

The accounts of Iredell County are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues, and expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Iredell County Health Department develops its budget as required by Iredell County, in accordance with the North Carolina Local Government Budget & Fiscal Control Act. All budgets are prepared whereby revenues are recognized when measurable and available and expenses are recognized when a liability is incurred. During the year, Iredell County's accounting system is maintained on the same basis as the adopted budget. At year-end, the County's Comprehensive Annual Financial Report (CAFR) is prepared on the basis consistent with generally accepted accounting principles. For the most part, this is consistent with the way the County prepares its budget, except that funds are adjusted to the full accrual basis for the financial statement presentation. The main differences between budget and CAFR for funds are 1) capital outlay and debt service principal payments are recorded as expenditures for budgetary purposes as opposed to adjustments of balance sheet accounts in the financial statements, and 2) depreciation is not recognized for budgetary purposes and is recorded as an expense in the CAFR.

Iredell County adopts annual budget ordinances for the County's General, Enterprise, Internal Service, and certain Special Revenue Funds. According to state law, the County operates on a fiscal year beginning on July 1 and ending on June 30. All annual appropriations lapse at fiscal year end.

## GOVERNMENTAL FUNDS

### General Fund

The general fund is the principal operating fund of the County. It is used to account for all financial resources and expenses, except those required to be accounted for in another fund, that are traditionally associated with government. The primary revenue sources are ad valorem taxes and state-shared revenues.

#### Federal/State Grant Revenue

This revenue is allocated to the Health department by the State, based on the annual Consolidated Agreement. Federal grant funds pass through the State, for the most part.

### Other Grant & Donation Revenue

This revenue is used to account for specific activities as directed by the grantor or donor. Most private grants are for new initiatives and are not available to supplement existing activities.

### Medicare

This revenue is generated from the administration of pneumonia and flu vaccinations for citizens with Medicare.

### Medicaid Max Revenue

Medicaid Max funding is allocated to the Health department annually, but their receipt is not guaranteed. These funds can only be used in the Medicaid programs in which they were earned. The funding is a cost settlement between the State and DMA, based upon local health department costs as determined by an annual cost audit. This is a Restricted Fund.

### Medicaid Revenue

Medicaid funding is based on rates negotiated with the State of North Carolina, for Public Health services to citizens with Medicaid coverage. Medicaid funds are used to provide many clinical services at the Health department.

### Patient Fee Revenue

Iredell County Health Department's fee schedule is approved annually by the board of Health and the Board of County Commissioners for all health department services, including Environmental Health and Clinical Services. In Clinical Services, many of our clients are charged for services based on a sliding fee scale, as required by our contract agreements with the State.

### Third Party Insurance Revenue

This revenue is acquired by citizens in many of our clinics who have private health insurance, such as Blue Cross/Blue Shield.

Government, as a whole, is sometimes very complex and confusing, and often the lines between responsibilities of state, county, and city governments become blurred. The Iredell County Health Department Budget strives not only to present the financial aspects of the Department's annual budget, but also to serve as a policy document, an operations guide, and most importantly, as a communications medium to the citizens of Iredell County, so they may understand where, why, and how various monies are spent on public health programs and services.

We are charged with the responsibility of ensuring that all public health services are provided in the most efficient and effective manner possible, in order to maximize available resources. The budgetary process allows for the accumulation of financial and performance information relative to these services and provides the tools necessary to analyze the merits and cost implications of each.

North Carolina counties budget and spend money under the Local Government Budget and Fiscal Control Act (LGBFCA), as adopted by the North Carolina General Assembly. The LGBFCA (G.S. 159-10-13) establishes the dates by which each stage in the annual budget process is to be completed.

#### **October - December**

- The Iredell County Health Department budget calendar is presented to the Board of Health at their October meeting. Budget and MUNIS training is scheduled to coordinate with the County opening the next fiscal year budget in MUNIS. The Capital and Equipment Improvement Plan is completed and the ICHD budget packets and division budget templates are put on the ICHD public server.

#### **January – February**

- County Manager schedules a planning meeting with Department Heads. County budget packets are distributed.
- Division Managers review goals and objectives and prepare division operating budget requests. Budget reviews are held for all managers.
- A winter planning session is held with the Board of County Commissioners and outside agencies.
- The budget is presented to the Board of Health for approval.

#### **March – April**

- Budget requests with revenues are due to County.
- Budget discussions are scheduled with department heads.
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- Valuation estimate updated and submitted to Manager and Finance Director. Finance Director submits revenue estimates to County Manager.

#### **May – June**

- County Manager presents budget proposal to the Board of County Commissioners.
- Board of County Commissioners holds public hearing on budget.
- Board of County Commissioners holds budget work sessions to review budget proposal.
- Board of County Commissioners adopts the budget ordinance and approves Capital Improvement Plan (if submitted).