



Genesee Health System

Financial Statements, Required
Supplementary Information, and
Supplementary Information
Year Ended September 30, 2020

Genesee Health System

Financial Statements, Required Supplementary Information,
and Supplementary Information
Year Ended September 30, 2020

Genesee Health System

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Single Audit Act Compliance	Separate Cover



Independent Auditor's Report

Board of Directors
Genesee Health System
Flint, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Genesee Health System (the Authority), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority'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 Authority'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 business-type activities, each major fund, and the aggregate remaining fund information of Genesee Health System as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows 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 on pages 6 through 11 and Required Supplementary Information relating to the Employees' Retirement System and Other Postemployment Benefits Plans on pages 39 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Combining Financial Statements on pages 47 through 54 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Financial Statements 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 Combining Financial Statements 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 June 1, 2021 on our consideration of Genesee Health System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Genesee Health System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Genesee Health System's internal control over financial reporting and compliance.

BDO USA, LLP

June 1, 2021

Genesee Health System

Management's Discussion and Analysis

As management of the Genesee Health System (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the independent auditor's report and with the financial statements, notes to financial statements, and required supplementary information taken as a whole.

Financial Highlights

Net position, business-type activities	\$ 21,997,615
Change in net position, business-type activities	39,314,481
Net position, enterprise fund	19,705,630
Change in net position, enterprise fund	38,947,323

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority'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 required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. As permitted by GASB Statement No. 34, the Authority uses an alternative approach reserved for single program governments to present combined government-wide and fund financial statements by using a columnar format that reconciles individual line items of the fund financial data to government-wide data in a separate column. The columns labeled "total business-type activities" on the statement of net position and statement of activities represent the government-wide financial statements.

The statement of net position presents information on all of the Authority's assets, deferred outflows, and liabilities and deferred inflows with the difference 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 Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

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 Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In general, fund financial statements provide a greater level of detail than the government-wide financial statement, but due to the alternative approach used by the Authority,

Genesee Health System

Management's Discussion and Analysis

the same level of detail is presented. All of the funds of the Authority are considered to be proprietary funds.

Proprietary Funds

The Authority maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Authority uses enterprise funds to account for all daily activities. The Authority uses internal service funds to account for healthcare benefits and other postemployment benefit costs.

Notes to 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.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This is limited to this management's discussion and analysis and the schedules for the pension and other postemployment benefits plans immediately following the notes to the financial statements.

Supplementary Information

The combining schedules in connection with the Enterprise Fund and statements referred to earlier in connection with the internal service funds are presented immediately following the required supplementary information.

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Genesee Health System

Management's Discussion and Analysis

Government-Wide Financial Analysis

As previously stated, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows exceeded its liabilities and deferred inflows by \$21,997,615 at the close of the most recent fiscal year.

<i>September 30,</i>	Net Position	
	2020	2019
Current and other assets	\$ 80,262,102	\$ 40,646,748
Capital assets, net	4,262,272	4,220,844
Total Assets	84,524,374	44,867,592
Deferred Outflows of Resources	42,994,712	11,818,305
Current and other liabilities	90,500,320	66,606,946
Liabilities	90,500,320	66,606,946
Deferred Inflows of Resources	15,021,151	7,395,817
Net position (deficit):		
Investment in capital assets	4,262,272	4,220,844
Restricted	9,235,869	6,862,076
Unrestricted (deficit)	8,499,474	(28,399,786)
Total Net Position (Deficit)	\$ 21,997,615	\$ (17,316,866)

The Authority noted an increase in current and other assets of \$39,615,354, an increase in deferred outflows of resources of \$31,176,407, an increase in current and other liabilities of \$23,893,374, and an increase of deferred inflows of resources of \$7,625,334 compared to the prior fiscal year-end. These changes are the result of current year pension and other postemployment benefit plan contributions and actuarial valuation.

A total of \$4,262,272 of the Authority's net position reflects its investment in capital assets (e.g., buildings, improvements, vehicles, and equipment). The Authority uses these capital assets to provide services to consumers; consequently, these assets are not available for future spending. In addition, \$9,235,869 is restricted for the purpose of funding the Authority's pension and other postemployment benefits. The remainder of the Authority's net position was reported as unrestricted net position of \$8,499,474.

Genesee Health System
Management's Discussion and Analysis

<i>Year ended September 30,</i>	Change in Net Position	
	2020	2019
Revenues		
Federal	\$ 158,155,874	\$ 127,256,044
State	5,209,179	5,597,570
Local	13,691,180	11,852,234
Interest	63,965	25,945
Total Revenues	177,120,198	144,731,793
Expenses		
Mental health	128,394,886	125,072,490
Health center	5,941,562	5,605,396
Access center	1,738,818	1,562,697
CMH grants	1,730,451	877,569
Total Expenses	137,805,717	133,118,152
Change in net position	39,314,481	11,613,641
Net Position (Deficit), beginning of year	(17,316,866)	(28,930,507)
Net Position (Deficit), end of year	\$ 21,997,615	\$ (17,316,866)

During the current fiscal year, the Authority's net position increased by \$39,314,481. A couple of significant factors for the increase in the Authority's net position was due to better reimbursement rates received by the health center and insurance reimbursements received by mental health operations. The second, most significant factor is a decrease in expense due to the actuarial adjustments relating to the pension and OPEB liability.

Capital Asset and Debt Administration

Capital Assets

The Authority's capital assets balance as of September 30, 2020 was \$4,262,272 (net of accumulated depreciation). This investment in capital assets includes building improvements and vehicles and equipment.

Major capital asset events that occurred during the year ended September 30, 2020 included the following:

- Construction/renovations of buildings totaling \$451,463.
- Equipment and vehicle purchases of \$454,314.

Genesee Health System

Management's Discussion and Analysis

	Capital Assets (Net)	
	2020	2019
Building improvements	\$ 3,264,927	\$ 3,197,848
Vehicles and equipment	997,345	1,022,996
Total Capital Assets, net	\$ 4,262,272	\$ 4,220,844

Additional information on the Authority's capital assets can be found in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

Genesee Health System monitors all clinical services and trends the utilization of those services. Genesee Health System has a Data and Financial Review Committee that meets monthly. This group of committee members reviews the financial and services utilization trends. This allows Genesee Health System to predict increases and or decreases in cost, allowing the Authority to react quickly and early to changes in funding or expenses.

For fiscal year 2021, the Authority has made several cost saving changes to our budget. This will allow the Authority to keep costs within the expected Medicaid funding. Genesee Health System does not believe that this will affect any services to our Medicaid beneficiaries. Region 10 continues to negotiate with the State regarding the Healthy Michigan fund for the Region.

Genesee Health System considered these factors in preparing the Authority's budget for the 2021 fiscal year.

Covid-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The Authority is dependent upon its workforce to provide services to its customers. Developments such as social distancing and shelter-in-place directives did impact the Authority's ability to deploy its workforce effectively reducing face-to-face services during the year. Because the Authority's major source of revenue is based on a capitated model of Medicaid funding, financial performance and asset valuations remained strong in fiscal year 2020.

On March 27, 2020, as a result of the expected economic impact of COVID-19, the U.S. Federal government approved and enacted the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) to provide financial relief to individuals and organizations. The Authority determined that the CARES Act would only be used minimally for the year ending September 30, 2020.

Genesee Health System

Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a general overview for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, may be addressed to the Finance Department, 420 5th Avenue, Flint, Michigan 48503.

Basic Financial Statements

Genesee Health System

Statement of Net Position - Proprietary Funds

September 30, 2020	Enterprise Fund	Internal Service Funds	Adjustments	Total Business-Type Activities
Assets				
Current assets:				
Cash and cash equivalents	\$ 15,189,345	\$ 1,984,115	\$ -	\$ 17,173,460
Investments	11,140,688	-	-	11,140,688
Accounts receivable, net	459,471	2,523,630	-	2,983,101
Due from Department of Health and Human Services	287,763	-	-	287,763
Due from other funds	2,033,875	323,862	(2,357,737)	-
Due from other governments, net	33,226,197	-	-	33,226,197
Prepays	389,932	578,788	-	968,720
Total current assets	62,727,271	5,410,395	(2,357,737)	65,779,929
Non-current assets:				
Capital assets being depreciated, net	4,262,272	-	-	4,262,272
Net other postemployment benefit asset	14,482,173	-	-	14,482,173
Total non-current assets	18,744,445	-	-	18,744,445
Total Assets	81,471,716	5,410,395	(2,357,737)	84,524,374
Deferred Outflows of Resources				
Deferred pension amounts	39,256,607	-	-	39,256,607
Deferred other postemployment benefit amounts	3,738,105	-	-	3,738,105
Total Deferred Outflows of Resources	42,994,712	-	-	42,994,712
Liabilities				
Current liabilities:				
Accounts payable	38,628,325	908,782	-	39,537,107
Accrued liabilities	5,073,171	-	-	5,073,171
Due to Department of Health and Human Services	79,786	-	-	79,786
Due to other funds	148,109	2,209,628	(2,357,737)	-
Due to other governments	8,366,543	-	-	8,366,543
Unearned revenue	1,995,374	-	-	1,995,374
Compensated absences	2,228,474	-	-	2,228,474
Total current liabilities	56,519,782	3,118,410	(2,357,737)	57,280,455
Non-current liabilities:				
Net pension liability	33,219,865	-	-	33,219,865
Total Liabilities	89,739,647	3,118,410	(2,357,737)	90,500,320
Deferred Inflows of Resources				
Deferred pension amounts	5,559,976	-	-	5,559,976
Deferred other postemployment benefit amounts	9,461,175	-	-	9,461,175
Total Deferred Inflows of Resources	15,021,151	-	-	15,021,151
Net Position				
Net investment in capital assets	4,262,272	-	-	4,262,272
Restricted for pension and other postemployment benefits	9,235,869	-	-	9,235,869
Unrestricted	6,207,489	2,291,985	-	8,499,474
Total Net Position	\$ 19,705,630	\$ 2,291,985	\$ -	\$ 21,997,615

The accompanying notes are an integral part of these financial statements.

Genesee Health System

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds

Year ended September 30, 2020	Enterprise Fund	Internal Service Funds	Adjustment	Total Business-Type Activities
Operating Revenues				
Federal sources:				
Medicaid	\$ 154,140,767	\$ -	\$ -	\$ 154,140,767
Federal grants	4,578,506	-	-	4,578,506
State sources:				
State general grant fund indigent	3,968,264	-	-	3,968,264
State grants	1,240,915	-	-	1,240,915
Local sources:				
County appropriations	1,684,554	-	-	1,684,554
Charges for services	4,571,184	6,707,063	(6,707,063)	4,571,184
Local grants and contributions	4,435,908	-	-	4,435,908
Other revenue	2,436,135	-	-	2,436,135
Total Operating Revenues	177,056,233	6,707,063	(6,707,063)	177,056,233
Operating Expenses				
Mental health services:				
Administration	10,335,412	-	(367,158)	9,968,254
Managed care	17,317,271	-	-	17,317,271
Children SED	4,453,434	-	-	4,453,434
Residential services	38,224,214	-	-	38,224,214
Adult MI services	17,961,694	-	-	17,961,694
State hospitals	1,100,375	-	-	1,100,375
Developmental disabilities	17,265,385	-	-	17,265,385
Inpatient services	14,004,553	-	-	14,004,553
Flint water crisis	2,713,124	-	-	2,713,124
Autism benefits	5,386,582	-	-	5,386,582
Health center	5,941,562	-	-	5,941,562
Access center	1,738,818	-	-	1,738,818
CMH grants	1,730,451	-	-	1,730,451
Employee benefits	-	6,339,905	(6,339,905)	-
Total Operating Expenses	138,172,875	6,339,905	(6,707,063)	137,805,717
Operating income	38,883,358	367,158	-	39,250,516
Non-Operating Revenue				
Interest income	63,965	-	-	63,965
Change in Net Position	38,947,323	367,158	-	39,314,481
Net Position (Deficit), beginning of year	(19,241,693)	1,924,827	-	(17,316,866)
Net Position, end of year	\$ 19,705,630	\$ 2,291,985	\$ -	\$ 21,997,615

The accompanying notes are an integral part of these financial statements.

Genesee Health System

Statement of Cash Flows - Proprietary Funds

<i>Year ended September 30, 2020</i>	Enterprise Fund	Internal Service Fund
Cash Flows From (for) Operating Activities		
Cash received from contracts, grants, customers and other	\$ 151,572,912	\$ -
Cash received from interfund services	-	6,218,702
Cash payments to employees	(68,686,589)	-
Cash payments to suppliers for goods and services	(71,568,842)	(5,866,048)
Net Cash Provided by Operating Activities	11,317,481	352,654
Cash Flows for Capital and Related Financing Activity		
Purchase of capital assets	(905,777)	-
Cash Flows From (for) Investing Activities		
Purchase of investments	(5,868,066)	-
Interest received	63,965	-
Net Cash Used in Investing Activities	(5,804,101)	-
Increase in Cash and Cash Equivalents	4,607,603	352,654
Cash and Cash Equivalents, beginning of year	10,581,742	1,631,461
Cash and Cash Equivalents, end of year	\$ 15,189,345	\$ 1,984,115

Genesee Health System

Statement of Cash Flows - Proprietary Funds

<i>Year ended September 30, 2020</i>	Enterprise Fund	Internal Service Fund
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 38,883,358	\$ 367,158
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	864,349	-
Changes in assets and liabilities:		
Accounts receivable	(150,242)	(134,976)
Due from Department of Health and Human Services	261,201	-
Due from other governments	(25,038,308)	-
Due from other funds	205,276	(142,598)
Prepays	240,872	(48,956)
Net other postemployment benefits asset	(3,916,624)	-
Deferred outflows related to net pension liability	(30,645,665)	-
Deferred outflows related to other postemployment benefits asset	(530,742)	-
Accounts payable	29,252,135	522,813
Accrued liabilities	2,810,125	-
Due to Department of Health and Human Services	14,416	-
Due to other funds	148,109	(210,787)
Due to other governments	(4,587,450)	-
Unearned revenue	(761,248)	-
Compensated absences	820,827	-
Net pension liability	(4,178,242)	-
Deferred inflows related to net pension liability	(729,104)	-
Deferred inflows related to other postemployment benefits asset	8,354,438	-
Net Cash Provided by Operating Activities	\$ 11,317,481	\$ 352,654

*The accompanying notes are an integral
part of these financial statements.*

Genesee Health System

Statement of Fiduciary Assets and Liabilities - Agency Fund

September 30, 2020

Assets	
Cash and cash equivalents	\$ 43,636
Accounts receivable	16,330
<hr/>	
Total Assets	\$ 59,966
<hr/>	
Liability	
Accounts payable	\$ 59,966
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The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

Genesee Health System

Notes to Financial Statements

1. Summary of Significant Account Policies

The financial statements of Genesee Health System (the Authority), established under Section 205 of the Mental Health Code, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Government-Wide and Fund Financial Statements

As permitted by GASB Statement No. 34, the Authority uses an alternative approach reserved for single program governments to present combined government-wide and fund financial statements by using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column. Accordingly, this is presented in the Statement of Net Position - Proprietary Funds and the Statement of Revenues, Expenses and Changes in Fund Net Position. The Authority's major fund is reported in a separate column in the aforementioned financial statements.

The operations of the Authority are accounted for as enterprise funds (a proprietary fund type), which are designed to be self-supporting. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Authority reports the following major enterprise fund:

The *enterprise fund* accounts for the provision of mental health services in Genesee County, as well as physical and behavioral healthcare services through the Federally Qualified Health Center.

Additionally, the Authority reports the following fund types:

The *internal service funds* are used to account for healthcare benefits and other selected retirement costs.

The *agency fund* is used to account for assets held on behalf of the Authority's consumers in which the Authority acts only in a fiduciary capacity.

Genesee Health System

Notes to Financial Statements

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's operating fund are contract revenues from the Michigan Department of Health and Human Services (MDHHS), Region 10 Prepaid Inpatient Health Plan (Region 10), county appropriations, and first- and third-party billings. Operating revenues of the internal service fund are comprised of charges to other funds for risk financing and other postemployment benefits. Operating expenses include the cost of providing mental health and substance abuse services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

Deposits and Investments

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All investments are recorded at fair value.

Statutory Authority

State statutes authorize the Authority to invest in:

- Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers' acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The Authority's investment policy allows for all of these types of investments.

Genesee Health System

Notes to Financial Statements

Receivables

Certain receivables are shown net of an allowance for uncollectibles. Consumer accounts receivable and revenue are recorded when services are performed. A substantial portion of the Authority's receivables from services to consumers is received under contractual arrangements with Medicaid, Medicare and Michigan Blue Cross/Blue Shield programs, whereby the Authority is paid based on allowable costs incurred. The preliminary settlement of amounts due to the Authority is subject to redetermination upon audit by the applicable agency. "Due from other governments" largely represents a receivable from Region 10 for contributions to the Authority's pension plan. An estimated provision is made for possible adjustments that may result from such reviews and any differences between the amounts accrued and amounts settled are recorded in operations in the period of settlement. The Authority's allowance for doubtful accounts as of September 30, 2020 was \$146,603. In addition, the Authority has maintained an allowance of \$925,000 for prior year unpaid County appropriations that the Authority has determined are unlikely to be collected.

Interfund Receivables/Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Prepays

Payments made to vendors for services that will benefit periods beyond September 30, 2020, are recorded as "prepays" in the accompanying statement of net position.

Capital Assets

Capital assets, which include building improvements, vehicles and equipment, are reported in the statement of net position. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the Authority are depreciated using the straight-line method over the following estimated useful lives:

<i>Asset category</i>	Useful Life (Years)
Building improvements	15
Vehicles and equipment	3 - 30

Genesee Health System

Notes to Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense) until then. The Authority reports deferred outflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension and other postemployment benefit plans and contributions made subsequent to the measurement date for its pension plan.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until then. The Authority reports deferred inflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension and other postemployment benefit plans.

Contract With Michigan Department of Health and Human Services

The Authority has several account balances that relate to the Authority's contract with the MDHHS. The amount reported as "Due from Department of Health and Human Services" primarily represents a receivable from the various grantor agencies for services provided under the contract for the year. "Due to Department of Health and Human Services" reflects amounts due to the State for clients of the Authority placed in state institutions and amounts owed back to the State as the result of year end cost settlements.

Unearned Revenue

The Authority reported unearned revenue in connection with resources that have been received, but not yet earned, including the portion of the current year MDHHS contract amount that may be carried-over to and expended in subsequent fiscal years. Such carryover is generally limited to five percent of the MDHHS contract amount.

Compensated Absences

The Authority provides three types of compensated absences: paid time off, compensatory, and holiday time. Authority employees are granted leave in varying amounts based on length of service. Pay for compensated absences is accrued and fully vested when earned.

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability, net other postemployment benefit asset, deferred outflows of resources and deferred inflows of resources related to pension and other postemployment benefit plans (the Plans), and pension and other postemployment benefit expenses, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. 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.

Genesee Health System
Notes to Financial Statements

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. Deposits and Investments

Following is a reconciliation of deposit and investment balances as of September 30, 2020:

Statement of Net Position	
Cash and cash equivalents	\$ 17,173,460
Investments	11,140,688
Statement of Fiduciary Assets and Liabilities	
Cash and cash equivalents	43,636
<hr/>	
	\$ 28,357,784
<hr/>	
Deposits and Investments	
Bank deposits - checking/saving accounts	\$ 17,215,311
Investments - money market mutual funds	11,140,688
Cash on hand	1,785
<hr/>	
	\$ 28,357,784
<hr/>	

Investment and Deposit Risk

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. State law does not require and the Authority does not have a policy for deposit custodial credit risk. The Authority has chosen to participate in Genesee County's investment pool, which is managed by the County Treasurer. These funds are deposited in the Treasurer's pooled accounts, and are deposited in the name of the County Treasurer. Other county funds are also deposited in those accounts and, as such, because of the complexities of FDIC regulation No. 330.8, it is not possible to readily determine the amount of insurance that would be allocated to the Authority's deposits. For deposits held separately from the County's investment pool, as of year-end, \$23,596,559 of the Authority's bank balance of \$23,846,559 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Genesee Health System

Notes to Financial Statements

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Authority does not have a policy for investment custodial credit risk. At year-end, the Authority's investments consisted entirely of money market mutual funds totaling \$11,140,688. There is no custodial credit risk, as these investments are not evidenced by physical securities.

Credit Risk

State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The Authority's investment policy does not have specific limits in excess of state law on investment credit risk. The Authority's investments in money market mutual funds were rated AAAm by S&P.

Interest Rate Risk

State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The Authority's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At year-end, the weighted average maturity of the Authority's investments in mutual funds ranged from 16-22 days.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The Authority's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year end are reported above.

Fair Value Measurements

The Authority categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the management's review of the type and substance of investments held by the Authority. At year end, all of the Authority's investments in money market mutual funds were determined to be Level 1 (fair value determined based on quoted prices in active markets for identical assets).

Genesee Health System
Notes to Financial Statements

3. Capital Assets

Capital assets activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Building improvements	\$ 5,730,484	\$ 451,463	\$ -	\$ 6,181,947
Vehicles and equipment	4,808,898	454,314	-	5,263,212
	10,539,382	905,777	-	11,445,159
Accumulated depreciation:				
Building improvements	(2,532,636)	(384,384)	-	(2,917,020)
Vehicles and equipment	(3,785,902)	(479,965)	-	(4,265,867)
	(6,318,538)	(864,349)	-	(7,182,887)
Total Capital Assets, net	\$ 4,220,844	\$ 41,428	\$ -	\$ 4,262,272

4. Compensated Absences

Compensated absences activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated absences	\$ 1,407,647	\$ 2,260,498	\$ (1,439,671)	\$ 2,228,474	\$ 2,228,474

5. Operating Lease

The Authority continues to lease out various buildings as part of the Greater Flint Mental Health Facilities Board Lease. The Authority continues to use the buildings with the original lease terms and conditions on a month-by-month basis for 23 facilities whereby rent is charged at \$49,523 per month, based on lease square footage. The lease includes locations such as 3218 Morrish, 2162 Stanley, 8155 Burleigh, 4074 Henderson, and 420 W. 5th Ave. The lease agreement has an automatic renewal clause.

The Authority has also entered into agreements of leases for multiple group homes. Many of these leases are charged to the provider and payable to either the State of Michigan or to Genesee County. Gross rental expense amounted to \$558,952 for the year ended September 30, 2020.

The Authority also has five lease agreements with Konica Minolta for copier leases. Rent expense totaled \$18,518 for the year ended September 30, 2020. Locations include 421 W. 5th Ave, 806 Tuuri Place, 2700 Robert T. Longway, 725 Mason, and 420 W. 5th Ave.

Genesee Health System

Notes to Financial Statements

The Authority also has a lease agreement with Hurley Medical Center from 2013, amended in 2016, and again in 2018. This is a five-year lease that was extended to expire in September 2022. This is for the 2700 Robert T. Longway location and the amount of space increased to house additions to the Autism Center. Lease payments are based on square footage and amounted to approximately \$305,140 for the year ended September 30, 2020 or \$25,428 per month.

The Authority also has a lease agreement with Mott Children’s Health Center with a lease through September 30, 2022 based on square footage. The current payment is \$16,560 per month totaling \$198,720 per year.

The Authority also leases space for the 1102 Mackin Rd. location from The Board of Trustees of Whaley’s Children’s Center. The current lease runs from January 24, 2019 through January 23, 2022 at \$8,463 per month.

6. Risk Management

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, malpractice, and employee injuries. The Authority has purchased commercial insurance for these claims. Settled claims for the commercial insurance did not exceed insurance coverage in the current period. The Authority also participates in the Genesee County self-insurance program for automobile insurance. The Authority does not retain any risk through participation in this program.

The self-insurance program for health insurance is accounted for in the healthcare internal service fund. An independent administrator (HAP) is hired to process the daily claims. The Authority is responsible for individual claims up to \$200,000 per participant. The Authority is also responsible for paying administrative charges and stop loss insurance premiums. The liability at the end of the year is based on claims already incurred and reported as well as estimates of incurred but not reported claims as estimated by management which cannot exceed the stop loss insurance limits. Settled claims did not exceed insurance coverage in the last two fiscal periods.

<i>Year ended September 30,</i>	Beginning of Period Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Period Liability
2020	\$ 385,969	\$ 6,339,905	\$ 5,817,092	\$ 908,782

The self-insurance program for dental insurance is accounted for in the mental health and retiree health fund. An independent administrator (Delta Dental) is hired to process the daily claims and to perform management duties. Benefits under the program are capped at \$1,200 for Teamsters and \$1,200 for American Federation of State, County & Municipal Employees (AFSCME) and non-union employees for routine dental and \$1,400 for orthodontic procedures per covered person annually. There were no reductions of insurance coverage from the prior year. Settled claims did not exceed insurance coverage in the last two fiscal periods. The liability related to self-insurance is included within accrued liabilities on the statement of net position.

Genesee Health System

Notes to Financial Statements

<i>Year ended September 30,</i>	Beginning of Period Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Period Liability
2020	\$ -	\$ 36,767	\$ 36,767	-

7. Defined Benefit Pension System

Employees' Retirement System

The Authority participates in a contributory agent multi-employer, defined benefit pension plan (the Genesee County Employees' Retirement System or GCERS). GCERS was organized pursuant to Section 12A of Act 156, Public Acts of 1851 (MSA 5.333(1); MCLA 46.12a) as amended. The GCERS is regulated under the Genesee County Employees' Retirement System Ordinance, the sections of which have been approved by the state pension commission and is administered by the Genesee County Retirement Commission. The GCERS was established in 1946, beginning with the General Unit and the County Road Commission. Water and Waste joined the system in 1956, Community Mental Health in 1966, the City of Mt. Morris in 1969, and the Genesee District Library in 1980. GCERS issues a stand-alone financial report; a copy of this report may be obtained by contacting the retirement office.

Benefits Provided

Employees who retire with minimum age and years of service requirements are entitled to annual retirement benefits, payable in monthly installments for life, in an amount equal to a percentage of their final average compensation times years of credited service. Benefit computations may vary by bargaining group, but are generally computed at final average compensation times the sum of 2.4% for the first 25 years of service, plus 1% for years of service in excess of 25 years, up to a maximum of 60%-65%.

Employees are eligible for regular retirement at either the 23-year anniversary date of employment; or age 60 with a minimum of 8 years of service. Full retirement benefits vary by bargaining unit. Members with 8 to 15 years of service may elect a deferred annuity providing a lifetime benefit which varies by employer bargaining unit. Members leaving service may withdraw their accumulated contributions together with the interest credited to their account.

Contributions

GCERS employers are required by the Retirement System Ordinance to make adequate contributions to fund the retirement allowances provided by the System. Because the Retirement System is a multiple-employer retirement fund, each employer has the ability to negotiate and/or establish through personnel policy retirement benefits with their respective employees. The contribution rates are determined by an annual actuarial valuation based on certain assumptions along with consideration of members' contributions and assumed investment income. The Authority's contribution rate for the plan for the year ended September 30, 2020 was 481.6% of projected valuation payroll. Eligible employees are required to contribute from 5.0% of eligible monetary compensation to the Plan.

Genesee Health System
Notes to Financial Statements

Employees Covered by Benefit Terms

At December 31, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	355
Inactive employees entitled to but not yet receiving benefits	22
Active employees	107
Total Membership	484

Net Pension Liability

The Authority'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 actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.00 - 7.03%, based on age
Investment rate of return	7.00%, net of investment expenses

Mortality rates were based on the RP-2014 with fully generational improvements from 2006 based on assumptions from Scale MP 2019.

The pension plan's investment policy discourages the use of cash equivalents except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2019:

<i>Asset class</i>	Target Allocation
U.S. equities active or passive	37%
Non-U.S. equities	18%
Domestic fixed income	25%
Commercial real estate	18%
Cash equivalents	2%
	100%

Genesee Health System
Notes to Financial Statements

Rate of Return

The annual money weighted rate of return on pension plan investments is calculated as the internal rate of return on pension plan investments, net of investment expenses, not including inflation. This expresses investment performance, adjusted for the changing amounts actually invested throughout the year, measured on monthly inputs with expenses measured on an accrual basis. At December 31, 2019, the annual money-weighted rate of return, net of investment expenses was 19.17%.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Authority contributions will be made based on the plan's funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to outlast the obligation for current members. Therefore, the long-term expected rate of return on pension plan investments was used to discount projected benefit payments. The single effective discount rate was 7.00%.

Changes in the Net Pension Liability

The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances, December 31, 2018	\$ 122,399,017	\$ 85,000,910	\$ 37,398,107
Changes for the year:			
Service cost	1,107,677	-	1,107,677
Interest	8,989,874	-	8,989,874
Differences between expected and actual experience	635,419	-	635,419
Changes in assumptions	6,405,382	-	6,405,382
Employer contributions	-	5,517,359	(5,517,359)
Employee contributions	-	405,959	(405,959)
Net investment income	-	15,490,109	(15,490,109)
Benefit payments, including refunds of employee contributions	(8,871,040)	(8,871,040)	-
Administrative expense	-	(96,833)	96,833
Net changes	8,267,312	12,445,554	(4,178,242)
Balances, December 31, 2019	\$ 130,666,329	\$ 97,446,464	\$ 33,219,865

Genesee Health System

Notes to Financial Statements

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

The following presents the net pension liability of the Authority, calculated using the discount rate of 7.00%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's net pension liability	\$ 47,034,408	\$ 33,219,865	\$ 21,486,202

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in its separately issued financial statements.

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

For the year ended September 30, 2020, the Authority recognized pension expense of \$1,431,954. At September 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 331,668	\$ (36,129)	\$ 295,539
Changes in assumptions	2,846,836	(535,607)	2,311,229
Net difference between projected and actual earnings on pension plan investments	-	(4,988,240)	(4,988,240)
Contributions subsequent to the measurement date	36,078,103	-	36,078,103
Total	\$ 39,256,607	\$ (5,559,976)	\$ 33,696,631

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.

Genesee Health System
Notes to Financial Statements

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

<i>Year ending September 30,</i>	<i>Deferred Outflows of Resources</i>
2021	\$ 922,874
2022	(1,215,540)
2023	(251,310)
2024	(1,837,496)
Total	\$ (2,381,472)

Payable to the Pension Plan

At September 30, 2020, the Authority reported a payable of \$27,220,000 for the outstanding amount of contributions to the pension plan for the year ended September 30, 2020. This liability is recorded in accounts payable on the statement of net position.

8. Defined Contribution Pension Plan

In 2000, the Authority allowed new retirees to elect to transfer the actuarial present value of the participants accrued benefit under the defined benefit plan to an account within the Genesee County Defined Contribution Pension Plan. Presently, AFSCME employees hired after October 1, 2007, Teamsters employees hired after November 20, 2007 and Non-Union employees hired after May 8, 2012 participate in the International City Management Association (ICMA-RA). Participants in ICMA-RA need six years of credited service to be fully vested. Employer contributions for the year ended September 30, 2020 were \$868,783.

In addition, all employees hired on or after October 1, 2006, participate in a defined contribution pension plan through MERS (separate from the retiree health funding vehicle defined benefit plan) in lieu of participation in the retiree healthcare plan. Employees vest after eight years of service. The Authority contributes 5% of the employee's annual salary to the plan after the employee's probationary period is complete. Employer contributions for the year ended September 30, 2020 were \$621,371.

9. Other Postemployment Benefits

Plan Description

The Genesee Health System Retiree Healthcare Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Authority. The Plan provides health insurance benefits including medical, prescription, dental, and optical coverage to certain retirees and their beneficiaries, which are advance-funded on a discretionary basis. Plan assets are held in trust by a third party administrator. The Plan was closed to new hires as of May 2008. As of January 12, 2005, employees need 15 years of credited service to be fully vested in the Plan. Employees who retired before that date needed 8 years of credited service.

Genesee Health System
Notes to Financial Statements

Employees Covered by Benefit Terms

At December 31, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	389
Inactive employees entitled to but not yet receiving benefits	30
Active employees	425
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Total Membership	844

Net Other Postemployment Benefits Asset

The Authority's net other postemployment benefit asset was measured as of September 30, 2020; the total other postemployment benefit liability used to calculate the net other postemployment benefit asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to September 30, 2020.

Actuarial Assumptions

The total other postemployment benefits asset in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	5.00 - 9.00%, based on age-related rates and including inflation
Investment rate of return	7.35%, net of investment expense and including inflation
Health care trend rates	Trend starting at 8.25% and gradually decreasing to an ultimate trend rate of 3.50% over 15 years

Mortality rates were based on the RP-2014 Healthy Annuitant Tables for male and females; projected five years using Scale MP-2014.

The other postemployment benefits plan's investment policy discourages the use of cash equivalents except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. Currently, the Board has elected to invest entirely in the MERS Total Market Portfolio through the Michigan Employees' Retirement System's retiree health funding vehicle.

Genesee Health System
Notes to Financial Statements

Discount Rate

The discount rate used to measure the total other postemployment benefit asset was 7.35%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the other postemployment benefit plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on other postemployment benefits plan investments was applied to all periods of projected benefit payments to determine the total other postemployment benefit asset.

Changes in the Net Other Postemployment Benefits Asset

The components of the change in the net other postemployment benefits asset are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) (a) - (b)
Balances, September 30, 2019	\$ 56,043,076	\$ 60,804,526	\$ (4,761,450)
Changes for the year:			
Service cost	184,305	-	184,305
Interest	4,120,568	-	4,120,568
Differences between expected and actual experience	(10,899,877)	-	(10,899,877)
Changes in assumptions	1,732,861	-	1,732,861
Employer contributions	-	502,184	(502,184)
Net investment income	-	4,470,666	(4,470,666)
Administrative fees	-	(114,270)	114,270
Benefit payments, including refunds of employee contributions	(2,137,970)	(2,137,970)	-
Net changes	(7,000,113)	2,720,610	(9,720,723)
Balances, September 30, 2020	\$ 49,042,963	\$ 63,525,136	\$ (14,482,173)

Genesee Health System

Notes to Financial Statements

Sensitivity of the Net Other Postemployment Benefits Asset to Changes in the Discount Rate

The following presents the net other postemployment benefits asset of the Authority, calculated using the discount rate of 7.35%, as well as what the Authority's net other postemployment benefits asset would be if it were calculated using a discount rate that is 1% lower (6.35%) or 1% higher (8.35%) than the current rate:

	1% Decrease (6.35%)	Current Discount Rate (7.35%)	1% Increase (8.35%)
Authority's net other postemployment benefits liability (asset)	\$ (8,902,675)	\$ (14,482,173)	\$ (19,167,921)

Sensitivity of the Net Other Postemployment Benefits Asset to Changes in the Healthcare Cost Trend Rate Assumption

The following presents the net other postemployment benefits asset of the Authority, as well as what the Authority's net other postemployment benefits asset would be if it were calculated using healthcare cost trend rates that are 1.00% lower (7.25% decreasing to 2.50%) or 1.00% higher (9.25% decreasing to 4.50%) than the current healthcare cost trend rates:

	1% Decrease (7.25% Decreasing to 2.5%)	Healthcare Cost Trend Rates (8.25% Decreasing to 3.5%)	1% Increase (9.25% Decreasing to 4.5%)
Authority's net other postemployment benefits liability (asset)	\$ (18,824,858)	\$ (14,482,173)	\$ (9,429,862)

Other Postemployment Benefits Plan Fiduciary Net Position

Detailed information about the other postemployment benefits plan's fiduciary net position is available in the separately issued Plan financial statements.

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Genesee Health System

Notes to Financial Statements

Other Postemployment Benefits Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits

For the year ended September 30, 2020, the Authority recognized other postemployment benefit expense of \$1,394,843. At September 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$ (9,461,175)	\$ (9,461,175)
Changes in assumptions	1,378,775	-	1,378,775
Net difference between projected and actual earnings on other postemployment benefits plan investments	2,359,330	-	2,359,330
Total	\$ 3,738,105	\$ (9,461,175)	\$ (5,723,070)

The amounts reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefit will be recognized in other postemployment benefits expense as follows:

<i>Year ending September 30,</i>	Deferred Outflows of Resources
2021	\$ (1,319,274)
2022	(1,305,235)
2023	(1,428,959)
2024	(1,669,602)
Total	\$ (5,723,070)

Payable to the Other Postemployment Benefits Plan

At September 30, 2020, the Authority reported a payable of \$70,454 for the outstanding amount of contributions to the other postemployment benefits plan required for the year ended September 30, 2020.

Genesee Health System

Notes to Financial Statements

10. Medicaid and State General Fund Revenue

The Authority provides services to individuals with mental illnesses, developmental disabilities, and substance abuse disorders on behalf of the MDHHS in accordance with a managed specialty supports and services contract (the Contract). Under the Contract, the Authority receives monthly capitation payments based on the number of eligible participants, regardless of services actually performed by the Authority. In addition, the MDHHS makes fee-for-service payments to the Authority for certain covered services.

The Authority receives funding for Medicaid eligible consumers through Region 10 PIHP, the Prepaid Inpatient Health Plan (PIHP) created by Genesee Health System, Lapeer County Community Mental Health, Sanilac County Community Mental Health Authority, and St. Clair County Community Mental Health Authority.

11. Contingencies

Under the terms of various federal and state grants and regulatory requirements, the Authority is subject to periodic audits of its agreements. Such audits could lead to questioned costs and/or requests for reimbursement to grantor or regulatory agencies. Management does not consider such amounts to be significant.

As is the case with other entities, the Authority faces exposure from potential claims and legal proceedings involving environmental and other matters. No such claims or proceedings have been asserted as of September 30, 2020.

At this time, the Authority receives its funding from the State of Michigan as appropriated by the legislature and agreed upon via formula in its contract. Funding is not directly generated by the provision of services, and there is not an anticipated impact to revenue received from the State of Michigan.

12. Related Parties

The Authority leases staff from Region 10. During the year ended September 30, 2020, total revenues and expenses related to this lease arrangement amounted to \$2,578,981.

13. Uncertainties

COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

Management is actively monitoring the impact of the global situation. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Authority is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021. Although the Authority cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse

Genesee Health System

Notes to Financial Statements

effect on results of future operations, financial position, and liquidity in fiscal year 2021. The Authority's operations are heavily dependent on funds received from the Michigan Department of Health and Human Services.

CARES Act

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act, among other things, awarded the Authority approximately \$683,000 of CARES Act revenue under various programs. The Authority continues to examine the impact that the CARES Act may have on its operations. Currently, the Authority is unable to determine the impact that the CARES Act will have on its financial condition, results of operations, or liquidity.

Required Supplementary Information

Genesee Health System

Schedule of Changes in Net Pension Liability and Related Ratios

Year ended September 30,	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 1,107,677	\$ 1,412,025	\$ 1,656,594	\$ 1,998,936	\$ 1,269,466	\$ 1,351,737
Interest	8,989,874	8,243,308	7,943,297	7,676,712	7,830,710	7,576,741
Differences between expected and actual experience	635,419	1,034,460	(1,119,969)	(5,174,366)	1,507,736	4,373,348
Changes of assumptions	6,405,382	(5,559,975)	(8,396,217)	(4,875,031)	20,976,139	-
Benefit payments, including refunds of employee contributions	(8,871,040)	(7,974,099)	(7,576,896)	(7,368,755)	(7,307,322)	(6,928,961)
Rollover to other pension	-	-	(256,925)	(38,698)	(678,965)	(1,240,669)
Net Change in Total Pension Liability	8,267,312	(2,844,281)	(7,750,116)	(7,781,202)	23,597,764	5,132,196
Total Pension Liability, beginning of year	122,399,017	125,243,298	132,993,414	140,774,616	117,176,852	112,044,656
Total Pension Liability, end of year	130,666,329	122,399,017	125,243,298	132,993,414	140,774,616	117,176,852
Plan Fiduciary Net Position						
Employer contributions	5,517,359	3,077,859	2,865,256	4,528,171	4,037,724	4,147,902
Employee contributions	405,959	420,777	549,059	597,146	503,823	553,918
Net investment income	15,490,109	(1,935,209)	9,911,802	6,648,406	1,043,740	5,740,032
Benefit payments, including refunds of employee contributions	(8,871,040)	(7,974,099)	(7,576,896)	(7,368,755)	(7,307,322)	(6,928,961)
Rollover to other pension	-	-	(256,925)	(38,698)	(678,965)	(1,240,669)
Administrative expense	(96,833)	(95,958)	(120,836)	(79,190)	(93,060)	(93,106)
Net Change in Plan Fiduciary Net Pension	12,445,554	(6,506,630)	5,371,460	4,287,080	(2,494,060)	2,179,116
Plan Fiduciary Net Position, beginning of year	85,000,910	91,507,540	86,136,080	81,849,000	84,343,060	82,163,944
Plan Fiduciary Net Position, end of year	97,446,464	85,000,910	91,507,540	86,136,080	81,849,000	84,343,060
Authority's Net Pension Liability	\$ 33,219,865	\$ 37,398,107	\$ 33,735,758	\$ 46,857,334	\$ 58,925,616	\$ 32,833,792
Plan fiduciary net position as a percentage of total pension liability	74.6%	69.4%	73.1%	64.8%	58.1%	72.0%
Cover-employee payroll	\$ 9,257,625	\$ 8,559,159	\$ 9,257,625	\$ 9,419,585	\$ 10,265,612	\$ 10,782,351
Authority's net pension liability as a percentage of covered-employee payroll	358.84%	436.94%	364.41%	497.45%	574.01%	304.51%

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Change of assumptions: In fiscal year 2020, the discount rate used to measure the total pension liability decreased from 7.55% to 7.00%. In fiscal year 2019, the discount rate used to measure the total pension liability increased from 6.72% to 7.55% and the commission adopted the RP-2014 Mortality Table with fully generational improvements from 2006 based on assumptions from Scale MP 2018. In fiscal year 2018, the discount rate used to measure the total pension liability increased from 6.07% to 6.72%. In fiscal year 2017, the discount rate used to measure the total pension liability increased from 5.56% to 6.07%. In fiscal year 2016 the retirement commission adopted the RP 2000 Mortality Table projected to 2014 and reduced the assumed rate of return to 7.85% from 8.00% with future annual reductions of 0.15% until a 7.00% rate of return is reached.

Genesee Health System
Schedule of the Net Pension Liability

<i>Year ended September 30,</i>	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered- Employee Payroll	Net Pension Liability as Percentage of Covered Payroll
2015	\$ 117,176,852	\$ 84,343,060	\$ 32,833,792	72.00%	\$ 10,782,351	304.51%
2016	140,774,616	81,849,000	58,925,616	58.10%	10,265,612	574.01%
2017	132,993,414	86,136,080	46,857,334	64.80%	9,419,585	497.45%
2018	125,243,298	91,507,540	33,735,758	73.10%	9,257,625	364.41%
2019	122,399,017	85,000,910	37,398,107	69.40%	8,559,159	436.94%
2020	130,666,329	97,446,464	33,219,865	74.58%	9,257,625	358.84%

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Genesee Health System

Schedule of the Authority's Pension Contributions

<i>Year ended December 31,</i>	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as Percentage of Covered- Employee Payroll
2014	\$ 4,038,382	\$ 4,038,382	\$ -	\$ 10,452,506	38.6%
2015	2,442,981	2,442,981	-	9,764,471	25.0%
2016	3,067,099	3,067,099	-	9,505,578	32.3%
2017	3,028,142	3,028,142	-	9,075,914	33.4%
2018	5,424,557	5,424,557	-	8,876,045	61.1%
2019	3,838,011	36,790,215	(32,952,204)	7,639,161	481.6%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation date	December 31, 2019
Notes	Actuarially determined contribution rates are calculated as of December 31, which is 9 months prior to the beginning of the year in which contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Individual entry age
Amortization method	Level percentage of payroll
Remaining amortization period	25
Asset valuation method	Open; 4-year smooth market
Inflation	3.00%
Salary increases	3.00% - 7.03% plus service based increases
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality	Mortality rates were based on the RP-2014 Combined Healthy Mortality Table.

Genesee Health System

Schedule of Changes in Net OPEB Asset and Related Ratios

Year ended September 30,	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 184,305	\$ 248,463	\$ 267,324
Interest	4,129,968	4,048,449	3,964,359
Differences between expected and actual experience	(10,899,877)	(909,732)	(647,518)
Changes in assumptions	1,732,861	-	-
Benefit payments, including refunds of employee contributions	(2,137,970)	(2,388,654)	(2,518,403)
Other changes	(9,400)	-	-
Net Change in Total OPEB Liability	(7,000,113)	998,526	1,065,762
Total OPEB Liability, beginning of year	56,043,076	55,044,550	53,983,654
Total OPEB Liability, end of year	49,042,963	56,043,076	55,049,416
Plan Fiduciary Net Position			
Employer contributions	502,184	587,702	852,000
Net investment income	4,470,666	1,492,725	3,112,995
Benefit payments, including refunds of employee contributions	(2,137,970)	(2,388,654)	(2,518,403)
Administrative expense	(114,270)	(121,594)	-
Net Change in Plan Fiduciary Net Position	2,720,610	(429,821)	59,787,755
Plan Fiduciary Net Position, beginning of year	60,804,526	61,234,347	59,787,755
Plan Fiduciary Net Position, end of year	63,525,136	60,804,526	61,234,347
Authority's Net OPEB Liability (Asset)	\$ (14,482,173)	\$ (4,761,450)	\$ (6,184,931)
Plan fiduciary net position as a percentage of total OPEB liability	129.53%	108.50%	111.20%
Covered-employee payroll	N/A	N/A	N/A
Authority's net OPEB asset as a percentage of covered-employee payroll	N/A	N/A	N/A

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Genesee Health System
Schedule of the Net OPEB Asset

<i>Year ended September 30,</i>	Total OPEB Liability	Plan Net Position	Net OPEB Liability (Asset)	Plan Net Position as Percentage of Total Pension Liability	Covered- Employee Payroll	Net Pension Liability as Percentage of Covered Payroll
2020	\$ 49,042,963	\$ 63,525,136	\$ (14,482,173)	129.53%	N/A	N/A
2019	56,043,076	60,804,526	(4,761,450)	108.5%	N/A	N/A
2018	55,049,416	61,234,347	(6,184,931)	111.2%	N/A	N/A

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Genesee Health System

Schedule of the Authority's OPEB Contributions

<i>Year ended September 30,</i>	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as Percentage of Covered- Employee Payroll
2020	\$ -	\$ 507,101	\$ (507,101)	N/A	N/A
2019	-	535,794	(535,794)	N/A	N/A
2018	2,548,407	852,000	1,696,407	N/A	N/A

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Genesee Health System

Schedule of the Authority's OPEB Contributions

Notes to Schedule of Contributions

Valuation date	December 31, 2019
Notes	Actuarially determined contribution rates were calculated as of December 31, 2019
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Remaining amortization period	4
Asset valuation method	Market value of assets
Inflation	2.50%
Salary increases	5.00% - 9.03% plus service based increases
Investment rate of return	7.35%, net of pension plan investment expense, including inflation
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality	Post retirement: RP-2014 Healthy Annuitant Tables for males and females; projected 5 years using Scale MP-2014 Pre retirement: RP-2014 Employee Tables for males and females; projected 5 years using Scale MP-2014
Health care trend rates	Trend starting at 8.5% and gradually decreasing to an ultimate trend rate of 3.5% over 15 years
Expenses	Investment expenses are net of the investment returns; administrative expenses are included in the premium costs
Other information	There were no benefit changes during the year.

Supplementary Information

Genesee Health System

Combining Schedule of Net Position - Enterprise Fund

<i>September 30, 2020</i>	Mental Health Activities	Health Center Activities	Total Enterprise Fund
Assets			
Current assets:			
Cash and cash equivalents	\$ 15,189,245	\$ 100	\$ 15,189,345
Investments	11,140,688	-	11,140,688
Accounts receivable, net	117,891	341,580	459,471
Due from Department of Health and Human Services	17,148	270,615	287,763
Due from other funds	-	2,033,875	2,033,875
Due from other governments, net	33,196,297	29,900	33,226,197
Prepays	347,473	42,459	389,932
Total current assets	60,008,742	2,718,529	62,727,271
Non-current assets:			
Capital assets being depreciated, net	2,852,277	1,409,995	4,262,272
Net other postemployment benefit asset	14,482,173	-	14,482,173
Total non-current assets	17,334,450	1,409,995	18,744,445
Total Assets	77,343,192	4,128,524	81,471,716
Deferred Outflows of Resources			
Deferred pension amounts	39,256,607	-	39,256,607
Deferred other postemployment benefit amounts	3,738,105	-	3,738,105
Total Deferred Outflows of Resources	42,994,712	-	42,994,712
Liabilities			
Current liabilities:			
Accounts payable	38,602,427	25,898	38,628,325
Accrued liabilities	4,874,385	198,786	5,073,171
Due to Department of Health and Human Services	79,786	-	79,786
Due to other funds	148,109	-	148,109
Due to other governments	8,366,543	-	8,366,543
Unearned revenue	790,921	1,204,453	1,995,374
Compensated absences	2,053,603	174,871	2,228,474
Total current liabilities	54,915,774	1,604,008	56,519,782
Non-current liabilities:			
Net pension liability	33,219,865	-	33,219,865
Total Liabilities	88,135,639	1,604,008	89,739,647
Deferred Inflows of Resources			
Deferred pension amounts	5,559,976	-	5,559,976
Deferred other postemployment benefit amounts	9,461,175	-	9,461,175
Total Deferred Inflows of Resources	15,021,151	-	15,021,151
Net Position			
Net investment in capital assets	2,852,277	1,409,995	4,262,272
Restricted for pension and other postemployment benefits	9,235,869	-	9,235,869
Unrestricted	5,092,968	1,114,521	6,207,489
Total Net Position	\$ 17,181,114	\$ 2,524,516	\$ 19,705,630

Genesee Health System

Combining Schedule of Revenues, Expenses and Changes in Fund Net Position - Enterprise Fund

<i>Year ended September 30, 2020</i>	Mental Health Activities	Health Center Activities	Total Enterprise Fund
Operating Revenues			
Federal sources:			
Medicaid	\$ 154,140,767	\$ -	\$ 154,140,767
Federal grants	2,088,770	2,489,736	4,578,506
State sources:			
State general grant fund indigent	3,968,264	-	3,968,264
State grants	1,240,915	-	1,240,915
Local sources:			
County appropriations	1,684,554	-	1,684,554
Charges for services	950,458	3,620,726	4,571,184
Local grants and contributions	4,194,940	240,968	4,435,908
Other revenue	2,342,639	93,496	2,436,135
Total Operating Revenues	170,611,307	6,444,926	177,056,233
Operating Expenses			
Mental health services:			
Administration	10,335,412	-	10,335,412
Managed care	17,317,271	-	17,317,271
Children SED	4,453,434	-	4,453,434
Residential services	38,224,214	-	38,224,214
Adult MI services	17,961,694	-	17,961,694
State hospitals	1,100,375	-	1,100,375
Developmental disabilities	17,265,385	-	17,265,385
Inpatient services	14,004,553	-	14,004,553
Flint water crisis	2,713,124	-	2,713,124
Autism benefits	5,386,582	-	5,386,582
Health center	-	5,941,562	5,941,562
Access center	1,738,818	-	1,738,818
CMH grants	1,730,451	-	1,730,451
Total Operating Expenses	132,231,313	5,941,562	138,172,875
Operating income	38,379,994	503,364	38,883,358
Non-Operating Revenue			
Interest income	63,965	-	63,965
Change in Net Position	38,443,959	503,364	38,947,323
Net position (deficit), beginning of year	(21,262,845)	2,021,152	(19,241,693)
Net Position, end of year	\$ 17,181,114	\$ 2,524,516	\$ 19,705,630

Genesee Health System

Combining Schedule of Cash Flows - Enterprise Fund

<i>Year ended September 30, 2020</i>	Mental Health Activities	Health Center Activities	Total Enterprise Fund
Cash Flows From (for) Operating Activities			
Cash received from contracts, grants, customers and other	\$ 145,741,651	\$ 5,831,261	\$ 151,572,912
Cash payments to employees	(65,228,256)	(3,458,333)	(68,686,589)
Cash payments to suppliers for goods and services	(69,455,324)	(2,113,518)	(71,568,842)
Net Cash Provided by Operating Activity	11,058,071	259,410	11,317,481
Cash Flows From Capital and Related Financing Activity			
Purchase of capital assets	(646,367)	(259,410)	(905,777)
Cash Flows From (for) Investing Activities			
Purchase of investments	(5,868,066)	-	(5,868,066)
Interest received	63,965	-	63,965
Net Cash Used in Investing Activities	(5,804,101)	-	(5,804,101)
Increase in Cash and Cash Equivalents	4,607,603	-	4,607,603
Cash and Cash Equivalents, beginning of year	10,581,642	100	10,581,742
Cash and Cash Equivalents, end of year	\$ 15,189,245	\$ 100	15,189,345

Genesee Health System

Combining Schedule of Cash Flows - Enterprise Fund

<i>Year ended September 30, 2020</i>	Mental Health Activities	Health Center Activities	Total Enterprise Fund
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	\$ 38,379,994	\$ 503,364	\$ 38,883,358
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	664,374	199,975	864,349
Changes in assets and liabilities:			
Accounts receivable	(110,086)	(40,156)	(150,242)
Due from Department of Health and Human Services	249,802	11,399	261,201
Due from other governments	(25,031,688)	(6,620)	(25,038,308)
Due from other funds	1,389,908	(1,184,632)	205,276
Prepays	254,928	(14,056)	240,872
Net other postemployment benefit asset	(3,916,624)	-	(3,916,624)
Deferred outflows related to net pension liability	(30,645,665)	-	(30,645,665)
Deferred outflows related to other postemployment benefits asset	(530,742)	-	(530,742)
Accounts payable	29,233,420	18,715	29,252,135
Accrued liabilities	2,723,015	87,110	2,810,125
Due to the Department of Health and Human Services	14,416	-	14,416
Due to other funds	148,109	-	148,109
Due to other governments	(4,587,450)	-	(4,587,450)
Unearned revenue	(1,367,592)	606,344	(761,248)
Compensated absences	742,860	77,967	820,827
Net pension liability	(4,178,242)	-	(4,178,242)
Deferred inflows related to net pension liability	(729,104)	-	(729,104)
Deferred inflows related to other postemployment benefits asset	8,354,438	-	8,354,438
Net Cash Provided by Operating Activities	\$ 11,058,071	\$ 259,410	\$ 11,317,481

Genesee Health System

Combining Statement of Fund Net Position - Internal Service Funds

<i>September 30, 2020</i>	Healthcare	Retiree Health	Total
Current Assets			
Cash and cash equivalents	\$ 1,984,115	\$ -	\$ 1,984,115
Accounts receivable, net	332,571	2,191,059	2,523,630
Due from other funds	323,862	-	323,862
Prepays	469,106	109,682	578,788
	-	-	
Total Current Assets	3,109,654	2,300,741	5,410,395
Current Liabilities			
Accounts payable	817,669	91,113	908,782
Due to other funds	-	2,209,628	2,209,628
	817,669	2,300,741	3,118,410
Total Current Liabilities	817,669	2,300,741	3,118,410
Net Position			
Unrestricted	\$ 2,291,985	\$ -	\$ 2,291,985

Genesee Health System

Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds

<i>Year ended September 30, 2020</i>	Healthcare	Retiree Health	Total
Operating Revenues			
Charges for services	\$ 4,569,092	\$ 2,137,971	\$ 6,707,063
Expenses			
Employee benefits	4,201,934	2,137,971	6,339,905
Change in Net Position	367,158	-	367,158
Net Position, beginning of year	1,924,827	-	1,924,827
Net Position, end of year	\$ 2,291,985	\$ -	\$ 2,291,985

Genesee Health System

Combining Statement of Cash Flows - Internal Service Funds

<i>Year ended September 30, 2020</i>	Healthcare	Retiree Health	Total
Cash Flows From (For) Operating Activities			
Cash received for interfund services	\$ 4,093,923	\$ 2,124,779	\$ 6,218,702
Payments to suppliers	(3,741,269)	(2,124,779)	(5,866,048)
Net Cash Provided by Operating Activities	352,654	-	352,654
Increase in Cash and Cash Equivalents	352,654	-	352,654
Cash and Cash Equivalents, beginning of year	1,631,461	-	1,631,461
Cash and Cash Equivalents, end of year	\$ 1,984,115	\$ -	\$ 1,984,115
Reconciliation of Operating Income to Change in Cash and Cash Equivalents			
Operating income	\$ 367,158	\$ -	\$ 367,158
Adjustments to reconcile operating income to net cash provided by operating activities			
Changes in assets and liabilities:			
Accounts receivable	(332,571)	197,595	(134,976)
Due from other funds	(142,598)	-	(142,598)
Prepays	(51,703)	2,747	(48,956)
Accounts payable	512,368	10,445	522,813
Due to other funds	-	(210,787)	(210,787)
Net Cash Provided by Operating Activities	\$ 352,654	\$ -	\$ 352,654

Genesee Health System

Statement of Changes in Assets and Liabilities - Agency Fund

<i>Year ended September 30, 2020</i>	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Cash and cash equivalents	\$ 43,636	\$ -	\$ -	43,636
Accounts receivable	-	16,330	-	16,330
Total Assets	\$ 43,636	\$ 16,330	\$ -	59,966
Liability				
Accounts payable	\$ 43,636	\$ 16,330	\$ -	59,966