

Exhibits for Section 2- LHD Organization

Section A – Organizational Chart

- **Exhibit 2A-1** – Organizational Chart
- **Exhibit 2A-2** - Reporting Relationships

Section B – Plan Approval

- **Exhibit 2B-1** – Minutes from Board of Health Meeting Approving the Plan of Organization

Section C – Budget

- **Exhibit 2C-1** – FY 22/23 Budget
- **Exhibit 2C-2** - Minutes of the BHSJCHA Board of Health Meeting held January 26, 2023 where budget was approved.
- **Exhibit 2C-3** - Agency Staffing Plan

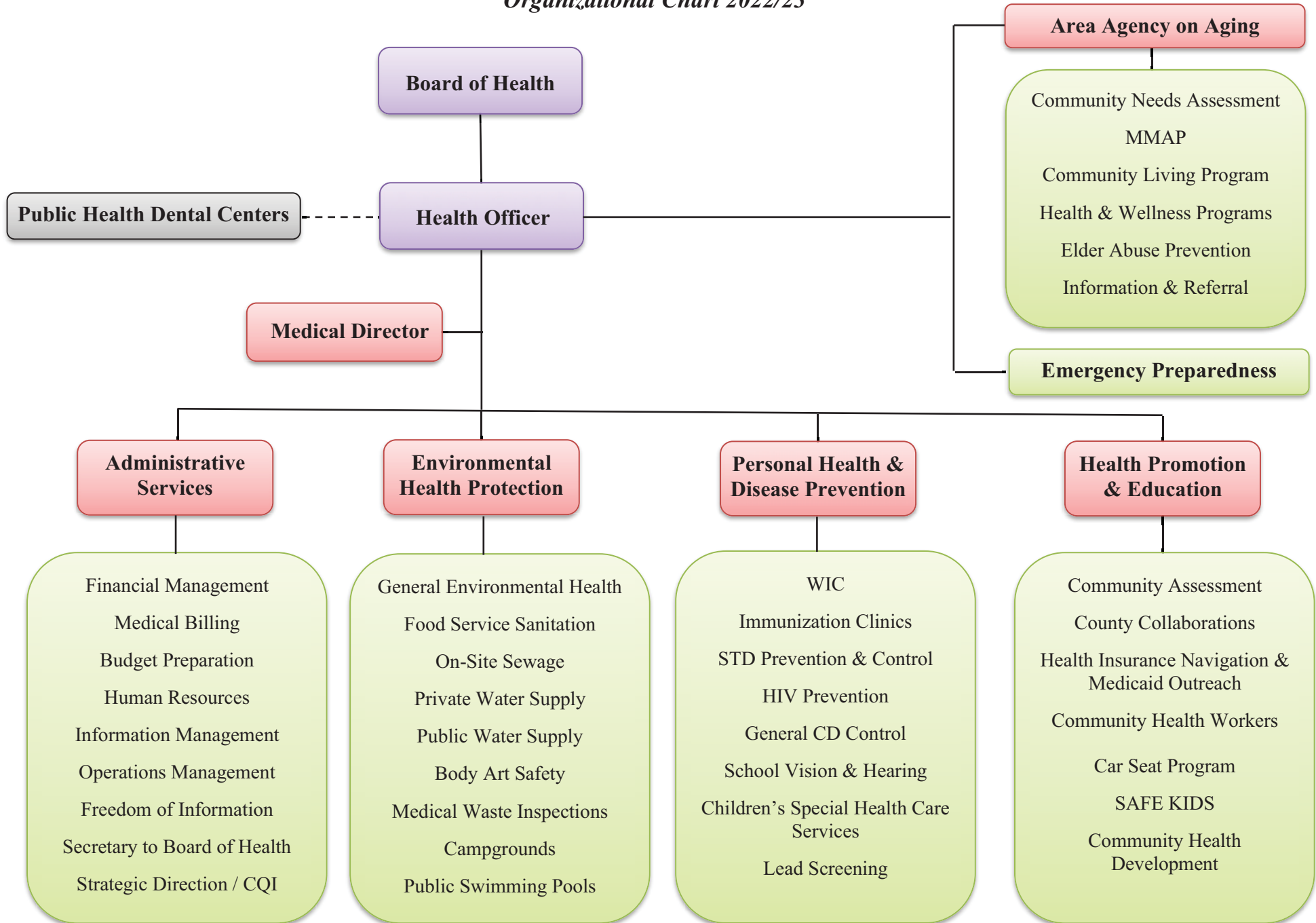
Section D – Audit Findings

- **Exhibit 2D-1** – Audit for year ending September 30, 2019
- **Exhibit 2D-2** – Audit for year ending September 30, 2020
- **Exhibit 2D-3** – Audit for year ending September 30, 2021

Section E – Information Technology

- No Exhibits

**Branch-Hillsdale-St. Joseph Community Health Agency
Organizational Chart 2022/23**



Administration

Health Officer – Rebecca Burns, M.P.H., R.S.
Medical Director – Karen Luparello, D.O.

Area Agency on Aging IIIC (Branch and St. Joseph Counties only)

Laura Sutter, BS - Director

Linda Hershey, RN - Care Consultant

Vanessa Squier, BA - Social Work Care Consultant

Nichole Simon - Program Specialist

Lisa Redmond – Outreach Specialist

Janice Siddons – VOCA Elder Abuse Victim Specialist

Toni Laughlin – VOCA Elder Abuse Victim Specialist

Responsible for the State & Federal funds dedicated to service persons 60 years and older. The agency develops regional plans, advocates for community needs, and acts as a liaison between local organizations and State & Federal agencies.

Emergency Preparedness Coordinator

Kris Dewey, AAS, BS – Coordinator

Emergency Preparedness works with local and regional partners to develop plans that address public health emergencies. Emergency Preparedness increases community awareness of identifying infectious diseases and environmental hazards, especially those involving a bioterrorist event.

Health Education & Promotion

Health Education & Promotion Supervisor / Health Analyst – **Alex Bergmooser, MPH**

Josh Englehart, BS - Community Health Educator

Vacant, BS – Community Health Educator

Promotes the services and programs offered by the agency through the use of print media, social media, community engagement, radio promotions, etc.; and, provides educational services to community organizations and schools on pertinent health-related topics. These educational topics and promotions have included, but are not limited to: WIC, Medicaid, anti-vaping, vaccine hesitancy, marijuana safety, infectious disease, contraceptives, STD/STI, HIV/AIDS, school health, environmental health, etc. The department serves as the Agency's representative at community events, coalitions, task forces, and any collaborative group that has a stake in the health and wellbeing of our community members.

Demography

Develops strategies for the improvement of the health status of the community and the improvement of health care delivery systems through the use of community outreach, agency staff and community surveys, focus groups for underserved and at-risk populations, agency and county-based needs assessments, etc.

Community Health Development

Serves as the primary grant writer for routine and special projects of the Agency. Responsible for the planning, developing, coordinating, writing and presenting of grant proposals for submission to public and private organizations. Assists with data analysis, statistical analysis, reporting and trend analysis.

Car-seat Technician

Mary Proctor

Community Health Worker

Rachael Wall, BS – Community Health Worker

Provides residents a trusted liaison/link/intermediary between health and social services. The Community Health Worker's objective is to facilitate access to resources, programs, and basic needs our community members deserve to maintain a reasonable quality of life, and to hopefully help improve their related health outcomes.

Administrative Services

Administrative Services Director – Theresa Fisher, BS

Office Management

Administrative Services Director – Theresa Fisher, BS

Diana Rogers – Administrative Support Clerk

This department is responsible for the day-to-day core support and maintenance of the Agency. Responsibilities include: Management of the Human Resource Department, maintenance of all buildings, maintenance of office equipment, issuance of keys, conference room scheduling, maintenance of personnel files (family medical leave, leaves with/out pay, disability benefits, workers compensation, American Disabilities Act), purchasing, central files and personnel policies.

Financial Management Services

Theresa Fisher, BS, Administrative Services Director

Brenae Gruner, BBA, Accountant

Christine Ash, Fiscal Support Specialist – AP/Payroll

Bonnie Angus, Fiscal Support Specialist - Medical Billing

Diana Rogers, Administrative Support Clerk - Purchasing

Is responsible for all financial operations of the Agency including, but not limited to, the compilation and reporting of financial data required of grants awarded the Agency, assuring fiscal compliance to grant requirements, and billing and collecting for services rendered.

Information Technology & Management Information Systems

Alan Elliott, BS, IT Network Manager

Justin Hicks, IT Network Manager

Is responsible for all technological operations of the Agency including the research, implementation, and maintenance of all computer hardware and software, electronic communications and the wide-area and local-area networks.

Environmental Health Protection Staff

Director – Paul Andriacchi, BS, REHS

Administrative Assistants

Lindsey Warner, Branch

Brandie Lennox, Hillsdale

Stephanie Hough, St. Joseph

Ronda Bent, Assistant Clerk, St. Joseph

On-Site Sewage

Sanitarians

Cody Johnson, BS - Branch

Lee Zimmerman, BS and Bethany Pirman, BS - St. Joseph

Vacant - EH Split Sanitarian - Hillsdale

Senior Sanitarians

James Young, BS, REHS - Hillsdale

Responsible for the review of sites proposed for sewage disposal, issuance and/or denial of permits, sewage disposal evaluations and inspections, plan review of proposals for alternative disposal systems, investigation and enforcement.

Private and Public Water Supply

Sanitarians

Cody Johnson, BS - Branch

Lee Zimmerman, BS and Bethany Pirman, BS - St. Joseph

Vacant - EH Split Sanitarian - Hillsdale

Senior Sanitarians

James Young, BS, REHS - Hillsdale

Assures the proper installation and testing of residential and Type III water wells to assure safe, usable groundwater.

Non-Community / Type II Water

Sanitarians

Kyle Moore, BS – St. Joseph

Senior Sanitarians

Emily Motes, BS – Coldwater / Hillsdale

The monitoring, and regulation of Type II water supplies to assure safe water is supplied to the public.

Food Protection

Joe Frazier, BA, REHS - Supervisor

Sanitarians

Annalisa Rice, BS - Hillsdale

Barb Keith, BS - St. Joseph

Vacant - EH Split Sanitarian - Hillsdale

Joe Frazier, BA, REHS - Plan Review

Senior Sanitarians

Carrie Southern, BS, RS - Branch

Responsible for food service inspection, plan review, temporary license inspection, vending machine inspection and educational programming. Foodborne illness investigation and complaint investigation.

General Environmental Health

Sanitarians

Cody Johnson, BS - Branch
Lee Zimmerman, BS and Bethany Pirman, BS - St. Joseph
Annalisa Rice, BS - Hillsdale
Barb Keith, BS - St. Joseph
Vacant - EH Split Sanitarian - Hillsdale

Senior Sanitarians
James Young, BS, REHS - Hillsdale

Responsible for inspection of campgrounds, mobile home parks, adult and childcare facilities, children's camps, swimming pools and general complaints.

Personal Health & Disease Prevention Staff

Director – Kali Nichols, MPH

Clinic & Communicable Disease Coordinators

Shelby Ward, BSN - Hillsdale
Heidi Hazel, BSN - Coldwater
Aimnee Mullendore, RN - Three Rivers/Sturgis

Clinic Administrative Assistants

Jolene Hurst - Hillsdale
Candy Cox - Coldwater
Dale Cross - Three Rivers/Sturgis

Immunization Clerk Technicians

Melissa Gilbert - Hillsdale
Mary Kerr-Badder - Coldwater
Jennifer Hopkins - Three Rivers/Sturgis

Clinic RN's

Alecia Campbell RN and Lisa Palmer, RN - Hillsdale
Amber Alexander, RN and Jessica Butler, RN - Coldwater
Tina Schneidmiller, RN and Rhonda DeBoard, RN - Three Rivers/Sturgis
Vacant, RN – Mobile Unit

Interpreter/Clerk Tech

Jesusa Vela, Spanish - Three Rivers/Sturgis
Joanna Harris, Spanish – Three Rivers

Clerk Techs

Tenia Dossett, Nikki Clore - Hillsdale
Kimberly Boyter, Connie Garner - Coldwater
Lori Hibbs, Grace Hall - Three Rivers/Sturgis
Vera Jo Sierminski – Casual all offices
Jodie Roberts – Mobile Unit

Breast Feeding Support

Erin Furr - Three Rivers & Sturgis
Amey Elkins-Little - Hillsdale
Lorraine Erwin – Coldwater

COVID-19

Chaselyn Gibson, BA - COVID-19 Coordinator

Joanna Harris, RN - Case Investigator

Heavin Mullendore, RN - Case Investigator

Remote Case Investigators

Investigates cases of COVID-19 and other communicable diseases. Provides information and best practices. Will investigate deaths caused by COVID-19.

Children's Special Health Care Services

Terri Penney, RN, Coordinator

Madonna Hilarides, RN

Nicole Ewers, CSHCS Representative - Hillsdale & Branch Counties

Stephanie Hightree, CSHCS Representative - St. Joseph County

Removes barriers to appropriate care so children with disabilities or chronic health problems can develop to their potential. The program helps pay for children with long term conditions. It also assists families in obtaining needed services from other agencies, and develops self-advocacy skills for maximum independence.

Vision and Hearing Technicians

Terri Penney, RN, Coordinator

Emily Young, Certified Technician - Hillsdale County

Carol Anderson, Certified Technician - St. Joseph County

Kim Schoneboom, Certified Technician - Branch County

Nicole Ewers, Certified Tech – Casual to cover all locations

The Hearing and Vision School Screening program offers free, periodic screenings in the schools as part of the Public Health Code and this is done by technicians trained by the Michigan Department of Community Health and provided by the local health department.

Typically, vision screenings are conducted in grades preschool, kindergarten, 1, 3, 5, 7, 9 or Drivers Ed. Hearing screenings are conducted at grades preschool, kindergarten, 2, 4, 6, and for any parent or teacher who has a concern. Hearing and vision problems detected and corrected early can prevent permanent damage and learning disabilities. About 10% of children screened require referral for evaluation by a doctor.

March 23, 2023 – Board of Health Meeting Minutes

The Branch-Hillsdale-St. Joseph Community Health Agency Board of Health meeting was called to order by Chair, Brent Leininger at 9:07 AM with the Pledge of Allegiance to the Flag of the United States. Roll call was completed as follows: Tom Matthew, Jared Hoffmaster, Brent Leininger, Rusty Baker, and Steve Lanius. The following members were absent: Jon Houtz.

Also present from BHSJ: Rebecca Burns, Karen Luparello, Theresa Fisher, Kali Nichols, Laura Sutter, and Paul Andriacchi.

Mr. Hoffmaster moved to approve the agenda with support from Mr. Baker. The motion passed unopposed.

Mr. Hoffmaster moved to approve the minutes from the February 23, 2023 meeting with support from Mr. Baker. The motion passed unopposed.

Public Comment: No public comments were given.

Dane Porter, CPA, Senior Manager at Maner Costerisan provided a presentation on the Audit for the year completed on September 30, 2022. The audit resulted in an unmodified opinion with no findings.

Mr. Hoffmaster moved to accept the audit and place it on file with support from Mr. Lanius. The motion passed unopposed.

Rebecca Burns, Health Officer, reviewed her monthly report. Items included: Agency Meetings and Trainings, MALPH's Day at the Capital, Michigan's Public Health Week/Hometown Health Hero Award Winners, Community Health Needs Assessment (CHNA)/Community Health Improvement Plan (CHIP), MCDC Dental Centers, COVID, Highly Pathogenic Avian Influenza, Accreditation, Personnel Policy Committee, Opioid Settlement Funds, Coldwater Office, Hillsdale Office, Three Rivers Office, and Sturgis Office.

Dr. Luparello reviewed the Medical Director's monthly report. This month's educational report was titled, "Listeria Infection".

Departmental Reports:

- Environmental Health
- Area Agency on Aging
- Personal Health & Disease Prevention
- Health Education & Promotion

Financial Reports/Expenditures

- Mr. Baker moved to approve the expenditures for February as reported with support from Mr. Hoffmaster. The motion passed unopposed.
- Mr. Hoffmaster moved to place the financials from February on file with support from Mr. Matthew. The motion passed unopposed

Committee Reports:

- Finance Committee – The Committee met on March 23, 2023 prior to the full Board meeting. The minutes for this meeting had not been completed and will not be available for approval until the next meeting.
- Program, Policy, & Appeals Committee – Mr. Hoffmaster moved to approve the minutes for the March 15, 2023 Program, Policy, & Appeals Committee meeting with support from Mr. Lanius. The motion passed unopposed.

New Business:

- Mr. Hoffmaster moved to approve the appointments of Pam Riley, Michelle Lock, Trish Wood, Kelly Jonker, Amy Duff, Madelene Wirgau, and Denny Brieske to the Area Agency on Aging Advisory Committee with support from Mr. Matthew. The motion passed unopposed.
- Mr. Baker moved to approve the Personnel Policy Manual, as presented, with support from Mr. Hoffmaster. The motion passed unopposed.
- Mr. Hoffmaster moved to approve the Plan of Organization, as presented, with support from Mr. Matthew. A roll call vote was taken and the motion passed 5-0 (Mr. Matthew, Yes; Mr. Hoffmaster, Yes; Mr. Leininger, Yes; Mr. Baker, Yes; Mr. Lanius, Yes).
- Mr. Lanius moved to approve the immunization fee schedule, as presented, effective April 1, 2023 with support from Mr. Hoffmaster. A roll call vote was taken and the motion passed 5-0 (Mr. Matthew, Yes; Mr. Hoffmaster, Yes; Mr. Leininger, Yes; Mr. Baker, Yes; Mr. Lanius, Yes).

Mr. Hoffmaster left the meeting at 10:41 AM.

- Mr. Lanius moved to approve the Environmental Health fee schedule, as presented, effective April 1, 2023 with support from Mr. Baker. The motion passed unopposed.
- Mr. Baker moved to accept the proposal to acquire Hedgerow software for Environmental Health Services, with support from Mr. Lanius. A roll call vote was taken and the motion passed 4-0 (Mr. Matthew, Yes; Mr. Leininger, Yes; Mr. Baker, Yes; Mr. Lanius, Yes).
- Mr. Matthew moved to accept the bid from R. Johnson Builders Inc. in the amount of \$58,630 to complete the work, as specified in the invitation to bid building exterior renovation project, on the Three Rivers facility. The motion received support from Mr. Baker. A roll call vote was taken and the motion passed 4-0 (Mr. Matthew, Yes; Mr. Leininger, Yes; Mr. Baker, Yes; Mr. Lanius, Yes).
- Mr. Lanius moved to accept the bid from RDK's LLC Asphalt & Sealcoating in the amount of \$95,100 to mill and replace three parking lots at the Hillsdale location. The motion received support from Mr. Baker. A roll call vote was taken and the motion passed 4-0 (Mr. Matthew, Yes; Mr. Leininger, Yes; Mr. Baker, Yes; Mr. Lanius, Yes).
- Mr. Matthew moved to approve contributing up to \$10,000 toward the build out cost for the renovated space in the Sturgis office, providing we have receipts and an itemized list for expenses. The motion received support from Mr. Lanius. The motion passed unopposed.

- Mr. Baker moved to approve the Agency to send out requests to each of the three counties for opioid funding. The motion received support from Mr. Matthew. The motion passed unopposed.

Public Comment: Public comments were provided by one individual.

With no further business, Mr. Baker moved to adjourn the meeting with support from Mr. Lanius. The motion passed unopposed and the meeting was adjourned at 11:23 AM.

Respectfully Submitted by:



Theresa Fisher,
Administrative Services Director
Secretary to the Board of Health

**BRANCH-HILLSDALE-ST.JOSEPH
COMMUNITY HEALTH AGENCY**

FISCAL YEAR 2022-23

Budget Amendment #1

January 26, 2023

BRANCH-HILLSDALE-ST. JOSEPH
 COMMUNITY HEALTH AGENCY
 OCTOBER 2022- SEPTEMBER 2023
 Budget Amendment #1 - 1/26/2023

TOTAL REVENUES

| | STATE/FED | ELPHS | COUNTY APPROP | FEES OTHER | Amended BUDGET | DIFFERENCE | ORIGINAL BUDGET |
|---|---------------------|-------------------|----------------------|-------------------|---------------------|----------------------|---------------------|
| | \$ 5,575,697 | \$ 1,061,220 | \$ 773,138 | \$ 1,587,367 | \$ 8,997,422 | \$ 624,635 | \$ 8,372,787 |
| | 62.0% | 11.8% | 8.6% | 17.6% | | | |
| OTHER: | | | | | | | |
| Salary/Fringe Payoff 008 | | | | \$ 95,000 | \$ 95,000 | \$ 25,000 | \$ 70,000 |
| Capital Improvements 023 | \$ - | \$ - | \$ 193,000 | \$ - | \$ 193,000 | \$ 120,000.00 | \$ 73,000 |
| MERS Pension Underfunded 024 | | | \$ 22,590 | \$ 22,000 | \$ 44,590 | \$ 0.00 | \$ 44,590 |
| Dental Clinic - St. Joseph Co. 021 | \$ - | \$ - | \$ - | \$ 43,740 | \$ 43,740 | (\$9,570.00) | \$ 53,310 |
| Dental Clinic - Hillsdale Co. 029 | \$ - | \$ - | \$ - | \$ 14,000 | \$ 14,000 | \$ 0.00 | \$ 14,000 |
| CSHCS Donations - SJ 096 | | | | \$ 32,412 | \$ 32,412 | \$ 32,412.00 | \$ - |
| CSHCS Donations - BR/HD 097 | | | | \$ 27,765 | \$ 27,765 | \$ 27,765.00 | \$ - |
| TOTAL OTHER | \$ - | \$ - | \$ 215,590 | \$ 234,917 | \$ 450,507 | \$ 195,607 | \$ 254,900 |
| CORE SUPPORT SERVICES: | | | | | | | |
| General Administration 010 | \$ - | \$ - | \$ - | \$ 76,942 | \$ 76,942 | \$ 48,452.00 | \$ 28,490 |
| Area Agency on Aging 012 | \$ 1,368,420 | \$ - | \$ - | \$ 91,152 | \$ 1,459,572 | \$ 119,193.00 | \$ 1,340,379 |
| VOCA 014 | \$ 205,743 | \$ - | \$ - | \$ - | \$ 205,743 | \$ 0.00 | \$ 205,743 |
| Emergency Preparedness 032 | \$ 130,932 | \$ - | \$ 38,687 | \$ - | \$ 169,619 | \$ 5,169.00 | \$ 164,450 |
| TOTAL CORE SUPPORT | \$ 1,705,095 | \$ - | \$ 38,687 | \$ 168,094 | \$ 1,911,876 | \$ 172,814.00 | \$ 1,739,062 |
| PREVENTION SERVICES: | | | | | | | |
| Medicaid Enrollment (OR) 107 | \$ 7,101 | \$ - | \$ 7,101 | \$ - | \$ 14,202 | (\$7,090.00) | \$ 21,292 |
| WIC Breastfeeding 108 | \$ 91,678 | \$ - | \$ 36,301 | \$ - | \$ 127,979 | (\$1,326.00) | \$ 129,305 |
| WIC - Women, Infants, & Chi 109 | \$ 931,626 | \$ - | \$ 60,045 | \$ 80,500 | \$ 1,072,171 | \$ 31,732.00 | \$ 1,040,439 |
| CSHCS Medicaid Outreach 112 | \$ 40,002 | \$ - | \$ 72,252 | \$ - | \$ 112,254 | \$ 22,827.00 | \$ 89,427 |
| MCH Enabling Women 115 | \$ 46,800 | \$ - | \$ 864 | \$ - | \$ 47,664 | (\$8,132.00) | \$ 55,796 |
| Immunization IAP (Private) 138 | \$ 734,408 | \$ - | \$ - | \$ 122,725 | \$ 857,133 | \$ 28,098.00 | \$ 829,035 |
| Dental Outreach 185 | | | | \$ 14,423 | \$ 14,423 | (\$9,129.00) | \$ 23,552 |
| Children's Special Health Car 325 | \$ 188,729 | \$ - | \$ - | \$ - | \$ 188,729 | \$ 2,000.00 | \$ 186,729 |
| School Vision 326 | \$ 29,000 | \$ 48,509 | \$ 9,780 | \$ 16,000 | \$ 103,289 | (\$1,031.00) | \$ 104,320 |
| School Hearing 327 | \$ 30,000 | \$ 48,509 | \$ 9,655 | \$ 14,000 | \$ 102,164 | (\$2,281.00) | \$ 104,445 |
| MCH Enabling Children 329 | \$ 47,609 | \$ - | \$ 942 | \$ - | \$ 48,551 | \$ 4,723.00 | \$ 43,828 |
| STD Prevention & Control 331 | \$ - | \$ 98,026 | \$ 41,251 | \$ 800 | \$ 140,077 | (\$6,003.00) | \$ 146,080 |
| HIV Prevention & Control 332 | \$ 20,000 | \$ - | \$ 11,480 | \$ - | \$ 31,480 | (\$5,980.00) | \$ 37,460 |
| Immunization Vaccine Handlir 338 | \$ 79,557 | \$ 165,117 | \$ 3,617 | \$ 43,260 | \$ 291,551 | (\$13,236.00) | \$ 304,787 |
| Infectious Disease 341 | \$ 20,005 | \$ 196,652 | \$ 5,623 | \$ 60,500 | \$ 282,780 | (\$13,108.00) | \$ 295,888 |
| Lead Testing 345 | \$ 18,000 | \$ - | \$ 5,852 | \$ - | \$ 23,852 | (\$2,157.00) | \$ 26,009 |
| Epi Lab Contact Tracing, Cl, 352 | \$ 606,095 | \$ - | \$ 522 | \$ - | \$ 606,617 | (\$183.00) | \$ 606,800 |
| COVID PH Workforce Devel 355 | \$ 172,607 | \$ - | \$ 297 | \$ - | \$ 172,904 | \$ 151.00 | \$ 172,753 |
| CDC COVID Immz 363 | \$ 99,374 | \$ - | \$ 57,122 | \$ - | \$ 156,496 | (\$136,201.00) | \$ 292,697 |
| CSHCS Vaccine 371 | \$ 14,007 | \$ - | \$ 206 | \$ - | \$ 14,213 | \$ 139.00 | \$ 14,074 |
| AAA Expand Vaccine to Adt 374 | \$ 13,577 | \$ - | \$ 503 | \$ - | \$ 14,080 | \$ 14,080.00 | \$ - |
| AAA COVID Immz Support 375 | \$ 30,872 | \$ - | \$ 387 | \$ - | \$ 31,259 | \$ 15,309.00 | \$ 15,950 |
| Monkeypox Response 378 | \$ 15,000 | \$ - | \$ 95 | \$ - | \$ 15,095 | \$ 15,095.00 | \$ - |
| TOTAL PREVENTION | \$ 3,236,047 | \$ 556,813 | \$ 323,895 | \$ 352,208 | \$ 4,468,963 | (\$71,703.00) | \$ 4,540,666 |
| HEALTH PROMOTION: | | | | | | | |
| Workforce Development 101 | \$ 48,535 | \$ - | \$ 9,263 | \$ - | \$ 57,798 | \$ 935.00 | \$ 56,863 |
| Car seat 201 | \$ - | \$ - | \$ 26,983 | \$ - | \$ 26,983 | \$ 1,600.00 | \$ 25,383 |
| Community Stabilization (Ma 200 | \$ - | \$ - | \$ - | \$ 98,198 | \$ 98,198 | \$ 9,310.00 | \$ 88,888 |
| MI Center Rural Health 207 | \$ 291,385 | \$ - | \$ 392 | \$ - | \$ 291,777 | \$ 86,409.00 | \$ 205,368 |
| Community Health Services 255 | \$ - | \$ - | \$ - | \$ 125,000 | \$ 125,000 | \$ 125,000.00 | \$ - |
| Grant Writing 405 | \$ - | \$ - | \$ 3,718 | \$ - | \$ 3,718 | (\$7,767.00) | \$ 11,485 |
| Tel-A-Health, Coldwater 321 | \$ - | \$ - | \$ - | \$ - | \$ - | (\$33,360.00) | \$ 33,360 |
| TOTAL HEALTH PROMOTION | \$ 339,920 | \$ - | \$ 40,356 | \$ 223,198 | \$ 603,474 | \$ 182,127.00 | \$ 421,347 |
| ENVIRONMENTAL HEALTH PROTECTION | | | | | | | |
| Vector Borne Disease Surveil 035 | \$ 27,000 | \$ - | \$ 7,018 | \$ - | \$ 34,018 | \$ 1,181.00 | \$ 32,837 |
| General Environmental Health 605 | \$ 20,572 | \$ - | \$ 3,688 | \$ 14,750 | \$ 39,010 | \$ 171.00 | \$ 38,839 |
| Food Protection 704 | \$ - | \$ 159,151 | \$ 48,166 | \$ 320,000 | \$ 527,317 | \$ 19,166.00 | \$ 508,151 |
| Onsite Sewage 714 | \$ 23,600 | \$ 182,499 | \$ 39,297 | \$ 125,200 | \$ 370,596 | \$ 1,627.00 | \$ 368,969 |
| Drinking Water Supply 721 | \$ 3,480 | \$ 162,757 | \$ 55,359 | \$ 149,000 | \$ 370,596 | \$ 1,627.00 | \$ 368,969 |
| PFAS - Lear Siegler 722 | \$ 1,329 | \$ - | \$ 42 | \$ - | \$ 1,371 | \$ 1,371.00 | \$ - |
| PFAS - White Pigeon 723 | \$ 8,042 | \$ - | \$ 23 | \$ - | \$ 8,065 | \$ 8,065.00 | \$ - |
| PFAS - Westside Landfill 724 | \$ 2,644 | \$ - | \$ 457 | \$ - | \$ 3,101 | \$ 3,101.00 | \$ - |
| Type II Water 745 | \$ 207,968 | \$ - | \$ 560 | \$ - | \$ 208,528 | \$ 109,481.00 | \$ 99,047 |
| TOTAL ENVIRONMENTAL HEALTH | \$ 294,635 | \$ 504,407 | \$ 154,610 | \$ 608,950 | \$ 1,562,602 | \$ 145,790 | \$ 1,416,812 |
| Total Amended Budget Revenues | \$ 8,997,422 | | | | | | |
| Total Original Budget Revenues | \$ 8,372,787 | | | | | | |
| Difference | \$ 624,635 | | | | | | |
| TOTAL LOCAL DOLLARS TO AGENCY FY 2022-23 | | | \$ 773,138.00 | | | | |

BRANCH-HILLSDALE-ST. JOSEPH
 COMMUNITY HEALTH AGENCY
 OCTOBER 2022- SEPTEMBER 2023
 Budget Amendment #1

TOTAL EXPENSES

| | Prior Year Actual (2020-2021) | Original Budget 2022-23 | Amended Budget 2022-23 | DIFFERENCE |
|---|----------------------------------|----------------------------|---------------------------|--------------------|
| | \$ 8,461,328 | \$ 8,372,787 | \$ 8,997,422 | 624,635 |
| OTHER: | | | | |
| Salary/Fringe Payoff | \$ 78,688 | \$ 70,000 | \$ 95,000 | 25,000 |
| Capital Improvements | \$ 213,232 | \$ 73,000 | \$ 193,000 | 120,000 |
| MERS Pension Underfunded | \$ 860,141 | \$ 44,590 | \$ 44,590 | 0 |
| Dental Clinic - St. Joseph Co. | \$ 33,300 | \$ 53,310 | \$ 43,740 | (9,570) |
| Dental Clinic - Hillsdale Co. | \$ 8,048 | \$ 14,000 | \$ 14,000 | 0 |
| CSHCS Donations - SJ | \$ - | \$ - | \$ 32,412 | 32,412 |
| CSHCS Donations - BR/HD | \$ - | \$ - | \$ 27,765 | 27,765 |
| TOTAL OTHER | \$ 1,193,409 | \$ 254,900 | \$ 450,507 | \$ 195,607 |
| CORE SUPPORT SERVICES: | | | | |
| General Administration | \$ 26,466 | \$ 28,490 | \$ 76,942 | 48,452 |
| Area Agency on Aging | \$ 1,265,156 | \$ 1,340,379 | \$ 1,459,572 | 119,193 |
| VOCA | \$ 131,984 | \$ 205,743 | \$ 205,743 | 0 |
| Emergency Preparedness | \$ 144,749 | \$ 164,450 | \$ 169,619 | 5,169 |
| TOTAL CORE SUPPORT | \$ 1,568,356 | \$ 1,739,062 | \$ 1,911,876 | \$ 172,814 |
| PREVENTION SERVICES: | | | | |
| Medicaid Outreach | \$ 11,582 | \$ 21,292 | \$ 14,202 | (7,090) |
| WIC - Breastfeeding | \$ 84,407 | \$ 129,305 | \$ 127,979 | (1,326) |
| WIC - Women, Infants, & Children | \$ 759,734 | \$ 1,040,439 | \$ 1,072,171 | 31,732 |
| CSHCS Medicaid Outreach | \$ 22,505 | \$ 89,427 | \$ 112,254 | 22,827 |
| MCH Enabling Women | \$ 34,594 | \$ 55,796 | \$ 47,664 | (8,132) |
| Dental Outreach | \$ - | \$ 23,552 | \$ 14,423 | (9,129) |
| Immunization Clinics | \$ 459,010 | \$ 829,035 | \$ 857,133 | 28,098 |
| Immunization/Vaccine Handling | \$ 290,906 | \$ 304,787 | \$ 291,551 | (13,236) |
| Children's Special Health Care Services | \$ 183,779 | \$ 186,729 | \$ 188,729 | 2,000 |
| School Vision & Hearing Clinics | \$ 159,421 | \$ 208,765 | \$ 205,453 | (3,312) |
| MCH Enabling Children | \$ 28,789 | \$ 43,828 | \$ 48,551 | 4,723 |
| STD Prevention & Control | \$ 122,088 | \$ 146,080 | \$ 140,077 | (6,003) |
| HIV Prevention & Control | \$ 20,627 | \$ 37,460 | \$ 31,480 | (5,980) |
| Infectious Disease | \$ 238,870 | \$ 295,888 | \$ 282,780 | (13,108) |
| Lead Testing | \$ 22,064 | \$ 26,009 | \$ 23,852 | (2,157) |
| COVID-19 Response | \$ 192,595 | \$ - | \$ - | 0 |
| ELC Infection Prevention | \$ 76,002 | \$ - | \$ - | 0 |
| Epi Lab Contact Tracing, CI, TC, VM, WA S | \$ 594,878 | \$ 606,800 | \$ 606,617 | (183) |
| CRF Contact Tracing | \$ 324,621 | \$ - | \$ - | 0 |
| CRF Testing | \$ 151,681 | \$ - | \$ - | 0 |
| CRF Immunizations | \$ 34,863 | \$ - | \$ - | 0 |
| COVID-19 Immunization | \$ 120,696 | \$ - | \$ - | 0 |
| COVID PH Workforce Development | \$ - | \$ 172,753 | \$ 172,904 | 151 |
| CDC COVID-19 Immz | \$ 331,375 | \$ 292,697 | \$ 156,496 | (136,201) |
| CSHCS Vaccine | \$ - | \$ 14,074 | \$ 14,213 | 139 |
| AAA Expand Vaccine to Adults | \$ - | \$ - | \$ 14,080 | 14,080 |
| AAA COVID Immz Support | \$ - | \$ 15,950 | \$ 31,259 | 15,309 |
| Monkeypox Virus Response | \$ - | \$ - | \$ 15,095 | 15,095 |
| TOTAL PREVENTION | \$ 4,265,085 | \$ 4,540,666 | \$ 4,468,963 | \$ (71,703) |
| HEALTH PROMOTION: | | | | |
| Workforce Development | \$ 36,901 | \$ 56,863 | \$ 57,798 | 935 |
| Car seat | \$ 13,261 | \$ 25,383 | \$ 26,983 | 1,600 |
| Community Stabilization (Marketing) | \$ 27,792 | \$ 88,888 | \$ 98,198 | 9,310 |
| Community Health Services | \$ - | \$ - | \$ 125,000 | 125,000 |
| MI Center Rural Health | \$ - | \$ 205,368 | \$ 291,777 | 86,409 |
| Medical Marijuana BR | \$ 18,104 | \$ - | \$ - | 0 |
| Medical Marijuana HD | \$ 11,086 | \$ - | \$ - | 0 |
| Medical Marijuana SJ | \$ 6,592 | \$ - | \$ - | 0 |
| HRSA RCORP | \$ 111,653 | \$ - | \$ - | 0 |
| Grant Writing | \$ - | \$ 11,485 | \$ 3,718 | (7,767) |
| Tel-A-Health | \$ 29,439 | \$ 33,360 | \$ - | (33,360) |
| TOTAL HEALTH PROMOTION | \$ 254,827 | \$ 421,347 | \$ 603,474 | \$ 182,127 |
| ENVIRONMENTAL HEALTH PROTECTION | | | | |
| Vector Borne | \$ 21,895 | \$ 32,837 | \$ 34,018 | 1,181 |
| General Environmental Health | \$ 30,816 | \$ 38,839 | \$ 39,010 | 171 |
| Food Protection | \$ 390,290 | \$ 508,151 | \$ 527,317 | 19,166 |
| Onsite Sewage | \$ 323,892 | \$ 368,969 | \$ 370,596 | 1,627 |
| Drinking Water Supply | \$ 323,892 | \$ 368,969 | \$ 370,596 | 1,627 |
| PFAS - Lear Siegler | \$ 54 | \$ - | \$ 1,371 | 1,371 |
| PFAS - White Pigeon | \$ 4,963 | \$ - | \$ 8,065 | 8,065 |
| PFAS - Westside Landfill | \$ - | \$ - | \$ 3,101 | 3,101 |
| Type II Water | \$ 83,848 | \$ 99,047 | \$ 208,528 | 109,481 |
| TOTAL ENVIRONMENTAL HEALTH | \$ 1,179,651 | \$ 1,416,812 | \$ 1,562,602 | \$ 145,790 |

**Annual Budget
for
Comprehensive Local Health Services**

| Local Agency Branch-Hillsdale-St. Joseph CHA Budget Amendment #1 10/1/2022 - 9/30/2023 | Prepared By: Brenae Gruner 1/26/2023 Approved By: Board of Health | | | | | | | | | |
|---|--|---------------------|---------------------------|-------------------------|----------------|-------------------------------|-------------------------|-----------------------------|----------------------------|-------------------------------|
| | 008 | 009 | 010 | 012 | 014 | 021 | 023 | 024 | 029 | 032 - 9 Mth |
| | SALARYFRINGE PAYOFF | SPACE ALLOCATION | GENERAL ADMINISTRATION | AREA AGENCY ON AGING | VOCA | DENTAL CLINIC THREE RIVERS | CAPITAL IMPROVEMENTS | MERS PENSION UNDERFUNDED | DENTAL CLINIC HILLSDALE | PUBLIC HEALTH EMERG. PREP. |
| PROGRAM EXPENSES | | | | | | | | | | |
| 1. SALARIES & WAGES | 95,000 | | 404,432 | 210,360 | 92,783 | | | | | 50,164 |
| 2. FRINGE BENEFITS | | | 533,830 | 83,669 | 42,200 | | | 44,590 | | 23,289 |
| 3. CAP EXP FOR EQUIP & FAC | | | | | | | 193,000 | | | |
| 4. CONTRACTUAL (SUBCONTRACTS) | | | | 991,178 | 1,500 | | | | | |
| 5. SUPPLIES & MATERIALS | | | 48,600 | 15,600 | 7,500 | | | | | 2,800 |
| 6. TRAVEL | | | 12,000 | 12,000 | 8,000 | | | | | 4,000 |
| 7. COMMUNICATION | | | 28,000 | 5,000 | 2,000 | | | | | 17,000 |
| 8. COUNTY/CITY CENTRAL SERVICES | | | | | | | | | | |
| 9. SPACE COSTS | | 281,498 | | | | | | | | |
| SPACE ALLOCATION | | (281,498) | 117,005 | 5,280 | 2,590 | - | - | - | - | 1,016 |
| 10. ALL OTHERS (ADP & MISC.) | | | 202,575 | 44,189 | 6,798 | 43,740 | | | 14,000 | 3,250 |
| TOTAL PROGRAM EXPENSES | 95,000 | - | 1,346,442 | 1,367,276 | 163,371 | 43,740 | 193,000 | 44,590 | 14,000 | 101,519 |
| 1. INDIRECT COST | | | (1,269,500) | 92,296 | 42,372 | - | - | - | - | 23,057 |
| 31.39020% | | | | | | | | | | |
| 2. COST ALLOCATION PLAN/OTHER | | | | | | | | | | |
| COMMUNITY HEALTH SERVICES | | | | | | | | | | |
| PREVENTION SERVICES | | | | | | | | | | |
| IMMUNIZATION DISTRIBUTION | | | | | | | | | | |
| CSHCS DISTRIBUTION | | | | | | | | | | |
| ENVIRONMENTAL HEALTH | | | | | | | | | | |
| TOTAL INDIRECT COST | - | - | (1,269,500) | 92,296 | 42,372 | - | - | - | - | 23,057 |
| TOTAL EXPENDITURES | 95,000 | - | 76,942 | 1,459,572 | 205,743 | 43,740 | 193,000 | 44,590 | 14,000 | 124,576 |
| SOURCE OF FUNDS | | | | | | | | | | |
| 1. FEES & COLLECTIONS - 1ST & 2ND PARTY | | | 40 | | | | | | | |
| 2. FEES & COLLECTIONS - 3RD PARTY | | | | | | | | | | |
| 3. FED/STATE FUNDING (NON-MDHHS) | | | | 1,368,420 | 205,743 | | | | | |
| 4. FEDERAL MEDICAID COST BASED REIMB. | | | | | | | | | | |
| 5. FEDERALLY PROVIDED VACCINES | | | | | | | | | | |
| 6. FEDERAL MEDICAID OUTREACH | | | | | | | | | | |
| 7. REQUIRED MATCH - LOCAL | | | | | | | | | | 9,820 |
| 8. LOCAL - NON ELPHS | | | | 32,504 | | | | | | |
| 9. LOCAL - NON ELPHS | | | | 26,092 | | | | | | |
| 10. LOCAL - NON ELPHS | | | | | | 43,740 | | | 14,000 | |
| 11. OTHER - NON ELPHS | 95,000 | | 76,902 | 32,556 | | | | 22,000 | | |
| 12. MDHHS NON COMPREHENSIVE | | | | | | | | | | |
| 13. MDHHS COMPREHENSIVE | | | | | | | | | | 98,199 |
| 14. ELPHS MDHHS HEARING | | | | | | | | | | |
| 15. ELPHS MDHHS VISION | | | | | | | | | | |
| 16. ELPHS MDHHS OTHER | | | | | | | | | | |
| 17. ELPHS FOOD | | | | | | | | | | |
| 18. ELPHS PRIVATE/TYPER III WATER | | | | | | | | | | |
| 19. ELPHS ON-SITE WASTEWATER TREATMENT | | | | | | | | | | |
| 20. MCH FUNDING | | | | | | | | | | |
| 21. LOCAL - COUNTY APPROPRIATIONS | | | | | (0) | | 193,000 | 22,590 | | 16,557 |
| 22. INKIND MATCH | | | | | | | | | | |
| 23. MDHHS FIXED UNIT RATE | | | | | | | | | | |
| MDHHS LOCAL COMM STABILIZATION | | | | | | | | | | |
| TOTAL SOURCE OF FUNDS | 95,000 | - | 76,942 | 1,459,572 | 205,743 | 43,740 | 193,000 | 44,590 | 14,000 | 124,576 |
| USE OF DESIGNATED FUND BALANCE | | | | | | | | | | |
| USE OF FUND BALANCE | | | | (0) | | | | | | 0 |

**Annual Budget
for
Comprehensive Local Health Services**

| Local Agency Branch-Hillsdale-St. Joseph CHA Budget Amendment #1 10/1/2022 - 9/30/2023 | | | | | | | | | | |
|---|---------------|--------------|-----------|-----------|-------------|----------|---------------|-------------|----------------|--------------|
| | 32 - 3 Mth | 35 | 96 | 97 | 101 | 107 | 108 | 109 | 112 | 115 |
| | PUBLIC HEALTH | VECTOR BORNE | CSHCS | CSHCS | WORKFORCE | MEDICAID | WIC | WIC | CSHCS MEDICAID | MCH ENABLING |
| PROGRAM EXPENSES | EMERG. PREP. | DISEASE | DONATIONS | DONATIONS | DEVELOPMENT | OUTREACH | BREASTFEEDING | RESIDENTIAL | OUTREACH | WOMEN |
| 1. SALARIES & WAGES | 16,721 | 17,747 | | | 7,919 | 4,924 | 54,628 | 475,809 | | 15,109 |
| 2. FRINGE BENEFITS | 7,763 | 1,680 | | | 2,355 | 1,903 | 6,921 | 200,051 | | 5,827 |
| 3. CAP EXP FOR EQUIP & FAC | | | | | | | | | | |
| 4. CONTRACTUAL (SUBCONTRACTS) | | | | | | | | | | |
| 5. SUPPLIES & MATERIALS | 2,235 | 210 | | | 50 | 625 | 2,900 | 18,700 | | 3,000 |
| 6. TRAVEL | 2,000 | 6,000 | | | 100 | 350 | 3,200 | 8,745 | | 500 |
| 7. COMMUNICATION | 4,000 | 25 | | | 50 | 100 | 1,150 | 11,000 | | 250 |
| 8. COUNTY/CITY CENTRAL SERVICES | | | | | | | | | | |
| 9. SPACE COSTS | | | | | | | | | | |
| SPACE ALLOCATION | 339 | 284 | | | 149 | 119 | 7,934 | 29,964 | - | 256 |
| 10. ALL OTHERS (ADP & MISC.) | 4,300 | 2,000 | 32,412 | 27,765 | 43,950 | 850 | 24,800 | 64,420 | | 12,225 |
| TOTAL PROGRAM EXPENSES | 37,358 | 27,926 | 32,412 | 27,765 | 54,573 | 8,871 | 101,533 | 808,689 | - | 36,967 |
| 1. INDIRECT COST | 7,686 | 6,092 | | | 3,225 | 2,143 | 19,320 | 212,154 | - | 6,509 |
| 31.39020% | | | | | | | | | | |
| 2. COST ALLOCATION PLAN/OTHER | | | | | | | | | | |
| COMMUNITY HEALTH SERVICES | | | | | | 2,696 | 2,696 | 2,696 | | 2,696 |
| PREVENTION SERVICES | | | | | | 491 | 4,429 | 48,631 | | 1,492 |
| IMMUNIZATION DISTRIBUTION | | | | | | | | | | |
| CSHCS DISTRIBUTION | | | | | | | | | 112,254 | |
| ENVIRONMENTAL HEALTH | | | | | | | | | | |
| TOTAL INDIRECT COST | 7,686 | 6,092 | | | 3,225 | 5,331 | 26,446 | 263,481 | 112,254 | 10,697 |
| TOTAL EXPENDITURES | 45,044 | 34,018 | 32,412 | 27,765 | 57,798 | 14,202 | 127,979 | 1,072,171 | 112,254 | 47,664 |
| SOURCE OF FUNDS | | | | | | | | | | |
| 1. FEES & COLLECTIONS - 1ST & 2ND PARTY | | | | | | | | | | |
| 2. FEES & COLLECTIONS - 3RD PARTY | | | | | | | | 5,500 | | |
| 3. FED/STATE FUNDING (NON-MDHHS) | | | | | | | | | | |
| 4. FEDERAL MEDICAID COST BASED REIMB. | | | | | | | | | | |
| 5. FEDERALLY PROVIDED VACCINES | | | | | | | | | | |
| 6. FEDERAL MEDICAID OUTREACH | | | | | | 7,101 | | | 40,002 | |
| 7. REQUIRED MATCH - LOCAL | 3,273 | | | | | 7,101 | | | 40,002 | |
| 8. LOCAL - NON ELPHS | | | | | | | | | | |
| 9. LOCAL - NON ELPHS | | | | | | | | | | |
| 10. LOCAL - NON ELPHS | | | | | | | | | | |
| 11. OTHER - NON ELPHS | | | 32,412 | 27,765 | | | | | | |
| 12. MDHHS NON COMPREHENSIVE | | | | | | | | | | |
| 13. MDHHS COMPREHENSIVE | 32,733 | 27,000 | | | 48,535 | - | 91,678 | 931,626 | | |
| 14. ELPHS MDHHS HEARING | | | | | | | | | | |
| 15. ELPHS MDHHS VISION | | | | | | | | | | |
| 16. ELPHS MDHHS OTHER | | | | | | | | | | |
| 17. ELPHS FOOD | | | | | | | | | | |
| 18. ELPHS PRIVATE/TYPER III WATER | | | | | | | | | | |
| 19. ELPHS ON-SITE WASTEWATER TREATMENT | | | | | | | | | | |
| 20. MCH FUNDING | | | | | | | | | | 46,800 |
| 21. LOCAL - COUNTY APPROPRIATIONS | 9,037 | 7,018 | | | 9,263 | | 36,301 | 60,045 | 32,251 | 864 |
| 22. INKIND MATCH | | | | | | | | | | |
| 23. MDHHS FIXED UNIT RATE | | | | | | | | | | |
| MDHHS LOCAL COMM STABLIZATION | | | | | | | | | | |
| TOTAL SOURCE OF FUNDS | 45,044 | 34,018 | 32,412 | 27,765 | 57,798 | 14,202 | 127,979 | 997,171 | 112,254 | 47,664 |
| USE OF DESIGNATED FUND BALANCE | 0 | (0) | - | - | - | 0 | (0) | - | - | 0 |
| USE OF FUND BALANCE | | | | | | | | 75,000 | | |

**Annual Budget
for
Comprehensive Local Health Services**

| Local Agency Branch-Hillsdale-St. Joseph CHA Budget Amendment #1 10/1/2022 - 9/30/2023 | | | |
|---|-------------------|---------|-----------|
| | 724 | 745 | |
| | PFAS | TYPE II | GRAND |
| PROGRAM EXPENSES | Westside Landfill | WATER | TOTAL |
| 1. SALARIES & WAGES | 1,171 | 91,240 | 3,482,867 |
| 2. FRINGE BENEFITS | 401 | 50,979 | 1,639,243 |
| 3. CAP EXP FOR EQUIP & FAC | | | 193,000 |
| 4. CONTRACTUAL (SUBCONTRACTS) | | | 992,678 |
| 5. SUPPLIES & MATERIALS | 25 | 4,350 | 491,475 |
| 6. TRAVEL | 65 | 5,000 | 174,585 |
| 7. COMMUNICATION | 25 | 1,300 | 102,000 |
| 8. COUNTY/CITY CENTRAL SERVICES | | | - |
| 9. SPACE COSTS | | | 281,498 |
| SPACE ALLOCATION | 22 | 1,517 | (44) |
| 10. ALL OTHERS (ADP & MISC.) | 900 | 9,500 | 1,640,119 |
| TOTAL PROGRAM EXPENSES | 2,608 | 163,885 | 8,997,422 |
| 1. INDIRECT COST | 493 | 44,643 | 0 |
| 31.39020% | | | - |
| 2. COST ALLOCATION PLAN/OTHER | | | - |
| COMMUNITY HEALTH SERVICES | | | (0) |
| PREVENTION SERVICES | | | - |
| IMMUNIZATION DISTRIBUTION | | | - |
| CSHCS DISTRIBUTION | | | - |
| ENVIRONMENTAL HEALTH | | | - |
| TOTAL INDIRECT COST | 493 | 44,643 | (0) |
| TOTAL EXPENDITURES | 3,101 | 208,528 | 8,997,422 |
| SOURCE OF FUNDS | | | |
| 1. FEES & COLLECTIONS - 1ST & 2ND PARTY | | | 579,790 |
| 2. FEES & COLLECTIONS - 3RD PARTY | | | 210,110 |
| | | | 789,900 |
| 3. FED/STATE FUNDING (NON-MDHHS) | | 207,968 | 1,860,655 |
| 4. FEDERAL MEDICAID COST BASED REIMB. | | | 492,362 |
| 5. FEDERALLY PROVIDED VACCINES | | | 300,000 |
| 6. FEDERAL MEDICAID OUTREACH | | | 47,103 |
| | | | 2,700,120 |
| 7. REQUIRED MATCH - LOCAL | | | 60,196 |
| 8. LOCAL - NON ELPHS | | | 32,504 |
| 9. LOCAL - NON ELPHS | | | 26,092 |
| 10. LOCAL - NON ELPHS | | | 57,740 |
| 11. OTHER - NON ELPHS | | | 304,808 |
| | | | 421,144 |
| 12. MDHHS NON COMPREHENSIVE | 2,644 | | 1,211,612 |
| 13. MDHHS COMPREHENSIVE | | | 1,482,556 |
| | | | 2,694,168 |
| 14. ELPHS MDHHS HEARING | | | 48,509 |
| 15. ELPHS MDHHS VISION | | | 48,509 |
| 16. ELPHS MDHHS OTHER | | | 459,795 |
| 17. ELPHS FOOD | | | 159,151 |
| 18. ELPHS PRIVATE/TYPER III WATER | | | 162,757 |
| 19. ELPHS ON-SITE WASTEWATER TREATMENT | | | 182,499 |
| | | | 1,061,220 |
| 20. MCH FUNDING | | | 94,409 |
| 21. LOCAL - COUNTY APPROPRIATIONS | 457 | 560 | 712,942 |
| 22. INKIND MATCH | | | |
| 23. MDHHS FIXED UNIT RATE | | | 87,000 |
| MDHHS LOCAL COMM STABILIZATION | | | 213,538 |
| TOTAL SOURCE OF FUNDS | 3,101 | 208,528 | 8,834,637 |
| | - | - | 0 |
| USE OF DESIGNATED FUND BALANCE | | | 162,785 |
| USE OF FUND BALANCE | | | |

| | |
|------------|-------------------------|
| 789,900 | Fees |
| 773,138 | Local Approp |
| 6,636,917 | State/Federal |
| 634,682 | Other |
| 162,785.00 | Designated Fund Balance |

8,997,422 Total Revenues

773,138.00 Agency FY County Approp.

0.00 Under (OVER) County FY Allocations

January 26, 2023 – Board of Health Meeting Minutes

The Branch-Hillsdale-St. Joseph Community Health Agency Board of Health meeting was called to order by Chair, Tom Matthew at 9:00 AM with the Pledge of Allegiance to the Flag of the United States led by Commissioner Lanius. Roll call was completed as follows: Tom Matthew, Jared Hoffmaster, Brent Leininger, and Steve Lanius.

Also present from BHSJ: Rebecca Burns, Karen Luparello, Theresa Fisher, Kali Nichols, and Paul Andriacchi.

Mr. Leininger moved to approve the agenda with support from Mr. Lanius. The motion passed unopposed.

Mr. Hoffmaster moved to nominate Mr. Leininger as the Board Chair, with support from Mr. Matthew.

Mr. Hoffmaster moved to close the nominations for Board Chair, with support from Mr. Matthew. The motion passed unopposed.

A roll call vote was taken to elect Mr. Leininger as the Chair and the motion passed 4-0 (Mr. Matthew, Yes; Mr. Hoffmaster, Yes; Mr. Leininger, Yes; Mr. Lanius, Yes).

Mr. Leininger, the newly elected Chair took office and began running the meeting.

Mr. Matthew moved to nominate Mr. Hoffmaster as the Board Vice-Chair, with support from Mr. Lanius.

Mr. Matthew moved to close the nominations for Vice-Chair, with support from Mr. Lanius.

A roll call vote was taken to elect Mr. Hoffmaster as the Vice-Chair and the motion passed 4-0 (Mr. Matthew, Yes; Mr. Hoffmaster, Yes; Mr. Leininger, Yes; Mr. Lanius, Yes).

Mr. Hoffmaster moved to approve the minutes from the December 8, 2022, meeting with support from Mr. Lanius. The motion passed unopposed.

Public Comment: No public comments were given.

Rebecca Burns, Health Officer, reviewed her monthly report. Items included: Welcome Board of Health Members, Board of Health Lunches to Meet Our Team, Community Health Needs Assessment (CHNA)/Community Health Improvement Plan (CHIP), Hillsdale MCDC Dental Center, Community Health Worker Program, Mpox & Ebola, Flu Vaccine, COVID, Accreditation, Agency Insurance Update, Coldwater Office, Hillsdale Office, Three Rivers Office, Sturgis Office, and Health Promotion and Education.

Dr. Luparello reviewed the Medical Director's monthly report. This month's educational report was titled, "Obesity in the United States".

Committee Reports:

- Did not meet.

Financial Reports/Expenditures

- Mr. Hoffmaster moved to approve the expenditures for December as reported with support from Mr. Matthew. The motion passed unopposed.
- Mr. Hoffmaster moved to place the financials from December on file with support from Mr. Matthew. The motion passed unopposed.

Laura Sutter from BHSJ joined the meeting at 9:48 AM.

Unfinished Business

- None

New Business:

- Mr. Lanius moved to approve the changes to the ByLaws as presented with support from Mr. Hoffmaster. A roll call vote was taken and the motion failed 1-3 (Mr. Matthew, No; Mr. Hoffmaster, Yes; Mr. Leininger, No; Mr. Lanius, No).
- Mr. Leininger, Chair made the following committee appointments: Mr. Matthew, Mr. Baker, and Mr. Leininger to the Program, Policy, and Appeals Committee, with Mr. Matthew serving as the Chair.
- Mr. Leininger, Chair made the following committee appointments: Mr. Hoffmaster, Mr. Houtz, and Mr. Lanius to the Finance Committee, with Mr. Hoffmaster serving as the Chair.
- Mr. Hoffmaster moved to accept the Board of Health meeting schedule, as amended during the meeting discussion, with support from Mr. Lanius. The motion passed unopposed.
- Mr. Matthew moved to approve FY22/23 Budget Amendment #1 with support from Mr. Hoffmaster. A roll call vote was taken and the motion passed 4-0 (Mr. Matthew, Yes; Mr. Hoffmaster, Yes; Mr. Leininger, Yes; Mr. Lanius, Yes)


Departmental Reports:

- Environmental Health
- Area Agency on Aging
- Personal Health & Disease Prevention

Public Comment: Public comment was given by one person.

With no further business, Mr. Hoffmaster moved to adjourn the meeting with support from Mr. Lanius. The motion passed unopposed and the meeting was adjourned at 10:58 AM.

Respectfully Submitted by:


Theresa Fisher,
Administrative Services Director
Secretary to the Board of Health

Branch-Hillsdale-St Joseph Community Health Agency
FY2022-23 FTE

| Employee Last Name | First, MI Name | Status | Admin | AAA | ICD9 | Emerg Prgp | Micro Labone | Hygiene | Medical Director | ICD9 Enabling Hb | Imms | ICD9 Marketing | PA Total Communit | Medical Abolj/imm | Medical Mng/imm | Health Promotion | Medical Mng/imm | Vision | Vaccing | Infla Disease | COVID 19/ Lab Can | Hygiene Disinfect | COVID Immr | ICD9 Adult CoM | AAA COVID Immr1 | Emerg Wtting | PH | door services | PHSTR | PHSD White Prgm | PHSD Washhand | PH IV Water | | | | | |
|--------------------------------|----------------|---------|-------|-----|------|------------|--------------|---------|------------------|------------------|------|----------------|-------------------|-------------------|-----------------|------------------|-----------------|--------|---------|---------------|-------------------|-------------------|------------|----------------|-----------------|--------------|------|---------------|-------|-----------------|---------------|-------------|-------|------|------|------|------|
| AAA | | | 10 | 12 | 14 | 32 | 35 | 101 | 107 | 115 | 138 | 200 | 207 | 212 | 230 | 255 | 275 | 326 | 327 | 341 | 352 | 355 | 363 | 374 | 375 | 405 | 605 | 704 | 722 | 723 | 724 | 745 | | | | | |
| Sutter | Laura | Full-75 | | | 0.87 | 0.10 | | | | | | | | | | | | | | | | | | 0.01 | 0.02 | | | | | | | | | 1.00 | | | |
| Hershey | Linda | Full-75 | | | 0.87 | 0.10 | | | | | | | | | | | | | | | | | | 0.01 | 0.02 | | | | | | | | | 1.00 | | | |
| Redmond | Lisa | Full-75 | | | 0.94 | | | | | | | | | | | | | | | | | | | 0.02 | 0.04 | | | | | | | | | 1.00 | | | |
| Simon | Nichole | Full-75 | | | 0.97 | | | | | | | | | | | | | | | | | | | 0.01 | 0.02 | | | | | | | | | 1.00 | | | |
| VACANT Squires | Vanessa | Full-75 | | | 0.82 | 0.15 | | | | | | | | | | | | | | | | | | 0.01 | 0.02 | | | | | | | | | 1.00 | | | |
| Laughlin | Toni | Full-75 | | | | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | | | |
| Siddons | Janice | Full-75 | | | | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | | |
| ADMIN | | | 10 | 12 | 14 | 32 | 35 | 101 | 107 | 115 | 138 | 200 | 207 | 212 | 230 | 255 | 275 | 326 | 327 | 341 | 352 | 355 | 363 | 374 | 375 | 405 | 605 | 704 | 722 | 723 | 724 | 745 | | | | | |
| Burns | Rebecca | Full-75 | 0.81 | | | 0.07 | | 0.03 | | | | | 0.02 | | | | | | | | | | | 0.02 | 0.02 | | | | | | | 0.005 | 0.005 | | 1.00 | | |
| Fisher | Theresa | Full-75 | 0.90 | | | 0.01 | | 0.06 | | | | | | | | | | | | | | | | 0.01 | 0.01 | 0.01 | | | | | | | | | 1.00 | | |
| Angus | Bonnie | Part-45 | | | | | | | | | 0.90 | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | | |
| Ash | Christine | Full-75 | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | | |
| Elliott | Alan | Full-75 | 0.99 | | | | | | | | | | | | | | | | | | | | | 0.01 | | | | | | | | | | | 1.00 | | |
| Gruner | Brenae | Full-75 | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | | |
| Rogers | Diana | Full-75 | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | | |
| ENVIRONMENTAL HEALTH | | | 10 | 12 | 14 | 32 | 35 | 101 | 107 | 115 | 138 | 200 | 207 | 212 | 230 | 255 | 275 | 326 | 327 | 341 | 352 | 355 | 363 | 374 | 375 | 405 | 605 | 704 | 722 | 723 | 724 | 745 | | | | | |
| Andriacchi | Paul | Full-75 | | | | 0.01 | 0.01 | | | | | | | | | | | | | | 0.05 | 0.02 | | | | | 0.79 | 0.10 | 0.005 | 0.010 | 0.005 | | | | 1.00 | | |
| Frazier | Joseph | Full-75 | | | | 0.01 | 0.01 | | | | | | | | | | | | | | 0.20 | | | | | | | 0.78 | 0.20 | | | | | | 1.00 | | |
| Warner | Lindsey | Full-75 | | | | | | | | | | | | | | | | | | | | | | | | | 0.89 | 0.20 | | | | | | | 1.00 | | |
| Johnson | Cody | Full-75 | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | | | | | | | | 1.00 | | |
| Southern | Carrie | Full-75 | | | | | | | | | | | | | | | | | | | | | | | | | 0.02 | 0.98 | | | | | | | 1.00 | | |
| Pirman | Bethany | Full-75 | | | | | | | | | | | | | | | | | | | | | | | | 0.985 | | | | 0.01 | 0.005 | | | | 1.00 | | |
| Hough | Stephanie | Full-75 | | | | | | | | | | | | | | | | | | | | | | | | 0.89 | 0.20 | | | | | | | | 1.00 | | |
| Keith | Barbara | Full-75 | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | | | | | | | | 1.00 | | |
| Motes | Emily | Full-75 | | | | | | | | | | | | | | | | | | | | | | | 0.01 | | | | | | | | | 0.99 | 1.00 | | |
| Moore | Kyle | Full-75 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | | | |
| Lennox | Brandi | Full-75 | | | | | | | | | | | | | | | | | | | | | | | | | 0.89 | 0.20 | | | | | | | 1.00 | | |
| VACANT Thomas | Aashia | Full-75 | | | | | | | | | | | | | | | | | | | | | | | | | 0.50 | 0.50 | | | | | | | 1.00 | | |
| Rice | Annalisa | Full-75 | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | | | | | | | | 1.00 | | |
| Zimmerman | Roger | Full-75 | | | | | | | | | | | | | | | | | | | | | | | | | 0.99 | | | | 0.01 | | | | 1.00 | | |
| Young | James | Full-75 | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | | | | | | | | 1.00 | | |
| Bent | Rhonda | Part-45 | | | | | | | | | | | | | | | | | | | | | | | | | 0.89 | 0.20 | | | | | | | 1.00 | | |
| HEALTH PROMOTIONS | | | 10 | 12 | 14 | 32 | 35 | 101 | 107 | 115 | 138 | 200 | 207 | 212 | 230 | 255 | 275 | 326 | 327 | 341 | 352 | 355 | 363 | 374 | 375 | 405 | 605 | 704 | 722 | 723 | 724 | 745 | | | | | |
| Bergmoser | Alex | Full-75 | 0.02 | | | | | | | | | 0.20 | 0.22 | | | | | | | | | | | | | | 0.03 | | | | | | | | 1.00 | | |
| VACANT Dewey | Sis | Full-75 | 0.03 | | | | | | 0.03 | | | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | |
| Engelhart | Josh | Full-75 | 0.03 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | |
| VanWagner | Mallory | Part-45 | 0.15 | | | | | | | | | | 0.25 | 0.04 | | | | | | | | | | | | | | | | | | | | | | 1.00 | |
| Dewey | Kris | Full-75 | | | | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | |
| VECTOR BORNE (May-Sept) | | | 10 | 12 | 14 | 32 | 35 | 101 | 107 | 115 | 138 | 200 | 207 | 212 | 230 | 255 | 275 | 326 | 327 | 341 | 352 | 355 | 363 | 374 | 375 | 405 | 605 | 704 | 722 | 723 | 724 | 745 | | | | | |
| Burns | Colin | Temp | | | | | | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | |
| VanHabel | Ryan | Temp | | | | | | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 | |
| Cook | Buhl | Temp | | | | | | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1.00 |
| COVID CLINIC STAFF | | | 10 | 12 | 14 | 32 | 35 | 101 | 107 | 115 | 138 | 200 | 207 | 212 | 230 | 255 | 275 | 326 | 327 | 341 | 352 | | 363 | 374 | 374 | 405 | 605 | 704 | 722 | 723 | 724 | 745 | | | | | |
| Gibson | Chaselyn | Full-75 | | | | | | | | | | | | | | | | | | | | 1.00 | | | | | | | | | | | | | | 1.00 | |
| Harris | Joanna | Full-75 | | | | | | | | | | | | | | | | | | | | 1.00 | | | | | | | | | | | | | | 1.00 | |
| Mullendore | Heavin | Casual | | | | | | | | | | | | | | | | | | | | 1.00 | | | | | | | | | | | | | | 1.00 | |

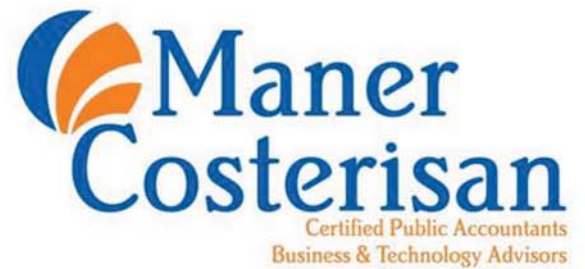
Branch-Hillsdale-St Joseph Community Health Agency
FY2022-23 FTE

| Employee Last Name | First, MI Name | Status | Admin | Emerg Prep | Medicaid Outreach | Peer Counselor | WIC | MCH Enabling Wk | Imnz | Dental Outreach | Prevention | Car Seat | CSHCS | Udon | Hearing | MCH Enabling Child | STD | HIV Prevention | Vaccine Handling | Infect Disease | Lead Testing | COVID PPI Lab Case | COVID Imnz | CSHCS Vaccine | Monkeypox Virus | |
|-------------------------------|----------------|---------|-----------|------------|-------------------|----------------|------------|-----------------|------------|-----------------|------------|------------|------------|------------|------------|--------------------|------------|----------------|------------------|----------------|--------------|--------------------|------------|---------------|-----------------|------|
| CLINIC STAFF BRANCH | | | 10 | 32 | 107 | 108 | 109 | 115 | 138 | 185 | 199 | 201 | 325 | 326 | 327 | 329 | 331 | 332 | 338 | 341 | 345 | 352 | 363 | 371 | 378 | |
| Nichols | Kali | Full-75 | 0.01 | 0.01 | | | 0.04 | 0.03 | | | 0.73 | | | | | | | | | 0.09 | | 0.04 | 0.04 | | 0.01 | 1.00 |
| Hazel | Heidi | Full-75 | | 0.01 | | | 0.09 | | 0.53 | | 0.06 | | | | | 0.04 | 0.03 | | 0.06 | 0.14 | | | 0.02 | | 0.02 | 1.00 |
| Alexander | Amber | Full-75 | | | | | 0.45 | 0.02 | 0.31 | 0.02 | | | | | | | 0.08 | 0.02 | 0.04 | 0.05 | | | 0.01 | | | 1.00 |
| Butler | Jessica | Full-75 | | | | 0.05 | 0.73 | 0.02 | 0.10 | 0.02 | | | | | | | | | 0.04 | 0.02 | | | | 0.01 | | 1.00 |
| Finegan | Breanna | Full-75 | | | | | | | 0.12 | | | | | | | | | | 0.06 | 0.03 | | | | | 0.79 | 1.00 |
| Cox | Candace | Full-75 | | 0.03 | 0.03 | | 0.575 | 0.005 | 0.09 | | | | | | | 0.04 | 0.04 | 0.02 | | 0.03 | | 0.02 | 0.13 | | 0.02 | 1.00 |
| Roberts | Jodi | Full-75 | | | | | | | 0.12 | | | | | | | 0.05 | | | 0.06 | 0.02 | | | | | 0.75 | 1.00 |
| Garner | Connie | Full-75 | | | | | 1.00 | | | | | | | | | | | | | | | | | | | 1.00 |
| Sierminski | Vera | Casual | | | | | 0.84 | | 0.02 | | | | | | | 0.10 | | | | | | 0.02 | 0.02 | | | 1.00 |
| Boyer | Kimberly | Full-75 | | | | | 1.00 | | | | | | | | | | | | | | | | | | | 1.00 |
| Kerr-Badder | Mary | Full-75 | | | | | | | 0.91 | | | | | | | 0.04 | | | 0.04 | | | | 0.01 | | | 1.00 |
| Erwin | Lorraine | Part-40 | | | | 0.98 | | 0.02 | | | | | | | | | | | | | | | | | | 1.00 |
| Proctor | Mary | Casual | | | | | | | | | | 1.00 | | | | | | | | | | | | | | 1.00 |
| CLINIC STAFF HILLSDALE | | | 10 | 32 | 107 | 108 | 109 | 115 | 138 | 185 | 199 | 201 | 325 | 326 | 327 | 329 | 331 | 332 | 338 | 341 | 345 | 352 | 363 | 371 | 378 | |
| Ankney | Shelby | Full-75 | | 0.01 | | | 0.60 | | 0.07 | 0.02 | 0.06 | | | | | | 0.02 | 0.02 | 0.02 | 0.13 | | 0.01 | 0.02 | | 0.02 | 1.00 |
| Campbell | Alecia | Full-75 | | | | 0.03 | 0.64 | 0.03 | 0.10 | 0.02 | | | | | | | 0.08 | 0.01 | 0.02 | 0.06 | | | | 0.01 | | 1.00 |
| Palmer | Lisa | Full-75 | | | | | 0.38 | 0.02 | 0.32 | 0.02 | | | | | | | 0.11 | 0.01 | 0.05 | 0.08 | | | | 0.01 | | 1.00 |
| Hurst | Jolene | Full-75 | | | 0.03 | | 0.455 | 0.005 | 0.29 | 0.01 | | | | | | | 0.03 | 0.04 | 0.02 | 0.10 | | | | | 0.02 | 1.00 |
| Gilbert | Melissa | Full-75 | | | | | 0.08 | | 0.65 | | | | | | | 0.03 | | | 0.22 | | | | 0.02 | | | 1.00 |
| Dossett | Tenia | Full-75 | | | | | 1.00 | | | | | | | | | | | | | | | | | | | 1.00 |
| Clore | Nikki | Part-45 | | | | | 1.00 | | | | | | | | | | | | | | | | | | | 1.00 |
| Elkins-Little | Ameiy | Part-45 | | | | 0.97 | | 0.03 | | | | | | | | | | | | | | | | | | 1.00 |
| CLINIC STAFF ST JOSEPH | | | 10 | 32 | 107 | 108 | 109 | 115 | 138 | 185 | 199 | 201 | 325 | 326 | 327 | 329 | 331 | 332 | 338 | 341 | 345 | 352 | 363 | 371 | 378 | |
| Mullendore | Aimnee | Full-75 | | 0.01 | | | 0.05 | | 0.07 | 0.02 | 0.04 | | | | | | 0.28 | 0.09 | 0.05 | 0.33 | | 0.01 | 0.03 | | 0.02 | 1.00 |
| Deboard | Rhonda | Full-75 | | | | | 0.22 | 0.02 | 0.19 | 0.01 | | | | | | | 0.25 | 0.04 | 0.02 | 0.23 | | | 0.02 | | | 1.00 |
| Schneidmiller | Tina | Full-75 | | | | 0.06 | 0.74 | 0.04 | 0.09 | | | | | | | | | | 0.05 | | | | | 0.02 | | 1.00 |
| Cross | Dale | Full-75 | | | 0.03 | | 0.52 | 0.005 | 0.195 | | | | | | | 0.03 | 0.12 | 0.01 | | 0.07 | | | 0.02 | | | 1.00 |
| Hall | Grace | Full-75 | | | | | 1.00 | | | | | | | | | | | | | | | | | | | 1.00 |
| Hibbs | Lori | Full-75 | | | | | 1.00 | | | | | | | | | | | | | | | | | | | 1.00 |
| Vela | Jesusa | Full-75 | | | | | 0.58 | | 0.38 | | | | | | | 0.02 | | | | | | | 0.02 | | | 1.00 |
| Hopkins | Jen | Full-75 | | | | | | | 0.81 | | | | | | | 0.03 | | | 0.14 | | | | 0.02 | | | 1.00 |
| Furr | Erin | Part-40 | | | | 0.95 | | 0.05 | | | | | | | | | | | | | | | | | | 1.00 |
| CSHCS STAFF | | | 10 | 32 | 107 | 108 | 109 | 115 | 138 | 185 | 199 | 201 | 325 | 326 | 327 | 329 | 331 | 332 | 338 | 341 | 345 | 352 | 363 | 371 | 378 | |
| Penney | Terri | Full-75 | | | | | | | | | | | 0.86 | 0.050 | 0.050 | | | | | | | 0.02 | | 0.02 | | 1.00 |
| Hilarides | Madonna | Full-75 | | | | | | | | | | | 0.82 | | | | | | | | 0.18 | | | | | 1.00 |
| Ewers | Nicole | Full-75 | | | | | | | | | | | 0.90 | 0.04 | 0.04 | | | | | | | | | 0.02 | | 1.00 |
| Hightree | Stephanie | Part-45 | | | | | | | | | | | 1.00 | | | | | | | | | | | | | 1.00 |
| Anderson | Carol | Full-75 | | | | | | | | | | | | 0.50 | 0.50 | | | | | | | | | | | 1.00 |
| Schoneboom | Kimberly | Full-75 | | | | | | | | | | | | 0.50 | 0.50 | | | | | | | | | | | 1.00 |
| Young | Emily | Part-45 | | | | | | | | | | | | 0.50 | 0.50 | | | | | | | | | | | 1.00 |

Branch-Hillsdale-St. Joseph Community Health Agency
Year Ended September 30, 2019

Audit Presentation
March 26, 2020

Presented by:
Dane M. Porter, CPA
Senior Manager

A blue-tinted background image showing a close-up of a calculator on the left, a silver pen resting on a financial chart in the center, and a table with columns for "Pct. chg." and "Day" on the right. The chart shows a fluctuating line graph. The table has some numerical data, including "145", "140", "135", "130", "125", and "120" in the first column, and "Tues.", "142.78", "11.12", and "0.21" in the second column.

SETTING THE STANDARD FOR QUALITY
GOVERNMENTAL AUDITS



Audit Objective

- The objective, or purpose, of an audit is to express opinions on the financial statements
- The purpose is *not* to detect fraud or express an opinion on your internal controls

Management's Responsibility for the Financial Statements

- Preparation and fair presentation of the financial statements in accordance with GAAP
- Including design, implementation, and maintenance of internal controls
- Also responsible for fraud detection, deterrence, and prevention

Auditor's Responsibility

- Express opinions on the financial statements based on our audit

Opinions

- In our opinion, the financial statements...present fairly, in all material respects,...

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Current assets | |
| Cash | \$ 2,650,202 |
| Accounts receivable | 274,847 |
| Due from other governmental units - Federal/State | 660,494 |
| Prepays | 94,182 |
| Inventories | 117,241 |
| Total current assets | 3,796,966 |
| Noncurrent assets | |
| Capital assets, net of accumulated depreciation | 160,911 |
| TOTAL ASSETS | 3,957,877 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows of resources related to pension | 1,463,462 |
| LIABILITIES | |
| Current liabilities | |
| Accounts payable | 486,138 |
| Accrued wages | 82,797 |
| Other accrued liabilities | 41,054 |
| Unearned revenue | 199,720 |
| Current portion of compensated absences | 135,455 |
| Total current liabilities | 945,164 |
| Noncurrent liabilities | |
| Net pension liability | 2,937,727 |
| Noncurrent portion of compensated absences | 270,909 |
| Total noncurrent liabilities | 3,208,636 |
| TOTAL LIABILITIES | 4,153,800 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows of resources related to pension | 209,893 |
| NET POSITION | |
| Investment in capital assets | 160,911 |
| Unrestricted | 896,735 |
| TOTAL NET POSITION | \$ 1,057,646 |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenues and Changes in Net Position</u> |
|-------------------------------------|---------------------|---------------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | |
| Governmental activities | | | | |
| Personal health | \$ 3,205,189 | \$ 962,253 | \$ 3,572,765 | \$ 1,329,829 |
| Environmental health | 1,211,849 | 521,766 | 541,372 | (148,711) |
| Community health | 151,564 | 137,930 | 66,879 | 53,245 |
| Aging services | 1,409,831 | - | 1,410,315 | 484 |
| Administration | 636,460 | 36,916 | 172,245 | (427,299) |
| Total governmental activities | <u>\$ 6,614,893</u> | <u>\$ 1,658,865</u> | <u>\$ 5,763,576</u> | 807,548 |
| General revenues | | | | |
| County appropriations - regular | | | | 749,897 |
| Miscellaneous | | | | 50,114 |
| Interest | | | | 16,036 |
| Total general revenues | | | | <u>816,047</u> |
| Change in net position | | | | 1,623,595 |
| Net position, beginning of the year | | | | <u>(565,949)</u> |
| Net position, end of the year | | | | <u>\$ 1,057,646</u> |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GOVERNMENTAL FUND
BALANCE SHEET
SEPTEMBER 30, 2019**

| | |
|---|-----------------------------------|
| ASSETS | |
| Cash | \$ 2,650,202 |
| Accounts receivable | 274,847 |
| Due from other governmental units - Federal/State | 660,494 |
| Prepays | 94,182 |
| Inventories | <u>117,241</u> |
| TOTAL ASSETS | <u><u>\$ 3,796,966</u></u> |
| LIABILITIES | |
| Accounts payable | \$ 486,138 |
| Accrued wages | 82,797 |
| Other accrued liabilities | 41,054 |
| Unearned revenue | <u>199,720</u> |
| TOTAL LIABILITIES | 809,709 |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable revenue | 627,558 |
| FUND BALANCE | |
| Nonspendable | 94,182 |
| Assigned for vacation and sick leave | 406,364 |
| Unassigned | <u>1,859,153</u> |
| TOTAL FUND BALANCE | <u>2,359,699</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u><u>\$ 3,796,966</u></u> |

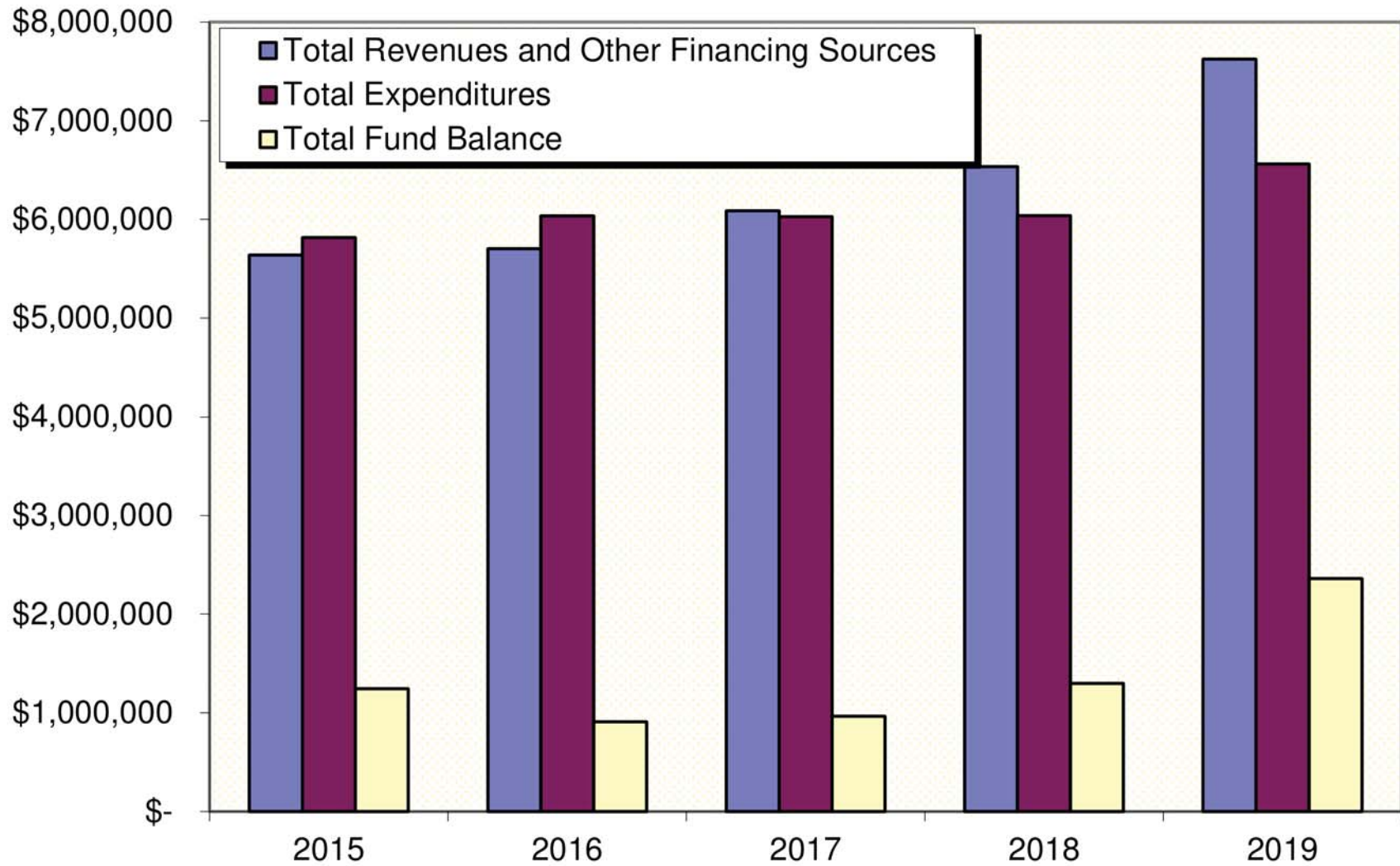
See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2019**

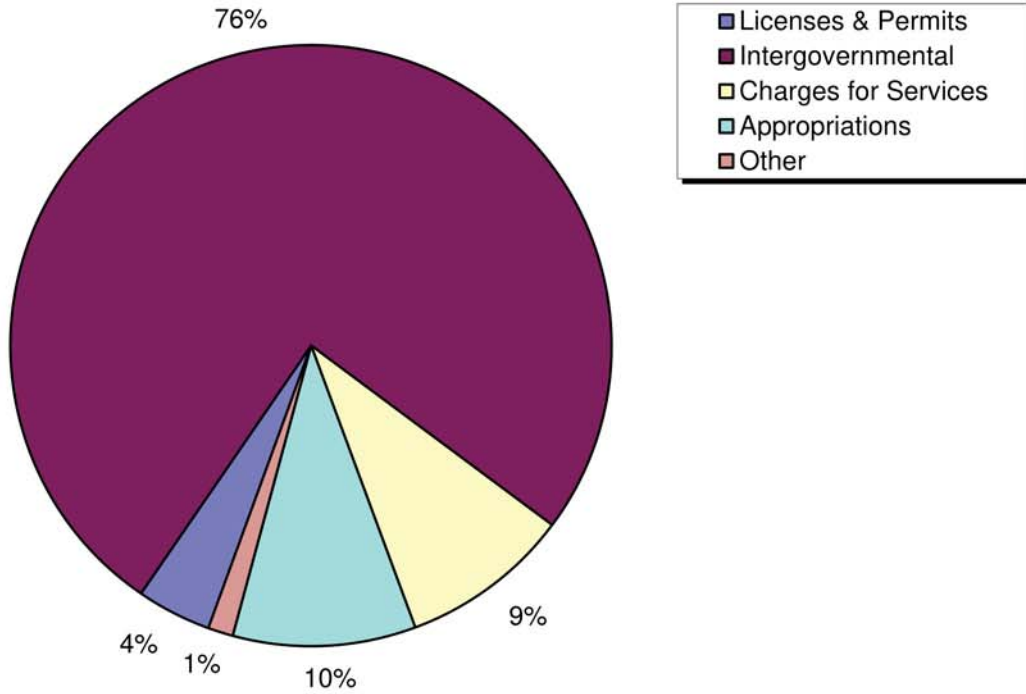
| | |
|--|----------------------------|
| REVENUES | |
| Licenses and permits | \$ 304,838 |
| Intergovernmental | |
| Federal/State | 5,703,486 |
| Local | 60,090 |
| County appropriations | 749,897 |
| Charges for services | 700,460 |
| Interest and rents | 52,932 |
| Other | <u>50,114</u> |
| TOTAL REVENUES | 7,621,817 |
| EXPENDITURES | |
| Current | |
| Salaries and wages | 2,503,660 |
| Fringe benefits | 1,386,989 |
| Supplies and materials | 850,582 |
| Contractual | 1,049,429 |
| Communications | 61,655 |
| Travel and training | 152,844 |
| Insurance | 39,112 |
| Repairs and maintenance | 253,350 |
| Building and equipment lease and rentals | 199,157 |
| Printing and advertising | 21,645 |
| Postage | 17,533 |
| Other | <u>25,230</u> |
| TOTAL EXPENDITURES | <u>6,561,186</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 1,060,631 |
| Fund balance, beginning of year | <u>1,299,068</u> |
| Fund balance, end of year | <u><u>\$ 2,359,699</u></u> |

See accompanying notes to financial statements.

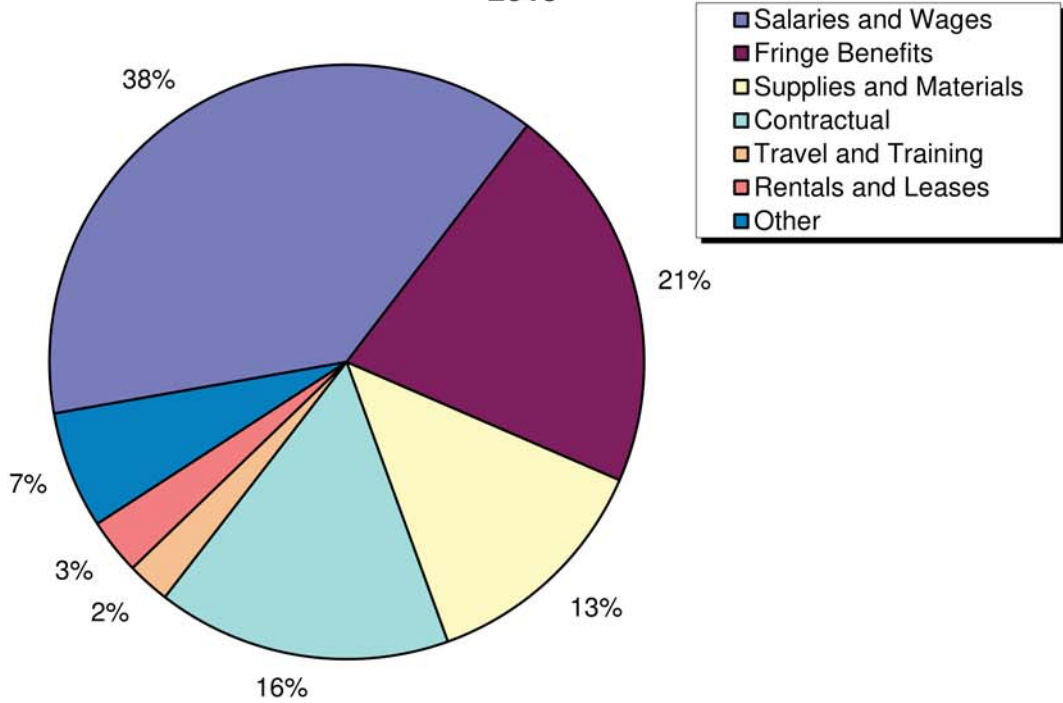
Branch-Hillsdale-St. Joseph Community Health Agency Total Revenues, Expenditures, and Fund Balance



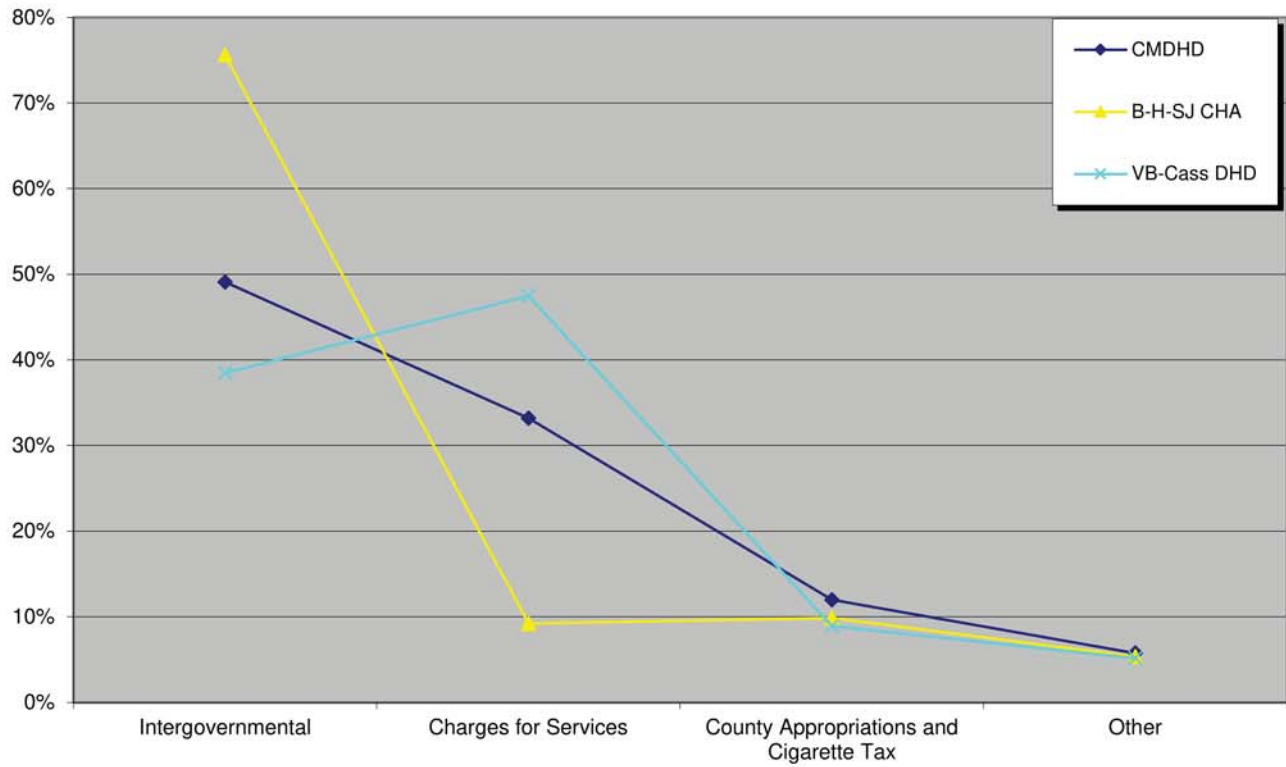
**Branch-Hillsdale-St. Joseph Community Health Agency
Total Revenues
2019**



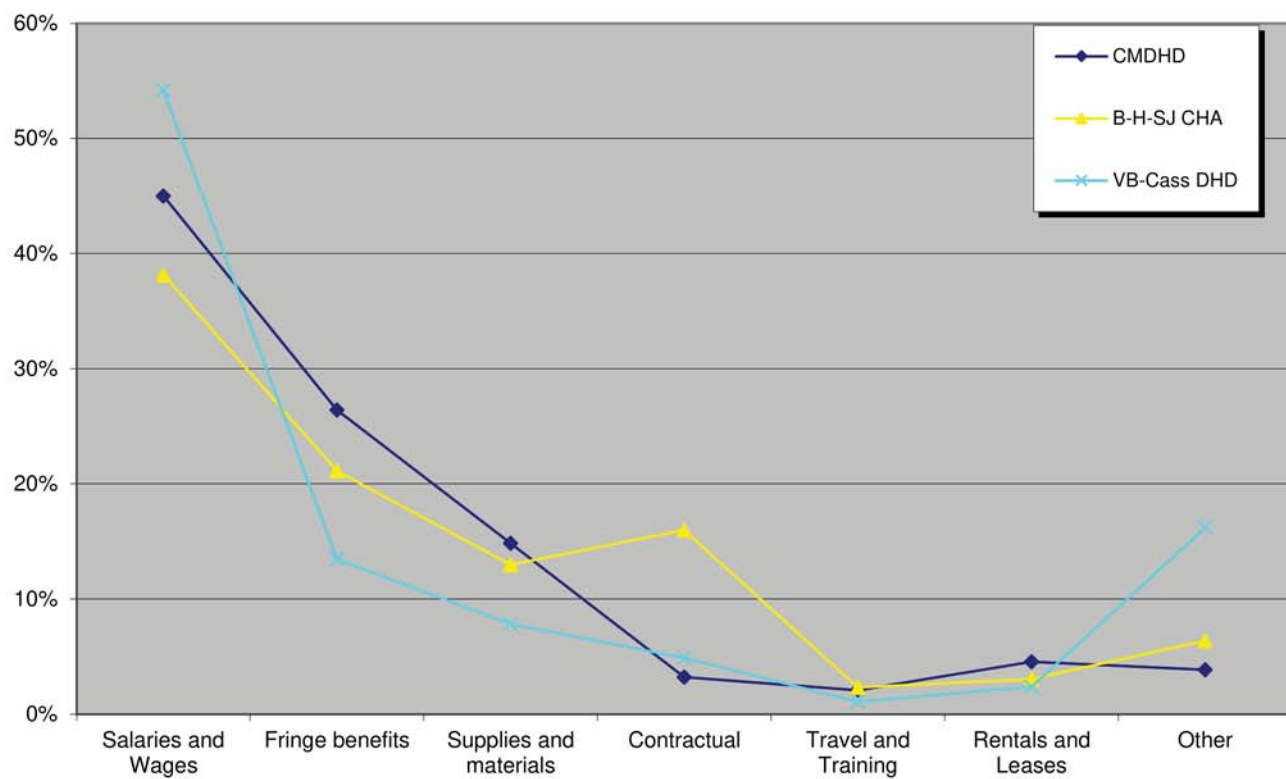
**Branch-Hillsdale-St. Joseph Community Health Agency
Total Expenditures
2019**



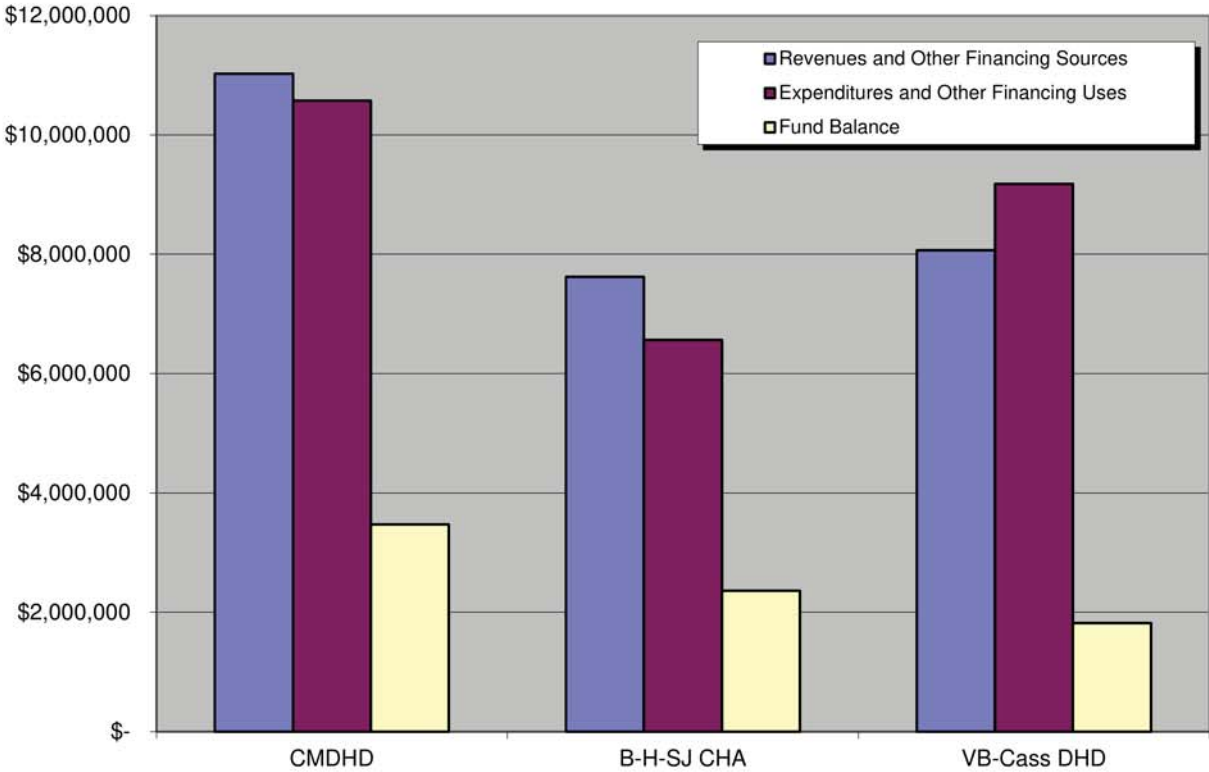
**District Health Department Comparisons
Revenues and Other Financing Sources
Year Ended September 30, 2019**



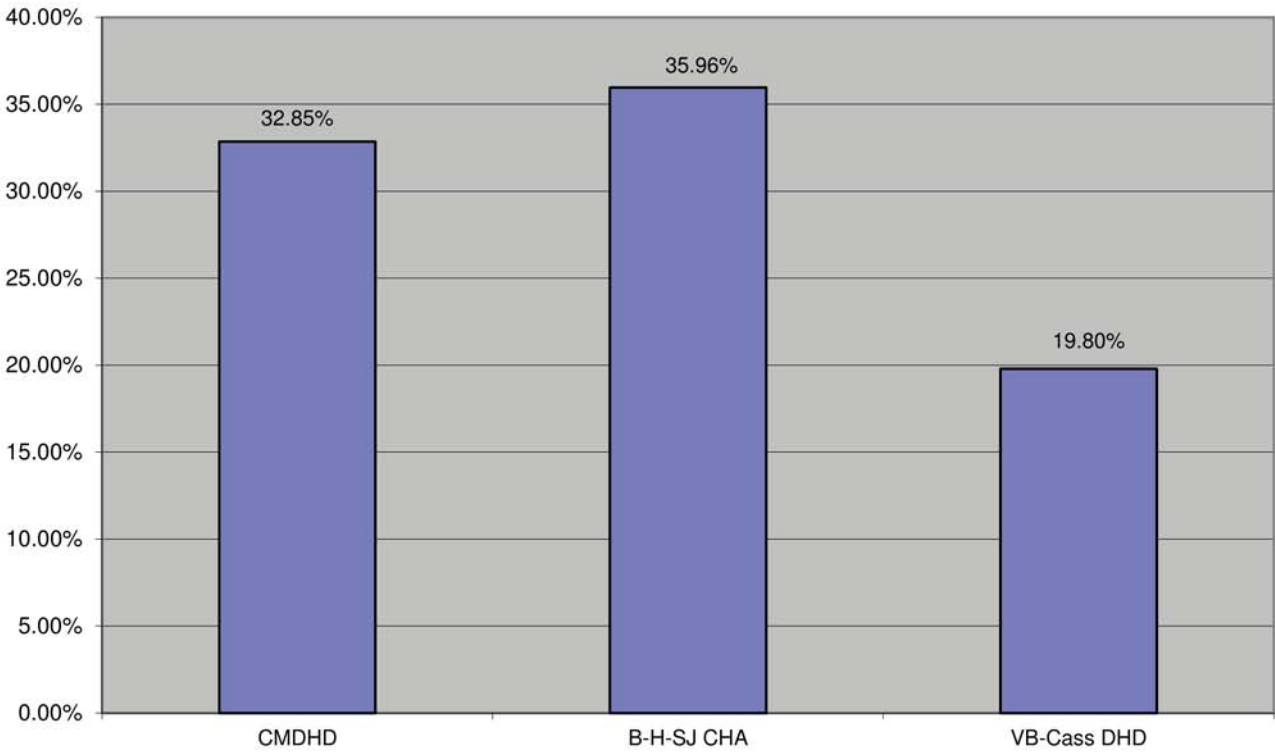
**District Health Department Comparisons
Expenditures and Other Financing Uses
Year Ended September 30, 2019**



**District Health Department Comparisons
Total Revenues, Expenditures, and Fund Balances
Year Ended September 30, 2019**



**Total Fund Balance as a Percentage of Expenditures
September 30, 2019**



**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2019**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

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

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

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|----------------|---|
| 93.069 | Public Health Emergency Preparedness |
| 10.557 | Special Supplemental Nutrition Program for Women, Infants, and Children |

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

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

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

Questions?

Thank you for your time.

Dane M. Porter, CPA
Senior Manager

Maner Costerisan
Certified Public Accountants
Business & Technology Advisors
2425 E. Grand River Avenue, Suite 1
Lansing, MI 48912
(517) 323-7500

March 18, 2020

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

We have audited the financial statements of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency) for the year ended September 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 9, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Branch-Hillsdale-St. Joseph Community Health Agency are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2019. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements of the governmental activities were:

Management's calculation of the historical termination vesting percentages for severance payments is based on an estimate of the percentage of employees who have terminated employment and payments are based on an estimate of the percentage of employees' use of compensated absences.

Management's calculation of depreciation expense for the current period is based on an estimate of the useful lives of the capital assets.

The calculation of the net pension liability, and the related deferred outflows of resources and deferred inflows of resources, is based on an actuarial study which utilized certain actuarial assumptions based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 18, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedule, schedule of changes in employer's net pension liability and related ratios, and schedule of employer contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Public Health and management of the Branch-Hillsdale-St. Joseph Community Health Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

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

YEAR ENDED SEPTEMBER 30, 2019

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency, as of September 30, 2019, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying schedule of funded service categories by source is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The supplemental schedule of funded service categories by source and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedule of funded service categories by source and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2020, on our consideration of the Branch-Hillsdale-St. Joseph Community Health Agency'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 Branch-Hillsdale-St. Joseph Community Health Agency's internal control over financial reporting and compliance.

March 18, 2020

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2019

This section of the annual financial statements, titled Management's Discussion and Analysis, represents the administration's review of the Branch-Hillsdale-St. Joseph Community Health Agency's (the Agency's) financial performance during the fiscal year ended September 30, 2019. The Management's Discussion and Analysis is intended to be read in conjunction with the Agency's financial statements.

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

Financial Highlights

- The assets of the Agency exceeded its liabilities at September 30, 2019, by \$1,057,646 at the government-wide level. Unrestricted net position was \$896,735 at September 30, 2019.
- The Agency's total net position increased \$1,623,595 as a result of this year's operations.
- As of September 30, 2019, the Agency's governmental fund reported an ending fund balance of \$2,359,699, an increase of \$1,060,631.
- As of September 30, 2019, the unassigned fund balance was \$1,859,153, or approximately 28% of total fund expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements: The government-wide financial statements provide information about the activities of the entire Agency. They present an overall view of the Agency's finances, reporting the assets and liabilities on fiscal year ended September 30, 2019.

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

The statement of activities presents information showing how the government's net position changed during fiscal year 2018/2019. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows.

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

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

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

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

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

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

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

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-29 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 30-34. Other supplementary information concerning support services and expenditures of federal awards can be found on pages 35-49 of this report.

Government-wide Financial Analysis:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Branch-Hillsdale-St. Joseph Community Health Agency, assets exceeded liabilities by \$1,057,646. A comparative analysis of net position as of September 30, 2019 and 2018 are presented below:

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| Current assets | \$ 3,796,966 | \$ 1,761,846 |
| Capital assets | <u>160,911</u> | <u>205,452</u> |
| Total assets | 3,957,877 | 1,967,298 |
| Deferred outflows of resources related to pension | 1,463,462 | 452,093 |
| Current liabilities | 945,164 | 573,089 |
| Noncurrent liabilities | <u>3,208,636</u> | <u>2,035,468</u> |
| Total liabilities | 4,153,800 | 2,608,557 |
| Deferred inflows of resources related to pension | <u>209,893</u> | <u>376,783</u> |
| Net position | | |
| Net investment in capital assets | 160,911 | 205,452 |
| Unrestricted | <u>896,735</u> | <u>(771,401)</u> |
| Total net position | <u>\$ 1,057,646</u> | <u>\$ (565,949)</u> |

Unrestricted net position (the part of net position that can be used to finance day to day operations) increased by \$1,668,136. This is within our desired range.

The following table shows the changes in net position as of September 30, 2019 and 2018.

| | <u>2019</u> | <u>2018</u> |
|--------------------------|---------------------|-------------------|
| Program revenues | | |
| Charges for services | \$ 1,658,865 | \$ 1,036,654 |
| Grants and contributions | 5,763,576 | 4,505,798 |
| General revenues | | |
| County appropriations | 749,897 | 728,250 |
| Miscellaneous | 50,114 | 241,423 |
| Interest | <u>16,036</u> | <u>6,010</u> |
| Total revenues | 8,238,488 | 6,518,135 |
| Program expenses | <u>6,614,893</u> | <u>6,304,263</u> |
| Change in net position | <u>\$ 1,623,595</u> | <u>\$ 213,872</u> |

During the year charges for services increased by \$622,211 and grants and contributions increased \$1,257,778 due to receipt of Medicaid cost based reimbursement received for fiscal years 2017, 2018, and 2019. We will continue to collaborate with local health providers and using them as a resource to find new funding.

Total expenses increased approximately \$310,630 or 5% from last year.

Financial Analysis of the Government's Fund

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

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

As of the end of the current fiscal year, the Branch-Hillsdale-St. Joseph Community Health Agency's governmental fund reported an ending fund balance of \$2,359,699, an increase of \$1,060,631 in comparison with the prior year. Of this total, \$94,182 is considered nonspendable as it is for prepaid expenditures. There has been \$406,364 assigned for vacation and sick leave. The unassigned fund balance at September 30, 2019, was \$1,859,153.

As a measure of the governmental fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 28% of total fund expenditures.

Governmental Fund Budgetary Highlights

Over the course of the year, the Branch-Hillsdale-St. Joseph Community Health Agency's Board of Directors amended the budget to take into account events that occurred during the year. Total expenditures budget was increased approximately 4% primarily due to maintenance costs and supplies and materials. We continue downsizing in staff and cross training them for other programs instead of replacing staff that left the Agency.

Capital Asset and Debt Administration

Capital Assets: The Branch-Hillsdale-St. Joseph Community Health Agency's investment in capital assets as of September 30, 2019, amounts to \$160,911 (net of accumulated depreciation). Additional details related to capital assets are presented in Note 3 to the financial statements.

Long-term Obligations: The Branch-Hillsdale-St. Joseph Community Health Agency has a long-term obligation related to compensation (e.g., unused vacation and sick leave). The long-term obligation at September 30, 2019, amounted to \$406,364 for compensated absences. Additional details related to long-term obligations are presented in Note 4 to the financial statements.

Economic Factors and Next Year's Budget and Rates

The fiscal year ending September 30, 2020 will be an uncertain year as the Nation is dealing with the Public Health Crisis created by the COVID-19 pandemic. It is unknown at this time how much funding will be available from the Federal Disaster Declaration to fund Local Public Health responses. There is also uncertainty on how this crisis may affect the State programs provided through the Comprehensive Planning, Budgeting, and Contracting (CPBC) agreement with the Michigan Department of Health and Human Services. The Agency did not receive an increase in local county appropriations in 2020. The Agency will advocate for an increase in local county appropriations every year. The Agency started receiving Medicaid Cost Based Reimbursement payments which are based on the actual costs to provide Medicaid allowable services rather than a defined claim structure. The Agency receives revenue for public health dental outreach and education from the four My Community Dental Centers (MCDC) located within Branch, Hillsdale, and St. Joseph counties, but that revenue is decreasing as MCDC struggles with keeping a full-time dentist in each office. MCDC is working on recruiting to eliminate the shortage, therefore, we anticipate this turning around in future years. The Agency continues to have budget constraints due to the MERS Retirement Defined Benefit plan not being fully funded. The Agency will continue to review and respond to grant opportunities to help in offsetting costs and increase services to the public. The Agency will receive grants for 2020 in Vectorborne Surveillance, Hepatitis A Response, Medical Marihuana Operation & Oversight, and Victims of Crime Act 'Services to Victims of Elder Abuse'.

Because the services of the Branch-Hillsdale-St. Joseph Community Health Agency are provided based on need and not the ability to pay, the Agency will continue to expand billings to insurances when available to offset costs. The Agency routinely reviews fees to ensure that the Agency billing is in line with allowed pricing for our services.

Requests for Information

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

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Health Officer
Branch-Hillsdale-St. Joseph Community Health Agency
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Coldwater, MI 49036
Office: 517-279-9561, ext. 148
Fax: 517-278-2923
E-mail: burnsr@bhsj.org

BASIC FINANCIAL STATEMENTS

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Current assets | |
| Cash | \$ 2,650,202 |
| Accounts receivable | 274,847 |
| Due from other governmental units - Federal/State | 660,494 |
| Prepays | 94,182 |
| Inventories | <u>117,241</u> |
| Total current assets | 3,796,966 |
| Noncurrent assets | |
| Capital assets, net of accumulated depreciation | <u>160,911</u> |
| TOTAL ASSETS | 3,957,877 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows of resources related to pension | 1,463,462 |
| LIABILITIES | |
| Current liabilities | |
| Accounts payable | 486,138 |
| Accrued wages | 82,797 |
| Other accrued liabilities | 41,054 |
| Unearned revenue | 199,720 |
| Current portion of compensated absences | <u>135,455</u> |
| Total current liabilities | 945,164 |
| Noncurrent liabilities | |
| Net pension liability | 2,937,727 |
| Noncurrent portion of compensated absences | <u>270,909</u> |
| Total noncurrent liabilities | <u>3,208,636</u> |
| TOTAL LIABILITIES | 4,153,800 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows of resources related to pension | <u>209,893</u> |
| NET POSITION | |
| Investment in capital assets | 160,911 |
| Unrestricted | <u>896,735</u> |
| TOTAL NET POSITION | <u><u>\$ 1,057,646</u></u> |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenues and Changes in Net Position</u> |
|-------------------------------------|---------------------|---------------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | |
| Governmental activities | | | | |
| Personal health | \$ 3,205,189 | \$ 962,253 | \$ 3,572,765 | \$ 1,329,829 |
| Environmental health | 1,211,849 | 521,766 | 541,372 | (148,711) |
| Community health | 151,564 | 137,930 | 66,879 | 53,245 |
| Aging services | 1,409,831 | - | 1,410,315 | 484 |
| Administration | 636,460 | 36,916 | 172,245 | (427,299) |
| Total governmental activities | <u>\$ 6,614,893</u> | <u>\$ 1,658,865</u> | <u>\$ 5,763,576</u> | 807,548 |
| General revenues | | | | |
| County appropriations - regular | | | | 749,897 |
| Miscellaneous | | | | 50,114 |
| Interest | | | | <u>16,036</u> |
| Total general revenues | | | | <u>816,047</u> |
| Change in net position | | | | 1,623,595 |
| Net position, beginning of the year | | | | <u>(565,949)</u> |
| Net position, end of the year | | | | <u>\$ 1,057,646</u> |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GOVERNMENTAL FUND
BALANCE SHEET
SEPTEMBER 30, 2019**

| | |
|---|----------------------------|
| ASSETS | |
| Cash | \$ 2,650,202 |
| Accounts receivable | 274,847 |
| Due from other governmental units - Federal/State | 660,494 |
| Prepays | 94,182 |
| Inventories | <u>117,241</u> |
| TOTAL ASSETS | <u><u>\$ 3,796,966</u></u> |
| LIABILITIES | |
| Accounts payable | \$ 486,138 |
| Accrued wages | 82,797 |
| Other accrued liabilities | 41,054 |
| Unearned revenue | <u>199,720</u> |
| TOTAL LIABILITIES | 809,709 |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable revenue | 627,558 |
| FUND BALANCE | |
| Nonspendable | 94,182 |
| Assigned for vacation and sick leave | 406,364 |
| Unassigned | <u>1,859,153</u> |
| TOTAL FUND BALANCE | <u>2,359,699</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u><u>\$ 3,796,966</u></u> |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE
SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

Total fund balance - governmental fund \$ 2,359,699

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

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

| | | |
|-------------------------------|--------------------|---------|
| The cost of capital assets is | \$ 1,205,508 | |
| Accumulated depreciation is | <u>(1,044,597)</u> | |
| Capital assets, net | | 160,911 |

| | |
|--|---------|
| Various amounts due for services rendered are not expected to be collected within 60 days of year end and are not available to pay for current expenditures. | 627,558 |
|--|---------|

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 | 1,463,462 | |
| Deferred inflows of resources related to pension | <u>(209,893)</u> | |
| | | 1,253,569 |

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

| | | |
|-----------------------|------------------|--------------------|
| Net pension liability | (2,937,727) | |
| Compensated absences | <u>(406,364)</u> | |
| | | <u>(3,344,091)</u> |

Net position of governmental activities \$ 1,057,646

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2019**

| | |
|--|--------------------------------|
| REVENUES | |
| Licenses and permits | \$ 304,838 |
| Intergovernmental | |
| Federal/State | 5,703,486 |
| Local | 60,090 |
| County appropriations | 749,897 |
| Charges for services | 700,460 |
| Interest and rents | 52,932 |
| Other | <u>50,114</u> |
| TOTAL REVENUES | 7,621,817 |
| EXPENDITURES | |
| Current | |
| Salaries and wages | 2,503,660 |
| Fringe benefits | 1,386,989 |
| Supplies and materials | 850,582 |
| Contractual | 1,049,429 |
| Communications | 61,655 |
| Travel and training | 152,844 |
| Insurance | 39,112 |
| Repairs and maintenance | 253,350 |
| Building and equipment lease and rentals | 199,157 |
| Printing and advertising | 21,645 |
| Postage | 17,533 |
| Other | <u>25,230</u> |
| TOTAL EXPENDITURES | <u>6,561,186</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 1,060,631 |
| Fund balance, beginning of year | <u>1,299,068</u> |
| Fund balance, end of year | <u><u>\$ 2,359,699</u></u> |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019**

Net change in fund balance - governmental fund \$ 1,060,631

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

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

| | |
|----------------------|----------|
| Depreciation expense | (44,541) |
|----------------------|----------|

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. In the current period, these amounts consist of:

| | |
|---------------------------------|---------|
| Increase in unavailable revenue | 616,671 |
|---------------------------------|---------|

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund. These activities consist of:

| | | |
|---|-------------|--|
| (Increase) in net pension liability | (1,144,654) | |
| (Increase) in accrued compensated absences | (42,771) | |
| Increase in deferred outflows of resources related to pension | 1,011,369 | |
| Decrease in deferred inflows of resources related to pension | 166,890 | |

(9,166)

Change in net position of governmental activities

\$ 1,623,595

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

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

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

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

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

Reporting Entity

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

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

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

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

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS (continued)

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

Basis of Accounting

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

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

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

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

Budgets and Budgetary Accounting

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

Cash

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

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

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

Receivables and Unearned Revenue

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

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

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

Inventories

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

Prepays

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

Capital Assets

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

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

| | |
|-------------------|------------|
| Land improvements | 7 years |
| Equipment | 4-10 years |

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

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

Compensated Absences

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

Unavailable Revenue

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

Deferred Outflows/Inflows of Resources

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

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

The Agency 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 Agency also reports deferred outflows of resources and deferred inflows of resources on the statement of net position which correspond to the Agency's net pension liability and are related to differences in experience, differences in assumptions, differences between projected and actual pension plan investment earnings and contributions made subsequent to the measurement date. These amounts are deferred and recognized as an outflow of resources or an inflow of resources in the period to which they apply.

Net Pension Liability

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

Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since its inclusion would make the statements unduly complex and difficult to read.

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

NOTE 2 - CASH

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

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

Deposits

There is a custodial credit risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. As of September 30, 2019, the carrying amount of the Agency's deposits was \$5,409 and the bank balance was \$542,428. As of September 30, 2019, the Agency's deposits were insured by the Federal Deposit Insurance Corporation for \$338,476. The balance of \$203,952 was uninsured and uncollateralized.

The cash balances reported in the basic financial statements include \$223 in imprest cash and \$2,644,570 in cash that is on deposit with the Branch County Treasurer. The cash on deposit with the Branch County Treasurer is part of the County pooled cash and investments. As a result, the insured and uninsured amounts related to these amounts cannot be determined.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of September 30, 2019, the Agency held no investments that would be required to be rated.

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

NOTE 2 - CASH (continued)

Interest Rate Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk

The Agency 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 Agency will do business in accordance with Board approved policy.

NOTE 3 - CAPITAL ASSETS

The following provides a summary of the changes in capital assets for the year ended September 30, 2019:

| | Balance Oct. 1, 2018 | Additions | Disposals | Balance Sept. 30, 2019 |
|--|-------------------------|-------------|-----------|---------------------------|
| Capital assets being depreciated | | | | |
| Equipment | \$ 1,182,785 | \$ - | \$ - | \$ 1,182,785 |
| Land improvements | 22,723 | - | - | 22,723 |
| Total capital assets being depreciated | 1,205,508 | - | - | 1,205,508 |
| Less accumulated depreciation for: | | | | |
| Equipment | (977,333) | (44,541) | - | (1,021,874) |
| Land improvements | (22,723) | - | - | (22,723) |
| Total accumulated depreciation | (1,000,056) | (44,541) | - | (1,044,597) |
| Capital assets, net | \$ 205,452 | \$ (44,541) | \$ - | \$ 160,911 |

Depreciation expense appears on the statement of activities in these governmental functions: Personal Health \$21,561; Environmental Health \$8,015; Community Health \$1,020; Aging Services \$9,484; and Administration \$4,461.

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

NOTE 4 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the Agency for the year ended September 30, 2019:

| | Balance Oct. 1, 2018 | Additions | Deletions | Balance Sept. 30, 2019 | Amount Due within One Year |
|----------------------|-------------------------|------------|--------------|---------------------------|----------------------------------|
| Compensated absences | \$ 363,593 | \$ 222,688 | \$ (179,917) | \$ 406,364 | \$ 135,455 |

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

Accumulated sick and vacation leave represents a liability to the Agency, which is presented in a current and long-term portion of the liability. For this reason, the total liability is reported in the government-wide financial statements and represents a current liability of \$135,455 and a long-term liability of \$270,909 at September 30, 2019. Payments to employees for sick and vacation leave are recorded as expenditures when they are used, and payments are actually made to the employees.

NOTE 5 - RETIREMENT PLANS

Defined Benefit Plan

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

Summary of Significant Accounting Policies

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

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The MERS plan covers all eligible full-time general employees (closed to new hires after August 1, 2015) at the Agency.

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

NOTE 5 - RETIREMENT PLANS (continued)

Benefits Provided (continued)

Retirement benefits for Agency 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 6 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 Health.

At the December 31, 2018, valuation date, the following employees were covered by the benefit terms:

| | |
|---|-------------------|
| Inactive employees or beneficiaries receiving benefits | 61 |
| Inactive employees entitled to but not yet receiving benefits | 38 |
| Active employees | <u>40</u> |
| | <u><u>139</u></u> |

Contributions

The Agency is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended September 30, 2019, the Agency's average contribution rate was 19% of annual payroll. Employees are required to contribute 3.00%.

Net Pension Liability

The Agency's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

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

NOTE 5 - RETIREMENT PLANS (continued)

Net Pension Liability (continued)

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

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|-------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| <u>Changes in Net Pension Liability</u> | | | |
| Balances at December 31, 2017 | \$ 14,781,402 | \$ 12,988,329 | \$ 1,793,073 |
| Changes for the year | | | |
| Service cost | 188,936 | - | 188,936 |
| Interest on total pension liability | 1,155,642 | - | 1,155,642 |
| Difference between expected and actual experience | (366,923) | - | (366,923) |
| Employer contributions | - | 304,525 | (304,525) |
| Employee contributions | - | 50,404 | (50,404) |
| Net investment income (loss) | - | (497,015) | 497,015 |
| Benefit payments, including employee refunds | (860,670) | (860,670) | - |
| Administrative expense | - | (24,912) | 24,912 |
| Other changes | 1 | - | 1 |
| Net changes | <u>116,986</u> | <u>(1,027,668)</u> | <u>1,144,654</u> |
| Balances at December 31, 2018 | <u>\$ 14,898,388</u> | <u>\$ 11,960,661</u> | <u>\$ 2,937,727</u> |

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

For the year ended September 30, 2019, the Agency recognized pension expense of \$598,252. The Agency 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 | \$ - | \$ 209,893 |
| Net difference between projected and actual earnings on pension plan investments | 907,711 | - |
| Contributions subsequent to the measurement date* | <u>555,751</u> | <u>-</u> |
| Total | <u>\$ 1,463,462</u> | <u>\$ 209,893</u> |

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending September 30, 2020.

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

NOTE 5 - RETIREMENT PLANS (continued)

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

| <u>Year Ending September 30,</u> | <u>Pension Expense</u> |
|--------------------------------------|----------------------------|
| 2020 | \$ 115,328 |
| 2021 | 101,717 |
| 2022 | 177,802 |
| 2023 | 302,971 |

Actuarial Assumptions

The total pension liability in the December 31, 2018, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary increases: 3.75% in the long-term plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 7.75%, net of investment expenses, including inflation.

The mortality table used to project the mortality experience of non-disabled plan members is a 50% Male - 50% Female blend of the following tables: 1. the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%, 2. the RP-2014 Employee Mortality Tables, and 3. the RP-2014 Juvenile Mortality Tables. The mortality table used to project the mortality experience of disabled plan members is a 50% Male - 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the valuation were based on the results of the 2009-2013 Five-Year Experience Study.

Discount Rate

The discount rate used to measure the total pension liability is 8%. 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.

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.

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

NOTE 5 - RETIREMENT PLANS (continued)

Projected Cash Flows (continued)

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> |
|-------------------------|--------------------------|---|
| Global Equity | 55.50% | 6.15% |
| Global Fixed Income | 18.50% | 1.26% |
| Real Assets | 13.50% | 7.22% |
| Diversifying Strategies | 12.50% | 5.00% |

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

The following presents the net pension liability of the Agency, calculated using the discount rates of 8%, as well as what the Agency's net pension liability would be using a discount rate that is 1% lower (7%) or 1% higher (9%) than the current rate.

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|-----------------------|---------------------|----------------------------------|---------------------|
| Net pension liability | <u>\$ 4,539,236</u> | <u>\$ 2,937,727</u> | <u>\$ 1,573,995</u> |

Defined Contribution Plan

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

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

The Agency's contributions to the plan were \$32,043 for the year ended September 30, 2019. The Agency's employees contributed \$19,226 to the defined contribution plan for the year ended September 30, 2019.

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

NOTE 6 - RISK MANAGEMENT

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

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

NOTE 7 - NONCANCELLABLE OPERATING LEASE OBLIGATIONS

The Branch-Hillsdale-St. Joseph Community Health Agency has entered into twenty-year and five-year, noncancelable long-term leases for the Hillsdale and St. Joseph branch offices space, respectively. Rent expense for office space for the year ended September 30, 2019, amounted to \$88,500 and \$6,873 for the Hillsdale and St. Joseph branch offices, respectively.

Future minimum payments are as follows:

| <u>Hillsdale</u> | |
|--------------------------------------|------------------|
| <u>Year Ending September 30,</u> | <u>Principal</u> |
| 2020 | <u>\$ 77,152</u> |
| | |
| <u>St. Joseph</u> | |
| <u>Year Ending September 30,</u> | <u>Principal</u> |
| 2020 | \$ 7,080 |
| 2021 | <u>7,440</u> |
| | <u>\$ 14,520</u> |

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

NOTE 8 - DETAILS OF FUND BALANCE CLASSIFICATIONS

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five fund balance classifications under this standard:

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

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

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

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

NOTE 9 - CONTINGENT LIABILITIES

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

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

NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENT

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*. This statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Agency is currently evaluating the impact this standard will have on the financial statements when adopted during the 2020-2021 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GENERAL OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2019**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|----------------------------|---------------------|---|
| REVENUES | | | | |
| Licenses and permits | \$ 288,130 | \$ 295,030 | \$ 304,838 | \$ 9,808 |
| Intergovernmental | | | | |
| Federal/State | 4,325,765 | 4,556,301 | 5,703,486 | 1,147,185 |
| Local | 51,918 | 61,504 | 60,090 | (1,414) |
| County appropriations | 624,475 | 625,843 | 749,897 | 124,054 |
| Charges for services | 647,518 | 629,423 | 700,460 | 71,037 |
| Interest and rents | 44,896 | 47,896 | 52,932 | 5,036 |
| Other | 195,480 | 184,778 | 50,114 | (134,664) |
| TOTAL REVENUES | 6,178,182 | 6,400,775 | 7,621,817 | 1,221,042 |
| EXPENDITURES | | | | |
| Current | | | | |
| Salaries and wages | 2,500,248 | 2,551,822 | 2,503,660 | 48,162 |
| Fringe benefits | 1,158,796 | 1,104,797 | 1,386,989 | (282,192) |
| Supplies and materials | 749,405 | 845,252 | 850,582 | (5,330) |
| Contractual | 1,001,343 | 1,081,628 | 1,049,429 | 32,199 |
| Communications | 72,100 | 71,555 | 61,655 | 9,900 |
| Travel and training | 145,849 | 158,895 | 152,844 | 6,051 |
| Insurance | 37,081 | 39,024 | 39,112 | (88) |
| Repairs and maintenance | 237,411 | 279,223 | 253,350 | 25,873 |
| Building and equipment lease and rentals | 199,308 | 199,472 | 199,157 | 315 |
| Printing and advertising | 9,050 | 25,159 | 21,645 | 3,514 |
| Postage | 26,620 | 22,465 | 17,533 | 4,932 |
| Other | 40,971 | 21,483 | 25,230 | (3,747) |
| TOTAL EXPENDITURES | 6,178,182 | 6,400,775 | 6,561,186 | (160,411) |
| EXCESS OF REVENUES OVER EXPENDITURES | - | - | 1,060,631 | 1,060,631 |
| Fund balance, beginning of year | 1,299,068 | 1,299,068 | 1,299,068 | - |
| Fund balance, end of year | <u>\$ 1,299,068</u> | <u>\$ 1,299,068</u> | <u>\$ 2,359,699</u> | <u>\$ 1,060,631</u> |

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

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | |
| Service cost | \$ 188,936 | \$ 194,225 | \$ 221,881 | \$ 260,139 | \$ 257,464 |
| Interest | 1,155,642 | 1,122,384 | 1,096,375 | 1,008,656 | 929,021 |
| Difference between expected and actual experience | (366,923) | (79,298) | (233,076) | 80,642 | - |
| Changes of assumptions | - | - | - | 814,056 | - |
| Benefit payments, including employee refunds | (860,670) | (777,188) | (715,313) | (616,270) | (590,701) |
| Other | 1 | - | 1 | (1) | 29,031 |
| Net Change in Total Pension Liability | 116,986 | 460,123 | 369,868 | 1,547,222 | 624,815 |
| Total Pension Liability, beginning | 14,781,402 | 14,321,279 | 13,951,411 | 12,404,189 | 11,779,374 |
| Total Pension Liability, ending | <u>\$ 14,898,388</u> | <u>\$ 14,781,402</u> | <u>\$ 14,321,279</u> | <u>\$ 13,951,411</u> | <u>\$ 12,404,189</u> |
| Plan Fiduciary Net Position | | | | | |
| Contributions - employer | \$ 304,525 | \$ 266,448 | \$ 226,464 | \$ 219,053 | \$ 181,018 |
| Contributions - employee | 50,404 | 55,364 | 64,400 | 85,602 | 71,723 |
| Net investment income (loss) | (497,015) | 1,559,362 | 1,251,034 | (173,001) | 708,740 |
| Benefit payments, including employee refunds | (860,670) | (777,188) | (715,313) | (616,270) | (590,701) |
| Administrative expense | (24,912) | (24,713) | (24,706) | (25,331) | (25,997) |
| Net Change in Plan Fiduciary Net Position | (1,027,668) | 1,079,273 | 801,879 | (509,947) | 344,783 |
| Plan Fiduciary Net Position, beginning | 12,988,329 | 11,909,056 | 11,107,177 | 11,617,124 | 11,272,341 |
| Plan Fiduciary Net Position, ending | <u>\$ 11,960,661</u> | <u>\$ 12,988,329</u> | <u>\$ 11,909,056</u> | <u>\$ 11,107,177</u> | <u>\$ 11,617,124</u> |
| Agency Net Pension Liability | <u>\$ 2,937,727</u> | <u>\$ 1,793,073</u> | <u>\$ 2,412,223</u> | <u>\$ 2,844,234</u> | <u>\$ 787,065</u> |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 80% | 88% | 83% | 80% | 94% |
| Covered employee payroll | \$ 1,673,482 | \$ 1,727,981 | \$ 1,974,029 | \$ 2,408,692 | \$ 2,383,929 |
| Agency's Net Pension Liability as a percentage of covered employee payroll | 176% | 104% | 122% | 118% | 33% |

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

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------------|----------------|----------------|----------------|----------------|
| Actuarially determined contributions | \$ 306,612 | \$ 295,032 | \$ 256,452 | \$ 221,994 | \$ 209,441 |
| Contributions in relation to the actuarially determined contribution | <u>631,891</u> | <u>295,032</u> | <u>256,452</u> | <u>221,994</u> | <u>209,441</u> |
| Contribution deficiency (excess) | <u>\$ (325,279)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered employee payroll | \$ 1,634,619 | \$ 1,688,177 | \$ 1,918,244 | \$ 2,204,494 | \$ 2,413,420 |
| Contributions as a percentage of covered employee payroll | 39% | 17% | 13% | 10% | 9% |

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
 YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Michigan Public Act 621 of 1978, Section 18 and 19, as amended, provides that a local governmental unit not incur expenditures in excess of the amounts appropriated. The Department's budgeted expenditures in the General Operating Fund have been adopted and are maintained at the functional classification level. The approved budget of the Agency has been adopted at the total expenditure level. During the year ended September 30, 2019, the Agency incurred expenditures in excess of the amounts appropriated as follows:

| | <u>Amounts Appropriated</u> | <u>Amounts Expended</u> | <u>Variance</u> |
|--------------------|---------------------------------|-----------------------------|-----------------|
| Total expenditures | \$ 6,400,775 | \$ 6,561,186 | \$ 160,411 |

NOTE 2 - EMPLOYEE RETIREMENT PLAN

Changes of benefits terms: There were no changes of benefit terms during plan year 2018.

Changes in assumptions: There were no changes of assumptions during plan year 2018.

OTHER SUPPLEMENTARY INFORMATION

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (a)
AGING AND ADULT SERVICES AGENCY
YEAR ENDED SEPTEMBER 30, 2019

| | Title III-B | Title III-C1 | Title III-C2 | Title III-D |
|---|-------------------|-------------------|------------------|-----------------|
| EXPENDITURES | | | | |
| Personal care | \$ 7,650 | \$ - | \$ - | \$ - |
| Homemaker | 7,651 | - | - | - |
| Chore services | 4,500 | - | - | - |
| Home delivered meals | - | - | 93,503 | - |
| Adult day care | - | - | - | - |
| Care management | 25,775 | - | - | - |
| Respite care | - | - | - | - |
| Case coordination and support | - | - | - | - |
| Congregate meals | - | 114,550 | - | - |
| Transportation | 35,430 | - | - | - |
| Legal assistance | 9,000 | - | - | - |
| Caregiver Support Group | - | - | - | - |
| Caregiver Training | - | - | - | - |
| Assistive devices and technologies | - | - | - | - |
| Information and assistance | 22,540 | - | - | - |
| Home repair | 2,600 | - | - | - |
| Disease prevention and health promotion | - | - | - | 9,067 |
| Program development | 23,100 | - | - | - |
| Ombudsman | 2,000 | - | - | - |
| Medication management | - | - | - | - |
| Administration | - | - | - | - |
| Community living support services - RSD | 934 | - | - | - |
| Other | 2,500 | - | - | - |
| | <u>\$ 143,680</u> | <u>\$ 114,550</u> | <u>\$ 93,503</u> | <u>\$ 9,067</u> |
| TOTAL EXPENDITURES | <u>\$ 143,680</u> | <u>\$ 114,550</u> | <u>\$ 93,503</u> | <u>\$ 9,067</u> |

(a) This schedule only includes Aging Services programs.

| <u>Title III-E</u> | <u>Title III Administration</u> | <u>NSIP</u> | <u>Targeted Care Management</u> | <u>State Access</u> | <u>State In-Home</u> |
|--------------------|---------------------------------|-------------------|---------------------------------|---------------------|----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 77,859 |
| - | - | - | - | - | 36,853 |
| - | - | - | - | - | - |
| - | - | 116,937 | - | - | - |
| - | - | - | - | - | - |
| 29,630 | - | - | - | 1,231 | - |
| 8,984 | - | - | - | - | 15,076 |
| 5,591 | - | - | - | 6,953 | - |
| - | - | 22,129 | - | - | - |
| 4,085 | - | - | - | - | - |
| - | - | - | - | - | - |
| 3,618 | - | - | - | - | - |
| 3,617 | - | - | - | - | - |
| - | - | - | - | - | 9,003 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 7,142 |
| - | 46,258 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 68,077 | - | - |
| <u>\$ 55,525</u> | <u>\$ 46,258</u> | <u>\$ 139,066</u> | <u>\$ 68,077</u> | <u>\$ 8,184</u> | <u>\$ 145,933</u> |

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
AGING AND ADULT SERVICES AGENCY
YEAR ENDED SEPTEMBER 30, 2019

| | State Congregate Meals | State Home Delivered Meals | State Alternative Care | Merit Award Trust Fund Respite |
|---|------------------------------|-------------------------------------|------------------------------|---|
| EXPENDITURES | | | | |
| Personal care | \$ - | \$ - | \$ 16,118 | \$ - |
| Homemaker | - | - | 16,118 | - |
| Chore services | - | - | - | - |
| Home delivered meals | - | 137,046 | - | - |
| Adult day care | - | - | - | 21,100 |
| Care management | - | - | - | - |
| Respite care | - | - | - | 2,171 |
| Case coordination and support | - | - | - | - |
| Congregate meals | 2,742 | - | - | - |
| Transportation | - | - | - | 10,959 |
| Legal assistance | - | - | - | - |
| Caregiver Support Group | - | - | - | - |
| Caregiver Training | - | - | - | - |
| Assistive devices and technologies | - | - | - | - |
| Information and assistance | - | - | - | - |
| Home repair | - | - | - | - |
| Disease prevention and health promotion | - | - | - | - |
| Program development | - | - | - | - |
| Ombudsman | - | - | - | - |
| Medication management | - | - | - | - |
| Administration | - | - | - | - |
| Community living support services - RSD | - | - | - | - |
| Other | - | - | - | - |
| TOTAL EXPENDITURES | \$ 2,742 | \$ 137,046 | \$ 32,236 | \$ 34,230 |

| <u>State Respite Care</u> | <u>State CG Support</u> | <u>Merit Award Fund Administration</u> | <u>State Care Management</u> | <u>State Administration</u> | <u>State Caregiver Support Administration</u> |
|-----------------------------------|---------------------------------|--|--------------------------------------|---------------------------------|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 11,391 | - | - | - | - | - |
| 30,416 | 3,212 | - | 80,228 | - | - |
| - | - | - | - | - | - |
| - | 1,011 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 3,385 | - | 7,869 | 418 |
| - | - | - | - | - | - |
| <u>\$ 41,807</u> | <u>\$ 4,223</u> | <u>\$ 3,385</u> | <u>\$ 80,228</u> | <u>\$ 7,869</u> | <u>\$ 418</u> |

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
AGING AND ADULT SERVICES AGENCY
YEAR ENDED SEPTEMBER 30, 2019**

| | State Aging New Services | Total |
|---|-----------------------------|---------------------|
| EXPENDITURES | | |
| Personal care | \$ - | \$ 101,627 |
| Homemaker | - | 60,622 |
| Chore services | - | 4,500 |
| Home delivered meals | - | 347,486 |
| Adult day care | - | 32,491 |
| Care management | 12,763 | 149,627 |
| Respite care | - | 59,859 |
| Case coordination and support | - | 12,544 |
| Congregate meals | - | 139,421 |
| Transportation | - | 51,485 |
| Legal assistance | - | 9,000 |
| Caregiver Support Group | - | 3,618 |
| Caregiver Training | - | 3,617 |
| Assistive devices and technologies | - | 9,003 |
| Information and assistance | - | 22,540 |
| Home repair | - | 2,600 |
| Disease prevention and health promotion | - | 9,067 |
| Program development | - | 23,100 |
| Ombudsman | - | 2,000 |
| Medication management | - | 7,142 |
| Administration | - | 57,930 |
| Community living support services - RSD | - | 934 |
| Other | - | 70,577 |
| | <u>\$ 12,763</u> | <u>\$ 1,180,790</u> |
| TOTAL EXPENDITURES | | |

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2019**

| Federal Grantor/Pass Through Grantor/Program Title | CFDA Number | Pass-Through Grantor Number | Expenditures |
|---|-----------------------|-----------------------------------|----------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| Passed through Michigan Department of Health and Human Services Special Supplemental Nutrition Program for | | | |
| Women, Infants, and Children | 10.557 ^(a) | | |
| FY 18-19 Resident Services | | 192MI003W1003 | \$ 894,164 |
| FY 18-19 Breastfeeding | | 192MI003W1003 | 28,566 |
| FY 18-19 Breastfeeding | | 172MI013W5003 | 32,720 |
| FY 18-19 Breastfeeding | | 182MI003W5003 | <u>19,636</u> |
| | | | 975,086 |
| U.S. DEPARTMENT OF JUSTICE | | | |
| Passed through Michigan Department of Health and Human Services Crime Victim Assistance | | | |
| FY 18-19 VOCA | 16.575 | E20192683-00 | 169,435 |
| U.S. ENVIRONMENTAL PROTECTION AGENCY | | | |
| Passed through Michigan Department of Environment, Great Lakes, and Energy State Drinking Water Revolving Loan Fund Program | | | |
| FY 18-19 Standard/Operator Assistance | 66.468 | FS975487-17 | 9,479 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Passed through Michigan Aging and Adult Services Agency Title III-D Special Programs for the Aging (Disease Prevention and Health Promotion Services) | | | |
| FY 18-19 | 93.043 | N/A | 9,067 |
| Title III-B Special Programs for the Aging (Grants for Supportive Services and Senior Centers) | | | |
| FY 18-19 Administration | 93.044 ^(b) | N/A | 13,415 |
| FY 18-19 Regular | | N/A | <u>143,680</u> |
| | | | 157,095 |
| Title III-C Special Programs for the Aging (Nutrition Services) | | | |
| FY 18-19 Administration | 93.045 ^(b) | N/A | 26,367 |
| FY 18-19 Nutrition Congregate | | N/A | 114,550 |
| FY 18-19 Nutrition Home Delivered Meals | | N/A | <u>93,503</u> |
| | | | 234,420 |
| National Family Caregiver Support | | | |
| FY 18-19 Administration | 93.052 | N/A | 6,476 |
| FY 18-19 Regular | | N/A | <u>55,525</u> |
| | | | 62,001 |
| Nutrition Services Incentive Program | | | |
| FY 18-19 Administration | 93.053 ^(b) | N/A | 139,066 |
| Medical Assistance Program | | | |
| FY 18-19 Aging | 93.778 | N/A | 68,077 |

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
YEAR ENDED SEPTEMBER 30, 2019**

| Federal Grantor/Pass Through Grantor/Program Title | CFDA Number | Pass-Through Grantor Number | Expenditures |
|--|-----------------------|-----------------------------------|---------------------|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued) | | | |
| Passed through Michigan Department of Health and Human Services | | | |
| Medical Assistance Program | | | |
| FY 18-19 Medicaid Outreach | 93.778 | 2005MI5ADM | \$ 40,616 |
| FY 18-19 CSHCS Medicaid Outreach | | 2005MI5ADM | 8,839 |
| FY 18-19 CSHCS Elevated Blood Lead Case Management | | 1905M15MAP | 5,644 |
| FY 18-19 CSHCS Outreach and Advocacy | | 1905MI5ADM | <u>116,729</u> |
| | | | 171,828 |
| Public Health Emergency Preparedness | | | |
| FY 17-18 | 93.069 ^(a) | NU90TP921906 | 98,656 |
| FY 18-19 | | NU90TP922062 | <u>30,306</u> |
| | | | 128,962 |
| Immunization Grants | | | |
| FY 18-19 Vaccine Supply | 93.268 | NH23IP000752 | 356,505 |
| FY 18-19 Immunization Fixed Fees | | NH23IP000752 | 9,800 |
| FY 18-19 Immunization Fixed Fees | | NH23IP922635 | 1,650 |
| FY 18-19 IAP | | NH23IP000752 | 53,847 |
| FY 18-19 IAP | | NH23IP922635 | <u>17,949</u> |
| | | | 439,751 |
| National State Based Tobacco Control Programs | | | |
| Local Tobacco Reduction | 93.305 | NU58DP006000 | 25,000 |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | | | |
| Epidemiology and Laboratory Capacity | 93.323 | NU50CK000369 | 19,763 |
| Maternal and Child Health Services Block Grant | | | |
| FY 18-19 Public Health Functions and Infrastructure - MCH | 93.994 | B0432550 | 19,105 |
| FY 18-19 Enabling Services Women - MCH | | B0432550 | 46,863 |
| FY 18-19 Enabling Services Children - MCH | | B0432550 | <u>27,074</u> |
| | | | 93,042 |
| Preventative Health Services | | | |
| Local Health Department (LHD) Sharing Support | 93.991 | NB010T009214 | <u>44,135</u> |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | <u>1,592,207</u> |
| TOTAL FEDERAL AWARD EXPENDITURES | | | <u>\$ 2,746,207</u> |
| | | | (c) |

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency) and is presented on the modified accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The Agency has elected to not use the 10 percent *de minimis* indirect rate allowed under the Uniform Guidance.

NOTE 2 - SUBRECIPIENTS

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

NOTE 3 - SUMMARY OF SIGNIFICANT EXPLANATIONS OF SCHEDULE

The following descriptions identified below as (a) - (c) 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.
- (c) The following reconciles the federal revenues reported in the September 30, 2019, financial statements to the expenditures of the Agency administered federal programs reported on the Schedule of Expenditures of Federal Awards (SEFA):

| | |
|--|----------------------------|
| Federal/State Revenue (per fund financial statements) | \$ 5,703,486 |
| Plus: Difference between vaccines administered (revenue per financial statements) and vaccines received (expenditures per SEFA and instructions from grantor agency) | 33,290 |
| Less: Portions of grant funding considered "State" funding | <u>(2,990,569)</u> |
| Federal award expenditures | <u><u>\$ 2,746,207</u></u> |

**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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

March 18, 2020

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

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

Report on Compliance for Each Major Federal Program

We have audited the Branch-Hillsdale-St. Joseph Community Health Agency's (the Agency) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the Agency's major federal programs for the year ended September 30, 2019. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, the Branch-Hillsdale-St. Joseph Community Health Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

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

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

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

March 18, 2020

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2019**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

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

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

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|----------------|---|
| 93.069 | Public Health Emergency Preparedness |
| 10.557 | Special Supplemental Nutrition Program for Women, Infants, and Children |

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

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

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2019**

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.

March 12, 2021

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

We have audited the financial statements of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency) for the year ended September 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 11, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Branch-Hillsdale-St. Joseph Community Health Agency are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2020. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements of the governmental activities were:

Management's calculation of the historical termination vesting percentages for severance payments is based on an estimate of the percentage of employees who have terminated employment and payments are based on an estimate of the percentage of employees' use of compensated absences.

Management's calculation of depreciation expense for the current period is based on an estimate of the useful lives of the capital assets.

The calculation of the net pension liability, and the related deferred outflows of resources and deferred inflows of resources, is based on an actuarial study which utilized certain actuarial assumptions based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not detect any corrected or uncorrected misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 12, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedule, schedule of changes in employer's net pension liability and related ratios, and schedule of employer contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Public Health and management of the Branch-Hillsdale-St. Joseph Community Health Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

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

YEAR ENDED SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency, as of September 30, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying schedule of funded service categories by source is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The supplemental schedule of funded service categories by source and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedule of funded service categories by source and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2021, on our consideration of the Branch-Hillsdale-St. Joseph Community Health Agency'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 Branch-Hillsdale-St. Joseph Community Health Agency's internal control over financial reporting and compliance.

March 12, 2021

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2020

This section of the annual financial statements, titled Management's Discussion and Analysis, represents the administration's review of the Branch-Hillsdale-St. Joseph Community Health Agency's (the Agency's) financial performance during the fiscal year ended September 30, 2020. The Management's Discussion and Analysis is intended to be read in conjunction with the Agency's financial statements.

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

Financial Highlights

- The assets of the Agency exceeded its liabilities at September 30, 2020, by \$1,378,941 at the government-wide level. Unrestricted net position was \$1,243,640 at September 30, 2020.
- The Agency's total net position increased \$321,295 as a result of this year's operations.
- As of September 30, 2020, the Agency's governmental fund reported an ending fund balance of \$2,723,953, an increase of \$364,254.
- As of September 30, 2020, the assigned and unassigned fund balance was \$2,240,123 and \$367,518, respectively, or approximately 35% of total fund expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements: The government-wide financial statements provide information about the activities of the entire Agency. They present an overall view of the Agency's finances, reporting the assets and liabilities on fiscal year ended September 30, 2020.

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

The statement of activities presents information showing how the government's net position changed during fiscal year 2019/2020. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows.

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

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

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

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

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

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

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

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-30 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 31-35. Other supplementary information concerning support services and expenditures of federal awards can be found on pages 36-56 of this report.

Government-wide Financial Analysis:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Branch-Hillsdale-St. Joseph Community Health Agency, assets exceeded liabilities by \$1,378,941. A comparative analysis of net position as of September 30, 2020 and 2019 are presented below:

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Current assets | \$ 4,279,434 | \$ 3,796,966 |
| Capital assets | <u>135,301</u> | <u>160,911</u> |
| Total assets | <u>4,414,735</u> | <u>3,957,877</u> |
| Deferred outflows of resources related to pension | <u>1,491,636</u> | <u>1,463,462</u> |
| Current liabilities | 1,705,327 | 945,164 |
| Noncurrent liabilities | <u>2,822,103</u> | <u>3,208,636</u> |
| Total liabilities | <u>4,527,430</u> | <u>4,153,800</u> |
| Deferred inflows of resources related to pension | <u>-</u> | <u>209,893</u> |
| Net position | | |
| Net investment in capital assets | 135,301 | 160,911 |
| Unrestricted | <u>1,243,640</u> | <u>896,735</u> |
| Total net position | <u>\$ 1,378,941</u> | <u>\$ 1,057,646</u> |

Unrestricted net position (the part of net position that can be used to finance day to day operations) increased by \$346,905. This is within our desired range.

The following table shows the changes in net position as of September 30, 2020 and 2019.

| | <u>2020</u> | <u>2019</u> |
|--------------------------|-------------------|---------------------|
| Program revenues | | |
| Charges for services | \$ 787,462 | \$ 1,658,865 |
| Grants and contributions | 5,516,230 | 5,763,576 |
| General revenues | | |
| County appropriations | 756,016 | 749,897 |
| Miscellaneous | 80,641 | 50,114 |
| Interest | <u>56,743</u> | <u>16,036</u> |
| Total revenues | 7,197,092 | 8,238,488 |
| Program expenses | <u>6,875,797</u> | <u>6,614,893</u> |
| Change in net position | <u>\$ 321,295</u> | <u>\$ 1,623,595</u> |

During the year charges for services decreased by \$871,403 due to interruptions to operations related to the COVID-19 pandemic and grants and contributions decreased \$247,346. We will continue to collaborate with local health providers and using them as a resource to find new funding.

Total expenses increased approximately \$260,904 or 4% from last year.

Financial Analysis of the Government's Fund

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

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

As of the end of the current fiscal year, the Branch-Hillsdale-St. Joseph Community Health Agency's governmental fund reported an ending fund balance of \$2,723,953, an increase of \$364,254 in comparison with the prior year. Of this total, \$116,312 is considered nonspendable as it is for prepaid expenditures. There has been \$2,240,123 assigned for various future year expenditures. The unassigned fund balance at September 30, 2020, was \$367,518.

As a measure of the governmental fund's liquidity, it may be useful to compare assigned and unassigned fund balance to total fund expenditures. Assigned and unassigned fund balance represents approximately 35% of total fund expenditures.

Governmental Fund Budgetary Highlights

Over the course of the year, the Branch-Hillsdale-St. Joseph Community Health Agency's Board of Directors amended the budget to take into account events that occurred during the year. Total expenditures budget was increased by \$1,633,060, or approximately 26%, primarily due to fringe benefits to fund the Agency's net pension liability. Actual expenditures were \$518,020 under the final amended budget. The Agency contributed over \$900,000 in excess of the required contributions to the pension plan this year.

Capital Asset and Debt Administration

Capital Assets: The Branch-Hillsdale-St. Joseph Community Health Agency's investment in capital assets as of September 30, 2020, amounts to \$135,301 (net of accumulated depreciation). Additional details related to capital assets are presented in Note 3 to the financial statements.

Long-term Obligations: The Branch-Hillsdale-St. Joseph Community Health Agency has a long-term obligation related to compensation (e.g., unused vacation and sick leave). The long-term obligation at September 30, 2020, amounted to \$449,539 for compensated absences. Additional details related to long-term obligations are presented in Note 4 to the financial statements.

Economic Factors and Next Year's Budget and Rates

The fiscal year ending September 30, 2021 will be an uncertain year as the Nation continues to deal with the Public Health Crisis created by the COVID-19 pandemic. It is unknown at this time how much funding will be available from the Federal Disaster Declaration to fund Local Public Health responses. There is also uncertainty on how this crisis may affect the State programs provided through the Comprehensive Planning, Budgeting, and Contracting (CPBC) agreement with the Michigan Department of Health and Human Services. The Agency did not receive an increase in local county appropriations in 2021. The Agency will advocate for an increase in local county appropriations every year. The Agency started receiving catch-up payments for Medicaid Cost Based Reimbursement payments which are based on the actual costs to provide Medicaid allowable services rather than a defined claim structure. The Agency receives revenue for public health dental outreach and education from the four My Community Dental Centers (MCDC) located within Branch, Hillsdale, and St. Joseph counties, but that revenue is decreasing as MCDC struggles with keeping a full-time dentist in each office. MCDC is working on recruiting to eliminate the shortage, therefore, we anticipate this turning around in future years. The Agency continues to have budget constraints due to the MERS Retirement Defined Benefit plan not being fully funded. The Agency will continue to review and respond to grant opportunities to help in offsetting costs and increase services to the public. The Agency will receive grants for 2021 in Vectorborne Surveillance, Hepatitis A Response, Medical Marijuana Operation & Oversight, and Victims of Crime Act 'Services to Victims of Elder Abuse'.

Because the services of the Branch-Hillsdale-St. Joseph Community Health Agency are provided based on need and not the ability to pay, the Agency will continue to expand billings to insurances when available to offset costs. The Agency routinely reviews fees to ensure that the Agency billing is in line with allowed pricing for our services.

Requests for Information

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

Rebecca A. Burns, M.P.H., R.S.
Health Officer
Branch-Hillsdale-St. Joseph Community Health Agency
570 Marshall Road
Coldwater, MI 49036
Office: 517-279-9561, ext. 148
Fax: 517-278-2923
E-mail: burnsr@bhsj.org

BASIC FINANCIAL STATEMENTS

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Current assets | |
| Cash | \$ 3,384,053 |
| Accounts receivable | 70,248 |
| Due from other governmental units - Federal/State | 603,678 |
| Prepays | 116,312 |
| Inventories | <u>105,143</u> |
| Total current assets | 4,279,434 |
| Noncurrent assets | |
| Capital assets, net of accumulated depreciation | <u>135,301</u> |
| TOTAL ASSETS | <u>4,414,735</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows of resources related to pension | <u>1,491,636</u> |
| LIABILITIES | |
| Current liabilities | |
| Accounts payable | 540,228 |
| Accrued wages | 134,690 |
| Other accrued liabilities | 105,262 |
| Unearned revenue | 775,301 |
| Current portion of compensated absences | <u>149,846</u> |
| Total current liabilities | <u>1,705,327</u> |
| Noncurrent liabilities | |
| Net pension liability | 2,522,410 |
| Noncurrent portion of compensated absences | <u>299,693</u> |
| Total noncurrent liabilities | <u>2,822,103</u> |
| TOTAL LIABILITIES | <u>4,527,430</u> |
| NET POSITION | |
| Investment in capital assets | 135,301 |
| Unrestricted | <u>1,243,640</u> |
| TOTAL NET POSITION | <u><u>\$ 1,378,941</u></u> |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenues and Changes in Net Position</u> |
|-------------------------------------|---------------------|---------------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | |
| Governmental activities | | | | |
| Personal health | \$ 2,954,584 | \$ 168,728 | \$ 2,821,281 | \$ 35,425 |
| Environmental health | 1,130,728 | 476,658 | 838,216 | 184,146 |
| Community health | 122,626 | 142,076 | 38,737 | 58,187 |
| Aging services | 1,499,979 | - | 1,636,061 | 136,082 |
| Administration | 1,167,880 | - | 181,935 | (985,945) |
| Total governmental activities | <u>\$ 6,875,797</u> | <u>\$ 787,462</u> | <u>\$ 5,516,230</u> | <u>(572,105)</u> |
| General revenues | | | | |
| County appropriations - regular | | | | 756,016 |
| Miscellaneous | | | | 80,641 |
| Interest | | | | <u>56,743</u> |
| Total general revenues | | | | <u>893,400</u> |
| Change in net position | | | | 321,295 |
| Net position, beginning of the year | | | | <u>1,057,646</u> |
| Net position, end of the year | | | | <u>\$ 1,378,941</u> |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GOVERNMENTAL FUND
BALANCE SHEET
SEPTEMBER 30, 2020**

| | |
|---|-----------------------------------|
| ASSETS | |
| Cash | \$ 3,384,053 |
| Accounts receivable | 70,248 |
| Due from other governmental units - Federal/State | 603,678 |
| Prepays | 116,312 |
| Inventories | <u>105,143</u> |
| TOTAL ASSETS | <u><u>\$ 4,279,434</u></u> |
| LIABILITIES | |
| Accounts payable | \$ 540,228 |
| Accrued wages | 134,690 |
| Other accrued liabilities | 105,262 |
| Unearned revenue | <u>775,301</u> |
| TOTAL LIABILITIES | <u>1,555,481</u> |
| FUND BALANCE | |
| Nonspendable | 116,312 |
| Assigned | 2,240,123 |
| Unassigned | <u>367,518</u> |
| TOTAL FUND BALANCE | <u>2,723,953</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u><u>\$ 4,279,434</u></u> |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE
SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Total fund balance - governmental fund \$ 2,723,953

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

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

| | | |
|-------------------------------|--------------|--|
| The cost of capital assets is | \$ 1,205,508 | |
| Accumulated depreciation is | (1,070,207) | |

| | | |
|---------------------|--|---------|
| Capital assets, net | | 135,301 |
|---------------------|--|---------|

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 | | 1,491,636 |
|---|--|-----------|

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

| | | |
|-----------------------|-------------|--|
| Net pension liability | (2,522,410) | |
| Compensated absences | (449,539) | |

| | | |
|--|--|--------------------|
| | | <u>(2,971,949)</u> |
|--|--|--------------------|

Net position of governmental activities

\$ 1,378,941

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2020**

| | |
|--|--------------|
| REVENUES | |
| Licenses and permits | \$ 293,813 |
| Intergovernmental | |
| Federal/State | 6,091,968 |
| Local | 54,177 |
| County appropriations | 756,016 |
| Charges for services | 493,647 |
| Interest and rents | 56,743 |
| Other | 78,286 |
| | <hr/> |
| TOTAL REVENUES | 7,824,650 |
| | <hr/> |
| EXPENDITURES | |
| Current | |
| Salaries and wages | 2,756,298 |
| Fringe benefits | 2,109,442 |
| Supplies and materials | 599,581 |
| Contractual | 1,286,822 |
| Communications | 50,907 |
| Travel and training | 108,643 |
| Insurance | 39,956 |
| Repairs and maintenance | 245,932 |
| Building and equipment lease and rentals | 199,248 |
| Printing and advertising | 14,118 |
| Postage | 22,886 |
| Other | 26,563 |
| | <hr/> |
| TOTAL EXPENDITURES | 7,460,396 |
| | <hr/> |
| EXCESS OF REVENUES OVER EXPENDITURES | 364,254 |
| | <hr/> |
| Fund balance, beginning of year | 2,359,699 |
| | <hr/> |
| Fund balance, end of year | \$ 2,723,953 |
| | <hr/> <hr/> |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

Net change in fund balance - governmental fund \$ 364,254

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

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

| | |
|----------------------|----------|
| Depreciation expense | (25,610) |
|----------------------|----------|

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. In the current period, these amounts consist of:

| | |
|-----------------------------------|-----------|
| (Decrease) in unavailable revenue | (627,558) |
|-----------------------------------|-----------|

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund. These activities consist of:

| | | |
|---|------------|---------|
| Decrease in net pension liability | \$ 415,317 | |
| (Increase) in accrued compensated absences | (43,175) | |
| Increase in deferred outflows of resources related to pension | 28,174 | |
| Decrease in deferred inflows of resources related to pension | 209,893 | |
| | | 610,209 |

| | |
|--|-------------------|
| Change in net position of governmental activities | \$ 321,295 |
|--|-------------------|

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

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

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

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

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

Reporting Entity

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

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

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

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

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS (continued)

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

Basis of Accounting

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

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

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

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

Budgets and Budgetary Accounting

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

Cash

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

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

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

Cash (continued)

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

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

Receivables and Unearned Revenue

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

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

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

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

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

Inventories

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

Prepays

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

Capital Assets

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

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

| | |
|-------------------|------------|
| Land improvements | 7 years |
| Equipment | 4-10 years |

Compensated Absences

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

Net Pension Liability

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

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.

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

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

Deferred Outflows/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/fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

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

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

Fund Balance Classification Policies and Procedures

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

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

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

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

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

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

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

Fund Balance Classification Policies and Procedures (continued)

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

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

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

Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since its inclusion would make the statements unduly complex and difficult to read.

NOTE 2 - DEPOSITS

As of September 30, 2020, the Agency had deposits subject to the following risks:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. As of September 30, 2020, \$510,292 of the Agency's bank balance of \$850,494 was exposed to custodial credit risk because it was not covered by federal depository insurance. The Agency's carrying value on the books for deposits at the end of the year was \$4,777.

The cash balances reported in the basic financial statements include \$223 in imprest cash and \$3,379,053 in cash that is on deposit with the Branch County Treasurer. The cash on deposit with the Branch County Treasurer is part of the County pooled cash and investments. As a result, the insured and uninsured amounts related to these amounts cannot be determined.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. As of September 30, 2020, the Agency did not have any investments that would be subject to rating.

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

NOTE 2 - DEPOSITS (continued)

Interest Rate Risk

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

Concentration of Credit Risk

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

Foreign Currency Risk

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

NOTE 3 - CAPITAL ASSETS

The following provides a summary of the changes in capital assets for the year ended September 30, 2020:

| | Balance Oct. 1, 2019 | Additions | Disposals | Balance Sept. 30, 2020 |
|--|-------------------------|--------------------|-------------|---------------------------|
| Capital assets being depreciated | | | | |
| Equipment | \$ 1,182,785 | \$ - | \$ - | \$ 1,182,785 |
| Land improvements | 22,723 | - | - | 22,723 |
| Total capital assets being depreciated | 1,205,508 | - | - | 1,205,508 |
| Less accumulated depreciation for: | | | | |
| Equipment | (1,021,874) | (25,610) | - | (1,047,484) |
| Land improvements | (22,723) | - | - | (22,723) |
| Total accumulated depreciation | (1,044,597) | (25,610) | - | (1,070,207) |
| Capital assets, net | <u>\$ 160,911</u> | <u>\$ (25,610)</u> | <u>\$ -</u> | <u>\$ 135,301</u> |

Depreciation expense appears on the statement of activities in these governmental functions: Personal Health \$11,004; Environmental Health \$4,212; Community Health \$457; Aging Services \$5,587; and Administration \$4,350.

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

NOTE 4 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the Agency for the year ended September 30, 2020:

| | Balance Oct. 1, 2019 | Additions | Deletions | Balance Sept. 30, 2020 | Amount Due within One Year |
|----------------------|-------------------------|------------|--------------|---------------------------|----------------------------------|
| Compensated absences | \$ 406,364 | \$ 217,902 | \$ (174,727) | \$ 449,539 | \$ 149,846 |

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

Accumulated sick and vacation leave represents a liability to the Agency, which is presented in a current and long-term portion of the liability. For this reason, the total liability is reported in the government-wide financial statements and represents a current liability of \$149,846 and a long-term liability of \$299,693 at September 30, 2020. Payments to employees for sick and vacation leave are recorded as expenditures when they are used, and payments are actually made to the employees.

NOTE 5 - RETIREMENT PLANS

Defined Benefit Pension Plan

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

Summary of Significant Accounting Policies

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

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The MERS plan covers all eligible full-time general employees (closed to new hires after August 1, 2015) at the Agency.

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

NOTE 5 - RETIREMENT PLANS (continued)

Defined Benefit Pension Plan (continued)

Benefits Provided (continued)

Retirement benefits for Agency 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 6 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 Health.

At the December 31, 2019, valuation date, the following employees were covered by the benefit terms:

| | |
|---|-------------------|
| Inactive employees or beneficiaries receiving benefits | 66 |
| Inactive employees entitled to but not yet receiving benefits | 40 |
| Active employees | <u>32</u> |
| | <u><u>138</u></u> |

Contributions

The Agency is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended September 30, 2020, the Agency's required contribution rate was 21% of annual payroll. Employees are required to contribute 3.00%.

Net Pension Liability

The Agency's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

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

NOTE 5 - RETIREMENT PLANS (continued)

Defined Benefit Pension Plan (continued)

Net Pension Liability (continued)

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

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|-------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| <u>Changes in Net Pension Liability</u> | | | |
| Balances at December 31, 2018 | \$ 14,898,388 | \$ 11,960,661 | \$ 2,937,727 |
| Changes for the year | | | |
| Service cost | 162,697 | - | 162,697 |
| Interest on total pension liability | 1,161,744 | - | 1,161,744 |
| Difference between expected and actual experience | 24,243 | - | 24,243 |
| Changes in assumptions | 508,776 | - | 508,776 |
| Employer contributions | - | 637,262 | (637,262) |
| Employee contributions | - | 47,927 | (47,927) |
| Net investment income (loss) | - | 1,615,364 | (1,615,364) |
| Benefit payments, including employee refunds | (915,864) | (915,864) | - |
| Administrative expense | - | (27,776) | 27,776 |
| Net changes | 941,596 | 1,356,913 | (415,317) |
| Balances at December 31, 2019 | \$ 15,839,984 | \$ 13,317,574 | \$ 2,522,410 |

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

For the year ended September 30, 2020, the Agency recognized pension expense of \$605,843. The Agency 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 | \$ 12,122 | \$ - |
| Differences in assumptions | 254,388 | - |
| Net difference between projected and actual earnings on pension plan investments | 47,410 | - |
| Contributions subsequent to the measurement date* | 1,177,716 | - |
| Total | \$ 1,491,636 | \$ - |

* 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, 2021.

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

NOTE 5 - RETIREMENT PLANS (continued)

Defined Benefit Pension Plan (continued)

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

| <u>Year Ending September 30,</u> | <u>Pension Expense</u> |
|--------------------------------------|----------------------------|
| 2021 | \$ 234,457 |
| 2022 | 44,032 |
| 2023 | 169,201 |
| 2024 | (133,770) |

Actuarial Assumptions

The total pension liability in the December 31, 2019, 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: 7.60%, net of investment expenses, including inflation.

The mortality table used to project the mortality experience of non-disabled plan members is a 50% Male - 50% Female blend of the following tables: 1. the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%, 2. the RP-2014 Employee Mortality Tables, and 3. the RP-2014 Juvenile Mortality Tables. The mortality table used to project the mortality experience of disabled plan members is a 50% Male - 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the valuation were based on the results of the 2009-2013 Five-Year Experience Study.

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

Reduction in discount rate from 8.00% to 7.60%.

Reduction in the investment rate of return assumption from 7.75% to 7.60%.

Reduction in the rate of wage inflation from 3.75% to 3.00%.

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

NOTE 5 - RETIREMENT PLANS (continued)

Defined Benefit Pension Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability is 7.60%. 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.

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> |
|---------------------|--------------------------|---|
| Global Equity | 60.00% | 6.15% |
| Global Fixed Income | 20.00% | 1.26% |
| Private Investments | 20.00% | 6.56% |

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

The following presents the net pension liability of the Agency, calculated using the discount rates of 7.60%, as well as what the Agency's net pension liability would be using a discount rate that is 1% lower (6.60%) or 1% higher (8.60%) than the current rate.

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|-----------------------|---------------------|----------------------------------|---------------------|
| Net pension liability | <u>\$ 4,221,488</u> | <u>\$ 2,522,410</u> | <u>\$ 1,076,677</u> |

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

NOTE 5 - RETIREMENT PLANS (continued)

Defined Contribution Pension Plan

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

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

The Agency's contributions to the plan were \$41,583 for the year ended September 30, 2020. The Agency's employees contributed \$24,950 to the defined contribution plan for the year ended September 30, 2020.

NOTE 6 - RISK MANAGEMENT

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

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

NOTE 7 - NONCANCELLABLE OPERATING LEASE OBLIGATIONS

The Branch-Hillsdale-St. Joseph Community Health Agency has entered into a five-year, noncancelable long-term lease for the St. Joseph branch office space. Rent expense for office space for the year ended September 30, 2020, amounted to \$7,080.

Future minimum payments are as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> |
|--------------------------------------|------------------|
| 2021 | <u>\$ 7,440</u> |

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

NOTE 8 - DETAILS OF FUND BALANCE CLASSIFICATIONS

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

As of September 30, 2020, the fund balance classifications were as follows:

| | |
|----------------------------------|---------------------|
| Nonspendable | |
| Prepays | \$ 116,312 |
| Assigned | |
| Vacation and sick leave | 449,539 |
| BCCF funds | 309,956 |
| Dental revenue | 284,812 |
| Aging services | 29,044 |
| Medicaid cost base reimbursement | 988,831 |
| Community stabilization | 170,508 |
| Collector fee | 4,851 |
| Family Center | 2,582 |
| Unassigned | <u>367,518</u> |
| | <u>\$ 2,723,953</u> |

NOTE 9 - CONTINGENT LIABILITIES

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

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

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

NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENT

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*. This statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Agency is currently evaluating the impact this standard will have on the financial statements when adopted during the 2021-2022 fiscal year.

In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset -an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Agency is currently evaluating the impact this standard will have on the financial statements when adopted during the 2022-2023 fiscal year.

NOTE 11 - UNCERTAINTIES

The extent of the impact of COVID-19 on the Agency's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on services, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition and results of operations is uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GENERAL OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2020**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|----------------------------|---------------------|---|
| REVENUES | | | | |
| Licenses and permits | \$ 295,020 | \$ 294,320 | \$ 293,813 | \$ (507) |
| Intergovernmental | | | | |
| Federal/State | 4,458,451 | 6,265,179 | 6,091,968 | (173,211) |
| Local | 61,504 | 56,673 | 54,177 | (2,496) |
| County appropriations | 755,695 | 730,767 | 756,016 | 25,249 |
| Charges for services | 593,385 | 448,872 | 493,647 | 44,775 |
| Interest and rents | 47,896 | 58,896 | 56,743 | (2,153) |
| Other | 133,405 | 123,709 | 78,286 | (45,423) |
| TOTAL REVENUES | 6,345,356 | 7,978,416 | 7,824,650 | (153,766) |
| EXPENDITURES | | | | |
| Current | | | | |
| Salaries and wages | 2,664,444 | 2,861,336 | 2,756,298 | 105,038 |
| Fringe benefits | 1,219,117 | 2,231,918 | 2,109,442 | 122,476 |
| Supplies and materials | 669,468 | 801,042 | 599,581 | 201,461 |
| Contractual | 1,002,172 | 1,295,008 | 1,286,822 | 8,186 |
| Communications | 72,050 | 61,770 | 50,907 | 10,863 |
| Travel and training | 152,220 | 142,253 | 108,643 | 33,610 |
| Insurance | 39,033 | 40,040 | 39,956 | 84 |
| Repairs and maintenance | 275,944 | 260,886 | 245,932 | 14,954 |
| Building and equipment lease and rentals | 199,104 | 199,311 | 199,248 | 63 |
| Printing and advertising | 7,685 | 22,324 | 14,118 | 8,206 |
| Postage | 21,410 | 30,625 | 22,886 | 7,739 |
| Other | 22,709 | 31,903 | 26,563 | 5,340 |
| TOTAL EXPENDITURES | 6,345,356 | 7,978,416 | 7,460,396 | 518,020 |
| EXCESS OF REVENUES OVER EXPENDITURES | - | - | 364,254 | 364,254 |
| Fund balance, beginning of year | 2,359,699 | 2,359,699 | 2,359,699 | - |
| Fund balance, end of year | <u>\$ 2,359,699</u> | <u>\$ 2,359,699</u> | <u>\$ 2,723,953</u> | <u>\$ 364,254</u> |

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

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | | |
| Service cost | \$ 162,697 | \$ 188,936 | \$ 194,225 | \$ 221,881 | \$ 260,139 | \$ 257,464 |
| Interest | 1,161,744 | 1,155,642 | 1,122,384 | 1,096,375 | 1,008,656 | 929,021 |
| Difference between expected and actual experience | 24,243 | (366,923) | (79,298) | (233,076) | 80,642 | - |
| Changes of assumptions | 508,776 | - | - | - | 814,056 | - |
| Benefit payments, including employee refunds | (915,864) | (860,670) | (777,188) | (715,313) | (616,270) | (590,701) |
| Other | - | 1 | - | 1 | (1) | 29,031 |
| Net Change in Total Pension Liability | 941,596 | 116,986 | 460,123 | 369,868 | 1,547,222 | 624,815 |
| Total Pension Liability, beginning | 14,898,388 | 14,781,402 | 14,321,279 | 13,951,411 | 12,404,189 | 11,779,374 |
| Total Pension Liability, ending | <u>\$ 15,839,984</u> | <u>\$ 14,898,388</u> | <u>\$ 14,781,402</u> | <u>\$ 14,321,279</u> | <u>\$ 13,951,411</u> | <u>\$ 12,404,189</u> |
| Plan Fiduciary Net Position | | | | | | |
| Contributions - employer | \$ 637,262 | \$ 304,525 | \$ 266,448 | \$ 226,464 | \$ 219,053 | \$ 181,018 |
| Contributions - employee | 47,927 | 50,404 | 55,364 | 64,400 | 85,602 | 71,723 |
| Net investment income (loss) | 1,615,364 | (497,015) | 1,559,362 | 1,251,034 | (173,001) | 708,740 |
| Benefit payments, including employee refunds | (915,864) | (860,670) | (777,188) | (715,313) | (616,270) | (590,701) |
| Administrative expense | (27,776) | (24,912) | (24,713) | (24,706) | (25,331) | (25,997) |
| Net Change in Plan Fiduciary Net Position | 1,356,913 | (1,027,668) | 1,079,273 | 801,879 | (509,947) | 344,783 |
| Plan Fiduciary Net Position, beginning | 11,960,661 | 12,988,329 | 11,909,056 | 11,107,177 | 11,617,124 | 11,272,341 |
| Plan Fiduciary Net Position, ending | <u>\$ 13,317,574</u> | <u>\$ 11,960,661</u> | <u>\$ 12,988,329</u> | <u>\$ 11,909,056</u> | <u>\$ 11,107,177</u> | <u>\$ 11,617,124</u> |
| Agency Net Pension Liability | <u>\$ 2,522,410</u> | <u>\$ 2,937,727</u> | <u>\$ 1,793,073</u> | <u>\$ 2,412,223</u> | <u>\$ 2,844,234</u> | <u>\$ 787,065</u> |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 84% | 80% | 88% | 83% | 80% | 94% |
| Covered payroll | \$ 1,439,800 | \$ 1,673,482 | \$ 1,727,981 | \$ 1,974,029 | \$ 2,408,692 | \$ 2,383,929 |
| Agency's Net Pension Liability as a percentage of covered payroll | 175% | 176% | 104% | 122% | 118% | 33% |

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

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|---------------------|---------------------|----------------|----------------|----------------|----------------|
| Actuarially determined contributions | \$ 325,829 | \$ 306,612 | \$ 295,032 | \$ 256,452 | \$ 221,994 | \$ 209,441 |
| Contributions in relation to the actuarially determined contribution | <u>1,259,227</u> | <u>631,891</u> | <u>295,032</u> | <u>256,452</u> | <u>221,994</u> | <u>209,441</u> |
| Contribution deficiency (excess) | <u>\$ (933,398)</u> | <u>\$ (325,279)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 1,559,148 | \$ 1,634,619 | \$ 1,688,177 | \$ 1,918,244 | \$ 2,204,494 | \$ 2,413,420 |
| Contributions as a percentage of covered payroll | 81% | 39% | 17% | 13% | 10% | 9% |

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 1 - EMPLOYEE RETIREMENT PLAN

Changes of benefits terms: There were no changes of benefit terms during plan year 2019.

Changes in assumptions: Reduction in discount rate from 8.00% to 7.60%.
 Reduction in the investment rate of return assumption from 7.75% to 7.60%.
 Reduction in the rate of wage inflation from 3.75% to 3.00%.

OTHER SUPPLEMENTARY INFORMATION

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (a)
AGING AND ADULT SERVICES AGENCY
YEAR ENDED SEPTEMBER 30, 2020

| | Title III-B | Title III-C1 | Title III-C2 | Title III-D |
|---|-------------------|------------------|-------------------|-----------------|
| EXPENDITURES | | | | |
| Personal care | \$ 21,340 | \$ - | \$ - | \$ - |
| Homemaker | 21,340 | - | - | - |
| Chore services | 3,579 | - | - | - |
| Home delivered meals | - | - | 105,413 | - |
| Adult day care | - | - | - | - |
| Care management | 3,710 | - | - | - |
| Respite care | - | - | - | - |
| Case coordination and support | - | - | - | - |
| Congregate meals | - | 93,089 | - | - |
| Transportation | 36,450 | - | - | - |
| Legal assistance | 9,750 | - | - | - |
| Caregiver Support Group | - | - | - | - |
| Caregiver Training | - | - | - | - |
| Assistive devices and technologies | - | - | - | - |
| Information and assistance | 12,667 | - | - | - |
| Home repair | 5,958 | - | - | - |
| Disease prevention and health promotion | - | - | - | 8,853 |
| Program development | 20,771 | - | - | - |
| Ombudsman | 2,000 | - | - | - |
| Medication management | - | - | - | - |
| Administration | - | - | - | - |
| Community living support services - RSD | 99 | - | - | - |
| Other | 2,823 | - | - | - |
| | <u>\$ 140,487</u> | <u>\$ 93,089</u> | <u>\$ 105,413</u> | <u>\$ 8,853</u> |
| TOTAL EXPENDITURES | <u>\$ 140,487</u> | <u>\$ 93,089</u> | <u>\$ 105,413</u> | <u>\$ 8,853</u> |

(a) This schedule only includes Aging Services programs.

| <u>Title III-E</u> | <u>Title III Administration</u> | <u>NSIP</u> | <u>Targeted Care Management</u> | <u>State Access</u> | <u>State In-Home</u> | <u>State Congregate Meals</u> |
|--------------------|---------------------------------|-------------------|---------------------------------|---------------------|----------------------|-------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 54,776 | \$ - |
| - | - | - | - | - | 54,776 | - |
| - | - | 91,609 | - | - | - | - |
| - | - | - | - | - | - | - |
| 26,252 | - | - | - | - | - | - |
| 5,856 | - | - | - | - | 16,149 | - |
| 2,369 | - | - | - | 7,989 | - | - |
| - | - | 31,575 | - | - | - | 2,676 |
| 4,370 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 3,610 | - | - | - | - | - | - |
| 3,609 | - | - | - | - | - | - |
| - | - | - | - | - | 7,500 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 8,585 | - |
| - | 46,100 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | 20,427 | - | - | - |
| <u>\$ 46,066</u> | <u>\$ 46,100</u> | <u>\$ 123,184</u> | <u>\$ 20,427</u> | <u>\$ 7,989</u> | <u>\$ 141,786</u> | <u>\$ 2,676</u> |

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
AGING AND ADULT SERVICES AGENCY
YEAR ENDED SEPTEMBER 30, 2020

| | State Home Delivered Meals | State Alternative Care | Merit Award Trust Fund Respite | State Respite Care |
|---|-------------------------------------|------------------------------|---|--------------------------|
| EXPENDITURES | | | | |
| Personal care | \$ - | \$ 15,733 | \$ - | \$ - |
| Homemaker | - | 15,732 | - | - |
| Chore services | - | - | - | - |
| Home delivered meals | 133,770 | - | - | - |
| Adult day care | - | - | 19,016 | 20,516 |
| Care management | - | - | - | - |
| Respite care | - | - | 4,166 | 7,983 |
| Case coordination and support | - | - | - | - |
| Congregate meals | - | - | - | - |
| Transportation | - | - | 7,925 | - |
| Legal assistance | - | - | - | - |
| Caregiver Support Group | - | - | - | - |
| Caregiver Training | - | - | - | - |
| Assistive devices and technologies | - | - | - | - |
| Information and assistance | - | - | - | - |
| Home repair | - | - | - | - |
| Disease prevention and health promotion | - | - | - | - |
| Program development | - | - | - | - |
| Ombudsman | - | - | - | - |
| Medication management | - | - | - | - |
| Administration | - | - | - | - |
| Community living support services - RSD | - | - | - | - |
| Other | - | - | - | - |
| TOTAL EXPENDITURES | \$ 133,770 | \$ 31,465 | \$ 31,107 | \$ 28,499 |

| State CG Support | Merit Award Fund Administration | State Care Management | State Administration | State Caregiver Support Administration | State Aging New Services | Program Income |
|------------------------|---------------------------------------|-----------------------------|-------------------------|---|-----------------------------|-------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 17,582 |
| - | - | - | - | - | - | 16,332 |
| - | - | - | - | - | - | 567 |
| - | - | - | - | - | - | 58,418 |
| - | - | - | - | - | - | 2,781 |
| - | - | 80,228 | - | - | 12,458 | - |
| 3,691 | - | - | - | - | - | 8,513 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 64,626 |
| - | - | - | - | - | - | 13,922 |
| - | - | - | - | - | - | 160 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 349 |
| - | - | - | - | - | - | 182 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 2,800 | - | 7,679 | 85 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 232 |
| <u>\$ 3,691</u> | <u>\$ 2,800</u> | <u>\$ 80,228</u> | <u>\$ 7,679</u> | <u>\$ 85</u> | <u>\$ 12,458</u> | <u>\$ 183,664</u> |

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
AGING AND ADULT SERVICES AGENCY
YEAR ENDED SEPTEMBER 30, 2020

| | Cash Match | In-kind Match | Total |
|---|-------------------|------------------|---------------------|
| EXPENDITURES | | | |
| Personal care | \$ 12,326 | \$ - | \$ 91,849 |
| Homemaker | 12,061 | - | 91,848 |
| Chore services | 422 | - | 3,579 |
| Home delivered meals | 33,385 | 20,628 | 330,792 |
| Adult day care | 5,139 | - | 39,532 |
| Care management | - | 21,325 | 122,648 |
| Respite care | 3,323 | - | 37,845 |
| Case coordination and support | 2,726 | - | 10,358 |
| Congregate meals | 6,478 | 4,164 | 127,340 |
| Transportation | 104,458 | - | 48,745 |
| Legal assistance | 1,457 | - | 9,750 |
| Caregiver Support Group | 622 | - | 3,610 |
| Caregiver Training | 622 | - | 3,609 |
| Assistive devices and technologies | - | - | 7,500 |
| Information and assistance | - | - | 12,667 |
| Home repair | 775 | - | 5,958 |
| Disease prevention and health promotion | 1,151 | - | 8,853 |
| Program development | - | - | 20,771 |
| Ombudsman | 5,727 | - | 2,000 |
| Medication management | - | - | 8,585 |
| Administration | - | - | 56,664 |
| Community living support services - RSD | - | - | 99 |
| Other | 388 | - | 23,250 |
| TOTAL EXPENDITURES | \$ 191,060 | \$ 46,117 | \$ 1,067,852 |

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
 SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
 AGING AND ADULT SERVICES AGENCY
 YEAR ENDED SEPTEMBER 30, 2020**

Families First Coronavirus Response Act (FFCRA)

| | (CMC2) Federal Admin Title III-C1 | (HDC2) Federal Admin Title III-C2 | Title III-C2 | Cash Match |
|--|---|---|------------------|-----------------|
| EXPENDITURES | | | | |
| Home delivered meals Administration | \$ - 2,809 | \$ - 5,618 | \$ 73,218 - | \$ - 2,106 |
| TOTAL EXPENDITURES | <u>\$ 2,809</u> | <u>\$ 5,618</u> | <u>\$ 73,218</u> | <u>\$ 2,106</u> |

| <u>In-kind Match</u> | <u>FFCRA Total</u> |
|--------------------------|------------------------|
| \$ - 703 | \$ 73,218 11,236 |
| <u>\$ 703</u> | <u>\$ 84,454</u> |

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
AGING AND ADULT SERVICES AGENCY
YEAR ENDED SEPTEMBER 30, 2020

Coronavirus Aid, Relief, and Economic Security (CARES) Act

| | (SSC3) Federal Admin Title III-B | (HDC3) Federal Admin Title III-C | (FCC3) Federal Admin Title III-E | Title III-B |
|------------------------------------|--|--|--|------------------|
| EXPENDITURES | | | | |
| Case coordination and support | \$ - | \$ - | \$ - | \$ - |
| Home delivered meals | - | - | - | 2,500 |
| Homemaker | - | - | - | 2,500 |
| Personal care | - | - | - | 2,500 |
| Assistive devices and technologies | - | - | - | - |
| Friendly reassurance | - | - | - | 18,697 |
| Gap filling/special needs - RSD | - | - | - | 4,119 |
| Information and assistance | - | - | - | - |
| Legal assistance | - | - | - | 1,100 |
| Transportation | - | - | - | 26,599 |
| In home respite care | - | - | - | - |
| Administration | 6,594 | 15,825 | 3,226 | - |
| TOTAL EXPENDITURES | \$ 6,594 | \$ 15,825 | \$ 3,226 | \$ 58,015 |

| <u>Title III-C</u> | <u>Title III-E</u> | <u>Cash Match</u> | <u>In-kind Match</u> | <u>CARES ACT Total</u> |
|--------------------|--------------------|-------------------|----------------------|------------------------|
| \$ - | \$ 6,000 | \$ - | \$ - | \$ 6,000 |
| 139,235 | - | - | - | 141,735 |
| - | - | - | - | 2,500 |
| - | - | - | - | 2,500 |
| - | 1,795 | - | - | 1,795 |
| - | - | - | - | 18,697 |
| - | - | - | - | 4,119 |
| - | 18,089 | - | - | 18,089 |
| - | - | - | - | 1,100 |
| - | - | - | - | 26,599 |
| - | 2,500 | - | - | 2,500 |
| - | - | 6,411 | 2,137 | 34,193 |
| <u>\$ 139,235</u> | <u>\$ 28,384</u> | <u>\$ 6,411</u> | <u>\$ 2,137</u> | <u>\$ 259,827</u> |

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2020**

| Federal Grantor/Pass Through Grantor/Program Title | CFDA Number | Pass-Through Grantor Number | Expenditures |
|---|--------------------------|-----------------------------------|----------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| Passed through Michigan Department of Health and Human Services Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | | |
| FY 19-20 Resident Services | | 202MI003W1003 | \$ 886,654 |
| FY 19-20 Breastfeeding | | 202MI003W1003 | 13,375 |
| FY 19-20 Breastfeeding | | 192MI003W1003 | 34,827 |
| FY 19-20 Breastfeeding | | 182MI003W5003 | <u>32,720</u> |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | <u>967,576</u> |
| DEPARTMENT OF JUSTICE | | | |
| Passed through Michigan Department of Health and Human Services Crime Victim Assistance | 16.575 | | |
| FY 19-20 VOCA | | E20202072-001 | <u>163,517</u> |
| DEPARTMENT OF TREASURY | | | |
| Passed through Michigan Department of Treasury COVID-19 Coronavirus Relief Fund | 21.019 | | |
| Public Safety Public Health Payroll Reimbursement | | PSPHPR 09-20 | 57,399 |
| Passed through Michigan Department of Health and Human Services COVID-19 Coronavirus Relief Fund | 21.019 | | |
| Direct Care Worker Wage Reimbursement | | SLT0047 | 14,723 |
| Local Health Department Contact Tracing | | SLT0040 | <u>186,871</u> |
| TOTAL DEPARTMENT OF TREASURY | | | <u>258,993</u> |
| ENVIRONMENTAL PROTECTION AGENCY | | | |
| Passed through Michigan Department of Environment, Great Lakes, and Energy Drinking Water State Revolving Fund Cluster | | | |
| Capitalization Grants for Drinking Water State Revolving Funds | 66.468 ^(c) | | |
| FY 19-20 Standard/Operator Assistance | | FS975487-18 | 2,625 |
| FY 19-20 Local Assistance | | FS975487-18 | 100 |
| FY 19-20 Public Water Supply Supervision | | FS975487-18 | <u>5,120</u> |
| TOTAL ENVIRONMENTAL PROTECTION AGENCY | | | <u>7,845</u> |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Direct award | | | |
| Rural Health Outreach and Rural Network Development Program | | | |
| Rural Communities Opioid Response | 93.912 | | |
| FY 19-20 | | G2540027 | <u>2,358</u> |
| Passed through Michigan Aging and Adult Services Agency | | | |
| Title III-D Special Programs for the Aging | | | |
| (Disease Prevention and Health Promotion Services) | 93.043 | | |
| FY 19-20 | | N/A | <u>8,853</u> |
| Aging Cluster | | | |
| Title III-B Special Programs for the Aging | | | |
| (Grants for Supportive Services and Senior Centers) | 93.044 ^{(a)(b)} | | |
| FY 19-20 Administration | | N/A | 13,231 |
| COVID-19 FY 19-20 Administration | | N/A | 6,594 |
| FY 19-20 Regular | | N/A | 140,487 |
| COVID-19 FY 19-20 Regular | | N/A | <u>58,015</u> |
| | | | <u>218,327</u> |

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
YEAR ENDED SEPTEMBER 30, 2020**

| Federal Grantor/Pass Through Grantor/Program Title | CFDA Number | Pass-Through Grantor Number | Expenditures |
|---|--------------------------|-----------------------------------|----------------|
| DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued) | | | |
| Passed through Michigan Aging and Adult Services Agency (continued) | | | |
| Aging Cluster (continued) | | | |
| Title III-C Special Programs for the Aging | | | |
| (Nutrition Services) | | | |
| | 93.045 ^{(a)(b)} | | |
| FY 19-20 Administration | | N/A | \$ 26,617 |
| COVID-19 FY 19-20 Administration - CARES | | N/A | 15,825 |
| COVID-19 FY 19-20 Administration - FFCRA | | N/A | 8,427 |
| FY 19-20 Nutrition Congregate | | N/A | 93,089 |
| FY 19-20 Nutrition Home Delivered Meals | | N/A | 105,413 |
| COVID-19 FY 19-20 Nutrition Home Delivered Meals - CARES | | N/A | 139,235 |
| COVID-19 FY 19-20 Nutrition Home Delivered Meals - FFCRA | | N/A | <u>73,218</u> |
| | | | 461,824 |
| | | | |
| Nutrition Services Incentive Program | 93.053 ^{(a)(b)} | | |
| FY 19-20 Nutrition Services Incentive Program | | N/A | <u>123,184</u> |
| | | | |
| Total Aging Cluster | | | <u>803,335</u> |
| | | | |
| National Family Caregiver Support | 93.052 | | |
| FY 19-20 Administration | | N/A | 6,252 |
| COVID-19 FY 19-20 Administration - CARES | | N/A | 3,226 |
| FY 19-20 Regular | | N/A | 46,066 |
| COVID-19 FY 19-20 Regular - CARES | | N/A | <u>28,384</u> |
| | | | 83,928 |
| | | | |
| Medical Assistance Program | 93.778 ^(b) | | |
| FY 19-20 Aging | | N/A | <u>20,427</u> |
| | | | |
| Passed through Michigan Department of Health and Human Services | | | |
| Medical Assistance Program | | | |
| FY 19-20 Medicaid Outreach | 93.778 ^(b) | 2005MI5ADM | 30,770 |
| FY 19-20 CSHCS Medicaid Outreach | | 2005MI5ADM | 8,103 |
| FY 19-20 CSHCS Care Coordination ^(d) | | 2005MI5ADM | 10,705 |
| FY 19-20 CSHCS Medicaid Elevated Blood Lead Case Management | | 2005MI5MAP | 2,419 |
| FY 19-20 CSHCS Outreach and Advocacy ^(d) | | 2005MI5ADM | <u>58,364</u> |
| | | | 110,361 |
| | | | |
| Total Medicaid Cluster | | | <u>130,788</u> |
| | | | |
| Public Health Emergency Preparedness | 93.069 | | |
| FY 19-20 | | NU90TP921906 | 11,945 |
| FY 19-20 | | U3REP190584 | 95,944 |
| FY 19-20 | | NU90TP922062 | <u>32,353</u> |
| | | | 140,242 |

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
YEAR ENDED SEPTEMBER 30, 2020**

| Federal Grantor/Pass Through Grantor/Program Title | CFDA Number | Pass-Through Grantor Number | Expenditures |
|---|----------------|-----------------------------------|---------------------|
| DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued) | | | |
| Passed through Michigan Department of Health and Human Services (continued) | | | |
| Tuberculosis Control Program | 93.116 | | |
| FY 19-20 Tuberculosis Control | | U52PS004693 | \$ 68 |
| FY 19-20 Tuberculosis Control | | NU52PS910173 | 112 |
| | | | <u>180</u> |
| Immunization Grants | 93.268 | | |
| FY 19-20 Vaccine Supply | | NH23IP922635 | 221,225 |
| FY 19-20 Immunization Fixed Fees | | NH23IP922635 | 350 |
| FY 19-20 IAP | | NH23IP922635 | 72,347 |
| | | | <u>293,922</u> |
| COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases | 93.323 | | |
| COVID-19 Contact Tracing Testing Coordination | | NU50CK000510 | 132,586 |
| COVID-19 Infection Prevention | | NU50CK000510 | 20,000 |
| | | | <u>152,586</u> |
| COVID-19 Public Health Crisis Response - Coronavirus | 93.354 | | |
| FY 19-20 PHEP COVID-19 Response | | NU90TP922074 | <u>30,000</u> |
| Maternal and Child Health Services Block Grant | 93.994 | | |
| FY 19-20 CSHCS Care Coordination | | B04MC33846 | 40,137 |
| FY 19-20 Enabling Services Women - MCH | | B04MC33846 | 44,049 |
| FY 19-20 Enabling Services Children - MCH | | B04MC33846 | 33,005 |
| | | | <u>117,191</u> |
| Preventative Health Services | 93.991 | | |
| Local Health Department (LHD) Sharing Support | | NB010T009277 | <u>43,076</u> |
| TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | <u>1,806,459</u> |
| TOTAL FEDERAL AWARD EXPENDITURES | | | <u>\$ 3,204,390</u> |

(e)

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2020**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency) and is presented on the modified accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The Agency has elected to not use the 10 percent *de minimis* indirect rate allowed under the Uniform Guidance.

NOTE 2 - SUBRECIPIENTS

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

NOTE 3 - SUMMARY OF SIGNIFICANT EXPLANATIONS OF SCHEDULE

The following descriptions identified below as (a) - (e) 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.
- (c) Denotes programs required to be clustered by United States Environmental Protection Agency.
- (d) Reimbursements of this contract are passed through the State. The amount reported on the Schedule of Expenditures of Federal Awards represents the portion of the grant that is considered federal. Federal participation in this program is 50%.
- (e) The following reconciles the federal revenues reported in the September 30, 2020, financial statements to the expenditures of the Agency administered federal programs reported on the Schedule of Expenditures of Federal Awards (SEFA):

| | |
|--|----------------------------|
| Federal/State Revenue (per fund financial statements) | \$ 6,091,968 |
| Plus: Difference between vaccines administered (revenue per financial statements) and vaccines received (expenditures per SEFA and instructions from grantor agency) | (9,326) |
| Less: Portions of grant funding considered "State" funding | <u>(2,878,252)</u> |
| Federal award expenditures | <u><u>\$ 3,204,390</u></u> |

**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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 12, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

March 12, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited the Branch-Hillsdale-St. Joseph Community Health Agency's (the Agency) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the Agency's major federal programs for the year ended September 30, 2020. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, the Branch-Hillsdale-St. Joseph Community Health Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

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

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

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

March 12, 2021

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|----------------------|------------------------------------|
| 93.044/93.045/93.053 | Aging Cluster |

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2020**

FINDINGS/COMPLIANCE

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

No prior audit findings noted.

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

No prior audit findings noted.

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

No prior audit findings noted.



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March 11, 2022

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

We have audited the financial statements of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency) for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 5, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Branch-Hillsdale-St. Joseph Community Health Agency are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2021. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements of the governmental activities were:

Management's calculation of the historical termination vesting percentages for severance payments is based on an estimate of the percentage of employees who have terminated employment and payments are based on an estimate of the percentage of employees' use of compensated absences.

Management's calculation of depreciation expense for the current period is based on an estimate of the useful lives of the capital assets.

The calculation of the net pension liability, and the related deferred outflows of resources and deferred inflows of resources, is based on an actuarial study which utilized certain actuarial assumptions based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No known or likely misstatements were identified during the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 11, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedule, schedule of changes in employer's net pension liability and related ratios, and schedule of employer contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Public Health and management of the Branch-Hillsdale-St. Joseph Community Health Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

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

YEAR ENDED SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency, as of September 30, 2021, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying schedule of funded service categories by source is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The supplemental schedule of funded service categories by source and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedule of funded service categories by source and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2022, on our consideration of the Branch-Hillsdale-St. Joseph Community Health Agency'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 Branch-Hillsdale-St. Joseph Community Health Agency's internal control over financial reporting and compliance.

March 11, 2022

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2021

This section of the annual financial statements, titled Management's Discussion and Analysis, represents the administration's review of the Branch-Hillsdale-St. Joseph Community Health Agency's (the Agency's) financial performance during the fiscal year ended September 30, 2021. The Management's Discussion and Analysis is intended to be read in conjunction with the Agency's financial statements.

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

Financial Highlights

- The assets of the Agency exceeded its liabilities at September 30, 2021, by \$2,322,894 at the government-wide level. Unrestricted net position was \$2,036,656 at September 30, 2021.
- The Agency's total net position increased \$943,953 as a result of this year's operations.
- As of September 30, 2021, the Agency's governmental fund reported an ending fund balance of \$3,359,738, an increase of \$635,785.
- As of September 30, 2021, the assigned and unassigned fund balance was \$2,823,630 and \$436,172, respectively, or approximately 39% of total fund expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements: The government-wide financial statements provide information about the activities of the entire Agency. They present an overall view of the Agency's finances, reporting the assets and liabilities on fiscal year ended September 30, 2021.

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

The statement of activities presents information showing how the government's net position changed during fiscal year 2020/2021. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows.

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

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

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

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

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

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

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

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-30 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 31-35. Other supplementary information concerning support services and expenditures of federal awards can be found on pages 36-45 of this report.

Government-wide Financial Analysis:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Branch-Hillsdale-St. Joseph Community Health Agency, assets exceeded liabilities by \$2,322,894. A comparative analysis of net position as of September 30, 2021 and 2020 are presented below:

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Current assets | \$ 5,362,705 | \$ 4,279,434 |
| Capital assets | 286,238 | 135,301 |
| Total assets | <u>5,648,943</u> | <u>4,414,735</u> |
| Deferred outflows of resources related to pension | <u>1,766,295</u> | <u>1,491,636</u> |
| Current liabilities | 2,151,514 | 1,705,327 |
| Noncurrent liabilities | <u>2,244,529</u> | <u>2,822,103</u> |
| Total liabilities | <u>4,396,043</u> | <u>4,527,430</u> |
| Deferred inflows of resources related to pension | <u>696,301</u> | <u>-</u> |
| Net position | | |
| Net investment in capital assets | 286,238 | 135,301 |
| Unrestricted | <u>2,036,656</u> | <u>1,243,640</u> |
| Total net position | <u>\$ 2,322,894</u> | <u>\$ 1,378,941</u> |

Unrestricted net position (the part of net position that can be used to finance day to day operations) increased by \$793,016. This is within our desired range.

The following table shows the changes in net position as of September 30, 2021 and 2020.

| | <u>2021</u> | <u>2020</u> |
|--------------------------|-------------------|-------------------|
| Program revenues | | |
| Charges for services | \$ 811,998 | \$ 787,462 |
| Grants and contributions | 7,458,077 | 5,516,230 |
| General revenues | | |
| County appropriations | 753,310 | 756,016 |
| Miscellaneous | 70,812 | 80,641 |
| Interest | <u>2,916</u> | <u>56,743</u> |
| Total revenues | 9,097,113 | 7,197,092 |
| Program expenses | <u>8,153,160</u> | <u>6,875,797</u> |
| Change in net position | <u>\$ 943,953</u> | <u>\$ 321,295</u> |

During the year contributions increased \$1,728,309 due to additional State and Federal funding received related to the ongoing COVID-19 pandemic. We will continue to collaborate with local health providers and using them as a resource to find new funding.

Total expenses increased approximately \$1,277,363 or 19% from last year.

Financial Analysis of the Government's Fund

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

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

As of the end of the current fiscal year, the Branch-Hillsdale-St. Joseph Community Health Agency's governmental fund reported an ending fund balance of \$3,359,738, an increase of \$635,785 in comparison with the prior year. Of this total, \$99,936 is considered nonspendable as it is for prepaid expenditures. There has been \$2,823,630 assigned for various future year expenditures. The unassigned fund balance at September 30, 2021, was \$436,172.

As a measure of the governmental fund's liquidity, it may be useful to compare assigned and unassigned fund balance to total fund expenditures. Assigned and unassigned fund balance represents approximately 39% of total fund expenditures.

Governmental Fund Budgetary Highlights

Over the course of the year, the Branch-Hillsdale-St. Joseph Community Health Agency's Board of Directors amended the budget to take into account events that occurred during the year. Total expenditures budget was increased by \$3,417,012, or approximately 50%, primarily due to salaries and wages and contractual services related to ongoing pandemic, and repair and maintenance expenditures related to parking lot improvements. Actual expenditures were \$1,822,198 under the final amended budget. The Agency contributed \$783,141 in excess of the required contributions to the pension plan this year.

Capital Asset and Debt Administration

Capital Assets: The Branch-Hillsdale-St. Joseph Community Health Agency's investment in capital assets as of September 30, 2021, amounts to \$286,238 (net of accumulated depreciation). During the year, the Agency made investments in capital assets in the amount of \$218,493, including parking lot improvements. Additional details related to capital assets are presented in Note 3 to the financial statements.

Long-term Obligations: The Branch-Hillsdale-St. Joseph Community Health Agency has a long-term obligation related to compensation (e.g., unused vacation and sick leave). The long-term obligation at September 30, 2021, amounted to \$445,640 for compensated absences. Additional details related to long-term obligations are presented in Note 4 to the financial statements.

Economic Factors and Next Year's Budget and Rates

The fiscal year ending September 30, 2022, will be an uncertain year as the Nation continues to deal with the Public Health Crisis created by the COVID-19 pandemic. The Agency did receive an increase of \$17,122 in local county appropriations for 2022. The Agency will advocate for an increase in local county appropriations every year. The Agency continues to receive payments for Medicaid Cost Based Reimbursement, but these payments are expected to be reduced from the previous year, as services were decreased due to the pandemic; payments are based on the number of services provided and the actual costs to provide Medicaid allowable services rather than a defined claim structure. The Agency receives revenue for public health dental outreach and education from the four My Community Dental Centers (MCDC) located within Branch, Hillsdale, and St. Joseph counties, but revenue remains low as MCDC temporarily closed the Hillsdale Dental Center due to staffing issues. MCDC is working on recruiting and is now offering an incentive package to eliminate the shortage, therefore, we anticipate this turning around in future years. The Agency continues to have budget constraints due to the MERS Retirement Defined Benefit plan not being fully funded. The Agency will continue to review and respond to grant opportunities to help in offsetting costs and increase services to the public. The Agency will receive grants for 2022 in Vectorborne Surveillance, PFAS Response and Remediation, Medical Marihuana Operation & Oversight, Victims of Crime Act 'Services to Victims of Elder Abuse', Expanding Older Adult Access to COVID-19 Vaccine, COVID-19 Immunization Support, and other COVID-19 related grants.

Because the services of the Branch-Hillsdale-St. Joseph Community Health Agency are provided based on need and not the ability to pay, the Agency will continue to expand billings to insurances when available to offset costs. The Agency routinely reviews fees to ensure that the Agency billing is in line with allowed pricing for our services.

Requests for Information

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

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Health Officer
Branch-Hillsdale-St. Joseph Community Health Agency
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Coldwater, MI 49036
Office: 517-279-9561, ext. 148
Fax: 517-278-2923
E-mail: burnsr@bhsj.org

BASIC FINANCIAL STATEMENTS

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Current assets | |
| Cash | \$ 4,869,964 |
| Accounts receivable | 105,373 |
| Due from other governmental units - Federal/State | 208,715 |
| Prepays | 99,936 |
| Inventories | <u>78,717</u> |
| Total current assets | 5,362,705 |
| Noncurrent assets | |
| Capital assets, net of accumulated depreciation | <u>286,238</u> |
| TOTAL ASSETS | <u>5,648,943</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows of resources related to pension | <u>1,766,295</u> |
| LIABILITIES | |
| Current liabilities | |
| Accounts payable | 693,972 |
| Accrued wages | 122,013 |
| Due to other governmental units - Federal/State | 928,728 |
| Other accrued liabilities | 89,391 |
| Unearned revenue | 168,863 |
| Current portion of compensated absences | <u>148,547</u> |
| Total current liabilities | <u>2,151,514</u> |
| Noncurrent liabilities | |
| Net pension liability | 1,947,436 |
| Noncurrent portion of compensated absences | <u>297,093</u> |
| Total noncurrent liabilities | <u>2,244,529</u> |
| TOTAL LIABILITIES | <u>4,396,043</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows of resources related to pension | <u>696,301</u> |
| NET POSITION | |
| Investment in capital assets | 286,238 |
| Unrestricted | <u>2,036,656</u> |
| TOTAL NET POSITION | <u><u>\$ 2,322,894</u></u> |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenues and Changes in Net Position |
|-------------------------------------|---------------------|-------------------------|--|---|
| | | Charges for Services | Operating Grants and Contributions | |
| Governmental activities | | | | |
| Personal health | \$ 4,110,200 | \$ 154,461 | \$ 3,951,369 | \$ (4,370) |
| Environmental health | 1,136,687 | 520,268 | 617,620 | 1,201 |
| Community health | 249,378 | 133,629 | 332,102 | 216,353 |
| Aging services | 1,346,256 | - | 1,386,073 | 39,817 |
| Administration | 1,310,639 | 3,640 | 1,170,913 | (136,086) |
| Total governmental activities | <u>\$ 8,153,160</u> | <u>\$ 811,998</u> | <u>\$ 7,458,077</u> | <u>116,915</u> |
| General revenues | | | | |
| County appropriations - regular | | | | 753,310 |
| Miscellaneous | | | | 70,812 |
| Interest | | | | 2,916 |
| Total general revenues | | | | <u>827,038</u> |
| Change in net position | | | | 943,953 |
| Net position, beginning of the year | | | | <u>1,378,941</u> |
| Net position, end of the year | | | | <u>\$ 2,322,894</u> |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GOVERNMENTAL FUND
BALANCE SHEET
SEPTEMBER 30, 2021**

| | |
|---|---------------------|
| ASSETS | |
| Cash | \$ 4,869,964 |
| Accounts receivable | 105,373 |
| Due from other governmental units - Federal/State | 208,715 |
| Prepays | 99,936 |
| Inventories | 78,717 |
| | <u>5,362,705</u> |
| TOTAL ASSETS | \$ 5,362,705 |
| LIABILITIES | |
| Accounts payable | \$ 693,972 |
| Accrued wages | 122,013 |
| Due to other governmental units - Federal/State | 928,728 |
| Other accrued liabilities | 89,391 |
| Unearned revenue | 168,863 |
| | <u>2,002,967</u> |
| TOTAL LIABILITIES | 2,002,967 |
| FUND BALANCE | |
| Nonspendable | 99,936 |
| Assigned | 2,823,630 |
| Unassigned | 436,172 |
| | <u>3,359,738</u> |
| TOTAL FUND BALANCE | 3,359,738 |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 5,362,705 |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE
SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Total fund balance - governmental fund \$ 3,359,738

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

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

| | | |
|-------------------------------|--------------|---------|
| The cost of capital assets is | \$ 1,278,550 | |
| Accumulated depreciation is | (992,312) | |
| | | |
| Capital assets, net | | 286,238 |

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 | 1,766,295 | |
| Deferred inflows of resources related to pension | (696,301) | |
| | | |
| | | 1,069,994 |

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

| | | |
|-----------------------|-------------|-------------|
| Net pension liability | (1,947,436) | |
| Compensated absences | (445,640) | |
| | | |
| | | (2,393,076) |

Net position of governmental activities \$ 2,322,894

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2021**

| | |
|--|--------------------------|
| REVENUES | |
| Licenses and permits | \$ 332,018 |
| Intergovernmental | |
| Federal/State | 7,396,988 |
| Local | 64,117 |
| County appropriations | 753,310 |
| Charges for services | 473,353 |
| Interest and rents | 6,515 |
| Other | 70,812 |
| | <hr/> |
| TOTAL REVENUES | 9,097,113 |
| | <hr/> |
| EXPENDITURES | |
| Current | |
| Salaries and wages | 3,148,037 |
| Fringe benefits | 2,128,335 |
| Supplies and materials | 746,174 |
| Contractual | 1,521,281 |
| Communications | 69,915 |
| Travel and training | 97,828 |
| Insurance | 42,727 |
| Repairs and maintenance | 486,666 |
| Building and equipment lease and rentals | 112,855 |
| Printing and advertising | 56,790 |
| Postage | 33,093 |
| Other | 17,627 |
| | <hr/> |
| TOTAL EXPENDITURES | 8,461,328 |
| | <hr/> |
| NET CHANGE IN FUND BALANCE | 635,785 |
| | |
| Fund balance, beginning of year | <hr/> 2,723,953 |
| | |
| Fund balance, end of year | <hr/> <hr/> \$ 3,359,738 |

See accompanying notes to financial statements.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

Net change in fund balance - governmental fund \$ 635,785

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

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

| | | |
|------------------------------------|----|-----------------|
| Capital outlay | \$ | 218,493 |
| Loss on disposal of capital assets | | (43,275) |
| Depreciation expense | | <u>(24,281)</u> |

Excess of capital outlay over depreciation expense and other items 150,937

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund. These activities consist of:

| | | |
|--|--|------------------|
| Decrease in net pension liability | | 574,974 |
| Decrease in accrued compensated absences | | 3,899 |
| Increase in deferred outflows of resources related to pension | | 274,659 |
| (Increase) in deferred inflows of resources related to pension | | <u>(696,301)</u> |

157,231

Change in net position of governmental activities \$ 943,953

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

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

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

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

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

Reporting Entity

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

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

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

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

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS (continued)

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

Basis of Accounting

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

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

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

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

Budgets and Budgetary Accounting

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

Cash

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

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

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

Cash (continued)

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

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

Receivables and Unearned Revenue

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

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

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

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

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

Inventories

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

Prepays

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

Capital Assets

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

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

| | |
|-------------------|------------|
| Land improvements | 7-20 years |
| Equipment | 4-10 years |

Compensated Absences

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

Net Pension Liability

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

Unavailable Revenue

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

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

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

Deferred Outflows/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/fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

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

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

Fund Balance Classification Policies and Procedures

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

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

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

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

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

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

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

Fund Balance Classification Policies and Procedures (continued)

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

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

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

Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since its inclusion would make the statements unduly complex and difficult to read.

NOTE 2 - DEPOSITS

As of September 30, 2021, the Agency had deposits subject to the following risks:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. As of September 30, 2021, \$0 of the Agency's bank balance of \$90,428 was exposed to custodial credit risk because it was all covered by federal depository insurance. The Agency's carrying value on the books for deposits at the end of the year was \$52,148.

The cash balances reported in the basic financial statements include \$370 in imprest cash and \$4,817,446 in cash that is on deposit with the Branch County Treasurer. The cash on deposit with the Branch County Treasurer is part of the County pooled cash and investments. As a result, the insured and uninsured amounts related to these amounts cannot be determined.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. As of September 30, 2021, the Agency did not have any investments that would be subject to rating.

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

NOTE 2 - DEPOSITS (continued)

Interest Rate Risk

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

Concentration of Credit Risk

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

Foreign Currency Risk

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

NOTE 3 - CAPITAL ASSETS

The following provides a summary of the changes in capital assets for the year ended September 30, 2021:

| | Balance Oct. 1, 2020 | Additions | Disposals | Balance Sept. 30, 2021 |
|--|-------------------------|------------|--------------|---------------------------|
| Capital assets being depreciated | | | | |
| Equipment | \$ 1,182,785 | \$ 5,261 | \$ (145,451) | \$ 1,042,595 |
| Land improvements | 22,723 | 213,232 | - | 235,955 |
| Total capital assets being depreciated | 1,205,508 | 218,493 | (145,451) | 1,278,550 |
| Less accumulated depreciation for: | | | | |
| Equipment | (1,047,484) | (21,171) | 102,176 | (966,479) |
| Land improvements | (22,723) | (3,110) | - | (25,833) |
| Total accumulated depreciation | (1,070,207) | (24,281) | 102,176 | (992,312) |
| Capital assets, net | \$ 135,301 | \$ 194,212 | \$ (43,275) | \$ 286,238 |

Depreciation expense appears on the statement of activities in these governmental functions: Personal Health \$12,240; Environmental Health \$3,385; Community Health \$744; Aging Services \$4,009; and Administration \$3,903.

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

NOTE 4 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the Agency for the year ended September 30, 2021:

| | Balance Oct. 1, 2020 | Additions | Deletions | Balance Sept. 30, 2021 | Amount Due within One Year |
|----------------------|-------------------------|------------|--------------|---------------------------|----------------------------------|
| Compensated absences | \$ 449,539 | \$ 183,004 | \$ (186,903) | \$ 445,640 | \$ 148,547 |

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

Accumulated sick and vacation leave represents a liability to the Agency, which is presented in a current and long-term portion of the liability. For this reason, the total liability is reported in the government-wide financial statements and represents a current liability of \$148,547 and a long-term liability of \$297,093 at September 30, 2021. Payments to employees for sick and vacation leave are recorded as expenditures when they are used, and payments are actually made to the employees.

NOTE 5 - RETIREMENT PLANS

Defined Benefit Pension Plan

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

Summary of Significant Accounting Policies

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

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The MERS plan covers all eligible full-time general employees (closed to new hires after August 1, 2015) at the Agency.

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

NOTE 5 - RETIREMENT PLANS (continued)

Defined Benefit Pension Plan (continued)

Benefits Provided (continued)

Retirement benefits for Agency 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 6 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 Health.

At the December 31, 2020, valuation date, the following employees were covered by the benefit terms:

| | |
|---|-------------------|
| Inactive employees or beneficiaries receiving benefits | 69 |
| Inactive employees entitled to but not yet receiving benefits | 38 |
| Active employees | <u>31</u> |
| | <u><u>138</u></u> |

Contributions

The Agency is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended September 30, 2021, the Agency's required contribution rate was 25% of annual payroll. Employees are required to contribute 3.00%.

Payable to the Pension Plan

At September 30, 2021, there were no amounts outstanding by the Agency for contributions to the pension plan required for the year ended September 30, 2021.

Net Pension Liability

The Agency's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

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

NOTE 5 - RETIREMENT PLANS (continued)

Defined Benefit Pension Plan (continued)

Net Pension Liability (continued)

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

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|-------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| <u>Changes in Net Pension Liability</u> | | | |
| Balances at December 31, 2019 | \$ 15,839,984 | \$ 13,317,574 | \$ 2,522,410 |
| Changes for the year | | | |
| Service cost | 184,846 | - | 184,846 |
| Interest on total pension liability | 1,174,321 | - | 1,174,321 |
| Difference between expected and actual experience | 423,704 | - | 423,704 |
| Changes in assumptions | 921,539 | - | 921,539 |
| Employer contributions | - | 1,264,662 | (1,264,662) |
| Employee contributions | - | 48,270 | (48,270) |
| Net investment income | - | 1,994,138 | (1,994,138) |
| Benefit payments, including employee refunds | (961,641) | (961,641) | - |
| Administrative expense | - | (27,686) | 27,686 |
| Net changes | <u>1,742,769</u> | <u>2,317,743</u> | <u>(574,974)</u> |
| Balances at December 31, 2020 | <u>\$ 17,582,753</u> | <u>\$ 15,635,317</u> | <u>\$ 1,947,436</u> |

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

For the year ended September 30, 2021, the Agency recognized pension expense of \$1,027,287. The Agency 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 | \$ 211,852 | \$ - |
| Differences in assumptions | 460,769 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 696,301 |
| Contributions subsequent to the measurement date* | <u>1,093,674</u> | <u>-</u> |
| Total | <u>\$ 1,766,295</u> | <u>\$ 696,301</u> |

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending September 30, 2022.

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

NOTE 5 - RETIREMENT PLANS (continued)

Defined Benefit Pension Plan (continued)

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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 |
|------------------------------|--------------------|
| 2022 | \$ 522,712 |
| 2023 | (24,740) |
| 2024 | (327,711) |
| 2025 | (193,941) |

Actuarial Assumptions

The total pension liability in the December 31, 2020, 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: 7.60%, net of investment expenses, including inflation.

The valuation incorporates fully generational mortality. The base mortality tables used are constructed as noted and are based on amount weighted sex distinct rates. Pre-retirement mortality - 1. the Pub-2010 Juvenile Mortality Tables, 2. the Pub-2010 Employee Mortality Tables, and 3. the Pub-2010 Healthy Retiree Tables. Non-disabled retired plan members and beneficiaries - 1. 106% of the Pub-2010 Juvenile Mortality Tables, 2. 106% of the Pub-2010 Employee Mortality Tables, and 3. 106% of the Pub-2010 Healthy Retiree Tables. Disabled retired plan members - 1. The Pub-2010 Juvenile Mortality Tables, 2 - PubNS-2010 Disabled Retiree Tables.

The actuarial assumptions used in the valuation were based on the results of the 2014-2018 Five-Year Experience Study.

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

Increase in merit and longevity pay assumption.

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

NOTE 5 - RETIREMENT PLANS (continued)

Defined Benefit Pension Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability is 7.60%. 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.

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% | 5.25% | 3.15% |
| Global Fixed Income | 20.00% | 1.25% | 0.25% |
| Private Investments | 20.00% | 7.25% | 1.45% |
| | <u>100.00%</u> | | |
| Inflation | | | 2.50% |
| Administration expenses netted above | | | <u>0.25%</u> |
| Investment rate of return | | | <u>7.60%</u> |

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

NOTE 5 - RETIREMENT PLANS (continued)

Defined Benefit Pension Plan (continued)

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

The following presents the net pension liability of the Agency, calculated using the discount rates of 7.60%, as well as what the Agency's net pension liability would be using a discount rate that is 1% lower (6.60%) or 1% higher (8.60%) than the current rate.

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-----------------------|--------------|--------------------------|-------------|
| Net pension liability | \$ 3,939,237 | \$ 1,947,436 | \$ 266,447 |

Defined Contribution Pension Plan

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

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

The Agency's contributions to the plan were \$60,148 for the year ended September 30, 2021. The Agency's employees contributed \$36,089 to the defined contribution plan for the year ended September 30, 2021.

NOTE 6 - RISK MANAGEMENT

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

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

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

NOTE 7 - DETAILS OF FUND BALANCE CLASSIFICATIONS

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

As of September 30, 2021, the fund balance classifications were as follows:

| | | |
|----------------------------------|----|-----------|
| Nonspendable | | |
| Prepays | \$ | 99,936 |
| Assigned | | |
| Vacation and sick leave | | 445,640 |
| BCCF funds | | 309,956 |
| Dental revenue | | 351,895 |
| Aging services | | 21,409 |
| Medicaid cost base reimbursement | | 1,362,489 |
| Community stabilization | | 327,390 |
| Collector fee | | 4,851 |
| Unassigned | | 436,172 |
| | | 436,172 |
| | \$ | 3,359,738 |

NOTE 8 - CONTINGENT LIABILITIES

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

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

The Agency is a defendant in various lawsuits. Although the outcomes of these lawsuits are not presently determinable, it is the opinion of management and the Agency's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the Agency.

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

NOTE 9 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*. This statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Agency is currently evaluating the impact this standard will have on the financial statements when adopted during the 2021-2022 fiscal year.

In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset -an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Agency is currently evaluating the impact this standard will have on the financial statements when adopted during the 2022-2023 fiscal year.

NOTE 10 - UNCERTAINTIES

The extent of the impact of COVID-19 on the Agency's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on services, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition and results of operations is uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
GENERAL OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2021**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|----------------------------|---------------------|---|
| REVENUES | | | | |
| Licenses and permits | \$ 297,020 | \$ 302,240 | \$ 332,018 | \$ 29,778 |
| Intergovernmental | | | | |
| Federal/State | 4,965,181 | 8,509,601 | 7,396,988 | (1,112,613) |
| Local | 61,504 | 93,870 | 64,117 | (29,753) |
| County appropriations | 748,202 | 749,071 | 753,310 | 4,239 |
| Charges for services | 647,911 | 485,492 | 473,353 | (12,139) |
| Interest and rents | 60,896 | 7,600 | 6,515 | (1,085) |
| Other | 85,800 | 135,652 | 70,812 | (64,840) |
| TOTAL REVENUES | 6,866,514 | 10,283,526 | 9,097,113 | (1,186,413) |
| EXPENDITURES | | | | |
| Current | | | | |
| Salaries and wages | 2,966,196 | 3,830,744 | 3,148,037 | 682,707 |
| Fringe benefits | 1,434,536 | 2,355,741 | 2,128,335 | 227,406 |
| Supplies and materials | 659,989 | 1,082,954 | 746,174 | 336,780 |
| Contractual | 996,546 | 1,889,788 | 1,521,281 | 368,507 |
| Communications | 61,770 | 88,952 | 69,915 | 19,037 |
| Travel and training | 144,875 | 153,707 | 97,828 | 55,879 |
| Insurance | 39,056 | 48,000 | 42,727 | 5,273 |
| Repairs and maintenance | 296,686 | 572,249 | 486,666 | 85,583 |
| Building and equipment lease and rentals | 192,355 | 120,001 | 112,855 | 7,146 |
| Printing and advertising | 3,410 | 69,365 | 56,790 | 12,575 |
| Postage | 19,795 | 41,965 | 33,093 | 8,872 |
| Other | 51,300 | 30,060 | 17,627 | 12,433 |
| TOTAL EXPENDITURES | 6,866,514 | 10,283,526 | 8,461,328 | 1,822,198 |
| NET CHANGE IN FUND BALANCE | - | - | 635,785 | 635,785 |
| Fund balance, beginning of year | 2,723,953 | 2,723,953 | 2,723,953 | - |
| Fund balance, end of year | <u>\$ 2,723,953</u> | <u>\$ 2,723,953</u> | <u>\$ 3,359,738</u> | <u>\$ 635,785</u> |

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | | | |
| Service cost | \$ 184,846 | \$ 162,697 | \$ 188,936 | \$ 194,225 | \$ 221,881 | \$ 260,139 | \$ 257,464 |
| Interest | 1,174,321 | 1,161,744 | 1,155,642 | 1,122,384 | 1,096,375 | 1,008,656 | 929,021 |
| Difference between expected and actual experience | 423,704 | 24,243 | (366,923) | (79,298) | (233,076) | 80,642 | - |
| Changes of assumptions | 921,539 | 508,776 | - | - | - | 814,056 | - |
| Benefit payments, including employee refunds | (961,641) | (915,864) | (860,670) | (777,188) | (715,313) | (616,270) | (590,701) |
| Other | - | - | 1 | - | 1 | (1) | 29,031 |
| Net Change in Total Pension Liability | 1,742,769 | 941,596 | 116,986 | 460,123 | 369,868 | 1,547,222 | 624,815 |
| Total Pension Liability, beginning | 15,839,984 | 14,898,388 | 14,781,402 | 14,321,279 | 13,951,411 | 12,404,189 | 11,779,374 |
| Total Pension Liability, ending | <u>\$ 17,582,753</u> | <u>\$ 15,839,984</u> | <u>\$ 14,898,388</u> | <u>\$ 14,781,402</u> | <u>\$ 14,321,279</u> | <u>\$ 13,951,411</u> | <u>\$ 12,404,189</u> |
| Plan Fiduciary Net Position | | | | | | | |
| Contributions - employer | \$ 1,264,662 | \$ 637,262 | \$ 304,525 | \$ 266,448 | \$ 226,464 | \$ 219,053 | \$ 181,018 |
| Contributions - employee | 48,270 | 47,927 | 50,404 | 55,364 | 64,400 | 85,602 | 71,723 |
| Net investment income (loss) | 1,994,138 | 1,615,364 | (497,015) | 1,559,362 | 1,251,034 | (173,001) | 708,740 |
| Benefit payments, including employee refunds | (961,641) | (915,864) | (860,670) | (777,188) | (715,313) | (616,270) | (590,701) |
| Administrative expense | (27,686) | (27,776) | (24,912) | (24,713) | (24,706) | (25,331) | (25,997) |
| Net Change in Plan Fiduciary Net Position | 2,317,743 | 1,356,913 | (1,027,668) | 1,079,273 | 801,879 | (509,947) | 344,783 |
| Plan Fiduciary Net Position, beginning | 13,317,574 | 11,960,661 | 12,988,329 | 11,909,056 | 11,107,177 | 11,617,124 | 11,272,341 |
| Plan Fiduciary Net Position, ending | <u>\$ 15,635,317</u> | <u>\$ 13,317,574</u> | <u>\$ 11,960,661</u> | <u>\$ 12,988,329</u> | <u>\$ 11,909,056</u> | <u>\$ 11,107,177</u> | <u>\$ 11,617,124</u> |
| Agency Net Pension Liability | <u>\$ 1,947,436</u> | <u>\$ 2,522,410</u> | <u>\$ 2,937,727</u> | <u>\$ 1,793,073</u> | <u>\$ 2,412,223</u> | <u>\$ 2,844,234</u> | <u>\$ 787,065</u> |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 89% | 84% | 80% | 88% | 83% | 80% | 94% |
| Covered payroll | \$ 1,590,755 | \$ 1,439,800 | \$ 1,673,482 | \$ 1,727,981 | \$ 1,974,029 | \$ 2,408,692 | \$ 2,383,929 |
| Agency's Net Pension Liability as a percentage of covered payroll | 122% | 175% | 176% | 104% | 122% | 118% | 33% |

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|---------------------|----------------|----------------|----------------|----------------|
| Actuarially determined contributions | \$ 397,479 | \$ 325,829 | \$ 306,612 | \$ 295,032 | \$ 256,452 | \$ 221,994 | \$ 209,441 |
| Contributions in relation to the actuarially determined contribution | <u>1,180,620</u> | <u>1,259,227</u> | <u>631,891</u> | <u>295,032</u> | <u>256,452</u> | <u>221,994</u> | <u>209,441</u> |
| Contribution deficiency (excess) | <u>\$ (783,141)</u> | <u>\$ (933,398)</u> | <u>\$ (325,279)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 1,573,681 | \$ 1,559,148 | \$ 1,634,619 | \$ 1,688,177 | \$ 1,918,244 | \$ 2,204,494 | \$ 2,413,420 |
| Contributions as a percentage of covered payroll | 75% | 81% | 39% | 17% | 13% | 10% | 9% |

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2021**

NOTE 1 - EMPLOYEE RETIREMENT PLAN

Changes of benefits terms: There were no changes of benefit terms during plan year 2020.

Changes in assumptions: Increases in merit and longevity pay assumptions.

OTHER SUPPLEMENTARY INFORMATION

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (a)
AGING AND ADULT SERVICES AGENCY
YEAR ENDED SEPTEMBER 30, 2021

| EXPENDITURES | Title III-B | Title III-C1 | Title III-C2 | Title III-D |
|---|-------------------|------------------|-------------------|-----------------|
| Personal care | \$ 20,988 | \$ - | \$ - | \$ - |
| Homemaker | 20,987 | - | - | - |
| Chore services | 4,171 | - | - | - |
| Home delivered meals | 5,425 | - | 107,797 | - |
| Adult day care | - | - | - | - |
| Care management | 10,041 | - | - | - |
| Respite care | - | - | - | - |
| Case coordination and support | - | - | - | - |
| Congregate meals | - | 94,951 | - | - |
| Transportation | 40,200 | - | - | - |
| Legal assistance | 10,000 | - | - | - |
| Caregiver Support Group | - | - | - | - |
| Caregiver Training | - | - | - | - |
| Assistive devices and technologies | - | - | - | - |
| Information and assistance | 10,880 | - | - | - |
| Home repair | 870 | - | - | - |
| Disease prevention and health promotion | - | - | - | 8,821 |
| Program development | 2,932 | - | - | - |
| Ombudsman | 2,000 | - | - | - |
| Medication management | - | - | - | - |
| Administration | - | - | - | - |
| Community living support services - RSD | 5 | - | - | - |
| Gap Filing/Special Needs (RSD) | 3,368 | - | - | - |
| Other | 6,460 | - | - | - |
| TOTAL EXPENDITURES | \$ 138,327 | \$ 94,951 | \$ 107,797 | \$ 8,821 |

(a) This schedule only includes Aging Services programs.

| <u>Title III-E</u> | <u>Title III Administration</u> | <u>NSIP</u> | <u>Targeted Care Management</u> | <u>State Access</u> | <u>State In-Home</u> | <u>State Congregate Meals</u> |
|--------------------|---------------------------------|-------------------|---------------------------------|---------------------|----------------------|-------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 57,787 | \$ - |
| - | - | - | - | - | 57,787 | - |
| - | - | - | - | - | - | - |
| - | - | 93,894 | - | - | - | - |
| - | - | - | - | - | - | - |
| 18,097 | - | - | - | - | - | - |
| 4,897 | - | - | - | - | 9,799 | - |
| 9,000 | - | - | - | 7,989 | - | - |
| - | - | 28,681 | - | - | - | 2,676 |
| 13,977 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 3,933 | - | - | - | - | - | - |
| 3,933 | - | - | - | - | - | - |
| - | - | - | - | - | 9,903 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 7,153 | - |
| - | 46,594 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | 38,168 | - | - | - |
| <u>\$ 53,837</u> | <u>\$ 46,594</u> | <u>\$ 122,575</u> | <u>\$ 38,168</u> | <u>\$ 7,989</u> | <u>\$ 142,429</u> | <u>\$ 2,676</u> |

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
AGING AND ADULT SERVICES AGENCY
YEAR ENDED SEPTEMBER 30, 2021

| | State Home Delivered Meals | State Alternative Care | Merit Award Trust Fund Respite | State Respite Care |
|---|-------------------------------------|------------------------------|---|--------------------------|
| EXPENDITURES | | | | |
| Personal care | \$ - | \$ 15,700 | \$ - | \$ - |
| Homemaker | - | 15,700 | - | - |
| Chore services | - | - | - | - |
| Home delivered meals | 133,495 | - | - | - |
| Adult day care | - | - | 8,856 | 8,557 |
| Care management | - | - | - | - |
| Respite care | - | - | 7,967 | 29,153 |
| Case coordination and support | - | - | - | - |
| Congregate meals | - | - | - | - |
| Transportation | - | - | 16,589 | - |
| Legal assistance | - | - | - | - |
| Caregiver Support Group | - | - | - | - |
| Caregiver Training | - | - | - | - |
| Assistive devices and technologies | - | - | - | - |
| Information and assistance | - | - | - | - |
| Home repair | - | - | - | - |
| Disease prevention and health promotion | - | - | - | - |
| Program development | - | - | - | - |
| Ombudsman | - | - | - | - |
| Medication management | - | - | - | - |
| Administration | - | - | - | - |
| Community living support services - RSD | - | - | - | - |
| Gap Filing/Special Needs (RSD) | - | - | - | - |
| Other | - | - | - | - |
| | <u>\$ 133,495</u> | <u>\$ 31,400</u> | <u>\$ 33,412</u> | <u>\$ 37,710</u> |
| TOTAL EXPENDITURES | <u>\$ 133,495</u> | <u>\$ 31,400</u> | <u>\$ 33,412</u> | <u>\$ 37,710</u> |

| State CG Support | Merit Award Fund Administration | State Care Management | State Administration | State Caregiver Support Administration | State Aging New Services | Program Income |
|------------------------|---------------------------------------|-----------------------------|-------------------------|---|-----------------------------|-------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 19,955 |
| - | - | - | - | - | - | 19,955 |
| - | - | - | - | - | - | 1,889 |
| - | - | - | - | - | - | 68,976 |
| - | - | - | - | - | - | 3,452 |
| - | - | 73,348 | - | - | 12,458 | - |
| 4,123 | - | - | - | - | - | 4,049 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 80,424 |
| - | - | - | - | - | - | 18,019 |
| - | - | - | - | - | - | 70 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 817 |
| - | - | - | - | - | - | 115 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 3,304 | - | 8,019 | 407 | - | - |
| - | - | 6,880 | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>\$ 4,123</u> | <u>\$ 3,304</u> | <u>\$ 80,228</u> | <u>\$ 8,019</u> | <u>\$ 407</u> | <u>\$ 12,458</u> | <u>\$ 217,721</u> |

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
AGING AND ADULT SERVICES AGENCY
YEAR ENDED SEPTEMBER 30, 2021

| | Cash Match | In-kind Match | Total |
|---|-------------------|------------------|---------------------|
| EXPENDITURES | | | |
| Personal care | \$ 10,056 | \$ 750 | \$ 125,236 |
| Homemaker | 10,056 | 750 | 125,235 |
| Chore services | 302 | 300 | 6,662 |
| Home delivered meals | 23,758 | 19,640 | 452,985 |
| Adult day care | 2,264 | - | 23,129 |
| Care management | 12,700 | 7,500 | 134,144 |
| Respite care | 5,513 | 1,100 | 66,601 |
| Case coordination and support | 2,208 | - | 19,197 |
| Congregate meals | 10,019 | 1,300 | 218,051 |
| Transportation | 147,491 | - | 236,276 |
| Legal assistance | 1,494 | - | 11,564 |
| Caregiver Support Group | 511 | - | 4,444 |
| Caregiver Training | 511 | - | 4,444 |
| Assistive devices and technologies | 500 | 1,000 | 11,403 |
| Information and assistance | 1,500 | - | 12,380 |
| Home repair | 113 | - | 1,800 |
| Disease prevention and health promotion | 1,147 | - | 10,083 |
| Program development | - | - | 2,932 |
| Ombudsman | 38,013 | - | 40,013 |
| Medication management | - | 1,000 | 8,153 |
| Administration | - | - | 58,324 |
| Community living support services - RSD | 700 | - | 7,585 |
| Gap Filing/Special Needs (RSD) | 130 | 800 | 4,298 |
| Other | 512 | 800 | 45,940 |
| TOTAL EXPENDITURES | \$ 269,498 | \$ 34,940 | \$ 1,630,879 |

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2021**

| Federal Grantor/Pass Through Grantor/Program Title | Assistance Listing Number | Pass-Through Grantor Number | Expenditures |
|---|---------------------------------|-----------------------------------|----------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| Passed through Michigan Department of Health and Human Services Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 ^(a) | | |
| FY 20-21 Resident Services | | 212MI003W1003 | \$ 757,761 |
| FY 20-21 Breastfeeding | | 212MI003W1003 | 19,349 |
| FY 20-21 Breastfeeding | | 202MI013W5003 | <u>65,058</u> |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | <u>842,168</u> |
| U.S. DEPARTMENT OF JUSTICE | | | |
| Passed through Michigan Department of Health and Human Services Crime Victim Assistance | 16.575 | | |
| FY 20-21 VOCA | | E20211465-001 | <u>130,251</u> |
| U.S. DEPARTMENT OF TREASURY | | | |
| Passed through Michigan Department of Treasury COVID-19 Coronavirus Relief Fund | 21.019 | | |
| Public Safety Public Health Payroll Reimbursement | | PSPHPR 09-20 | 19,091 |
| Passed through Michigan Aging and Adult Services Agency COVID-19 Coronavirus Relief Fund | 21.019 | | |
| Personal Care/Essential Care boxes | | SLT0040 | 2,818 |
| Passed through Michigan Department of Health and Human Services COVID-19 Coronavirus Relief Fund | 21.019 | | |
| Immunizations COVID Response | | SLT0040 | 30,587 |
| Local Health Department Contact Tracing | | SLT0040 | 285,352 |
| Local Health Department Testing | | SLT0040 | <u>150,007</u> |
| TOTAL U.S. DEPARTMENT OF TREASURY | | | <u>487,855</u> |
| ENVIRONMENTAL PROTECTION AGENCY | | | |
| Passed through Michigan Department of Environment, Great Lakes, and Energy Drinking Water State Revolving Fund Cluster | | | |
| Capitalization Grants for Drinking Water State Revolving Funds | 66.468 ^(d) | | |
| FY 20-21 Standard/Operator Assistance | | FS975487-19 | 3,458 |
| FY 20-21 Local Assistance | | FS975487-19 | 300 |
| FY 20-21 Public Water Supply Supervision | | FS975487-19 | <u>5,179</u> |
| TOTAL ENVIRONMENTAL PROTECTION AGENCY | | | <u>8,937</u> |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Direct award | | | |
| Rural Health Outreach and Rural Network Development Program | | | |
| Rural Communities Opioid Response | 93.912 | | |
| FY 20-21 | | G2540027 | <u>111,647</u> |
| Passed through Michigan Aging and Adult Services Agency Title III-D Special Programs for the Aging (Disease Prevention and Health Promotion Services) | 93.043 | | |
| FY 20-21 | | N/A | <u>8,821</u> |
| Aging Cluster | | | |
| Title III-B Special Programs for the Aging (Grants for Supportive Services and Senior Centers) | 93.044 ^(b) | | |
| FY 20-21 Administration | | N/A | 13,303 |
| FY 20-21 Regular | | N/A | <u>138,327</u> |
| | | | <u>151,630</u> |

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
YEAR ENDED SEPTEMBER 30, 2021**

| Federal Grantor/Pass Through Grantor/Program Title | Assistance Listing Number | Pass-Through Grantor Number | Expenditures |
|---|---------------------------------|-----------------------------------|----------------|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued) | | | |
| Passed through Michigan Aging and Adult Services Agency (continued) | | | |
| Aging Cluster (continued) | | | |
| Title III-C Special Programs for the Aging | | | |
| (Nutrition Services) | | | |
| | 93.045 ^(b) | | |
| FY 20-21 Administration | | N/A | \$ 26,964 |
| FY 20-21 Nutrition Congregate | | N/A | 94,951 |
| FY 20-21 Nutrition Home Delivered Meals | | N/A | 107,797 |
| FY 20-21 Supplemental Nutrition | | N/A | <u>12,795</u> |
| | | | 242,507 |
| Nutrition Services Incentive Program | | | |
| FY 20-21 Nutrition Services Incentive Program | 93.053 ^(b) | N/A | <u>122,575</u> |
| Total Aging Cluster | | | |
| | | | <u>516,712</u> |
| National Family Caregiver Support | | | |
| FY 20-21 Administration | 93.052 | N/A | 6,327 |
| FY 20-21 Regular | | N/A | <u>53,837</u> |
| | | | <u>60,164</u> |
| Immunization Grants | | | |
| COVID-19 Immunization Support | 93.268 | NH23IP922635 | <u>23,480</u> |
| Passed through Michigan Department of Health and Human Services | | | |
| Immunization Grants | | | |
| FY 20-21 Vaccine Supply | 93.268 | NH23IP922635 | 200,276 |
| COVID-19 FY 20-21 Immunizations | | NH23IP922635 | 118,016 |
| FY 20-21 Immunization Fixed Fees | | NH23IP922635 | 1,150 |
| FY 20-21 IAP | | NH23IP922635 | <u>71,789</u> |
| | | | <u>391,231</u> |
| | | | <u>414,711</u> |
| Passed through Michigan Aging and Adult Services Agency | | | |
| Medical Assistance Program | | | |
| FY 20-21 Aging | 93.778 ^(c) | N/A | <u>38,168</u> |
| Passed through Michigan Department of Health and Human Services | | | |
| Medical Assistance Program | | | |
| FY 20-21 Medicaid Outreach | 93.778 ^(c) | 2105MI5ADM | 5,791 |
| FY 20-21 CSHCS Medicaid Outreach | | 2005MI5ADM | 7,734 |
| FY 20-21 CSHCS Care Coordination ^(e) | | 2105MI5ADM | 11,217 |
| FY 20-21 CSHCS Medicaid Elevated Blood Lead Case Management | | 2105MI5MAP | 2,325 |
| FY 20-21 CSHCS Medicaid Elevated Blood Lead Case Management | | 2205MI5MAP | 517 |
| FY 20-21 CSHCS Outreach and Advocacy ^(e) | | 2105MI5ADM | <u>58,364</u> |
| | | | <u>85,948</u> |
| Total Medicaid Cluster | | | |
| | | | <u>124,116</u> |
| Public Health Emergency Preparedness | | | |
| FY 20-21 | 93.069 | NU90TP922062 | 97,059 |
| FY 20-21 | | NU90TP922062 | <u>32,634</u> |
| | | | <u>129,693</u> |

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
YEAR ENDED SEPTEMBER 30, 2021

| Federal Grantor/Pass Through Grantor/Program Title | Assistance Listing Number | Pass-Through Grantor Number | Expenditures |
|--|---------------------------------|-----------------------------------|---------------------|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued) | | | |
| Passed through Michigan Department of Health and Human Services (continued) | | | |
| Tuberculosis Control Program | 93.116 | | |
| FY 20-21 Tuberculosis Control | | NU52PS910173 | \$ 67 |
| FY 20-21 Tuberculosis Control | | NU52PS910173 | 226 |
| | | | <u>293</u> |
| COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases | 93.323 | | |
| COVID-19 Contact Tracing Testing Coordination | | NU50CK000510 | 592,418 |
| COVID-19 Infection Prevention | | NU50CK000510 | 76,001 |
| | | | <u>668,419</u> |
| COVID-19 Public Health Crisis Response - Coronavirus | 93.354 | | |
| FY 20-21 PHEP COVID-19 Response | | NU90TP922074 | 191,272 |
| Maternal and Child Health Services Block Grant | 93.994 | | |
| FY 20-21 CSHCS Care Coordination | | B0440141 | 42,034 |
| FY 20-21 MCH - All Other | | B0440141 | 34,594 |
| FY 20-21 MCH - Children | | B0440141 | 28,789 |
| | | | <u>105,417</u> |
| Preventative Health Services | 93.991 | | |
| Local Health Department (LHD) Sharing Support | | NB010T009324 | 36,901 |
| Passed through Michigan Department of Health and Human Services and MMAP, Inc. | | | |
| Special Programs for the Aging - Title IV and Title II Discretionary Projects | 93.048 | 90MPPG0039 | 2,904 |
| State Health Insurance Assistance Program | 93.324 | 90SAPG0090 | 18,000 |
| Community Health Access and Rural Transformation (CHART) Model | 93.624 | 1J1CMS331626 | 6,323 |
| | | | <u>2,395,393</u> |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | 2,395,393 |
| TOTAL FEDERAL AWARD EXPENDITURES | | | <u>\$ 3,864,604</u> |

(f)

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2021**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule" includes the federal grant activity of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency) under programs of the federal government for the year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position or changes in net position of the Branch-Hillsdale-St. Joseph Community Health Agency.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 - SUBRECIPIENTS

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

NOTE 4 - SUMMARY OF SIGNIFICANT EXPLANATIONS OF SCHEDULE

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

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

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2021**

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

(f) The following reconciles the federal revenues reported in the September 30, 2021, financial statements to the expenditures of the Agency administered federal programs reported on the Schedule of Expenditures of Federal Awards (SEFA):

| | |
|--|----------------------------|
| Federal/State Revenue (per fund financial statements) | \$ 7,396,988 |
| Less: Difference between vaccines administered (revenue per financial statements) and vaccines received (expenditures per SEFA and instructions from grantor agency) | (26,429) |
| Less: Portions of grant funding considered "State" funding | <u>(3,505,955)</u> |
| Federal award expenditures | <u><u>\$ 3,864,604</u></u> |



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Branch-Hillsdale-St. Joseph Community Health Agency (the Agency), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 11, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

March 11, 2022



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

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

Report on Compliance for Each Major Federal Program

We have audited the Branch-Hillsdale-St. Joseph Community Health Agency's (the Agency) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the Agency's major federal programs for the year ended September 30, 2021. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, the Branch-Hillsdale-St. Joseph Community Health Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

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

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

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

March 11, 2022

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major programs:

| Assistance Listing Number(s) | Name of Federal Program or Cluster |
|------------------------------|---|
| 10.557 | Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) |

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

**BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2021**

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.