

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

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

YEAR ENDED SEPTEMBER 30, 2025



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2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

2851 Charlevoix Dr SE #210,
Grand Rapids, MI 49546

☎ 517.323.7500

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 the Tri-County Aging Consortium, as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the 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, 2025, 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 the 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 the 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 the 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 the 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, and historical pension information, 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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, including the schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2026, 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

Lansing, Michigan
March 6, 2026

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, 2025. 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, 2025, by \$7,915,650 at the government-wide level. Unrestricted net position was \$7,668,818 at September 30, 2025.
- The Consortium's total net position increased \$164,222 as a result of this year's operations.
- As of September 30, 2025, the Consortium's governmental funds reported ending fund balances of \$9,345,197, an increase of \$452,744.
- As of September 30, 2025, the General Fund unassigned fund balance was \$6,075,498, or approximately 93% 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, 2025.

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 2024/2025. 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 16-34 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 36-39. Other supplementary information concerning support services and expenditures of federal awards can be found on pages 43-53 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Tri-County Aging Consortium, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,915,650.

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

A comparative analysis of net position as of September 30, 2025 and 2024 are presented below:

	<u>2025</u>	<u>2024</u>
ASSETS		
Current and other assets	\$ 14,734,744	\$ 14,108,357
Capital assets, net	<u>606,156</u>	<u>751,310</u>
TOTAL ASSETS	<u>15,340,900</u>	<u>14,859,667</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,660,407</u>	<u>2,062,121</u>
LIABILITIES		
Current liabilities	4,803,913	4,612,829
Noncurrent liabilities	<u>4,237,708</u>	<u>4,487,722</u>
TOTAL LIABILITIES	<u>9,041,621</u>	<u>9,100,551</u>
DEFERRED INFLOWS OF RESOURCES	<u>44,036</u>	<u>69,809</u>
NET POSITION		
Net investment in capital assets	102,223	40,599
Restricted	144,609	132,901
Unrestricted	<u>7,668,818</u>	<u>7,577,928</u>
TOTAL NET POSITION	<u>\$ 7,915,650</u>	<u>\$ 7,751,428</u>

Unrestricted net position (the part of net position that can be used to finance day to day operations) increased by \$90,890. This is within our desired range.

The following table shows the changes in net position as of September 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
REVENUES		
Program revenues		
Charges for services	\$ 157,610	\$ 188,570
Operating grants and contributions	53,702,010	47,237,140
General revenue		
Municipal appropriations	282,999	277,591
Investment earnings	<u>395,763</u>	<u>283,670</u>
TOTAL REVENUES	<u>54,538,382</u>	<u>47,986,971</u>
EXPENSES		
Health and welfare	54,337,582	49,245,486
Interest on long-term debt	<u>36,578</u>	<u>40,090</u>
TOTAL EXPENSES	<u>54,374,160</u>	<u>49,285,576</u>
Changes in net position	<u>\$ 164,222</u>	<u>\$ (1,298,605)</u>

TRI-COUNTY AGING CONSORTIUM MANAGEMENT'S DISCUSSION AND ANALYSIS

The increase in revenues of \$6,551,411 was due to an increase in funding received for the MI Choice program from the Michigan Department of Health and Human Services (MDHHS). There were additional slots allocated which increased participant counts and an increase in the Capitation rates that increase total program revenue.

Total expenses increased \$5,088,584 or 10% 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 more than expenditures and other financing uses, leading to a \$5,838,243 increase in fund balance during the year, primarily due to a transfer in from the Grants Special Revenue Fund. Ending fund balance was \$6,540,742, with \$74,572 nonspendable, \$74,354 restricted, and \$316,318 assigned. The balance of \$6,075,498 was unassigned.

The Grants Special Revenue Fund experienced a decrease in fund balance of \$5,081,207 primarily due to a transfer out to the General Fund. In fiscal year 2025, the Michigan Department of Health and Human Services (MDHHS) allocated additional slots to the program, allowing for increased enrollment. The total slots available for the year reached approximately 1,248, with actual enrollment at 971 as of September 30, 2025. It is important to note that MI Choice operates as a managed care program under a full-risk contract. Reimbursement is capitated and determined by an actuarial entity across six rate cells. As a result, annual revenues may exceed expenditures or vice versa, reflecting the nature of a managed care system. The remaining fund balance from fiscal year 2025 will be reserved for future periods when expenditures may surpass revenues.

The Consortium and the MDHHS are still in the process of reconciling claims for fiscal years 2024 and 2025. 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.

General Fund Budgetary Highlights

Over the course of the year the Consortium's Board of Directors amended the budget to take into account events that occurred during the year. Total revenue and other financing sources budget was increased by \$5,967,224, or 514%, primarily due to an operating transfer from the Grants Special Revenue Fund for accumulated fund balance from the Consortium's Waiver program. Actual revenue and other financing sources was less than the amended budget by \$231,621. Budgeted expenditures and other financing uses were increased only \$79,155, or 6%, primarily related to salaries, fringe benefits, and professional services. Actual expenditures and other financing uses were \$350,386 less than the amended budget.

Capital Asset and Debt Administration

Capital Assets: The Consortium's investment in capital assets as of September 30, 2025, amounts to \$606,156 (net of accumulated depreciation/amortization). During the year, the Consortium purchased two cargo vans totaling \$87,042 and disposed of equipment that was fully depreciated totaling \$13,860. Additional details related to capital assets are presented in Note 3 to the financial statements.

Long-term Obligations: The Consortium has long-term obligations related to a lease payable and compensation (e.g., unused vacation and sick leave). The long-term obligation at September 30, 2025, amounted to \$776,782. Additional details related to long-term obligations are presented in Note 4 to the financial statements.

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

Economic Factors and Next Year's Budget and Rates

The Consortium's funding is determined at the federal, state, and local levels. Federal and state funding cuts, while not foreseen at this time, could be made at any time and could have a significant impact 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 Consortium is positioned to provide quality services to our target populations.

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, 2025**

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 11,153,305
Cash and cash equivalents - restricted	144,609
Accounts receivable	729,433
Due from other governmental units	2,400,564
Prepays	306,339
Inventory	494
Total current assets	14,734,744
Noncurrent assets	
Capital assets, net of accumulated depreciation/amortization	606,156
TOTAL ASSETS	15,340,900
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pension	1,660,407
LIABILITIES	
Current liabilities	
Accounts payable	3,979,667
Accrued payroll	301,182
Unearned revenue	46,718
Current portion of long-term debt	217,140
Current portion of compensated absences	259,206
Total current liabilities	4,803,913
Noncurrent liabilities	
Net pension liability	3,937,272
Noncurrent portion of long-term debt	286,793
Noncurrent portion of compensated absences	13,643
Total noncurrent liabilities	4,237,708
TOTAL LIABILITIES	9,041,621
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pension	44,036
NET POSITION	
Net investment in capital assets	102,223
Restricted for capital campaign	
Nonexpendable	70,255
Expendable	74,354
Unrestricted	7,668,818
TOTAL NET POSITION	\$ 7,915,650

See accompanying notes to financial statements.

**TRI-COUNTY AGING CONSORTIUM
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities				
Health and welfare	\$ 54,337,582	\$ 157,610	\$ 53,702,010	\$ (477,962)
Interest on long-term debt	<u>36,578</u>	<u>-</u>	<u>-</u>	<u>(36,578)</u>
Total	<u>\$ 54,374,160</u>	<u>\$ 157,610</u>	<u>\$ 53,702,010</u>	<u>(514,540)</u>
General revenues				
Municipal appropriations				282,999
Investment income				<u>395,763</u>
Total general revenues				<u>678,762</u>
Change in net position				164,222
Net position, beginning of year				<u>7,751,428</u>
Net position, end of year				<u>\$ 7,915,650</u>

See accompanying notes to financial statements.

**TRI-COUNTY AGING CONSORTIUM
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2025**

	General	Grants Special Revenue	Capital Projects (Capital Campaign) (Nonmajor Fund)	Total
ASSETS				
Cash and cash equivalents	\$ 6,551,825	\$ 4,589,789	\$ 11,691	\$ 11,153,305
Cash and cash equivalents - restricted	144,609	-	-	144,609
Accounts receivable	-	729,433	-	729,433
Due from other governmental units	-	2,400,564	-	2,400,564
Prepays	3,823	302,516	-	306,339
Inventory	494	-	-	494
	<u>6,700,751</u>	<u>8,022,302</u>	<u>11,691</u>	<u>14,734,744</u>
TOTAL ASSETS				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUD BALANCES				
LIABILITIES				
Accounts payable	\$ 95,156	\$ 3,884,511	\$ -	\$ 3,979,667
Accrued payroll	20,287	280,895	-	301,182
Unearned revenue	44,566	2,152	-	46,718
	<u>160,009</u>	<u>4,167,558</u>	<u>-</u>	<u>4,327,567</u>
TOTAL LIABILITIES				
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	1,061,980	-	1,061,980
FUND BALANCES				
Nonspendable				
Prepays and inventory	4,317	302,516	-	306,833
Permanent corpus	70,255	-	-	70,255
Restricted				
Capital campaign	74,354	-	-	74,354
Committed				
HCBS - Waiver	-	2,490,248	-	2,490,248
Assigned				
Capital campaign	-	-	11,691	11,691
Future years expenditures	261,612	-	-	261,612
Friends of Independence	54,706	-	-	54,706
Unassigned	6,075,498	-	-	6,075,498
	<u>6,540,742</u>	<u>2,792,764</u>	<u>11,691</u>	<u>9,345,197</u>
TOTAL FUND BALANCES				
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
	<u>\$ 6,700,751</u>	<u>\$ 8,022,302</u>	<u>\$ 11,691</u>	<u>\$ 14,734,744</u>

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, 2025**

Total fund balances - governmental funds \$ 9,345,197

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	\$	1,810,598
Accumulated depreciation/amortization is		<u>(1,204,442)</u>

Capital assets, net		606,156
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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. 1,061,980

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

Deferred outflows of resources related to pension		1,660,407
Deferred inflows of resources related to pension		<u>(44,036)</u>

1,616,371

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		(272,849)
Lease payable		(503,933)
Net pension liability		<u>(3,937,272)</u>

(4,714,054)

Net position of governmental activities \$ 7,915,650

**TRI-COUNTY AGING CONSORTIUM
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2025**

	General	Grants Special Revenue	Capital Projects (Capital Campaign) (Nonmajor Fund)	Total
REVENUES				
Intergovernmental				
Federal	\$ -	\$ 2,565,896	\$ -	\$ 2,565,896
State	-	2,542,708	-	2,542,708
Medicaid waiver program	-	44,526,753	-	44,526,753
Municipal appropriations	282,999	-	-	282,999
Local grants	386,974	3,379,397	-	3,766,371
Program revenues	-	156,741	-	156,741
Investment income	382,897	-	12,866	395,763
Contributions	68,117	83,530	-	151,647
TOTAL REVENUES	1,120,987	53,255,025	12,866	54,388,878
EXPENDITURES				
Current				
Health and welfare	1,019,727	52,671,893	1,158	53,692,778
Debt service	38,937	204,419	-	243,356
TOTAL EXPENDITURES	1,058,664	52,876,312	1,158	53,936,134
EXCESS OF REVENUES OVER EXPENDITURES	62,323	378,713	11,708	452,744
OTHER FINANCING SOURCES (USES)				
Transfers in	5,775,920	-	-	5,775,920
Transfers out	-	(5,459,920)	(316,000)	(5,775,920)
TOTAL OTHER FINANCING SOURCES (USES)	5,775,920	(5,459,920)	(316,000)	-
NET CHANGE IN FUND BALANCES	5,838,243	(5,081,207)	(304,292)	452,744
Fund balances, beginning of year	702,499	7,873,971	315,983	8,892,453
Fund balances, end of year	<u>\$ 6,540,742</u>	<u>\$ 2,792,764</u>	<u>\$ 11,691</u>	<u>\$ 9,345,197</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, 2025

Net change in fund balances - total governmental funds \$ 452,744

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	\$ 87,042	
Depreciation/amortization expense	<u>(232,196)</u>	
Excess of depreciation/amortization expense over capital outlay		(145,154)

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: 149,504

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	(16,291)	
Decrease in lease payable	206,778	
(Increase) in net pension liability	(107,418)	
(Decrease) in deferred outflows of resources related to pension	(401,714)	
Decrease in deferred inflows of resources related to pension	<u>25,773</u>	
		<u>(292,872)</u>

Change in net position of governmental activities \$ 164,222

**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.

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

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

Basis of Presentation (continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)

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.

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.

**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 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.

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 and Cash Equivalents

Cash and cash equivalents consist of the Consortium's checking and savings accounts, imprest cash, money market funds, and uncategorized pooled investment accounts.

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.

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.

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

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

Cash and Cash Equivalents (continued)

- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services, and which matures not more than 270 days after the date of purchase.
- d. The United States government or Federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States Banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Receivables and Unearned Revenue

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

The 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 noncurrent.

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 recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. This liability, including salary-related benefits, has been reported in the Statement of Net Position.

Net Pension Liability

The Consortium offers a defined benefit pension plan to its employees. The Consortium records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the pension plan.

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 that are considered material have an initial, individual value of \$5,000 or more.

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

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

Leases (continued)

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.

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.

Deferred Outflows/Inflows of Resources

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

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.

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 Directors. 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.

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

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

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.

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, 2025, 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, 2025, the Consortium's bank balance of \$146,077 was fully insured by the Federal Deposit Insurance Corporation (FDIC). The carrying value on the books for deposits was \$119,361.

The cash and cash equivalents balances reported in the basic financial statements include \$144,609 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). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

As of September 30, 2025, the Consortium's investments were rated as follows:

Investment Type	Fair Value	Standard & Poor's Rating
Michigan CLASS Investment Pool	\$ 11,033,944	AAAm

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.

	Fair Value	Weighted Average Maturity
Michigan CLASS Investment Pool	\$ 11,033,944	46 Days

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

The Consortium categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investments in Entities that Calculate Net Asset Value per Share

The Consortium holds shares in the Michigan CLASS investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

At the year ended September 30, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Michigan CLASS Investment Pool	<u>\$ 11,033,944</u>	<u>\$ -</u>	No restrictions	None

NOTE 3 - CAPITAL ASSETS

The following provides a summary of the changes in capital assets for the year ended September 30, 2025:

	<u>Balance Oct. 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2025</u>
Capital assets being depreciated/amortized				
Vehicles	\$ 120,898	\$ 87,042	\$ -	\$ 207,940
Equipment	342,821	-	(13,860)	328,961
Right-to-use building	1,273,697	-	-	1,273,697
Total	<u>1,737,416</u>	<u>87,042</u>	<u>(13,860)</u>	<u>1,810,598</u>
Less accumulated depreciation/amortization for:				
Vehicles	(86,624)	(18,819)	-	(105,443)
Equipment	(288,106)	(9,587)	13,860	(283,833)
Right-to-use building	(611,376)	(203,790)	-	(815,166)
Total	<u>(986,106)</u>	<u>(232,196)</u>	<u>13,860</u>	<u>(1,204,442)</u>
Capital assets, net	<u>\$ 751,310</u>	<u>\$ (145,154)</u>	<u>\$ -</u>	<u>\$ 606,156</u>

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

NOTE 4 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the Consortium for the year ended September 30, 2025:

	Balance Oct. 1, 2024	Additions	Deletions	Balance Sept. 30, 2025	Amounts Due Within One Year
Direct borrowings and direct placements					
Lease payable	\$ 710,711	\$ -	\$ (206,778)	\$ 503,933	\$ 217,140
Other long-term obligations					
Compensated absences*	256,558	16,291	-	272,849	259,206
	<u>\$ 967,269</u>	<u>\$ 16,291</u>	<u>\$ (206,778)</u>	<u>\$ 776,782</u>	<u>\$ 476,346</u>

*The change in compensated absences liability is presented as a net change.

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

Lease Payable

\$1,878,304 2018 Lease payable for office space, dated August 8, 2018, due in monthly installments ranging from \$17,692 to \$19,670 through December 1, 2027, with interest of 4.90%, payable monthly.

\$ 503,933

The annual requirements to pay the long-term obligations as of September 30, 2025, including interest are as follows:

Year Ending September 30,	Direct Borrowings and Direct Placements	
	Principal	Interest
2026	\$ 217,140	\$ 19,860
2027	228,023	8,977
2028	58,770	480
	<u>\$ 503,933</u>	<u>\$ 29,317</u>

The Consortium's outstanding obligations from direct borrowings and direct placements of \$503,933 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.

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

NOTE 4 - LONG-TERM OBLIGATIONS (continued)

Compensated Absences

The Consortium recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, multiple types of leave qualify for recognition as a compensated absences liability. The dollar amounts of these liabilities, including salary related benefits, which have been accrued in the government-wide financial statements, amounted to \$272,849 at September 30, 2025.

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 General Fund from:	
Grants Special Revenue Fund	\$ 5,459,920
Nonmajor governmental fund	<u>316,000</u>
	<u><u>\$ 5,775,920</u></u>

The transfers move accumulated resources in the Grants Special Revenue Fund and the nonmajor governmental fund to the General Fund 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.

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.

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

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

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.

At the December 31, 2024, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	89
Inactive employees entitled to but not yet receiving benefits	15
Active employees	<u>115</u>
	<u><u>219</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 12.30% based on annual payroll for the open division and a flat monthly amount for the closed division. The Consortium's average contribution rate was 15% of annual payroll.

Payable to the Pension Plan

At September 30, 2025, there were no amounts outstanding by the Consortium for contributions to the pension plan required for the year ended September 30, 2025.

Net Pension Liability

The net pension liability reported at September 30, 2025, was determined using a measure of the total pension liability and the pension net position as of December 31, 2024. The December 31, 2024, total pension liability was determined by an actuarial valuation performed as of that date.

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

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions

The total pension liability in the December 31, 2024, 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: 7.18%, net of investment and administrative expenses, including inflation.

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

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2021.

The actuarial assumptions used in the valuation were based on the results of the 2019-2023 Five-Year Experience Study.

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%	2.15%	0.43%
Private Investments	<u>20.00%</u>	6.50%	<u>1.30%</u>
	<u>100.00%</u>		4.43%
Inflation			<u>2.50%</u>
Assumed investment rate of return			6.93%
Administration expenses netted above			<u>0.25%</u>
Investment rate of return (discount rate)			<u>7.18%</u>

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

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Discount Rate

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

Changes in Net Pension Liability

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

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balances at December 31, 2023	\$ 15,543,562	\$ 11,713,708	\$ 3,829,854
Changes for the year			
Service cost	563,367	-	563,367
Interest on total pension liability	1,106,580	-	1,106,580
Difference between expected and actual experience	58,659	-	58,659
Changes in assumptions	(12,176)	-	(12,176)
Employer contributions	-	761,443	(761,443)
Net investment income	-	873,603	(873,603)
Benefit payments, including employee refunds	(826,510)	(826,510)	-
Administrative expense	-	(26,034)	26,034
Net changes	<u>889,920</u>	<u>782,502</u>	<u>107,418</u>
Balances at December 31, 2024	<u>\$ 16,433,482</u>	<u>\$ 12,496,210</u>	<u>\$ 3,937,272</u>

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 7.18%, as well as what the Consortium's net pension liability would be using a discount rate that is 1% lower or 1% higher than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	<u>\$ 5,965,624</u>	<u>\$ 3,937,272</u>	<u>\$ 2,244,108</u>

**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, 2025, the Consortium recognized pension expense of \$1,376,012. 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	\$ 356,563	\$ 34,904
Differences in assumptions	160,814	9,132
Excess (deficit) investment returns	472,064	-
Contributions subsequent to the measurement date*	670,966	-
Total	\$ 1,660,407	\$ 44,036

* 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, 2026.

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
2026	\$ 485,039
2027	545,656
2028	(78,124)
2029	(7,166)
	\$ 945,405

Change in Assumptions

Adopted the results of an experience study covering the period, January 1, 2019 through December 31, 2023.

Changes in Benefits

There were no changes of benefit terms during plan year 2024.

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

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.

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 PRINCIPLES

For the year ended September 30, 2025, the Consortium implemented the following new pronouncements: GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*. The following is a summary of the new pronouncements:

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*, 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.

There was no material impact on the Consortium's financial statements after the adoption of GASB Statements No. 101 or 102.

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

NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENTS

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

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

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

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

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

NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The Consortium is currently evaluating the impact this standard will have on the financial statements when adopted during the 2026-2027 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

**TRI-COUNTY AGING CONSORTIUM
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Local grants	\$ 436,224	\$ 425,029	\$ 386,974	\$ (38,055)
Municipal appropriations				
City of Lansing	75,000	75,000	75,000	-
City of East Lansing	17,111	16,130	16,130	-
Ingham County	78,329	78,329	78,329	-
Clinton County	44,887	44,887	44,887	-
Eaton County	68,653	68,653	68,653	-
Interest	375,100	379,000	382,897	3,897
Contributions	66,000	75,500	68,117	(7,383)
TOTAL REVENUES	<u>1,161,304</u>	<u>1,162,528</u>	<u>1,120,987</u>	<u>(41,541)</u>
EXPENDITURES				
Current				
Health and welfare				
Salaries and wages	481,950	505,600	511,509	(5,909)
Fringe benefits	234,195	279,000	267,769	11,231
Operating expenditures	234,500	232,700	129,899	102,801
Professional services	111,500	117,250	105,109	12,141
Subcontractor expenditures	25,000	25,000	-	25,000
Travel and training	2,750	2,000	5,441	(3,441)
Total health and welfare	<u>1,089,895</u>	<u>1,161,550</u>	<u>1,019,727</u>	<u>141,823</u>
Debt service	45,000	52,500	38,937	13,563
TOTAL EXPENDITURES	<u>1,134,895</u>	<u>1,214,050</u>	<u>1,058,664</u>	<u>155,386</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>26,409</u>	<u>(51,522)</u>	<u>62,323</u>	<u>113,845</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	5,966,000	5,775,920	(190,080)
Transfers out	(195,000)	(195,000)	-	195,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(195,000)</u>	<u>5,771,000</u>	<u>5,775,920</u>	<u>4,920</u>
NET CHANGE IN FUND BALANCE	<u>(168,591)</u>	<u>5,719,478</u>	<u>5,838,243</u>	<u>118,765</u>
Fund balance, beginning of year	702,499	702,499	702,499	-
Fund balance, end of year	<u>\$ 533,908</u>	<u>\$ 6,421,977</u>	<u>\$ 6,540,742</u>	<u>\$ 118,765</u>

**TRI-COUNTY AGING CONSORTIUM
GRANTS SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES				
Intergovernmental				
Federal	\$ 2,050,985	\$ 2,608,019	\$ 2,565,896	\$ (42,123)
State	2,204,549	2,668,101	2,542,708	(125,393)
Medicaid waiver program	36,500,000	43,250,000	44,526,753	1,276,753
Local grants	3,532,969	3,387,822	3,379,397	(8,425)
Charges for services	197,100	178,125	156,741	(21,384)
Contributions	312,775	332,100	83,530	(248,570)
TOTAL REVENUES	<u>44,798,378</u>	<u>52,424,167</u>	<u>53,255,025</u>	<u>830,858</u>
EXPENDITURES				
Current				
Health and welfare				
Salaries and wages	5,514,336	5,568,926	5,428,951	139,975
Fringe benefits	2,151,700	2,077,550	2,331,941	(254,391)
Operating expenditures	3,324,842	3,505,320	3,183,938	321,382
Professional services	215,000	277,500	210,378	67,122
Subcontractor expenditures	36,749,975	41,559,546	41,351,982	207,564
Travel and training	143,000	130,500	164,703	(34,203)
Total health and welfare	<u>48,098,853</u>	<u>53,119,342</u>	<u>52,671,893</u>	<u>447,449</u>
Debt service	168,500	197,500	204,419	(6,919)
TOTAL EXPENDITURES	<u>48,267,353</u>	<u>53,316,842</u>	<u>52,876,312</u>	<u>440,530</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,468,975)</u>	<u>(892,675)</u>	<u>378,713</u>	<u>1,271,388</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	517,400	579,100	-	(579,100)
Transfers out	(323,658)	(6,345,858)	(5,459,920)	885,938
TOTAL OTHER FINANCING SOURCES (USES)	<u>193,742</u>	<u>(5,766,758)</u>	<u>(5,459,920)</u>	<u>306,838</u>
NET CHANGE IN FUND BALANCE	<u>(3,275,233)</u>	<u>(6,659,433)</u>	<u>(5,081,207)</u>	<u>1,578,226</u>
Fund balance, beginning of year	<u>7,873,971</u>	<u>7,873,971</u>	<u>7,873,971</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,598,738</u>	<u>\$ 1,214,538</u>	<u>\$ 2,792,764</u>	<u>\$ 1,578,226</u>

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 563,367	\$ 501,471	\$ 464,264	\$ 383,409	\$ 356,603	\$ 322,495	\$ 298,029	\$ 284,237	\$ 305,341	\$ 283,247
Interest	1,106,580	1,021,851	952,503	920,802	816,673	797,254	752,719	706,464	681,540	625,436
Difference between expected and actual experience	58,659	436,401	235,924	(174,524)	223,382	(106,777)	15,570	33,059	(285,593)	(77,380)
Changes of assumptions	(12,176)	122,324	-	498,268	567,411	312,716	-	-	-	450,517
Benefit payments, including employee refunds	(826,510)	(764,503)	(665,007)	(627,456)	(587,268)	(538,175)	(505,519)	(399,430)	(358,945)	(350,399)
Net Change in Total Pension Liability	889,920	1,317,544	987,684	1,000,499	1,376,801	787,513	560,799	624,330	342,343	931,421
Total Pension Liability, beginning	15,543,562	14,226,018	13,238,334	12,237,835	10,861,034	10,073,521	9,512,722	8,888,392	8,546,049	7,614,628
Total Pension Liability, ending	<u>\$ 16,433,482</u>	<u>\$ 15,543,562</u>	<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>
Plan Fiduciary Net Position										
Contributions - employer	\$ 761,443	\$ 733,183	\$ 588,535	\$ 648,535	\$ 416,705	\$ 355,254	\$ 333,749	\$ 337,721	\$ 368,807	\$ 283,411
Contributions - employee	-	-	-	-	25,958	12,058	-	35,427	-	35,531
Net investment income (loss)	873,603	1,178,722	(1,317,619)	1,430,516	1,335,262	1,146,505	(351,718)	1,065,022	823,433	(111,727)
Benefit payments, including employee refunds	(826,510)	(764,503)	(665,007)	(627,456)	(587,268)	(538,175)	(505,519)	(399,430)	(358,945)	(350,399)
Administrative expense	(26,034)	(24,985)	(22,003)	(16,901)	(18,944)	(19,754)	(17,429)	(16,842)	(16,238)	(16,137)
Net Change in Plan Fiduciary Net Position	782,502	1,122,417	(1,416,094)	1,434,694	1,171,713	955,888	(540,917)	1,021,898	817,057	(159,321)
Plan Fiduciary Net Position, beginning	11,713,708	10,591,291	12,007,385	10,572,691	9,400,978	8,445,090	8,986,007	7,964,109	7,147,052	7,306,373
Plan Fiduciary Net Position, ending	<u>\$ 12,496,210</u>	<u>\$ 11,713,708</u>	<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>
Employer's Net Pension Liability	<u>\$ 3,937,272</u>	<u>\$ 3,829,854</u>	<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>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	76%	75%	74%	91%	86%	87%	84%	94%	90%	84%
Covered payroll	\$ 5,491,424	\$ 4,979,977	\$ 4,582,245	\$ 4,110,647	\$ 4,007,554	\$ 3,709,456	\$ 3,431,432	\$ 3,315,387	\$ 3,638,975	\$ 3,480,095
Employer's Net Pension Liability as a percentage of covered payroll	72%	77%	79%	30%	42%	39%	47%	16%	25%	40%

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contributions	\$ 847,725	\$ 726,599	\$ 716,762	\$ 544,943	\$ 450,821	\$ 390,259	\$ 346,264	\$ 250,517	\$ 245,572	\$ 246,191
Contributions in relation to the actuarially determined contribution	<u>892,725</u>	<u>726,599</u>	<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>
Contribution deficiency (excess)	<u>\$ (45,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (175,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,715,376	\$ 5,238,917	\$ 4,974,289	\$ 4,383,837	\$ 4,040,921	\$ 3,853,013	\$ 3,617,532	\$ 3,426,150	\$ 3,554,559	\$ 3,740,817
Contributions as a percentage of covered payroll	15%	14%	14%	12%	15%	9%	10%	7%	7%	7%

**TRI-COUNTY AGING CONSORTIUM
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2025**

NOTE 1 - EMPLOYEE RETIREMENT PLAN

Actuarial Assumptions

Actuarial valuation information relative to the determination of contributions:

Valuation date:	December 31, 2024
Measurement date:	December 31, 2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, open
Asset valuation method	5 year smoothing
Remaining amortization period	15 years
Investment rates of return	6.93% (net of investment expenses, including inflation)
Discount rate	7.18
Salary rate increase	3.00 in the long-term plus merit and longevity
Inflation rate	2.50%
Mortality	Pub-2010 and fully generational MP-2021

Changes in assumptions:

Plan Year

2024	Adopted the results of an experience study covering the period January 1, 2019 through December 31, 2023.
2023	Discount rate was lowered from 7.25% to 7.18%. Investment rate of return was lowered from 7.00% to 6.93%, net of administrative and investment expenses.
2021	Discount rate was lowered from 7.60% to 7.25%. Investment rate of return was lowered from 7.35% to 7.00%, net of administrative and investment expenses. Mortality rates were updated to be based on the Pub-2010 mortality tables.
2020	Increases in merit and longevity pay assumptions.
2019	Salary increase was decreased from 3.75% to 3.00%. Discount rate was lowered from 8.00% to 7.60%. Investment rate of return was lowered from 7.75% to 7.35%, net of administrative and investment expenses. Adopted the results of an experience study covering the period January 1, 2014 through December 31, 2018.
2015	Mortality rates were updated to be based on the RP-2014 group mortality tables. Salary increase was decreased from 4.50% to 3.75%. Discount rate was lowered from 8.25% to 8.00%. Investment rate of return was lowered from 8.00% to 7.75%, net of administrative and investment expenses.

Changes in benefit terms: There have been no changes in benefit terms for plan years presented.

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, 2025**

	Title III Administrative	Title III B Services	Title III C1 Nutrition	Title III C2 State Home Delivered Meals
REVENUES				
Intergovernmental				
Federal	\$ 180,285	\$ 446,651	\$ 521,425	\$ 1,031,162
State	31,221	-	9,299	461,313
Medicaid waiver program	-	-	-	-
Local grants	-	-	-	38,805
Program revenues	-	-	45,106	105,207
Contributions	-	-	10,000	56,391
TOTAL REVENUES	211,506	446,651	585,830	1,692,878
EXPENDITURES				
Current				
Health and welfare				
Salaries and wages	122,064	55,870	184,771	438,462
Fringe benefits	64,397	40,924	63,261	159,536
Operating expenditures	15,215	4,222	346,106	1,313,038
Professional services	793	1,372	4,585	28,295
Subcontractor expenditures	-	293,188	-	-
Travel and training	1,736	5,336	5,183	43,629
Total health and welfare	204,205	400,912	603,906	1,982,960
Debt service	7,301	-	12,265	89,944
TOTAL EXPENDITURES	211,506	400,912	616,171	2,072,904
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	45,739	(30,341)	(380,026)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	30,000	345,000
Transfers out	-	(45,739)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(45,739)	30,000	345,000
NET CHANGE IN FUND BALANCE	-	-	(341)	(35,026)
Fund balance, beginning of year	-	-	(177,434)	179,326
Fund balance, end of year	\$ -	\$ -	\$ (177,775)	\$ 144,300

Title III C2 Supplemental Nutrition	Title III D Services	Crisis Management	HCBS Waiver	Alternative Care	Care Management	Respite
\$ -	\$ 46,431	\$ -	\$ -	\$ -	\$ -	\$ -
262,125	-	-	-	167,882	215,914	100,786
-	-	-	44,526,753	-	-	-
594,704	-	-	1,416	-	-	-
-	-	-	-	-	-	347
-	-	15,020	-	-	-	-
<u>856,829</u>	<u>46,431</u>	<u>15,020</u>	<u>44,528,169</u>	<u>167,882</u>	<u>215,914</u>	<u>101,133</u>
90,417	-	-	3,521,132	-	124,086	-
35,276	-	-	1,489,736	-	50,051	-
486,136	-	-	342,182	-	20,629	-
-	-	-	161,575	-	9,711	-
-	46,431	133,299	38,168,174	167,882	53,902	101,133
-	-	-	82,201	-	3,383	-
<u>611,829</u>	<u>46,431</u>	<u>133,299</u>	<u>43,765,000</u>	<u>167,882</u>	<u>261,762</u>	<u>101,133</u>
-	-	-	87,608	-	7,301	-
<u>611,829</u>	<u>46,431</u>	<u>133,299</u>	<u>43,852,608</u>	<u>167,882</u>	<u>269,063</u>	<u>101,133</u>
<u>245,000</u>	<u>-</u>	<u>(118,279)</u>	<u>675,561</u>	<u>-</u>	<u>(53,149)</u>	<u>-</u>
-	-	118,279	-	-	53,149	-
<u>(245,000)</u>	<u>-</u>	<u>-</u>	<u>(5,553,149)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(245,000)</u>	<u>-</u>	<u>118,279</u>	<u>(5,553,149)</u>	<u>-</u>	<u>53,149</u>	<u>-</u>
-	-	-	(4,877,588)	-	-	-
-	-	-	7,833,956	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,956,368</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, 2025**

	Medicare/ Medicaid Assistance	Title III E Services	State In-Home Care	State Access Services
REVENUES				
Intergovernmental				
Federal	\$ 42,658	\$ 280,631	\$ -	\$ -
State	-	-	765,770	28,774
Medicaid waiver program	-	-	-	-
Local grants	-	-	-	-
Program revenues	-	-	-	-
Contributions	-	1,250	869	-
	<u>42,658</u>	<u>281,881</u>	<u>766,639</u>	<u>28,774</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Health and welfare				
Salaries and wages	27,018	134,941	-	11,830
Fringe benefits	7,912	68,841	-	14,290
Operating expenditures	2,027	3,643	-	1,177
Professional services	-	647	-	198
Subcontractor expenditures	-	71,529	739,999	-
Travel and training	-	2,280	-	1,279
	<u>36,957</u>	<u>281,881</u>	<u>739,999</u>	<u>28,774</u>
Total health and welfare				
	<u>36,957</u>	<u>281,881</u>	<u>739,999</u>	<u>28,774</u>
Debt service				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES				
	<u>36,957</u>	<u>281,881</u>	<u>739,999</u>	<u>28,774</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>5,701</u>	<u>-</u>	<u>26,640</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(150,000)</u>	<u>-</u>	<u>(26,640)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)				
	<u>(150,000)</u>	<u>-</u>	<u>(26,640)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE				
	<u>(144,299)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>152,048</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,749</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Title VII A Services</u>	<u>Title VII Elder Abuse</u>	<u>Evidence Based Programs</u>	<u>Merit Award Respite</u>	<u>Aging Network Services</u>	<u>State Caregiver Support</u>	<u>Elder Senior Millage</u>
\$ 12,000	\$ 4,653	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	134,616	127,572	44,891	15,740	-
-	-	-	-	-	-	-
-	-	33,281	-	-	-	2,711,191
-	-	4,725	200	-	-	1,156
-	-	-	-	-	-	-
<u>12,000</u>	<u>4,653</u>	<u>172,622</u>	<u>127,772</u>	<u>44,891</u>	<u>15,740</u>	<u>2,712,347</u>
-	-	68,108	-	24,632	-	543,292
-	-	20,300	-	17,527	-	264,471
-	-	78,931	11,481	460	-	515,882
-	-	1,402	-	283	-	1,517
12,000	4,653	17,325	116,291	-	15,740	1,396,051
-	-	736	-	1,989	-	15,087
<u>12,000</u>	<u>4,653</u>	<u>186,802</u>	<u>127,772</u>	<u>44,891</u>	<u>15,740</u>	<u>2,736,300</u>
-	-	-	-	-	-	-
<u>12,000</u>	<u>4,653</u>	<u>186,802</u>	<u>127,772</u>	<u>44,891</u>	<u>15,740</u>	<u>2,736,300</u>
-	-	(14,180)	-	-	-	(23,953)
-	-	19,100	-	-	-	-
-	-	(4,920)	-	-	-	-
-	-	14,180	-	-	-	-
-	-	-	-	-	-	(23,953)
-	-	-	-	-	-	(113,925)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (137,878)</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, 2025**

	No Wrong Door	Eliminations	Total
REVENUES			
Intergovernmental			
Federal	\$ -	\$ -	\$ 2,565,896
State	176,805	-	2,542,708
Medicaid waiver program	-	-	44,526,753
Local grants	-	-	3,379,397
Program revenues	-	-	156,741
Contributions	-	-	83,530
	<u>176,805</u>	<u>-</u>	<u>53,255,025</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
Health and welfare			
Salaries and wages	82,328	-	5,428,951
Fringe benefits	35,419	-	2,331,941
Operating expenditures	42,809	-	3,183,938
Professional services	-	-	210,378
Subcontractor expenditures	14,385	-	41,351,982
Travel and training	1,864	-	164,703
	<u>176,805</u>	<u>-</u>	<u>52,671,893</u>
Total health and welfare			
Debt service	-	-	204,419
	<u>-</u>	<u>-</u>	<u>204,419</u>
TOTAL EXPENDITURES	<u>176,805</u>	<u>-</u>	<u>52,876,312</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>378,713</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	(565,528)	-
Transfers out	-	565,528	(5,459,920)
	<u>-</u>	<u>565,528</u>	<u>(5,459,920)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(5,459,920)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(5,081,207)</u>
Fund balance, beginning of year	-	-	7,873,971
	<u>-</u>	<u>-</u>	<u>7,873,971</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,792,764</u>

TRI-COUNTY AGING CONSORTIUM
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE
YEAR ENDED SEPTEMBER 30, 2025

	Part B	Part C1	Part C2	Part D
Care Management	\$ -	\$ -	\$ -	\$ -
Case Coordination and Support	5,000	-	-	-
Home Delivered Meals	-	-	938,955	-
Homemaker	92,631	-	-	-
Personal Care	61,000	-	-	-
Congregate Meals	-	498,373	-	-
Crisis Services for the Elderly (RSD)	26,639	-	-	-
Disease Prevention/Health Promotion	19,100	-	-	46,431
Elder Abuse Prevention	-	-	-	-
Friendly Reassurance	20,000	-	-	-
Information and Assistance	75,000	-	-	-
Legal Assistance	31,450	-	-	-
Ombudsman	8,360	-	-	-
Options Counseling	11,532	-	-	-
Outreach	7,500	-	-	-
Program Development	83,692	-	-	-
Transportation	4,747	-	-	-
Adult Day Care	-	-	-	-
Caregiver Training	-	-	-	-
Kinship Caregiver Respite Care	-	-	-	-
Kinship Caregiver Supplemental - Other	-	-	-	-
Respite Care - In-Home Respite	-	-	-	-
Caregiver Education	-	-	-	-
Caregiver Information and Assistance	-	-	-	-
Caregiver Options Counseling	-	-	-	-
Administration (AAA)	47,427	65,760	44,357	-
Program Income	-	44,280	70,547	-
Cash Match	5,135	-	-	-
In-Kind Match	48,811	55,474	104,329	5,159
	<u>\$ 548,024</u>	<u>\$ 663,887</u>	<u>\$ 1,158,188</u>	<u>\$ 51,590</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>	<u>State Congregate Meals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	92,207	-	-	-
-	-	-	-	-	739,130	-
-	-	-	23,052	-	-	9,299
-	-	-	-	-	26,640	-
-	4,653	-	-	-	-	-
-	-	-	-	-	-	-
-	-	12,000	-	-	-	-
-	-	-	-	28,775	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,550	-	-	-	-	-	-
1,200	-	-	-	-	-	-
4,586	-	-	-	-	-	-
64,493	-	-	-	-	-	-
59,082	-	-	-	-	-	-
94,910	-	-	-	-	-	-
46,810	-	-	-	-	-	-
22,741	-	-	-	-	-	-
1,250	-	-	-	-	869	826
-	476	-	-	-	-	-
<u>31,182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,198</u>	<u>57,003</u>	<u>1,043</u>
<u>\$ 335,804</u>	<u>\$ 5,129</u>	<u>\$ 12,000</u>	<u>\$ 115,259</u>	<u>\$ 31,973</u>	<u>\$ 823,642</u>	<u>\$ 11,168</u>

TRI-COUNTY AGING CONSORTIUM
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
YEAR ENDED SEPTEMBER 30, 2025

	State Home Delivered Meals	State NHO	State Alt Care	State MSO
Care Management	\$ -	\$ -	\$ -	\$ -
Case Coordination and Support	-	-	-	-
Home Delivered Meals	461,313	-	-	-
Homemaker	-	-	112,485	-
Personal Care	-	-	-	-
Congregate Meals	-	-	-	-
Crisis Services for the Elderly (RSD)	-	-	-	-
Disease Prevention/Health Promotion	-	-	-	-
Elder Abuse Prevention	-	-	-	-
Friendly Reassurance	-	-	-	-
Information and Assistance	-	-	-	-
Legal Assistance	-	-	-	-
Ombudsman	-	23,047	-	32,349
Options Counseling	-	-	-	-
Outreach	-	-	-	-
Program Development	-	-	-	-
Transportation	-	-	-	-
Adult Day Care	-	-	-	-
Caregiver Training	-	-	-	-
Kinship Caregiver Respite Care	-	-	-	-
Kinship Caregiver Supplemental - Other	-	-	-	-
Respite Care - In-Home Respite	-	-	-	-
Caregiver Education	-	-	-	-
Caregiver Information and Assistance	-	-	-	-
Caregiver Options Counseling	-	-	-	-
Administration (AAA)	25,088	-	6,117	-
Program Income	34,660	-	-	-
Cash Match	-	-	-	-
In-Kind Match	51,258	2,561	12,499	3,595
	<u>\$ 572,319</u>	<u>\$ 25,608</u>	<u>\$ 131,101</u>	<u>\$ 35,944</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>	<u>Total</u>
\$ 215,913	\$ -	\$ -	\$ -	\$ -	\$ 215,913
-	-	-	-	44,871	49,871
-	-	-	-	-	1,492,475
-	-	-	-	-	944,246
-	-	-	-	-	61,000
-	-	-	-	-	530,724
-	-	-	-	-	53,279
-	-	-	-	-	65,531
-	-	-	-	-	4,653
-	-	-	-	-	20,000
-	-	-	-	-	75,000
-	-	-	-	-	31,450
-	-	-	-	-	75,756
-	-	-	-	-	11,532
-	-	-	-	-	36,275
-	-	-	-	-	83,692
-	-	-	-	-	4,747
-	89,369	-	61,292	-	150,661
-	-	-	-	-	9,550
-	-	-	-	-	1,200
-	-	-	-	-	4,586
-	26,722	15,740	39,493	-	146,448
-	-	-	-	-	59,082
-	-	-	-	-	94,910
-	-	-	-	-	46,810
-	11,481	-	-	-	222,971
-	200	-	347	-	152,979
23,991	-	-	-	-	29,602
-	19,036	1,749	8,957	4,986	410,840
<u>\$ 239,904</u>	<u>\$ 146,808</u>	<u>\$ 17,489</u>	<u>\$ 110,089</u>	<u>\$ 49,857</u>	<u>\$ 5,085,783</u>

**TRI-COUNTY AGING CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2025**

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	2501MIOAEA-02	\$ 4,653
Title VIIA Services - LTC Ombudsman Regular	93.042	2501MIOAOM-02	12,000
Special Programs for the Aging, Title III, Part D Disease Prevention and Health Promotion Services Regular	93.043	2501MIOAPH-02	46,431
Aging Cluster ^{(a)(b)}			
Special Programs for the Aging, Title III, Part B			
Grants for Supportive Services and Senior Centers Regular Administration	93.044	2501MIOASS-04 2501MIOASS-04	446,651 47,427
			494,078
Special Programs for the Aging, Title III, Part C			
Nutrition Services Administration Congregate Meals Home Delivered Meals	93.045	2501MIOACM-04 2501MIOACM-04 2501MIOACM-04	110,117 498,373 938,955
			1,547,445
Nutrition Services Incentive Program Home Delivered Meals Congregate Meals	93.053	2501MIOANS-02 2501MIOANS-02	92,207 23,052
			115,259
Total Aging Cluster			2,156,782
National Caregiver Support, Title III, Part E			
Regular Administration	93.052	2501MIOAFC-03 2501MIOAFC-03	280,631 22,741
			303,372
Total passed through Michigan Aging and Adult Services Agency			2,523,238
Passed through MMAP, Inc.			
Special Programs for the Aging, Title IV and Title II			
Discretionary Projects Senior Medicare Patrol	93.048	90MPPG0039-05-00	16,323
Medicare Enrollment Assistance Programs Medicare Improvements for Patients and Providers Act	93.071	2201MIMISH / 2201MIMIAA	5,700
State Health Insurance Assistance Centers for Medicare and Medicaid Services	93.324	90SAPG0090-03-00	20,635
Total passed through MMAP, Inc.			42,658
TOTAL FEDERAL AWARD EXPENDITURES			\$ 2,565,896

The accompanying notes are an integral part of this schedule.

**TRI-COUNTY AGING CONSORTIUM
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2025**

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, 2025. 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 for awards executed on or before September 30, 2024 and also has elected to use the 15-percent de minimis indirect cost rate allowed under Uniform Guidance for awards executed on or after October 1, 2024.

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.



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

2851 Charlevoix Dr SE #210,
Grand Rapids, MI 49546

☎ 517.323.7500

**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, 2025, 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 6, 2026.

Report on 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 these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Maney Costeiran PC

Lansing, Michigan
March 6, 2026



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

2851 Charlevoix Dr SE #210,
Grand Rapids, MI 49546

☎ 517.323.7500

**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, 2025. 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, 2025.

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

Lansing, Michigan
March 6, 2026

**TRI-COUNTY AGING CONSORTIUM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

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

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

Unmodified

Any audit findings that are required to be reported in accordance with Title 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:

\$ 1,000,000

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

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

**TRI-COUNTY AGING CONSORTIUM
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2025**

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.