COBB & DOUGLAS PUBLIC HEALTH

Healthier lives. Healthier community.

Annual Financial Report

For Fiscal Year Ended June 30, 2023

Douglas County Board of Health

Douglasville, GA

A Component of Douglas County Government

DOUGLAS COUNTY BOARD OF HEALTH

A COMPONENT UNIT OF
DOUGLAS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

Douglas County Board Of Health
Annual Financial Report
For the Fiscal Year Ended June 30, 2023

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INTRODUCTORY SECTION

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Board Members and Administrative Personnel

DOUGLAS COUNTY BOARD OF HEALTH

Charles Craton, MD – Chair
Douglasville Medical Center

Mr. Trent North
Superintendent, Douglas County Board of Education

Mr. Phil Miller
Douglas County Board of Commissioners

Mayor Rochelle Robinson
City of Douglasville

Ms. Debra Feagins

Ms. Brenda Grissom

Ms. Antoinette Wright

ADMINISTRATION

Janet Pak Memark, M.D., M.P.H, F.A.C.P, District Health Director

Lisa Crossman, Deputy District Health Director

Valerie R. Prince, Director of Administration/Chief Financial Officer

Michele DiSalle, Controller

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FINANCIAL SECTION

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NICHOLS, CAULEY & ASSOCIATES, LLC
1825 Barrett Lakes Blvd, Suite 200
Kennesaw, Georgia 30144
770-422-0598 FAX 678-214-2355
kennesaw@nicholscauley.com

INDEPENDENT AUDITOR'S REPORT

To the District Health Director and
Members of the Douglas County Board of Health

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Douglas County Board of Health, a component unit of Douglas County, Georgia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Douglas County Board of Health's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Douglas County Board of Health, as of June 30, 2023 and the respective changes in financial position 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 (GAS)*, 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 Douglas County Board of Health and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Douglas County Board of Health's ability to continue as a going concern for twelve months beyond the financial statements 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 from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Douglas County Board of Health's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Douglas County Board of Health's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability, schedule of pension contributions, schedule of proportionate share of the net OPEB liability (asset), and the schedule of OPEB contributions on pages 6-11 and 41-48 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Douglas County Board of Health's basic financial statements. The individual program schedules, schedule of auditor's proposed settlement, schedule of state contractual assistance, and schedule of changes in fund balance are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual program schedules, schedule of auditor's proposed settlement, schedule of state contractual assistance, and schedule of changes in fund balance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual program schedules, schedule of auditor's proposed financial settlement, schedule of state contractual assistance, and schedule of changes in fund balance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial

statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023 on our consideration of the Douglas County Board of Health's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the Douglas County Board of Health's internal control over financial reporting and compliance.

Nichols, Cauley & Associates, LLC

Kennesaw, Georgia
December 18, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS
DOUGLAS COUNTY BOARD OF HEALTH

The discussion and analysis of the Douglas County Board of Health's financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Independent Auditor's Report that begins on page 2, the Financial Statements that begin on page 12, the Notes to the Financial Statements which start on page 19, and the Other Supplementary Information section (which contains the financial statements for each of the Board of Health's primary programs.)

The Financial Statements summarize the governmental activities of the Douglas County Board of Health, which provides Public Health services, the Douglas CARES program, and a Safe Kids program as presented in the Other Supplementary Information section of the Annual Audit Report. These statements are presented separately because of their funding sources and program purpose.

Public Health: Public Health mandated services are funded through specific public health State Grant-In-Aid, a Douglas County grant, Medicare, Medicaid, other insurance reimbursements, and fees. These revenues are primarily used to fund the salaries and related fringe benefits of nurses, environmentalists, support staff and related expenses that provide the following services to Douglas County residents: cancer screenings, child health and screening services, immunizations, family planning, tuberculosis, sexually transmitted disease services, environmental health services (e.g., inspections of foodservice establishments, tourist accommodations, on-site sewage disposal systems, etc.), and health assessment services. Douglas County Board of Health and Cobb County Board of Health comprise Georgia's Public Health District 3-1. Certain administrative and overhead support costs are recorded in the financial records of the Cobb County Board of Health. The Douglas County Board of Health is then allocated their appropriate share of these expenses based on an allocation plan approved by the State.

Douglas CARES: Douglas CARES is a program funded by the Douglas County Board of Commissioners to enhance the COVID-19 pandemic response in Douglas County. Funding is used for testing, case investigation, vaccination efforts, community education and mitigation efforts by Douglas County Board of Health and community partners to address the needs of underserved communities and those disproportionately affected by the pandemic. Federal funds passed through the State of Georgia were extended into FY23 and reduced the need to utilize these funds.

Safe Kids: This program receives local grants and fees and focuses on the six major risk areas of unintentional injuries for children: promotion of the use and proper installation of car seats, drowning, fires and burns, falls, poisoning and choking. The program provides safety equipment, e.g., car seats, bike helmets and community education.

During the fiscal year, the Board of Health provided care to approximately 7,707 unduplicated patients during 9,839 visits to the Douglas Public Health Center on Selman Drive in Douglasville. These totals also include patients who received services in a non-traditional, outreach setting. Outreach events occurred in settings such as senior centers, houses of worship, and other congregate settings. The staff provided a variety of vaccines, including the COVID-19 vaccine as well as health screenings like blood pressure checks.

There are other District-wide programs that affect both Douglas and Cobb Counties, which are not included in the Douglas County Board of Health financial statements. These District-wide programs are: WIC (Women, Infants, & Children), which provides nutrition education and supplemental food for women, infants and children with nutritional needs; Emergency Preparedness & Response program, which focuses on community preparedness and response to public health emergencies; various family support, case management services; the Early Intervention/Children's Medical Services programs which ensure children with special medical or developmental needs can obtain comprehensive care to enable them to reach their full potential; and disease prevention/health promotion programs, like HIV Prevention and Chronic Disease Prevention.

The Financial Statements for the Board of Health's governmental activities include both government-wide, and fund financial statements and are prepared using generally accepted accounting principles as defined by the Governmental Accounting Standards Board. Activities are reported on a modified accrual basis and recognize all long-term assets and receivables as well as long-term obligations. The Board of Health's net position is

reported as a net investment in capital assets as well as a net position, which is either unrestricted or restricted for funding specific qualifying activities and purposes.

SUMMARY OF OPERATIONS and MANAGEMENT DISCUSSION

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDING JUNE 30, 2023, AND 2022

	Year Ending June 30, 2023	Year Ending June 30, 2022
REVENUES:		
State Sources:		
Grant in Aid & Contracts	$ 1,004,911	$ 844,728
Local Sources:		
Medicaid/Medicare	349,690	287,527
County Grant	410,000	579,599
Environmental Health Fees	459,872	452,074
Other Fees, Funding and Intra/ Interagency Transactions	813,991	555,683
Subtotal	3,038,464	2,719,611
Interest Income	20,008	2,704
Total Revenues	3,058,472	2,721,685
EXPENSES:		
Salaries and Fringe Benefits:	1,356,852	1,034,189
Operating & Capital Expenses:	583,109	572,761
Interagency Transactions & Indirect Costs	620,338	555,493
Total Expenses	2,560,299	2,162,443
Change in Net Position	**$ 498,173**	**$ 559,242**

Total revenues for Douglas County Board of Health (BOH) increased $336,787 or 12% from FY 2022 to FY 2023. Interagency revenue, one of the main drivers of the increase, went up due to an increase in funding at the district level to cover salary increases. Cobb BOH as the lead county receives these payments and an interagency transfer is initiated to transfer the funds to Douglas County BOH. Grant in Aid (19%) and Administrative Claims revenue (42%) also increased. Grant in Aid to Douglas County is calculated using a formula that factors inputs of population, poverty and poverty share across the state. The Grant in Aid is adjusted annually to reflect those factors. In FY23, Douglas County BOH received an increase in Grant in Aid funding. Administrative Claims uses Public Health expenses as one of the factors in the calculation of claims revenues. Therefore, as expense revenue increases in Public Health, Administrative Claims revenue tends to increase.

Total expenditures increased by $397,856 or 18% from FY 2022 to FY 2023. Salaries and Fringe Benefits expenses increased because of the State of Georgia Cost of Living Adjustments appropriated for BOH employees. State funds covered most of the $5,000 COLA for full-time employees and county funds provided an increase for part-time employees.

FUND BALANCE

The Board of Health's total fund balance increased during FY 2023 by $508,065.

	Fiscal Year 2023	Fiscal Year 2022
Fund Balance at the beginning of the year	$ 3,564,181	$ 3,125,115
Excess of Revenue over Expenditures:	508,065	439,066
Fund Balance at the end of the year	$ 4,072,246	$ 3,564,181
Balance comprised of:		
• Non-spendable	$ 60,603	$ 48,712
• Committed	100,000	135,000
• Assigned (Expenditures initiated during the fiscal year and encumbered at June 30 that will not be paid until the subsequent year.)	68,490	96,322
• Restricted	18,727	29,139
• Unassigned	3,824,426	3,255,008
Fund Balance @ June 30, 2023 and 2022	$4,072,246	$3,564,181

The fund balance would be used to mitigate current and future risks. The Board of Health may experience unbudgeted, unexpected short-term revenue reductions or unanticipated expenditures from time to time (e.g., due to local emergency/disaster situations, purchase of large, infrequent capital items, renovation of facilities, reductions in key revenue sources, etc.) and may have to utilize a portion of its unassigned fund balance until the situation can be addressed or stabilized, and the Board of Health can adjust to the new level of revenue and/or expenditures.

NET POSITION

• Net Position @ June 30, 2021	$ 2,549,211
• Excess (deficiency) of Revenue over Expense	$ 559,242
• Net Position @ June 30, 2022	$3,108,453
• Excess (deficiency) of Revenue over Expense	$ 498,173
• Net Position @ June 30,2023	$ 3,606,626

NET POSITION (continued)

	June 30, 2023		June 30, 2022	
Assets:				
Capital	$ 437,934		$ 478,348	
Other	4,166,355		3,732,977	
Total Assets		$4,604,289		$4,211,325
Deferred outflows of Resources:				
Related to Pension/OPEB	712,601	712,601	349,279	349,279
Liabilities:				
Noncurrent	$1,477,050		$ 623,920	
Other	40,114		34,620	
Total Liabilities		$1,517,164		$ 658,540
Deferred inflows of Resources:				
Related to Pension/OPEB	193,100	193,100	793,611	793,611
Net Position				
Net Investment in Capital Assets	$ 437,934		$ 478,348	
Restricted	72,722		29,139	
Unrestricted	3,095,970		2,600,966	
Total Net Position		$ 3,606,626		$ 3,108,453

Assets are comprised of cash, receivables due from government entities and capital assets net of accumulated depreciation. Liabilities are comprised of obligations that are due to governmental entities, suppliers and vendors, and accrued compensated absences, which represent accumulated annual leave obligated to Board employees. Because of GASB 68 and GASB 75, we are required to recognize the long-term obligation for pension benefits and OPEB as liabilities.

CAPITAL ASSETS AND PURCHASES

	June 30, 2022 Ending Balance	FY23 Increases	FY23 Decreases	June 30, 2023 Ending Balance
Furniture & Fixtures	$ 3,500	$ --	$ --	$ 3,500
Machinery & Equipment	326,285	--	--	326,285
Vehicles	66,329	38,780	--	105,109
Building Improvements	552,293	--	--	552,293
Total Capital at Cost	948,407	38,780	--	987,187
Less: Accumulated Depreciation				
Furniture & Fixtures	3,500	--	--	3,500
Machinery & Equipment	247,711	47,428	--	295,139
Vehicles	63,079	8,630	--	71,709
Building Improvements	155,769	23,136	--	178,905
Total Depreciation	470,059	79,194	--	$549,253
Net Capital Assets	$478,348	$ (40,414)	$ --	$ 437,934

BUDGETARY VARIANCES

Budgeted Amounts ($000)

	Original	Final	Difference	%
Revenues	$ 2,950	$ 3,263	$313	11%
Expenditures	2,950	3,263	(313)	(11%)
Difference	$ --	--	$ --	

	Final	Actual	Difference	%
Revenues	$ 3,263	$ 3,058	$ (205)	(6%)
Expenditures	3,263	2,550	713	22%
Difference	$ --	$ 508	$ 508	

Original to Final Budget

Revenues and expenditures increased equally, and that increase occurred for two reasons. The Grant in Aid allocation came in approximately $160,000 higher due to the formula calculation. Interagency Revenue also increased approximately $253,000. These revenues were related to COLA adjustments and other salary adjustments to bring certain salary categories up to market. The expense offset to these would be found in increases to salary, benefits, indirect expense, and interagency expense.

BUDGETARY VARIANCE (continued)

Final Budget to Actual Results

Actual revenues were $205,000 lower than the final budget. Clinical service fees were lower due to staffing shortages of revenue-generating RNs as well as a decline in demand for COVID-19 vaccinations. These were offset by unbudgeted increases in Environmental Health Fee revenue due to more inspections being conducted and Administrative Claims revenue increasing due to more expenses in Public Health.

The change from final budgeted expenditures to actual results was $713,000 to the positive. Firstly, actual expenditures were lower than budgeted due to the agency continuing to access Federal COVID-19 funds passed through the State rather than Douglas CARES program funding this fiscal year. Secondly, Public Health expenses were lower than budgeted in all areas. Personal service costs were lower due to lapse as well as unspent funding from the Douglas CARES program as already mentioned. Operating expenses were down due to our ability to hold down overall expenditure.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Douglas County Board of Health's finances for all those with interest in the agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Administration, Douglas County Board of Health, 1650 County Services Parkway, SW Marietta, Georgia 30008.

Douglas County Board of Health
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 223,257
Investments	1,350,455
Accounts receivable	85,333
Due from other governments	2,312,069
Due from Georgia DPH	80,643
Inventory	60,603
Capital assets, depreciated, net	437,934
Net OPEB asset	53,995
Total assets	4,604,289
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension	598,482
Related to OPEB	114,119
Total deferred outflows of resources	712,601
LIABILITIES	
Accounts payable	543
Payroll liabilities	38,553
Due to other governments	1,018
Noncurrent liabilities:	
Due within one year	
Long-term obligations	38,610
Due in more than one year	
Long-term obligations	18,559
Net pension liability	1,341,704
Net OPEB liability	78,177
Total liabilities	1,517,164
DEFERRED INFLOWS OF RESOURCES	
Related to pension	62,912
Related to OPEB	130,188
Total deferred inflows of resources	193,100
NET POSITION	
Investment in capital assets	437,934
Restricted for Safe Kids program	18,727
Restricted for OPEB	53,995
Unrestricted	3,095,970
Total net position	$ 3,606,626

See accompanying notes to financial statements.

Douglas County Board of Health
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenue		Net Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities -				
Public Health	$ 2,044,620	$ 1,090,375	$ 1,432,410	$ 478,165
General Revenues -				
Unrestricted investment earnings				20,008
Change in net position				498,173
Net position - beginning				3,108,453
Net position - ending				$ 3,606,626

See accompanying notes to financial statements.

Douglas County Board of Health
Balance Sheet
Governmental Fund
June 30, 2023

	General Fund
ASSETS	
Cash and cash equivalents	$ 223,257
Investments	1,350,455
Accounts receivable	85,333
Due from other governments	2,312,069
Due from Georgia DPH	80,643
Inventory	60,603
Total assets	$ 4,112,360
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	$ 543
Payroll liabilities	38,553
Due to other governments	1,018
Total liabilities	40,114
FUND BALANCES	
Nonspendable	60,603
Restricted	18,727
Committed	100,000
Assigned	68,490
Unassigned	3,824,426
Total fund balances	4,072,246
Total liabilities and fund balances	$ 4,112,360

See accompanying notes to financial statements.

Douglas County Board of Health
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
Governmental Fund
June 30, 2023

Total fund balances- governmental fund	$	4,072,246
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in government activities are not current financial resources and, therefore, are not reported in the funds.		437,934
Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Net OPEB asset		53,995
Deferred outflows related to pension		598,482
Deferred outflows related to OPEB		114,119
Long-term liabilities and deferred outflows of resources are not due and payable in the current-period and, therefore, are not reported in the funds.		
Accrued compensated absences		(57,169)
Deferred inflows of resources related to OPEB		(130,188)
Deferred inflows of resources related to pension		(62,912)
Net OPEB liability		(78,177)
Net pension liability		(1,341,704)
Net position of governmental activities	$	3,606,626

See accompanying notes to financial statements.

Douglas County Board of Health
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund
For the Fiscal Year Ended June 30, 2023

	General Fund
REVENUES	
State sources -	
Grant in aid	$ 1,004,911
Local sources:	
County participating	59,171
County non-participating	350,829
Medicaid receipts	53,569
Medicare receipts	7,822
Medicaid DSPS receipts	13,881
Administrative claiming	274,418
Intra/inter agency transactions	515,679
Other local funds	15,990
EPSDT fees	24,374
Environmental fees	459,872
Outpatient fees	255,683
Donations	2,265
Total local sources	2,033,553
Interest income	20,008
TOTAL REVENUES	3,058,472

(continued on next page)
See accompanying notes to financial statements.

Douglas County Board of Health
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund
For the Fiscal Year Ended June 30, 2023

	General Fund
EXPENDITURES	
Public Health:	
Current:	
Personal services:	
Salaries	724,057
Hourly labor	153,090
FICA	53,982
Retirement	239,120
Health insurance	217,125
Total personal services	1,387,374
Operating expenses:	
Travel expense	16,957
Printing and publications	1,402
Postage	848
Utilities	20,238
Contracted services	134,790
Communications	9,738
Repairs and maintenance	10,648
Supplies and materials	187,382
Other operating	90,262
Total operating expenses	472,265
Indirect costs	255,607
Intra/inter agency transactions	364,731
Capital outlay	70,430
TOTAL EXPENDITURES	2,550,407
Excess of revenues over expenditures	508,065
Fund balance at beginning of year	3,564,181
Fund balance at end of year	$ 4,072,246

(continued from previous page)
See accompanying notes to financial statements.

Douglas County Board of Health
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of the Governmental Fund to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Net change in fund balances-total governmental fund		$ 508,065
Amounts reported for governmental activities in the statement of activities are different because:		
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.		
Depreciation expense	(79,194)	
Capital outlays	38,780	(40,414)
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.		
Net OPEB asset		(80,181)
Net OPEB liability		(19,039)
Net pension liability		(825,789)
Deferred outflows of resources related to pensions		316,111
Deferred outflows of resources related to OPEB		47,211
Deferred inflows of resources related to OPEB		155,832
Deferred inflows of resources related to pensions		444,679
Accrued compensated absences		(8,302)
Change in net position of governmental activities		$ 498,173

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Douglas County Board of Health (the Board) was created by a state legislative act. During fiscal year 2023, it operated under a seven member board and a full-time executive director.

The Board's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). These financial statements present the Board as a component unit of Douglas County, Georgia (the primary government). As defined by GASB Statement No. 61, component units are legally separate entities that are included in the primary government's reporting entity because of the significance of their operating or financial relationships with the primary government.

B. Government-Wide Financial Statements

In the government-wide statement of net position, activities are reported using the *economic resources basis* and the *accrual basis of accounting*, which recognize all long-term assets and receivables as well as long-term debt and obligations. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The Board's net position is reported in three parts: investment in capital assets; restricted net position; and unrestricted net position. The Board first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of the Board's activities. The statement of activities reduces gross expenses (including depreciation) by related program revenues and operating grants. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the Board, and 2) grants and contributions that are restricted to meeting the operational requirements of the Board. Direct expenses are those that are clearly identifiable with a specific function.

The focus on the government-wide financial statements is on the sustainability of the Board as an entity and the change in the Board's net position resulting from the current year's activities. The Board has only governmental activities.

C. Fund Financial Statements

The financial transactions of the Board are reported in a single special revenue fund in the fund financial statements. A special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within twelve months of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

D. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase.

The Board follows these procedures in establishing the budgetary data reflected in the financial statements.

1) Prior to July 1, the Executive Officer submits to the Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means for financing them.

2) The proposed budget is also dependent on approval by Georgia Department of Public Health (DPH) for funding levels.

3) The Executive Officer is authorized to make budget revisions to a program within any division. Any revisions that alter total expenditures for any division must be approved by the Board.

4) Formal budgetary integration is employed as a management control device during the year. Monthly revenues and expenditure reports for programs that utilize Georgia DPH funds must be submitted by the tenth day of the following month.

5) Unencumbered appropriations for Georgia DPH expenditures lapse at year end. All other appropriations (locally funded) carry forward into the next fiscal year, unless specifically canceled.

Budgeted amounts reflected in the accompanying budget and actual comparisons are as originally adopted, or as amended, by the Board. For budgetary comparison purposes presented in this report, actual amounts have been adjusted to the non-GAAP budgetary basis when necessary.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary integration.

F. Intra/Interagency Transactions

The Board records intra/interagency transactions due to a close operational relationship and shared administrative function with the Cobb County Board of Health. These transactions are recorded as revenues or expenditures, and amounts payable or receivable at year end are recorded on the balance sheet. The following is a description of these transactions:

Revenues
Intra/interagency revenues are recorded as a result of activities and services provided by Douglas County Board of Health personnel for Cobb County Board of Health programs.

Expenditures
Intra/interagency expenditures are recorded as a result of activities and services provided by Cobb County Board of Health personnel for Douglas County Board of Health programs.

G. Compensated Absences

The Board allows employees to accumulate up to 45 days of annual leave. Annual leave in excess of 45 days is forfeited. Upon termination, employees are paid for all accrued annual leave that has not been forfeited up to a maximum of 45 days. Accumulated sick pay benefits for employees have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee.

H. Cash and Investments

For reporting purposes, the Board's cash and cash equivalents are cash on hand, money market funds, and demand deposits. Certificates of deposit with original maturity dates

of more than three months and funds invested in Georgia Fund 1, an external investment pool sponsored by the State of Georgia, are reported as investments.

State statutes authorize the Board to invest unrestricted funds in U.S. Treasury obligations, U.S. federal agency obligations, State of Georgia obligations, obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "Aa/AA" or better by Moody's Investors Service, Inc. and Standard and Poor's Corporation, respectively, negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, repurchase agreements when collateralized by U.S. Treasury or federal agency obligations, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Investments are stated at fair value. State statutes authorize the Board to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's Investors Service, Inc., respectively, non-negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, repurchase agreements when collateralized by U.S. Government or agency obligations, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

The Board's investments include Georgia Fund 1 and are stated at fair value. Georgia Fund 1 is managed by the Office of State Treasurer. The entire portfolio, including the Board’s pro-rata portion, consists of collateralized certificates of deposit and government or governmental agency securities owned outright and under agreement to resell. The reported value of Georgia Fund 1 is the same as the fair value of the pool shares.

I. Capital Assets

Capital assets are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost. 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.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Asset	Years
Machinery, equipment, & vehicles	3
Furniture & fixtures	7
Building & improvements	20

J. Fund Equity

GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions" enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Board is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Governing Board through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the Board's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by the Board management based on Governing Board Members' direction. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Board uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this. Additionally, the Board would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items that qualify for reporting in this category. They are the deferred outflow relating to pension and OPEB reported in the government wide statement of net position.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two items that qualify for reporting in this category. They are the deferred inflow relating to pension and OPEB reported in the government wide statement of net position.

L. Pension

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 Employees' Retirement System (ERS) and additions to/deduction from ERS's fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Other Post-Employment Benefits

Georgia State Employees Postemployment Benefit Fund

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia State Employees Postemployment Benefit Fund (State OPEB Fund) and additions to/deductions from State OPEB Fund fiduciary net position have been determined on the same basis as they are reported by State OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund (SEAD OPEB) plan (the Plan) and additions to/deductions from the SEAD OPEB's fiduciary net position have been determined on the same basis as they are reported by SEAD OPEB. For this purpose, death benefits are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. 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, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. The Board limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law. At June 30, 2023, the Board was not exposed to custodial credit risk.

Credit Risk - Investments

The following is a summary of the Board's investments at June 30, 2023:

Description	Rating	Fair Value	Weighted Average Maturity
Georgia Fund 1	AAAf	$ 550,455	28 days
Certificates of deposit	not rated	800,000	n/a
Total		$ 1,350,455	

See Note 1 for the types of investments authorized by legal provisions. The Board does not have a formal policy addressing credit risk.

3. Due From/To Other Governments

Amounts due from/to other governments for the year ended June 30, 2023 were as follows:

Amounts due from other governments include the following:	
Due from Douglas County Board of Commissioners	$ 205,000
Due from Cobb County Board of Health	2,107,069
Total due from other governments	$ 2,312,069
Amounts due to other governments include the following:	
Due to DSPS	$ 1,018

4. Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

Capital assets:	Beginning Balance	Increases	Decreases	Ending Balance
Furniture & fixtures	$ 3,500	$ -	$ -	$ 3,500
Machinery & equipment	326,285	-	-	326,285
Vehicles	66,329	38,780	-	105,109
Buildings & improvements	552,293	-	-	552,293
Total capital assets at historical cost	948,407	38,780	-	987,187
Less accumulated depreciation for:				
Furniture & fixtures	3,500	-	-	3,500
Machinery & equipment	247,711	47,428	-	295,139
Vehicles	63,079	8,630	-	71,709
Buildings & improvements	155,769	23,136	-	178,905
Total accumulated depreciation	470,059	79,194	-	549,253
Capital assets, net	$ 478,348	$ (40,414)	$ -	$ 437,934

5. Long-Term Obligations

The following is a summary of changes in compensated absences of the Board for the fiscal year ended June 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Accrued compensated absences	$ 48,867	$ 38,610	$ (30,308)	$ 57,169	$ 38,610

6. Retirement Plans

Each plan and fund, including benefit and contribution provisions, was established and can be amended by state law. The following summarizes authorizing legislation and the description of each retirement plan:

Employee's Retirement System

Plan description: All full-time employees of the Douglas County Board of Health are covered by the Employee's Retirement System of Georgia (ERS). ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/publications.

Benefits: The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. There are currently no Board of Health employees on the Old Plan. Members hired on or after July 1, 1982 but prior to January 1, 2009 are New Plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the Old Plan, the New Plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member s monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions: Under the Old Plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the Old Plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan are 1.50% and under GSEPS are 1.25% of annual compensation. The Board's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2023 was 31.01% of annual covered payroll for old and new plan members and 27.47% for GSEPS members. The Board's contributions to ERS totaled $201,207 for the year ended June 30, 2023. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

At June 30, 2023, the Board reported a liability of $1,341,704 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The Board's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2022. At June 30,2022 the Employer's proportion was 0.02009%, which was a decrease of 0.0020% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Board recognized pension expense of $266,206. At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,882	$ 12,169
Changes of assumptions	238,501	-
Net difference between projected and actual earnings on pension plan investments	155,892	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	50,743
Employer contributions to the pension plan subsequent to the measurement date of the	201,207	-
Total	$ 598,482	$ 62,912

$201,207 reported as deferred outflows of resources related to pensions resulting from the Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2024	$ 162,612
2025	47,975
2026	3,887
2027	119,889
Thereafter	-

Actuarial assumptions: The total pension liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00-6.75%, including inflation
Investment rate of return	7.00%, net of pension plan investment expenses, including inflation

Postretirement mortality rates were based on the Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

Participant Type	Membership Table	Set Forward (+)/Setback (-)	Adjustment to Rates
Service Retirees	General Healthy Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges 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 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.0%	0.02%
Domestic large equities	46.3%	9.40%
Domestic small equities	1.2%	13.40%
International developed market equities	12.3%	9.40%
International emerging market equities	5.2%	11.40%
Alternatives	5.0%	10.50%
Total	100%	

* Rates are shown net of inflation.

Discount rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of 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 Agency's proportionate share of the net pension liability to changes in the discount rate: The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.0%)	Discount (7.0%)	1% Increase (8.0%)
Board's proportionate share of the net pension liability	$ 1,786,056	$ 1,341,704	$ 968,038

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at www.ers.ga.gov/financials.

Georgia Defined Contribution Plan

All temporary, seasonal, and part time employees of the Douglas County Board of Health who are not eligible for membership in the Employees' Retirement System of Georgia are covered by the Georgia Defined Contribution Plan (GDCP), a cost-sharing multiple-employer public employees' retirement system (PERS). The GDCP was created by the 1992 Georgia Law, Act 996, effective July 1, 1992. GDCP is administered by the ERS Board of Trustees. There were eight members as of June 30, 2023.

As of July 1, 1992, all temporary, seasonal, and part-time employees of the Douglas County Board of Health were required to become members of the GDCP.

Members must contribute seven and one-half percent (7.5%) of gross salary to the plan through payroll deductions. The amount deducted is credited to the individual account of the member. Interest is credited to the member's account on a quarterly basis. The rate of interest is determined by the Board of Trustees based on the rate of return on investments less administrative expense.

Benefits are based on the amount contributed to each participant's account plus interest accumulated. Members who have accumulated at least $3,500 in their account are eligible to retire at the age of 65 with the option of receiving a periodic payment based on mortality tables and interest accumulation as adopted by the Board of Trustees.

A member who terminates employment may apply for a refund of contributions and interest which is payable in a lump sum amount.

If a member dies, a lump sum payment of contributions and interest will be made to the designated beneficiary or to the member's estate.

The Board's current year covered payroll was $200,306. Employees' actual contributions to the plan amounted to $15,023 which was 7.50% of the Board's covered payroll.

The GDCP held no securities of the Board or other related parties during the year or as of the close of the fiscal year.

GSEPS 401(k) Component of ERS Plan

In addition to the ERS defined benefit pension described above, GSEPS members may also participate in the Peach State Reserves 401(k) defined contribution plan and receive an employer matching contribution. The 401(k) plan is administered by the System and was established by the Georgia Employee Benefit Plan Council in accordance with State law and Section 401(k) of the IRC. The GSEPS segment of the 401(k) plan was established by State law effective January 1, 2009.

Members are automatically enrolled at 5% upon hire into the Peach State Reserve 401(k) plan with matching employer contributions, unless participation is declined by the employee. The maximum employer match is 3% percent based on an employee contribution of 5% or more. The employee contributions are immediately vested; however, the employer portion vests evenly over a period of five years. There were fourteen plan members in the plan at June 30, 2023.

For the fiscal year ending June 30, 2023, employee’s contributions to the plan amounted to $32,480 and were matched by the Board with $28,385. The balance in the forfeiture account as of June 30, 2023 was $0.

7. Other Post-Employment Benefits

State OPEB Fund Plan

Plan Description: Employees of State organizations as defined in §45-18-25 of *the Official Code of Georgia Annotated* (O.C.G.A.) are provided OPEB through the State OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund and administered by the Board of Community Health (Board). Title 45 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the Board of Community Health.

Benefits provided: The State OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for employees of State organizations (including technical colleges) and other entities authorized by law to contract with the Department of Community Health (DCH) for inclusion in the plan. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The State OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the State OPEB Fund is permitted.

Contributions: As established by the Board of Community Health, the State OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the State OPEB Fund from the Board were $40,060 for the year ended June 30, 2023. Active employees are not required to contribute to the State OPEB Fund.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At June 30, 2023, the Board reported a liability of $78,177 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. An expected total OPEB liability as of June 30, 2022 was determined using standard roll-forward techniques. The Board's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2022. At June 30, 2022, the Board's proportion was 0.0174%, which was an decrease of 0.0041% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Board recognized OPEB benefit of $75,829. At June 30, 2023, the Board 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	$ 2,457	$ 76,015
Changes of assumptions	1,397	9,622
Net difference between projected and actual earnings on plan investments	28,361	44,279
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,612	-
Employer contributions to the plan subsequent to the measurement date	40,060	-
Total	$ 88,887	$ 129,916

Board contributions subsequent to the measurement date of $40,060 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2024	$ (45,488)
2025	(28,219)
2026	(14,081)
2027	6,699
Thereafter	-

Actuarial assumptions: The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

Inflation	2.50%
Salary increases:	3.00% - 6.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost of trend rate	
Pre-Medicare Eligible	6.50%
Medicare Eligible	5.00%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 105% for females) with the MP-2019 Projection scale applied generationally.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2019 and adopted by the pension Board on December 17, 2020.

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

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates

of return (expected nominal returns, net of investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges 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. During the fiscal year 2018, the State OPEB fund updated their investment strategy to a more long-term approach. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	2.00%
Domestic stocks - large cap	70.00%	9.40%
Total	100%	

*Net of Inflation

Discount rate: The discount rate used to measure the total OPEB liability for the State OPEB Fund was 7.00%. The project of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2120. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future OPEB payments of current plan members. Therefore, the calculated discount rate of 7.00% was applied to all period of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the Board's proportionate share of the net OPEB liability calculated using the discount rate of 7.00%, as well as what the Employer's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Board's proportionate share of the net OPEB liability	$ 114,848	$ 78,177	$ 46,481

Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability

would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Board's proportionate share of the net OPEB liability	$ 41,191	$ 78,177	$ 121,513

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the Annual Comprehensive Financial Report (ACFR) which is publicly available at: https://sao.georgia.gov/statewide-reporting/acfr

SEAD OPEB Plan

Plan description: SEAD OPEB was created in 2007 by the Georgia General Assembly to amend Title 47 of the O.C.G.A., relating to retirement, so as to establish a fund for the provision of term life insurance to retired and vested inactive members of the Employees' Retirement System of Georgia (ERS), the Legislative Retirement System (LRS), and the Georgia Judicial Retirement System (GJRS). The plan is a cost-sharing multiple-employer defined benefit other postemployment benefit plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans other than OPEB Plans. The SEAD OPEB trust fund accumulates the premiums received from the aforementioned retirement plans, including interest earned on deposits and investments of such payments.

Benefits provided: The amount of insurance for a retiree with creditable service prior to April 1, 1964 is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964 is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in a lump sum to the beneficiary upon death of the retiree.

Contributions: Georgia law provides that employee contributions to the plan shall be in an amount established by the Board of Trustees not to exceed one-half of 1% of the member's earnable compensation. There were no employer contributions required for the fiscal year ended June 30, 2023.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At June 30, 2023, the Board reported an asset of $53,995 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021. The total OPEB liability (asset) used to calculate the net OPEB liability (asset) was based on an actuarial valuation as of June 30, 2021. An expected total OPEB asset as of June 30, 2022 was determined using standard roll-forward techniques. The Board's proportion of the net OPEB asset was based on actual member salaries reported to the SEAD OPEB plan during the fiscal year ended June 30, 2022. At June 30 2022, the Board's proportion was 0.0147%, which was a decrease of 0.0709% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Board recognized OPEB expense (benefit) of $12,066. At June 30, 2023, the Board 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	$ 248	$ 16
Changes of assumptions	-	256
Net difference between projected and actual earnings on plan investments	11,256	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,728	-
Employer contributions to the plan subsequent to the measurement date of the	-	-
Total	$ 25,232	$ 272

There were no contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2024	$ 14,995
2025	1,105
2026	421
2027	8,439
Thereafter	-

Actuarial assumptions: The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% - 6.75%
Investment rate of return	7.00%, net of OPEB plan investment expenses, including inflation
Healthcare cost of trend rate	N/A

Postretirement mortality rates were based on the Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

Participant Type	Membership Table	Set Forward (+)/Setback (-)	Adjustment to Rates
Service Retirees	General Healthy Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges 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 asset allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.0%	0.20%
Domestic large equities	46.3%	9.40%
Domestic small equities	1.2%	13.40%
International developed market equities	12.3%	9.40%
International emerging market equities	5.2%	11.40%
Alternatives	5.0%	10.50%
Total	100%	

* Rates are shown net of inflation.

Discount rate: The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the Employer's proportionate share of the net OPEB liability calculated using the discount rate of 7.00%, as well as what the Employer's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Board's proportionate share of the net OPEB liability (asset)	$ (34,853)	$ (53,995)	$ (69,671)

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at www.ers.ga.gov/financials.

The following table outlines aggregated OPEB balances for the State and SEAD plans:

As of June 30, 2023	
Total net OPEB liabilities	$ 78,177
Total net OPEB assets	53,995
Total deferred outflows of resources from OPEB	114,119
Total deferred inflows of resources from OPEB	130,188
For the year ended June 30, 2023	
Total OPEB benefit	63,763

8. Georgia Department of Public Health

The Douglas County Board of Health received $1,004,911 (33%) of its total revenue from the Georgia Department of Public Health (DPH). The audit provisions of the Georgia DPH require that the audit of the Board be conducted in accordance with:

A) Generally Accepted Auditing Standards established by the American Institute of Certified Public Accountants (AICPA).

B) "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions," promulgated by the U.S. Government Accountability Office (The Yellow Book).

C) The provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The Board did not receive federal funds in excess of $750,000 during fiscal year 2023; therefore, a Single Audit was not required.

In addition, the Georgia Department of Public Health (DPH) requires that the report include "Schedules of Revenues and Expenditures - Budget and Actual" by program. These schedules are on a budgetary basis and include encumbrances. Additionally, DPH requires a "Schedule of Auditor's Proposed Financial Settlement," a "Schedule of State Contractual Assistance" and a "Schedule of Changes in Fund Balances."

9. Related Party

During the year the Board received County participating and non-participating revenues of $59,171 and $350,829 respectively, from Douglas County, Georgia.

10. Risk Management

The Board is exposed to various risks of loss to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and job related illnesses or injuries to employees. The Board carries commercial insurance to cover the contents of the building they occupy and vehicles they own. Contents are covered at replacement cost and vehicles are covered up to $1,000,000 per occurrence with a $1,000 deductible for comprehensive and collision. Risk of loss resulting from providing health and dental benefits to employees and retirees is covered by the State Health Benefit Plan. The Board also carries cyber insurance to mitigate risk of various cyber threats.

11. Schedule of Auditor's Proposed Financial Settlement

This statement represents the auditor's proposed settlement with the Georgia Department of Public Health (DPH) at June 30, 2023. In order to provide additional information to DPH for their reconciliation purpose, three columns are presented. The first column represents the balance at June 30, 2023 and agrees to the audited balance sheet. The second column details any DPH adjustment made subsequent to year-end which is designated by DPH as a June 30, 2023 adjustment. The third column provides a balance after any adjustments are made by DPH subsequent to year end.

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REQUIRED SUPPLEMENTARY INFORMATION

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Douglas County Board of Health
Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net Pension Liability
Employees' Retirement System of Georgia

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Board's proportion of the net pension liability	0.020%	0.022%	0.023%	0.023%	0.022%	0.022%	0.022%	0.023%	0.025%
Board's proportionate share of the net pension liability	$ 1,341,704	$ 515,915	$ 983,897	$ 937,465	$ 916,473	$ 878,832	$ 1,057,343	$ 914,522	$ 926,965
Board's covered payroll during the measurement period	$ 518,926	$ 584,984	$ 629,788	$ 645,002	$ 600,869	$ 552,528	$ 538,066	$ 534,823	$ 577,740
Board's proportionate share of the net pension liability as a percentage of its covered payroll	258.55%	88.19%	156.23%	145.34%	152.52%	159.06%	196.51%	171.00%	160.45%
Plan fiduciary net position as a percentage of the total pension liability	67.44%	87.62%	76.21%	76.74%	76.68%	76.33%	72.34%	76.20%	77.99%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Douglas County Board of Health
Required Supplementary Information
Schedule of Contributions
Employees' Retirement System of Georgia

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 201,207	$ 116,536	$ 125,338	$ 149,865	$ 141,902	$ 140,935	$ 131,686	$ 128,474	$ 113,338
Contributions in relation to the contractually required contribution	201,207	116,536	125,338	149,865	141,902	140,935	131,686	128,474	113,338
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 709,229	$ 518,926	$ 584,984	$ 629,788	$ 645,002	$ 600,869	$ 552,528	$ 538,066	$ 534,823
Contributions as a percentage of covered payroll	28.37%	22.46%	21.43%	23.80%	22.00%	23.46%	23.83%	23.88%	21.19%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases.

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 Measurement Date. The assumed investment rate of return remained at 7.30% for the June 30, 2019 valuation. The assumed investment rate of return was further reduced by 0.30% from 7.30% to 7.00% as of the June 30, 2020 actuarial valuation.

Douglas County Board of Health
Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability
State OPEB Plan

	2023	2022	2021	2020	2019	2018
Board's proportion of the net OPEB liability	0.017%	0.022%	0.020%	0.020%	0.020%	0.019%
Board's proportionate share of the net OPEB liability	$ 78,177	$ 59,138	$ 226,599	$ 253,278	$ 524,582	$ 789,825
Board's covered payroll during the measurement period	$ 518,182	$ 548,953	$ 579,861	$ 598,794	$ 559,426	$ 372,665
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	15.09%	10.77%	39.08%	42.30%	93.77%	211.94%
Plan fiduciary net position as a percentage of the total OPEB liability	80.03%	87.58%	59.71%	56.57%	31.48%	17.34%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Douglas County Board of Health
Required Supplementary Information
Schedule of Contributions
State OPEB Plan

	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 40,060	$ 28,133	$ 32,644	$ 30,301	$ 98,590	$ 100,597
Contributions in relation to the contractually required contribution	40,060	28,133	32,644	30,301	98,590	100,597
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 516,532	$ 518,182	$ 548,953	$ 579,861	$ 598,754	$ 559,426
Contributions as a percentage of covered payroll	7.76%	5.43%	5.95%	5.23%	16.47%	17.98%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Notes to Schedule:

Changes in assumptions:

- June 30, 2017 valuation: the June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the State OPEB fund based on their last employer payroll location: irrespective of retirement affiliation.
- June 30, 2019 valuation: The inflation assumption was lowered from 2.75% to 2.50% in anticipation of the upcoming ERS Experience Study. Additionally, decremental assumptions were changed to reflect the Teachers Retirement Systems experience study. Approximately 6.0% of employees are members of the Teachers Retirement System.
- The discount rate was updated from 3.09% as of June 30, 2016 to 3.60% as of June 30, 2017 to 5.22% as of June 30, 2018, to 7.30% as of June 30, 2019, and has remained at 7.00% as of June 30, 2020.

Douglas County Board of Health
Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability (Asset)
SEAD OPEB Plan

	2023	2022	2021	2020	2019	2018
Board's proportion of the net OPEB liability (asset)	0.150%	0.022%	0.026%	0.024%	0.027%	0.026%
Board's proportionate share of the net OPEB liability (asset)	$ (53,995)	$ (134,176)	$ (75,134)	$ (68,228)	$ (73,662)	$ (66,512)
Board's covered payroll during the measurement period	$ 150,462	$ 236,133	$ 318,300	$ 343,618	$ 376,778	$ 372,665
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	(35.89%)	(56.82%)	(23.60%)	(19.86%)	(19.55%)	(17.85%)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	138.03%	164.76%	129.20%	129.73%	129.46%	130.17%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Douglas County Board of Health
Required Supplementary Information
Schedule of Contributions
SEAD OPEB Plan

	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 180,280	$ 150,462	$ 236,133	$ 318,300	$ 343,618	$ 376,778
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Notes to Schedule:

Changes of assumptions:

On December 17, 2015, the Board of Trustees adopted recommended changes to the economic and demographic assumptions utilized by the Plan. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set forward 2 years for both males and females).

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 Measurement Date. The discount rate was updated from 3.09% as of June 30, 2016 to 3.60% as of June 30, 2017 to 5.22% as of June 30, 2018, to 7.30% as of June 30, 2019, and has remained at 7.00% as of June 30, 2020.

Douglas County Board of Health
Required Supplementary Information
Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual (Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Positive(Negative)
APPROPRIATED FUND BALANCE (CONTINGENCY)	$ (196,371)	$ (321,037)	$ -	$ 321,037
REVENUES				
State sources:				
Grant in aid	844,777	1,004,911	1,004,911	-
Local sources:				
County participating	61,744	61,744	59,171	(2,573)
County non-participating	824,230	848,256	350,829	(497,427)
Medicaid receipts	70,000	70,000	53,569	(16,431)
Medicare receipts	10,000	10,000	7,822	(2,178)
Medicaid DSPS receipts	21,000	21,000	13,881	(7,119)
Administrative claiming	160,000	160,000	274,418	114,418
Intra/inter agency transactions	262,700	515,679	515,679	-
Other local funds	17,000	17,000	15,990	(1,010)
EPSDT fees	48,000	48,000	24,374	(23,626)
Environmental fees	400,000	400,000	459,872	59,872
Outpatient fees	426,400	426,400	255,683	(170,717)
Donations	1,000	1,000	2,265	1,265
Total local sources	2,302,074	2,579,079	2,033,553	(545,526)
Interest income	-	-	20,008	20,008
TOTAL REVENUES	3,146,851	3,583,990	3,058,472	(525,518)

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Douglas County Board of Health
Required Supplementary Information
Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual (Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive(Negative)
EXPENDITURES				
Public Health:				
Current:				
Personal services:				
Salaries	812,225	874,082	724,057	150,025
Hourly labor	221,413	212,345	153,090	59,255
FICA	65,344	69,943	53,982	15,961
Retirement	251,871	271,053	239,120	31,933
Health insurance	252,045	270,264	217,125	53,139
Total personal services	1,602,898	1,697,687	1,387,374	310,313
Operating expenses:				
Travel expense	18,650	20,150	16,957	3,193
Printing and publications	4,200	4,139	1,402	2,737
Postage	1,225	1,265	848	417
Utilities	20,280	20,280	20,238	42
Contracted services	134,244	144,305	134,790	9,515
Communications	11,740	11,740	9,738	2,002
Repairs and maintenance	16,050	16,050	10,648	5,402
Supplies and materials	182,894	211,958	187,382	24,576
Other operating	117,389	116,856	90,262	26,594
Total operating expenses	506,672	546,743	472,265	74,478
Indirect costs	278,013	296,864	255,607	41,257
Intra/inter agency transactions	444,547	563,316	364,731	198,585
Capital outlay	118,350	158,343	70,430	87,913
TOTAL EXPENDITURES	2,950,480	3,262,953	2,550,407	712,546
Excess (deficiency) of revenues and appropriated fund balance over expenditures	$ -	$ -	$ 508,065	$ 508,065
Fund balance at beginning of year			3,564,181	
Fund balance at end of year			$ 4,072,246	

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COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S 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*

To the District Health Director and
Members of the Douglas County Board of Health

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 and major fund of Douglas County Board of Health, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated December 18, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Douglas County Board of Health's internal control over financial reporting (internal control) as a basis for designing 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 Douglas County Board of Health's internal control. Accordingly, we do not express an opinion on the effectiveness of Douglas County Board of Health's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Nichols, Cauley & Associates, LLC

Kennesaw, Georgia
December 18, 2023

OTHER SUPPLEMENTARY INFORMATION

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Douglas County Board of Health
Schedule of Revenues and Expenditures -- Budget and Actual
Public Health Program
For the Fiscal Year Ended June 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources:			
Grant in aid	$ 1,004,911	$ 1,004,911	$ -
Local sources:			
County participating	61,744	59,171	(2,573)
County non-participating	348,256	350,829	2,573
Medicaid receipts	70,000	53,569	(16,431)
Medicare receipts	10,000	7,822	(2,178)
Medicaid DSPS receipts	21,000	13,881	(7,119)
Administrative claiming	160,000	274,418	114,418
Intra/inter agency transactions	507,973	507,973	-
Other local funds	-	234	234
EPSDT fees	48,000	24,374	(23,626)
Environmental fees	400,000	459,872	59,872
Outpatient fees	426,400	255,683	(170,717)
Total local sources	2,053,373	2,007,826	(45,547)
Interest income	-	20,008	20,008
TOTAL REVENUES	3,058,284	3,032,745	(25,539)
OTHER FINANCING SOURCES			
Use of reserve	(122,850)	-	122,850

(continued on next page)

Douglas County Board of Health
Schedule of Revenues and Expenditures -- Budget and Actual
Public Health Program
For the Fiscal Year Ended June 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
Current:			
Personal services:			
Salaries	740,134	696,211	43,923
Hourly labor	108,729	128,411	(19,682)
FICA	58,193	51,607	6,586
Retirement	229,515	230,078	(563)
Health insurance	230,812	208,923	21,889
Total personal services	1,367,383	1,315,230	52,153
Operating expenses:			
Travel expense	15,550	12,197	3,353
Printing and publications	3,200	1,402	1,798
Postage	1,240	848	392
Utilities	20,000	19,945	55
Contracted services	143,296	134,003	9,293
Communications	11,200	9,738	1,462
Repairs and maintenance	16,000	10,638	5,362
Supplies and materials	201,364	181,827	19,537
Other operating	111,241	86,867	24,374
Total operating expenses	523,091	457,465	65,626
Indirect costs	264,625	247,741	16,884
Intra/inter agency transactions	563,316	364,731	198,585
Capital outlay	158,343	70,430	87,913
TOTAL EXPENDITURES	2,876,758	2,455,597	421,161
Excess (deficiency) of revenues and other financing sources over (under) expenditures	$ 58,676	$ 577,148	$ 518,472

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Douglas County Board of Health
Schedule of Revenues and Expenditures -- Budget and Actual
Douglas CARES
For the Fiscal Year Ended June 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources:			
County non-participating	$ 500,000	$ -	$ (500,000)
Total local sources	500,000	-	(500,000)
TOTAL REVENUES	500,000	-	(500,000)
OTHER FINANCING SOURCES			
Use of reserve	(230,346)	-	(230,346)
EXPENDITURES			
Current:			
Personal services:			
Salaries	93,317	-	93,317
Hourly labor	87,000	-	87,000
FICA	8,400	-	8,400
Retirement	28,938	-	28,938
Health insurance	27,486	-	27,486
Total personal services	245,141	-	245,141
Indirect costs	24,514	-	24,514
TOTAL EXPENDITURES	269,655	-	269,655
Excess (deficiency) of revenues and other financing sources over (under) expenditures	$ (1)	$ -	$ 1

Douglas County Board of Health
Schedule of Revenues and Expenditures -- Budget and Actual
Safe Kids Program
For the Fiscal Year Ended June 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources:			
Intra/inter agency transactions	$ 7,706	$ 7,706	$ -
Other local funds	17,000	15,756	(1,244)
Donations	1,000	2,265	1,265
Total local sources	25,706	25,727	21
TOTAL REVENUES	25,706	25,727	21
OTHER FINANCING SOURCES			
Use of reserve	32,159	-	(32,159)
EXPENDITURES			
Current:			
Personal services:			
Salaries	40,631	27,846	12,785
Hourly labor	16,616	24,679	(8,063)
FICA	3,350	2,375	975
Retirement	12,600	9,042	3,558
Health insurance	11,966	8,202	3,764
Total personal services	85,163	72,144	13,019
Operating expenses:			
Travel expense	4,600	4,760	(160)
Printing and publications	939	-	939
Postage	25	-	25
Utilities	280	293	(13)
Contracted services	1,009	787	222
Telecommunications	540	-	540
Repairs and maintenance	50	10	40
Supplies and materials	10,594	5,555	5,039
Other operating	5,615	3,395	2,220
Total operating expenses	23,652	14,800	8,852
Indirect costs	7,725	7,866	(141)
TOTAL EXPENDITURES	116,540	94,810	21,730
Excess (deficiency) of revenues and other financing sources over (under) expenditures	$ (58,675)	$ (69,083)	$ (10,408)

Douglas County Board of Health
Schedule of Auditor's Proposed Financial Settlement
For the Fiscal Year Ended June 30, 2023

	Balance at June 30, 2023	Adjustment made by DPH Grant-in-Aid Check (Note 1)	Balance After DPH Subsequent to Year End Adjustment
Due from (to) Georgia Department of Public Health (DPH):			
Programs FY23			
GIA and completed contracts:			
Public Health	$ 80,643	$ 80,643	$ -
Total due from (to) Georgia DPH	$ 80,643	$ 80,643	$ -

Note 1: Adjustments were made for Grant-in-Aid payments received from Georgia DPH from July 1 through July 31, 2023.

Note 2: Due from (to) DPH is presented on the balance sheet as follows:

Due from Georgia DPH	$ 80,643

Douglas County Board of Health
Schedule of State Contractual Assistance
For the Fiscal Year Ended June 30, 2023

Contract Number	Contract Period	Program Number	Program Name	Revenues	Expenditures	Due From
10100048-88	07/01/22- 06/30/23	001	Public Health	$1,004,911	$ 1,004,911	$ 80,643
			Total	$1,004,911	$ 1,004,911	$ 80,643

Douglas County Board of Health
Schedule of Changes in Fund Balance
For the Fiscal Year Ended June 30, 2023

	Operating Fund	Nonspendable Funds	Restricted Funds	Committed Funds	Assigned Funds	Unassigned Funds	Total
Fund balance at beginning of year	$ -	$ 48,712	$ 29,139	$ 135,000	$ 96,322	$ 3,255,008	$ 3,564,181
Additions:							
Revenues	3,058,472	-	-	-	-	-	3,058,472
Transfers-restricted funds	10,412	-	-	-	-	-	10,412
Transfers-unassigned funds	-	-	-	-	-	569,418	569,418
Transfers-committed funds	35,000	-	-	-	-	-	35,000
Transfers-assigned funds	27,832	-	-	-		-	27,832
Transfer - inventory	(11,891)	-	-	-	-	-	(11,891)
Deductions:							
Expenditures	(2,550,407)	-	-	-	-	-	(2,550,407)
Transfers-restricted funds	-	-	(10,412)	-	-	-	(10,412)
Transfers-unassigned funds	(569,418)	-	-	-	-	-	(569,418)
Transfers-committed funds	-	-	-	(35,000)	-	-	(35,000)
Transfers-assigned funds	-	-	-	-	(27,832)	-	(27,832)
Transfers-inventory	-	11,891	-	-	-	-	11,891
Fund balance at end of year	$ -	$ 60,603	$ 18,727	$ 100,000	$ 68,490	$ 3,824,426	$ 4,072,246