

WASHINGTON COUNTY HEALTH CARE AUTHORITY

FINANCIAL STATEMENTS

for the years ended September 30, 2023 and 2022



C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

The Members of the Board
Washington County Health Care Authority
Chatom, Alabama

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Washington County Health Care Authority (Authority), which comprise the balance sheets as of September 30, 2023 and 2022, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Washington County Health Care Authority as of September 30, 2023 and 2022, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023 the Authority adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Continued

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user based on these financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Continued

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Draffin & Tucker, LLP

Albany, Georgia
March 25, 2024



WASHINGTON COUNTY HOSPITAL & NURSING HOME

Management's Discussion and Analysis For The Year Ended September 30, 2023

This section of the financial statements for Washington County Health Care Authority (Authority), presents our discussion and analysis of the Authority's financial performance during the fiscal years ended September 30, 2023, 2022 and 2021. Please read it in conjunction with the Authority's financial statements and accompanying notes.

The Authority is a self-supporting entity and follows proprietary fund reporting; accordingly, the financial statements are presented using full accrual accounting.

The Balance Sheets and Statements of Revenues, Expenses, and Changes in Net Position

Our analysis of the Authority's finances begins on page 8. One of the most important questions asked about the Authority's finances is, "Is the Authority as a whole better or worse off as a result of the year's activities?". The balance sheets and the statements of revenues, expenses, and changes in net position report information about the Authority's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Authority's net position and its changes. You can think of the Authority's net position - the difference between assets and liabilities - as one way to measure the Authority's financial health, or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors; however, such as changes in the Authority's patient base and measures of the quality of service it provides to the community, as well as local economic factors to assess the overall health of the Authority.

The Statement of Cash Flows

The final required statement is the statement of cash flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It provides answers to such questions as "Where did cash come from?", "What was cash used for?" and "What was the change in cash balance during the reporting period?".

Continued

**Management's Discussion and Analysis
For The Year Ended September 30, 2023**

Financial Analysis of the Authority

The following table summarizes the balance sheets as of September 30, 2023, 2022 and 2021:

Balance Sheets

	<u>2023</u>	Restated <u>2022</u>	<u>2021</u>
Current assets	\$ 8,976,520	\$ 10,701,495	\$ 11,463,957
Noncurrent cash and investments	4,093,072	-	-
Capital assets, net	<u>12,317,182</u>	<u>11,075,654</u>	<u>6,572,321</u>
Total assets	<u>\$ 25,386,774</u>	<u>\$ 21,777,149</u>	<u>\$ 18,036,278</u>
Current liabilities	\$ 2,129,142	\$ 2,835,505	\$ 2,531,623
Long-term liabilities	<u>3,045,770</u>	<u>2,539,884</u>	<u>533,005</u>
Total liabilities	<u>5,174,912</u>	<u>5,375,389</u>	<u>3,064,628</u>
Net position:			
Net investment in capital assets	9,039,937	8,401,936	5,953,183
Restricted	48,788	-	-
Unrestricted	<u>11,123,137</u>	<u>7,999,824</u>	<u>9,018,467</u>
Total net position	<u>20,211,862</u>	<u>16,401,760</u>	<u>14,971,650</u>
Total liabilities and net position	<u>\$ 25,386,774</u>	<u>\$ 21,777,149</u>	<u>\$ 18,036,278</u>

The information presented for the fiscal year ending September 30, 2021 was not restated for the effect of GASB 96.

The major changes to the balance sheets are as follows:

Operating cash decreased approximately \$3,460,000, primarily due to reallocating cash to investment accounts included with noncurrent cash and investments. Acute care and swing bed patient days increased from 1,902 in 2022 to 2,326 in 2023. Nursing home resident days decreased from 27,060 in 2022 to 25,717 in 2023. Accounts receivable increased approximately \$121,000 in 2023 as a result of the increase in hospital patient days.

Current liabilities decreased during the fiscal year primarily due to recognition of unearned revenue related to government stimulus funding.

Net position continues to increase due to positive operating income in the current year, along with positive nonoperating revenues.

Continued

**Management's Discussion and Analysis
For The Year Ended September 30, 2023**

The following table summarizes the changes in net position for the years ended September 30, 2023 and 2022 and 2021:

Changes in Net Position

	<u>2023</u>	Restated <u>2022</u>	<u>2021</u>
Total operating revenue	\$ 17,494,359	\$ 15,351,184	\$ 15,656,903
Total operating expenses	<u>16,925,788</u>	<u>16,203,052</u>	<u>15,151,912</u>
Operating income (loss)	568,571	(851,868)	504,991
Nonoperating revenues	<u>3,241,531</u>	<u>2,281,978</u>	<u>5,878,902</u>
Change in net position	<u>3,810,102</u>	<u>1,430,110</u>	<u>6,383,893</u>
Net position, beginning of year, originally reported	16,389,039	14,971,650	8,587,757
Implementation of GASB Statement No. 96	<u>12,721</u>	<u>-</u>	<u>-</u>
Net position, beginning of year, restated	<u>16,401,760</u>	<u>14,971,650</u>	<u>8,587,757</u>
Net position, ending	<u>\$ 20,211,862</u>	<u>\$ 16,401,760</u>	<u>\$ 14,971,650</u>

Operating revenues increased due to an increase in hospital patient volumes. Operating expenses increased due to increases in salaries and wages. Also, large construction projects were placed into service during 2023, thereby significantly increasing depreciation expense. The Authority continues to incur positive income after nonoperating revenues. Tax revenues for the past three years have averaged approximately \$780,000.

Continued

**Management's Discussion and Analysis
For The Year Ended September 30, 2023**

Long-Term Debt and Capital Assets

A recap of the Authority's long-term debt outstanding at September 30, 2023 and 2022 and capital asset additions for the year ended September 30, 2023 follows:

<u>Description</u>	<u>Long-Term Debt</u>	
	<u>2023</u>	<u>2022</u>
USDA loan	\$ 2,750,000	\$ -
Construction loan	-	2,218,859
Lease and subscription IT liabilities	<u>527,245</u>	<u>454,859</u>
Total long-term debt	<u>\$ 3,277,245</u>	<u>\$ 2,673,718</u>
<u>Capital Assets Current Year Additions</u>		<u>Amount</u>
Construction-in-progress		\$ 1,099,793
Buildings		268,633
Land purchase		23,630
Various equipment additions		<u>671,617</u>
Total additions		<u>\$ 2,063,673</u>

See Notes 6, 7, and 8 to the financial statements for additional details about the Authority's debt and capital assets.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances. If you have questions about this report or need additional financial information, contact the Authority finance department at Washington County Health Care Authority, P. O. Box 1299, Chatom, AL 36518.

WASHINGTON COUNTY HEALTH CARE AUTHORITY

BALANCE SHEETS
September 30, 2023 and 2022

	<u>2023</u>	Restated <u>2022</u>
ASSETS		
Current assets:		
Cash	\$ 5,458,887	\$ 8,918,921
Short-term investments	1,569,460	69,460
Patient accounts receivable, net of estimated uncollectibles of approximately \$1,729,000 in 2023 and \$1,522,000 in 2022	1,333,895	1,213,078
Supplies	221,586	198,373
Other current assets	<u>392,692</u>	<u>301,663</u>
Total current assets	<u>8,976,520</u>	<u>10,701,495</u>
Noncurrent cash and investments:		
Held by board for debt service	2,000,000	-
Restricted for debt service	12,788	-
Restricted for capital replacement	36,000	-
Other long-term investments	<u>2,044,284</u>	<u>-</u>
Total noncurrent cash and investments	<u>4,093,072</u>	<u>-</u>
Capital assets:		
Non-depreciable	506,099	7,006,375
Depreciable, net of accumulated depreciation	11,256,356	3,579,768
Intangible right-to-use lease assets, net of accumulated amortization	229,544	199,988
Intangible right-to-use subscription IT assets, net of accumulated amortization	<u>325,183</u>	<u>289,523</u>
Total capital assets, net	<u>12,317,182</u>	<u>11,075,654</u>
Total assets	<u>\$ 25,386,774</u>	<u>\$ 21,777,149</u>

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

BALANCE SHEETS, Continued
September 30, 2023 and 2022

	<u>2023</u>	Restated <u>2022</u>
LIABILITIES AND NET POSITION		
Current liabilities:		
Current maturities of long-term debt	\$ 66,000	\$ -
Current maturities of lease and subscription IT liabilities	165,475	133,834
Accounts payable	585,412	818,446
Accrued payroll and expenses	472,946	412,399
Unearned revenue	-	620,437
Estimated third-party payor settlements	<u>839,309</u>	<u>850,389</u>
Total current liabilities	2,129,142	2,835,505
Long-term debt, net of current maturities	2,684,000	2,218,859
Lease and subscription IT liabilities, net of current maturities	<u>361,770</u>	<u>321,025</u>
Total liabilities	<u>5,174,912</u>	<u>5,375,389</u>
Net position:		
Net investment in capital assets	9,039,937	8,401,936
Restricted:		
Restricted for debt service	12,788	-
Restricted for capital replacement	36,000	-
Unrestricted	<u>11,123,137</u>	<u>7,999,824</u>
Total net position	<u>20,211,862</u>	<u>16,401,760</u>
 Total liabilities and net position	 <u>\$ 25,386,774</u>	 <u>\$ 21,777,149</u>

The accompanying notes are integral parts of these financial statements.

WASHINGTON COUNTY HEALTH CARE AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
for the years ended September 30, 2023 and 2022

	<u>2023</u>	Restated <u>2022</u>
Operating revenues:		
Net patient service revenue (net of provision for bad debts of approximately \$1,243,000 in 2023 and \$1,046,000 in 2022)	\$ 17,365,162	\$ 15,169,066
Other revenue	<u>129,197</u>	<u>182,118</u>
Total operating revenues	<u>17,494,359</u>	<u>15,351,184</u>
Operating expenses:		
Salaries and wages	7,189,092	6,426,237
Employee health and welfare	1,881,690	1,620,294
Medical supplies and other expenses	3,667,731	3,566,433
Purchased services	3,133,714	4,030,331
Depreciation and amortization	<u>1,053,561</u>	<u>559,757</u>
Total operating expenses	<u>16,925,788</u>	<u>16,203,052</u>
Operating income (loss)	<u>568,571</u>	<u>(851,868)</u>
Nonoperating revenues (expenses):		
Tax revenue	805,473	770,876
Interest expense	(82,954)	(17,407)
Government stimulus funding	2,445,473	1,355,177
Grants and contributions	-	172,377
Investment income	<u>73,539</u>	<u>955</u>
Total nonoperating revenues	<u>3,241,531</u>	<u>2,281,978</u>
Change in net position	<u>3,810,102</u>	<u>1,430,110</u>
Net position at beginning of year, originally reported	16,389,039	14,971,650
Implementation of GASB Statement No. 96	<u>12,721</u>	<u>-</u>
Net position at beginning of year, restated	<u>16,401,760</u>	<u>14,971,650</u>
Net position at end of year	<u>\$ 20,211,862</u>	<u>\$ 16,401,760</u>

The accompanying notes are integral parts of these financial statements.

WASHINGTON COUNTY HEALTH CARE AUTHORITY

STATEMENTS OF CASH FLOWS
for the years ended September 30, 2023 and 2022

	<u>2023</u>	Restated <u>2022</u>
Cash flows from operating activities:		
Cash received from patients and payors	\$ 17,362,462	\$ 15,398,623
Cash payments to vendors and other suppliers	(7,148,721)	(7,343,624)
Cash payments to employees	<u>(9,010,235)</u>	<u>(8,001,728)</u>
Net cash provided by operating activities	<u>1,203,506</u>	<u>53,271</u>
Cash flows from noncapital financing activities:		
Tax revenue	805,473	770,876
Grants and contributions	-	47,377
Government stimulus funding	<u>1,825,036</u>	<u>1,173,080</u>
Net cash provided by noncapital financing activities	<u>2,630,509</u>	<u>1,991,333</u>
Cash flows from capital and related financing activities:		
Proceeds from long-term debt	3,029,677	1,891,750
Principal paid on long-term debt	(2,498,536)	-
Principal paid on lease and subscription IT liabilities	(159,030)	(171,027)
Interest paid on debt	(82,954)	(17,407)
Purchase of capital assets	<u>(2,063,673)</u>	<u>(4,729,233)</u>
Net cash used by capital and related financing activities	<u>(1,774,516)</u>	<u>(3,025,917)</u>
Cash flows from investing activities:		
Purchase of short-term investments	(1,500,000)	(2,355)
Purchase of long-term investments	(4,044,284)	-
Interest income	<u>73,539</u>	<u>955</u>
Net cash used by investing activities	<u>(5,470,745)</u>	<u>(1,400)</u>
Net decrease in cash	(3,411,246)	(982,713)
Cash, beginning of year	<u>8,918,921</u>	<u>9,901,634</u>
Cash, end of year	<u>\$ 5,507,675</u>	<u>\$ 8,918,921</u>

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

STATEMENTS OF CASH FLOWS, Continued
for the years ended September 30, 2023 and 2022

	<u>2023</u>	Restated <u>2022</u>
Reconciliation of cash to the balance sheets:		
Cash	\$ 5,458,887	\$ 8,918,921
Cash in noncurrent cash and investments:		
Restricted for debt service	12,788	-
Restricted for capital replacement	<u>36,000</u>	<u>-</u>
Total cash	<u>\$ 5,507,675</u>	<u>\$ 8,918,921</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	\$ 568,571	\$ (851,868)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	1,053,561	559,757
Provision for bad debts	1,242,655	1,045,951
Changes in:		
Net patient accounts receivable	(1,363,472)	(1,159,236)
Estimated third-party payor settlements	(11,080)	160,724
Supplies	(23,213)	(48,960)
Other current assets	(91,029)	(55,651)
Accounts payable	(233,034)	357,751
Other accrued expenses	<u>60,547</u>	<u>44,803</u>
Net cash provided by operating activities	<u>\$ 1,203,506</u>	<u>\$ 53,271</u>

Supplemental disclosures of cash flow information:

- The Authority entered into lease and subscription IT obligations of approximately \$163,000 and \$81,000 in 2023 and 2022, respectively. See Note 8 for additional information.
- The Authority held investments at September 30, 2023 with a fair value of approximately \$4,044,000. During 2023, the net change in fair value of these investments was an increase of approximately \$76,000.

The accompanying notes are integral parts of these financial statements.

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Washington County Hospital Association, Inc. was originally incorporated under the provisions of the *Code of Alabama 1975*, Sections 22-21-50 through 22-21-57. The organization then reincorporated as Washington County Health Care Authority (Authority) during July 2014. The Authority operates the Washington County Hospital (Hospital) and Nursing Home (Nursing Home), a 25-bed not-for-profit acute care hospital and an 88-bed nursing. The Authority provides inpatient, outpatient, and emergency care services for residents of Washington County, Alabama. Neither the Hospital nor Nursing Home have separate legal status or existence, and as "essential service" governmental health providers, they are exempt from income taxes. As a governmental unit, the Authority is also exempt from income taxes.

The Board of Directors elects its own officers, a Chairman, Vice-Chairman and Secretary-Treasurer.

These financial statements include the Authority and the divisions of the Washington County Hospital and Nursing Home. The Authority is responsible for operations and approval of policies of the Hospital and Nursing Home.

Use of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash includes all demand deposit accounts including those that are designated.

Noncurrent Cash and Investments

Noncurrent cash and investments primarily include assets held by trustees under indenture agreements, designated assets set aside by the Authority's Board of Directors for future debt service, over which the Board retains control and may at its discretion subsequently use for other purposes, and other long-term investments.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

1. Description of Organization and Summary of Significant Accounting Policies, Continued

Investments in Debt and Equity Securities

Investments in debt and equity securities are reported at fair value except for short-term highly liquid investments that have a remaining maturity at the time they are purchased of one year or less. Interest, dividends, and gains and losses, both realized and unrealized, on investments in debt and equity securities are included in nonoperating revenue when earned.

Supplies

Supplies are stated at the lower of cost or market value, using the first-in, first-out method.

Enterprise Fund Accounting

The Authority uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus.

The Authority prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB).

Grants and Contributions

From time to time, the Authority receives grants from Washington County and the State of Alabama as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The Authority's unearned revenue primarily consists of CARES and ARP Act and other government stimulus advance payments. See Note 16 for additional information.

Restricted Resources

When the Authority has both restricted and unrestricted resources available to finance a particular program, it is the Authority's policy to use restricted resources before unrestricted resources.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

1. Description of Organization and Summary of Significant Accounting Policies, Continued

Net Position

Net position of the Authority is classified into three components. *Net investment in capital assets* consist of capital assets net of accumulated depreciation and amortization and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted net position* is noncapital assets reduced by liabilities and deferred inflows of resources related to those assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Authority, including amounts deposited with trustees as required by USDA loan, discussed in Note 7. *Unrestricted net position* is the remaining net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of *net investment in capital assets* or *restricted net position*.

Allowance for Doubtful Accounts

The Authority provides an allowance for doubtful accounts based on an evaluation of the overall collectability of the accounts receivable. As accounts are known to be uncollectible, the account is charged against the allowance.

Leases

The Authority is a lessee for noncancellable lease assets. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in its financial statements. At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the implicit interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided or cannot be imputed, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

1. Description of Organization and Summary of Significant Accounting Policies, Continued

Leases, Continued

Lease assets are reported with capital assets and lease liabilities are reported with current and noncurrent liabilities on the balance sheets.

None of the leases contain provisions for variable payments or residual value guarantees. Additionally, there are no other payments such as residual value guarantees or termination penalties, not previously included in the measurement of the lease liability reflected as outflows of resources.

Subscription-Based Information Technology Arrangements

The Authority has subscription-based information technology arrangements (SBITAs). The Authority recognizes a subscription IT liability and an intangible right-to-use subscription asset (subscription IT asset) in its financial statements. At the commencement of the subscription term, which is when the subscription IT asset is placed into service, the Authority initially measures the subscription IT liability at the present value of subscription payments expected to be made during the subscription term. Subsequently, the subscription IT liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription IT liability, adjusted for payments made at or before commencement of the subscription term, plus capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the subscription IT asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the Authority determine (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The Authority uses the implicit interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not readily determinable, the Authority generally uses its estimated incremental borrowing rate as the discount rate. Amortization of the discount on the subscription IT liability is included in interest expense in the financial statements.
- The subscription term includes the non-cancellable period. Subscription payments included in the measurement of the subscription IT liability are composed of fixed payments and other payments that are reasonably certain of being required.

The Authority monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the subscription IT asset and subscription IT liability if certain changes occur that are expected to significantly affect the amount of the subscription IT liability.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

1. Description of Organization and Summary of Significant Accounting Policies, Continued

Subscription-Based Information Technology Arrangements, Continued

Activities associated with a SBITA, other than making subscription payments, should be grouped into the following stages:

- Preliminary Project Stage - Outlays are expensed as incurred.
- Initial Implementation Stage - Outlays are generally capitalized as an addition to the subscription IT asset.
- Operation and Additional Implementation Stage - Outlays are expensed as incurred unless specific capitalization criteria is met.

Subscription IT assets are reported with capital assets and subscription IT liabilities are reported with current and noncurrent lease and subscription IT liabilities on the balance sheets.

Capital Assets

The Authority's capital assets are reported at historical cost. Contributed capital assets are reported at their acquisition value at the time of their donation. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. The estimated useful life is assigned using AHA Useful Lives Guidelines listed below. Leased assets are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Subscription-based information technology arrangements are amortized on the straight-line method over the shorter of the subscription term or the estimated useful life of the underlying IT asset. Such amortization is included in depreciation and amortization in the financial statements.

Land improvements	15 to 20 years
Buildings and improvements	20 to 40 years
Equipment	3 to 7 years
Right-to-use lease assets	2 to 6 years
Subscription IT assets	2 to 7 years

Impairment of Long-Lived Assets

The Authority evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset's fair value. In most instances, the fair value is determined by discounted estimated future cash flows using an appropriate interest rate. The Authority has not recorded any impairment charges in the accompanying statements of revenues, expenses and changes in net position for the years ended September 30, 2023 and 2022.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

1. Description of Organization and Summary of Significant Accounting Policies, Continued

Costs of Borrowing

Interest cost incurred on borrowed funds during the period of construction of capital assets is expensed in the period in which the cost is incurred.

Financing Costs

Costs related to the issuance of long-term debt are expensed when incurred.

Net Patient Service Revenue

The Authority has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care

The Authority provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Authority does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Operating Revenues and Expenses

The Authority's statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services - the Authority's principal activity. Nonexchange revenues, including taxes, grants, and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

1. Description of Organization and Summary of Significant Accounting Policies, Continued

Risk Management

The Authority is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Compensated Absences

The Authority's employees earn time off at varying rates depending on years of service. This time is used for vacation time, sick leave and holiday time. Time may carry over up to the amount of the employee's annual accrual. Any additional time may be converted to sick time. The estimated amount of accrued compensated absences is reported as a current liability in both 2023 and 2022.

Income Taxes

The Authority is a governmental entity and is exempt from income taxes. Accordingly, no provision for income taxes has been considered in the accompanying financial statements.

Fair Value Measurements

GASB Statement No. 72 - *Fair Value Measurement and Application* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. GASB No. 72 also establishes a hierarchy of inputs to valuation techniques used to measure fair value. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. GASB No. 72 describes the following three levels of inputs that may be used:

- *Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. The fair value hierarchy gives the highest priority to Level 1 inputs.
- *Level 2:* Observable inputs such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- *Level 3:* Unobservable inputs for an asset or liability. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

1. Description of Organization and Summary of Significant Accounting Policies, Continued

Recently Adopted Accounting Pronouncement

In June 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. GASB 96 is effective for fiscal years beginning after June 15, 2022. The Authority adopted GASB 96 on October 1, 2022 and retroactively implemented the statement effective October 1, 2021. The adoption of this statement resulted in an increase in subscription IT obligations of approximately \$253,000 and related right-to-use subscription IT assets of approximately \$268,000 as of October 1, 2021.

2. Net Patient Service Revenue

The Authority has arrangements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. The Authority does not believe that there are any significant credit risks associated with receivables due from third-party payors. Revenue from the Medicare, Medicaid, and the Blue Cross payors accounted for approximately 27%, 15%, and 29%, respectively, of the Hospital's gross patient revenue for the year ended 2023, and 31%, 14%, and 27%, respectively for the year ended 2022. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Authority believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. However, there has been an increase in regulatory initiatives at the state and federal levels including the initiation of the Recovery Audit Contractor (RAC) program and the Medicaid Integrity Contractor (MIC) program. These programs were created to review Medicare and Medicaid claims for medical necessity and coding appropriateness. The RAC's have authority to pursue improper payments with a three-year look back from the date the claim was paid. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

2. Net Patient Service Revenue, Continued

A summary of the payment arrangements with major third-party payors follows:

- Medicare

Effective November 1, 2002, the Authority was granted Critical Access Hospital (CAH) designation by the Medicare program. The CAH designation places certain restrictions on daily acute care inpatient census and an annual, average length of stay of acute care inpatients. Inpatient acute care and outpatient services rendered to Medicare program beneficiaries are paid based on a cost reimbursement methodology.

Nursing Home services rendered to Medicare program beneficiaries are paid based on a patient-driven payment methodology.

The Authority is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Authority and audits thereof by the Medicare Administrative Contractor (MAC). The Authority's classification of patients under the Medicare program and the appropriateness of their admissions are subject to an independent review by a peer review organization under contract with the Authority. The Authority's Medicare cost reports have been audited by the MAC through September 30, 2020.

- Medicaid

The Hospital Funding Program governs Medicaid payments. For public hospitals, the Hospital Funding Program utilizes a combination of federal matching funds derived from intergovernmental transfers (IGTs) and disproportionate share hospital (DSH) payments to provide inpatient and outpatient payments.

Hospitals receive quarterly DSH payments during the state fiscal year, base per diem payments for inpatient services, and outpatient payments based on the Medicaid fee schedule maintained by the Medicaid agency. These payments are determined and provided by the Alabama Medicaid Agency. The Alabama Medicaid Agency claims the maximum allowable DSH amount from the federal government and distributes these funds to hospitals based on a hospital's share of statewide uncompensated care.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

2. Net Patient Service Revenue, Continued

- Medicaid, Continued

DSH transactions are considered interim payments by the Centers for Medicare and Medicaid Services (CMS), the federal agency responsible for managing states' Medicaid programs. The Alabama Medicaid Agency is required to conduct reconciliations of DSH payments to hospitals with actual cost incurred by the hospitals. This reconciliation process for SFY 2020 was in progress at year-end. Based on these reconciliations, the State of Alabama, through the Medicaid Agency, is responsible for any excess funds claimed above allowed amounts or unclaimed funds below allowed amounts from CMS. If the reconciliation shows the cost incurred for all public hospitals is more than the total DSH payments received, no individual hospital adjustment will be made; however, if the cost incurred for all public hospitals is less than the total DSH payments received, each individual hospital will be required to reimburse its pro rata share of payments received for the difference noted. During 2023, there were no audit findings requiring reimbursement from public hospitals.

Nursing Home resident services rendered to Medicaid beneficiaries are reimbursed based on cost, not to exceed limits established by the Medicaid Agency.

- Blue Cross

Inpatient services rendered to Blue Cross subscribers are reimbursed at prospectively determined rates. Outpatient services are paid on an enhanced ambulatory patient grouping (EAPG) methodology. Under this methodology, the Authority is reimbursed at prospectively determined rates per service.

- Other Arrangements

The Authority also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Authority under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

3. Uncompensated Services

The Authority was compensated for services at amounts less than its established rates. Charges for uncompensated services for 2023 and 2022 were approximately \$6,315,000 and \$5,932,000, respectively.

Uncompensated care includes charity and indigent care services of approximately \$1,000 and \$16,000 in 2023 and 2022, respectively. The cost of charity and indigent care services provided during 2023 and 2022 was approximately \$1,000 and \$12,000, respectively computed by applying a total cost factor to the charges foregone.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

3. Uncompensated Services, Continued

The following is a summary of uncompensated services and a reconciliation of gross patient charges to net patient service revenue for 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Gross patient charges	\$ 23,679,759	\$ 21,100,623
Uncompensated services:		
Charity and indigent care	893	15,764
Medicare	1,242,248	1,444,690
Medicaid	704,108	429,533
Blue Cross	2,053,919	1,941,541
Other allowances	1,070,774	1,054,078
Bad debts	<u>1,242,655</u>	<u>1,045,951</u>
Total uncompensated care	<u>6,314,597</u>	<u>5,931,557</u>
Net patient service revenue	<u>\$ 17,365,162</u>	<u>\$ 15,169,066</u>

4. Deposits and Investments

The Authority's deposits at year end were held by financial institutions that participate in the State of Alabama's Security of Alabama Funds Enhancement (SAFE) Program. The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the *Code of Alabama 1975*, Sections 41-14A-1 through 41-14A-14. Under the SAFE Program all public funds are protected through a collateral pool administered by the Alabama State Treasurer's Office. Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of the failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC). If the securities pledged failed to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance.

- *Custodial credit risk - deposits.* Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits. The Authority does not have a deposit policy for custodial credit risk. As of September 30, 2023 and 2022, the Authority had no deposits exposed to custodial credit risk.
- *Custodial credit risk - investments.* For an investment, this is the risk that in the event of the failure of a counterparty to a transaction, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Authority's investments are held in the Authority's name by a custodial bank that is the agent of the Authority.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

4. Deposits and Investments, Continued

As discussed in Note 1, the Authority's investments are generally carried at fair value.

As of September 30, 2023 and 2022 the Authority had the following deposits and investments:

	<u>2023</u>	<u>2022</u>
Deposits and investments consist of the following:		
Cash	\$ 5,507,675	\$ 8,918,921
Certificates of deposit	<u>1,569,460</u>	<u>69,460</u>
Subtotal deposits	<u>7,077,135</u>	<u>8,988,381</u>
Money market funds	45,575	-
U.S. Treasury notes/bonds	3,985,174	-
Accrued investment income	<u>13,535</u>	<u>-</u>
Subtotal investments	<u>4,044,284</u>	<u>-</u>
Total deposits and investments	<u>\$ 11,121,419</u>	<u>\$ 8,988,381</u>
	<u>2023</u>	<u>2022</u>
Included in the following balance sheet captions:		
Cash	\$ 5,458,887	\$ 8,918,921
Short-term investments	1,569,460	69,460
Noncurrent cash and investments:		
Held by board for debt service	2,000,000	-
Restricted for debt service	12,788	-
Restricted for capital replacement	36,000	-
Other long-term investments	<u>2,044,284</u>	<u>-</u>
Total	<u>\$ 11,121,419</u>	<u>\$ 8,988,381</u>

The Authority has two 12-month certificates of deposit that are reported at amortized cost and mature March 2024 and September 2024.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

4. Deposits and Investments, Continued

The Authority's debt securities had the following maturities:

<u>September 30, 2023</u>		<u>Investment Maturities (in Years)</u>		
<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>5-10</u>
U.S. Treasury notes/bonds	<u>\$ 3,985,174</u>	<u>\$ 1,510,721</u>	<u>\$ 1,515,023</u>	<u>\$ 959,430</u>

Investments in U.S. Treasury notes/bonds are rated AA+ by *Standard and Poors*.

5. Accounts Receivable and Payable

Patient accounts receivable and accounts payable (including accrued expenses) reported as current assets and liabilities by the Authority at September 30, 2023 and 2022 consisted of these amounts:

	<u>2023</u>	<u>2022</u>
Patient accounts receivable:		
Receivable from patients and their insurance carriers	\$ 1,919,266	\$ 1,532,337
Receivable from Medicare	501,912	602,557
Receivable from Medicaid	<u>641,432</u>	<u>600,392</u>
Total patient accounts receivable	3,062,610	2,735,286
Less allowance for uncollectible amounts and contractual adjustments	<u>1,728,715</u>	<u>1,522,208</u>
Patient accounts receivable, net	<u>\$ 1,333,895</u>	<u>\$ 1,213,078</u>
Accounts payable and accrued expenses:		
Payable to employees (including payroll taxes)	\$ 472,946	\$ 412,399
Payable to suppliers	<u>585,412</u>	<u>818,446</u>
Total accounts payable and accrued expenses	<u>\$ 1,058,358</u>	<u>\$ 1,230,845</u>

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

6. Capital Assets

A summary of capital assets at September 30, 2023 and 2022 follows:

	Restated 2022 <u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	2023 <u>Balance</u>
Land	\$ 114,950	\$ 23,630	\$ -	\$ -	\$ 138,580
Construction-in-progress	<u>6,891,425</u>	<u>1,259,171</u>	<u>-</u>	<u>(7,783,077)</u>	<u>367,519</u>
Total capital assets, not being depreciated	<u>7,006,375</u>	<u>1,282,801</u>	<u>-</u>	<u>(7,783,077)</u>	<u>506,099</u>
Buildings	5,442,677	113,674	-	7,645,473	13,201,824
Equipment	<u>5,553,287</u>	<u>663,798</u>	<u>-</u>	<u>137,604</u>	<u>6,354,689</u>
Total capital assets being depreciated	<u>10,995,964</u>	<u>777,472</u>	<u>-</u>	<u>7,783,077</u>	<u>19,556,513</u>
Less accumulated depreciation for:					
Buildings	3,298,121	549,487	-	-	3,847,608
Equipment	<u>4,118,075</u>	<u>334,474</u>	<u>-</u>	<u>-</u>	<u>4,452,549</u>
Total accumulated depreciation	<u>7,416,196</u>	<u>883,961</u>	<u>-</u>	<u>-</u>	<u>8,300,157</u>
Capital assets being depreciated, net	<u>3,579,768</u>	<u>(106,489)</u>	<u>-</u>	<u>7,783,077</u>	<u>11,256,356</u>
Lease and subscription IT assets, net (Note 8)	<u>489,511</u>	<u>65,216</u>	<u>-</u>	<u>-</u>	<u>554,727</u>
Capital assets, net	<u>\$ 11,075,654</u>	<u>\$ 1,241,528</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,317,182</u>

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

6. Capital Assets, Continued

	Restated 2021 <u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	Restated 2022 <u>Balance</u>
Land	\$ 84,950	\$ 30,000	\$ -	\$ -	\$ 114,950
Construction-in-progress	<u>2,476,732</u>	<u>4,414,693</u>	<u>-</u>	<u>-</u>	<u>6,891,425</u>
Total capital assets, not being depreciated	<u>2,561,682</u>	<u>4,444,693</u>	<u>-</u>	<u>-</u>	<u>7,006,375</u>
Buildings	5,442,677	-	-	-	5,442,677
Equipment	<u>5,294,653</u>	<u>258,634</u>	<u>-</u>	<u>-</u>	<u>5,553,287</u>
Total capital assets being depreciated	<u>10,737,330</u>	<u>258,634</u>	<u>-</u>	<u>-</u>	<u>10,995,964</u>
Less accumulated depreciation for:					
Buildings	3,094,001	204,120	-	-	3,298,121
Equipment	<u>3,920,823</u>	<u>197,252</u>	<u>-</u>	<u>-</u>	<u>4,118,075</u>
Total accumulated depreciation	<u>7,014,824</u>	<u>401,372</u>	<u>-</u>	<u>-</u>	<u>7,416,196</u>
Capital assets being depreciated, net	<u>3,722,506</u>	<u>(142,738)</u>	<u>-</u>	<u>-</u>	<u>3,579,768</u>
Lease and subscription IT assets, net (Note 8)	<u>556,064</u>	<u>(66,553)</u>	<u>-</u>	<u>-</u>	<u>489,511</u>
Capital assets, net	<u>\$ 6,840,252</u>	<u>\$ 4,235,402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,075,654</u>

Commitments for property, equipment and construction at September 30, 2023 consist of design and construction costs for various projects and equipment in progress at September 30, 2023. As of September 30, 2023, the Authority had executed agreements or budgeted for construction contractors and equipment vendors for a total of approximately \$410,000. The unpaid amount for these contracts totaled approximately \$111,000.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

7. Long-Term Debt

A schedule of changes in the Authority's long-term debt for 2023 and 2022 follows:

	<u>2022 Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>2023 Balance</u>	<u>Amounts Due Within One Year</u>
Direct borrowing:					
Construction loan	\$ 2,218,859	\$ 279,677	\$ (2,498,536)	\$ -	\$ -
USDA loan	<u>-</u>	<u>2,750,000</u>	<u>-</u>	<u>2,750,000</u>	<u>66,000</u>
Total long-term debt	<u>\$ 2,218,859</u>	<u>\$ 3,029,677</u>	<u>\$ (2,498,536)</u>	<u>\$ 2,750,000</u>	<u>\$ 66,000</u>

	<u>2021 Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>2022 Balance</u>	<u>Amounts Due Within One Year</u>
Direct borrowing:					
Construction loan	\$ 327,109	\$ 1,891,750	\$ -	\$ 2,218,859	\$ -
Total long-term debt	<u>\$ 327,109</u>	<u>\$ 1,891,750</u>	<u>\$ -</u>	<u>\$ 2,218,859</u>	<u>\$ -</u>

The terms and due dates of the Authority's long-term debt at September 30, 2023 and 2022 follow:

- USDA loan, payable in annual installments through 2053, ranging from \$66,000 to \$124,000 plus interest at 2.25%, collateralized by pledged revenues of the Authority.
- Construction loan at 2.25%, interest only payable in monthly installments during the construction period (18 months). During 2023, upon completion of the construction period, loan was converted to USDA loan.

The Authority's USDA loan contains various covenants pertaining to required cash balances for debt service and capital replacement. Management believes they are in technical compliance with these requirements.

The Authority's loans contain provisions that in a continuing event of default, the lenders may declare all outstanding obligations to be due and payable immediately.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

7. Long-Term Debt, Continued

Scheduled principal repayments on long-term debt are as follows:

<u>Year Ending September 30</u>	<u>Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 66,000	\$ 61,875
2025	67,000	60,390
2026	68,000	58,883
2027	70,000	57,353
2028	71,000	55,778
2029 to 2033	381,000	262,530
2034 to 2038	425,000	218,723
2039 to 2043	475,000	169,762
2044 to 2048	532,000	115,065
2049 to 2053	<u>595,000</u>	<u>53,842</u>
Total	<u>\$ 2,750,000</u>	<u>\$ 1,114,201</u>

8. Leases and Subscription IT Liabilities

Lessee: The Authority leases a building and equipment from other third-parties. The Authority recognized approximately \$170,000 and \$158,000 in amortization expense related to right-to-use assets during the years ended September 30, 2023 and 2022, respectively. The Authority also recognized interest expense of approximately \$20,000 and \$17,000 for the years ended September 30, 2023 and 2022, respectively, on these lease and subscription IT agreements. During 2023, there were remeasurements of lease and subscription IT agreements due to changes in lease terms. These remeasurements resulted in an increase in lease and subscription IT obligations of approximately \$68,000 and related right-to-use lease and subscription IT assets of approximately \$70,000.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

8. Leases and Subscription IT Liabilities, Continued

A summary of intangible right-to-use lease asset and subscription IT asset activity during the years ended September 30, 2023 and 2022 is as follows:

	Restated 2022 <u>Balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Deductions</u>	2023 <u>Balance</u>
Right-to-use lease assets:					
Equipment	\$ 346,450	\$ 92,712	\$ 24,041	\$ -	\$ 463,203
Buildings	<u>28,854</u>	<u>-</u>	<u>-</u>	<u>(40,557)</u>	<u>(11,703)</u>
Total lease assets	<u>375,304</u>	<u>92,712</u>	<u>24,041</u>	<u>(40,557)</u>	<u>451,500</u>
Less accumulated amortization for:					
Equipment	152,233	22,181	-	-	174,414
Buildings	<u>23,083</u>	<u>65,016</u>	<u>-</u>	<u>(40,557)</u>	<u>47,542</u>
Total accumulated amortization	<u>175,316</u>	<u>87,197</u>	<u>-</u>	<u>(40,557)</u>	<u>221,956</u>
Total lease assets, net	<u>199,988</u>	<u>5,515</u>	<u>24,041</u>	<u>-</u>	<u>229,544</u>
Subscription IT assets	359,763	72,191	45,856	-	477,810
Less accumulated amortization	<u>70,240</u>	<u>82,387</u>	<u>-</u>	<u>-</u>	<u>152,627</u>
Subscription IT assets, net	<u>289,523</u>	<u>(10,196)</u>	<u>45,856</u>	<u>-</u>	<u>325,183</u>
Total lease and subscription IT assets, net	<u>\$ 489,511</u>	<u>\$ (4,681)</u>	<u>\$ 69,897</u>	<u>\$ -</u>	<u>\$ 554,727</u>

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

8. Leases and Subscription IT Liabilities, Continued

	Restated 2021 <u>Balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Deductions</u>	Restated 2022 <u>Balance</u>
Right-to-use lease assets:					
Equipment	\$ 346,450	\$ -	\$ -	\$ -	\$ 346,450
Buildings	<u>28,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,854</u>
Total lease assets	<u>375,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,304</u>
Less accumulated amortization for:					
Equipment	75,629	76,604	-	-	152,233
Buildings	<u>11,542</u>	<u>11,541</u>	<u>-</u>	<u>-</u>	<u>23,083</u>
Total accumulated amortization	<u>87,171</u>	<u>88,145</u>	<u>-</u>	<u>-</u>	<u>175,316</u>
Total lease assets, net	<u>288,133</u>	<u>(88,145)</u>	<u>-</u>	<u>-</u>	<u>199,988</u>
Subscription IT assets	267,931	91,832	-	-	359,763
Less accumulated amortization	<u>-</u>	<u>70,240</u>	<u>-</u>	<u>-</u>	<u>70,240</u>
Subscription IT assets, net	<u>267,931</u>	<u>21,592</u>	<u>-</u>	<u>-</u>	<u>289,523</u>
Total lease and subscription IT assets, net	<u>\$ 556,064</u>	<u>\$ (66,553)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 489,511</u>

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

8. Leases and Subscription IT Liabilities, Continued

A summary of changes in the lease and subscription IT liabilities during the years ended September 30, 2023 and 2022 is as follows:

	<u>Restated 2022 Balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>2023 Balance</u>	<u>Amounts Due Within One Year</u>
Lease liabilities	\$ 205,897	\$ 90,870	\$ 26,000	\$ 85,297	\$ 237,470	\$ 87,915
Subscription IT liabilities	<u>248,962</u>	<u>72,191</u>	<u>42,355</u>	<u>73,733</u>	<u>289,775</u>	<u>77,560</u>
Total lease and subscription IT liabilities	<u>\$ 454,859</u>	<u>\$ 163,061</u>	<u>\$ 68,355</u>	<u>\$ 159,030</u>	<u>\$ 527,245</u>	<u>\$ 165,475</u>
	<u>Restated 2021 Balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Restated 2022 Balance</u>	<u>Amounts Due Within One Year</u>
Lease liabilities	\$ 292,029	\$ -	\$ -	\$ 86,132	\$ 205,897	\$ 70,804
Subscription IT liabilities	<u>253,222</u>	<u>80,635</u>	<u>-</u>	<u>84,895</u>	<u>248,962</u>	<u>63,030</u>
Total lease and subscription IT liabilities	<u>\$ 545,251</u>	<u>\$ 80,635</u>	<u>\$ -</u>	<u>\$ 171,027</u>	<u>\$ 454,859</u>	<u>\$ 133,834</u>

Scheduled principal and interest repayments on lease and subscription IT liabilities are as follows:

<u>Year Ending September 30</u>	<u>Lease Liabilities</u>		<u>Subscription IT Liabilities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 87,915	\$ 7,507	\$ 77,560	\$ 13,140
2025	86,503	3,987	81,502	9,198
2026	31,964	1,606	58,718	5,075
2027	18,249	844	49,106	2,486
2028	<u>12,839</u>	<u>194</u>	<u>22,889</u>	<u>388</u>
Total	<u>\$ 237,470</u>	<u>\$ 14,138</u>	<u>\$ 289,775</u>	<u>\$ 30,287</u>

None of the SBITAs contain provisions for variable payments. Additionally, there are no other payments, such as termination penalties, not previously included in the measurement of the subscription IT liability.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

9. Concentrations of Credit Risk

The Authority grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. See Note 5 for summary of receivables for the years ended 2023 and 2022.

10. Defined Contribution Plan

The Authority had a 403(b) defined contribution plan established and administered by the Authority to provide benefits at retirement to substantially all employees. The plan allowed for participant salary deferral contributions up to 18% of salary. Plan provisions and contribution requirements are established and may be amended by the Authority's Board of Directors. Management matched half of a participant's contribution up to a maximum of 2%. After five years of service, participants were 100% vested in the employer matching contributions, plus any earnings on those contributions. The Authority made the decision to freeze the plan effective November 2, 2014. The Authority then terminated the plan effective July 1, 2015. At the termination of the plan, all contributions into the plan ceased and all employees became 100% vested in their account.

The Authority created the Washington County Hospital and Nursing Home Profit Sharing Plan (a 401(a) defined contribution plan) established and administered by the Authority to provide benefits at retirement to substantially all employees. The plan is effective January 1, 2015.

Participants must have completed at least one year of service. Management matches half of a participant's contribution up to a maximum of 2% of the employee's annual compensation. Forfeitures of employer contributions shall be used to reduce future employer contributions under this plan. After three years of service, participants are 100% vested in the employer matching contributions, plus any earnings on those contributions. Employees may make voluntary contributions to the plan that vest immediately.

Employer contributions totaled approximately \$29,000 and \$29,000 for the years ended September 30, 2023 and 2022, respectively.

11. Malpractice Insurance

The Authority is covered by a claims-made general and professional liability insurance policy with a specified deductible per incident and excess coverage on a claims-made basis. Liability limits related to this policy in 2023 and 2022 are \$1 million per occurrence and \$3 million in aggregate. The Authority reviews and analyzes incidents that may result in a claim against the Authority.

Various claims and assertions have been made against the Authority in its normal course of providing services. In addition, other claims may be asserted arising from services provided to patients in the past. In the opinion of management, adequate provision has been made for losses which may occur from such asserted and unasserted claims that are not covered by liability insurance.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

12. Contingencies

Litigation

During the normal course of operations, the Authority is potentially subject to liabilities arising from the treatment of patients and the normal operations of the Authority. In the opinion of management and legal counsel, the Authority has adequate liability insurance protection to indemnify any material asserted or unasserted claims as of September 30, 2023 and 2022. See malpractice insurance disclosures in Note 11.

Compliance Plan

The healthcare industry has been subjected to increased scrutiny from governmental agencies at both the federal and state level with respect to compliance with regulations. Areas of noncompliance identified at the national level include Medicare and Medicaid, Internal Revenue Service, and other regulations governing the healthcare industry. In addition, the Reform Legislation includes provisions aimed at reducing fraud, waste, and abuse in the healthcare industry. These provisions allocate significant additional resources to federal enforcement agencies and expand the use of private contractors to recover potentially inappropriate Medicare and Medicaid payments. The Authority has implemented a compliance plan focusing on such issues. There can be no assurance that the Authority will not be subjected to future investigations with accompanying monetary damages.

Health Care Reform

There has been increasing pressure on Congress and some state legislatures to control and reduce the cost of healthcare at the national and the state levels. Legislation has been passed that includes cost controls on healthcare providers, insurance market reforms, delivery system reforms and various individual and business mandates among other provisions. The costs of these provisions are and will be funded in part by reductions in payments by government programs, including Medicare and Medicaid. There can be no assurance that these changes will not adversely affect the Authority.

13. Tax Revenue

The Authority receives tax deposits from Washington County, primarily for operations of the Hospital and Nursing Home. Funds received were approximately \$805,000 and \$771,000 in 2023 and 2022, respectively.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

14. Fair Values of Financial Instruments

The following methods and assumptions were used by the Authority in estimating the fair value of its financial instruments:

- *Cash, accounts payable, accrued expenses, unearned revenue and estimated third-party payor settlements:* The carrying amount reported in the balance sheet approximates its fair value due to the short-term nature of these instruments.
- *Short-term and noncurrent cash and investments:* These assets consist primarily of cash, certificates of deposit, money market funds, U.S. treasury notes/bonds, and interest receivable. Fair market value of the noncurrent cash and investments is based on quoted market prices, if available, or estimated using quoted market prices for similar securities. See Note 15 for fair value measurements. The carrying amount reported in the balance sheet approximates their fair value.
- *Long-term debt:* Fair values of the Authority's notes are based on the discounted present value of scheduled principal and interest payments of the notes payable using quoted interest rates for similar issues. Level 2 inputs are used in determining this valuation.

The carrying amounts and fair values of the Authority's financial instruments at September 30, 2023 is as follows:

	2023		2022	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Long-term debt	<u>\$ 2,750,000</u>	<u>\$ 1,365,793</u>	<u>\$ 2,218,859</u>	<u>\$ 2,218,859</u>

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

15. Fair Value Measurement

The fair values of assets and liabilities measured on a recurring basis at September 30, 2023 are as follows:

		<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices</u>		
		<u>in Active</u>	<u>Significant</u>	
		<u>Markets For</u>	<u>Other</u>	<u>Significant</u>
		<u>Identical Assets/</u>	<u>Observable</u>	<u>Unobservable</u>
		<u>Liabilities</u>	<u>Inputs</u>	<u>Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
		<u>Fair Value</u>		
<u>September 30, 2023</u>				
Assets:				
Money market funds	\$ 45,575	\$ 45,575	\$ -	\$ -
U.S. Treasury notes/bonds	3,985,174	-	3,985,174	-
Accrued investment income	<u>13,535</u>	<u>13,535</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 4,044,284</u>	<u>\$ 59,110</u>	<u>\$ 3,985,174</u>	<u>\$ -</u>

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar investments in active or inactive markets. U.S. Treasury notes and bonds were valued using pricing models maximizing the use of observable inputs for similar securities.

16. Coronavirus (COVID-19)

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen. The outbreak has put an unprecedented strain on the U.S. healthcare system, disrupted or delayed production and delivery of materials and products in the supply chain, and caused staffing shortages. The extent of the impact of COVID-19 on the Authority's operational and financial performance depends on certain developments, including the duration and spread of the outbreak, remedial actions and stimulus measures adopted by local and federal governments, and impact on the Authority's customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Authority's financial position or results of operations is uncertain. The federal Public Health Emergency for COVID-19 expired on May 11, 2023.

Continued

WASHINGTON COUNTY HEALTH CARE AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023 and 2022

16. Coronavirus (COVID-19), Continued

On March 27, 2020, the President signed the *Coronavirus Aid, Relief and Economic Security Act* (CARES Act). Certain provisions of the CARES Act provide relief funds to hospitals and other healthcare providers. The funding will be used to support healthcare-related expenses or lost revenue attributable to COVID-19. The U.S. Department of Health and Human Services began distributing funds on April 10, 2020 to eligible providers in an effort to provide relief to both providers in areas heavily impacted by COVID-19 and those providers who are struggling to keep their doors open due to healthy patients delaying care and canceling elective services. On April 24, 2020, the *Paycheck Protection Program and Health Care Enhancement Act* was passed. This Act provides additional funding to replenish and supplement key programs under the CARES Act, including funds to health care providers for COVID-19 testing. On March 11, 2021, the American Rescue Plan Act (ARP) was passed. This Act provides additional funding to replenish and supplement key programs, including funds to hospitals and other providers that serve patients living in rural areas. Grant and contribution advance payments are reported as unearned revenue until all eligibility requirements are met. Recognized revenue is reported as nonoperating revenues in the statements of revenues, expenses and changes in net position. The Authority received approximately \$1,825,000 and \$1,173,000 in grant stimulus funding in fiscal year 2023 and 2022, respectively.

Grant funding may be subject to audits. While the Authority currently believes its use of the funds is in compliance with applicable terms and conditions, there is a possibility payments could be recouped based on changes in reporting requirements or audit results.

In addition, the CARES Act and supplemental legislation suspended the Medicare sequestration payment adjustment, which reduces Medicare payments to providers by 2%, for the period May 1, 2020 through December 31, 2020, and extended to March 31, 2022 with subsequent legislation. Beginning April 1, 2022, the suspension is phased out through June 30, 2022.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

The Members of the Board
Washington County Health Care Authority
Chatom, Alabama

We have audited the financial statements of Washington County Health Care Authority as of and for the years ended September 30, 2023 and 2022, and our report thereon dated March 25, 2024 which expressed an unmodified opinion on those financial statements, appears on pages 1 through 3. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in this report on page 39, inclusive, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Draffin & Tucker, LLP

Albany, Georgia
March 25, 2024

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WASHINGTON COUNTY HEALTH CARE AUTHORITY

MEMBERS OF THE HEALTH CARE AUTHORITY (UNAUDITED)
September 30, 2023

<u>Name</u>	<u>Position</u>	<u>Expiration of Term</u>
Harold Crouch	Chairman	03/31/2026
Michael Onderdonk	Vice Chairman	03/31/2024
Worth Schultz	Secretary/Treasurer	03/31/2028
Mary Ann Gibbs	Member	03/31/2024
Emory Mosley	Member	03/31/2026
Billy Gant	Member	03/31/2026
Sylvia Williams	Executive	03/31/2024
Betsy Turner	Member	03/31/2028
Sherry Dean	Member	03/31/2028
Shane Thornton	Member	03/31/2028
Regina Hill	Member	03/31/2024
Julie Smith	Member	03/31/2026
Dr. Joanne Barnes	Member	03/31/2026
Micki Savage	Member	03/31/2028

See independent auditor's report on supplemental information.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Members of the Board
Washington County Health Care Authority
Chatom, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Washington County Health Care Authority (Authority), which comprise the balance sheet as of September 30, 2023, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Continued

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Draffin & Tucker, LLP". The signature is written in a cursive, flowing style.

Albany, Georgia
March 25, 2024