Board of Health Meeting
January 20, 2026

cha CABARRUS HEALTH ALLIANCE

The Public Health Authority of Cabarrus County Board Meeting Agenda

January 20, 2026
5:30 pm

A. CALL TO ORDER	**Chairperson Lara Pons, MD**
B. ADOPTION OF THE AGENDA Motion January 20, 2026	Chairperson Lara Pons, MD
C. APPROVAL OF THE MINUTES Motion November 18, 2025	Chairperson Lara Pons, MD
D. INFORMAL PUBLIC COMMENT	
E. RECOGNITIONS Laura Bryant, BSN, RN, CPHN, NCSN	School Nurse of the Year – Named by the School Nurse Association of North Carolina
F. REPORTS Presentation of ACFR (Annual Comprehensive Financial Report) Finance Committee Reports CHA Financial Summary CHA Snapshot Fiscal Year 2027 Budget Preparation Measles Update	 Dan Morrow, CPA, Partner, DMJPS LLC (formally Potter & Company) Sue Yates, Chief Financial Officer Sue Yates Tamara Lunsford Key, Program Director - CD & Adult Health Dr. Megan Easterday, Medical Director
G. CONSENT AGENDA Motion Budget Revisions Finance Policies	Chairperson Lara Pons, MD Sue Yates Sue Yates
H. BUSINESS AGENDA Term Updates and Process for New Board Member Selection FY 2027 Board Meeting Dates Motion	Chairperson Lara Pons, MD
I. HEALTH DIRECTOR REMARKS	Erin Shoe, MPH, Health Director
J. ANNOUNCEMENTS	Chairperson Lara Pons, MD
K. MOTION TO ADJOURN Motion	Chairperson Lara Pons, MD

B. ADOPTION OF THE AGENDA

Chairperson Lara Pons, MD

C. APPROVAL OF THE MINUTES

Chairperson Lara Pons, MD

November 18, 2025

Regular Meeting

Click to view minutes

D. INFORMAL PUBLIC COMMENTS

Chairperson Lara Pons, MD

E. RECOGNITIONS

Chairperson Lara Pons, MD

School Nurse of the Year -

Named by the School Nurse Association of North Carolina

Laura Bryant, BSN, RN, CPHN, NCSN

F. REPORTS

Presentation of ACFR (Annual Comprehensive Financial Report)

Dan Morrow, CPA, Partner, DMJPS LLC (formally Potter & Company)

Finance Committee Reports

- CHA Financial Summary
- CHA Snapshot

Sue Yates, Chief Financial Officer

Fiscal Year 2027 Budget Preparation

Sue Yates

Measles Update

Tamara Lunsford Key, Program Director - CD & Adult Health
Dr. Megan Easterday, Medical Director

F. REPORTS

Presentation of ACFR (Annual Comprehensive Financial Report)

Dan Morrow, CPA, Partner, DMJPS LLC (formally Potter & Company)

Click here for ACFR document

F. REPORTS

Finance Committee Reports

- CHA Financial Summary
- CHA Snapshot

Sue Yates, Chief Financial Officer

Financial Summary Report

Reviewed and recommended for approval by Finance Committee: 1/13/2026

PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY
FINANCIAL SUMMARY REPORT

Fiscal Year 2026
5 Months ending November 30, 2025
Target Percentage 42%
Modified Accural

REVENUES	ACTUAL Fiscal Year 2022	ACTUAL Fiscal Year 2023	ACTUAL Fiscal Year 2024	ACTUAL Fiscal Year 2025	Fiscal Year 2026 ORIGINAL BUDGET	Fiscal Year 2026 BUDGET	ACTUAL 11/30/25	Year to Date % COLLECTED
INTERGOVERNMENTAL REVENUES	$ 24,443,947	$ 28,216,196	$ 24,550,592	$ 25,599,140	$ 24,583,856	$ 24,754,616	$ 9,371,085	37.86%
MEDICAID COST SETTLEMENT	$ 3,098,145	$ 2,118,045	$ 3,740,447	$ 4,577,929	$ 4,187,526	$ 4,187,526	$ 1,744,803	41.67%
MANAGED CARE QUARTERLY PAYMENT	$ -	$ 529,831	$ 450,509	$ 432,498	$ 564,901	$ 564,901	$ 235,233	41.64%
PERMITS & FEES	$ 340,160	$ 363,658	$ 298,053	$ 326,185	$ 338,849	$ 338,849	$ 115,650	34.13%
SALES & SERVICES	$ 1,541,742	$ 1,243,433	$ 1,177,936	$ 1,201,564	$ 1,745,426	$ 1,746,426	$ 538,812	30.85%
INVESTMENT EARNINGS	$ 15,223	$ 298,825	$ 362,632	$ 359,956	$ 235,000	$ 235,000	$ 138,641	59.00%
MISCELLANEOUS	$ 67,453	$ 76,531	$ 53,715	$ 70,119	$ 40,817	$ 30,969	$ 16,860	54.44%
CONTRIBUTIONS & PRIVATE GRANTS	$ 579,848	$ 1,476,544	$ 1,595,583	$ 3,958,869	$ 1,750,127	$ 2,767,600	$ 568,821	20.55%
FUND BALANCE APPROPRIATED	$ -	$ -	$ -	$ -	$ 4,857,446	$ 4,800,969	$ 920,703	19.18%
TOTAL	$ 30,086,519	$ 34,323,063	$ 32,229,467	$ 36,526,260	$ 38,303,948	$ 39,426,856	$ 13,650,608	34.62%

EXPENDITURES	ACTUAL Fiscal Year 2022	ACTUAL Fiscal Year 2023	ACTUAL Fiscal Year 2024	ACTUAL Fiscal Year 2025	Fiscal Year 2026 ORIGINAL BUDGET	Fiscal Year 2026 BUDGET	ACTUAL 11/30/25	Y-T-D % SPENT
ENVIRONMENTAL HEALTH	$ 1,429,941	$ 1,735,411	$ 1,712,590	$ 1,905,268	$ 2,086,162	$ 2,097,317	$ 760,289	36.25%
INFORMATION TECHNOLOGY SYSTEMS	$ 1,158,973	$ 1,092,401	$ 1,054,304	$ 940,765	$ 1,219,977	$ 1,219,977	$ 531,360	43.55%
GENERAL ADMINISTRATION	$ 3,235,818	$ 4,665,661	$ 4,307,096	$ 7,765,538	$ 9,047,704	$ 9,680,704	$ 3,332,536	34.42%
FAMILY CARE COORDINATION	$ 1,251,648	$ 1,582,220	$ 1,341,827	$ 1,519,929	$ 1,567,780	$ 1,621,919	$ 519,166	32.01%
SCHOOL HEALTH	$ 6,979,729	$ 7,392,127	$ 4,838,775	$ 5,335,494	$ 5,582,196	$ 5,582,196	$ 1,920,831	34.41%
COMMUNITY IMPACT	$ 2,502,914	$ 3,199,702	$ 3,474,876	$ 4,556,845	$ 3,293,977	$ 3,363,971	$ 1,447,529	43.03%
DENTAL HEALTH	$ 3,708,063	$ 4,015,567	$ 5,180,045	$ 5,859,187	$ 6,678,331	$ 6,677,001	$ 2,066,000	30.94%
VITAL RECORDS	$ 70,154	$ 72,346	$ 78,036	$ 79,245	$ 84,046	$ 84,046	$ 24,745	29.44%
COMMUNICABLE DISEASE	$ 4,145,338	$ 5,158,646	$ 4,228,051	$ 2,057,475	$ 1,927,896	$ 1,927,896	$ 700,613	36.34%
CLINICAL SERVICES	$ 3,816,726	$ 3,594,777	$ 2,924,908	$ 2,915,664	$ 3,837,376	$ 3,852,376	$ 1,251,585	32.49%
BEHAVIORAL HEALTH	$ 147,966	$ 807,960	$ 1,636,290	$ 1,767,898	$ 2,058,696	$ 2,399,646	$ 734,055	30.59%
WOMEN, INFANTS, CHILDREN	$ 811,156	$ 880,309	$ 928,672	$ 900,683	$ 919,807	$ 919,807	$ 361,898	39.34%
TOTAL	$ 29,258,426	$ 34,197,127	$ 31,705,471	$ 35,603,991	$ 38,303,948	$ 39,426,856	$ 13,650,608	34.62%
FUND BALANCE INCREASE (DECREASE)	$ 828,093	$ 125,936	$ 523,996	$ 922,269	$ -	$ -	$ 0	

Snapshot

Reviewed and recommended for approval by Finance Committee: 1/13/2026

Cabarrus Health Alliance Snapshot
November 30, 2025
Target Percentage 42%
Modified Accrual

	Budget	Actual	YTD Percentage		Comments
Environmental Health					
Revenue	2,097,317	807,864	38.52%		
Expense	2,097,317	760,289	36.25%		
Information Technology					
Revenue	841,967	350,927	41.68%		
Expense	1,219,977	531,360	43.55%		
General Administration					
Revenue	8,737,236	2,842,106	32.53%		
Expense	9,680,704	3,332,536	34.42%		Fund balance added to actual revenue; $920,703
Family Care Coordination					
Revenue	1,621,919	635,865	39.20%		
Expense	1,621,919	519,166	32.01%		
School Health					
Revenue	5,582,196	1,914,466	34.30%		
Expense	5,582,196	1,920,831	34.41%		
Community Impact					
Revenue	3,307,265	1,479,213	44.73%		
Expense	3,363,971	1,447,529	43.03%		
Dental Health					
Revenue	8,118,131	2,865,036	35.29%		
Expense	6,677,001	2,066,000	30.94%		Cost Settlement added to actual revenue; $1,579,392.50
Vital Records					
Revenue	83,060	34,608	41.67%		
Expense	84,046	24,745	29.44%		
Communicable Disease					
Revenue	1,927,896	720,918	37.39%		
Expense	1,927,896	700,613	36.34%		
Clinical Services					
Revenue	3,852,376	1,308,537	33.97%		Quarterly payment and Cost settlement added to actual revenue;
Expense	3,852,376	1,251,585	32.49%		$193,336.67 and $ 161,389.17
Behavioral Health					
Revenue	2,399,646	789,781	32.91%		
Expense	2,399,646	734,055	30.59%		
Women, Infants, and Children					
Revenue	857,847	361,502	42.14%		
Expense	919,807	361,898	39.34%		

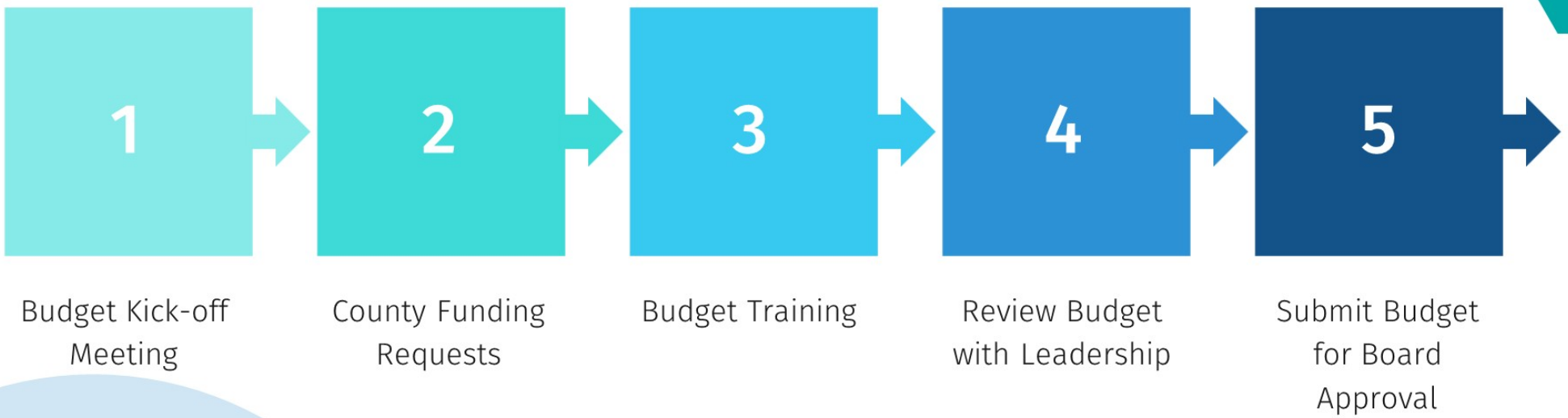
Green - Revenues are greater than expenses or percentage is within 5% points
Yellow - Revenues are less than expenses when not anticipated and percentage variance is between 6% and 15%
Red - Revenues are less than expenses when not anticipated and percentage variance is greater than 16%

F. REPORTS

Fiscal Year 2027 Budget Preparation

Sue Yates

Road to FY27 Budget



1	12/04/25	Leadership Team: Discuss Cabarrus County continuation funding and new requests (if needed and justified) for FY27
2	12/15/25	Division Directors: Finalize County FY27 Request
3	01/12/26 - 01/20/26	Finance: Provide budget trainings to program managers; three training opportunities
4	02/17/26	Finance: provide budget packet to program manager for completion
5	03/10/26	Budget Managers: Submit budget documents
6	03/16/26 - 03/31/26	Budget Managers: Present budget to Leadership Leadership: Review, modify to balance budget, provide decisions to program managers

THE ROAD TO BOARD APPROVAL

CABARRUS HEALTH ALLIANCE

March - April

Compile Data & Preliminary Budget

Mid-April

State: Consolidated Agreement & Addenda Due to NC DHHS

May/June

CEO, CFO, Board Chair Attend County Commissioner Budget Work Session

May

Finalize Budget
Present Budget to Board

May Board Meeting

Discuss CEO's Recommended Budget at CHA Board Meeting

May/June

Additional Budget Adjustments as Necessary

June Board Meeting

CHA BOARD: PUBLIC HEARING & REQUESTED BUDGET ADOPTION

F. REPORTS

Measles Update

Tamara Lunsford Key, Program Director - CD & Adult Health
Dr. Megan Easterday, Medical Director

G. CONSENT AGENDA

Chairperson Lara Pons, MD

- **Budget Revisions**
- **Finance Policies**

Sue Yates, Chief Financial Officer

G. CONSENT AGENDA

Budget Revisions

Sue Yates, Chief Financial Officer

Click here for full documents

Budget Revisions

Reviewed and recommended for approval by Finance Committee: 1/13//2026

Summary	Amount Increase or (Decrease)
Behavioral Health: • Additional revenue for the County ARPA Behavioral Health Grant Carryover	$27,671
Finance: • Strategic Initiatives Regional Grant received from the North Carolina Association of Public Health for Bill Optimization *(11 received)*	$81,775
Clinical: • Additional revenue for the Prescription Drug Overdose Grant • Reduce budget for Mecklenburg PrEP program as patients are now being served in the Adult Primary Care Clinic • Move budget for Regional Foundational Capabilities from General Administration to Communicable Disease	$8,792 $(13,531) $0

G. CONSENT AGENDA

Finance Policies

Sue Yates, Chief Financial Officer

Click here for full documents

Reviewed and recommended for approval by Finance Committee: 1/13/2026

Finance Policies

Summary	
Credit Card Processing Policy	No changes
Public Health, Primary Care & Dental Services Billing Policy	No changes
Reserve Policy	No changes
Internal Control Policy	No changes
CHA Subaward Policy	Minor word changes (Changed "as *a subrecipient"* to "*with a subrecipient"* on page 1) (Changed "*Grants Officer"* to "*Contracts Officer"* on page 11)
Public Health Primary Care Services Debt Management Policy	Minor word changes (Changed "*copayment"* to "*co-insurance"* under fee collection) (Changed wording from "*prompt pay discounts"* to "*be made after payments are made by payors"*)

H. BUSINESS AGENDA

Term Updates and Process for New Board Member Selection

Erin Shoe, MPH, Health Director

FY 2027 Board Meeting Dates

Erin Shoe, MPH, Health Director

H. BUSINESS AGENDA

Term Updates and Process for New Board Member Selection

Erin Shoe, MPH, Health Director

Term Updates and Process for New Board Member Selection

Erin Shoe, MPH, Health Director

CABARRUS HEALTH ALLIANCE

Member	Representing	Term
Dr. Lara Pons	Practicing Physician in Cabarrus County	Appointed: 6/19/17 Term Ends: 6/30/20 Re-appointed 6/15/20 Term Ends: 6/30/23 Reappointed: 7/1/2023 **Term Ends: 6/30/2026**
Amy Jewell	Public member in mental health practice	Appointed: 9/16/2024 **Term Ends: 6/30/2026**

CABARRUS HEALTH ALLIANCE

- All appointments of Commissioners shall be for three (3) year terms. Vacancies from resignation or removal from office shall be filled for the unexpired portion of the term. Except as set forth below, no Commissioner shall serve more than two (2) consecutive full or partial terms without at least a one (1) year respite between the dates of leaving the Commission and taking office for another term.

- The Commission may waive the term limit and/or the one (1) year respite for one or more Commissioners and allow him or her to serve or more additional terms upon the recommendation of the Nominating Committee and for good and specific cause shown and reflected in the meeting minutes of the Commission. These term limits shall not apply to the individuals serving on behalf of the Board of Commissioners of Cabarrus County and Atrium Health – Cabarrus, who may (but not required to) remain as Commissioners for so long as they serve in such capacitates for each of Cabarrus County and Atrium Health – Cabarrus.

H. BUSINESS AGENDA

FY 2027 Board Meeting Dates

Erin Shoe, MPH, Health Director

FY 2027 Board Meeting Dates

Erin Shoe, MPH, Health Director

CABARRUS HEALTH ALLIANCE

Quarter 1	July	No Meeting	
	August	August 18th	Exec Committee: 8/11
	September	No Meeting	
Quarter 2	October	October 20th	Exec Committee: 10/13
	November	No Meeting	
	December	December 15th	Exec Committee: 12/8
Quarter 3	February	February 17th	Exec Committee: 2/10
	March	March 16th	Exec Committee: 3/9 CCS & KCS Spring Break week
Quarter 4	April	No Meeting	
	May	May 18th (prelim budget)	Exec Committee: 5/11
	June	June 15th (final budget)	Exec Committee: 6/8

cha CABARRUS HEALTH ALLIANCE

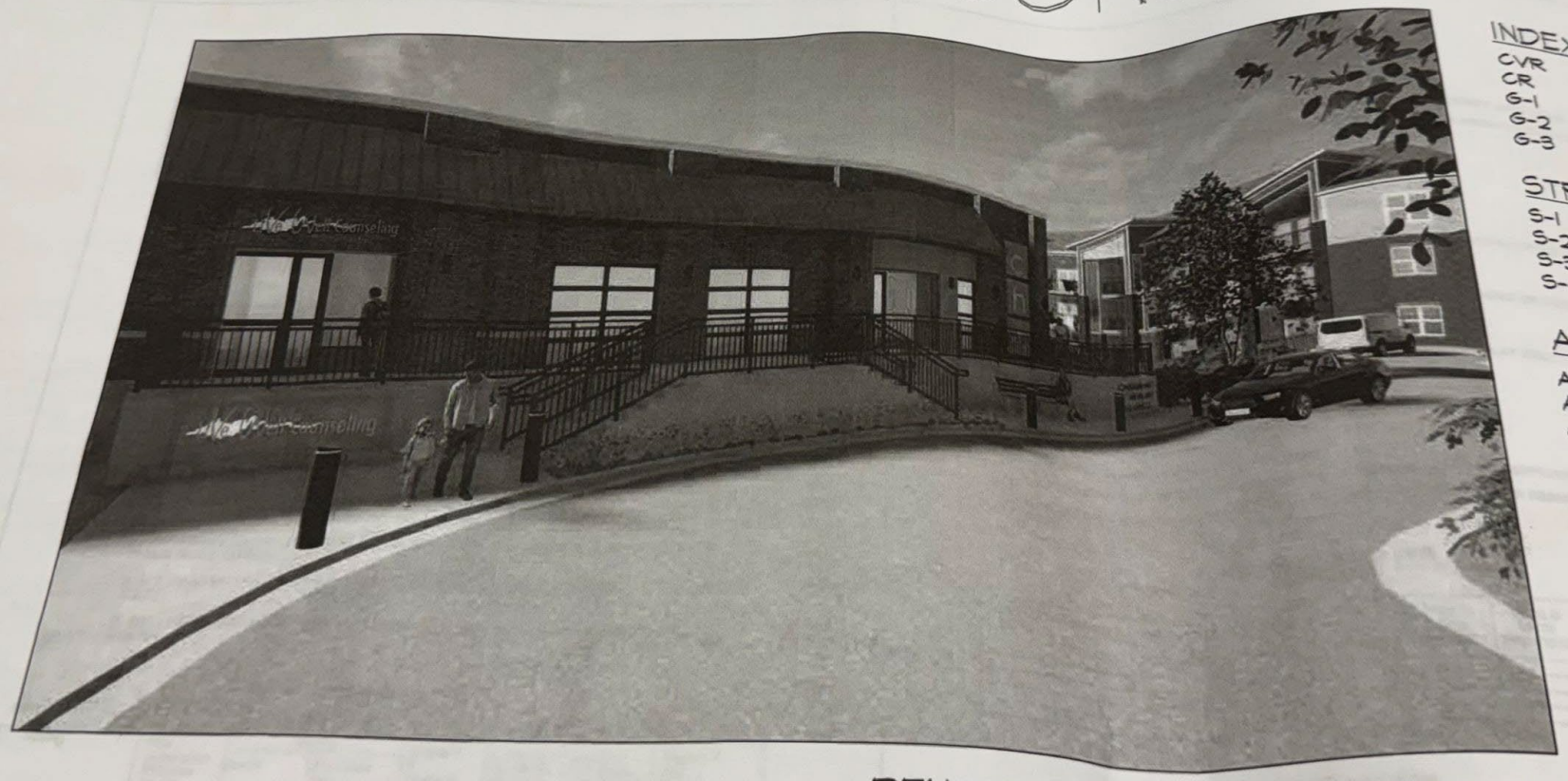
I. HEALTH DIRECTOR REMARKS

Erin Shoe, MPH

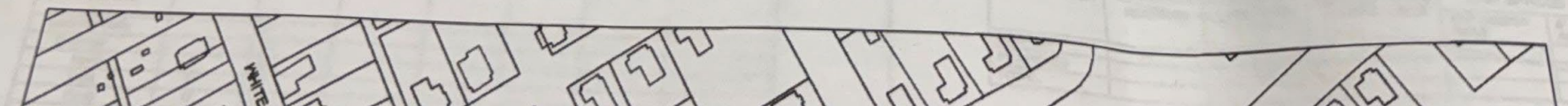
Brown Mill Photo Tour

Pictures taken January 15, 2026

TENANT UPFIT FOR:
CABARRUS HEALTH ALLIANCE
BROWN MILL
526 CABARRUS AVE. W, CONCORD, NC, 2802



RENDERING OF FRONT ENTRANCE



INDEX OF DRAWINGS

CVR COVER SHEET
CR CODE REVIEW
G-1 GENERAL NOTES & ABBREVIATIONS
G-2 ACCESSIBILITY NOTES & DETAILS
G-3 PHOTOGRAPHS OF EXISTING CONDIT

STRUCTURAL

S-1 STRUCTURAL AREA PLAN
S-2 BEAM DETAILS
S-3 LINTEL DETAILS
S-4 STRUCTURAL DETAILS

ARCHITECTURAL

A-1 EXISTING FLOOR PLAN
A-2 EXISTING EXTERIOR ELEVAT
A-3 PROPOSED FLOOR PLAN
A-4 PROPOSED REFLECTED CE
A-5 ENLARGED FLOOR PLAN :
ENTRY & WELCOME AREA
A-6 ENLARGED FLOOR PLAN
BEHAVIORAL HEALTH / L
A-7 ENLARGED FLOOR PLAN
CASE MANAGEMENT / G
A-8 ENLARGED FLOOR PLA
SCHOOL HEALTH
A-9 ENLARGED FLOOR PL
W.I.C.
A-10 ENLARGED FLOOR P
ENVIRONMENTAL HE
A-11 ENLARGED FLOOR
AUDITORIUM
A-12 ENLARGED FLOOR
STAFF AREAS, KI
A-13 ENLARGED FLOOR

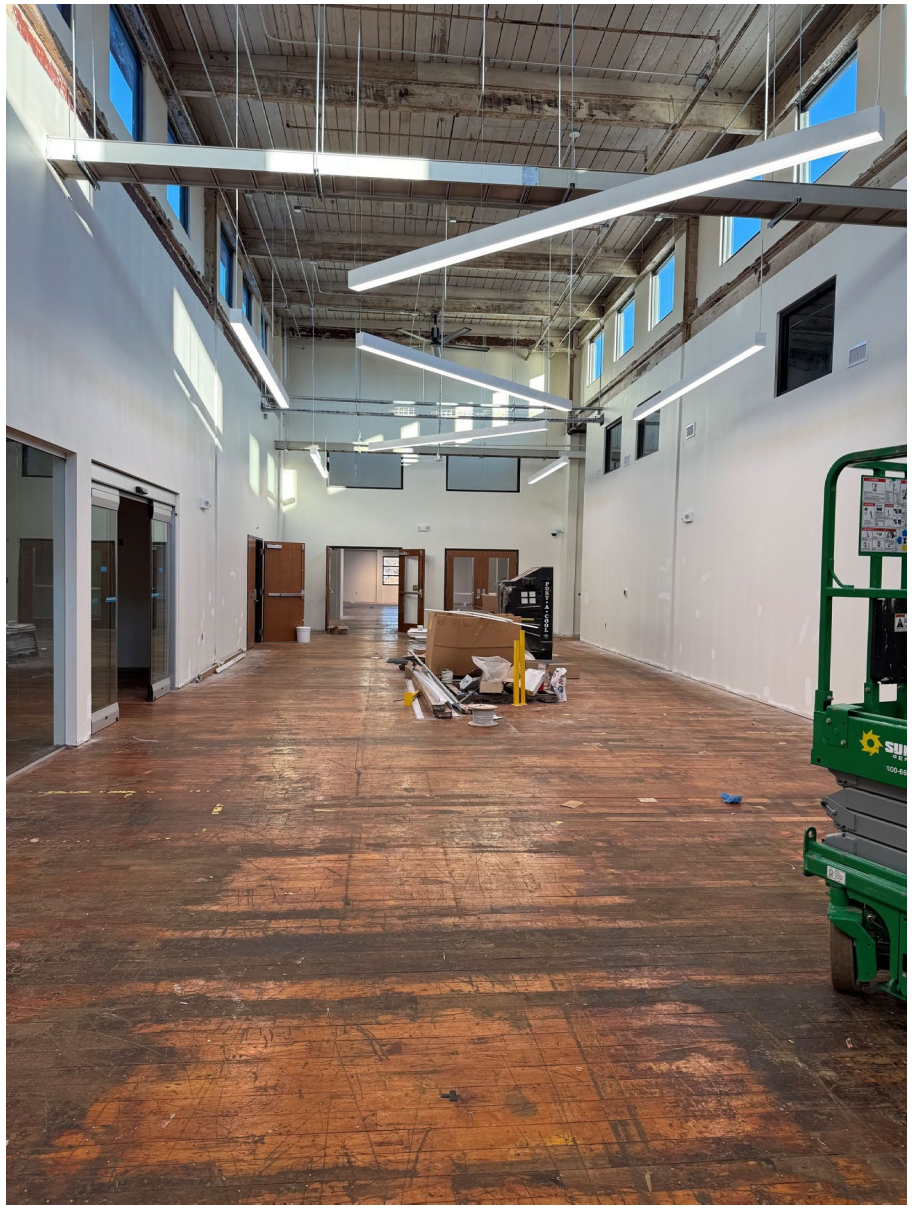
Front of Brown Mill

Back entrance & ramp

Back patio

Back of reception desk looking towards front of building

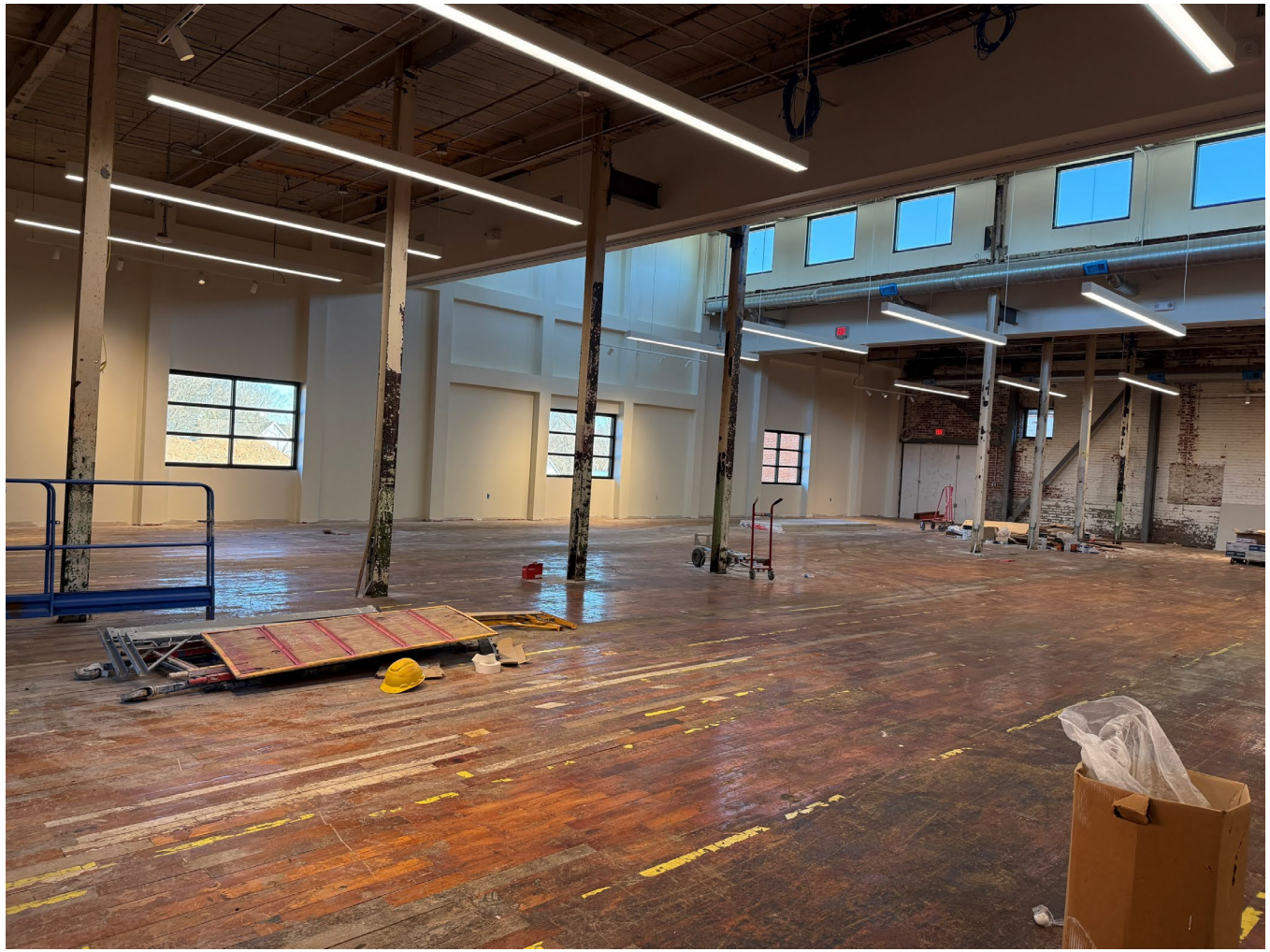
Main hallway looking towards rear of building; towards auditorium



Auditorium doors/entryway

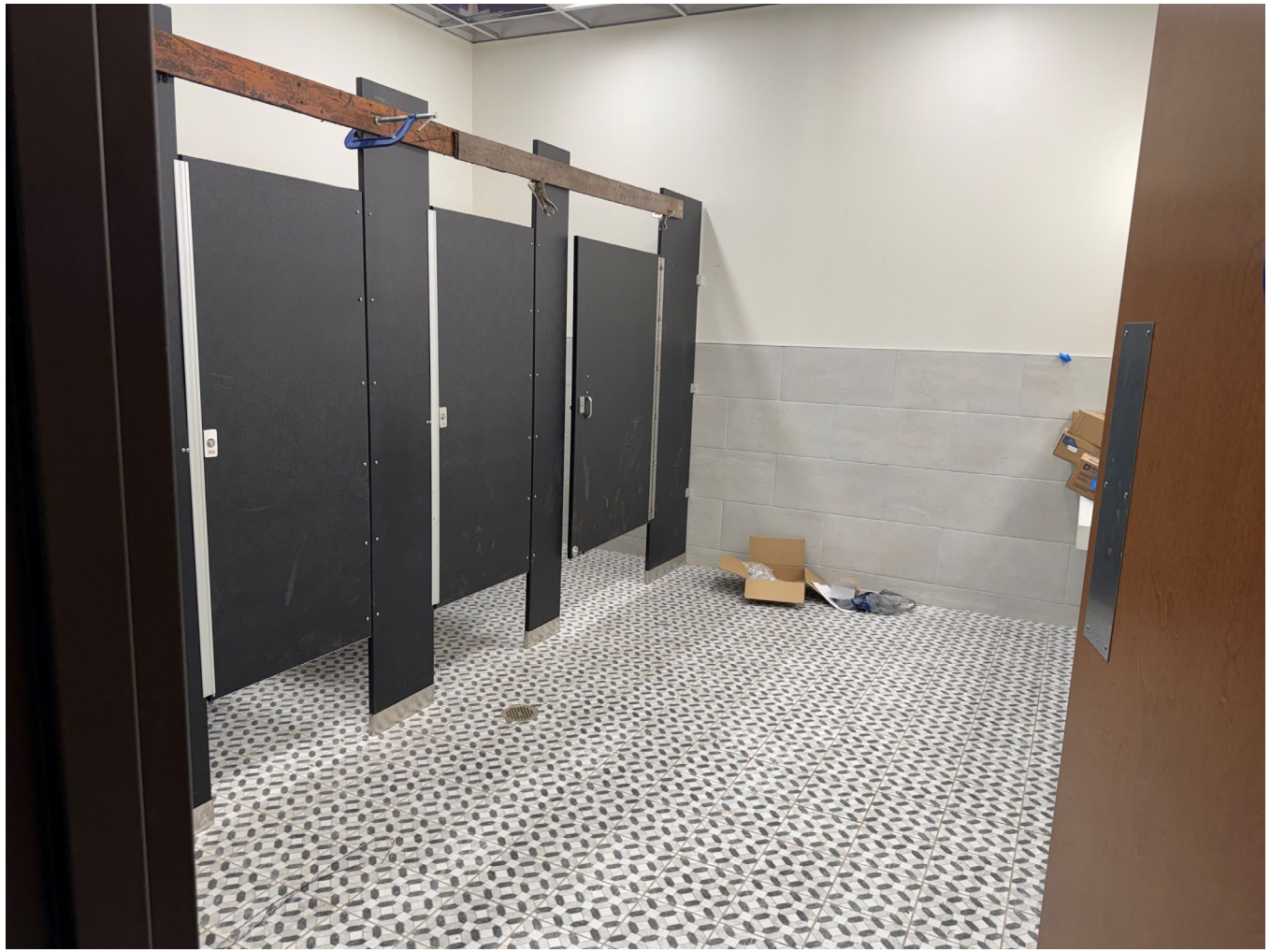
Inside auditorium

Back left auditorium looking towards front



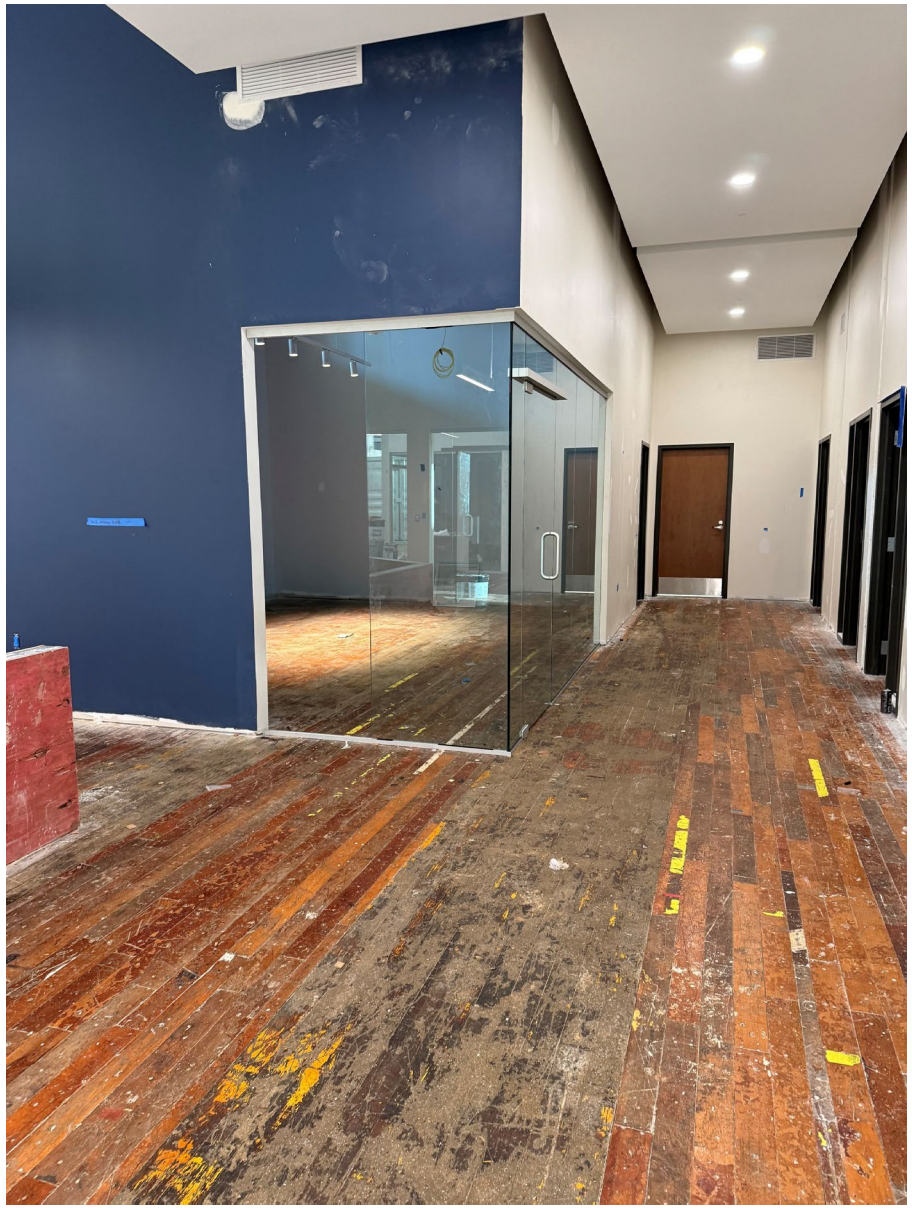
Front left of auditorium looking towards rear

Auditorium women's restroom



Meeting pods (3 total)

School Health area looking towards conference room



Community Impact

Behavioral Health/ LiVe Well restroom

Staff breakroom; banquets will be built in

Salvaged windows looking into Facilities office

Staff breakroom

Kitchen island still to be installed

Staff breakroom pods

Built in seating to come

WIC Entrance

WIC Staff Area

Touchdowns to be built in

WIC Restroom (1 of 2)

The only two original restrooms in the space

Test floor for cleaning & sealing

Environmental Health entrance

Lots of windows and light flooding the atriums throughout!

J. ANNOUNCEMENTS

Chairperson Lara Pons, MD

K. MOTION TO ADJOURN

Chairperson Lara Pons, MD

Supplementary Documents Linked to Agenda Items

Public Health Authority of Cabarrus County
Board Meeting Minutes
November 18, 2025

A regular meeting of The Public Health Authority Board was held on Tuesday, November 18, 2025.

Board members attended in-person at CHA.

Members Present: Lara Pons, MD, Chair
Mark Spitzer, Vice-Chair
Cecilia Plez
Laura Lindsey
Daryle Adams

Members Absent: Amy Jewell, Kerry Dove, Asha Rodriguez, and Natasha Lipscomb

Staff Present: Erin Shoe, Rolanda Patrick, Alicia Primus, April Sloop, Sue Yates, Mariah Kendrick, Megan Easterday, Russell Suda, Tamara Lunsford-Key, Julia Patterson, Monique White, Asia Ruiz-Smith, Mikaella Rohmann, Laura Pierce, Ashley Goodman, Mayra Laica-Olsacher, and Tyler LaBorwit

Guest and Members of the Public Present: Lynn Suda

CALL TO ORDER

Chairperson Dr. Lara Pons called the meeting to order at 5:50 pm.

ADOPTION OF THE AGENDA

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

APPROVAL OF THE MINUTES

Chairperson Dr. Lara Pons requested a motion to approve the October 2025 regular session minutes. Daryle Adams moved. Mark Spitzer seconded. Motion and approval carried unanimously. Chairperson Dr. Lara Pons requested a motion to approve the October 2025 closed session minutes. Cecilia Plez moved. Daryle Adams seconded. Motion and approval carried unanimously.

INFORMAL PUBLIC COMMENTS

No public comments.

RECOGNITIONS

Dr. Megan Easterday recognized Dr. Russell Suda as the recipient of the 2025 Generational Impact Leader Award. This award honors the significant impact and dedication Dr. Suda has shown in improving the health and lives of the community. Dr. Suda expressed his gratitude for the recognition and highlighted the contributions of the Women's

Health & Integrated Behavioral Health staff. Dr. Suda also awarded the team with the 2025 Gatekeeper for Life Award and expressed his appreciation for working with an amazing team dedicated to serving others.

REPORTS

Academic Health Department Overview

Dr. Alicia Primus, Community Impact Director, presented an overview of the Academic Health Department (AHD). The report highlighted the development of student learning experiences. In FY25, CHA hosted 264 students who collectively completed 9,962 total contact hours. Dr. Primus looks forward to continuing the program alongside the AHD team.

Fall 2025 Marketing and Communications Intern Report

Tyler LaBorwit, Community Outreach and Communications Intern, presented his experience at CHA. A recent graduate of Elon University with a degree in Strategic Communications and Biology, Tyler has enjoyed his time learning about public health communications, developing marketing campaigns, and engaging with the community. Tyler hopes to continue building a career in health communication.

Finance Committee Reports

Sue Yates, Chief Finance Officer, presented the following reports:

- CHA Financial Summary as of September 30, 2025. The summary includes revenues and expenditures, actuals for past and present fiscal year, and the year-to-date collected percentages.
    - Reviewed and recommended for approval by Finance Committee on 11/12/2025
    - Net positive amount $403,669.
- CHA Snapshot as of September 30,2025. The snapshot shows the budget, actuals, and year-to-date percentage collected for each department.
    - Reviewed and recommended for approval by Finance Committee 11/12/2025
    - All departments are in 'the green.'

Daryle Adams requested a motion to approve the Finance Committee Reports. Mark Spitzer moved. Laura Lindsey seconded. Motion and approval carried unanimously.

CONSENT AGENDA

Budget Revisions

Sue Yates presented an overview of the Budget Revisions. There are currently four (4) Budget Revisions. All were reviewed by the Executive and Finance Committee on 11/12/2025.
The Budget Revisions include the following:

- Behavioral Health: Harm Reduction; $(1,164)
    - Harm Reduction carryover amount alignment, more funds used in FY2025 than anticipated leading to minor decrease in carryover amount for FY2026
- Clinical: Opioid Settlement Grant; $56,606
    - Additional revenue for the Opioid Settlement Grant carryover
- Clinical: Pregnancy Care Management; $41,863
    - Additional revenue for Pregnancy Care Management from Medicaid and Rowan County Health Department
- Clinical: Care Coordination; $9,533
    - Additional revenue for Care Coordination from Rowan County Health Department

Finance Policies

Sue Yates presented an overview of the Finance Policies. There are currently three (3) Finance Policies for review. All were reviewed by the Executive and Finance Committee on 11/12/2025.

- Finance: Donation Policy
    - No changes;
- Finance: Donation Policy – Cabarrus Public Health Interest
    - No changes;
- Finance: Public Health, Primary Care & Dental Services False Claims and Fraud Prevention Policy
    - No changes;

Chairperson Dr. Lara Pons requested a motion to approve the Budget Revisions & Finance Policies. Mark Spitzer moved. Laura Lindsey seconded. Motion and approval carried unanimously.

BUSINESS AGENDA

Personnel Policy

Rolanda Patrick, Deputy Health Director, presented the Personnel Policy updates. The updates included:

1. Longevity Pay:
    a. Deleted language around Organizational Performance Award and replaced it with Longevity Pay. (Previously approved, updating policy)
2. Recruitment Sources:
    a. Clarified the requirement to interview any internal candidate who applies during the internal recruitment period and meets the minimum requirements of the position.
3. Hours of Work:
    a. Added the right of the CEO to alter the work location, in addition to work hours, based on business necessity.
4. Outside Employment:
    a. Added requirement to report all outside employment to HR.
5. Telephones & Devices:
    a. Removed prohibition from taking pictures on CHA property and clarified the restriction is when PHI could be captured.
6. Children at Work:
    a. Prohibits children from accompanying staff to work. If staff wish to bring children to CHA to visit coworkers, they must be with their guardian at all time. Children over the age of five (5) are not permitted in staff only areas.
7. Holidays:
    a. Clarifies that the amount time awarded for the floating holiday on January 1, will not be adjusted for later changes to FTE.
8. Annual Leave – Manner of Accumulation:
    a. Clarifies that employees with full-time military service qualify to have their time credited toward their leave accrual rate. Adds ability or an employee who retired with 20 years from the reserve forces to receive five (5) years of credit for their part time service.
9. Bereavement:
    a. Adds maximum of ten (10) days an employee may receive bereavement pay per calendar year.

Mark Spitzer asked Rolanda Patrick when staff will receive their longevity pay. Rolanda Patrick replied staff will receive their longevity pay on their first paycheck in December. Floating holiday pay will be based on an employee's status as of January 1 as a full-time or part-time employee. Mark Spitzer suggested language be added to the 'Hours of Work' policy to include location. The updated title will state 'Hours of Work and Location of Work'. Chairperson Dr. Lara Pons requested a motion to approve the Personnel Policy. Mark Spitzer moved. Daryle Adams seconded. Motion and approval carried unanimously.

State Contract Pricing

Sue Yates presented the State Contract Pricing. NCGS 143-129g allows CHA to utilize a state or federal contract that has completed the competitive procurement process. The state or federal agencies already completed the competitive bid process which allows eligible agencies to use the contracts without securing separate multiple bids. NCGS 115D-58.14 and NCGS 116-13 statewide term contracts may be utilized, without further competition, by state agencies and other eligible entities. Sue Yates requested approval for statewide term contracts to be utilized by CHA. Contracts include:

260A: Dental Products & Services
269A: Pharmaceutical Distribution Services
269B: Influenza Vaccines
3121A: Interior Paint
5213A: Window Coverings & Installation
946A: Procurement Card
5610A: Office and Outside Furniture
958A: Small Package Delivery Services
1412: Office Paper, Forms, and Supply Inc.

Chairperson Dr. Lara Pons requested a motion to approve the State Contract Pricing. Cecilia Plez moved. Daryle Mark Spitzer seconded. Motion and approval carried unanimously.

HEALTH DIRECTOR REMARKS

Erin Shoe shared the Health Director's Remarks.

1. Thanks to the marketing team, April and Tracy, for their vision and hard work on the 2025 CHA Annual Report. Accepting feedback and suggestions for improvement
2. No interruptions to WIC services. CHA experienced a slight decline in patients due to communications of WIC status
3. Medicaid cuts will occur in January 2026

ANNOUNCEMENTS

No announcements.

MOTION TO ADJOURN

No further business to come before the Board.

Chairperson Dr. Lara Pons requested a motion to adjourn the meeting. Mark Spitzer moved. Laura Blackwell seconded. Motion and approval carried unanimously.

_____

Lara Pons, MD, Chair

Public Health Authority Board of Commissioners

_____

Minutes Taken by Mariah Kendrick

Governance Manager

Cabarrus Health Alliance Board Meeting Agenda Form

Meeting Date: January 20, 2026

Name of Item: Budget Revision Request

Submitted by: Sue K Yates

Expected Length of Presentation: 5 minutes

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

Requested Action:
Approval of budget revisions 1. Additional revenue for the County ARPA Behavioral Health Grant Carryover. $27,671 2. Strategic Initiatives Regional Grant received from the North Carolina Association of Public Health for Bill Optimization. 81,775 3. Additional revenue for the Prescription Drug Overdose Grant. $8,792 4. Reduce budget for Mecklenburg PrEP program as patients are now being served in the Adult Primary Care Clinic. $(13,531) 5. Move budget for Regional Foundational Capabilities from General Administration to Communicable Disease. $0

Previous Action/Discussion on this item? If yes, explain
Yes, discussed by the Finance Subcommittee.

Items reviewed by:

Erin K Shoe, Health Director
Sue K Yates, Chief Financial Officer

CABARRUS HEALTH ALLIANCE
Budget Revision/Amendment Request

#1

Date: 1/20/2026 Amount: $ 27,671

Health Director: Erin Shoe

Purpose of Request: Budget for Fiscal Year 2025 County ARPA Behavioral Health Carryover.

Type of Adjustment:
___ Internal Transfer Within Program
___ Transfer Between Programs
_X_ Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265877-6903-399	Cabarrus County ARP Funding-BH	$ 386,757	$ 27,671	$ -	$ 414,428
00295877-9102-399	Part Time > 1000 Hours-BH	$ 50,411	$ 10,000	$ -	$ 60,411
00295877-9205-399	Group Hospital Ins-BH	$ 25,662	$ 5,000	$ -	$ 30,662
00295877-9206-399	HRA-BH	$ 3,852	$ 2,808	$ -	$ 6,660
00295877-9352-399	Software	$ 17,000	$ 2,000	$ -	$ 19,000
00295877-9611-399	Mileage-BH	$ 150	$ 350	$ -	$ 500
00295877-9356-399A	Special Program Supplies-BH	$ -	$ 1,000	$ -	$ 1,000
00295877-9420-399A	Telecommunications	$ -	$ 913	$ -	$ 913
00295877-9447-399A	Outsourced Services	$ -	$ 7,000	$ -	$ 7,000
00295877-9301-399	Office Supplies-BH	$ 1,000	$ -	$ 850	$ 150
00295877-9320-399	Printing & Binding	$ 200	$ -	$ 50	$ 150
00295877-9447-399	Outsourced Services-BH	$ 500	$ -	$ 500	$ -

Finance Office Use Only

Finance Director _____ Health Director _____ Chairman of Cabarrus Health Alliance _____

Approved/Denied Date _____ Approved/Denied Date _____ Approved/Denied Date _____

CABARRUS HEALTH ALLIANCE
Budget Revision/Amendment Request

#2

Date: 1/20/2026 Amount: $ 81,775

Type of Adjustment:
___ Internal Transfer Within Program
___ Transfer Between Programs
_X_ Supplemental Request

Health Director: Erin Shoe

Purpose of Request: Budget for North Carolina Association of Public Health Association Strategic Initiatives Regional Grant - Billing Optimization.

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265845-6282-483	NC Public Health Association	$ -	$ 81,775	$ -	$ 81,775
00295845-9101-483	Salaries & Wages-ROCB	$ -	$ 12,931	$ -	$ 12,931
00295845-9201-483	Social Security-ROCB	$ -	$ 802	$ -	$ 802
00295845-9202-483	Medicare-ROCB	$ -	$ 187	$ -	$ 187
00295845-9205-483	Group Hospital Ins-ROCB	$ -	$ 917	$ -	$ 917
00295845-9206-483	HRA-ROCB	$ -	$ 100	$ -	$ 100
00295845-9210-483	Retirement-ROCB	$ -	$ 1,858	$ -	$ 1,858
00295845-9211-483	401K Match-ROCB	$ -	$ 259	$ -	$ 259
00295845-9230-483	Workers' Compensation-ROCB	$ -	$ 78	$ -	$ 78
00295845-9640-483	Insurance & Bonds-ROCB	$ -	$ 200	$ -	$ 200
00295845-9659-483	Unemployment Comp-ROCB	$ -	$ 9	$ -	$ 9
00295845-9355-493	Other Operational-ROCB	$ -	$ 6,100	$ -	$ 6,100
00295845-9447-493	Outsourced Services-ROCB	$ -	$ 57,984	$ -	$ 57,984
00295845-9611-493	Mileage-ROCB	$ -	$ 350	$ -	$ 350

Finance Office Use Only

Finance Director _____ Health Director _____ Chairman of Cabarrus Health Alliance _____

Approved/Denied Date _____ Approved/Denied Date _____ Approved/Denied Date _____

CABARRUS HEALTH ALLIANCE
Budget Revision/Amendment Request

#3

Date: 1/20/2026 Amount: $ 8,792

Health Director: Erin Shoe

Purpose of Request: Budget for additional funds received for the Prescription Drug Overdose Grant.

Type of Adjustment:
___ Internal Transfer Within Program
___ Transfer Between Programs
_X_ Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265845-6347-50472	Partners Health Management	$ 50,000	$ 8,792	$ -	$ 58,792
00295845-9101-50472	Salaries & Wages	$ 12,291	$ 1,000	$ -	$ 13,291
00295845-9210-50472	Retirement-PDO	$ 1,769	$ 1,000	$ -	$ 2,769
00295845-9352-50472	Software	$ -	$ 360	$ -	$ 360
00295845-9355-50472	Other Operation Costs-PDO	$ 6,449	$ 2,000	$ -	$ 8,449
00295845-9356-50472	Special Program Supplies	$ 14,852	$ 3,932	$ -	$ 18,784
00295845-9635-50472	Training & Education - PDO	$ 1,500	$ 500	$ -	$ 2,000

Finance Office Use Only

Finance Director _____ Health Director _____ Chairman of Cabarrus Health Alliance _____

Approved/Denied Date _____ Approved/Denied Date _____ Approved/Denied Date _____

CABARRUS HEALTH ALLIANCE
Budget Revision/Amendment Request

#4

Date: 1/20/2026 Amount: $ (13,531)

Type of Adjustment:
___ Internal Transfer Within Program
___ Transfer Between Programs
_X_ Supplemental Request

Health Director: Erin Shoe

Purpose of Request: Reduce budget for Mecklenburg PrEP program as patients are now being served in the Adult Primary Care Clinic.

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265865-6448-235	Mecklenburg County	$ 13,531	$ -	$ 13,531	$ -
00295865-9102-235	Part Time > 1000 Hours-PrEP	$ 16,396	$ -	$ 13,531	$ 2,865

Finance Office Use Only

Finance Director _____ Health Director _____ Chairman of Cabarrus Health Alliance _____

Approved/Denied Date _____ Approved/Denied Date _____ Approved/Denied Date _____

CABARRUS HEALTH ALLIANCE
Budget Revision/Amendment Request

#5

Date: 1/20/2026 Amount: $ - Type of Adjustment:

Health Director: Erin Shoe ___ Internal Transfer Within Program

Purpose of Request: Move budget for Regional Foundational Capabilities from General Adminstration to Communicable Disease. ___ Transfer Between Programs

_X_ Supplemental Request

Account	Account Name	Present Approved Budget	Increase	Decrease	Revised Budget Amount
00265815-6200-50118	CHA Grant	$ 107,452	$ -	$ 107,452	$ -
00295815-9101-50118	Salaries & Wages-RFC	$ 78,537	$ -	$ 78,537	$ -
00295815-9201-50118	Social Security-RFC	$ 4,896	$ -	$ 4,896	$ -
00295815-9202-50118	Medicare-RFC	$ 1,145	$ -	$ 1,145	$ -
00295815-9205-50118	Group Hospital Insurance-RFC	$ 7,729	$ -	$ 7,729	$ -
00295815-9206-50118	Health Reimbursement Arrangeme	$ 504	$ -	$ 504	$ -
00295815-9210-50118	Retirement-RFC	$ 11,362	$ -	$ 11,362	$ -
00295815-9211-50118	401K Match-RFC	$ 1,579	$ -	$ 1,579	$ -
00295815-9230-50118	Workers' Compensation-RFC	$ 474	$ -	$ 474	$ -
00295815-9640-50118	Insurance & Bonds-RFC	$ 1,184	$ -	$ 1,184	$ -
00295815-9659-50118	Unemployment Compensation	$ 42	$ -	$ 42	$ -
00265865-6200-50118	CHA Grant-RFCD	$ -	$ 107,452	$ -	$ 107,452
00295865-9101-50118	Salaries & Wages-RFCD	$ -	$ 78,537	$ -	$ 78,537
00295865-9201-50118	Social Security-RFCD	$ -	$ 4,896	$ -	$ 4,896
00295865-9202-50118	Medicare-RFCD	$ -	$ 1,145	$ -	$ 1,145
00295865-9205-50118	Group Hospital Insurance-RFCD	$ -	$ 7,729	$ -	$ 7,729
00295865-9206-50118	HRA-RFCD	$ -	$ 504	$ -	$ 504
00295865-9210-50118	Retirement-RFCD	$ -	$ 11,362	$ -	$ 11,362
00295865-9211-50118	401K Match-RFCD	$ -	$ 1,579	$ -	$ 1,579
00295865-9230-50118	Workers' Compensation-RFCD	$ -	$ 474	$ -	$ 474
00295865-9640-50118	Insurance & Bonds-RFCD	$ -	$ 1,184	$ -	$ 1,184
00295865-9659-50118	Unemployment Comp-RFCD	$ -	$ 42	$ -	$ 42

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 Board Meeting Agenda Form

Meeting Date: January 20, 2026

Name of Item: Annual Finance Policy Review

Submitted by: Sue Yates

Expected Length of Presentation: 5 minutes

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

Requested Action:
To approve the following reviewed and revised policies: - Credit Card Processing Policy – no changes - Public Health, Primary Care & Dental Services Billing Policy – no changes - Reserve Policy – no changes - Internal Control Policy – no changes - CHA Subaward Policy – minor wording changes – changed as a subrecipient to with a subrecipient on page 1; Changed Grants Officer to Contracts Officer on page 11 - Public Health Primary Care Services Debt Management Policy – minor wording changes. Changed copayment to co-insurance under fee collection; changed wording for prompt pay discounts to be made after payments are made by payors.

Previous Action/Discussion on this item? If yes, explain
Yes - The reviewed/revised policies were discussed & approved at the Finance Committee meeting.

Items reviewed by:
Sue Yates, Chief Finance Officer Erin Shoe, Health Director Finance Subcommittee

SUBJECT: **CREDIT CARD PROCESSING POLICY**

EFFECTIVE DATE: June 12, 2018

REVISION DATE: June 11, 2019; January 16, 2024; February 18, 2025

REVIEW DATE: May 25, 2018; June 11, 2019, July 30, 2020; July 26, 2021; January 17, 2023; January 16, 2024; February 18,2025; January 20, 2026

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

DEFINITION: We currently use credit card terminals with cellular service for processing in our clinical accounts receivable, behavioral health, and environmental health locations. Current process does not use a computer or any device connected to our network. We use the PCI Data Security Standard SAQ B (Self-Assessment Questionnaire) for these terminals.

We currently use credit card terminals connected to our data network for clinic and dental registration areas. No data is stored on the network. These devices use End-to-End encryption. Once the card is swiped or inserted, the numbers are encrypted as they traverse our network and the internet until they are decrypted by GlobalPay. We use the PCI Data Security Standard SAQ D for these terminals. Employees are trained on how to process credit cards safely and securely, and on the importance of cardholder data security.

PROCEDURES TO BE FOLLOWED:

1. **PERMITTED PROCESSES**:
   1.1. Entering credit card number or swiping credit card while customer is present.

   1.2. Entering credit card number while customer is on the phone.

   1.3. Writing down a credit card number on a sheet of paper to type into credit card terminal. This sheet of paper must be secured until the credit card has been processed and then placed in a Shred-It bin. Under no circumstances should this information be stored.

1.4. Only the last four digits of a credit card number is displayed on printed receipts.

1.5. Only employees authorized by management are handling and processing customer's credit cards, and using the credit card machines.

1.6. Cardholder data received via an unintended channel should be immediately removed. An example of this would be receiving an email from a customer with cardholder data. If this happens, do not "reply" using the same email that contains the cardholder data. Contact the customer via an alternate communication to complete the transaction or remove sensitive data from the email response before replying.

1.7. When necessary, communicate with clients on the risks of sending cardholder data through unsecure channels and ensure customers are aware of our secure methods for submitting payment information.

1.8. Report to your supervisor if you aware of any tampering or substitution of devices.

1.9. A daily accounting of receipts from our patient software systems should be balanced against merchant card transactions via daily batch settlement reports. The actual funds for the merchant card transactions are electronically deposited into the agency's bank account automatically and reconciled by the Finance Department.

2. **PROHIBITED PROCESSES**:

2.1. Storing CHD (cardholder data) on paper following the completion of a transaction as it must be disposed of immediately in a Shred-IT bin.

2.2. Receiving credit card numbers and storing credit card numbers in any digital format. This includes Excel, Word, PDF files, in Email, in instant chat and also in any database.

2.3. Scanning in any paperwork which contains credit card numbers.

2.4. Employees making any changes to the credit card terminals without authorization.

2.5. No employee may disclose or acquire any information concerning a cardholder's account without the cardholder's consent. Employees shall not sell, purchase, provide, disclose or exchange card account information or any other transaction information to any third person other than Cabarrus Health Alliance (CHA) Staff for assistance, to merchant card processor, to any Card Association as applicable, or as may be required by applicable law or regulation.

2.6. Accepting payment cards for cash advances.

_____	_____
Date	Board Chairman

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

EFFECTIVE DATE: November 14, 2017

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

REVIEW DATE: October 31, 2017; August 1, 2018, August 1, 2019; July 30, 2020; July 26, 2021; January 17, 2023; January 16, 2024; January 20, 2026

POLICY STATEMENT:

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

BILLING MEDICAID AND THIRD-PARTY INSURANCE

Clients presenting with third party health insurance coverage where copayments are required shall be subject to collection of the required copayment at the time of service. For Family Planning (Title X) clients, the copay may not exceed the amount they would have paid for services based on sliding fee scale (SFS). For STD clients copays will not be collected per NC administrative code (10a ncac 41a .0204).

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

Third party is billed the total amount of the service provided and will not receive the benefit of the SFS. The client is then billed for the amount insurance states is patient responsibility based on the SFS if applicable.

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

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

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

If a patient has any form of third-party reimbursement, the payer should be billed, unless confidentiality is a barrier. Filing an insurance claim will result in an EOB being sent to the subscriber which would violate confidentiality if requested. Patients requesting confidentiality will sign a form that states how they will allow us to contact them and how they wish to handle payments/billing. Patients that receive STD services sign an electronic statement on the STD consent for treatment form stating whether they want services billed to their insurance. Medicaid will be billed as the payer of last resort. Patients should be made aware that they will be responsible for any balance remaining where insurance states patient responsibility. This may include coinsurance, deductibles and non-allowed charges (applied to the SFS). Family Planning clients will pay the lesser of the copay or where they fall on SFS as required by Title X.

_____ _____

Date Board Chairman

SUBJECT: **RESERVE POLICY**

EFFECTIVE DATE: August 12, 2008

REVISION DATE: July 26, 2010; December 31, 2012

REVIEW DATE: July 22, 2009; July 26, 2010; December 8, 2011; December 31, 2012; February 28, 2014; April 24, 2015; May 2, 2016; May 9, 2017; April 25, 2018; March 14, 2019; April 28, 2020; March 24, 2021; February 25, 2022; March 21, 2023, March 19, 2024; February 18, 2025; January 20, 2026

POLICY STATEMENT:

The Public Health Authority of Cabarrus County dba Cabarrus Health Alliance shall maintain an appropriate reserve in the fund balance to meet state statutes and sustain operations during unanticipated emergencies and disasters.

General

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.

Cabarrus Health Alliance will maintain an undesignated fund balance that exceeds eight percent (8%) of general fund expenditures in accordance with the North Carolina Local Government Commission's (LGC) recommendation. Based on historical cash flow analysis, 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.

_____ _____

Date Board Chairman

SUBJECT: **INTERNAL CONTROL POLICY**

EFFECTIVE DATE: January 1, 2004

REVISION DATE(S): May 19, 2008; December 18, 2014;

DATE OF LAST REVIEW: May 19, 2008; July 22, 2009; July 28, 2010; December 8, 2011; December 3, 2012; January 9, 2014; December 18, 2014; December 30, 2015; December 28, 2016, December 28, 2016; December 28, 2017; December 28, 2018; November 25, 2019; December 9, 2020; February 25, 2022; February 18, 2025; January 20, 2026

POLICY STATEMENT: The Cabarrus Health Alliance (the "Agency") shall maintain an effective system of internal control in order to monitor compliance with policies and procedures established by Agency management.

GENERAL: Internal control can be divided into two areas: accounting controls and administrative controls. Administrative controls deal with the operations of the Agency, whereas the accounting controls deal with accounting for Agency operations. Accounting controls should be designed to achieve the following five (5) basic objectives:

1. **VALIDATION**
   Validation is the examination of documentation, by someone with an understanding of the Agency's accounting system, for evidence that a recorded transaction actually took place and that it occurred in accordance with the Agency's prescribed procedures. As systems grow more sophisticated, validation is a built-in component whereby the transactions test themselves against predetermined exceptions. For example, only goods received are recorded on a receiving report (i.e. packing slip) and only services provided appear on a super bill/patient ledger. The vendor's invoice can be compared to the receiving report and the patient's receipt can be compared to the superbill/patient ledger. Another example confirms that all relevant details of a transaction are properly recorded: the nature, quality, and condition of goods received are checked by counting, weighing, and inspecting and recorded at time of receipt.

2. **ACCURACY**
   The accuracy of amounts and account classification is achieved by establishing control tasks to check calculations, extensions, additions, and account classifications. The control objective is to be certain that each transaction is recorded at the correct amount, in the appropriate account, and in the right time period. For example, one might "double-check" another individual's work on patient receipts by repeating the calculations, extensions, and additions and reviewing the account distributions.

   Control tasks, which ensure that transactions are recorded and reported in the proper accounting period, are essential to accurate financial reporting. For example, when goods are received they should be checked and recorded at the time of receipt.

The receiving records should then be matched with the related vendors' invoices as a further check on the timely recording of transactions.

3. COMPLETENESS

Completeness of control tasks ensures that all transactions are initially recorded on a control document and accepted for processing once and once only. Completeness controls are needed to ensure proper summarization of information and proper preparation of financial reports. To ensure proper summarization of recorded transactions as well as a final check of completeness, subsidiary ledgers and journals with control accounts need to be maintained. This is because individual transactions are the source of the ultimate product—financial reports. Completeness can be achieved by using two techniques: (i) sequentially numbering all transactions via documents as soon as the transactions occur; and then (ii) applying the control task of accounting for all the numbered documents completed in the processing. The use of "control totals" also provides information by which control is exercised. This is done by totaling the critical numbers before and after processing. When the two totals agree, one confirms that the processing is complete.

4. MAINTENANCE

The objective of the maintenance control is to monitor accounting records after the entry of transactions to ensure that they continue to reflect accurately the operations of the Agency. The control system should provide systematic responses to errors when they occur, to changed conditions, and to new types of transactions. The maintenance function should be accomplished principally by the operation of the system itself. Control maintenance policies require procedures, decisions, documentation, and subsequent review by a responsible authorized individual. Disciplinary control tasks, such as supervision and segregation of duties, should ensure that the internal control system is operating as planned.

5. PHYSICAL SECURITY

It is important that the Agency's assets are adequately protected. Physical security of assets requires that access to assets be limited to authorized personnel only. One means to limit access to both assets and related accounting records is through the use of physical controls. Protection devices restrict unauthorized personnel from obtaining direct access to assets or indirect access through accounting records which could be used to misappropriate assets. Locked storage facilities restrict access to inventories, and fireproof vaults prevent access to change funds, receivables, and banking materials. Transaction recording equipment limits access to assets by limiting the number of employees involved in recording and posting transactions, thereby minimizing the possibility of fraudulent misrepresentation. Computer-generated patient encounters and manually prepared patient super bills record service transactions, creating two records of a single transaction.

PROCEDURES TO BE FOLLOWED:

1. DETERMINATION OF VALIDITY

All transactions should be reviewed by an informed individual who has the appropriate authority to review and a determination should be made as to the validity of such transactions (i.e. appropriate approvals have been obtained and/or comparisons have been made to the underlying documentation).

2. CONTROL OF DOCUMENTS

All transactions should be entered on a control document.

(a) If the documentation is internally generated, it should be prenumbered and physical control should be maintained over unissued documents.

(b) If the document is prepared externally, it should be numbered immediately upon receipt, in sequential order.

3. CHECK FOR ACCURACY

Documents supporting transactions should be checked for mathematical accuracy. The authorized individual performing the check should initial or sign the document. The extent of checking can be either:

(a) 100% recalculation; or

(b) a check of amounts above (or below) a specified amount.

4. RECORD IN APPROPRIATE JOURNALS

As transactions are completed (and/or matched with other supporting documentation), they should be entered into the appropriate journals or registers as set forth by the Agency with a notation or cross-reference indicating the completion of the transactions.

5. CHECK FOR COMPLETENESS

Completeness of the journal or register should be established by reviewing the numerical control of items (established in Objective 2 above) that have not been matched with supporting documentation (if required) or are not complete.

6. INVESTIGATION OF UNPROCESSED TRANSACTIONS

Unprocessed transactions should be investigated periodically by an authorized and informed person other than the record keeper and corrective action should be taken.

7. SEGREGATION OF DUTIES

7.1. An individual, independent of the custodian of the journals generated in Objective 1 above, should establish a separate control account to account for the completed items.

7.2. The Agency's accounts payable custodian will not reconcile the Agency's accounts payable bank statement, and such reconciliation will be conducted by a different authorized and informed person.

7.3. The Agency's payroll custodian will not reconcile the Agency's payroll bank account, and such reconciliation will be conducted by a different authorized and informed person.

7.4. Preparers of the Agency's daily deposits will not reconcile the Agency's accounts payable bank statement, and such reconciliation will be conducted by a different authorized and informed person.

7.5. The Agency's purchasing agent will not order, receive, or pay for purchases of the Agency, and such purchases will be ordered, received and paid for by different authorized and informed persons.

8. PERFORMANCE OF MONTHLY RECONCILIATIONS

Reconciliations between subsidiary records and control accounts should be performed monthly to ensure that postings are correct and adjustments have been properly processed.

9. TIMELY INVESTIGATION OF DIFFERENCES

All differences should be investigated on a timely basis.

10. SAFEGUARDING OF ALL ACCOUNTING RECORDS

All assets and the accounting records should be properly safeguarded as set forth in this policy to prevent theft.

Cabarrus Health Alliance Board Chair Date

SUBJECT: **SUBAWARD AND MONITORING POLICY**

EFFECTIVE DATE: August 16, 2022

REVISION DATE: January 17, 2023

REVIEW DATE: January 1, 2022; January 16, 2024

POLICY STATEMENT:

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

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

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

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

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

> **Subrecipient Monitoring.** Recipients that are pass-through entities as described under 2 CFR 200.1 are required to manage and monitor their subrecipients to ensure compliance with requirements of the award pursuant to 2 CFR 200.332 regarding requirements for pass-through entities.
>
> First, CHA must clearly identify to the subrecipient: (1) that the award is a subaward of funds; (2) any and all compliance requirements for use of the funds; and (3) any and all reporting requirements for expenditures of the funds.
>
> Next, CHA will need to evaluate each subrecipient's risk of noncompliance based on a set of common factors. These risk assessments may include factors such as prior experience in managing federal funds, previous audits, personnel, and policies or procedures for award execution and oversight. Ongoing monitoring of any given subrecipient should reflect its assessed risk and include monitoring, identification of deficiencies, and follow-up to ensure appropriate remediation.

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

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

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

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

WHEREAS 2 CFR 200.332 states that:

All pass-through entities must:

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

(h) Consider taking enforcement action against noncompliant subrecipients as described in 2 CFR 200.339 and in program regulations.

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

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SUBAWARD & MONITORING POLICY FOR EXPENDITURE OF FEDERAL FUNDS

POLICY OVERVIEW

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

DEFINITIONS

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

Contract: for the purpose of federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a federal award. For additional information on subrecipient and contractor determinations, see § 200.331. See also the definition of *subaward* in this section.

Contractor: an entity that receives a contract as defined in this section.

Pass-through Entity: a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program *(CHA is the pass-through entity if it awards a subaward to a subrecipient)*.

Recipient: an entity, usually but not limited to non-federal entities that receives a federal award directly from a federal awarding agency. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

Subaward: an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient: an entity, usually but not limited to non-federal entities, that receives a subaward from a pass-through entity to carry out part of a federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

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

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

POP: Period of Performance of the grant/award.

SUBRECIPIENT CLASSIFICATION

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

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

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

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

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

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

The Grant Writer/Development Officer will use the above criteria to make an initial determination, using the Subrecipient or Contractor Classification Checklist in Appendix 1, on if an agreement involving the expenditure of the funds is a contract or subaward. CHA’s Finance Director shall approve the determination. After grant award, the Project Budget Manager shall seek approval for the determination with the funder’s Program Officer. The Project Budget Manager shall then file/store the determination properly according to the Record Retention Policy in the appropriate folder.

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

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

ASSESSMENT OF RISK

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

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

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

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

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

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

SUBRECIPIENT MONITORING

In collaboration with CHA's Finance Department, the Program Manager will develop and implement a subrecipient monitoring plan for the particular subaward based on the findings of the

Subrecipient Assessment of Risk. According to 2 CFR 200.332(d), the monitoring plan must involve:

(1) Reviewing financial and performance reports required by the pass-through entity.
(2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.
(3) Issuing a management decision for applicable audit findings pertaining only to the federal award provided to the subrecipient from the pass-through entity as required by 2 CFR 200.521.
(4) The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving crosscutting findings. If a subrecipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of federal funding (*e.g.,* has been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with Section 2 CFR 200.513(a)(3)(vii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

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

Subrecipient Deemed Low Risk	Subrecipient Deemed Medium Risk	Subrecipient Deemed High Risk
• Payment validations (monthly) • Report reviews (quarterly) • Desk reviews (at least once per year and more frequently if requested by CHA or subrecipient) • Onsite reviews (upon request of CHA or subrecipient • Audit review (yearly)	• More detailed financial Reporting • Payment validations (monthly) • Report reviews (bi-monthly) • Desk reviews (within 6 months of project start and every six months thereafter) • Onsite reviews (within 12 months of project start and annually thereafter, or more frequently as requested by CHA or subrecipient) • Audit review (yearly) • Procedures engagement (if subrecipient not subject to Single Audit Act; yearly)	• More detailed financial reporting • Compliance training (one-time) • Prior approvals for certain expenditures • Payment validations (monthly) • Report reviews (monthly) • Desk reviews (within 3 months of project start and at least quarterly thereafter) • Onsite reviews (within 6 months of project start and bi-annually thereafter, or more frequently as requested by CHAor subrecipient) • Audit review (yearly) • Procedures engagement (if subrecipient not subject to Single Audit Act; yearly)

A) Payment validation: All subrecipient documentation for project expenditures must be reviewed by the Project Budget Manager for compliance with subaward requirements. Any non-compliant expenditures will be denied and the subrecipient will be provided a reasonable description of the reason for denial and an opportunity to cure the deficiency. For a subrecipient on a reimbursement-based payment structure, the validation will occur before a reimbursement payment is approved. For a subrecipient that received an up-front payment, any funds found to have been expended in violation of the subaward requirements must be repaid to CHA.

B) Report review: A subrecipient must submit quarterly financial and performance reports, based on the schedule set forth in the subaward. The nature and scope of the reports will depend on the project and be spelled out in the subaward. The reports will be reviewed by the Program Manager. Any deficiencies or other performance concerns will be addressed with the subrecipient in a timely manner and could trigger additional monitoring requirements or other interventions, as specified in the subaward.

C) **Audit review:** CHA must verify that every subrecipient is audited as required by 2 CFR 200 Subpart F (Single Audit) when it is expected that the subrecipient's federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501. CHA must obtain a copy of the subrecipient's Single Audit from the Federal Audit Clearinghouse (FAC). Within six months of the acceptance of the audit report by the FAC, CHA will issue a management decision for any audit findings related to the subaward. The decision will clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action. (The decision will include reference numbers the auditor assigned to each finding.) The decision will provide a timetable for responsive actions by the subrecipient. Prior to issuing the management decision, CHA may request additional information or documentation from the auditee, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs.

D) **Procedures engagement**: Applicable only to subrecipients who are not subject to the Single Audit Act. An auditor will perform specific procedures and report on findings. The scope must be limited to the following compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; and reporting. The review will be arranged and paid for by CHA. CHA will verify completion of the procedures engagement. Within six months of the acceptance of the procedures engagement report, CHA will issue a management decision for any findings related to the subaward. The decision will provide a timetable for responsive actions by the subrecipient. Prior to issuing the management decision, CHA may request additional information or documentation from the subrecipient, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs.

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

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

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

SUBRECIPIENT INTERVENTIONS

CHA may adjust specific subaward conditions as needed, in accordance with 2 CFR 200.208 and 2 CFR 200.339. If CHA determines that the subrecipient is not in compliance with the

subaward, CHA may institute an intervention. The degree of the subrecipient's performance or compliance deficiency will determine the degree of intervention. All possible interventions must be indicated in the subaward agreement.

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

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

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

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

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

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

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

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

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

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

Further Action for High Risk Subrecipients:

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

* **Onsite review:** Should a subrecipient be deemed *High Risk*, CHA's Finance Director or designee will conduct an on-site meeting at the subrecipient's location to review the subrecipient's project performance and compliance. Topics covered will depend on project scope and subrecipient risk assessment and may include project procurement, data systems, activity and performance tracking, project reporting, inventory, and software systems. CHA's Finance Director or designee will produce a report which summarizes the results and any corrective actions deemed necessary. The report will be shared in a timely manner with the subrecipient.

VII. SUBAWARD AGREEMENT & EXECUTION

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

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_____ _____

Date Board Chairman

APPENDIX 1: Subrecipient or Contractor Classification Checklist

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

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

Name of Outside Entity:

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

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

- ☐ Is an eligible recipient of the federal funds.
  All subrecipients of federal funds must be able to meet the same eligibility criteria as the primary recipient (pass-through entity) for the federal award.
- ☐ May determine who may be eligible to receive federal assistance under the program guidelines.
  For example: A subrecipient that identifies mentors and mentees under a mentoring program.
- ☐ Has its performance measured in relation to whether objectives of a federal program were met?
  The recipient will rely upon the subrecipient's data to submit its own performance data to the federal entity.
- ☐ Has responsibility for programmatic decision making.
  For example: If the recipient funds a subrecipient to develop (or improve) a particular program and the subrecipient will use its own judgment, discretion, and expertise to develop all or part of the program.
- ☐ In accordance with its subaward agreement (which may be in the legal form of a contract), the subrecipient uses the federal funds to carry out a program for a public purpose specified in authorizing statutes, as opposed to providing goods or services for the benefit of the recipient. *For example: To provide crime- or criminal-justice-related*

services (and, in the case of crime victims, compensation) to individual members of the public, such as victims of crime, or at-risk youth.

- ☐ The subrecipient will not earn a profit under the agreement.
- ☐ The subrecipient is required to contribute cash or in-kind match in support of the subaward.

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

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

FINAL DETERMINATION:

- ☐ **Subrecipient**
- ☐ **Contractor**

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

Explanation of Justification Determination:

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

Signature: _____ Date:

Print Name and Title:

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

Date:

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

APPENDIX 2: Subrecipient Risk Assessment

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

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

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

Name of Authorized Representative

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

Last Name:_____ Suffix:_____

Title of Authorizing Official: _____

SIGNATURE: _____

Date submitted (mm/dd/yyyy): _____

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

8. Does your financial management system allow you to compare actual expenditures or outlays to budgeted amounts for each grant?		
9. Does your entity have a policy addressing who is authorized to request payment from the grantor, what procedures are used to ensure that requests are accurate, and when drawdown of funds will occur? If yes, please provide the title of the document.		
10. Does your financial management system support procedures for determining the reasonableness of costs allocated in accordance with 2 CFR 200 Subpart E-Cost Principles?		
11. Does your financial management system provide for effective control over and accountability for all funds, property and other assets, including ensuring that all such assets are used solely for authorized purposes and activities that are allowable in accordance with the applicable cost principles and are only used during the authorized period of availability?		
12. Does your entity have a SAM verification policy to intercept and obstruct terrorism?		
13. Does your entity have a formalized internal control and compliance program, and a risk assessment methodology for assessing, managing and monitoring organizational, operational and financial risks, especially those associated with regulatory compliance?		
Audit Information		
14. Have audits been performed on your financial statements for the past two years? If yes, please provide a copy of the most recent audit report. If no, please provide the reason why in the comments section.		
Self-Assessment Questions	Enter Yes, No, or N/A	Attachments/Comments

15. If your entity has expended more than $750,000 in federal grant funds within a fiscal year, and an OMB Uniform Guidance audit has not been performed, please provide the reason why in the comments section.		
16. Are your entity's grant fund operations regularly assessed by an internal auditor or Inspector General?		
17. Does your entity formally respond to all audit findings in writing and make timely remedial actions/corrections? If there were audit findings as a result of the most recently completed audit of federal funds, please provide the organization's formal response to all audit findings.		
Operations and General Management		
18. Has your entity had new awards management personnel or new or substantially changed systems during the fiscal year? If yes, please explain.		
19. Are policies, procedures and processes regularly reviewed, updated and created to ensure that the organization effectively carries out its programs and activities, including updates that may be needed for grant funds?		
20. Does management periodically review all reports, deliverables, expenditures, and other requirements related to grant programs to ensure that guidelines and requirements are being met?		
21. Do key personnel assigned to this grant have experience in managing grants and an understanding of the relevant regulations?		
22. Does your entity maintain a written code of conduct governing the performance of your employees, and specifically those employees engaged in the award and administration of contracts?		
Self-Assessment Questions	Enter Yes, No, or	Attachments/Comments
23. Does the code of conduct encompass conflicts of interest? If no, what document addresses conflicts of interest?		

24. Does your entity maintain some personnel system which has the capability to create monthly reports of the activities and time of each employee whose compensation is charged to each project that the employee works on including all grant programs?		
25. Is training and supervisory oversight provided to all employees to ensure that the organization effectively carries out its programs and activities, including employees working on grant programs?		
26. Have any key personnel listed in the application ever been debarred or suspended from participation in Federal Assistance programs? If yes, please attach a list indicating who, when and for what reasons.		
27. Does the entity have procedures in place to address breaches of ethics policy and/or instances of fraud or other criminal activity?		
(a)If yes, do these procedures include required procedures and/or remedial actions to prevent future violations?		
(b) Does this process include a means to notify the appropriate agency in cases of confirmed fraud related to grant funds?		
28. Are there formal policies and procedures in place for employees to confidentially report suspected violations of policies and or suspected instances of fraud or other criminal activity, including specifically those related to grant programs (e.g. a Whistleblower Policy)?		
29. Do information systems policies and procedures exist for the safeguarding of data, including personally identifiable information (PII), authorization and addition of system users, termination of user rights, information back-up and recovery, and retention and destruction of data?		

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

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

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

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

_____

_____

Reviewed by: **Signature: __**

Role: **Date Reviewed**:

Sue K. Yates | CFO Cabarrus Health Alliance

APPENDIX 3: Subrecipient Monitoring Form

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

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

A) STAFF INFORMATION

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

B) SUBRECIPIENT INFORMATION

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

C) GRANT REVIEW INFORMATION

Grant	Project	Award	POP Begin	POP	Review Period	
					Beginning Date	Ending Date

D) TYPE OF MONITORING

	Type of Monitoring	Date Completed	Comments
☐	Payment Validation (Complete this row, but not the rest of the form.)		
☐	Report Review (Complete this row, but not the rest of the form.)		

☐	Audit or Procedures Engagement Review (Complete this row, but not the rest of the form.)		
☐	Desk Review (If desk review, complete the rest of the form.)		
☐	Onsite Review (If onsite review, complete the rest of the form.)		

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

A) PRE-MEETING NOTES

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

1. _____
2. _____

B) SUMMARY OF PROGRESS

Subrecipient must submit a written summary of the major workplan milestones during the review period at least one week prior to the review. The summary must address 1) number of clients served as compared with projections; 2) staffing; 3) activities undertaken; 4) significant accomplishments, 5) challenges and lessons learned. A copy of that summary will be appended to this written review report.

C) MONITORING OVERVIEW

PROGRAM IMPLEMENTATION

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

ACTIVITIES/PRODUCTS

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

CORRECTIVE ACTIONS FROM PRIOR REVIEWS

Indicate actions taken in response to prior review issues.

ASSESSMENT OF QUALITY OF IMPLEMENTATION

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

ISSUES/PROBLEMS

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

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

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

General Compliance	Yes	No	N/A
Request a copy of all applicable policies and procedures required by the ARP/CSLFRF award terms and Uniform Guidance.			
1. Does the subrecipient have written policies and procedures to adequately administer the ARP/CSLFRF subaward?			
2. Does the subrecipient have a written conflict of interest policy for their employees?			
3. Are there sufficient internal controls in place to protect against waste, fraud and abuse of Federal funds (segregation of duties, etc.)?			
4. If program income will be generated by the subrecipient, have provisions been made to ensure that it is used in accordance with ARP/CSLFRF and Uniform Guidance requirements?			
What procedures does the subrecipient use to identify and account for federal property purchased with subaward funds?			
Does the subrecipient have adequate safeguards for preventing loss, damage, or theft of property held (inventory control, etc.)?			
Describe any technical assistance/training provided to subrecipient during the project period.			

General Comments

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

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

9. For equipment transferred to other entities; have they added it to their inventory records and is it maintained/used for intended purposes?			
General Comments			

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

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

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

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

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

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

Travel/Vehicle Mileage □ **N/A**	**Yes**	**No**	**N/A**
Request a copy of the subrecipient's travel policy or have them describe the procedure for approving and documenting travel expenses.			
1. Is employee travel approved in advance by a supervisor or project manager?			
2. Are travel expenditures documented with expenses reports and/or detailed receipts			
3. Are travel expenditures appropriately supported within subaward guidelines and in the approved budget?			
4. Are mileage reimbursements supported by a mileage log or similar documentation?			
General Comments			

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

E) RECOMMENDED CHANGES AND/OR NEW MONITORING INTERVENTIONS

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

F) FFATA REPORTING REQUIREMENTS

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

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

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

THIS SPACE HAS BEEN INTENTIONALLY LEFT BLANK

SUBJECT: **PUBLIC HEALTH AND PRIMARY CARE SERVICES DEBT MANAGEMENT POLICY**

EFFECTIVE DATE: July 1999

REVISION DATE: February 2000; June 2000; September 2002; January 2004; August 2006; November 13, 2007; June 17, 2008; July 30, 2009; July 26, 2010; September 13, 2011; January 30, 2013; September 26, 2014; April 6, 2016; December 30, 2016; December 30, 2017; May 18, 2018; April 30, 2020; October 6, 2021; January 20, 2026

REVIEW DATE: February 2000; June 2000; September 2002; January 2004; August 2006; November 13, 2007; June 17, 2008; July 30, 2009; July 26, 2010; September 13, 2011; January 30, 2013; September 27, 2013; September 26, 2014; December 30, 2015; April 6, 2016; December 30, 2016; December 30, 2017; May 18, 2018; April 30, 2020; March 24, 2021; October 6, 2021; January 17, 2023; January 16, 2024; February 18, 2025; January 20, 2025

POLICY STATEMENT:

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

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

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

1. FEE COLLECTION

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

1.2. Each self-pay family planning client including zero pay clients will be given a receipt showing the total charges for their services, the discounted amount due to where they fall on the sliding fee scale, any amount paid on the account and the outstanding balance.

1.3. Fees will be collected prior to the provision of environmental health services unless prior authorization has been granted.

1.4. Any payment received at the time of visit shall be applied to current day's charges and any overage to oldest unpaid charges. Any payment received via mail shall be posted to the oldest unpaid charge unless otherwise specified by client.

1.5. Payment for services provided are due on the day of service, however, when the patient is unable to pay in full at the time services are rendered; a receipt will be issued for partial payment. A patient may discuss, establish, and sign a payment plan with agency personnel. **When a patient requests "confidential contact" status,** discussion of payment of outstanding debts shall occur at the time service is rendered. No statements will be mailed. Client is reminded every visit of their account balance and their responsibility for the balance.

1.6. If the debtor doesn't pay on the service date or has a balance over $200.00 a legally enforceable written payment agreement may be obtained from and signed by the debtor that specifies all of the terms of the installment arrangement and contains a provision accelerating the debt payment in the event the debtor defaults. The size and frequency of the installment payments should bear a reasonable relationship to the size of the debt and the debtor's ability to pay. If possible, the installment payments should be sufficient in size and frequency to liquidate the debt in no more than one year. Medical Records staff, Supervisors, Clinic Directors, and Finance staff have the authority to discuss payment arrangements with clients. In the event the client fails to pay their debts as set forth in their installment agreement, the CHA has the ability to deny any future services to the debtor that is not statutorily required, until he/she pays the delinquent debt.

1.7. Clients will have 45 days to make payment of any monies received from any source that is sent directly to them as payment for services received from the CHA and also a copy of the benefits summary received from the payment source.

1.8. A prompt pay discount of 10% may be given if patient asks or at the discretion of the Chief Finance Officer (CFO), Accounts Receivable Supervisor or designee to reduce collection costs. Prompt pay discounts should be applied to balances due after insurance payments, deductibles, or co-pays. Payments must be made within thirty (30) days of the patient's being informed of the discount offer.

2. SERVICE DENIALS OR APPOINTMENT RESTRICTIONS

2.1. Service denials or appointment restrictions will be applied to patients who do not make a

"good faith effort" ([1]) to pay unless restricted by State or Federal regulations. ([2]) Any exceptions will require approval of the Medical Director AND CFO, or their designee(s), on a case-by-case basis. Family Planning services will not be denied because the client has a delinquent account balance. Clients presenting for emergency services can never be denied. Patients will be encouraged to pay their balance at the time of service. Patient payment plans will be established upon need or request and monitored by the CHA financial services department. Services will not be denied until after a clinic visit during which the purpose and details of the fee system are explained. Patients with active Medicaid will not be denied or have appointment restrictions if they have outstanding balances or in debt setoff.

3. RETURN CHECK FEE

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

4. PATIENT STATEMENTS

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

5. COLLECTION OF UNPAID DEBTS

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

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

6. DEBT WRITE-OFFS

6.1. When it is determined that the debt is basically uncollectible and no activity has been reported during the preceding 12 months or if a notification of client bankruptcy or deceased status is received the account will be considered uncollectible. An itemized list

([1]) Good Faith Effort – payment of 10% of total bill per month or adherence to established patient payment plan.
(2) See CHA policy for protocol regarding dismissing client from services.

of uncollectible outstanding patient balances will be prepared at least annually for the Health Director/CEO's and CFO's review and approval.

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

6.3. The patient should never be informed that a debt has been written off with the exception of a Title X who has fees waived.

6.4. A patient that returns to the CHA within 60 months (5 years) after a bad debt has been determined uncollectible shall have the bad debt write-off reactivated as a prior balance and the billing process actively resumed according to the CHA Fee Policy.

6.5. The Accounts Receivable system shall indicate the recording of the bill as uncollectible and evidence shall be on file to document required billings. The system will also apply a consistent method of "aging" accounts.

6.6. Any balances less than $1.00 will be written off when accounts are reviewed for collection letters or when bad debt write-offs are done.

6.7. Any balances written off for minors will not be reinstated if they return for services as an adult.

7. BANKRUPTCY

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

8. REFUNDS

8.1. Refunds on patients' accounts will be processed for amounts exceeding $20.00 by the Finance Department unless otherwise requested by patient or third-party payer. Any credits found on accounts will be used when possible before refunding. Credits can be used on any account patient has responsibility for, including any previous bad debt write offs. Only credit amount will be added back to account.

9. FOSTER PARENT OBLIGATION

9.1. Foster parents are not responsible for any debts incurred before child was placed in their care. Any previous debts are the responsibility of parent or guardian at that time.

9.2. The Debt Management Policy may be revised at any time if necessary and will be reviewed at least annually. This policy does not include dental services.

_____ _____

Date Board Chairman

Public Health Authority of Cabarrus County

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

For the year ended June 30, 2025

CABARRUS HEALTH ALLIANCE

Public Health Authority of Cabarrus County

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

For the year ended June 30, 2025

Prepared By

Cabarrus Health Alliance Finance Department

Finance Director

Sue K. Yates

CABARRUS HEALTH ALLIANCE

Cabarrus Health Alliance, North Carolina
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

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Introductory Section

CABARRUS HEALTH ALLIANCE
at NC Research Campus

December 17, 2025

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, 2025.

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 DMJPS PLLC, 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, 2025, 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, 2025, 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 "Interest"); 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 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 department 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 30 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 has experienced rapid growth, due to its location in the Charlotte metropolitan region, the unemployment rate continues to be a concern at 3.7%. This is an increase from last year's 3.6%. The County population has increased by 24.48% and the per capita income increased by 46.87% in the last ten years.

The Alliance received an annual contribution from Cabarrus County, which as of June 30, 2025, represented 32.96% 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.

Long-term financial planning. Unassigned fund balance in the general fund (13.8 percent of total general fund expenditures) is slightly below the policy guidelines set by the Health Alliance Board due in part to nonspendable fund balance created by a prepaid lease item. Unassigned fund balance is 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, 2024. 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 DMJPS PLLC, 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,

Signed by:
Erin Shoe, Health Director
45C36E13305644D...

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

DocuSigned by:
Sue Yates, CFO
AA0C86F0482746B...

Sue K. Yates
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

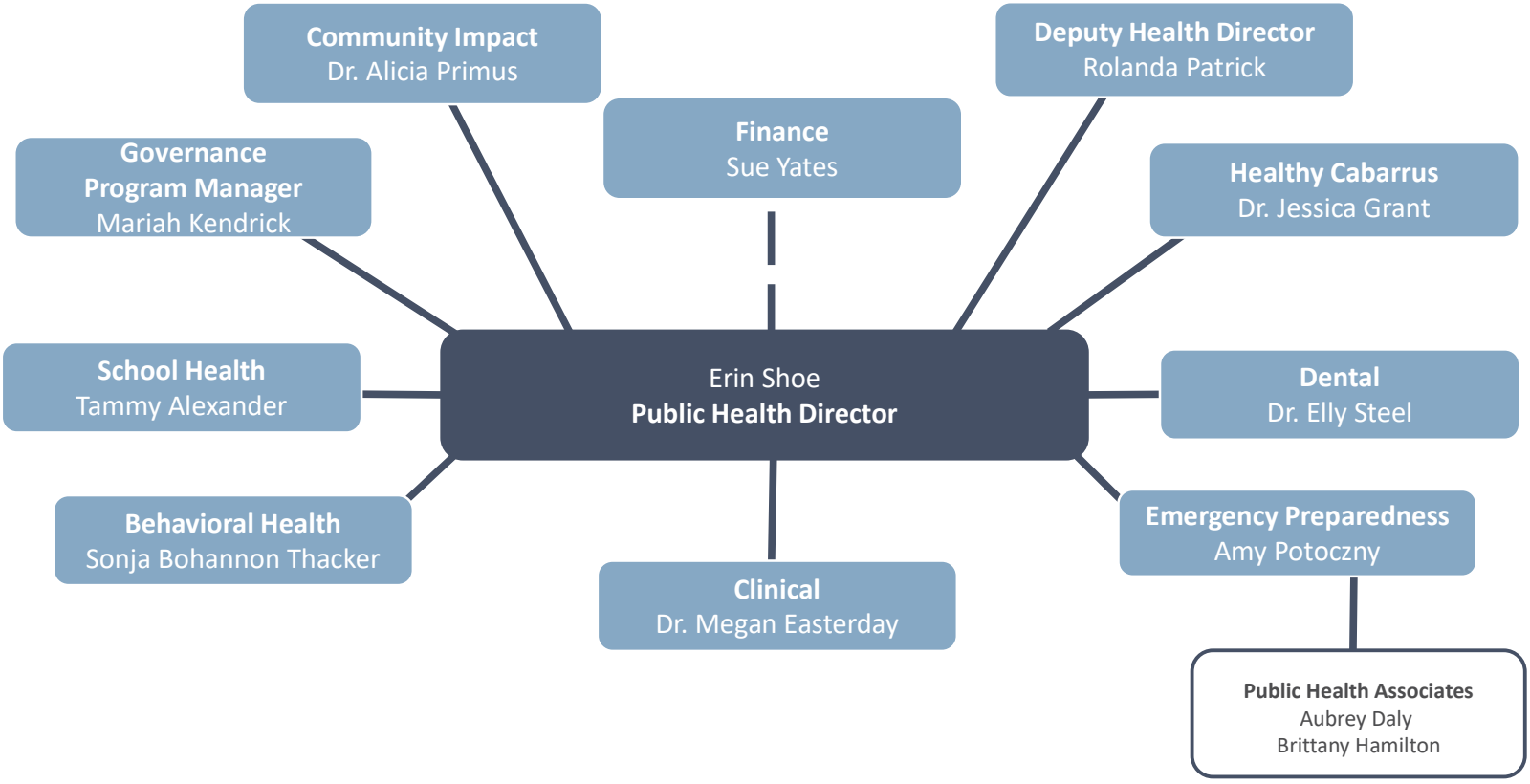
Presented to

Public Health Authority of Cabarrus County North Carolina

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Executive Director/CEO


Community Impact
Dr. Alicia Primus
Deputy Health Director
Rolanda Patrick
Finance
Sue Yates
Governance
Program Manager
Mariah Kendrick
Healthy Cabarrus
Dr. Jessica Grant
School Health
Tammy Alexander
Erin Shoe
Public Health Director
Dental
Dr. Elly Steel
Behavioral Health
Sonja Bohannon Thacker
Emergency Preparedness
Amy Potoczny
Clinical
Dr. Megan Easterday
Public Health Associates
Aubrey Daly
Brittany Hamilton

List of Appointed Officials

As of June 30, 2025

Cabarrus Health Alliance Board

Chairperson, Atrium Health – Medical Staff	Lara Pons, MD
Vice-Chairperson, Public Member	Mark J. Spitzer
Member or Designee, Atrium Health – Regional COO	Asha Rodriguez
Member or Designee, Public Member	Cecilia Plez
Member or Designee, Cabarrus County and Kannapolis City Schools	Daryle Adams
Member or Designee, Public Member	Natasha Lipscomb
Member or Designee, Pediatric Dentist	Kerry Dove
Member or Designee, Mental Health Specialist	Amy Jewell
Member or Dentist County Commissioner	Laura Lindsey

Cabarrus Health Alliance

Management/Leadership

CEO, Public Health Director	Erin K. Shoe, MPH
Deputy Public Health Director	Rolanda Lee Patrick, MPH
Chief Financial Officer	Sue K. Yates
Clinical Medical Director	Megan C. Easterday
Chief Technology Officer	Ryan J. McGhee
Human Resources Director	Jamie Newman
Dental Program Director	Elly A. Steel, DMD, MPH
Dental Operations Manager	Ray J. Gutierrez
Dental Clinic Manager	Akilah B. Lunsford
Environmental Health Program Director	Jennifer L. Hatley
School Health Director	Tammy S. Alexander, MSN, RN, NCSN
Community Impact Director	Alicia M. Primus, DHA, MPH, CHES
Behavioral Health Program Director	Sonja J. Bohannon-Thacker, MSW, LCSW, PMH-C
Assistant Behavioral Health Director	Kristin K. Klinglesmith
CD & Adult Health Program Director	Tamara A. Lunsford-Key
Women's and Children's Health Program Director	Julia C. Patterson
Business Solutions Director	Megan P. Shuping
Centralized Services & WIC Director	Erin L. Babbitt
Facilities Manager Director	Mike Estes
Women's Health Nursing Supervisor	Ashley H. Goodman
Public Information Officer	April C. Sloop
Assistant School Health Director	Wendy G. Harsch, RN, BSN NCSN
CD Nursing Supervisor	Suzanne Sutton
Quality Improvement and Accreditation Manager	Asma Warrich
Healthy Living Director	Nina M. Beech
Development Officer	Sara S. Vingoe

Financial Section

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Public Health Authority of Cabarrus County
(dba Cabarrus Health Alliance)
Kannapolis, North Carolina

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Public Health Authority of Cabarrus County (dba Cabarrus Health Alliance), a component unit of Cabarrus County, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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 Public Health Authority of Cabarrus County (dba Cabarrus Health Alliance) as of June 30, 2025, 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 Opinions

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Public Health Authority of Cabarrus County (dba 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.

Responsibilities of Management for 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 raise substantial doubt about the Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the 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 Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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 Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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 15 through 22, and the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios on page 57, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on pages 58 and 59, 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 provide us with sufficient evidence 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 Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) basic financial statements. The budgetary schedule, 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, the budgetary schedule, capital asset schedules, 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 auditors' 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 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 statements, 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 December 17, 2025, on our consideration of Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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 Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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 Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) internal control over financial reporting and compliance.

DMJPS PLLC

Certified Public Accountants
Concord, North Carolina

December 17, 2025

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, 2025. 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.

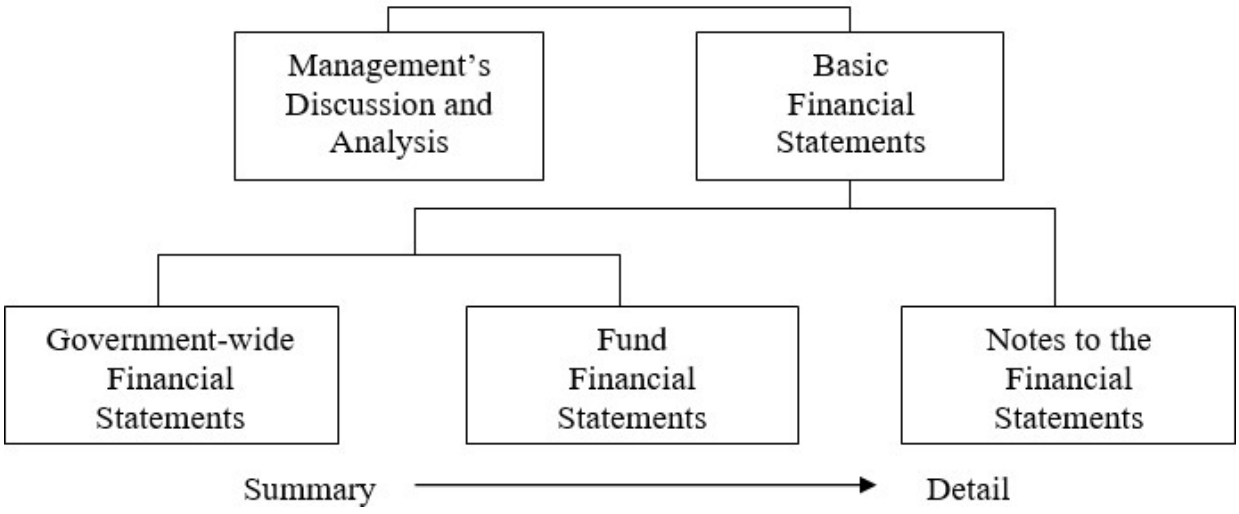
Financial Highlights

- 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 $7,611,774 (*net position*).
- The Alliance's total net position increased by $2,643,391, primarily due to a decrease in compensated absences payable and net pension liabilities.
- As of the close of the current fiscal year, the Cabarrus Health Alliance's governmental funds reported combined ending fund balances of $13,102,951 after a net increase in fund balance of $922,261. Approximately 25.44 percent of this total amount, or $3,333,713 is nonspendable or restricted.
- At the end of the current fiscal year, general fund balance amounts of $4,857,446 and $4,911,792 were assigned for subsequent year's expenditures and unassigned, respectively. These amounts represent 74.56 percent of total fund balance which is available to meet ongoing obligations and future expenditures.

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 governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on A 32 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Cabarrus Health Alliance's progress in funding its obligation to provide other post employment benefits to its employees. Required supplementary information can be found beginning on page 57 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 $7,611,774 as of June 30, 2025. The Alliance's net position increased by $2,643,391 for the fiscal year ended June 30, 2025. One portion of the net position, $4,616,192 (60.65%) reflects the Alliance's net investment in capital assets (furniture, equipment, vehicles, leasehold improvements and right of use lease assets). 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, $2,333,713 (30.66%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $661,869 (8.70%) is unrestricted.

Cabarrus Health Alliance's Net Position

	Governmental Activities	
	2025	2024
Current and other assets	$ 16,067,159	$ 14,269,645
Capital and right to use assets	4,935,518	1,807,312
Total assets	21,002,677	16,076,957
Deferred outflows of resources related to pensions	7,223,185	9,434,426
Deferred outflows of resources related to OPEB	147,152	57,869
Total deferred outflows of resources	7,370,337	9,492,295
Long-term liabilities outstanding	15,940,391	18,025,832
Other liabilities	3,508,729	2,339,278
Total liabilities	19,449,120	20,365,110
Deferred revenue	-	34,298
Deferred inflows of resources related to pensions	1,238,765	96,959
Deferred inflows of resources related to OPEB	73,355	104,502
Total deferred inflows of resources	1,312,120	235,759
Net position		
Net investment in capital assets	4,616,192	1,325,201
Restricted	2,333,713	3,917,177
Unrestricted	661,869	(273,995)
	$ 7,611,774	$ 4,968,383

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 $902,169 that was not used during the fiscal year due to an increase in dental revenues. We increased dental providers due to increased community need.
- Deferred outflows of resources related to pensions decreased by $2,211,241 and deferred inflows of resources related to pensions increased by $1,141,806.
- Net pension liability decreased by $1,755,222.

Cabarrus Health Alliance's Changes in Net Position
Governmental Activities 2025

	2025	2024
Revenues:		
Program revenues:		
Charges for services	$ 11,654,020	$ 10,845,617
Operating grants and contributions	24,380,152	20,836,882
General revenues:		
Investment earnings	359,956	362,632
Other	70,119	24,936
Total revenues	36,464,247	32,070,067
Expenses:		
Human Services:		
Administrative services	5,985,496	7,739,130
Environmental health	2,014,456	1,724,906
Dental health	5,748,710	4,786,731
Women, Infants, and Children (WIC)	952,272	929,917
Communicable disease	2,242,966	4,314,531
Clinical services	3,087,643	2,939,622
Family care coordination	1,599,265	1,341,827
Health initiatives	4,677,023	3,474,876
Behavioral Health	1,829,344	1,636,290
School Health	5,669,366	4,853,831
Interest on long-term obligations	14,315	-
Total expenses	33,820,856	33,741,661
Increase (decrease) in net position	2,643,391	(1,671,594)
Net position, July 1	4,968,383	6,639,977
Net position, June 30	$ 7,611,774	$ 4,968,383

Governmental Activities

Governmental activities increased the Alliance's net position by $2,643,391. Key elements of this change are as follows:

- Increased dental revenues by $1,158,353. This was due to the expansion of dental services provided due to community need.
- Grants were received for our Behavioral Health clinic to support the growth of the department and services needed by the citizens.
- Adult Primary Care was added to our clinical services as the community need has increased.

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 for appropriation in the General Fund was $4,911,792 while total fund balance reached $13,102,951 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 unassigned fund balance of 13.80% of general fund expenditures, while total fund balance represents 36.80% of that same amount.

At June 30, 2025, the governmental funds of the Cabarrus Health Alliance reported a fund balance of $13,102,951, a 7.57% 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 services provided by dental, clinical, and behavioral health clinics.

General Fund Budgetary Highlights. During the fiscal year, Cabarrus Health Alliance revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased all expenses by $6,084,519.

Major budget increases (decreases) during the year include:

- General Administration – Increased the budget for expenses due to the renovation and upfit to the new location which will house some of our staff in FY2026, $4,077,534.
- Community Impact – Increased revenue primarily due to increase in Pathways to Success Grant, $333,334, the Community Health Worker's Grant, $334,740 and the Elevate Grant, $382,360.
- Dental Health – Increased revenue due to Cannon Foundation Grant for renovations to include additional dental space, $777,100, and Medicaid Cost Settlement, $693,799.

Capital Assets

Cabarrus Health Alliance's capital assets for its governmental activities as of June 30, 2025, totals $4,935,518 (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 furniture & equipment for the Brown Mill location of $170,253
- Renovations for the Brown Mill location of $2,754,873.
- Purchased furniture & fixtures for Dental of $217,384.
- Dental renovations to increase dental bays of $365,945.
- Purchased vehicle for Environmental Health On-site program, the dental program, and behavioral health to us for community services of $97,454.

Cabarrus Health Alliance's Capital Assets
(net of accumulated depreciation and amortization)
Governmental Activities

	2025	2024
Construction in progress	$ 2,754,873	$ -
Furniture and fixtures	275,282	283,967
Vehicles	509,470	552,999
Equipment	511,542	303,059
Leasehold Improvements	573,196	185,177
Right to use leased equipment	81,013	119,518
Right to use leased building	230,142	362,593
Total	$ 4,935,518	$ 1,807,313

Additional information on the Cabarrus Health Alliance's capital assets can be found in Note IV.C – Capital Assets on pages 41-42 of the Basic Financial Statements.

Long-Term Obligations

As of June 30, 2025, Cabarrus Health Alliance had outstanding long-term obligations of $17,056,847. Changes in long-term obligations are as follows:

Cabarrus Health Alliance's Long-Term Obligations
Governmental Activities

	2025	2024
Compensated absences	$ 1,046,297	$ 918,570
Leases	319,326	487,771
Net pension liability	13,930,036	15,685,258
Total OPEB liability	1,761,188	1,852,803
Total	$ 17,056,847	$ 18,944,402

The overall change in long-term obligations was a decrease of $1,877,555. The decrease in net pension liability of $1,755,822 was the largest contributing factor to the decrease of long-term liabilities for the current fiscal year.

Additional information regarding the Cabarrus Health Alliance's long-term obligations can be found in Note IV. E – Long-Term Obligation Activity on pages 43-44 of the basic financial statements.

Economic Factors and Next Year's Budgets

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

- The unemployment rate for Cabarrus County as of June 30, 2025 was 3.7 percent.
- The population in Cabarrus County has increased to 244,925 in 2025 from 196,762 in 2016. This represents a 19.66% increase.

Budget Highlights for the Upcoming Fiscal Year Ending June 30, 2026

- 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 33.02% of the total budgeted revenues for fiscal year 2026. 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 10.93% of the total budgeted revenues. Historically the Alliance has received an annual amount of $990,000 to $4,538,412

- Salaries and benefits continue to be our largest area of investment and represent an average of 70.11% of total budgeted expenditures, $20.8 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 $672,012. Group Health Insurance rates decreased to $7,716 from $7,964 in FY26. The state retirement rate increased to 14.37 % from 13.62%.

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

Exhibit 1

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Statement of Net Position
June 30, 2025

	Primary Government Governmental Activities
Assets	
Cash and investments	$ 11,792,340
Restricted assets:	
Cash	369,171
Receivables (net):	
Accounts receivable	2,150,863
Patient receivables, net	571,935
Sales tax	182,850
Prepaid item	1,000,000
Capital assets net of accumulated depreciation:	
Construction in progress	2,754,873
Furniture and fixtures	275,282
Vehicles	509,470
Equipment	511,542
Leasehold improvements	573,196
Right to use lease assets, net of amortization	311,155
Total Capital Assets	4,935,518
Total assets	21,002,677
Deferred Outflows of Resources	
Pension deferrals	7,223,185
OPEB deferrals	147,152
Total deferred outflows of resources	7,370,337
Liabilities	
Accounts payable and accrued liabilities	2,023,102
Unearned revenues	369,171
Due within one year	1,116,456
Noncurrent liabilities due in more than one year:	
Due in more than one year	249,167
Net pension liability	13,930,036
OPEB liability	1,761,188
Total liabilities	19,449,120
Deferred Inflows of Resources	
Pension deferrals	1,238,765
OPEB deferrals	73,355
Total deferred inflows of resources	1,312,120
Net Position	
Net investment in capital assets	4,616,192
Restricted for:	
Stabilization by State Statute	2,333,713
Unrestricted	661,869
Total Net Position	$ 7,611,774

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

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue And Change in Net Position: Total Primary Government Governmental Activities
Governmental Activities:				
Administrative Services	$ 4,926,493	$ 4,075	$ 5,537,262	$ 614,844
Information Technology	974,817	-	813,366	(161,451)
Environmental Health	2,014,456	326,185	1,615,288	(72,983)
Dental Health	5,748,710	6,897,188	777,792	1,926,270
Vital Records	84,186	-	80,188	(3,998)
Women, Infants, and Children	952,272	-	810,830	(141,442)
Communicable Disease	2,242,966	497,742	1,978,336	233,112
Clinical Services	3,087,643	2,467,015	695,463	74,835
Family Care Coordination	1,599,265	1,314,969	414,197	129,901
Health Initiatives	4,677,023	-	4,563,407	(113,616)
Behavioral Health	1,829,344	121,252	1,779,041	70,949
School Health	5,669,366	25,594	5,314,982	(328,790)
Interest on Long-Term Obligations	14,315	-	-	(14,315)
Total Governmental Activities	$ 33,820,856	$ 11,654,020	$ 24,380,152	$ 2,213,316
General Revenues:				
Unrestricted investment earnings				359,956
Miscellaneous revenues				70,119
Total General Revenues				430,075
Changes in net position				2,643,391
Net position, beginning				4,968,383
Net position, ending				$ 7,611,774

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

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Balance Sheet
Governmental Funds
June 30, 2025

	Major Fund	
	General Fund	Total Governmental Fund
ASSETS		
Cash and investments	$ 11,792,340	$ 11,792,340
Restricted assets:		
Cash	369,171	369,171
Receivables (net of allowance for uncollectible)		
Accounts receivable	2,150,863	2,150,863
Patient receivables	571,935	571,935
Sales tax	182,850	182,850
Prepaid rent	1,000,000	1,000,000
Total assets	$ 16,067,159	$ 16,067,159
LIABILITIES		
Liabilities:		
Accounts payable and accrued liabilities	$ 2,023,102	$ 2,023,102
Unearned revenues	369,171	369,171
Total liabilities	2,392,273	2,392,273
DEFERRED INFLOWS OF RESOURCES		
Patient receivables	571,935	571,935
FUND BALANCES		
Nonspendable:		
Prepaids	1,000,000	1,000,000
Restricted:		
Stabilization by State Statute	2,333,713	2,333,713
Assigned:		
Subsequent year's expenditures	4,857,446	4,857,446
Unassigned	4,911,792	4,911,792
Total fund balances	13,102,951	13,102,951
Total liabilities, deferred inflows of resources, and fund balances	$ 16,067,159	$ 16,067,159

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Reconciliation of the Balance Sheet
of the Governmental Funds to the Statement of Net Position
Governmental Funds
June 30, 2025

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Total Fund Balance, Governmental Funds			$ 13,102,951
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			
	Governmental capital assets	$ 7,435,771	
	Less accumulated depreciation	(2,811,408)	4,624,363
Deferred outflows of resources related to pension that are not reported in the funds			7,223,185
Deferred outflows of resources related to OPEB that are not reported in the funds			147,152
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
	Right to use lease assets	478,170	
	Less accumulated amortization	(167,015)	311,155
Other assets used in governmental activities are not financial resources and, therefore, are deferred in the governmental funds.			
	Deferred inflows for patient receivables	845,107	
	Less allowance for doubtful accounts	(273,172)	571,935
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	(1,046,297)	
	Leases	(319,326)	
	OPEB liability	(1,761,188)	(3,126,811)
Net pension liability			(13,930,036)
Pension related deferred inflows of resources			(1,238,765)
OPEB related deferred inflows of resources			(73,355)
Net position of governmental activities			$ 7,611,774

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

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2025

	General
Revenues:	
Intergovernmental revenues	$ 33,442,309
Permits and fees	330,260
Sales and services	1,168,560
Investment earnings	359,956
Miscellaneous	70,119
Contributions	1,155,056
Total Revenues	36,526,260
Expenditures:	
Current:	
Human services	31,865,752
Capital outlay:	
Equipment	3,738,247
Total Expenditures	35,603,999
Excess of revenues over expenditures	922,261
Fund balance, July 1	12,180,690
Fund balance, June 30	$ 13,102,951

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

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
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, 2025

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)		$ 922,261
Governmental funds report 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.		3,299,161
Amortization expense for right of use assets		(170,956)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in deferred patient revenues		(62,013)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction has no effect on net position.		
Principal payments on leases		168,445
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.		2,463,898
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the statement of activities.		129,026
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	$ (4,061,723)	
Compensated absences	(127,727)	
OPEB plan expense	83,019	(4,106,431)
Total changes in net position of governmental activities		$ 2,643,391

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

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance
Revenues:				
Intergovernmental revenues	$ 32,224,440	$ 34,047,145	$ 33,442,309	$ (604,836)
Permits and fees	378,653	373,433	330,260	(43,173)
Sales and services	1,331,377	1,123,467	1,168,560	45,093
Investment earnings	259,545	339,260	359,956	20,696
Miscellaneous	45,855	47,211	70,119	22,908
Contributions	331,663	1,339,238	1,155,056	(184,182)
Total Revenues	34,571,533	37,269,754	36,526,260	(743,494)
Expenditures:				
Human Services:				
Environmental Health	1,996,588	1,996,588	1,905,267	91,321
Information Technology Systems	1,207,803	1,025,635	940,765	84,870
General Administration	7,343,403	11,420,937	7,765,546	3,655,391
Family Care Coordination	1,492,364	1,644,569	1,519,929	124,640
School Health	5,346,757	5,346,757	5,335,494	11,263
Health Initiatives	3,712,897	4,750,627	4,556,845	193,782
Dental Public Health	5,419,750	6,373,219	5,859,187	514,032
Vital Records	80,188	80,188	79,245	943
Communicable Disease	2,595,496	2,585,185	2,057,475	527,710
Clinical Services	3,246,360	3,396,017	2,915,664	480,353
Behavioral Health	2,129,454	2,011,567	1,767,898	243,669
Women, Infants, & Children (WIC)	902,642	926,932	900,684	26,248
Total Human Services	35,473,702	41,558,221	35,603,999	5,954,222
Total Expenditures	35,473,702	41,558,221	35,603,999	5,954,222
Excess of revenues over expenditures	(902,169)	(4,288,467)	922,261	(5,210,728)
Other financing sources (uses):				
Fund balance appropriated	902,169	4,288,467	-	4,288,467
Net change in fund balance	$ -	$ -	922,261	$ (922,261)
Fund balance, July 1			12,180,690	
Fund balance, June 30			$ 13,102,951	

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

Notes to the Financial Statements

I. Summary of Significant Accounting Policies

The accompanying financial statements and the following accounting policies of the Public Health Authority of Cabarrus County (dba Cabarrus Health Alliance) (the "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 discretely presented component unit in the County's financial statements.

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 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.

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, Health Initiatives 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transaction, in which the Alliance gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. 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.

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, 2025.

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 consist of 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.

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 mutual fund shares when the mutual fund is certified by the Local Government Commission.

The North Carolina Capital Management Trust (NCCMT) Government Portfolio is an SEC-registered money market fund that is currently certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio is a 2a7 fund that invests in treasuries, government agencies and repurchase agreements collateralized by treasuries. NCCMT is rated AAAm by S&P and AA-mf by Moody's Investor Services and is reported at fair value.

2. *Cash and Cash Equivalents*

The Alliance pools money to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

3. *Restricted Assets*

The balance of restricted assets as of June 30, 2025 is as follows:

		Unexpended Amount
Dental programs	$	104,750
Wellness programs		58,538
Syringe exchange program		21,710
Clinical services		57,056
Substance abuse programs		69,396
Vital strategies		54,808
Program fees		2,913
Total Restricted Assets	$	369,171

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 they may only be used for their originally intended purposes.

4. *Receivables*

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

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

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*

Inventories consist of medical supplies held for consumption and are considered immaterial as of June 30, 2025 and, therefore, are not reported on the balance sheet. The cost of these items is reported as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements and expensed as the items are used.

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:

Assets	Years
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.

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 and OPEB related deferrals.

In addition to liabilities, the statement of financial position will sometimes 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 several items that meet the criterion for this category: patient receivable unavailable revenues (reported only on the Balance Sheet of the Governmental Fund), and pension and OPEB related deferrals.

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 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.

11. *Net Position/Fund Balances*

Net Position

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

Fund Balances

In the governmental fund financial statements, fund balance is composed of five 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:

Nonspendable Fund Balance – this classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

> Prepaids – portion of fund balance that is not an available resource because it represents the year-end balance of prepaids, which are not spendable resources.

I. Summary of Significant Accounting Policies - *Continued*

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 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 intends to use for specific purposes.

> Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified as restricted or committed. The governing body approves the appropriation.

Unassigned Fund Balance – portion of fund balance that has not been restricted, committed or assigned to specific purposes or other funds and that has not been reported as non-spendable fund balance.

The Alliance's standard policy when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available, is that the restricted funds should be spent first, followed in order by committed fund balance, then assigned fund balance, and lastly, unassigned fund balance. The Executive Director has the authority to deviate from this policy if it is in the best interest of the Alliance.

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.

I. Summary of Significant Accounting Policies - *Continued*

12. *Defined Benefit Pension Plan*

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 or liability, 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, 2025, 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." The elements of this reconciling item are as follows:

Description		Amount
Capital outlay	$	3,738,248
Depreciation expense		(439,087)
Net adjustment reconcile the change in fund balances to the change in net position	$	3,299,161

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, 2025, the Alliance's carrying amount of deposits was $1,845,988 and the bank balance was $2,088,433. 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, 2025, the Alliance had $3,600 cash on hand.

At June 30, 2025, the Alliance's investments consisted of $10,311,923 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAm by Standard and Poor's and AA-mf by Moody's Investor Services. The Alliance does not have a formal policy regarding credit risk or interest rate risk.

IV. Detailed Notes on All Funds - *Continued*

B. Receivables

Receivables at the government-wide level at June 30, 2025, were as follows:

	Accounts	Patient Receivables	Sales Tax	Total
Governmental Activities:				
General	$ 2,150,863	845,107	182,850	3,178,820
Total receivables	2,150,863	845,107	182,850	3,178,820
Allowance for doubtful accounts	-	(273,172)	-	(273,172)
Total Governmental Activities	$ 2,150,863	571,935	182,850	2,905,648

C. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	$ -	$ 2,754,873	$ -	$ 2,754,873
Capital assets being depreciated:				
Furniture & fixtures	731,470	64,104	5,169	790,405
Vehicles	1,265,736	134,978	14,240	1,386,474
Equipment	1,563,610	361,537	39,816	1,885,331
Leasehold improvements	195,932	422,756	-	618,688
Total capital assets being depreciated	3,756,748	983,375	59,225	4,680,898
Less accumulated depreciation for:				
Furniture & fixtures	447,503	72,789	5,169	515,123
Vehicles	724,380	166,864	14,240	877,004
Equipment	1,248,908	164,697	39,816	1,373,789
Leasehold improvements	10,755	34,737	-	45,492
Total accumulated depreciation	2,431,546	439,087	59,225	2,811,408
Total capital assets being depreciated, net	1,325,202	544,288	-	1,869,490

IV. Detailed Notes on All Funds - *Continued*

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being amortized:				
Right to use assets:				
Leased equipment	$ 184,371	$ -	$ -	$ 184,371
Leased building	735,945	-	(442,146)	293,799
Total right to use assets	920,316	-	(442,146)	478,170
Less accumulated amortization for:				
Leased equipment	64,853	38,505	-	103,358
Leased building	373,352	132,451	(442,146)	63,657
Total accumulated amortization	438,205	170,956	(442,146)	167,015
Total capital assets being amortized, net	482,111	(170,956)	-	311,155
Governmental activity capital assets, net	$ 1,807,313	$ 3,128,205	$ -	$ 4,935,518

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

Governmental Activities:	
Human Services:	
Administrative Services	$ 263,949
Environmental Health	48,388
Health Initiatives	289
Dental Health	179,495
Communicable Disease	86,480
Clinical Services	14,715
School Health	14,307
Behavioral Health	1,175
Women, Infants and Children	1,245
Total depreciation/amortization expense – governmental activities	$ 610,043

D. Deferred Inflows of Resources

The balance in deferred inflows 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	$ 207,662	$ 596,734	$ 40,711	$ 845,107
Allowance for uncollectible receivables	(36,625)	(235,997)	(550)	(273,172)
Deferred Inflows of Resources	$ 171,037	$ 360,737	$ 40,161	$ 571,935

IV. Detailed Notes on All Funds - *Continued*

E. Long-Term Obligations

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.

An 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, 2025, the value of the liability is $1,089. See additional information in the right to use asset section of this note.

An 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, 2025, the value of the liability is $83,321. See additional information in the right to use asset section of this note.

An 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, 2025, the value of the liability is $234,916. See additional information in the right to use asset section of this note.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2026	$ 91,084	$ 11,028	$ 102,112
2027	93,288	7,731	101,019
2028	76,061	4,390	80,451
2029	58,893	1,387	60,280
Thereafter	-	-	-
	$ 319,326	$ 24,536	$ 343,862

On November 3, 2023, the Alliance entered into an agreement to lease facilities for 25 years beginning on January 1, 2026. The agreement required an advance payment of $1,000,000 which is reported as a prepaid item on the statement of net position and the governmental fund balance sheet at June 30, 2025. The agreement anticipates investment in improvements to the property by the Alliance of approximately $3.4 million.

IV. Detailed Notes on All Funds - *Continued*

The following is a summary of changes in the Alliance's long-term obligations for the fiscal year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	$ 918,570	$ 1,191,864	$ 1,064,137	$ 1,046,297	$ 1,025,372
Leases	487,771	-	168,445	319,326	91,084
Net pension liability	15,685,258	-	1,755,222	13,930,036	-
Total OPEB liability	1,852,803	-	91,615	1,761,188	-
Governmental activity Long-term liabilities	$ 18,944,402	$ 1,191,864	$ 3,079,419	$ 17,056,847	$ 1,116,456

An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned. The Alliance believes the amount of the total OPEB liability due within one year is immaterial.

F. Employee Retirement Systems and Pension Plans

1. Local Governmental Employees' Retirement System

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

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

IV. Detailed Notes on All Funds - *Continued*

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's contractually required contribution rate for the year ended June 30, 2025 was 13.60% 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 $2,463,898 for the year ended June 30, 2025.

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

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

At June 30, 2025, Cabarrus Health Alliance reported a liability of $13,930,036 for its proportionate share of the net pension liability. The net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2024 (measurement date), Cabarrus Health Alliance's proportion was 0.207% which was an increase of 0.030% from its proportion measured as of June 30, 2023.

IV. Detailed Notes on All Funds - *Continued*

For the year ended June 30, 2025, Cabarrus Health Alliance recognized pension expense of $4,061,723. At June 30, 2025, 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	$ 2,441,070	$ 16,413
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,893,780	-
Changes in proportion and differences between Alliance contributions and proportionate share of contributions	424,437	1,222,352
Alliance contributions subsequent to the measurement date	2,463,898	-
Total	$ 7,223,185	$ 1,238,765

$2,463,898 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, 2025, will be recognized as a decrease of the net pension liability in the subsequent year, June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2026	$ 1,183,826
2027	2,449,879
2028	100,950
2029	(214,133)
2030	-
Thereafter	-
	$ 3,520,522

Actuarial Assumptions. The total pension liability in the December 31, 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

IV. Detailed Notes on All Funds – *Continued*

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 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:

Asset Class:	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Credit	7.0%	5.3%
Inflation Sensitive	6.0%	4.3%
Total	100.0%	

The information above is based on 30-year expectations developed with an investment consulting firm's 2024 long-term capital market assumptions. 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 2.38%. All rates of return and inflation are annualized figures. Source data provided in the 2024 Annual Comprehensive Financial Report published on the website of the NC Office of State Controller.

IV. Detailed Notes on All Funds – *Continued*

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 liability to changes in the discount rate. The following presents Cabarrus Health Alliance's proportionate share of the net pension liability 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)	$ 24,684,432	$ 13,930,036	$ 5,083,066

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

2. Other Employment Benefits

The Alliance has elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employee's Retirement System (Death Benefit Plan); a multiple employer, State administered, cost-sharing plan funded on a one year-term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to his/her death, but the benefit may not exceed $50,000 or be less than $25,000. 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. The Alliance has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment amount and the other benefit. 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. The Alliance considers these contributions to be immaterial.

IV. Detailed Notes on All Funds – *Continued*

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 Department of State Treasurer and a Board of Trustees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan and investment earnings. NC G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the NC General Assembly. Authority to set contributions requirements have been delegated to the Alliance's governing board by the Assembly. The Supplement Retirement Income Plan is included in the Annual Comprehensive Financial Report of the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan 401(k). That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, NC 27699-1410, or by calling (919) 981-5454.

Funding Policy. The Alliance matches up to 2% of each covered employee's salary. Contributions to the plan for the year ended June 30, 2025 were $824,430 which consisted of $216,021 from the Alliance and $608,409 from employees.

4. Deferred Compensation Plan

Deferred Compensation Plan. The Alliance offers its employees a deferred compensation plan (Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all Alliance employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. During the year ended June 30, 2025, 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.

IV. Detailed Notes on All Funds – *Continued*

G. 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 did not voluntarily elect the new vacation accrual schedule are not eligible for paid health and life insurance coverage at retirement.

IV. 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.

IV. Full-time employees hired on July 1, 2001 and after with ten (10) years of service with the Cabarrus Health Alliance and who qualify for retirement as a member of the North Carolina Local Governmental Employees' Retirement System are eligible as follows:

- Paid health and life insurance coverage, paid at the same level as for active employees, will be provided to retired employees until they become eligible for Medicare (or reach the age when they will have had such benefits if they had been qualified for Social Security).

IV. Retiree health and life insurance benefits are not available for employees hired on or after July 1, 2004.

IV. Detailed Notes on All Funds – *Continued*

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	-
Active plan members	19
Total	32

Total OPEB Liability

The Alliance's total OPEB liability of $1,761,188 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

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%
Discount Rate	3.93%
Healthcare cost trend rates	7.00% for 2023 decreasing to an ultimate rate
Pre-Medicare	of 4.50% by 2033

IV. Detailed Notes on All Funds – *Continued*

The discount rate is based on the Bond Buyer General Obligation 20-year Municipal Bond Index published by The Bond Buyer.

Changes in the Total OPEB Liability

		Total OPEB Liability
Balance at July 1, 2024	$	1,852,803
Changes for the year		
Service cost		25,608
Interest		65,760
Changes of benefit terms		-
Differences between expected and actual experience		2,089
Changes in assumptions or other inputs		(30,148)
Benefit payments		(154,924)
Net changes	$	(91,615)
Balance at June 30, 2025	$	1,761,188

Changes in assumptions and other inputs reflect a change in the discount rate from 3.65% to 3.93%.

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 (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

		1% Decrease (2.93%)		**Current Discount Rate (3.93%)**		**1% Increase (4.93%)**
Total OPEB liability	$	1,871,457	$	1,761,188	$	1,658,132

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:

	1% Decrease	Current	1% Increase
Total OPEB liability	$ 1,630,865	$ 1,761,188	$ 1,905,592

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

For the year ended June 30, 2025, the Alliance recognized OPEB expense of $(83,019). At June 30, 2025, the Alliance reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,791	$ 7,796
Changes of assumptions	16,335	65,559
Benefit payments and administrative costs made subsequent to the measurement date	129,026	-
Total	$ 147,152	$ 73,355

$129,026 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, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2026	$ (45,592)
2027	(6,190)
2028	(3,447)
2029	-
2030	-
Thereafter	-

V. Other Information

1. Risk Management

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

The Alliance is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Alliance carries commercial coverage for all risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

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 Commitments and Contingencies

The Alliance has an active construction project with a remaining commitment of $3,096,542 at June 30, 2025.

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.

Federal Food Assistance – WIC Program	$	4,142,940

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.

A portion of the Alliance's revenue is from Cabarrus County. For the year ended June 30, 2025, the Alliance received $12,040,642 from the County which constituted approximately 33% of the Alliance's total revenue.

VI. Subsequent Events

Management has evaluated subsequent events through December 17, 2025, 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

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Other Post Employment Benefits - Healthcare
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Eight Fiscal Years
June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 25,608	$ 29,234	$ 37,956	$ 42,622	$ 31,666	$ 41,909	$ 43,089	$ 46,158
Interest	65,760	64,857	44,441	44,130	65,459	65,238	61,819	54,609
Differences between expected and actual experience	2,089	(18,694)	1,243	(12,938)	(3,804)	153,100	276	(13,347)
Changes of assumptions	(30,148)	38,630	(175,590)	118,759	162,270	48,049	(39,338)	(70,489)
Benefit payments	(154,924)	(127,085)	(122,721)	(131,770)	(147,633)	(145,785)	(105,215)	(84,472)
Net change in total OPEB liability	(91,615)	(13,058)	(214,671)	60,803	107,958	162,511	(39,369)	(67,541)
Total OPEB liability - beginning	1,852,803	1,865,861	2,080,532	2,019,729	1,911,771	1,749,260	1,788,629	1,856,170
Total OPEB liability - ending	$1,761,188	$1,852,803	$1,865,861	$2,080,532	$2,019,729	$1,911,771	$1,749,260	$1,788,629
Covered-employee payroll	1,558,279	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	113.02%	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:

Fiscal year	Rate
2025	3.93%
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.

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Schedule of the Alliance's Proportionate Share of the
Net Pension Liability (Asset)
Local Governmental Employees' Retirement System
Last Ten Fiscal Years *
June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Alliance's proportion of the net pension liability (asset) %	0.207%	0.237%	0.212%	0.190%	0.182%	0.182%	0.183%	0.164%	0.167%	0.155%
Alliance's proportionate share of the net pension liability (asset)	$ 13,930,036	$ 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
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
Alliance's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	74.02%	86.45%	77.84%	21.18%	51.57%	39.83%	35.68%	23.68%	34.00%	7.29%
Plan fiduciary net position as a percentage of the total pension liability	85.35%	88.20%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%

* 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.

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Schedule of Alliance's Contributions
Local Governmental Employees' Retirement System
Last Ten Fiscal Years
June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 2,463,898	$ 2,277,058	$ 2,200,595	$ 1,810,618	$ 1,403,649	$ 1,133,756	$ 974,473	$ 919,840	$ 774,114	$ 700,557
Contributions in relation to the contractually required contribution	2,463,898	2,277,058	2,200,595	1,810,618	1,403,649	1,133,756	974,473	919,840	774,114	700,557
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Alliance's covered payroll	$ 18,116,897	$ 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
Contributions as a percentage of covered payroll	13.60%	12.10%	12.13%	11.38%	10.18%	8.99%	7.79%	7.54%	7.31%	6.73%

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

Other Supplementary Information

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance
Revenues:				
Human Services:				
Environmental Health:				
CHA Grant	$ 34,500	$ 39,112	$ 39,112	$ -
Contribution - City of Concord - WN	12,000	12,000	12,000	-
Contribution - City of Kannapolis - WN	8,000	8,000	8,000	-
Contribution - Town of Mt. Pleasant - WN	420	420	420	-
Environmental Health Fees	343,933	341,043	301,060	39,983
Temporary Food Establishment Fees	31,000	28,000	25,125	2,875
Miscellaneous Revenue	-	2,890	2,890	-
National Environmental Health Association	30,625	44,646	44,646	-
Contribution from Cabarrus County	1,511,110	1,511,110	1,511,110	-
Fund Balance Appropriated	25,000	9,367	-	9,367
Total Environmental Health	1,996,588	1,996,588	1,944,363	52,225
Information Technology Systems:				
Sale of Assets	-	219	219	-
Contribution from Cabarrus County	813,366	813,366	813,366	-
Total Information Tech Systems	813,366	813,585	813,585	-
General Administration:				
CHA Grant	640,000	661,393	661,393	-
NC Division of Social Services	20,799	45,993	45,993	-
WIC Dream Center	13,599	16,059	16,059	-
Program Fees	3,720	4,390	4,075	315
CEE - Admin Fees	87,822	4	-	4
Dental Dream Center	12,194	12,265	12,264	1
Interest on Investments	259,545	339,260	359,956	(20,696)
Sale of Capital Assets	5	5	-	5
Overages and Shortages	5	2,231	3,506	(1,275)
Miscellaneous Revenue	30,000	7,249	33,734	(26,485)
Contributions and Private Donations	250	10,000	831	9,169
Sale of Assets	250	50	-	50
Northeast Medical Center - Children WIN	19,412	19,412	-	19,412
Cabarrus County ARP	2,084,232	2,369,494	2,369,582	(88)
Contribution from Cabarrus County	2,431,141	2,431,141	2,431,141	-
Fund Balance Appropriated	877,169	4,279,100	-	4,279,100
Total General Administration	6,480,143	10,198,046	5,938,534	4,259,512
Family Care Coordination:				
CHA Grant	187,844	215,587	223,318	(7,731)
North Carolina Division of Social Security	165,000	165,000	163,439	1,561
Direct Payments - Managed Care	-	905	842	63
Medicaid Reimbursement	-	109,530	109,481	49
Medicaid Managed Care	1,139,520	1,190,466	1,203,967	(13,501)
Rowan County Health Department	-	27,440	27,440	-
Private Insurance	-	741	679	62
Total Family Care Coordination	1,492,364	1,709,669	1,729,166	(19,497)
School Health:				
CHA Grant	50,000	50,000	50,000	-
Kids Plus Revenue	2,500	4,300	3,610	690
Cabarrus County School System	18,575	18,575	14,127	4,448
Kannapolis City School System	10,700	8,900	7,857	1,043
Contribution from Cabarrus County	5,264,982	5,264,982	5,264,982	-
Total School Health	5,346,757	5,346,757	5,340,576	6,181
Health Initiatives:				
CHA Grant	567,867	337,762	341,996	(4,234)
NDHHS - Office of Health Equity	-	230,105	221,554	8,551
NC DHHS DMH/DD/SAS	112,070	131,347	118,806	12,541

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance
DHHS/SAMHSA	$ -	$ 60,000	$ 12,514	$ 47,486
Office of Rural Health	150,000	150,000	144,227	5,773
DHHS OAP	1,083,103	1,518,901	1,520,188	(1,287)
HHS/Centers for Disease Control	1,085,001	1,415,369	1,610,795	(195,426)
NC Central University	15,000	20,239	5,984	14,255
DOJ STOP	152,325	534,898	313,571	221,327
Partners Health Management	50,000	56,631	54,373	2,258
Miscellaneous Revenue	-	375	375	-
Contributions & Private Donations - Healthy Cab	24,000	44,500	22,790	21,710
Northeast Medical Center - Healthy Cab	28,500	28,500	28,500	-
Duke Endowment	20,000	-	-	-
Wake Forest School of Medicine	40,000	40,000	40,948	(948)
Carolinas Center for Medical Excellence	-	50,000	15,161	34,839
Cabarrus County ARP	273,031	-	-	-
Contribution from Cabarrus County	112,000	112,000	112,000	-
Total Health Initiatives	3,712,897	4,730,627	4,563,782	166,845
Dental Health:				
Office of Rural Health	150,000	150,000	149,528	472
Cabarrus Partnership for Children	30,000	133,619	115,407	18,212
Contribution - City of Concord	-	1,500	1,500	-
Medicaid - Dental	2,555,000	1,898,332	1,923,856	(25,524)
Medicaid - Settlement Dental	3,337,947	4,031,725	4,096,436	(64,711)
Contribution - City of Kannapolis	2,500	5,000	5,000	-
Private Insurance	325,000	396,354	408,391	(12,037)
Patient Fees	272,000	182,350	203,570	(21,220)
Miscellaneous Revenue	5,000	30,876	26,126	4,750
Cannon Foundation	-	777,100	777,100	-
BCBS of NC Foundation	-	156,204	56,204	100,000
Total Dental Health	6,677,447	7,763,060	7,763,118	(58)
Vital Records:				
Contribution from Cabarrus County	80,188	80,188	80,188	-
Total Vital Records	80,188	80,188	80,188	-
Communicable Disease:				
CHA Grant	1,063,002	1,054,628	897,492	157,136
Direct Payments - Managed Care	41,700	101,777	135,487	(33,710)
Medicaid Reimbursement	14,600	1,966	1,995	(29)
Medicaid Managed Care	70,000	77,890	80,459	(2,569)
Medicaid Settlement	500	25,390	27,203	(1,813)
Mecklenburg County	7,000	12,000	13,510	(1,510)
Private Insurance	211,500	164,630	172,715	(8,085)
Medicare Reimbursement	7,250	9,748	9,366	382
Patient Fees	59,100	49,536	51,636	(2,100)
Miscellaneous Revenue	-	1,276	1,302	(26)
340B Program Income	40,000	5,500	5,371	129
Contribution from Cabarrus County	1,080,844	1,080,844	1,080,844	-
Total Communicable Disease	2,595,496	2,585,185	2,477,380	107,805
Clinical Services:				
CHA Grant	322,177	322,176	323,251	(1,075)
Office of Rural Health	150,000	150,000	147,003	2,997
Direct Payments - Managed Care	416,474	289,561	287,865	1,696
Medicaid - Reimbursement	168,850	82,183	64,699	17,484
Medicaid Managed Care	1,295,193	1,282,478	1,093,129	189,349
Medicaid Settlement	180,000	481,297	454,290	27,007
Carolina Access Case Management	20,000	3,000	1,872	1,128
SPCCP Population Health	168,876	168,876	168,877	(1)
Community Care of NC	-	105,856	113,467	(7,611)
Private Insurance	94,950	126,501	129,934	(3,433)

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance
Medicare Reimbursement	$ -	$ 2,070	$ 3,603	$ (1,533)
Patient Fees	213,000	176,489	171,153	5,336
Cabarrus County Schools	4,680	2,180	2,320	(140)
Kannapolis City Schools	1,560	1,305	1,015	290
Miscellaneous Revenue	10,600	2,045	1,968	77
Contribution from Cabarrus County	200,000	200,000	200,000	-
Total Clinical Services	3,246,360	3,396,017	3,164,446	231,571
Women, Infants, & Children (WIC):				
CHA Grant	902,642	926,932	810,830	116,102
Total WIC	902,642	926,932	810,830	116,102
Behavioral Health:				
CHA Grant	261,224	240,000	256,315	(16,315)
Department of Justice	367,718	376,510	372,608	3,902
Direct Payments - Managed Care	-	5,493	8,304	(2,811)
Medicaid Reimbursement	1,000	5,561	9,223	(3,662)
Medicaid Managed Care	114,846	111,435	78,613	32,822
Private Insurance	25,000	14,404	17,373	(2,969)
Patient Fees	3,000	6,953	7,737	(784)
Cabarrus County Grant Funds	333,149	227,694	230,301	(2,607)
Cabarrus County ARP Funding	476,506	476,506	372,807	103,699
Contribution from Cabarrus County	547,011	547,011	547,011	-
Total Behavioral Health	2,129,454	2,011,567	1,900,292	111,275
Total Revenues	35,473,702	41,558,221	36,526,260	5,031,961
Expenditures:				
Human Services:				
Environmental Health:				
Salaries and Wages	1,227,218	1,228,779	1,210,015	18,764
Part Time >1000 hours				-
Part Time < 1000 hours	33,634	600	2,810	(2,210)
Temporary - Full and Part Time	22,324	16,544	8,374	8,170
Salary Adjustments	45,849	-	-	-
Social Security	99,125	99,125	73,114	26,011
Medicare	20,126	20,126	17,099	3,027
Group Hospital Insurance	137,962	138,362	126,529	11,833
Health Reimbursement Arrangement	20,728	20,753	19,441	1,312
Retirement	174,178	174,778	163,478	11,300
401k Match	25,538	17,538	13,663	3,875
Workers' Compensation	29,883	29,933	18,918	11,015
Office Supplies	-	1,206	1,205	1
Printing and Binding	250	1,720	1,793	(73)
Postage	1,600	1,600	1,607	(7)
Tools & Minor Equipment	4,000	-	-	-
Minor Office Equipment & Furniture	3,000	45,657	65,396	(19,739)
Automotive Supplies	-	-	78	(78)
Fuel	16,482	16,482	13,923	2,559
Hardware	-	8,664	8,663	1
Software	55,229	55,229	52,136	3,093
Other Operation Costs	26,500	16,500	14,457	2,043
Special Program Supplies	40	40	-	40
Telecommunications	6,397	6,687	5,967	720
Outsourced Services	300	475	369	106
Auto and Truck Maintenance	6,500	12,887	13,648	(761)
Mileage	100	-	-	-
Property Tax	1,200	-	-	-
Training and Education	15,707	12,340	9,511	2,829
Insurance and Bonds	20,753	20,778	13,214	7,564
Unemployment Compensation	1,965	1,347	1,410	(63)

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance
Public Relations	$ -	$ 3,222	$ 3,235	$ (13)
Equipment & Furniture	-	45,216	45,214	2
Total Environmental Health	1,996,588	1,996,588	1,905,267	91,321
Information Technology Systems:				
Salaries and Wages	540,228	393,800	387,701	6,099
Salary Adjustments	18,771	-	-	-
Social Security	34,658	25,158	23,247	1,911
Medicare	8,105	6,318	5,437	881
Group Hospital Insurance	43,680	33,307	28,251	5,056
Health Reimbursement Arrangement	5,568	4,818	4,265	553
Retirement	76,024	56,147	52,509	3,638
401k Match	11,180	8,280	7,406	874
Workers' Compensation	3,354	2,054	925	1,129
Office Supplies	300	200	89	111
Printing & Binding	50	219	193	26
Postage	200	200	200	-
Minor Office Equipment & Furniture	-	15,449	19,372	(3,923)
Hardware	45,000	56,751	34,234	22,517
Software	326,800	326,800	297,841	28,959
Other Operation Costs	-	500	443	57
Telecommunications	58,500	66,500	64,559	1,941
Outsourced Services	10,000	15,500	3,510	11,990
Mileage	500	250	162	88
Training & Education	16,000	6,500	5,961	539
Insurance & Bonds	8,385	6,545	4,121	2,424
Unemployment Compensation	500	339	339	-
Total Information Tech Systems	1,207,803	1,025,635	940,765	84,870
General Administration:				
Salaries and Wages	2,340,226	2,296,855	2,271,888	24,967
Part Time > 1000 hours	45,592	105,577	104,619	958
Part Time < 1000 hours	-	151	151	-
Temporary - Full and Part Time	-	2,465	2,154	311
Salary Adjustments	85,452	-	-	-
Auditors	26,000	38,500	38,500	-
Legal Fees	100,000	88,000	74,413	13,587
Social Security	168,772	172,777	155,915	16,862
Medicare	39,471	39,602	36,522	3,080
Group Hospital Insurance	301,526	263,924	133,929	129,995
Health Reimbursement Arrangement	45,231	43,478	3,275	40,203
Retirement	363,829	359,113	334,432	24,681
401k Match	51,046	40,254	35,080	5,174
Workers' Compensation	16,333	11,285	(3,491)	14,776
Other Benefits	110,000	205,000	205,000	-
Office Supplies	19,750	17,150	15,110	2,040
Employee Recognition	15,000	15,000	15,000	-
Printing and Binding	8,930	11,140	5,642	5,498
Imaging Expense	750	-	-	-
Postage	4,150	4,781	4,781	-
Tools & Minor Equipment	10,000	5,000	5,000	-
Minor Office Equipment & Furniture	19,000	46,257	45,971	286
Food	8,100	6,895	3,540	3,355
Automotive supplies	-	60	32	28
Fuel	1,500	1,700	1,859	(159)
Hardware	-	5,045	4,808	237
Software	154,543	156,182	145,478	10,704
Other Operation Costs	67,800	50,206	51,527	(1,321)
Special Program Supplies	4,920	9,515	7,234	2,281
Medical Supplies	500	910	994	(84)
Janitorial Supplies	29,000	22,027	22,159	(132)

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance
Building & Equipment Leases	$ 63,970	$ 107,919	$ 66,255	$ 41,664
Bank Service Charges	22,000	24,500	24,500	-
Lights and Power	165,000	231,814	228,512	3,302
Telecommunications	8,664	6,103	5,351	752
Laundry & Dry Cleaning	500	1,450	674	776
Purchased Services	-	2,700	2,539	161
Outsourced Services	416,224	507,890	435,736	72,154
Tuition Reimbursement	35,000	22,677	18,053	4,624
Building and Ground Maintenance	48,529	128,187	84,011	44,176
Auto & Truck Maintenance	5,000	16,404	12,145	4,259
Service Contracts	20,000	-	-	-
Mileage	5,441	5,116	4,022	1,094
Property Tax	2,200	1,700	1,441	259
Board Travel/Meetings	2,000	235	234	-
Dues and Subscriptions	17,300	26,905	27,274	(369)
Training & Education	106,495	48,194	34,569	13,625
Insurance and Bonds	40,127	38,961	13,601	25,360
Unemployment Compensation	3,780	3,203	(8,855)	12,058
Public Relations	25,000	15,000	12,583	2,417
Recruitment	13,700	12,700	7,335	5,365
Architect Expenses	77,900	52,000	51,415	585
Building & Renovations	2,227,152	5,961,333	2,844,697	3,116,636
Equipment & Furniture	-	187,097	177,932	9,165
Total General Administration	7,343,403	11,420,937	7,765,546	3,655,390
Family Care Coordination:				
Salaries and Wages	763,995	862,872	730,880	131,992
Part Time >1000 hours	177,956	166,144	168,698	(2,554)
Temporary - Full and Part Time	-	7,576	7,881	(305)
Social Security	58,401	56,077	53,700	2,377
Medicare	13,658	14,687	12,559	2,128
Group Hospital Insurance	110,143	97,663	95,975	1,688
Health Reimbursement Arrangement	14,700	15,837	14,453	1,384
Retirement	126,374	124,037	122,338	1,699
401k Match	18,586	14,726	12,068	2,658
Workers' compensation	5,651	5,376	1,084	4,292
Office Supplies	3,142	2,396	1,172	1,224
Patient Education Supplies	2,100	2,100	915	1,185
Printing and Binding	1,000	1,537	702	835
Postage	450	650	450	200
Minor Office Equipment and Furniture	6,500	24,000	51,196	(27,196)
Food	3,300	3,398	2,890	508
Hardware	-	35,000	32,875	2,125
Software	-	2,000	5,003	(3,003)
Other Operation Costs	49,749	82,010	88,665	(6,655)
Special Program Supplies	13,963	17,916	17,915	1
Building & Equipment Leases	28,000	2,000	2,034	(34)
ARPA Family Support	25,000	25,000	24,998	2
Telecommunications	10,451	9,871	8,585	1,286
Outsourced Services	10,100	22,123	22,251	(128)
Mileage	7,454	7,603	6,857	746
Dues and Subscriptions	6,185	5,420	5,100	320
Training and Education	20,326	20,986	17,614	3,372
Insurance and Bonds	13,715	14,150	9,832	4,318
Unemployment Compensation	1,465	1,414	1,239	175
Total Family Care Coordination	1,492,364	1,644,569	1,519,929	124,640
School Health:				
Salaries and Wages	573,606	631,606	664,733	(33,127)
Part Time > 1000 hours	2,919,046	2,970,147	2,963,882	6,265
Part Time < 1000 hours	54,928	98,584	95,910	2,674

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance
Temporary - Full and Part Time	$ 91,956	$ 66,256	$ 64,857	$ 1,399
Salary Adjustments	122,838	-	-	-
Social Security	237,477	231,604	221,316	10,288
Medicare	55,726	55,570	51,759	3,811
Group Hospital Insurance	469,416	460,064	458,255	1,809
Health Reimbursement Arrangement	71,964	70,046	69,053	993
Retirement	497,643	498,118	492,776	5,342
401k Match	73,429	49,433	39,161	10,272
Workers' Compensation	22,898	9,748	9,746	2
Office Supplies	1,000	2,097	2,096	1
Printing and Binding	8,500	5,608	5,617	(9)
Postage	300	1,800	1,800	-
Minor Office Equipment and Furniture	350	35,472	35,042	430
Food	2,500	2,500	2,189	311
Hardware	-	3,239	3,239	-
Software	49,700	42,197	42,196	1
Other Operation Costs	3,000	3,230	3,230	-
Special Program Supplies	-	11,421	11,421	-
Medical Supplies	3,500	553	553	-
Building and Equipment Leases	-	34,788	34,787	1
Telecommunications	3,750	2,750	2,721	29
Outsourced Services	2,000	2,839	2,839	-
Minor Equipment Maintenance	275	65	65	-
Service Contracts	450	-	-	-
Mileage	2,500	1,300	885	415
Dues and Subscriptions	500	-	-	-
Training and Education	12,000	5,500	5,249	251
Insurance and Bonds	56,950	43,656	43,655	1
Unemployment Compensation	6,555	4,566	4,567	(1)
Recruitment	2,000	2,000	1,895	105
Total School Health	5,346,757	5,346,757	5,335,494	11,263
Health Initiatives:				
Salaries and Wages	1,310,701	1,345,252	1,373,773	(28,521)
Part Time > 1000 hours	105,013	183,359	193,227	(9,868)
Temporary Part & Full Time	1,254	13,702	13,839	(137)
Social Security	83,325	96,205	94,595	1,610
Medicare	19,151	22,746	22,123	623
Group Hospital Insurance	175,174	173,162	172,607	555
Health Reimbursement Arrangement	22,780	26,662	26,669	(7)
Retirement	179,447	204,900	211,559	(6,659)
401k Match	26,320	21,035	12,724	8,311
Workers' Compensation	7,922	6,507	3,843	2,664
Office Supplies	7,492	5,902	2,384	3,518
Patient Education Supplies	5,471	5,471	7,012	(1,541)
Printing and Binding	14,420	13,708	12,135	1,573
Postage	395	4,519	4,519	-
Minor Office Equipment and Furniture	6,000	31,038	23,353	7,685
Food	18,807	18,700	14,590	4,110
Fuel	-	513	643	(130)
Hardware	-	3,401	6,889	(3,488)
Software	1,000	858	1,288	(430)
Other Operation Costs	281,704	468,683	309,168	159,515
Special Program Supplies	169,059	242,046	215,764	26,282
Medical Supplies	20,500	29,000	12,712	16,288
Pharmacy	1,595	-	-	-
Building & Equipment Leases	13,736	91,717	86,283	5,434
Telecommunications	13,817	12,898	9,517	3,381
Outsourced Services	1,115,464	1,577,459	1,603,226	(25,767)
Mileage	14,143	13,607	7,579	6,028
Dues & Subscriptions	9,042	6,584	5,685	899

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance
Training and Education	$ 56,308	$ 81,943	$ 72,662	$ 9,281
Insurance and Bonds	19,924	20,084	17,172	2,912
Unemployment Compensation	2,683	2,414	2,001	413
Public Relations	10,250	9,247	-	9,247
Equipment & Furniture	-	17,305	17,304	1
Total Health Initiatives	3,712,897	4,750,627	4,556,845	193,782
Dental Public Health:				
Salaries and Wages	3,191,022	3,041,864	2,914,029	127,835
Part Time > 1000 hours	146,429	423,942	406,377	17,565
Temporary - Full and Part Time	-	6,000	2,387	3,613
Contracted Personnel	-	34,300	13,810	
Social Security	206,921	209,159	189,125	20,034
Medicare	48,394	49,932	47,097	2,835
Group Hospital Insurance	376,915	386,444	306,100	80,344
Health Reimbursement Arrangement	48,242	50,634	47,139	3,495
Retirement	453,916	470,108	448,376	21,732
401k Match	66,750	67,970	44,735	23,235
Workers' Compensation	20,025	20,306	1,120	19,186
Office Supplies	6,500	6,391	5,441	950
Patient Education Supplies	-	3,420	4,226	(806)
Printing and Binding	5,750	16,750	12,830	3,920
Postage	2,750	2,750	2,750	-
Minor Office Equipment and Furniture	53,000	86,002	85,789	213
Food	-	1,000	712	288
Automotive Supplies	2,000	-	-	-
Fuel	1,000	1,000	943	57
Hardware	-	74,499	74,196	303
Software	65,000	53,055	32,956	20,099
Other Operation Costs	-	5,500	6,205	(705)
Special Program Supplies	-	4,934	-	4,934
Medical Supplies	300	150	-	150
Dental Supplies	210,000	385,225	380,957	4,268
Janitorial Supplies	2,500	7,500	5,320	2,180
Building & Equipment Leases	78,264	78,264	78,024	240
Lights & Power	16,500	16,500	13,160	3,340
Meeting Expense	1,250	1,312	1,307	5
Telecommunications	8,400	8,851	8,933	(82)
Purchased Services	34,000	41,750	25,833	15,917
Outsourced Services	48,000	85,706	77,303	8,403
Building and Ground Maintenance	10,000	11,200	1,965	9,235
Auto and Truck Maintenance	2,600	4,100	3,896	204
Minor Equipment Maintenance	16,000	9,787	805	8,982
Service Contracts	6,500	7,500	3,136	4,364
Mileage	1,450	3,960	1,046	2,914
Dues and Subscriptions	6,000	12,000	11,910	90
Training & Education	15,000	17,000	13,600	3,400
Insurance and Bonds	50,062	40,395	16,189	24,206
Unemployment Compensation	4,310	4,885	535	4,350
Public Relations	-	2,400	2,396	4
Recruitment	1,000	1,000	105	895
Architect Expenses	-	29,730	29,729	1
Building Improvements	10,000	303,134	251,788	51,346
Equipment & Furniture	203,000	284,910	284,907	3
Total Dental Health	5,419,750	6,373,219	5,859,187	493,542
Vital Records:				
Salaries and Wages	53,976	53,976	56,088	(2,112)
Salary Adjustments	1,889	1,889	-	1,889
Social Security	3,464	3,464	3,216	248
Medicare	810	810	752	58

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance
Group Hospital Insurance	$ 7,994	$ 7,994	$ 7,553	$ 441
Health Reimbursement Arrangement	1,200	1,200	1,205	(5)
Retirement	7,598	7,598	7,619	(21)
401k Match	1,117	1,117	1,098	19
Workers' Compensation	335	335	139	196
Office Supplies	75	75	74	1
Printing and Binding	20	20	42	(22)
Postage	100	100	104	(4)
Telecommunications	672	567	544	23
Mileage	-	105	105	-
Insurance and Bonds	838	838	623	215
Unemployment Compensation	100	100	83	17
Total Vital Records	80,188	80,188	79,245	943
Communicable Disease:				
Salaries and Wages	1,297,955	1,308,855	1,124,517	184,338
Part Time > 1000 hours	32,723	35,156	28,802	6,354
Part Time < 1000 hours	20,956	20,956	4,817	16,139
Temporary - Full and Part Time	8,404	23,814	20,804	3,010
Contracted Personal services	-	-	805	(805)
Salary Adjustments	47,692	42,156	-	42,156
Social Security	86,662	91,802	70,240	21,562
Medicare	20,266	21,468	16,721	4,747
Group Hospital Insurance	176,861	166,858	105,696	61,162
Health Reimbursement Arrangement	22,679	23,276	16,192	7,084
Retirement	186,008	197,937	152,678	45,259
401k Match	39,709	41,367	15,034	26,333
Workers' Compensation	8,386	8,533	2,892	5,641
Office Supplies	8,150	8,891	3,683	5,208
Laboratory Supplies	-	-	126	(126)
Printing and Binding	1,900	4,102	3,420	682
Postage	400	400	412	(12)
International Travel Vaccine	22,000	26,272	37,996	(11,724)
Minor Office Equipment & Furniture	-	2,000	3,715	(1,715)
Fuel	1,500	1,500	-	1,500
Medical Records Supplies	250	250	118	132
Hardware	-	500	218	282
Software	149	936	633	303
Other Operation Costs	30,882	34,217	628	33,589
Special Program Supplies	31,502	34,965	25,854	9,111
Medical Supplies	9,014	10,014	5,458	4,556
Pharmacy	179,863	179,863	172,299	7,564
Telecommunications	6,226	7,175	6,913	262
Outsourced Services	293,617	218,179	188,472	29,707
Minor Equipment Maintenance	200	200	70	130
Service Contracts	5,047	5,047	5,795	(748)
Mileage	11,781	11,381	1,034	10,347
Dues and Subscriptions	1,436	1,576	1,745	(169)
Training and Education	21,000	33,973	22,380	11,593
Insurance and Bonds	18,091	19,376	12,919	6,457
Unemployment Compensation	2,187	2,190	1,280	910
Recruitment	-	-	3,109	(3,109)
Equipment & Furniture	2,000	-	-	-
Total Communicable Disease	2,595,496	2,585,185	2,057,475	527,710
Clinical Services:				
Salaries and Wages	1,707,723	1,771,254	1,556,285	214,969
Part Time > 1000 hours	257,858	271,005	237,860	33,145
Part Time < 1000 hours	195,170	216,198	186,996	29,202
Temporary - Full and Part Time	2,276	77,008	76,448	560
Salary Adjustments	88,062	40,162	-	40,162

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance
Social Security	$ 138,242	$ 140,452	$ 119,526	$ 20,926
Medicare	32,331	32,848	28,950	3,898
Group Hospital Insurance	177,762	178,189	155,042	23,147
Health Reimbursement Arrangement	26,403	26,488	23,548	2,940
Retirement	276,151	279,099	242,507	36,592
401k Match	40,610	40,610	21,340	19,270
Workers' Compensation	13,378	13,378	1,204	12,174
Office Supplies	1,200	1,200	498	702
Laboratory Supplies	3,000	-	-	-
Patient Education Supplies	-	100	35	65
Printing and Binding	3,350	3,450	4,739	(1,289)
Postage	400	400	447	(47)
Medical Records Supplies	850	850	582	268
Software	600	600	446	154
Other Operation Costs	-	100	160	(60)
Medical Supplies	20,500	20,742	19,377	1,365
Pharmacy	35,300	51,474	44,549	6,925
Telecommunications	7,320	7,320	7,424	(104)
Outsourced Services	139,023	143,852	144,251	(399)
Child Fatality Task Force Expense	1,389	1,389	1,385	4
Minor Equipment Maintenance	3,950	7,641	7,306	335
Service Contracts	8,840	8,840	8,337	503
Mileage	500	500	-	500
Dues and Subscriptions	10,970	11,170	4,742	6,428
Training and Education	17,072	13,705	6,771	6,934
Insurance and Bonds	33,440	33,289	13,135	20,154
Unemployment Compensation	2,690	2,704	1,774	930
Total Clinical Services	3,246,360	3,396,017	2,915,664	480,353
Behavioral Health:				
Salaries and Wages	1,235,730	1,096,432	955,014	141,418
Part Time > 1000 hours	112,438	128,695	133,891	(5,196)
Part Time < 1000 hours	-	6,221	6,220	1
Temporary - Full and Part Time	-	3,000	2,755	245
Social Security	83,563	75,335	65,310	10,025
Medicare	16,274	17,904	15,274	2,630
Group Hospital Insurance	165,879	151,305	118,294	33,011
Health Reimbursement Arrangement	24,217	21,862	18,214	3,648
Retirement	178,666	166,006	147,314	18,692
401k Match	30,094	18,718	9,535	9,183
Workers' Compensation	8,486	5,000	2,655	2,345
Office Supplies	1,400	3,156	3,047	109
Printing and Binding	696	817	686	131
Postage	-	45	45	-
Minor Office Equipment & Furniture	6,270	3,733	3,967	(234)
Food	750	2,368	1,387	981
Hardware	500	4,265	4,265	-
Software	-	21,863	24,452	(2,589)
Other Operation Costs	21,232	13,848	8,705	5,143
Special Program Supplies	64,587	65,542	66,405	(863)
Medical Supplies	20,733	45,396	45,260	136
Pharmacy	-	9,942	9,941	1
Building & Equipment Lease	45,000	45,000	41,591	3,409
Telecommunications	6,460	4,239	4,424	(185)
Outsourced Services	38,051	26,626	7,572	19,054
Autos and Truck Maintenance	-	993	993	-
Service Contracts	18,220	-	-	-
Mileage	3,514	3,210	2,957	253
Dues & Subscriptions	900	888	1,026	(138)
Training & Education	23,613	24,361	18,131	6,230
Insurance & Bonds	20,194	13,066	11,881	1,185

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance
Unemployment Compensation	$ 1,987	$ 1,732	$ 1,426	$ 306
Equipment and Furniture	-	29,999	35,261	(5,262)
Total Behavioral Health	2,129,454	2,011,567	1,767,898	243,669
WIC:				
Salaries and Wages	480,790	471,300	466,486	4,814
Part Time > 1000 hours	126,551	111,804	105,021	6,783
Temporary - Full and Part Time	9,896	36,409	33,097	3,312
Contracted Personnel	-	48,315	48,587	(272)
Social Security	34,624	36,739	36,390	349
Medicare	8,098	8,648	8,511	137
Group Hospital Insurance	92,602	77,283	68,647	8,636
Health Reimbursement Arrangement	11,896	11,736	11,104	632
Retirement	74,606	78,206	77,630	576
401k Match	10,971	7,242	5,528	1,714
Workers' Compensation	3,350	1,843	1,463	380
Office Supplies	300	927	927	-
Breast Feeding Grant Expenses	600	600	-	600
Printing and Binding	1,020	660	874	(214)
Postage	2,100	2,556	3,186	(630)
Minor Office Equipment & Furniture	400	-	-	-
Other Operation Costs	1,900	1,554	554	1,000
Medical Supplies	350	1,622	1,622	-
Building & Equipment Leases	14,000	-	-	-
Telecommunications	4,500	4,500	4,508	(8)
Outsourced Services	13,182	15,540	17,465	(1,925)
Mileage	469	508	515	(7)
Dues & Subscriptions	425	50	50	-
Training & Education	600	817	817	-
Insurance and Bonds	8,352	6,970	6,609	361
Unemployment Compensation	1,060	1,103	1,093	10
Total WIC	902,642	926,932	900,684	26,248
Total Expenditures	$ 35,473,702	$ 41,558,221	35,603,999	$ 5,933,731
Net change in fund balance			922,261	
Fund balance, July 1			12,180,690	
Fund balance, June 30			$ 13,102,951	

Schedule 2

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
June 30, 2025 and 2024

	2025	2024
Governmental funds capital assets:		
Furniture and Fixtures	$ 790,405	$ 731,470
Vehicles	1,386,474	1,265,736
Equipment	1,885,331	1,563,610
Leasehold Improvement	618,688	195,932
Total governmental funds capital assets	$ 4,680,898	$ 3,756,748
Investments in governmental funds capital assets by source:		
General fund	$ 4,680,898	$ 3,756,748

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2025

Function and Activity	Construction in Progress	Furniture and Fixtures	Vehicles	Equipment	Leasehold Improvements	Total
Human Services:						
Administrative Services	$ 2,754,873	$ 423,263	$ 158,162	$ 899,862	$ 159,661	$ 4,395,821
Environmental Health	-	13,021	455,431	-	-	468,452
Dental Health	-	321,313	369,176	703,817	459,027	1,853,333
Communicable Disease	-	-	373,706	62,739	-	436,445
Family Care Coordination	-	9,277	-	-	-	9,277
Health Initiatives	-	17,305	-	-	-	17,305
School Health	-	-	-	75,282	-	75,282
Clinical Services	-	-	-	138,369	-	138,369
Behavioral Health	-	-	29,999	5,262	-	35,261
Women, Infant, and Children	-	6,226	-	-	-	6,226
Total governmental funds capital assets	$ 2,754,873	$ 790,405	$ 1,386,474	$ 1,885,331	$ 618,688	$ 7,435,771

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the fiscal year ended June 30, 2025

Function and Activity	Governmental Funds Capital Assets June 30, 2024	Additions	Decreases	Governmental Funds Capital Assets June 30, 2025
Human Services:				
Administrative Services	$ 1,341,187	$ 3,074,044	$ 19,410	$ 4,395,821
Environmental Health	423,238	45,214	-	468,452
Dental Health	1,326,724	566,424	39,815	1,853,333
Communicable Disease	436,445	-	-	436,445
Family Care Coordination	9,277	-	-	9,277
Health Initiatives	-	17,305	-	17,305
School Health	75,282	-	-	75,282
Clinical Services	138,369	-	-	138,369
Behavioral Health	-	35,261	-	35,261
Women, Infant, and Children	6,226	-	-	6,226
Total governmental funds capital assets	$ 3,756,748	$ 3,738,248	$ 59,225	$ 7,435,771

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.

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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.

Ratios of Outstanding Debt by Type	(County)	Table 8
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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.

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Operating Indicators by Functional Area	(CHA)	Table 12
Capital Asset Statistics by Function	(CHA)	Table 13

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2016	**2017 ***	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Governmental activities										
Net invested in capital assets	$ 591,994	$ 415,038	$ 454,265	$ 332,666	$ 621,966	$ 481,291	$ 748,536	$ 1,159,138	$ 1,325,201	$ 4,616,192
Restricted	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	2,333,713
Unrestricted	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)	661,869
Total governmental activities net position	$ 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	$ 7,611,774

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

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Expenses										
Governmental activities:										
Administrative Services	$ 5,195,621	$ 6,681,301	$ 7,324,315	$ 7,221,834	$ 4,985,699	$ 3,271,315	$ 3,871,375	$ 7,098,119	$ 7,730,862	$ 5,985,496
Environmental Health	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	2,014,456
Dental Health	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	5,748,710
Women, Infants, and Children	873,468	923,790	825,282	778,148	907,967	1,018,343	811,156	880,318	929,917	952,272
Communicable Disease	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	2,242,966
Clinical Services	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	3,087,643
Family Care Coordination	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	1,599,265
Health Initiatives	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	4,677,023
Behavioral Health	-	-	-	-	-	-	147,967	807,960	1,636,290	1,829,344
School Health	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	5,669,366
Interest on Long-Term Obligations	-	-	-	-	-	-	12,647	12,647	8,268	14,315
Total governmental activities	$ 19,906,309	$ 23,208,662	$ 23,680,278	$ 24,187,548	$ 23,702,637	$ 24,084,142	$ 28,601,445	$ 35,401,437	$ 33,741,661	$ 33,820,856
Program Revenues										
Governmental activities										
Charges for services:										
Administrative Services	$ 2,374,735	$ 3,796,299	$ 4,582,349	$ 4,111,300	$ 1,340,902	$ 3,110	$ 3,584	$ 69,798	$ 9,790	$ 4,075
Environmental Health	200,365	236,375	246,785	203,853	216,482	285,057	340,160	363,658	298,053	326,185
Dental Health	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	6,897,188
Communicable Disease	320,002	313,517	306,246	279,071	402,382	864,431	669,209	491,472	538,517	497,742
Clinical Services	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	2,467,015
Family Care Coordination	739,070	757,380	763,718	808,448	677,498	839,149	1,041,250	1,191,437	1,200,708	1,314,969
Health Initiatives	-	-	-	-	-	-	-	-	-	-
Behavioral Health	-	-	-	-	-	-	-	-	80,134	121,252
School Health	70,780	78,276	18,838	24,977	19,667	305,347	124,966	33,159	31,772	25,594
Total charges for services	$ 9,860,172	$ 11,397,891	$ 12,134,585	$ 11,637,379	$ 8,458,809	$ 9,915,841	$ 9,513,438	$ 8,636,463	$ 10,845,617	$ 11,654,020
Operating grants and contributions:										
Administrative Services	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	6,430,816
Environmental Health	729,461	853,542	933,242	874,034	917,899	953,130	1,073,892	1,514,824	1,566,881	1,615,288
Dental Health	32,000	44,066	16,415	96,878	282,914	105,137	83,047	110,918	406,619	777,792
Women, Infants, and Children	857,157	846,912	737,292	711,948	770,077	837,558	814,181	879,609	928,551	810,830
Communicable Disease	735,926	758,224	753,143	872,417	1,587,388	4,315,936	3,808,431	4,706,236	3,803,600	1,978,336
Clinical Services	482,603	895,728	1,002,947	982,250	1,191,306	1,270,714	1,145,237	1,080,794	706,737	695,463
Family Care Coordination	329,266	299,185	307,706	291,955	332,421	364,881	463,150	635,350	279,572	414,197
Health Initiatives	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	4,563,407
Behavioral Health	-	-	-	-	-	-	131,275	924,410	1,651,628	1,779,041
School Health	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	5,314,982
Total operating grants and contributions	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	24,380,152
Total governmental activities program revenues	$ 20,550,899	$ 23,692,429	$ 23,583,482	$ 23,652,243	$ 21,326,530	$ 25,623,333	$ 29,574,309	$ 33,455,334	$ 31,682,499	$ 36,034,172
Net (Expense)/Revenue										
Governmental activities	$ 644,590	$ 483,767	$ (96,796)	$ (535,305)	$ (2,376,107)	$ 1,539,191	$ 972,864	$ (1,946,103)	$ (2,059,162)	$ 2,213,316
Total governmental activities net (expense)/revenue	$ 644,590	$ 483,767	$ (96,796)	$ (535,305)	$ (2,376,107)	$ 1,539,191	$ 972,864	$ (1,946,103)	$ (2,059,162)	$ 2,213,316
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted investment earnings	$ 18,393	$ 34,710	$ 95,743	$ 180,096	$ 104,186	$ 4,223	$ 15,223	$ 298,825	$ 362,632	$ 359,956
Miscellaneous	47,652	60,005	55,723	46,364	(9,875)	19,504	42,542	35,833	24,936	70,119
Special item	-	-	-	-	1,000,000	-	-	-	-	-
Total governmental activities	$ 66,045	$ 94,715	$ 151,466	$ 226,460	$ 1,094,311	$ 23,727	$ 57,765	$ 334,658	$ 387,568	$ 430,075
Change in Net Position										
Governmental activities:										
Changes in Net Position	710,635	578,482	54,670	(308,845)	(1,281,796)	1,562,918	1,030,629	(1,611,445)	(1,671,594)	2,643,391
Total governmental activities	$ 710,635	$ 578,482	$ 54,670	$ (308,845)	$ (1,281,796)	$ 1,562,918	$ 1,030,629	$ (1,611,445)	$ (1,671,594)	$ 2,643,391

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable:										
Prepaid items	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,000,000	$ 1,000,000
Restricted for:										
Stabilization by State Statute	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	2,333,713
Assigned:										
Subsequent year's expenditures	215,000	301,581	1,038,299	1,120,769	901,167	880,206	851,192	-	-	4,857,446
Unassigned:	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	4,911,792
Total General Fund	$ 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	$ 13,102,951

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Changes in Fund Balances, General Fund
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Revenues										
Intergovernmental	$ 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	33,442,309
Permits and fees	200,365	236,375	246,785	203,853	216,482	285,057	340,160	363,658	507,843	330,260
Sales and services	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	1,168,560
Investment earnings	18,393	34,710	95,743	180,096	104,186	4,223	15,223	298,825	362,632	359,956
Miscellaneous	73,868	74,533	71,982	65,673	47,321	72,748	61,222	76,302	53,715	70,119
Donations/Contributions	109,097	421,282	422,891	646,041	614,285	1,207,696	514,523	859,290	522,153	1,155,056
Total Revenues	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	36,526,260
Expenditures										
Human Services:										
Environmental Health	863,211	1,016,611	1,023,662	940,537	942,173	1,124,681	1,429,940	1,735,412	1,712,590	1,905,267
Information Technology Systems	686,960	713,288	838,463	958,323	1,153,424	951,084	1,158,974	1,092,402	1,054,304	940,765
General Administration	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	7,765,546
Family Care Coordination	982,591	936,255	978,968	1,040,588	1,177,374	1,109,438	1,251,648	1,582,219	1,341,827	1,519,929
School Health	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	5,335,494
Health Initiatives	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	4,556,845
Dental Public Health	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	5,859,187
Vital Records	50,755	51,579	62,420	65,439	54,625	57,632	70,153	72,345	78,036	79,245
Communicable Disease	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	2,057,475
Clinical Services	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	2,915,664
Behavioral Health	-	-	-	-	-	-	147,967	807,960	1,636,290	1,767,898
Women, Infants, & Children	838,991	846,997	742,540	710,171	767,128	832,770	811,156	880,318	928,672	900,684
Debt Service:										
Principal retirement	-	-	-	-	-	-	155,144	134,241	-	-
Interest and other charges	-	-	-	-	-	-	12,647	12,647	-	-
Total Expenditures	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	35,603,999
Excess of revenues over (under) expenditures before special item	565,281	1,143,000	128,295	12,104	(905,579)	2,139,101	628,094	(74,064)	323,998	922,261
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	$ 565,281	$ 1,143,000	$ 128,295	$ 12,104	$ (705,579)	$ 2,339,101	$ 828,094	$ 125,936	$ 523,998	$ 922,261
Debt service as a percentage of non-capital expenditures	-	-	-	-	-	-	0.58%	0.44%	-	-

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
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
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
2025	33,442,309	330,260	1,168,560	359,956	70,119	1,155,056	36,526,260

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
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
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
2025	11,481,981	5,012,763	4,577,929	12,040,642	328,994	33,442,309

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Clinical and Dental Health Revenue From Fees for Services
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 7

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Clinical Services										
Medicaid	$ 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	$ 1,663,633
Medicare	1,173	2,957	2,670	4,159	29,893	248,387	67,574	13,558	17,360	12,969
Private Insurance	264,710	233,585	226,692	275,792	323,919	559,640	365,284	251,727	306,363	302,649
Patient Fees	301,488	332,447	299,927	292,533	286,653	229,213	269,214	296,906	259,730	226,059
Total Clinical Services	**1,699,093**	**1,849,048**	**1,683,074**	**1,561,664**	**1,628,295**	**2,096,259**	**2,168,229**	**1,929,214**	**1,921,052**	**2,205,311**
Dental Services										
Medicaid	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	1,923,856
Private Insurance	511,239	582,438	684,298	690,539	647,087	500,045	431,219	385,236	309,295	408,391
Patient Fees	212,049	237,279	262,506	298,167	278,762	237,191	202,457	231,975	233,784	229,695
Total Dental Services	**2,944,937**	**3,388,778**	**3,476,186**	**3,114,769**	**2,780,307**	**2,771,206**	**2,666,398**	**2,510,875**	**2,649,154**	**2,561,942**
Total Fees for Services	**$ 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**	**$ 4,767,253**

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 8

	Governmental Activities			
Fiscal Year	**Long-term Leases**	**Total Outstanding Debt**	**Percentage of Personal Income [1]**	**Per Capita [1]**
2016	$ -	$ -	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	562,801	562,801	0.00%	2
2023	476,019	476,019	0.00%	2
2024	487,771	487,771	0.00%	2
2025	319,326	319,326	N/A	1

N/A = Not available
[1] See Table 9 for personal income and population data

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Demographic and Economic Statistics for Cabarrus County
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]
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	227,065	12,407,280	53,647	32,555	4.4%	72,520
2022	231,726	12,910,767	54,754	33,565	3.4%	65,142
2023	235,797	13,556,305	57,492	34,674	3.3%	64,470
2024	240,016	14,098,557	60,367	34,877	3.6%	75,413
2025	244,925	*	*	35,106	3.7%	69,916

* Information not yet available.

Notes:

[1] United States Census Bureau

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

[3] Public Schools of North Carolina/State Board of Education reported the County Official Statements

[4] N. C. Department of Commerce Labor & Economic Analysis as of June 30th

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

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Principal Employers for Cabarrus county
Current Year and Nine Years Ago

Table 10

	2025			2016		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Atrium Health Cabarrus	4,500	1	3.71%	4,500	1	4.59%
Cabarrus County Schools	4,300	2	3.54%	3,800	3	3.87%
Hendrick Motorsports and Automotive Group	2,100	3	1.73%			
Cabarrus County	1,280	4	1.06%	950	4	0.97%
City of Concord	1,100	5	0.91%	901	5	0.92%
Amazon.com Inc	1,000	6	0.82%			
Walmart SuperCenter	965	7	0.80%			
Shoe Show Inc	800	8	0.66%	800	8	0.82%
Eli Lilly & Co	750	9	0.62%			
Westrock Coffee Co LLC	600	10	0.49%			
Concord Mills Mall				4,000	2	4.08%
Connextions				900	6	0.92%
S&D Coffee and Tea				800	7	0.82%
State of North Carolina				770	9	0.79%
Kannapolis City Schools				750	10	0.76%
Total	17,395		14.34%	18,171		18.54%

Source:
NC Employment Security Commission, Cabarrus County Economic Development Corporation and FY 2016 ACFR

Public Health Authority of Cabarrus County Table 11
dba Cabarrus Health Alliance
Full-time Equivalent Local Government Employees by Function
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30, 2025									
Function/Program	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Administrative Services	27	30	29	26	25	30	34	40	41	44
Environmental Health	12	14	12	15	13	18	20	19	20	21
Dental Health	29	27	39	35	37	25	35	35	37	46
Women, Infants, and Children	16	15	13	11	14	14	13	15	15	13
Communicable Disease	10	14	9	9	14	31	25	26	12	11
Clinical Services	38	36	40	39	42	41	47	39	39	39
Family Care Coordination	12	13	14	13	14	12	25	21	18	14
Health Initiatives	19	23	21	18	16	15	22	17	13	14
Behavioral Health	0	0	0	0	0	0	3	14	18	19
School Health	48	49	53	53	60	55	56	62	64	66
Total	211	221	230	219	235	241	280	288	277	287

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).

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Operating Indicators by Functional Area/Project
Last Ten Fiscal Years

Table 12

Functional Area	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administrative Activities										
Human Resources - retention rate (% resignations)	8.6%	11.1%	7.4%	3.9%	9.0%	17.7%	17.0%	10.4%	19.9%	13.2%
Finance - accounts payable checks issued	3,185	4,001	3,624	3,762	3,081	2,360	2,552	3,568	3,126	2,932
Environmental Health										
Environmental health - permits and/or inspections	1,927	2,062	2,101	2,076	1,858	1,931	2,112	2,008	4,381	6,034
Food & Lodging - inspections and/or consultation	3,610	3,727	2,756	3,734	3,122	3,314	3,104	3,224	2,786	3,421
Dental Health										
Smart Start Dental - # of children served	20	10	11	18	6	5	5	6	13	8
Smart Start Dental - # of pregnant mothers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4	15
Dental Clinic - # encounters	20,764	22,668	24,676	23,321	19,415	16,023	18,474	20,696	22,047	21,126
Women, Infants, and Children										
Avg participation of state assigned caseload/mo.	4,062	3,661	3,251	2,900	3,220	3,830	4,046	4,305	3,492	4,118
Communicable Disease										
STD - # of clients seen for STDs	973	1,087	916	1,707	1,377	1,009	911	1,087	1,185	1,146
International Travel - # of clients seen	483	573	307	513	302	5	158	207	216	178
Flu/Pneumonia - # doses given	1,968	2,199	1,956	1,945	1,966	1,791	2,077	1,993	2,083	1,911
Tuberculosis - # of skin tests given (includes TB IGRA)	705	772	647	994	555	339	381	368	434	374
Clinical Services										
Maternal Health - # of client visits	4,006	4,188	4,481	4,183	3,147	2,924	2,757	2,837	2,803	2,348
BCCCP/WW - # of clients served	341	299	345	309	190	175	149	150	140	128
Family Planning - # of clients served	1,130	1,081	1,097	974	915	703	675	707	646	604
Child Health - # of clients served	2,460	2,550	2,947	2,972	3,147	2,589	2,676	2,656	2,653	2,348
Family Care Coordination										
Intensive Home Visiting - # of visits	250	235	105	102	111	79	67	76	36	50
Care Coordination for Children - # of direct patient centered interactions	5,170	4,382	4,398	6,393	1,718^	3,474^	2,033	2,145	3,232	2,970
Pregnancy Care Management - # of direct patient centered interactions	3,445	3,607	3,606	6,937	1,347^	2,053^	1,460	1,622	2,312	2,333
Community Impact										
TRAIL Elevate - # participants reached per year	77	1,684	1,131	1,200	n/a	n/a	226	500	56	2,622
TPPI - # participants reach per year	212	236	162	140	105	125	110	65	25	208
Triple P - # provider training slots filled	79	29	30	20	3	11	8	11	11	11
REACH - # participants reached per year	90,800	98,437	102,102	n/a	n/a	n/a	n/a	n/a	119,366	213,643
STARS - # participants reached per year	210	402	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MDPP - # participants enrolled in the program	n/a	91	104	93	84	33	49	50	60	62
Syringe Service Program - # of Naloxone kits provided per year	n/a	n/a	n/a	1,915	1,646	2,269	1,456	1,936	1,090	1,984
Healthy PALS - # participants reached per year	n/a	118,140	36,791	27,614	n/a	n/a	n/a	n/a	n/a	n/a
Other Services										
School Health - # of students seen by nurse	123,220	145,592	141,127	144,664	103,676	34,493	90,150	128,874	142,079	108,280

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

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table 13

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administrative Services										
Furniture and Fixtures	11	11	12	12	13	13	13	13	14	16
Vehicles	10	8	7	6	6	5	6	8	7	6
Equipment	19	20	18	19	29	29	28	34	33	39
Leasehold Improvements	-	-	-	-	-	-	-	-	1	4
Construction in Progress	-	-	-	-	-	-	-	-	-	1
Environmental Health										
Vehicles	15	10	14	14	12	15	17	18	18	19
Furniture and Fixtures	1	1	1	1	1	1	1	1	1	2
Dental Health										
Furniture and Fixtures	-	-	-	-	-	-	-	-	38	38
Vehicles	2	2	2	1	2	2	2	4	4	7
Equipment	45	46	46	46	48	48	42	49	48	68
Leasehold Improvements	3	3	3	3	3	3	3	3	1	2
Communicable Disease										
Equipment	5	3	3	2	2	2	2	3	3	3
Vehicles	-	-	-	-	-	-	-	1	1	1
Clinical Services										
Equipment	10	10	10	10	10	10	9	9	9	9
Health Initiatives										
Equipment	-	-	-	-	4	-	-	-	-	-
Family Care Coordination										
Furniture and Fixtures	1	1	1	1	1	1	1	1	1	1
Community Impact										
Furniture and Fixtures	-	-	-	-	-	-	-	-	-	1
School Health										
Equipment	-	-	1	1	1	1	1	4	4	4
WIC										
Furniture and Fixtures	-	-	-	-	-	-	-	1	1	1
Behavioral Health										
Vehicles	-	-	-	-	-	-	-	-	-	1
	122	115	118	116	132	130	125	149	184	223

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
Public Health Authority of Cabarrus County
(dba 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 Public Health Authority of Cabarrus County (dba Cabarrus Health Alliance) (the "Alliance"), a component unit of Cabarrus County, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) basic financial statements, and have issued our report thereon dated December 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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 Alliance'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 Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Alliance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DMJPS PLLC

Certified Public Accountants
Concord, North Carolina

December 17, 2025

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
Public Health Authority of Cabarrus County
Cabarrus Health Alliance
Concord, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) (the "Alliance), 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 Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) major federal programs for the year ended June 30, 2025. The Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Public Health Authority of Cabarrus County (dba 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, 2025.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Public Health Authority of Cabarrus County (dba 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 Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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 Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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 Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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 the 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 the 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 the 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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.

DMJPS PLLC

Certified Public Accountants
Concord, North Carolina

December 17, 2025

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
Public Health Authority of Cabarrus County
(dba Cabarrus Health Alliance)
Concord, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program
We have audited the Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) (the "Alliance), 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 Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) major state programs for the year ended June 30, 2025. The Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Public Health Authority of Cabarrus County (dba 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, 2025.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Public Health Authority of Cabarrus County (dba 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 State program. Our audit does not provide a legal determination of the Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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 Public Health Authority of Cabarrus County 's (dba Cabarrus Health Alliance) 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 Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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 Public Health Authority of Cabarrus County's (dba Cabarrus Health Alliance) 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 the 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 the 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 the 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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.

DMJPS PLLC

Certified Public Accountants
Concord, North Carolina

December 17, 2025

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:

Assistance Listing Nos:	Name of Federal Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.297	Adolescent Health Programs

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

• 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
Central Management and Support - Office of Rural Health Division
Communicable Disease Pandemic Recovery – SFRF
Supporting Women Health Services

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.

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Schedule of Expenditures of Federal and State Awards
June 30, 2025

	Federal Assistance Listing No.	Federal Expenditures	State Expenditures
Federal Awards			
U.S Department of Agriculture			
Passed through NC Dept. of Health and Human Services			
Division of Public Health			
Special Supplemental Nutrition Program for Women Infants and Children	10.557	$ 807,146	n/a
U.S. Department of Treasury			
Division of Public Health			
Coronavirus State Local Fiscal Recovery Funds	21.027	2,755,965	n/a
U.S. Department of Health and Human Services			
Centers for Disease Control and Prevention			
Drug-Free Communities Support Program	93.276	107,620	n/a
Racial and Ethnic Approaches to Community Health	93.304	956,287	n/a
CHW for Public Health Response and Resilient	93.495	493,174	n/a
Office of the Secretary			
Adolescent Health Programs	93.297	1,508,567	n/a
Center for Substance Abuse Prevention			
STOP Act Benefitting Youth Ages 12-18 Years Old	93.243	11,717	n/a
U.S. Department of Health and Human Services			
U.S. Department of Justice			
STOP School Violence	16.839	308,996	n/a
Comprehensive Opioid, Stimulant, and Substance Abuse Site-based Program	16.838	393,171	n/a
U.S. Department of Health and Human Services			
Passed through NC Dept. of Health and Human Services			
Division of Public Health			
Public Health Emergency Preparedness	93.069	55,253	n/a
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	50	n/a
Injury Prevention and Control Research and State and Community Based Programs	93.136	89,234	n/a
Family Planning Services	93.217	89,060	n/a
Immunization Cooperation Agreements	93.268	193,030	n/a
COVID-19 -Immunization Cooperation Agreements	93.268	7,885	n/a
Total Immunization Cooperation Agreements		200,915	
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	324,283	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	26,000	n/a
HIV Care Formula Grants - Ryan White Care Act	93.917	1,228	n/a
HIV Prevention Activities-Health Department Based	93.940	28,000	n/a
Centers for Disease Control and Prevention's Collaboration with Academia to Strengthen Public Health	93.967	615,825	n/a
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	72,259	n/a
Maternal and Child Health Services Block Grant	93.994	148,390	10,422
Division of Social Services			
Positive Parenting Program	93.590	161,438	n/a
Total Federal Awards		9,171,054	-
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	$ 125,106
N.C. Department of Health and Human Services			
Central Management and Support - Office of Rural Health Division		n/a	449,625
N.C. Department of Health and Human Services			
Central Management and Support		n/a	230,105

Public Health Authority of Cabarrus County
dba Cabarrus Health Alliance
Schedule of Expenditures of Federal and State Awards
June 30, 2025

	Federal Assistance Listing No.	Federal Expenditures	State Expenditures
N.C. Department of Health and Human Services			
Division of Public Health			
Other Receipts / State Supported Expenditures			
Adolescent Parenting Program		n/a	$ 225,000
Breast and Cervical Cancer		n/a	16,400
Care Management for High-Risk Pregnancies		n/a	43,708
Child Fatality Case Reporting		n/a	2,743
Child Health		n/a	6,471
Communicable Disease Pandemic Recovery - SFRF		n/a	194,632
Communicable Disease Prevention HIV Prep		n/a	5,000
DPH Aid-to-Counties		n/a	125,791
Family Planning - State		n/a	24,095
Food and Lodging Fees		n/a	35,112
General Communicable Disease Control		n/a	10,734
Healthy Communities		n/a	34,526
High Risk Maternity Clinics		n/a	97,603
Mosquito and Tick Suppression		n/a	4,000
Positive Parenting Program (Triple P)		n/a	8,784
School Nursing Funding Initiative		n/a	50,000
State Fiscal Recovery Funds		n/a	100,000
Supporting Women Health Services		n/a	150,000
Tuberculosis Control		n/a	5,144
Total federal and State awards		$ 9,171,054	$ 1,955,001

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 Public Health Authority of Cabarrus County (d/b/a Cabarrus Health Alliance) under the programs of the federal government and the State of North Carolina for the year ended June 30, 2025. 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 Public Health Authority of Cabarrus County (d/b/a Cabarrus Health Alliance), it is not intended to and does not present the financial position, changes in net position or cash flows of the Public Health Authority of Cabarrus County (d/b/a 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 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CABARRUS HEALTH ALLIANCE

For Information:

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