cost Study has been added in - \$1,112,649
Vital Records					
Revenue	80,188	33,412	41.67%		
Expense	80,188	30,224	37.69%		
Communicable Disease					
Revenue	2,587,113	858,218	33.17%		
Expense	2,587,113	704,855	27.24%		
Clinical Services					
Revenue	3,246,360	1,205,499	37.13%		
Expense	3,246,360	1,203,909	37.08%		Monitoring as we invest in Adult Primary Care; cost study and one quarter of direct payment has been added in - \$104,215
Behavioral Health					
Revenue	2,114,604	692,546	32.75%		
Expense	2,114,604	617,462	29.20%		
WIC					
Revenue	902,642	154,185	17.08%		
Expense	902,642	334,481	37.06%		Monitoring as we invest in WIC. Expenses are reimbursed one month after incurred.
Green - Revenues are greater than expenses or percentage is within 5% points					
Yellow - Revenues are less than expenses when not anticipated and percentage variance is between 6% and 15%					
Red - Revenues are less than expenses when not anticipated and percentage variance is greater than 16%					

Reviewed and recommended for approval by Finance Committee:
12/10/2024



G. CONSENT AGENDA

Budget Revisions

Sue Yates



Budget Revisions, *Motion*

Summary	Amount Increase or (Decrease)
1. CLINICAL SERVICES: To budget for funds received from Community Care of NC for Pediatric Clinical Services	\$52,812
2. ARPA WORKFORCE: To budget for additional funds received from State Agreement Addendum 117; Public Health Infrastructure: Local Workforce Development	\$8,189
3. ARPA WORKFORCE: To adjust budget for State Agreement Addendum 118; Regional Foundational Capabilities Development	\$(1)
4. FAMILY PLANNING: To adjust budget for State Agreement Addendum 151; Family Planning	\$(1)
5. IMMUNIZATIONS: To adjust budget for State Agreement Addendum 715; Immunization Action Plan	\$10



CABARRUS HEALTH ALLIANCE Budget Revision/Amendment Request

#1

Date: 12/17/2024

Amount: \$ 52,812

Type of Adjustment:

Health Director: Erin Shoe

Internal Transfer Within Program

Purpose of Request: To budget for funds received from Community Care of NC for Pediatric Clinical Services.

Transfer Between Programs

Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265875-6443-200	Community Care of NC-Peds	\$ -	\$ 26,406	\$ -	\$ 26,406
00265875-6443-5351A	Community Care of NC-CH	\$ -	\$ 26,406	\$ -	\$ 26,406
00295875-9101-200	Salaries&Wages-Pediatric PC	\$ 461,99	\$ 26,406	\$ -	\$ 488,399
00295875-9101-5351A	Salaries & Wages - Child Hlth	\$ 465,92	\$ 26,406	\$ -	\$ 492,330

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: 12/17/2024

Amount: \$ 8,189

Type of Adjustment:

Health Director: Erin Shoe

Internal Transfer Within Program

Purpose of Request: To budget for additional funds received from State Agreement Addendum 117;

Transfer Between Programs

Public Health Infrastructure:Local Workforce Development.

Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265815-6200-50117	CHA Grant-PHILWD	\$ 540,000	\$ 8,189	\$ -	\$ 548,189
00295815-9101-50117	Salaries & Wages-PHILWD	\$ 540,000	\$ 8,189	\$ -	\$ 548,189

Finance Office Use Only

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



CABARRUS HEALTH ALLIANCE Budget Revision/Amendment Request

#3

Date: 12/17/2024

Amount: \$ _____ (1)

Type of Adjustment:

Health Director: Erin Shoe

Internal Transfer Within Program

Purpose of Request: To adjust budget for State Agreement Addendum 118;

Transfer Between Programs

Regional Foundational Capabilities Development.

Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265865-6200-50118	CHA Grant-RFCD	\$ 107,453	-	-	\$ 107,452
00295865-9101-50118	Salaries & Wages-RFCD	\$ 107,543	-	-	\$ 107,542

Finance Office Use Only

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



CABARRUS HEALTH ALLIANCE Budget Revision/Amendment Request

#4

Date: 12/17/2024

Amount: \$ _____ (1)

Type of Adjustment:

Health Director: Erin Shoe

Internal Transfer Within Program

Purpose of Request: To adjust budget for State Agreement Addendum 151; 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	\$ 110,880	-	-	\$ 110,879
00295875-9101-5151A	Salaries & Wages-Family Plan	\$ 210,871	-	-	\$ 210,870

Finance Office Use Only

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



CABARRUS HEALTH ALLIANCE Budget Revision/Amendment Request

#5

Date: 12/17/2024

Amount: \$ 10

Type of Adjustment:

Health Director: Erin Shoe

Internal Transfer Within Program

Purpose of Request: To adjust budget for State Agreement Addendum 715; Immunization Action Plan.

Transfer Between Programs

Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265865-6200-57150	CHA Grant - Immun Action Plan	\$ 45,556	\$ 10	\$ -	\$ 45,566
00295865-9101-57150	Salaries & Wages - Imm Action	\$ 201,805	\$ 10	\$ -	\$ 201,815

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



H. BUSINESS AGENDA

Creamery Lease
Sue Yates



Creamery Lease, *Motion*

- Current three-year lease expires January 2025
- Brown Mill on-schedule; projected move-in January 2026
- Negotiated Creamery lease extension with contingency months for delayed construction, etc.

Months	Rent/Rentable SF	Annual Rent	Monthly Rent
February 1, 2025 – January 31, 2025	\$19.25	\$84,387.96	\$7,032.33
February 1, 2026 – April 30, 2026	\$19.83	\$21,729.90 (3 months)	\$7,243.30



Creamery Lease Agreement



I. ANNOUNCEMENTS

Chairperson Lara Pons, MD



J. Motion to Enter Into Closed Session

Chairperson Lara Pons, MD

Motion to Enter into Closed Session pursuant to NCGS 143-318.11 (a)(1) to prevent the disclosure of information that is privileged or confidential pursuant to North Carolina Law



K. Motion to Adjourn

Chairperson Lara Pons, MD



Supplementary Documents Linked to Agenda Items



Public Health Authority of Cabarrus County
Board Meeting Minutes
October 15, 2024

Members Present: Lara Pons, MD, Chair
Mark Spitzer, Vice-Chair
Steve Morris
Daryle Adams
Cecilia Plez
Asha Rodriguez
Amy Jewell

Members Absent: Carrie Dove
Natasha Lipscomb

Staff Present: Erin Shoe, Persida Vallejo, Dr. Elly Steel, Sue Yates, April Sloop, Sarah Vingoe, Sonja Bohannon-Thacker

Guests and Members of Public Present: None

CALL TO ORDER

Chairperson Lara Pons called the meeting to order at 5:32 PM.

ADOPTION OF THE AGENDA

Chairperson Lara Pons requested a motion to adopt the agenda. Daryle Adams moved. Steve Morris seconded. Motion and approval carried unanimously.

APPROVAL OF THE MINUTES

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

EMPLOYEE RECOGNITION

The GlaxoSmithKline Foundation 2024 Public Health Staff Recognition Award was awarded to Persida Vallejo. Board members and Dental Director, Elly Steel, shared sentiments of appreciation for Persida's contributions as a valued member of the dental division. Her dedication and impact on the team were highlighted, emphasizing the positive difference she has made in promoting public health initiatives. The recognition serves as a testament to her hard work and commitment to the mission of the organization.

INFORMAL PUBLIC COMMENTS

No public comments.

BOARD MEMBER INSTALLATION & OATH OF SERVICE

Amy Jewell took the oath of service to officially join the board of commissioners. The oath was presented by Alisha Richards.

REPORTS

Behavioral Health Division Report – Sonja Bohannon-Thacker

Sonja Bohannon-Thacker provided a comprehensive update on the Behavioral Health Division. She announced an increase in the budget, attributing this growth to rising revenue and successful grant applications. The staff composition was highlighted, noting that the majority are clinical professionals, with recent additions including a Behavioral Health program manager, a psychiatric nurse practitioner, a new bilingual social worker in Women's Health, and a community-based peer support specialist. There remains one open position within the team. Sonja detailed the presence of three full-time clinicians at the Creamery for LiveWell Counseling and outlined the division's school-based counseling services, which are now offered in both Cabarrus County Schools and Kannapolis City Schools.

She shared client demographic information, noting significant changes in integrated services due to the increasing prevalence of substance abuse programs, particularly among the white population. In terms of service delivery, Sonja reported that jail-based services are now available onsite five days a week, with an on-call presence over the weekends. She acknowledged collaborative partnerships with various organizations, including Cabarrus County Schools, Kannapolis City Schools, EMS, Atrium Health, Cooperative Christian Ministries, and Opportunity House. Looking ahead, she shared the division's goals for the year, which include creating a sustainable funding model, expanding the comprehensive service continuum, aligning detention services with the National Commission on Correctional Health Care (NCCHC) standards, and focusing on quality improvement initiatives.

Finance Committee Reports – Sue Yates

Sue Yates presented two reports that were reviewed by the finance subcommittee: one covering the financials for the two months ending August 31, 2024, and the other providing a comprehensive financial summary report. In addition to these updates, a follow-up discussion included insights from the CHA Snapshot report, which offered further context and analysis of the organization's financial standing.

CONSENT AGENDA

Sue Yates presented the following budget revisions:

1. To budget for Behavioral Health STOP Grant from SAMHSA \$60,000
2. DENTAL: To budget for funds received from University of Iowa for participation in a pilot program, additional funding from City of Kannapolis, City of Concord, and Smart Start, and BCBS funding for mobile services in Mt. Pleasant \$79,000
3. To budget for carry over funds for the Human Resources Information System from Cabarrus County ARPA dollars \$33,400
4. To reduce budget for Cabarrus Public Health Interest \$(87,818)
5. To reduce budget for Community Health Workers due to carryover adjustments \$(48,922)
6. To reduce budget for Prescription Drug Overdose Agreement Addendum due to planning vs actual \$(100)
7. To budget for an increase in Vital Strategies funding \$6,374
8. To budget for Agreement Addendum funding for COVID-19 Vaccination Program \$7,885

The following financial policies were reviewed with no changes:

1. Donation Policy
2. Donation Policy – CPHI
3. Public Health, Primary Care, and Dental Services – False Claims & Fraud Prevention Policy

BUSINESS AGENDA

Personnel Policy Updates – Jamie Newman

Jamie Newman, Interim HR Director, presented updates on two key items during the meeting. First, she discussed the personnel policy updates, which included a total of 23 revisions. All proposed updates received board approval, with Mark serving as the first to make the motion and Steve providing the second. The board voted unanimously in favor of the updates, reflecting a strong commitment to enhancing organizational policies.

The board discussed insurance coverage for qualified retirees. The plan aims to maintain the same level of coverage and out-of-pocket costs for retirees while also managing utilization on the group plan. Additionally, the proposal includes enrolling retirees in a plan through the individual marketplace that offers the same network and a similar level of coverage. The organization will continue to cover the premium costs for retirees and will provide a Health Reimbursement Arrangement (HRA) to reimburse deductibles and coinsurance, ensuring that out-of-pocket expenses remain comparable to those of active employees. Mark made the motion for approval, with Steve seconding it, and the board voted unanimously in favor of the proposal.

CHA Board Committee Structure – Erin Shoe

Erin Shoe, Public Health Director, proposed changes to the committees on which board members serve. She introduced three new committees: the Executive and Finance Committee, which will include Dr. Lara Pons, Mark Spitzer, and Daryle Adams; the Community Health Needs Assessment and Blue Zones Committee, featuring Asha Rodriguez, Steve Morris, and Amy Jewell; and the Clinical Excellence Committee, which will comprise Cecelia Plez, Dr. Kerry Dove, and Dr. Natasha Lipscomb. These changes aim to enhance the board's effectiveness and focus on key public health initiatives.

ANNOUNCEMENTS

Next Meeting – December 17, 2024

Brown Mill Tours – tentatively: Drop ins: Nov 15, 18, 19

A motion for a closed session was proposed during the meeting, with Steve Morris making the first motion and Cecelia Plez providing the second. The board proceeded to discuss the matter further before moving into the closed session.

MOTION TO ADJOURN

No further business to come before the Board.

Chairperson Lara Pons requested a motion to adjourn the meeting. Mark Spitzer moved. Cecelia Plez seconded the motion. Motion to adjourn carried unanimously.

The meeting was adjourned at 7:02 PM.

The next meeting of the Board will be December 17, 2024 at 5:30pm.

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

ATTEST

Erin Shoe, MPH
Public Health Director

Minutes Taken by April Sloop
Public Information Officer/Communications Manager

DRAFT



Public Health Authority of Cabarrus County



Comprehensive Annual Financial Report - A Component Unit of Cabarrus County North Carolina

For the year ended June 30, 2024



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, 2024

Prepared By

Cabarrus Health Alliance Finance Department

Finance Director

Sue K. Yates



**Cabarrus Health Alliance, North Carolina
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024**

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Introductory Section



CABARRUS
HEALTH
ALLIANCE

at NC Research Campus

November 8, 2024

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, 2024.

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, 2024, 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, 2024, 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.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Cabarrus Health Alliance's MD&A can be found immediately following the report of the independent auditors.

Profile of the Alliance

The Cabarrus Health Alliance was established on July 1, 1997, by agreement of Cabarrus County Board of Commissioners, in order to operate and maintain a facility to provide community health promotion services. Assets were transferred to the Alliance on July 1, 1997. The Public Health Authority of Cabarrus County (dba Cabarrus Health Alliance) is a legally separate governmental entity and is a component unit of Cabarrus County. The Alliance created a 501 (c) (3) non-profit organization, The Cabarrus Public Health Interest (the "CPHI"); with public charity status for fundraising efforts that benefit the Alliance and the public it serves. The Interest is a component unit of the Alliance because it is governed by the same Board of Directors.

The Bylaws of the Alliance require a nine-member Board of Directors comprised of representatives from Cabarrus County or Kannapolis City School System, a practicing dentist, a practicing physician in the field of infectious diseases, a practicing physician in whose primary practice is located in Cabarrus County, one member appointed by the governing board of the main hospital located in Cabarrus County, the Cabarrus County Commissioners, one appointed by the Board of Health, and three at-large seats, which are nominated by the Alliance Board and appointed by the Cabarrus County Board of Commissioners.

The Alliance provides a broad range of health services to the citizens of Cabarrus and surrounding counties. These services include adult, maternal, child, and family health care, dental, and nutritional needs. The Alliance contracted with the Cabarrus County Board of Commissioners to provide communicable disease, vital records, and environmental health services from July 1, 1997, through June 30, 1998. The Board of Health dissolved June 30, 1998, upon approval of legislation for the Public Health Authority to provide state mandated services, and the Cabarrus Health Alliance Board became responsible for all public health services effective July 1, 1998.

The annual budget serves as the foundation for the Cabarrus Health Alliance's financial planning and control. The Alliance's Chief Financial Officer (CFO), uses these requests as the starting point for developing a proposed budget. The CEO then presents this proposed budget to the board for review prior to June 1. The board is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the Cabarrus Health Alliance's fiscal year. The appropriated budget is prepared by fund, function (e.g., human services), and department (e.g., general administration). The Alliance's CEO may transfer amounts between objects of expenditures and revenues within a department without limitation. The CEO may transfer amounts up to \$25,000 between departments but may not transfer any funds from any contingency appropriation without action of the Alliance Board. Additional authority is granted to the CEO to transfer amounts for the sole purpose of funding salary and benefits adjustments consistent with the Cabarrus Health Alliance Personnel Ordinance. The CEO may award and execute contracts that are not required to be bid or which G.S. 143-131 allows to be informally bid so long as the annual budget contains sufficient appropriated but unencumbered funds for such purposes. The CEO may increase or decrease the number of positions in the Alliance depending on market demand for services and may also adjust

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 26 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 3.8%. This is a increase from last year's 3.3%. The County population has increased by 25.94% and the per capita income increased by 29.6% in the last eight years.

The Alliance received an annual contribution from Cabarrus County, which as of June 30, 2024, represented 34.11% 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 FY24, 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 initiatives.

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 (28 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 approaches 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, 2023. This was the twenty-third 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,

Erin Shoe, MPH
Director of Public Health/Chief Executive Officer

Sue K. Yates
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

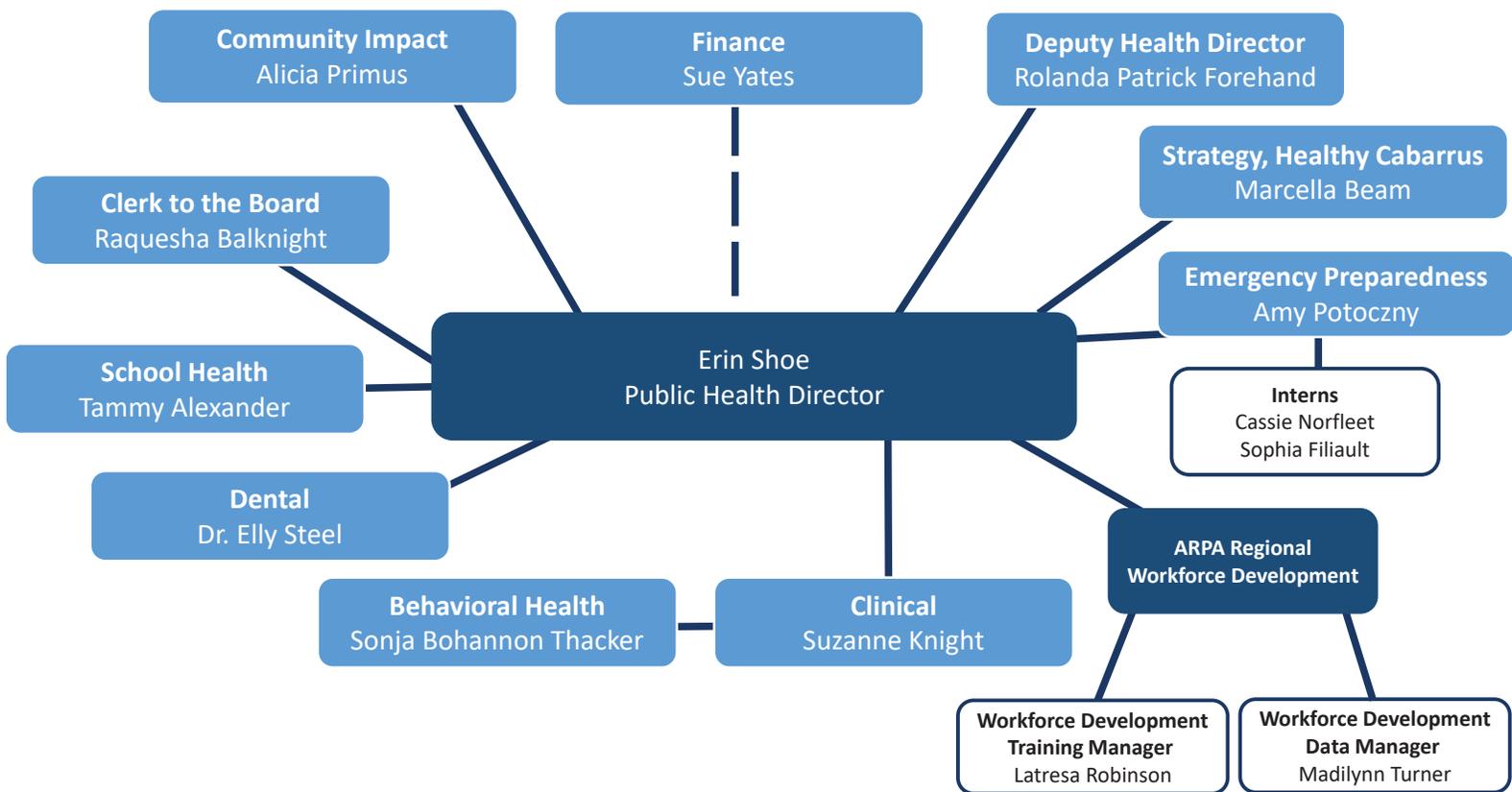
**Public Health Authority of Cabarrus County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



**List of Appointed Officials
As of June 30, 2024**

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	Cecilia 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	Erin K. Shoe, MPH
Deputy Public Health Director	Rolanda Patrick Forehand, 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, MPH
Dental Program Director	Elly A. Steel, DMD, MPH
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 R. Balknight
Director of School Health	Tammy S. Alexander, MSN, RN, NCSN
Community Impact Director	Alicia M. Primus, DHA, MPH, CHES
Development Officer	Sarah S. Vingoe
Behavioral Health Program Director	Sonja J. Bohannon-Thacker, MSW, LCSW, PMH-C
Healthy Living Director	Nina M. Beech
Licensed Clinical Social Worker	Laura M. Pierce-Crayton, MSW, LCSW
School Health Asst. Director	Wendy G. Harsch, RN, BSN NCSN
Assistant Director of Clinical Services	Julia C. Patterson, RN, BSN

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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 ended June 30, 2024, 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, 2024, 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 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 a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that , individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 responsive 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 50, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on pages 51 and 52, 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 budgetary schedules, capital asset schedules and 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 relates 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 November 8, 2024, 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.

November 8, 2024
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, 2024. 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.

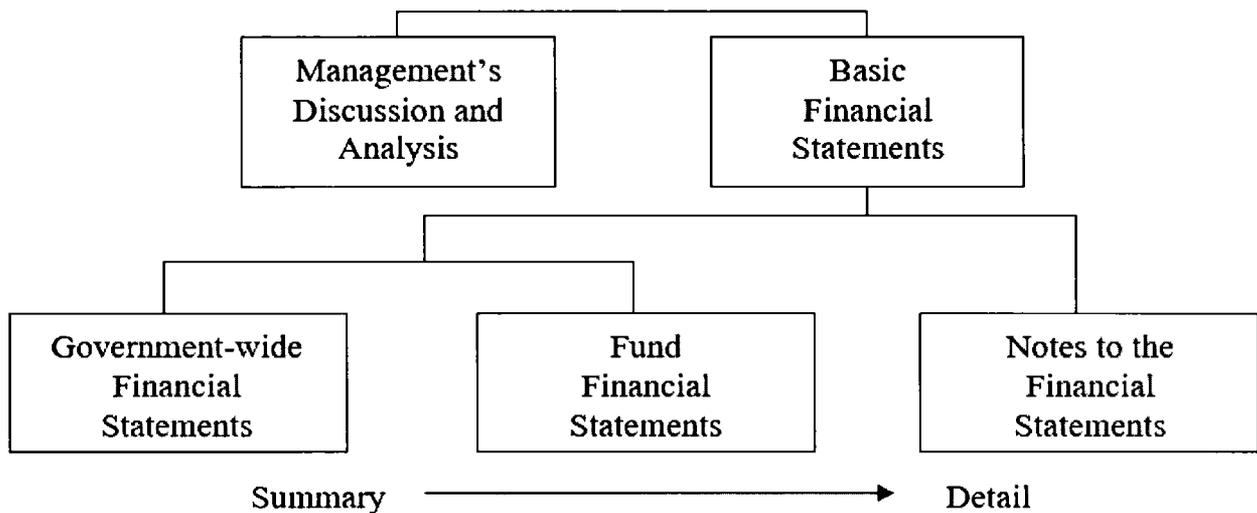
Financial Highlights

- 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 \$4,968,383 (*net position*)
- The Alliance's total net position decreased by \$1,671,594, primarily due to an increase in pension expense.
- As of the close of the current fiscal year, the Cabarrus Health Alliance's governmental funds reported combined ending fund balances of \$12,180,690 after a net increase in fund balance of \$523,998. Approximately 32.2 percent of this total amount, or \$3,917,177, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,263,513 or 22.78 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 the following 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 postemployment benefits to its employees. Required supplementary information can be found beginning on page 50 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 \$4,968,383 as of June 30, 2024. The Alliance's net position decreased by \$1,671,594 for the fiscal year ended June 30, 2024. One portion of the net position, \$1,325,201 (26.67%) 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, \$3,917,177 (78.84%) represents resources that are subject to external restrictions on how they may be used. The remaining balance deficit of \$(273,995) (5.51%) is unrestricted.

Cabarrus Health Alliance's Net Position		
	Governmental Activities	
	2024	2023
Current and other assets	\$ 14,269,645	\$ 13,892,853
Note receivable (see Note V.4)	-	200,000
Capital and right to use	1,807,312	1,635,157
Total assets	<u>16,076,957</u>	<u>15,728,010</u>
Deferred outflows of resources related to pensions	9,434,426	8,562,350
Deferred outflows of resources related to OPEB	57,869	191,554
Total deferred outflows of resources	<u>9,492,295</u>	<u>8,753,904</u>
Long-term liabilities outstanding	18,025,832	15,799,932
Other liabilities	2,339,278	1,843,777
Total liabilities	<u>20,365,110</u>	<u>17,643,709</u>
Deferred revenue	34,298	-
Deferred inflows of resources related to pensions	96,959	59,091
Deferred inflows of resources related to OPEB	104,502	139,137
Total deferred inflows of resources	<u>235,759</u>	<u>198,228</u>
Net position:		
Net investment in capital assets	1,325,201	1,159,138
Restricted	3,917,177	2,250,238
Unrestricted	(273,995)	3,230,601
Total net position	<u>\$ 4,968,383</u>	<u>\$ 6,639,977</u>

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

- The General Fund had an original budgeted fund balance appropriation of \$-0- that was not used during the fiscal year.
- Alliance departments were conservative in their spending and expenditures at June 30, 2024 were \$3,754,644 under budget.
- Accounts receivable increased by \$1,272,045 due to not receiving state and county reimbursement for June funds prior to year-end.
- Deferred outflows of resources related to pensions increased by \$872,076 and deferred inflows of resources related to pensions increased by \$37,868.
- Net pension liability increased by \$3,300,631.

Cabarrus Health Alliance's Changes in Net Position		
	Governmental Activities	
	2024	2023
Revenues:		
Program revenues:		
Charges for services	\$ 10,845,617	\$ 8,636,464
Operating grants and contributions	20,836,882	24,818,871
General revenues:		
Investment earnings	362,632	298,825
Other	24,936	35,833
Total revenues	32,070,067	33,789,993
Expenses:		
Human Services:		
Administrative services	7,739,130	7,110,766
Environmental health	1,724,906	1,735,412
Dental health	4,786,731	3,939,513
Women, Infants, and Children (WIC)	929,917	880,318
Communicable disease	4,314,531	5,158,645
Clinical services	2,939,622	3,594,773
Family care coordination	1,341,827	1,582,219
Health initiatives	3,474,876	3,199,704
Behavioral Health	1,636,290	807,960
School Health	4,853,831	7,392,127
Total expenses	33,741,661	35,401,437
Increase (decrease) in net position	(1,671,594)	(1,611,444)
Net position, July 1	6,639,977	8,251,422
Net position, June 30	\$ 4,968,383	\$ 6,639,978

Governmental Activities

Governmental activities decreased the Alliance's net position by \$1,671,594. Key elements of this change are as follows:

- Increased administrative expenses by \$628,364.
- Increases throughout other departments include changes in state, federal, and private grant funding.
- Decrease in charge for services revenue across all programs.

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 \$7,263,513 while total fund balance reached \$12,180,690. 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 13.98% of general fund expenditures, while total fund balance represents 34.34% of that same amount.

At June 30, 2024, the governmental funds of the Cabarrus Health Alliance reported a fund balance of \$12,180,690, a 4.50% percent increase over the previous year. The primary reason 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 \$872,076.

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 \$1,594,451.

Major budget increases (decreases) during the year include:

- Environmental Health – Increased revenue for additional fees generated from food and lodging activities, \$37,696.
- Community Impact – Increased revenue primarily due to increase in Recovery Supportive Housing Grant, \$185,459, the REACH Grant, \$275,477 and the Elevate Grant, \$856,501.
- Dental Health – Increased revenue due to Medicaid Cost Settlement, \$391,460.

Capital Assets

Cabarrus Health Alliance’s capital assets for its governmental activities as of June 30, 2024, totals \$1,325,201 (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 equipment for Dental of \$33,000
- Purchased furniture & fixtures for Dental of \$321,311.
- Made leasehold improvements for Dental of \$177,510.

Cabarrus Health Alliance's Capital Assets		
(net of accumulated depreciation)		
	Governmental Activities	
	2024	2023
Furniture and fixtures	\$ 283,967	\$ 6,945
Vehicles	552,999	694,961
Equipment	303,059	455,172
Leasehold Improvement	185,177	16,785
Total	\$ 1,325,202	\$ 1,173,863

Additional information on the Cabarrus Health Alliance’s capital assets can be found in Note IV.C – Capital Assets on page 37 of the Basic Financial Statements.

Cabarrus Health Alliance's Outstanding Debt		
Long-Term Debt		
Governmental Activities		
	2024	2023
Compensated Absences	\$ 918,570	\$ 1,073,425
Leases	487,771	476,019
Net pension liability	15,685,258	12,384,627
Total OPEB liability	1,852,803	1,865,861
Total	\$18,944,402	\$15,799,932

As of June 30, 2024, Cabarrus Health Alliance had outstanding debt of \$18,944,402. The overall change in long-term debt was an increase of \$3,144,470. The increase in net pension liability of \$3,300,631 was the largest contributing factor to the increase of long-term liabilities for current fiscal year.

Additional information regarding the Cabarrus Health Alliance’s long-term debt can be found in Note IV. F – Long-Term Obligation Activity on page 39 of this audited financial report.

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, 2024 was 3.8 percent.
- The population in Cabarrus County has increased to 240,016 in 2024 from 192,103 in 2015. This represents a 24.94% increase.

Budget Highlights for the Upcoming Fiscal Year Ending June 30, 2025

- 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 33.94% of the total budgeted revenues for fiscal year 2025. 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 9.92% of the total budgeted revenues. Historically the Alliance has received an annual amount of \$990,000 to \$3,518,447
- Salaries and benefits continue to be our largest area of investment and represent an average of 76.76% of total budgeted expenditures, \$27.23 million. Annual performance increases were computed at an average of 3.0% for 10.5 months and a 1% COLA increase for 10.5 months, an approximate cost of \$672,820. Group Health Insurance rates increased to \$7,964 from \$7,495 in FY24. The state retirement rate increased to 13.62 % from 12.87%.

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, 2024

	Primary Government Governmental Activities
Assets	
Cash and investments	\$ 6,858,066
Restricted Assets:	
Cash	405,453
Receivables (net):	
Accounts receivable	5,207,443
Patient receivables, net	633,948
Sales tax	164,734
Prepaid expense	1,000,000
Capital Assets net of accumulated depreciation:	
Furniture and Fixtures	283,967
Vehicles	552,999
Equipment	303,059
Leasehold Improvement	185,177
Right to use lease assets, net of amortization	482,111
Total Capital Assets	1,807,313
Total assets	16,076,957
Deferred Outflows of Resources	
Pension deferrals	9,434,426
OPEB deferrals	57,869
Total deferred outflows of resources	9,492,295
Liabilities	
Accounts payable and accrued liabilities	1,015,255
Liabilities to be paid from restricted assets	405,453
Due within one year	918,570
Noncurrent liabilities due in more than one year:	
Due in more than one year	487,771
Net pension liability	15,685,258
OPEB liability	1,852,803
Total liabilities	20,365,110
Deferred Inflows of Resources	
Deferred revenue	34,298
Pension deferrals	96,959
OPEB deferrals	104,502
Total deferred inflows of resources	235,759
Net Position	
Net investment in Capital Assets	1,325,201
Restricted for:	
Stabilization by State Statute	3,917,177
Unrestricted	(273,995)
Total Net Position	\$ 4,968,383

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, 2024

	<u>Program Revenues</u>			<u>Net (Expense) Revenue And Change in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Total Primary Government Governmental Activities</u>
Function/Program Activities				
Governmental Activities:				
Administrative Services	\$ 7,739,130	\$ 9,790	\$ 3,176,949	\$ (4,552,391)
Environmental Health	1,724,906	298,053	1,566,881	140,028
Dental Health	4,786,731	6,198,146	406,619	1,818,034
Women, Infants, and Children	929,917	-	928,551	(1,366)
Communicable Disease	4,314,531	538,517	3,803,600	27,586
Clinical Services	2,939,622	2,488,497	706,737	255,612
Family Care Coordination	1,341,827	1,200,708	279,572	138,453
Health Initiatives	3,474,876	-	3,504,968	30,092
Behavioral Health	1,636,290	80,134	1,651,628	95,472
School Health	4,853,831	31,772	4,811,377	(10,682)
Total governmental activities	<u>\$ 33,741,661</u>	<u>\$ 10,845,617</u>	<u>\$ 20,836,882</u>	<u>(2,059,162)</u>
General Revenues:				
Unrestricted investment earnings				362,632
Miscellaneous revenues				24,936
Total General Revenues				<u>387,568</u>
Changes in net position				(1,671,594)
Net position, beginning				6,639,977
Net position, ending				<u>\$ 4,968,383</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, 2024

	<u>Major Fund</u>	<u>Total</u>
	<u>General Fund</u>	<u>Governmental Fund</u>
ASSETS		
Cash and investments	\$ 6,858,066	\$ 6,858,066
Restricted Assets:		
Cash	405,453	405,453
Receivables (net of allowance for uncollectibles)		
Accounts receivable	5,207,443	5,207,443
Patient receivables	633,948	633,948
Sales tax	164,734	164,734
Prepaid rent	1,000,000	1,000,000
Total assets	<u>\$ 14,269,644</u>	<u>\$ 14,269,644</u>
LIABILITIES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,015,255	\$ 1,015,255
Liabilities to be paid from restricted assets	405,453	405,453
Total liabilities	<u>1,420,708</u>	<u>1,420,708</u>
DEFERRED INFLOWS OF RESOURCES		
Other receivables	633,948	633,948
Deferred revenue	34,298	34,298
Total deferred inflows of resources	<u>668,246</u>	<u>668,246</u>
FUND BALANCES		
Nonspendable:		
Prepaid rent	1,000,000	1,000,000
Restricted:		
Stabilization by State Statute	3,917,177	3,917,177
Unassigned	7,263,513	7,263,513
Total fund balances	<u>12,180,690</u>	<u>12,180,690</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,269,644</u>	
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:		
Total Fund Balance, Governmental Funds		12,180,690
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 3,756,748	
Less accumulated depreciation	<u>(2,431,546)</u>	1,325,202
Pension related deferred outflows of resources		7,157,368
OPEB related deferred outflows of resources		57,869

**Cabarrus Health Alliance, North Carolina
Balance Sheet
Governmental Funds
June 30, 2023**

	<u>Major Fund</u>	
	<u>General Fund</u>	<u>Total Governmental Fund</u>
Deferred outflows of resources related to pension that are not reported in the funds		\$ 2,277,058
Deferred outflows of resources related to OPEB that are not reported in the funds		-
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.		482,111
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Deferred inflows for patient receivables	\$ 867,725	
Less allowance for doubtful accounts	<u>(233,777)</u>	633,948
Accrued interest related to right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds		-
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	(918,570)	
Leases	(487,771)	
OPEB Liability	<u>(1,852,803)</u>	(3,259,144)
Net pension liability		(15,685,258)
Pension related deferred inflows of resources		(96,959)
OPEB related deferred inflows of resources		<u>(104,502)</u>
Net position of governmental activities		<u>\$ 4,968,383</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, 2024

	Governmental Fund Types
	General
Revenues:	
Intergovernmental revenues	\$ 29,568,178
Permits and fees	307,843
Sales and services	1,214,948
Investment earnings	362,632
Miscellaneous	53,715
Contributions	522,153
Total Revenues	32,029,469
Expenditures:	
Current:	
Human services	31,131,266
Debt service	-
Capital outlay:	
Equipment	574,205
Total Expenditures	31,705,471
Excess (deficiency) of revenues over (under) expenditures	323,998
Special Item:	
Special item (see Note V.4)	200,000
Net change in fund balance	523,998
Fund balance, July 1	11,656,692
Fund balance, June 30	\$ 12,180,690

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, 2024

Governmental Fund Types
General

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)	\$	523,998
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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.		151,340
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Amount by which acquisition cost exceeds amortization expense for right to use assets		20,817
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The net effect of various miscellaneous transactions involving long term debt for leases is to decrease net position.		(10,787)
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Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.		2,277,058
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OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities.		127,085
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		40,598
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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	\$	(4,743,481)	
Compensated absences		154,855	
OPEB plan expense		(213,077)	(4,801,703)

Total changes in net position of governmental activities	\$	(1,671,594)
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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, 2024

	Original Budget	Revised Budget	Actual	Variance
Revenues:				
Intergovernmental revenues	\$ 30,242,150	\$ 31,182,572	\$ 29,568,178	\$ (1,614,394)
Permits and fees	541,239	539,886	307,843	(232,043)
Sales and services	1,495,959	1,318,626	1,214,948	(103,678)
Investment earnings	271,075	365,217	362,632	(2,585)
Miscellaneous	766,764	475,419	53,715	(421,704)
Contributions	548,477	578,395	522,153	(56,242)
Total Revenues	33,865,664	34,460,115	32,029,469	(2,430,646)
Expenditures:				
<i>Human Services:</i>				
Environmental Health	1,849,405	1,879,921	1,712,590	167,331
Information Technology Systems	1,077,468	1,113,334	1,054,304	59,030
General Administration	5,344,675	5,746,542	4,307,096	1,439,446
Family Care Coordination	778,371	1,534,890	1,341,827	193,063
School Health	4,868,140	4,868,140	4,838,775	29,365
Health Initiatives	2,766,378	3,927,849	3,474,877	452,972
Dental Public Health	4,988,480	5,377,936	5,180,045	197,891
Vital Records	75,660	79,160	78,036	1,124
Communicable Disease	4,973,320	4,843,566	4,228,051	615,515
Clinical Services	3,268,457	3,267,781	2,924,908	342,873
Behavioral Health	1,964,348	1,838,204	1,636,290	201,914
Women, Infants, & Children (WIC)	910,962	982,792	928,672	54,120
Total Human Services	32,865,664	35,460,115	31,705,471	3,754,644
<i>Debt Service:</i>				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total Debt Service	-	-	-	-
Total Expenditures	32,865,664	35,460,115	31,705,471	3,754,644
Excess (deficiency) of revenues over (under) expenditures	1,000,000	(1,000,000)	323,998	(1,323,998)
Other financing sources (uses):				
Special item, (see Note V.4)	-	-	200,000	200,000
Fund balance appropriated	-	1,000,000	-	1,000,000
Net change in fund balance	-	-	523,998	(123,998)
Fund balance, July 1			11,656,692	
Fund balance, June 30			<u>\$ 12,180,690</u>	

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

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, 2024

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.

PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY
(DBA CABARRUS HEALTH ALLIANCE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

I. Summary of Significant Accounting Policies - *continued*

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.

PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY
(DBA CABARRUS HEALTH ALLIANCE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

I. Summary of Significant Accounting Policies - *Continued*

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. 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, 2024.

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 Balance

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.

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I. Summary of Significant Accounting Policies - *Continued*

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, 2024 are as follows:

<u>Fiscal Year 2024</u>	<u>Unexpended Amount</u>
WIC Dream Center Lease	\$ 16,059
CCOFSP	168,877
CCNC	52,812
Vital Srag, Opioid Settlement, NC Central University	166,205
Other	<u>1,500</u>
Total Restricted Assets	<u>\$ 405,453</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 for 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.

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

I. Summary of Significant Accounting Policies - *Continued*

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, 2024 and, therefore, is not reported on the balance sheets as they are expenditures when purchased.

In governmental fund type accounts, prepaid expenses are generally accounted for using the purchase method. Under the purchase 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

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 received from the lessor at or prior to the start of the lease term, 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.

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I. Summary of Significant Accounting Policies - *Continued*

8. 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 \$633,948 as of June 30, 2024 and deferrals of pension expense that result from the implementation of GASB Statement 68.

9. 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.

10. 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.

11. Net Position/Fund Balances

Net Position

Net position in government-wide fund financial statements is classified as Notes 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.

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I. Summary of Significant Accounting Policies - *Continued*

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's 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.

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I. Summary of Significant Accounting Policies - *Continued*

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, 2024, 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."

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III. Reconciliation of government-wide and fund financial statements – *Continued*

Description	Amount
Capital outlay	\$ 574,205
Depreciation expense	<u>(422,865)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at change in net position of governmental activities	<u>\$ 151,340</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, 2024, the Alliance’s carrying amount of deposits was \$1,719,310 and the bank balance was \$2,214,641. 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, 2024, the Alliance had \$3,600 cash on hand.

At June 30, 2024, the Alliance’s investments consisted of \$5,540,603 in the North Carolina Capital Management Trust’s Government Portfolio, which carried a credit rating of AAA by Standard and

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IV. Detailed Notes on All Funds - Continued

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, 2024, were as follows:

	<u>Accounts</u>	<u>Patient Receivables</u>	<u>Sales Tax</u>	<u>Total</u>
Governmental Activities:				
General	\$ 5,207,441	\$ 867,725	\$ 164,734	\$ 6,239,900
Total receivables	5,207,441	867,725	164,734	6,239,900
Allowance for doubtful accounts	<u>-</u>	<u>(233,777)</u>	<u>-</u>	<u>(233,777)</u>
Total Governmental Activities	<u>\$ 5,207,441</u>	<u>\$ 633,948</u>	<u>\$ 164,734</u>	<u>\$ 6,006,123</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

Primary Government	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets being depreciated:				
Furniture & fixtures	\$ 397,513	\$ 333,957	\$ -	\$ 731,470
Vehicles	1,269,591	29,738	(33,593)	1,265,736
Equipment	1,541,416	33,000	(10,806)	1,563,610
Leasehold improvements	618,927	177,510	(600,505)	195,932
Total capital assets being depreciated	<u>3,827,447</u>	<u>574,205</u>	<u>(644,904)</u>	<u>3,756,748</u>
Less accumulated depreciation for:				
Furniture & fixtures	390,568	56,935	-	447,503
Vehicles	562,986	183,344	(33,593)	712,737
Equipment	1,097,888	173,469	(10,806)	1,260,551
Leasehold improvements	602,143	9,117	(600,505)	10,755
Total accumulated depreciation	<u>2,653,585</u>	<u>422,865</u>	<u>(644,904)</u>	<u>2,431,546</u>
Total capital assets being depreciated, net	<u>1,173,862</u>			<u>1,325,202</u>

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IV. Detailed Notes on All Funds - Continued

Capital assets being amortized:

Right to use assets:				
Leased equipment	\$ 172,294	\$ 12,077	\$ -	\$ 184,371
Leased building	703,531	293,799	(261,385)	735,945
Total right to use assets	<u>875,825</u>	<u>305,876</u>	<u>(261,385)</u>	<u>920,316</u>
Less accumulated amortization for:				
Leased equipment	25,627	39,226	-	64,853
Leased building	388,903	298,152	(313,703)	373,352
Total accumulated amortization	<u>414,530</u>	<u>337,378</u>	<u>(313,703)</u>	<u>438,205</u>
Total capital assets being amortized, net	<u>461,295</u>	<u>(31,502)</u>	<u>52,318</u>	<u>482,111</u>
Governmental activity capital assets, net	<u>\$ 1,635,157</u>	<u>\$ 119,838</u>	<u>\$ 52,318</u>	<u>\$ 1,807,313</u>

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

Governmental Activities:

Human Services:

Administrative Services	\$ 462,186
Environmental Health	42,054
Dental Health	138,508
Communicable Disease	86,480
Clinical Services	14,714
School Health	15,056
Women, Infant and Children	<u>1,245</u>

Total depreciation/amortization expense – governmental activities \$ 760,243

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	Behavioral Health	Total
Total Due	\$ 215,745	\$ 637,686	\$ 14,294	\$ 867,725
Allowance for uncollectible receivables	<u>31,115</u>	<u>202,562</u>	<u>100</u>	<u>233,777</u>
Deferred Inflows of Resources	<u>\$ 184,630</u>	<u>\$ 435,124</u>	<u>\$ 14,194</u>	<u>\$ 633,948</u>

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IV. Detailed Notes on All Funds - Continued

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 January 2022 to lease office equipment and requires 15 quarterly payments of \$1,094. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 1.80%, the prime rate. As of June 30, 2024, the value of the liability is \$2,979. See additional information in the right to use asset section of this note.

The second agreement was executed in January 2022 to lease a building and requires 36 monthly payments of \$6,578. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 1.80%, the prime rate. As of June 30, 2024, the value of the liability is \$39,344. See additional information 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 \$3,200 with the lease payment increasing to \$3,395 in January 2023. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 1.80%, the prime rate. As of June 30, 2024, the value of the liability is \$20,297. See additional information 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 \$2,893 with the lease payment increasing to \$2,979 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 1.80%, the prime rate. As of June 30, 2024, the value of the liability is \$17,821. See additional information in the right to use asset section of this note.

The fifth agreement was executed in December 2022 to lease office equipment and requires 60 monthly payments of \$2,938. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 1.80%, the prime rate. As of June 30, 2024, the value of the liability is \$106,623. See additional information in the right to use asset section of this note.

The sixth agreement was executed in June 2024 to lease a building and requires 60 monthly payments of \$5,480. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.68%, the prime rate. As of June 30, 2024, the value of the liability is \$288,318. See additional information in the right to use asset section of this note.

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IV. Detailed Notes on All Funds - Continued

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Year Ending June 30	Dental Health	Behavioral Health	Total
2025	\$ 172,178	\$ 10,926	\$ 183,104
2026	95,475	6,637	102,112
2027	87,280	13,739	101,019
2028	74,819	5,632	80,451
Thereafter	59,074	1,206	60,280
	<u>\$ 488,826</u>	<u>\$ 38,140</u>	<u>\$ 526,966</u>

The following is a summary of changes in the Alliance’s long-term obligations for the fiscal year ended June 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 1,073,425	\$ 906,410	\$ (1,061,265)	\$ 918,570	\$ 900,199
Leases	476,019	305,876	(294,124)	487,771	168,445
Net pension liability	12,384,627	3,300,631	-	15,685,258	-
Total OPEB liability	<u>1,865,861</u>	<u>-</u>	<u>(13,058)</u>	<u>1,852,803</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 15,799,932</u>	<u>\$ 4,512,917</u>	<u>\$ (1,368,447)</u>	<u>\$ 18,944,402</u>	<u>\$ 1,068,644</u>

The Cabarrus Health Alliance anticipates spending approximately \$900,199 for compensated absences during fiscal year 2025. 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

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IV. Detailed Notes on All Funds - *Continued*

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, 2024, was 12.10% 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 \$2,277,058 for the year ended June 30, 2024.

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.

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IV. Detailed Notes on All Funds - Continued

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

At June 30, 2024, Cabarrus Health Alliance reported a liability of \$15,685,258 for its proportionate share of the net pension liability. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 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, 2023 (measurement date), Cabarrus Health Alliance’s proportion was 0.237% which was an increase of 0.017% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, Cabarrus Health Alliance recognized pension expense of \$4,736,224. At June 30, 2024, 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	\$ 1,747,802	\$ 37,627
Changes of assumptions	666,533	-
Net difference between projected and actual earnings on pension plan investments	4,198,062	-
Changes in proportion and differences between Alliance contributions and proportionate share of contributions	544,971	59,332
Alliance contributions subsequent to the measurement date	2,277,058	-
Total	\$ 9,434,426	\$ 96,959

\$2,277,058 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, 2024, will be recognized as a decrease of the net pension liability in the subsequent year, June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY
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NOTES TO THE FINANCIAL STATEMENTS
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IV. Detailed Notes on All Funds – Continued

Year Ended June 30:		
2025	\$	2,630,786
2026		1,390,603
2027		2,861,504
2028		177,516
2029		-
Thereafter		-
	\$	<u>7,060,409</u>

Actuarial Assumptions. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent

The plan actuary currently uses mortality rates based on the Pub-2012 mortality tables, with adjustments for LRS experience and generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period of January 1, 2015, through December 31, 2019.

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, 2024 are summarized in the following table:

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IV. Detailed Notes on All Funds – Continued

Asset Class:	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2023 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 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. 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 6.50 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 (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Alliance’s proportionate share of the net pension liability (asset)	\$ 27,174,094	\$ 15,685,258	\$ 6,226,573

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.

**PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY
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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024**

IV. Detailed Notes on All Funds – *Continued*

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 payroll, 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, 2022, June 30, 2023 and June 30, 2024, the Alliance contributed .04%, .03%, and .02% of annual covered payroll or \$6,364, \$5,443, and \$3,539 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, 2024 were \$198,731 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 FY2024. The Alliance contributed \$580,371 to the plan for the year ended June 30, 2024.

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

**PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY
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IV. Detailed Notes on All Funds – *Continued*

is not available to employees until termination, retirement, death, or unforeseeable emergency. During the year ended June 30, 2024, 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. 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:

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IV. Detailed Notes on All Funds – Continued

- 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, 2023, the date of the latest actuarial valuation:

	Number
Inactive employees or beneficiaries currently receiving benefits	13
Inactive members entitled to but not yet receiving benefits	0
Active plan members	19
Total	32

Total OPEB Liability

The Alliance’s total OPEB liability of \$1,852,803 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2023 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 inflation	
General employees	3.25% - 8.41%
Municipal Bond Index Rate	
Prior measurement date	3.54%
Measurement date	3.65%
Healthcare cost trend rates	7.00% for 2023 decreasing to an ultimate rate
Pre-Medicare	of 4.50% by 2033

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NOTES TO THE FINANCIAL STATEMENTS
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IV. Detailed Notes on All Funds – Continued

Discount rate. The discount rate used to measure the total OPEB liability at June 30, 2024 was 3.65 percent which was a change from the discount rate of 3.54 percent at June 30, 2023. 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 3.54 percent at June 30, 2022 per the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published by The Bond Buyer. As of June 30, 2023, the 20-year Municipal Bond Index was 3.65 percent.

Changes in the Total OPEB Liability

		<u>Total OPEB Liability</u>
Balance at July 1, 2023	\$	<u>1,865,861</u>
Changes for the year		
Service cost		29,234
Interest		64,857
Changes of benefit terms		-
Differences between expected and actual experience		(18,694)
Changes in assumptions or other inputs		38,630
Benefit payments		(127,085)
Net changes	\$	<u>(13,058)</u>
Balance at June 30, 2024	\$	<u>1,852,803</u>

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, 2023 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, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 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 (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

	<u>1% Decrease (2.65%)</u>	<u>Current Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Total OPEB liability	\$ 1,973,420	\$ 1,852,803	\$ 1,740,300

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NOTES TO THE FINANCIAL STATEMENTS
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IV. Detailed Notes on All Funds – Continued

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:

	<u>1% Decrease</u>		<u>Current</u>		<u>1% Increase</u>
Total OPEB liability	\$ 1,726,231	\$	1,852,803	\$	1,993,099

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

For the year ended June 30, 2024, the Alliance recognized OPEB expense of \$118,136. At June 30, 2024, the Alliance reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 623	\$	16,488
Changes of assumptions	57,246		88,014
Benefit payments and administrative costs made subsequent to the measurement date	-		-
Total	<u>\$ 57,869</u>	<u>\$</u>	<u>104,502</u>

\$0 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, 2025.

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

<u>Year Ended June 30:</u>	
2025	\$ (11,259)
2026	(37,388)
2027	2,014
2028	-
2029	-
Thereafter	-

**PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY
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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024**

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 2022, 2023, and 2024.

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 \$1,000,000.

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	\$	3,554,787
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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.

PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY
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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

4. Related Party Transactions – *continued*

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 Association for \$200,000 for five years for a total of \$1,000,000. The fifth and final installment of \$200,000 was received in June 30, 2024 and is recognized in this Statement of Revenues, Expenditures and Changes in Fund Balance. The note balance was paid in full at June 30, 2024.

A portion of the Alliance's revenue is from Cabarrus County. For the year ended June 30, 2024, the Alliance received \$10,994,078 from the County. The County's contribution constituted 34.11% of the Alliance's total revenue for June 30, 2024.

VI. Subsequent Events

Management has evaluated subsequent events through November 8, 2024, the date the financial statements were available to be issued, and has determined that no significant events have occurred that would alter the Alliance's financial position.

*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 Seven Fiscal Years
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 29,234	\$ 37,956	\$ 42,622	\$ 31,666	\$ 41,909	\$ 43,089	\$ 46,158
Interest	64,857	44,441	44,130	65,459	65,238	61,819	54,609
Differences between expected and actual experience	(18,694)	1,243	(12,938)	(3,804)	153,100	276	(13,347)
Changes of assumptions	38,630	(175,590)	118,759	162,270	48,049	(39,338)	(70,489)
Benefit payments	<u>(127,085)</u>	<u>(122,721)</u>	<u>(131,770)</u>	<u>(147,633)</u>	<u>(145,785)</u>	<u>(105,215)</u>	<u>(84,472)</u>
Net change in total OPEB liability	<u>(13,058)</u>	<u>(214,671)</u>	<u>60,803</u>	<u>107,958</u>	<u>162,511</u>	<u>(39,369)</u>	<u>(67,541)</u>
Total OPEB liability - beginning	<u>1,865,861</u>	<u>2,080,532</u>	<u>2,019,729</u>	<u>1,911,771</u>	<u>1,749,260</u>	<u>1,788,629</u>	<u>1,856,170</u>
Total OPEB liability - ending	<u><u>\$1,852,803</u></u>	<u><u>\$1,865,861</u></u>	<u><u>\$2,080,532</u></u>	<u><u>\$2,019,729</u></u>	<u><u>\$1,911,771</u></u>	<u><u>\$1,749,260</u></u>	<u><u>\$1,788,629</u></u>
Covered-employee payroll	1,588,279	1,955,838	1,955,838	2,640,695	2,640,695	3,267,585	3,267,585
Total OPEB liability as a percentage of covered payroll	116.65%	95.40%	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>
2024	3.65%
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

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

Cabarrus Health Alliance, North Carolina
Schedule of the Alliance's Proportionate Share of the
Net Pension Liability (Asset)
Local Governmental Employees' Retirement System
Last Ten Fiscal Years *
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Alliance's proportion of the net pension liability (asset) %	0.237%	0.212%	0.190%	0.182%	0.182%	0.183%	0.164%	0.167%	0.155%	0.147%
Alliance's proportionate share of the net pension liability (asset)	\$ 15,685,258	\$ 12,384,627	\$ 2,920,274	\$ 6,503,635	\$ 4,982,567	\$ 4,352,536	\$ 2,507,299	\$ 3,539,206	\$ 697,381	\$ (864,155)
Alliance's covered payroll	\$ 18,142,930	\$ 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
Alliance's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	86.45%	77.84%	21.18%	51.57%	39.83%	35.68%	23.68%	34.00%	7.29%	(9.71)%
Plan fiduciary net position as a percentage of the total pension liability	88.20%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

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

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

Cabarrus Health Alliance, North Carolina
Schedule of Alliance's Contributions
Local Governmental Employees' Retirement System
Last Ten Fiscal Years
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,277,058	\$ 2,200,595	\$ 1,810,618	\$ 1,403,649	\$ 1,133,756	\$ 974,473	\$ 919,840	\$ 774,114	\$ 700,557	\$ 682,356
Contributions in relation to the contractually required contribution	<u>2,277,058</u>	<u>2,200,595</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Alliance's covered payroll	\$ 18,818,661	\$ 18,142,930	\$ 15,910,532	\$ 13,790,667	\$ 12,611,316	\$ 12,510,414	\$ 12,199,464	\$ 10,589,737	\$ 10,409,469	\$ 9,570,194
Contributions as a percentage of covered payroll	12.10%	12.13%	11.38%	10.18%	8.99%	7.79%	7.54%	7.31%	6.73%	7.13%

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

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

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, 2024

	2024			
	Original Budget	Revised Budget	Actual	Variance
Revenues:				
<i>Human Services:</i>				
Environmental Health:				
CHA Grant	\$ 32,242	\$ 69,938	\$ 69,890	\$ 48
Assoc. of Food & Drug	7,500	-	-	-
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	306,743	286,215	273,078	13,137
Temporary Food Establishment Fees	30,776	26,776	24,975	1,801
Miscellaneous Revenue	-	2,945	2,945	-
National Environmental Health Association	16,911	38,814	38,813	1
Contribution from Cabarrus County	1,434,813	1,434,813	1,434,813	-
Total Environmental Health	<u>1,849,405</u>	<u>1,879,921</u>	<u>1,864,934</u>	<u>14,987</u>
Information Technology Systems.				
Sale of Assets	-	50	49	1
Cabarrus County ARP	-	39,316	39,316	-
Contribution from Cabarrus County	774,763	771,263	771,263	-
Total Information Tech Systems	<u>774,763</u>	<u>810,629</u>	<u>810,628</u>	<u>1</u>
General Administration:				
NC Division of Social Security	20,799	43,040	43,040	-
WIC Dream Center	13,599	13,672	13,672	-
Program Fees	3,720	3,720	3,590	130
CEE - Admin Fees	200,000	223,175	6,200	216,975
Dental Dream Center	12,194	10,442	10,441	1
Interest on Investments	271,075	365,217	362,632	2,585
Sale of Capital Assets	5	5	-	5
Overages and Shortages	5	5	20	(15)
Miscellaneous Revenue	578,000	272,538	21,067	251,471
Contributions and Private Donations	500	25	25	-
Sale of Assets	750	3,800	3,800	-
Northeast Medical Center - Children WIN	17,467	17,467	29,948	(12,481)
Fund Balance Appropriated	-	1,000,000	-	1,000,000
Cabarrus County ARP	1,142,191	499,972	132,901	367,071
Contribution from Cabarrus County	2,257,182	2,257,182	2,257,183	(1)
Total General Administration	<u>4,517,487</u>	<u>4,710,260</u>	<u>2,884,519</u>	<u>1,825,741</u>
Family Care Coordination:				
CHA Grant	518,844	187,844	135,663	52,181
North Carolina Division of Social Security	155,000	155,000	143,909	11,091
Direct Payments - Managed Care	-	2,000	1,319	681
Medicaid Reimbursement	-	97,445	97,851	(406)
Medicaid Managed Care	1,104,527	1,092,092	1,101,338	(9,246)
Medicaid Settlement	-	527	28	499
Private Insurance	-	374	172	202
Total Family Care Coordination	<u>1,778,371</u>	<u>1,535,282</u>	<u>1,480,280</u>	<u>55,002</u>
School Health				
CHA Grant	50,000	50,000	50,000	-
Kids Plus Revenue	3,700	3,700	17,138	(13,438)
Cabarrus County School System	26,500	26,500	4,734	21,766
Kannapolis City School System	26,500	26,500	9,900	16,600
Contribution from Cabarrus County	4,761,440	4,761,440	4,761,377	63
Total School Health	<u>4,868,140</u>	<u>4,868,140</u>	<u>4,843,149</u>	<u>24,991</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, 2024

	2024			
	Original Budget	Revised Budget	Actual	Variance
Health Initiatives				
CHA Grant	560,968	586,269	560,016	26,253
NC DHHS DMH/DD/SAS	507,060	598,541	548,748	49,793
Office of Rural Health - Lifestyle Medicine	150,000	150,000	150,001	(1)
DHHS OAP	-	856,501	675,612	180,889
HHS/Centers for Disease Control	1,004,309	1,233,149	1,117,913	115,236
NC Central University	20,000	23,778	3,538	20,240
DOJ STOP	200,509	197,683	168,840	28,843
UNC Chapel Hill - Med South Life	2,000	2,000	-	2,000
Partners Health Management	50,000	71,854	72,327	(473)
Miscellaneous Revenue - SEP	-	6,482	6,482	-
Contributions & Private Donations - Healthy Cab	24,000	24,150	24,150	-
NorthEast Medical Center - Healthy Cab	28,500	28,500	28,500	-
Wake Forest School of Medicine BHEI	42,000	40,000	39,899	101
Cabarrus County ARPA CHW	68,090	-	-	-
Contribution from Cabarrus County	108,942	108,942	108,942	-
Total Health Initiatives	<u>2,766,378</u>	<u>3,927,849</u>	<u>3,504,968</u>	<u>422,881</u>
Dental Health:				
Office of Rural Health	150,000	150,000	153,891	(3,891)
Cabarrus Partnership for Children	30,000	26,056	35,700	(9,644)
Medicaid - Dental	2,554,383	2,174,857	2,106,076	68,781
Medicaid - Settlement Dental	2,162,100	3,346,309	3,350,201	(3,892)
Contribution - City of Kannapolis	3,500	2,500	2,500	-
Stonewall Jackson Training School	10,000	10,000	9,199	801
Private Insurance	498,127	310,162	309,295	867
Patient Fees	260,384	233,435	226,699	6,736
Miscellaneous Revenue	4,700	7,085	7,085	-
Cannon Foundation	245,179	245,179	245,179	-
BCBS of NC Foundation	150,000	161,340	158,940	2,400
Total Dental Health	<u>6,068,373</u>	<u>6,666,923</u>	<u>6,604,765</u>	<u>62,158</u>
Vital Records:				
Contribution from Cabarrus County	75,660	79,160	79,160	-
Total Vital Records	<u>75,660</u>	<u>79,160</u>	<u>79,160</u>	<u>-</u>
Communicable Disease:				
CHA Grant	3,503,812	3,339,086	2,823,340	515,746
US DHHS	-	-	151	(151)
Direct Payments - Managed Care	-	57,978	92,505	(34,527)
Medicaid Reimbursement	21,792	19,250	21,104	(1,854)
Medicaid Managed Care	83,309	91,659	80,630	11,029
Medicaid Settlement	64,100	19,133	23,900	(4,767)
Mecklenburg County	7,000	5,891	7,289	(1,398)
Private Insurance	201,559	212,716	200,214	12,502
Medicare Reimbursement	11,694	18,214	17,337	877
Patient Fees	65,034	70,947	66,471	4,476
Miscellaneous Revenue	2,200	1,200	1,299	(99)
340B Program Income	40,000	40,000	35,057	4,943
Contribution from Cabarrus County - CD	972,820	972,820	972,820	-
Total Communicable Disease	<u>4,973,320</u>	<u>4,848,894</u>	<u>4,342,117</u>	<u>506,777</u>
Clinical Services:				
CHA Grant	333,408	341,408	339,293	2,115
Office of Rural Health	150,000	150,000	138,072	11,928
Direct Payments - Managed Care	-	363,665	351,733	11,932
Medicaid - Reimbursement	192,387	212,219	158,380	53,839

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, 2024

	2024			
	Original Budget	Revised Budget	Actual	Variance
Medicaid Managed Care	1,120,008	1,155,659	1,077,484	78,175
Medicaid Settlement	593,700	173,043	366,319	(193,276)
Carolina Access Case Management	15,000	17,945	17,292	653
SPCCP Population Health	168,876	129,889	-	129,889
Private Insurance	91,960	112,585	106,149	6,436
Medicare Reimbursement	-	25	24	1
Patient Fees	215,774	218,074	182,292	35,782
Cabarrus County Schools	4,680	4,680	4,680	-
Kannapolis City Schools	1,560	1,560	1,950	(390)
Miscellaneous Revenue	181,104	181,309	10,968	170,341
Contribution from Cabarrus County	200,000	200,000	200,000	-
Total Clinical Services	<u>3,268,457</u>	<u>3,262,061</u>	<u>2,954,636</u>	<u>307,426</u>
Women, Infants, & Children (WIC):				
CHA Grant	910,962	982,792	928,551	54,241
Total WIC	<u>910,962</u>	<u>982,792</u>	<u>928,551</u>	<u>54,241</u>
Behavioral Health:				
CHA Grant	-	26,475	31,070	(4,595)
Department of Justice	684,000	411,101	354,126	56,975
Direct Payments - Managed Care	-	-	4,951	(4,951)
Medicaid Reimbursement	-	-	8,357	(8,357)
Medicaid Managed Care	110,492	104,364	56,767	47,597
Medicaid Settlement	-	6,128	-	6,128
Private Insurance	11,988	11,988	6,985	5,003
Medicare Reimbursement	-	-	463	(463)
Patient Fees	5,400	5,400	2,611	2,789
Cabarrus County Grant Funds	346,100	568,120	528,831	39,289
Cabarrus County ARP Funding	447,848	346,108	329,081	17,027
Contribution from Cabarrus County	408,520	408,520	408,520	-
Total Behavioral Health	<u>2,014,348</u>	<u>1,888,204</u>	<u>1,731,762</u>	<u>156,442</u>
Total Revenues	<u>33,865,664</u>	<u>35,460,115</u>	<u>32,029,469</u>	<u>3,430,646</u>
Expenditures:				
<i>Human Services:</i>				
Environmental Health:				
Salaries and Wages	1,108,276	1,131,573	1,145,991	(14,418)
Part Time >1000 hours	-	-	-	-
Part Time < 1000 hours	66,365	43,115	19,394	23,721
Temporary - Full and Part Time	30,514	30,514	8,269	22,245
Salary Adjustments	41,854	26,531	-	26,531
Legal Fees	-	-	5,350	(5,350)
Social Security	78,868	78,868	71,072	7,796
Medicare	18,445	18,445	16,622	1,823
Group Hospital Insurance	122,289	122,489	116,400	6,089
Health Reimbursement Arrangement	23,385	23,385	15,663	7,722
Retirement	155,945	156,245	146,558	9,687
401k Match	23,281	23,281	13,749	9,532
Workers' Compensation	27,193	27,193	19,315	7,878
Office Supplies	1,200	1,200	1,334	(134)
Printing and Binding	1,450	1,700	1,228	472
Postage	2,000	2,000	1,989	11
Tools & Minor Equipment	2,038	2,038	3,415	(1,377)
Minor Office Equipment & Furniture	7,000	7,000	-	7,000
Automotive Supplies	150	150	-	150
Fuel	16,250	16,300	15,039	1,261

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, 2024

	2024			
	Original Budget	Revised Budget	Actual	Variance
Software	61,500	61,500	20,112	41,388
Other Operation Costs	18,000	18,000	14,067	3,933
Special Program Expense	200	200	56	144
Telecommunications	8,206	8,206	6,302	1,904
Outsourced Services	250	250	-	250
Auto and Truck Maintenance	9,000	13,000	8,522	4,478
Mileage	500	500	589	(89)
Property Tax	1,000	1,000	-	1,000
Training and Education	6,000	16,476	15,365	1,111
Insurance and Bonds	15,883	15,883	13,934	1,949
Unemployment Compensation	2,363	2,363	2,517	(154)
Equipment & Furniture	-	30,516	29,738	778
Total Environmental Health	1,849,405	1,879,921	1,712,590	167,331
Information Technology Systems:				
Salaries and Wages	579,305	490,557	503,804	(13,247)
Contracted Personnel	-	41,040	41,040	-
Salary Adjustments	20,270	-	-	-
Social Security	37,174	37,174	30,367	6,807
Medicare	8,694	8,694	7,102	1,592
Group Hospital Insurance	44,539	44,539	33,196	11,343
Health Reimbursement Arrangement	8,529	8,529	4,400	4,129
Retirement	80,223	72,223	64,569	7,654
401k Match	11,992	11,992	9,802	2,190
Workers' Compensation	3,597	3,597	1,346	2,251
Office Supplies	300	678	678	-
Printing & Binding	50	50	54	(4)
Postage	200	200	200	-
Minor Office Equipment & Furniture	-	1,620	1,620	-
Hardware	75,000	23,901	23,577	324
Software	125,000	236,601	224,024	12,577
Other Operation Costs	-	632	632	-
Telecommunications	37,000	54,465	53,451	1,014
Outsourced Services	21,000	50,215	43,693	6,522
Mileage	500	500	159	341
Training & Education	16,000	4,783	4,574	209
Insurance & Bonds	7,495	7,495	5,982	1,513
Unemployment Compensation	600	600	34	566
Equipment & Furniture	-	13,249	-	13,249
Total Information Tech Systems	1,077,468	1,113,334	1,054,304	59,030
General Administration:				
Salaries and Wages	2,004,735	2,005,710	1,941,009	64,701
Part Time > 1000 hours	36,863	51,604	49,272	2,332
Part Time < 1000 hours	15,475	8,475	608	7,867
Temporary - Full and Part Time	-	12,000	8,991	3,009
Contracted Personal Services	19,554	3,883	3,883	-
Salary Adjustments	74,164	-	-	-
Auditors	23,500	30,500	29,250	1,250
Legal Fees	45,000	45,000	48,040	(3,040)
Social Security	141,721	142,490	137,844	4,646
Medicare	33,144	33,180	32,374	806
Group Hospital Insurance	232,595	227,046	202,792	24,254
Health Reimbursement Arrangement	44,539	42,963	30,699	12,264
Retirement	302,681	313,911	294,508	19,403
401k Match	43,773	40,335	31,758	8,577
Workers' Compensation	13,659	13,122	6,141	6,981

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, 2024

	2024			
	Original Budget	Revised Budget	Actual	Variance
Other Benefits	103,810	103,810	111,249	(7,439)
Office Supplies	17,400	22,432	15,829	6,603
Employee Recognition	12,000	12,000	12,103	(103)
QA/QI	5,000	-	-	-
Printing and Binding	5,650	10,750	12,459	(1,709)
Imaging Expense	1,000	500	-	500
Postage	2,650	2,150	2,150	-
Tools & Minor Equipment	2,000	9,000	8,733	267
Minor Office Equipment & Furniture	24,500	15,272	2,622	12,650
Food	10,450	9,278	5,429	3,849
Fuel	2,000	-	(1,058)	1,058
Software	126,937	234,501	166,083	68,418
Other Operation Costs	40,100	51,599	73,008	(21,409)
Special Program Supplies	8,625	9,687	11,311	(1,624)
Medical Supplies	500	1,500	3,116	(1,616)
Janitorial Supplies	17,500	16,500	17,792	(1,292)
Building & Equipment Leases	65,000	1,101,810	98,028	1,003,782
Bank Service Charges	22,000	20,500	19,228	1,272
Lights and Power	152,000	152,000	213,775	(61,775)
Meeting Expense	1,000	-	-	-
Telecommunications	7,664	7,664	5,630	2,034
Laundry & Dry Cleaning	1,150	1,150	523	627
Purchased Services	3,000	4,025	9,559	(5,534)
Outsourced Services	404,707	299,363	363,039	(63,676)
Tuition Reimbursement	35,000	35,000	14,198	20,802
Bldg and Ground Maintenance	90,600	97,054	111,583	(14,529)
Auto & Truck Maintenance	6,000	4,500	3,383	1,117
Service Contracts	28,000	3,000	(3,787)	6,787
Architect Expenses	3,000	182,420	78,519	103,901
Mileage	4,050	4,973	5,215	(242)
Board Travel/Meetings	3,600	-	-	-
Dues and Subscriptions	33,858	30,702	27,341	3,361
Training & Education	67,500	74,364	88,447	(14,083)
Insurance and Bonds	28,575	35,708	243	35,465
Unemployment Compensation	3,255	3,944	(4,788)	8,732
Public Relations	9,000	5,750	5,974	(224)
Recruitment	6,000	2,000	346	1,654
Equipment & Furniture	958,191	211,417	12,645	198,772
Total General Administration	<u>5,344,675</u>	<u>5,746,542</u>	<u>4,307,096</u>	<u>1,439,446</u>
Family Care Coordination:				
Salaries and Wages	928,921	864,953	661,138	203,815
Part Time >1000 hours	133,077	133,407	185,494	(52,087)
Social Security	65,989	55,524	50,038	5,486
Medicare	15,432	12,986	11,702	1,284
Group Hospital Insurance	112,049	90,991	86,273	4,718
Health Reimbursement Arrangement	22,632	18,367	12,610	5,757
Retirement	142,408	119,933	108,746	11,187
401k Match	21,288	17,912	11,214	6,698
Workers' compensation	6,386	5,373	2,250	3,123
Office Supplies	3,840	2,264	2,251	13
Patient Education Supplies	1,145	1,943	1,638	305
Printing and Binding	3,200	1,500	897	603
Postage	1,120	870	870	-
Minor Office Equipment and Furniture	9,000	8,000	5,380	2,620
Food	14,656	4,156	3,347	809
Software	-	743	743	-

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, 2024

	2024			
	Original Budget	Revised Budget	Actual	Variance
Other Operation Costs	39,974	54,159	55,907	(1,748)
Special Program Supplies	64,339	24,300	14,738	9,562
Building & Equipment Leases	79,600	34,340	34,340	-
ARPA Family Support	15,000	15,000	14,988	12
Telecommunications	7,786	8,312	9,651	(1,339)
Outsourced Services	25,900	11,900	18,224	(6,324)
Public Awareness	625	625	625	-
Mileage	8,480	8,058	7,660	398
Dues and Subscriptions	4,900	5,426	5,525	(99)
Training and Education	35,631	21,115	25,171	(4,056)
Insurance and Bonds	13,304	11,194	10,029	1,165
Unemployment Compensation	1,689	1,539	378	1,161
Total Family Care Coordination	1,778,371	1,534,890	1,341,827	193,063
School Health:				
Salaries and Wages	545,932	603,640	611,345	(7,705)
Part Time > 1000 hours	2,837,778	2,876,778	2,848,229	28,549
Part Time < 1000 hours	-	45,000	46,160	(1,160)
Temporary - Full and Part Time	48,081	67,081	71,740	(4,659)
Salary Adjustments	113,772	-	-	-
Social Security	214,653	214,653	209,038	5,615
Medicare	50,201	50,201	48,891	1,310
Group Hospital Insurance	340,519	356,850	370,858	(14,008)
Health Reimbursement Arrangement	67,711	48,711	45,022	3,689
Retirement	454,353	454,353	442,919	11,434
401k Match	67,523	38,523	33,783	4,740
Workers' Compensation	20,476	10,976	9,832	1,144
Office Supplies	1,000	120	120	-
Printing and Binding	750	350	316	34
Postage	200	200	200	-
Minor Office Equipment and Furniture	250	2	2	-
Software	-	42,023	42,023	-
Other Operation Costs	2,500	819	1,068	(249)
Medical Supplies	3,500	154	154	-
Telecommunications	3,500	3,355	3,321	34
Outsourced Services	44,000	138	163	(25)
Minor Equipment Maintenance	150	65	65	-
Service Contracts	350	350	270	80
Mileage	2,500	500	463	37
Dues and Subscriptions	500	-	-	-
Training and Education	-	2,401	2,530	(129)
Insurance and Bonds	43,254	43,254	43,912	(658)
Unemployment Compensation	4,687	7,643	6,351	1,292
Total School Health	4,868,140	4,868,140	4,838,775	29,365
Health Initiatives:				
Salaries and Wages	1,315,693	1,506,855	1,320,514	186,341
Part Time > 1000 hours	117,578	132,948	159,292	(26,344)
Temporary Part & Full Time	-	24,284	23,949	335
Salary Adjustments	3,950	2,397	-	2,397
Social Security	88,889	109,279	90,358	18,921
Medicare	20,788	26,191	21,132	5,059
Group Hospital Insurance	176,100	187,192	174,181	13,011
Health Reimbursement Arrangement	35,376	36,004	22,924	13,080
Retirement	191,830	216,493	190,439	26,054
401k Match	28,432	29,356	8,982	20,374
Workers' Compensation	8,603	9,286	4,031	5,255

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, 2024

	2024			
	Original Budget	Revised Budget	Actual	Variance
Office Supplies	5,532	7,035	5,612	1,423
Patient Education Supplies	2,582	2,604	2,604	-
Printing and Binding	8,995	6,522	2,502	4,020
Postage	100	425	325	100
Minor Office Equipment and Furniture	5,710	150	149	1
Food	13,180	19,808	19,082	726
Software	-	361	361	-
Other Operation Costs	182,955	356,090	348,583	7,507
Special Program Supplies	121,836	238,223	189,473	48,750
Medical Supplies	32,950	28,600	28,553	47
Building & Equipment Leases	-	80,000	49,361	30,639
Telecommunications	4,679	13,117	11,498	1,619
Outsourced Services	314,446	754,675	694,843	59,832
Mileage	14,664	12,021	7,597	4,424
Dues & Subscriptions	4,888	5,589	5,358	231
Training and Education	43,913	78,541	55,511	23,030
Insurance and Bonds	17,921	22,355	17,955	4,400
Unemployment Compensation	2,629	3,396	3,816	(420)
Public Relations	2,159	18,052	15,891	2,161
Total Health Initiatives	2,766,378	3,927,849	3,474,876	452,973
Dental Public Health:				
Salaries and Wages	2,485,770	2,685,828	2,644,787	41,041
Part Time > 1000 hours	233,561	233,561	180,098	53,463
Temporary - Full and Part Time	-	7,940	5,097	2,843
Social Security	168,599	168,599	165,664	2,935
Medicare	39,432	39,432	40,051	(619)
Group Hospital Insurance	283,592	283,592	259,157	24,435
Health Reimbursement Arrangement	54,304	54,304	35,699	18,605
Retirement	363,846	363,846	363,013	833
401k Match	54,387	54,387	32,615	21,772
Workers' Compensation	16,315	16,315	7,632	8,683
Office Supplies	9,000	9,000	6,084	2,916
Printing and Binding	4,950	4,950	4,483	467
Postage	3,000	3,000	3,000	-
Minor Office Equipment and Furniture	12,000	209,482	211,000	(1,518)
Automotive Supplies	2,000	2,000	40	1,960
Fuel	1,000	1,000	860	140
Software	10,000	10,979	36,756	(25,777)
Other Operation Costs	-	79	7,136	(7,057)
Special Program Supplies	-	20	14	6
Medical Supplies	600	600	1,320	(720)
Dental Supplies	207,500	214,210	284,944	(70,734)
Janitorial Supplies	4,000	4,000	3,541	459
Building & Equipment Leases	79,264	79,264	76,204	3,060
Lights & Power	15,000	15,000	14,988	12
Meeting Expense	1,000	1,000	1,018	(18)
Telecommunications	12,400	13,400	8,358	5,042
Purchased Services	35,500	35,331	43,547	(8,216)
Outsourced Services	43,000	89,401	69,915	19,486
Building and Ground Maintenance	12,000	85,652	74,920	10,732
Auto and Truck Maintenance	5,300	6,800	3,306	3,494
Minor Equipment Maintenance	21,600	21,600	7,388	14,212
Service Contracts	23,800	1,404	3,798	(2,394)
Mileage	1,350	1,500	359	1,141
Dues and Subscriptions	9,000	9,000	8,103	897
Training & Education	7,500	7,500	9,065	(1,565)

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, 2024

	2024			
	Original Budget	Revised Budget	Actual	Variance
Insurance and Bonds	33,991	33,991	34,013	(22)
Unemployment Compensation	3,821	4,571	250	4,321
Building Improvements	152,510	177,510	177,510	-
Equipment & Furniture	577,588	427,888	354,312	73,576
Total Dental Health	4,988,480	5,377,936	5,180,045	197,891
Vital Records:				
Salaries and Wages	51,646	55,146	55,566	(420)
Salary Adjustments	1,808	1,808	-	1,808
Social Security	3,314	3,314	3,103	211
Medicare	775	775	726	49
Group Hospital Insurance	7,423	7,423	7,920	(497)
Health Reimbursement Arrangement	1,422	1,422	1,031	391
Retirement	6,744	6,744	7,143	(399)
401k Match	1,069	1,069	1,087	(18)
Workers' Compensation	321	321	147	174
Office Supplies	200	200	126	74
Printing and Binding	20	20	16	4
Postage	150	150	147	3
Telecommunications	-	-	360	(360)
Insurance and Bonds	668	668	657	11
Unemployment Compensation	100	100	7	93
Total Vital Records	75,660	79,160	78,036	1,124
Communicable Disease:				
Salaries and Wages	1,802,080	2,072,263	1,812,863	259,400
Part Time > 1000 hours	-	-	46,861	(46,861)
Part Time < 1000 hours	3,381	3,381	3,783	(402)
Temporary - Full and Part Time	30,041	22,973	17,942	5,031
Contracted Personal services	-	23,920	26,043	(2,123)
Salary Adjustments	53,637	35,490	-	35,490
Social Security	120,984	131,148	110,714	20,434
Medicare	28,293	32,777	26,272	6,505
Group Hospital Insurance	226,490	226,972	174,358	52,614
Health Reimbursement Arrangement	45,141	43,926	23,574	20,352
Retirement	257,420	275,662	235,185	40,477
401k Match	38,480	41,458	21,814	19,644
Workers' Compensation	11,707	12,304	4,841	7,463
Office Supplies	43,296	16,294	7,121	9,173
Printing and Binding	33,611	10,210	3,767	6,443
Postage	3,100	1,150	1,152	(2)
International Travel Vaccine	18,000	19,591	34,033	(14,442)
Minor Office Equipment & Furniture	13,669	20,226	15,180	5,046
Fuel	-	-	507	(507)
Medical Records Supplies	250	250	315	(65)
Software	-	446	1,189	(743)
Other Operation Costs	234,501	73,177	50,683	22,494
Special Program Supplies	4,000	124,688	90,197	34,491
Medical Supplies	19,645	13,869	9,257	4,612
Pharmacy	178,339	206,638	285,169	(78,531)
Telecommunications	5,422	8,619	9,556	(937)
Outsourced Services	1,664,310	1,240,731	1,104,918	135,813
Autos & Trucks Maintenance	-	-	59	(59)
Minor Equipment Maintenance	200	200	-	200
Service Contracts	4,300	5,317	5,048	269
Mileage	71,575	37,362	32,820	4,542
Dues and Subscriptions	11,325	2,075	2,205	(130)

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, 2024

	2024			
	Original Budget	Revised Budget	Actual	Variance
Training and Education	22,600	109,153	44,551	64,602
Insurance and Bonds	24,281	26,162	22,271	3,891
Unemployment Compensation	3,242	3,634	3,803	(169)
Equipment & Furniture	-	1,500	-	1,500
Total Communicable Disease	4,973,320	4,843,566	4,228,051	615,515
Clinical Services:				
Salaries and Wages	1,636,241	1,636,370	1,552,881	83,489
Part Time > 1000 hours	317,960	317,960	243,218	74,742
Part Time < 1000 hours	196,633	196,633	163,890	32,743
Temporary - Full and Part Time	27,016	27,016	80,544	(53,528)
Contracted Personal Services	-	-	1,126	(1,126)
Salary Adjustments	76,985	73,398	-	73,398
Social Security	141,534	141,534	115,673	25,861
Medicare	33,099	33,099	28,615	4,484
Group Hospital Insurance	185,554	182,254	143,450	38,804
Health Reimbursement Arrangement	35,523	34,723	19,491	15,232
Retirement	274,477	271,246	229,630	41,616
401k Match	41,028	40,628	24,934	15,694
Workers' Compensation	13,749	13,749	5,418	8,331
Office Supplies	1,600	1,815	296	1,519
Laboratory Supplies	3,000	3,000	-	3,000
Patient Education Supplies	600	600	-	600
Printing and Binding	3,400	3,535	4,294	(759)
Postage	600	600	631	(31)
Minor Office Equipment & Furniture	600	600	699	(99)
Medical Records Supplies	900	900	1,411	(511)
Software	-	-	446	(446)
Other Operation Costs	-	-	4,085	(4,085)
Special Program Supplies	1,598	7,006	4,157	2,849
Medical Supplies	23,500	31,500	32,256	(756)
Pharmacy	35,850	35,850	36,170	(320)
Telecommunications	7,320	7,320	7,365	(45)
Outsourced Services	138,058	135,334	170,837	(35,503)
Child Fatality Task Force Expense	1,389	1,389	1,264	125
Minor Equipment Maintenance	3,735	3,735	3,850	(115)
Service Contracts	7,400	7,400	8,119	(719)
Mileage	600	400	183	217
Dues and Subscriptions	10,000	10,000	5,952	4,048
Training and Education	17,000	16,679	9,488	7,191
Insurance and Bonds	28,550	28,550	24,124	4,426
Unemployment Compensation	2,958	2,958	411	2,547
Total Clinical Services	3,268,457	3,267,781	2,924,908	342,873
Behavioral Health:				
Salaries and Wages	1,037,037	1,028,354	940,464	87,890
Part Time > 1000 hours	75,671	34,092	34,179	(87)
Part Time < 1000 hours	48,694	55,447	52,509	2,938
Temporary - Full and Part Time	-	6,179	13,709	(7,530)
Salary Adjustments	28,561	259	-	259
Social Security	74,258	73,935	63,132	10,803
Medicare	16,427	17,153	14,828	2,325
Group Hospital Insurance	116,853	119,049	93,525	25,524
Health Reimbursement Arrangement	36,254	22,549	13,420	9,129
Retirement	146,416	141,706	128,325	13,381
401k Match	22,850	14,646	5,097	9,549
Workers' Compensation	6,876	6,000	2,834	3,166

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, 2024

	2024			
	Original Budget	Revised Budget	Actual	Variance
Office Supplies	450	3,825	3,464	361
Printing and Binding	440	893	966	(73)
Postage	-	100	100	-
Minor Office Equipment & Furniture	2,000	40,565	39,557	1,008
Food	-	500	480	20
Hardware	100	2,570	2,569	1
Software	2,826	11,215	11,214	1
Other Operation Costs	48,164	25,029	21,192	3,837
Special Program Supplies	90,764	50,711	28,352	22,359
Medical Supplies	54,994	27,339	25,472	1,867
Pharmacy	-	7,380	7,380	-
Building & Equipment Lease	41,000	41,000	40,036	964
Telecommunications	456	4,209	3,484	725
Outsourced Services	37,840	42,521	38,112	4,409
Service Contracts	22,650	22,886	15,404	7,482
Mileage	800	2,491	1,967	524
Dues & Subscriptions	-	602	802	(200)
Training & Education	35,733	18,962	18,590	372
Insurance & Bonds	14,340	13,837	12,638	1,199
Unemployment Compensation	1,894	2,200	2,489	(289)
Total Behavioral Health	1,964,348	1,838,204	1,636,290	201,914
WIC				
Salaries and Wages	474,266	449,183	438,934	10,249
Part Time > 1000 hours	89,020	97,774	98,263	(489)
Temporary - Full and Part Time	42,759	49,654	35,297	14,357
Contracted Personnel	-	41,400	16,800	24,600
Social Security	37,574	34,374	34,151	223
Medicare	8,788	8,155	7,987	168
Group Hospital Insurance	82,396	77,855	77,582	273
Health Reimbursement Arrangement	15,779	12,579	10,912	1,667
Retirement	75,367	69,841	68,986	855
401k Match	11,266	6,292	3,870	2,422
Workers' Compensation	3,636	2,236	1,514	722
Office Supplies	2,000	1,073	1,073	-
Breast Feeding Grant Expenses	2,000	2,498	2,104	394
Printing and Binding	510	877	1,093	(216)
Postage	2,400	1,757	2,208	(451)
Minor Office Equipment & Furniture	1,000	9,959	9,959	-
Software	5,943	-	-	-
Other Operation Costs	9,810	27,549	26,751	798
Medical Supplies	3,000	6,431	6,431	-
Build & Equipment Lease	12,820	16,059	16,059	-
Telecommunications	4,500	4,500	4,500	-
Outsourced Services	13,800	47,188	50,033	(2,845)
Mileage	275	740	706	34
Dues & Subscriptions	425	510	510	-
Training & Education	2,942	5,327	4,343	984
Insurance and Bonds	7,576	7,291	6,754	537
Unemployment Compensation	1,110	1,690	1,852	(162)
Total WIC	910,962	982,792	928,672	54,120
Total Human Services	33,865,664	35,460,115	31,705,471	3,754,644
Total Expenditures	33,865,664	35,460,115	31,705,471	3,754,644

**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, 2024**

	2024			
	Original Budget	Revised Budget	Actual	Variance
Excess (deficiency) of revenues over (under) expenditures before special item			323,998	(323,998)
Special item (see Note V.4)	-	-	200,000	(200,000)
Net change in fund balance	\$ -	\$ -	\$ 523,998	\$ (523,998)
Fund balance, July 1			<u>11,656,692</u>	
Fund balance, June 30			<u>\$ 12,180,690</u>	

Cabarrus Health Alliance, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
June 30, 2024 and 2023

	2024	2023
Governmental funds capital assets:		
Furniture and Fixtures	\$ 731,470	\$ 397,513
Vehicles	1,265,735	1,269,591
Equipment	1,563,610	1,541,416
Leasehold Improvement	195,932	618,927
Total governmental funds capital assets	\$ 3,756,747	\$ 3,827,447
Investments in governmental funds capital assets by source:		
General fund	\$ 3,756,747	\$ 3,827,447

Cabarrus Health Alliance, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2024

Function and Activity	Furniture and Fixtures		Vehicles	Equipment	Leasehold Improvement		Total
Human Services:							
Administrative Services	\$ 389,392	\$ 172,401	\$ 760,971	\$ 18,422	\$ 1,341,186		
Environmental Health	5,263	417,975	-	-	423,238		
Dental Health	321,312	301,653	526,249	177,510	1,326,724		
Communicable Disease	-	373,706	62,739	-	436,445		
Family Care Coordination	9,277	-	-	-	9,277		
Health Initiatives	-	-	-	-	-		
School Health	-	-	75,282	-	75,282		
Clinical Services	-	-	138,369	-	138,369		
Women, Infant, and Children	6,226	-	-	-	6,226		
Total governmental funds capital assets	<u>\$ 731,470</u>	<u>\$ 1,265,735</u>	<u>\$ 1,563,610</u>	<u>\$ 195,932</u>	<u>\$ 3,756,747</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, 2024

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets June 30, 2023</u>	<u>Additions</u>	<u>Decreases</u>	<u>Governmental Funds Capital Assets June 30, 2024</u>
Human Services:				
Administrative Services	\$ 1,342,781	\$ 12,645	\$ (14,240)	\$ 1,341,186
Environmental Health	412,854	29,738	(19,354)	423,238
Dental Health	1,406,213	531,822	(611,311)	1,326,724
Communicable Disease	436,445	-	-	436,445
Family Care Coordination	9,277	-	-	9,277
Health Initiatives	-	-	-	-
School Health	75,282	-	-	75,282
Clinical Services	138,369	-	-	138,369
Women, Infant, and Children	6,226	-	-	6,226
	<u>\$ 3,827,447</u>	<u>\$ 574,205</u>	<u>\$ (644,905)</u>	<u>\$ 3,756,747</u>
Total governmental funds capital assets	<u>\$ 3,827,447</u>	<u>\$ 574,205</u>	<u>\$ (644,905)</u>	<u>\$ 3,756,747</u>

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.

Cabarrus County Health Alliance Ratios of Outstanding Debt	(CHA)	Table 7
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									
	2015	2016	2017 *	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net invested in capital assets	\$ 698,177	\$ 591,994	\$ 415,038	\$ 454,265	\$ 332,666	\$ 621,966	\$ 481,291	\$ 748,536	\$ 1,159,138	\$ 1,325,201
Restricted	1,768,998	2,079,353	2,496,308	889,823	3,097,700	1,175,395	3,342,317	3,136,129	2,250,238	3,917,177
Unrestricted	4,312,657	4,819,120	5,157,603	5,904,428	3,509,305	3,860,514	3,397,185	4,366,757	3,230,601	(273,995)
Total governmental activities net position	\$ 6,779,832	\$ 7,490,467	\$ 8,068,949	\$ 7,248,516	\$ 6,939,671	\$ 5,657,875	\$ 7,220,793	\$ 8,251,422	\$ 6,639,977	\$ 4,968,383

* 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)

Table 2
 pg 1 of 2

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Administrative Services	\$ 5,319,606	\$ 5,195,621	\$ 6,681,301	\$ 7,324,315	\$ 7,221,834	\$ 4,985,699	\$ 3,271,315	\$ 3,884,022	\$ 7,110,766	\$ 7,939,130
Environmental Health	879,761	898,265	1,164,693	1,144,787	1,177,326	1,250,930	1,295,261	1,429,940	1,735,412	1,724,906
Dental Health	2,839,574	2,929,599	3,200,294	3,717,865	3,989,916	4,183,756	3,170,702	3,632,008	3,939,513	4,786,731
Women, Infants, and Children	881,758	873,468	923,790	825,282	778,148	907,967	1,018,343	811,156	880,318	929,917
Communicable Disease	989,202	1,127,834	1,148,149	1,122,545	1,227,655	2,332,075	4,842,747	4,145,337	5,158,645	4,314,531
Clinical Services	2,622,297	2,865,430	3,458,530	3,539,216	3,351,255	3,551,599	3,962,634	3,816,727	3,594,773	2,939,622
Family Care Coordination	853,351	1,001,684	976,506	1,022,194	1,109,802	1,318,213	1,109,438	1,251,648	1,582,219	1,341,827
Health Initiatives	1,588,363	2,484,054	2,952,476	2,166,182	2,336,941	2,054,566	1,260,913	2,502,913	3,199,704	3,474,876
Behavioral Health	-	-	-	-	-	-	-	147,967	807,960	1,636,290
School Health	2,302,709	2,530,354	2,702,923	2,817,892	2,994,671	3,117,832	4,152,789	6,979,727	7,392,127	4,853,831
Total governmental activities	\$ 18,276,621	\$ 19,906,309	\$ 23,208,662	\$ 23,680,278	\$ 24,187,548	\$ 23,702,637	\$ 24,084,142	\$ 28,601,445	\$ 35,401,437	\$ 33,941,661
Program Revenues										
Governmental activities										
Charges for services										
Administrative Services	\$ 2,116,259	\$ 2,374,735	\$ 3,796,299	\$ 4,582,349	\$ 4,111,300	\$ 1,340,902	\$ 3,110	\$ 3,584	\$ 69,798	\$ 209,790
Environmental Health	191,891	200,365	236,375	246,785	203,853	216,482	285,057	340,160	363,658	298,053
Dental Health	3,004,364	3,614,742	4,243,091	4,134,845	4,360,905	3,706,258	4,646,487	4,823,281	4,652,763	6,198,146
Communicable Disease	337,654	320,002	313,517	306,246	279,071	402,382	864,431	669,209	491,472	538,517
Clinical Services	2,029,671	2,540,478	1,972,953	2,081,804	1,848,825	2,095,620	2,972,260	2,510,988	1,834,176	2,488,497
Family Care Coordination	747,659	739,070	757,380	763,718	808,448	677,498	839,149	1,041,250	1,191,437	1,200,708
Health Initiatives	-	-	-	-	-	-	-	-	-	-
Behavioral Health	-	-	-	-	-	-	-	-	-	80,134
School Health	22,566	70,780	78,276	18,838	24,977	19,667	305,347	124,966	33,159	31,772
Total charges for services	\$ 8,450,064	\$ 9,860,172	\$ 11,397,891	\$ 12,134,585	\$ 11,637,379	\$ 8,458,809	\$ 9,915,841	\$ 9,513,438	\$ 8,636,463	\$ 11,045,617
Capital grants and contributions										
Administrative services	-	-	-	-	-	-	-	-	-	-
Total capital grants and contributions	-									
Operating grants and contributions										
Administrative Services	3,276,664	2,538,893	2,199,560	2,635,180	2,697,556	2,801,229	2,956,020	3,151,753	4,382,928	3,176,949
Environmental Health	721,823	729,461	853,542	933,242	874,034	917,899	953,130	1,073,892	1,514,824	1,566,881
Dental Health	241,073	32,000	44,066	16,415	96,878	282,914	105,137	83,047	110,918	406,619
Women, Infants, and Children	863,562	857,157	846,912	737,292	711,948	770,077	837,558	814,181	879,609	928,551
Communicable Disease	661,518	735,926	758,224	753,143	872,417	1,587,388	4,315,936	3,808,431	4,706,236	3,803,600
Clinical Services	484,695	482,603	895,728	1,002,947	982,250	1,191,306	1,270,714	1,145,237	1,080,794	706,737
Family Care Coordination	230,540	329,266	299,185	307,706	291,955	332,421	364,881	463,150	635,350	279,572
Health Initiatives	1,534,880	2,530,597	3,056,789	2,230,852	2,504,272	1,835,042	1,299,935	2,519,024	3,212,215	3,504,968
Behavioral Health	-	-	-	-	-	-	-	131,275	924,410	1,651,628
School Health	2,204,597	2,454,824	3,340,532	2,832,120	2,983,554	3,149,445	3,604,181	6,870,881	7,371,587	4,811,377
Total operating grants and contributions	10,219,352	10,690,727	12,294,538	11,448,897	12,014,864	12,867,721	15,707,492	20,060,871	24,818,871	20,836,882
Total governmental activities program revenues	\$ 18,669,416	\$ 20,550,899	\$ 23,692,429	\$ 23,583,482	\$ 23,652,243	\$ 21,326,530	\$ 25,623,333	\$ 29,574,309	\$ 33,455,334	\$ 31,882,499

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental activities	\$ 392,795	\$ 644,590	\$ 483,767	\$ (96,796)	\$ (535,305)	\$ (2,376,107)	\$ 1,539,191	\$ 972,864	\$ (1,946,103)	\$ (2,059,162)
Total governmental activities net (expense)/revenue	\$ 392,795	\$ 644,590	\$ 483,767	\$ (96,796)	\$ (535,305)	\$ (2,376,107)	\$ 1,539,191	\$ 972,864	\$ (1,946,103)	\$ (2,059,162)
General Revenues and Other Changes in Net Position										
Governmental activities										
Unrestricted investment earnings	\$ 6,283	\$ 18,393	\$ 34,710	\$ 95,743	\$ 180,096	\$ 104,186	\$ 4,223	\$ 15,223	\$ 298,825	\$ 362,632
Miscellaneous	21,333	47,652	60,005	55,723	46,364	(9,875)	19,504	42,542	35,833	24,936
Special item (see Note V 4)	-	-	-	-	-	1,000,000	-	-	-	-
Total governmental activities	\$ 27,616	\$ 66,045	\$ 94,715	\$ 151,466	\$ 226,460	\$ 1,094,311	\$ 23,727	\$ 57,765	\$ 334,658	\$ 387,568
Change in Net Position										
Governmental activities										
Changes in Net Position	420,411	710,635	578,482	54,670	(308,845)	(1,281,796)	1,562,918	1,030,629	(1,611,445)	(1,671,594)
Total governmental activities	\$ 420,411	\$ 710,635	\$ 578,482	\$ 54,670	\$ (308,845)	\$ (1,281,796)	\$ 1,562,918	\$ 1,030,629	\$ (1,611,445)	\$ (1,671,594)

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

Table 3

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable:										
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Restricted for:										
Stabilization by State Statute	1,768,998	2,079,353	2,496,308	889,823	3,097,700	1,175,395	3,342,317	3,136,129	2,250,238	3,917,177
Future Equipment Purchases	-	-	-	-	-	-	-	-	-	-
Total Restricted	1,768,998	2,079,353	2,496,308	889,823	3,097,700	1,175,395	3,342,317	3,136,129	2,250,238	4,917,177
Assigned:										
Subsequent year's expenditures	241,458	215,000	301,581	1,038,299	1,120,769	901,167	880,206	851,192	-	-
Unassigned:	5,210,004	5,491,388	6,130,852	7,128,914	4,850,671	6,286,999	6,480,139	7,543,435	9,406,454	7,263,513
Total General Fund	\$ 7,220,460	\$ 7,785,741	\$ 8,928,741	\$ 9,057,036	\$ 9,069,140	\$ 8,363,561	\$ 10,702,662	\$ 11,530,756	\$ 11,656,692	\$ 12,180,690

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

Table 4

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Intergovernmental	\$ 14,284,166	\$ 16,549,263	\$ 18,101,093	\$ 16,966,106	\$ 17,295,311	\$ 17,817,152	\$ 21,954,146	\$ 27,695,119	\$ 31,362,563	\$ 29,568,178
Permits and fees	191,891	200,365	236,375	246,785	203,853	216,482	285,057	340,160	363,658	507,843
Sales and services	3,792,167	3,611,864	4,980,099	6,011,996	5,511,051	2,851,704	1,513,964	1,260,270	1,162,431	1,214,948
Investment earnings	6,283	18,393	34,710	95,743	180,096	104,186	4,223	15,223	298,825	362,632
Miscellaneous	69,854	73,868	74,533	71,982	65,673	47,321	72,748	61,222	76,302	53,715
Donations/Contributions	379,325	109,097	421,282	422,891	646,041	614,285	1,207,696	514,523	859,290	522,153
Total Revenues	18,723,686	20,562,850	23,848,092	23,815,503	23,902,025	21,651,130	25,037,834	29,886,517	34,123,069	32,229,469
Expenditures										
<i>Human Services:</i>										
Environmental Health	853,500	863,211	1,016,611	1,023,662	940,537	942,173	1,124,681	1,429,940	1,735,412	1,712,590
Information Technology Systems	862,220	686,960	713,288	838,463	958,323	1,153,424	951,084	1,158,974	1,092,402	1,054,304
General Administration	4,930,589	4,989,222	6,245,407	7,112,525	6,881,284	4,055,399	2,779,339	3,144,082	4,594,827	4,507,096
Family Care Coordination	847,335	982,591	936,255	978,968	1,040,588	1,177,374	1,109,438	1,251,648	1,582,219	1,341,827
School Health	2,298,548	2,513,116	2,664,527	2,825,137	2,994,421	3,117,582	3,965,717	6,979,727	7,392,127	4,838,776
Health Initiatives	1,584,202	2,466,816	2,914,080	2,124,811	2,268,964	1,948,057	1,260,913	2,502,913	3,199,704	3,474,876
Dental Public Health	2,854,397	2,757,956	2,982,327	3,523,777	3,723,191	4,020,629	2,939,644	3,632,008	3,939,513	5,180,045
Vital Records	50,098	50,755	51,579	62,420	65,439	54,625	57,632	70,153	72,345	78,036
Communicable Disease	977,061	1,091,130	1,109,753	1,081,174	1,159,678	2,191,236	4,657,174	4,145,337	5,158,645	4,228,051
Clinical Services	2,592,151	2,756,821	3,224,268	3,373,731	3,147,325	3,129,082	3,220,341	3,816,727	3,594,773	2,924,908
Behavioral Health	-	-	-	-	-	-	-	147,967	807,960	1,636,290
Women, Infants, & Children	873,435	838,991	846,997	742,540	710,171	767,128	832,770	811,156	880,318	928,672
<i>Debt Service:</i>										
Principal retirement	-	-	-	-	-	-	-	155,144	134,241	-
Interest and other charges	-	-	-	-	-	-	-	12,647	12,647	-
Total Expenditures	18,723,536	19,997,569	22,705,092	23,687,208	23,889,921	22,556,709	22,898,733	29,258,423	34,197,133	31,905,471
Excess of revenues over (under) expenditures before special item	150	565,281	1,143,000	128,295	12,104	(905,579)	2,139,101	628,094	(74,064)	323,998
Transfers to other funds	-	-	-	-	-	-	-	-	-	-
Special item (see Note V.4)	-	-	-	-	-	200,000	200,000	200,000	200,000	200,000
Net change in fund balances	\$ 150	\$ 565,281	\$ 1,143,000	\$ 128,295	\$ 12,104	\$ (705,579)	\$ 2,339,101	\$ 828,094	\$ 125,936	\$ 523,998

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
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
2023	31,362,563	363,658	1,162,431	298,825	76,302	859,290	34,123,069
2024	29,568,178	507,843	1,214,948	362,632	53,715	522,153	32,229,469

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
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
2023	12,505,091	4,465,444	2,691,103	11,574,382	126,543	31,362,563
2024	8,857,825	5,193,613	3,740,447	10,994,078	782,215	29,568,178

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Clinical Services										
Medicaid	\$ 1,106,085	\$ 1,131,722	\$ 1,280,059	\$ 1,153,785	\$ 989,180	\$ 987,830	\$ 1,059,019	\$ 1,466,157	\$ 1,367,023	\$ 1,337,598
Medicare	2,955	1,173	2,957	2,670	4,159	29,893	248,387	67,574	13,558	17,360
Private Insurance	251,760	264,710	233,585	226,692	275,792	323,919	559,640	365,284	251,727	306,363
Patient Fees	290,247	301,488	332,447	299,927	292,533	286,653	229,213	269,214	296,906	259,730
Total Clinical Services	1,651,047	1,699,093	1,849,048	1,683,074	1,561,664	1,628,295	2,096,259	2,168,229	1,929,214	1,921,051
Dental Services										
Medicaid	2,211,208	2,221,649	2,569,061	2,529,382	2,126,063	1,854,458	2,033,970	2,032,722	1,893,664	2,106,076
Private Insurance	396,609	511,239	582,438	684,298	690,539	647,087	500,045	431,219	385,236	309,295
Patient Fees	212,059	212,049	237,279	262,506	298,167	278,762	237,191	202,457	231,975	233,784
Total Dental Services	2,819,876	2,944,937	3,388,778	3,476,186	3,114,769	2,780,307	2,771,206	2,666,398	2,510,875	2,649,155
Total Fees for Services	\$ 4,470,923	\$ 4,644,030	\$ 5,237,826	\$ 5,159,260	\$ 4,676,433	\$ 4,408,602	\$ 4,867,465	\$ 4,834,627	\$ 4,440,089	\$ 4,570,206

Cabarrus Health Alliance, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 8

Fiscal Year	Governmental Activities		Percentage of Personal Income ⁽¹⁾	Per Capita ⁽²⁾
	Long-term Leases	Total Primary Government		
2015	\$ -	\$ -	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	562,801	562,801	N/A	2
2023	476,019	476,019	N/A	2
2024	487,771	487,771	N/A	2

N/A = Not available

¹ U.S. Department of Commerce Bureau of Economic Analysis

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

TABLE 9

Year	Population⁽¹⁾	Personal Income⁽²⁾ (Dollars in Thousands)	Per Capita Personal Income⁽²⁾	Public School Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾	Number of Building Inspections Performed⁽⁵⁾
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	46,415	32,955	3.8%	64,131
2020	216,453	11,260,526	49,592	33,579	7.6%	71,036
2021	221,479	12,407,280	53,647	32,555	4.4%	72,520
2022	231,278	12,910,767	54,754	33,565	3.7%	65,142
2023	235,797	*	*	34,674	3.3%	64,470
2024	240,016	*	*	34,877	3.8%	75,413

* Information not yet available. Information for calendar year 2023 will be available November 2024.

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 in 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 10

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Atrium Health (formerly Carolinas HealthCare)	4,500	1	3.91%	4,500	1	5.06%
Cabarrus County Schools	4,300	2	3.73%	3,800	2	4.28%
Cabarrus County Government	1,280	3	1.11%	950	4	1.07%
City of Concord	1,100	4	0.95%	901	5	1.01%
Amazon	1,000	5	0.87%	-	-	-
Wal-Mart	965	6	0.84%	-	-	-
Shoe Show	800	7	0.69%	800	7	0.90%
Hendrick Motorsports	600	8	0.52%	-	-	-
Eli Lilly & Co.	600	9	0.52%	-	-	-
Westrock Coffee (formerly S&D Coffee and Tea)	600	10	0.52%	625	10	0.70%
Kannapolis City Schools	-	-	-	750	9	0.84%
North Carolina Research Campus	-	-	-	1,000	3	1.13%
State of North Carolina	-	-	-	770	8	0.87%
Connexions	-	-	-	900	6	1.01%
Total	15,745		13.67%	14,996		16.88%

Source:

NC Employment Security Commission, Cabarrus County Economic Development Corporation and FY 2015 ACFR

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

Table 11

Function/Program	Full-time Equivalent Employees as of June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administrative Services	46	27	30	29	26	25	30	34	40	41
Environmental Health	11	12	14	12	15	13	18	20	19	20
Dental Health	26	29	27	39	35	37	25	35	35	37
Women, Infants, and Children	18	16	15	13	11	14	14	13	15	15
Communicable Disease	10	10	14	9	9	14	31	25	26	12
Clinical Services	43	38	36	40	39	42	41	47	39	39
Family Care Coordination	13	12	13	14	13	14	12	25	21	18
Health Initiatives	21	19	23	21	18	16	15	22	17	13
Behavioral Health	0	0	0	0	0	0	0	3	14	18
School Health	49	48	49	53	53	60	55	56	62	64
Total	<u>237</u>	<u>211</u>	<u>221</u>	<u>230</u>	<u>219</u>	<u>235</u>	<u>241</u>	<u>280</u>	<u>288</u>	<u>277</u>

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 12

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Functional Area										
Administrative Activities										
Human Resources - retention rate (% resignations)	7.5%	8.6%	11.1%	7.4%	3.9%	9.0%	17.7%	17.0%	10.4%	19.9%
Finance - accounts payable checks issued	3,057	3,185	4,001	3,624	3,762	3,081	2,360	2,552	3,568	3,126
Environmental Health										
Environmental health - permits and/or inspections	1,887	1,927	2,062	2,101	2,076	1,858	1,931	2,112	2,008	4,381
Food & Lodging - inspections and/or consultation	3,520	3,610	3,727	2,756	3,734	3,122	3,314	3,104	3,224	2,786
Dental Health										
Smart Start Dental - # of children served	2,612	20	10	11	18	6	5	5	6	13
Smart Start Dental - # of pregnant mothers	n/a	4								
Dental Clinic - # encounters	20,099	20,764	22,668	24,676	23,321	19,415	16,023	18,474	20,696	22,047
Women, Infants, and Children										
Avg participation of state assigned caseload/mo.	4,235	4,062	3,661	3,251	2,900	3,220	3,830	4,046	4,305	3,492
Communicable Disease										
STD - # of clients seen for STDs	929	973	1,087	916	1,707	1,377	1,009	911	1,087	1,185
International Travel - # of clients seen	380	483	573	307	513	302	5	158	207	216
Flu/Pneumonia - # doses given	1,885	1,968	2,199	1,956	1,945	1,966	1,791	2,077	1,993	2,083
Tuberculosis - # of skin tests given	757	705	772	647	994	555	339	381	368	434
Clinical Services										
Maternal Health - # of client visits	3,395	4,006	4,188	4,481	4,183	3,147	2,924	2,757	2,837	2,803
BCCCP/WW - # of clients served	347	341	299	345	309	190	175	149	150	140
Family Planning - # of clients served	971	1,130	1,081	1,097	974	915	703	675	707	646
Child Health - # of clients served	2,398	2,460	2,550	2,947	2,972	3,147	2,589	2,676	2,656	2,653
Family Care Coordination										
Intensive Home Visiting - # of visits	-	250	235	105	102	111	79	67	76	36
Care Coordination for Children - # of direct patient centered interactions	4,248	5,170	4,382	4,398	6,393	1,718^	3,474^	2,033	2,145	3,232
Pregnancy Care Management - # of direct patient centered interactions	3,249	3,445	3,607	3,606	6,937	1,347^	2,053^	1,460	1,622	2,312
Community Impact										
TRAIL Elevate - # participants reached per year	n/a	77	1,684	1,131	1,200	n/a	n/a	226	500	56
TPPI - # participants reach per year	111	212	236	162	140	105	125	110	65	25
Triple P - # provider training slots filled	51	79	29	30	20	3	11	8	11	11
REACH - # participants reached per year	90,678	90,800	98,437	102,102	n/a	n/a	n/a	n/a	n/a	119,366
STARS - # participants reached per year	87	210	402	n/a						
MDPP - # participants enrolled in the program	n/a	n/a	91	104	93	84	33	49	50	60
Syringe Service Program - # of Naloxone kits provided per year	n/a	n/a	n/a	n/a	1,915	1,646	2,269	1,456	1,936	1,090
Healthy PALS - # participants reached per year	n/a	n/a	118,140	36,791	27,614	n/a	n/a	n/a	n/a	n/a
Other Services										
School Health - # of students seen by nurse	111,953	123,220	145,592	141,127	144,664	103,676	34,493	90,150	128,874	142,079

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

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

Table 13

<u>Function</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administrative Services										
Furniture and Fixtures	10	11	11	12	12	13	13	13	13	14
Vehicles	10	10	8	7	6	6	5	6	8	7
Equipment	19	19	20	18	19	29	29	28	34	33
Leashold Improvements	-	-	-	-	-	-	-	-	-	1
Environmental Health										
Vehicles	10	15	10	14	14	12	15	17	18	18
Furniture and Fixtures	-	1	1	1	1	1	1	1	1	1
Dental Health										
Furniture and Fixtures	-	-	-	-	-	-	-	-	-	38
Vehicles	2	2	2	2	1	2	2	2	4	4
Equipment	45	45	46	46	46	48	48	42	49	48
Leasehold Improvements	3	3	3	3	3	3	3	3	3	1
Communicable Disease										
Equipment	5	5	3	3	2	2	2	2	3	3
Vehicles	-	-	-	-	-	-	-	-	1	1
Clinical Services										
Equipment	10	10	10	10	10	10	10	9	9	9
Health Initiatives										
Equipment	-	-	-	-	-	4	-	-	-	-
Family Care Coordination										
Furniture and Fixtures	1	1	1	1	1	1	1	1	1	1
School Health										
Equipment	-	-	-	1	1	1	1	1	4	4
WIC										
Furniture and Fixtures	-	-	-	-	-	-	-	-	1	1
	<u>115</u>	<u>122</u>	<u>115</u>	<u>118</u>	<u>116</u>	<u>132</u>	<u>130</u>	<u>125</u>	<u>149</u>	<u>184</u>

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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, 2024, 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 November 8, 2024.

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.

November 8, 2024
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, 2024. 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, 2024.

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, the Uniform Guidance, and the State Single Audit Implementation Act 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 provide 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*, the Uniform Guidance, and the State Single Audit Implementation Act 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*, the Uniform Guidance, and the State Single Audit Implementation Act 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 and the State Single Audit Implementation Act, 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 above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Potter & Company, P.A.

November 8, 2024
Concord, North Carolina



POTTER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

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, 2024. 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, 2024.

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, the Uniform Guidance, and the State Single Audit Implementation Act 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.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **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*, the Uniform Guidance, and the State Single Audit Implementation Act 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*, the Uniform Guidance, and the State Single Audit Implementation Act 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 and the State Single Audit Implementation Act , 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 above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Potter & Company, P.A.

November 8, 2024
Concord, North Carolina

**CABARRUS HEALTH ALLIANCE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2024**

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>Assistance Listing Nos:</u>	<u>Name of Federal Program</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.495	CHW for Public Health Response and Resilient
93.354	COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response

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, 2024

• 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
Division of Mental Health, Developmental Disabilities, and Substance Abuse Serv.
Central Management and Support - Office of Rural Health Division

Dollar threshold used to determine a State major program \$ 500,000

Auditee qualified as State low-risk auditee? N/A

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, North Carolina
Schedule of Expenditures of Federal and State Awards
June 30, 2024

	<u>CFDA #</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Federal Awards			
U.S Department of Agriculture passed through NC Dept. of Health and Human Services Divison of Public Health Special Supplemental Nutrition Program for Women Infants and Children	10.557	\$ 925,117	n/a
U.S. Department of Treasury Divison of Public Health Coronavirus State Local Fiscal Recovery Funds	21.027	487,022	n/a
U.S. Department of Health and Human Services Centers for Disease Control and Prevention Drug-Free Communities Support Program	93.276	99,262	n/a
Racial and Ethnic Approaches to Community Health	93.304	155,888	n/a
CHW for Public Health Response and Resilient	93.495	811,219	n/a
Office of the Secretary Adolescent Health Programs	93.297	600,914	n/a
U.S. Department of Health and Human Services U.S. Department of Justice STOP School Violence	16.839	167,287	n/a
Comprehensive Opioid, Stimulant, and Substance Abuse Site-based Program	16.838	329,152	n/a
U.S. Department of Health and Human Services passed through NC Dept. of Health and Human Services Divison of Public Health Public Health Emergency Preparedness	93.069	54,785	n/a
Maternal and Child Health Federal Consolidated Programs	93.110	7,630	n/a
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1,764	n/a
Injury Prevention and Control Research and State and Community Based Programs	93.136	2,327	n/a
Family Planning Services	93.217	89,128	n/a
Immunization Cooperation Agreements	93.268	31,010	n/a
COVID-19 -Immunization Cooperation Agreements	93.268	135,159	n/a
Total Immunization Cooperation Agreements		166,169	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	1,029,617	n/a
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		1,029,617	
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	1,510,763	n/a
Temporary Assistance for Needy Families	93.558	16,476	n/a
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	27,200	n/a
HIV Care Formula Grants - Ryan White Care Act	93.917	1,621	n/a
HIV Prevention Activities-Health Department Based	93.940	28,000	n/a
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	72,259	n/a
Preventive Health and Health Services Block Grant	93.991	30,431	n/a
Maternal and Child Health Services Block Grant	93.994	158,691	-
Total Federal Awards		6,772,722	-
State Awards			
N.C. Department of Health and Human Services passed-through Cabarrus County Division of Mental Health, Developmental Disabilities, and Substance Abuse Serv.		n/a	\$ 387,044
N.C. Department of Health and Human Services Central Management and Support - Office of Rural Health Division		n/a	433,157
N.C. Department of Health and Human Services Division of Public Health Other Receipts / State Supported Expenditures 473 Minority Diabetes Prevention Program		n/a	188,451
Adolescent Parenting Program		n/a	22,489

Cabarrus Health Alliance, North Carolina
Schedule of Expenditures of Federal and State Awards
June 30, 2024

	<u>CFDA #</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Adolescent Pregnancy Prevention Program	n/a	\$	21,154
Breast and Cervical Cancer	n/a		20,300
Care Management for High-Risk Pregnancies	n/a		43,708
Child Health	n/a		13,023
Communicable Disease Pandemic Recovery	n/a		29,723
DPH Aid-to-Counties	n/a		125,791
Family Planning - State	n/a		24,095
Food and Lodging Fees	n/a		42,696
General Communicable Disease Control	n/a		10,734
Healthy Communities	n/a		3,747
High Risk Maternity Clinics	n/a		76,695
HIV Prep	n/a		5,000
HIV/STD State	n/a		330
Maternal Health	n/a		20,909
Minority Diabetes Prevention Program	n/a		41,654
Mosquito and Tick Suppression	n/a		3,956
Positive Parenting Program (Triple P)	n/a		2,232
School Nursing Funding Initiative	n/a		50,000
State Fiscal Recovery Funds	n/a		21,584
Supporting Women Health Services	n/a		12,612
TPPI - Adol. Pregnancy Prevention Program	n/a		156,357
Tuberculosis Control	n/a		5,144
Women Health Service Fund	n/a		4,516
Other Financial Assistance			
Opioid Settlement Funds	n/a		58,551
Total federal and State awards		<u>\$ 6,772,722</u>	<u>\$ 1,825,652</u>

Notes to the Schedule of Expenditures of Federal and State Financial Awards.

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Cabarrus Health Alliance under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Cabarrus Health Alliance, it is not intended to and does not present the financial position, changes in net position or cash flows of the Cabarrus Health Alliance.

2. Summary of Significant Accounting Policies

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

The Cabarrus Health Alliance has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



For Information:

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

THIS LEASE AMENDMENT AND RENEWAL AGREEMENT (“Agreement”) is made effective as of December ___, 2024 by and between THE PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY d/b/a Cabarrus Health Alliance (“Tenant”), and THE CREAMERY CONCORD, LLC, a North Carolina limited liability company d/b/a “The Old Creamery” (“Landlord”), with reference to that real property being approximately 4,384 square feet of rentable space and identified as Suite 140 owned by Landlord and located at 363 Church Street North, Concord, Cabarrus County, North Carolina (“Demised Premises”).

Tenant and Landlord entered into a certain Lease Agreement dated January 11, 2022 for the Demised Premises (the “Lease”). The parties now desire to amend the Lease to extend the lease term, address other revisions to the Lease, and to ratify and affirm the remaining terms of the Lease.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Landlord and Tenant agree as follows:

1. Existing Lease. Tenant currently leases and is in possession of the Demised Premises pursuant to the Lease. All capitalized terms not defined herein shall have the meanings ascribed to them in the Lease. The provisions of this Agreement shall control over any contrary provisions in the Lease.

2. Amendments.

- a. Section 2.1 is hereby amended to provide that the Term of the Lease, which currently expires on January 31, 2025, is hereby extended through and until midnight on April 30, 2026 (the “Renewal Term”), which shall henceforth constitute the “Expiration Date”.
- b. Section 3.1 is hereby amended to provide that commencing on February 1, 2025 and continuing throughout the Renewal Term, Tenant will pay to Landlord Rent according to the following schedule:

Months	Rent/Rentable SF	Annual Rent	Monthly Rent
February 1, 2025 – January 31, 2025	\$19.25	\$84,387.96	\$7,032.33
February 1, 2026 – April 30, 2026	\$19.83	\$21,729.90 (3 months)	\$7,243.30

- c. Section 26.1 is hereby deleted in its entirety, and Tenant shall no longer have an option for Termination for Cause or Convenience.

3. Ratification: Landlord and Tenant hereby ratify and affirm all remaining and unchanged terms of the Lease in all respects, and the terms, covenants, conditions, provisions and restrictions of the Lease remain in full force and effect and are binding upon the parties except as specifically set forth herein.

4. Full Force and Effect; No Default. Tenant represents to Landlord that the Lease is in full force and effect, that there are no defaults thereunder by Tenant, and this Agreement constitutes the entire agreement between Landlord and Tenant relating to the Leased Premises. To the best of Tenant's knowledge, no breach or default by Landlord exists and no event has occurred that, with the giving of notice, the passage of time or both, would constitute a breach or default by Landlord.

5. Authority. Each party represents that it has taken all action necessary to authorize the execution and delivery of this Agreement and the consummation of the transaction provided for herein. Each of the undersigned has full power, authority, and legal capacity to enter into this Agreement and this Agreement constitutes a legal, valid, and binding obligation of Landlord and Tenant and is enforceable in accordance with its terms.

6. Miscellaneous. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns. This Agreement may be executed electronically and/or in one or more counterparts, each of which shall be deemed an original and all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by corporate authority duly granted as of the day and year first above written.

THE PUBLIC HEALTH AUTHORITY OF
CABARRUS COUNTY

By: _____

Name: Erin Shoe

Title: Public Health Director

THE CREAMERY CONCORD, LLC, a North Carolina
limited liability company

By: _____

J. Harris Morrison, III, Manager

THIS LEASE AMENDMENT AND RENEWAL AGREEMENT (“Agreement”) is made effective as of December ____, 2024 by and between THE PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY d/b/a Cabarrus Health Alliance (“Tenant”), and THE CREAMERY CONCORD, LLC, a North Carolina limited liability company d/b/a “The Old Creamery” (“Landlord”), with reference to that real property being approximately 1,594 square feet of rentable space and identified as Suite 240 owned by Landlord and located at 363 Church Street North, Concord, Cabarrus County, North Carolina (“Demised Premises”).

Tenant and Landlord entered into a certain Lease Agreement dated June 16, 2022 for the Demised Premises (the “Lease”). The parties now desire to amend the Lease to extend the lease term, address other revisions to the Lease, and to ratify and affirm the remaining terms of the Lease.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Landlord and Tenant agree as follows:

1. Existing Lease. Tenant currently leases and is in possession of the Demised Premises pursuant to the Lease. All capitalized terms not defined herein shall have the meanings ascribed to them in the Lease. The provisions of this Agreement shall control over any contrary provisions in the Lease.

2. Amendments.

- a. Section 2.1 is hereby amended to provide that the Term of the Lease, which currently expires on January 31, 2025, is hereby extended through and until midnight on April 30, 2026 (the “Renewal Term”), which shall henceforth constitute the “Expiration Date”.
- b. Section 3.1 is hereby amended to provide that commencing on February 1, 2025 and continuing throughout the Renewal Term, Tenant will pay to Landlord Rent according to the following schedule:

Months	Rent/Rentable SF	Annual Rent	Monthly Rent
February 1, 2025 – January 31, 2025	\$26.32	\$41,960.76	\$3,496.73
February 1, 2026 – April 30, 2026	\$27.11	\$10,804.90 (3 months)	\$3,601.63

c. Section 26.1 is hereby deleted in its entirety, and Tenant shall no longer have an option for Termination for Cause or Convenience.

3. Ratification: Landlord and Tenant hereby ratify and affirm all remaining and unchanged terms of the Lease in all respects, and the terms, covenants, conditions, provisions and restrictions of the Lease remain in full force and effect and are binding upon the parties except as specifically set forth herein.

4. Full Force and Effect; No Default. Tenant represents to Landlord that the Lease is in full force and effect, that there are no defaults thereunder by Tenant, and this Agreement constitutes the entire agreement between Landlord and Tenant relating to the Leased Premises. To the best of Tenant's knowledge, no breach or default by Landlord exists and no event has occurred that, with the giving of notice, the passage of time or both, would constitute a breach or default by Landlord.

5. Authority. Each party represents that it has taken all action necessary to authorize the execution and delivery of this Agreement and the consummation of the transaction provided for herein. Each of the undersigned has full power, authority, and legal capacity to enter into this Agreement and this Agreement constitutes a legal, valid, and binding obligation of Landlord and Tenant and is enforceable in accordance with its terms.

6. Miscellaneous. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns. This Agreement may be executed electronically and/or in one or more counterparts, each of which shall be deemed an original and all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by corporate authority duly granted as of the day and year first above written.

THE PUBLIC HEALTH AUTHORITY OF
CABARRUS COUNTY

By: _____

Name: Erin Shoe

Title: Public Health Director

THE CREAMERY CONCORD, LLC, a North Carolina
limited liability company

By: _____

J. Harris Morrison, III, Manager

THIS LEASE AMENDMENT AND RENEWAL AGREEMENT (“Agreement”) is made effective as of December ____, 2024 by and between THE PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY d/b/a Cabarrus Health Alliance (“Tenant”), and THE CREAMERY CONCORD, LLC, a North Carolina limited liability company d/b/a “The Old Creamery” (“Landlord”), identified collectively as (a) Tenant Storage Closet #2 and Tenant Storage Closet #3, both located in the basement of The Old Creamery; and (b) executive Office Suites R, S, T, U and V, measuring +/- 148, 100, 110, 128 and 126 square feet, respectively, located within Suite 250, along with joint use with other tenants of the Shared Break, the Shared Reception & Data Closet, and the Shared Conference (collectively, the “Shared Space”), located in The Old Creamery, owned by Landlord and located at 363 Church Street North, Concord, Cabarrus County, North Carolina (“Demised Premises”).

Tenant and Landlord entered into a certain Lease Agreement dated January 11, 2022 for the Demised Premises, as amended by that certain First Amendment to Lease Agreement dated February 21, 2022 (as amended, the “Lease”). The parties now desire to amend the Lease to extend the lease term, address other revisions to the Lease, and to ratify and affirm the remaining terms of the Lease.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Landlord and Tenant agree as follows:

1. Existing Lease. Tenant currently leases and is in possession of the Demised Premises pursuant to the Lease. All capitalized terms not defined herein shall have the meanings ascribed to them in the Lease. The provisions of this Agreement shall control over any contrary provisions in the Lease.

2. Amendments.

- a. Section 2.1 is hereby amended to provide that the Term of the Lease, which currently expires on January 31, 2025, is hereby extended through and until midnight on April 30, 2026 (the “Renewal Term”), which shall henceforth constitute the “Expiration Date”.
- b. Section 3.1 is hereby amended to provide that commencing on February 1, 2025 and continuing throughout the Renewal Term, Tenant will pay to Landlord Rent according to the following schedule:

Months	Rent/Rentable SF	Annual Rent	Monthly Rent
February 1, 2025, to January 31, 2025	-----	\$38,775.24	\$3,231.27

February 1, 2026, to April 30, 2026	-----	\$9,984.62 (3 months)	\$3,328.21
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c. Section 26.1 is hereby deleted in its entirety, and Tenant shall no longer have an option for Termination for Cause or Convenience.

3. Ratification: Landlord and Tenant hereby ratify and affirm all remaining and unchanged terms of the Lease in all respects, and the terms, covenants, conditions, provisions and restrictions of the Lease remain in full force and effect and are binding upon the parties except as specifically set forth herein.

4. Full Force and Effect; No Default. Tenant represents to Landlord that the Lease is in full force and effect, that there are no defaults thereunder by Tenant, and this Agreement constitutes the entire agreement between Landlord and Tenant relating to the Leased Premises. To the best of Tenant’s knowledge, no breach or default by Landlord exists and no event has occurred that, with the giving of notice, the passage of time or both, would constitute a breach or default by Landlord.

5. Authority. Each party represents that it has taken all action necessary to authorize the execution and delivery of this Agreement and the consummation of the transaction provided for herein. Each of the undersigned has full power, authority, and legal capacity to enter into this Agreement and this Agreement constitutes a legal, valid, and binding obligation of Landlord and Tenant and is enforceable in accordance with its terms.

6. Miscellaneous. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns. This Agreement may be executed electronically and/or in one or more counterparts, each of which shall be deemed an original and all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by corporate authority duly granted as of the day and year first above written.

THE PUBLIC HEALTH AUTHORITY OF
CABARRUS COUNTY

By: _____
Name: Erin Shoe
Title: Public Health Director

THE CREAMERY CONCORD, LLC, a North Carolina
limited liability company

By: _____
J. Harris Morrison, III, Manager