

**TRI-COUNTY AGING CONSORTIUM  
LANSING, MICHIGAN**

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

**YEAR ENDED SEPTEMBER 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
Tri-County Aging Consortium  
Lansing, Michigan

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tri-County Aging Consortium, as of and for the year ended September 30, 2023 and the related notes to the financial statements, which collectively comprise Tri-County Aging Consortium'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, each major fund, and the aggregate remaining fund information of the Tri-County Aging Consortium, as of September 30, 2023, and the respective 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 Tri-County Aging Consortium 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 these 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 Tri-County Aging Consortium'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 Tri-County Aging Consortium'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 Tri-County Aging Consortium'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 schedules, schedule of changes in employer's net pension liability and related ratios, and schedule of employer contributions, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Consortium'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*, are presented for purposes of additional analysis and are 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, including the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2024, on our consideration of the Tri-County Aging Consortium's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Tri-County Aging Consortium's internal control over financial reporting and compliance.

*Maney Costeiran PC*

March 7, 2024

## **TRI-COUNTY AGING CONSORTIUM MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the annual financial statements, titled Management's Discussion and Analysis, represents the administration's review of the Tri-County Aging Consortium's (the Consortium's) financial performance during the fiscal year ended September 30, 2023. The Management's Discussion and Analysis is intended to be read in conjunction with the Consortium's financial statements.

Generally accepted accounting principles (GAAP) 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 Consortium exceeded its liabilities and deferred inflows of resources at September 30, 2023, by \$9,050,033 at the government-wide level. Unrestricted net position was \$8,872,969 at September 30, 2023.
- The Consortium's total net position decreased \$2,400,433 as a result of this year's operations.
- As of September 30, 2023, the Consortium's governmental funds reported ending fund balances of \$9,864,575, a decrease of \$2,030,910.
- As of September 30, 2023, the General Fund unassigned fund balance was \$347,875, or approximately 41% of total fund expenditures and other financing uses.

### **Overview of the Financial Statements**

The Tri-County Aging Consortium'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 Consortium. They present an overall view of the Consortium's finances, reporting the assets and liabilities on fiscal year ending September 30, 2023.

The statement of net position presents information on all of the Tri-County Aging Consortium'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 Consortium is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during fiscal year 2022/2023. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows.

All of the Tri-County Aging Consortium's activities are supported by intergovernmental revenues, governmental grants, fees and charges for services, interest, local revenues, and contributions. The governmental activities of the Consortium are all considered health and welfare programs. The Consortium does not operate any programs that are intended to recover all or a significant portion of their costs through user fees and charges.

**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 Tri-County Aging Consortium uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Consortium operates with three funds, General, Grants Special Revenue, and Capital Projects, which are considered governmental funds.

## **TRI-COUNTY AGING CONSORTIUM MANAGEMENT'S DISCUSSION AND ANALYSIS**

**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 funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Tri-County Aging Consortium adopts an annual appropriated budget for its General and Grants Special Revenue Funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

The basic financial statements can be found on pages 10-15 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 16-33 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 35-39. Other supplementary information concerning support services and expenditures of federal awards can be found on pages 41-56 of this report.

**TRI-COUNTY AGING CONSORTIUM  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**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 Tri-County Aging Consortium, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,050,033. A comparative analysis of net position as of September 30, 2023 and 2022 are presented below:

	<u>2023</u>	<u>2022</u>
ASSETS		
Current and other assets	\$ 14,386,422	\$ 15,615,583
Capital assets, net	<u>976,651</u>	<u>1,132,426</u>
TOTAL ASSETS	<u>15,363,073</u>	<u>16,748,009</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>2,426,869</u>	<u>1,408,308</u>
LIABILITIES		
Current liabilities	4,243,468	3,506,264
Noncurrent liabilities	<u>4,370,370</u>	<u>2,160,788</u>
TOTAL LIABILITIES	<u>8,613,838</u>	<u>5,667,052</u>
DEFERRED INFLOWS OF RESOURCES	<u>126,071</u>	<u>1,038,799</u>
NET POSITION		
Net investment in capital assets	69,030	37,293
Restricted	108,034	70,255
Unrestricted	<u>8,872,969</u>	<u>11,342,918</u>
TOTAL NET POSITION	<u>\$ 9,050,033</u>	<u>\$ 11,450,466</u>

Unrestricted net position (the part of net position that can be used to finance day to day operations) decreased by \$2,469,949. This is within our desired range.

The following table shows the changes in net position as of September 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
REVENUES		
Program revenues		
Charges for services	\$ 205,065	\$ 170,073
Operating grants and contributions	40,499,688	38,296,690
General revenue		
Municipal appropriations	248,851	266,249
Investment earnings (loss)	<u>147,583</u>	<u>(52,356)</u>
TOTAL REVENUES	<u>41,101,187</u>	<u>38,680,656</u>
EXPENSES		
Health and welfare	43,452,132	37,886,832
Interest on long-term debt	<u>49,488</u>	<u>58,439</u>
TOTAL EXPENSES	<u>43,501,620</u>	<u>37,945,271</u>
Changes in net position	<u>\$ (2,400,433)</u>	<u>\$ 735,385</u>

## **TRI-COUNTY AGING CONSORTIUM MANAGEMENT'S DISCUSSION AND ANALYSIS**

The increase in funding and contributions of \$2,202,998 were partially due to ARPA funding received to support aging programs in FY2023. Also contributing to the increase in revenue was additional funding provided through a tax millage for elder programs through Ingham County.

Total expenses increased \$5,565,300 or 15% from last year partially due to additional participants enrolled in the Medicaid Waiver Program (MI Choice) and the cost of providing services to the increased population. Additional expenses were also incurred by any programs that received additional funding to provide services to our participants.

### **Financial Analysis of the Government's Funds**

The general fund revenue and other financing sources was less than the final budget by \$51,871 and expenditures and other financing uses were less than the amounts budgeted by \$362,946 for fiscal year 2023. The fund balance for the general fund increased \$14,214, or approximately 2%, during the year.

The grants special revenue fund experienced a decrease in fund balance of \$2,041,283 mainly caused by an increase in cost to provide necessary in-home services to participants enrolled in the MI Choice program. In fiscal year 2023, the MI Choice program again received additional slots from the Michigan Department of Health and Human Services (MDHHS) that allowed the increase in the number participants enrolled in this program. The total number of slots allocated for fiscal year 2023 totaled approximately 1,130 and the actual client enrollment count as of September 30, 2023, was 912. It is important to emphasize that MI Choice is a managed care program with a full risk contract. Reimbursement is based on a capitated basis encompassing six rate cells developed by an actuarial entity. Due to these factors, revenues can exceed expenditures for the year, as well as expenditures exceeding revenues as is the nature of a managed care system. The fund balance from fiscal year 2023 will be held for future years when expenditures could exceed revenues.

The Consortium and the MDHHS are still in the process of reconciling claims for fiscal years 2022 and 2023. The Consortium is monitoring the open claims for these fiscal years to ensure that a satisfactory resolution is obtained, and management is confident that the outcome will be adequate and complete.

### **Capital Asset and Debt Administration**

**Capital Assets:** The Consortium's investment in capital assets as of September 30, 2023, amounts to \$976,651 (net of accumulated depreciation/amortization). During the year, the Consortium purchased a vehicle and other equipment totaling \$69,981 and disposed of a vehicle that was fully depreciated totaling \$20,494. Additional details related to capital assets are presented in Note 3 to the financial statements.

**Long-term Obligations:** The Consortium has a long-term obligations related to a lease payable and compensation (e.g., unused vacation and sick leave). The long-term obligation at September 30, 2023, amounted to \$1,199,011. 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**

The Consortium's funding is determined at the federal, state, and local levels. The Consortium will again receive funding from the ARPA for the fiscal year 2024. This additional funding stream will impact both revenue and expenditures for fiscal year 2024. Federal and state funding cuts could be made at any time and could have a significant effect on the Consortium's financial position or operations depending on the severity of the cuts. Consortium Senior Leadership is continuing to monitor all aspects of revenues and expenses to ensure the Agency is positioned to provide quality services to our target populations.

**TRI-COUNTY AGING CONSORTIUM  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Requests for Information**

This financial report is designed to provide a general overview of the Tri-County Aging Consortium'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:

Finance Department  
Tri-County Aging Consortium  
5303 S. Cedar Street, Suite 1  
Lansing, MI 48911

## **BASIC FINANCIAL STATEMENTS**

**TRI-COUNTY AGING CONSORTIUM  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 10,436,899
Cash and cash equivalents - restricted	108,034
Investments	821,886
Accounts receivable	415,324
Due from other governmental units	2,161,936
Prepays	441,583
Inventory	<u>760</u>
Total current assets	<u>14,386,422</u>
Noncurrent assets	
Capital assets, net of accumulated depreciation/amortization	<u>976,651</u>
<b>TOTAL ASSETS</b>	<u><b>15,363,073</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions	<u>2,426,869</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	3,443,666
Accrued payroll	219,405
Other accrued liabilities	5,920
Unearned revenue	111,109
Current portion of long-term debt	196,910
Current portion of compensated absences	<u>266,458</u>
Total current liabilities	<u>4,243,468</u>
Noncurrent liabilities	
Net pension liability	3,634,727
Noncurrent portion of long-term debt	710,711
Noncurrent portion of compensated absences	<u>24,932</u>
Total noncurrent liabilities	<u>4,370,370</u>
<b>TOTAL LIABILITIES</b>	<u><b>8,613,838</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	<u>126,071</u>
<b>NET POSITION</b>	
Net investment in capital assets	69,030
Restricted for capital campaign	108,034
Unrestricted	<u>8,872,969</u>
<b>TOTAL NET POSITION</b>	<u><u><b>\$ 9,050,033</b></u></u>

See accompanying notes to financial statements.

**TRI-COUNTY AGING CONSORTIUM  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Health and welfare	\$ 43,452,132	\$ 205,065	\$ 40,499,688	\$ (2,747,379)
Interest on long-term debt	49,488	-	-	(49,488)
Total	\$ 43,501,620	\$ 205,065	\$ 40,499,688	(2,796,867)
General revenues				
				248,851
				147,583
Total general revenues				396,434
Change in net position				(2,400,433)
Net position, beginning of year				11,450,466
Net position, end of year				\$ 9,050,033

See accompanying notes to financial statements.

**TRI-COUNTY AGING CONSORTIUM  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2023**

	General	Grants Special Revenue	Capital Projects (Capital Campaign) (Nonmajor Fund)	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 10,415,941	\$ 20,958	\$ 10,436,899
Cash and cash equivalents - restricted	-	-	108,034	108,034
Investments	671,945	-	149,941	821,886
Accounts receivable	87,262	328,062	-	415,324
Due from other governmental units	-	2,161,936	-	2,161,936
Prepays	89,176	352,407	-	441,583
Inventory	760	-	-	760
<b>TOTAL ASSETS</b>	<b>\$ 849,143</b>	<b>\$ 13,258,346</b>	<b>\$ 278,933</b>	<b>\$ 14,386,422</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 104,278	\$ 3,339,388	\$ -	\$ 3,443,666
Accrued payroll	14,054	205,351	-	219,405
Other accrued liabilities	-	5,920	-	5,920
Unearned revenue	24,080	87,029	-	111,109
<b>TOTAL LIABILITIES</b>	<b>142,412</b>	<b>3,637,688</b>	<b>-</b>	<b>3,780,100</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	741,747	-	741,747
<b>FUND BALANCES</b>				
Nonspendable				
Prepays and inventory	89,936	352,407	-	442,343
Permanent corpus	-	-	70,255	70,255
Restricted				
Capital campaign	-	-	37,779	37,779
Committed				
HCBS - Waiver	-	8,526,504	-	8,526,504
Assigned				
Capital campaign	-	-	170,899	170,899
Friends of Independence	268,920	-	-	268,920
Unassigned	347,875	-	-	347,875
<b>TOTAL FUND BALANCES</b>	<b>706,731</b>	<b>8,878,911</b>	<b>278,933</b>	<b>9,864,575</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 849,143</b>	<b>\$ 13,258,346</b>	<b>\$ 278,933</b>	<b>\$ 14,386,422</b>

See accompanying notes to financial statements.

**TRI-COUNTY AGING CONSORTIUM  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

**Total fund balances - governmental funds** \$ 9,864,575

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

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

The cost of capital assets is	\$ 1,747,091	
Accumulated depreciation/amortization is	<u>(770,440)</u>	

Capital assets, net		976,651
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Long-term receivables are not expected to be collected within 60 days of year end and are not available to pay for current expenditures.		741,747
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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	2,426,869	
Deferred inflows of resources related to pension	<u>(126,071)</u>	

2,300,798

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Compensated absences	(291,390)	
Lease payable	(907,621)	
Net pension liability	<u>(3,634,727)</u>	

(4,833,738)

<b>Net position of governmental activities</b>		<u><u>\$ 9,050,033</u></u>
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**TRI-COUNTY AGING CONSORTIUM  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2023**

	<u>General</u>	<u>Grants Special Revenue</u>	<u>Capital Projects (Capital Campaign) (Nonmajor Fund)</u>	<u>Total</u>
<b>REVENUES</b>				
Intergovernmental				
Federal	\$ -	\$ 3,128,384	\$ -	\$ 3,128,384
State	-	2,051,624	-	2,051,624
Medicaid waiver program	-	31,944,883	-	31,944,883
Municipal appropriations	248,851	-	-	248,851
Local grants	408,678	2,680,383	-	3,089,061
Program revenues	-	205,310	-	205,310
Investment income	130,408	-	17,175	147,583
Contributions	72,881	91,756	250	164,887
	<u>860,818</u>	<u>40,102,340</u>	<u>17,425</u>	<u>40,980,583</u>
<b>EXPENDITURES</b>				
Current				
Health and welfare	703,713	42,049,514	21,266	42,774,493
Debt service	37,920	199,080	-	237,000
	<u>741,633</u>	<u>42,248,594</u>	<u>21,266</u>	<u>43,011,493</u>
	<u>119,185</u>	<u>(2,146,254)</u>	<u>(3,841)</u>	<u>(2,030,910)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	104,971	-	104,971
Transfers out	(104,971)	-	-	(104,971)
	<u>(104,971)</u>	<u>104,971</u>	<u>-</u>	<u>-</u>
	14,214	(2,041,283)	(3,841)	(2,030,910)
Fund balance, beginning of year	<u>692,517</u>	<u>10,920,194</u>	<u>282,774</u>	<u>11,895,485</u>
Fund balance, end of year	<u>\$ 706,731</u>	<u>\$ 8,878,911</u>	<u>\$ 278,933</u>	<u>\$ 9,864,575</u>

See accompanying notes to financial statements.

**TRI-COUNTY AGING CONSORTIUM**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2023**

**Net change in fund balances - total governmental funds** \$ (2,030,910)

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

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

Capital outlay	\$ 69,981	
Depreciation/amortization expense	<u>(225,756)</u>	
Excess of depreciation/amortization expense over capital outlay		(155,775)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in unavailable revenue is: 120,604

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 governmental funds. These activities consist of:

(Increase) in compensated absences	\$ (49,375)	
Decrease in lease payable	187,512	
(Increase) in net pension liability	(2,403,778)	
Increase in deferred outflows of resources related to pension	1,018,561	
Decrease in deferred inflows of resources related to pension	<u>912,728</u>	
		<u>(334,352)</u>

**Change in net position of governmental activities** \$ (2,400,433)

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

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

The Tri-County Aging Consortium (the "Consortium") is the designated Area Agency on Aging (AAA) for Region VI of Michigan. The Consortium members are as follows: City of East Lansing, City of Lansing, and Clinton, Eaton, and Ingham Counties. As an AAA, the Consortium is responsible for regional planning and coordination of services for older people. This designation dates back to April 1974, when the first Area Plan for this region was approved by the State of Michigan Office of Services to the Aging.

The Consortium began in 1972 when a grant from the State Commission on Aging was awarded to the Lansing Planning Department to conduct a needs survey for Lansing elderly. As a result of this research, the Lansing City Council created a Senior Citizens Department in January 1974. Later that year, the Department secured the necessary two-thirds approvals of the Boards of Commissioners of Ingham, Clinton, and Eaton Counties to apply for designation as an Area Agency on Aging under the Older Americans Act.

The Consortium Board, the policy-making body for the agency, was established under the Urban Cooperation Act of 1967. The Consortium's twelve-member board features the combined input and representation from the Lansing Mayor's Office, Lansing City Council, East Lansing City Council, and the Boards of Commissioners of Clinton, Eaton, and Ingham Counties. Each of the governmental bodies contributes local funds which finance a portion of the Consortium's activities. The Consortium then pursues other funding sources to bring tax dollars back into the region for the purpose of providing services to senior citizens.

The financial statements of the Consortium 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 Consortium's more significant accounting policies are discussed below.

The primary revenues of the Consortium are charges for services, Federal and State grants, and municipal 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 Tri-County Aging Consortium. The Consortium is not considered to be a component unit of any other governmental unit. In addition, the Consortium's reporting entity does not contain any component units as defined by GASB.

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 Consortium as a whole.

The statement of activities presents the direct functional expenses of the Consortium 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 municipal appropriations and shows how governmental functions are either self-financing or supported by the general revenues of the Consortium.

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

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

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS

The Consortium uses three funds 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 Consortium's major and nonmajor funds.

The *Major Funds* of the Consortium are:

- a. *General Fund* - This fund is the Consortium's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.
- b. *Grants Special Revenue Fund* - This fund reports grant program revenues and expenditures of Federal and State grant monies primarily passed through the Aging and Adult Services Agency (AASA) as well as amounts passed through from local and private sources.

Measurement Focus

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 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 Consortium before it has legal claim to them, such as when grant monies are received prior to the incurrence of qualified expenses.

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

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

Basis of Accounting (continued)

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 Consortium 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.

Budgets and Budgetary Accounting

The annual budget of the Consortium is prepared by the Consortium's 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 Equivalents, and Investments

Cash and cash equivalents consist of the Consortium's checking and savings accounts, imprest cash, certificates of deposit with an original maturity of 90 days or less, and money market funds.

In addition, the Consortium's restricted cash and cash equivalents consist of an endowment fund held by the Capital Region Community Foundation for building and equipment purchases by the Meals on Wheels program. These funds may be requested by the Consortium at any time except for the permanent corpus of the funds. The fund balance for that portion of the endowment has been appropriately reported as nonspendable.

Investments consist of the Consortium's holdings in U.S. Treasury obligations with an original maturity in excess of 90 days. Investments are stated at fair value.

In accordance with Michigan Compiled Laws, the Consortium 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.

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

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

Cash, Cash Equivalents, and Investments (continued)

- 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 Consortium 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.

Unearned revenues arise when the Consortium 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.

Inventories and Prepaids

Inventories are valued at cost, on a first-in, first-out basis. Inventories are recorded as expenditures when consumed rather than when purchased. Payments made to vendors for services that will benefit future periods are recorded as prepaid expenditures/expenses. Reported inventories and 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. The measurement of intangible right-to-use assets is discussed below under the heading “leases”. Donated capital assets are valued at their estimated acquisition cost on the date received.

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

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

Capital Assets (continued)

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. Right-to-use assets of the Consortium are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. Depreciation is computed using the straight-line method over the following useful lives:

Leasehold improvements	15 years
Vehicles	6 years
Equipment	10 years
Right-to-use - leased space	5 years

Long-Term Obligations

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as long-term.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Compensated Absences

The Consortium 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 personal time. This amount, along with related payroll taxes has been recorded in the government-wide financial statements.

Net Pension Liability

The net pension liability is deemed to be a noncurrent liability and is recognized on the Consortium's government-wide financial statements.

Leases

Lessee: The Consortium is a lessee for a noncancelable lease of office space. The Consortium recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The Consortium recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Consortium initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

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

Leases (continued)

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

Unavailable Revenue

Governmental funds report unavailable revenues in connection with receivables for revenue that is not considered available to liquidate liabilities of the current period.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet 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 Consortium reports 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 Consortium also reports deferred outflows of resources and deferred inflows of resources on the statement of net position which correspond to the Consortium'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.

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

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

Fund Balance Classifications

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 classifications of fund balance:

*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 municipality 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.

Fund Balance Classification Policies and Procedures

For committed fund balance, the Consortium'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.

For assigned fund balance, the Tri-County Aging Consortium 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 Consortium's Board of Directors.

For the classification of fund balances, the Tri-County Aging Consortium considers restricted amounts to have been spent first 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 Tri-County Aging Consortium considers committed, assigned, or unassigned amounts to have been spent in succession when an expenditure is incurred for purposes for which amounts in any of those fund balance classifications could be used.

Interfund Transactions

During the course of normal operations, the Consortium has numerous transactions between funds, including expenditures and transfers of resources to provide services. The accompanying financial statements generally reflect such transactions as operating transfers.

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

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

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 AND INVESTMENTS**

As of September 30, 2023, the Consortium had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Consortium's deposits may not be returned to it. As of September 30, 2023, \$10,066,702 of the Consortium's bank balance of \$10,470,200 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits was \$10,436,899.

The cash and cash equivalents balances reported in the basic financial statements include \$108,034 in an endowment fund held by the Capital Region Community Foundation.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Consortium will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Consortium will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities authorized by the Board and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the Consortium will do business in accordance with Board approved policy.

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). As of September 30, 2023, rating information on the Consortium's investments is presented below.

Interest Rate Risk

The Consortium 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 Consortium's cash requirements.

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS (continued)**

Concentration of Credit Risk

The Consortium will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Consortium’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 Consortium is not authorized to invest in investments which have this type of risk.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is also established which requires an entity to maximize the use of observable and minimize the use of unobservable inputs. There are three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. Unobservable inputs may be used in situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period). Unobservable inputs reflect the organization’s own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying financial statements, as well as the general classification of such instruments pursuant to the valuation hierarchy.

The Consortium had the following fair value measurements as of September 30, 2023:

	Fair Value Measurements			Total	Weighted Average Maturity	Moody's Rating
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
U.S. Treasury notes	\$ -	\$ 821,886	\$ -	\$ 821,886	3.21	AAA

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - CAPITAL ASSETS**

The following provides a summary of the changes in capital assets for the year ended September 30, 2023:

	Balance <u>Oct. 1, 2022</u>	Additions	Deletions	Balance <u>Sept. 30, 2023</u>
Capital assets being depreciated/amortized				
Vehicles	\$ 104,126	\$ 37,266	\$ (20,494)	\$ 120,898
Equipment	319,781	32,715	-	352,496
Right-to-use building	1,273,697	-	-	1,273,697
Total	<u>1,697,604</u>	<u>69,981</u>	<u>(20,494)</u>	<u>1,747,091</u>
Less accumulated depreciation/ amortization for:				
Vehicles	(84,514)	(11,217)	20,494	(75,237)
Equipment	(276,872)	(10,747)	-	(287,619)
Right-to-use building	(203,792)	(203,792)	-	(407,584)
Total	<u>(565,178)</u>	<u>(225,756)</u>	<u>20,494</u>	<u>(770,440)</u>
Capital assets, net	<u>\$ 1,132,426</u>	<u>\$ (155,775)</u>	<u>\$ -</u>	<u>\$ 976,651</u>

**NOTE 4 - LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations (including current portion) of the Consortium for the year ended September 30, 2023:

	Balance <u>Oct. 1, 2022</u>	Additions	Deletions	Balance <u>Sept. 30, 2023</u>	Amounts Due Within <u>One Year</u>
Direct borrowings and direct placements					
Lease payable	\$ 1,095,133	\$ -	\$ (187,512)	\$ 907,621	\$ 196,910
Other long-term obligations					
Compensated absences	242,015	270,683	(221,308)	291,390	266,458
	<u>\$ 1,337,148</u>	<u>\$ 270,683</u>	<u>\$ (408,820)</u>	<u>\$ 1,199,011</u>	<u>\$ 463,368</u>

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - LONG-TERM OBLIGATIONS (continued)**

Significant details regarding outstanding long-term obligations (including current portion) are presented below:

Lease Payable

\$1,878,304 2018 Lease payable dated August 8, 2018, due in monthly installments ranging from \$16,044 to \$19,670 through December 1, 2027, with interest of 4.90%, payable monthly.

\$ 907,621

Compensated Absences

In accordance with Consortium personnel policies, individual employees have vested rights upon termination of employment to receive payment for unused vacation under formulas and conditions specified in their personnel policies handbook.

Accumulated sick and vacation leave represents a liability to the Consortium, 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 \$266,458 and a long-term liability of \$24,932 at September 30, 2023. Payments to employees for sick and vacation leave are recorded as expenditures when they are used, and payments are actually made to the employees.

The Consortium's outstanding obligations from direct borrowings and direct placements of \$907,621 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

The annual requirements to pay the long-term obligations as of September 30, 2023, including interest are as follows:

<u>Year Ending September 30,</u>	Direct Borrowings and Direct Placements	
	Principal	Interest
2024	\$ 196,910	\$ 40,090
2025	206,778	30,222
2026	217,140	19,860
2027	228,023	8,977
2028	58,770	480
	\$ 907,621	\$ 99,629

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - INTERFUND TRANSFERS**

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Transfers to Grants Special Revenue Fund from:	
General Fund	<u>\$ 104,971</u>

The transfers move unrestricted revenues collected in the General Fund to finance various programs accounted for in the Grants Special Revenue Funds in accordance with budgetary authorizations.

**NOTE 6 - DEFINED BENEFIT PENSION PLAN**

Plan Description

The Consortium's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The Consortium 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](http://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

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 at the Consortium.

Retirement benefits for Consortium employees are calculated at 2.00% of the employee's five-year final average compensation times the employee's years of service with no maximum. Normal retirement age is 60 with an unreduced benefit at age 55 with 25 years of service or a reduced benefit at age 50 with 25 years of service or age 55 with 15 years of service. Deferred retirement benefits vest after 10 years of credited service but are not paid until the date retirement would have occurred had the member remained an employee. Employees are eligible for non-duty disability benefits after 6 years of service and for duty related disability benefits upon hire. Disability benefits are determined in the same manner as retirement benefits but are payable immediately and if duty-related without an actuarial reduction for retirement before age 60 is not applied. 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 Directors.

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Benefits Provided (continued)

At the December 31, 2022, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	78
Inactive employees entitled to but not yet receiving benefits	14
Active employees	<u>103</u>
	<u><u>195</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 employer 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 costs of benefits earned by plan members 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.

Employer contributions were 11.60% based on annual payroll for the open division.

Payable to the Pension Plan

At September 30, 2023, there were no amounts outstanding by the Consortium for contributions to the pension plan required for the year ended September 30, 2023.

Net Pension Liability

The net pension liability reported at September 30, 2023 was determined using a measure of the total pension liability and the pension net position as of December 31, 2022. The December 31, 2022 total pension liability was determined by an actuarial valuation performed as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2022, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

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: 7.00%, net of investment expenses, including inflation.

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.

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

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.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money-Weighted Rate of Return</u>
Global Equity	60.00%	4.50%	2.70%
Global Fixed Income	20.00%	2.00%	0.40%
Private Investments	<u>20.00%</u>	7.00%	<u>1.40%</u>
	<u>100.00%</u>		<u>4.50%</u>
Inflation			2.50%
Administration expenses netted above			<u>0.25%</u>
Investment rate of return (discount rate)			<u>7.25%</u>

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. 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.

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Discount Rate (continued)

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2021	\$ 13,238,334	\$ 12,007,385	\$ 1,230,949
Changes for the year			
Service cost	464,264	-	464,264
Interest on total pension liability	952,503	-	952,503
Difference between expected and actual experience	235,924	-	235,924
Employer contributions	-	588,535	(588,535)
Net investment loss	-	(1,317,619)	1,317,619
Benefit payments, including employee refunds	(665,007)	(665,007)	-
Administrative expense	-	(22,003)	22,003
Net changes	987,684	(1,416,094)	2,403,778
Balances at December 31, 2022	\$ 14,226,018	\$ 10,591,291	\$ 3,634,727

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

The following presents the net pension liability of the Consortium, calculated using the discount rates of 7.25%, as well as what the Consortium's net pension liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 5,366,763	\$ 3,634,727	\$ 2,186,536

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - 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, 2023, the Consortium recognized pension expense of \$1,189,252. The Consortium reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 278,093	\$ 126,071
Differences in assumptions	588,469	-
Excess (deficit) investment returns	1,025,063	-
Contributions subsequent to the measurement date*	535,244	-
Total	\$ 2,426,869	\$ 126,071

\* 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, 2024.

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

Year Ending September 30,	Pension Expense
2024	\$ 401,726
2025	456,247
2026	423,482
2027	484,099
	\$ 1,765,554

Change in Assumptions

There were no changes in assumptions during plan year 2022.

Change in Benefit Terms

There were no changes in benefit terms during plan year 2022.

**NOTE 7 - RISK MANAGEMENT**

The Consortium is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which they carry commercial insurance. The Consortium has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three years.

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - CONTINGENT LIABILITIES**

The Consortium 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 Consortium'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 Consortium expects such amounts, if any, to be immaterial.

**NOTE 9 - CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended September 30, 2023, the Consortium implemented GASB Statement No. 96, *Subscription - based Information Technology Arrangements*.

In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

There was no material impact on the Consortium's financial statements after the adoption of GASB Statement No. 96.

**NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior period, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The Consortium is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023-2024 fiscal year.

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 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 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 Consortium is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

**TRI-COUNTY AGING CONSORTIUM  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)**

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 Consortium is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TRI-COUNTY AGING CONSORTIUM  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local grants	\$ 411,731	\$ 442,978	\$ 408,678	\$ (34,300)
Municipal appropriations				
City of Lansing	77,250	70,000	56,250	(13,750)
City of East Lansing	16,130	16,130	11,745	(4,385)
Ingham County	73,833	73,833	73,833	-
Clinton County	42,311	42,311	42,311	-
Eaton County	64,712	64,712	64,712	-
Interest	72,100	126,100	130,408	4,308
Contributions	91,700	76,625	72,881	(3,744)
<b>TOTAL REVENUES</b>	<b>849,767</b>	<b>912,689</b>	<b>860,818</b>	<b>(51,871)</b>
<b>EXPENDITURES</b>				
Current				
Health and welfare				
Salaries and wages	452,663	467,500	279,114	188,386
Fringe benefits	181,537	225,000	135,215	89,785
Operating expenditures	185,000	251,500	217,785	33,715
Professional services	77,500	76,500	58,332	18,168
Subcontractor expenditures	-	-	12,542	(12,542)
Travel and training	5,000	1,050	725	325
Total health and welfare	901,700	1,021,550	703,713	317,837
Debt service	45,000	45,000	37,920	7,080
<b>TOTAL EXPENDITURES</b>	<b>946,700</b>	<b>1,066,550</b>	<b>741,633</b>	<b>324,917</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(96,933)</b>	<b>(153,861)</b>	<b>119,185</b>	<b>273,046</b>
<b>OTHER FINANCING (USES)</b>				
Transfers out	(198,000)	(143,000)	(104,971)	38,029
<b>NET CHANGE IN FUND BALANCE</b>	<b>(294,933)</b>	<b>(296,861)</b>	<b>14,214</b>	<b>311,075</b>
Fund balance, beginning of year	692,517	692,517	692,517	-
Fund balance, end of year	<b>\$ 397,584</b>	<b>\$ 395,656</b>	<b>\$ 706,731</b>	<b>\$ 311,075</b>

**TRI-COUNTY AGING CONSORTIUM  
GRANTS SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Intergovernmental				
Federal	\$ 2,510,385	\$ 3,912,330	\$ 3,128,384	\$ (783,946)
State	1,852,767	1,996,161	2,051,624	55,463
Medicaid waiver program	32,500,000	32,500,000	31,944,883	(555,117)
Local grants	2,987,213	3,042,993	2,680,383	(362,610)
Charges for services	153,000	198,800	205,310	6,510
Contributions	214,700	272,850	91,756	(181,094)
	<b>40,218,065</b>	<b>41,923,134</b>	<b>40,102,340</b>	<b>(1,820,794)</b>
<b>EXPENDITURES</b>				
Current				
Health and welfare				
Salaries and wages	4,563,149	5,038,283	4,900,191	138,092
Fringe benefits	1,566,634	1,969,620	2,104,434	(134,814)
Operating expenditures	2,134,884	2,813,727	2,725,508	88,219
Professional services	165,775	186,025	167,014	19,011
Subcontractor expenditures	31,149,545	33,542,045	32,026,055	1,515,990
Travel and training	110,980	115,500	126,312	(10,812)
	<b>39,690,967</b>	<b>43,665,200</b>	<b>42,049,514</b>	<b>1,615,686</b>
Debt service	209,500	209,500	199,080	10,420
	<b>39,900,467</b>	<b>43,874,700</b>	<b>42,248,594</b>	<b>1,626,106</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>317,598</b>	<b>(1,951,566)</b>	<b>(2,146,254)</b>	<b>(194,688)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	198,000	120,500	104,971	(15,529)
	<b>515,598</b>	<b>(1,831,066)</b>	<b>(2,041,283)</b>	<b>(210,217)</b>
Fund balance, beginning of year	10,920,194	10,920,194	10,920,194	-
Fund balance, end of year	<b>\$ 11,435,792</b>	<b>\$ 9,089,128</b>	<b>\$ 8,878,911</b>	<b>\$ (210,217)</b>

**TRI-COUNTY AGING CONSORTIUM**  
**SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST NINE MEASUREMENT YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)**  
**(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 464,264	\$ 383,409	\$ 356,603	\$ 322,495	\$ 298,029	\$ 284,237	\$ 305,341	\$ 283,247	\$ 293,888
Interest	952,503	920,802	816,673	797,254	752,719	706,464	681,540	625,436	581,328
Difference between expected and actual experience	235,924	(174,524)	223,382	(106,777)	15,570	33,059	(285,593)	(77,380)	-
Changes of assumptions	-	498,268	567,411	312,716	-	-	-	450,517	-
Benefit payments, including employee refunds	(665,007)	(627,456)	(587,268)	(538,175)	(505,519)	(399,430)	(358,945)	(350,399)	(320,094)
Net Change in Total Pension Liability	987,684	1,000,499	1,376,801	787,513	560,799	624,330	342,343	931,421	555,122
Total Pension Liability, beginning	13,238,334	12,237,835	10,861,034	10,073,521	9,512,722	8,888,392	8,546,049	7,614,628	7,059,506
Total Pension Liability, ending	<u>\$ 14,226,018</u>	<u>\$ 13,238,334</u>	<u>\$ 12,237,835</u>	<u>\$ 10,861,034</u>	<u>\$ 10,073,521</u>	<u>\$ 9,512,722</u>	<u>\$ 8,888,392</u>	<u>\$ 8,546,049</u>	<u>\$ 7,614,628</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 588,535	\$ 648,535	\$ 416,705	\$ 355,254	\$ 333,749	\$ 337,721	\$ 368,807	\$ 283,411	\$ 263,114
Contributions - employee	-	-	25,958	12,058	-	35,427	-	35,531	23,334
Net investment income (loss)	(1,317,619)	1,430,516	1,335,262	1,146,505	(351,718)	1,065,022	823,433	(111,727)	438,821
Benefit payments, including employee refunds	(665,007)	(627,456)	(587,268)	(538,175)	(505,519)	(399,430)	(358,945)	(350,399)	(320,094)
Administrative expense	(22,003)	(16,901)	(18,944)	(19,754)	(17,429)	(16,842)	(16,238)	(16,137)	(16,148)
Net Change in Plan Fiduciary Net Position	(1,416,094)	1,434,694	1,171,713	955,888	(540,917)	1,021,898	817,057	(159,321)	389,027
Plan Fiduciary Net Position, beginning	12,007,385	10,572,691	9,400,978	8,445,090	8,986,007	7,964,109	7,147,052	7,306,373	6,917,346
Plan Fiduciary Net Position, ending	<u>\$ 10,591,291</u>	<u>\$ 12,007,385</u>	<u>\$ 10,572,691</u>	<u>\$ 9,400,978</u>	<u>\$ 8,445,090</u>	<u>\$ 8,986,007</u>	<u>\$ 7,964,109</u>	<u>\$ 7,147,052</u>	<u>\$ 7,306,373</u>
Employer's Net Pension Liability	<u>\$ 3,634,727</u>	<u>\$ 1,230,949</u>	<u>\$ 1,665,144</u>	<u>\$ 1,460,056</u>	<u>\$ 1,628,431</u>	<u>\$ 526,715</u>	<u>\$ 924,283</u>	<u>\$ 1,398,997</u>	<u>\$ 308,255</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74%	91%	86%	87%	84%	94%	90%	84%	96%
Covered payroll	\$ 4,582,245	\$ 4,110,647	\$ 4,007,554	\$ 3,709,456	\$ 3,431,432	\$ 3,315,387	\$ 3,638,975	\$ 3,480,095	\$ 3,612,252
Employer's Net Pension Liability as a percentage of covered payroll	79%	30%	42%	39%	47%	16%	25%	40%	9%

**TRI-COUNTY AGING CONSORTIUM  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
LAST NINE FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)  
(AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH FISCAL YEAR)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$ 716,762	\$ 544,943	\$ 450,821	\$ 390,259	\$ 346,264	\$ 250,517	\$ 245,572	\$ 246,191	\$ 286,134
Contributions in relation to the actuarially determined contribution	<u>716,762</u>	<u>544,943</u>	<u>625,821</u>	<u>390,259</u>	<u>346,264</u>	<u>250,517</u>	<u>245,572</u>	<u>246,191</u>	<u>286,134</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (175,000)</u>	<u>\$ -</u>					
Covered payroll	\$ 4,974,289	\$ 4,383,837	\$ 4,040,921	\$ 3,853,013	\$ 3,617,532	\$ 3,426,150	\$ 3,554,559	\$ 3,740,817	\$ 3,599,973
Contributions as a percentage of covered payroll	14%	12%	15%	9%	10%	7%	7%	7%	8%

**TRI-COUNTY AGING CONSORTIUM  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 1 - EMPLOYEE RETIREMENT PLAN**

Changes in Assumptions: There were no changes in assumptions during plan year 2022.

Changes of Benefits Terms: There were no changes in benefit terms for the plan year 2022.

## **OTHER SUPPLEMENTARY INFORMATION**

**TRI-COUNTY AGING CONSORTIUM  
GRANTS SPECIAL REVENUE FUND - BY PROGRAM  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
YEAR ENDED SEPTEMBER 30, 2023**

	Title III Administrative	Title III B Services	Title III C1 Nutrition	Title III C2 State Home Delivered Meals
<b>REVENUES</b>				
Intergovernmental				
Federal	\$ 179,270	\$ 451,981	\$ 407,752	\$ 852,170
State	31,127	-	9,365	464,631
Medicaid waiver program	-	-	-	-
Local grants	-	-	-	40,083
Program revenues	-	-	47,483	141,971
Contributions	-	-	9,755	60,696
<b>TOTAL REVENUES</b>	<b>210,397</b>	<b>451,981</b>	<b>474,355</b>	<b>1,559,551</b>
<b>EXPENDITURES</b>				
Current				
Health and welfare				
Salaries and wages	127,490	100,249	124,895	450,139
Fringe benefits	73,102	47,467	50,449	181,072
Operating expenditures	5,389	4,022	270,174	1,069,488
Professional services	484	495	3,245	17,143
Subcontractor expenditures	-	262,301	-	-
Travel and training	-	2,663	3,429	43,986
<b>Total health and welfare</b>	<b>206,465</b>	<b>417,197</b>	<b>452,192</b>	<b>1,761,828</b>
Debt service	3,932	-	12,541	69,766
<b>TOTAL EXPENDITURES</b>	<b>210,397</b>	<b>417,197</b>	<b>464,733</b>	<b>1,831,594</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>34,784</b>	<b>9,622</b>	<b>(272,043)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	269,534
Transfers out	-	(34,784)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(34,784)</b>	<b>-</b>	<b>269,534</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>9,622</b>	<b>(2,509)</b>
Fund balance, beginning of year	-	-	(195,007)	156,280
Fund balance, end of year	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (185,385)</b>	<b>\$ 153,771</b>

<u>Title III C2 Supplemental Nutrition</u>	<u>Title III D Services</u>	<u>Crisis Management</u>	<u>HCBS Waiver</u>	<u>Alternative Care</u>	<u>Care Management</u>
\$ -	\$ 23,652	\$ -	\$ -	\$ -	\$ -
186,832	-	-	-	137,453	215,913
-	-	-	31,944,883	-	-
424,346	-	-	6,412	-	-
-	-	-	-	-	-
-	-	21,305	-	-	-
<u>611,178</u>	<u>23,652</u>	<u>21,305</u>	<u>31,951,295</u>	<u>137,453</u>	<u>215,913</u>
58,174	-	-	3,125,560	-	117,783
29,193	-	-	1,346,266	-	47,756
345,437	-	-	456,844	-	20,751
-	-	-	114,440	-	7,487
-	23,652	128,025	28,792,945	137,453	57,906
-	-	-	53,642	-	2,705
<u>432,804</u>	<u>23,652</u>	<u>128,025</u>	<u>33,889,697</u>	<u>137,453</u>	<u>254,388</u>
-	-	-	85,320	-	7,110
<u>432,804</u>	<u>23,652</u>	<u>128,025</u>	<u>33,975,017</u>	<u>137,453</u>	<u>261,498</u>
<u>178,374</u>	<u>-</u>	<u>(106,720)</u>	<u>(2,023,722)</u>	<u>-</u>	<u>(45,585)</u>
-	-	106,720	-	-	45,585
<u>(178,374)</u>	<u>-</u>	<u>-</u>	<u>(45,585)</u>	<u>-</u>	<u>-</u>
<u>(178,374)</u>	<u>-</u>	<u>106,720</u>	<u>(45,585)</u>	<u>-</u>	<u>45,585</u>
-	-	-	(2,069,307)	-	-
-	-	-	10,830,994	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,761,687</u>	<u>\$ -</u>	<u>\$ -</u>

**TRI-COUNTY AGING CONSORTIUM  
GRANTS SPECIAL REVENUE FUND - BY PROGRAM  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)  
YEAR ENDED SEPTEMBER 30, 2023**

	Respite	Medicare/ Medicaid Assistance	Title III E Services	State In-Home Care
<b>REVENUES</b>				
Intergovernmental				
Federal	\$ -	\$ 100,025	\$ 267,396	\$ -
State	62,705	-	-	662,489
Medicaid waiver program	-	-	-	-
Local grants	-	-	-	-
Program revenues	637	-	-	911
Contributions	-	-	-	-
	<u>63,342</u>	<u>100,025</u>	<u>267,396</u>	<u>663,400</u>
<b>EXPENDITURES</b>				
Current				
Health and welfare				
Salaries and wages	-	39,803	128,098	-
Fringe benefits	-	23,370	56,068	-
Operating expenditures	-	25,043	3,087	-
Professional services	-	33	929	-
Subcontractor expenditures	63,342	-	31,201	633,400
Travel and training	-	223	3,126	-
	<u>63,342</u>	<u>88,472</u>	<u>222,509</u>	<u>633,400</u>
Total health and welfare				
Debt service	-	-	-	-
	<u>63,342</u>	<u>88,472</u>	<u>222,509</u>	<u>633,400</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>11,553</u>	<u>44,887</u>	<u>30,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(44,887)	(30,000)
	<u>-</u>	<u>-</u>	<u>(44,887)</u>	<u>(30,000)</u>
NET CHANGE IN FUND BALANCE	-	11,553	-	-
Fund balance, beginning of year	-	127,927	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ 139,480</u>	<u>\$ -</u>	<u>\$ -</u>

State Access Services	Title VII A Services	Title VII Elder Abuse	Evidence Based Programs	Merit Award Respite	Aging Network Services
\$ -	\$ 11,006	\$ 7,187	\$ -	\$ -	\$ -
27,953	-	-	3,400	128,472	43,590
-	-	-	-	-	-
-	-	-	900	-	-
-	-	-	9,449	2,038	-
-	-	-	-	-	-
<u>27,953</u>	<u>11,006</u>	<u>7,187</u>	<u>13,749</u>	<u>130,510</u>	<u>43,590</u>
17,932	-	-	48,189	-	26,154
9,009	-	-	12,014	-	16,210
665	-	-	7,790	4,506	408
99	-	-	3,865	-	157
-	11,006	7,187	-	126,004	-
248	-	-	1,778	-	661
<u>27,953</u>	<u>11,006</u>	<u>7,187</u>	<u>73,636</u>	<u>130,510</u>	<u>43,590</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>27,953</u>	<u>11,006</u>	<u>7,187</u>	<u>73,636</u>	<u>130,510</u>	<u>43,590</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(59,887)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>59,887</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>59,887</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TRI-COUNTY AGING CONSORTIUM  
GRANTS SPECIAL REVENUE FUND - BY PROGRAM  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)  
YEAR ENDED SEPTEMBER 30, 2023**

	State Caregiver Support	Elder Senior Millage	ARPA Title III B Administrative	ARPA Title III B
<b>REVENUES</b>				
Intergovernmental				
Federal	\$ -	\$ -	\$ 82,529	\$ 179,385
State	15,851	-	16,508	10,437
Medicaid waiver program	-	-	-	-
Local grants	-	2,208,642	-	-
Program revenues	-	2,821	-	-
Contributions	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>15,851</u>	<u>2,211,463</u>	<u>99,037</u>	<u>189,822</u>
<b>EXPENDITURES</b>				
Current				
Health and welfare				
Salaries and wages	-	303,233	63,796	31,636
Fringe benefits	-	119,001	27,278	12,820
Operating expenditures	-	165,780	4,294	2,218
Professional services	-	1,148	272	134
Subcontractor expenditures	15,851	1,605,375	-	99,520
Travel and training	-	7,568	219	369
	<u>-</u>	<u>7,568</u>	<u>219</u>	<u>369</u>
Total health and welfare	<u>15,851</u>	<u>2,202,105</u>	<u>95,859</u>	<u>146,697</u>
Debt service	<u>-</u>	<u>-</u>	<u>3,178</u>	<u>-</u>
TOTAL EXPENDITURES	<u>15,851</u>	<u>2,202,105</u>	<u>99,037</u>	<u>146,697</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>9,358</u>	<u>-</u>	<u>43,125</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(43,125)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,125)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,125)</u>
NET CHANGE IN FUND BALANCE	-	9,358	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 9,358</u>	<u>\$ -</u>	<u>\$ -</u>

ARPA Title III E	ARPA Nutrition Congregate	ARPA Nutrition MOW	ARPA Title III A Ombudsman	ARPA Title III D Health Promo	Eliminations	Total
\$ 22,523	\$ 269,699	\$ 248,113	\$ 3,979	\$ 21,717	\$ -	\$ 3,128,384
4,505	14,561	15,832	-	-	-	2,051,624
-	-	-	-	-	-	31,944,883
-	-	-	-	-	-	2,680,383
-	-	-	-	-	-	205,310
-	-	-	-	-	-	91,756
<u>27,028</u>	<u>284,260</u>	<u>263,945</u>	<u>3,979</u>	<u>21,717</u>	<u>-</u>	<u>40,102,340</u>
14,989	64,044	58,027	-	-	-	4,900,191
6,114	25,077	22,168	-	-	-	2,104,434
381	172,857	166,374	-	-	-	2,725,508
88	10,906	6,089	-	-	-	167,014
5,191	-	-	3,979	21,717	-	32,026,055
265	2,619	2,811	-	-	-	126,312
<u>27,028</u>	<u>275,503</u>	<u>255,469</u>	<u>3,979</u>	<u>21,717</u>	<u>-</u>	<u>42,049,514</u>
-	8,757	8,476	-	-	-	199,080
<u>27,028</u>	<u>284,260</u>	<u>263,945</u>	<u>3,979</u>	<u>21,717</u>	<u>-</u>	<u>42,248,594</u>
-	-	-	-	-	-	(2,146,254)
-	-	-	-	-	(376,755)	104,971
-	-	-	-	-	376,755	-
-	-	-	-	-	-	104,971
-	-	-	-	-	-	(2,041,283)
-	-	-	-	-	-	10,920,194
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,878,911</u>

**TRI-COUNTY AGING CONSORTIUM  
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE  
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Part B</u>	<u>Part C1</u>	<u>Part C2</u>	<u>Part D</u>
Care Management	\$ -	\$ -	\$ -	\$ -
Personal Care	19,364	-	-	-
Homemaker	118,608	-	-	-
Home Delivered Meals	-	-	585,597	-
In Home Respite	-	-	-	-
Case Coordination and Support	53,085	-	-	-
Congregate Meals	-	341,111	-	-
Kinship Respite Care	-	-	-	-
Transportation	11,005	-	-	-
Legal Assistance	18,449	-	-	-
Information and Assistance	61,701	-	-	-
Adult Day Care	-	-	-	-
Elder Abuse Prevention	-	-	-	-
Friendly Reassurance	26,078	-	-	-
Outreach	-	-	-	-
Caregiver Information and Assistance	-	-	-	-
Caregiver Education	9,947	-	-	-
Caregiver Outreach	-	-	-	-
Disease Prevention/Health	15,000	-	-	23,652
Program Development	85,600	-	-	-
Crisis Services for the Elderly (RSD)	19,784	-	-	-
Ombudsman	8,360	-	-	-
Options Counseling	5,000	-	-	-
Administration (AAA)	48,534	64,279	43,408	-
	<u>\$ 500,515</u>	<u>\$ 405,390</u>	<u>\$ 629,005</u>	<u>\$ 23,652</u>

<u>Part E</u>	<u>Part EAP</u>	<u>Part VII A</u>	<u>NSIP</u>	<u>State Access</u>	<u>State In-Home</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	468,405
-	-	-	266,571	-	-
29,903	-	-	-	-	-
-	-	-	-	-	-
-	-	-	66,643	-	-
1,298	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,187	-	-	-	-
-	-	-	-	-	-
-	-	-	-	27,953	-
94,533	-	-	-	-	-
-	-	-	-	-	-
44,804	-	-	-	-	-
44,887	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	30,000
-	-	11,006	-	-	-
51,971	-	-	-	-	-
23,049	-	-	-	-	-
<u>\$ 290,445</u>	<u>\$ 7,187</u>	<u>\$ 11,006</u>	<u>\$ 333,214</u>	<u>\$ 27,953</u>	<u>\$ 498,405</u>

**TRI-COUNTY AGING CONSORTIUM**  
**SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)**  
**YEAR ENDED SEPTEMBER 30, 2023**

	State Congregate Meals	State Home Delivered Meals	State NHO	State Alt Care
Care Management	\$ -	\$ -	\$ -	\$ -
Personal Care	-	-	-	-
Homemaker	-	-	-	109,290
Home Delivered Meals	-	464,631	-	-
In Home Respite	-	-	-	-
Case Coordination and Support	-	-	-	-
Congregate Meals	9,365	-	-	-
Kinship Respite Care	-	-	-	-
Transportation	-	-	-	-
Legal Assistance	-	-	-	-
Information and Assistance	-	-	-	-
Adult Day Care	-	-	-	-
Elder Abuse Prevention	-	-	-	-
Friendly Reassurance	-	-	-	-
Outreach	-	-	-	-
Caregiver Information and Assistance	-	-	-	-
Caregiver Education	-	-	-	-
Caregiver Outreach	-	-	-	-
Disease Prevention/Health	-	-	-	-
Program Development	-	-	-	-
Crisis Services for the Elderly (RSD)	-	-	-	-
Ombudsman	-	-	18,678	-
Options Counseling	-	-	-	-
Administration (AAA)	-	25,200	-	5,927
	<u>\$ 9,365</u>	<u>\$ 489,831</u>	<u>\$ 18,678</u>	<u>\$ 115,217</u>

<u>State MSO</u>	<u>State Care Management</u>	<u>State Merit Award</u>	<u>State Caregiver Support</u>	<u>State Respite Care</u>	<u>State ANS</u>
\$ -	\$ 215,913	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,910	15,851	62,705	-
-	-	-	-	-	16,120
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	27,470
-	-	122,056	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,485	-	-	-	-	-
-	-	-	-	-	-
-	-	4,506	-	-	-
<u>\$ 9,485</u>	<u>\$ 215,913</u>	<u>\$ 128,472</u>	<u>\$ 15,851</u>	<u>\$ 62,705</u>	<u>\$ 43,590</u>

**TRI-COUNTY AGING CONSORTIUM**  
**SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Program Income	Cash Match	In-kind Match	Total
Care Management	\$ -	\$ 23,991	\$ -	\$ 239,904
Personal Care	-	-	2,152	21,516
Homemaker	-	-	67,947	764,250
Home Delivered Meals	141,973	-	117,796	1,576,568
In Home Respite	637	-	3,323	114,329
Case Coordination and Support	-	-	7,690	76,895
Congregate Meals	47,238	-	39,066	503,423
Kinship Respite Care	-	-	144	1,442
Transportation	-	-	2,777	13,782
Legal Assistance	-	3,333	-	21,782
Information and Assistance	-	-	13,052	102,223
Adult Day Care	-	2,800	17,608	142,464
Elder Abuse Prevention	-	708	91	7,986
Friendly Reassurance	-	-	3,469	29,547
Outreach	-	-	3,106	31,059
Caregiver Information and Assistance	-	-	10,504	105,037
Caregiver Education	-	-	1,105	11,052
Caregiver Outreach	-	-	4,978	49,782
Disease Prevention/Health	-	-	9,789	93,328
Program Development	-	-	9,511	95,111
Crisis Services for the Elderly (RSD)	-	-	5,597	55,381
Ombudsman	-	-	3,130	50,659
Options Counseling	-	-	6,330	63,301
Administration (AAA)	-	-	-	214,903
	<u>\$ 189,848</u>	<u>\$ 30,832</u>	<u>\$ 329,165</u>	<u>\$ 4,385,724</u>

**TRI-COUNTY AGING CONSORTIUM**  
**SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)**  
**YEAR ENDED SEPTEMBER 30, 2023**

American Rescue Plan Act (ARPA)

	<u>Title III B</u>	<u>Title III C1</u>	<u>Title III C2</u>	<u>Title III D</u>
Personal Care	\$ 15,955	\$ -	\$ -	\$ -
Homemaker	32,634	-	-	-
Home Delivered Meals	-	-	263,945	-
In Home Respite	-	-	-	-
Case Coordination and Support	3,837	-	-	-
Congregate Meals	-	284,260	-	-
Kinship Respite Care	-	-	-	-
Legal Assistance	11,551	-	-	-
Information and Assistance	14,612	-	-	-
Friendly Reassurance	7,590	-	-	-
Caregiver Education	5,001	-	-	-
Caregiver Outreach	-	-	-	-
Caregiver Transportation	13,995	-	-	-
Disease Prevention/Health	-	-	-	21,717
Program Development	34,373	-	-	-
Crisis Services for the Elderly (RSD)	43,125	-	-	-
Ombudsman	3,670	-	-	-
Regional Service Def	3,479	-	-	-
Administration (AAA)	99,037	-	-	-
	<u>\$ 288,859</u>	<u>\$ 284,260</u>	<u>\$ 263,945</u>	<u>\$ 21,717</u>
TOTAL EXPENDITURES	<u>\$ 288,859</u>	<u>\$ 284,260</u>	<u>\$ 263,945</u>	<u>\$ 21,717</u>

<u>Title III E</u>	<u>Title VII</u>	<u>In-kind Match</u>	<u>ARPA Total</u>
\$ -	\$ -	\$ 1,773	\$ 17,728
-	-	3,626	36,260
-	-	29,328	293,273
5,098	-	567	5,665
-	-	427	4,264
-	-	31,585	315,845
97	-	11	108
-	-	1,283	12,834
11,983	-	2,955	29,550
-	-	843	8,433
-	-	556	5,557
2,868	-	319	3,187
-	-	1,555	15,550
-	-	2,413	24,130
-	-	3,819	38,192
-	-	4,792	47,917
-	3,979	850	8,499
6,982	-	1,162	11,623
-	-	-	99,037
<u>\$ 27,028</u>	<u>\$ 3,979</u>	<u>\$ 87,864</u>	<u>\$ 977,652</u>

**TRI-COUNTY AGING CONSORTIUM  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2023**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Michigan Aging and Adult Services Agency			
Title VII Elder Abuse Prevention	93.041	20233444	\$ 7,187
Title VIIA Services - LTC Ombudsman	93.042		
Regular		20233444	11,006
COVID-19 Regular - ARP		20233444	3,979
			<u>14,985</u>
Special Programs for the Aging, Title III, Part D			
Disease Prevention and Health Promotion Services	93.043		
Regular		20233444	23,652
COVID-19 - ARP		20233444	21,717
			<u>45,369</u>
Aging Cluster <sup>(a)(b)</sup>			
Special Programs for the Aging, Title III, Part B			
Grants for Supportive Services and Senior Centers	93.044		
Regular		20233444	451,981
COVID-19 Regular - ARP		20233444	179,385
Administration		20233444	48,534
COVID-19 Administration - ARP		20233444	82,529
			<u>762,429</u>
Special Programs for the Aging, Title III, Part C			
Nutrition Services	93.045		
Administration		20233444	107,687
Congregate Meals		20233444	341,111
COVID-19 Congregate Meals - ARP		20233444	269,699
Home Delivered Meals		20233444	585,597
COVID-19 Home Delivered Meals - ARP		20233444	248,113
			<u>1,552,207</u>
Nutrition Services Incentive Program	93.053		
Home Delivered Meals		20233444	266,573
Congregate Meals		20233444	66,641
			<u>333,214</u>
Total Aging Cluster			<u>2,647,850</u>
National Caregiver Support, Title III, Part E	93.052		
Regular		20233444	267,396
COVID-19 Regular - ARP		20233444	22,523
Administration		20233444	23,049
			<u>312,968</u>
Total passed through Michigan Aging and Adult Services Agency			<u>3,028,359</u>

**TRI-COUNTY AGING CONSORTIUM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**YEAR ENDED SEPTEMBER 30, 2023**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)			
Passed through MMAP, Inc.			
Special Programs for the Aging, Title IV and Title II Discretionary Projects	93.048		
Senior Medicare Patrol		90MPPG0039	<u>\$ 16,875</u>
Medicare Enrollment Assistance Programs	93.071		
Medicare Improvements for Patients and Providers Act		2201MIMISH/2201IMIMIAA	11,750
Michigan Medicare/Medicaid Assistance Program		2201IMIDR-00	<u>27,733</u>
			<u>39,483</u>
State Health Insurance Assistance	93.324		
Centers for Medicare and Medicaid Services		90SAPG0090	<u>43,667</u>
Total passed through MMAP, Inc.			<u>100,025</u>
<b>TOTAL FEDERAL AWARD EXPENDITURES</b>			<u><u>\$ 3,128,384</u></u>

**TRI-COUNTY AGING CONSORTIUM**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Tri-County Aging Consortium (the Consortium) under programs of the federal government for the year ended September 30, 2023. 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 Consortium, it is not intended to and does not present the financial position or changes in net position of the Tri-County Aging Consortium.

**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 Tri-County Aging Consortium has elected to 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 Consortium to any subrecipients during the year.

**NOTE 4 - SUMMARY OF SIGNIFICANT EXPLANATIONS OF SCHEDULE**

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

- (a) Denotes programs tested as "major programs".
- (b) Denotes programs required to be clustered by United States Department of Health and Human Services.



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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 Directors of the  
Tri-County Aging Consortium  
Lansing, 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, each major fund, and the aggregate remaining fund information of the Tri-County Aging Consortium (the Consortium), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements and have issued our report thereon dated March 7, 2024.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Manes Costeiran PC*

March 7, 2024



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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 Directors of the  
Tri-County Aging Consortium  
Lansing, Michigan

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Tri-County Aging Consortium's (the Consortium) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the Consortium's major federal programs for the year ended September 30, 2023. The Consortium's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Tri-County Aging Consortium 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, 2023.

***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 Consortium 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 Consortium'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 Consortium'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 Consortium'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 Consortium'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 Consortium'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 Consortium'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 Consortium'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 a 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.

*Maney Costeiran PC*

March 7, 2024

**TRI-COUNTY AGING CONSORTIUM  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2023**

**Section I - Summary of Auditor's Results**

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**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:

Assistance Listing Number(s)	Name of Federal Program or Cluster
93.044, 93.045, 93.053	Aging Cluster

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**

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None noted.

**Section III - Federal Award Findings and Questioned Costs**

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None noted.

**TRI-COUNTY AGING CONSORTIUM  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED SEPTEMBER 30, 2023**

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.