TRI-COUNTY AGING CONSORTIUM
LANSING, MICHIGAN

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

YEAR ENDED SEPTEMBER 30, 2021

Maner Costerisan

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tri-County Aging Consortium
Lansing, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tri-County Aging Consortium (the Consortium), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Tri-County Aging Consortium, as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The schedule of revenues, expenditures, and changes in fund balance - Grants Special Revenue Fund - by program, schedule of funded service categories by source, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenditures, and changes in fund balance - Grants Special Revenue Fund - by program, schedule of funded service categories by source, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2022, on our consideration of the Tri-County Aging Consortium's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tri-County Aging Consortium's internal control over financial reporting and compliance.

Maner Costerisan PC

February 25, 2022

TRI-COUNTY AGING CONSORTIUM
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial statements, titled Management's Discussion and Analysis, represents the administration's review of the Tri-County Aging Consortium's (the Consortium's) financial performance during the fiscal year ended September 30, 2021. The Management's Discussion and Analysis is intended to be read in conjunction with the Consortium's financial statements.

Generally accepted accounting principles (GAAP) require the reporting of two types of financial statements: government-wide financial statements and fund level financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the Consortium exceeded its liabilities and deferred inflows of resources at September 30, 2021, by $10,715,081 at the government-wide level. Unrestricted net position was $10,561,708 at September 30, 2021.
- The Consortium's total net position increased $1,236,738 as a result of this year's operations.
- As of September 30, 2021, the Consortium's governmental funds reported ending fund balances of $10,972,065, an increase of $1,009,324.
- As of September 30, 2021, the general fund unassigned fund balance was $451,157, or approximately 42% of total fund expenditures and other financing uses.

Overview of the Financial Statements

The Tri-County Aging Consortium's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Tri-County Aging Consortium uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Consortium operates with three funds, General, Grants Special Revenue, and Capital Projects, which are considered governmental funds.

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

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

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

The basic financial statements can be found on pages 10-15 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-31 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgeted revenues and expenditures, schedule of changes in net pension liability and related ratios, and schedule of employer contributions on pages 33-37. Other supplementary information concerning support services and expenditures of federal awards can be found on pages 39-53 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Tri-County Aging Consortium, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $10,715,081. A comparative analysis of net position as of September 30, 2021 and 2020 are presented below:

	2021	2020
Current and other assets	$ 14,355,913	$ 12,765,555
Capital assets, net	83,118	96,098
Total assets	14,439,031	12,861,653
Deferred outflows of resources	1,343,443	606,729
Current liabilities	2,746,512	2,203,842
Noncurrent liabilities	1,807,390	1,643,768
Total liabilities	4,553,902	3,847,610
Deferred inflows of resources	513,491	142,539
Net position		
Invested in capital assets	83,118	96,098
Restricted	70,255	70,255
Unrestricted	10,561,708	9,311,990
Total net position	$ 10,715,081	$ 9,478,343

Unrestricted net position (the part of net position that can be used to finance day to day operations) increased by $1,249,718. This is within our desired range.

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

	2021	2020
Program revenues		
Charges for services	$ 89,167	$ 235,627
Operating grants and contributions	34,065,065	32,609,486
General revenue		
Municipal appropriations	270,666	258,771
Interest	40,531	116,044
Total revenue	34,465,429	33,219,928
Expenses		
Health and welfare	33,228,691	31,008,510
Changes in net position	$ 1,236,738	$ 2,211,418

The increase in funding and contributions of $1,455,579 were mainly due to an increase in Capitation payments to fund the Medicaid MI Choice Waiver Program in FY2021. Also contributing to the increase in revenue was additional funding provided by the FFCRA and CARES acts.

Total expenses increased $2,220,181 or 7% from last year partially due to additional clients enrolled in the Medicaid MI Choice Waiver Program and the cost of providing services to the increased population. Additional expenses were also incurred by any programs that received additional funding to provide services to our participants.

Financial Analysis of the Government's Funds

The general fund revenue and other financing sources was less than the final budget by $58,163 and expenditures and other financing uses were less than the amounts budgeted by $159,238 for fiscal year 2021. The decrease in the fund balance for the general fund was due to additional costs for salaries, fringes, and other administrative costs.

The grants special revenue fund experienced an increase in fund balance of $1,354,525 mainly caused by an increase in clients enrolled in the Medicaid Waiver Program. In fiscal year 2021, the Medicaid Waiver Program again received additional slots from the Michigan Department of Health and Human Services (MDHHS) that allowed the increase in the number clients enrolled in this program. The total amount of slots allocated for fiscal year 2021 totaled approximately 1,040 and the actual client enrollment count as of September 30, 2021, was 827. It is important to emphasize that the Waiver is a managed care program with a full risk contract. Reimbursement is based on a capitated basis encompassing six rate cells developed by an actuarial entity. Due to these factors, revenues can exceed expenditures for the year, as well as expenditures exceeding revenues as is the nature of a managed care system. The surplus in fund balance from fiscal year 2021 will be held for future years when expenditures could exceed revenues.

The Consortium and the MDHHS are still in the process of reconciling claims for fiscal years 2020 and 2021. The Consortium is monitoring the open claims for these fiscal years to ensure that a satisfactory resolution is obtained, and management is confident that the outcome will be adequate and complete.

Capital Asset and Debt Administration

Capital Assets: The Consortium's investment in capital assets as of September 30, 2021, amounts to $83,118 (net of accumulated depreciation). During the year, the Consortium purchased equipment for $12,177 and disposed of leasehold improvements and old computer and office equipment totaling approximately $158,000. Additional details related to capital assets are presented in Note 3 to the financial statements.

Long-term Obligations: The Consortium has a long-term obligation related to compensation (e.g., unused vacation and sick leave). The long-term obligation at September 30, 2021, amounted to $237,076 for compensated absences. Additional details related to long-term obligations are presented in Note 4 to the financial statements.

Economic Factors and Next Year's Budget and Rates

Tri-County Office on Aging's (TCOA) funding is determined at the federal, state, and local levels. TCOA anticipates additional funding from both the American Rescue Plan and Consolidated Appropriations Act in FY2022. These funding streams will impact both revenue and expenditures for FY2022. Federal and state funding cuts could be made at any time and could have a significant effect on the Consortium's financial position or operations depending on the severity of the cuts.

Requests for Information

This financial report is designed to provide a general overview of the Tri-County Aging Consortium's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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

BASIC FINANCIAL STATEMENTS

TRI-COUNTY AGING CONSORTIUM
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	$ 11,701,424
Cash and cash equivalents - restricted	123,352
Investments	95,391
Accounts receivable	336,156
Due from other governmental units	1,227,540
Prepaids	69,516
Total current assets	13,553,379
Noncurrent assets	
Investments	802,534
Capital assets, net of accumulated depreciation	83,118
Total noncurrent assets	885,652
TOTAL ASSETS	14,439,031
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	1,343,443
LIABILITIES	
Current liabilities	
Accounts payable	2,467,345
Accrued payroll	153,613
Other accrued liabilities	5,582
Unearned revenue	25,142
Current portion of compensated absences	94,830
Total current liabilities	2,746,512
Noncurrent liabilities	
Net pension liability	1,665,144
Noncurrent portion of compensated absences	142,246
Total noncurrent liabilities	1,807,390
TOTAL LIABILITIES	4,553,902
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	513,491
NET POSITION	
Invested in capital assets	83,118
Restricted for permanent corpus	70,255
Unrestricted	10,561,708
TOTAL NET POSITION	$ 10,715,081

See accompanying notes to financial statements.

TRI-COUNTY AGING CONSORTIUM
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

		Program Revenues		Net (Expenses)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Revenues and Change in Net Position
Governmental activities				
Health and welfare	$ 33,228,691	$ 89,167	$ 34,065,065	$ 925,541
General revenues				
Municipal appropriations				270,666
Investment earnings				40,531
Total general revenues				311,197
Change in net position				1,236,738
Net position, beginning of year				9,478,343
Net position, end of year				$ 10,715,081

See accompanying notes to financial statements.

TRI-COUNTY AGING CONSORTIUM
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2021

	General	Grants Special Revenue	Capital Projects (Capital Campaign) (nonmajor fund)	Total
ASSETS				
Cash and cash equivalents	$ 245,023	$ 11,422,544	$ 33,857	$ 11,701,424
Cash and cash equivalents - restricted	-	-	123,352	123,352
Investments	734,334	-	163,591	897,925
Accounts receivable	25,518	310,638	-	336,156
Due from other governmental units	-	1,227,540	-	1,227,540
Prepaids	5,984	63,532	-	69,516
TOTAL ASSETS	$ 1,010,859	$ 13,024,254	$ 320,800	$ 14,355,913
LIABILITIES				
Accounts payable	$ 126,698	$ 2,340,647	$ -	$ 2,467,345
Accrued payroll	9,946	143,667	-	153,613
Other accrued liabilities	-	5,582	-	5,582
Unearned revenue	25,142	-	-	25,142
TOTAL LIABILITIES	161,786	2,489,896	-	2,651,682
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	732,166	-	732,166
FUND BALANCES				
Nonspendable				
Prepaids	5,984	63,532	-	69,516
Permanent corpus	-	-	70,255	70,255
Committed				
HCBS - Waiver	-	9,738,660	-	9,738,660
Assigned				
Capital campaign	-	-	250,545	250,545
Capital outlay	30,000	-	-	30,000
Friends of Independence	361,932	-	-	361,932
Unassigned	451,157	-	-	451,157
TOTAL FUND BALANCES	849,073	9,802,192	320,800	10,972,065
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,010,859	$ 13,024,254	$ 320,800	$ 14,355,913

See accompanying notes to financial statements.

TRI-COUNTY AGING CONSORTIUM
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Total fund balances - governmental funds		$ 10,972,065
Amounts reported for the governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
The cost of capital assets is	$ 464,859	
Accumulated depreciation is	(381,741)	
Capital assets, net		83,118
Long-term receivables are not expected to be collected within 60 days of year end and are not available to pay for current expenditures.		732,166
Governmental funds report actual pension expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability as of the measurement date. Pension contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:		
Deferred outflows of resources related to pension	1,343,443	
Deferred inflows of resources related to pension	(513,491)	
		829,952
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Compensated absences	(237,076)	
Net pension liability	(1,665,144)	
		(1,902,220)
Net position of governmental activities		$ 10,715,081

See accompanying notes to financial statements.

TRI-COUNTY AGING CONSORTIUM
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2021

	General	Grants Special Revenue	Capital Projects (Capital Campaign) (nonmajor fund)	Total
REVENUES				
Intergovernmental				
Federal	$ -	$ 2,165,497	$ -	$ 2,165,497
State	-	1,645,405	-	1,645,405
Medicaid waiver program	-	28,625,079	-	28,625,079
Municipal appropriations	270,666	-	-	270,666
Local grants	294,546	835,008	-	1,129,554
Program revenues	-	89,167	-	89,167
Interest	18,393	-	22,138	40,531
Contributions	126,244	285,730	400	412,374
TOTAL REVENUES	709,849	33,645,886	22,538	34,378,273
EXPENDITURES				
Current				
Health and welfare	701,512	32,664,910	2,527	33,368,949
EXCESS OF REVENUES OVER EXPENDITURES	8,337	980,976	20,011	1,009,324
OTHER FINANCING SOURCES (USES)				
Transfers in	-	373,549	-	373,549
Transfers out	(373,549)	-	-	(373,549)
TOTAL OTHER FINANCING SOURCES (USES)	(373,549)	373,549	-	-
NET CHANGE IN FUND BALANCE	(365,212)	1,354,525	20,011	1,009,324
Fund balance, beginning of year	1,214,285	8,447,667	300,789	9,962,741
Fund balance, end of year	$ 849,073	$ 9,802,192	$ 320,800	$ 10,972,065

See accompanying notes to financial statements.

TRI-COUNTY AGING CONSORTIUM
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

Net change in fund balances - total governmental funds		$ 1,009,324
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	$ 12,177	
Depreciation expense	(25,157)	
Excess of depreciation expense over capital outlay		(12,980)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change is unavailable revenue is:		87,156
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
(Increase) in compensated absences	(7,436)	
(Increase) in net pension liability	(205,088)	
Increase in deferred outflows of resources related to pensions	736,714	
(Increase) in deferred inflows of resources related to pensions	(370,952)	
		153,238
Change in net position of governmental activities		$ 1,236,738

See accompanying notes to financial statements.

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

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

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

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

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

The primary revenues of the Consortium are charges for services, Federal and State grants, and municipal appropriations.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements are exclusive presentations of the financial condition and results of operations of the Tri-County Aging Consortium. The Consortium is not considered to be a component unit of any other governmental unit. In addition, the Consortium's reporting entity does not contain any component units as defined by GASB.

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The statement of activities presents the direct functional expenses of the Consortium and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function.

Program revenues are associated with specific functions and include charges to recipients for goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes interest and all municipal appropriations and shows how governmental functions are either self-financing or supported by the general revenues of the Consortium.

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

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS

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

The major funds of the Consortium are:

a. General Fund - This fund is the Consortium's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.

b. Grants Special Revenue Fund - This fund reports grant program revenues and expenditures of Federal and State grant monies primarily passed through the Aging and Adult Services Agency (AASA).

Measurement Focus

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

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

Basis of Accounting

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

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

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

Basis of Accounting (continued)

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

Budgets and Budgetary Accounting

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

Cash, Cash Equivalents, and Investments

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

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

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

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

a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.

c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.

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

Cash, Cash Equivalents, and Investments (continued)

d. The United States government or Federal agency obligations repurchase agreements.

e. Bankers acceptances of United States Banks.

f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Receivables and Unearned Revenue

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

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

Unearned revenues arise when the Consortium receives resources before it has a legal claim to them. In subsequent periods, when the revenue meets both the "measurable" and "available" criteria for recognition, the liability for unearned revenue is removed from the statement of net position and balance sheet, respectively, and revenue is recognized.

Prepaids

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

Capital Assets

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

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

Leasehold improvements	15 years
Vehicles	6 years
Equipment	10 years

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

Compensated Absences

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

Unavailable Revenue

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

Deferred Outflows/Inflows of Resources

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

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

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

Fund Balance Classifications

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

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

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

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

Fund Balance Classifications (continued)

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

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

Unassigned - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies and Procedures

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

For assigned fund balance, the Tri-County Aging Consortium has not approved a policy indicating who is authorized to assign amounts to a specific purpose, therefore the authority for assigning fund balance remains with the Consortium's Board of Directors.

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

Net Pension Liability

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

Interfund Transactions

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

Comparative Data

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

NOTE 2 - DEPOSITS AND INVESTMENTS

As of September 30, 2021, the Consortium had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Consortium's deposits may not be returned to it. As of September 30, 2021, $11,527,268 of the Consortium's bank balance of $11,946,765 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits was $11,701,124.

The cash and cash equivalents balances reported in the basic financial statements include $300 in imprest cash and $123,352 in an endowment fund held by the Capital Region Community Foundation.

Custodial Credit Risk - Investments

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

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

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of September 30, 2021, rating information on the Consortium's investments is presented above.

Interest Rate Risk

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

Concentration of Credit Risk

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Foreign Currency Risk

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

Fair Value Measurements

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

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. Unobservable inputs may be used in situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period). Unobservable inputs reflect the organization's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

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

The Consortium had the following fair value measurements as of September 30, 2021:

	Fair Value Measurements					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Weighted Average Maturity	Moody's Rating
U.S. Treasury notes	$ 897,925	$ -	$ -	$ 897,925	3.54 years	AAA

NOTE 3 - CAPITAL ASSETS

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

	Balance Oct. 1, 2020	Additions	Deletions	Balance Sept. 30, 2021
Capital assets being depreciated				
Leasehold improvements	$ 142,677	$ -	$ (142,677)	$ -
Vehicles	145,078	-	-	145,078
Equipment	322,747	12,177	(15,143)	319,781
Total	610,502	12,177	(157,820)	464,859
Less accumulated depreciation for:				
Leasehold improvements	(142,677)	-	142,677	-
Vehicles	(106,629)	(9,890)	-	(116,519)
Equipment	(265,098)	(15,267)	15,143	(265,222)
Total	(514,404)	(25,157)	157,820	(381,741)
Capital assets, net	$ 96,098	$ (12,980)	$ -	$ 83,118

NOTE 4 - LONG-TERM OBLIGATIONS

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

	Balance Oct. 1, 2020	Additions	Deletions	Balance Sept. 30, 2021	Amounts Due Within One Year
Compensated absences	$ 229,640	$ 220,250	$ 212,814	$ 237,076	$ 94,830

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

Accumulated sick and vacation leave represents a liability to the Consortium, which is presented in a current and long-term portion of the liability. For this reason, the total liability is reported in the government-wide financial statements and represents a current liability of $94,830 and a long-term liability of $142,246 at September 30, 2021. Payments to employees for sick and vacation leave are recorded as expenditures when they are used, and payments are actually made to the employees.

NOTE 5 - INTERFUND TRANSFERS

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

Transfers to Grants Special Revenue Fund from:	
General Fund	$ 373,549

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

NOTE 6 - RETIREMENT PLAN

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

Summary of Significant Accounting Policies

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

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established, and amends the benefit provisions of the participants in MERS. The MERS plan covers all eligible full-time general employees at the Consortium.

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

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the Board of Directors.

NOTE 6 - RETIREMENT PLAN (continued)

Benefits Provided (continued)

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

Inactive employees or beneficiaries receiving benefits	69
Inactive employees entitled to but not yet receiving benefits	18
Active employees	96
	183

Contributions

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

For the year ended September 30, 2021, the Consortium's average contribution rate was 15% of annual payroll. Employees are not required to contribute to the plan.

Payable to the Pension Plan

At September 30, 2021, there were no amounts outstanding by the Consortium for contributions to the pension plan required for the year ended September 30, 2021.

Net Pension Liability

The Consortium's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

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

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2019	$ 10,861,034	$ 9,400,978	$ 1,460,056
Changes for the year			
Service cost	356,603	-	356,603
Interest on total pension liability	816,673	-	816,673
Difference between expected and actual experience	223,382	-	223,382
Changes in assumptions	567,411	-	567,411
Employer contributions	-	416,705	(416,705)
Employee contributions	-	25,958	(25,958)
Net investment income	-	1,335,262	(1,335,262)
Benefit payments, including employee refunds	(587,268)	(587,268)	-
Administrative expense	-	(18,944)	18,944
Net changes	1,376,801	1,171,713	205,088
Balances at December 31, 2020	$ 12,237,835	$ 10,572,691	$ 1,665,144

NOTE 6 - RETIREMENT PLAN (continued)

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

For the year ended September 30, 2021, the Consortium recognized pension expense of $465,149. The Consortium reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	$ 191,545	$ 64,067
Differences in assumptions	641,559	-
Net difference between projected and actual earnings on pension plan investments	-	449,424
Contributions subsequent to the measurement date*	510,339	-
Total	$ 1,343,443	$ 513,491

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending September 30, 2022.

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

Year Ending September 30,	Pension Expense
2022	$ 114,649
2023	193,961
2024	(21,759)
2025	32,762

Actuarial Assumptions

The total pension liability in the December 31, 2020, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary increases: 3.00% in the long-term plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 7.60%, net of investment expenses, including inflation.

NOTE 6 - RETIREMENT PLAN (continued)

Actuarial Assumptions (continued)

The valuation incorporates fully generational mortality. The base mortality tables used are constructed as noted and are based on amount weighted sex distinct rates. Pre-retirement mortality - 1. the Pub-2010 Juvenile Mortality Tables, 2. the Pub-2010 Employee Mortality Tables, and 3. the Pub-2010 Healthy Retiree Tables. Non-disabled retired plan members and beneficiaries - 1. 106% of the Pub-2010 Juvenile Mortality Tables, 2. 106% of the Pub-2010 Employee Mortality Tables, and 3. 106% of the Pub-2010 Healthy Retiree Tables. Disabled retired plan members - 1. the Pub-2010 Juvenile Mortality Tables, 2. - PubNS-2010 Disabled Retiree Tables.

The actuarial assumptions used in the valuation were based on the results of the 2014-2018 Five-Year Experience Study.

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

- Increase in merit and longevity pay assumption.

Discount Rate

The discount rate used to measure the total pension liability is 7.60%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers.

Projected Cash Flows

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 6 - RETIREMENT PLAN (continued)

Projected Cash Flows (continued)

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	Long-Term Expected Real Rate of Return	Expected Money Weighted Rate of Return
Global Equity	60.00%	5.25%	3.15%
Global Fixed Income	20.00%	1.25%	0.25%
Private Investments	20.00%	7.25%	1.45%
	100.00%		
Inflation			2.50%
Administration expenses netted above			0.25%
Investment rate of return			7.60%

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

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

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	$ 3,124,260	$ 1,655,144	$ 441,152

NOTE 7 - RISK MANAGEMENT

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

NOTE 8 - CONTINGENT LIABILITIES

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

NOTE 9 - NONCANCELLABLE OPERATING LEASE OBLIGATIONS

The Consortium has entered into a five-year, noncancelable long-term lease requiring monthly payments $18,590 through December 2022. In addition to the minimum monthly payments, the lease calls for reimbursement to the lessor of monthly operating expenses which is recomputed each year based on actual costs. Future minimum payments are as follows:

Year Ending September 30,	
2022	$ 223,080
2023	55,770
Total payments	$ 278,850

NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENTS

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

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

NOTE 11 - UNCERTAINTIES

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

REQUIRED SUPPLEMENTARY INFORMATION

TRI-COUNTY AGING CONSORTIUM
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Local grants	$ 326,958	$ 343,958	$ 294,546	$ (49,412)
Municipal appropriations				
City of Lansing	75,000	75,000	75,000	-
City of East Lansing	15,200	15,660	19,575	3,915
Ingham County	71,688	71,863	71,683	(180)
Clinton County	42,333	41,079	41,581	502
Eaton County	62,830	62,827	62,827	-
Interest	61,000	41,000	18,393	(22,607)
Contributions	131,625	116,625	126,244	9,619
TOTAL REVENUES	786,634	768,012	709,849	(58,163)
EXPENDITURES				
Current				
Health and welfare				
Salaries and wages	447,234	408,163	256,384	151,779
Fringe benefits	171,537	197,537	126,210	71,327
Operating expenditures	174,900	214,100	276,559	(62,459)
Professional services	39,750	40,750	37,760	2,990
Subcontractor expenditures	-	-	4,563	(4,563)
Travel and training	1,000	200	36	164
TOTAL EXPENDITURES	834,421	860,750	701,512	159,238
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(47,787)	(92,738)	8,337	101,075
OTHER FINANCING SOURCES (USES)				
Transfers in	15,200	-	-	-
Transfers out	(573,928)	(587,052)	(373,549)	213,503
TOTAL OTHER FINANCING SOURCES (USES)	(558,728)	(587,052)	(373,549)	213,503
NET CHANGE IN FUND BALANCE	(606,515)	(679,790)	(365,212)	314,578
Fund balance, beginning of year	1,214,285	1,214,285	1,214,285	-
Fund balance, end of year	$ 607,770	$ 534,495	$ 849,073	$ 314,578

TRI-COUNTY AGING CONSORTIUM
GRANTS SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental				
Federal	$ 1,989,484	$ 2,503,268	$ 2,165,497	$ (337,771)
State	1,565,163	1,724,182	1,645,405	(78,777)
Medicaid waiver program	23,552,704	28,537,000	28,625,079	88,079
Local grants	2,331,281	1,178,371	835,008	(343,363)
Charges for services	275,000	81,000	89,167	8,167
Contributions	213,000	190,000	285,730	95,730
TOTAL REVENUES	29,926,632	34,213,821	33,645,886	(567,935)
EXPENDITURES				
Current				
Health and welfare				
Salaries and wages	3,859,815	3,815,717	3,914,028	(98,311)
Fringe benefits	1,492,554	1,477,500	1,632,628	(155,128)
Operating expenditures	2,511,187	2,806,453	2,388,736	417,717
Professional services	128,183	107,149	131,721	(24,572)
Subcontractor expenditures	22,521,760	24,842,021	24,556,679	285,342
Travel and training	95,690	23,040	41,118	(18,078)
TOTAL EXPENDITURES	30,609,189	33,071,880	32,664,910	406,970
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(682,557)	1,141,941	980,976	(160,965)
OTHER FINANCING SOURCES				
Transfers in	642,601	587,052	373,549	(213,503)
NET CHANGE IN FUND BALANCE	(39,956)	1,728,993	1,354,525	(374,468)
Fund balance, beginning of year	8,447,667	8,447,667	8,447,667	-
Fund balance, end of year	$ 8,407,711	$ 10,176,660	$ 9,802,192	$ (374,468)

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

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

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

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

TRI-COUNTY AGING CONSORTIUM
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 - EMPLOYEE RETIREMENT PLAN

Changes of benefits terms: There were no changes of benefit terms during plan year 2020.

Changes in assumptions: Increases in merit and longevity pay assumptions.

OTHER SUPPLEMENTARY INFORMATION

TRI-COUNTY AGING CONSORTIUM
GRANTS SPECIAL REVENUE FUND - BY PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2021

	Title III Administrative	Title III B Services	Title III C1 Nutrition	Title III C2 State Home Delivered Meals
REVENUES				
Intergovernmental				
Federal	$ 168,127	$ 236,680	$ 392,770	$ 772,687
State	28,061	-	9,365	467,113
Medicaid waiver program	-	-	-	-
Local grants	-	-	-	69,589
Program revenues	-	-	12,667	59,306
Contributions	-	-	-	276,565
TOTAL REVENUES	196,188	236,680	414,802	1,645,260
EXPENDITURES				
Current				
Health and welfare				
Salaries and wages	126,306	72,549	107,619	506,543
Fringe benefits	54,803	32,079	51,347	217,213
Operating expenditures	15,079	2,020	291,151	1,234,661
Professional services	-	66	5,272	31,413
Subcontractor expenditures	-	111,231	-	-
Travel and training	-	67	1,453	26,302
TOTAL EXPENDITURES	196,188	218,012	456,842	2,016,132
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	18,668	(42,040)	(370,872)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	30,000	332,810
Transfers out	-	(18,668)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(18,668)	30,000	332,810
NET CHANGE IN FUND BALANCE	-	-	(12,040)	(38,062)
Fund balance, beginning of year	-	-	(124,857)	(171,722)
Fund balance, end of year	$ -	$ -	$ (136,897)	$ (209,784)

Title III C2 Supplemental Nutrition	Title III D Services	Crisis Management	HCBS Waiver	Alternative Care	Care Management
$ -	$ 30,773	$ -	$ -	$ -	$ -
-	-	-	-	138,036	215,913
-	-	-	28,625,079	-	-
120,829	-	-	2,444	-	-
-	-	-	-	-	-
-	-	9,165	-	-	-
120,829	30,773	9,165	28,627,523	138,036	215,913
25,608	-	-	2,492,824	-	121,610
12,288	-	-	1,023,230	-	47,378
67,255	-	-	366,325	-	30,812
-	-	-	81,737	-	6,951
-	30,773	59,691	23,245,998	138,036	25,606
-	-	-	2,347	-	586
105,151	30,773	59,691	27,212,461	138,036	232,943
15,678	-	(50,526)	1,415,062	-	(17,030)
-	-	50,526	-	-	17,030
(15,722)	-	-	(17,198)	-	-
(15,722)	-	50,526	(17,198)	-	17,030
(44)	-	-	1,397,864	-	-
207,547	-	-	8,427,285	-	-
$ 207,503	$ -	$ -	$ 9,825,149	$ -	$ -

TRI-COUNTY AGING CONSORTIUM
GRANTS SPECIAL REVENUE FUND - BY PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Respite	Medicare/ Medicaid Assistance	Title III E Services	State In-Home Care
REVENUES				
Intergovernmental				
Federal	$ -	$ 92,905	$ 131,198	$ -
State	15,952	-	-	498,375
Medicaid waiver program	-	-	-	-
Local grants	-	-	-	-
Program revenues	-	-	-	-
Contributions	-	-	-	-
TOTAL REVENUES	15,952	92,905	131,198	498,375
EXPENDITURES				
Current				
Health and welfare				
Salaries and wages	-	37,083	73,709	-
Fringe benefits	-	9,598	39,377	-
Operating expenditures	-	38,176	936	-
Professional services	-	1,204	98	-
Subcontractor expenditures	15,952	-	3,550	468,375
Travel and training	-	37	1,987	-
TOTAL EXPENDITURES	15,952	86,098	119,657	468,375
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	6,807	11,541	30,000
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(11,541)	(30,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(11,541)	(30,000)
NET CHANGE IN FUND BALANCE	-	6,807	-	-
Fund balance, beginning of year	-	109,414	-	-
Fund balance, end of year	$ -	$ 116,221	$ -	$ -

State Access Services	Title VII A Services	Title VII Elder Abuse	Evidence Based Programs	Merit Award Respite	Aging Network Services
$ -	$ 7,660	$ 6,343	$ 31,113	$ -	$ -
27,953	-	-	39,294	45,246	43,590
-	-	-	-	-	-
-	-	-	1,894	-	-
-	-	-	15,620	1,574	-
-	-	-	-	-	-
27,953	7,660	6,343	87,921	46,820	43,590
14,577	-	-	67,472	-	28,776
12,446	-	-	19,133	-	14,221
248	-	-	45,642	4,072	503
19	-	-	2,092	-	58
-	7,660	6,343	-	42,748	-
663	-	-	-	-	32
27,953	7,660	6,343	134,339	46,820	43,590
-	-	-	(46,418)	-	-
-	-	-	46,418	-	-
-	-	-	-	-	-
-	-	-	46,418	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -

TRI-COUNTY AGING CONSORTIUM
GRANTS SPECIAL REVENUE FUND - BY PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Information Referral FFI	State Caregiver Support	CARES Title III B	CARES Title III E
REVENUES				
Intergovernmental				
Federal	$ -	$ -	$ 153,332	$ 94,338
State	-	15,851	-	-
Medicaid waiver program	-	-	-	-
Local grants	-	-	-	-
Program revenues	-	-	-	-
Contributions	-	-	-	-
TOTAL REVENUES	-	15,851	153,332	94,338
EXPENDITURES				
Current				
Health and welfare				
Salaries and wages	9,501	-	-	27,556
Fringe benefits	4,459	-	-	15,801
Operating expenditures	151	-	-	361
Professional services	18	-	-	62
Subcontractor expenditures	-	15,851	144,097	34,796
Travel and training	-	-	-	762
TOTAL EXPENDITURES	14,129	15,851	144,097	79,338
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,129)	-	9,235	15,000
OTHER FINANCING SOURCES (USES)				
Transfers in	14,129	-	-	-
Transfers out	-	-	(9,235)	(15,000)
TOTAL OTHER FINANCING SOURCES (USES)	14,129	-	(9,235)	(15,000)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

Direct Care Worker	CARES Title VII	Elder Senior Millage	Supplemental Nutrition Title III	Eliminations	Total
$ -	$ 2,799	$ -	$ 44,772	$ -	$ 2,165,497
100,656	-	-	-	-	1,645,405
-	-	-	-	-	28,625,079
-	-	640,252	-	-	835,008
-	-	-	-	-	89,167
-	-	-	-	-	285,730
100,656	2,799	640,252	44,772	-	33,645,886
-	-	202,295	-	-	3,914,028
-	-	79,255	-	-	1,632,628
-	-	246,572	44,772	-	2,388,736
-	-	2,731	-	-	131,721
100,656	2,799	102,517	-	-	24,556,679
-	-	6,882	-	-	41,118
100,656	2,799	640,252	44,772	-	32,664,910
-	-	-	-	-	980,976
-	-	-	-	(117,364)	373,549
-	-	-	-	117,364	-
-	-	-	-	-	373,549
-	-	-	-	-	1,354,525
-	-	-	-	-	8,447,667
$ -	$ -	$ -	$ -	$ -	$ 9,802,192

TRI-COUNTY AGING CONSORTIUM
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE
YEAR ENDED SEPTEMBER 30, 2021

	Part B	Part C1	Part C2	Part D
Care Management	$ -	$ -	$ -	$ -
Personal Care	12,678	-	-	-
Homemaker	10,042	-	-	-
Home Delivered Meals	-	-	505,365	-
In Home Respite	-	-	-	-
Case Coordination and Support	5,549	-	-	-
Congregate Meals	-	325,939	-	-
Kinship Respite Care	-	-	-	-
Transportation	12,572	-	-	-
Legal Assistance	14,575	-	-	-
Information and Assistance	43,772	-	-	-
Adult Day Care	-	-	-	-
Elder Abuse Prevention	-	-	-	-
Friendly Reassurance	11,622	-	-	-
Volunteer Respite Care	-	-	-	-
Outreach	-	-	-	-
Caregiver Information and Assistance	-	-	-	-
Caregiver Outreach	-	-	-	-
Caregiver Training	9,313	-	-	-
Disease Prevention/Health	11,541	-	-	30,773
Program Development	82,022	-	-	-
Crisis Services for the Elderly (RSD)	7,127	-	-	-
Ombudsman	5,970	-	-	-
Options Counseling	9,897	-	-	-
Administration (AAA)	46,547	61,470	32,882	-
	$ 283,227	$ 387,409	$ 538,247	$ 30,773

Part E	Part EAP	Part VII A	NSIP	State Access	State In-Home
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	468,375
-	-	-	-	-	-
-	-	-	267,322	-	-
2,164	-	-	-	-	-
-	-	-	-	-	-
-	-	-	66,831	-	-
1,386	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,343	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	27,953	-
43,222	-	-	-	-	-
41,427	-	-	-	-	-
-	-	-	-	-	-
11,541	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	30,000
-	-	7,660	-	-	-
31,458	-	-	-	-	-
22,137	-	-	-	-	-
$ 153,335	$ 6,343	$ 7,660	$ 334,153	$ 27,953	$ 498,375

TRI-COUNTY AGING CONSORTIUM
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
YEAR ENDED SEPTEMBER 30, 2021

	State Congregate Meals	State Home Delivered Meals	State NHO	State Alt Care
Care Management	$ -	$ -	$ -	$ -
Personal Care	-	-	-	-
Homemaker	-	-	-	109,873
Home Delivered Meals	-	467,113	-	-
In Home Respite	-	-	-	-
Case Coordination and Support	-	-	-	-
Congregate Meals	9,365	-	-	-
Kinship Respite Care	-	-	-	-
Transportation	-	-	-	-
Legal Assistance	-	-	-	-
Information and Assistance	-	-	-	-
Adult Day Care	-	-	-	-
Elder Abuse Prevention	-	-	-	-
Friendly Reassurance	-	-	-	-
Volunteer Respite Care	-	-	-	-
Outreach	-	-	-	-
Caregiver Information and Assistance	-	-	-	-
Caregiver Outreach	-	-	-	-
Caregiver Training	-	-	-	-
Disease Prevention/Health	-	-	-	-
Program Development	-	-	-	-
Crisis Services for the Elderly (RSD)	-	-	-	-
Ombudsman	-	-	18,678	-
Options Counseling	-	-	-	-
Administration (AAA)	-	22,717	-	5,344
	$ 9,365	$ 489,830	$ 18,678	$ 115,217

State MSO	State Care Management	State Merit Award	State Caregiver Support	State Respite Care	State ANS
$ -	$ 215,913	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	13,267	15,851	15,556	-
-	-	-	-	-	16,120
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	27,470
-	-	27,908	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	396	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,485	-	-	-	-	-
-	-	-	-	-	-
-	-	4,072	-	-	-
$ 9,485	$ 215,913	$ 45,247	$ 15,851	$ 15,952	$ 43,590

TRI-COUNTY AGING CONSORTIUM
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Program Income	Cash Match	In-kind Match	Total
Care Management	$ -	$ 23,991	$ -	$ 239,904
Personal Care	-	-	53,451	534,504
Homemaker	-	-	13,325	133,240
Home Delivered Meals	59,306	-	168,841	1,467,947
In Home Respite	1,101	-	5,327	53,266
Case Coordination and Support	-	-	2,408	24,077
Congregate Meals	12,667	-	42,000	456,802
Kinship Respite Care	-	-	649	2,035
Transportation	-	-	3,020	15,592
Legal Assistance	-	8,481	-	23,056
Information and Assistance	-	-	14,164	85,406
Adult Day Care	473	-	3,937	32,318
Elder Abuse Prevention	-	1,125	-	7,468
Friendly Reassurance	-	-	1,304	12,926
Volunteer Respite Care	-	-	262	658
Outreach	-	-	3,106	31,059
Caregiver Information and Assistance	-	-	4,802	48,024
Caregiver Outreach	-	-	4,603	46,030
Caregiver Training	-	-	1,035	10,348
Disease Prevention/Health		-	5,985	59,840
Program Development	-	-	9,114	91,136
Crisis Services for the Elderly (RSD)	-	-	4,149	41,276
Ombudsman	-	5,392	3,130	50,315
Options Counseling	-	-	4,595	45,950
Administration (AAA)	-	-	-	195,169
	$ 73,547	$ 38,989	$ 349,207	$ 3,708,346

TRI-COUNTY AGING CONSORTIUM
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE (continued)
YEAR ENDED SEPTEMBER 30, 2021

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

	(SSC3) Title III-B	(FCC3) Title III-E	(OMC3) Title VII	CARES Act Total
Homemaker	$ 24,373	$ -	$ -	$ 24,373
Options Counseling	-	2,523	-	2,523
Personal Care	20,175	-	-	20,175
Disease Prevention/Health Promotion	5,836	15,000	-	20,836
Elder Abuse Prevention	-	-	2,799	2,799
Friendly Reassurance	20,229	-	-	20,229
Gap Filing/Special Needs (RSD)	3,398	-	-	3,398
Information & Assistance	48,375	-	-	48,375
Legal Assistance	7,825	-	-	7,825
Ombudsman	7,408	-	-	7,408
Transportation	15,713	-	-	15,713
In Home Respite Care	-	34,659	-	34,659
Kinship Respite Care	-	137	-	137
Caregiver Information and Assistance	-	10,371	-	10,371
Caregiver Outreach	-	31,648	-	31,648
TOTAL EXPENDITURES	$ 153,332	$ 94,338	$ 2,799	$ 250,469

TRI-COUNTY AGING CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
Passed through Michigan Department of Health and Human Services			
COVID-19 Coronavirus Relief Fund	21.019		
Personal Care/Essential Care		SLT0040	$ 9,894
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Michigan Aging and Adult Services Agency			
Title VII Elder Abuse Prevention	93.041	20213444	6,343
Title VIIA Services - LTC Ombudsman	93.042		
Regular		20213444	7,660
COVID-19 Regular - CARES		20213444	2,799
			10,459
Special Programs for the Aging, Title III, Part D			
Disease Prevention and Health Promotion Services	93.043	20213444	30,773
Aging Cluster [(a)(b)]			
Special Programs for the Aging, Title III, Part B			
Grants for Supportive Services and Senior Centers	93.044		
Regular		20213444	236,680
COVID-19 Regular - CARES		20213444	153,332
Administration		20213444	46,547
			436,559
Special Programs for the Aging, Title III, Part C			
Nutrition Services	93.045		
Administration		20213444	94,352
Supplemental Nutrition Funding - Administrative		20213444	5,091
Supplemental Nutrition Funding - Services		20213444	44,772
Congregate Meals		20213444	325,939
Home Delivered Meals		20213444	505,365
			975,519
Nutrition Services Incentive Program	93.053		
Home Delivered Meals		20213444	267,322
Congregate Meals		20213444	66,831
			334,153
Total Aging Cluster			1,746,231

TRI-COUNTY AGING CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
YEAR ENDED SEPTEMBER 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)			
Passed through Michigan Aging and Adult Services Agency (continued)			
National Caregiver Support, Title III, Part E	93.052		
Regular		20213444	$ 131,198
COVID-19 Regular - CARES		20213444	94,338
Administration		20213444	22,137
			247,673
Total passed through Michigan Office of Services to the Aging			2,041,479
Passed through MMAP, Inc.			
Special Programs for the Aging, Title IV and Title II Discretionary Projects	93.048		
Senior Medicare Patrol		90MPPG0039	8,926
Boxes, Bags and Buddies		90INNU0028	17,383
No Wrong Door		N/A	3,836
			30,145
Medicare Enrollment Assistance Programs	93.071		
Medicare Improvements for Patients and Providers Act		2001MIMISH	13,800
Michigan Medicare/Medicaid Assistance Program		2001MIMIDR	32,226
			46,026
State Health Insurance Assistance	93.324		
Centers for Medicare and Medicaid Services		90SAPG0090-00-00	37,953
Total passed through MMAP, Inc.			114,124
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			2,155,603
TOTAL FEDERAL AWARD EXPENDITURES			$ 2,165,497

TRI-COUNTY AGING CONSORTIUM
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Tri-County Aging Consortium (the Consortium) under programs of the federal government for the year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Consortium, it is not intended to and does not present the financial position or changes in net position of the Tri-County Aging Consortium.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The Tri-County Aging Consortium has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - SUBRECIPIENTS

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

NOTE 4 - SUMMARY OF SIGNIFICANT EXPLANATIONS OF SCHEDULE

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

(a) Denotes programs tested as "major programs".

(b) Denotes programs required to be clustered by United States Department of Health and Human Services.

NOTE 5 (UNAUDITED) - DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE)

During the year ended September 30, 2021, the Consortium received PPE from State of Michigan Aging and Adult Services Agency with a fair value of approximately $98,762.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Tri-County Aging Consortium
Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tri-County Aging Consortium (the Consortium), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements and have issued our report thereon dated February 25, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Maner Costerisan PC

February 25, 2022

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

Board of Directors
Tri-County Aging Consortium
Lansing, Michigan

Report on Compliance for Each Major Federal Program

We have audited the Tri-County Aging Consortium's (the Consortium) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the Consortium's major federal programs for the year ended September 30, 2021. The Consortium's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Consortium's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Consortium's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Tri-County Aging Consortium complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Maner Costerisan PC

February 25, 2022

TRI-COUNTY AGING CONSORTIUM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:	*Unmodified*
Internal control over financial reporting:	
➢ Material weakness(es) identified?	____ Yes __X__ No
➢ Significant deficiency(ies) identified?	____ Yes __X__ None reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Internal control over major programs:	
➢ Material weakness(es) identified?	____ Yes __X__ No
➢ Significant deficiency(ies) identified?	____ Yes __X__ None reported
Type of auditor's report issued on compliance for major programs:	*Unmodified*
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes __X__ No

Identification of major programs:

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

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	__X__ Yes ____ No

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

TRI-COUNTY AGING CONSORTIUM
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2021

FINDINGS/COMPLIANCE

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

No prior audit findings noted.

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

2020-001 UNFAVORABLE BUDGET VARIANCES (originally reported in fiscal year ended September 30, 2020)

Condition: During our review of the Consortium's compliance with the budgeting act, we noted that the expenditures exceeded the amounts appropriated as noted in the required supplementary information.

Resolution: This issue was not noted during the current audit and therefore we consider this issue to be resolved.

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

No prior audit findings noted.