

**Fiscal
Year
2020**

**Department of
Community Health**
Georgia State Employees Postemployment Benefit Fund

**Other Postemployment
Benefit (OPEB) Plan
Schedules of Employer
Allocations and OPEB
Amounts by Employer**
(Including Independent Auditor's Report)

As of and for the
Year Ended June 30, 2020

**Department of
Audits and Accounts**

**Greg S. Griffin
State Auditor**



**Department of Community Health
Georgia State Employees Postemployment Benefit Fund**

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DEPARTMENT OF AUDITS AND ACCOUNTS

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GREG S. GRIFFIN
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Independent Auditor's Report

The Board of Trustees
Department of Community Health:

Report on the Schedule of Employer Allocations and Schedule of Other Postemployment Benefit (OPEB) Amounts by Employer

We have audited the accompanying schedule of employer allocations of the Department of Community Health's Georgia State Employees Postemployment Benefit Fund (the Plan) as of and for the year ended June 30, 2020 and related notes. We have also audited the totals for the columns titled net OPEB liability, total deferred outflows of resources, total deferred inflows of resources and total employer OPEB expense (specified column totals) included in the accompanying schedule of OPEB amounts by employer (collectively the Schedules) of the Plan as of and for the year ended June 30, 2020 and related notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the Schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedules.

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

Opinions

In our opinion, the Schedules referred to above present fairly, in all material respects, the employer allocations and net OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total employer OPEB expense for the total of all participating entities for the Plan as of and for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the OPEB plans included in the State's Comprehensive Annual Financial Report as of and for the year ended June 30, 2020, and our report thereon dated March 19, 2021, expressed an unmodified opinion on those financial statements or opinion unit.

Restriction on Use

Our report is intended solely for the information and use of the Plan's management, the Board of Trustees, Plan employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Greg S. Griffin
State Auditor

May 12, 2021

State GASB 75 Schedules

Department of Community Health
Georgia State Employees Postemployment Benefit Fund
Schedule of Employer Allocations
As of and for the Year Ended June 30, 2020

Payroll Location Number	Employer Name	2020 Employer Contributions	2020 Employer Allocation Percentage
13610	LOOKOUT MTN CSB	\$ 33,552	0.022295%
13630	HIGHLAND RIVERS CSB	53,949	0.035849%
13640	AVITA COMMUNITY PARTNERS	42,194	0.028038%
13650	COBB CNTY CSB	20,936	0.013912%
13660	DOUGLAS CNTY CSB	3,589	0.002385%
13680	DEKALB CSB	88,797	0.059006%
13690	VIEW POINTE HEALTH	91,220	0.060616%
13700	CLAYTON CSB	40,128	0.026665%
13710	ADVANTAGE BEHAVIORAL HLTH	32,798	0.021794%
13720	PATHWAYS CENTER	41,196	0.027375%
13730	MCINTOSH TRAIL CSB	55,280	0.036733%
13740	RIVER EDGE BEHAVIORAL HLT	60,325	0.040086%
13760	OCONEE CSB	13,910	0.009243%
13770	SERENITY BHS	35,533	0.023612%
13790	NEW HORIZONS	16,219	0.010778%
13800	MIDDLE FLINT CSB	38,799	0.025782%
13810	CSB MIDDLE GA	76,596	0.050898%
13820	ALBANY AREA CSB	46,327	0.030784%
13830	THE GA PINES CSB	56,469	0.037523%
13840	SOUTH GA CSB	46,559	0.030939%
13850	PINELAND CSB	34,352	0.022827%
13860	SATILLA (UNISON) CSB	45,595	0.030298%
13880	GATEWAY CSB	36,220	0.024068%
14000	GA PEANUT COMMISSION	21,937	0.014577%
14010	ADMINISTRATIVE SERVICES	884,327	0.587635%
14020	COURT OF APPEALS	606,190	0.402814%
14030	SUPREME COURT	437,010	0.290393%
14040	SUPERIOR COURT	2,150,153	1.428777%
14050	LAKE LANIER ISLAND AUTH	14,751	0.009802%
14060	GA AGRICULTURAL EXPO AUTH	106,360	0.070676%
14080	AGRICULTURE	1,118,389	0.743170%
14081	COMMODITY COMM 0COTTON	11,765	0.007818%
14083	COMMODITY COMM0 MILK	5,937	0.003945%
14090	AUDITS	904,896	0.601304%
14100	BANKING AND FINANCE	330,260	0.219458%
14120	GA INSURANCE COMMISSIONER	547,315	0.363691%
14130	DEFENSE	1,129,857	0.750790%
14140	DEPT OF COMMUNITY HEALTH	2,248,263	1.493972%
14150	TECHNICAL AND ADULT EDUC	1,009,691	0.670940%
14160	EDUCATION	3,170,352	2.106700%
14170	ERS EMPLOYEES	288,269	0.191555%
14180	DEPT OF COMMUNITY AFFAIRS	1,026,874	0.682358%
14190	FORESTRY COMMISSION	1,213,501	0.806372%
14210	PLANNING AND BUDGET	1,188,133	0.789515%
14220	SUBSEQUENT INJURY TRUST	38,436	0.025541%
14230	BEHAV HEALTH & DEVEL DISA	9,301,914	6.181125%
14240	DEPT OF HUMAN RESOURCES	7,849,018	5.215675%
14250	PUBLIC HEALTH	3,026,572	2.011158%
14310	DEPT OF COMMUNITY SUPERVISION	4,643,994	3.085936%
14410	DEPT OF JUVENILE JUSTICE	6,367,696	4.231336%
14440	GENERAL ASSEMBLY OF GA	921,977	0.612654%
14470	DEPT OF DRIVERS SERVICES	1,247,647	0.829062%
14500	FINANCING/INVESTMENT COMM	397,957	0.264443%
14510	ADM OFFICE OF THE COURTS	332,801	0.221147%
14530	PROSECUTING ATTRNYS CNCL	3,017,371	2.005044%
14550	GA Public Defender Council	2,358,742	1.567385%
14560	GA SUP COURT CLERK'S AUTH	38,063	0.025293%
14570	DEPT EARLY CARE & LEARN	1,568,766	1.042446%
14610	GA BUILDING AUTHORITY	374,607	0.248926%
14611	STATE PROPERTY COMMISSION	56,365	0.037455%
14630	DEPT ECONOMIC DEVELOPMENT	549,260	0.364984%
14640	LABOR	2,293,219	1.523845%
14660	LAW DEPARTMENT	1,185,552	0.787800%
14700	GA TECHNOLOGY AUTHORITY	712,303	0.473326%
14701	STATE ACCOUNTING OFFICE	545,802	0.362686%
14720	NATURAL RESOURCES	4,414,308	2.933309%
14730	GA DEPT OF CORRECTIONS	17,680,914	11.748975%
14750	PUBLIC SAFETY	5,280,273	3.508743%
14760	PUBLIC SERVICE COMMISSION	308,928	0.205283%
14770	REVENUE	2,574,416	1.710700%
14780	STUDENT FINANCE COMM	378,226	0.251331%

Department of Community Health
Georgia State Employees Postemployment Benefit Fund
Schedule of Employer Allocations
As of and for the Year Ended June 30, 2020

Payroll Location Number	Employer Name	2020 Employer Contributions	2020 Employer Allocation Percentage
14790	SECRETARY OF STATE	\$ 629,272	0.418151%
14810	TRS EMPLOYEES	1,126,075	0.748277%
14820	DEPT OF TRANSPORTATION	9,614,709	6.388977%
14830	STATE ROAD & TOLLWAY AUTH	404,784	0.268979%
14840	VETERANS SERVICE	299,823	0.199233%
14860	WORKERS' COMPENSATION	439,546	0.292078%
14870	GA BUREAU OF INVESTIGATON	3,045,618	2.023814%
14880	PARDONS AND PAROLES BOARD	476,345	0.316532%
14890	GA CORRECTNL INDUSTRIES	453,975	0.301667%
18180	COASTAL PINES TECH COLLEGE	488,972	0.324922%
18200	ALBANY TECH COLLEGE	524,426	0.348481%
18220	ATHENS TECHNICAL COLLEGE	663,130	0.440650%
18230	ATLANTA TECH COLLEGE	635,081	0.422011%
18240	AUGUSTA TECH COLLEGE	703,914	0.467751%
18260	W GEORGIA TECH COLLEGE	893,980	0.594050%
18270	CHATTAHOOCHEE TECH COLL	1,179,165	0.783556%
18280	COLUMBUS TECH COLLEGE	539,237	0.358323%
18290	GA NW TECHNICAL COLLEGE	786,825	0.522845%
18300	GEORGIA PIEDMONT TECHNICA	530,864	0.352759%
18320	GWINNETT TECH COLLEGE	1,099,231	0.730439%
18340	LANIER TECHNICAL COLLEGE	698,779	0.464339%
18350	CENTRAL GA TECH COLLEGE	1,358,222	0.902539%
18370	SOUTHERN REGIONAL TECH COLLEGE	848,117	0.563574%
18380	NORTH GA TECH COLLEGE	465,555	0.309361%
18410	SAVANNAH TECH COLLEGE	657,497	0.436907%
18420	S GA TECHNICAL COLLEGE	367,712	0.244345%
18430	SOUTHEASTERN TECH COLL	386,443	0.256791%
18440	OGEECHEE TECH COLLEGE	393,347	0.261379%
18500	SOUTHERN CRESCENT TECH	734,365	0.487986%
18510	WIREGRASS TECHNICAL COLL	737,714	0.490211%
18520	OCONEE FALL LINE TECH COL	365,538	0.242900%
25010	DFACS REGION #1	735,484	0.488730%
25020	DFACS REGION #2	605,629	0.402440%
25030	DFACS REGION #3	682,830	0.453741%
25040	DFACS REGION #4	948,609	0.630351%
25050	DFACS REGION #5	885,437	0.588373%
25060	DFACS REGION #6	603,439	0.400985%
25070	DFACS REGION #7	596,552	0.396409%
25080	DFACS REGION #8	576,092	0.382813%
25090	DFACS REGION #9	682,989	0.453846%
25100	DFACS REGION #10	1,282,492	0.852216%
25110	DFACS REGION #11	682,768	0.453700%
25120	DFACS REGION #12	602,270	0.400209%
25130	DFACS REGION #13	1,700,766	1.130159%
25140	DFACS REGION #14	2,297,523	1.526705%
35011	APPLING CO HEALTH DEPT	17,729	0.011781%
35021	ATKINSON CO HEALTH DEPT	8,064	0.005358%
35031	BACON CO HEALTH DEPT	9,507	0.006317%
35041	BAKER CO HEALTH DEPT	10,347	0.006876%
35051	BALDWIN CO HEALTH DEPT	30,107	0.020006%
35061	BANKS CO HEALTH DEPT	13,725	0.009120%
35071	BARROW CO HEALTH DEPT	34,697	0.023056%
35081	BARTOW CO HEALTH DEPT	51,007	0.033894%
35084	WOODWRIGHT INDUSTRIES	21,298	0.014153%
35091	BEN HILL CO HEALTH DEPT	13,239	0.008798%
35094	BEN HILL MR SERVICES	34,584	0.022981%
35101	BERRIEN CO HEALTH DEPT	11,977	0.007959%
35111	BIBB CO HEALTH DEPT	89,718	0.059618%
35121	BLECKLEY CO HEALTH DEPT	5,766	0.003832%
35131	BRANTLEY CO HEALTH DEPT	13,408	0.008909%
35141	BROOKS CO HEALTH DEPT	8,284	0.005505%
35161	BULLOCH CO HEALTH DEPT	47,140	0.031325%
35171	BURKE CO HEALTH DEPT	21,939	0.014579%
35181	BUTTS CO HEALTH DEPT	11,186	0.007433%
35191	CALHOUN CO HEALTH DEPT	4,827	0.003207%
35211	CANDLER CO HEALTH DEPT	11,254	0.007478%
35221	CARROLL CO HEALTH DEPT	38,942	0.025877%
35224	CARROLL TRAINING CENTER	35,619	0.023669%
35231	CATOOSA CO HEALTH DEPT	28,782	0.019126%
35241	CHARLTON CO HEALTH DEPT	14,066	0.009347%
35261	CHATTAHOOCHEE CO HLTH DEP	4,439	0.002950%

Department of Community Health
Georgia State Employees Postemployment Benefit Fund
Schedule of Employer Allocations
As of and for the Year Ended June 30, 2020

Payroll Location Number	Employer Name	2020 Employer Contributions	2020 Employer Allocation Percentage
35271	CHATTOOGA CO HEALTH DEPT	\$ 17,545	0.011659%
35281	CHEROKEE CO HEALTH DEPT	330,553	0.219652%
35291	CLARKE CO HEALTH DEPT	246,148	0.163566%
35301	CLAY CO HEALTH DEPT	2,914	0.001937%
35311	CLAYTON CO HEALTH DEPT	217,672	0.144643%
35321	CLINCH CO HEALTH DEPT	7,426	0.004935%
35331	COBB CO HEALTH DEPT	528,632	0.351276%
35341	COFFEE CO HEALTH DEPT	30,149	0.020034%
35351	COLQUITT CO HEALTH DEPT	41,487	0.027568%
35354	GREEN OAKS CENTER	33,309	0.022134%
35361	COLUMBIA CO HEALTH DEPT	39,529	0.026267%
35371	COOK CO HEALTH DEPT	12,477	0.008291%
35381	COWETA CO HEALTH DEPT	39,591	0.026308%
35391	CRAWFORD CO HEALTH DEPT	12,580	0.008359%
35401	CRISP CO HEALTH DEPT	12,243	0.008136%
35411	DADE CO HEALTH DEPT	12,220	0.008120%
35421	DAWSON CO HEALTH DEPT	17,358	0.011534%
35431	DECATUR CO HEALTH DEPT	21,923	0.014568%
35441	DEKALB CO HEALTH DEPT	693,417	0.460776%
35451	DODGE CO HEALTH DEPT	8,030	0.005336%
35461	DOOLY CO HEALTH DEPT	4,960	0.003296%
35471	DOUGHERTY CO HEALTH DEPT	295,103	0.196096%
35481	DOUGLAS CO HEALTH DEPT	30,301	0.020135%
35491	EARLY CO HEALTH DEPT	14,492	0.009630%
35501	ECHOLS CO HEALTH DEPT	4,911	0.003264%
35521	ELBERT CO HEALTH DEPT	10,998	0.007308%
35531	EMANUEL CO HEALTH DEPT	24,696	0.016410%
35541	EVANS CO HEALTH DEPT	10,228	0.006797%
35551	FANNIN CO HEALTH DEPT	15,839	0.010525%
35561	FAYETTE CO HEALTH DEPT	43,455	0.028876%
35571	FLOYD CO HEALTH DEPT	234,764	0.156001%
35581	FORSYTH CO HEALTH DEPT	41,762	0.027751%
35591	FRANKLIN CO HEALTH DEPT	16,481	0.010952%
35611	GILMER CO HEALTH DEPT	23,485	0.015606%
35621	GLASCOCK CO HEALTH DEPT	4,183	0.002779%
35631	GLYNN CO HEALTH DEPT	666,417	0.442834%
35641	GORDON CO HEALTH DEPT	39,432	0.026203%
35651	GRADY CO HEALTH DEPT	22,835	0.015174%
35661	GREENE CO HEALTH DEPT	12,483	0.008295%
35671	GWINNETT CO HEALTH DEPT	580,539	0.385768%
35681	HABERSHAM CO HEALTH DEPT	22,781	0.015138%
35691	HALL CO HEALTH DEPT	317,533	0.211001%
35701	HANCOCK CO HEALTH DEPT	11,911	0.007915%
35711	HARALSON CO HEALTH DEPT	13,966	0.009280%
35721	HARRIS CO HEALTH DEPT	15,298	0.010165%
35731	HART CO HEALTH DEPT	9,987	0.006636%
35741	HEARD CO HEALTH DEP	5,769	0.003834%
35751	HENRY CO HEALTH DEP	56,202	0.037346%
35761	HOUSTON CO HEALTH DEPT	377,273	0.250698%
35771	IRWIN CO HEALTH DEP	6,557	0.004357%
35781	JACKSON CO HEALTH DEPT	25,235	0.016769%
35791	JASPER CO HEALTH DEPT	8,460	0.005622%
35801	JEFF DAVIS CO HEALTH DEPT	18,640	0.012386%
35811	JEFFERSON CO HEALTH DEPT	16,508	0.010970%
35821	JENKINS CO HEALTH DEPT	8,560	0.005688%
35831	JOHNSON CO HEALTH DEPT	5,938	0.003946%
35841	JONES CO HEALTH DEPT	11,165	0.007419%
35851	LAMAR CO HEALTH DEPT	12,413	0.008248%
35861	LANIER CO HEALTH DEPT	7,376	0.004901%
35871	LAURENS CO HEALTH DEPT	187,141	0.124355%
35881	LEE CO HEALTH DEPT	25,489	0.016938%
35901	LINCOLN CO HEALTH DEPT	5,279	0.003508%
35921	LOWNDES CO HEALTH DEPT	319,918	0.212586%
35931	LUMPKIN CO HEALTH DEPT	19,689	0.013083%
35941	MACON CO HEALTH DEPT	6,476	0.004303%
35951	MADISON CO HEALTH DEPT	20,923	0.013904%
35961	MARION CO HEALTH DEPT	4,917	0.003268%
35971	MCDUFFIE CO HEALTH DEPT	14,948	0.009933%
35991	MERIWETHER CO HEALTH DEPT	16,715	0.011107%
36001	MILLER CO HEALTH DEPT	6,059	0.004026%
36011	MITCHELL CO HEALTH DEPT	16,993	0.011292%

Department of Community Health
Georgia State Employees Postemployment Benefit Fund
Schedule of Employer Allocations
As of and for the Year Ended June 30, 2020

Payroll Location Number	Employer Name	2020 Employer Contributions	2020 Employer Allocation Percentage
36014	MITCHELL TRAINING CENTER	\$ 36,961	0.024561%
36021	MONROE CO HEALTH DEPT	14,831	0.009855%
36031	MONTGOMERY CO HEALTH DEPT	6,689	0.004445%
36041	MORGAN CO HEALTH DEPT	14,314	0.009512%
36051	MURRAY CO HEALTH DEPT	21,799	0.014485%
36061	MUSCOGEE CO HEALTH DEPT	358,558	0.238262%
36071	NEWTON CO HEALTH DEPT	44,797	0.029768%
36081	OCONEE CO HEALTH DEPT	23,249	0.015449%
36091	OGLETHORPE CO HEALTH DEPT	8,376	0.005566%
36101	PAULDING CO HEALTH DEPT	37,666	0.025029%
36111	PEACH CO HEALTH DEPT	15,123	0.010050%
36121	PICKENS CO HEALTH DEPT	14,114	0.009379%
36131	PIERCE CO HEALTH DEPT	16,210	0.010772%
36141	PIKE CO HEALTH DEPT	9,315	0.006190%
36151	POLK CO HEALTH DEPT	21,516	0.014297%
36161	PULASKI CO HEALTH DEPT	7,008	0.004657%
36171	PUTNAM CO HEALTH DEPT	23,644	0.015711%
36181	QUITMAN CO HEALTH DEPT	2,629	0.001747%
36191	RABUN CO HEALTH DEPT	18,267	0.012138%
36201	RANDOLPH CO HEALTH DEPT	4,493	0.002985%
36211	RICHMOND CO HEALTH DEPT	315,975	0.209965%
36221	ROCKDALE CO HEALTH DEPT	41,000	0.027245%
36231	SCHLEY CO HEALTH DEPT	3,204	0.002129%
36241	SCREVEN PHYS HEALTH DEPT	10,107	0.006716%
36251	SEMINOLE CO HEALTH DEPT	8,309	0.005521%
36261	SPALDING CO HEALTH DEPT	36,784	0.024443%
36271	STEPHENS CO HEALTH DEPT	14,551	0.009669%
36281	STEWART CO HEALTH DEPT	1,314	0.000873%
36291	SUMTER CO HEALTH DEPT	17,367	0.011540%
36311	TALIAFERRO CO HEALTH DEPT	5,733	0.003810%
36321	TATTNALL CO HEALTH DEPT	17,851	0.011862%
36331	TAYLOR CO HEALTH DEPT	9,359	0.006219%
36341	TELFAIR CO HEALTH DEPT	13,514	0.008980%
36351	TERRELL CO HEALTH DEPT	7,082	0.004706%
36361	THOMAS CO HEALTH DEPT	42,682	0.028362%
36364	THOMAS GRADY MR SVC CTR	58,027	0.038559%
36371	TIFT CO HEALTH DEPT	32,524	0.021612%
36374	TIFT MR SERVICE CENTER (Diversified Enterprises)	40,664	0.027022%
36381	TOOMBS CO HEALTH DEPT	19,979	0.013276%
36391	TOWNS CO HEALTH DEPT	7,939	0.005275%
36401	TREUTLEN CO HEALTH DEPT	5,784	0.003843%
36351	TROUP CO HEALTH DEPT	282,987	0.188045%
36421	TURNER CO HEALTH DEPT	5,802	0.003855%
36431	TWIGGS CO HEALTH DEPT	8,210	0.005455%
36441	UNION CO HEALTH DEPT	19,255	0.012795%
36451	UPSON CO HEALTH DEPT	19,847	0.013188%
36461	WALKER CO HEALTH DEPT	23,868	0.015860%
36471	WALTON CO HEALTH DEPT	52,815	0.035095%
36481	WARE CO HEALTH DEPT	58,237	0.038698%
36484	SOUTHEAST HEALTH UNIT	305,550	0.203038%
36491	WARREN CO HEALTH DEPT	4,779	0.003176%
36501	WASHINGTON CO HEALTH DEP	20,340	0.013516%
36511	WAYNE CO HEALTH DEPT	20,835	0.013845%
36521	WEBSTER CO HEALTH DEPT	3,158	0.002098%
36531	WHEELER CO HEALTH DEPT	5,398	0.003587%
36541	WHITE CO HEALTH DEPT	18,908	0.012564%
36551	WHITFIELD CO HEALTH DEPT	126,379	0.083979%
36561	WILCOX CO HEALTH DEPT	4,316	0.002868%
36571	WILKES CO HEALTH DEPT	8,496	0.005646%
36581	WILKINSON CO HEALTH DEPT	7,871	0.005230%
36591	WORTH CO HEALTH DEPT	15,134	0.010057%
44100	GA DEVELOPMENT AUTHORITY	25,532	0.016966%
44110	GA ENVIRON FINANCE AUTHOR	110,607	0.073499%
	Total	\$ 150,489,010	100.000000%

Department of Community Health
Georgia State Employees Postemployment Benefit Fund
Notes to the Schedules of Employer Allocations
And OPEB Amounts by Employer
As of and for the Year Ended June 30, 2020

NOTE 1 – PLAN DESCRIPTION

The Georgia State Employees Postemployment Benefit Fund (State OPEB Fund) is a cost-sharing multiple-employer defined benefit postemployment healthcare plan (Plan) as defined in Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Employees of State organizations as defined in §45-18-25 of the *Official Code of Georgia Annotated* (O.C.G.A.) are provided Other Post-Employment Benefits (OPEB) through the State OPEB Fund. The State OPEB Fund is reported as an employee benefit trust fund and is administered by the Board of Community Health (Board) that is comprised of nine members, including former State of Georgia employees and industry professionals. Title 45 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the Board.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer (collectively, the Schedules) present amounts that are elements of the financial statements of the State OPEB Fund or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the State OPEB Fund. The amounts presented in the Schedules are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State OPEB Fund to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

The Schedule of OPEB Amounts by Employer does not contain deferred outflows of resources or deferred inflows of resources related to contributions made by employers after the measurement date. Such information will be provided by the Department of Community Health (DCH) to the participating employers and available on the DCH website.

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Allocation Methodology

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, requires participating employers in the State OPEB Fund to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The employer allocation percentages presented in the Schedule of Employer Allocations and applied to amounts presented in the Schedule of OPEB Amounts by Employer are based on the ratio of each employer's contribution to the State OPEB Fund during the measurement period July 1, 2019 through June 30, 2020 for the fiscal year 2020. Consistent with GASB Statement No. 75, paragraph 59(a), employer proportions are determined as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. Employer contribution amounts billed by the State Health Benefit Plan are used as the basis to allocate the employer's contribution to the State OPEB Fund. Contributions from the employers contributing entities are recognized when due, based on statutory requirements and is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur.

The methodology used to determine employee and retiree participation in the State OPEB Fund is based on their current or last employer payroll location. Current and former employees of public school districts, libraries, regional educational service agencies and community colleges are allocated to the State OPEB Fund irrespective of retirement system affiliation.

Total contributions presented in the schedule of employer allocations to those reported in the State OPEB Fund statement of changes in fiduciary net position for the year ended June 30, 2020 is as follows (amounts in thousands):

		<u>FY20</u>
Total employer contributions per audited financial statements	\$	150,489

NOTE 3 – COLLECTIVE NET OPEB LIABILITY AND ACTUARIAL ASSUMPTIONS AND METHODS

The components of the collective net OPEB liability of the participating employers at June 30, 2020 were as follows (amounts in thousands):

		<u>FY20</u>
Total OPEB liability	\$	2,792,919
Plan fiduciary net position		<u>1,667,521</u>
Employers' net OPEB liability	\$	<u>1,125,398</u>
Plan fiduciary net position as a percentage of total OPEB liability		<u>59.71%</u>

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Actuarial Assumptions

The collective total OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total OPEB liability to June 30, 2020. The roll forward calculation adds the annual normal cost (also called service cost), subtracts the actual benefit payments for the same year, and then applies the expected investment rate of return for the period. This actuarial valuation used the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.25 – 7.00% including inflation
Long-term expected rate of return	7.30% compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	7.00%
Medicare Eligible	5.25%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

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

- For ERS, JRS and LRS members: The RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set forward two years for both males and females) is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set back seven years for males and set forward three years for females) is used for the period after disability retirement. There is a margin for future mortality improvement in the tables used by the plan. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2019 valuation are based on the results of the most recent actuarial experience studies for the pension systems, which covered the five year period ending June 30, 2014 and adopted by the pension Board on December 17, 2015. The next experience study for ERS will be for the period ending June 30, 2019.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

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

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

Asset class	Target allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	0.5%
Equities	70.00%	9.2%
Total	100.00%	

*Net of Inflation

Beginning in fiscal year 2018, the State OPEB fund updated their investment strategy to a more long-term approach, investing more in domestic and international stocks.

Discount Rate

In order to measure the total OPEB liability, as of June 30, 2020, for the State OPEB fund, a single equivalent interest rate of 7.06% was used, as compared with last year's discount rate of 7.30%. This is comprised of the yield or index rate for 20 year tax-exempt general obligation bonds with an average rating of AA or higher (2.21% per the Municipal Bond Index Rate) along with other factors. The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as leveraged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2118.

Sensitivity of the Collective Net OPEB liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers calculated using the discount rate of 7.06% as well as what the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.06%) or 1-percentage-point higher (8.06%) than the current discount rate (amounts in thousands):

	1% Decrease (6.06%)	Current Discount Rate (7.06%)	1% Increase (8.06%)
Collective Net OPEB Liability	\$ 1,410,587	\$ 1,125,398	\$ 882,248

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Sensitivity of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the collective net OPEB liability of the participating employers, as well as what the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (amounts in thousands):

	1% Decrease		Current Healthcare Cost Trend Rate	1% Increase
Collective Net OPEB Liability	\$ 845,713	\$	1,125,398	\$ 1,456,816

OPEB plan fiduciary net position: Detailed information about the OPEB plan’s fiduciary net position is available in the 2020 State of Georgia Comprehensive Annual Financial Report which is publicly available at <https://sao.georgia.gov/comprehensive-annual-financial-reports>.

NOTE 4 - COLLECTIVE DEFERRED OUTFLOWS OF RESOURCES, DEFERRED INFLOWS OF RESOURCES AND OPEB EXPENSE

Certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce OPEB expense they are labeled deferred inflows of resources. If they will increase OPEB expense they are labeled deferred outflows of resources. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive members at the beginning of the measurement period. Investment gains and losses are amortized over a fixed five year period.

The discount rate has changed since the prior measurement date from 7.30% to 7.06%, resulting in a change of assumptions. Current year changes in the total OPEB liability due to a change in assumption for the year, are determined by spreading the total change over the average expected remaining service life of the active and inactive members at the beginning of the measurement period. The average expected remaining service life of active members is the average number of years the active members are expected to remain in covered employment. For the year ended June 30, 2020 this number is 7.58 years. The average expected remaining service life of the inactive members is zero. Therefore, the recognition period is the weighted average of these two amounts, or 4.30 years.

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The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources for the year ended June 30, 2020 (amounts in thousands):

	<u>Year of Deferral</u>	<u>Amortization Period</u>	<u>Beginning of Year Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of Year Balance</u>
Deferred Outflows of Resources:						
Net difference between projected and actual earnings on OPEB plan investments						
	2017	5.0 years	\$ 8,725	\$ -	\$ (4,362)	\$ 4,363
	2018	5.0 years	35,529	-	(11,843)	23,686
	2019	5.0 years	39,459	-	(9,865)	29,594
	2020	5.0 years	-	66,059	(13,212)	52,847
			<u>\$ 83,713</u>	<u>\$ 66,059</u>	<u>\$ (39,282)</u>	<u>\$ 110,490</u>
Changes of Assumptions						
	2020	4.30 years	\$ -	\$ 26,555	\$ (6,176)	\$ 20,379
			<u>\$ -</u>	<u>\$ 26,555</u>	<u>\$ (6,176)</u>	<u>\$ 20,379</u>
Deferred Inflows of Resources:						
Differences between Expected and Actual Experience						
	2018	4.35 years	144,308	-	(61,407)	82,901
	2019	4.34 years	286,099	-	(85,659)	200,440
	2020	4.30 years	-	185,261	(43,084)	142,177
			<u>\$ 430,407</u>	<u>\$ 185,261</u>	<u>\$ (190,150)</u>	<u>\$ 425,518</u>
Changes of Assumptions						
	2017	4.32 years	\$ 117,313	\$ -	\$ (88,874)	\$ 28,439
	2018	4.35 years	520,454	-	(221,470)	298,984
	2019	4.34 years	520,828	-	(155,936)	364,892
			<u>\$ 1,158,595</u>	<u>\$ -</u>	<u>\$ (466,280)</u>	<u>\$ 692,315</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts in thousands):

Year Ended June 30:

2021	\$ (550,538)
2022	(342,591)
2023	(95,974)
2024	<u>2,139</u>
Total	<u>\$ (986,964)</u>

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Collective OPEB Expense

The components of collective OPEB expense for the year ended June 30, 2020 are as follows (amounts in thousands):

Service Cost	\$ 39,826
Interest on the Total OPEB liability and net cash flow	203,200
Projected earnings on plan investments	(117,997)
Administrative Expense	2,188
Recognition (amortization) of deferred inflows and outflows of resources:	
Differences between expected and actual experience	(190,150)
Changes of assumptions	(460,104)
Net difference between projected and actual earnings on plan investments	<u>39,282</u>
Collective OPEB Expense (Income)	<u>\$ (483,755)</u>

NOTE 5 – ACCESS TO ACTUARIAL VALUATIONS

Further information about actuarial valuations for the Georgia State Employees Postemployment Benefit Fund is publicly available on the DCH website at <https://shbp.georgia.gov/employers>.