

**ANNUAL FINANCIAL REPORT**



**For Year Ended - June 30, 2024**

**2024**

**ALBEMARLE REGIONAL HEALTH SERVICES  
ELIZABETH CITY, NORTH CAROLINA**

**June 30, 2024**

**HEALTH DISTRICT BOARD**

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Jonathan Meads	Dr. Ethan B. Nelson
Dana Boslau	Michael H. Payment
Dr. Sean Winston Smolenyak	Corey Ballance, Sr.
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Dr. Jason Banks	Monte C. Thompson
Dr. Alex Kehayes	

**MANAGEMENT**

Ashley Stoop, Health Director

Kim Outland, Finance Director

**Albemarle Regional Health Services  
Table of Contents  
June 30, 2024**

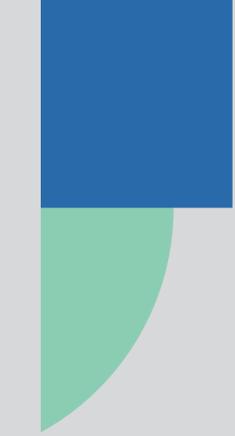
<b>Exhibit</b>		<b>Page</b>
	<b>Financial Section:</b>	
	<b>Independent Auditors' Report</b>	1-3
	<b>Management's Discussion and Analysis</b>	4-9
	<b>Basic Financial Statements:</b>	
	Government-wide Financial Statements:	
1	Statement of Net Position	10
2	Statement of Activities	11
	Fund Financial Statements:	
3	Balance Sheet – Governmental Funds	12
3	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	13
4	Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	14
4	Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance - Governmental Funds to the Statement of Activities	15
5	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	16
5	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Sanitary Landfill program	17
5	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Transportation Program	18
6	Statement of Fiduciary Net Position – Fiduciary Funds	19
7	Statement of Changes in Fiduciary Net Position – Fiduciary Funds	20
	Notes to the Financial Statements	21-40

**Albemarle Regional Health Services  
Table of Contents  
June 30, 2024**

<b>Exhibit</b>	<b>Page</b>
<b>Required Supplemental Financial Data:</b>	
A-1	Schedule of the Proportionate Share of Net Pension Liability (Asset) – Local Government Employees' Retirement System <span style="float: right;">41</span>
A-2	Schedule of Contributions – Local Government Employees' Retirement System <span style="float: right;">42</span>
A-3	Schedule of Changes in Net OPEB Liability and Related Ratios <span style="float: right;">43</span>
A-4	Schedule of District Contributions – OPEB <span style="float: right;">44</span>
A-5	Schedule of Investment Returns – OPEB <span style="float: right;">45</span>
<b>Schedules:</b>	
B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund <span style="float: right;">46-49</span>
B-2	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Sanitary Landfill Program <span style="float: right;">50</span>
B-3	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Transportation Program <span style="float: right;">51</span>
B-4	Combining Balance Sheet - Nonmajor Governmental Funds <span style="float: right;">52</span>
B-5	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds <span style="float: right;">53</span>
B-6	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - NENCPPH Program <span style="float: right;">54</span>
B-7	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Septic Tank Program <span style="float: right;">55</span>
B-8	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Medical Reserve Corp <span style="float: right;">56</span>
B-9	Combining Statement of Fiduciary Position – Custodial Funds <span style="float: right;">57</span>
B-10	Combining Statement of Changes in Fiduciary Net Position – Custodial Funds <span style="float: right;">58</span>

**Albemarle Regional Health Services  
Table of Contents  
June 30, 2024**

<u>Exhibit</u>	<u>Page</u>
<b>Compliance Section:</b>	
Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed <i>In Accordance With Government Auditing Standards</i>	59-60
Report On Compliance With Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance; In Accordance With Uniform Guidance and the State Single Audit Implementation Act	61-63
Report On Compliance With Requirements Applicable to Each Major State Program and Internal Control Over Compliance; In Accordance With Uniform Guidance and the State Single Audit Implementation Act	64-66
Schedule of Findings and Questioned Costs	67-68
Corrective Action Plan	69
Summary Schedule of Prior Audit Findings	70
Schedule of Expenditures of Federal and State Awards	71-73



# **FINANCIAL SECTION**

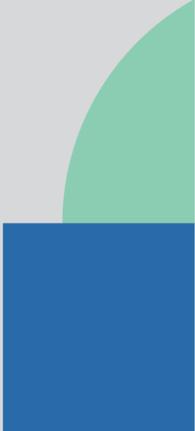
**Independent Auditor's Report**

**Management's Discussion & Analysis**

**Government-Wide Financial  
Statements**

**Fund Financial Statements**

**Notes to Financial Statements**





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**Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA**

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Health  
Albemarle Regional Health Services  
Elizabeth City, North Carolina

### **Report on the Audit of Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Albemarle Regional Health Services as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Albemarle Regional Health Services' basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the 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 Albemarle Regional Health Services as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General Fund, Sanitation Landfill Program Fund, and Transportation Program 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Albemarle Regional Health Services 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 Audit of the Financial Statements**

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

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

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

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

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Albemarle Regional Health Services' 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 Albemarle Regional Health Services' ability to continue as a going concern for a reasonable period of time.

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 9, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of Net Pension Asset and Contributions on pages 41 and 42, and the Other Postemployment Benefits schedules of Changes in the Net OPEB Liability and Related Ratios, District Contributions, and Investment Returns, pages 43, 44, and 45, 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 and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Albemarle Regional Health Services's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, as well as the accompanying 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. The 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 by us. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors<sup>6</sup> the combining and individual fund financial statements, budgetary schedules, other 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2024 on our consideration of the Albemarle Regional Health Services's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Albemarle Regional Health Services's internal control over financial reporting and compliance.

*Thompson, Price, Scott, Adams & Co., P.A.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 22, 2024

## Management’s Discussion and Analysis

As management of Albemarle Regional Health Services (ARHS), we offer readers of ARHS’s financial statements this narrative overview and analysis of the financial activities of ARHS for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in ARHS financial statements, which follow this narrative.

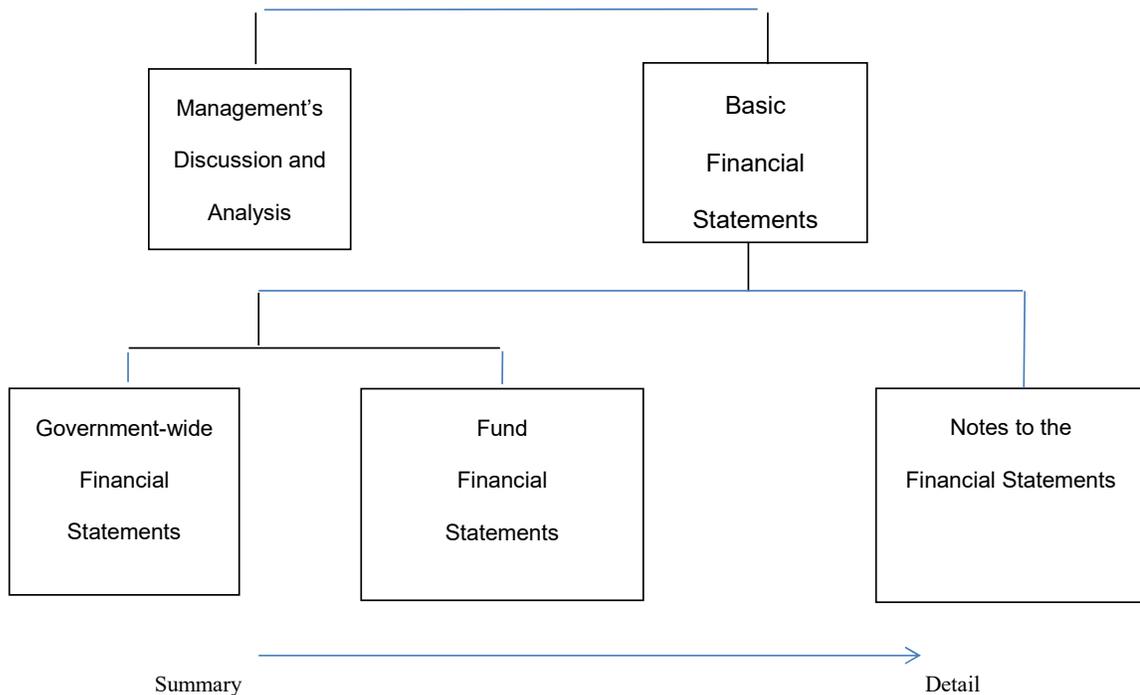
### Financial Highlights

- The assets and deferred outflows of resources of the Albemarle Regional Health Services exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4,007,716 (*net position*).
- Net position decreased \$7,245 which was primarily related to the decrease of grant funding.
- As of the close of the current fiscal year, Albemarle Regional Health Services' governmental funds reported ending fund balances of \$12,000,757, a decrease of \$1,498,693 in comparison with the prior year. Approximately 28.85% of this total amount, or \$3,462,138, is restricted or non-spendable.
- At the end of the current fiscal year, available fund balance for the General Fund was \$8,547,012, or 45.46% of total General Fund expenditures for the fiscal year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Albemarle Regional Health Services' basic financial statements. The Albemarle Regional Health Services' 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 ARHS through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader’s understanding of the financial condition of Albemarle Regional Health Services.

**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 Albemarle Regional Health Services' financial status.

The next statements (Exhibits 3 through 7) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the ARHS's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the fiduciary fund 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 ARHS's individual funds. Budgetary information required by the NC General Statutes can also be found in this part of the statements.

## Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of ARHS'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 ARHS's financial status as a whole. The two government-wide statements report ARHS's net assets and how they have changed. Net assets are the difference between ARHS's total assets and total liabilities. Measuring net assets is one way to gauge ARHS's financial condition. The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of ARHS's basic services such as environmental health, women, infants and children's programs, adult health programs, other services and general administration. Women, infants and other children's programs include such programs as WIC, Family Planning, Child Health, Maternal, CDSA and Speech & Hearing. Patient fees, State and federal grant funds, and private grant funds finance most of these activities along with the other programs offered by ARHS.

ARHS does not report any business type activities and does not have any component units, and, therefore, none are reported in the government-wide statements.

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

## Fund Financial Statements

The fund financial statements (See Figure 1) provide a more detailed look at Albemarle Regional Health Services' 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. Albemarle Regional Health Services, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the ARHS's budget ordinance. All of the funds of Albemarle Regional Health Services can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of Albemarle Regional Health Services' basic services are accounted for in governmental funds. These funds focus 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 short-term spending 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 ARHS's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Albemarle Regional Health Services 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 the area served by ARHS, the management of the ARHS, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the ARHS to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well ARHS complied with the budget ordinance and whether or not ARHS 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 using the same format, language, and classifications as the legal budget document. 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, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds.** Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. ARHS does not have an enterprise funds.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Albemarle Regional Health Services maintains two custodial funds.

**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 begin on page 20 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning ARHS's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 40 of this report.

**Government-Wide Financial Analysis**

**Albemarle Regional Health Services' Net Position**  
**Figure 2**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Current and other assets	\$ 13,823,472	\$ 15,620,233
Capital assets, net	3,807,691	3,693,606
Deferred outflows of resources	6,109,097	6,175,480
<b>Total assets and deferred outflows of resources</b>	<b>23,740,260</b>	<b>25,489,319</b>
Long-term liabilities outstanding	15,364,456	14,249,698
Other liabilities	1,291,934	1,413,423
Deferred inflows of resources	3,076,154	5,811,237
<b>Total liabilities and deferred inflows of resources</b>	<b>19,732,544</b>	<b>21,474,358</b>
Net position:		
Net investment in capital assets	3,734,440	3,477,191
Restricted	3,462,138	3,719,983
Unrestricted	(3,188,862)	(3,182,213)
<b>Total net position</b>	<b>\$ 4,007,716</b>	<b>\$ 4,014,961</b>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. ARHS's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,007,716.

ARHS's net position decreased by \$7,245 for the fiscal year ended June 30, 2024. A large portion of ARHS's net position, \$3,734,440, reflects ARHS's investment in capital assets (e.g. land, buildings, machinery, equipment, and right to use assets), less any related debt still outstanding that was issued to acquire those items. ARHS uses these capital assets to provide services to citizens in its coverage area; consequently, these assets are not available for future spending. Although ARHS's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the net position in the amount of \$3,462,138 represents resources that are subject to external restrictions on how they may be used. At June 30, 2024, ARHS had an unrestricted net position (deficit) of \$(3,188,862).

**Albemarle Regional Health Services' Changes in Net Position**  
**Figure 3**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Revenues:		
Program revenues:		
Charges for services	\$ 9,905,885	\$ 10,875,745
Operating grants and contributions	15,139,083	15,872,687
General revenues:		
Investment earnings, unrestricted	468,161	312,831
Other	95,337	280,192
Total revenues	25,608,466	27,341,455
Expenses:		
Administrative services	2,956,070	2,859,178
Environmental Health	6,526,645	6,941,558
Women, infants, and children	7,177,895	6,751,638
Adult Health	4,803,381	4,334,703
Transportation	3,417,784	2,550,644
Other Services	875,368	1,371,520
Total expenses	25,757,143	24,809,241
Increase (decrease) in net position before special items	(148,677)	2,532,214
Special item - Hertford County (Buy-in) installment	141,432	141,432
Increase (decrease) in net position after special items	(7,245)	2,673,646
Net position, beginning	4,014,961	1,341,315
Net position, ending	\$ 4,007,716	\$ 4,014,961

As noted earlier, Albemarle Regional Health Services uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Albemarle Regional Health Services' governmental fund is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Albemarle Regional Health Services' 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 Albemarle Regional Health Services. At the end of the current fiscal year, Albemarle Regional Health Services' fund balance available in the General Fund was \$8,547,012, while total fund balance reached \$8,904,517. ARHS currently has an available fund balance of 45.46% of General Fund expenditures, while total fund balance represents 47.36% of that same amount.

At June 30, 2024, the governmental funds of ARHS reported a combined fund balance of \$12,000,757, a 11.10 percent decrease over last year.

**General Fund Budgetary Highlights.** During the fiscal year, the ARHS 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 once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal, State, and other grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$3,972,473. This increase was primarily attributable due to an increase in grant awards and additional corresponding administrative fees associated with managing the grants.

**Capital Assets.** The Albemarle Regional Health Services investment in capital assets for its governmental-type activities as of June 30, 2024, totals \$3,807,691 (net of accumulated depreciation and amortization), an increase of 3.09% over the prior year. These assets include, buildings, land, other improvements, equipment, vehicles, and right to use assets for leases and IT subscriptions.

**Albemarle Regional Health Services' Capital Assets  
(net of depreciation/amortization)**

**Figure 4**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Land	\$ 215,600	\$ 215,600
Buildings	873,311	925,286
Other Improvements	488,933	534,096
Equipment	840,583	647,915
Vehicle and motor equipment	1,225,010	1,009,010
Right to use assets:		
Leases	25,918	43,946
IT subscriptions	138,336	317,753
<b>Total</b>	<b>\$ 3,807,691</b>	<b>\$ 3,693,606</b>

Additional information on ARHS's capital assets can be found in Note IV.A.4. to the Financial Statements.

**Long-term Debt.** As of June 30, 2024, ARHS had a total long-term debt outstanding of \$15,402,397, all of which is debt backed by the full faith and credit of ARHS.

**Albemarle Regional Health Services Outstanding**

**Long- Term Debt**

**Figure 5**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Lease Liabilities	\$ 26,692	\$ 44,749
IT subscription liabilities	46,559	171,666
Compensated absences	800,179	720,249
Total OPEB liability	7,277,217	7,859,269
Net pension liability	7,251,750	5,599,117
<b>Total</b>	<b>\$ 15,402,397</b>	<b>\$ 14,395,050</b>

**ARHS's Outstanding Debt.** ARHS's total debt increased by \$1,007,347 (7.00% increase over the prior year) during the current fiscal year. The key factor in this increase were the increase in the liability to LGERS in the amount of \$1,652,633 relates to governmental activities.

Additional information regarding ARHS's long-term debt can be found in the Note IV.A.6. to the Financial Statements.

**Economic Factors and Next Year's Budgets and Rates**

The following are economic indicators affecting ARHS:

- While the Covid-19 pandemic has declined in activity, it will continue to have an impact on ARHS budgets and services. Several funding streams remain in place, but an end is in sight and staff are working to bring clinics and services back to full capacity, while navigating hiring and staffing obstacles.
- ARHS and other local health departments did receive additional Communicable Disease funding through COVID funds that are anticipated to be available through September 2025, however at this time those are not recurring funds. It will be important for health departments to demonstrate the need and investment in local public health for the continuance of local funds.
- North Carolina Medicaid Managed Care reimbursement through the new prepaid health plans, PHPs, has been very unreliable. North Carolina Public Health has estimated a \$30 million loss in revenue due to this change and concerns with the plan process. The North Carolina Association of Health Directors has been working directly with North Carolina Medicaid and the PHPs to resolve these issues.

## **Budget Highlights for the Fiscal Year Ending June 30, 2025**

### **Governmental Activities**

- Local government appropriations are expected to increase over the next two years. The state and national governmental budget impact are unpredictable.
- North Carolina Medicaid transformation is going to continue impacting Medicaid payments since the changes were implemented on July 1, 2021.
- The District will continue to work to maintain high quality care and position itself to participate in programs that would maximize third party insurance reimbursements from public and private sources.

### **Requests for Information**

This report is designed to provide an overview of Albemarle Regional Health Services' 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 ARHS Executive Director at Albemarle Regional Health Services, 711 Roanoke Avenue, Elizabeth City, North Carolina 27909.

BASIC  
FINANCIAL STATEMENTS

**Albemarle Regional Health Services**  
**Statement of Net Position**  
**June 30, 2024**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 12,081,507
Accounts receivable, net	1,152,786
Note Receivable, net	23,454
Due from other governments	565,725
Capital assets:	
Land	215,600
Right to use leased assets, net of amortization	164,254
Other capital assets, net	3,427,837
Total assets	17,631,163
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>6,109,097</b>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	914,365
Unspent grants	339,628
Current portion of long-term liabilities	37,941
Long Term Liabilities:	
Due in more than one year:	
Compensated absences	800,179
Lease liabilities	8,331
IT subscription liabilities	26,979
Net OPEB Liability	7,277,217
Net pension liability	7,251,750
Total liabilities	16,656,390
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>3,076,154</b>
<b>NET POSITION</b>	
Net investment in capital assets	3,734,440
Restricted for:	
Stabilization by State statute	1,396,324
Transportation	1,839,149
Health Programs	226,665
Unrestricted	(3,188,862)
Total net position	\$ 4,007,716

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

**Albemarle Regional Health Services  
Statement of Activities  
For the Year Ended June 30, 2024**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
Governmental Activities:					
Administrative Services	\$ 2,956,070	\$ 325,686	\$ 3,782,660	\$ -	\$ 1,152,276
Environmental Health	6,526,645	5,021,234	544,144	-	(961,267)
Women, infants, and children	7,177,895	1,784,589	5,206,823	-	(186,483)
Adult Health	4,390,651	2,236,314	2,281,810	-	127,473
Transportation	3,417,784	231,578	2,769,951	-	(416,255)
Other Services	1,288,098	306,484	553,695	-	(427,919)
Total governmental activities	<u>\$ 25,757,143</u>	<u>\$ 9,905,885</u>	<u>\$ 15,139,083</u>	<u>\$ -</u>	<u>(712,175)</u>
General Revenues:					
Investment earnings					468,161
Miscellaneous, unrestricted					95,337
Total general revenues excluding special items					<u>563,498</u>
Special items:					
Hertford County Buy-In Installment					141,432
Total general revenues and special items					<u>704,930</u>
Change in net position					(7,245)
Net position, beginning					4,014,961
Net position - ending					<u>\$ 4,007,716</u>

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

**Albemarle Regional Health Services  
Balance Sheet - Governmental Funds  
June 30, 2024**

	<u>Major</u>			<u>Non- Major</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Sanitary Land Fill</u>	<u>Transportation Program</u>	<u>Other Governmental Funds</u>	
<b>ASSETS</b>					
Cash and investments	\$ 9,303,541	\$ -	\$ 2,081,010	\$ 357,328	\$ 11,741,879
Restricted cash	339,628	-	-	-	339,628
Accounts receivable, net	137,421	456,053	559,312	-	1,152,786
Note receivable, net	-	-	-	23,454	23,454
Due from Hertford County (Buy-in)	565,725	-	-	-	565,725
Due from other funds	220,084	-	-	-	220,084
Total assets	<u>10,566,399</u>	<u>456,053</u>	<u>2,640,322</u>	<u>380,782</u>	<u>14,043,556</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	756,529	71,711	86,125	-	914,365
Unspent Grants	339,628	-	-	-	339,628
Due to other funds	-	220,084	-	-	220,084
Total liabilities	<u>1,096,157</u>	<u>291,795</u>	<u>86,125</u>	<u>-</u>	<u>1,474,077</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>565,725</u>	<u>-</u>	<u>-</u>	<u>2,997</u>	<u>568,722</u>
<b>FUND BALANCE</b>					
Restricted:					
Stabilization by State statute	357,505	456,053	559,312	23,454	1,396,324
Transportation	-	-	1,839,149	-	1,839,149
Health Programs	-	-	-	226,665	226,665
Assigned:					
Subsequent year's expenditures	3,328,936	-	155,736	127,666	3,612,338
Unassigned	5,218,076	(291,795)	-	-	4,926,281
Total fund balance	<u>8,904,517</u>	<u>164,258</u>	<u>2,554,197</u>	<u>377,785</u>	<u>12,000,757</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,566,399</u>	<u>\$ 456,053</u>	<u>\$ 2,640,322</u>	<u>\$ 380,782</u>	<u>\$ 14,043,556</u>

cont.

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

**Albemarle Regional Health Services  
Balance Sheet - Governmental Funds  
June 30, 2024**

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different due to the following items:

Total fund balance, Governmental Funds	\$ 12,000,757
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,643,437
Deferred outflows of resources related to pensions are not reported in the funds	3,739,002
Deferred outflows of resources related to OPEB are not reported in the funds	393,014
Contributions to the pension plan in the current fiscal year	1,329,882
Contributions to OPEB plan in the current fiscal year	647,199
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Right to use assets at historical cost	288,776
Accumulated amortization	(124,522)
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.	
Compensated absences	(800,179)
Total OPEB liability	(7,277,217)
Net pension liability	(7,251,750)
Lease liabilities	(26,692)
IT subscription liabilities	(46,559)
Deferred inflows of resources related to pensions are not reported in the funds	(17,396)
Deferred inflows of resources related to OPEB that are not reported in the funds	<u>(2,490,036)</u>
Net position of governmental activities	<u><u>\$ 4,007,716</u></u>

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

**Albemarle Regional Health Services**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended June 30, 2024**

	<u>Major</u>			<u>Non- Major</u>	<u>Total</u>
	<u>General</u>	<u>Sanitary</u>	<u>Transportation</u>	<u>Other</u>	
	<u>Fund</u>	<u>Land Fill</u>	<u>Program</u>	<u>Governmental</u>	<u>Governmental</u>
				<u>Funds</u>	<u>Funds</u>
<b>Revenues:</b>					
Federal and State grants	\$ 7,587,685	\$ -	\$ 1,705,837	\$ 702,822	\$ 9,996,344
Local appropriations	1,013,409	-	86,603	118,052	1,218,064
Other grants	1,024,438	15,027	142,710	278,185	1,460,360
Charges for services	6,938,771	4,292,655	1,048,535	-	12,279,961
Interest Income	390,407	-	77,754	-	468,161
Miscellaneous	12,016	1,042	80,195	2,084	95,337
Total revenues	<u>16,966,726</u>	<u>4,308,724</u>	<u>3,141,634</u>	<u>1,101,143</u>	<u>25,518,227</u>
<b>Expenditures:</b>					
General Administration	2,955,846	-	-	-	2,955,846
Environmental Health	1,247,291	4,308,724	-	1,014,392	6,570,407
Women, infants and children programs	8,160,608	-	-	-	8,160,608
Adult Health	4,864,115	-	-	-	4,864,115
Transportation	147,752	-	3,033,864	-	3,181,616
Other Services	1,424,462	-	-	1,298	1,425,760
Total expenditures	<u>18,800,074</u>	<u>4,308,724</u>	<u>3,033,864</u>	<u>1,015,690</u>	<u>27,158,352</u>
Excess (deficiency) of revenues over expenditures	<u>(1,833,348)</u>	<u>-</u>	<u>107,770</u>	<u>85,453</u>	<u>(1,640,125)</u>
<b>Special Item:</b>					
Hertford County Buy-in Installment	141,432	-	-	-	141,432
Net change in fund balance	<u>(1,691,916)</u>	<u>-</u>	<u>107,770</u>	<u>85,453</u>	<u>(1,498,693)</u>
Fund balances - beginning	10,596,212	164,258	2,446,427	292,553	13,499,450
Adjustments (see note VIII)	221	-	-	(221)	-
Fund balances - beginning, as restated	<u>10,596,433</u>	<u>164,258</u>	<u>2,446,427</u>	<u>292,332</u>	<u>13,499,450</u>
Fund balances - ending	<u>\$ 8,904,517</u>	<u>\$ 164,258</u>	<u>\$ 2,554,197</u>	<u>\$ 377,785</u>	<u>\$ 12,000,757</u>

cont.

**Albemarle Regional Health Services**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended June 30, 2024**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances – governmental funds	\$ (1,498,693)
<p>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 depreciation exceeded capital outlay in the current period.</p>	
Capital outlay expenditures which were capitalized	997,326
Depreciation expense for governmental assets	(685,796)
Amortization expense for intangible assets	(197,445)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,329,882
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	647,199
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	90,240
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Principal payments on long-term debt	143,164
<p>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:</p>	
Compensated absences	(79,930)
OPEB (expense) income	1,396,155
Pension expense	(2,149,347)
Total changes in net position of governmental activities	<u><u>\$ (7,245)</u></u>

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

**Albemarle Regional Health Services**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>				
Federal and State grants	7,796,382	\$ 8,741,983	\$ 7,587,685	\$ (1,154,298)
Local appropriations	1,013,409	1,013,409	1,013,409	-
Other grants	409,814	2,140,017	1,024,438	(1,115,579)
Charges for services	6,413,027	7,435,696	6,938,771	(496,925)
Interest Income	50,000	324,000	390,407	66,407
Miscellaneous	1,000	1,000	12,016	11,016
Total revenues	<u>15,683,632</u>	<u>19,656,105</u>	<u>16,966,726</u>	<u>(2,689,379)</u>
<b>Expenditures:</b>				
General government	2,562,731	4,019,278	2,955,846	1,063,432
Environmental Health	1,696,516	1,566,269	1,247,291	318,978
Women, infants and children	9,022,523	9,797,313	8,160,608	1,636,705
Adult Health	5,137,214	6,134,821	4,864,115	1,270,706
Transportation	181,500	181,500	147,752	33,748
Other Services	1,139,199	1,727,327	1,424,462	302,865
Total expenditures	<u>19,739,683</u>	<u>23,426,508</u>	<u>18,800,074</u>	<u>4,626,434</u>
Excess (deficiency) of revenues over expenditures	<u>(4,056,051)</u>	<u>(3,770,403)</u>	<u>(1,833,348)</u>	<u>1,937,055</u>
<b>Other Financing Sources (Uses):</b>				
Fund balance appropriated	3,914,619	3,628,971	-	(3,628,971)
Total other financing sources and uses	<u>3,914,619</u>	<u>3,628,971</u>	<u>-</u>	<u>(3,628,971)</u>
<b>Special Item:</b>				
Hertford County Buy-in Installment	141,432	141,432	141,432	-
Total special items	<u>141,432</u>	<u>141,432</u>	<u>141,432</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,691,916)	<u>\$ (1,691,916)</u>
Fund balances - beginning			10,596,212	
Adjustments to Beginning Balance (see Note VIII)			<u>221</u>	
Fund balance, beginning, as restated			<u>10,596,433</u>	
Fund balances - ending			<u>\$ 8,904,517</u>	

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

**Albemarle Regional Health Services**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - Sanitary Landfill Program**  
**For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$ 4,811,550	\$ 4,811,550	\$ 4,292,655	\$ (518,895)
Miscellaneous	-	-	1,042	1,042
Total revenues	<u>4,830,990</u>	<u>4,831,550</u>	<u>4,308,724</u>	<u>(522,826)</u>
<b>Expenditures:</b>				
Enviromental health	<u>4,830,990</u>	<u>4,831,550</u>	<u>4,308,724</u>	<u>522,826</u>
Total expenditures	<u>4,830,990</u>	<u>4,831,550</u>	<u>4,308,724</u>	<u>522,826</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance:</b>				
Beginning of year			<u>164,258</u>	
End of year			<u>\$ 164,258</u>	

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

**Albemarle Regional Health Services**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - Transportation Program**  
**For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Federal and State grants	\$ 1,942,061	\$ 2,087,171	\$ 1,705,837	\$ (381,334)
Local appropriations	86,603	86,603	86,603	-
Other grants	-	169,730	142,710	(27,020)
Charges for services	948,860	1,110,014	1,048,535	(61,479)
Interest Income	-	-	77,754	77,754
Miscellaneous	39,631	70,669	80,195	9,526
Total revenues	<u>3,017,155</u>	<u>3,524,187</u>	<u>3,141,634</u>	<u>(382,553)</u>
<b>Expenditures:</b>				
Transportation	<u>3,116,335</u>	<u>3,623,367</u>	<u>3,033,864</u>	<u>589,503</u>
Total expenditures	<u>3,116,335</u>	<u>3,623,367</u>	<u>3,033,864</u>	<u>589,503</u>
Revenues over (under) expenditures	<u>(99,180)</u>	<u>(99,180)</u>	<u>107,770</u>	<u>206,950</u>
<b>Other Financing Sources (Uses):</b>				
Fund balance appropriated	<u>99,180</u>	<u>99,180</u>	<u>-</u>	<u>(99,180)</u>
Total other financing sources and uses	<u>99,180</u>	<u>99,180</u>	<u>-</u>	<u>(99,180)</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>107,770</u>	<u>\$ 107,770</u>
<b>Fund Balance:</b>				
Beginning of year			<u>2,446,427</u>	
End of year			<u>\$ 2,554,197</u>	

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

**Albemarle Regional Health Services**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2024**

	OPEB Trust Fund	Custodial Funds
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 2,168,544
Accounts receivable	-	39,554
Restricted assets		
Cash and cash equivalents	1,058,338	-
Investments	5,621,383	-
Total assets	6,679,721	2,208,098
<b>Net position:</b>		
Restricted for:		
Post employment benefits other than pensions	6,679,721	-
Individuals, organizations, and other governments	-	2,208,098
Total fiduciary net position	\$ 6,679,721	\$ 2,208,098

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

**Albemarle Regional Health Services**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2024**

	<b>OPEB Trust Fund</b>	<b>Custodial Funds</b>
<b>Additions:</b>		
Employer contributions	\$ 647,199	\$ -
Investment income:		
Net appreciation (depreciation) in fair value of investments	754,019	-
Realized gain (loss) on sale of investments	(9,574)	-
Interest and dividends	78,285	-
Less investment expense	(1,232)	-
Net investment earnings	821,498	-
Collections for Solid Waste	-	10,636,681
Collections for NEAG	-	1,083,016
Total additions	1,468,697	11,719,697
<b>Deductions:</b>		
Benefit payments	647,199	-
Expenses for Solid Waste	-	10,509,394
Expenses for NEAG	-	1,085,937
Total deductions	647,199	11,595,331
Net increase (decrease) in fiduciary net position	821,498	124,366
Net position, beginning	5,858,223	2,083,732
Net position, ending	\$ 6,679,721	\$ 2,208,098

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

**Albemarle Regional Health Services**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

**I. Summary Of Significant Accounting Policies**

The accounting policies of Albemarle Regional Health Services (ARHS) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

Albemarle Regional Health Services (ARHS) is located in the Northeastern part of the state in the Albemarle area. ARHS is a district health department created in accordance with North Carolina General Statute 130A-36 and provides public health services to the populous of Pasquotank, Camden, Perquimans, Chowan, Currituck, Bertie, Gates and Hertford Counties. The governing body is a board of directors with 18 members appointed on an equitable, area wide representative basis. The Department is funded via local, state and federal funds and charges to patients. As required by generally accepted accounting principles, the financial statements present ARHS and its component units, legally-separate entities for which ARHS is financially accountable. As of June 30, 2024, ARHS had no component units.

**B. Basis of Presentation**

*Government-wide Statements.* The statement of net position and the statement of activities display information about the primary government net position (ARHS) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of ARHS. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. ARHS presents all of its activities as governmental.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District'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. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. 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 ARHS's funds - governmental, proprietary and fiduciary. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

ARHS reports the following major governmental funds:

**General Fund.** This is ARHS's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Sanitary Landfill Program.** This fund accounts for the operation and maintenance of the Perquimans-Chowan-Gates trash collection activities.

**Transportation Program.** The fund accounts for the operation and maintenance of the Inter-County Transportation Authority.

The District reports the following fund types:

**Trust Fund.** Trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. The Other Postemployment Benefits Trust Fund accounts for ARHS's contributions for healthcare coverage provided to qualified retirees.

**Custodial Funds.** Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets that ARHS holds on behalf of others that meet certain criteria. ARHS maintains the following custodial funds: Albemarle Regional Solid Waste Management Authority Fund, which holds cash for ARSWMA that accounts for landfill users fees that are billed and collected for various municipalities but are not revenues to ARHS, and Northeastern Albemarle Group Insurance Fund, which holds cash for NEAG that accounts for fees collected but are not revenues to ARHS.

**Nonmajor Funds.** ARHS maintains three legally budgeted funds. NENCPPH Program, Septic Tank Program, and the Medical Reserve Corp, are reported as nonmajor special revenue funds.

### C. Measurement Focus and Basis of Accounting

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

*Government-wide and Fiduciary Fund Financial Statements.* The government-wide and fiduciary fund 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 transactions, in which ARHS gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

*Governmental Fund Financial Statements.* Governmental funds 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. 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. Issuance of general long-term debt issued and acquisitions under capital lease are reported as other financing sources. General capital asset acquisitions are reported as expenditures in governmental funds.

ARHS considers all revenues available if they are collected within 60 days after year-end, except patient fees which are not considered revenues until received. Uncollected patient fees are shown as a receivable on these financial statements and offset by deferred inflows of resources.

Intergovernmental revenues and sales and services (including patient fees) are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, ARHS funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted assets available to finance the program. It is ARHS's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

*Use of Estimates* - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### D. Budgetary Data

ARHS's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and all Special Revenue Funds. All annual appropriations lapse at the fiscal year-end.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Amendments are required for revisions that alter total expenditures of any fund. The governing board must approve all budget ordinance amendments. 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 Outflows/Inflows of Resources, and Net Position**

##### **1. Deposits and Investments**

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

State Law [G.S. 159-30(c)] authorizes ARHS 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 nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

ARHS's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

##### **2. Cash and Cash Equivalents**

ARHS pools moneys from several funds, including the agency funds, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

##### **3. Receivables and Allowance for Doubtful Accounts**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "Due to/from other funds" (i.e. current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

##### **4. Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "Due to/from other funds" (i.e. current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

##### **5. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization cost is \$1,000 for all capital assets. 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.

The District's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the District reports a lease or agreements where the District reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of 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 asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

Capital assets of ARHS are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	40
Sanitary Landfill industrial equipment	15
Building Improvements	10
Leasehold improvements	10
Heavy vehicle/equipment	10
Utility trailers	10
Operating equipment	10
Communication equipment	10
Furniture	10
Transportation fare boxes	10
Buses	9
Portable buildings	6
Appliances	6
Computer equipment	5
Sanitary Landfill operating equipment	5
Vans	4
Automobiles	3
Light Trucks	3

## **6. 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 position that applies to a future period and so will not be recognized as an expense or expenditure until then. ARHS has several items that meet this criterion – pension and contributions made to the pension and OPEB plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. ARHS has several items that meet the criterion for this category – land held for resale, patient fees receivables, and other OPEB and pension related deferrals.

## **7. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as another financing source.

## **8. Compensated Absences**

The vacation policy of ARHS provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For ARHS's government-wide financial statements, an expense and a liability for compensated absences and the salary-related payments are recorded as leave is earned.

The sick leave policies of ARHS provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since ARHS does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made by ARHS.

## **9. Net Position/Fund Balances**

### **Net Position**

Net position in government-wide financial statements are classified 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:

**Non-spendable 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.

**Restricted Fund Balance** - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

- Restricted for stabilization of 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 constitution provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.
- Transportation - Portion of fund balance that is restricted to be used for transportation programs.
- Health Programs - Portion of fund balance that is restricted by revenue source for specific health services.

**Committed Fund Balance** - portion of fund balance that can only be used for specific purpose imposed by majority vote of ARHS's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

**Assigned Fund Balance** - portion of fund balance that ARHS's governing board has budgeted.

Subsequent Year's Expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in 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.

ARHS has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: federal funds, State funds, and local funds. Grant restrictions will guide how grant revenue is spent. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it's in the best interest of ARHS.

**10. Defined Benefit Cost-Sharing Plans**

For purposes of measuring the net pension 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 the 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. ARHS 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.

**11. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**II: Reconciliation of Government-wide and Fund Financial Statements**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government – wide statement of net position. The net adjustment of \$(7,993,041) consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Deferred outflows of resources related to pensions are not reported in the funds	\$ 3,739,002
Deferred outflows of resources related to OPEB are not reported in the funds	393,014
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	8,904,217
Less accumulated depreciation	<u>(5,260,780)</u>
Net capital assets	3,643,437
Contributions to the pension plan in the current fiscal year	1,329,882
Contributions to OPEB plan in the current fiscal year	647,199
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Right to use assets at historical cost	288,776
Accumulated amortization	(124,522)
Liabilities that, because they are not due and payable in the current period, do not require recurrent resources to pay and are therefore not recorded in the fund statements:	
Compensated absences	(800,179)
Net OPEB Liability	(7,277,217)
Net pension liability	(7,251,750)
Lease liabilities	(26,692)
IT subscription liabilities	(46,559)
Deferred inflows of resources related to pensions are not reported in the funds	(17,396)
Deferred inflows of resources related to OPEB that are not reported in the funds	<u>(2,490,036)</u>
Total adjustment	<u>\$ (7,993,041)</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.**

The governmental fund statement of revenues, expenditures and changes in fund balances includes 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. There are several elements of that total adjustment of \$1,491,448 as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities, net of dispositions	\$ 997,326
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the Statement of Activities but not in the fund statements	(685,796)
Amortization expense for intangible assets	(197,445)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,329,882
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	647,199
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	90,240
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Principal payments on long-term debt	143,164
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:	
Compensated absences	(79,930)
OPEB (expense) income	1,396,155
Pension expense	(2,149,347)
Total Adjustment	<u>\$ 1,491,448</u>

**III: Stewardship, Compliance and Accountability**

None to report.

#### IV: Detail Notes On All Funds

##### A. Assets

###### 1. Deposits

All of ARHS'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 ARHS's agent in ARHS'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 ARHS, these deposits are considered to be held by their agent 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 ARHS or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for ARHS under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in period 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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. ARHS relies on the State Treasurer to monitor those financial institutions. ARHS analyzes the financial soundness of any other financial institutions used by ARHS. ARHS complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, ARHS's deposits had a carrying amount of \$2,774,656 (including \$2,168,544 in fiduciary cash) and a bank balance of \$3,221,940. Of the bank balance, \$500,000 was covered by federal depository insurance and the rest is in non-interest bearing deposits covered by collateral held under the pooling method. At June 30, 2024, ARHS had \$1,760 of cash on hand.

###### 2. Investments

ARHS's invests excess cash funds in the North Carolina Capital Management Trust Government Portfolios. The N.C. Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2024. Due to the liquidity of the investments they are included as a part of cash in the balance sheet and statement of net position.

At June 30, 2024, ARHS had the following investment and maturities:

<b>Investments by Type</b>	<b>Valuation Measurement Method</b>	<b>Fair Value</b>	<b>Less than 6 Months</b>	<b>Rating</b>
N.C. Capital Management Trust-Government Portfolio	Fair Value Level 1	\$ 11,473,635	N/A	AAA <sub>m</sub>
Total:		<u>\$ 11,473,635</u>		

All investments are measured using the market approach: using price and other relevant information generated by market transactions involving identical or comparable assets or group assets.

Level of fair value hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmarked quoted prices.

*Credit Risk.* ARHS has no policies with regards to interest rate risk, credit risk, custodial credit risk, or the concentration of credit risk.

At June 30, 2024, the Albemarle Regional Health Service's OPEB Trust had \$6,679,721 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159- 30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year end, ARHS's OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 20%, which is reported as cash and cash equivalents; State Treasurer's Bond Index Fund (BIF) 20% and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 60% (the equities were split with 65.16% in domestic securities and 34.84% in international securities).

*Level of the fair value hierarchy.* Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs-other than quoted prices-included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued as \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2024 of 1.3 years.

The BIF is measured at fair value using Level 2 inputs and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. On June 30, 2024 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 7.97 years at June 30, 2024.

The BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund’s fair value is the number or shares times the net asset value as determined by a third party. At June 30, 2024, the fair value of the funds was \$38.0656 per share. Fair value for this BlackRock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

*Valuation technique.* North Carolina Department of State Treasurer OPEB Trust investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

*Credit Risk.* ARHS does not have a formal investment policy regarding credit risk for the Trust. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer’s STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer’s BIF is invested in high quality debt securities eligible under G.S. 147- 69.2(b)(1)-(6).

### 3. Receivables

The receivables shown in Exhibit 1 at June 30, 2024, were as follows:

	Accounts Receivable	Due From Other Governments	Total
<b>Governmental activities:</b>			
General	\$ 40,070	\$ 97,350	\$ 137,420
Other Governmental	88,031	927,334	1,015,365
Total governmental activities	<u>\$ 128,101</u>	<u>\$ 1,024,684</u>	<u>\$ 1,152,785</u>

Due from other governments consisted of the following:

State of North Carolina	\$ 523,458
Local governments	<u>501,226</u>
	<u>\$ 1,024,684</u>

ARHS's General Governmental Activities accounts receivable are presented net of the allowance for doubtful accounts of \$1,044,952.

#### 4 Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 215,600	\$ -	\$ -	215,600
Total capital assets not depreciated	215,600	-	-	215,600
<b>Capital assets being depreciated:</b>				
Buildings	1,644,075	-	6,324	1,637,751
Other Improvements	1,104,828	1,380	-	1,106,208
Equipment	2,108,095	420,655	35,947	2,492,803
Vehicles and motor equipment	2,876,564	575,291	-	3,451,855
Total capital assets being depreciated	7,733,562	997,326	42,271	8,688,617
<b>Less accumulated depreciation for:</b>				
Buildings	718,789	51,975	6,324	764,440
Other Improvements	570,732	46,543	-	617,275
Equipment	1,460,180	227,987	35,947	1,652,220
Vehicles and motor equipment	1,867,554	359,291	-	2,226,845
Total accumulated depreciation	4,617,255	685,796	42,271	5,260,780
Total capital assets being depreciated, net	3,116,307	311,530	-	3,427,837
<b>Capital assets being amortized:</b>				
Right to use assets:				
Leased equipment	77,765	-	1,433	76,332
IT subscription	572,837	-	360,393	212,444
Total capital assets being amortized	650,602	-	361,826	288,776
<b>Less accumulated amortization for:</b>				
Right to use assets:				
Leased equipment	33,819	18,028	1,433	50,414
IT subscription	255,084	179,417	360,393	74,108
Total accumulated amortization	288,903	197,445	361,826	124,522
Total capital assets being amortized, net	361,699	(197,445)	-	164,254
<b>Governmental activities capital assets, net</b>	<b>\$ 3,693,606</b>	<b>\$ 114,085</b>	<b>\$ -</b>	<b>\$ 3,807,691</b>

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

Administrative services	\$ 212,908
Environmental health	175,317
Adult health	10,336
Women, infants, and children	27,971
Transportation Program	434,458
Other Services	22,251
Total depreciation/amortization expense	<u>\$ 883,241</u>

**B. Liabilities**

**1. Payables**

Payables on Exhibit 1 at June 30, 2024, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
<b>Governmental activities:</b>			
General	157,924	598,605	\$ 756,529
Sanitary Landfill Program	34,369	37,341	71,710
Transportation Program	16,972	69,153	86,125
Other governmental funds	2,240	11,648	13,888
Total governmental activities	<u>\$ 211,505</u>	<u>\$ 716,747</u>	<u>\$ 928,252</u>

**2. Pension Plan Obligations and Post-Employment Obligations**

**a. Deferred Compensation Plan**

ARHS offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all ARHS 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. The assets of this plan are not included in these financial statements.

**b. Other Post-Employment Benefits**

**Plan Description**

*Plan Administration.* By Board resolution, ARHS administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). This plan provides postemployment healthcare benefits to retirees of ARHS, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have a minimum of 25 years of employment with ARHS. For those employees that retire with 25 years of service and are under the age of 65, ARHS will pay insurance rates equal to the current employee coverage. As of July 1, 2017, the HCB Plan has been closed to new entrants. The plan, which has a June 30, 2024 year end, does not issue a stand-alone report. Management of the HCB Plan is vested in the ARHS Board.

The plan does not issue separate financial statements.

*Plan membership.* Membership of the plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefit payments	56
Inactive plan members entitled to but not yet receiving benefit payments	-
Active Plan members	82
Total	<u>138</u>

*Benefits Provided.* The HCB Plan provides healthcare benefits for retirees. ARHS pays the cost of coverage for employees' benefits through private insurers. For retirees over the age of 65, ARHS will pay for a secondary insurance policy to supplement Medicare. Also, ARHS's retirees can purchase coverage for their dependents at ARHS's group rates.

*Contributions.* ARHS pays the full cost of coverage for the healthcare benefits paid to qualified retirees. ARHS has chosen to fund the healthcare benefits on a pay as you go basis except during the year ended June 30, 2017 the Board approved making a single deposit into a trust fund in the amount of \$2,100,000 to be used to fund future benefits. Contributions for current retiree healthcare benefits was \$647,199.

## Investments

*Investment policy.* The HCB Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The HCB Plan aims to refrain from dramatically shifting asset class allocations over short time spans. Investments are valued at fair value. The Board’s adopted asset allocation policy as of June 30, 2023 and June 30, 2024 are shown below.

<u>Asset Class</u>	<u>Target Allocation</u>		<u>Long-Term Expected Real Rate of Return</u>	
	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>
Bond Index Fund	15.00%	15.00%	0.66%	0.66%
Equity Index Fund	65.00%	65.00%	5.05%	5.05%
Short Term Investment Fund	20.00%	20.00%	0.20%	0.20%
Total	<u>100.00%</u>	<u>100.00%</u>		

*Rate of return.* For the year ended June 30, 2024, the annual money weighted rate of return on investments, net of investment expense, was 5.91%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net OPEB liability of ARHS at June 30, 2024 were as follows:

Total OPEB Liability	\$ 13,956,938
Plan fiduciary net position	6,679,721
District's net OPEB liability	<u>\$ 7,277,217</u>
Plan fiduciary net position as a percentage of the total OPEB liability	47.86%

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement, unless other specified:

Inflation	2.50 percent
Salary increases	3.25 to 8.41 percent, including inflation
Investment rate of return	5.91 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	7.00 percent for 2022 decreasing to an ultimate rate of 4.50 percent by 2032 (Pre-Medicare) 5.125% for 2022 decreasing to an ultimate rate of 4.50% by 2025 (Medicare) 3.50% (Dental)

The total OPEB liability was rolled forward to June 30, 2024 for the employer and the plan, respectively, utilizing update procedures incorporating the actuarial assumptions.

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 (retirement, disability, incidence, etc.) used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS Board. The remaining actuarial assumptions (cost trends, plan participation, etc.) used in the June 30, 2022 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2022 valuation.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for major asset class included in the target asset allocation as of June 30, are presented above.

*Discount rate.* The discount rate used to measure the total OPEB liability at June 30, 2024 was 5.91%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. However, because the OPEB plan's fiduciary net position was not projected to be sufficient to make all future benefit payments, the long-term expected rate of return of 5.91% on Plan investments was applied to periods through 2025 and the Municipal Bond Index rate of 3.93% was applied to periods on and after 2025 resulting in a discount rate of 5.91%.

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following represents the net OPEB liability of ARHS as well as what ARHS's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.91%) or 1-percentage-point higher (6.91%) than the current discount rate:

	1% Decrease (4.91 percent)	Discount Rate (5.91 percent)	1% Increase (6.91 percent)
Net OPEB liability (asset)	\$ 9,230,977	\$ 7,277,217	\$ 5,692,049

*Sensitivity of the net OPEB liability to changes in the health care cost trend rates.* The following presents the net OPEB liability of ARHS, as well as what ARHS's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates described above.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset)	\$ 5,428,102	\$ 7,277,217	\$ 9,564,675

*Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB.* At June 30, 2024, ARHS reported a net OPEB liability of \$7,277,217. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2024, utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2024, the components of the net OPEB liability of the District, measured as of June 30, 2024, were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 13,717,492	\$ 5,858,223	\$ 7,859,269
Changes for the Year:			
Service Cost	105,384	-	105,384
Interest	791,854	-	791,854
Differences between Expected and Actual experience	(10,593)	-	(10,593)
Changes of Assumptions	-	-	-
Administrative Expense	-	(960)	960
Contributions	-	647,199	(647,199)
Net Investment Income	-	822,458	(822,458)
Benefit Payments	(647,199)	(647,199)	-
Net Changes	239,446	821,498	(582,052)
Balances at June 30, 2024	<u>\$ 13,956,938</u>	<u>\$ 6,679,721</u>	<u>\$ 7,277,217</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect the discount rate was unchanged from 5.91% for 2023 to 5.91% for 2024. In addition, the investment rate of return and the healthcare cost trend rates changed based on most recent experience and changed to the current schedule. The impact of the Affordable Care Act (ACA) was addressed in this valuation.

For the year ended June 30, 2024, ARHS recognized OPEB income of \$1,396,155. At June 30, 2024, ARHS 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	\$ -	\$ 596,384
Changes of assumptions	393,014	1,634,047
Net Difference between projected and actual earnings on plan investments	-	259,605
District contributions subsequent to the measurement date	647,199	-
	\$ 1,040,213	\$ 2,490,036

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

Year ended June 30:	
2025	\$ (1,279,734)
2026	(547,808)
2027	(174,150)
2028	(95,330)
2029	-
Thereafter	-

### **3. Local Governmental Employees' Retirement System**

*Plan Description.* ARHS is a participating employer in the statewide Local Governmental Employee's 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 government 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 Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the members 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 (age 55 for firefighters). 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 (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternative 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. ARHS employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. ARHS's contractually required contribution rate for the year ended June 30, 2024 was 12.90% for 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 ARHS were \$1,329,882 for the year ended June 30, 2024.

*Refunds of Contributions.* Authority 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, 2024, ARHS reported a liability of \$7,251,750 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. ARHS's proportion of the net pension asset was based on a projection of ARHS's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 (measurement date), ARHS's proportion was 0.10949% which was an increase of 0.01024% from its proportion measured at June 30, 2022.

For the year ended June 30, 2024, ARHS recognized pension expense of \$2,149,347. At June 30, 2024, ARHS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 808,060	\$ 17,396
Changes of assumptions	308,158	-
Net difference between projected and actual earnings on pension plan investments	1,940,886	-
Changes in proportion and differences between District Contributions and proportionate share of contributions	681,898	-
District contributions subsequent to the measurement date	1,329,882	-
Total	<u>\$ 5,068,884</u>	<u>\$ 17,396</u>

\$1,329,882 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2025	\$ 1,383,962
2026	796,706
2027	1,458,867
2028	82,071
2029	-
<b>Thereafter</b>	-
	<u>\$ 3,721,606</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2022 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, which includes 3.25% inflation and productivity factor
Investment Rate of Return	6.50 percent, net of pension plan investment expense, including inflation

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 health mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 Protection	6.0%	4.3%
Total	<u>100.00%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2024 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the District's proportionate share of the net pension asset to changes in the discount rate.* The following presents the District's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the District's 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%)	Discount Rate (6.50%)	1% Increase (7.50%)
District's proportionate share of the net pension liability (asset)	\$ 12,563,373	\$ 7,251,750	\$ 2,878,725

*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 (ACFR) for the State of North Carolina.

**4. Deferred Outflows and Inflows of Resources**

Deferred outflows of resources reported on the Statement of Net Position is comprised of the following:

Source	Amount
Differences between expected and actual experience	
LGERS	\$ 808,060
Changes of assumptions	
LGERS	308,158
OPEB	393,014
Net difference between projected and actual	
LGERS	1,940,886
Changes in proportion and difference between employer contributions and proportionate share of contribution	
LGERS	681,898
Contributions to pension plan in current fiscal year	
LGERS	1,329,882
OPEB	647,199
Total	<u>\$ 6,109,097</u>

Deferred inflows of resources at year-end is comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Deferred Revenues	\$ 568,722	\$ -
Hertford County Buy-In	-	565,725
NENCPPH Receivables	-	2,997
Differences between expected and actual experience		
LGERS	17,396	-
OPEB	596,384	-
Net difference between projected and actual earnings on pension plan investments		
OPEB	259,605	-
Changes of assumptions		
OPEB	1,634,047	-
Total	<u>\$ 3,076,154</u>	<u>\$ 568,722</u>

**5. Risk Management**

The District 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 employee health insurance is covered by Blue Cross Blue Shield of North Carolina through the North Carolina State Health Plan.

The District does not carry flood insurance.

In accordance with G.S. 159-29, the District’s employees that have access to \$100 or more at any given time of the District’s funds are performance bonded through a commercial surety bond. The Finance Officer is bonded for \$1,000,000. The remaining employees that have access to funds are bonded under a blanket bond of \$250,000.

The District carries commercial coverage for all other 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.

**6. Long-Term Obligations**

**a. Leases**

The District has entered into agreements to lease certain equipment. 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 payments as of the date of their inception.

On 7/1/2021, Albemarle Regional Health Services entered into a 27-month lease as Lessee for the use of a postage machine. An initial lease liability was recorded in the amount of \$1,433. As of 06/30/2024, the value of the lease liability is \$0. Albemarle Regional Health Services, NC is required to make quarterly fixed payments of \$165. The lease has an interest rate of 2.85%. The machine was returned at the end of the lease term, so the right to use the asset value and accumulated amortization has been removed from the table below.

On 7/1/2021, Albemarle Regional Health Services entered into a 51-month lease as Lessee for the use of a insert folder system. An initial lease liability was recorded in the amount of \$10,103. As of 06/30/2024, the value of the lease liability is \$3,086. Albemarle Regional Health Services, NC is required to make quarterly fixed payments of \$629. The lease has an interest rate of 2.55%. The value of the right to use asset as of 06/30/2024 of \$10,103 with accumulated amortization of \$7,132 is included with Equipment on the Right to Use Asset schedule.

On 12/1/2021, Albemarle Regional Health Services entered into a 60-month lease as Lessee for the use of a postage meter sealer. An initial lease liability was recorded in the amount of \$24,122 (\$2,823 was allocated to Albemarle Regional Solid Waste Management Authority). As of 06/30/2024, the value of the lease liability is \$13,585 (\$1,590 was allocated to Albemarle Regional Solid Waste Management Authority). Albemarle Regional Health Services, NC is required to make quarterly fixed payments of \$1,275 (\$149 was allocated to Albemarle Regional Solid Waste Management Authority). The lease has an interest rate of 2.14%. The value of the right to use asset as of 06/30/2024 of \$24,122 (\$2,823 was allocated to Albemarle Regional Solid Waste Management Authority) with accumulated amortization of \$10,855 (\$1,270 was allocated to Albemarle Regional Solid Waste Management Authority) is included with Equipment on the Right to Use Asset schedule.

On 7/1/2021, Albemarle Regional Health Services entered into a 45-month lease as Lessee for the use of Toshiba copiers. An initial lease liability was recorded in the amount of \$46,071 (\$1,142 was allocated to Albemarle Regional Solid Waste Management Authority). As of 06/30/2024, the value of the lease liability is \$11,906 (\$295 was allocated to Albemarle Regional Solid Waste Management Authority). Albemarle Regional Health Services, NC is required to make quarterly fixed payments of \$3,027 (\$75 was allocated to Albemarle Regional Solid Waste Management Authority). The lease has an interest rate of 2.70%. The value of the right to use asset as of 06/30/2024 of \$46,071 (\$1,142 was allocated to Albemarle Regional Solid Waste Management Authority) with accumulated amortization of \$34,553 (\$856 was allocated to Albemarle Regional Solid Waste Management Authority) is included with Equipment on the Right to Use Asset schedule.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-End	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 76,332	\$ 50,414
Total	\$ 76,332	\$ 50,414

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

Year Ending June 30	Principal Payments	Interest Payments	Total
2025	\$ 18,361	\$ 474	\$ 18,835
2026	5,703	134	5,837
2027	2,628	28	2,656
	<u>\$ 26,692</u>	<u>\$ 636</u>	<u>\$ 27,328</u>

**b. Subscriptions**

The District implemented the requirements of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (Subscriptions) effective July 1, 2022. The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

On 07/01/2022, the District entered into a 22 month subscription for the use of Eastern Data. An initial subscription liability was recorded in the amount of \$350,638. As of 06/30/2024, the value of the subscription liability is \$0. The District is required to make monthly fixed payments of \$9,755. The subscription has an interest rate of 0.40%. The software was returned at the end of the subscription term, so the right to use asset value and accumulated amortization have been removed from the table below.

On 02/21/2023, the District entered into a 44 month subscription for the use of CTS Software. An initial subscription liability was recorded in the amount of \$130,594. As of 06/30/2024, the value of the subscription liability is \$46,559. The District is required to make monthly fixed payments of \$1,720. The subscription has an interest rate of 2.80%. The value of the right to use asset as of 06/30/2024 of \$212,444 with accumulated amortization of \$74,108 is included with Software on the Subscription Class activities table found below.

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-End	
	Subscription Asset Value	Accumulated Amortization
Software	\$ 212,444	\$ 74,108
Total	\$ 212,444	\$ 74,108

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

Year Ending June 30	Principal Payments	Interest Payments	Total
2025	\$ 19,580	\$ 1,060	\$ 20,640
2026	20,139	501	20,640
2027	6,840	40	6,880
	<u>\$ 46,559</u>	<u>\$ 1,601</u>	<u>\$ 48,160</u>

c. Changes in long-term liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Compensated absences	\$ 720,249	\$ 79,930	\$ -	\$ 800,179	\$ -
Lease liabilities	44,749	-	18,057	26,692	18,361
IT subscription liabilities	171,666	-	125,107	46,559	19,580
Net pension liability (LGERS)	5,599,117	1,652,633	-	7,251,750	-
Total OPEB Liability	<u>7,859,269</u>	<u>-</u>	<u>582,052</u>	<u>7,277,217</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 14,395,050</u>	<u>\$ 1,732,563</u>	<u>\$ 725,216</u>	<u>\$ 15,402,397</u>	<u>\$ 37,941</u>

Compensated absences and other post-employment benefits typically have been liquidated in the General Fund. Compensated absences are accounted for on a FIFO basis, assuming that employees are taking leave time as it is earned.

**7. Fund Balance**

The following schedule provides management with information on the portion of General Fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 8,904,517
Less:	
Stabilization by State Statute	357,505
Appropriated fund balance in 24/25 budget	3,328,936
Remaining fund balance	\$ 5,218,076

**8. Interfund Balances and Activity**

At June 30, 2024, the General Fund was owed \$220,084 from the Sanitary Landfill fund to meet working capital requirements.

**V. Special Items**

**Hertford County Buy-In**

Effective July 1, 2018, ARHS accepted Hertford County as a new member and began providing health services to the County. The merger requires Hertford County to pay ARHS \$1,414,317 over a period of 10 years. The annual installment to be received is \$141,431. The balance of the amount owed at June 30, 2024, is reported as Due from Hertford County and a deferred inflow which will be recognized as income as payments are received.

**VI. Summary Disclosure of Significant Commitments and Contingencies**

**Federal and State Assisted Programs**

ARHS 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.

**Coronavirus Disease (COVID-19)**

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to ARHS, COVID-19 is still expected to impact various parts of its fiscal year 2023-24 operations and financial results. Management believes ARHS is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID- 19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

**VII. Subsequent Events**

Subsequent events have been evaluated through November 22, 2024, which is the date the financial statements were available to be issued.

**VIII. Adjustments to and Restatements of Beginning Balances**

During fiscal year 2024, the District determined that Community Care, a special revenue fund in previously issued financial statements, should be included in the General Fund as program Healthy Opportunities Pilot, which resulted in adjustments to and restatements of beginning balances, as follow:

	General Fund	Community Care	Total Governmental Funds
Fund balances, beginning, as previously reported	\$ 10,596,212	\$ 221	\$ 13,499,450
Adjustments	221	(221)	-
Fund balances, beginning, as restated	<u>\$ 10,596,433</u>	<u>\$ -</u>	<u>\$ 13,499,450</u>

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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This section contains additional information required by generally accepted accounting principles.

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Schedule of Proportionate Share of Net Pension Liability (Asset) (LGERS)

Schedule of Contributions (LGERS)

Schedule of Changes in Net OPEB Liability and Related Ratios

Schedule of District Contributions (OPEB)

Schedule of Investment Returns (OPEB)

**Albemarle Regional Health Services**  
**Albemarle Regional Health Services' Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Ten Fiscal Years\***

<b>Local Government Employees' Retirement System</b>					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability (asset) (%)	0.10949%	0.09925%	0.09472%	0.09609%	0.09722%
District's proportion of the net pension liability (asset) (\$)	\$ 7,251,750	\$ 5,599,117	\$ 1,452,622	\$ 3,433,705	\$ 2,655,002
District's covered payroll	\$ 10,050,818	\$ 9,603,000	\$ 8,631,898	\$ 8,079,975	\$ 7,952,184
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	72.15%	55.71%	15.13%	39.78%	33.39%
Plan fiduciary net position as a percentage of the total pension liability*	82.49%	84.14%	95.51%	88.61%	90.86%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset) (%)	0.09000%	0.10000%	0.14000%	0.15000%	-0.15000%
District's proportion of the net pension liability (asset) (\$)	\$ 2,176,149	\$ 1,490,447	\$ 2,941,769	\$ 667,177	\$ (916,996)
District's covered payroll	\$ 7,268,785	\$ 7,430,498	\$ 8,803,847	\$ 10,193,926	\$ 10,080,854
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	29.94%	20.06%	33.41%	6.54%	-9.10%
Plan fiduciary net position as a percentage of the total pension liability*	91.63%	94.18%	91.47%	98.09%	102.64%

\* This will be the same percentage for all participant employers in the LGERS plan.

**Albemarle Regional Health Services  
Albemarle Regional Health Services' Contributions  
Required Supplementary Information  
Last Ten Fiscal Years**

<b>Local Government Employees' Retirement System</b>					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 1,329,882	\$ 1,222,180	\$ 1,096,663	\$ 882,180	\$ 723,409
Contributions in relation to the contractually required contribution	1,329,882	1,222,180	1,096,663	882,180	723,409
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,309,165	\$ 10,050,818	\$ 9,603,000	\$ 8,631,898	\$ 8,079,975
Contributions as a percentage of covered payroll	12.90%	12.16%	11.42%	10.22%	8.95%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 616,341	\$ 545,159	\$ 542,650	\$ 591,010	\$ 718,074
Contributions in relation to the contractually required contribution	616,341	545,159	542,650	591,010	718,074
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,952,184	\$ 7,268,785	\$ 7,430,498	\$ 8,803,847	\$ 10,193,926
Contributions as a percentage of covered payroll	7.75%	7.50%	7.30%	6.71%	7.04%

**Albemarle Regional Health Services**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**Last Eight Fiscal Years \***

<b>Total OPEB Liability</b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Service cost	\$ 105,384	\$ 174,681	\$ 169,182	\$ 536,432
Interest	791,854	781,649	765,657	535,023
Differences between expected and actuarial experience	(10,593)	(914,826)	(106,480)	(743,613)
Changes of assumptions	-	(1,428,877)	-	(8,377,866)
Benefit payments	(647,199)	(556,960)	(471,221)	(426,776)
<b>Net change in total OPEB liability</b>	<b>239,446</b>	<b>(1,944,333)</b>	<b>357,138</b>	<b>(8,476,800)</b>
<b>Beginning balance</b>	<b>13,717,492</b>	<b>15,661,825</b>	<b>15,304,687</b>	<b>23,781,487</b>
<b>Ending balance of total OPEB liability</b>	<b>\$13,956,938</b>	<b>\$13,717,492</b>	<b>\$15,661,825</b>	<b>\$15,304,687</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 647,199	\$ 556,960	\$ 1,471,221	\$ 2,426,776
Net investment income	822,458	563,211	(729,894)	699,837
Benefit payments	(647,199)	(556,960)	(471,221)	(426,776)
Other	(960)	(698)	-	(280)
<b>Net change in plan fiduciary net position</b>	<b>821,498</b>	<b>562,513</b>	<b>270,106</b>	<b>2,699,557</b>
<b>Pan fiduciary net position - beginning</b>	<b>5,858,223</b>	<b>5,295,710</b>	<b>5,025,604</b>	<b>2,326,047</b>
<b>Plan fiduciary net position - ending</b>	<b>6,679,721</b>	<b>5,858,223</b>	<b>5,295,710</b>	<b>5,025,604</b>
<b>District's net OPEB liability - ending</b>	<b>\$ 7,277,217</b>	<b>\$ 7,859,269</b>	<b>\$10,366,115</b>	<b>\$10,279,083</b>
<b>Plan fiduciary net position as a percentage of the total OPEB Covered payroll</b>	<b>47.86%</b>	<b>42.71%</b>	<b>33.81%</b>	<b>32.84%</b>
<b>District's net OPEB liability as a percentage of covered payroll</b>	<b>167.30%</b>	<b>180.68%</b>	<b>224.53%</b>	<b>189.70%</b>
<b>Total OPEB Liability</b>				
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Service cost	\$ 377,492	\$ 388,309	\$ 417,728	\$ 480,037
Interest	687,083	674,549	627,986	564,220
Differences between expected and actuarial experience	(100,729)	273,607	(13,354)	-
Changes of assumptions	3,562,489	1,398,480	(1,005,917)	(1,781,070)
Benefit payments	(414,298)	(368,518)	(332,027)	(307,189)
<b>Net change in total OPEB liability</b>	<b>4,112,037</b>	<b>2,366,427</b>	<b>(305,584)</b>	<b>(1,044,002)</b>
<b>Beginning balance</b>	<b>19,669,450</b>	<b>17,303,023</b>	<b>17,608,607</b>	<b>18,652,609</b>
<b>Ending balance of total OPEB liability</b>	<b>\$23,781,487</b>	<b>\$19,669,450</b>	<b>\$17,303,023</b>	<b>\$17,608,607</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 414,298	\$ 368,518	\$ 332,027	\$ 307,189
Net investment income	80,133	118,644	25,128	2,468
Benefit payments	(414,298)	(368,518)	(332,027)	(307,189)
Other	(134)	(192)	-	-
<b>Net change in plan fiduciary net position</b>	<b>79,999</b>	<b>118,452</b>	<b>25,128</b>	<b>2,468</b>
<b>Pan fiduciary net position - beginning</b>	<b>2,246,048</b>	<b>2,127,596</b>	<b>2,102,468</b>	<b>2,100,000</b>
<b>Plan fiduciary net position - ending</b>	<b>2,326,047</b>	<b>2,246,048</b>	<b>2,127,596</b>	<b>2,102,468</b>
<b>District's net OPEB liability - ending</b>	<b>\$21,455,440</b>	<b>\$17,423,402</b>	<b>\$15,175,427</b>	<b>\$15,506,139</b>
<b>Plan fiduciary net position as a percentage of the total OPEB Covered payroll</b>	<b>9.78%</b>	<b>11.42%</b>	<b>12.30%</b>	<b>11.94%</b>
<b>District's net OPEB liability as a percentage of covered payroll</b>	<b>395.95%</b>	<b>377.40%</b>	<b>328.71%</b>	<b>286.16%</b>

**Albemarle Regional Health Services**  
**Schedule of District Contributions- OPEB**  
**Healthcare Benefits Plan**  
**Last Nine Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 704,047	\$ 995,154	\$ 995,154	\$ 1,044,128	\$ 1,044,128
Contributions in relation to the actuarially determined contribution	647,199	556,960	1,471,221	2,426,776	414,298
Contribution deficiency (excess)	<u>\$ 56,848</u>	<u>\$ 438,194</u>	<u>\$ (476,067)</u>	<u>\$ (1,382,648)</u>	<u>\$ 629,830</u>
Covered payroll	\$ 4,349,753	\$ 4,349,753	\$ 4,616,731	\$ 4,616,731	\$ 5,418,708
Contribution as a percentage of covered payroll	14.88%	12.80%	31.87%	52.56%	7.65%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	
Actuarially determined contribution	\$ 799,140	\$ 799,140	\$ 1,245,708	\$ 910,314	
Contributions in relation to the actuarially determined contribution	368,518	332,027	307,189	248,515	
Contribution deficiency (excess)	<u>\$ 430,622</u>	<u>\$ 467,113</u>	<u>\$ 938,519</u>	<u>\$ 661,799</u>	
Covered payroll	\$ 5,418,708	\$ 6,499,278	\$ 6,499,278	\$ 6,499,278	
Contribution as a percentage of covered payroll	6.80%	5.11%	4.73%	3.82%	

**Notes to schedule**

Valuation date: June 30, 2022

Actuarially determined contribution rates are calculated as of June 30, one year prior the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age Normal
Amortization method	Level Dollar Amount, Closed
Amortization period	26 years
Asset valuation method	Market value of asset
Inflation	2.50 percent
Healthcare cost trend rates	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032
Salary increases	3.25 - 8.41 percent
Investment rate of return	5.91% percent annually
Retirement age	In the 2022 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the Pub- 2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

**Mortality** In the 2022 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the Pub- 2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019. In prior years, those assumptions were based on the RP-2014 Health Annuitant Mortality Table.

**Albemarle Regional Health Services  
Schedule of Investment Returns -OPEB  
Last Eight Fiscal Years**

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	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment	5.91%	5.91%	5.08%	5.08%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment	3.37%	3.29%	2.89%	1.29%

## GENERAL FUND

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The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

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**Albemarle Regional Health Services**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Year Ended June 30, 2024**

	2024		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Unrestricted intergovernmental:			
Federal and State funds	\$ 8,741,983	\$ 7,587,685	\$ (1,154,298)
Local appropriations	1,013,409	1,013,409	-
Grants	2,140,017	1,024,438	(1,115,579)
Charges for services	7,435,696	6,938,771	(496,925)
Interest income	324,000	390,407	66,407
Miscellaneous revenue	1,000	12,016	11,016
Total Revenues	<u>19,656,105</u>	<u>16,966,726</u>	<u>(2,689,379)</u>
<b>Expenditures:</b>			
General:			
Administration:			
Salaries and fringe benefits	1,741,213	1,654,717	86,496
Operating expenses	2,278,065	1,301,129	976,936
Total Administration	<u>4,019,278</u>	<u>2,955,846</u>	<u>1,063,432</u>
Transportation			
Operating expenses	88,665	73,752	14,913
Capital Outlay	92,835	74,000	18,835
Total transportation	<u>181,500</u>	<u>147,752</u>	<u>33,748</u>
Total General	<u>4,200,778</u>	<u>3,103,598</u>	<u>1,097,180</u>
Environmental Health			
Environmental Health-General			
Salaries and fringe benefits	967,462	928,164	39,298
Operating expenses	237,708	211,601	26,107
Total Environmental Health-General	<u>1,205,170</u>	<u>1,139,765</u>	<u>65,405</u>
Mosquito			
Salaries and fringe benefits	25,097	25,005	92
Operating expenses	327	-	327
Total Mosquito	<u>25,424</u>	<u>25,005</u>	<u>419</u>
Management Entity:			
Salaries and fringe benefits	64,407	58,522	5,885
Operating expenses	271,268	23,999	247,269
Capital outlay	-	-	-
Total Management Entity	<u>335,675</u>	<u>82,521</u>	<u>253,154</u>
Total Environmental Health	<u>1,566,269</u>	<u>1,247,291</u>	<u>318,978</u>

**Albemarle Regional Health Services**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Year Ended June 30, 2024**

	2024		Variance Positive (Negative)
	Budget	Actual	
Women, Infants and Children's Program:			
Child Health			
Salaries and fringe benefits	1,390,984	1,347,083	43,901
Operating expenses	1,119,768	1,100,721	19,047
Total Child Health	<u>2,510,752</u>	<u>2,447,804</u>	<u>62,948</u>
Wic Program			
Salaries and fringe benefits	808,970	773,015	35,955
Operating expenses	50,078	34,433	15,645
Total Wic Program	<u>859,048</u>	<u>807,448</u>	<u>51,600</u>
Family Planning Program:			
Salaries and fringe benefits	1,235,638	1,082,556	153,082
Operating expenses	262,687	250,196	12,491
Total Family Planning Program	<u>1,498,325</u>	<u>1,332,752</u>	<u>165,573</u>
Maternal Health			
Salaries and fringe benefits	1,230,998	1,031,498	199,500
Operating expenses	285,968	270,321	15,647
Total Maternal Program	<u>1,516,966</u>	<u>1,301,819</u>	<u>215,147</u>
CDSA ECI Program			
Salaries and fringe benefits	1,903,792	1,904,966	(1,174)
Operating expenses	1,353,236	224,004	1,129,232
Total CDSA ECI Program	<u>3,257,028</u>	<u>2,128,970</u>	<u>1,128,058</u>
Albemarle Speech and Hearing			
Salaries and fringe benefits	90,796	91,181	(385)
Operating expenses	64,398	50,634	13,764
Total Albemarle Speech and Hearing	<u>155,194</u>	<u>141,815</u>	<u>13,379</u>
Total Women, Infants and Childrens Programs	<u>9,797,313</u>	<u>8,160,608</u>	<u>1,636,705</u>
Adult Health:			
Diabetes Program			
Salaries and fringe benefits	93,125	84,829	8,296
Operating expenses	6,475	4,070	2,405
Total Diabetes Program	<u>99,600</u>	<u>88,899</u>	<u>10,701</u>

**Albemarle Regional Health Services  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual  
For the Year Ended June 30, 2024**

	2024		Variance Positive (Negative)
	Budget	Actual	
Adult Health - General			
Salaries and fringe benefits	2,482,200	2,196,588	285,612
Operating expenses	1,123,019	964,820	158,199
Total Diabetes Program	<u>3,605,219</u>	<u>3,161,408</u>	<u>443,811</u>
HIV - Ryan White Network			
Salaries and fringe benefits	445,953	432,436	13,517
Operating expenses	274,557	133,394	141,163
Total HIV - Ryan White Network	<u>720,510</u>	<u>565,830</u>	<u>154,680</u>
Managed Care SDP			
Operating expenses	1,126,000	506,244	619,756
Total Behavioral Health Program	<u>1,126,000</u>	<u>506,244</u>	<u>619,756</u>
Behavioral Health Program			
Salaries and fringe benefits	447,320	445,112	2,208
Operating expenses	25,945	20,438	5,507
Total Behavioral Health Program	<u>473,265</u>	<u>465,550</u>	<u>7,715</u>
Breast/Cervical Cancer Program			
Salaries and fringe benefits	31,558	23,214	8,344
Operating expenses	78,669	52,970	25,699
Total Breast/Cervical Cancer Program	<u>110,227</u>	<u>76,184</u>	<u>34,043</u>
Total Adult Health	<u>6,134,821</u>	<u>4,864,115</u>	<u>1,270,706</u>
Other Services			
Life Quest			
Salaries and fringe benefits	379,146	364,433	14,713
Operating expenses	126,267	106,762	19,505
Total Life Quest	<u>505,413</u>	<u>471,195</u>	<u>34,218</u>
Healthy Carolinians			
Salaries and fringe benefits	152,296	111,220	41,076
Operating expenses	262,461	119,106	143,355
Total Healthy Carolinians	<u>414,757</u>	<u>230,326</u>	<u>184,431</u>
Public Health Preparedness and Response			
Salaries and fringe benefits	105,486	105,426	60
Operating expenses	200,576	204,785	(4,209)
Total Public Health Preparedness and Response	<u>306,062</u>	<u>310,211</u>	<u>(4,149)</u>

**Albemarle Regional Health Services**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Year Ended June 30, 2024**

	2024		Variance Positive (Negative)
	Budget	Actual	
Healthy Opportunities Pilot			
Salaries and fringe benefits	255,000	251,097	3,903
Operating expenses	246,095	161,633	84,462
Total Healthy Opportunities Pilot	<u>501,095</u>	<u>412,730</u>	<u>88,365</u>
Total Other Services	<u>1,727,327</u>	<u>1,424,462</u>	<u>302,865</u>
Total Expenditures	<u>23,426,508</u>	<u>18,800,074</u>	<u>4,626,434</u>
Revenues over (under) expenditures	<u>(3,770,403)</u>	<u>(1,833,348)</u>	<u>1,937,055</u>
Other financing sources (uses):			
Fund balance appropriated	<u>3,628,971</u>	<u>-</u>	<u>(3,628,971)</u>
Total other financing sources (uses)	<u>3,628,971</u>	<u>-</u>	<u>(3,628,971)</u>
<b>Special Item</b>			
Hertford County Buy-In Installment	<u>141,432</u>	<u>141,432</u>	<u>-</u>
Total special items	<u>141,432</u>	<u>141,432</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>(1,691,916)</u>	<u>\$ (1,691,916)</u>
Fund balance, beginning		10,596,212	
Adjustments to Beginning Balance (see Note VIII)		<u>221</u>	
Fund balance, beginning, as restated		<u>10,596,433</u>	
Fund balance, ending		<u>\$ 8,904,517</u>	

**Albemarle Regional Health Services  
Sanitary Landfill Program  
Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual  
For the Year Ended June 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 4,811,550	\$ 4,292,655	\$ (518,895)
Miscellaneous	-	1,042	1,042
Total Revenues	<u>4,831,550</u>	<u>4,308,724</u>	<u>(522,826)</u>
Expenditures:			
Salaries and employee benefits	822,264	812,822	9,442
Operating expenses	3,803,861	3,410,880	392,981
Capital Outlay	205,425	85,022	120,403
Total expenditures	<u>4,831,550</u>	<u>4,308,724</u>	<u>522,826</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>164,258</u>	
Fund balance, end of year		<u>\$ 164,258</u>	

**Albemarle Regional Health Services  
Transportation Program  
Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual  
For the Year Ended June 30, 2024**

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Federal and State grants	\$ 2,087,171	\$ 1,705,837	\$ (381,334)
Local appropriations	86,603	86,603	-
Other grants	169,730	142,710	(27,020)
Charges for services	1,110,014	1,048,535	(61,479)
Interest Income	-	77,754	77,754
Miscellaneous	70,669	80,195	9,526
Total Revenues	3,524,187	3,141,634	(382,553)
<b>Expenditures:</b>			
Salaries and employee benefits	1,653,978	1,633,296	20,682
Operating expenses	1,196,065	956,490	239,575
Capital Outlay	773,324	444,078	329,246
Total expenditures	3,623,367	3,033,864	589,503
Excess (deficiency) of revenues over expenditures	(99,180)	107,770	206,950
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	99,180	-	(99,180)
Total other financing sources (uses)	99,180	-	(99,180)
Net change in fund balance	\$ -	107,770	\$ 107,770
Fund balance, beginning of year		2,446,427	
Fund balance, end of year		\$ 2,554,197	

**Albemarle Regional Health Services  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024**

	NENCPPH Program	Septic Tank Program	Community Care	Medical Reserve Corp	Total Nonmajor Governmental Funds
<b>Assets</b>					
Current Assets					
Cash and cash equivalents	\$ 116,666	\$ 236,665		\$ 3,997	\$ 357,328
Notes receivable, net	-	23,454	-	-	23,454
Total Assets	<u>116,666</u>	<u>260,119</u>	<u>-</u>	<u>3,997</u>	<u>380,782</u>
<b>Liabilities</b>					
Current liabilities					
Accounts payable and accrued liabilities	-	-		-	-
Unspent grants	-	-		-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflow of Resources	<u>2,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,997</u>
<b>Fund Balances</b>					
Restricted					
Stabilization by State Statute	-	23,454	-	-	23,454
Health Programs	-	226,665		-	226,665
Assigned for subsequent year's expenditures	113,669	10,000	-	3,997	127,666
Unassigned	-	-	-	-	-
Total fund balances	<u>113,669</u>	<u>260,119</u>	<u>-</u>	<u>3,997</u>	<u>377,785</u>
Total liabilities, deferred inflows of resources and fund equity	<u>\$ 116,666</u>	<u>\$ 260,119</u>	<u>\$ -</u>	<u>\$ 3,997</u>	<u>\$ 380,782</u>

Note: the District determined that Community Care should be included in the General Fund as program Healthy Opportunities Pilot. See note VIII.

**Albemarle Regional Health Services  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended June 30, 2024**

	NENCPH Program	Septic Tank Program	Community Care	Medical Reserve Corp	Total Nonmajor Governmental Funds
Revenues:					
Federal and State grants	\$ 702,822	\$ -	\$ -	\$ -	\$ 702,822
Local appropriations	118,052	-	-	-	118,052
Other grants	278,185	-	-	-	278,185
Miscellaneous	-	2,084	-	-	2,084
Total Revenues	<u>1,099,059</u>	<u>2,084</u>	<u>-</u>	<u>-</u>	<u>1,101,143</u>
Expenditures:					
Salaries and employee benefits	379,570	-	-	-	379,570
Operating expenses	634,822	-	-	1,298	636,120
Total expenditures	<u>1,014,392</u>	<u>-</u>	<u>-</u>	<u>1,298</u>	<u>1,015,690</u>
Excess (deficiency) of revenues over expenditures	<u>84,667</u>	<u>2,084</u>	<u>-</u>	<u>(1,298)</u>	<u>85,453</u>
Net change in fund balance	84,667	2,084	-	(1,298)	85,453
Fund balance, beginning of year	29,002	258,035	221	5,295	292,553
Adjustment (see note VIII)	<u>-</u>	<u>-</u>	<u>(221)</u>	<u>-</u>	<u>(221)</u>
Fund balance, end of year	<u>\$ 113,669</u>	<u>\$ 260,119</u>	<u>\$ -</u>	<u>\$ 3,997</u>	<u>\$ 377,785</u>

Note: the District determined that Community Care should be included in the General Fund as program Healthy Opportunities Pilot. See note VIII.

**Albemarle Regional Health Services  
NENCPPH Program  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2024**

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Federal and State grants	\$ 809,823	\$ 702,822	\$ (107,001)
Local appropriations	129,259	118,052	(11,207)
Other grants	304,807	278,185	(26,622)
Total Revenues	<u>1,243,889</u>	<u>1,099,059</u>	<u>(144,830)</u>
Expenditures:			
Salaries and employee benefits	428,857	379,570	49,287
Operating expenses	925,999	634,822	291,177
Total expenditures	<u>1,354,856</u>	<u>1,014,392</u>	<u>340,464</u>
Excess (deficiency) of revenues over expenditures	<u>(110,967)</u>	<u>84,667</u>	<u>195,634</u>
Other Financing Sources (uses):			
Fund balance appropriated	110,967	-	(110,967)
Total other financing sources (uses)	<u>110,967</u>	<u>-</u>	<u>(110,967)</u>
Net change in fund balance	<u>\$ -</u>	<u>84,667</u>	<u>\$ 84,667</u>
Fund balance, beginning of year		<u>29,002</u>	
Fund balance, end of year		<u>\$ 113,669</u>	

**Albemarle Regional Health Services  
Septic Tank Program  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Interest income	\$ 3,800	\$ -	\$ (3,800)
Miscellaneous	-	2,084	2,084
Total Revenues	<u>3,800</u>	<u>2,084</u>	<u>(1,716)</u>
Expenditures:			
Operating expenses	<u>13,800</u>	-	<u>13,800</u>
Total expenditures	<u>13,800</u>	<u>-</u>	<u>13,800</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>2,084</u>	<u>12,084</u>
Other Financing Sources (uses):			
Fund balance appropriated	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,084</u>	<u>\$ 2,084</u>
Fund balance, beginning of year		<u>258,035</u>	
Fund balance, end of year		<u>\$ 260,119</u>	

**Albemarle Regional Health Services  
Medical Reserve Corp  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2024**

	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:			
Operating expenses	\$ 6,531	\$ 1,298	\$ 5,233
Total expenditures	<u>6,531</u>	<u>1,298</u>	<u>5,233</u>
Excess (deficiency) of revenues over expenditures	<u>(6,531)</u>	<u>(1,298)</u>	<u>5,233</u>
Other Financing Sources (uses):			
Fund balance appropriated	<u>6,531</u>	-	<u>(6,531)</u>
Total other financing sources	<u>6,531</u>	-	<u>(6,531)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,298)</u>	<u>\$ (1,298)</u>
Fund balance, beginning of year		<u>5,295</u>	
Fund balance, end of year		<u>\$ 3,997</u>	

**Albemarle Regional Health Services**  
**Combining Statement of Fiduciary Position**  
**Custodial Funds**  
**June 30, 2024**

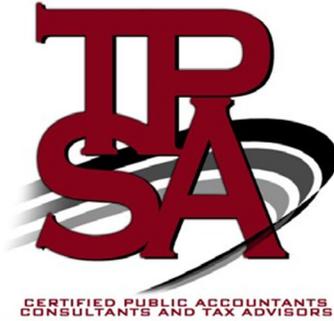
	<u>Albemarle Regional Solid Waste Management Authority</u>	<u>Northeastern Albemarle Group</u>	<u>Total Custodial Funds</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,949,798	\$ 218,746	\$ 2,168,544
Accounts receivable	-	39,554	39,554
Total assets	<u>1,949,798</u>	<u>258,300</u>	<u>2,208,098</u>
<b>Liabilities</b>			
Miscellaneous liabilities	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>			
Restricted for:			
Individuals, organizations, and other governments	1,949,798	258,300	2,208,098
Total net position	<u>\$ 1,949,798</u>	<u>\$ 258,300</u>	<u>\$ 2,208,098</u>

**Albemarle Regional Health Services**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ended June 30, 2024**

	<u>Albemarle Regional Solid Waste Management Authority</u>	<u>Northeastern Albemarle Group</u>	<u>Total Custodial Funds</u>
<b>Additions</b>			
Collections for Solid Waste	\$ 10,636,681	\$ -	\$ 10,636,681
Collections for NEAG	-	1,083,016	1,083,016
Total additions	<u>10,636,681</u>	<u>1,083,016</u>	<u>11,719,697</u>
<b>Deductions</b>			
Expenses for Solid Waste	10,509,394	-	10,509,394
Expenses for NEAG	-	1,085,937	1,085,937
Total deductions	<u>10,509,394</u>	<u>1,085,937</u>	<u>11,595,331</u>
Net increase (decrease) in fiduciary net position	127,287	(2,921)	124,366
Net position, beginning	1,822,511	261,221	2,083,732
Net position, ending	<u>\$ 1,949,798</u>	<u>\$ 258,300</u>	<u>\$ 2,208,098</u>

# COMPLIANCE SECTION





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**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 Health  
Albemarle Regional Health Services  
Elizabeth City, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Albemarle Regional Health Services, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises Albemarle Regional Health Services' basic financial statements, and have issued our report thereon dated November 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Albemarle Regional Health Services' 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 Albemarle Regional Health Services' internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

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

Members

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Report on Compliance and Other Matters

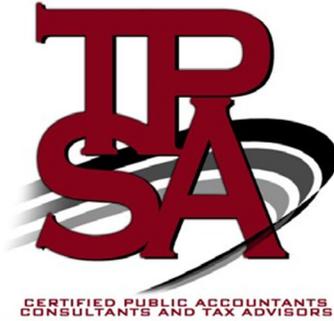
As part of obtaining reasonable assurance about whether Albemarle Regional Health Services' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

Purpose of this Report

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 22, 2024



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**Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act**

**Independent Auditors' Report**

To the Board of Health  
Albemarle Regional Health Services  
Elizabeth City, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Albemarle Regional Health Services, 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 Albemarle Regional Health Services' major federal programs for the year ended June 30, 2024. Albemarle Regional Health Services' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Albemarle Regional Health Services complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

## 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 Albemarle Regional Health Services' federal programs.

## Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Albemarle Regional Health Services' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Albemarle Regional Health Services' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Albemarle Regional Health Services' internal control over compliance. Accordingly, no such opinion is expressed.

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

## Report on Internal Control Over Compliance

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

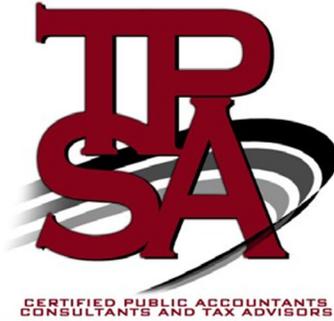
Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 22, 2024



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**Report On Compliance With Requirements Applicable To Each Major State  
Program And Internal Control Over Compliance In Accordance With  
OMB Uniform Guidance and the State Single Audit Implementation Act**

**Independent Auditors' Report**

To the Board of Health  
Albemarle Regional Health Services  
Elizabeth City, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Albemarle Regional Health Services, 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 Albemarle Regional Health Services' major State programs for the year ended June 30, 2024. Albemarle Regional Health Services' major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Albemarle Regional Health Services complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Albemarle Regional Health Services and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Albemarle Regional Health Services' compliance with the compliance requirements referred to above.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Albemarle Regional Health Services' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Albemarle Regional Health Services' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Albemarle Regional Health Services' 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.

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Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Thompson, Price, Scott, Adams & Co., P.A.*

---

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 22, 2024



Albemarle Regional Health Services  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024

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**Section I - Summary of Auditors' Results (continued)**

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Identification of major State programs:

Program Name  
Formula Grants for Rural Areas and Tribal Transit Program  
State Fiscal Recovery Funds  
School Nursing Funding Initiative

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

Auditee qualified as low-risk auditee?  X  yes   no

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**Section II - Financial Statement Findings**

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None Reported.

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**Section III - Federal Award Findings and Questioned Costs**

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None Reported.

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**Section IV - State Award Findings and Questioned Costs**

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None Reported.



Corrective Action Plan  
For the Year Ended June 30, 2024

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**Section II - Financial Statement Findings**

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None Reported.

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**Section III - Federal Award Findings and Questioned Costs**

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None Reported.

---

**Section IV - State Award Findings and Questioned Costs**

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None Reported.

Albemarle Regional Health Services  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2024

None Reported

Albemarle Regional Health Services  
Schedule of Expenditures of Federal and State Awards  
For The Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients
<b>Federal Awards:</b>					
<u>U.S. Dept. of Agriculture</u>					
Passed-through N.C. Dept of Health and Human Services:					
Division of Public Health:					
Special Supplemental Nutrition Program for Women, Infants & Children	10.557		\$ 748,031	\$ -	\$ -
Total U.S. Dept. of Agriculture			<u>748,031</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>					
Passed through N.C. Dept. of Health and Human Services					
Division of Public Health					
Emergency Solutions Grant Program	14.241		101,639	-	-
Total U.S. Department of Housing and Urban Development			<u>101,639</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Treasury</u>					
Passed through N.C. Dept. of Health and Human Services					
Coronavirus State and Local Fiscal Recovery Funds	21.027		24,868	-	-
Total U.S. Department of Treasury			<u>24,868</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Transportation</u>					
Passed through N.C. Dept of Transportation					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.18.6.2	67,784	16,946	-
Total Enhanced Mobility of Seniors and Individuals with Disabilities			<u>67,784</u>	<u>16,946</u>	<u>-</u>
Formula Grants for Rural Areas and Tribal Transit Program - Capital	20.509	36233.53.24.3	361,792	58,208	-
Formula Grants for Rural Areas and Tribal Transit Program - Capital	20.509	36233.53.24.4	25,459	3,182	-
Formula Grants for Rural Areas and Tribal Transit Program - Capital	20.509	36233.53.25.4	3,200	400	-
Formula Grants for Rural Areas and Tribal Transit Program - Admin	20.509	36233.53.24.1	83,172	5,198	-
Formula Grants for Rural Areas and Tribal Transit Program - Admin	20.509	36233.53.25.1	373,554	23,347	-
Formula Grants for Rural Areas and Tribal Transit Program - Admin	20.509	51001.18.6.2	6,384	1,596	-
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program - Operating	20.509	49233.71.1.2	85,513	-	-
Total Formula Grants for Rural Areas and Tribal Transit Program			<u>939,074</u>	<u>91,931</u>	<u>-</u>
Total U.S. Department of Transportation			<u>1,006,858</u>	<u>108,877</u>	<u>-</u>
<u>U.S. Department of Education</u>					
Passed through N.C. Dept. of Health and Human Services					
Division of Child and Family Well-Being					
Special Education - Grants for Infants and Families with Disabilities	84.181A		495,268	-	-
Special Education - Grants for Infants and Families with Disabilities / ARPA	84.181X		1,468	-	-
Total U.S. Department of Education			<u>496,736</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept of Health and Human Services</u>					
Passed through N.C. Department of Health and Human Services:					
Division of Public Health					
Public Health Emergency Preparedness	93.069		239,757	-	-
Maternal and Child Health Federal Consolidated Programs	93.110		4,000	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-
Injury Prevention and Control Research and State and Community Based Programs	93.136		38,845	-	-
Family Planning Services	93.217		308,226	-	-

Albemarle Regional Health Services  
Schedule of Expenditures of Federal and State Awards  
For The Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients
Immunization Grants	93.268		90,390	-	-
COVID-19 Immunization Grants	93.268		27,498		
Total Immunization Grants			117,888	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		335,815	-	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		1,162,473	-	-
National and State Tobacco Control Program	93.387		3,220	-	-
Well-Integrated Screening and Evaluation for Women Across the Nation (Wisewomen)	93.436		285	-	-
Temporary Assistance for Needy Families	93.558		27,474	-	-
Medical Assistance Assistance Program	93.778		154,366	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		51,650	-	-
HIV Care Formula Grants - Ryan White Care Act	93.917		281,602	-	-
HIV Prevention Activities Health Department Based	93.940		55,036	-	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967		98,162	-	-
Preventive Health Services Sexually Transmitted Diseases	93.977		71,798	-	-
Preventative Health and Health Services Block Grant	93.991		240,633	-	-
Maternal and Child Health Services Block Grant	93.994		669,447	33,824	-
Total U. S. Department of Health and Human Services			3,860,727	33,824	-
Total Federal Awards			\$ 6,238,859	\$ 142,701	\$ -
<b>State Awards:</b>					
<u>N.C. Dept. of Health and Human Services</u>					
Division of Child and Family Well-Being					
Children's Development Services Agency			\$ -	\$ 1,632,225	\$ -
Division of Public Health:					
Breast and Cervical Cancer Program			-	35,450	-
Child Health			-	163,984	-
DPH Aid-to-Counties			-	756,642	-
Family Planning - State			-	158,896	-
Food and Lodging Fees			-	31,330	-
General Communicable Disease Control			-	37,232	-
Healthy Beginnings			-	78,500	-
Healthy Community			-	115,982	-
High Risk Maternity Clinics			-	45,892	-
HIV/STD State			-	51,408	-
Maternal Health			-	113,064	-
Mosquito and Tick Suppression			-	17,759	-
Preconception Health			-	11,050	-
Public Health Pest Management			-	240	-
School Nursing Funding Initiative			-	347,120	-
State Fiscal Recovery Funds			-	937,173	-
Supporting Women Health Services			-	53,321	-
TB Control			-	85,938	-
Triple P			-	131,696	-
Viral Hepatitis Prevention			-	5,000	-
Total N.C. Dept. Health and Human Services			-	4,809,902	-
<u>N.C. Dept. of Environmental Quality</u>					
Community Waste Reduction and Recycling Grant		CW37912	-	15,027	-
Total NC Department of Environmental Quality			-	15,027	-

Albemarle Regional Health Services  
Schedule of Expenditures of Federal and State Awards  
For The Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients
<u>N.C. Dept. of Transportation</u>					
Rideshare		DOT-11 36223.104.5.2	-	69,021	-
ROAP Cluster					
ROAP-Elderly & Disabled Transportation Assistance Program		DOT-16CL 36220.10.12.1	-	331,571	-
ROAP-Employment		DOT-16CL 36236.11.10.1	-	44,632	-
ROAP-Rural General Public		DOT-16CL 36228.22.12.1	-	347,516	-
Total ROAP Cluster			-	723,719	-
Total N.C. Dept. of Transportation			-	792,740	-
Total State Awards			\$ -	\$ 5,617,669	\$ -
Total Federal and State Awards			\$ 6,238,859	\$ 5,760,370	\$ -

Notes to the Schedule of Expenditures of Federal and State Awards

**Note 1: Basis of Presentation**

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

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the 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.

**Note 3: Indirect Cost Rate**

Albemarle Regional Health Services has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.