Genesee Health System

Financial Statements

September 30, 2024

Roslund Prestage & Company
Certified Public Accountants

525 WEST WARWICK DRIVE, SUITE A, ALMA, MICHIGAN 48801

Independent Auditor's Report

To the Members of the Board
Genesee Health System
Flint, Michigan

Report on the Audit of the Financial Statements

Opinions

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 CMHSP) as of and for the year ended September 30, 2024*,* and the related notes to the financial statements, which collectively comprise the CMHSP's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the CMHSP as of September 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CMHSP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CMHSP's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CMHSP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CMHSP's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CMHSP's basic financial statements. The accompanying additional supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of the CMHSP'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 the CMHSP'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 CMHSP's internal control over financial reporting and compliance.

Sincerely,

Roslund, Prestage & Company, P.C.

Roslund, Prestage & Company, P.C.
Certified Public Accountants

March 28, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of 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, 2024. 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, required supplementary information, and supplementary information taken as a whole.

Financial Highlights

Net position, business-type activities	$	57,405,007
Change in net position, business-type activities		6,270,585
Net position, enterprise fund		51,535,448
Change in net position, enterprise fund		5,617,024

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, 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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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 $57,405,007 at the close of the most recent fiscal year. A condensed summary of the Authority's statements of net position as of September 30, 2024 and 2023 is shown below:

September 30,	**2024**	2023
Assets		
Current and other assets	**$ 101,171,953**	$ 81,437,287
Capital assets, net	**51,739,774**	28,223,069
Total Assets	**152,911,392**	109,660,356
Deferred Outflows of Resources	**10,875,793**	20,936,489
Liabilities		
Current and other liabilities	**90,709,769**	64,566,199
Total Liabilities	**90,709,769**	64,566,199
Deferred Inflows of Resources	**15,672,744**	14,896,224
Net Position		
Investment in capital assets	**9,588,231**	3,247,350
Restricted – for pension and other postemployment benefits	**49,380,561**	25,316,128
Restricted for millage	**15,454,815**	14,795,082
Unrestricted	**(17,018,600)**	7,775,862
Total Net Position	**$ 57,405,007**	$ 51,134,422

The Authority noted an increase in capital assets of $23,516,705, a decrease in deferred outflows of resources of $1,006,696, an increase in current and other liabilities of $26,143,570, and an increase of deferred inflows of resources of $776,520, compared to the prior fiscal year-end. These changes are mainly the result of accounting for adjustments to leases included in our presentation GASB 87 Capital Leases, leasehold improvements and normal fluctuations in the pension and OPEB funds.

A total of $9,588,231 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, $49,380,561 is restricted for the purpose of funding the Authority's pension and other postemployment benefits. A total of $15,454,815 is restricted for Millage related activities and services. The unrestricted net position was reported as a negative ($17,018,600).

A condensed summary of the Authority's statements of revenues, expenses and changes in fund net position for the years ended September 30, 2024 and 2023 is shown below:

Year ended September 30,	**2024**	2023
Change in Net Position		
Revenues		
Federal	**$ 160,193,622**	$ 151,981,943
State	**10,748,470**	9,559,979
Local	**23,685,257**	17,845,242
Interest	**762,344**	447,400
Total Revenues	**195,389,693**	179,834,564
Expenses		
Mental health	**178,268,980**	157,812,674
Health center	**5,979,938**	6,119,833
Access center	**4,174**	91,498
CMH grants	**4,866,016**	5,210,174
Total Expenses	**189,119,108**	169,234,179
Change in Net Position	**6,270,585**	10,600,385
Net Position (Deficit), beginning of year	**51,134,422**	40,534,037
Net Position, end of year	**$ 57,405,007**	$ 51,134,422

During the current fiscal year, the Authority's net position increased by $6,270,585. The main reason for the increase in the Authority's net position was due to a reduction in wage costs related to GASB 68 and 75 adjustments.

Capital Asset and Debt Administration

Capital Assets

The Authority's capital assets balance as of September 30, 2024 was $10,135,229 (net of accumulated depreciation and capital related long-term liabilities). This investment in capital assets includes building improvements and vehicles and equipment.

Major capital asset events that occurred during the year ended September 30, 2024 included the following:

- Construction/renovations of buildings totaling $5,871,067.
- Equipment, Furniture and vehicle purchases of $1,526,021.
- Depreciation expense of $822,249.
- Right of use lease assets of $16,941,865.

September 30,	**2023**	2022
Capital Assets (Net)		
Building improvements	**$ 8,448,935**	$ 3,124,140
Vehicles and equipment	**1,686,294**	436,249
Right to use lease asset	**41,604,545**	**24,662,680**
Total Capital Assets, Net	**$ 51,739,774**	$ 28,223,069

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 2024, the Authority has continued to maintain the cost structure put in place during 2023. This has allowed the Authority to keep costs within the expected Medicaid funding. The Authority does not anticipate funding levels to change appreciably during the next two years. In addition, Region 10 continues to negotiate with the State regarding the Healthy Michigan funding for the region. The Authority has seen that funding increase slightly as a result.

On May 4, 2021, in a special election, the Authority submitted a millage proposal to the voters in Genesee County. This proposal was passed by a majority vote of the electors in the county and is designated to fill service gaps and provide highly needed mental health services to residents that are not covered under the Medicaid program. This funding has been very beneficial to supplement the limited allocated amount of State General Funds. During FY2024, the Authority received $10,705,589 in Millage funding. In addition, the Authority was accepted into the statewide CCBHC demonstration project effective 10/1/2023. As such, Medicaid Revenue increased $8,211,679 due to the addition of CCBHC services.

The Authority considered these factors in preparing the Authority's budget for the 2025 fiscal year.

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, 1040 W Bristol Rd, Flint, MI 48507.

BASIC FINANCIAL STATEMENTS

Genesee Health System
Statement of Net Position
September 30, 2024

	Enterprise Funds	Internal Service Fund	Eliminations	Total Business-Type Funds
Assets				
Current assets				
Cash and cash equivalents	$ 28,149,935	$ 2,893,393	$ -	$ 31,043,328
Accounts receivable, net	1,119,719	2,188,463	-	3,308,182
Due from other governmental units	15,126,543	-	-	15,126,543
Due from other funds	19,121,090	2,591,598	(21,712,688)	-
Prepaid expenses	1,794,569	446,021	-	2,240,590
Lease receivable	72,749	-	-	72,749
Total current assets	65,384,605	8,119,475	(21,712,688)	51,791,392
Noncurrent assets				
Capital assets not being depreciated/amortized	2,532,806	-	-	2,532,806
Capital assets being depreciated/amortized, net	49,206,968	-	-	49,206,968
Net OPEB asset	49,380,561	-	-	49,380,561
Total noncurrent assets	101,120,335	-	-	101,120,335
Total assets	166,504,940	8,119,475	(21,712,688)	152,911,727
Deferred outflows of resources				
Related to pension	9,555,943	-	-	9,555,943
Related to OPEB	1,319,850	-	-	1,319,850
Total deferred outflows of resources	10,875,793	-	-	10,875,793
Liabilities				
Current liabilities				
Accounts payable	12,447,449	371,058	-	12,818,507
Accrued payroll and related liabilities	2,040,249	-	-	2,040,249
Due to other governmental units	9,623,935	-	-	9,623,935
Due to other funds	19,833,830	1,878,858	(21,712,688)	-
Unearned revenue	327,842	-	-	327,842
Compensated absences, due within one year	2,839,965	-	-	2,839,965
Direct borrowings, due within one year	2,551,701	-	-	2,551,701
Total current liabilities	49,664,971	2,249,916	(21,712,688)	30,202,199
Noncurrent liabilities				
Direct borrowings, due beyond one year	39,599,842	-	-	39,599,842
Net pension liability	20,907,728	-	-	20,907,728
Total noncurrent liabilities	60,507,570	-	-	60,507,570
Total liabilities	110,172,541	2,249,916	(21,712,688)	90,709,769
Deferred inflows of resources				
Related to OPEB	15,599,995	-	-	15,599,995
Related to lease receivable	72,749	-	-	72,749
Total deferred inflows of resources	15,672,744	-	-	15,672,744
Net position				
Net investment in capital assets	9,588,231	-	-	9,588,231
Restricted for OPEB	49,380,561	-	-	49,380,561
Restricted for millage	15,454,815	-	-	15,454,815
Unrestricted	(22,888,159)	5,869,559	-	(17,018,600)
Total net position	$ 51,535,448	$ 5,869,559	$ -	$ 57,405,007

Genesee Health System
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2024

	Enterprise Funds	Internal Service Fund	Eliminations	Total Business-Type Funds
Operating revenues				
Medicaid	$ 160,193,622	$ -	$ -	$ 160,193,622
State and Federal grants	10,748,470	-	-	10,748,470
County appropriations	1,650,000	-	-	1,650,000
Charges for services	4,025,488	7,483,145	(7,483,145)	4,025,488
Millage	10,705,589	-	-	10,705,589
Other	6,449,194	-	-	6,449,194
Total operating revenues	193,772,363	7,483,145	(7,483,145)	193,772,363
Operating expenses				
Mental health services:				
Administration	21,782,088	-	(653,561)	21,128,527
Managed care	23,338,496	-	-	23,338,496
Children SED	2,549,796	-	-	2,549,796
Residential services	51,686,080	-	-	51,686,080
Adult MI services	18,360,183	-	-	18,360,183
State hospitals	881,688	-	-	881,688
Developmental disabilities	16,637,255	-	-	16,637,255
Inpatient services	18,702,976	-	-	18,702,976
Direct run services administration	3,998,180	-	-	3,998,180
Autism benefits	9,637,455	-	-	9,637,455
Millage activities	10,045,856	-	-	10,045,856
Group home services	1,060,404	-	-	1,060,404
Home-based services	242,084	-	-	242,084
Health center	5,979,938	-	-	5,979,938
Access center	4,174	-	-	4,174
CMH grants	4,866,016	-	-	4,866,016
Employee benefits	-	6,829,584	(6,829,584)	-
Total operating expenses	189,772,669	6,829,584	(7,483,145)	189,119,108
Operating income (loss)	3,999,694	653,561	-	4,653,255
Non-operating revenues (expenses)				
Interest income	762,344	-	-	762,344
Rental income	854,986	-	-	854,986
Non-operating income (loss)	1,617,330	-	-	1,617,330
Change in net position	5,617,024	653,561	-	6,270,585
Net position, beginning of year	45,918,424	5,215,998	-	51,134,422
Net position, end of year	$ 51,535,448	$ 5,869,559	$ -	$ 57,405,007

Genesee Health System
Statement of Cash Flows
For the Year Ended September 30, 2024

	Enterprise Funds	Internal Service Fund	Eliminations	Total Business-Type Funds
Cash flows from operating activities				
Receipts from State and other local governments	$ 170,529,311	$ -	$ -	$ 170,529,311
Receipts from customers and users	20,112,711	7,323,637	(7,483,145)	27,436,348
Payments to suppliers and service providers	(124,305,162)	(6,777,595)	7,483,145	(131,082,757)
Payments to employees for salaries and benefits	(54,497,865)	-	-	(54,497,865)
Net cash provided by (used in) operating activities	11,838,995	546,042	-	12,385,037
Cash flows from noncapital financing activities				
Transfer (to)/from other funds	426,986	(232,929)	-	194,057
Net cash provided by (used in) noncapital financing activities	426,986	(232,929)	-	194,057
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(28,399,682)	-	-	(28,399,682)
Proceeds from borrowing	21,002,594	-	-	21,002,594
Principal payments on borrowing	(3,826,770)	-	-	(3,826,770)
Net cash provided by (used in) capital and related financing activities	(11,223,858)	-	-	(11,223,858)
Cash flows from investing activities				
Interest income	762,344	-	-	762,344
Rental income	854,986	-	-	854,986
Net cash provided by (used in) investing activities	1,617,330	-	-	1,617,330
Net change in cash and cash equivalents	2,659,453	313,113	-	2,972,566
Cash and cash equivalents, beginning of year	25,490,482	2,580,280	-	28,070,762
Cash and cash equivalents, end of year	$ 28,149,935	$ 2,893,393	$ -	$ 31,043,328
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 3,999,694	$ 653,561	$ -	$ 4,653,255
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation/amortization expense	4,882,977	-	-	4,882,977
Accounts receivable, net	(1,067,560)	(159,508)	-	(1,227,068)
Due from other governmental units	(1,816,542)	-	-	(1,816,542)
Prepaid expenses	654,819	113,345	-	768,164
Net OPEB asset	(14,922,267)	-	-	(14,922,267)
Deferred outflow - related to pension	6,134,849	-	-	6,134,849
Deferred outflow - related to OPEB	3,925,847	-	-	3,925,847
Accounts payable	907,199	132,700	-	1,039,899
Accrued payroll and related liabilities	423,697	-	-	423,697
Due to other governmental units	8,708,841	(194,056)	-	8,514,785
Unearned revenue	(246,239)	-	-	(246,239)
Compensated absences	126,872	-	-	126,872
Net pension liability	(1,085,324)	-	-	(1,085,324)
Deferred inflow - related to OPEB	1,212,132	-	-	1,212,132
Net cash provided by (used in) operating activities	$ 11,838,995	$ 546,042	$ -	$ 12,385,037

Genesee Health System
Statement of Fiduciary Net Position
September 30, 2024

	Other Postemployment Benefits Trust Fund
Assets	
Investments	$ 84,188,959
Liabilities	
Accounts payable	1,823,411
Net Position	
Net position held in trust for postemployment benefits	82,365,548
Total net position	$ 82,365,548

The notes to the financial statements are an integral part of this statement.

Genesee Health System
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2024

	Other Postemployment Benefits Trust Fund
Additions	
Employer contributions	$ 656,992
Net investment income/(loss)	12,711,671
Total additions	13,368,663
Deductions	
Benefit payments	1,823,411
Administrative expense	208,207
Total deductions	2,031,618
Change in net position	11,337,045
Net position held in trust for postemployment benefits, beginning of year	
Net position, beginning as previously presented	71,060,711
Net position, adjustment	(32,208)
Net position, beginning as restated	71,028,503
Net position held in trust for postemployment benefits, end of year	$ 82,365,548

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Genesee Health System (the CMHSP), have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies used by the CMHSP.

Reporting Entity

The CMHSP operates under provisions of the Michigan Mental Health Code for the purpose of providing services relating to the mental health, developmental disabilities, and substance abuse needs of the residents of Genesee County. As the community mental health services provider for the county, the CMHSP serves community members by assuring local access, organizing and integrating the provision of services, coordinating care, implementing public policy, ensuring interagency collaboration, and preserving public interest.

Financial Statement Presentation

Under GASB 34, the CMHSP is considered a special purpose government and has elected to present the basic statements as enterprise funds and an internal service fund (types of proprietary funds) which are designed to be self-supporting. Proprietary funds distinguish operating revenues and expenses from nonoperating items. The principal operating revenues of the CMHSP are charges related to serving its customers (including primarily "per member per month" capitation and state and county appropriations). Operating expenses for the CMHSP includes cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses including investment income and interest expense. The internal service fund is used to accumulate and allocate costs internally among the CMHSP's various functions.

The financial statements (i.e., the statement of net position and the statement of revenues, expenses and changes in net position) report information on all of the nonfiduciary activities of the CMHSP. All fiduciary activities are reported only in the fiduciary fund financial statements.

As a general rule, the effect of interfund activity has been eliminated when presenting total business-type fund activity.

All amounts shown are in U.S. dollars.

Fund Accounting

The accounts of the CMHSP are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The CMHSP reports the following major enterprise funds:

Mental Health Activities Fund –This fund of the CMHSP accounts for its mental health operations.

Health Center Activities Fund – This fund of the CMHSP accounts for its Federally Qualified Health Center operations.

Millage Activities Fund – This fund of the CMHSP accounts for the collection of millage funds and the provision of mental health services not covered under the Medicaid program or other payer sources.

The CMHSP reports the following major internal service fund:

Internal Service Fund – This fund is used to account for self-funded medical and dental coverage for the employees and retirees of the CMHSP. The Mental Health Activities fund pays premiums to the internal service fund based upon the illustrative rates computed by the administrator of the plan. The Internal Service Fund uses those funds to pay the actual cost of the claims and stop loss insurance premiums.

Additionally, the CMHSP reports the following fiduciary fund:

Other Postemployment Benefits Trust Fund – This fund accounts for the activities of the Other Postemployment Benefits Trust Fund, which accumulates resources held in trust for health benefit payments to qualified retirees.

During the course of operations, the CMHSP has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out.

Basis of Accounting and Measurement Focus
The accounting and financial reporting treatment is determined by the applicable basis of accounting and measurement focus. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.*

The business-type and fiduciary funds are accounted for using the full accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred, regardless of the timing of related cash flows. The business-type and fiduciary funds are accounted for on a cost of services or economic resources measurement focus. This means that all assets and all liabilities associated with their activity are included on the statement of net position.

Cash and Cash Equivalents
The CMHSP's cash and cash equivalents are considered to be demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Accounts Receivable/Payable
Accounts receivable/payable in all funds report amounts that have arisen in the ordinary course of business. Accounts receivable are stated net of allowances for uncollectible amounts, if any.

Due from/Due to Other Governmental Units
Due from/due to other governmental units consist primarily of amounts due from/to the regional entity and the state.

Inventories
The CMHSP does not recognize supplies inventory as an asset. The cost of these supplies is considered immaterial to the financial statements and the quantities are not prone to wide fluctuation from year to year. The costs of such supplies are expensed when purchased.

Due from/to other funds
During the course of operations, the CMHSP has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds.

Prepaid Expenses
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

Capital Assets
Capital assets are tangible and intangible assets, defined by the CMHSP as individual assets with an initial cost equal to or 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 (except for intangible right-to-use assets, the measurement of which is discussed in the lessee policy below). Donated capital assets are recorded at estimated acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible capital assets in the appropriate capital asset class.

The costs of normal maintenance and repairs that do not increase the asset's capacity or efficiency or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in process, if any, are not depreciated. The other tangible and intangible property, plant, equipment, and the right to use assets of the CMHSP are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	5 – 40
Vehicles	3 – 10
Right to use – buildings	2 – 20

The CMHSP reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred, the asset is written down to its net realizable value and a related expense is recognized in the current year.

Accrued Payroll and Related Liabilities
Accrued payroll and related liabilities relate to salaries and wages earned in September but not paid until October.

Unearned Revenue
The CMHSP reports unearned revenue when revenue does not meet either the "measurable" and "available" criteria for recognition in the current period, or when resources are received by the CMHSP before it has a legal claim to them, such as when grant money is received prior to the incurrence of qualifying expenses. In subsequent periods, when both revenue recognition criteria are met, or when the CMHSP has legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Compensated Absences
The CMHSP's policy permits employees to accumulate earned but unused vacation and sick benefits, which are eligible for payment upon separation from the CMHSP's service. The liability for such leave is reported as incurred in the financial statements. The liability for compensated absences includes salary related benefits, where applicable.

Net Pension Liability
For 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 pension plan and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported. 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.

Postemployment Benefits Other Than Pensions
For purposes of measuring the Net OPEB (asset)/liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported. 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.

Deferred Outflows of Resources
In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The CMHSP has two items that qualify for reporting in this category: 1) pension related items, and 2) other postemployment benefits related items. The deferred amounts related to pension and other postemployment benefits relate to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and other postemployment benefit related changes. These amounts are recognized in the plan year in which they apply.

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, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The CMHSP has two items that qualify for reporting in this category: 1) future resources yet to be recognized in relation to the other postemployment benefit actuarial calculation (these future resources arise from differences between estimated and actual investment earnings, changes in actuarial assumptions, and other postemployment benefit related changes. These amounts are recognized in the plan year in which they apply), and 2) unavailable revenues from leases (these amounts are long-term leases entered into by the CMHSP in which the CMHSP is the lessor. These amounts are recognized as revenue over the term of the lease agreements.)

Lessee
The CMHSP is a lessee for a variety of noncancelable leases. The CMHSP recognizes lease liabilities and an intangible right-to-use lease asset in the financial statements.

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

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

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

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

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

Lessor
The CMHSP is a lessor for a noncancelable lease of a building. The CMHSP recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the CMHSP initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the CMHSP determines (1) the discount rate is uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The CMHSP uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The CMHSP monitors changes in circumstances that would require a remeasurement of this lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Net Position
The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consist of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- *Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the CMHSP will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the CMHSP's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Restrictions on Net Position
<u>Mental Health Activities Fund</u>
A portion of the net position has been restricted in the Mental Health Activities Fund relating to net assets of the other postemployment benefit plan held within this fund. This amount must be used for the provision of other postemployment benefits to qualified plan members.

<u>Millage Activities Fund</u>
A portion of the net position has been restricted in the Millage Activities fund in accordance with the requirements of the millage request. These funds must be used for the provision of mental health services not covered under the Medicaid program or other payer sources.

MDHHS Revenue
<u>General Fund Revenue</u>
The CMHSP provides mental health services on behalf of the Michigan Department of Health and Human Services (MDHHS). Currently, the CMHSP contracts directly with the MDHHS for General Fund revenues to support the services provided for the priority population residing in the county. The CMHSP performs an annual cost settlement of General Funds with MDHHS.

<u>Medicaid Revenue</u>
Beginning January 2014, Region 10 assumed the regional entity contract with the MDHHS. The CMHSP contracts to receive Medicaid, Healthy Michigan, Autism and other revenues through the regional entity. The CMHSP performs an annual cost settlement of capitated funding with the regional entity.

NOTE 2 – CASH AND CASH EQUIVALENTS

The CMHSP utilizes a pooled cash and investment concept for its funds, to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

Cash and investments held by the CMHSP's OPEB trust fund are discussed in the OPEB note below and are excluded from the discussion in this cash and cash equivalents note.

Custodial Credit Risk
In the case of deposits, this is the risk that, in the event of a bank's failure, the CMHSP's deposits may not be returned to it. The CMHSP evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories. The CMHSP bank balance was $31,631,788 and $31,131,788 of that amount was exposed to custodial credit risk because it was uninsured by FDIC.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable, net of allowances as of September 30th consists of the following:

Description	Amount
Other postemployment benefits trust fund	1,823,411
Commercial insurers	75,825
Other	1,519,936
Less: allowance for doubtful accounts	(110,990)
Total	3,308,182

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The amounts of interfund receivable and payable shown on the financial statements as of September 30th, are as follows:

Fund	Due from Other Funds	Due to Other Funds
Mental Health Activities	1,573,148	19,833,830
Health Center Activities	2,055,862	-
Millage Activities	15,492,080	-
Internal Service	2,591,598	1,878,858
Total	21,712,688	21,712,688

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made. Interfund transfers occur when expenses are paid in one fund and all the agency's cash is accounted for in another fund. Mental Health Activities fund - cash balances reside in this fund. Bills paid in the Health Center Activities fund, Millage Activities fund and Internal Service fund are recorded as expenditures in each of those funds and payables at the time they are incurred. The payables are cleared out by interfund transfers between the Mental Health Activities fund and the other funds.

NOTE 5 - DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units as of September 30th consists of the following:

Description	Amount
Region 10	11,502,733
U.S. Department of Housing and Urban Development	536,535
U.S. Department of Health and Human Services	337,683
U.S. Environmental Protection Agency	19,656
Department of Health and Human Services and Abuse and Mental Health Services Administration	85,786
State Grants	1,921,453
Genesee County	495,034
Other	227,663
Total	15,126,543

NOTE 6 – PREPAID EXPENSES

Prepaid expenses as of September 30th consists of the following:

Description	Amount
Greater Flint Mental Health Facilities Board	1,571,636
Health Alliance Plan	237,013
Insurance providers	317,735
Other	114,206
Total	2,240,590

NOTE 7 – LEASE RECEIVABLE

Lessor receivable as of September 30th consists of the following:

	Received during current fiscal year		Remaining amount as of year-end	
Description	Lease Revenue	Lease Interest	Lease Receivable	Deferred Inflows
Paige lease	9,893	507	10,219	10,219
Lin-Hill lease	21,026	1,077	21,720	21,720
Marshall lease	16,916	867	17,475	17,475
Cook Road lease	23,748	8,102	23,335	23,335
Total	71,583	10,553	72,749	72,749

NOTE 8 - CAPITAL ASSETS

A summary of changes in the CMHSP's capital assets is as follows:

Description	Beginning Balance	Additions	Disposals/ Adjustments	Transfers	Ending Balance
Capital assets not being depr/amort					
Construction in process	73,650	2,459,156	-	-	2,532,806
Total capital assets not being depr/amort	73,650	2,459,156	-	-	2,532,806
Capital assets being depr/amort					
Buildings and improvements	7,179,001	3,411,911	-	-	10,590,912
Vehicles	5,542,335	1,526,021	-	-	7,068,356
Right to use – buildings	26,014,904	21,002,594	-	-	47,017,498
Total capital assets being depr/amort	38,736,240	25,940,526	-	-	64,676,766
Accumulated depr/amort					
Buildings and improvements	(4,128,511)	(546,273)	-	-	(4,674,784)
Vehicles	(5,106,086)	(275,975)	-	-	(5,382,061)
Right to use – buildings	(1,352,224)	(4,060,729)	-	-	(5,412,953)
Total accumulated depr/amort	(10,586,821)	(4,882,977)	-	-	(15,469,798)
Capital assets being depr/amort, net	28,149,419	21,057,549	-	-	49,206,968
Capital assets, net	28,223,069	23,516,705	-	-	51,739,774

NOTE 9 - DUE TO OTHER GOVERNMENTAL UNITS

Due to other governmental units as of September 30th consists of the following:

Description	Amount
Region 10	9,418,571
State of Michigan	166,994
Other governmental entities	38,370
Total	9,623,935

NOTE 10 – LONG-TERM LIABILITIES

Long-term debt
Direct borrowings:
The detail of direct borrowings for the fiscal year is as follows:

Description	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
Bristol Road lease	36,472,400	1.48%	2043	34,819,723
Children’s lease	8,622,130	1.48%	2033	7,032,124
Mason Road lease	340,317	1.48%	2030	226,250
Paige lease	40,369	1.48%	2025	10,317
Lin-Hill lease	85,798	1.48%	2025	21,928
Marshall lease	69,030	1.48%	2025	17,642
Cook Road lease	92,180	1.48%	2025	23,559
Total				42,151,543

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

Summary of long-term debt
The changes in long-term debt during the fiscal year are as follows:

Description	Beginning Balance	Additions	(Deletions)	Ending Balance	Due within one year
Compensated absences	2,713,093	533,836	(406,964)	2,839,965	2,839,965
Direct borrowings	24,975,719	21,002,594	(3,826,770)	42,151,543	2,551,701
Total	27,688,812	21,536,430	(4,233,734)	44,991,508	5,391,666

The requirements to pay principal and interest on the long-term debt outstanding at year-end are shown below:

	Direct Borrowings	
Year Ended September 30	Principal	Interest
2025	2,551,701	602,906
2026	2,515,183	566,562
2027	2,552,661	529,676
2028	2,590,697	492,240
2029	2,629,301	454,247
2030-2034	11,948,095	1,700,927
2035-2039	9,745,191	934,809
2040-2044	7,618,714	213,287
Total long-term debt	42,151,543	5,494,654

NOTE 11 - UNEARNED REVENUE

The amount reported as unearned revenue represents revenues received in advance of the period earned as follows:

Description	Amount
Michigan Department of Health and Human Services	186,409
Other	141,433
Total	327,842

NOTE 12 – RETIREMENT PLANS

Defined Contribution Retirement Plan – Mission Square Retirement
Plan Description
In 2000, the CMHSP 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 Mission Square Retirement Plan.

Eligibility
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 Mission Square Retirement Plan. All employees are eligible regardless of hours per week worked once their probationary period has been completed. Contract employee are excluded from the plan.

Contributions
As a condition of employment, each staff person must contribute 5% of their compensation to the plan. The CMHSP matches the staff portion by contributing an additional 5% of that staff person's compensation.

Normal Retirement Age & Vesting
IRS rules dictate that funds cannot be withdrawn without penalty until 59 ½. Participants need six years of credited service to be fully vested.

Forfeitures
Forfeitures are first used to pay administrative expenses and remaining funds are reallocated to plan assets.

For the year ended September 30th, contributions by the CMHSP amounted to $1,386,576. Contributions made by the employees amounted to $1,386,576. Forfeitures totaled $0. The outstanding liability to the plan at year-end was $0.

Defined Contribution Retirement Plan - MERS
Plan Description
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.

Eligibility
All employees are eligible regardless of hours per week worked once their probationary period has been completed. Contract employees are excluded from the plan.

Contributions
The CMHSP contributes 5% of the employee's annual salary to the plan after the employee's probationary period is complete.

Normal Retirement Age & Vesting
IRS rules dictate that funds cannot be withdrawn without penalty until 59 1/2. Employees vest after eight years of service.

Forfeitures
Forfeitures are first used to pay administrative expenses and the remaining funds are reallocated to the Defined Benefit Retiree Health plan as contributions.

For the year ended September 30th, contributions by the CMHSP amounted to $1,512,822. Forfeitures totaled $0. The outstanding liability to the plan at year-end was $0.

Defined Benefit Retirement Plan
Plan Description
The CMHSP 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 (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 GCERS 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 eight years of service. Full retirement benefits vary by bargaining unit. Members with eight 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.

Employees Covered by Benefit Terms
As of the December 31, 2023 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	380
Inactive employees or beneficiaries not yet receiving benefits	13
Active employees	68
Total	461

Contributions and Funding Policy
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 CMHSP's contribution rate for the plan for the year ended September 30, 2024 was 23.7% of projected valuation payroll. Eligible employees are required to contribute from 5.0% of eligible monetary compensation to the Plan.

Net Pension Liability
The CMHSP's Net Pension Liability was measured as of December 31, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions

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

- Inflation: 2.50%
- Salary increases: 2.50%-8.50% and merit and longevity rates based on age
- Investment rate of return: 6.85%, net of investment expenses
- Actuarial cost method: Entry-age normal
- Asset valuation method: Fair market value of assets adjusted for a 4-year phase in of gains and losses on fair market value of assets
- Discount Rate: 6.85%, net of investment expenses
- Cost of Living Adjustments: Vary by negotiating group. For those with COLA that is dependent on CPI, a 2.00% annual COLA is assumed.

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

Mortality rates used were based on the PubG-2010 with fully generational improvements from 2010 based on assumptions from Scale MP-2021.

The actuarial assumptions used in the valuation were based on the actual experience for the plan during 2014-2020.

GCERS's policy in regard to the allocation of invested assets is established and may be amended by GCERS by a majority vote of its members. It is the policy of GCERS to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

GCERS'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, 2023:

Asset Class	Target Allocation
U.S. Equities Active or Passive	40%
Non-U.S. Equities	12%
Domestic Fixed Income	22%
Real Estate	14%
Non-Core Fixed Income	5%
Private Equities	5%
Cash Equivalents	2%
Total	100%

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 invested throughout the year, measured on monthly inputs with expenses measured on an accrual basis. At December 31, 2023, the annual money-weighted rate of return, net of investment expenses, was 11.64%.

Discount Rate

The discount rate used to measure the total pension liability was 6.85% for the plan year. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

Calculating the Net Pension Liability			
Changes in net pension liability	Total pension liability (a)	Increase (decrease) plan fiduciary net position (b)	Net pension liability (a) – (b)
Balances at beginning of plan year	138,626,252	116,633,200	21,993,052
Changes for the year			
Service cost	916,554	-	916,554
Interest on total pension liability	9,423,067	-	9,423,067
Changes in benefits	-	-	-
Difference between expected and actual experience	1,403,398	-	1,403,398
Changes in assumptions	1,974,740	-	1,974,740
Employer contributions	-	1,285,745	(1,285,745)
Employee contributions	-	317,990	(317,990)
Net investment income	-	13,307,952	(13,307,952)
Benefit payments, including employee refunds	(9,855,133)	(9,855,133)	-
Administrative expense	-	(108,604)	108,604
Other changes	-	-	-
Net changes	3,862,626	4,947,950	(1,085,324)
Balances as of end of plan year	142,488,878	121,581,150	20,907,728

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the Net Pension Liability of the CMHSP, calculated using the discount rate of 6.85%, as well as what the CMHSP's Net Pension Liability would be using a discount rate that is 1 percentage point lower (5.85%) or 1 percentage point higher (7.85%) than the current rate.

Description	1% Decrease 5.85%	Current Discount Rate 6.85%	1% Increase 7.85%
Net Pension Liability at end of plan year	20,907,728	20,907,728	20,907,728
Change in Net Pension Liability (NPL)	14,499,497	-	(12,311,228)
Calculated Net Pension Liability	35,407,225	20,907,728	8,596,500

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
the CMHSP recognized pension expense of $6,471,678 for the fiscal year. The CMHSP reported deferred outflows and inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
(Excess) Deficit Investment Returns	8,416,875	-
Contributions Subsequent to Plan Year End *	1,139,068	-
Totals	9,555,943	-

*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 in the following fiscal year.

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

Plan year ended	Amount
2024	2,503,843
2025	2,826,075
2026	4,207,939
2027	(1,120,982)

Outstanding Liability
The outstanding liability to the plan at fiscal year-end was $34,554.

NOTE 13 – OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS

Other Postemployment Benefit (OPEB) Obligations
Plan Description
In addition to the pension benefits described above, the CMHSP administers the Genesee Health System Retiree Healthcare Plan (the Plan). The Plan is a single-employer defined benefit healthcare plan which 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 eight years of credited service.

Benefits Provided
A retiree will be entitled to medical, dental and optical benefits with 100% of lifetime coverage paid by employer. Depending on which option is selected, one beneficiary could be eligible to receive the same benefits with 50% to 100% of such coverage paid for by the employer. $12,000 in life insurance is also paid for by the employer. Retirees are required to enroll in Medicare Part A and Part B when eligible.

Employees Covered by Benefit Terms
As of the December 31, 2023 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	388
Inactive employees or beneficiaries not yet receiving benefits	12
Active employees	503
Total	903

Contributions and Funding Policy
The contribution requirements of plan members and the CMHSP are established and may be amended by the CMHSP. The CMHSP's contributions are based on the actuarially determined contribution.

In conjunction with the preparation of the annual actuarial valuation for the plan, the plan's actuary calculates the CMHSP's actuarially determined contribution (ADC) for the CMHSP's next fiscal year. The CMHSP is responsible for providing the resources to the plan necessary to pay the costs of benefits provided under the plan subject to certain member sharing of benefit-related costs. The CMHSP must contribute the amount beyond member payments necessary to fund the actuarial liability for OPEB. For the fiscal year ended September 30th, the CMHSP's contribution was $656,992.

Investment Policy
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.

MERS Retiree Health Funding Vehicle
The CMHSP is 100% invested in MERS Retiree Health Funding Vehicle (RHFV). Within the RHFV, the plan holds its assets in the MERS Total Market Portfolio. The MERS Total Market Portfolio is a diversified portfolio combining traditional stocks and bonds with alternative asset classes including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets.

Concentration of Credit Risk
The investment policy states that the plan's assets shall be diversified to reduce the risk of large losses. The plan's investment policy places no limit on the amount it may invest in any one issuer. As of the plan's measurement date, 100% of the plan's funds were invested in the MERS Total Market Portfolio.

Fair Value of Investments
Other Postemployment Benefits Fund holds shares or interests in an investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At the year ended September 30, 2024, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Description	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
MERS Total Market Portfolio	84,188,959	-	N/A	N/A

Net OPEB Liability
The total OPEB liability of the CMHSP was determined by an actuarial valuation as of December 31, 2023. Update procedures were used to roll forward the total OPEB liability to the September 30, 2024 measurement date. During the roll forward, the fiduciary net position was determined as of September 30, 2024 in order to calculate the net OPEB liability as of the measurement date.

Actuarial Assumptions
The total OPEB liability in the December 31, 2023 valuation was determined using the following assumptions applied to all periods included in the measurement.

- Actuarial cost method: Projected Unit Credit
- Amortization method: Level dollar, open
- Remaining amortization period: 25 years
- Asset valuation method: Market Value
- Price Inflation: 2.50%
- Salary increases: 5.0%-9.0%
- Investment rate of return: 7.00%, net of OPEB plan investment expenses, including inflation
- Healthcare cost trend rate 7.50% and gradually decreasing to an ultimate trend rate of 3.5% over 11 years

Mortality rates were based on the Pub-2010 Generally Healthy Retiree Mortality Tables for males and females with fully generational mortality improvement using MP-2018.

The long-term expected rate of return on OPEB 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:

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-Term Expected Real Rate of Return
Global Equity	60.00%	7.00%	4.20%	2.50%	2.70%
Global Fixed Income	20.00%	4.50%	0.90%	2.50%	0.40%
Private Investments	20.00%	9.50%	1.90%	2.50%	1.40%
Total	100.00%		7.00%		4.50%

<u>Discount Rate</u>
The discount rate used to measure the total OPEB liability was 7.00%.

<u>Changes in Net OPEB (Asset)/Liability</u>

Calculating the Net OPEB (Asset)/Liability			
Changes in net OPEB (asset)/liability	Total OPEB liability (a)	Increase (decrease) plan fiduciary net position (b)	Net OPEB (asset)/liability (a) – (b)
Balances at beginning of plan year	36,570,209	71,028,503	(34,458,294)
Changes for the year			
Service cost	124,803	-	124,803
Interest on total OPEB liability	2,287,723	-	2,287,723
Changes in benefits	-	-	-
Difference between expected and actual experience	(3,981,768)	-	(3,981,768)
Changes in assumptions	(192,570)	-	(192,570)
Employer contributions	-	656,992	(656,992)
Employee contributions	-	-	-
Net investment income	-	12,711,671	(12,711,671)
Benefit payments, including employee refunds	(1,823,411)	(1,823,411)	-
Administrative expense	-	(208,207)	208,207
Other changes	1	-	(1)
Net changes	(3,585,222)	11,337,045	(14,922,269)
Balances at end of plan year	32,984,987	82,365,548	(49,380,561)

Sensitivity of the Net OPEB (Asset)/Liability to Changes in the Discount Rate
The following presents the Net OPEB (Asset)/Liability of the CMHSP, calculated using the discount rate of 7.00%, as well as what the CMHSP's Net OPEB (Asset)/Liability would be using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

Description	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net OPEB (Asset)/Liability at end of plan year	(49,380,561)	(49,380,561)	(49,380,561)
Change in Net OPEB (Asset)/Liability	1,458,889	-	(4,458,232)
Calculated Net OPEB (Asset)/Liability	(47,921,672)	(49,380,561)	(53,838,793)

The following presents the Net OPEB (Asset)/Liability of the CMHSP, as well as what the CMHSP's Net OPEB (Asset)/Liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate.

Description	1% Decrease	Healthcare Trend	1% Increase
Net OPEB (Asset)/Liability at end of plan year	(49,380,561)	(49,380,561)	(49,380,561)
Change in Net OPEB (Asset)/Liability	(4,609,596)	-	926,168
Calculated Net OPEB (Asset)/Liability	(53,990,157)	(49,380,561)	(48,454,393)

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended September 30, 2024, the CMHSP recognized OPEB expense of ($9,127,296). The CMHSP reported deferred outflows and inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
(Excess) Deficit Investment Returns	-	3,978,490
Differences in Experience	-	11,463,769
Differences in Assumptions	1,319,850	157,736
Totals	1,319,850	15,599,995

*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 OPEB Liability in the following fiscal year.

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

Plan year ended:	Amount
2025	(5,165,179)
2026	(3,176,381)
2027	(3,147,098)
2028	(2,392,643)
2029	(398,844)

Outstanding Liability
The outstanding liability to the plan at fiscal year-end was $8,890.

NOTE 14 - NET INVESTMENT IN CAPITAL ASSETS

As of September 30th, the composition of net investment in capital assets was comprised of the following:

Description	Amount
Capital assets not being depreciated	2,532,806
Capital assets being depreciated, net	49,206,968
Capital related long-term liabilities	(42,151,543)
Net investment in capital assets	9,588,231

NOTE 15 - RISK MANAGEMENT

The CMHSP is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries; professional liability; medical malpractice; abuse and molestation and natural disasters. The CMHSP contracts with the Hanover insurance company for auto liability, general liability, property, crime, and vehicle physical damage coverage.

The CMHSP contracts with AIX for medical malpractice coverage and excess liability coverages, Travelers for management liability coverage and Ace for cyber liability coverage. The CMHSP is a self-insured entity for workers compensation with the State of Michigan. As a self-insured entity, the CMHSP is responsible for the first $400,000 of any workers' compensation claim. In the 10-year history of its self-insured status, no claims have exceeded the retention amount.

For all coverages other than workers compensation, the CMHSP is fully insured to the maximum limits, subject to deductibles. None of the limits are shared with any other community mental health agency. The total limits are available to the CMHSP.

The CMHSP has coverage limits of $4,000,000 for liability, and $121,050,215 for property.

NOTE 16 – BENEFITS – SELF INSURANCE

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 CMHSP is responsible for individual claims up to $250,000 per participant. The CMHSP 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.

NOTE 17 – RELATED PARTY TRANSACTIONS

Greater Flint Mental Health Facilities (GFMHF) leases various properties to the CMHSP. 2 members of the CMHSP board serve on the board of GFMHF. Therefore, GFMHF is deemed a related party by management.

The CMHSP paid $4,284,682 during the year in rent to the GFMHF.

NOTE 18 – CONTINGENT LIABILITIES

Under the terms of various federal and state grants and regulatory requirements, the CMHSP is subject to periodic audits of its agreements, as well as a cost settlement process under the full management contract with the regional entity and the State. Such audits could lead to questioned costs and/or requests for reimbursement to the grantor or regulatory agencies. Cost settlement adjustments, if any, as a result of compliance audits are recorded in the year that the settlement is finalized. The amount of expenses which may be disallowed, if any, cannot be determined at this time, although the CMHSP expects such amounts, if any, to be immaterial.

The CMHSP is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the CMHSP's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the CMHSP.

NOTE 19 – ECONOMIC DEPENDENCE

The CMHSP receives over 88% of its revenues from the State of Michigan either directly from MDHHS or indirectly through the CMHSP's regional entity.

NOTE 20 – DEFICIT UNRESTRICTED NET POSITION

As of year-end, the CMHSP is in a deficit unrestricted net position. As outlined in Numbered Letter 2016-1 issued by the Department of Treasury, this deficit passes the 4 Step test for proprietary funds to determine if a deficit elimination plan is required. Therefore, the CMHSP is not required to file a deficit elimination plan with the State. The CMHSP will be exploring options over the next several years to reduce the net pension liability including opting for a shorter amortization period used to fund the plan.

NOTE 21 – ADJUSTMENTS TO BEGINNING NET POSITION

During the year, an error correction resulted in adjustments to beginning net position as follows:

Description	Other Postemployment Benefits Trust Fund
Net position - beginning as previously presented	71,060,711
Adjustment to payables	(32,208)
Net position – beginning as restated	71,028,503

NOTE 22 - UPCOMING ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 101*, Compensated Absences*, was issued by the GASB in June 2022 and will be effective for fiscal year 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

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

GASB Statement No. 103, *Financial Reporting Model Improvements*, was issued by the GASB in April of 2024 and will be effective for fiscal year 2026. This Statement establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following:

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

REQUIRED SUPPLEMENTAL INFORMATION

Genesee Health System
Defined Benefit Pension Plan - Required Supplemental Information
Schedule of Changes in Net Pension (Asset)/Liability and Related Ratios

	Plan year ended December 31,				
	2014	**2015**	**2016**	**2017**	**2018**
Total Pension Liability					
Service costs	$ 1,351,737	$ 1,269,466	$ 1,998,936	$ 1,656,594	$ 1,412,025
Interest	7,576,741	7,830,710	7,676,712	7,943,297	8,243,308
Changes in benefit terms	-	-	-	-	-
Difference between expected & actual experience	4,373,348	1,507,736	(5,174,366)	(1,119,969)	1,034,460
Changes in assumptions	-	20,976,139	(4,875,031)	(8,396,217)	(5,559,975)
Benefit payments including employee refunds	(6,928,961)	(7,307,322)	(7,368,755)	(7,576,896)	(7,974,099)
Rollover to defined contribution plan	(1,240,669)	(678,965)	(38,698)	(256,925)	-
Other	-	-	-	-	-
Net Change in Total Pension Liability	5,132,196	23,597,764	(7,781,202)	(7,750,116)	(2,844,281)
Total Pension Liability, beginning	112,044,656	117,176,852	140,774,616	132,993,414	125,243,298
Total Pension Liability, ending	117,176,852	140,774,616	132,993,414	125,243,298	122,399,017
Plan Fiduciary Net Position					
Contributions - employer	4,147,902	4,037,724	4,528,171	2,865,256	3,077,859
Contributions - employee	553,918	503,823	597,146	549,059	420,777
Net investment income	5,740,032	1,043,740	6,648,406	9,911,802	(1,935,209)
Benefit payments including employee refunds	(6,928,961)	(7,307,322)	(7,368,755)	(7,576,896)	(7,974,099)
Rollover to defined contribution plan	(1,240,669)	(678,965)	(38,698)	(256,925)	-
Administrative expenses	(93,106)	(93,060)	(79,190)	(120,836)	(95,958)
Net Change in Plan Fiduciary Net Position	2,179,116	(2,494,060)	4,287,080	5,371,460	(6,506,630)
Plan Fiduciary Net Position, beginning	82,163,944	84,343,060	81,849,000	86,136,080	91,507,540
Plan Fiduciary Net Position, ending	84,343,060	81,849,000	86,136,080	91,507,540	85,000,910
Employer Net Pension (Asset)/Liability	32,833,792	58,925,616	46,857,334	33,735,758	37,398,107
Covered Employee Payroll	10,782,351	10,265,612	9,419,585	9,257,625	8,559,159
Net Pension (Asset)/Liability as a % of covered employee payroll	305%	574%	497%	364%	437%
Plan fiduciary net position as a % of total pension liability	72%	58%	65%	73%	69%

Notes to Schedule:

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

Genesee Health System
Defined Benefit Pension Plan - Required Supplemental Information
Schedule of Changes in Net Pension (Asset)/Liability and Related Ratios

	Plan year ended December 31,				
	2019	**2020**	**2021**	**2022**	**2023**
Total Pension Liability					
Service costs	$ 1,107,677	$ 1,138,660	$ 1,102,929	$ 950,539	$ 916,554
Interest	8,989,874	8,904,044	9,157,400	9,306,197	9,423,067
Changes in benefit terms	-	-	-	-	-
Difference between expected & actual experience	635,419	245,225	(472,484)	1,144,307	1,403,398
Changes in assumptions	6,405,382	2,743,431	2,032,050	-	1,974,740
Benefit payments including employee refunds	(8,871,040)	(9,208,707)	(9,543,823)	(9,539,845)	(9,855,133)
Rollover to defined contribution plan	-	-	-	-	-
Other	-	-	-	-	-
Net Change in Total Pension Liability	8,267,312	3,822,653	2,276,072	1,861,198	3,862,626
Total Pension Liability, beginning	122,399,017	130,666,329	134,488,982	136,765,054	138,626,252
Total Pension Liability, ending	130,666,329	134,488,982	136,765,054	138,626,252	142,488,878
Plan Fiduciary Net Position					
Contributions - employer	5,517,359	7,661,490	31,247,776	1,477,547	1,285,745
Contributions - employee	405,959	381,718	367,001	329,931	317,990
Net investment income	15,490,109	8,387,814	14,997,160	(17,013,820)	13,307,952
Benefit payments including employee refunds	(8,871,040)	(9,208,707)	(9,543,823)	(9,539,845)	(9,855,133)
Rollover to defined contribution plan	-	-	-	-	-
Administrative expenses	(96,833)	(108,657)	(110,068)	(138,781)	(108,604)
Net Change in Plan Fiduciary Net Position	12,445,554	7,113,658	36,958,046	(24,884,968)	4,947,950
Plan Fiduciary Net Position, beginning	85,000,910	97,446,464	104,560,122	141,518,168	116,633,200
Plan Fiduciary Net Position, ending	97,446,464	104,560,122	141,518,168	116,633,200	121,581,150
Employer Net Pension (Asset)/Liability	33,219,865	29,928,860	(4,753,114)	21,993,052	20,907,728
Covered Employee Payroll	9,257,625	7,674,497	6,767,542	6,575,069	6,058,137
Net Pension (Asset)/Liability as a % of covered employee payroll	359%	390%	-70%	334%	345%
Plan fiduciary net position as a % of total pension liability	75%	78%	103%	84%	85%

Notes to Schedule:

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

Defined Benefit Pension Plan

Fiscal year ending	*Actuarial Determined Contributions*	*Contributions in relation to the actuarially determined contribution*	*Contribution deficiency (excess)*	*Covered Employee Payroll*	*Contributions as a Percentage of Covered Employee Payroll*
Sept 30, 2015	$ 4,038,382	$ 4,038,382	$ -	$ 10,452,506	38.64%
Sept 30, 2016	2,442,981	2,442,981	-	9,764,471	25.02%
Sept 30, 2017	3,067,099	3,067,099	-	9,505,578	32.27%
Sept 30, 2018	3,028,142	3,028,142	-	9,075,914	33.36%
Sept 30, 2019	5,424,557	5,424,557	-	8,876,045	61.11%
Sept 30, 2020	3,838,011	36,790,215	(32,952,204)	7,639,161	481.60%
Sept 30, 2021	3,742,524	2,831,163	911,361	7,665,041	36.94%
Sept 30, 2022	1,325,432	1,325,432	-	6,767,542	19.59%
Sept 30, 2023	1,348,609	1,348,609	-	6,560,796	20.56%
Sept 30, 2024	1,420,249	1,420,249	-	5,932,130	23.94%

Notes to Schedule of Contributions

Actuarial cost method	Entry-Age Normal
Amortization method	Level Percent-of-Payroll, Closed
Amortization period	25-year closed beginning December 31, 2018
Asset valuation method	Fair market value of assets adjusted for a 4-year phase in of gains and losses on fair market value of assets
Salary increases	2.50%-8.50% and merit and longevity rates based on age
Investment rate of return	6.85%, net of investment expenses
Mortality	Fully generational PubG-2010 with fully generational improvements from 2010 based on assumptions from Scale MP-2021
Notes	The interest rate assumption has been lowered from 7.00% to 6.85% to better reflect future expectations of market returns and long-term inflation. The change in interest assumptions results in an increase in accrued liability and normal cost.
Cost-of-Living Adjustment	Vary by negotiating group. For those with COLA that is dependent on CPI, a 2.00% annual COLA is assumed.

Genesee Health System
Defined Benefit OPEB Plan - Required Supplemental Information
Schedule of Changes in Net OPEB (Asset)/Liability and Related Ratios

	Plan year ended September 30,				
	2018	2019	2020	2021	2022
Total OPEB Liability					
Service costs	$ 267,324	$ 248,463	$ 184,305	$ 184,417	$ 139,477
Interest	3,964,359	4,048,449	4,129,968	3,540,910	3,533,586
Changes in benefit terms	-	-	-	-	-
Difference between expected & actual experience	(647,518)	(909,732)	(10,899,877)	(1,234,884)	(18,814,409)
Changes in assumptions	-	-	1,732,861	1,801,550	2,495,051
Benefit payments including employee refunds	(2,518,403)	(2,388,654)	(2,137,970)	(1,919,057)	(1,995,571)
Other	-	-	(9,400)	(8,045)	2,679
Net Change in Total OPEB Liability	1,065,762	998,526	(7,000,113)	2,364,891	(14,639,187)
Total OPEB Liability, beginning	53,983,654	55,044,550	56,043,076	49,042,963	51,407,854
Total OPEB Liability, ending	55,049,416	56,043,076	49,042,963	51,407,854	36,768,667
Plan Fiduciary Net Position					
Contributions - employer	852,000	587,702	502,184	577,268	650,984
Contributions - employee	-	-	-	-	-
Net investment income	3,112,995	1,492,725	4,470,666	14,459,524	(10,370,986)
Benefit payments including employee refunds	(2,518,403)	(2,388,654)	(2,137,970)	(1,919,057)	(1,995,571)
Administrative expenses	-	(121,594)	(114,270)	(140,280)	(135,539)
Net Change in Plan Fiduciary Net Position	1,446,592	(429,821)	2,720,610	12,977,455	(11,851,112)
Plan Fiduciary Net Position, beginning	59,787,755	61,234,347	60,804,526	63,525,136	76,502,591
Plan Fiduciary Net Position, ending	61,234,347	60,804,526	63,525,136	76,502,591	64,651,479
Employer Net OPEB (Asset)/Liability	(6,184,931)	(4,761,450)	(14,482,173)	(25,094,737)	(27,882,812)
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net OPEB (Asset)/Liability as a % of covered employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a % of total OPEB liability	111%	108%	130%	149%	176%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of September 30 of each year.

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

	Plan year ended September 30,	
	2023	**2024**
Total OPEB Liability		
Service costs	$ 125,896	$ 124,803
Interest	2,507,200	2,287,723
Changes in benefit terms	-	-
Difference between expected & actual experience	(837,151)	(3,981,768)
Changes in assumptions	-	(192,570)
Benefit payments including employee refunds	(2,028,956)	(1,823,411)
Other	34,553	1
Net Change in Total OPEB Liability	(198,458)	(3,585,222)
Total OPEB Liability, beginning	36,768,667	36,570,209
Total OPEB Liability, ending	36,570,209	32,984,987
Plan Fiduciary Net Position		
Contributions - employer	656,751	656,992
Contributions - employee	-	-
Net investment income	7,887,771	12,711,671
Benefit payments including employee refunds	(2,028,956)	(1,823,411)
Administrative expenses	(138,542)	(208,207)
Net Change in Plan Fiduciary Net Position	6,377,024	11,337,045
Plan Fiduciary Net Position, beginning	64,651,479	71,028,503
Plan Fiduciary Net Position, ending	71,028,503	82,365,548
Employer Net OPEB (Asset)/Liability	(34,458,294)	(49,380,561)
Covered Employee Payroll	N/A	N/A
Net OPEB (Asset)/Liability as a % of covered employee payroll	N/A	N/A
Plan fiduciary net position as a % of total OPEB liability	194%	250%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of September 30 of each year.

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

Defined Benefit OPEB Plan

Fiscal year ending	*Actuarial Determined Contributions*	*Contributions in relation to the actuarially determined contribution*	*Contribution deficiency (excess)*	*Covered Employee Payroll*	*Contributions as a Percentage of Covered Employee Payroll*
Sept 30, 2018	$ 2,548,407	$ 852,000	$ 1,696,407	N/A	N/A
Sept 30, 2019	-	535,794	(535,794)	N/A	N/A
Sept 30, 2020	-	507,101	(507,101)	N/A	N/A
Sept 30, 2021	-	577,268	(577,268)	N/A	N/A
Sept 30, 2022	-	650,984	(650,984)	N/A	N/A
Sept 30, 2023	-	656,751	(656,751)	N/A	N/A
Sept 30, 2024	-	669,630	(669,630)	N/A	N/A

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

Notes to Schedule of Contributions

Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar, Open
Remaining amortization period	25 years
Asset valuation method	Market Value
Price inflation	2.50%
Salary increases	5.0%-9.0%
Investment rate of return	7.00%, net of OPEB plan investment expenses, including inflation
Mortality	Pub-2010 Generally Healthy Retiree Mortality Tables for males and females with fully generational mortality improvement using MP-2018.
Health Care Trend Rates:	7.50% and gradually decreasing to an ultimate trend rate of 3.5% over 11 years

Schedule of OPEB Investment Returns

Plan Year Ended December 31,	Annual money-weighted rate of return, net of investment expenses
2018	Not Available *
2019	Not Available *
2020	14.63%
2021	12.54%
2022	-8.22%
2023	10.63%
2024	11.64%

* As of the date of issuance of these financial statements, this information was not available.

Notes to Schedule:

The amounts presented for each fiscal year were determined as of September 30 of each year.

GASB 74 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

OTHER SUPPLEMENTAL INFORMATION

Genesee Health System
Combining Statement of Net Position - Enterprise Funds
September 30, 2024

	Mental Health Activities	Health Center Activities	Millage Activities	Total Enterprise Funds
Assets				
Current assets				
Cash and cash equivalents	$ 28,149,935	$ -	$ -	$ 28,149,935
Accounts receivable, net	269,249	850,470	-	1,119,719
Due from other governmental units	14,622,587	500,967	2,989	15,126,543
Due from other funds	1,573,148	2,055,862	15,492,080	19,121,090
Prepaid expenses	1,706,817	83,209	4,543	1,794,569
Lease receivable	72,749	-	-	72,749
Total current assets	46,394,485	3,490,508	15,499,612	65,384,605
Noncurrent assets				
Capital assets not being depreciated/amortized	2,493,239	39,567	-	2,532,806
Capital assets being depreciated/amortized, net	48,270,205	936,763	-	49,206,968
Net OPEB asset	49,380,561	-	-	49,380,561
Total noncurrent assets	100,144,005	976,330	-	101,120,335
Total assets	146,538,490	4,466,838	15,499,612	166,504,940
Deferred outflows of resources				
Related to pension	9,555,943	-	-	9,555,943
Related to OPEB	1,319,850	-	-	1,319,850
Total deferred outflows of resources	10,875,793	-	-	10,875,793
Liabilities				
Current liabilities				
Accounts payable	12,440,553	6,745	151	12,447,449
Accrued payroll and related liabilities	1,900,194	95,409	44,646	2,040,249
Due to other governmental units	9,599,485	24,450	-	9,623,935
Due to other funds	19,833,830	-	-	19,833,830
Unearned revenue	89,614	238,228	-	327,842
Compensated absences, due within one year	2,681,641	158,324	-	2,839,965
Direct borrowings, due within one year	2,551,701	-	-	2,551,701
Total current liabilities	49,097,018	523,156	44,797	49,664,971
Noncurrent liabilities				
Direct borrowings, due beyond one year	39,599,842	-	-	39,599,842
Net pension liability	20,907,728	-	-	20,907,728
Total noncurrent liabilities	60,507,570	-	-	60,507,570
Total liabilities	109,604,588	523,156	44,797	110,172,541
Deferred inflows of resources				
Related to OPEB	15,599,995	-	-	15,599,995
Related to lease receivable	72,749	-	-	72,749
Total deferred inflows of resources	15,672,744	-	-	15,672,744
Net position				
Net investment in capital assets	8,611,901	976,330	-	9,588,231
Restricted for OPEB	49,380,561	-	-	49,380,561
Restricted for millage	-	-	15,454,815	15,454,815
Unrestricted	(25,855,511)	2,967,352	-	(22,888,159)
Total net position	$ 32,136,951	$ 3,943,682	$ 15,454,815	$ 51,535,448

Genesee Health System
Combining Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds
For the Year Ended September 30, 2024

	Mental Health Activities	Health Center Activities	Millage Activities	Total Enterprise Funds
Operating revenues				
Medicaid	$ 160,193,622	$ -	$ -	$ 160,193,622
State and Federal grants	8,532,865	2,215,605	-	10,748,470
County appropriations	1,650,000	-	-	1,650,000
Charges for services	303,703	3,721,785	-	4,025,488
Millage	-	-	10,705,589	10,705,589
Other	6,248,613	200,581	-	6,449,194
Total operating revenues	176,928,803	6,137,971	10,705,589	193,772,363
Operating expenses				
Mental health services:				
Administration	21,782,088	-	-	21,782,088
Managed care	23,338,496	-	-	23,338,496
Children SED	2,549,796	-	-	2,549,796
Residential services	51,686,080	-	-	51,686,080
Adult MI services	18,360,183	-	-	18,360,183
State hospitals	881,688	-	-	881,688
Developmental disabilities	16,637,255	-	-	16,637,255
Inpatient services	18,702,976	-	-	18,702,976
Direct run services administration	3,998,180	-	-	3,998,180
Autism benefits	9,637,455	-	-	9,637,455
Millage activities	-	-	10,045,856	10,045,856
Group home services	1,060,404	-	-	1,060,404
Home-based services	242,084	-	-	242,084
Health center	-	5,979,938	-	5,979,938
Access center	4,174	-	-	4,174
CMH grants	4,866,016	-	-	4,866,016
Total operating expenses	173,746,875	5,979,938	10,045,856	189,772,669
Operating income (loss)	3,181,928	158,033	659,733	3,999,694
Non-operating revenues (expenses)				
Interest income	762,344	-	-	762,344
Rental income	854,986	-	-	854,986
Non-operating income (loss)	1,617,330	-	-	1,617,330
Change in net position	4,799,258	158,033	659,733	5,617,024
Net position, beginning of year	27,337,693	3,785,649	14,795,082	45,918,424
Net position, end of year	$ 32,136,951	$ 3,943,682	$ 15,454,815	$ 51,535,448

Genesee Health System
Combining Statement of Cash Flows - Enterprise Funds
For the Year Ended September 30, 2024

	Mental Health Activities	Health Center Activities	Millage Activities	Total Enterprise Funds
Cash flows from operating activities				
Receipts from State and other local governments	$ 167,586,725	$ 2,945,207	$ (2,621)	$ 170,529,311
Receipts from customers and users	6,239,236	3,167,886	10,705,589	20,112,711
Payments to suppliers and service providers	(115,328,491)	(1,529,982)	(7,446,688)	(124,305,162)
Payments to employees for salaries and benefits	(47,152,847)	(4,667,008)	(2,678,011)	(54,497,865)
Net cash provided by (used in) operating activities	11,344,623	(83,897)	578,269	11,838,995
Cash flows from noncapital financing activities				
Transfer (to)/from other funds	911,766	93,489	(578,269)	426,986
Net cash provided by (used in) noncapital financing activities	911,766	93,489	(578,269)	426,986
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(28,390,090)	(9,592)	-	(28,399,682)
Proceeds from borrowing	21,002,594	-	-	21,002,594
Principal payments on borrowing	(3,826,770)	-	-	(3,826,770)
Net cash provided by (used in) capital and related financing activities	(11,214,266)	(9,592)	-	(11,223,858)
Cash flows from investing activities				
Interest income	762,344	-	-	762,344
Rental income	854,986	-	-	854,986
Net cash provided by (used in) investing activities	1,617,330	-	-	1,617,330
Net change in cash and cash equivalents	2,659,453	-	-	2,659,453
Cash and cash equivalents, beginning of year	25,490,482	-	-	25,490,482
Cash and cash equivalents, end of year	$ 28,149,935	$ -	$ -	$ 28,149,935
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 3,181,928	$ 158,033	$ 659,733	$ 3,999,694
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation/amortization expense	4,792,280	90,697	-	4,882,977
Accounts receivable, net	(313,080)	(754,480)	-	(1,067,560)
Due from other governmental units	(2,808,644)	994,723	(2,621)	(1,816,542)
Prepaid expenses	503,674	154,045	(2,900)	654,819
Net OPEB asset	(14,922,267)	-	-	(14,922,267)
Deferred outflow - related to pension	6,134,849	-	-	6,134,849
Deferred outflow - related to OPEB	3,925,847	-	-	3,925,847
Accounts payable	1,433,370	(425,330)	(100,841)	907,199
Accrued payroll and related liabilities	417,136	(18,337)	24,898	423,697
Due to other governmental units	8,710,474	(1,633)	-	8,708,841
Unearned revenue	18,882	(265,121)	-	(246,239)
Compensated absences	143,366	(16,494)	-	126,872
Net pension liability	(1,085,324)	-	-	(1,085,324)
Deferred inflow - related to OPEB	1,212,132	-	-	1,212,132
Net cash provided by (used in) operating activities	$ 11,344,623	$ (83,897)	$ 578,269	$ 11,838,995

Roslund Prestage & Company
Certified Public Accountants

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Members of the Board
Genesee Health System
Flint, 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 business-type activities, each major fund, and the aggregate remaining fund information of Genesee Health System (the CMHSP) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CMHSP's basic financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the CMHSP'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 CMHSP's internal control. Accordingly, we do not express an opinion on the effectiveness of the CMHSP's internal control.

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

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

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the CMHSP'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.

Sincerely,

Roslund, Prestage & Company, P.C.

Roslund, Prestage & Company, P.C.
Certified Public Accountants

March 28, 2025

Communication with Those Charged with Governance at the Conclusion of the Audit

To the Members of the Board
Genesee Health System
Flint, Michigan

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Genesee Health System (the CMHSP) for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and G*overnment Auditing Standards*, 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 during planning. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the CMHSP are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the CMHSP 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 CMHSP's financial statements were:

> Management's estimate of the payout of employee compensated absences is based on expected payout. We evaluated the key factors and assumptions used to develop the balance of compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimated lives of capital assets are based on the expected life of the asset. We evaluated the key factors and assumptions used to develop the estimated lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.
>
> Management's estimated incremental borrowing rate used to discount future lease payments under GASB 87 is based on the entity's current borrowing rate. We evaluated the key factors and assumptions used to develop the estimated intrinsic borrowing rate in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> The assumptions used in the actuarial valuations of the pension and other postemployment benefit plans are based on historical trends and industry standards. We evaluated the key factors and assumptions used to develop the information used in the financial statements 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.

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 CMHSP'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 CMHSP'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 management's discussion and analysis and the additional required supplemental information shown in the table of contents, 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 the other supplementary information shown in the table of contents which accompany the financial statements but are 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 information and use of the Board and management of the CMHSP and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Roslund, Prestage & Company, P.C.

Roslund, Prestage & Company, P.C.
Certified Public Accountants

Genesee Health System
Financial Statements
September 30, 2024