

Financial Statements and Report of  
Independent Certified Public Accountants



**GEORGIA DEPARTMENT OF  
COMMUNITY HEALTH**

June 30, 2009



*Certified Public Accountants*

A JOINT VENTURE OF  
CERTIFIED PUBLIC ACCOUNTING FIRMS

**MAULDIN  
& JENKINS**

**FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
GEORGIA DEPARTMENT OF COMMUNITY HEALTH**

**June 30, 2009**

# CONTENTS

	<u>Page</u>
Independent Auditors' Report.....	1
Financial Statements	
Statement of Net Assets.....	4
Statement of Activities.....	5
Fund Balance Sheet – Governmental Fund – General Fund.....	6
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund – General Fund.....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund – General Fund – to the Statement of Activities – Governmental Activities – Change in Net Assets.....	8
Statement of Net Assets – Proprietary Fund – Enterprise Fund.....	9
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Fund – Enterprise Fund.....	10
Statement of Cash Flows – Proprietary Fund – Enterprise Fund.....	11
Statement of Fiduciary Net Assets – Georgia Retiree Health Benefit Fund.....	12
Statement of Changes in Fiduciary Net Assets – Georgia Retiree Health Benefit Fund.....	13
Notes to the Financial Statements.....	14
Required Supplementary Information	
Schedule of Funding Progress and Schedule of Employer Contributions.....	34
Budget Comparison Schedule – Budget Fund.....	35
Budget Comparison Schedule – Budget Fund Budget-To-GAAP Reconciliation – Sources/Inflows of Resources.....	36
Budget Comparison Schedule – Budget Fund Budget-To-GAAP Reconciliation - Uses/Outflows of Resources.....	37
Notes to the Required Supplementary Information.....	38
Supplementary Information	
Budget Comparison Schedule – Budget Fund Revenues and Expenditures Compared to Budget.....	39

**INDEPENDENT AUDITORS' REPORT**



TOWER PLACE, SUITE 2600  
3340 PEACHTREE ROAD, NE  
ATLANTA, GEORGIA 30326

404.264.1700  
FAX 404.264.9968

[WWW.METCALF-DAVIS.COM](http://WWW.METCALF-DAVIS.COM)

A JOINT VENTURE OF  
CERTIFIED PUBLIC ACCOUNTING FIRMS



439 MULBERRY STREET  
MACON, GEORGIA 31201

912.464.8000 (T)  
912.646.8051 (F)

[WWW.MJCA.COM](http://WWW.MJCA.COM)

## Independent Auditors' Report

The Honorable Dr. Rhonda M. Medows, Commissioner  
State of Georgia's Department of Community Health

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the **State of Georgia's Department of Community Health** (hereinafter referred to as the "Department of Community Health") as of and for the year ended June 30, 2009, which collectively comprise the Department of Community Health's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Department of Community Health's management. 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 *Government 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the financial statements of the Department of Community Health are intended to present the financial position, and the changes in financial position and cash flows, where applicable, of only that portion of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the State of Georgia that is attributable to the transactions of the Department of Community Health. They do not purport to, and do not, present fairly the financial position of the State of Georgia as of June 30, 2009, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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, each major fund and the aggregate remaining fund information of the Department of Community Health, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2009 on our consideration of the Department of Community Health's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Department of Community Health has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

The schedules of funding progress and employer contributions as well as the budgetary comparison information on pages 34 through 38, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department of Community Health's basic financial statements. The supplementary information presented on pages 39 through 41 is presented for purposes of additional analysis and are not a required part of the basic financial statements and has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Atlanta, Georgia  
November 20, 2009

## **FINANCIAL STATEMENTS**



# Department of Community Health

STATEMENT OF NET ASSETS

JUNE 30, 2009

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
<b>Current:</b>			
Cash, Cash Equivalents and Investments	\$ 21,979,638.86	\$ 233,103,846.64	\$ 255,083,485.50
Cash, Cash Equivalents and Investments - Restricted	32,863,182.25	-	32,863,182.25
Receivables, Net of Allowances for Uncollectibles:			
State Appropriation	43,417,986.00	-	43,417,986.00
Intergovernmental - Federal	598,763,180.63	-	598,763,180.63
Other	142,413,491.01	55,454,251.97	197,867,742.98
Due from Other Funds	-	4,864,317.92	4,864,317.92
Total Current Assets	<u>\$ 839,437,478.75</u>	<u>\$ 293,422,416.53</u>	<u>\$ 1,132,859,895.28</u>
<b>Noncurrent:</b>			
Capital Assets, Net of Accumulated Depreciation	<u>\$ 225,919.86</u>	<u>\$ -</u>	<u>\$ 225,919.86</u>
Total Assets	<u>\$ 839,663,398.61</u>	<u>\$ 293,422,416.53</u>	<u>\$ 1,133,085,815.14</u>
<b>Liabilities:</b>			
<b>Current:</b>			
Cash Overdraft	\$ 8,207,552.01	\$ 812,111.30	\$ 9,019,663.31
Accounts Payable and Other Accruals	151,962,758.30	2,314,966.41	154,277,724.71
Salaries Payable	160,267.26	14,955.05	175,222.31
Federal Deferred Revenue	11,601,601.15	-	11,601,601.15
Benefits Payable	696,124,897.00	212,157,933.87	908,282,830.87
Other Deferred Revenue	5,384,394.28	44,360,646.27	49,745,040.55
Current Portion of Compensated Absences Payable	<u>894,147.53</u>	<u>139,214.84</u>	<u>1,033,362.37</u>
Total Current Liabilities	<u>\$ 874,335,617.53</u>	<u>\$ 259,799,827.74</u>	<u>\$ 1,134,135,445.27</u>
<b>Noncurrent:</b>			
Compensated Absences Payable	<u>\$ 1,314,391.71</u>	<u>\$ 148,734.83</u>	<u>\$ 1,463,126.54</u>
Total Liabilities	<u>\$ 875,650,009.24</u>	<u>\$ 259,948,562.57</u>	<u>\$ 1,135,598,571.81</u>
<b>Net Assets:</b>			
Invested in Capital Assets	\$ 225,919.86	\$ -	\$ 225,919.86
Restricted for Return - State Revenue Collections	4,476,734.41	-	4,476,734.41
Restricted for Other Specific Purposes	20,538,314.79	-	20,538,314.79
Restricted for Return of Appropriations	22,776,943.90	-	22,776,943.90
Unrestricted	<u>(84,004,523.59)</u>	<u>33,473,853.96</u>	<u>(50,530,669.63)</u>
Total Net Assets	<u>\$ (35,986,610.63)</u>	<u>\$ 33,473,853.96</u>	<u>\$ (2,512,756.67)</u>

The accompanying notes are an integral part of this statement.

# Department of Community Health

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs:</b>						
Governmental Activities:						
Education	\$ 41,029,828.33	\$ -	\$ -	\$ (41,029,828.33)	\$ -	\$ (41,029,828.33)
Health and Welfare	8,231,957,361.26	141,187,907.04	5,888,313,283.29	(2,202,456,170.93)	-	(2,202,456,170.93)
Contribution to State General Fund	<u>372,368,673.71</u>	<u>-</u>	<u>-</u>	<u>(372,368,673.71)</u>	<u>-</u>	<u>(372,368,673.71)</u>
Total Governmental Activities	\$ 8,645,355,863.30	\$ 141,187,907.04	\$ 5,888,313,283.29	\$ (2,615,854,672.97)	\$ -	\$ (2,615,854,672.97)
Business-Type Activities:						
Health and Welfare	<u>2,211,086,872.42</u>	<u>1,757,705,634.22</u>	<u>-</u>	<u>-</u>	<u>(453,381,238.20)</u>	<u>(453,381,238.20)</u>
Total	<u>\$ 10,856,442,735.72</u>	<u>\$ 1,898,893,541.26</u>	<u>\$ 5,888,313,283.29</u>	<u>\$ (2,615,854,672.97)</u>	<u>\$ (453,381,238.20)</u>	<u>\$ (3,069,235,911.17)</u>
General Revenues:						
State Appropriation				\$ 1,895,859,156.00	\$ -	\$ 1,895,859,156.00
Revenue Collections:						
Care Management Organization Fees				143,806,819.44	-	143,806,819.44
Nursing Home Provider Fees				126,371,665.07	-	126,371,665.07
Intergovernmental Transfers				256,251,641.09	-	256,251,641.09
Other				15,361,409.40	-	15,361,409.40
Interest and Other Investment Income				<u>1,016,524.20</u>	<u>13,981,653.05</u>	<u>14,998,177.25</u>
Total General Revenues and Transfers				<u>\$ 2,438,667,215.20</u>	<u>\$ 13,981,653.05</u>	<u>\$ 2,452,648,868.25</u>
Change in Net Assets				\$ (177,187,457.77)	\$ (439,399,585.15)	\$ (616,587,042.92)
Net Assets, July 1				<u>141,200,847.14</u>	<u>472,873,439.11</u>	<u>614,074,286.25</u>
Net Assets, June 30				<u>\$ (35,986,610.63)</u>	<u>\$ 33,473,853.96</u>	<u>\$ (2,512,756.67)</u>

The accompanying notes are an integral part of this statement.

# Department of Community Health

FUND BALANCE SHEET  
GOVERNMENTAL FUND – GENERAL FUND

JUNE 30, 2009

**Assets:**

Cash and Cash Equivalents	\$ 18,483,252.00
Cash with Fiscal Agent	3,496,386.86
Cash - Restricted	32,863,182.25
Receivables, Net of Allowances for Uncollectibles:	
State Appropriation	43,417,986.00
Intergovernmental - Federal	598,763,180.63
Other	<u>142,413,491.01</u>
Total Assets	<u>\$ 839,437,478.75</u>

**Liabilities and Fund Balance:**

Liabilities:

Cash Overdraft	\$ 8,207,552.01
Accounts Payable and Other Accruals	151,962,758.30
Salaries Payable	160,267.26
Federal Deferred Revenue	11,601,601.15
Benefits Payable	696,124,897.00
Other Deferred Revenue	<u>5,384,394.28</u>
Total Liabilities	<u>\$ 873,441,470.00</u>

Fund Balance:

Reserved for Encumbrances	\$ 80,030,395.27
Reserved for Return - State Revenue Collections	4,476,734.41
Reserved for Other Specific Purposes	20,538,314.79
Reserved for Return of Appropriation	22,776,943.90
Unreserved, Undesignated	<u>(161,826,379.62)</u>
Total Fund Balance	<u>\$ (34,003,991.25)</u>

Reconciliation from Governmental Fund Balance to Governmental Activities

Net Assets:

Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and therefore are not reported in the funds.	\$ 225,919.86
Long-term obligations, including compensated absences are not due and payable in the current period and therefore are not reported in the governmental fund - general fund.	<u>(2,208,539.24)</u>
Net Assets of Governmental Activities	<u>\$ (35,986,610.63)</u>

The accompanying notes are an integral part of this statement.

# Department of Community Health

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND – GENERAL FUND

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009

## Revenues:

### Intergovernmental:

State Appropriation	\$ 1,895,859,156.00
Federal	5,888,313,283.29
Other	<u>683,995,966.26</u>

Total Revenues \$ 8,468,168,405.55

## Expenditures:

Education	\$ 41,029,828.33
Health and Welfare	<u>8,231,839,911.16</u>

Total Expenditures \$ 8,272,869,739.49

Excess of Revenues Over Expenditures \$ 195,298,666.06

## Other Financing Uses:

Contribution to State General Fund	<u>372,368,673.71</u>
------------------------------------	-----------------------

Net Change in Fund Balance \$ (177,070,007.65)

Fund Balance, July 1 143,066,016.40

Fund Balance, June 30 \$ (34,003,991.25)

The accompanying notes are an integral part of this statement.

# Department of Community Health

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE –  
GOVERNMENTAL FUND – GENERAL FUND – TO THE  
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES –  
CHANGE IN NET ASSETS

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009

Governmental Fund - General Fund - Net Change in Fund Balance \$ (177,070,007.65)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Due to the nature of the Department of Community Health's operations, this amount primarily represents the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays	\$ 165,322.66
Depreciation	<u>(270,040.18)</u>
	<u>\$ (104,717.52)</u>

Governmental funds do not report a liability for long-term obligations or compensated absences. The issuance of long-term obligations provides current financial resources to governmental funds while the repayment of the principal consumes the current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term obligations and related items.

Change in Compensated Absences	<u>\$ (12,732.60)</u>
--------------------------------	-----------------------

Statement of Activities - Governmental Activities - Change in Net Assets \$ (177,187,457.77)

The accompanying notes are an integral part of this statement.

# Department of Community Health

STATEMENT OF NET ASSETS  
PROPRIETARY FUND – ENTERPRISE FUND

JUNE 30, 2009

## Assets:

### Current:

Cash and Cash Equivalents	\$ 233,103,846.64
Receivables - Other, Net of Allowance for Uncollectibles	55,454,251.97
Due from Other Funds	<u>4,864,317.92</u>
Total Assets	<u>\$ 293,422,416.53</u>

## Liabilities:

### Current:

Accounts Payable and Other Accruals	\$ 3,127,077.71
Salaries Payable	14,955.05
Benefits Payable	212,157,933.87
Deferred Revenue	44,360,646.27
Current Portion of Compensated Absences Payable	<u>139,214.84</u>
Total Current Liabilities	<u>\$ 259,799,827.74</u>

### Noncurrent:

Compensated Absences Payable	<u>\$ 148,734.83</u>
------------------------------	----------------------

Total Liabilities	<u>\$ 259,948,562.57</u>
-------------------	--------------------------

## Net Assets:

Unrestricted	<u>\$ 33,473,853.96</u>
--------------	-------------------------

The accompanying notes are an integral part of this statement.

# Department of Community Health

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS –  
PROPRIETARY FUND – ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009

## Operating Revenues:

Contributions	\$ 1,757,545,886.08
American Recovery and Reinvestment Act: Cobra Premium Subsidy	<u>159,748.14</u>
Total Operating Revenues	<u>\$ 1,757,705,634.22</u>

## Operating Expenses:

Health and Welfare	<u>\$ 2,211,086,872.42</u>
Operating Loss	\$ (453,381,238.20)

## Nonoperating Revenues:

Interest and Other Investment Income	<u>13,981,653.05</u>
Change in Net Assets	\$ (439,399,585.15)
Net Assets, July 1	<u>472,873,439.11</u>
Net Assets, June 30	<u>\$ 33,473,853.96</u>

The accompanying notes are an integral part of this statement.

# Department of Community Health

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND – ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009

## Cash Flows from Operating Activities:

Cash Received from Required Contributions	\$ 1,699,057,713.14
Cash Paid to Vendors	(164,256,461.07)
Cash Paid to Employees	(5,602,096.31)
Cash Paid for Benefits	<u>(2,083,575,346.45)</u>

Net Cash Used in Operating Activities \$ (554,376,190.69)

## Cash Flows from Investing Activities:

Proceeds from Sales and Maturities of Investments	\$ 127,404,243.69
Interest and Other Investment Income	<u>13,981,653.05</u>

Net Cash Provided by Investing Activities \$ 141,385,896.74

Net Decrease in Cash and Cash Equivalents \$ (412,990,293.95)

Cash and Cash Equivalents, July 1 646,094,140.59

Cash and Cash Equivalents, June 30 \$ 233,103,846.64

## Adjustments to Reconcile Operating Income to Net Cash Used in Operating Activities:

Operating Loss \$ (453,381,238.20)

### Changes in Assets and Liabilities:

Increase in Other Receivables	\$ (9,607,812.66)
Decrease in Accounts Payable and Other Accruals	(54,188,653.04)
Increase in Compensated Absences Payable	40,829.91
Decrease in Salaries/Withholdings	(3,558.02)
Increase in Benefits Payable	11,805,150.72
Decrease in Deferred Revenue	<u>(49,040,909.40)</u>

Total Adjustments \$ (100,994,952.49)

Net Cash Used in Operating Activities \$ (554,376,190.69)

The accompanying notes are an integral part of this statement.



# Department of Community Health

STATEMENT OF FIDUCIARY NET ASSETS  
GEORGIA RETIREE HEALTH BENEFIT FUND

JUNE 30, 2009

## Assets:

Cash and Cash Equivalents	\$ 56,178,050.15
Receivables - Other	13,741,957.30
Investments	<u>165,961,165.30</u>
Total Assets	<u>\$ 235,881,172.75</u>

## Liabilities:

Accounts Payable and Other Accruals	\$ 197,815.37
Due to Other Funds	4,864,317.92
Benefits Payable	54,823,552.66
Deferred Revenue	<u>10,202,209.96</u>
Total Liabilities	<u>\$ 70,087,895.91</u>

## Net Assets

Held in Trust for:	
Other Post Employment Benefits	<u>\$ 165,793,276.84</u>

The accompanying notes are an integral part of this statement.

# Department of Community Health

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
GEORGIA RETIREE HEALTH BENEFIT FUND

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009

## Additions:

### Contributions:

Employer	\$ 474,137,878.66
Plan Members	<u>126,775,587.12</u>

Total Contributions \$ 600,913,465.78

### Investment Earnings (Losses):

Net Decrease in Fair Value of Investments	\$ (26,207,176.73)
Interest	2,735,650.12
Dividends	<u>2,144,616.93</u>

Total Loss in Investments \$ (21,326,909.68)

Total Additions \$ 579,586,556.10

## Deductions:

General and Administrative Expenses	\$ 35,108,541.52
Benefits	<u>554,946,645.53</u>

Total Deductions \$ 590,055,187.05

### Change in Net Assets Held in Trust for:

Other Post Employment Benefits \$ (10,468,630.95)

Net Assets, July 1 176,261,907.79

Net Assets, June 30 \$ 165,793,276.84

The accompanying notes are an integral part of this statement.

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 1. Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying basic financial statements follows.

### A. Reporting Entity

The State of Georgia's Department of Community Health (Department of Community Health), an organizational unit of the State of Georgia, is part of the executive branch of the government of the State of Georgia. The Department of Community Health was created to coordinate health planning and to maximize the State's healthcare purchasing power. The Board of Community Health is composed of nine members appointed by the Governor and is empowered to establish the general policy to be followed by the Department of Community Health.

The Department of Community Health does not have authority to determine the amount of funding it will receive from the State of Georgia for any given fiscal year. Such authority is vested in the General Assembly of Georgia. The Department of Community Health also does not have authority to retain unexpended State appropriations (surplus) for any given fiscal year. Accordingly, the Department of Community Health is included within the State's basic financial statements as a part of the primary government (as defined in Section 2100.114 of the Codification of Governmental Accounting and Financial Reporting Standards).

The accompanying basic financial statements include only the financial activities for the Department of Community Health. The latest available financial statements for the State of Georgia are as of and for the year ended June 30, 2008. These statements should be read in conjunction with the State's Comprehensive Annual Financial Report, available through the State Accounting Office, 200 Piedmont Avenue, Suite 1604 (West Tower), Atlanta, Georgia 30334.

### B. Basic Financial Statements

The basic financial statements include both department-wide (based on the Department of Community Health as a whole) and fund financial statements. The department-wide financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. These statements include the financial activities of the overall government, except for fiduciary activities. In the department-wide statement of net assets, both the governmental and business-type activities are reflected, on a full accrual, economic resource basis, which incorporates long-term assets as well as long-term obligations. The department-wide statement of activities reflects the net revenues and expenses by function/program and is offset by general revenues (intergovernmental revenues, interest income, etc.). Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The department-wide focus is on the sustainability of the Department of Community Health as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The fund statements categorize primary activities as either governmental, proprietary, or fiduciary. A fund is a separate accounting entity with a self-balancing set of accounts. The emphasis of the fund financial statements is on the Department of Community Health's funds in either the governmental, proprietary, or fiduciary categories. Separate fund financial statements for each fund category – governmental, proprietary and fiduciary – are presented.

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 1. Summary of Significant Accounting Policies (continued)

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities, (b) demonstrate the source and use of liquid resources and (c) demonstrate how the Department of Community Health's actual experience conforms to the budget fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the department-wide statements' governmental activities column, a reconciliation is presented on the page following the statement of revenues, expenditures and changes in fund balance – governmental fund – general fund, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the department-wide presentation. A reconciliation which explains the differences between the total fund balance on the governmental fund balance sheet and the net assets of governmental activities is also presented.

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Department of Community Health's fiduciary fund accounts for the cost of retiree post-employment health insurance benefits. All assets of the fund are used solely for the payment of fund obligations.

All governmental and business-type activities, enterprise funds and fiduciary funds of the Department of Community Health follow the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

The major funds reported by the Department of Community Health are as follows:

**Governmental Funds** - Governmental funds are used to account for the Department of Community Health's general activities. The general fund is the Department of Community Health's primary operating fund and the only governmental fund. It accounts for all financial resources of the Department of Community Health except for those accounted for in the enterprise fund and fiduciary fund.

**Proprietary Funds** - Proprietary funds are used to account for activities similar to those found in the private sector, where cost recovery and the determination of net income is necessary or useful for sound financial administration. The Department of Community Health's only proprietary fund type is the enterprise fund. The Department of Community Health's enterprise fund is the State Health Benefit Plan (SHBP). The SHBP is a self-insured program of health benefits for the employees of units of government and local education agencies located within the State of Georgia.

Other funds reported by the Department of Community Health are as follows:

**Fiduciary Funds** - Fiduciary funds include those used to report the accumulation of resources for, and payment of post employment health benefits. The Department of Community Health's fiduciary fund is the Georgia Retiree Health Benefit Fund (GRHBF).

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 1. Summary of Significant Accounting Policies (continued)

### C. Measurement Focus

**Governmental Funds** - The Department of Community Health's governmental fund is presented using the flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other uses) in net current assets. As noted previously, the Department of Community Health's only governmental fund is the general fund.

**Department-Wide, Proprietary Fund and Fiduciary Fund Financial Statements** - The department-wide, proprietary fund and fiduciary fund financial statements of the Department of Community Health are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation are included on the statement of net assets. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principle ongoing operations. Operating revenue for the enterprise fund consists primarily of employer and participant contributions to the SHBP. Operating expense for the enterprise fund includes direct general and administrative expense related to administering the SHBP. All revenue and expense not meeting this definition are reported as non-operating revenue/expense.

### D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The department-wide, proprietary fund and fiduciary fund financial statements are presented on an accrual basis of accounting. The governmental fund financial statements are presented on a modified accrual basis.

**Accrual** - Revenues are recognized when earned and expenses are recognized when incurred.

**Modified Accrual** - Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the following six months. Principal revenue sources, which are susceptible to accrual, include federal grants and shared revenues (which include State appropriations). Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that certain long-term obligations are recognized when due rather than when incurred.

### E. Cash, Cash Equivalents and Investments

The State Depository Board is designated by State law as the oversight board for the State of Georgia's cash management and investment policies. The Georgia Office of Treasury and Fiscal Services (OTFS) acts as the administrative agent of the State Depository Board. The policy, of the State of Georgia, is to maximize the protection of State funds on deposit while accruing an advantageous yield on those funds in excess of those required for current operating expenditures (Official Code of Georgia Annotated [O.C.G.A.] Section 50-17-51). The State Depository Board may permit any department, board, bureau or other agency to invest funds collected directly by such organization in short-term time deposit agreements.

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 1. Summary of Significant Accounting Policies (continued)

Except for amounts earned on investments of the SHBP, GRHBF and those on restricted funds, the interest income of those short-term time deposit agreements must be remitted to the Director of the OTFS as revenues of the State of Georgia.

As a matter of general practice, however; State funds of any department, board, bureau or other agency in excess of current operating needs are required to be deposited with the Director of the OTFS for the purposes of pooled investment funds. Such cash is managed in pooled investment funds to maximize interest earnings. Authorized pooled investments are limited to the following in accordance with State statutes and policies of the State Depository Board:

- 1) Obligations issued by the State of Georgia or its agencies or other political subdivisions of the State.
- 2) Obligations issued or guaranteed by the United States government and its subsidiary corporations and instrumentalities or entities sanctioned or authorized by the United States government.
- 3) Prime bankers' acceptances.
- 4) Repurchase agreements.
- 5) Obligations and commercial paper issued by domestic corporations.
- 6) Obligations of industrialized foreign governments.
- 7) Obligations issued, assumed or guaranteed by the International Bank for Reconstruction and Development or the International Financial Corporation.
- 8) Certificates of deposit.

Pooled assets and other deposits of the Department of Community Health are categorized on the statement of net assets as follows:

**Cash and Cash Equivalents** include currency on hand, demand deposits with banks and other financial institutions and funds in transit from other spending units. Cash and cash equivalents also include short-term, highly liquid investments with maturities of three months or less from the date of acquisition and the Department of Community Health's investments in Georgia Fund 1.

**Cash with Fiscal Agent** is cash held by a third party service provider on behalf of the Department of Community Health and consists primarily of State Children's Health Insurance Program (SCHIP) premiums.

**Restricted Cash** is cash held in a separate bank account to comply with federal regulations stipulating that the proceeds of federally forfeited cash, property or interest shall not be commingled with other funds of any kind. The majority of these funds are restricted for use solely for the purpose of criminal fraud investigations as described in the Federal Equitable Sharing Agreement entered into by the Department of Community Health and for the purpose of assisting nursing home facilities that have been sanctioned by the Centers for Medicare and Medicaid Services (CMS). Restricted cash also includes amounts held in escrow under the terms of contractual agreements.

**Investments** are defined as those financial instruments with terms in excess of three months from the date of purchase and certain other securities held for the production of revenue.

### Health Insurance Fund Portfolio

As of June 30, 2009, the Health Insurance Fund Portfolio investments consist of shares of Georgia Fund I and a separately managed cash concentration account. The GRHBF has a separate portfolio that is managed by the Division of Investment Services of the Teachers Retirement System of Georgia and the Employees' Retirement System of Georgia. These investments are recorded at fair value. Fair value is determined based on market value.

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 1. Summary of Significant Accounting Policies (continued)

### Georgia Fund 1

Georgia Fund 1 (the Pool) is a combination of local and State government investment pools. The Pool is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. The Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal. Net asset value (NAV) is calculated daily and reported to the rating agency weekly to ensure stability. The Pool distributes earnings (net of management fees) on a monthly basis and values participants' shares sold and redeemed at the Pool's share price, \$1.00 per share. Pooled cash and cash equivalents and investments are reported at cost. The Pool does not issue any legally binding guarantees to support the value of the shares. Participation in the Pool is voluntary and deposits consist of funds from local governments, operating and trust funds of State agencies, colleges and universities and current operating funds of the State's general fund. Investments in the Pool are directed toward short-term instruments such as U. S. Treasury obligations, securities issued or guaranteed as to principal and interest by the U. S. government or any of its agencies or instrumentalities, bankers' acceptances and repurchase agreements.

Based on Standard and Poor's criteria for AAA rated funds, weighted average maturity (WAM) is 60 days; however, OTFS's internal policy limits WAM to 45 days. The WAM for the Pool on June 30, 2009 was 41 days. The Department of Community Health does not have any risk exposure related to investments in derivatives or similar investments in the Pool, as the investment policy of the OTFS does not provide for investments in derivatives or similar investments through the Pool.

### Georgia Retiree Health Benefit Fund Portfolio

*Short-Term* investments are authorized in the following instruments:

- Repurchase and reverse repurchase agreements, whereby the system and broker exchange cash for direct obligations of the U. S. government or in obligations unconditionally guaranteed by the agencies of the U. S. government or U. S. corporations. The system or broker promises to repay the cash received, plus interest, at a specific date in the future in exchange for the same securities.
- U. S. Treasury obligations.

Other short-term securities authorized, but not currently used, are:

- Commercial paper, with a maturity of 180 days or less. Commercial paper is an unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. The System considers for investment only commercial paper of the highest quality, rated P-1 and/or A-1 by national credit rating agencies.
- Master notes, an overnight security administered by a custodian bank and an obligation of a corporation whose commercial paper is rated P-1 and/or A-1 by national credit rating agencies.

Investments in commercial paper or master notes are limited to no more than \$100 million in any one name.

*Long-Term* fixed income investments are authorized in U. S. and foreign government obligations.

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 1. Summary of Significant Accounting Policies (continued)

Equity securities are also authorized for investment as a complement to the GRHBF's fixed-income portfolio and as a long-term inflation hedge. By statute, no more than 65 percent of the total invested assets on a historical cost basis may be placed in equities and no more than five percent in any one corporation. Equity holdings in any one corporation may not exceed five percent of the outstanding equity of the issuing corporation. Subject to the above limitation, securities may be owned in the form of exchange traded funds.

The following long-term securities authorized but not currently used, are:

Fixed income investments in the following instruments:

- Obligations unconditionally guaranteed by agencies of the U. S. government with terms up to 30 years.
- Corporate bonds with at least an "A" rating by a national rating agency and limited to no more than five percent of total System assets in any one name.
- Private placements are authorized under the same general restrictions applicable to corporate bonds.

Mortgage investments are authorized to the extent that they are secured by the first mortgages on improved real property located in the State of Georgia.

In addition, large retirement systems have restrictions as to the concentration of investments in corporations and equities and additional stipulations exist related to decreases in a fund's asset value.

The Department of Community Health maintains a Cash Concentration Account through the OTFS which is used to invest excess cash to maximize earnings while retaining high liquidity. For additional disclosures related to cash, cash equivalents and investments, see Note 2.

### F. Accounts Receivable

The State Appropriation receivable consists of funds appropriated and allotted to the Department of Community Health by the General Assembly of Georgia that have not been drawn down from the OTFS as of June 30, 2009. Receivables reported as intergovernmental-federal result from expenditures incurred by the Department of Community Health for which all eligibility requirements have been met that are related to federal grants and entitlements. Reimbursement for these expenditures has not been received from the federal government as of June 30, 2009. Management has determined the State Appropriation receivable and the intergovernmental-federal receivables to be fully collectible at June 30, 2009. Therefore, no provision for uncollectible amounts has been reported for such receivables.

The Constitution of the State of Georgia precludes the Department of Community Health from forgiving certain debts due the State in the absence of statutory exception. Although the Department of Community Health has implemented policies and procedures for continued collection efforts, significant claim refunds due cannot be deleted from the accounting records of the Department of Community Health. A contra-asset valuation account has been established to indicate the portion of claim refunds due and estimated to be uncollectible in excess of the statutory limit, which cannot be legally written off (\$100.00 for governmental activities; \$400.00 for business-type activities).

### G. Capital Assets

Capital assets purchased or acquired are carried at historical cost or estimated historical cost and consist of equipment. Contributed assets are recorded at fair market value as of the date received. Capital assets are defined by the Department of Community Health as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Depreciation on capital assets is provided on the straight-line basis over the asset's useful life generally three to five years.



# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 1. Summary of Significant Accounting Policies (continued)

### H. Compensated Absences/Sick Leave

The Department of Community Health accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. For the enterprise fund and the department-wide financial statements, the entire liability is accrued within the current period. The compensated absences are not considered matured and therefore, are not a governmental fund liability. The compensated absences liability represents a reconciling item between the fund level and department-wide presentations for the governmental fund.

Employees earn annual leave ranging from 10 to 14 hours each month depending upon the employee's length of continuous State service with a maximum accumulation of 45 days. Employees are paid for unused accumulated annual leave upon retirement or termination of employment. Compensated absences reported by the Department of Community Health are charged to the health and welfare function for each fund type and activity.

Sick leave does not vest with the employee. Employees earn 10 hours of sick leave each month with a maximum accumulation of 90 days. Unused accumulated sick leave is forfeited upon retirement or termination of employment. However, certain employees who retire with 120 days or more of forfeited annual and sick leave are entitled to additional service credit in the Employees' Retirement System of Georgia. Funds are provided in the appropriation of State funds each fiscal year to cover the cost of annual leave of terminated employees.

### I. Fund Balances

Reservations of fund balances represent amounts that are not appropriable for expenditure or are legally segregated for a specific future use. See Note 8 for classifications of fund balance.

### J. Net Assets

The department-wide, proprietary fund and fiduciary fund financial statements utilize a net asset presentation. The statement of net assets is intended to show net assets categorized as investment in capital assets (net of related debt), restricted and unrestricted. When both restricted and unrestricted resources are available for use, the Department of Community Health's policy is to use restricted resources first then unrestricted resources as needed.

**Invested in Capital Assets (net of related debt)** – Net assets which are associated with non-liquid, capital assets are reported less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

**Restricted Net Assets** – Net assets are reported as restricted when constraints are externally imposed by creditors or imposed by law. See Note 8 for classifications of restricted net assets.

**Unrestricted Net Assets** – Net assets are reported as unrestricted when they do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

### K. Related Party Transactions

During the normal course of business, the Department of Community Health provides services to and contracts for services from various agencies and departments of the State. As an organizational unit of the State and a substantial component of the primary government's financial statements, the relationship with other parties of the State is so pervasive that disclosure of the relationship alone is sufficient.

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 1. Summary of Significant Accounting Policies (continued)

### L. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the department-wide columnar presentation. The Department of Community Health has the following types of interfund transactions:

*Quasi-external transactions* for services rendered by one fund to another are accounted for as revenues by the recipient fund and expenditures or expenses by the disbursing fund.

*Transfers* are recorded for all other interfund transactions.

Balances due to/from other funds at June 30, 2009, totaled \$4,864,317.92 due from the GRHBF to the SHBP for working capital.

### M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## Note 2. Deposits and Investments

Total cash, cash equivalents and investments at June 30, 2009 for the Department of Community Health's governmental, business-type activities and fiduciary fund are as follows:

### Deposits and Investments:

Amounts Included as Deposits (Overdraft) in Bank	\$ 13,382,069.94
Amounts Included as Deposits in OTFS	33,363,182.25
Amounts Deposited in Georgia Fund 1	234,466,526.79
Amounts Invested in Cash Equivalents	55,283,608.50
Amounts Invested in Bonds	81,855,164.15
Amounts Invested in Common Stock	82,715,667.99
	<u>\$ 501,066,219.62</u>

### As Reported in the Statement of Net Assets:

Cash, Cash Equivalents and Investments	\$ 255,083,485.50
Cash, Cash Equivalents and Investments - Restricted	32,863,182.25
Cash Overdraft	<u>(9,019,663.31)</u>
	\$ 278,927,004.44

### As Reported in the Statement of Fiduciary Net Assets:

Cash and Cash Equivalents	56,178,050.15
Investments	<u>165,961,165.30</u>
	<u>\$ 501,066,219.89</u>

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 2. Deposits and Investments (continued)

### A. Deposits

**Custodial Credit Risk** is the risk that in the event of a bank failure, the Department of Community Health's deposits may not be returned. Except for the cash with fiscal agent, the Department of Community Health's bank accounts in excess of the FDIC deposit insurance coverage of \$250,000 are collateralized through agreements contracted by Georgia Office of Treasury and Fiscal Services with each of the banks. The agreements stipulate that the market value of securities pledged as collateral and set aside with third parties is equal to 110 percent of the Department of Community Health's deposit after deducting FDIC coverage. Columbus Bank and Trust is a participant in the FDIC transaction account guarantee program whereby 100 percent coverage is provided on certain non-interest bearing transaction and negotiable order of withdrawal accounts. At year-end, the carrying amounts of the Department of Community Health's deposits totaled \$13,132,070.21 and the bank balances were \$37,964,925.06.

Collateralized	\$ 13,999,495.62
Insured	<u>23,965,429.44</u>
Total Bank Balances	<u>\$ 37,964,925.06</u>

### B. Investments

The carrying amount of the Department of Community Health's investment balances as of June 30, 2009 is summarized on the following page. All cash, cash equivalents and investments reported by the Department of Community Health except for the investments reported in the GRHBF are maintained in an investment pool by the OTFS and is not subject to risk categorization. The Georgia Fund 1 investment pool is included in "cash, cash equivalents and investments" on the statement of net assets. The investments reported in the GRHBF are held in the Department of Community Health's name by an outside investment company.

**Interest Rate Risk** is the risk that changes in interest rates may adversely affect an investment's fair value. The Department of Community Health does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. It relies on the policy of the State to maximize the protection of State funds while accruing an advantageous yield on those funds in excess of those required for current operating expenditures. The State manages interest rate risk by attempting to match investments with expected cash requirements.

**Credit Quality Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investment in U. S. Treasury Bills and notes, obligations issued by federal financial institutions and repurchase agreements collateralized by authorized securities. The Department of Community Health has no investment policy that would further limit its investment choices. As stated above, the Department of Community Health relies on the policy of the State as a whole. As of June 30, 2009, Standard and Poor's rated the Department of Community Health's investment in the Georgia Fund 1 as AAAM and the Georgia Extended Asset Pool as AAAf.

**Custodial Credit Risk** is the risk that in the event of the failure of the counterparty, the Department of Community Health will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. The Department of Community Health has no policy on custodial credit risk.

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 2. Deposits and Investments (continued)

**Concentration of Credit Risk** is the risk of loss attributable to the magnitude of investment in a single issuer.

At June 30, 2009, the carrying amount of the Department of Community Health's investment is summarized as follows.

Type of Investment	Fair Value	Weighted Average Maturity (Days)	Duration (Years)
Investments pooled by OTFS:			
Georgia Fund 1	\$ 234,466,526.79	41.00	
Cash Concentration	<u>53,893,275.34</u>		
	288,359,802.13		
Amounts held by outside investment company:			
Repurchase Agreements	1,390,333.16		
U.S. Treasuries	<u>81,855,164.15</u>		4.12
Total Fixed Income Investments	\$ 371,605,299.44		
Common Stock	<u>82,715,667.99</u>		
Total Fair Value	<u>\$ 454,320,967.43</u>		

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 3. Accounts Receivable

At June 30, 2009, receivables – other arising from governmental activities are reported as follows:

	<u>Receivables - Other</u>	<u>Allowance Amount</u>	<u>Receivables - Other (Net of Allowances for Uncollectibles)</u>
Interim Payments to Providers and Other Receivables	\$ 55,641,578.80	\$ (17,688,175.93)	\$ 37,953,402.87
Direct Billings for Services Provided	<u>104,460,088.14</u>	<u>-</u>	<u>104,460,088.14</u>
	<u>\$ 160,101,666.94</u>	<u>\$ (17,688,175.93)</u>	<u>\$ 142,413,491.01</u>

At June 30, 2009, the accounts receivable for business-type activities are reported as follows:

	<u>Receivables - Other</u>	<u>Allowance Amount</u>	<u>Receivables - Other (Net of Allowances for Uncollectibles)</u>
Contributions Receivable	\$ 37,957,707.42	\$ -	\$ 37,957,707.42
Claims Refunds Due	<u>21,422,195.44</u>	<u>(3,925,650.89)</u>	<u>17,496,544.55</u>
	<u>\$ 59,379,902.86</u>	<u>\$ (3,925,650.89)</u>	<u>\$ 55,454,251.97</u>

At June 30, 2009, the allowance for uncollectible interim payments to providers and claim refunds due to the governmental fund was determined to be \$17,688,175.93. The allowance for uncollectible claim refunds due to the enterprise fund was determined to be \$3,925,650.89.

The receivables reported in the GRHBF consist of contributions receivable. Management has determined contribution receivables to be fully collectible at June 30, 2009. Therefore, no provision for uncollectible amounts has been reported for such receivables.

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 4. Capital Assets

The following is a summary of equipment presented in the statement of net assets in the governmental activities column at June 30, 2009:

	Balance at July 1, 2008	Additions and Adjustments	Deletions and Adjustments	Balance at June 30, 2009
Governmental Activities:				
Depreciable Capital Assets Equipment	\$ 1,640,952.46	\$ 165,322.66	\$ 413,472.42	\$ 1,392,802.70
Less Accumulated Depreciation Equipment	<u>1,310,315.08</u>	<u>270,040.18</u>	<u>413,472.42</u>	<u>1,166,882.84</u>
	<u>\$ 330,637.38</u>	<u>\$ (104,717.52)</u>	<u>\$ -</u>	<u>\$ 225,919.86</u>

The investment in capital assets includes equipment, furniture and fixtures. All capital outlays and depreciation were charged to the health and welfare function.

## Note 5. Operating Leases

The Department of Community Health has entered into certain agreements to lease equipment, which are classified for accounting purposes as operating leases. These cancelable leases generally contain provisions that, at the expiration date of the original term of the lease, the Department of Community Health has the option of renewing the lease on a year-to-year basis. Total expenditures for the rental of equipment under such leases were \$ 121,200.96 for the year ended June 30, 2009. The future minimum commitments for operating leases as of June 30, 2009 are listed below.

<u>Fiscal Year Ending June 30,</u>	
2010	\$ 42,699.46
2011	21,166.32
2012	6,592.08
2013	<u>2,023.80</u>
	<u>\$ 72,481.66</u>

## Note 6. Long-Term Obligations

The following is a summary of changes in long-term obligations during the fiscal year:

	Balance at July 1, 2008	Additions and Adjustments	Deductions and Adjustments	Balance at June 30, 2009	Due within one year
Governmental Activities:					
Compensated Absences	\$ <u>2,195,806.64</u>	\$ <u>962,160.39</u>	\$ <u>949,427.79</u>	\$ <u>2,208,539.24</u>	\$ <u>894,147.53</u>
Business-Type Activities:					
Compensated Absences	\$ <u>247,119.76</u>	\$ <u>166,361.69</u>	\$ <u>125,531.78</u>	\$ <u>287,949.67</u>	\$ <u>139,214.84</u>

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 7. Contributions to the State

Contributions to the State for the fiscal year ended June 30, 2009, consisted of the following:

### General Fund

#### Office of Treasury and Fiscal Services

Return of Appropriation	\$ 101,261,232.09
Remittance of Collections	<u>271,107,441.62</u>
	<u>\$ 372,368,673.71</u>

## Note 8. Reservations of Fund Balances and Restricted Net Assets

Fund balance in governmental and fiduciary fund types and net assets in governmental activities are classified as follows:

**Reserved/Restricted for Other Specific Purposes** funds reserved to comply with specific federal and State regulations.

**Reserved for Encumbrances** funds reserved for commitments related to unperformed (executory) contracts or purchase orders for goods or services.

**Reserved/Restricted for Return of Appropriations** unobligated State appropriation subject to return to the OTFS.

**Reserved/Restricted for Return - State Revenue Collections** collection of specific fees mandated by statute and held for remittance to the OTFS.

**Held in Trust** for the benefit of individuals or other governments.

## Note 9. Risk Management

**Public Entity Risk Pool** - The Department of Community Health's business-type activities internally administers for the State of Georgia a program of health benefits for the employees of units of government of the State of Georgia, units of county government and local education agencies located within the State of Georgia. This pool is funded by participants covered in the pool, by employers' contributions paid by the various units of government participating in the pool and appropriations by the General Assembly of Georgia. The Department of Community Health has contracted with Blue Cross Blue Shield of Georgia, Cigna, and United Health Care to process claims in accordance with the SHBP as established by the Board of Community Health.

**Other Risk Management** - The Department of Community Health is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries to employees. The State of Georgia utilizes self-insurance programs established by individual agreement, statute or administrative action, to provide property insurance covering fire, extended coverage and automobile insurance and to pay losses that might occur from such causes; liability insurance for employees against personal liability for damages arising out of performance of their duties; survivors' benefits for eligible members of the Employees' Retirement System; consolidating processing of unemployment compensation claims against State agencies and the payment of sums due to the Department of Labor; and workers' compensation insurance coverage for employees of the State and for the receipt of benefits as prescribed by the workers' compensation statutes of the State of Georgia. These self-insurance funds are accounted for as internal service funds of the State of Georgia where assets are set aside for claim settlements.

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 9. Risk Management (continued)

The majority of the risk management programs are funded by assessments charged to participating organizations. A limited amount of commercial insurance is purchased by the self-insurance funds applicable to property, employee and automobile liability, fidelity and certain other risks to limit the exposure to catastrophic losses. Otherwise, the risk management programs service all claims against the State for injuries and property damage.

Financial information relative to the self-insurance funds will be presented in the State of Georgia Comprehensive Annual Financial Report for the year ended June 30, 2009.

The Department of Community Health's estimated fiscal year end liability includes an estimate for claims that have been incurred, but not reported, which is computed by both the Department of Community Health and its actuaries. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Estimates of liabilities for incurred, (both reported and unreported) but unpaid claims are actuarially determined based on estimates of the ultimate cost of settling claims, using past experience adjusted for current trends and any other factors that would modify past experience. Because actual claim liabilities depend on such factors as inflation, changes in legal doctrines and damage awards, the process used in computing claim liabilities may not result in an exact amount. Claim liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

The Department of Community Health utilizes third party administrators to process Medicaid, PeachCare and State employee health benefit claims. Agreements between individual administrators and the Department of Community Health are for the processing of specific claim types. If an administrator was unable to continue processing claims for the Department of Community Health under such an agreement, the Department of Community Health's ability to adjudicate such claims in the short-term could be threatened.

A reconciliation of total claim liabilities for fiscal years ended June 30, 2009 and 2008 for governmental activities, business-type activities and fiduciary funds is shown below:

	Governmental Activities		Business-Type Activities		Fiduciary Funds	
	Fiscal Year Ended June 30, 2009	Fiscal Year Ended June 30, 2008	Fiscal Year Ended June 30, 2009	Fiscal Year Ended June 30, 2008	Fiscal Year Ended June 30, 2009	Fiscal Year Ended June 30, 2008
Unpaid claims and claim adjustments, July 1	\$ 674,595,153.00	\$ 741,480,437.00	\$ 200,352,783.15	\$ 179,907,044.67	\$ 52,670,819.28	\$ 47,574,000.00
Incurred claims and claim adjustment expenses - provisions for insured events of the current year	7,839,777,081.65	7,555,599,274.14	2,095,380,497.17	1,804,920,869.97	554,946,645.53	517,229,636.89
Payments-claims and claim adjustment expenses attributable to insured events of the current year and of prior years	(7,818,247,337.65)	(7,622,484,558.14)	(2,083,575,346.45)	(1,784,475,131.49)	(552,793,912.15)	(512,132,817.61)
	<u>\$ 696,124,897.00</u>	<u>\$ 674,595,153.00</u>	<u>\$ 212,157,933.87</u>	<u>\$ 200,352,783.15</u>	<u>\$ 54,823,552.66</u>	<u>\$ 52,670,819.28</u>

The above liabilities include an actuarial estimate for claims incurred, but not reported based on analyses of historical data.



# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 10. Deferred Compensation Plan

The State of Georgia offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to employees of the State of Georgia and county health departments, permits participants to defer a portion of their salary until future years. The Department of Community Health makes no contributions to the plan. Participants choose the option or options in which they wish to participate. Deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the participant or beneficiary) solely the property or rights of the State of Georgia, subject only to the claims of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State of Georgia in an amount equal to the fair market value of the deferred account of each participant. Financial information relative to the plan will be presented in the State of Georgia Comprehensive Annual Financial Report for the year ended June 30, 2009.

## Note 11. Georgia Retiree Health Benefit Fund

The Department of Community Health administers a defined benefit post employment healthcare plan – Georgia Retiree Health Benefit Fund (GRHBF). The plan assets may be used solely for the payment of benefits to or on behalf of plan members or their beneficiaries and plan administrative expenses. In accordance with the provisions of GASB No. 43, *Financial Reporting for Post Employment Benefit Plans Other than Pension Plans*, the Department of Community Health created a separate trust fund in which employer contributions for future retiree health costs may be accumulated and invested.

### A. Summary of Significant Accounting Policies

**Basis of Accounting** – GRHBF's financial statements are prepared using the accrual basis of accounting. Plan member deductions and employer contributions are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

### B. Plan Descriptions and Membership Information

**Plan Description** – GRHBF is a cost sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of the State including all departments, agencies and local school systems. GRHBF provides health insurance benefits to eligible retirees and their qualified beneficiaries through the health insurance plan for State employees. The Official Code of the State of Georgia (O.C.G.A.) assigns the authority to establish and amend the benefit provisions of the employees' health insurance plan (includes benefits for retirees) to the Board of Community Health.

**Membership Information** – Membership of the plan consisted of the following at June 30, 2009:

Retirees and beneficiaries receiving benefits	91,521
Terminated plan members entitled to but not yet receiving benefits	465
Active plan members	<u>258,874</u>
Total members	<u>350,860</u>
Number of participating employers	<u>258</u>

# Department of Community Health

## Note 11. Georgia Retiree Health Benefit Fund (continued)

### C. Funding Policy, Funding Progress and Funded Status—GRHBF

The plan is currently funded on a pay-as-you go basis.

The contribution requirements of plan members and participating employers are established by the Board of Community Health in accordance with current appropriation and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. On average, plan members pay approximately 25 percent of the cost of health insurance coverage.

Participating State employers are statutorily required to contribute in accordance with the employer contribution rate established by the Board. This contribution rate is established to fund both the active and retired employee health insurance plans based on projected pay-as-you-go financing requirements, not the actuarially calculated annual required contribution (ARC). The combined rates for the active and retiree plans for the fiscal year ended June 30, 2009 were as follows:

#### State Employees:

July 2008 - January 2009	22.165 % of covered payroll for August - February Coverage
February 2009	1.926 % of covered payroll for March Coverage
March 2009 - June 2009	0.000% of covered payroll for April - July Coverage

#### School Employees:

July 2008 - January 2009	18.534 % of covered payroll for August - February Coverage
February 2009	8.579 % of covered payroll for March Coverage
March 2009 - June 2009	3.688% of covered payroll for April - July Coverage

No additional contribution was required by the Board for fiscal year 2009 nor contributed to GRBHF to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the State plan for other post employment benefits and are subject to appropriation.

The following table summarizes the Department of Community Health's contribution for the health insurance plan for the years ending June 30, 2009, 2008 and 2007.

	<u>Required Contribution</u>	<u>Percent Contributed</u>
2009	\$ 3,471,230.13	100%
2008	\$ 5,396,376.82	100%
2007	\$ 4,944,668.51	100%

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 11. Georgia Retiree Health Benefit Fund (continued)

The funded status of GRHBF as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
6/30/2008	\$176,261,908	\$16,624,848,705	\$16,448,586,797	1.06%	\$ 14,036,194,000	117.2%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the plan by employers in comparison to the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. Projections of benefits for financial purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types 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 calculations. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2008
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Pay, Open
Asset Valuation Method	Market Value of Assets
Remaining Amortization Period	30 years
Actuarial Assumptions:	
Investment Rate of Return*	4.50%
Healthcare Cost Trend Rate*	9.25%
Ultimate Trend Rate	5.00%
Year of Ultimate Trend Rate	2014

\*Includes an inflation assumption of 3.75 percent

# Department of Community Health

## Note 12. Retirement Systems

The Department of Community Health participates in various retirement plans administered by the State of Georgia under two major retirement systems: Employees' Retirement System of Georgia (ERS System) and Teachers Retirement System of Georgia (TRS System). These two systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective system offices. The significant retirement plans that the Department of Community Health participates in are described below. More detailed information can be found in the plan agreements and related legislation. Each plan, including benefit and contribution provisions, was established and can be amended by State law.

### *Employees' Retirement System of Georgia*

The ERS System is comprised of individual retirement systems and plans covering substantially all employees of the State of Georgia except for teachers and other employees covered by the Teachers Retirement System of Georgia. One of the ERS System plans, the Employees' Retirement System of Georgia (ERS), is a cost-sharing multiple-employer defined benefit pension plan that was established by the General Assembly of Georgia 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 and has the powers and privileges of a corporation. ERS acts pursuant to statutory direction and guidelines, which may be amended prospectively for new hires but for existing members and beneficiaries may be amended in some aspects only subject to potential application of certain constitutional restraints against impairment of contract.

On November 20, 1997, the Board of Trustees created the Supplemental Retirement Benefit Plan (SRBP-ERS) of ERS. SRBP-ERS was established as a qualified governmental excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of ERS. The purpose of the SRBP-ERS is to provide retirement benefits to employees covered by ERS whose benefits are otherwise limited by IRC Section 415. Beginning January 1, 1998, all members and retired former members in ERS are eligible to participate in the SRBP-ERS whenever their benefits under ERS exceed the limitation on benefits imposed by IRC Section 415.

The benefit structure of ERS is established by the Board of Trustees under statutory guidelines. Unless the employee elects otherwise, an employee who currently maintains membership with ERS based upon State employment that started prior to July 1, 1982, is an "old plan" member subject to the 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 the modified plan provisions. Effective January 1, 2009, newly hired State employees, as well as rehired State employees who did not maintain eligibility for the "old" or "new" plan, are members of the Georgia State Employees' Pension and Savings Plan (GSEPS). ERS members hired prior to January 1, 2009 also have the option to change their membership to the GSEPS plan.

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

Retirement benefits paid to members are based upon a formula adopted by the Board of Trustees for such purpose. The formula considers the monthly average of the member's highest 24 consecutive calendar months of salary, the number of years of creditable service, and the member's age at retirement. Post-retirement cost-of-living adjustments may 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. TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions may be refunded with interest.

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 12. Retirement Systems (continued)

Member contributions are limited by State law to not less than five percent or more than six percent of a member's earnable compensation. Member contributions as adopted by the Board of Trustees for the fiscal year ended June 30, 2009 were five percent of annual salary. The member contribution rate will increase to 5.25 percent effective July 1, 2009 and to 5.53 percent effective July 1, 2010. Employer contributions required for fiscal year 2009 were 9.28 percent of annual salary as required by the June 30, 2006 actuarial valuation. The employer contribution rate will increase to 9.74 percent effective July 1, 2009 and to 10.28 percent effective July 1, 2010.

### *Teachers Retirement System of Georgia*

The TRS is a cost-sharing multiple-employer defined benefit plan created in 1943 by an act of the General Assembly of Georgia to provide retirement benefits for qualifying employees in educational service. A Board of Trustees comprised of active and retired members and ex-officio State employees is ultimately responsible for the administration of TRS.

On October 25, 1996, the Board of Trustees created the Supplemental Retirement Benefit Plan of the Georgia Teachers Retirement System (SRBP-TRS). SRBP-TRS was established as a qualified governmental excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of TRS. The purpose of SRBP-TRS is to provide retirement benefits to employees covered by TRS whose benefits are otherwise limited by IRC Section 415. Beginning July 1, 1997, all members and retired former members in TRS are eligible to participate in the SRBP-TRS whenever their benefits under TRS exceed the IRC Section 415 imposed limitation on benefits.

TRS provides service retirement, disability retirement, and survivor's benefits. The benefit structure of TRS is defined and may be amended by State statute. A member is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service.

Normal retirement (pension) benefits paid to members are equal to two percent of the average of the member's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of one-twelfth of seven percent for each month the member is below age 60 or by seven percent for each year or fraction thereof by which the member has less than 30 years of service. It is also assumed that certain cost-of-living adjustments, based on the Consumer Price Index, will be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit. Death, disability and spousal benefits are also available.

TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions may be refunded with interest. Member contributions are limited by State law to not less than five percent or more than six percent of a member's earnable compensation. Member contributions as adopted by the Board of Trustees for the fiscal year ended June 30, 2009 were five percent of annual salary. The member contribution rate will increase to 5.25 percent effective July 1, 2009 and to 5.53 percent effective July 1, 2010. Employer contributions required for fiscal year 2009 were 9.28 percent of annual salary as required by the June 30, 2006 actuarial valuation. The employer contribution rate will increase to 9.74 percent effective July 1, 2009 and to 10.28 percent effective July 1, 2010.

# Department of Community Health

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

## Note 12. Retirement Systems (continued)

The following table summarizes the Department of Community Health (DCH) contributions by defined benefit plan for the years ending June 30, 2009, 2008, and 2007:

	ERS		TRS	
	Required Contribution	Percent Contributed	Required Contribution	Percent Contributed
2009	\$ 2,693,495.63	100%	\$ 8,234.13	100%
2008	\$ 2,615,574.02	100%	\$ 8,716.50	100%
2007	\$ 2,942,543.44	100%	\$ 9,144.96	100%

## Note 13. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and review by grantor agencies, principally the federal government. This could result in a request for reimbursement by the grantor agency for any expenditures which are disallowed under grant terms. The Department of Community Health believes that such disallowances, if any, will be immaterial to its overall financial position.

Litigation, claims and assessments filed against the Department of Community Health, if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the State of Georgia Comprehensive Annual Financial Report for the year ended June 30, 2009.

## Note 14. Subsequent Events

The Department of Community Health has evaluated subsequent events through November 20, 2009, the date on which the financial statements were issued. The following are recognized subsequent events.

### A. Reorganization of Department of Community Health

The Department of Community Health was reorganized effective July 1, 2009 under House Bill 228 to include all the public and long-term care regulation programs of Department of Human Resources. This change established one lead agency, the Department of Community Health, to focus on improving Georgia's health and streamlines health related activities that were previously in two separate departments.

### B. Georgia Retiree Health Benefit Fund

The GRHBF has been split into two funds, one for State retirees and one for School retirees.

**REQUIRED SUPPLEMENTARY INFORMATION**

# Department of Community Health

REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009

## SCHEDULE OF FUNDING PROGRESS

### Georgia Retiree Health Benefit Fund In Total

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
6/30/2006*	\$ -	\$ 19,184,355,909	\$ 19,184,355,909	0.00%	\$ 12,878,984,510	149.0%
6/30/2007**	\$ -	\$ 16,472,440,767	\$ 16,472,440,767	0.00%	\$ 13,141,956,000	125.3%
6/30/2008***	\$176,261,908	\$ 16,624,848,705	\$ 16,448,589,797	1.06%	\$ 14,036,194,000	117.2%

Since individual Public School Employees Retirement System (PSERS) salary is not available, assumes annual salary for PSERS members of \$21,788 for 2005, \$22,605 for 2006 and \$23,453 for 2007.

- \* Discount rate changed to reflect established financing and funding policies. Actual retiree plan elections were incorporated and future participation and coverage assumptions updated accordingly. Retiree premiums future increases assumed.
- \*\* Consumer Driven Health/Medicare Advantage (CDH/MA) options offered with retiree premiums set to encourage participation in these options. Indemnity and Consumer Choice Options discontinued. Discount rate lowered from 5.0 percent to 4.50 percent.
- \*\*\* Medicare eligible retirees must enroll in Medicare Part B or face a premium penalty and also must enroll in Medicare Advantage plans. New hires must participate in the Consumer Driven Health plan for at least one year. Discount rate remained at 4.50 percent.

## SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30	Annual Required Contribution	Actual Employer Contribution	Percentage of ARC Contributed
2007	\$ 1,583,008,024	\$ 422,156,840	26.7%
2008	\$ 1,262,369,550	\$ 550,289,991	43.6%



# Department of Community Health

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET COMPARISON SCHEDULE – BUDGET FUND

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009

	Original Appropriation	Final Budget	Actual	Variance Positive (Negative)
<b>Funds Available:</b>				
State Funds:				
State General Funds	\$ 2,452,718,164.00	\$ 1,809,076,848.00	\$ 1,781,454,834.00	\$ (27,622,014.00)
Tobacco Funds	61,573,656.00	114,404,322.00	114,404,322.00	-
Federal Funds:				
Medical Assistance Program	5,848,255,849.00	5,178,487,377.00	5,115,827,699.22	(62,659,677.78)
State Childrens' Insurance Program	261,193,434.00	249,579,070.00	224,203,661.66	(25,375,408.34)
American Recovery and Reinvestment Act of 2009				
Medical Assistance Program	-	532,045,041.00	497,633,432.34	(34,411,608.66)
Other Funds	<u>3,194,158,428.00</u>	<u>3,325,477,779.00</u>	<u>3,191,103,956.70</u>	<u>(134,373,822.30)</u>
Total Revenues	\$11,817,899,531.00	\$11,209,070,437.00	\$10,924,627,905.92	\$ (284,442,531.08)
Prior Year Reserves Available for Expenditures	<u>460,714,234.00</u>	<u>232,258,424.00</u>	<u>250,579,349.10</u>	<u>18,320,925.10</u>
Total Funds Available	<u>\$12,278,613,765.00</u>	<u>\$11,441,328,861.00</u>	<u>\$11,175,207,255.02</u>	<u>\$ (266,121,605.98)</u>
<b>Expenditures:</b>				
Department Administration and Program Support	\$ 426,660,620.00	\$ 408,609,134.00	\$ 350,727,922.52	\$ 57,881,211.48
Health Care Access and Improvement	26,272,898.00	22,617,819.00	20,402,109.89	2,215,709.11
Indigent Care Trust Fund	398,662,493.00	419,851,274.00	387,790,999.24	32,060,274.76
Medicaid: Aged, Blind and Disabled	4,611,480,973.00	3,958,087,271.00	3,853,344,348.88	104,742,922.12
Medicaid: Low-Income Medicaid	3,377,418,806.00	3,026,524,987.00	2,939,476,508.63	87,048,478.37
Nursing Home Provider Fees	335,870,759.00	438,224,621.00	438,224,621.00	-
PeachCare	341,864,111.00	301,433,543.00	273,915,604.85	27,517,938.15
State Health Benefit Plan	2,704,743,166.00	2,814,160,000.00	2,767,737,216.95	46,422,783.05
Composite Board of Medical Examiners	2,394,849.00	2,515,718.00	2,419,588.34	96,129.66
Medical Education Board, State	1,439,892.00	1,318,803.00	1,258,980.05	59,822.95
Board Administration	855,498.00	662,876.00	475,879.29	186,996.71
Graduate Medical Education	9,853,061.00	9,002,811.00	8,853,109.66	149,701.34
Mercer School of Medicine Grant	24,560,862.00	22,922,360.00	22,922,360.00	-
Morehouse School of Medicine Grant	12,997,293.00	12,130,220.00	12,130,220.00	-
Undergraduate Medical Education	<u>3,538,484.00</u>	<u>3,267,424.00</u>	<u>2,536,967.00</u>	<u>730,457.00</u>
Total Expenditures	<u>\$12,278,613,765.00</u>	<u>\$11,441,328,861.00</u>	<u>\$11,082,216,436.30</u>	<u>\$ 359,112,424.70</u>
Excess of Funds Available Over Expenditures			\$ 92,990,818.72	<u>\$ 92,990,818.72</u>
Beginning Fund Balance - July 1			351,840,581.09	
Unreserved, Undesignated Fund Balance (Surplus) Returned to Office of Treasury and Fiscal Services Year Ended June 30, 2008			(101,261,232.09)	
Adjustments				
Adjustments Related to Prior Budget Years			27,192,716.92	
Fund Balance Carried Forward for Benefits			<u>(250,579,349.10)</u>	
Ending Fund Balance - June 30, 2009			<u>\$ 120,183,535.54</u>	
Analysis of Fund Balance				
Reserved				
Medicaid Benefits			\$ 42,652,974.35	
Indigent Care Trust Fund			29,320,647.21	
Other Reserves				
Fraud			422,317.82	
Other			25,010,652.26	
Unreserved, Undesignated (Surplus)			<u>22,776,943.90</u>	
Total Ending Fund Balance - June 30, 2009			<u>\$ 120,183,535.54</u>	

# Department of Community Health

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET COMPARISON SCHEDULE – BUDGET FUND  
BUDGET-TO-GAAP RECONCILIATION –  
SOURCES/INFLOWS OF RESOURCES

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009

	<u>Governmental Fund - General Fund</u>
<b>Sources/Inflows of Resources</b>	
Actual amounts (budgetary basis) "Total Funds Available" from the budgetary comparison schedule.	\$ 11,175,207,255.02
Differences - budget to GAAP:	
Revenues of budgeted funds included in the budget fund, but removed from the general fund for financial reporting purposes.	(2,779,075,096.50)
Revenue collections not included in the budget fund, but included in the general fund for financial reporting purposes.	274,831,200.61
Budgeted carry-over funds from prior year fund balances shown as funds available in budget fund, but removed for financial reporting purposes.	(250,579,349.10)
Receivables and revenues accrued based on encumbrances reported for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year they are received for GAAP reporting.	199,287.33
Fund balance adjustments for prior year revenue are not a budgetary resource, but do affect current year revenues for GAAP reporting purposes.	(33,922,837.41)
Net revenue accrual for nonbudgetary Medicaid claims incurred but not reported	<u>81,507,945.60</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 8,468,168,405.55</u>

# Department of Community Health

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET COMPARISON SCHEDULE – BUDGET FUND  
REVENUES – TO – GAAP RECONCILIATION -  
USES/OUTFLOWS OF RESOURCES

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009

	<u>Governmental Fund - General Fund</u>
<b>Uses/Outflows of Resources</b>	
Actual amounts (budgetary basis) "Total Expenditures" from the budgetary comparison schedule	\$ 11,082,216,436.30
Differences - budget to GAAP:	
Expenses of budgeted funds included in the budget fund, but removed from the general fund for financial reporting purposes.	(2,779,075,096.50)
Encumbrances for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year they are received for GAAP reporting.	(96,595,065.69)
Fund balance adjustments for prior year expenditures are not a budgetary resource, but do affect current year expenses for GAAP reporting purposes.	44,793,721.38
Net expenditure accrual for nonbudgetary Medicaid claims incurred but not reported	<u>21,529,744.00</u>
Total expenses as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 8,272,869,739.49</u>

## Budgetary Reporting

### A. General Fund Budgetary Process

The annual budget of the Department of Community Health is prepared primarily on the modified accrual basis utilizing encumbrance accounting. The legal level of budgetary control is the departmental program expenditure level. Fiscal year 2009 expenditures are controlled per House Bill 990, section 16. The budget is submitted by the Department of Community Health and approved by the Legislature and the Governor. All un-encumbered annual appropriations lapse at fiscal year end unless otherwise specified by constitutional or statutory provisions. Supplementary and amended appropriations may be enacted during the next legislative session by the same process used for original appropriations. Encumbrances are used to indicate the intent to purchase goods or services. The basis of budget method is modified accrual plus encumbrances. Liabilities and expenditures are recorded upon issuance of completed purchase orders. Goods or services need not have been received for liabilities and expenditures to be recorded.

### B. Budgetary Presentation

The accompanying budgetary comparison schedule for the budget fund presents comparisons of the legally adopted budget with actual data prepared on the budgetary basis of accounting utilized by the Department of Community Health. Because the basis of budget differs from GAAP, budget and actual amounts in the accompanying Budgetary Comparison Schedules - Budget Fund are presented on the basis of budget and are included as required supplementary information. The Budget-to-GAAP reconciliation following the budgetary comparison schedules identifies the necessary adjustments to convert the budget fund to the governmental fund as required by generally accepted accounting principles.

**SUPPLEMENTARY INFORMATION**

# Department of Community Health

SUPPLEMENTARY INFORMATION  
BUDGET COMPARISON SCHEDULE – BUDGET FUND  
REVENUES AND EXPENDITURES COMPARED TO BUDGET

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009

Administration	Original Appropriation	Final Budget	Funds Available Compared to Budget				Expenditures Compared to Budget			Actual Funds Available Over/(Under) Expenditures	Prior Year Adjustments	Total Fund Balance	Program Fund Balances			
			Revenues	Carry-Over	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Reserve				Surplus	Total		
State Appropriation																
State General Funds	\$ 106,922,412.00	\$ 93,270,005.00	\$ 87,900,779.00	\$ -	\$ 87,900,779.00	\$ (5,369,226.00)	\$ 80,643,028.64	\$ 12,626,976.36	\$ 7,257,750.36	\$ 10,087,828.05	\$ 17,345,578.41	\$ -	\$ 17,345,578.41	\$ 17,345,578.41		
Federal Funds																
Medical Assistance Program	279,038,531.00	267,967,073.00	237,990,287.04	-	237,990,287.04	(29,976,785.96)	237,990,287.04	29,976,785.96	-	-	-	-	-	-	-	-
State Children's Health Insurance Program	18,154,035.00	23,916,885.00	19,176,323.27	-	19,176,323.27	(4,740,561.73)	19,176,323.27	4,740,561.73	-	-	-	-	-	-	-	-
Other Funds	22,545,642.00	23,455,171.00	14,452,809.08	18,320,924.22	32,773,733.30	9,318,562.30	12,918,283.57	10,536,887.43	19,855,449.73	5,416,622.15	25,272,071.88	25,272,071.88	-	-	25,272,071.88	
<b>Total Administration</b>	<b>\$ 426,660,620.00</b>	<b>\$ 408,609,134.00</b>	<b>\$ 359,520,198.39</b>	<b>\$ 18,320,924.22</b>	<b>\$ 377,841,122.61</b>	<b>\$ (30,768,011.39)</b>	<b>\$ 350,727,922.52</b>	<b>\$ 57,881,211.48</b>	<b>\$ 27,113,200.09</b>	<b>\$ 15,504,450.20</b>	<b>\$ 42,617,650.29</b>	<b>\$ 25,272,071.88</b>	<b>\$ 17,345,578.41</b>	<b>\$ 42,617,650.29</b>		

  

Health Care Access and Improvement	Original Appropriation	Final Budget	Funds Available Compared to Budget				Expenditures Compared to Budget			Actual Funds Available Over/(Under) Expenditures	Prior Year Adjustments	Total Fund Balance	Program Fund Balances			
			Revenues	Carry-Over	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Reserve				Surplus	Total		
State Appropriation																
State General Funds	\$ 14,984,060.00	\$ 11,057,612.00	\$ 11,057,612.00	\$ -	\$ 11,057,612.00	\$ -	\$ 10,102,579.26	\$ 955,032.74	\$ 955,032.74	\$ 40,552.26	\$ 995,585.00	\$ -	\$ 995,585.00	\$ 995,585.00		
Tobacco Funds	10,600,000.00	-	-	-	-	-	-	-	-	131,758.99	131,758.99	131,758.99	-	-	131,758.99	
Federal Funds																
Medical Assistance Program	588,838.00	11,003,075.00	9,753,698.87	-	9,753,698.87	(1,249,376.13)	9,753,698.87	1,249,376.13	-	-	-	-	-	-	-	-
American Recovery and Reinvestment Act	-	436,057.00	436,057.00	-	436,057.00	-	436,057.00	-	-	-	-	-	-	-	-	-
Other Funds	100,000.00	121,075.00	196,293.07	-	196,293.07	75,218.07	109,774.76	11,300.24	86,518.31	-	86,518.31	86,518.31	-	-	86,518.31	
<b>Total Health Care Access and Improvement</b>	<b>\$ 26,272,898.00</b>	<b>\$ 22,617,819.00</b>	<b>\$ 21,443,660.94</b>	<b>\$ -</b>	<b>\$ 21,443,660.94</b>	<b>\$ (1,174,158.06)</b>	<b>\$ 20,402,109.89</b>	<b>\$ 2,215,709.11</b>	<b>\$ 1,041,551.05</b>	<b>\$ 172,311.25</b>	<b>\$ 1,213,862.30</b>	<b>\$ 218,277.30</b>	<b>\$ 995,585.00</b>	<b>\$ 1,213,862.30</b>		

  

Indigent Care Trust Fund	Original Appropriation	Final Budget	Funds Available Compared to Budget				Expenditures Compared to Budget			Actual Funds Available Over/(Under) Expenditures	Prior Year Adjustments	Total Fund Balance	Program Fund Balances			
			Revenues	Carry-Over	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Reserve				Surplus	Total		
State Appropriation																
State General Funds	\$ -	\$ 13,718,752.00	\$ 13,718,752.00	\$ -	\$ 13,718,752.00	\$ -	\$ -	\$ 13,718,752.00	\$ 13,718,752.00	\$ 69.74	\$ 13,718,821.74	\$ 13,718,821.74	\$ -	\$ 13,718,821.74		
Federal Funds																
Medical Assistance Program	257,075,969.00	250,445,266.00	248,678,421.32	-	248,678,421.32	(1,766,844.68)	248,678,421.32	1,766,844.68	-	-	-	-	-	-	-	-
American Recovery and Reinvestment Act	-	747,811.00	747,810.31	-	747,810.31	(0.69)	747,810.31	0.69	-	-	-	-	-	-	-	-
Other Funds	141,586,524.00	154,939,445.00	141,429,141.72	12,537,428.88	153,966,570.60	(972,874.40)	138,364,767.61	16,574,677.39	15,601,802.99	22.48	15,601,825.47	15,601,825.47	-	-	15,601,825.47	
<b>Total Indigent Care Trust Fund</b>	<b>\$ 398,662,493.00</b>	<b>\$ 419,851,274.00</b>	<b>\$ 404,574,125.35</b>	<b>\$ 12,537,428.88</b>	<b>\$ 417,111,554.23</b>	<b>\$ (2,739,719.77)</b>	<b>\$ 387,790,999.24</b>	<b>\$ 32,060,274.76</b>	<b>\$ 29,320,554.99</b>	<b>\$ 92.22</b>	<b>\$ 29,320,647.21</b>	<b>\$ 29,320,647.21</b>	<b>\$ -</b>	<b>\$ 29,320,647.21</b>		

  

Aged, Blind, and Disabled Medicaid	Original Appropriation	Final Budget	Funds Available Compared to Budget				Expenditures Compared to Budget			Actual Funds Available Over/(Under) Expenditures	Prior Year Adjustments	Total Fund Balance	Program Fund Balances			
			Revenues	Carry-Over	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Reserve				Surplus	Total		
State Appropriation																
State General Funds	\$ 1,138,859,171.00	\$ 843,887,077.00	\$ 838,481,009.00	\$ -	\$ 838,481,009.00	\$ (5,406,068.00)	\$ 940,857,530.42	\$ (96,970,453.42)	\$ (102,376,521.42)	\$ 15,672,977.62	\$ (86,703,543.80)	\$ (86,703,543.80)	\$ -	\$ 843,734.20		
Federal Funds																
Medical Assistance Program	2,933,475,960.00	2,461,880,908.00	2,427,704,681.33	-	2,427,704,681.33	(34,176,226.67)	2,427,704,681.33	34,176,226.67	-	-	-	-	-	-	-	-
American Recovery and Reinvestment Act	-	252,913,218.00	257,919,047.79	-	257,919,047.79	5,005,829.79	257,919,047.79	(5,005,829.79)	-	-	-	-	-	-	-	-
Other Funds	539,145,842.00	399,406,068.00	229,071,227.35	87,547,278.00	316,618,505.35	(82,787,562.65)	226,863,089.34	172,542,978.66	89,755,416.01	730,084.73	90,485,500.74	90,485,500.74	-	-	2,938,222.74	
<b>Total Aged, Blind, and Disabled Medicaid</b>	<b>\$ 4,611,480,973.00</b>	<b>\$ 3,958,087,271.00</b>	<b>\$ 3,753,175,965.47</b>	<b>\$ 87,547,278.00</b>	<b>\$ 3,840,723,243.47</b>	<b>\$ (117,364,027.53)</b>	<b>\$ 3,853,344,348.88</b>	<b>\$ 104,742,922.12</b>	<b>\$ (12,621,105.41)</b>	<b>\$ 16,403,062.35</b>	<b>\$ 3,781,956.94</b>	<b>\$ 3,781,956.94</b>	<b>\$ -</b>	<b>\$ 3,781,956.94</b>		

# Department of Community Health

SUPPLEMENTARY INFORMATION  
BUDGET COMPARISON SCHEDULE – BUDGET FUND  
REVENUES AND EXPENDITURES COMPARED TO BUDGET

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009

	Original Appropriation	Final Budget	Funds Available Compared to Budget				Expenditures Compared to Budget			Actual Funds Available Over/(Under) Expenditures	Prior Year Adjustments	Total Fund Balance	Program Fund Balances		
			Revenues	Carry-Over	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Reserve				Surplus	Total	
			<b>Low-Income Medicaid</b>												
State Appropriation															
State General Funds	\$ 916,833,695.00	\$ 598,075,056.00	\$ 584,356,304.00	\$ -	\$ 584,356,304.00	\$ (13,718,752.00)	\$ 677,747,913.85	\$ (79,672,857.85)	\$ (93,391,609.85)	\$ (4,500,757.45)	\$ (97,892,367.30)	\$ (97,892,367.30)	\$ -	\$ 33,935,896.70	
Tobacco Funds	50,973,656.00	114,404,322.00	114,404,322.00	-	114,404,322.00	-	114,404,322.00	-	-	-	-	-	-	-	
Federal Funds															
Medical Assistance Program	2,163,011,750.00	1,905,562,308.00	1,910,071,863.66	-	1,910,071,863.66	4,509,555.66	1,910,071,863.66	(4,509,555.66)	-	-	-	-	-	-	
American Recovery and Reinvestment Act		243,815,113.00	204,397,927.10	-	204,397,927.10	(39,417,185.90)	204,397,927.10	39,417,185.90	-	-	-	-	-	-	
Other Funds	246,599,705.00	164,668,188.00	37,332,855.03	131,828,264.00	169,161,119.03	4,492,931.03	32,854,482.02	131,813,705.98	136,306,637.01	(2,690.72)	136,303,946.29	136,303,946.29	-	4,475,682.29	
<b>Total Low-Income Medicaid</b>	<b>\$ 3,377,418,806.00</b>	<b>\$ 3,026,524,987.00</b>	<b>\$ 2,850,563,271.79</b>	<b>\$ 131,828,264.00</b>	<b>\$ 2,982,391,535.79</b>	<b>\$ (44,133,451.21)</b>	<b>\$ 2,939,476,508.63</b>	<b>\$ 87,048,478.37</b>	<b>\$ 42,915,027.16</b>	<b>\$ (4,503,448.17)</b>	<b>\$ 38,411,578.99</b>	<b>\$ 38,411,578.99</b>	<b>\$ -</b>	<b>\$ 38,411,578.99</b>	

	Original Appropriation	Final Budget	Funds Available Compared to Budget				Expenditures Compared to Budget			Actual Funds Available Over/(Under) Expenditures	Prior Year Adjustments	Total Fund Balance	Program Fund Balances		
			Revenues	Carry-Over	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Reserve				Surplus	Total	
			<b>Nursing Home Provider Fees</b>												
State Appropriation															
State General Funds	\$ 120,805,958.00	\$ 122,623,032.00	\$ 122,623,032.00	\$ -	\$ 122,623,032.00	\$ -	\$ 122,623,032.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Federal Funds															
Medical Assistance Program	215,064,801.00	281,628,747.00	281,628,747.00	-	281,628,747.00	-	281,628,747.00	-	-	-	-	-	-	-	
American Recovery and Reinvestment Act	-	33,972,842.00	33,972,842.00	-	33,972,842.00	-	33,972,842.00	-	-	-	-	-	-	-	
<b>Total Nursing Home Provider Fees</b>	<b>\$ 335,870,759.00</b>	<b>\$ 438,224,621.00</b>	<b>\$ 438,224,621.00</b>	<b>\$ -</b>	<b>\$ 438,224,621.00</b>	<b>\$ -</b>	<b>\$ 438,224,621.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

	Original Appropriation	Final Budget	Funds Available Compared to Budget				Expenditures Compared to Budget			Actual Funds Available Over/(Under) Expenditures	Prior Year Adjustments	Total Fund Balance	Program Fund Balances		
			Revenues	Carry-Over	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Reserve				Surplus	Total	
			<b>PeachCare</b>												
State Appropriation															
State General Funds	\$ 98,672,929.00	\$ 75,100,571.00	\$ 73,073,034.00	\$ -	\$ 73,073,034.00	\$ (2,027,537.00)	\$ 67,898,788.86	\$ 7,201,782.14	\$ 5,174,245.14	\$ (550,643.79)	\$ 4,623,601.35	\$ 319,020.00	\$ 4,304,581.35	\$ 4,623,601.35	
Federal Funds															
State Children's Health Insurance Program	243,039,399.00	225,662,185.00	205,027,338.39	-	205,027,338.39	(20,634,846.61)	205,551,895.16	20,110,289.84	(524,556.77)	-	(524,556.77)	-	-	-	
Other Funds	151,783.00	670,787.00	734,348.57	345,454.00	1,079,802.57	409,015.57	464,920.83	205,866.17	614,881.74	50,093.45	664,975.19	140,418.42	-	140,418.42	
<b>Total PeachCare</b>	<b>\$ 341,864,111.00</b>	<b>\$ 301,433,543.00</b>	<b>\$ 278,834,720.96</b>	<b>\$ 345,454.00</b>	<b>\$ 279,180,174.96</b>	<b>\$ (22,253,368.04)</b>	<b>\$ 273,915,604.85</b>	<b>\$ 27,517,938.15</b>	<b>\$ 5,264,570.11</b>	<b>\$ (500,550.34)</b>	<b>\$ 4,764,019.77</b>	<b>\$ 459,438.42</b>	<b>\$ 4,304,581.35</b>	<b>\$ 4,764,019.77</b>	

	Original Appropriation	Final Budget	Funds Available Compared to Budget				Expenditures Compared to Budget			Actual Funds Available Over/(Under) Expenditures	Prior Year Adjustments	Total Fund Balance	Program Fund Balances		
			Revenues	Carry-Over	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Reserve				Surplus	Total	
			<b>State Health Benefit Plan</b>												
Federal Funds															
American Recovery and Reinvestment Act	\$ -	\$ 160,000.00	\$ 159,748.14	\$ -	\$ 159,748.14	\$ (251.86)	\$ 159,748.14	\$ 251.86	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Funds	2,704,743,166.00	2,814,000,000.00	2,767,520,089.81	-	2,767,520,089.81	(46,479,910.19)	2,767,577,468.81	46,422,531.19	(57,379.00)	-	(57,379.00)	(57,379.00)	-	(57,379.00)	
<b>Total State Health Benefit Plan</b>	<b>\$ 2,704,743,166.00</b>	<b>\$ 2,814,160,000.00</b>	<b>\$ 2,767,679,837.95</b>	<b>\$ -</b>	<b>\$ 2,767,679,837.95</b>	<b>\$ (46,480,162.05)</b>	<b>\$ 2,767,737,216.95</b>	<b>\$ 46,422,783.05</b>	<b>\$ (57,379.00)</b>	<b>\$ -</b>	<b>\$ (57,379.00)</b>	<b>\$ (57,379.00)</b>	<b>\$ -</b>	<b>\$ (57,379.00)</b>	

	Original Appropriation	Final Budget	Funds Available Compared to Budget				Expenditures Compared to Budget			Actual Funds Available Over/(Under) Expenditures	Prior Year Adjustments	Total Fund Balance	Program Fund Balances		
			Revenues	Carry-Over	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Reserve				Surplus	Total	
			<b>Composite Board of Medical Examiners</b>												
State Appropriation															
State General Funds	\$ 2,394,849.00	\$ 2,040,249.00	\$ 1,963,426.00	\$ -	\$ 1,963,426.00	\$ (76,823.00)	\$ 1,947,349.85	\$ 92,899.15	\$ 16,076.15	\$ 7,824.66	\$ 23,900.81	\$ -	\$ 23,900.81	\$ 23,900.81	
Other Funds	-	475,469.00	367,192.07	-	367,192.07	(108,276.93)	472,238.49	3,230.51	(105,046.42)	105,046.42	-	-	-	-	
<b>Total Program Expenditures</b>	<b>\$ 2,394,849.00</b>	<b>\$ 2,515,718.00</b>	<b>\$ 2,330,618.07</b>	<b>\$ -</b>	<b>\$ 2,330,618.07</b>	<b>\$ (185,099.93)</b>	<b>\$ 2,419,588.34</b>	<b>\$ 96,129.66</b>	<b>\$ (88,970.27)</b>	<b>\$ 112,871.08</b>	<b>\$ 23,900.81</b>	<b>\$ -</b>	<b>\$ 23,900.81</b>	<b>\$ 23,900.81</b>	

# Department of Community Health

SUPPLEMENTARY INFORMATION  
 BUDGET COMPARISON SCHEDULE – BUDGET FUND  
 REVENUES AND EXPENDITURES COMPARED TO BUDGET

FOR THE FISCAL YEAR ENDED  
 JUNE 30, 2009

	Original Appropriation	Final Budget	Funds Available Compared to Budget				Expenditures Compared to Budget		Actual Funds Available Over/(Under) Expenditures	Prior Year Adjustments	Total Fund Balance	Program Fund Balances		
			Revenues	Carry-Over	Funds Available	Positive (Negative)	Actual	Positive (Negative)				Reserve	Surplus	Total
<b>Georgia Board for Physician Workforce:</b>														
<b>Administration</b>														
State Appropriation														
State General Funds	\$ 855,498.00	\$ 662,876.00	\$ 529,328.00	\$ -	\$ 529,328.00	\$ (133,548.00)	\$ 475,879.29	\$ 186,996.71	\$ 53,448.71	\$ 24.07	\$ 53,472.78	\$ -	\$ 53,472.78	\$ 53,472.78
<b>Georgia Board for Physician Workforce:</b>														
<b>Graduate Medical Education</b>														
State Appropriation														
State General Funds	\$ 9,853,061.00	\$ 9,002,811.00	\$ 8,867,114.00	\$ -	\$ 8,867,114.00	\$ (135,697.00)	\$ 8,853,109.66	\$ 149,701.34	\$ 14,004.34	\$ -	\$ 14,004.34	\$ -	\$ 14,004.34	\$ 14,004.34
<b>Georgia Board for Physician Workforce:</b>														
<b>Mercer School of Medicine</b>														
State Appropriation														
State General Funds	\$ 24,560,862.00	\$ 22,922,360.00	\$ 22,922,360.00	\$ -	\$ 22,922,360.00	\$ -	\$ 22,922,360.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Georgia Board for Physician Workforce:</b>														
<b>Morehouse School of Medicine</b>														
State Appropriation														
State General Funds	\$ 12,997,293.00	\$ 12,130,220.00	\$ 12,130,220.00	\$ -	\$ 12,130,220.00	\$ -	\$ 12,130,220.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Georgia Board for Physician Workforce:</b>														
<b>Undergraduate Medical Education</b>														
State Appropriation														
State General Funds	\$ 3,538,484.00	\$ 3,267,424.00	\$ 2,536,967.00	\$ -	\$ 2,536,967.00	\$ (730,457.00)	\$ 2,536,967.00	\$ 730,457.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>State Medical Education Board</b>														
State Appropriation														
State General Funds	\$ 1,439,892.00	\$ 1,318,803.00	\$ 1,294,897.00	\$ -	\$ 1,294,897.00	\$ (23,906.00)	\$ 1,258,980.05	\$ 59,822.95	\$ 35,916.95	\$ 3,904.26	\$ 39,821.21	\$ -	\$ 39,821.21	\$ 39,821.21
<b>Departmental Totals</b>														
	\$ 12,278,613,765.00	\$ 11,441,328,861.00	\$ 10,924,627,905.92	\$ 250,579,349.10	\$ 11,175,207,255.02	\$ (266,121,605.98)	\$ 11,082,216,436.30	\$ 359,112,424.70	\$ 92,990,818.72	\$ 27,192,716.92	\$ 120,183,535.64	\$ 97,406,591.74	\$ 22,776,943.90	\$ 120,183,535.64