



District 2 Public Health

Pamela Logan, M.D., M.P.H., M.A., Health Director

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Banks, Dawson, Forsyth, Franklin, Habersham, Hall, Hart, Lumpkin, Rabun, Stephens, Towns, Union and White Counties

February 28, 2020

Lumpkin County Commission

c/o Allison Martin

99 Courthouse Hill

Suite D

Dahlonega, GA 30533

Dear Commissioners:

The Lumpkin County Health Department provides clinical and population-based services to all county residents. While much of our work is focused on meeting the needs of women and young children, the most vulnerable members of our society, we provide services that have a positive impact on every member of the community. However, we cannot provide any services without your support. The revenue you provide allows us to continue the vital work we do to save lives and save money by promoting greater health in our community.

Enclosed, please find the budget request package. To describe the impact of the health department on county residents, we have included a narrative of services provided. To provide insight on the financials at the health department, we have included the FY 2019 Lumpkin County Board of Health financial audit report, the Lumpkin County Board of Health year-end FY 2019 financials, and current financial statements. The FY 2021 proposed budget and budget narrative explain the budget approved by the Lumpkin County Board of Health on February 27, 2020. These documents will provide information on our request for funding.

Thank you for this opportunity to submit a budget request to you. We hope you have all the data you need for decision making, but if you need any additional information, please contact me. Thank you in advance for your careful consideration of this request.

Sincerely,

Pamela Logan, MD, MPH, MA

Narrative of Services Provided at the Lumpkin County Health Department

With the funding you provide, the Lumpkin County Health Department provides clinical and population-based public health services to county residents. During fiscal year 2019, the health department provided services to 2,930 clients, 9% of the county population.

The Lumpkin County Health Department offers many clinical services, but most clients take advantage of our immunization services. The health department provides immunizations to children and adults. These vaccinations allow families to comply with school immunization rules, and they help to maintain county residents in good health.

The second most popular program is the Women, Infants, and Children (WIC) Program. This program provides vouchers for nutritious foods, health care referrals, and nutrition education for women and children up to five years of age. Our client base is comprised primarily of children and younger adults because the health department offers many services for individuals in this age range that are critical for sustaining a long and healthy life. Family planning is a frequently-used clinical service in the health department. Nurses provide clients with education, physical exams, and resources for family planning. However, once clients decide to start a family, the health department offers peri natal case management for pregnant clients and well-child physical exams for young people up to twenty-one years of age. Children with special needs are also provided case management services and access to numerous specialized providers through health department programs including Babies Can't Wait, Children's First, and Children's Medical Services.

The health department also offers preventive clinical services for older adults. Blood pressure checks and diabetes screenings help adults to identify these chronic diseases early and monitor their progress on life-sustaining medications. Client education helps county residents learn to prevent or efficiently manage chronic health conditions. Screenings for breast and cervical cancer also allow early detection and treatment of these conditions, and such screenings save lives. The health department also offers testing, education, and treatment for communicable diseases, including sexually transmitted diseases, HIV, and tuberculosis. Managing these conditions efficiently helps keep county residents healthy.

In addition to clinical services for individuals, the health department offers many services that benefit the entire community, including individuals who never enter the health department. Our emergency preparedness program works to ensure all county residents have access to safe shelters, preventive services, and necessary supplies during emergency conditions. Our health promotion program allows us to conduct community outreach efforts to educate the community about physical activity, healthy eating, and tobacco use prevention, and our epidemiology program allows us to collect and analyze data on disease rates in the county.

Although these community programs are comprehensive, the largest program the health department offers to the entire community is environmental health services (EHS). Through our EHS program, the health department provides inspections of public establishments including restaurants, hotels, swimming pools, and body art establishments. The EHS program also inspects individual drinking water supply systems and on-site sewage management systems for residential and commercial use. EHS staff also investigate animal bites and track the presence of rabies disease in the community.

As you can clearly see, the health department provides services to every resident in the county. While many county residents choose to visit the health department for our exceptional clinical services, others who never come into our facility also benefit from our community outreach and prevention efforts. The health department has an impact on everyone in the county, from the youngest to the oldest members of our community. Our work is vital to the health of the county. We save lives, and we save money by helping residents to stay healthy. Please help us continue the important work we do.

LUMPKIN COUNTY BOARD OF HEALTH
 MONTHLY CASH BALANCE
 FOR THE TWELVE MONTHS ENDING JUNE 30, 2019

	<u>P-T-D</u>	<u>Y-T-D</u>
	<u>Actual</u>	<u>Actual</u>
	<u>2019</u>	<u>2019</u>
REVENUE	<u>\$175,589.74</u>	<u>\$915,436.58</u>
TOTAL REVENUES (NOT INCLUDING FUND EQUITY)	<u>175,589.74</u>	<u>915,436.58</u>
EXPENSES	<u>72,917.96</u>	<u>825,908.76</u>
TOTAL EXPENSES	<u>72,917.96</u>	<u>825,908.76</u>
REVENUE OVER EXPENSES	<u>102,671.78</u>	<u>89,527.82</u>

LUMPKIN COUNTY BOARD OF HEALTH
REVENUE AND EXPENDITURE REPORT
FOR THE TWELVE MONTHS ENDING JUNE 30, 2019

	CURRENT MONTH	ANNUAL BUDGET	Y-T-D ACTUAL	REMAINING % BUDGET	BALANCE
REVENUES					
COUNTY PART	0.00	15,365.00	15,365.00	100%	0.00
COUNTY NON - PART	17,433.25	193,834.00	193,834.00	100%	0.00
DONATIONS	0.00	0.00	20.00	0%	(20.00)
FAMILY PLANNING FEES	(797.60)	10,000.00	0.00	0%	10,000.00
CLIENT FEES	2,255.05	40,000.00	38,321.27	96%	1,678.73
DENTAL FEES	0.00	0.00	1,274.00	0%	(1,274.00)
INTRAVINTER AGENCY TRANS	0.00	0.00	42,608.40	0%	(42,608.40)
CONTRACTS - OTHER PART	2,161.25	8,190.00	9,245.00	113%	(1,055.00)
CONTRACTS - ENV HLTH.	0.00	24,857.00	0.00	0%	24,857.00
CONTRACTS - CLINICAL/AD	3,985.84	21,756.00	12,056.98	55%	9,699.02
ENVIRONMENTAL HEALTH	14,445.00	105,000.00	106,715.00	102%	(1,715.00)
OTHER LOCAL FUNDS	0.00	300.00	11,816.36	3939%	(11,516.36)
OTHR LOC - ADMIN CLAIMIN	46,101.09	17,296.00	46,101.09	267%	(28,805.09)
M'CAID - HEALTH CHECK	225.90	3,000.00	3,597.05	120%	(597.05)
M'CAID - DSPS	412.76	8,000.00	5,770.12	72%	2,229.88
M'CAID - DENTAL	6,364.41	84,303.00	80,548.37	96%	3,754.63
M'CAID - PCM	290.40	5,000.00	3,484.80	70%	1,515.20
M'CAID - FAMILY PLANNING	(1,303.27)	10,000.00	0.00	0%	10,000.00
MEDICARE	71.24	22,000.00	15,617.26	71%	6,382.74
MEDICARE - PART D	0.00	1,000.00	1,619.58	162%	(619.58)
PRIVATE INSURANCE	1,543.68	25,000.00	30,348.30	121%	(5,348.30)
INSURANCE - FAMILY PLAN	(1,629.26)	5,000.00	0.00	0%	5,000.00
GRANT IN AID	84,030.00	297,094.00	297,094.00	100%	0.00
FUND EQUITY	0.00	0.00	66,613.00	0%	(66,613.00)
TOTAL REVENUES	175,589.74	896,995.00	982,049.58	109%	(85,054.58)
EXPENDITURES					
SALARIES	33,138.94	386,299.00	364,610.08	94%	21,688.92
EMPLOYER FICA	2,366.11	29,552.00	25,885.03	88%	3,666.97
EMPLOYER RETIREMENT	8,211.87	95,841.00	90,350.68	94%	5,490.32
EMPLOYER HEALTH INS	9,274.47	117,644.00	99,950.73	85%	17,693.27
TRAVEL	189.08	3,000.00	4,218.86	141%	(1,218.86)
RENTAL OF EQUIPMENT	400.00	5,000.00	5,195.40	104%	(195.40)
CONTRACTED SERV - DENT	6,725.33	90,999.00	72,814.62	80%	18,184.38
CONTRT SERV - CLINICAL/ADMIN	0.00	0.00	3,704.16	0%	(3,704.16)
SUPPLIES & MATERIALS	1,600.27	8,000.00	7,357.87	92%	642.13
PRINTING	377.38	800.00	692.82	87%	107.18
TELE-COMMUNICATIONS	441.23	6,500.00	6,626.46	102%	(126.46)
POSTAGE	45.70	2,000.00	1,458.12	73%	541.88
UTILITIES	910.23	13,000.00	9,739.26	75%	3,260.74
REPAIRS & MAINTENANCE	810.00	26,500.00	24,719.42	93%	1,780.58
PHARMACEUTICALS	4,534.97	40,000.00	49,328.65	123%	(9,328.65)
OTHER OPERATING EXPEN	852.39	8,000.00	8,473.12	106%	(473.12)
DIRECT BENEFIT TO CLIEN	25.00	200.00	51.02	26%	148.98
INDIRECT COST	2,669.59	47,495.00	32,035.00	67%	15,460.00
AUDIT EXPENSE	0.00	3,465.00	3,250.00	94%	215.00
EQUIP NP (\$1,000 TO \$4,999.99)	0.00	2,500.00	1,143.10	46%	1,356.90
SUPPLIES & MATER - NON	296.40	2,500.00	7,114.06	285%	(4,614.06)
REPAIRS & MAINT - NON PART	0.00	2,500.00	2,244.83	90%	255.17
VEHICLE MAINT- NON PART	0.00	2,000.00	1,538.27	77%	461.73
OTHER OPERATING - NON	49.00	3,000.00	3,307.20	110%	(307.20)
COMPUTER SOFTWARE-NON PART	0.00	200.00	100.00	50%	100.00
TOTAL EXPENDITURES	72,917.96	896,995.00	825,908.76	92%	71,086.24
EXCESS REVENUE OVER EXP	102,671.78	0.00	156,140.82	0%	(156,140.82)

**Balance Sheet
As of 6/30/2019**

LUMPKIN COUNTY BOARD OF HEALTH (093)

Assets			
Current Assets			
101-000-000	CASH IN BANK	\$	845,838.46
110-000-000	PETTY CASH	\$	100.00
111-000-000	CHANGE FUND	\$	150.00
120-000-000	ACCOUNTS RECEIVABLE	\$	53,985.39
121-000-000	ACCOUNTS RECEIVABLE-DPH	\$	57,397.00
	Total Current Assets:		\$ 957,470.85
Fixed Assets			
140-000-000	EQUIPMENT ASSETS	\$	12,473.16
	Total Fixed Assets:		\$ 12,473.16
	Total Assets:		<u>\$ 969,944.01</u>
Liabilities			
Current Liabilities			
201-000-000	ACCOUNTS PAYABLE	\$	3,656.77
231-000-000	DUE TO DPH	\$	26,366.67
260-000-000	EQUIPMENT ACCRUED	\$	12,473.16
	Total Current Liabilities:		\$ 42,496.60
	Total Liabilities:		\$ 42,496.60
Fund Balances			
280-000-000	OPERATING FUND BALANCE	\$	771,306.59
280-000-000	Retained Earnings-Current Year	\$	156,140.82
	Total Fund Balances:		\$ 927,447.41
	Total Liabilities & Fund Balances:		<u>\$ 969,944.01</u>

LUMPKIN COUNTY BOARD OF HEALTH
 MONTHLY CASH BALANCE
 FOR THE EIGHT MONTHS ENDING FEBRUARY 29, 2020

	<u>P-T-D</u>	<u>Y-T-D</u>
	<u>Actual</u>	<u>Actual</u>
	<u>2020</u>	<u>2020</u>
REVENUE	<u>\$66,500.14</u>	<u>\$525,426.14</u>
TOTAL REVENUES (NOT INCLUDING FUND EQUITY)	66,500.14	525,426.14
EXPENSES	<u>66,455.33</u>	<u>604,802.03</u>
TOTAL EXPENSES	<u>66,455.33</u>	<u>604,802.03</u>
REVENUE OVER EXPENSES	<u>44.81</u>	<u>(79,375.89)</u>

LUMPKIN COUNTY BOARD OF HEALTH
REVENUE AND EXPENDITURE REPORT
FOR THE EIGHT MONTHS ENDING FEBRUARY 29, 2020

	CURRENT MONTH	ANNUAL BUDGET	Y-T-D ACTUAL	REMAINING % BUDGET	BALANCE
REVENUES					
COUNTY PART	0.00	15,365.00	15,365.00	100%	0.00
COUNTY NON - PART	17,433.25	193,834.00	124,101.00	64%	69,733.00
FAMILY PLANNING FEES	(402.83)	10,000.00	833.57	8%	9,166.43
CLIENT FEES	2,634.83	45,000.00	29,248.62	65%	15,751.38
DENTAL FEES	304.00	550.00	1,130.00	205%	(580.00)
INTRA/INTER AGENCY TRA	2,813.94	32,934.00	24,525.87	74%	8,408.13
CONTRACTS - OTHER PARTIES	0.00	8,645.00	4,322.50	50%	4,322.50
CONTRACTS - ENV HLTH.	0.00	31,794.00	6,098.04	19%	25,695.96
CONTRACTS - CLINICAL/AD	4,427.57	22,191.00	8,014.79	36%	14,176.21
ENVIRONMENTAL HEALTH	8,320.00	113,000.00	71,100.00	63%	41,900.00
OTHER LOCAL FUNDS	888.36	12,000.00	9,332.39	78%	2,667.61
OTHR LOC - ADMIN CLAIMING	0.00	50,245.00	0.00	0%	50,245.00
M'CAID - HEALTH CHECK	167.00	5,000.00	3,341.02	67%	1,658.98
M'CAID - DSPS	153.73	6,000.00	3,696.46	62%	2,303.54
M'CAID - DENTAL	2,939.13	87,115.00	47,443.29	54%	39,671.71
M'CAID - PCM	72.60	5,000.00	1,524.60	30%	3,475.40
M'CAID - FAMILY PLANNING	(698.74)	12,000.00	652.86	5%	11,347.14
MEDICARE	430.69	22,000.00	11,613.85	53%	10,386.15
MEDICARE - PART D	0.00	1,500.00	2,984.10	199%	(1,484.10)
PRIVATE INSURANCE	1,713.12	25,000.00	34,579.27	138%	(9,579.27)
INSURANCE - FAMILY PLAN	298.49	2,000.00	493.91	25%	1,506.09
GRANT IN AID	25,005.00	267,666.00	125,025.00	47%	142,641.00
FUND EQUITY	0.00	70,440.00	0.00	0%	70,440.00
TOTAL REVENUES	66,500.14	1,039,279.00	525,426.14	51%	513,852.86
EXPENDITURES					
SALARIES	29,260.93	461,576.00	258,764.60	56%	202,811.40
EMPLOYER FICA	2,060.17	35,311.00	18,437.64	52%	16,873.36
EMPLOYER RETIREMENT	7,192.33	114,378.00	62,319.66	54%	52,058.34
EMPLOYER HEALTH INS	8,618.49	140,568.00	76,577.58	54%	63,990.42
TRAVEL	0.00	3,500.00	1,844.82	53%	1,655.18
RENTAL OF EQUIPMENT	400.00	6,000.00	3,703.07	62%	2,296.93
CONTRACTED SERV - DENT	7,507.55	92,411.00	46,365.34	50%	46,045.66
SUPPLIES & MATERIALS	429.33	7,800.00	6,145.50	79%	1,654.50
PRINTING	137.55	1,000.00	220.36	22%	779.64
TELE-COMMUNICATIONS	366.97	7,000.00	3,191.27	46%	3,808.73
POSTAGE	13.00	1,500.00	823.81	55%	676.19
UTILITIES	979.70	11,000.00	6,526.78	59%	4,473.22
REPAIRS & MAINTENANCE	3,121.05	27,000.00	20,264.79	75%	6,735.21
PHARMACEUTICALS	1,861.10	45,000.00	52,996.16	118%	(7,996.16)
OTHER OPERATING EXPEN	835.06	9,000.00	6,514.66	72%	2,485.34
DIRECT BENEFIT TO CLIENTS	0.00	200.00	58.00	29%	142.00
INDIRECT COST	3,229.25	49,770.00	25,834.00	52%	23,936.00
AUDIT EXPENSE	0.00	3,465.00	3,400.00	98%	65.00
EQUIP NP (\$1,000 TO \$4,999.99)	0.00	10,000.00	2,286.20	23%	7,713.80
SUPPLIES & MATER - NON PART	0.00	2,500.00	2,751.10	110%	(251.10)
REPAIRS & MAINT - NON PA	195.00	3,600.00	2,615.00	73%	985.00
VEHICLE MAINT- NON PART	156.42	2,000.00	1,287.10	64%	712.90
OTHER OPERATING - NON	91.43	4,500.00	1,874.59	42%	2,625.41
COMPUTER SOFTWARE-NON PART	0.00	200.00	0.00	0%	200.00
TOTAL EXPENDITURES	66,455.33	1,039,279.00	604,802.03	58%	434,476.97
EXCESS REVENUE OVER EXP	44.81	0.00	(79,375.89)	0%	79,375.89

Balance Sheet
As of 2/29/2020

LUMPKIN COUNTY BOARD OF HEALTH (093)

Assets

Current Assets

101-000-000	CASH IN BANK	\$	935,798.99	
110-000-000	PETTY CASH	\$	100.00	
111-000-000	CHANGE FUND	\$	150.00	
	Total Current Assets:			\$ 936,048.99

Fixed Assets

140-000-000	EQUIPMENT ASSETS	\$	12,473.16	
	Total Fixed Assets:			\$ 12,473.16

Total Assets:				\$ 948,522.15
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Liabilities

Current Liabilities

201-000-000	ACCOUNTS PAYABLE	\$	1,697.06	
231-000-000	DUE TO DPH	\$	24,755.13	
260-000-000	EQUIPMENT ACCRUED	\$	12,473.16	
	Total Current Liabilities:			\$ 38,925.35

Total Liabilities:				\$ 38,925.35
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Fund Balances

280-000-000	Retained Earnings-Current Year	\$	-79,375.89	
280-000-000	OPERATING FUND BALANCE	\$	988,972.69	

Total Fund Balances:				\$ 909,596.80
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Total Liabilities & Fund Balances:				\$ 948,522.15
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Lumpkin County Budget Narrative for FY 2021

The budget for FY 2021 includes many innovative cost savings. We are continuing to identify ways to conserve resources while expanding service provision. Thus, all staffing decisions and expenditures are closely reviewed in the context of available resources.

The Governor's budget for FY 2020 allocated \$275,057 for the Lumpkin County Health Department. Although we have not received the approved allocation for FY 2021, our budget projections suggest that funding will remain at the FY2020 budgeted level in FY 2021.

In consultation with management at Lumpkin County Health Department, the following revenue line items in the proposed FY 2021 budget were adjusted one percent or more, based upon realized revenue in FY 2019 and FY 2020:

- Contracts—Clinical was increased by \$16,901 to reflect shared staffing at our health departments.
- Other Local Funds—Administration Claiming was increased by \$16,873 to reflect actual revenue received for administration of Medicaid.
- Private Insurance was increased by \$21,000 to reflect increased revenue from this payor source.
- Fund Equity was decreased by \$63,049 to reflect the lack of need for fund equity in the FY 2021 budget.

Total revenue is projected to be \$1,025,171 for FY 2021. This figure assumes that the County will provide the same level of financial support as in FY 2020: \$209,199.

In consultation with management at Lumpkin County Health Department, the following expenditure line items in the budget were adjusted one percent or more based upon actual expenditures in FY 2019 and FY 2020:

- Salaries and Fringe was decreased by \$21,942 collectively. This decrease reflects efficiencies in staffing.

Total expenditures are projected to be \$1,025,171 for FY 2021.

**LUMPKIN COUNTY HEALTH DEPARTMENT
FY2021 BUDGET
Board of Health Approved: 3/27/2020**

REVENUES	FY2020 BUDGET	FY2021 BUDGET	BUDGET DIFFERENCE
COUNTY PARTICIPATING	15,365	15,365	0
COUNTY NON-PARTICIPATING	193,834	193,834	0
FAMILY PLANNING FEES	10,000	12,000	2,000
CLIENT FEES	45,000	45,000	0
DENTAL FEES	550	550	0
INTRA/INTER AGENCY	32,934	29,038	(3,896)
CONTRACTS -OTHER PARTIES	8,645	8,645	0
CONTRACTS-ENVIRONMENTAL HEALTH	31,794	24,857	(6,937)
CONTRACTS-CLINICAL	22,191	39,092	16,901
ENVIRONMENTAL HEALTH	113,000	115,000	2,000
OTHER LOCAL FUNDS	12,000	20,000	8,000
OTHER LOCAL FUNDS - ADMINISTRATION CLAIMING	50,245	67,118	16,873
MEDICAID HEALTH CHECK	5,000	5,000	0
MEDICAID DSPS	6,000	6,000	0
MEDICAID DENTAL	87,115	87,115	0
MEDICAID PCM	5,000	3,000	(2,000)
MEDICAID FAMILY PLANNING	12,000	10,000	(2,000)
MEDICARE	22,000	12,000	(10,000)
MEDICARE PART D	1,500	3,500	2,000
PRIVATE INSURANCE	25,000	46,000	21,000
INSURANCE - FAMILY PLANNING	2,000	7,000	5,000
GRANT IN AID	275,057	275,057	0
FUND EQUITY	63,049	0	(63,049)
TOTAL REVENUES	\$ 1,039,279	\$ 1,025,171	\$ (14,108)
EXPENDITURES			
SALARIES	461,576	450,873	(10,703)
FICA	35,311	34,492	(819)
RETIREMENT	114,378	111,726	(2,652)
HEALTH	140,568	132,800	(7,768)
TRAVEL	3,500	4,000	500
RENTAL OF EQUIPMENT	6,000	6,000	0
CONTRACTED SERVICES - DENTAL	92,411	92,411	0
SUPPLIES & MATERIALS	7,800	9,000	1,200
PRINTING	1,000	800	(200)
TELECOMMUNICATIONS	7,000	5,000	(2,000)
POSTAGE	1,500	1,500	0
UTILITIES	11,000	11,000	0
REPAIRS & MAINTENANCE	27,000	27,000	0
PHARMACEUTICALS	45,000	55,000	10,000
OTHER OPERATING	9,000	9,000	0
DIRECT BENEFIT TO CLIENTS	200	200	0
INDIRECT COST	49,770	56,429	6,659
AUDIT EXPENSE	3,465	3,740	275
EQUIPMENT NONPARTICIPATING <\$5,000	10,000	2,500	(7,500)
SUPPLIES & MATERIALS NONPARTICIPATING	2,500	2,500	0
REPAIRS & MAINTENANCE NONPARTICIPATING	3,600	4,000	400
VEHICAL MAINTENANCE NONPARTICIPATING	2,000	2,000	0
OTHER OPERATING NONPARTICIPATING	4,500	3,000	(1,500)
COMPUTER SOFTWARE NONPARTICIPATING	200	200	0
TOTAL EXPENDITURES	\$ 1,039,279	\$ 1,025,171	\$ (14,108)
EXCESS REVENUE OVER EXPENDITURES	\$ -	\$ -	\$ -

District 2 Public Health

Lumpkin County Health Department Annual Report

Fiscal Year 2019

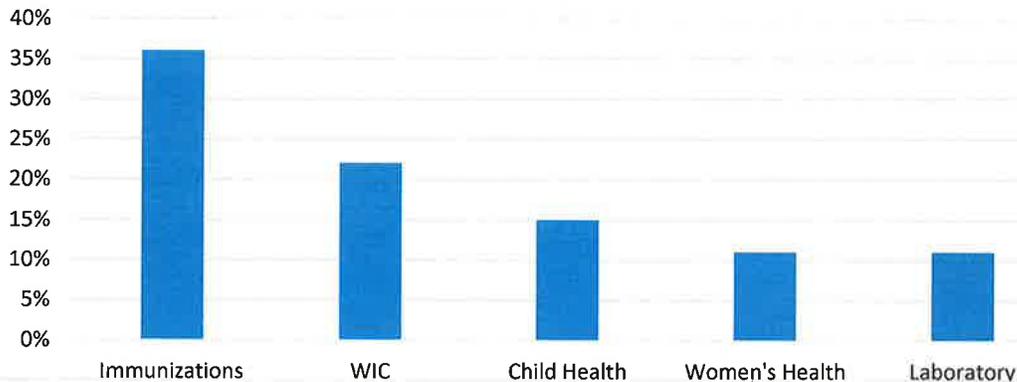
During FY 2019, The Lumpkin County Health Department staff provided service to 2,930 unique clients, about 9% of the Lumpkin County population.* These services were provided during 5,006 patient visits.

Top Five Health Department Clinical Services

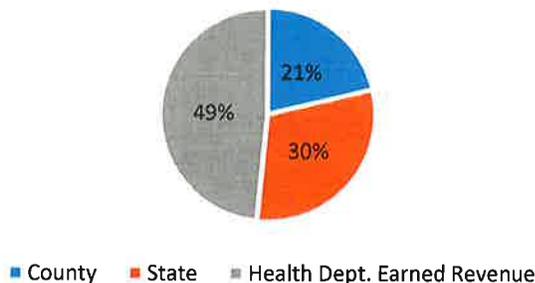
The most utilized Health Department clinical services address the needs of women and young children. Health Department clinical services generate a significant amount of the revenue required to cover health department expenses.

- Immunizations and Travel Clinic: Vaccines for children and adults
- Women, Infants, and Children (WIC): Nutrition education and vouchers for food
- Child Health: Health screenings, infant and child wellness checkups and dental care
- Laboratory: PPDs, pregnancy tests, blood draws
- Women’s Health: Maternity care, annual exams, cancer screening and family planning

Top Health Department Services



Lumpkin County Revenue FY 2019



www.phdistrict2.org

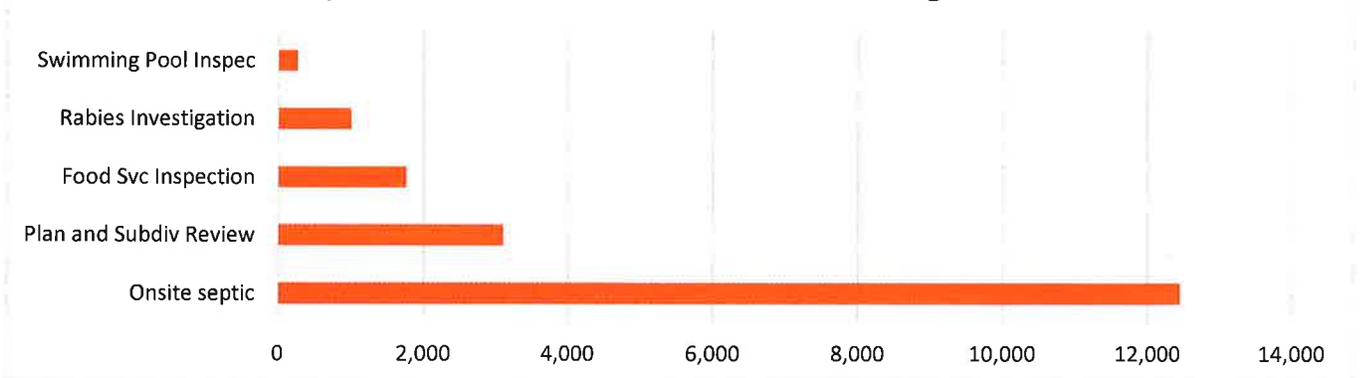
Our Mission: To prevent disease, injury and disability; promote health and well-being; and prepare for and respond to disasters

District 2 Top Five Health Department Community Services

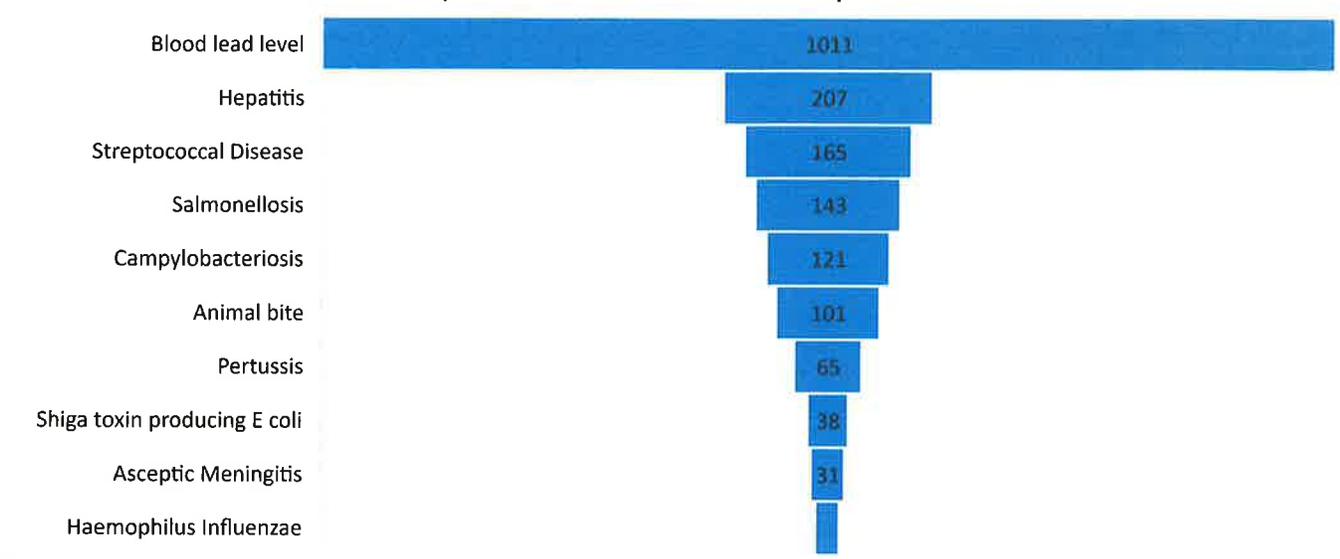
Health Departments in District 2 provide community-level services for all District 2 residents, even those who never enter one of our 13 health department buildings. These community-level services include:

- Environmental Health: Restaurant, pool, and tourist accommodation inspections, on-site sewage evaluations, rabies investigations
- Emergency Preparedness: Public health planning and training for emergencies and threats, emergency shelter coordination and hospital emergency response coordination
- Epidemiology: Surveillance and investigation of notifiable diseases including measles, flu, Hepatitis, and HIV
- Health Promotion: Community health education and prevention projects including tobacco and vaping prevention, teen pregnancy prevention, and cancer prevention
- Vital Records: Birth and death certificates for Georgia residents

District 2 Top Environmental Health Concerns Managed in FY 2019



District 2 Top Notifiable Conditions Reported in FY 2019



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District 2 Innovation During FY 2019

1. Community Outreach, Collaboration, and Service

a. Community Health Needs Assessment (CHNA)

District 2 engaged in its first CHNA during fiscal year 2019. We partnered with local hospitals to conduct surveys and personal interviews of residents to better understand their health needs and receive their recommendations for areas of focus. We are now collaborating with local hospitals to address the recommendations of our residents.

CHNA Recommended Health Needs to be Addressed

- Substance Abuse: Residents want solutions to the opioid epidemic
- Chronic Disease Prevention— Residents want us to address increasing rates of diabetes and hypertension and recommend ways to increase physical activity
- Access to care: Residents want us to assist with their access to clinical care
- Access to maternal and child health services: Residents want us to decrease infant/child mortality, improve maternal outcomes, and decrease teen pregnancy
- Mental Health Services Access—Residents want us to provide access to mental health services and help to eliminate the stigma associated with accessing these services

b. Infectious Disease Outreach Event

District 2 held its first Infectious Disease Outreach Event in Stephens County during fiscal year 2019. At this event, residents were offered free Tuberculosis testing, HIV testing, prevention counseling, and vouchers for nutritious foods. Throughout the District, our focus is on promoting collaborations that will allow us to expand the services we offer and meet the needs of residents.

c. WIC Program extended hours

To improve access to care, the WIC program has extended hours at the health department in Hall County to 7 PM four nights per week. This allows clients greater access to care at times that are convenient for their needs.

2. Physical Plant Maintenance

Health Departments in Banks County, Stephens County, and Forsyth County were renovated during fiscal year 2019. These renovations will allow staff to provide client

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care with greater efficiency. Plans for renovations were also developed for the Hall County and Dawson County health departments.

3. Technology Upgrades

District 2 upgraded all computers to Windows 10 during fiscal year 2019. This update will allow us to maintain Microsoft support, ensure ongoing security protections, and provide faster service.

4. Operations Upgrade

District solicited bids and selected a provider for an electronic time and attendance and payroll system. This will allow us to automate much of the work in Human Resources and increase the efficiency of those staff.

New Staff Positions Added During FY 2019

Adding key staff members has allowed the District to expand the service it provides to residents and provide service in a more efficient manner. Some staffing changes have allowed the District to integrate experienced staff into positions that needed such employees.

1. Float Immunizations Nurse—provides immunizations throughout the District
2. Infectious Disease Coordinator—coordinates all infectious disease prevention efforts in the District
3. BCCP Client Navigator—Encourages women to receive breast and cervical cancer screening in the District
4. Opioid Prevention Program Coordinator—tracks opioid overdoses in the District to save lives
5. Hypertension and Diabetes Nurse—diagnoses and treats hypertension and diabetes

District 2 Goals for FY 2020

- PrEP Clinic—Open clinic to provide medication that will prevent HIV among exposed individuals
- Hypertension and Diabetes Clinic—Open clinic to diagnose and treat hypertension and diabetes
- School Collaborations—expand high school collaboration to provide Meningitis vaccines to high school students and expand other immunization provision
- Internship Program—initiate an internship program that will introduce students to public health and District 2 through engaging public health experiences
- Initiate Electronic time and attendance and payroll system

* U. S. Census Bureau Quick Facts 2018: Lumpkin County population: 32,955; 13.9% persons in poverty

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Our Mission: To prevent disease, injury and disability; promote health and well-being; and prepare for and respond to disasters

**LUMPKIN COUNTY HEALTH DEPARTMENT
PUBLIC HEALTH PROGRAM
AUDIT REPORT
FOR THE PERIOD
July 1, 2018 – June 30, 2019**

*Bull and Bull CPAs, P.C.
Gainesville, Georgia*

LUMPKIN COUNTY HEALTH DEPARTMENT
PUBLIC HEALTH PROGRAM
AUDIT REPORT
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Management's Discussion and Analysis

This section of Lumpkin County Health Department's annual financial report presents our discussion and analysis of the Department's financial performance during the fiscal year that ended on June 30, 2019. Please read it in conjunction with the Department's financial statements which follow this section.

The Lumpkin County Health Department is a component unit of Lumpkin County, which is subject to the reporting requirements of GASB Statement No. 34.

FINANCIAL HIGHLIGHTS

The Department's total net position increased in FY19 by \$291,081.

The Department's revenues for the year were \$94,942 more than budgeted. Expenditures were \$68,534 less than budgeted.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Department:

The first two statements are government-wide financial statements that provide both long-term and short-term information about the Department's overall financial status.

The remaining statements are fund financial statements that focus on reporting operations in more detail than the government-wide statements.

The governmental funds statements tell how services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the Department as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Department's net position and how they have changed. Net position – the difference between the assets and liabilities – is one way to measure the Department's financial health, or position.

Over time, increases or decreases in the Department's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the Department you need to consider additional nonfinancial factors such as changes in the fee structure and the likelihood of continued growth.

Fund Financial Statements

The fund financial statements provide more detailed information about the Department's operating fund – not the Department as a whole. Funds are accounting devices that the Department uses to keep track of specific sources of funding and spending for particular purposes.

The Department has only one kind of fund:

Governmental funds – all of the basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance its programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE

Net Position

The Department's combined net position increased by \$292,081 in FY19.

The total net position amount of \$37,827 is approximately 4.22% of the annual budget requirement (FY19).

Governmental Activities

Revenues for the Department's activities decreased by 4.8% in FY19, while total expenditures decreased by 0.5%.

FINANCIAL ANALYSIS OF THE DEPARTMENT'S FUNDS

As the Department completed the year, its' governmental fund balance of \$934,796 increased by 18.5%.

Each year, the Georgia DPH provides grant funds to the Department for general operations. In FY19, the amount was \$297,094 which made up 33.1% of the year's budget.

General Fund Budgetary Highlights

Over the course of the year, the budget was revised one time. The adjustment was done near the end of the fiscal year to adjust final budget amounts to actual.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Department's policy is to capitalize all non-expendable property costing \$5,000 or more and having a useful life in excess of one year. Using this definition for equipment, the capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental activities:				
Equipment	\$ 12,473	\$ 0	\$ 0	\$ 12,473
Less Accumulated Depreciation	(11,046)	(714)	0	(11,760)
	<u>\$ 1,427</u>	<u>(\$ 714)</u>	<u>\$ 0</u>	<u>\$ 713</u>

Building and land costs are not included since these are owned by the County government.

Noncurrent Liabilities

The Department's noncurrent liability at June 30, 2019 was for compensated absences, net pension liability, and net OPEB liability in the amount of \$828,770.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Budgeted expenditures are expected to increase slightly in FY20. No major new programs or initiatives have been added to the 2020 budget.

CONTACTING THE DEPARTMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers and customers with a general overview of the Department's finances and to demonstrate the Department's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District 2 Accounting Office, 1280 Athens Street, Gainesville, Georgia 30507.

Bull and Bull CPAs, P.C.

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P.O. BOX 697
GAINESVILLE, GEORGIA 30503

(770) 536-0209

INDEPENDENT AUDITOR'S REPORT

To the Lumpkin County Board of Health
Dahlonega, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lumpkin County Health Department, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Lumpkin County Health Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lumpkin County Health Department, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-4 and 30 and the schedules on pages 32 through 37 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lumpkin County Health Department's basic financial statements. The statement of financial settlement, findings and recommendations, schedule of state contractual assistance, and statement of changes in fund balance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement of financial settlement, findings and recommendations, schedule of state contractual assistance, and statement 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 statement of financial settlement, findings and recommendations, schedule of state contractual assistance, and statement of changes in fund balance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2019, on our consideration of Lumpkin County Health Department's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with Government Auditing Standards in considering Lumpkin County Health Department's internal control over financial reporting and compliance.

Bull & Bull

Bull & Bull CPAs, P.C.
Gainesville, GA
October 31, 2019

LUMPKIN COUNTY HEALTH DEPARTMENT
Public Health Program
Statement of Net Position
June 30, 2019

ASSETS	
Current Assets	
Cash and Investments	\$ 880,653.66
Accounts Receivable-Other	29,280.89
Accounts Receivable-DPH	31,030.33
Total Current Assets	940,964.88
Other Assets	
Other Capital Assets, Net of Accumulated Depreciation	713.58
Total Other Assets	713.58
TOTAL ASSETS	941,678.46
DEFERRED OUTFLOW OF RESOURCES	234,584.52
LIABILITIES	
Current Liabilities	
Account Payables	6,169.09
Compensated Absences Due Within One Year	39,100.00
Total Current Liabilities	45,269.09
Noncurrent Liabilities	
Compensated Absences Due After One Year	6,599.89
Net Pension Liability	543,520.00
Net OPEB Liability	278,650.00
Total Noncurrent Liabilities	828,769.89
TOTAL LIABILITIES	874,038.98
DEFERRED INFLOW OF RESOURCES	264,397.00
NET POSITION	
Invested in Capital Assets, Net of Related Debt	713.58
Restricted	-
Unrestricted	37,113.42
TOTAL NET POSITION	\$ 37,827.00

See accompanying notes to financial statements.

LUMPKIN COUNTY HEALTH DEPARTMENT
Public Health Program
Statement of Activities
For the Year Ended June 30, 2019

EXPENDITURES / EXPENSES

Current:

Personal Services	\$ 433,773.75
Indirect Cost (Local Funds)	32,035.00
Other Operating	210,004.47
Equipment Rental and Purchase	<u>6,338.50</u>

TOTAL EXPENDITURES / EXPENSES	<u>682,151.72</u>
-------------------------------	-------------------

REVENUES

Grant Funds - State of Georgia	297,094.00
Charges for Services	295,850.67
County Funds	209,199.00
Contracts	21,301.98
Other Local Funds	59,269.66
Interagency Revenue	<u>42,608.40</u>

TOTAL REVENUES	<u>925,323.71</u>
----------------	-------------------

INCREASE IN NET POSITION	243,171.99
--------------------------	------------

Special items

Prior Year Revenue Refunds	9,416.21
Prior Year Expenditures	(1,782.56)
Prior Year Revenue-Admin Claiming	<u>41,274.98</u>

NET INCREASE IN NET POSITION	292,080.62
------------------------------	------------

NET POSITION - BEGINNING OF THE YEAR	<u>(254,253.62)</u>
--------------------------------------	---------------------

NET POSITION- END OF THE YEAR	<u><u>\$ 37,827.00</u></u>
-------------------------------	----------------------------

See accompanying notes to financial statements.

LUMPKIN COUNTY HEALTH DEPARTMENT

Public Health Program

Balance Sheet

June 30, 2019

	General Fund
ASSETS AND OTHER DEBITS	
Cash in Bank and on Hand	\$ 880,653.66
Accounts Receivable-Other	29,280.89
Accounts Receivable-DPH	31,030.33
	<hr/>
TOTAL ASSETS AND OTHER DEBITS	\$ 940,964.88
	<hr/> <hr/>
LIABILITIES, FUND EQUITY AND OTHER CREDITS	
LIABILITIES	
Accounts Payable	\$ 6,169.09
	<hr/>
TOTAL LIABILITIES	6,169.09
	<hr/>
EQUITY AND OTHER CREDITS	
Fund Balance	
Unassigned	934,795.79
Committed	-
	<hr/>
TOTAL EQUITY AND OTHER CREDITS	934,795.79
	<hr/>
TOTAL LIABILITIES, EQUITY AND OTHER CREDIT	\$ 940,964.88
	<hr/> <hr/>

Required adjustments to reconcile amounts reported in governmental activities in the statement of net assets:

Due to requirements to record the net pension liability as mandated by GASB 68, the statement of net position has been reduced.	(449,045.48)
Due to requirements to record the net OPEB liability as mandated by GASB 75, the statement of net position has been reduced.	(402,937.00)
Some liabilities, including accrued compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(45,699.89)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$11,759.58	713.58

See accompanying notes to financial statements.

LUMPKIN COUNTY HEALTH DEPARTMENT
Public Health Program
Statement of Revenue, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2019

	ACTUAL
REVENUES	
DPH - Grant-in Aid	\$ 297,094.00
County Participating	15,365.00
County Non-Participating	193,834.00
Fees	295,850.67
Other Local	59,269.66
Contracts	21,301.98
Interagency	42,608.40
 Total Revenues	 925,323.71
 EXPENDITURES	
Salaries and	
Fringe Benefits	580,796.52
Equipment	6,338.50
Indirect Cost (Local Funds)	32,035.00
Other Operating	209,290.85
 Total Expenditures	 828,460.87
 Net Excess of Revenues Over Expenditures	96,862.84
 Prior Year Adjustments	
Prior Year Revenue-Admin Claming	41,274.98
Prior Year Revenue	9,416.21
Prior Year Expenditures and Refunds	(1,782.56)
 Net Change in Fund Balances	 145,771.47
 Fund Balance - Beginning	 789,024.32
 Fund Balance - Ending	 \$ 934,795.79

See accompanying notes to financial statements.

LUMPKIN COUNTY HEALTH DEPARTMENT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balance - Governmental Funds to the
 Statement of Activities
 For the Year Ended June 30, 2019

Net change in fund balance (Statement of Revenue, Expenditures and Changes in Fund Balance)	\$ 145,771.47
Governmental funds do not report the outstanding proportionate share of net pension liability. In FY 2015, the GASB began requiring this liability to be recorded in the government-wide financial statements. This amount reflects the net adjustment for FY 2019.	47,652.20
Governmental funds do not report the outstanding proportionate share of net OPEB liability. In FY 2018, the GASB began requiring this liability to be recorded in the government-wide financial statements. This amount reflects the net adjustment for FY 2019.	104,316.00
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$713.62) exceeded capital outlays (\$0.00) in the current period.	(713.62)
Noncurrent liabilities for compensated absences are not due and payable in the current period and are not recorded as current year expenses until taken. The amount by which compensated leave accrued (\$43,958.70) exceeded the amount taken in FY19 (\$39,013.27) increased expenditures in the fund statement of revenues and expenditures.	<u>(4,945.43)</u>
Change in net assets of governmental activities	<u><u>\$ 292,080.62</u></u>

LUMPKIN COUNTY HEALTH DEPARTMENT
PUBLIC HEALTH PROGRAM
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policy of Lumpkin County Health Department is to present financial statements in conformity with generally accepted accounting principles including GASB Statement 34.

- A. Government – Wide Financial Statements – The financial statements consist of the government-wide statements (statement of net position and the statement of activities) and the fund financial statements. The government-wide financial statements report information about the overall government without displaying individual funds or fund types. They measure and report all assets, liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and accrual basis of accounting.
- B. Fund Financial Statements – Fund financial statements report additional and detailed information about the primary government. The General Fund is the general operating fund of the Department and accounts for all revenues and expenditures of the Department. General operating expenditures and the capital costs are paid from the General Fund. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Department considers revenues to be available if they are collected within 60 days of the end of the fiscal year.

The major sources of revenue are grant funds from the Department of Public Health, county government funds, client fees for services, interagency contracts, and Medicare and Medicaid fees. Of the above, all are susceptible to accrual except fees for services.

The terminology required by GASB 54 includes a natural hierarchy for reporting fund balances based on the extent to which the government is bound to honor constraints. The following five categories are available for use:

1. Nonspendable – Amounts not in a spendable form such as prepaid expenses or inventories.
2. Restricted – Amounts controlled by enabling legislation or externally imposed by creditors, grantors, laws or regulations.

3. Committed – Balances that are limited by constraints imposed by formal action of the Board of Health.
 4. Assigned – Balances that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
 5. Unassigned – The residual amount after all classifications have been considered.
- C. Reporting Entity – The Lumpkin County Board of Health (“Board”) is a component unit of the Lumpkin County government and has responsibility and control over all health activities in the county. The Board receives funding from local and state sources and must comply with the requirements of these funding source entities.
- D. Budgets Restrictions – Line item budgets were developed as part of the grant agreements. Provisions were made for revision of the budgets during the year. The budgeted amounts shown in the accompanying statements reflect the final revised budgets for the grants. All budgets were prepared on the modified accrual basis of accounting and are consistent with accounting principles general accepted in the United States of America.
- E. Capital Assets and Depreciation – The Department’s property and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The Department changed its capitalization policy in FY03. As recommended by DPH it now capitalizes assets with cost of \$5 thousand or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are from 3-10 years for furniture, machinery and equipment.
- F. Compensated Absences – The Department’s employees are covered by State Merit System rules which allow them to accumulate in varying amounts unused sick leave up to a maximum of 90 days and unused vacation leave up to a maximum of 45 days. Upon termination, sick leave days are not paid. Employees are compensated for unused vacation days based on the rate of pay at termination. The estimated liabilities include required salary-related payments. Compensated absences are reported as accrued in the government-wide financial statements. Governmental funds report only the matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.
- G. Employees’ Retirement Plan – All the Department’s eligible employees participate in the Georgia State Employees’ Retirement System (ERS), a statewide multiple-employer public employee retirement system covering employees of local boards of health and various agencies and departments of the State of Georgia. ERS is funded through

employer and employee contributions and the Department has no legal obligation for paying benefits. All full-time employees who are hired for Merit System positions are eligible to participate in ERS. Participants have a partial vested right to retirement benefits after ten years of service and become fully vested after 34 years.

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 of Georgia (ERS) and additions to/deductions 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.

During the year the Department contributed \$111,300. Contributions by employees are withheld by the Department. Such withholdings totaled \$5,271 during the year and were paid by the Department. The Department has no other liability under the plan. The Department's total payroll for all employees during the year was \$364,610 and all of this amount related to employees covered by the retirement plan.

- H. State OPEB Fund – GASB 75 requires that governmental employers report their share of postemployment benefits other than pension liability and related expense and deferrals in their financial statements beginning June 30, 2018. 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.
- I. OPEB Fund – GASB 75 requires that governmental employers report their share of postemployment benefits other than pension liability and related expense and deferrals in their financial statements beginning June 30, 2018. 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 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.

NOTE 2 – CASH

At June 30, 2019, the carrying amount of the Department's deposits was \$880,404 and the bank balance was \$913,952.

It is the Department's policy for deposits to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The deposits are categorized to give an indication of the level of risk assumed by the Department at June 30, 2019. The categories are described as follows:

- Category 1: Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3: Uncollateralized.

Deposits, categorized by level of risk, are:

Category 1	\$ 250,000
Category 2	663,952
Category 3	<u>0</u>
Total	<u>\$ 913,952</u>

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Equipment	\$ 12,473	\$ -	\$ -	\$ 12,473
Less Accumulated Depreciation	(11,046)	(714)	-	(11,760)
	<u>\$ 1,427</u>	<u>\$ (714)</u>	<u>\$ -</u>	<u>\$ 713</u>

NOTE 4 – NONCURRENT LIABILITIES- COMPENSATED ABSENCES

Noncurrent liability activity for the year ended June 30, 2019 was as follows:

Beginning Balance	\$ 40,754.46
Additions	43,958.70
Reductions	<u>(39,013.27)</u>
Ending Balance	<u>\$ 45,699.89</u>
Amount due within one year (estimated)	\$ 39,100.00

NOTE 5 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION

Noncurrent liabilities applicable to the agency's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. The balance in compensated absences at June 30, 2019 was \$45,699.89.

Governmental funds do not report the outstanding net pension liability. The outstanding net pension liability at June 30, 2019 was \$449,045.48.

Governmental funds do not report the outstanding other post-employment benefit liability. The outstanding other post-employment benefit liability at June 30, 2019 was \$402,937.

NOTE 6 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE STATEMENT OF ACTIVITIES

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment is as follows:

Depreciation	\$ 713.62
Compensated Absences	<u>4,945.43</u>
Total	<u>\$ 5,659.05</u>

Governmental funds do not report the outstanding proportionate share of net pension liability. The adjustment to net pension liability at June 30, 2019 was \$(47,652.20).

Governmental funds do not report the outstanding proportionate share of net OPEB liability. The adjustment to net OPEB liability at June 30, 2019 was \$(104,316).

NOTE 7 – RETIREMENT BENEFITS

General Information about the Employees' Retirement System

Plan description: 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/financials.

Benefits provided: 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. 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 the 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: Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. 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 and GSEPS are 1.25% of annual compensation. The Department's total required contribution rate for the year ended June 30, 2019 was 24.78% of annual covered payroll for old and new plan members and 21.78% for GSEPS members. The rates include the annual actuarially determined employer contribution rate of 24.66% of annual covered payroll for old and new plan members and 21.66% for GSEPS members, plus a 0.12% adjustment for the HB 751 one-time benefit adjustment of 3% to retired state employees. The Department's contributions to ERS totaled \$111,300 for the year ended

June 30, 2019. 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, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Department reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2017. An expected total pension liability as of June 30, 2018 was determined using standard roll-forward techniques. The Department's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2018. At June 30, 2018, the Department's proportion was 0.013221%, which was a decrease of 0.001993% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Department recognized pension expense of \$111,300. At June 30, 2019, the Department 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	\$ 16,905	\$ 0
Changes of assumptions	25,607	0
Net difference between projected and actual earnings on pension plan investment	0	12,525
Changes in proportion and differences between Department contributions and proportionate share of contributions	2,464	49,276
Department contribution subsequent to the measurement date	111,300	0
Total	\$ 156,276	\$ 61,801

Department contributions subsequent to the measurement date of \$111,300 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:	
2020	\$ 12,524
2021	(2,933)
2022	(20,821)
2023	(5,595)
2024	0
Thereafter	0

Actuarial assumptions: The total pension liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017. Based on the funding policy adopted by the Board on

March 15, 2018, the investment rate of return assumption will be changed to 7.30% in the June 30, 2018 actuarial valuation. Therefore, the investment rate of return used in the roll-forward of the total pension liability is 7.30% using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increase	3.25 – 7.00%, including inflation
Investment rate of return	7.30%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. The RP-2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back 7 years for males and set forward 3 years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	(0.50)%
Domestic large equities	37.20	9.00
Domestic mid equities	3.40	12.00
Domestic small equities	1.40	13.50
International developed market equities	17.80	8.00
International emerging market equities	5.20	12.00
Alternatives	5.00	10.50
Total	<u>100.00%</u>	

* Rates shown are net of inflation

Discount rate: The discount rate used to measure the total pension liability was 7.30%. 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 Department's proportionate share of the net pension liability to changes in the discount rate: The following presents the Department's proportionate share of the net pension liability calculated using the discount rate of 7.30%, as well as what the Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.30%) or 1-percentage-point higher (8.30%) than the current rate:

	1% Decrease	Current discount rate	1% Increase
	<u>(6.30%)</u>	<u>(7.30%)</u>	<u>(8.30%)</u>
Department's proportionate share of the net pension liability	\$773,077	\$543,520	\$347,931

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 publically available at www.ers.ga.gov/financials.

NOTE 8 – STATE OPEB FUND

General Information about the State OPEB Fund

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 a 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.

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, 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 Department were \$67,249 for the year ended June 30, 2019. 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, 2019, the Department reported a liability of \$319,599 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2017. An expected total OPEB liability as of June 30, 2018 was determined using standard roll-forward techniques. The Department’s proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2018. At June 30, 2018, the Department’s proportion was 0.012219%, which was a decrease of 0.001563% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Department recognized OPEB expense of \$67,249. At June 30, 2019, the Department 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	\$ 0	\$ 25,136
Changes of assumptions	0	115,850
Net difference between projected and actual earnings on OPEB plan investment	7,388	0
Changes in proportion and differences between Department contributions and proportionate share of contributions	0	54,218
Department contribution subsequent to the measurement date	67,249	0
Total	\$ 74,637	\$ 195,204

Department contributions subsequent to the measurement date of \$67,249 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, 2020. 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:	
2020	\$ (59,871)
2021	(59,871)
2022	(51,949)
2023	(16,125)
2024	0
Thereafter	0

Actuarial assumptions: The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 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, 2018:

Inflation	2.75%
Salary Increase	3.25 – 7.00%, including inflation
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	7.50%
Medicare Eligible	5.50%
Ultimate trend rate	
Pre-Medicare Eligible	4.75%
Medicare Eligible	4.75%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2028
Medicare Eligible	2022

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB as follows:

For ERS, JRS and LRS members: The RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward 2 years for both males and females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB and set back 7 years for males and set forward 3 years for females is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2014.

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, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	(0.50)%
Domestic Stocks – Large Cap	37.20	9.00
Domestic Stocks – Mid Cap	3.40	12.00
Domestic Stocks – Small Cap	1.40	13.50
Int'l Stocks – Developed Mkt	17.80	8.00
Int'l Stocks – Emerging Mkt	5.20	12.00
Alternatives	<u>5.00</u>	10.50
Total	<u>100.00%</u>	

* Rates shown are net of inflation

Discount rate: The discount rate has changed since the prior measurement date from 3.60% to 5.22%. In order to measure the total OPEB liability for the State OPEB Fund, a single equivalent interest rate of 5.22% was used as the discount rate. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.87% per the Bond Buyers Index). The projection 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 2118. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2040. Therefore, the calculated discount rate of 5.22% was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Department's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the Department's proportionate share of the net OPEB liability calculated using the discount rate of 5.22%, as well as what the Department's proportionate share of the net OPEB liability would be if it were calculated using a discount rate

that is 1-percentage-point lower (4.22%) or 1-percentage-point higher (6.22%) than the current rate:

	1% Decrease <u>(4.22%)</u>	Current discount rate <u>(5.22%)</u>	1% Increase <u>(6.22%)</u>
Department's proportionate share of the net OPEB liability	\$379,694	\$319,599	\$269,948

Sensitivity of the Department's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the Department's proportionate share of the net OPEB liability, as well as what the Department'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% <u>Decrease</u>	Current healthcare cost trend rate	1% <u>Increase</u>
Department's proportionate share of the net OPEB liability	\$263,646	\$319,599	\$388,030

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the Comprehensive Annual Financial Report (CAFR) which is publically available at <https://sao.georgia.gov/comprehensive-annual-financial-reports>.

NOTE 9 – SEAD-OPEB

General Information about the 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, 2019.

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

At June 30, 2019, the Department reported an asset of \$40,949 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2017. An expected total OPEB asset as of June 30, 2018 was determined using standard roll-forward techniques. The Department'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, 2018. At June 30, 2018, the Department's proportion was 0.015130%, which was a decrease of 0.000809% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Department did not recognize an OPEB expense. At June 30, 2019, the Department 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	\$ 447	\$ 0
Changes of assumptions	2,104	0
Net difference between projected and actual earnings on OPEB plan investments	0	6,770
Changes in proportion and differences between Department contributions and proportionate share of contributions	1,121	622
Department contribution subsequent to the measurement date	0	0
Total	<u>\$ 3,672</u>	<u>\$ 7,392</u>

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:	
2020	\$ (529)
2021	(557)
2022	(2,068)
2023	(566)
2024	0
Thereafter	0

Actuarial assumptions: The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017. Based on the funding policy adopted by the Board on March 15, 2018, the investment rate of return assumption will be changed to 7.30% in the June 30, 2018 actuarial valuation. Therefore, the investment rate of return used in the roll-forward of the total pension liability is 7.30% using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increase	
ERS	3.25 – 7.00%
GJRS	4.50%
LRS	N/A
Investment rate of return	7.30%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	N/A

Postretirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. There is a margin for future mortality improvement in the tables used by the plan.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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. The target asset allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	30.00%	(0.50)%
Domestic large equities	37.20	9.00
Domestic mid equities	3.40	12.00
Domestic small equities	1.40	13.50
International developed market equities	17.80	8.00
International emerging market equities	5.20	12.00
Alternatives	5.00	10.50
Total	<u>100.00%</u>	

* Rates shown are net of inflation

Discount rate: The discount rate used to measure the total pension liability was 7.30%. 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 Department's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the Department's proportionate share of the net OPEB liability calculated using the discount rate of 7.30%, as well as what the Department's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.30%) or 1-percentage-point higher (8.30%) than the current rate:

	1% Decrease (6.30%)	Current discount rate (7.30%)	1% Increase (8.30%)
Department's proportionate share of the net OPEB liability	(\$22,063)	(\$40,949)	(\$56,429)

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

NOTE 10 – EVALUATION OF SUBSEQUENT EVENTS

The Department has evaluated subsequent events through October 31, 2019, the date which the financial statements were available to be issued.

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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 LUMPKIN COUNTY BOARD OF HEALTH
DAHLONEGA, GEORGIA

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 of the Lumpkin County Board of Health, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Lumpkin County Board of Health's basic financial statements, and have issued our report thereon dated October 31, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lumpkin County Board of Health's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lumpkin County Board of Health internal control. Accordingly, we do not express an opinion on the effectiveness of the Lumpkin 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

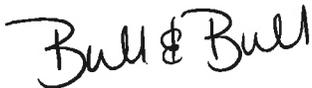
that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lumpkin 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Bull and Bull CPAs, P.C.
Gainesville, GA
October 31, 2019

Required
Supplementary Information

Required Supplementary Information
LUMPKIN COUNTY HEALTH DEPARTMENT
Budgetary Comparison Schedule for the Year Ended June 30, 2019

RESOURCES (Inflows):	Budget <u>Original</u>	Budget <u>Final</u>	Actual Amounts (Budgetary Basis)	(Over) <u>Under</u>
County Participating	\$ 15,365.00	\$ 15,365.00	\$ 15,365.00	\$ -
County Non-Participating	193,834.00	84,713.00	193,834.00	(109,121.00)
Family Planning Fees	10,000.00	-	238.00	(238.00)
Client Fees	40,000.00	29,875.00	42,632.35	(12,757.35)
Donations	-	20.00	20.00	-
Contracts	54,803.00	21,302.00	21,301.98	0.02
Medicaid - Dental	84,303.00	80,548.00	80,548.37	(0.37)
Other Local	300.00	82,904.00	13,168.57	69,735.43
Other Local Funds-Admin Claiming	17,296.00	46,101.00	46,101.09	(0.09)
Private Insurance	30,000.00	30,348.00	32,551.07	(2,203.07)
Medicaid-Health Check	3,000.00	3,597.00	3,597.05	(0.05)
Environmental Health	105,000.00	69,415.00	109,445.00	(40,030.00)
Medicaid-DSPS	8,000.00	5,770.00	5,888.63	(118.63)
Medicaid-PCM	5,000.00	3,485.00	3,484.80	0.20
Medicaid-Family Planning	10,000.00	-	-	-
Medicare	23,000.00	17,237.00	17,445.40	(208.40)
Intra/Inter Agency	-	42,608.00	42,608.40	(0.40)
Grant In Aid	297,094.00	297,094.00	297,094.00	-
Fund Equity	-	66,613.00	66,613.00	-
TOTAL RESOURCES	\$ 896,995.00	\$ 896,995.00	\$ 991,936.71	\$ (94,941.71)
CHARGES TO APPROPRIATIONS:				
Salaries	\$ 386,299.00	\$ 435,696.00	\$ 364,610.08	\$ 71,085.92
Fringe Benefits	243,037.00	216,187.00	216,186.44	0.56
Total Personnel Svcs	629,336.00	651,883.00	580,796.52	71,086.48
Equipment (\$1000 - \$4999.99)	2,500.00	1,143.00	1,143.10	(0.10)
Rental of Equipment	5,000.00	5,195.00	5,195.40	(0.40)
Total Equipment	7,500.00	6,338.00	6,338.50	(0.50)
Supplies / Materials	10,500.00	14,472.00	14,582.59	(110.59)
Pharmaceuticals	40,000.00	49,329.00	49,559.85	(230.85)
Repairs / Maintenance	31,000.00	28,503.00	28,502.52	0.48
Utilities	13,000.00	9,739.00	10,603.83	(864.83)
Printing	800.00	693.00	692.82	0.18
Direct Benefits to Clients	200.00	51.00	51.02	(0.02)
Other Operating	14,465.00	15,030.00	15,275.51	(245.51)
Travel	3,000.00	4,219.00	4,434.74	(215.74)
Contracts	90,999.00	76,519.00	77,363.60	(844.60)
Computer Software	200.00	100.00	100.00	-
Telecommunications	6,500.00	6,626.00	6,666.25	(40.25)
Postage	2,000.00	1,458.00	1,458.12	(0.12)
Total Other Operating	212,664.00	206,739.00	209,290.85	(2,551.85)
Local Funds	47,495.00	32,035.00	32,035.00	-
TOTAL CHRGS TO APPROPRIATIONS	\$ 896,995.00	\$ 896,995.00	828,460.87	68,534.13
EXCESS OF REVENUES OVER EXPENDITURES			\$ 163,475.84	\$ (163,475.84)
INCREASE IN FUND BALANCE			\$ 163,475.84	

See accompanying notes to financial statements.

Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources / Inflows of Resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 991,937
Difference-budget to GAAP: The Prior Year Program Income is a budgetary resource but is not a current-year revenue for financial reporting purposes	<u>66,613</u>
Total revenues are reported on the statement of revenues, expenditures and changes in fund balance	<u><u>\$ 925,324</u></u>

Uses / Outflows of Resources

There were no differences between budget and GAAP

Total expenditures as reported on the statements of revenues, expenditures and changes in fund balance	<u><u>\$ 828,461</u></u>
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Lumpkin County Health Department
 Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Liability
 Employees Retirement System of Georgia
 For the Year Ended June 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Department's proportion of the net pension liability	0.013221%	0.015214%	0.014961%	0.014627%	0.013491%
Department's proportionate share of the net pension liability	\$ 543,520	\$ 617,892	\$ 707,718	\$ 592,598	\$ 505,996
Department's covered-employee payroll	\$ 364,610	\$ 341,508	\$ 349,573	\$ 353,621	\$ 340,021
Department's proportionate share of the net pension liability as a percentage of its covered-employee payroll	149.07%	180.93%	202.45%	167.58%	148.81%
Plan fiduciary net position as a percentage of the total pension plan	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 are available.

Lumpkin County Health Department
 Public Health Program
 Required Supplementary Information
 Schedule of Contributors
 Employees Retirement System of Georgia
 For the Year Ended June 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually Required Contribution	\$ 111,300	\$ 83,288	\$ 92,483	\$ 84,985	\$ 72,064	\$ 67,467	\$ 46,020	\$ 41,657	\$ 39,403	\$ 41,051
Contributions in Relation to the Contractually Required Contribution	111,300	83,288	92,483	84,985	72,064	67,467	46,020	41,657	39,403	41,051
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Districts Covered-Employee Payroll	\$ 364,610	\$ 341,508	\$ 349,573	\$ 353,621	\$ 340,021	\$ 333,037	\$ 325,535	\$ 359,996	\$ 377,720	\$ 393,989
Contributions as A Percentage of Covered-Employee Payroll	31%	24%	26%	24%	21%	20%	14%	12%	10%	10%

Lumpkin County Health Department
 State OPEB Fund
 Required Supplementary Information
 Schedule of Proportionate Share of the Net OPEB Liability
 For the Year Ended June 30

	<u>2019</u>	<u>2018</u>
Employer's proportion of the net OPEB liability (asset)	0.012219%	0.013782%
Employer's proportionate share of the net OPEB	\$ 319,599	\$ 561,507
Employer's covered payroll	\$ 364,610	\$ 341,508
Employer's proportionate share of the net OPEB liability as a percentage of its covered payroll	87.66%	164.42%
Plan fiduciary net position as a percentage of the total OPEB liability	31.48%	17.34%

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

Lumpkin County Health Department
 Public Health Program
 State OPEB Fund
 Required Supplementary Information
 Schedule of Contributors
 For the Year Ended June 30

	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 67,249	\$ 61,288
Contributions in Relation to the Contractually Required Contribution	(67,249)	(61,288)
Contribution Deficiency (Excess)	\$ -	\$ -
Employer Covered Payroll	\$ 364,610	\$ 341,508
Contributions as A Percentage of Covered-Employee Payroll	18%	18%

Lumpkin County Health Department
 SEAD-OPEB Employer
 Required Supplementary Information
 Schedule of Proportionate Share of the Net OPEB Liability (Asset)
 For the Year Ended June 30

	<u>2019</u>	<u>2018</u>
Employer's proportion of the net OPEB liability (asset)	0.015130%	0.015939%
Employer's proportionate share of the net OPEB	\$ (40,949)	\$ (41,426)
Employer's covered payroll	\$ 364,610	\$ 341,508
Employer's proportionate share of the net OPEB liability as a percentage of its covered payroll	-11.23%	-12.13%
Plan fiduciary net position as a percentage of the total OPEB liability	129.46%	130.17%

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

Lumpkin County Health Department
 Public Health Program
 SEAD-OPEB Plan
 Required Supplementary Information
 Schedule of Contributors
 For the Year Ended June 30

	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	-	-
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Employer Covered Payroll	\$ 364,610	\$ 341,508
Contributions as A Percentage of Covered-Employee Payroll	-%	-%

Lumpkin County Health Department
Notes to Required Supplementary Information
For the Year Ended June 30, 2019

Employee's Retirement System

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.

State OPEB Fund

Changes of benefit terms: In the June 30, 2010 actuarial valuation, there was a change of benefit terms to require Medicare-eligible recipients to enroll in a Medicare Advantage plan to receive the State subsidy.

Changes in assumption: In the revised June 30, 2017 actuarial valuation, there was a change relating to employee allocation. Employees were previously allocated based on their Retirement System membership, and currently employees are allocated based on their current employer payroll location.

In the June 30, 2015 actuarial valuation, decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

In the June 30, 2012 actuarial valuation, a data audit was performed and data collection procedures and assumptions were changed.

SEAD-OPEB Plan

Changes of assumption: 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.

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.

Other
Supplementary Information

STATEMENT OF FINANCIAL SETTLEMENT

As of June 30, 2019, DPH had underpaid Lumpkin County Health Department by \$31,030.33. This amount was paid to Lumpkin County in July, 2019. No further financial settlement is due as of the audit report date. The county met their matching requirement on their grant-in-aid allotment.

FINDINGS AND RECOMMENDATIONS

Lumpkin County Health Department appears to be in basic compliance with the DPH Grants-to-Counties Policies and Procedures in all material respects.

Prior Year Findings:

There were no prior year findings.

SCHEDULE OF VEHICLES

There were three county vehicles used by Lumpkin County Health Department environmental health employees. Travel reimbursements were made at the state mileage rate for other employees.

<u>Vehicle Description</u>	<u>Identification Number</u>
2006 Ford Ranger 4 x 4 Truck	1FTYR15E86PA54472
2006 Ford Ranger 4 x 4 Truck	1FTYR15E66PA49058
2006 Ford Ranger 4 x 4 Truck	1FTYR15E66PA54471

SCHEDULE OF STATE CONTRACTUAL ASSISTANCE

Lumpkin County Health Department received no federal funds based on information received from DPH Accounting. The Department received \$297,094 of state grant funds from the Georgia DPH in FY 2019. These funds were expended in FY 2019.

LUMPKIN COUNTY HEALTH DEPARTMENT
Statement of Changes in Fund Balance - Statutory Basis
For the Fiscal Year Ended June 30, 2019

	<u>Operating Fund Balance</u>	<u>Prior Year Program Income</u>
Opening Balance, July 1, 2018	\$ 722,411.32	\$ 66,613.00
Increase:		
Other Fund Sources-Prior Year Revenue	66,613.00	-
Prior Year Expenditure Refunds	9,416.21	-
Prior Year Revenue-Admin Claiming	41,274.98	-
Excess of Revenues over Expenditures FY 19	96,862.84	-
Decrease:		
Prior Year Revenue Applied	-	(66,613.00)
Prior Year Expenditures	<u>(1,782.56)</u>	<u>-</u>
Ending Balance, June 30, 2019	<u>\$ 934,795.79</u>	<u>\$ -</u>

See accompanying notes to financial statements.