
BOARD OF HEALTH – FINANCE COMMITTEE

Agenda for April 19, 2025 at 9:00 AM

1. Call to Order
 - a. Roll Call
 - b. Approval of the Agenda
2. Public Comment
3. Unfinished Business
 - a.
4. New Business
 - a. AIP Budget
 - b. Temporary Staffing for Non-Community Water
 - c. FY23-24 Amended Audit Report
5. Public Comment
6. Commissioner Comments
7. Adjournment - Next meeting: Full Board meets on May 22, 2025, next Finance Committee Meeting June 16, 2025.

Public Comment:
For the purpose of public participation during public hearings or during the public comment portion of a meeting, every speaker prior to the beginning of the meeting is requested but not required to provide the Board with his or her name, address and subject to be discussed. Speakers are requested to provide comments that are civil and respectful. Each speaker will be allowed to speak for no more than three (3) minutes at each public comment opportunity.

FY 2026 AREA PLAN BUDGET

AAA: Branch-St. Joseph Area Agency on Aging
PSA: 3C

Date: 4/14/2025
Budget Period: 10/1/2025

Rev No: original
to 9/30/2026

Area Plan Budget Overview

Area Plan Budget Summary	Federal/State Award	Other	Program Income	Cash Match	In-Kind Match	Grand Total
Administration	\$ 60,357	\$ 96,800	\$ -	\$ 35,902	\$ 25,000	\$ 218,059
Program Development	\$ 22,523	\$ -	\$ -	\$ -	\$ 2,503	\$ 25,026
AAA RD/Nutritionist	\$ 950	\$ -	\$ -	\$ -	\$ 106	\$ 1,056
Services	\$ 1,023,102	\$ 60,000	\$ 233,000	\$ 294,397	\$ 18,087	\$ 1,628,586
Total	\$ 1,106,932	\$ 156,800	\$ 233,000	\$ 330,299	\$ 45,696	\$ 1,872,727

Administration Budget

Administration Revenue	Federal / State / Other Administration	Local Cash Match	Local In-Kind Match	Grand Total
Federal	\$ 48,377	\$ 35,902	\$ 25,000	\$ 109,279
Title III Administration	\$ 48,377	\$ 35,902	\$ 25,000	\$ 109,279
State	\$ 11,980			\$ 11,980
State Administration	\$ 8,481			\$ 8,481
State Merit Award (MATF) Administration	\$ 3,115			\$ 3,115
State Caregiver Support Administration	\$ 384			\$ 384
Other	\$ 96,800			\$ 96,800
Other Administration	\$ 96,800			\$ 96,800
Grand Total	\$ 157,157	\$ 35,902	\$ 25,000	\$ 218,059

Administration Expenditures	Amount	FTEs
Salaries/Wages	\$ 178,400	5.00
Fringe Benefits	\$ 35,600	
Office Operations	\$ 4,059	
Total	\$ 218,059	

Services Budget

Fund Sources	Access Services	In-Home Services	Community Services	Nutrition Services	Caregivers of Older Adults Services	Older Relative (Kinship) Caregiver Services	Grand Total
Federal	\$ 60,395	\$ 35,200	\$ 38,131	\$ 289,783	\$ 52,180	\$ 500	\$ 476,189
Title III-B Supportive Services	\$ 60,395	\$ 35,200	\$ 29,500	\$ -	\$ -	\$ -	\$ 125,095
Title III-C1 Congregate Meals	\$ -	\$ -	\$ -	\$ 95,188	\$ -	\$ -	\$ 95,188
Title III-C2 Home-Delivered Meals	\$ -	\$ -	\$ -	\$ 130,325	\$ -	\$ -	\$ 130,325
Title III-D Preventive Health	\$ -	\$ -	\$ 8,631	\$ -	\$ -	\$ -	\$ 8,631
Title III-E National Family Caregiver Support	\$ -	\$ -	\$ -	\$ -	\$ 52,180	\$ 500	\$ 52,680
Title VII-A Ombudsman	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Title VII EAP Elder Abuse Prevention	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nutrition Services Incentive Program (NSIP)	\$ -	\$ -	\$ -	\$ 64,270	\$ -	\$ -	\$ 64,270
State	\$ 100,212	\$ 216,520	\$ -	\$ 127,688	\$ 102,493	\$ -	\$ 546,913
State Access Services	\$ 7,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,808
State In-Home Services	\$ -	\$ 119,000	\$ -	\$ -	\$ 20,207	\$ -	\$ 139,207
State In-Home Services (Direct Care Worker Pay)	\$ -	\$ 67,000	\$ -	\$ -	\$ 1,582	\$ -	\$ 68,582
State Congregate Meals	\$ -	\$ -	\$ -	\$ 2,523	\$ -	\$ -	\$ 2,523
State Home Delivered Meals	\$ -	\$ -	\$ -	\$ 125,165	\$ -	\$ -	\$ 125,165
State Alternative Care	\$ -	\$ 30,520	\$ -	\$ -	\$ -	\$ -	\$ 30,520
State Aging Network Services	\$ 12,176	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,176
State Caregiver Support	\$ -	\$ -	\$ -	\$ -	\$ 3,887	\$ -	\$ 3,887
State Respite Care	\$ -	\$ -	\$ -	\$ -	\$ 45,316	\$ -	\$ 45,316
State Merit Award (MATF)	\$ -	\$ -	\$ -	\$ -	\$ 31,501	\$ -	\$ 31,501
State Nursing Home Ombudsman	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Michigan State Ombudsman	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Care Management	\$ 80,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,228
Medicaid	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Targeted Case Management	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Program Income	\$ 12,000	\$ 33,000	\$ 1,500	\$ 175,000	\$ 11,500	\$ -	\$ 233,000
Program Income	\$ 12,000	\$ 33,000	\$ 1,500	\$ 175,000	\$ 11,500	\$ -	\$ 233,000
Local	\$ 70,902	\$ 91,732	\$ 27,050	\$ 105,000	\$ 17,800	\$ -	\$ 312,484
Cash Match	\$ 60,902	\$ 88,300	\$ 26,450	\$ 105,000	\$ 13,745	\$ -	\$ 294,397
In-Kind Match	\$ 10,000	\$ 3,432	\$ 600	\$ -	\$ 4,055	\$ -	\$ 18,087
Grand Total	\$ 303,509	\$ 376,452	\$ 66,681	\$ 697,471	\$ 183,973	\$ 500	\$ 1,628,586

FY 2026 AREA PLAN BUDGET

Branch-St. Joseph Area Agency on Aging
3C

Date: 4/14/2025
Budget Period: 10/1/2025
Rev No: original
to 9/30/2026

Expenditures by Service & Fund Category

	29.24%	33.58%	3.68%	14.31%	19.19%	100.00%
Services	Federal	State	Medicaid	Program Income	Local	Grand Total
Access Services	\$ 60,395	\$ 100,212	\$ 60,000	\$ 12,000	\$ 70,902	\$ 303,509
Access Services	\$ 60,395	\$ 100,212	\$ 60,000	\$ 12,000	\$ 70,902	\$ 303,509
Care Management	\$ 36,000	\$ 92,404	\$ 60,000	-	\$ 40,902	\$ 229,306
Case Coordination & Support	\$ 7,000	\$ 7,808	-	-	\$ 15,000	\$ 29,808
Transportation	\$ 17,395	-	-	\$ 12,000	\$ 15,000	\$ 44,395
In-Home Services	\$ 35,200	\$ 216,520	\$ -	\$ 33,000	\$ 91,732	\$ 376,452
In-Home Services	\$ 35,200	\$ 216,520	\$ -	\$ 33,000	\$ 91,732	\$ 376,452
Assistive Devices & Technologies	\$ -	\$ 15,000	-	-	\$ 1,666	\$ 16,666
Chore Services	\$ 8,000	-	-	\$ 500	\$ 2,500	\$ 11,000
Friendly Reassurance	\$ 8,000	-	-	-	\$ 900	\$ 8,900
Homemaker	\$ 10,200	\$ 119,020	-	\$ 16,500	\$ 40,000	\$ 185,720
Medication Management	\$ 5,000	\$ 10,000	-	-	\$ 1,666	\$ 16,666
Personal Care	\$ 4,000	\$ 72,500	-	\$ 16,000	\$ 45,000	\$ 137,500
Community Services	\$ 38,131	\$ -	\$ -	\$ 1,500	\$ 27,050	\$ 66,681
Community Regional Services	\$ 10,500	\$ -	\$ -	\$ -	\$ 1,250	\$ 11,750
Community Living Program Services (RSD)	\$ 5,000	\$ -	\$ -	\$ -	\$ 600	\$ 5,600
Gap Filling/Special Needs(RSD)	\$ 5,500	\$ -	\$ -	\$ -	\$ 650	\$ 6,150
Community Services	\$ 27,631	\$ -	\$ -	\$ 1,500	\$ 25,800	\$ 54,931
Disease Prevention/Health Promotion	\$ 8,631	\$ -	\$ -	\$ 500	\$ 2,500	\$ 11,631
Home Repair	\$ 5,000	\$ -	\$ -	\$ 500	\$ 3,500	\$ 9,000
Legal Assistance	\$ 12,000	\$ -	\$ -	\$ 500	\$ 1,800	\$ 14,300
Ombudsman	\$ 2,000	\$ -	\$ -	\$ -	\$ 18,000	\$ 20,000
Nutrition Services	\$ 289,783	\$ 127,688	\$ -	\$ 175,000	\$ 105,000	\$ 697,471
Nutrition Services	\$ 289,783	\$ 127,688	\$ -	\$ 175,000	\$ 105,000	\$ 697,471
Congregate Meals	\$ 106,188	\$ 2,523	\$ -	\$ 55,000	\$ 15,000	\$ 178,711
Home-Delivered Meals	\$ 183,595	\$ 125,165	\$ -	\$ 120,000	\$ 90,000	\$ 518,760
Caregivers of Older Adults Services	\$ 52,180	\$ 102,493	\$ -	\$ 11,500	\$ 17,800	\$ 183,973
Access Assistance	\$ 36,000	\$ -	\$ -	\$ -	\$ 4,000	\$ 40,000
Caregiver Information and Assistance	\$ 36,000	\$ -	\$ -	\$ -	\$ 4,000	\$ 40,000
Counseling/Support Groups/Training	\$ 8,180	\$ -	\$ -	\$ 500	\$ 1,055	\$ 9,735
Caregiver Support Groups	\$ 7,680	\$ -	\$ -	\$ 500	\$ 1,000	\$ 9,180
Caregiver Training	\$ 500	\$ -	\$ -	\$ -	\$ 55	\$ 555
Information Services	\$ 8,000	\$ -	\$ -	\$ 500	\$ 10,000	\$ 18,500
Caregiver Education (use for Caregiver Outreach)	\$ 8,000	\$ -	\$ -	\$ 500	\$ 10,000	\$ 18,500
Respite Services	\$ -	\$ 87,105	\$ -	\$ 500	\$ 2,245	\$ 89,850
Adult Day Services	\$ -	\$ 47,000	\$ -	\$ 500	\$ -	\$ 47,500
Respite Care – In-Home Respite	\$ -	\$ 40,105	\$ -	\$ -	\$ 2,245	\$ 42,350
Supplemental Services	\$ -	\$ 15,388	\$ -	\$ 10,000	\$ 500	\$ 25,888
Caregiver Supplemental - Transportation	\$ -	\$ 15,388	\$ -	\$ 10,000	\$ 500	\$ 25,888
Older Relative (Kinship) Caregiver Services	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500
Counseling/Support Groups/Training	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500
Kinship Caregiver Support Groups	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500
Grand Total	\$ 476,189	\$ 546,913	\$ 60,000	\$ 233,000	\$ 312,484	\$ 1,628,586

FY 2026 AREA PLAN BUDGET

Branch-St. Joseph Area Agency on Aging
3C

Date: 4/14/2025 Rev No: original
Budget Period: 10/1/2025 to 9/30/2026

Access Services Expenditures by Fund Source

Service	Title III-B Supportive Services	State Access Services	State Aging Network Services	State Care Management	Targeted Case Management	Program Income	Cash Match	In-Kind Match	Grand Total
Access Services	\$ 60,395	\$ 7,808	\$ 12,176	\$ 80,228	\$ 60,000	\$ 12,000	\$ 60,902	\$ 10,000	\$ 303,509
Care Management	\$ 36,000	\$ -	\$ 12,176	\$ 80,228	\$ 60,000	\$ -	\$ 30,902	\$ 10,000	\$ 229,306
Case Coordination & Support	\$ 7,000	\$ 7,808	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 29,808
Transportation	\$ 17,395	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$ 15,000	\$ -	\$ 44,395
Grand Total	\$ 60,395	\$ 7,808	\$ 12,176	\$ 80,228	\$ 60,000	\$ 12,000	\$ 60,902	\$ 10,000	\$ 303,509

In-Home Services Expenditures by Fund Source

Row Labels	Title III-B Supportive Services	State In-Home Services	State In-Home Services (Direct Care Worker Pay)	State Alternative Care	Program Income	Cash Match	In-Kind Match	Grand Total
In-Home Services	\$ 35,200	\$ 119,000	\$ 67,000	\$ 30,520	\$ 33,000	\$ 88,300	\$ 3,432	\$ 376,452
Assistive Devices & Technologies	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 1,666	\$ 16,666
Chore Services	\$ 8,000	\$ -	\$ -	\$ -	\$ 500	\$ 2,500	\$ -	\$ 11,000
Friendly Reassurance	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 800	\$ 100	\$ 8,900
Homemaker	\$ 10,200	\$ 53,500	\$ 40,000	\$ 25,520	\$ 16,500	\$ 40,000	\$ -	\$ 185,720
Medication Management	\$ 5,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 1,666	\$ 16,666
Personal Care	\$ 4,000	\$ 40,500	\$ 27,000	\$ 5,000	\$ 16,000	\$ 45,000	\$ -	\$ 137,500
Grand Total	\$ 35,200	\$ 119,000	\$ 67,000	\$ 30,520	\$ 33,000	\$ 88,300	\$ 3,432	\$ 376,452

Community Services Expenditures by Fund Source

Sum of Amount	Column Labels					
Row Labels	Title III-B Supportive Services	Title III-D Preventive Health	Program Income	Cash Match	In-Kind Match	Grand Total
Community Regional Services	\$ 10,500	\$ -	\$ -	\$ 650	\$ 600	\$ 11,750
Community Living Program Services (RSD)	\$ 5,000	\$ -	\$ -	\$ -	\$ 600	\$ 5,600
Gap Filling/Special Needs(RSD)	\$ 5,500	\$ -	\$ -	\$ 650	\$ -	\$ 6,150
Community Services	\$ 19,000	\$ 8,631	\$ 1,500	\$ 25,800	\$ -	\$ 54,931
Disease Prevention/Health Promotion	\$ -	\$ 8,631	\$ 500	\$ 2,500	\$ -	\$ 11,631
Home Repair	\$ 5,000	\$ -	\$ 500	\$ 3,500	\$ -	\$ 9,000
Legal Assistance	\$ 12,000	\$ -	\$ 500	\$ 1,800	\$ -	\$ 14,300
Ombudsman	\$ 2,000	\$ -	\$ -	\$ 18,000	\$ -	\$ 20,000
Grand Total	\$ 29,500	\$ 8,631	\$ 1,500	\$ 26,450	\$ 600	\$ 66,681

Nutrition Services Expenditures by Fund Source

Row Labels	Title III-C1 Congregate Meals	Title III-C2 Home- Delivered Meals	Nutrition Services Incentive Program (NSIP)	State Congregate Meals	State Home Delivered Meals	Program Income	Cash Match	Grand Total
Nutrition Services	\$ 95,188	\$ 130,325	\$ 64,270	\$ 2,523	\$ 125,165	\$ 175,000	\$ 105,000	\$ 697,471
Congregate Meals	\$ 95,188	\$ -	\$ 11,000	\$ 2,523	\$ -	\$ 55,000	\$ 15,000	\$ 178,711
Home-Delivered Meals	\$ -	\$ 130,325	\$ 53,270	\$ -	\$ 125,165	\$ 120,000	\$ 90,000	\$ 518,760
Grand Total	\$ 95,188	\$ 130,325	\$ 64,270	\$ 2,523	\$ 125,165	\$ 175,000	\$ 105,000	\$ 697,471

Caregivers of Older Adults Services Expenditures by Fund Source

Row Labels	Title III-E National Family Caregiver Support	State In-Home Services	State In-Home Services (Direct Care Worker Pay)	State Caregiver Support	State Respite Care	State Merit Award (MATF)	Program Income	Cash Match	In-Kind Match	Grand Total
Access Assistance	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 40,000
Caregiver Information and Assistance	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 40,000
Counseling/Support Groups/Training	\$ 8,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 1,000	\$ 55	\$ 9,735
Caregiver Support Groups	\$ 7,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 1,000	\$ -	\$ 9,180
Caregiver Training	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55	\$ 555
Information Services	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 10,000	\$ -	\$ 18,500
Caregiver Education (use for Caregiver Outreach)	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 10,000	\$ -	\$ 18,500
Respite Services	\$ -	\$ 20,207	\$ 1,582	\$ -	\$ 45,316	\$ 20,000	\$ 500	\$ 2,245	\$ -	\$ 89,850
Adult Day Services	\$ -	\$ -	\$ -	\$ -	\$ 27,000	\$ 20,000	\$ 500	\$ -	\$ -	\$ 47,500
Respite Care – In-Home Respite	\$ -	\$ 20,207	\$ 1,582	\$ -	\$ 18,316	\$ -	\$ -	\$ 2,245	\$ -	\$ 42,350
Supplemental Services	\$ -	\$ -	\$ -	\$ 3,887	\$ -	\$ 11,501	\$ 10,000	\$ 500	\$ -	\$ 25,888
Caregiver Supplemental - Transportation	\$ -	\$ -	\$ -	\$ 3,887	\$ -	\$ 11,501	\$ 10,000	\$ 500	\$ -	\$ 25,888
Grand Total	\$ 52,180	\$ 20,207	\$ 1,582	\$ 3,887	\$ 45,316	\$ 31,501	\$ 11,500	\$ 13,745	\$ 4,055	\$ 183,973

Older Relative (Kinship) Caregiver Services Expenditures by Fund Source

Row Labels	Title III-E National Family Caregiver Support	Grand Total
Counseling/Support Groups/Training	\$ 500	\$ 500
Kinship Caregiver Support Groups	\$ 500	\$ 500
Grand Total	\$ 500	\$ 500

FY 2026 AREA PLAN BUDGET

Branch-St. Joseph Area Agency on Aging
3C

Date: 4/14/2025
Budget Period: 10/1/2025

Rev No: original
to 9/30/2026

Method of Service Provision

	9.57%	71.91%	18.52%	100.00%
Services	Direct Services	Contracted Services	Purchased Services	Grand Total
Access Services	\$ 109,306	\$ 74,203	\$ 120,000	\$ 303,509
Access Services	\$ 109,306	\$ 74,203	\$ 120,000	\$ 303,509
Care Management	\$ 109,306	\$ -	\$ 120,000	\$ 229,306
Case Coordination & Support	\$ -	\$ 29,808	\$ -	\$ 29,808
Transportation	\$ -	\$ 44,395	\$ -	\$ 44,395
In-Home Services	\$ 4,000	\$ 196,400	\$ 176,052	\$ 376,452
In-Home Services	\$ 4,000	\$ 196,400	\$ 176,052	\$ 376,452
Assistive Devices & Technologies	\$ -	\$ -	\$ 16,666	\$ 16,666
Chore Services	\$ -	\$ 11,000	\$ -	\$ 11,000
Friendly Reassurance	\$ 4,000	\$ 4,900	\$ -	\$ 8,900
Homemaker	\$ -	\$ 108,000	\$ 77,720	\$ 185,720
Medication Management	\$ -	\$ -	\$ 16,666	\$ 16,666
Personal Care	\$ -	\$ 72,500	\$ 65,000	\$ 137,500
Community Services	\$ 2,500	\$ 58,581	\$ 5,600	\$ 66,681
Community Regional Services	\$ 2,500	\$ 3,650	\$ 5,600	\$ 11,750
Community Living Program Services (RSD)	\$ -	\$ -	\$ 5,600	\$ 5,600
Gap Filling/Special Needs(RSD)	\$ 2,500	\$ 3,650	\$ -	\$ 6,150
Community Services	\$ -	\$ 54,931	\$ -	\$ 54,931
Disease Prevention/Health Promotion	\$ -	\$ 11,631	\$ -	\$ 11,631
Home Repair	\$ -	\$ 9,000	\$ -	\$ 9,000
Legal Assistance	\$ -	\$ 14,300	\$ -	\$ 14,300
Ombudsman	\$ -	\$ 20,000	\$ -	\$ 20,000
Nutrition Services	\$ -	\$ 697,471	\$ -	\$ 697,471
Nutrition Services	\$ -	\$ 697,471	\$ -	\$ 697,471
Congregate Meals	\$ -	\$ 178,711	\$ -	\$ 178,711
Home-Delivered Meals	\$ -	\$ 518,760	\$ -	\$ 518,760
Caregivers of Older Adults Services	\$ 40,000	\$ 144,473	\$ -	\$ 184,473
Access Assistance	\$ 40,000	\$ -	\$ -	\$ 40,000
Caregiver Information and Assistance	\$ 40,000	\$ -	\$ -	\$ 40,000
Counseling/Support Groups/Training	\$ -	\$ 10,235	\$ -	\$ 10,235
Caregiver Support Groups	\$ -	\$ 9,680	\$ -	\$ 9,680
Caregiver Training	\$ -	\$ 555	\$ -	\$ 555
Information Services	\$ -	\$ 18,500	\$ -	\$ 18,500
Caregiver Education (use for Caregiver Outreach)	\$ -	\$ 18,500	\$ -	\$ 18,500
Respite Services	\$ -	\$ 89,850	\$ -	\$ 89,850
Adult Day Services	\$ -	\$ 47,500	\$ -	\$ 47,500
Respite Care – In-Home Respite	\$ -	\$ 42,350	\$ -	\$ 42,350
Supplemental Services	\$ -	\$ 25,888	\$ -	\$ 25,888
Caregiver Supplemental - Transportation	\$ -	\$ 25,888	\$ -	\$ 25,888
Grand Total	\$ 155,806	\$ 1,171,128	\$ 301,652	\$ 1,628,586

Proposal for two Part-time Temporary EH Assistant Clerk

Noncommunity Water Supply Funding:

The agency is proposing to hire 2 part-time temporary Environmental Health Assistant Clerks to work on a digitization project of Noncommunity Water Supply facility information and assist with any new filing. The positions would end on September 30, 2025. We have grant funding in the program to support these 2 temporary positions for this fiscal year.

\$20,000 – staff time, indirect, space, computers/cell phone, marketing, start up costs for IT/Software, etc.

**BRANCH-HILLSDALE-ST. JOSEPH
COMMUNITY HEALTH AGENCY
COLDWATER, MICHIGAN**

**REPORT ON FINANCIAL STATEMENTS
(with required and other
supplementary information)**

YEAR ENDED SEPTEMBER 30, 2024

Draft



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INDEPENDENT AUDITOR'S REPORT

To the Board of Public Health of the
Branch-Hillsdale-St. Joseph Community Health Agency
Coldwater, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency, as of September 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Branch-Hillsdale-St. Joseph Community Health Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility 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 Agency'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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 made by a reasonable user based on the 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 Agency'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 Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying other supplementary information, as listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, including the schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

March 7, 2025

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2024

This section of the annual financial statements, titled Management's Discussion and Analysis, represents the administration's review of the Branch-Hillsdale-St. Joseph Community Health Agency's (the Agency's) financial performance during the fiscal year ended September 30, 2024. The Management's Discussion and Analysis is intended to be read in conjunction with the Agency's financial statements.

Generally accepted accounting principles (GAAP) according to GASB Statement No. 34 require the reporting of two types of financial statements: government-wide financial statements and fund level financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the Agency exceeded its liabilities at September 30, 2024, by \$2,715,722 at the government-wide level. Unrestricted net position was \$2,214,409 at September 30, 2024.
- The Agency's total net position decreased \$158,018 as a result of this year's operations.
- As of September 30, 2024, the Agency's governmental fund reported an ending fund balance of \$3,599,659, a decrease of \$281,750.
- As of September 30, 2024, the assigned and unassigned fund balance was \$3,139,770 and \$323,126, respectively, or approximately 40% of total fund expenditures.

Overview of the Financial Statements

The Branch-Hillsdale-St. Joseph Community Health Agency's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements: The government-wide financial statements provide information about the activities of the entire Agency. They present an overall view of the Agency's finances, reporting the assets and liabilities on fiscal year ended September 30, 2024.

The statement of net position presents information on all of the Branch-Hillsdale-St. Joseph Community Health Agency's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during fiscal year 2023/2024. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows.

All of the Branch-Hillsdale-St. Joseph Community Health Agency's activities are supported by intergovernmental revenues, governmental grants, fees and charges for services, interest and rents, local revenues, and contributions. The governmental activities of the Agency are all considered health and welfare programs. The Area Agency on Aging (AAA) is an autonomous department within CHA responsible for administering Federal and State funds to local aging programs and organizations within our two-county planning and service area (Branch and St. Joseph Counties only). We are designated by the Michigan Aging and Adult Services Agency (AASA) to carry out this function. The Agency does not operate any programs that are intended to recover all or a significant portion of their costs through user fees and charges.

The government-wide financial statements include only financial information related to the Branch-Hillsdale-St. Joseph Community Health Agency.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Branch-Hillsdale-St. Joseph Community Health Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency operates with one fund, which is considered a governmental fund.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Branch-Hillsdale-St. Joseph Community Health Agency adopts an annual appropriated budget for its Health Fund. A budgetary comparison statement has been provided for this fund to demonstrate compliance with this budget.

The basic financial statements can be found on pages 9-15 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-31 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgeted revenues and expenditures, schedule of changes in net pension liability and related ratios, and schedule of employer contributions on pages 32-36. Other supplementary information concerning support services and expenditures of federal awards can be found on pages 37-46 of this report.

Government-wide Financial Analysis:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Branch-Hillsdale-St. Joseph Community Health Agency, assets and deferred outflows of resources exceeded liabilities by \$2,715,722. A comparative analysis of net position as of September 30, 2024 and 2023, are presented below:

	2024	2023
ASSETS		
Current assets	\$ 5,573,841	\$ 5,245,686
Capital assets	501,313	454,555
TOTAL ASSETS	6,075,154	5,700,241
DEFERRED OUTFLOWS OF RESOURCES	1,670,570	2,047,199
LIABILITIES		
Current liabilities	2,245,442	1,611,232
Noncurrent liabilities	2,784,560	3,262,468
TOTAL LIABILITIES	5,030,002	4,873,700
NET POSITION		
Investment in capital assets	501,313	454,555
Unrestricted	2,214,409	2,419,185
TOTAL NET POSITION	\$ 2,715,722	\$ 2,873,740

Unrestricted net position (the part of net position that can be used to finance day to day operations) decreased by \$204,776.

The following table shows the changes in net position as of September 30, 2024 and 2023.

	2024	2023
PROGRAM REVENUES		
Charges for services	\$ 955,897	\$ 888,506
Grants and contributions	6,264,198	6,502,323
General revenues		
County appropriations	1,001,853	790,027
Miscellaneous	63,051	87,784
Interest	110,382	89,034
TOTAL REVENUES	8,395,381	8,357,674
PROGRAM EXPENSES	8,553,399	7,522,033
Change in net position	\$ (158,018)	\$ 835,641

During the year grants and contributions decreased \$238,125 due primarily to less Medicaid cost based reimbursements in the current year. We will continue to collaborate with local health providers and using them as a resource to find new funding.

Total expenses increased \$1,031,366 or approximately 13.71% from last year, primarily related to increases in salaries and related fringe benefits, as well as supplies and materials purchased.

Financial Analysis of the Government's Fund

As noted earlier, the Branch-Hillsdale-St. Joseph Community Health Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund: The focus of the Branch-Hillsdale-St. Joseph Community Health Agency's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Branch-Hillsdale-St. Joseph Community Health Agency's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Branch-Hillsdale-St. Joseph Community Health Agency's governmental fund reported an ending fund balance of \$3,599,659, a decrease of \$281,750 in comparison with the prior year. Of this total, \$136,763 is considered nonspendable as it is for prepaid expenditures. There has been \$3,139,770 assigned for various future year expenditures. The unassigned fund balance at September 30, 2024, was \$323,126.

As a measure of the governmental fund's liquidity, it may be useful to compare assigned and unassigned fund balance to total fund expenditures. Assigned and unassigned fund balance represents approximately 40% of total fund expenditures.

Governmental Fund Budgetary Highlights

Over the course of the year, the Branch-Hillsdale-St. Joseph Community Health Agency's Board of Public Health amended the budget to take into account events that occurred during the year. Total revenue budget was increased \$1,007,521, or approximately 12%, primarily due to increases in grant revenue and county appropriations. Actual revenue was \$1,223,267 under the final amended budget due to lower than anticipated State revenue through the CPBC grant programs and Medicaid cost based reimbursements. Total expenditures budget was also increased by \$1,007,521, or approximately 12%, primarily due to contractual services for consulting fees, repairs and maintenance, and supplies and materials. Actual expenditures were \$941,517 under the final amended budget.

Capital Asset and Debt Administration

Capital Assets: The Branch-Hillsdale-St. Joseph Community Health Agency's investment in capital assets as of September 30, 2024, amounts to \$501,313 (net of accumulated depreciation). During the year, the Agency made investments in capital assets in the amount of \$100,014, including office space improvements, and recognized \$53,256 in annual depreciation. Additional details related to capital assets are presented in Note 3 to the financial statements.

Long-term Obligations: The Branch-Hillsdale-St. Joseph Community Health Agency has a long-term obligation related to compensated absences (e.g., unused vacation and sick leave). The long-term obligation at September 30, 2024, amounted to \$378,845 for compensated absences. Additional details related to long-term obligations are presented in Note 4 to the financial statements.

Economic Factors and Next Year's Budget and Rates

For the fiscal year ending September 30, 2025, close monitoring of State budget actions will continue to be important related to further possible cuts in funding provided through State grant agreements and other State funding mechanisms such as Medicaid Cost-Based and Rate-Based Reimbursement supplements. Because these funding sources represent such a substantial portion of the Agency's operating budget, changes in the levels of funding have a significant impact on the types and levels of services that the Agency is able to provide.

Because the services of the Agency are provided based on need and not the ability to pay, and the financial condition of the Agency is generally sound, the budget for the fiscal year ending September 30, 2025, included only normal economic increases in fees charged for services to the general public related to the corresponding increased operating costs to provide them and related to the levels of county funds appropriated.

Requests for Information

This financial report is designed to provide a general overview of the Branch-Hillsdale-St. Joseph Community Health Agency's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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BASIC FINANCIAL STATEMENTS

Draft

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash	\$ 4,963,218
Accounts receivable	92,860
Due from other governmental units - Federal/State	215,271
Prepays	136,763
Inventories	<u>165,729</u>
Total current assets	<u>5,573,841</u>
Noncurrent assets	
Capital assets, net of accumulated depreciation	<u>501,313</u>
TOTAL ASSETS	<u>6,075,154</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pension	<u>1,670,570</u>
LIABILITIES	
Current liabilities	
Accounts payable	282,785
Accrued wages	112,330
Due to other governmental units - Federal/State	1,049,731
Other accrued liabilities	68,248
Unearned revenue	461,088
Current portion of compensated absences	<u>271,260</u>
Total current liabilities	<u>2,245,442</u>
Noncurrent liabilities	
Net pension liability	2,676,975
Noncurrent portion of compensated absences	<u>107,585</u>
Total noncurrent liabilities	<u>2,784,560</u>
TOTAL LIABILITIES	<u>5,030,002</u>
NET POSITION	
Investment in capital assets	501,313
Unrestricted	<u>2,214,409</u>
TOTAL NET POSITION	<u><u>\$ 2,715,722</u></u>

See accompanying notes to financial statements.

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Personal health	\$ 3,961,786	\$ 319,690	\$ 3,295,515	\$ (346,581)
Environmental health	1,619,797	563,767	687,108	(368,922)
Community health	385,003	68,623	291,913	(24,467)
Aging services	1,614,194	-	1,585,054	(29,140)
Administration	972,619	3,817	404,608	(564,194)
Total governmental activities	<u>\$ 8,553,399</u>	<u>\$ 955,897</u>	<u>\$ 6,264,198</u>	<u>(1,333,304)</u>
General revenues				
County appropriations - regular				1,001,853
Miscellaneous				63,051
Interest				<u>110,382</u>
Total general revenues				<u>1,175,286</u>
Change in net position				(158,018)
Net position, beginning of the year				<u>2,873,740</u>
Net position, end of the year				<u>\$ 2,715,722</u>

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GOVERNMENTAL FUND
BALANCE SHEET
SEPTEMBER 30, 2024**

ASSETS

Cash	\$ 4,963,218
Accounts receivable	92,860
Due from other governmental units - Federal/State	215,271
Prepays	136,763
Inventories	<u>165,729</u>

TOTAL ASSETS	<u><u>\$ 5,573,841</u></u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 282,785
Accrued wages	112,330
Due to other governmental units - Federal/State	1,049,731
Other accrued liabilities	68,248
Unearned revenue	<u>461,088</u>

TOTAL LIABILITIES	<u>1,974,182</u>
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FUND BALANCE

Nonspendable	136,763
Assigned	3,139,770
Unassigned	<u>323,126</u>

TOTAL FUND BALANCE	<u>3,599,659</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 5,573,841</u></u>
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See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE
SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

Total fund balance - governmental fund \$ 3,599,659

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in the governmental fund.

The cost of capital assets is	\$ 1,622,889	
Accumulated depreciation is	(1,121,576)	

Capital assets, net		501,313
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Governmental funds report actual pension expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability as of the measurement date. Pension contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources related to pension		1,670,570
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Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental fund balance sheet. Long-term liabilities at year-end consist of:

Net pension liability	(2,676,975)	
Compensated absences	(378,845)	
		(3,055,820)

Net position of governmental activities		\$ 2,715,722
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**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2024**

REVENUES		
Licenses and permits		\$ 353,057
Intergovernmental		
Federal/State		6,114,359
Local		149,839
County appropriations		1,001,853
Charges for services		602,840
Interest and rents		110,382
Other		<u>63,051</u>
TOTAL REVENUES		<u>8,395,381</u>
EXPENDITURES		
Current		
Salaries and wages		3,514,343
Fringe benefits		1,974,397
Supplies and materials		988,075
Contractual		1,144,167
Communications		80,431
Travel and training		206,646
Insurance		45,026
Repairs and maintenance		465,930
Building and equipment rentals		159,571
Printing and advertising		32,756
Postage		23,628
Other		<u>42,161</u>
TOTAL EXPENDITURES		<u>8,677,131</u>
NET CHANGE IN FUND BALANCE		(281,750)
Fund balance, beginning of year		<u>3,881,409</u>
Fund balance, end of year		<u><u>\$ 3,599,659</u></u>

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024**

Net change in fund balance - governmental fund \$ (281,750)

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$	100,014
Depreciation expense		<u>(53,256)</u>

Excess of capital outlay over depreciation expense	46,758
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Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund. These activities consist of:

Decrease in net pension liability		465,788
(Increase) in accrued compensated absences		(12,185)
(Decrease) in deferred outflows of resources related to pensions		<u>(376,629)</u>

76,974

Change in net position of governmental activities	<u><u>\$ (158,018)</u></u>
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**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Branch-Hillsdale-St. Joseph Community Health Agency (the Agency) is a joint venture between Branch, Hillsdale, and St. Joseph Counties, and was established to provide public health services. The Community Health Agency Board has representation and provides services to Branch, Hillsdale, and St. Joseph Counties. Each County provides annual appropriations and passes through the statutory amounts of cigarette tax funding to subsidize operations. The current funding formula approved by the Community Health Agency requires Branch, Hillsdale, and St. Joseph Counties to provide approximately 28%, 31%, and 41%, respectively.

The financial statements of the Agency have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Agency's more significant accounting policies are discussed below.

The primary revenues of the Branch-Hillsdale-St. Joseph Community Health Agency are charges for services, Federal and State grants, and County appropriations.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements are exclusive presentations of the financial condition and results of operations of the Branch-Hillsdale-St. Joseph Community Health Agency.

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the Agency as a whole.

The government-wide financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

The statement of activities presents the direct functional expenses of the Agency and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients for goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes interest and all County appropriations and shows how governmental functions are either self-financing or supported by the general revenues of the Agency.

FUND FINANCIAL STATEMENTS

The Agency uses a single fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The governmental fund financial statements present the Agency's individual major fund.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS (continued)

The governmental fund financial statements are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

Basis of Accounting

Basis of accounting refers to the timing under which transactions are recognized for financial reporting purposes. Governmental fund financial statements use the modified accrual basis of accounting. The government-wide financial statements are prepared using the accrual basis of accounting.

Under the accrual basis of accounting, revenue is recorded in the period in which it is earned, and expenses are recorded when incurred, regardless of the timing of related cash flows. Revenues for grants and contributions are recognized when all eligibility requirements imposed by the provider have been met. Unearned revenue is recorded when resources are received by the Agency before it has legal claim to them, such as when grant monies are received prior to the incurrence of qualified expenses.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include state and federal grants and interest revenue. Other revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

If/when both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

The annual budget of the Agency is prepared by Agency management and approved by the Board at the total expenditure level. Any revisions to the original budget are approved by the Board before the end of the fiscal year.

Cash

Cash consists of the Agency's payroll and accounts payable checking accounts, branch office depository accounts, imprest cash, and cash on deposit with the Branch County Treasurer.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Cash (continued)

In accordance with Michigan Compiled Laws, the Agency is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services, and which matures not more than 270 days after the date of purchase.
- d. The United States government or Federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States Banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Receivables and Unearned Revenue

Receivables consist of amounts due from governmental units for various grant programs and accounts receivable for charges for services to clients and other organizations.

The Agency has recognized the revenue related to charges for services at the time the services are performed and billed to the extent such amounts are estimated to be received. Contractual adjustments by third-party payers are treated as a reduction to revenues.

In addition to grant funding received prior to meeting the revenue recognition criteria, the Agency has also recorded unearned revenue of \$165,729 in the government-wide and fund financial statements, respectively, equaling the amount of vaccine inventory received from the State of Michigan that is on hand at year-end. Unearned revenues arise when the Agency receives resources before it has a legal claim to them. In subsequent periods, when the revenue meets both the "measurable" and "available" criteria for recognition, the liability for unearned revenue is removed from the statement of net position and balance sheet, respectively, and revenue is recognized.

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Inventories

Inventories are stated at cost on a first in/first out basis. Donated vaccines inventory is stated at fair value as of the date of the donation. Inventory consists of vaccines received from the State of Michigan. They are recorded as expenditures at the time individual inventory items are used.

Prepays

Payments made to vendors for services that will benefit future periods are recorded as prepaid expenditures/expenses. Reported prepaid expenditures are equally offset by nonspendable fund balance which indicates they do not constitute "available spendable resources" even though they are a component of equity.

Capital Assets

Capital assets are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements. Capital assets are those with an initial individual cost of \$5,000 or more, with estimated useful lives of more than one year. Capital assets are not recorded in the governmental fund. Instead, capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition cost on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	7-20 years
Equipment	4-10 years

Compensated Absences

The Agency employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for certain portions of unused accumulated vacation and sick time. This amount, along with related payroll taxes has been recorded in the government-wide financial statements.

Net Pension Liability

The Agency offers a defined benefit pension plan to its employees. The Agency records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position/fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Agency will sometimes report deferred inflows of resources on the balance sheet in connection with long-term receivables that are not considered available to liquidate liabilities of the current period. The Agency also reports deferred outflows of resources and deferred inflows of resources on the statement of net position which correspond to the Agency's net pension liability and are related to differences in experience, differences in assumptions, differences between projected and actual pension plan investment earnings and contributions made subsequent to the measurement date. These amounts are deferred and recognized as an outflow of resources or an inflow of resources in the period to which they apply.

Fund Balance Classification Policies and Procedures

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five fund balance classifications:

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority (i.e., Board, Council, etc.).

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipal official.

Unassigned - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

For committed fund balance, the Agency's highest level of decision-making authority is the Board of Public Health. The formal action that is required to be taken to establish a fund balance commitment is the adoption of a Board resolution.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Fund Balance Classification Policies and Procedures (continued)

For assigned fund balance, the Branch-Hillsdale-St. Joseph Community Health Agency has not approved a policy indicating who is authorized to assign amounts to a specific purpose, therefore the authority for assigning fund balance remains with the Agency's Board of Public Health.

For the classification of fund balances, the Branch-Hillsdale-St. Joseph Community Health Agency considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also, for the classification of fund balances, the Branch-Hillsdale-St. Joseph Community Health Agency considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Use of Estimates

The preparation of basic financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS

As of September 30, 2024, the Agency had deposits subject to the following risks:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. As of September 30, 2024, \$348,557 of the Agency's bank balance of \$800,492 was exposed to custodial credit risk because it was all covered by federal depository insurance. The Agency's carrying value on the books for deposits at the end of the year was \$117,376.

The cash balances reported in the basic financial statements include \$323 in imprest cash and \$4,845,519 in cash that is on deposit with the Branch County Treasurer. The cash on deposit with the Branch County Treasurer is part of the County pooled cash and investments. As a result, the insured and uninsured amounts related to these amounts cannot be determined.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. As of September 30, 2024, the Agency did not have any investments that would be subject to rating.

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS (continued)

Interest Rate Risk

The Agency will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Agency's cash requirements.

Concentration of Credit Risk

The Agency will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Agency's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Foreign Currency Risk

The Agency is not authorized to invest in investments which have this type of risk.

NOTE 3 - CAPITAL ASSETS

The following provides a summary of the changes in capital assets for the year ended September 30, 2024:

	Balance Oct. 1, 2023	Additions	Disposals	Balance Sept. 30, 2024
Capital assets, being depreciated				
Equipment	\$ 1,057,086	\$ -	\$ -	\$ 1,057,086
Land improvements	465,789	100,014	-	565,803
Total capital assets, being depreciated	1,522,875	100,014	-	1,622,889
Less accumulated depreciation for:				
Equipment	(1,007,240)	(40,180)	-	(1,047,420)
Land improvements	(61,080)	(13,076)	-	(74,156)
Total accumulated depreciation	(1,068,320)	(53,256)	-	(1,121,576)
Net capital assets being depreciated	454,555	46,758	-	501,313
Capital assets, net	\$ 454,555	\$ 46,758	\$ -	\$ 501,313

Depreciation expense appears on the statement of activities in these governmental functions: Personal Health \$24,498; Environmental Health \$10,119; Community Health \$2,663; Aging Services \$10,118; and Administration \$5,858.

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the Agency for the year ended September 30, 2024:

	Balance Oct. 1, 2023	Additions	Deletions	Balance Sept. 30, 2024	Amount Due within One Year
Compensated absences	\$ 366,660	\$ 262,536	\$ (250,351)	\$ 378,845	\$ 271,260

Employees of the Branch-Hillsdale-St. Joseph Community Health Agency are granted vacation and sick leave in varying amounts based on length of service. Upon termination of employment, employees are paid accumulated sick time at full current rate of pay up to a maximum of 260 hours and accumulated vacation at full current rate of pay up to a maximum of 420 hours.

Accumulated sick and vacation leave represents a liability to the Agency, which is presented in a current and long-term portion of the liability. For this reason, the total liability is reported in the government-wide financial statements and represents a current liability of \$271,260 and a long-term liability of \$107,585 at September 30, 2024. Payments to employees for sick and vacation leave are recorded as expenditures when they are used, and payments are actually made to the employees.

NOTE 5 - RETIREMENT PLANS

Defined Benefit Pension Plan

Plan Description

The Agency participates in the Municipal Employees' Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan's Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing MERS website at www.mersofmich.com.

Summary of Significant Accounting Policies

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided

Benefits provided include a plan with a multiplier of 2.00%

Vesting period of 6 years

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (continued)

Benefits Provided (continued)

Normal retirement age is 60 with early retirement of 55 with 25 years of service or reduced early retirement at 50 with 25 years of service or 55 with 15 years of service.

Final average compensation is calculated based on five years. Member contributions are 3.00%.

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The MERS plan covers all eligible full-time general employees (closed to new hires after August 1, 2015) at the Agency. An employee who leaves service may withdraw his or her contributions, plus any accrued interest.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the Board of Health.

At the December 31, 2023, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	79
Inactive employees entitled to but not yet receiving benefits	37
Active employees	<u>17</u>
	<u><u>133</u></u>

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The Agency is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended September 30, 2024, the Agency's required contribution rate was 50% of annual payroll. Employees are required to contribute 3.00%.

Payable to the Pension Plan

At September 30, 2024, there were no amounts outstanding by the Agency for contributions to the pension plan required for the year ended September 30, 2024.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - RETIREMENT PLANS (continued)

Defined Benefit Pension Plan (continued)

Net Pension Liability

The net pension liability reported at September 30, 2024 was determined using a measure of the total pension liability and the pension net position as of December 31, 2023. The December 31, 2023 total pension liability was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2023, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Salary increases: 3.00% in the long-term plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 7.18%, net of investment and administrative expense including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 3.00 - 4.00%.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study of 2014-2018.

Projected Cash Flows

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and 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.

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - RETIREMENT PLANS (continued)

Defined Benefit Pension Plan (continued)

Projected Cash Flows (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Total Allocation Gross Rate of Return</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	60.00%	4.38%	2.63%
Global Fixed Income	20.00%	2.00%	0.40%
Private Investments	20.00%	7.00%	1.40%
	<u>100.00%</u>		<u>4.43%</u>
Inflation			2.50%
Administration expenses netted above			<u>0.25%</u>
Investment rate of return (discount rate)			<u><u>7.18%</u></u>

Discount Rate

The discount rate used to measure the total pension liability is 7.18%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - RETIREMENT PLANS (continued)

Defined Benefit Pension Plan (continued)

Discount Rate (continued)

Changes in the net pension liability during the measurement year were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<u>Changes in Net Pension Liability</u>	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at December 31, 2022	\$ 18,925,572	\$ 15,782,809	\$ 3,142,763
Changes for the year			
Service cost	121,515	-	121,515
Interest on total pension liability	1,333,692	-	1,333,692
Difference between expected and actual experience	352,701	-	352,701
Changes in assumptions	136,880	-	136,880
Employer contributions	-	643,544	(643,544)
Employee contributions	-	30,777	(30,777)
Net investment income	-	1,773,051	(1,773,051)
Benefit payments, including employee refunds	(1,181,153)	(1,181,153)	-
Administrative expense	-	(36,796)	36,796
Net changes	763,635	1,229,423	(465,788)
Balances at December 31, 2023	\$ 19,689,207	\$ 17,012,232	\$ 2,676,975

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Agency, calculated using the discount rates of 7.18%, as well as what the Agency's net pension liability would be using a discount rate that is 1% lower or 1% higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 4,820,641	\$ 2,676,975	\$ 864,132

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - RETIREMENT PLANS (continued)

Defined Benefit Pension Plan (continued)

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024, the Agency recognized pension expense of \$836,454. The Agency reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 876,648	\$ -
Contributions subsequent to the measurement date*	793,922	-
Total	<u>\$ 1,670,570</u>	<u>\$ -</u>

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending September 30, 2025.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Pension Expense</u>
2025	\$ 143,964
2026	337,905
2027	524,479
2028	<u>(129,700)</u>
	<u>\$ 876,648</u>

Change in Assumptions

Change in discount rate from 7.25% to 7.18%.

Changes in Benefits

There were no changes of benefit terms during plan year 2023.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - RETIREMENT PLANS (continued)

Defined Contribution Pension Plan

As of August 1, 2015, the Agency established a defined contribution pension plan through the Michigan Municipal Employees' Retirement System. All employees hired after August 1, 2015, are covered under the defined contribution plan.

The plan is administered by the Michigan Municipal Employees' Retirement System. Contributions are determined, and may be amended, by an employment agreement requiring employer and employee contributions of 5% and 3% of covered payroll, respectively.

The Agency's contributions to the plan were \$113,544 for the year ended September 30, 2024.

NOTE 6 - RISK MANAGEMENT

The Agency carries commercial insurance for the risk of loss due to workers' compensation claims. Settled claims relating to workers' compensation and professional liability have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Agency also participates in a State pool, the Michigan Municipal Risk Management Authority, with other municipalities for property and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. The Agency has no liability for additional assessments based on the claims filed against the pool nor do they have any rights to dividends. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The Agency has not been informed of any special assessments being required.

NOTE 7 - CONTINGENT LIABILITIES

The Agency participates in a number of Federal and State assisted grant programs which are subject to compliance audits. The periodic program compliance audits of many of the programs have not yet been completed or final resolution has not been received. Accordingly, the Agency's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Agency expects such amounts, if any, to be immaterial.

Significant patient service revenue and account receivable balances for service fees were derived from reimbursements for providing medical services to Medicare and Medicaid recipients. Payments for these services are based upon allowable costs incurred and are subject to final audit by the intermediaries. Possible changes in the health care financing systems may have an effect on the Agency's future revenues.

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - DETAILS OF FUND BALANCE CLASSIFICATIONS

For the classification of fund balances, the Agency considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also, for the classification of fund balances, the Agency considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

As of September 30, 2024, the fund balance classifications were as follows:

Nonspendable	
Prepays	\$ 136,763
Assigned	
Vacation and sick leave	378,845
BCCF funds	309,956
Dental revenue	453,443
Aging services	23,919
Medicaid cost base reimbursement	1,447,535
Community stabilization	459,573
Capital improvement	66,499
Unassigned	<u>323,126</u>
	<u>\$ 3,599,659</u>

NOTE 9 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The Agency is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The Agency is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

- a. Management's discussion and analysis (MD&A);
 - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
 - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The Agency is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The Agency is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

Draft

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GENERAL OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	\$ 370,240	\$ 375,240	\$ 353,057	\$ (22,183)
Intergovernmental				
Federal/State	6,487,224	6,998,207	6,114,359	(883,848)
Local	153,711	200,628	149,839	(50,789)
County appropriations	731,467	1,150,366	1,001,853	(148,513)
Charges for services	597,223	618,166	602,840	(15,326)
Interest and rents	80,000	90,000	110,382	20,382
Other	191,262	186,041	63,051	(122,990)
TOTAL REVENUES	8,611,127	9,618,648	8,395,381	(1,223,267)
EXPENDITURES				
Current				
Salaries and wages	3,485,330	3,574,672	3,514,343	60,329
Fringe benefits	1,721,671	2,023,069	1,974,397	48,672
Supplies and materials	822,408	1,115,248	988,075	127,173
Contractual	1,324,738	1,358,366	1,144,167	214,199
Communications	100,761	119,457	80,431	39,026
Travel and training	233,723	315,405	206,646	108,759
Insurance	50,000	50,000	45,026	4,974
Repairs and maintenance	535,545	673,198	465,930	207,268
Building and equipment rentals	145,252	155,123	159,571	(4,448)
Printing and advertising	33,990	44,545	32,756	11,789
Postage	44,355	35,100	23,628	11,472
Other	113,354	154,465	42,161	112,304
TOTAL EXPENDITURES	8,611,127	9,618,648	8,677,131	941,517
NET CHANGE IN FUND BALANCE	-	-	(281,750)	(281,750)
Fund balance, beginning of year	3,881,409	3,881,409	3,881,409	-
Fund balance, end of year	<u>\$ 3,881,409</u>	<u>\$ 3,881,409</u>	<u>\$ 3,599,659</u>	<u>\$ (281,750)</u>

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT YEARS
(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 121,515	\$ 144,261	\$ 165,771	\$ 184,846	\$ 162,697	\$ 188,936	\$ 194,225	\$ 221,881	\$ 260,139	\$ 257,464
Interest	1,333,692	1,322,608	1,302,936	1,174,321	1,161,744	1,155,643	1,122,384	1,096,376	1,008,655	958,052
Difference between expected and actual experience	352,701	(174,176)	36,501	423,704	24,243	(366,923)	(79,298)	(233,076)	80,642	-
Changes of assumptions	136,880	-	664,119	921,539	508,776	-	-	-	814,056	-
Benefit payments, including employee refunds	(1,181,153)	(1,075,707)	(1,043,494)	(961,641)	(915,864)	(860,670)	(777,188)	(715,313)	(616,270)	(590,701)
Net Change in Total Pension Liability	763,635	216,986	1,125,833	1,742,769	941,596	116,986	460,123	369,868	1,547,222	624,815
Total Pension Liability, beginning	18,925,572	18,708,586	17,582,753	15,839,984	14,898,388	14,781,402	14,321,279	13,951,411	12,404,189	11,779,374
Total Pension Liability, ending	<u>\$ 19,689,207</u>	<u>\$ 18,925,572</u>	<u>\$ 18,708,586</u>	<u>\$ 17,582,753</u>	<u>\$ 15,839,984</u>	<u>\$ 14,898,388</u>	<u>\$ 14,781,402</u>	<u>\$ 14,321,279</u>	<u>\$ 13,951,411</u>	<u>\$ 12,404,189</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 643,544	\$ 811,184	\$ 1,275,772	\$ 1,264,662	\$ 637,262	\$ 304,525	\$ 266,448	\$ 226,464	\$ 219,053	\$ 181,018
Contributions - employee	30,777	36,767	44,476	48,270	47,927	50,404	55,364	64,400	85,602	71,723
Net investment income (loss)	1,773,051	(1,974,073)	2,130,706	1,994,138	1,615,364	(497,015)	1,559,362	1,251,034	(173,001)	708,740
Benefit payments, including employee refunds	(1,181,153)	(1,075,707)	(1,043,494)	(961,641)	(915,864)	(860,670)	(777,188)	(715,313)	(616,270)	(590,701)
Administrative expense	(36,796)	(32,919)	(25,220)	(27,686)	(27,776)	(24,912)	(24,713)	(24,706)	(25,331)	(25,997)
Net Change in Plan Fiduciary Net Position	1,229,423	(2,234,748)	2,382,240	2,317,743	1,356,913	(1,027,668)	1,079,273	801,879	(509,947)	344,783
Plan Fiduciary Net Position, beginning	15,782,809	18,017,557	15,635,317	13,317,574	11,960,661	12,988,329	11,909,056	11,107,177	11,617,124	11,272,341
Plan Fiduciary Net Position, ending	<u>\$ 17,012,232</u>	<u>\$ 15,782,809</u>	<u>\$ 18,017,557</u>	<u>\$ 15,635,317</u>	<u>\$ 13,317,574</u>	<u>\$ 11,960,661</u>	<u>\$ 12,988,329</u>	<u>\$ 11,909,056</u>	<u>\$ 11,107,177</u>	<u>\$ 11,617,124</u>
Agency's Net Pension Liability	<u>\$ 2,676,975</u>	<u>\$ 3,142,763</u>	<u>\$ 691,029</u>	<u>\$ 1,947,436</u>	<u>\$ 2,522,410</u>	<u>\$ 2,937,727</u>	<u>\$ 1,793,073</u>	<u>\$ 2,412,223</u>	<u>\$ 2,844,234</u>	<u>\$ 787,065</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	86%	83%	96%	89%	84%	80%	88%	83%	80%	94%
Covered payroll	\$ 961,350	\$ 1,127,922	\$ 1,366,616	\$ 1,590,755	\$ 1,439,800	\$ 1,673,482	\$ 1,727,981	\$ 1,974,029	\$ 2,408,692	\$ 2,383,929
Agency's Net Pension Liability as a percentage of covered payroll	278%	279%	51%	122%	175%	176%	104%	122%	118%	33%

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS
(AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH FISCAL YEAR)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 541,551	\$ 537,855	\$ 548,940	\$ 397,479	\$ 325,829	\$ 306,612	\$ 295,032	\$ 256,452	\$ 221,994	\$ 209,441
Contributions in relation to the actuarially determined contribution	925,613	660,537	699,598	1,180,620	1,259,227	631,891	295,032	256,452	221,994	209,441
Contribution deficiency (excess)	<u>\$ (384,062)</u>	<u>\$ (122,682)</u>	<u>\$ (150,658)</u>	<u>\$ (783,141)</u>	<u>\$ (933,398)</u>	<u>\$ (325,279)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 987,132	\$ 1,075,792	\$ 1,300,578	\$ 1,573,681	\$ 1,559,148	\$ 1,634,619	\$ 1,688,177	\$ 1,918,244	\$ 2,204,494	\$ 2,413,420
Contributions as a percentage of covered payroll	94%	61%	54%	75%	81%	39%	17%	13%	10%	9%

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**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1 - DEFINED BENEFIT RETIREMENT PLAN

Actuarial Assumptions

Actuarial valuation information relative to the determination of contributions:

Valuation date:	December 31, 2023
Measurment date:	December 31, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay
Asset valuation method	5 year smoothing
Remaining amortization period	10 years
Investment rates of return	7.18% (net of investment expenses, including inflation)
Discount rate	7.18%
Salary rate increase	3.00% in the long-term plus merit and longevity
Inflation rate	2.50%
Mortality	Pub-2010 and fully generational MP-2019

Changes in assumptions: Change in discount rate from 7.25% to 7.18%.

Changes of benefits terms: There were no changes of benefit terms for the plan year 2023.

OTHER SUPPLEMENTARY INFORMATION

Draft

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (a)
AGING AND ADULT SERVICES AGENCY
YEAR ENDED SEPTEMBER 30, 2024

	Title III-B	Title III-C1	Title III-C2	Title III-D
EXPENDITURES				
Personal care	\$ 5,354	\$ -	\$ -	\$ -
Homemaker	13,071	-	-	-
Chore services	6,500	-	-	-
Home delivered meals	-	-	135,165	-
Adult day care	-	-	-	-
Care management	30,218	-	-	-
Respite care	-	-	-	-
Case coordination and support	-	-	-	-
Congregate meals	-	102,852	-	-
Transportation	36,495	-	-	-
Legal assistance	12,000	-	-	-
Caregiver Support Group	-	-	-	-
Caregiver Training	-	-	-	-
Assistive devices and technologies	-	-	-	-
Friendly Reassurance	8,000	-	-	-
Information and assistance	23,700	-	-	-
Disease prevention and health promotion	-	-	-	7,647
Program development	21,470	-	-	-
Caregiver transportation	-	-	-	-
Ombudsman	2,000	-	-	-
Medication management	-	-	-	-
Administration	-	-	-	-
Community living support services - RSD	782	-	-	-
Gap Filing/Special Needs (RSD)	5,500	-	-	-
Other	-	-	-	-
TOTAL EXPENDITURES	\$ 165,090	\$ 102,852	\$ 135,165	\$ 7,647

(a) This schedule only includes
Aging Services programs.

Title III-E	Title III Administration	NSIP	Targeted Care Management	State Access	State In-Home	State Congregate Meals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,721	\$ -
-	-	-	-	-	144,032	-
-	-	-	-	-	-	-
-	-	54,255	-	-	-	-
-	-	-	-	-	-	-
11,661	-	-	-	-	-	-
14,500	-	-	-	-	12,048	-
10,000	-	-	-	8,078	-	-
-	-	14,133	-	-	-	2,611
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,323	-	-	-	-	-	-
7,322	-	-	-	-	-	-
-	-	-	-	-	10,129	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,040	-	-	-	-	-	-
-	-	-	-	-	-	-
-	50,264	-	-	-	9,300	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	50,134	-	-	-
<u>\$ 57,846</u>	<u>\$ 50,264</u>	<u>\$ 68,388</u>	<u>\$ 50,134</u>	<u>\$ 8,078</u>	<u>\$ 211,230</u>	<u>\$ 2,611</u>

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
AGING AND ADULT SERVICES AGENCY
YEAR ENDED SEPTEMBER 30, 2024

	State Home Delivered Meals	State Alternative Care	Merit Award Trust Fund Respite	State Respite Care
EXPENDITURES				
Personal care	\$ -	\$ 5,435	\$ -	\$ -
Homemaker	-	26,252	-	-
Chore services	-	-	-	-
Home delivered meals	140,464	-	-	-
Adult day care	-	-	19,281	15,144
Care management	-	-	-	-
Respite care	-	-	4,475	11,537
Case coordination and support	-	-	-	-
Congregate meals	-	-	-	-
Transportation	-	-	8,860	-
Legal assistance	-	-	-	-
Caregiver Support Group	-	-	-	-
Caregiver Training	-	-	-	-
Assistive devices and technologies	-	-	-	-
Friendly Reassurance	-	-	-	-
Information and assistance	-	-	-	-
Disease prevention and health promotion	-	-	-	-
Program development	-	-	-	-
Caregiver transportation	-	-	-	-
Ombudsman	-	-	-	-
Medication management	-	-	-	-
Administration	-	-	-	-
Community living support services - RSD	-	-	-	-
Gap Filing/Special Needs (RSD)	-	-	-	-
Other	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 140,464</u>	<u>\$ 31,687</u>	<u>\$ 32,616</u>	<u>\$ 26,681</u>

State CG Support	Merit Award Fund Administration	State Care Management	State Administration	State Caregiver Support Administration	State Aging New Services	Program Income
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,668
-	-	-	-	-	-	31,697
-	-	-	-	-	-	326
-	-	-	-	-	-	81,170
-	-	-	-	-	-	4,500
-	-	80,228	-	-	12,598	-
4,022	-	-	-	-	-	3,504
-	-	-	-	-	-	51
-	-	-	-	-	-	44,651
-	-	-	-	-	-	18,033
-	-	-	-	-	-	191
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,200	-	8,751	397	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 4,022</u>	<u>\$ 3,200</u>	<u>\$ 80,228</u>	<u>\$ 8,751</u>	<u>\$ 397</u>	<u>\$ 12,598</u>	<u>\$ 187,791</u>

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
AGING AND ADULT SERVICES AGENCY
YEAR ENDED SEPTEMBER 30, 2024

	Cash Match	In-kind Match	Total
EXPENDITURES			
Personal care	\$ 2,175	\$ -	\$ 52,353
Homemaker	7,391	819	223,262
Chore services	802	-	7,628
Home delivered meals	24,965	11,054	447,073
Adult day care	1,780	-	40,705
Care management	11,000	13,400	159,105
Respite care	2,410	1,075	53,571
Case coordination and support	2,344	-	20,473
Congregate meals	8,229	114	172,590
Transportation	244,138	-	307,526
Legal assistance	1,793	-	13,984
Caregiver Support Group	835	-	8,158
Caregiver Training	835	-	8,157
Assistive devices and technologies	-	-	10,129
Friendly Reassurance	520	1,500	10,020
Information and assistance	-	5,000	28,700
Disease prevention and health promotion	756	94	8,497
Program development	-	-	21,470
Caregiver transportation	-	-	7,040
Ombudsman	28,929	-	30,929
Medication management	-	-	9,300
Administration	-	-	62,612
Community living support services - RSD	-	-	782
Gap Filing/Special Needs (RSD)	390	-	5,890
Other	-	-	50,134
TOTAL EXPENDITURES	<u>\$ 339,292</u>	<u>\$ 33,056</u>	<u>\$ 1,760,088</u>

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Michigan Department of Health and Human Services Special Supplemental Nutrition Program for Women, Infants, and Children	10.557 ^(a)		
FY 23-24 Resident Services		242MI003W1003	\$ 908,156
FY 23-24 Breastfeeding		222MI013W5003	31,548
FY 23-24 Breastfeeding		242MI003W1003	57,466
TOTAL U.S. DEPARTMENT OF AGRICULTURE			997,170
U.S. DEPARTMENT OF JUSTICE			
Passed through Michigan Department of Health and Human Services Crime Victim Assistance	16.575		
FY 23-24 VOCA		2020V2GX0044	41,937
FY 23-24 VOCA		15POVC22GG00762ASSI	120,040
TOTAL U.S. DEPARTMENT OF JUSTICE			161,977
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Michigan Aging and Adult Services Agency Aging Cluster			
Title III-B Special Programs for the Aging (Grants for Supportive Services and Senior Centers)	93.044 ^(b)		
FY 23-24 Administration		N/A	13,067
FY 23-24 Regular		N/A	165,090
COVID-19 ARP for Supportive Services Title III-B		N/A	43,764
			221,921
Title III-C Special Programs for the Aging (Nutrition Services)	93.045 ^(b)		
FY 23-24 Administration		N/A	30,821
FY 23-24 Nutrition Congregate		N/A	102,852
FY 23-24 Nutrition Home Delivered Meals		N/A	135,165
COVID-19 ARP for Congregate Meals Title III		N/A	13,633
COVID-19 ARP for Home Delivered Meals Title III		N/A	21,556
			304,027
Nutrition Services Incentive Program	93.053 ^(b)		
FY 23-24 Nutrition Services Incentive Program		N/A	68,388
Total Aging Cluster			594,336
Title III-D Special Programs for the Aging (Disease Prevention and Health Promotion Services)	93.043		
FY 23-24		N/A	7,647
COVID-19 ARP for Preventative Health		N/A	1,637
Total Special Services			9,284
National Family Caregiver Support	93.052		
FY 23-24 Administration		N/A	6,376
FY 23-24 Regular		N/A	57,846
COVID-19 ARP for Family Caregivers		N/A	7,578
			71,800

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)			
Passed through Michigan Department of Health and Human Services			
Public Health Emergency Preparedness	93.069		
FY 23-24 Public Health Emergency Preparedness		NU90TU000003	\$ 32,733
FY 23-24 Public Health Emergency Preparedness		U3REP190584	116,471
			<u>149,204</u>
Tuberculosis Control Program	93.116		
FY 23-24 Tuberculosis Control		NU52PS910173	112
FY 23-24 Tuberculosis Control		NU52PS910173	334
			<u>446</u>
Immunization Cooperative Agreements	93.268		
FY 23-24 Vaccine Supply		NH23IP922635	459,654
FY 23-24 Bridge Access Program		NH23IP922635	2,718
FY 23-24 Vaccine Initiative		NH23IP922635	7,520
FY 23-24 Immunization Action Plan		NH23IP922635	75,378
FY 23-24 Immunization Fixed Fees		NH23IP922635	3,800
FY 23-24 COVID-19 COVID Immunization		NH23IP922635	46,710
			<u>595,780</u>
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323		
COVID-19 Contact Tracing Testing Coordination		NU50CK000510	87,834
COVID-19 Public Health Crisis Response - Coronavirus	93.354		
FY 23-24 COVID-19 Workforce Development		NU90TP922186	32,421
Medicaid Cluster			
Medical Assistance Program	93.778 ^(c)		
FY 22-23 Medicaid Outreach		2505MI5ADM	7,140
FY 23-24 CSHCS Medicaid Outreach		2405MI5ADM	21,985
FY 23-24 CSHCS Care Coordination (d)		2405MI5ADM	3,431
FY 23-24 CSHCS Care Coordination (d)		2505MI5ADM	1,500
FY 23-24 CSHCS Care Coordination (d)		2505MI5MAP	2,029
FY 23-24 CSHCS Care Coordination (e)		2405MI5MAP	4,575
FY 23-24 CSHCS Medicaid Elevated Blood Lead Case Management		2405MI5MAP	654
FY 23-24 CSHCS Medicaid Elevated Blood Lead Case Management		2505MI5MAP	2,379
FY 23-24 CSHCS Outreach and Advocacy (d)		2405MI5ADM	71,205
			<u>114,898</u>
Primary Care Medicine and Dentistry Clinician Educator Career Development	93.967		
FY 23-24 Public Health Infrastructure		NE110E000025	107,238
Preventative Health Services	93.991		
Local Health Department (LHD) Sharing Support		NB01T0000043	48,037
Maternal and Child Health Services Block Grant	93.994		
FY 23-24 CSHCS Care Coordination		B0452932	79,379
FY 23-24 MCH - Children		B0452932	47,609
FY 23-24 MCH - All other		B0452932	46,086
			<u>173,074</u>
Passed through Michigan Department of Health and Human Services and MMAP, Inc.			
State Health Insurance Assistance Program	93.324	90SAPG0090	18,380
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>2,002,732</u>
TOTAL FEDERAL AWARD EXPENDITURES			<u>\$ 3,161,879</u>

(f)

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule" includes the federal grant activity of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency) under programs of the federal government for the year ended September 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position or changes in net position of the Branch-Hillsdale-St. Joseph Community Health Agency.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The Agency has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - SUBRECIPIENTS

No Federal Awards were passed through by the Agency to any subrecipients during the year.

NOTE 4 - SUMMARY OF SIGNIFICANT EXPLANATIONS OF SCHEDULE

The following descriptions identified below as (a) - (f) represent explanations that cross reference to amounts on the Schedule of Expenditures of Federal Awards:

- (a) Denotes program tested as "major program".
- (b) Denotes programs required to be clustered by United States Department of Health and Human Services.
- (c) Denotes programs required to be clustered by United States Department of Health and Human Services.
- (d) Reimbursements of this contract are passed through the State. The amount reported on the Schedule of Expenditures of Federal Awards represents the portion of the grant that is considered federal. Federal participation in this program is 50%.
- (e) Reimbursements of this contract are passed through the State. The amount reported on the Schedule of Expenditures of Federal Awards represents the portion of the grant that is considered federal. Federal participation in this program is 65.13%.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 4 - SUMMARY OF SIGNIFICANT EXPLANATIONS OF SCHEDULE (continued)

- (f) The following reconciles the federal revenues reported in the September 30, 2024, financial statements to the expenditures of the Agency administered federal programs reported on the Schedule of Expenditures of Federal Awards (SEFA):

Federal/State Revenue (per fund financial statements)	\$ 6,114,359
Plus: Difference between vaccines administered (revenue per financial statements) and vaccines received (expenditures per SEFA and instructions from grantor agency)	37,545
Less: Portions of grant funding considered "State" funding	<u>(2,990,025)</u>
Federal award expenditures	<u><u>\$ 3,161,879</u></u>

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

To the Board of Public Health of the
Branch-Hillsdale-St. Joseph Community Health Agency
Coldwater, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 7, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 7, 2025

Draft



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Public Health of the
Branch-Hillsdale-St. Joseph Community Health Agency
Coldwater, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Branch-Hillsdale-St. Joseph Community Health Agency's (the Agency) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the Agency's major federal program for the year ended September 30, 2024. The Agency's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Branch-Hillsdale-St. Joseph Community Health Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

March 7, 2025

Draft

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program For Women, Infants, and Children

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2024**

FINDINGS/COMPLIANCE

Control Deficiencies and Material Weaknesses Related to Internal Controls Over the Financial Statements.

No prior audit findings noted.

Findings Related to Compliance with Requirements Applicable to the Financial Statements.

No prior audit findings noted.

Findings Related to Compliance with Requirements Applicable to Federal Awards and Internal Control Over Compliance in Accordance with the Uniform Guidance.

No prior audit findings noted.

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