



## BOARD OF DIRECTORS REGULAR MEETING

Thursday, March 20, 2025 at 5:00 pm  
Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

### AGENDA

Page

1. CALL TO ORDER & ROLL CALL
2. PUBLIC INPUT (3 Minute Maximum Per Person)
3. RETIREMENT RESOLUTION FOR ELLEN LESNIAK
  - 5 3.1 Res# 2503001: Approve the resolution recognizing Ellen Lesniak for over 25 years of dedicated service and commitment – *See separate resolution on page 5*
4. COMMUNICATIONS
  - 6 4.1 Correspondence from Bay County Board of Commissioners re: 2025 BABH Board Member Appointments – *See page 6*
5. REGULAR BOARD MEETING, 02/20/2025 – Distributed
  - 5.1 Motion on minutes as distributed
6. NOMINATION COMMITTEE, 03/06/2025 – Distributed – McFarland, Ch/Crete, V Ch  
There were no motions forwarded to the full Board
  - 6.1 Motion on minutes as distributed
7. FACILITIES & SAFETY COMMITTEE, 03/06/2025 – Distributed – Crete, Ch/Girard, V Ch  
There were no motions forwarded to the full Board
  - 7.1 Motion on minutes as distributed
8. RECIPIENT RIGHTS (RR) ADVISORY & APPEALS COMMITTEE, 03/10/2025 – Distributed – McFarland, Ch/Mrozinski, V Ch
  - 7 8.1 Consideration of a motion to receive the annual Recipient Rights training information – *See page 7*
  - 8.2 Motion on minutes as distributed



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- 9. FINANCE COMMITTEE, 03/12/2025 – Distributed – Banaszak, Ch/ Mrozinski, V Ch
  - 8-9 9.1 Motion to accept investment earnings balances for period ending February 28, 2025 – *See pages 8-9*
  - 4, 10 9.2 Res# 2503002: Approve the Finance March 2025 contract list – *See page 4 resolution sheet & page 10*
  - 4, 11-12 9.3 Res# 2503003: Approve utilizing the VEBA trust assets for calendar year 2025 retiree health benefit costs – *See page 4 resolution sheet & pages 11-12*
  - 9.4 Motion on minutes as distributed
- 10. PROGRAM COMMITTEE, 03/13/2025 – Distributed – Girard, Ch/Mrozinski, V Ch
  - 4, 13-16 10.1 Res# 2503004: Approve the policies ending 30-day review – *See page 4 resolution sheet & pages 13-16*
  - 4, 17-18 10.2 Res# 2503005: Approve the policies beginning 30-day review – *See page 4 resolution sheet & pages 17-18*
  - 10.3 Motion on minutes as distributed
- 11. AUDIT COMMITTEE, 03/17/2025 – Distributed – McFarland, Ch/ Pawlak, V Ch
  - 4, 19-25 11.1 Res# 2503006: Accept financial statements – *See page 4 resolution sheet & pages 19-25*
  - 4, 26-29 11.2 Res# 2503007: Accept electronic fund transfers – *See page 4 resolution sheet & pages 26-29*
  - 4, 30 11.3 Res# 2503008: Approve disbursement & health care claims payments – *See page 4 resolution sheet & page 30*
  - 11.4 Motion on minutes as distributed
- 12. REPORT FROM ADMINISTRATION
  - 31-46 12.1 Federal & State Health Policy Update – *See pages 31-46*
  - 47-49 12.2 Bay & Arenac County Updates – *See pages 47-49*
  - 12.3 Earned Sick Time Act (ESTA) Update
- 13. UNFINISHED BUSINESS
  - 13.1 None



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#### 14. NEW BUSINESS

##### 14.1 Financial Statement Audit for Fiscal Year (FY) 2024

50-90 Consideration of a motion to adopt the financial statement audit report for FY ending September 30, 2024 – *See pages 50-90*

##### 14.2 Holiday Schedule

BABH Offices will be closed on Friday, April 18, 2025 in observation of Good Friday

#### 15. ADJOURNMENT



## BOARD OF DIRECTORS REGULAR MEETING

Thursday, March 20, 2025 at 5:00 pm  
Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

### RESOLUTIONS

#### Retirement Resolution, March 20, 2025

Res# 2503001: See separate resolution recognizing Ellen Lesniak on page 5.

#### Finance Committee, March 12, 2025

Res# 2503002: Resolved by Bay Arenac Behavioral Health to approve the Finance March 2025 contract list.

Res# 2503003: Resolved by Bay Arenac Behavioral Health to approve utilizing the Voluntary Employees Beneficiary Association (VEBA) trust asset funds for calendar year 2025 retiree health benefit costs.

#### Program Committee, March 13, 2025

Res# 2503004: Resolved by Bay Arenac Behavioral Health to approve the following policies to end 30-day review:

- a) Cultural Competence & Limited English Proficiency, 07-03-05
- b) Targeted Case Management/Support Coordination, 04-05-03 (deletion)

Res# 2503005: Resolved by Bay Arenac Behavioral Health to approve the policy, Medical Procedures & Treatment Completed by BABHA Staff, 04-09-23, to begin 30-day review.

#### Audit Committee, March 17, 2025

Res# 2503006: Resolved by Bay Arenac Behavioral Health to approve the Financial Statements for period ending February 28, 2025.

Res# 2503007: Resolved by Bay Arenac Behavioral Health to approve the electronic fund transfer (EFTs) for period ending February 28, 2025.

Res# 2503008: Resolved by Bay Arenac Behavioral Health to approve the disbursements and health care payments from February 15, 2025 through March 14, 2025.





BEHAVIORAL HEALTH  
**RESOLUTION #25-03-001**

Board of Directors  
Regular Meeting of March 20, 2025

- WHEREAS, Ellen Lesniak was employed with Bay-Arenac Behavioral Health Authority's Managed Care Organization as a Finance Manager on December 14, 1998. Ellen Lesniak has served in this role and also as a Senior Financial Analyst until her retirement on September 9, 2024 after over 25 years of dedicated service; and
- WHEREAS, the Board appreciates the expertise, dedication, and competence that Ellen Lesniak demonstrated to the agency as evidenced by her pivotal roles in ensuring accurate and timely state reporting, implementation of the organization's first electronic health record and claims processing systems, and in mentoring her staff by providing them the necessary tools and knowledge base to be most successful in their positions. Ellen was essential in ensuring compliance with timely and accurate claims processing, accounts receivables, and provider contract compliance for Bay-Arenac Behavioral Health Authority, including playing a significant role in the Provider Risk Assessment tool and obtaining Medicare incentive payments.
- WHEREAS, the Board acknowledges Ellen Lesniak's unwavering commitment to the organization through her positive attitude, honesty, reliability, and most of all her willingness to go above and beyond without hesitation. Ellen has demonstrated exemplary expertise in financial reporting, service delivery, and medical billing requirements over the years and is highly respected by her peers and management of the organization. Ellen has been a leader in the Finance Department for several years and has enhanced processes and compliance that further supports the mission of Bay-Arenac Behavioral Health Authority
- THEREFORE, BE IT RESOLVED that the Board of Directors of Bay-Arenac Behavioral Health Authority hereby presents this certificate in recognition of Ellen Lesniak for over 25 years of dedicated service and commitment.

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Richard Byrne, Chair

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Chris Girard, Secretary

Behavioral Health Center, 201 Mulholland, Bay City, MI 48708



## BAY COUNTY BOARD OF COMMISSIONERS

515 Center Avenue, Suite 405, Bay City, MI 48708-5125

Tel: (989) 895-4136 | Fax: (989) 895-4226

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**TIM BANASZAK**  
CHAIRMAN  
2<sup>ND</sup> DISTRICT

Chris Pinter  
Chief Executive Officer  
Bay-Arenac Behavioral Health Authority  
201 Mulholland  
Bay City, MI 48708

**VAUGHN J. BEGICK**  
VICE CHAIRMAN  
3<sup>RD</sup> DISTRICT

Dear Mr. Pinter,

**CHRISTOPHER T. RUPP**  
SERGEANT AT ARMS  
5<sup>TH</sup> DISTRICT

On Tuesday, March 18, 2025, the Bay County Board of Commissioners considered applications for three (3) available positions on the Bay-Arenac Behavioral Health Authority. Each appointment carries a three-year term, beginning April 1, 2025, and ending March 31, 2028.

**KATHY NIEMIEC**  
1<sup>ST</sup> DISTRICT

A total of six (6) applications were submitted. Following nominations and recorded votes, the Board appointed the following individuals:

- **Robert J. Pawlak**
- **Richard Byrne**
- **Shelley King**

**LARRY BESON**  
4<sup>TH</sup> DISTRICT

Additionally, **Christopher Girard** was appointed to complete an unexpired term ending March 31, 2026.

**JESSE DOCKETT**  
6<sup>TH</sup> DISTRICT

Should additional information be required, please do not hesitate to contact our office at your convenience.

**JEROME CRETE**  
7<sup>TH</sup> DISTRICT

Sincerely,

Lindsey Arsenault  
Board Coordinator

**ALEX POIRIER**  
BOARD ADVISOR  
Poiriera@baycountymi.gov

**LINDSEY ARSENAULT**  
BOARD COORDINATOR  
Arsenaultl@baycountymi.gov

## 2025 Annual Recipient Rights Training

It is that time of year again for the annual Recipient Rights Training. The training is on-line only this year and is required for all Board and Recipient Rights Advisory & Appeals Committee members. The training consists of three courses in Relias: Part I, Part II and Part III. All three training modules will need to be completed no later than March 31, 2025. All Board and Committee members should have received an email containing the link to Relias and sign-on information. If you have trouble accessing the training or have questions contact Sara McRae at [smcrae@babha.org](mailto:smcrae@babha.org) or 989-895-2348.

**Bay-Arenac Behavioral Health Authority**  
**Estimated Cash and Investment Balances February 28, 2025**

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Balance February 1, 2025	6,245,818.15
Balance February 28, 2025	5,661,971.85
Average Daily Balance	4,952,284.48
Estimated Actual/Accrued Interest February 2025	13,169.07
Effective Rate of Interest Earning February 2025	3.19%
Estimated Actual/Accrued Interest Fiscal Year to Date	86,013.48
Effective Rate of Interest Earning Fiscal Year to Date	3.52%

Note: The Cash and Investment Balances exclude Payroll and AP related Cash Accounts.

Cash Available - Operating Fund

	Rate	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Beg. Balance Operating Funds - Cash,													
Cash equivalents, Investments		3,167,316	6,109,840	6,146,590	5,488,296	1,050,935	4,168,174	6,681,815	5,888,358	5,308,678	8,600,946	7,785,099	5,777,598
Cash in		19,658,739	13,131,069	13,733,115	3,521,802	21,031,319	18,649,095	11,484,363	12,579,941	20,255,107	13,201,840	11,895,758	12,023,619
Cash out		(16,716,214)	(13,094,320)	(14,391,408)	(7,959,163)	(17,914,080)	(16,135,454)	(12,277,820)	(13,159,621)	(16,962,838)	(14,017,688)	(13,903,259)	(12,608,956)
Ending Balance Operating Fund		6,109,840	6,146,590	5,488,296	1,050,935	4,168,174	6,681,815	5,888,358	5,308,678	8,600,946	7,785,099	5,777,598	5,192,261
Investments													
Money Markets		6,109,840	6,146,590	5,488,296	1,050,935	4,168,174	6,681,815	5,888,358	5,308,678	8,600,946	7,785,099	5,777,598	5,192,261
90.00													
180.00													
180.00													
270.00													
270.00													
Total Operating Cash, Cash equivalents, Invested		6,109,840	6,146,590	5,488,296	1,050,935	4,168,174	6,681,815	5,888,358	5,308,678	8,600,946	7,785,099	5,777,598	5,192,261
Average Rate of Return General Funds		4.08%	4.08%	4.08%	4.08%	4.08%	4.08%	4.05%	3.70%	3.61%	3.57%	3.50%	3.48%
		4.24%	4.08%	4.05%	4.08%	4.05%	4.08%	3.72%	3.70%	3.52%	3.48%	3.30%	3.38%
Average		6,050,472	6,064,203	5,992,215	5,443,183	5,315,682	5,439,876	5,477,250	5,308,678	6,954,812	7,231,574	6,868,080	6,532,916

Cash Available - Other Restricted Funds

	Rate	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Beg. Balance-Other Restricted Funds -													
Cash, Cash equivalents, Investments		448,169	450,072	451,922	453,841	455,706	457,642	459,585	461,413	463,216	464,891	466,575	468,220
Cash in		1,903	1,850	1,919	1,865	1,935	1,943	1,828	1,803	1,675	1,684	1,645	1,491
Cash out													
Ending Balance Other Restricted Funds		450,072	451,922	453,841	455,706	457,642	459,585	461,413	463,216	464,891	466,575	468,220	469,711
Investments													
Money Market		450,072	451,922	453,841	455,706	457,642	459,585	461,413	463,216	464,891	466,575	468,220	469,711
91.00	0.70%												
91.00	1.10%												
91.00	1.15%												
91.00	1.35%												
90.00	1.70%												
91.00	2.05%												
90.00	2.15%	-	-	-	-	-	-	-	-	-	-	-	-
365.00	80.00%												
Total Other Restricted Funds		450,072	451,922	453,841	455,706	457,642	459,585	461,413	463,216	464,891	466,575	468,220	469,711
Average Rate of Return Other Restricted Funds		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.99%	4.84%	4.84%	4.84%	4.84%	4.84%
		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%
Average		445,432	446,359	447,294	448,229	449,170	450,117	451,058	463,216	464,054	464,894	465,725	466,523
Total - Bal excludes payroll related cash accounts		6,559,912	6,598,512	5,942,137	1,506,641	4,625,816	7,141,400	6,349,771	5,771,894	9,065,837	8,251,674	6,245,818	5,661,972
Total Average Rate of Return		4.20%	4.19%	4.19%	4.18%	4.19%	4.19%	4.17%	3.84%	3.71%	3.63%	3.58%	3.52%

**Bay-Arenac Behavioral Health  
Finance Council Board Meeting  
Summary of Proposed Contracts  
March 12, 2025**

			Old Rate	New Rate	Term	Out Clause?	Performance Issues? (Y/N) Risk Assessment Rating (Poor/Fair/Good/Excellent)
<b>SECTION I. SERVICES PROVIDED BY OUTSIDE AGENCIES</b>							
<b>Clinical Services</b>							
1	M	<b>Saginaw Psychological Services</b> DBT Training Reimbursement for 3 Clinicians; 1 at 3 separate trainings occurring	\$0	\$5,823	1/27/25 - 9/30/25	Y	N
2	M	<b>Hickory Hollow (Flint, MI)</b> CLS for BABHA indiv. in need of 1:1 staffing for up to 16 hours per day	\$7.81/unit	\$12.06/unit	2/24/25 - 9/30/25	Y	N
3	M	<b>Flatrock Manor, Inc. (Flint, MI)</b> Addition of targeted case management services to the CLS contract	\$0	\$77.25/unit	10/11/24 - 9/30/25	Y	N
4	T	<b>Beacon at Sandhurst (Lansing, MI)</b> Contract termination due to the location closing.	\$672/day	\$0	Closing eff. 3/14/25	Y	N
5	M	<b>Flatrock Manor, Inc. - Burton East (Burton, MI)</b> Number of BABHA persons served at this location has been decreased to 1	\$542.39/day	Same	2/28/25 - 9/30/25	Y	N
6	T	<b>Serenity House Residential Care Services (Grosse Pointe, MI)</b> Termination of the Contract for Residential Type A services	\$530/day	\$0	Terminated eff. 5/5/25	Y	N
7	M	<b>ABA Pathways</b> Single Case agreement arrangement for 1 BABHA individual - increase to the 97153 service code	\$14.09/unit	\$16.50/unit	11/1/24 - 9/30/25	Y	N
8	M	<b>ABA Providers (11 total)</b> Increase to the 97153 service code  Autism Centers of MI Autism Systems BHS Bay City and Saginaw Plus Centria Encompass Therapy Flourish Therapy GameChanger Mercy Plus Paramount Positive Behavior Supports Corporation Spectrum Autism Center	\$14.09/unit \$14.09/unit \$14.09/unit \$14.09/unit \$14.37/unit \$13.19/unit \$14.09/unit \$14.09/unit \$14.09/unit \$14.09/unit \$14.09/unit	\$16.50/unit	11/1/24 - 9/30/25	Y	N
<b>Admin/Other Services</b>							
9	D	<b>Verizon Wireless</b> Cell phone service for employees 211 lines	Max \$154,000/year	\$9,492.89/month & approx. \$114,000/year	Eff. 2/24/25	Y	N
<b>SECTION II. SERVICES PROVIDED BY THE BOARD (REVENUE CONTRACTS)</b>							
<b>SECTION III. STATE OF MICHIGAN GRANT CONTRACTS</b>							
<b>SECTION IV. MISC PURCHASES REQUIRING BOARD APPROVAL</b>							
10	N	<b>Wood Law Firm, PLLC</b> Bay County Probate Court/Guardianship Matter	\$0	\$3,000 retainer fee \$300/hour for attorney services \$150/hour for support staff services	N/A	N/A	N/A
11	N	<b>The Flying Pig, LLC</b> BABHA Employee Picnic Venue	\$0	\$600	9/3/25	N/A	N/A

R = Renewal with rate increase since previous contract  
D = Renewal with rate decrease since previous contract  
S = Renewal with same rate as previous contract  
ES = Extension

M = Modification  
N = New Contract/Provider  
NC = New Consumer  
T = Termination

**Footnotes:**



**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM  
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**

Scott Trepkowski  
Secretary

**BOARD OF TRUSTEES**  
Weston Prince, Chairperson  
Vaughn Begick  
Jerome Crete  
Kristal Gonzales  
Patrick McFarland  
Jon Morse  
Jill Schmidt  
Patrick Woody  
Daneen Wright

**Jennifer Davenport**  
Administrator  
davenportj@baycountymi.gov

February 12, 2025

Ms. Jennifer Lasceski  
Bay Arenac Behavioral Health  
201 Mulholland  
Bay City, MI 48708

Dear Jennifer,

On December 13, 2023, the VEBA Board of Trustees adopted the Bay County VEBA Board of Trustees Rules and Regulations Related to Trustee Assets ("VEBA Policy"). The enclosed VEBA Policy sets forth the procedure for use of the VEBA Trust Assets.

Section R3(a) of the VEBA Policy provides that upon receipt of an Actuarial Report indicating that the Employer's Account has met the Super Funding Threshold, the Board Chairperson will contact the applicable Employer annually in writing to inform the Employer that the Trust assets held within the applicable Employer Account shall be utilized to pay for Retiree Health Benefit Costs, unless the Employer provides a compelling reason to not utilize the funds. Further, Section R3(b) of the VEBA Policy provides in part that the Employer shall respond, in writing, in the form and format (Employer Mandatory Use of Funds Form) requested by the Board within 60 days of receipt of the Board Chairman's letter.

Based on the most recent Bay County Retiree Health Care Plan Actuarial Valuation Report, your VEBA Employer Account has met the Super Funding Threshold (i.e. has a funded ratio of at least 120%). Since the Super Funding Threshold has been met, the assets held within your Employer Account shall be utilized to pay for certain Retiree Health Benefits Cost, unless you object and provide a compelling reason for not utilizing the funds.

The enclosed Employer Mandatory Use of Funds Form must be returned to the Retirement Administrator, Jennifer Davenport, within 60 days of receipt of this letter. Your response will then be reviewed by the Board at its next regularly scheduled Board meeting. If it is determined that the Employer Account funds shall be utilized to pay for Retiree Health Benefits Costs, the provision of Section R(5) of the VEBA Policy shall apply.

Please feel free to contact the Retirement Office if you have any questions regarding the VEBA Policy.

Regards,

A handwritten signature in black ink, appearing to read "Weston Prince".

Weston Prince

~~Bay County VEBA Board of Trustees, Chairman~~

515 Center Avenue, Suite 301, Bay City, Michigan 48708

Tel: (989) 895-4098 | Fax: (989) 895-2076

Web: [www.baycountymi.gov](http://www.baycountymi.gov)

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**  
**Employer Mandatory use of Funds**

Pursuant to §R3 of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets, you are receiving this form from the Bay County VEBA Board of Trustees ("Board") on behalf of the Bay County Voluntary Employees' Beneficiary Association ("Trust") because the Trust's most recent Actuarial Report determined that your Employer Account met the Super Funding Threshold (i.e., has a funded ratio of at least 120%). Since the Super Funding Threshold has been met, the assets held within your Employer Account shall be utilized to pay for certain Retiree Health Benefit Costs (i.e., up to 100% of the cost of Retiree Health Benefits (less the cost sharing portion required of the retirees under the plan, if any) unless you object and can provide a compelling reason to the Board why this should not happen. ***You must complete this form in its entirety and return it within 60 days of the date that you receive it to Jennifer Davenport, Bay County Building, 515 Center Avenue, Suite 301, Bay City, Michigan 48708; or davenportj@baycountymi.gov.***

Employer Name: \_\_\_\_\_

Employer Contact Person: \_\_\_\_\_  
(Name) (Phone) (Email)

Do you acknowledge that assets held within your Employer Account will be utilized to pay for Retiree Health Benefit Costs? \_\_\_\_\_ Yes \_\_\_\_\_ No

Do you object to use of assets held within your Employer Account to pay for Retiree Health Benefit Costs? \_\_\_\_\_ Yes \_\_\_\_\_ No. If "yes", you must attach supplemental pages explaining in detail your compelling reason objecting to the use of the assets held within your Employer Account to pay for Retiree Health Benefit Costs. The Board will review your objection and documentation at a meeting and will thereafter make a determination regarding whether you have provided a compelling reason not to utilize the assets held within your Employer Account for Retiree Health Benefit Costs. The Board will thereafter notify you of its determination. If the Board determines that you have not provided a compelling reason not to utilize the assets held within your Employer Account for Retiree Health Benefit Costs, the assets held within your Employer Account shall be utilized to pay for Retiree Health Benefit Costs.

You acknowledge and affirm that:

- You are only eligible to utilize assets held within your Employer Account to pay for Retiree Health Benefit Costs that have been fully and totally substantiated in accordance with the applicable requirements of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets;
- The Board has the right to and will deny all or part of your expense request if the request relates to expenses not covered by the Trust and/or Internal Revenue Code §501(c)(9) and its related regulations; and
- You must affirmatively respond to any and all notices received from the Board related to use of assets held within your Employer Account.

This form shall remain in force and effect until the earliest of the following to occur:

- You provide a subsequent form to the Board providing a compelling reason not to utilize assets held within your Employer Account to pay for Retiree Health Benefit Costs, which is approved by the Board;
- You provide a new form to the Board after the Board receives a subsequent Actuarial Report; or
- Your Employer Account drops below the Super Funding Threshold (i.e., a funded ratio of at least 120%).

\_\_\_\_\_  
Employer Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title



# BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY POLICIES AND PROCEDURES MANUAL

<b>Chapter: 7</b>	<b>Human Resources</b>		
<b>Section: 3</b>	<b>Education</b>		
<b>Topic: 5</b>	<b>Cultural Competence and Limited English Proficiency</b>		
<b>Page: 1 of 2</b>	<b>Supersedes Date:</b> <b>Pol: 5-15-03, 6-20-00, 3-16-00,</b> <b>Proc: 5-31-16, 5-14-15, 6-24-09, 3-20-08,</b> <b>3-19-03, 6-20-02, 8-11-00</b> <small>(previously C3-S9-T1)</small>	<b>Approval Date:</b> <b>Pol: 3-20-08</b> <b>Proc: 10-21-19</b>	<div style="border-top: 1px solid black; margin-bottom: 5px;"><i>Board Chairperson Signature</i></div> <div style="border-top: 1px solid black;"><i>Chief Executive Officer Signature</i></div>
<b>Note: Unless this document has an original signature, this copy is uncontrolled and valid on this date only: 2/11/2025. For controlled copy, view Agency Manuals - Medworxx on the BABHA Intranet site.</b>			

**DO NOT WRITE IN SHADED AREA ABOVE**

## **Policy**

It is the policy of Bay-Arenac Behavioral Health Authority (BABHA) that behavioral health services be available and provided to all persons living in Bay and Arenac Counties by staff who demonstrate cultural competence and recognize the need for accommodations when providing services to individuals. As part of this commitment BABHA recognizes the importance of addressing the implicit biases of the organization and its personnel, in order to continue to move the organization forward with recognizing and respecting diversity. All direct operated and contracted programs will abide by LEP guidelines and will provide an augmentative communication specialist, voice interpreter, and translation services whenever needed, at no cost to individuals (see BABHA Policy and Procedure C04-S07-T35 – Accommodations for Communication Services).

## **Purpose**

This policy and procedure is established to ensure that staff have the understanding and skills to work effectively in cross-cultural situations and with individuals who have Limited English Proficiency (LEP).

## **Education Applies to**

- ☒ All BABHA Staff
- ☐ Selected BABHA Staff, as follows:
- ☒ All Contracted Providers: ☒ Policy Only    ☐ Policy and Procedure
- ☐ Selected Contracted Providers, as follows:
  - ☐ Policy Only    ☐ Policy and Procedure
- ☐ BABHA's Affiliates:    ☐ Policy Only    ☐ Policy and Procedure
- ☐ Other:

# BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY

## POLICIES AND PROCEDURES MANUAL

<b>Chapter: 7</b>	<b>Human Resources</b>		
<b>Section: 3</b>	<b>Education</b>		
<b>Topic: 5</b>	<b>Cultural Competence and Limited English Proficiency</b>		
<b>Page: 2 of 2</b>	<b>Supersedes Date:</b> <b>Pol: 5-15-03, 6-20-00, 3-16-00,</b> <b>Proc: 5-31-16, 5-14-15, 6-24-09, 3-20-08,</b> <b>3-19-03, 6-20-02, 8-11-00</b> <small>(previously C3-S9-T1)</small>	<b>Approval Date:</b> <b>Pol: 3-20-08</b> <b>Proc: 10-21-19</b>	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <i>Board Chairperson Signature</i>
			<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <i>Chief Executive Officer Signature</i>
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SUBMISSION FORM				
AUTHOR/ REVIEWER	APPROVING BODY/COMMITTEE/ SUPERVISOR	APPROVAL /REVIEW DATE	ACTION (Deletion, New, No Changes, Replacement or Revision)	REASON FOR ACTION - If replacement list policy to be replaced
M. Wolber	J. Pinter	02/06/08	Revision	Removal of PIHP language and change from Braille to audio for visually impaired persons served.
M. Wolber	C. Pinter	04/27/09	Revision	Policy and procedure needs updating in regards to cultural competence and LEP
M. Wolber	J. Pinter	06/24/09	Revision	Procedure updated to reflect current practices and appointments to Board of Directors
Rebecca Smith	Rebecca Smith	05/31/13	No Changes	Triennial review
Kim Cereske	Melissa Prusi	05/14/15		
Kim Cereske	Melissa Prusi	05/31/16	No Changes	Triennial review
Rebecca Smith		10/21/19	Revision	Triennial review
T. Dilley	J. Lasceski	4/11/22	Revision	Triennial review; added implicit bias and updated to current practice.
<a href="#">B. Beck/J. Lasceski</a>	<a href="#">J. Lasceski</a>	<a href="#">1/21/2025</a>	<a href="#">Revision</a>	<a href="#">Added Implicit bias and updated to current practice. This P&amp;P in error did not get sent to board for approval of updates in 2022. Sending to Feb. 2024 board mtg for approval</a>

# BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY POLICIES AND PROCEDURES MANUAL

<b>Chapter: 4</b>	<b>Care and Treatment Services</b>		
<b>Section: 5</b>	<b>Person Centered Planning</b>		
<b>Topic: 3</b>	<b>Targeted Case Management/Support Coordination</b>		
<b>Page: 1 of 2</b>	<b>Supersedes Date:</b> <b>Pol: 3-18-04</b> <b>Proc: 8-20-18, 8-29-13, 5-20-11, 3-21-11, 2-15-10, 11-11-09, 4-16-09, 7/28/98</b>	<b>Approval Date:</b> <b>Pol: 5-20-11</b> <b>Proc: 6-18-2021</b>	<hr/> <i>Board Chairperson Signature</i>
			<hr/> <i>Chief Executive Officer Signature</i>
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## Policy

It is the policy of Bay-Arenac Behavioral Health Authority (BABHA) that Client Service Specialists and Clinical Specialists assist recipients through the Person-Centered Planning process.

## Purpose

This policy and procedure was developed to define Client Service Specialists (CSS) and Clinical Specialists (CS).

### Education Applies to

- ☐ All BABHA Staff  
☒ Selected BABHA Staff, as follows: All Clinical and Clinical Provider Supervisors  
☐ All Contracted Providers: ☐ Policy Only ☐ Policy and Procedure  
☒ Selected Contracted Providers, as follows: Primary Care/Outpatient  
☐ Policy Only ☒ Policy and Procedure

☐ Other:

1.

# BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY

## POLICIES AND PROCEDURES MANUAL

<b>Chapter: 4</b>	<b>Care and Treatment Services</b>		
<b>Section: 5</b>	<b>Person Centered Planning</b>		
<b>Topic: 3</b>	<b>Targeted Case Management/Support Coordination</b>		
Page: 2 of 2	Supersedes Date: Pol: 3-18-04 Proc: 8-20-18, 8-29-13, 5-20-11, 3-21-11, 2-15-10, 11-11-09, 4-16-09, 7/28/98	Approval Date: Pol: 5-20-11 Proc: 6-18-2021	<div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <i>Board Chairperson Signature</i>
	<div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <i>Chief Executive Officer Signature</i>		
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SUBMISSION FORM				
AUTHOR/ REVIEWER	APPROVING BODY/COMMITTEE/ SUPERVISOR	APPROVAL /REVIEW DATE	ACTION (Deletion, New, No Changes, Replacement or Revision)	REASON FOR ACTION - If replacement list policy to be replaced
M. Swank	G. Lesley	11/11/09	Revision	Updated P&P to give emphasis to the importance of recovery and wellness
M. Swank	CLT	02/15/10	Revision	Updated P&P to add assessment of medication adherence and side effects by Client services specialists and supports coordinators during all service contacts.
M. Swank	CLT	03/21/11	Revision	Updated P&P to change requirement for assessment of medication adherence. Reassessments will be completed at least monthly.
M. Swank	M. Swank	05/20/11	Revision	Revised P&P statements renaming CSMs and SCs as Client Services Specialists.
M. Swank E. Albrecht	PNLT	08/29/13	Revision	Added person first language as well as multiple references to recovery, wellness, quality of life,
K. Amon	SLT	06/30/15	Revision	Change MDCH and typographical error
K. Amon	SLT	8/20/18	Revision	Triennial Review
K. Amon	SLT	11/27/19	No changes	Policy and Triennial Review-Early to begin a new Review cycle.
K. Amon	SLT/Leadership C. Pinter	5/12/21 6/18/21	Revisions	Update to comply with Medicaid Provider Manual. Add clarification on the oversight and training of the IPOS
<a href="#">H. Beson/J. Hahn</a>	<a href="#">H. Beson/J. Hahn</a>	<a href="#">12/11/24</a>	<a href="#">Revision</a>	<a href="#">Combined Support Coordination and Targeted Case Management per Medicaid Provider Manual. Referred to comprehensive program plan.Archiving and Merging with C04-S27-T01</a>

# BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY POLICIES AND PROCEDURES MANUAL

<b>Chapter: 4</b>	<b>Care and Treatment Services</b>		
<b>Section: 9</b>	<b>Health Care Management</b>		
<b>Topic: 23</b>	<b>Medical Procedures and Treatment Completed by BABH Staff and at BABH Sites</b>		
<b>Page: 1 of 2</b>	<b>Supersedes Date:</b> <b>Pol:</b> <b>Proc:</b>	<b>Approval Date:</b> <b>Pol:</b> <b>Proc:</b>	<i>Board Chairperson Signature</i>
			<i>Chief Executive Officer Signature</i>
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## **Policy**

It is the policy of Bay-Arenac Behavioral Health Authority (BABHA) etc. to ensure that individuals residing in our Specialized Residential AFC live in a safe environment and that all staff working with these individuals are trained to perform all care that a resident may require. Additionally, BABH ensures that Direct Care staff are not performing skilled nursing procedures or other procedures that are outside of their job description or scope of practice.

## **Purpose**

The purpose of this procedure is to provide guidance to staff working in BABHA operated and contract licensed foster homes, community living supports (CLS) sites, day programs, and all other facilities in which BABHA staff or contractors are providing care regarding which medical procedures are allowed or not allowed at sites and/or can or cannot be performed by non-medical staff.

## **Education Applies to:**

- ☐ All BABHA Staff
- ☒ Selected BABHA Staff, as follows: Horizon Home DCW, North Bay CLS
- ☐ All Contracted Providers: ☐ Policy Only ☐ Policy and Procedure
- ☒ Selected Contracted Providers, as follows: Specialized Residential Providers and CLS providers
  - ☐ Policy Only ☐ Policy and Procedure
- ☐ Other:

# BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY POLICIES AND PROCEDURES MANUAL

<b>Chapter: 4</b>	<b>Care and Treatment Services</b>		
<b>Section: 9</b>	<b>Health Care Management</b>		
<b>Topic: 23</b>	<b>Medical Procedures and Treatment Completed by BABH Staff and at BABH Sites</b>		
<b>Page: 2 of 2</b>	<b>Supersedes Date:</b>	<b>Approval Date:</b>	<b>Board Chairperson Signature</b>
	<b>Pol:</b>	<b>Pol:</b>	<b>Chief Executive Officer Signature</b>
<b>Proc:</b>			
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SUBMISSION FORM				
AUTHOR/ REVIEWER	APPROVING BODY/COMMITTEE/ SUPERVISOR	APPROVAL /REVIEW DATE	ACTION (Deletion, New, No Changes, Replacement or Revision)	REASON FOR ACTION - If replacement list policy to be replaced
S. VanParis	HPC	6/15/2022	NEW	NEW

**Bay-Arenac Behavioral Health  
Financial Statements  
For Period Ending 02/28/2025**

Certified for Accuracy



Accounting Manager

  
Chief Financial Officer

Bay-Arenac Behavioral Health Statement of Net Assets

Bay-Arenac Behavioral Health Consolidated Income Statement:

By Month to Date

By Year to Date

Bay-Arenac Behavioral Health Reconciliation of Fund Balance:

Bay-Arenac Behavioral Health Reconciliation of Unreserved Fund Balance:

Bay-Arenac Behavioral Health Fund Balance Summary:

Bay-Arenac Behavioral Health Cash Flow Statement

Bay-Arenac Behavioral Health Projected Cash Flows

**Bay Arenac Behavioral Health  
Statement of Net Assets**

Column Identifiers		
A	B	C

<b>1</b>	<b>ASSETS</b>	<b>Feb 28, 2025</b>	<b>Sept 30, 2024</b>	
<b>2</b>	<u><b>Current Assets</b></u>			
<b>3</b>	Cash and cash equivalents	\$4,230,198.02	\$4,894,930.68	
<b>4</b>	Consumer and insurance receivables	227,551.53	192,843.18	
<b>5</b>	Due from other governmental units	7,110,580.25	7,094,667.58	
<b>6</b>	Contract and other receivables	253,106.51	288,615.57	
<b>7</b>	Interest receivable	0.00	0.00	
<b>8</b>	Prepaid items	615,843.86	444,849.69	
<b>9</b>	<b>Total Current Assets</b>	<b>12,437,280.17</b>	<b>12,915,906.70</b>	(3+4+5+6+7+8)
<b>10</b>	<b>Noncurrent Assets</b>			
<b>11</b>	<u><b>Cash and cash Equivalents - restricted</b></u>			
<b>12</b>	Restricted for compensated absences	1,523,073.74	1,514,776.32	
<b>13</b>	Restricted temporarily - other	108,983.01	111,510.10	
<b>14</b>	<b>Cash and Cash Equivalents - restricted</b>	<b>1,632,056.75</b>	<b>1,626,286.42</b>	(12+13)
<b>15</b>	<u><b>Capital Assets</b></u>			
<b>16</b>	Capital assets - land	424,500.00	424,500.00	
<b>17</b>	Capital assets - depreciable, net	6,368,374.54	6,368,374.54	
<b>18</b>	Capital assets - construction in progress	-	-	
<b>19</b>	GASB 87 Right to Use Bldg	2,272,819.47	2,272,819.47	
<b>20</b>	GASB 87 Accum Depr, Lease Amortization	(613,824.99)	(613,824.99)	
<b>21</b>	Accumulated depreciation	(4,180,027.95)	(4,103,871.94)	
<b>22</b>	<b>Capital Asset, net</b>	<b>4,271,841.07</b>	<b>4,347,997.08</b>	(16+17+18+19+20+21)
<b>23</b>	<b>Total Noncurrent Assets</b>	<b>5,903,897.82</b>	<b>5,974,283.50</b>	(14+22)
<b>24</b>	<b>TOTAL ASSETS</b>	<b>18,341,177.99</b>	<b>18,890,190.20</b>	(9+23)
<b>25</b>	<b>LIABILITIES</b>			
<b>26</b>	<u><b>Current Liabilities</b></u>			
<b>27</b>	Accounts payable	0.00	3,852,625.64	
<b>28</b>	Accrued wages and payroll related liabilities	88,364.22	275,406.50	
<b>29</b>	Other accrued liabilities	4,838,891.66	1,360,069.00	
<b>30</b>	Due to other governmental units	259,301.58	243,583.00	
<b>31</b>	Deferred Revenue	2,553.73	2,903.73	
<b>32</b>	Current portion of long term debt	16,738.31	16,738.31	
<b>33</b>	Other current liabilities	-	-	
<b>34</b>	<b>Total Current Liabilities</b>	<b>5,205,849.50</b>	<b>5,751,326.18</b>	(27+28+29+30+31+32+33)
<b>35</b>	<u><b>Noncurrent Liabilities</b></u>			
<b>36</b>	Long term debt, net of current portion	223,225.51	230,134.98	
<b>37</b>	GASB 87 Noncurrent Lease Liability	1,502,277.10	1,502,277.10	
<b>38</b>	Compensated absences	1,416,177.49	1,359,019.52	
<b>39</b>	<b>Total Noncurrent Liabilities</b>	<b>3,141,680.10</b>	<b>3,091,431.60</b>	(36+37+38)
<b>40</b>	<b>TOTAL LIABILITIES</b>	<b>8,347,529.60</b>	<b>8,842,757.78</b>	(34+39)
<b>41</b>	<b>NET ASSETS</b>			
<b>42</b>	<u><b>Fund Balance</b></u>			
<b>43</b>	Restricted for capital purposes	3,966,653.00	3,966,653.00	
<b>44</b>	Unrestricted fund balance - PBIP	2,827,136.47	2,827,136.47	
<b>45</b>	Unrestricted fund balance	3,199,858.92	3,253,642.95	
<b>46</b>	<b>Total Net Assets</b>	<b>\$9,993,648.39</b>	<b>\$10,047,432.42</b>	(43+44+45) and (24-40)



Bay Arenac Behavioral Health  
For the Month Ending February 28, 2025  
Summary of All Units

Column Identifiers						
A	B	C	D	E	F	G
	February Actual	2025 YTD Actual	2025 YTD Budget	(C-D) Variance	(C / D) % to Budget	2025 Monthly Budget
Income Statement						
<b>1 REVENUE</b>						
<b>2 Risk Contract Revenue</b>						
3 Medicaid Specialty Supports & Services	4,678,937.25	24,290,946.53	26,233,900.83	(1,942,954.30)	93%	5,246,780.17
4 Medicaid Autism	924,760.18	4,895,109.37	2,433,728.75	2,461,380.62	201%	486,745.75
5 State Genl Fund Priority Population	135,505.00	677,523.00	677,522.08	0.92	100%	135,504.42
6 GF Shared Savings Lapse	0.00	0.00	0.00	0.00	0%	0.00
7 <b>Total Risk Contract Revenue</b>	<b>5,739,202.43</b>	<b>29,863,578.90</b>	<b>29,345,151.67</b>	<b>518,427.23</b>	<b>102%</b>	<b>5,869,030.33 (3+4+5+6)</b>
<b>8 Program Service Revenue</b>						
9 Medicaid, CWP FFS	0.00	0.00	0.00	0.00	0%	0.00
10 Other Fee For Service	(17,822.92)	82,209.13	162,407.92	(80,198.79)	51%	32,481.58
11 <b>Total Program Service Revenue</b>	<b>(17,822.92)</b>	<b>82,209.13</b>	<b>162,407.92</b>	<b>(80,198.79)</b>	<b>51%</b>	<b>32,481.58 (9+10)</b>
<b>12 Other Revenue</b>						
13 Grants and Earned Contracts	162,421.02	794,115.77	656,420.42	137,695.35	121%	131,284.08
14 SSI Reimbursements, 1st/3rd Party	7,527.50	34,070.10	31,287.50	2,782.60	109%	6,257.50
15 County Appropriation	65,587.83	327,939.15	327,939.37	(0.22)	100%	65,587.87
16 Interest Income - Working Capital	13,427.88	87,467.88	131,907.29	(44,439.41)	66%	26,381.46
17 Other Local Income	375.00	14,247.70	193,099.58	(178,851.88)	7%	38,619.92
18 <b>Total Other Revenue</b>	<b>249,339.23</b>	<b>1,257,840.60</b>	<b>1,340,654.16</b>	<b>(82,813.56)</b>	<b>94%</b>	<b>268,130.83 (13+14+15+16+17)</b>
<b>19 TOTAL REVENUE</b>	<b>5,970,718.74</b>	<b>31,203,828.63</b>	<b>30,848,213.74</b>	<b>355,414.89</b>	<b>101%</b>	<b>6,169,642.75 (7+11+18)</b>
<b>20 EXPENSE</b>						
<b>21 SUPPORTS &amp; SERVICES</b>						
<b>22 Provider Claims</b>						
23 State Facility - Local portion	2,002.58	45,918.06	73,066.25	27,148.19	63%	14,613.25
24 Community Hospital	754,151.51	3,422,885.94	3,130,024.58	(292,861.36)	109%	626,004.92
25 Residential Services	1,701,290.73	6,676,795.20	6,418,521.25	(258,273.95)	104%	1,283,704.25
26 Community Supports	1,820,320.31	10,993,585.24	10,802,998.75	(190,586.49)	102%	2,160,599.75
27 <b>Total Provider Claims</b>	<b>4,277,765.13</b>	<b>21,139,184.44</b>	<b>20,424,610.83</b>	<b>(714,573.61)</b>	<b>103%</b>	<b>4,084,922.17 (23+24+25+26)</b>
<b>28 Operating Expenses</b>						
29 Salaries	1,260,223.82	6,354,007.81	5,973,672.00	(380,335.81)	106%	1,194,734.40
30 Fringe Benefits	412,536.09	1,989,410.59	1,991,617.12	22,206.53	99%	398,323.42
31 Consumer Related	3,783.73	16,306.73	19,771.49	3,464.76	82%	3,954.30
32 Program Operations	(158,451.80)	710,630.11	783,768.77	73,138.66	91%	156,753.75
33 Facility Cost	63,886.97	271,869.32	292,091.67	20,222.35	93%	58,418.33
34 Purchased Services	275.00	13,248.57	22,168.90	8,920.33	60%	4,433.78
35 Other Operating Expense	117,620.35	613,818.75	885,784.63	271,965.88	69%	177,156.93
36 Local Funds Contribution	17,906.00	89,530.00	89,530.00	0.00	100%	17,906.00
37 Interest Expense	642.71	3,250.33	3,432.08	181.75	95%	686.42
38 Depreciation	15,231.23	76,156.01	90,197.50	14,041.49	84%	18,039.50
<b>39 Total Operating Expenses</b>	<b>1,733,654.10</b>	<b>10,118,228.22</b>	<b>10,152,034.16</b>	<b>33,805.94</b>	<b>100%</b>	<b>2,030,406.83 (29+30+31+32+33+34+35+36+37+38)</b>
<b>40 TOTAL EXPENSES</b>	<b>6,011,419.23</b>	<b>31,257,412.66</b>	<b>30,576,644.99</b>	<b>(680,767.67)</b>	<b>102%</b>	<b>6,115,329.00 (27+39)</b>
<b>41 NET SURPLUS/(DEFICIT)</b>	<b>(40,700.49)</b>	<b>(53,784.03)</b>	<b>271,568.75</b>	<b>(325,352.78)</b>	<b>-20%</b>	<b>54,313.75 (19-40)</b>
<b>42 Notes:</b>						
43 Medicaid Revenue includes an accrual for additional funds if a (shortage) exists/reduction of funds if a surplus exists from/(to) Mid-State Health Network as follows:						
<b>44 BASED ON PEPM FUNDING:</b>						
45 Net Medicaid (shortage): (\$4,374,730)						
46 Medicaid (shortage): (\$763,811)						
47 Healthy Michigan (shortage): (\$1,684,472)						
Autism (shortage): (\$1,926,447)						
<b>48 BASED ON APPROVED BUDGET:</b>						
49 Net Medicaid shortage: (\$755,063)						
50 Medicaid surplus: \$92,415						
51 Healthy Michigan (shortage): (\$629,940)						
52 Autism (shortage): (\$217,538)						

**BAY-ARENAC BEHAVIORAL HEALTH  
RECONCILIATION OF FUND BALANCE  
AS OF FEBRUARY 28, 2025**

	<b>TOTALS</b>
Fund Balance 09/30/2024	10,047,432.42
Net (loss)/income February 2025	(53,784.03)
Net Increase/(Decrease) Funds Restricted for Capital Purposes	-
Calculated Fund Balance 2/28/2025	9,993,648.39
Statement of Net Assets Fund Balance 2/28/2025	9,993,648.39
Difference	-

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**BAY-ARENAC BEHAVIORAL HEALTH  
RECONCILIATION OF UNRESTRICTED FUND BALANCE  
AS OF FEBRUARY 28, 2025**

	<b><u>TOTALS</u></b>
Unrestricted Fund Balance 9/30/2024	6,080,779.42
Net (loss)/income February 2025	(53,784.03)
Increase/Decrease in net assets	-
Calculated Unrestricted Fund Balance 2/28/2025	6,026,995.39
Statement of Net Assets Unrestricted Fund Balance 2/28/2025	6,026,995.39
Difference	0.00

**Bay-Arenac Behavioral Health  
Fund Balance Summary**

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	Sept. 30, 2024 Unrestricted <u>Fund Balance</u>	Feb 28, 2025 Permanently <u>Restricted</u>	Feb 28, 2025 Temporarily <u>Restricted</u>	Feb 28, 2025 Unrestricted/ <u>Reserved</u>	Feb 28, 2025 Total <u>Fund Balance</u>
Unrestricted	3,253,643	-	-	3,199,859	3,199,859
Capital Purposes	844,325	-	-	844,325	844,325
Invested in Capital Assets	3,122,328	-	-	3,122,328	3,122,328
Performance Incentive Pool	<u>2,827,136</u>	<u>-</u>	<u>-</u>	<u>2,827,136</u>	<u>2,827,136</u>
Balances	10,047,432	-	-	9,993,648	9,993,648

BAY-ARENAC BEHAVIORAL HEALTH  
Cash Flow

	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26
<b>Estimated Funds:</b>												
Beginning Inv. Balance	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Additions/(Subtractions)	-	-	-	-	-	-	-	-	-	-	-	-
Month End Inv. Balance	-	-	-	-	-	-	-	-	-	-	-	-
Beginning Cash Balance	5,192,262	3,970,279	3,223,781	2,423,566	1,793,209	1,046,710	2,296,496	1,666,139	519,640	719,426	89,069	942,570
Total Medicaid	4,892,111	4,892,111	4,892,111	4,892,111	4,892,111	4,892,111	4,892,111	4,892,111	4,892,111	4,892,111	4,892,111	4,892,111
Total General Fund	135,505	135,504	135,506	135,505	135,504	135,506	135,505	135,504	135,506	135,505	135,504	135,506
Estimated Misc. Receipts	205,900	89,759	89,759	205,900	89,759	89,759	205,900	89,759	89,759	205,900	89,759	89,759
Client Receipts	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Interest	15,178	15,178	15,178	15,178	15,178	15,178	15,178	15,178	15,178	15,178	15,178	15,178
<b>Total Estimated Cash</b>	<b>10,495,955</b>	<b>9,157,831</b>	<b>8,411,333</b>	<b>7,727,259</b>	<b>6,980,760</b>	<b>6,234,263</b>	<b>7,600,189</b>	<b>6,853,690</b>	<b>5,707,193</b>	<b>6,023,119</b>	<b>5,276,620</b>	<b>6,130,123</b>
<b>Total Estimated Available Funds</b>	<b>10,495,955</b>	<b>9,157,831</b>	<b>8,411,333</b>	<b>7,727,259</b>	<b>6,980,760</b>	<b>6,234,263</b>	<b>7,600,189</b>	<b>6,853,690</b>	<b>5,707,193</b>	<b>6,023,119</b>	<b>5,276,620</b>	<b>6,130,123</b>
<b>Estimated Expenditures:</b>												
1st Payroll	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Special Pay												
ETO Buyouts												
2nd Payroll	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Board Per Diem	3,343	3,343	3,343	3,343	3,343	3,343	3,343	3,343	3,343	3,343	3,343	3,343
3rd Payroll						550,000						
1st Friday Claims	521,266	294,968	294,968	294,968	294,968	294,968	294,968	294,968	294,968	294,968	294,968	294,968
Mortgage Pmt	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032
2nd Friday Claims	2,419,332	1,505,077	1,505,077	1,505,077	1,505,077	1,505,077	1,505,077	1,505,077	1,505,077	1,505,077	1,505,077	1,505,077
Board Week Bay Batch	822,485	1,144,989	1,144,989	1,144,989	1,144,989	1,144,989	1,144,989	1,144,989	1,144,989	1,144,989	1,144,989	1,144,989
Board Week Claims	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000
Credit Card	-	-	-	-	-	-	-	-	-	-	-	-
4th Friday Claims	682,218	908,641	908,641	908,641	908,641	908,641	908,641	908,641	908,641	908,641	908,641	908,641
5th Friday Claims						400,000		400,000			400,000	
Local FFP payment to MSHN			53,717			53,717			53,717			53,717
Transfer to State of MI												
Transfer from/(to) Reserve Account												
Settlement with MSHN												
Funds from MSHN						(3,000,000)			(1,000,000)		(2,000,000)	
Transfer to (from) HRA												
Transfer to (from) Investment												
Transfer to (from) Capital Acct												
<b>Total Estimated Expenditures</b>	<b>6,525,676</b>	<b>5,934,050</b>	<b>5,987,767</b>	<b>5,934,050</b>	<b>5,934,050</b>	<b>3,937,767</b>	<b>5,934,050</b>	<b>6,334,050</b>	<b>4,987,767</b>	<b>5,934,050</b>	<b>4,334,050</b>	<b>5,987,767</b>
<b>Estimated Month End Cash Balance</b>	<b>3,970,279</b>	<b>3,223,781</b>	<b>2,423,566</b>	<b>1,793,209</b>	<b>1,046,710</b>	<b>2,296,496</b>	<b>1,666,139</b>	<b>519,640</b>	<b>719,426</b>	<b>89,069</b>	<b>942,570</b>	<b>142,356</b>

# Bay-Arenac Behavioral Health

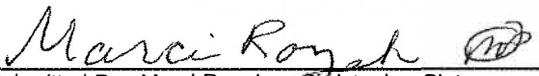
## Cash Flow Forecasting For the Month of March

	<u>Bank Balance</u>	<u>Investment Balance</u>
<b>Estimated Cash Balance March 1, 2025</b>	<b>5,192,262</b>	-
Investment Purchased/Interest	-	-
Investments coming due during month	-	-
<b>Estimated Cash Balance March 31, 2025</b>	<b>5,192,262</b>	-
 Estimated Cash Inflow:		
Medicaid Funds:	4,892,111	
General Fund Dollars:	135,505	
Board Receipts:	205,900	
Client Receipts:	55,000	
Funds from Investment:	-	
Interest:	15,178	
<b>Total Estimated Cash Inflow:</b>	<b>5,303,693</b>	
 Estimated Cash Outflow:		
Payroll Dated: <b>03/14/25</b>	(550,000)	
Payroll Dated: <b>03/28/25</b>	(550,000)	
Board Per Diem Payroll: <b>03/21/25</b>	(3,343)	
Payroll Dated:	-	
 Claims Disbursements: <b>03/07/25</b>	(521,266)	
Claims Disbursements: <b>03/14/25</b>	(2,419,332)	
Claims Disbursements: <b>03/21/25</b>	(975,000)	
A/P Disbursements: <b>03/21/25</b>	(822,485)	
Mortgage Payment: <b>03/24/25</b>	(2,032)	
Claims Disbursements: <b>03/28/25</b>	(682,218)	
Claims Disbursements:	-	
Local FFP Payment:	-	
Transfer to Reserve Acct:	-	
HRA transfer:	-	
Transfer to(from) MSHN:	-	
Transfer to State of MI	-	
Purchased Investment	-	
<b>Total Estimated Cash Outflow:</b>	<b>(6,525,676)</b>	
 <b>Estimated Cash Balance on March 31, 2025</b>	<b>3,970,279</b>	-
	(0)	-

**Bay Arenac Behavioral Health**  
**201 Mulholland, Bay City, MI 48708**  
**Electronic Funds Transfers including Cash Transfers/Wires/ACHs**  
**February 2025**

<u>Funds Paid from/ Transferred from:</u>	<u>Funds Paid to/ Transferred to:</u>	<u>Amount</u>	<u>Date of Payment</u>	<u>Description</u>	<u>Authorized By</u>
Flagstar Bank	Flagstar Bank	7,037.46	2/5/2025	Credit Card Payment	Marci Rozek
Flagstar Bank	Flagstar Bank	55,000.00	2/5/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	135,000.00	2/6/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	550,690.83	2/6/2025	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	590,000.00	2/7/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	505,000.00	2/12/2025	Transfer from MMKT Account to General Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	3,988.01	2/13/2025	Transfer from General Account to Flex Spending Account	Marci Rozek
Flagstar Bank	Flagstar Bank	50,000.00	2/13/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	506,554.42	2/13/2025	Transfer from General Account to Payroll Account	Marci Rozek
Flagstar Bank	Flagstar Bank	1,926,822.08	2/13/2025	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	880,000.00	2/14/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	JP Morgan Chase	53,717.00	2/14/2025	Transfer from General Account to MSHN - local match drawdown	Marci Rozek
Flagstar Bank	Flagstar Bank	20,000.00	2/19/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	1,661,661.49	2/20/2025	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	160,000.00	2/21/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	1,840.82	2/21/2025	Transfer from General Account to Payroll Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	2,031.96	2/24/2025	Transfer from General Acct for Mortgage payment	Marci Rozek
Flagstar Bank	Flagstar Bank	565,000.00	2/26/2025	Transfer from MMKT Account to General Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	4,072.63	2/27/2025	Transfer from General Account to Flex Spending Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	5,000.00	2/27/2025	Transfer from General Account to HSA Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	557,937.50	2/27/2025	Transfer from General Account to Payroll Account	Marci Rozek
Flagstar Bank	Flagstar Bank	822,282.49	2/27/2025	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	3,545,000.00	2/28/2025	Transfer from General Account to MMKT Account	Marci Rozek

**Total Transfers: 12,608,636.69**

  
Submitted By: Marci Rozek or Christopher Pinter

Chief Financial Officer or Chief Executive Officer

**Bay Arenac Behavioral Health**  
**201 Mulholland, Bay City, MI 48708**  
**Electronic Funds Transfers for Vendor ACH Payments**  
**February 2025**

<u>Funds Paid from:</u>	<u>EFT #</u>	<u>Funds Paid to:</u>	<u>Amount</u>	<u>Date of Pmt</u>	<u>Authorized By</u>
Flagstar Bank	E7271	HAVENWYCK HOSPITAL	6,581.47	2/7/2025	Marci Rozek
Flagstar Bank	E7272	HOPE NETWORK BEHAVIORAL HEALTH	2.32	2/7/2025	Marci Rozek
Flagstar Bank	E7273	HEALTHSOURCE	24,840.00	2/7/2025	Marci Rozek
Flagstar Bank	E7274	CEDAR CREEK HOSPITAL	11,290.00	2/7/2025	Marci Rozek
Flagstar Bank	E7275	PHC OF MICHIGAN - HARBOR OAKS	5,100.00	2/7/2025	Marci Rozek
Flagstar Bank	E7276	MPA GROUP NFP, Ltd.	39,044.80	2/7/2025	Marci Rozek
Flagstar Bank	E7277	LIST PSYCHOLOGICAL SERVICES	2,908.43	2/7/2025	Marci Rozek
Flagstar Bank	E7278	SAGINAW PSYCHOLOGICAL SERVICES	33,579.27	2/7/2025	Marci Rozek
Flagstar Bank	E7279	ARENAC OPPORTUNITIES, INC	12,123.69	2/7/2025	Marci Rozek
Flagstar Bank	E7280	DO-ALL, INC.	3,329.76	2/7/2025	Marci Rozek
Flagstar Bank	E7281	TOUCHSTONE SERVICES, INC	6,483.36	2/7/2025	Marci Rozek
Flagstar Bank	E7282	Nutrition for Wellness	318.60	2/7/2025	Marci Rozek
Flagstar Bank	E7283	WILSON, STUART T. CPA, P.C.	85,028.97	2/7/2025	Marci Rozek
Flagstar Bank	E7284	CENTRIA HEALTHCARE LLC	35,983.23	2/7/2025	Marci Rozek
Flagstar Bank	E7285	GAME CHANGER PEDIATRIC THERAPY	56,495.04	2/7/2025	Marci Rozek
Flagstar Bank	E7286	Milestones ABA Clinic of Michigan LLC	480.00	2/7/2025	Marci Rozek
Flagstar Bank	E7287	Spectrum Autism Center	15,723.27	2/7/2025	Marci Rozek
Flagstar Bank	E7288	ENCOMPASS THERAPY CENTER LLC	57,898.00	2/7/2025	Marci Rozek
Flagstar Bank	E7289	MERCY PLUS HEALTHCARE SERVICES LLC	22,896.07	2/7/2025	Marci Rozek
Flagstar Bank	E7290	DBT Institute of Michigan	22,800.00	2/7/2025	Marci Rozek
Flagstar Bank	E7291	MICHIGAN COMMUNITY SERVICES IN	597.95	2/7/2025	Marci Rozek
Flagstar Bank	E7292	KING COMMUNICATIONS	190.05	2/7/2025	Marci Rozek
Flagstar Bank	E7293	NETSOURCE ONE, INC.	2,082.00	2/7/2025	Marci Rozek
Flagstar Bank	E7294	V.O.I.C.E., INC.	600.00	2/7/2025	Marci Rozek
Flagstar Bank	E7295	AUGRES CARE CENTER, INC	3,842.14	2/14/2025	Marci Rozek
Flagstar Bank	E7296	HOPE NETWORK BEHAVIORAL HEALTH	78,641.60	2/14/2025	Marci Rozek
Flagstar Bank	E7297	Hope Network Southeast	132,611.27	2/14/2025	Marci Rozek
Flagstar Bank	E7298	BEACON SPECIALIZED LIVING SVS	20,801.00	2/14/2025	Marci Rozek
Flagstar Bank	E7299	Fitzhugh House, LLC	12,033.50	2/14/2025	Marci Rozek
Flagstar Bank	E7300	Bay Human Services, Inc.	318,847.87	2/14/2025	Marci Rozek
Flagstar Bank	E7301	CENTRAL STATE COMM. SERVICES	35,202.05	2/14/2025	Marci Rozek
Flagstar Bank	E7302	LIBERTY LIVING, INC.	65,233.83	2/14/2025	Marci Rozek
Flagstar Bank	E7303	SUPERIOR CARE OF MICHIGAN LLC	8,574.60	2/14/2025	Marci Rozek
Flagstar Bank	E7304	Closer to Home, LLC	19,315.48	2/14/2025	Marci Rozek
Flagstar Bank	E7305	DISABILITY NETWORK	19,154.46	2/14/2025	Marci Rozek
Flagstar Bank	E7306	HEALTHSOURCE	34,560.00	2/14/2025	Marci Rozek
Flagstar Bank	E7307	FOREST VIEW HOSPITAL	18,700.00	2/14/2025	Marci Rozek
Flagstar Bank	E7308	PHC OF MICHIGAN - HARBOR OAKS	22,100.00	2/14/2025	Marci Rozek
Flagstar Bank	E7309	MPA GROUP NFP, Ltd.	28,633.91	2/14/2025	Marci Rozek
Flagstar Bank	E7310	LIST PSYCHOLOGICAL SERVICES	1,918.20	2/14/2025	Marci Rozek
Flagstar Bank	E7311	PARAMOUNT REHABILITATION	86,532.04	2/14/2025	Marci Rozek
Flagstar Bank	E7312	DO-ALL, INC.	7,953.75	2/14/2025	Marci Rozek
Flagstar Bank	E7313	New Dimensions	8,972.88	2/14/2025	Marci Rozek
Flagstar Bank	E7314	TOUCHSTONE SERVICES, INC	57,218.84	2/14/2025	Marci Rozek
Flagstar Bank	E7315	Winningham, Linda Jo	1,446.00	2/14/2025	Marci Rozek
Flagstar Bank	E7316	Nutrition for Wellness	1,344.20	2/14/2025	Marci Rozek
Flagstar Bank	E7317	CAREBUILDERS AT HOME, LLC	16,040.20	2/14/2025	Marci Rozek
Flagstar Bank	E7318	CENTRIA HEALTHCARE LLC	32,976.54	2/14/2025	Marci Rozek
Flagstar Bank	E7319	Flourish Services, LLL	43,021.81	2/14/2025	Marci Rozek
Flagstar Bank	E7320	GAME CHANGER PEDIATRIC THERAPY	49,689.93	2/14/2025	Marci Rozek
Flagstar Bank	E7321	ENCOMPASS THERAPY CENTER LLC	64,607.70	2/14/2025	Marci Rozek
Flagstar Bank	E7322	MERCY PLUS HEALTHCARE SERVICES LLC	47,510.41	2/14/2025	Marci Rozek
Flagstar Bank	E7323	MICHIGAN COMMUNITY SERVICES IN	382,452.97	2/14/2025	Marci Rozek
Flagstar Bank	E7324	SAGINAW PSYCHOLOGICAL SERVICES	29,937.82	2/14/2025	Marci Rozek
Flagstar Bank	E7325	WILSON, STUART T. CPA, P.C.	71,312.36	2/14/2025	Marci Rozek
Flagstar Bank	E7326	Spectrum Autism Center	22,287.86	2/14/2025	Marci Rozek
Flagstar Bank	E7327	HAMPTON AUTO REPAIR	73.69	2/14/2025	Marci Rozek
Flagstar Bank	E7328	Yeo & Yeo Technology	1,200.00	2/14/2025	Marci Rozek
Flagstar Bank	E7329	ADLER, THERESA	76.65	2/21/2025	Marci Rozek
Flagstar Bank	E7330	ARQUETTE, LORI	196.98	2/21/2025	Marci Rozek
Flagstar Bank	E7331	BINKLEY, CASEY	324.17	2/21/2025	Marci Rozek
Flagstar Bank	E7332	CERESKE, KIM	55.64	2/21/2025	Marci Rozek
Flagstar Bank	E7333	COOK, BRIANNA	61.64	2/21/2025	Marci Rozek
Flagstar Bank	E7334	Cook, Jordyn	207.90	2/21/2025	Marci Rozek
Flagstar Bank	E7335	Deshano, Jennifer	193.90	2/21/2025	Marci Rozek


Flagstar Bank	E7336	Gonzalez, Minverva	330.70	2/21/2025	Marci Rozek
Flagstar Bank	E7337	GUERTIN, SUSAN	200.32	2/21/2025	Marci Rozek
Flagstar Bank	E7338	HECHT, KERENSA	63.00	2/21/2025	Marci Rozek
Flagstar Bank	E7339	HEWTTY, MARIA	268.03	2/21/2025	Marci Rozek
Flagstar Bank	E7340	HOLSINGER, SARAH	99.00	2/21/2025	Marci Rozek
Flagstar Bank	E7341	JINKS, KIM	366.80	2/21/2025	Marci Rozek
Flagstar Bank	E7342	Kohn, Jessica	179.20	2/21/2025	Marci Rozek
Flagstar Bank	E7343	KOIN, STACEY E.	153.30	2/21/2025	Marci Rozek
Flagstar Bank	E7344	KRASINSKI, STACY	285.95	2/21/2025	Marci Rozek
Flagstar Bank	E7345	Lagalo, Lori	221.43	2/21/2025	Marci Rozek
Flagstar Bank	E7346	Lemiesz, Rachel	266.98	2/21/2025	Marci Rozek
Flagstar Bank	E7347	BEYER, NICOLE	371.85	2/21/2025	Marci Rozek
Flagstar Bank	E7348	NESTORAK, TIFFANY	943.96	2/21/2025	Marci Rozek
Flagstar Bank	E7349	NIX, HEATHER	10.50	2/21/2025	Marci Rozek
Flagstar Bank	E7350	Nixon, Heidi	195.44	2/21/2025	Marci Rozek
Flagstar Bank	E7351	RICKER, AMY	366.46	2/21/2025	Marci Rozek
Flagstar Bank	E7352	Rooper, Stephani	310.66	2/21/2025	Marci Rozek
Flagstar Bank	E7353	ROSE, KEVIN	53.90	2/21/2025	Marci Rozek
Flagstar Bank	E7354	KOKALY, KAITLYN	24.64	2/21/2025	Marci Rozek
Flagstar Bank	E7355	Trout, Amber	302.61	2/21/2025	Marci Rozek
Flagstar Bank	E7356	VASCONCELOS, FLAVIA	245.21	2/21/2025	Marci Rozek
Flagstar Bank	E7357	VOGEL, HOLLI	72.36	2/21/2025	Marci Rozek
Flagstar Bank	E7358	Wilczynski, Tonia	73.50	2/21/2025	Marci Rozek
Flagstar Bank	E7359	VALLEY RESIDENTIAL SERVICES	2,893.00	2/21/2025	Marci Rozek
Flagstar Bank	E7360	SAGINAW PSYCHOLOGICAL SERVICES	341.00	2/21/2025	Marci Rozek
Flagstar Bank	E7361	BAY CITY CRU	98,457.42	2/21/2025	Marci Rozek
Flagstar Bank	E7362	A2Z CLEANING & RESTORATION INC.	4,801.00	2/21/2025	Marci Rozek
Flagstar Bank	E7363	Bromberg & Associates, LLC	50.00	2/21/2025	Marci Rozek
Flagstar Bank	E7364	GoTo Technologies USA, Inc.	48.00	2/21/2025	Marci Rozek
Flagstar Bank	E7365	HAMPTON AUTO REPAIR	2,111.15	2/21/2025	Marci Rozek
Flagstar Bank	E7366	HOSPITAL PSYCHIATRY PLLC	42,000.00	2/21/2025	Marci Rozek
Flagstar Bank	E7367	Iris Telehealth Medical Group, PA	58,512.00	2/21/2025	Marci Rozek
Flagstar Bank	E7368	MICHIGAN OFFICE SOLUTIONS	125.00	2/21/2025	Marci Rozek
Flagstar Bank	E7369	NETSOURCE ONE, INC.	39,642.58	2/21/2025	Marci Rozek
Flagstar Bank	E7370	New Dimensions, Inc.	1,575.00	2/21/2025	Marci Rozek
Flagstar Bank	E7371	PRO-SCAPE, INC.	730.00	2/21/2025	Marci Rozek
Flagstar Bank	E7372	Smith, Bridget M	4,200.00	2/21/2025	Marci Rozek
Flagstar Bank	E7373	TELNET WORLDWIDE, INC.	1,558.93	2/21/2025	Marci Rozek
Flagstar Bank	E7374	UNITED WAY OF BAY COUNTY/RENT	2,125.00	2/21/2025	Marci Rozek
Flagstar Bank	E7375	V.O.I.C.E., INC.	623.10	2/21/2025	Marci Rozek
Flagstar Bank	E7376	HAVENWYCK HOSPITAL	8,461.89	2/21/2025	Marci Rozek
Flagstar Bank	E7377	HOPE NETWORK BEHAVIORAL HEALTH	178.19	2/21/2025	Marci Rozek
Flagstar Bank	E7378	Fitzhugh House, LLC	11,595.00	2/21/2025	Marci Rozek
Flagstar Bank	E7379	Bay Human Services, Inc.	151,098.38	2/21/2025	Marci Rozek
Flagstar Bank	E7380	VALLEY RESIDENTIAL SERVICES	125,988.07	2/21/2025	Marci Rozek
Flagstar Bank	E7381	LIBERTY LIVING, INC.	32,811.59	2/21/2025	Marci Rozek
Flagstar Bank	E7382	HEALTHSOURCE	44,280.00	2/21/2025	Marci Rozek
Flagstar Bank	E7383	CEDAR CREEK HOSPITAL	9,032.00	2/21/2025	Marci Rozek
Flagstar Bank	E7384	PHC OF MICHIGAN - HARBOR OAKS	15,300.00	2/21/2025	Marci Rozek
Flagstar Bank	E7385	MPA GROUP NFP, Ltd.	38,002.43	2/21/2025	Marci Rozek
Flagstar Bank	E7386	LIST PSYCHOLOGICAL SERVICES	1,719.73	2/21/2025	Marci Rozek
Flagstar Bank	E7387	SAGINAW PSYCHOLOGICAL SERVICES	26,843.15	2/21/2025	Marci Rozek
Flagstar Bank	E7388	ARENAC OPPORTUNITIES, INC	31,578.82	2/21/2025	Marci Rozek
Flagstar Bank	E7389	DO-ALL, INC.	7,929.14	2/21/2025	Marci Rozek
Flagstar Bank	E7390	TOUCHSTONE SERVICES, INC	7,332.00	2/21/2025	Marci Rozek
Flagstar Bank	E7391	Winningham, Linda Jo	765.00	2/21/2025	Marci Rozek
Flagstar Bank	E7392	Nutrition for Wellness	1,296.30	2/21/2025	Marci Rozek
Flagstar Bank	E7393	WILSON, STUART T. CPA, P.C.	107,027.14	2/21/2025	Marci Rozek
Flagstar Bank	E7394	CAREBUILDERS AT HOME, LLC	61,149.30	2/21/2025	Marci Rozek
Flagstar Bank	E7395	CENTRIA HEALTHCARE LLC	28,310.87	2/21/2025	Marci Rozek
Flagstar Bank	E7396	GAME CHANGER PEDIATRIC THERAPY	52,586.78	2/21/2025	Marci Rozek
Flagstar Bank	E7397	Spectrum Autism Center	12,730.79	2/21/2025	Marci Rozek
Flagstar Bank	E7398	ENCOMPASS THERAPY CENTER LLC	51,016.13	2/21/2025	Marci Rozek
Flagstar Bank	E7399	DBT Institute of Michigan	2,400.00	2/21/2025	Marci Rozek
Flagstar Bank	E7400	Staples	7,000.57	2/21/2025	Marci Rozek
Flagstar Bank	E7401	HAVENWYCK HOSPITAL	13,162.94	2/28/2025	Marci Rozek
Flagstar Bank	E7402	HOPE NETWORK BEHAVIORAL HEALTH	21.02	2/28/2025	Marci Rozek
Flagstar Bank	E7403	Bay Human Services, Inc.	1,466.45	2/28/2025	Marci Rozek
Flagstar Bank	E7404	MICHIGAN COMMUNITY SERVICES IN	1,076.07	2/28/2025	Marci Rozek
Flagstar Bank	E7405	CENTRAL STATE COMM. SERVICES	141.06	2/28/2025	Marci Rozek
Flagstar Bank	E7406	LIBERTY LIVING, INC.	32,564.04	2/28/2025	Marci Rozek
Flagstar Bank	E7407	HEALTHSOURCE	62,640.00	2/28/2025	Marci Rozek
Flagstar Bank	E7408	MPA GROUP NFP, Ltd.	29,475.37	2/28/2025	Marci Rozek
Flagstar Bank	E7409	SAGINAW PSYCHOLOGICAL SERVICES	21,319.26	2/28/2025	Marci Rozek



Flagstar Bank	E7410	ARENAC OPPORTUNITIES, INC	28,214.61	2/28/2025	Marci Rozek
Flagstar Bank	E7411	DO-ALL, INC.	1,909.95	2/28/2025	Marci Rozek
Flagstar Bank	E7412	New Dimensions	10,495.73	2/28/2025	Marci Rozek
Flagstar Bank	E7413	TOUCHSTONE SERVICES, INC	4,180.80	2/28/2025	Marci Rozek
Flagstar Bank	E7414	Nutrition for Wellness	125.00	2/28/2025	Marci Rozek
Flagstar Bank	E7415	WILSON, STUART T. CPA, P.C.	76,001.36	2/28/2025	Marci Rozek
Flagstar Bank	E7416	AUTISM SYSTEMS LLC	8,591.97	2/28/2025	Marci Rozek
Flagstar Bank	E7417	CENTRIA HEALTHCARE LLC	31,166.62	2/28/2025	Marci Rozek
Flagstar Bank	E7418	PERSONAL ASSISTANCE OPTIONS INC	38,689.89	2/28/2025	Marci Rozek
Flagstar Bank	E7419	Flourish Services, LLL	38,253.69	2/28/2025	Marci Rozek
Flagstar Bank	E7420	GAME CHANGER PEDIATRIC THERAPY	52,499.72	2/28/2025	Marci Rozek
Flagstar Bank	E7421	Spectrum Autism Center	17,516.40	2/28/2025	Marci Rozek
Flagstar Bank	E7422	ENCOMPASS THERAPY CENTER LLC	53,615.89	2/28/2025	Marci Rozek
Flagstar Bank	E7423	MERCY PLUS HEALTHCARE SERVICES LLC	13,819.18	2/28/2025	Marci Rozek
Flagstar Bank	E7424	Positive Behavior Supports Corporation	11,034.53	2/28/2025	Marci Rozek
Flagstar Bank	E7425	HEALING WITH HEART	600.00	2/28/2025	Marci Rozek
Flagstar Bank	E7426	ARENAC OPPORTUNITIES, INC	2,937.68	2/28/2025	Marci Rozek
Flagstar Bank	E7427	DO-ALL, INC.	13,424.65	2/28/2025	Marci Rozek
Flagstar Bank	E7428	ARQUETTE, LORI	79.73	2/28/2025	Marci Rozek
Flagstar Bank	E7429	BYRNE, RICHARD	231.00	2/28/2025	Marci Rozek
Flagstar Bank	E7430	HAMPTON AUTO REPAIR	666.09	2/28/2025	Marci Rozek
Flagstar Bank	E7431	Niemiec, Kathleen	126.00	2/28/2025	Marci Rozek
Flagstar Bank	E7432	O'BRIEN, CAROLE	44.10	2/28/2025	Marci Rozek
Flagstar Bank	E7433	PETER CHANG ENTERPRISES, INC.	23,360.99	2/28/2025	Marci Rozek
Flagstar Bank	E7434	Professional Insurance Consultants	450.00	2/28/2025	Marci Rozek
Flagstar Bank	E7435	Schumacher, Pamela	38.64	2/28/2025	Marci Rozek
Flagstar Bank	E7436	VanWert, Laurie	50.60	2/28/2025	Marci Rozek

Total Withdrawals:

3,883,865.35

*Marci Rozek* 

Submitted By: Marci Rozek or Christopher Pinter  
Chief Financial Officer or Chief Executive Officer

March 17, 2025

To: Sara McRae, Executive Assistant to the CEO  
From: Karl White, Accounting Manager  
Michele Perry, Finance Manager  
Re: Disbursement Audit Information for Audit Committee

The following is a summary of disbursements as presented

Administration and Services for Behavioral Health

**03/21/25 Checks Sequence: #100905-100978, ACH E7329-E7375+E7400**

Employee travel, conference	\$ 9,510.58
Purchase Order Invoices	\$ 7,000.57
Invoices for Routine Maintenance, purchase requisitions, & recurring	\$ 629,661.21

**SUBTOTAL - Monthly Batch** **\$ 646,172.36**

**ITEMS FOR REVIEW:**

**EFT transfer - Credit Card 03/05/2025** **\$ 17,654.53**

**Weekly Special Checks:**

02/28/2025 Checks 100992-101008, E7428-E7436	\$ 38,517.79
03/07/2025 Checks 101012-101023, E7464-E7466	\$ 95,338.02
03/14/2025 Checks 101033-101037	\$ 768.80

**SUBTOTAL - Special Checks** **\$ 134,624.61**

**Health Care payments**

02/21/2025 Checks 100979-100986, ACH Pmts E7376-E7399	\$ 1,015,792.75
02/28/2025 Checks 100987-100991, ACH Pmts E7401-E7425	\$ 682,218.03
03/07/2025 Checks 101009-101011, ACH Pmts E7437-E7463	\$ 696,081.47
03/14/2025 Checks 101024-101032, ACH Pmts E7470-E7500	\$ 1,630,501.27

**SUBTOTAL - Health Care Payments** **\$ 4,024,593.52**

**TOTAL DISBURSEMENTS** **\$ 4,823,045.02**

Prepared by:

*Karl White*

Reviewed by:

*MP*

## **MDHHS launches initiative to strengthen behavioral health care access, quality and choice for Michigan families**

*Online survey offered to identify opportunities and improvements to Medicaid behavioral health services prior to selecting Pre-Paid Inpatient Health Plans*

LANSING, Mich. – The Michigan Department of Health and Human Services (MDHHS) is launching an initiative designed to improve access to quality behavioral health care. As part of this effort, MDHHS is seeking public input through an online survey as the department moves to a competitive procurement process for the state's Pre-Paid Inpatient Health Plan (PIHP) contracts.

This initiative will help to increase consumer choice and access to services while preserving the Community Mental Health Services Programs (CMHSPs) many Medicaid beneficiaries go to for behavioral health care services today.

"Michigan Medicaid beneficiaries deserve access to behavioral health care services when and where they need them," said Elizabeth Hertel, MDHHS director. "This effort brings together the investment, creativity and commitment of the department and its partners – including community mental health, health care providers, individuals served and communities – to create a more accessible and person-centered system of care dedicated to ensuring Michigan residents a healthier future."

Michigan's specialty behavioral health system provides health care coverage to approximately 300,000 Michiganders, including adults with serious mental illness, children with serious emotional disturbance, individuals with substance use disorder, and individuals with intellectual and developmental disabilities. MDHHS contracts with PIHPs as the regional Medicaid managed care entity. PIHPs are charged with providing adequate supports and services to those in need of the specialty behavioral health benefit and are key to achieving the department's mission to improve the health, safety and prosperity of residents. PIHPs manage provider networks including CMHSPs and behavioral health providers.

"The specialty behavioral health system needs to be more accountable and responsive to the needs of people served. It's time for a change," said Sherri Boyd, executive director, The Arc Michigan.

Through an [online survey](#), MDHHS seeks input from people currently enrolled in Medicaid and their families, advocacy groups, community-based organizations, federally recognized tribal governments, providers of health care, behavioral health and other interested parties to identify opportunities for innovation and improvement in the services and supports provided through the PIHP system.

Survey questions seek feedback on priorities to help determine where the state should focus its efforts. Examples include strengthening person-centered care, conflict-free access and planning, increasing access to providers, beneficiary behavioral health plan choice, beneficiary provider choice, enhancing quality, strengthening outcomes and using data to drive quality.

Feedback received will help guide planning and decision-making in preparation for the implementation of new PIHP behavioral health plan contracts, as well as other MDHHS efforts to improve the health of residents served by the programs.

Survey responses must be submitted through the [online survey](#) no later than 5 p.m., Monday, March 31. The Arc Michigan, The Mental Health Association in Michigan and other advocacy organizations are working with MDHHS to include the voices of individuals served and their families who may not have internet access, have alternative communication needs or would prefer to work through an advocacy organization.

For more information, visit [Michigan.gov/BehavioralHealth](https://Michigan.gov/BehavioralHealth). Procurement-related questions can be sent to [MDHHS-BHSurvey@michigan.gov](mailto:MDHHS-BHSurvey@michigan.gov).

**Full-Year Continuing Appropriations and Extensions Act, 2025**  
*Section-by-Section Summary*

**Sections 1 through 3. Front Matter.**

Sections 1 through 3 establish the short title, table of contents, and references for the Act.

**DIVISION A—FULL-YEAR CONTINUING APPROPRIATIONS ACT, 2025**

**TITLE I—GENERAL PROVISIONS**

**Section 1101. Extension of Funding.**

Section 1101 extends funding provided in fiscal year 2024 appropriations Acts, with limited exceptions.

**Section 1102. Terms and Conditions.**

Section 1102 states that funds provided in the CR are available to the extent and in the manner that would be provided in the pertinent appropriations Act.

**Section 1103. Comparable Period of Availability.**

Section 1103 retains a comparable period of availability for appropriations that carried a multiple-year or no-year period of availability in the applicable appropriations Act for fiscal year 2024.

**Section 1104. Limitation on New Starts and Activities.**

Section 1104 prevents appropriations provided in the CR from being used for new starts and new activities that were prohibited in fiscal year 2024.

**Section 1105. Continuation of Requirements, Authorities, and Other Terms.**

Section 1105 states that unless otherwise provided, the requirements, authorities, conditions, limitations, and other provisions of the extended fiscal year 2024 appropriations Acts continue during the CR.

**Section 1106. End Date of CR.**

Section 1106 continues the appropriations and authorities provided by the CR through September 30, 2025.

**Section 1107. Requirement to Charge CR Spending to Applicable Appropriation.**

Section 1107 requires that spending under the Continuing Appropriations Act, 2025 (Public Law 118-83) be charged to the applicable appropriation, fund, or authorization provided by this division.

**Section 1108. Waiver Language for Intelligence Programs.**

Section 1108 provides waiver language for certain intelligence programs and agencies.

**Section 1109. Operations of Mandatory Programs and Appropriated Entitlements.**

Section 1109 continues mandatory programs and appropriated entitlements, and it specifies advance appropriations for certain accounts.

**Section 1110. Updated Designation of Funds for Disaster Relief and Emergencies.**

Section 1110 updates designations of disaster relief and emergency funding for previously appropriated funds, to continue such designations during the CR.

**Section 1111. Prior Community Project Funding/Congressionally Directed Spending.**

Section 1111 states that language specifying community projects or congressionally directed spending in the prior fiscal year shall have no legal effect with respect to funds appropriated by this division. Does not impact funding of community projects or congressionally directed spending in fiscal year 2024.

**Section 1112. Discretionary Advances.**

Section 1112 continues discretionary advance appropriations.

**Section 1113. Spending, Expenditure, or Operating Plans.**

Section 1113 requires departments and agencies to provide spending, expenditure, or operating plans for fiscal year 2025.

**Section 1114. Office of Management and Budget Report.**

Section 1114 requires a report on obligations by the Office of Management and Budget.

**Section 1115. U.S. Parole Commission.**

Section 1115 extends authorization of the Sentencing Reform Act of 1984 pertaining to the United States Parole Commission during the CR.

**Section 1116. Retain Emergency Designation.**

Section 1116 provides that any amount in the CR designated as an emergency and so designated by the President shall retain such designation.

**TITLE II—AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG  
ADMINISTRATION, AND RELATED AGENCIES**

**Section 1201. Community Project Funding/Congressionally Directed Spending.**

Section 1201 reduces account levels to remove fiscal year 2024 Community Project Funding / Congressionally Directed Spending funding. Does not impact funding of community projects or congressionally directed spending in fiscal year 2024.

**Section 1202. Spending Adjustments.**

Section 1202 provides \$1.2 billion for the Food Safety and Inspection Service to ensure federal meat and poultry inspectors are funded. Without these inspectors, processing plants cannot operate. It also provides \$425 million for the Commodity Supplemental Food Program to provide

food packages to low-income senior adults, and it provides \$7.6 billion for the Supplemental Nutrition Program for Women, Infants, and Children (WIC), as requested by the Administration.

**Section 1203. Livestock Mandatory Price Reporting.**

Section 1203 extends authority for Livestock Mandatory Price Reporting until September 30, 2025.

**Section 1204. Community Project Funding/Congressionally Directed Spending.**

Section 1204 eliminates funding for fiscal year 2024 Community Project Funding / Congressionally Directed Spending. Does not impact funding of community projects or congressionally directed spending in fiscal year 2024.

**Section 1205. Agricultural Credit Insurance Fund.**

Section 1205 allows reprogramming of funds between Farm Service Agency loans.

**Section 1206. Rural Development.**

Section 1206 provides funding flexibility to meet Rental Assistance Program needs and to account for changing loan subsidy rates.

**Section 1207. Disaster Program Technical Correction.**

Section 1207 clarifies *de minimis* crop provision in disaster programs.

### **TITLE III—COMMERCE, JUSTICE, SCIENCE, AND RELATED AGENCIES**

**Section 1301. Community Project Funding/Congressionally Directed Spending.**

Section 1301 removes funding for fiscal year 2024 Community Project Funding / Congressionally Directed Spending. Does not impact funding of community projects or congressionally directed spending in fiscal year 2024.

**Section 1302. Department of Justice Funding.**

Section 1302 provides additional funds to the Justice Information Sharing Technology account to cover the Department's cybersecurity operations and to the Federal Prisoner Detention account to cover increasing costs and expanded immigration enforcement.

### **TITLE IV—DEPARTMENT OF DEFENSE**

**Section 1401–Section 1408. Department of Defense Funding.**

Sections 1401 through 1408 provide lump sum funding accounts within the Department of Defense, including: Military Personnel; Operation and Maintenance; Procurement; Shipbuilding and Conversion, Navy; Research, Development, Test and Evaluation; Revolving and Management Funds; Other Department of Defense Programs; and Related Agencies.

**Section 1409. New Start Authorities.**

Section 1409 provides authorities and requirements for the Department of Defense to initiate new activities.

**Section 1410. Classified Annex.**

Section 1410 provides for a classified annex to accompany this Act.

**Section 1411. 80/20 Limitation Modification.**

Section 1411 modifies the requirement to obligate no more than 20 percent of appropriations made in this Act during the last two months of the fiscal year.

**Section 1412. General Transfer Authority Increase.**

Section 1412 increases the general transfer authority for appropriations made in fiscal year 2024 for the Department of Defense from \$6 billion to \$8 billion; and provides \$8 billion in general transfer authority for appropriations made in this Act.

**Section 1413. Federally Funded Research and Development Center Funding.**

Section 1413 modifies funding levels for federally funded research and development centers within the Department of Defense.

**Section 1414. Defense Security Cooperation Agency Funding.**

Section 1414 modifies funding levels for the Defense Security Cooperation Agency.

**Section 1415. Prior Year Rescissions.**

Section 1415 ensures that funds rescinded in the Further Consolidated Appropriations Act, 2024 are not again rescinded.

**Section 1416. Current Year Rescissions.**

Section 1416 rescinds funds in multiple Department of Defense accounts.

**Section 1417. Cost to Complete Funding for Shipbuilding and Conversion, Navy Accounts.**

Section 1417 provides funding to complete construction in various shipbuilding programs.

**Section 1418. Multi-year Authority.**

Section 1418 provides multi-year procurement authority for CH-53K Heavy Lift helicopters, T408 engines, and USS Virginia Class (SSN-774).

**Section 1419. National Defense Reserve Fleet Funding.**

Section 1419 modifies funding levels for the purchase of sealift vessels for the National Defense Reserve Fleet.

**Section 1420. Office of Strategic Capital.**

Section 1420 provides appropriations and authorities for the Office of Strategic Capital.

**Section 1421. Combatant Command Transfer Fund.**

Section 1421 provides appropriations for U.S. regional operations.



**Section 1422. Operating plan.**

Section 1422 requires the Department of Defense to submit an operating plan.

**TITLE V—ENERGY AND WATER DEVELOPMENT AND RELATED AGENCIES**

**Section 1501. Community Project Funding/Congressionally Directed Spending.**

Section 1501 adjusts funding levels to remove fiscal year 2024 Community Project Funding / Congressionally Directed Spending. Does not impact funding of community projects or congressionally directed spending in fiscal year 2024.

**Section 1502. Department of Energy Funding.**

Section 1502 modifies funding levels for certain Department of Energy activities, including specialized security activities and National Nuclear Security Administration weapons modernization programs.

**Section 1503. Work Plan.**

Section 1503 requires the submission of a detailed work plan and certain eligibility requirements for funds appropriated to the Army Corps of Engineers.

**Section 1504. Uranium Enrichment Decontamination and Decommissioning Fund.**

Section 1504 ensures necessary funding for uranium enrichment facility decontamination and decommissioning, remedial actions, and other activities.

**Section 1505. Nuclear Defense and Cleanup.**

Section 1505 provides funding flexibility to adjust amounts available for certain nuclear defense and cleanup activities.

**Section 1506. Navajo-Gallup Water Supply Activities.**

Section 1506 extends the authorization ceiling and timing to ensure continuation of the activities.

**Section 1507. Availability of Prior-Year Funds for Bureau of Reclamation Activities.**

Section 1507 maintains a schedule for certain western water supply infrastructure activities.

**Section 1508. Naval Reactors Naval Examination Acquisition Activities.**

Section 1508 enables use of funds to maintain schedule for the recapitalization of the core examinations capability which is critical to current fleet operation and future naval reactor design.

**Section 1509. National Nuclear Security Administration Weapons Activities.**

Section 1509 enables use of funds for Weapons Activities mission enabling activities critical to nuclear stockpile management and modernization.

## **TITLE VI—FINANCIAL SERVICES AND GENERAL GOVERNMENT**

### **Section 1601. Community Project Funding/Congressionally Directed Spending.**

Section 1601 removes funding for fiscal year 2024 Community Project Funding / Congressionally Directed Spending. Does not impact funding of community projects or congressionally directed spending in fiscal year 2024.

### **Section 1602. Funding Requirements.**

Section 1602 modifies funding levels for the Election Assistance Commission; the General Services Administration (GSA); the National Archives and Records Administration; and to the District of Columbia.

### **Section 1603. General Services Administration – Pre-election Presidential Election.**

Section 1603 carries over a prohibition on funds expended by GSA for the presidential election transition.

### **Section 1604. Small Business Administration, Disaster Loan Program.**

Section 1604 modifies funding for the Small Business Administration's Disaster Loan Program.

### **Section 1605. Vice President, Executive Schedule, and Senior Executive Service Pay Freeze.**

Section 1605 includes the pay freeze established in Public Law 118-47 and carried in the most recent continuing resolution for the Vice President, employees serving in an Executive Schedule, and Senior Executive Service position.

### **Section 1606. Eliminates Outdated Provisions.**

Section 1606 eliminates a legacy provision from Public Law 118-47 allowing the Department of Treasury to transfer funds appropriated under the CARES Act.

### **Section 1607. Universal Service Fund.**

Section 1607 allows the Universal Service Fund to continue to operate through the length of the continuing resolution.

### **Section 1608. Estimating Differences.**

Section 1608 addresses issues that may arise in the event Congressional Budget Office estimates in budget authority are greater than caps established in 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985.

## **TITLE VII—DEPARTMENT OF HOMELAND SECURITY**

### **Section 1701. Department of Homeland Security (DHS) Funding.**

Section 1701 modifies the funding levels for U.S. Immigration and Customs Enforcement; Transportation Security Administration; U.S. Coast Guard; and the Federal Emergency Management Agency (FEMA) Disaster Relief Fund. Additionally, this section eliminates funding for fiscal year 2024 Community Project Funding / Congressionally Directed Spending. Does not impact funding of community projects or congressionally directed spending in fiscal year 2024.

**Section 1702. Commercial Icebreaker Technical Correction.**

Section 1702 includes a technical correction to the Coast Guard Authorization Act of 2022 to allow for improvements to the recently acquired Coast Guard Cutter *Storis*.

**Section 1703. Senior Enlisted Caps.**

Section 1703 waives percentage caps for senior enlisted members through the end of the fiscal year, preventing advancement delays.

**Section 1704. U.S. Secret Service Overtime.**

Section 1704 increases funds available for certain overtime pay.

**Section 1705. Technical Provisions.**

Section 1705 eliminates a technical provision no longer applicable for fiscal year 2025.

**Section 1706. Unobligated Operations and Support Balances Rescissions.**

Section 1706 rescinds various unobligated operations and support balances.

**Section 1707. Nonrecurring Expenses Fund Rescission.**

Section 1707 rescinds \$133 million from the DHS Nonrecurring Expenses Fund.

**Section 1708. Infrastructure Investment and Jobs Act (IIJA) Repurposing.**

Section 1708 repurposes \$115 million in IIJA funding for FEMA Federal Assistance.

**Section 1709. National Flood Insurance Program.**

Section 1709 extends the authorization for the National Flood Insurance Program through the end of the fiscal year.

**TITLE VIII—DEPARTMENT OF THE INTERIOR, ENVIRONMENT, AND RELATED AGENCIES**

**Section 1801. Community Project Funding/Congressionally Directed Spending.**

Section 1801 reduces account levels to remove fiscal year 2024 funding for Community Project Funding / Congressionally Directed Spending. Does not impact funding of community projects or congressionally directed spending in fiscal year 2024.

**Sections 1802 and 1805. Spending Adjustments.**

Sections 1802 and 1805 adjust fiscal year 2024 account levels to implement the federal wildland firefighter pay fix at the Department of the Interior and U.S. Forest Service; to cover necessary payments to the National Park Service for planning and security related to the 2025 Presidential Inauguration; to modernize the Environmental Protection Agency's IT system to more efficiently complete chemical reviews, as requested by the Administration; and to allow the Office of Navajo and Hopi Indian Relocation to continue operations through the end of the fiscal year, as requested by the Administration.

**Sections 1803 and 1804. Tribal Health.**

Sections 1803 and 1804 support staffing and operating costs at newly constructed Tribal health care facilities, adjust fiscal year 2026 advance appropriations, and reduce account levels to remove fiscal year 2024 funding for Community Project/Congressionally Directed Spending. Does not impact funding of community projects or congressionally directed spending in fiscal year 2024.

**Section 1806. Wildland Fire Suppression.**

Section 1806 provides the fiscal year 2025 levels, as authorized, for the Wildfire Suppression Operations Reserve Fund for the Department of the Interior and U.S. Forest Service. These funds are critical to ensuring the agencies can respond to catastrophic wildfires.

**Section 1807. Wildland Firefighter Pay Fix.**

Section 1807 incorporates by reference Sections 456 and 457 of the fiscal year 2025 House-passed Interior Appropriations bill to authorize special base rates of pay for wildland firefighters and wildland fire incident response premium pay.

**Section 1808. Disaster Relief Requirements.**

Section 1808 allows the National Park Service to liquidate valid obligations for certain disaster relief requirements.

**Section 1809. Bureau of Ocean Energy Management Public and Private Contributions.**

Section 1809 allows the Department of the Interior to continue accepting contributions toward offshore technical work.

## **TITLE IX—DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES**

**Section 1901. Bureau of Labor Statistics.**

Section 1901 provides additional funding to support the Current Population Survey at the Bureau of Labor Statistics.

**Section 1902. Program Integrity.**

Section 1902 provides adjustments related to the program integrity funding for unemployment insurance, the Social Security Administration, and the Centers for Medicare & Medicaid Service.

**Section 1903. Rescission.**

Section 1903 rescinds prior-year balances from the Employment and Training Administration.

**Section 1904. Organ Procurement and Transplantation Network.**

Section 1904 provides authority for the Department of Health and Human Services to use fees collected from the Organ Procurement and Transplantation Network (OPTN) for the OPTN Modernization Initiative.

**Section 1905. NIH Innovation Account, Cures Act.**

Section 1905 conforms the fiscal year 2025 funding level transferred to the NIH Innovation Account, Cures Act, to the level provided in the 21<sup>st</sup> Century Cures Act.

**Section 1906. Prevention and Public Health Fund.**

Section 1906 continues the requirement that the Department of Health and Human Services transfer Prevention and Public Health Fund funding to activities funded in fiscal year 2024.

**Section 1907. Mammography Screening.**

Section 1907 extends a provision related to mammography screening by one year.

**Section 1908. Community Project Funding/Congressionally Directed Spending.**

Section 1908 removes funding for fiscal year 2024 Community Project Funding / Congressionally Directed Spending. Does not impact funding of community projects or congressionally directed spending in fiscal year 2024.

**Section 1909. Account Maintenance Fees.**

Section 1909 extends the authority for account maintenance fees paid to student loan guaranty agencies through fiscal year 2026.

**Section 1910. Rescission.**

Section 1910 modifies a rescission from the previous fiscal year to reflect current available balances.

**Section 1911. Administration Fees.**

Section 1911 reflects increased collections for the current fiscal year.

**Section 1912. Temporary Assistance for Needy Families (TANF).**

Section 1912 provides an extension for the TANF program through the end of the fiscal year.

**TITLE X—LEGISLATIVE BRANCH**

**Sections 11001 and 11002. Funding Levels.**

Section 11001 and Section 11002 revise funding levels for certain accounts in the House and Senate.

**Section 11003. Funding Level.**

Section 11003 makes funding adjustments to various Joint Items reflecting prior one-time purchases, final phase construction items, and a commitment to the safety of the Capitol Complex reflected in recruitment and retention funds for U.S. Capitol Police.

## **TITLE XI—MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES**

### **Sections 11101 through 11103. Military Construction Investments.**

Sections 11101 through 11103 adjust investments across military construction accounts, so investments better align with current priorities aimed towards improving quality of life for service members.

### **Section 11104. Obligation Authority.**

Section 11104 allows certain continued obligation authority for military construction activities that previously received appropriations but had been deferred. Without the anomaly, the Department of Defense would not be able to continue obligating for these ongoing activities.

### **Section 11105. Funding Requirements.**

Section 11105 stops certain one-time investments and funding designations in fiscal year 2024. The section also cancels certain rescissions that are no longer viable in fiscal year 2025.

### **Section 11106. Veterans Cemetery.**

Section 11106 continues activities begun in fiscal year 2024 related to Veterans cemeteries.

### **Section 11107. Veterans Housing.**

Section 11107 continues activities begun in fiscal year 2024 related to Veterans housing.

### **Section 11108. Community Project Funding/Congressionally Directed Spending.**

Section 11108 removes funding for fiscal year 2024 Community Project Funding / Congressionally Directed Spending. Does not impact funding of community projects or congressionally directed spending in fiscal year 2024.

### **Section 11109 and 11110 Veterans' Health and Benefits.**

Sections 11109 and 11110 provide additional funds and adjust fiscal year 2026 advance appropriations to the Department of Veterans Affairs to cover all estimated costs for the following accounts: Compensation and Pensions, Readjustment Benefits, Medical Services, Medical Community Care, Medical Support and Compliance, Medical Facilities and Veterans Insurance Indemnities to improve healthcare planning and services for our veterans.

## **TITLE XII—DEPARTMENT OF STATE, FOREIGN OPERATIONS, AND RELATED PROGRAMS**

### **Section 11201. Millennium Challenge Corporation.**

Section 11201 modifies the Millennium Challenge Corporation to extend a current Board member's term.

### **Section 11202. Special Inspector General for Afghanistan Reconstruction.**

Section 11202 provides flexibility to adjust amounts available for the Special Inspector General for Afghanistan Reconstruction.

**Section 11203. International Boundary and Water Commission.**

Section 11203 provides \$78 million in savings for the International Boundary and Water Commission, United States and Mexico, and adjusts the transfer amount.

**Section 11204. Funding Levels.**

Section 11204 provides \$194.87 million in savings for certain accounts.

**Section 11205. Removing Certain Requirements.**

Section 11205 turns off certain requirements from the fiscal year 2024 Act, including a one-time withholding requirement related to the submission of a report; a funding directive related to war crimes; and a withholding of fiscal year 2024 funding related to elections in Venezuela.

**Section 11206. Adjustments to Fiscal Year 2024 Provisions.**

Section 11206 provides modifications to certain fiscal year 2024 Act provisions including: adjusting the amount for Israel's offshore procurement consistent with the U.S.-Israel Memorandum of Understanding; and updating the calendar dates by one year on certain provisions in the fiscal year 2024 Act.

**Section 11207. Rescission Adjustment.**

Section 11207 provides revised amounts for rescission.

**Section 11208. Extension of Authorities.**

Section 11208 provides extension of certain authorities carried in the fiscal year 2024 Act related to the Lautenberg Amendment in subsection (a), Afghan allies in subsection (b), and assistance for Israel in subsections (c) and (d).

## **TITLE XIII—TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES**

**Section 11301. Community Project Funding/Congressionally Directed Spending.**

Section 11301 adjusts account levels to remove funding for fiscal year 2024 Community Project Funding / Congressionally Directed Spending. Does not impact funding of community projects or congressionally directed spending in fiscal year 2024.

**Section 11302. Highway and Airport Trust Fund Programs.**

Section 11302 modifies Department of Transportation highway and airport trust fund programs to reflect fiscal year 2025 authorized levels.

**Section 11303. Funding Levels.**

Section 11303 provides funding increases to ensure continuity of rural air service, air traffic control, rental assistance, and transportation safety investigations.

**Section 11304. Rescissions and Set-Asides.**

Section 11304 eliminates one-time rescissions and set asides.

**Section 11305. Homeless Assistance Grants Flexibility.**

Section 11305 provides flexibility within the Homeless Assistance Grants account to ensure the continuation of current services for the homeless.

**DIVISION B—HEALTH**

**TITLE I—PUBLIC HEALTH EXTENDERS**

**Section 2101. Extension for Community Health Centers, National Health Service Corps, and Teaching Health Centers that Operate GME Programs.**

Section 2101 reauthorizes the Community Health Center Fund, the National Health Service Corps, and the Teaching Health Center Graduate Medical Education program through September 30, 2025.

**Section 2102. Extension of Special Diabetes Programs.**

Section 2102 reauthorizes the Special Diabetes Program for Type I Diabetes and the Special Diabetes Program for Indians through September 30, 2025.

**Section 2103. National Health Security Extensions.**

Section 2103 reauthorizes certain existing authorities related to emergency preparedness and response activities and functions through September 30, 2025.

**TITLE II—MEDICARE**

**Section 2201. Extension of Increased Inpatient Hospital Payment Adjustment for Certain Low-Volume Hospitals.**

Section 2201 extends the Medicare low-volume hospital payment adjustment through September 30, 2025.

**Section 2202. Extension of the Medicare-Dependent Hospital (MDH) Program.**

Section 2202 extends the Medicare-Dependent Hospital (MDH) program through September 30, 2025.

**Section 2203. Extension of Add-On Payments for Ambulance Services.**

Section 2303 extends Medicare ground ambulance add-on payments through September 30, 2025.

**Section 2204. Extension of Funding for Quality Measure Endorsement, Input, and Selection.**

Section 2204 provides funding to the Centers for Medicare and Medicaid Services (CMS) for quality measure selection and to contract with a consensus-based entity to carry out duties related to quality measure endorsement, input, and selection activities through September 30, 2025.



**Section 2205. Extension of Funding Outreach and Assistance for Low-Income Programs.**

Section 2205 provides funding for State Health Insurance Assistance Programs (SHIPs), Area Agencies on Aging (AAAs), Aging and Disability Resource Centers (ADRCs), and a contract with an entity to inform older Americans about benefits available under Federal and State programs through September 30, 2025.

**Section 2206. Extension of the Work Geographic Index Floor.**

Section 2206 extends the 1.0 work Geographic Practice Cost Index (GPCI) floor used in the calculation of payments under the Medicare physician fee schedule through September 30, 2025.

**Section 2207. Extension of Certain Telehealth Flexibilities.**

Section 2207 extends Medicare telehealth flexibilities that were extended in the Consolidated Appropriations Act, 2023, through September 30, 2025.

**Section 2208. Extending Acute Hospital Care at Home Waiver Authorities.**

Section 2208 extends the Acute Hospital Care at Home initiative, as currently authorized under CMS waivers and flexibilities, through September 30, 2025.

**Section 2209. Extension of Temporary Inclusion of Authorized Oral Antiviral Drugs as Covered Part D Drugs.**

Section 2209 extends Medicare Part D coverage of certain oral antiviral drugs through September 30, 2025.

**Section 2210. Medicare Improvement Fund.**

Section 2210 adjusts the amount of funding in the Medicare Improvement Fund from \$1.251 billion to \$1.804 billion.

**Section 2211. Medicare Sequestration.**

Section 2211 extends current law mandatory 2 percent Medicare payment reductions under sequestration for 2 months.

**TITLE III—HUMAN SERVICES**

**Section 2301. Sexual Risk Avoidance Education Extension.**

Section 2301 extends the Sexual Risk Avoidance Education (SRAE) program under Title V of the Social Security Act through September 30, 2025.

**Section 2302. Personal Responsibility Education Extension.**

Section 2302 extends the Personal Responsibility Education Program (PREP) under Title V of the Social Security Act through September 30, 2025.

**Section 2303. Extension of Funding for Family-to-Family Health Information Centers.**

Section 2303 extends funding for the Family-to-Family Health Information Centers Program through September 30, 2025.

## **TITLE IV—MEDICAID**

### **Section 2401. Delaying Medicaid DSH Reductions.**

Section 2401 delays the Medicaid Disproportionate Share Hospital (DSH) cuts, which are set to begin on April 1, 2025. The remaining DSH cuts would be in effect from fiscal year 2026 through fiscal year 2028.

## **DIVISION C—OTHER MATTERS**

### **Section 3101. Commodity Futures Trading Commission Whistleblower Program.**

Section 3101 extends the CFTC's whistleblower program, created under Dodd-Frank Act to provide monetary incentives to individuals who come forward to report possible violations under the Commodity Exchange Act.

### **Section 3102. Protection of Certain Facilities and Assets from Unmanned Aircraft.**

Section 3102 extends the Counter-UAS (CUAS) authorities of the Department of Justice and Department of Homeland Security through September 30, 2025.

### **Section 3103. Additional Special Assessment.**

Section 3103 extends the authority under the Justice for Victims of Trafficking Act of 2015 to levy additional assessments against individuals convicted of certain trafficking offenses through September 30, 2025. The assessment is used to provide programmatic assistance to victims of trafficking.

### **Section 3104. National Cybersecurity Protection System Authorization.**

Section 3104 extends the Federal Cybersecurity Enhancement Act until September 30, 2025. This program is designed to improve cybersecurity by establishing a public-private partnership to strengthen cybersecurity research and development, workforce education, and public awareness initiatives.

### **Section 3105. Extension of Temporary Order for Fentanyl-Related Substances.**

Section 3105 extends the temporary scheduling of fentanyl-related substances through September 30, 2025.

### **Section 3106. Budgetary Effects.**

Section 3106 contains provisions related to PAYGO and the Balanced Budget and Emergency Deficit Control Act of 1985.

Community Mental Health Association of Michigan  
CMHA advocacy strategy  
MDHHS survey related to system improvement and  
potential PIHP procurement  
March 2025

Background:

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As CMHA members know, MDHHS recently issued a [press release](#), announcing both a public comment period, centered on improvements to Michigan's public mental health services and the Department's intention to implement a competitive procurement process for the state's Prepaid Inpatient Health Plans (PIHPs).

While CMHA and its members are continually involved in system improvements, and so support this component of the Department's announcement, **the Association and its members are strongly opposed to any procurement process that could open the door to the privatization of the system.**

Advocacy plan

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In response to this press release, CMHA immediately took a number of actions in partnership with CMHA members and allies across the state. The actions already taken by CMHA to date are included in the advocacy plan below.

This advocacy plan reflects proven advocacy approaches used by CMHA to successfully thwart past attempts to privatize Michigan's public mental health system; foundational tools used in successful advocacy efforts; and the recommendations of the CEOs of Michigan's CMHSPs and PIHPs who attended a recent, mid-March, meeting of those CEOs.

**A. Talking points for use in any or all of the advocacy efforts outlined below:**

1. **Strong support for seeking views of persons served and stakeholders of the system.** CMHA and its members applaud this effort to collect the views, from the diverse set of stakeholders of Michigan's public mental health system, around approaches to refine and improve this system.
2. **State needs to take meaningful action, rather than the procurement process, to address views collected in this and prior efforts to gather the views of persons served and other stakeholders.** We expect the views of those who respond to the survey to amplify the views, long expressed, of persons served, the state's advocacy groups, the CMHs, PIHPs, and providers who make up the state's public mental health system around the following needs:
  - Access to behavioral health services and supports, where and when persons served need and desire them
  - High quality care
  - Availability of behavioral health staff (network capacity) across the full range of disciplines and modalities
  - Choice in key dimensions of the services and supports they receive, by persons served
  - Person Centered Planning processes that provide all persons served with the ability to exercise self determination
  - Coordination of care between behavioral health and physical health
  - Widespread use of peers in the provision of services and supports

- Conflict free systems – casemanagement, fair and unbiased appeals processes, including the recipient rights appeals process
  - Effective contract oversight and enforcement of all parts of the system
  - Strong voice of persons served and advocacy organizations on the governance bodies of the organizations that make up this system
  - Funding sufficient to meet the actual demand for and cost of services. While services, populations, and rate floors are added to the Medicaid benefit, the funding to cover those required benefits has been insufficient statewide, with wide variation in that insufficiency across regions
  - Structures that ensure local control of the system and its public nature while ensuring that these local service delivery systems are responsive to the needs of the persons and communities that they serve and that some level of uniformity exists, statewide, relative to access to and intensity of services.
  - Reducing administrative and paperwork demands thus maximizing the share of the Medicaid funds provided to the system are used to fund services and supports and freeing staff time to be spent serving persons and communities
3. **No single solution to these issues:** The solutions to these issues do not lie in a single solution, including the competitive procurement of the public management care organization (PIHP) contract.

Rather than a single action, a number of parallel, concrete, and earnestly pursued efforts are needed to address these issues. Some of these efforts are currently underway (and need to be bolstered) with new efforts implemented, each specific to an issue of concern.

4. **A competitive procurement causes system chaos, does not address any of the core issues facing the system (those listed above as examples), and could be used to privatize the system:**

While we look forward to system refinement fueled by this public dialogue initiative, we are concerned that the procurement process being considered will:

- Add chaos to a system and those served by the system in the face of a deep and prolonged workforce shortage, state budget constraints, impending federal Medicaid reductions
- Open the door to privatize Michigan's public mental health system.

Earlier proposals to privatize this system were met by vocal and widespread opposition from Michiganders from across the state. This anti-privatization sentiment remains strong among the large and vocal stakeholders of Michigan's public mental health system.

## **B. Actions making up advocacy plan**

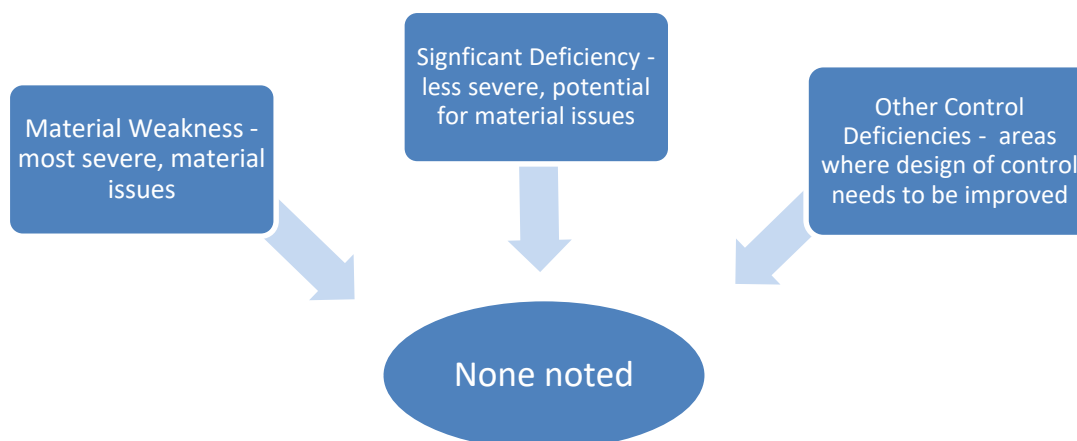
1. Encourage a clear and strong voice of persons served, staff, and other allies in responding to the on-line survey, fostering their free expression of:
  - a. A complete picture of their experience with the public mental health system. That means describing what needs to be improved and what is going well and how the system has benefited you.
  - b. Their views relative to proposals to move this system under the management of private health insurance companies. Because this survey is part of a process in which some policy makers and lobbyists are proposing such a change, MDHHS needs to know your views on this privatization proposal.
2. Executive branch advocacy
  - a. Dialogue by CMHA, members, and allies with MDHHS leadership
  - b. Dialogue by CMHA, members, and allies with the Governor and her staff
3. Legislative advocacy
  - a. CMHA and members reach out to State Legislators, in both parties expressing concerns over the proposed competitive procurement
  - b. CMHA providing talking points to CMHA members and allies for use in this effort
4. Media advocacy (By CMHA; its Media/PR consultant, Lambert; CMHA members and allies)
  - a. Social media
  - b. Traditional statewide and local media
  - c. Capitol news services (Gongwer and MIRS)
5. Allying with traditional partners to join in this effort
  - a. State's leading advocacy organizations
  - b. Michigan Association of Counties
  - c. Other partners vital to prior efforts to combat privatization
6. Legal strategy
  - Obtain legal counsel relative to the legal barriers to competitive procurement of the state's PIHPs
  - CMHA to share this legal information with members
  - CMHA to take legal action, if needed, using legal arguments developed by counsel

## September 30, 2024 Audit Summary

### Audit Reports

	Title	Description	Result
<b>Financial Statement Audit</b>	Independent Auditors' Report	Issued opinion as to whether financial statements materially accurate and presented in accordance with Generally Accepted Accounting Principles (GAAP)	Issued an <b>Unmodified</b> or "clean" opinion
<b>Government Auditing Standards</b>	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	Requires auditor to consider and report on internal controls over <u>financial reporting</u> and <u>compliance</u> that could have a <u>material effect</u> on financial statements	<b>"Clean"</b> Report

### Consideration of Internal Controls over Financial Reporting



## September 30, 2024 Audit Summary

### Other Items

#### Governance Communications

New Accounting Standard Adopted - GASB 100, *Accounting Changes and Error Corrections*

#### Upcoming Standards

GASB 101, *Compensated Absences* - effective September 30, 2024

GASB 102, *Certain Risk Disclosures* - effective September 30, 2025

GASB 103, *Financial Reporting Model Improvements* - effective September 30, 2026

GASB 104, *Disclosure of Certain Capital Assets* - effective September 30, 2026

#### Significant estimates included in the financial statements

Useful Lives

Right to Use Assets

Net Pension Liability

Net Other Post Employment Benefits Asset

#### Significant risks of material misstatement

Management override of controls

Improper revenue recognition

There were no known misstatements or material entries made over the course of the audit.

No difficulties encountered during the audit.

#### Pension & OPEB

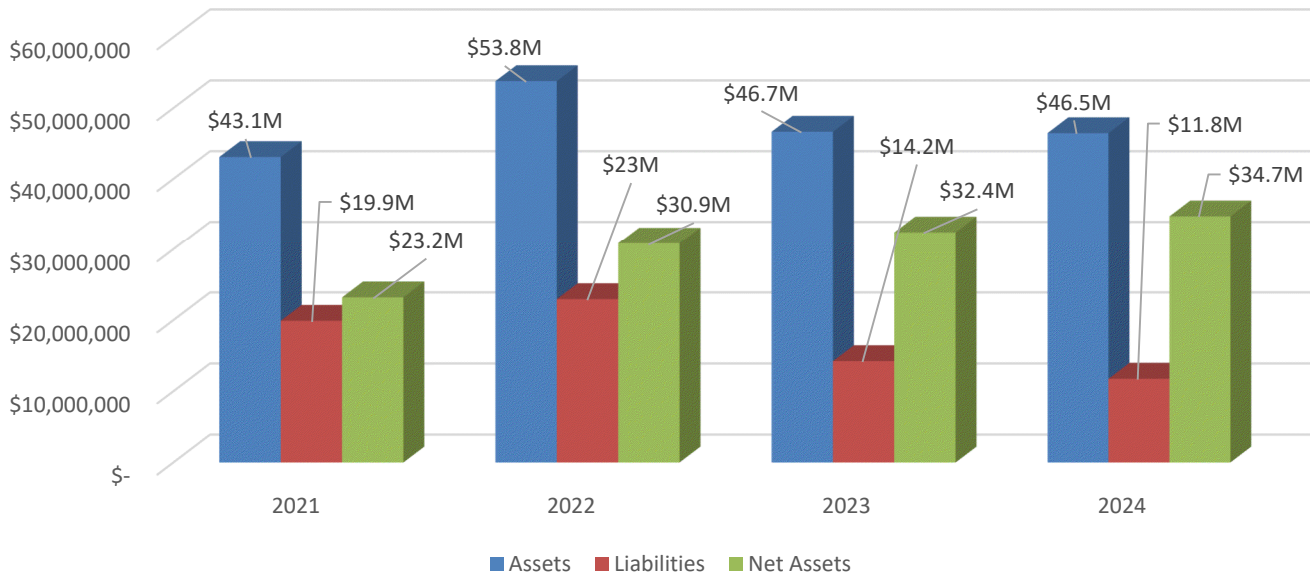
Net pension liability of \$433,208 - 99.37% funded.

Net OPEB asset of \$15,327,600 - 248.25% funded.

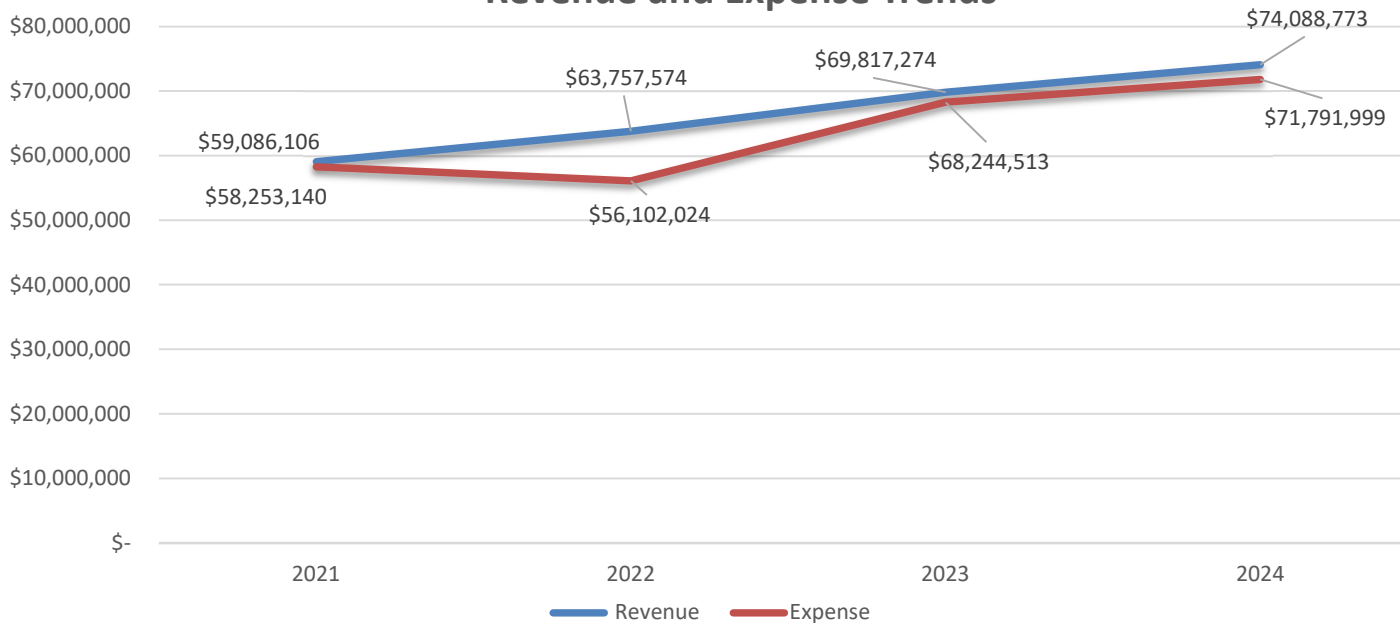
## September 30, 2024 Audit Summary

### Financial Statement Highlights

Statement of Financial Position Trends



Revenue and Expense Trends





March 14, 2025

Management and Board of Directors  
Bay-Arenac Behavioral Health Authority  
Bay City, Michigan

We have audited the financial statements of Bay-Arenac Behavioral Health Authority as of and for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated September 17, 2024. Professional standards also require that we communicate to you the following information related to our audit.

We discussed these matters with various personnel in the Authority during the audit including management. We would also be pleased to meet with you to discuss these matters at your convenience.

## **Significant Audit Matters**

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in the footnotes of the financial statements. The Authority has adopted the following Governmental Accounting Standards Board Statements effective October 1, 2023:

- Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections.

We noted no transactions entered into by the Authority during the year for which there is lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- The useful lives of its capital assets. Useful lives are estimated based on the expected length of time during which the asset is able to deliver a given level of service.
- Right of use assets and lease liabilities. The estimate is based on management's assessment of the likelihood of exercising renewal options and utilizing interest and discount rates.
- Net pension liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.

- Net other postemployment benefits (OPEB) asset, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.

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

Disclosures in the financial statements are neutral, consistent and clear.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Management override of controls
- Improper revenue recognition

### **Accounting Standards and Regulatory Updates**

The Governmental Accounting Standards Board has released additional Statements. Details regarding these Statements are described in the footnotes of the financial statements.

### **Difficulties Encountered in Performing the Audit**

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

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no known misstatements detected as a result of audit procedures that were more than trivial.

There were no known uncorrected misstatements that were more than trivial.

### **Disagreements with Management**

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

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

### **Management's Consultations with Other Accountants**

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

### **Other Audit Findings or Issues**

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

## Other Reports

Other information that is required to be reported to you is included in the: Independent Auditors' 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*. Please read all information included in that report to ensure you are aware of relevant information.

## Report on Required Supplementary Information

We applied certain limited procedures to management's discussion and analysis and the remaining required supplementary information (RSI) as described in the table of contents of the financial statements that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

## Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

*Yeo & Yeo, P.C.*

Saginaw, Michigan

**Bay-Arenac Behavioral Health Authority**

**Financial Statements**

**September 30, 2024**



**YEO & YEO**

**BUSINESS SUCCESS  
PARTNERS**

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## **Independent Auditors' Report**

Management and the Board of Directors  
Bay-Arenac Behavioral Health Authority  
Bay City, Michigan

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of Bay-Arenac Behavioral Health Authority, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Bay-Arenac Behavioral Health Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Bay-Arenac Behavioral Health Authority as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit schedules, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2025 on our consideration of Bay-Arenac Behavioral Health Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bay-Arenac Behavioral Health Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bay-Arenac Behavioral Health Authority's internal control over financial reporting and compliance.

*Yeo & Yeo, P.C.*

Saginaw, Michigan  
March 14, 2025



# **Bay-Arenac Behavioral Health Authority**

## **Management's Discussion and Analysis**

### **For the Year Ended September 30, 2024**

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This section of the Bay-Arenac Behavioral Health Authority (the "*Authority*") annual financial report presents management's discussion and analysis of financial performance for the year ended September 30, 2024. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities, and to identify significant changes in financial position and results of operations. Please read this section in conjunction with the auditor's report and with our financial statements, notes to financial statements and supplemental information taken as a whole.

During fiscal year 2014, the Authority became a member of Mid-State Health Network (MSHN), the newly formed, designated Prepaid Inpatient Health Plan (PIHP) for a twenty-one county region consisting of Arenac, Bay, Clare, Clinton, Eaton, Gladwin, Gratiot, Hillsdale, Huron, Ingham, Ionia, Isabella, Jackson, Mecosta, Midland, Montcalm, Newaygo, Osceola, Saginaw, Shiawassee and Tuscola counties. The Authority subcontracts for Medicaid services and supports through an agreement with MSHN while State General Fund revenue and other grants and earned contracts continue to be sourced directly from the State and are exclusively related to Arenac and Bay counties.

Effective October 1, 2015, MSHN no longer subcontracted with the Authority for the provision of substance use disorder services in a twelve county area which included, Arenac, Bay, Clare, Gladwin, Huron, Isabella, Mecosta, Midland, Montcalm, Osceola, Shiawassee and Tuscola counties. MSHN began contracting directly with substance use disorder providers for those services.

#### **Overview of the Financial Statements**

The Statement of Net Position presents information of all of the Authority's assets, liabilities, deferred outflows and inflows of resources, and net position. Changes in net position serve as a useful indicator in determining whether the financial position is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Position presents operating and non-operating revenues, expenses and the change in net position.

The Statement of Cash Flows summarizes the incoming and outgoing cash outlay for operating activities. This report discloses the total cash and cash equivalents at fiscal year-end by determining the change in cash flow total during the year. This report shows summarized changes in cash flow, which reconciles to the net increase or decrease in cash and cash equivalents and is then added to or subtracted from cash and cash equivalents at the beginning of the year. The total of cash and cash equivalents at the end of the year is reported in the assets section of the Statement of Net Positions.

**Bay-Arenac Behavioral Health Authority**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2024**

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**SUMMARY OF NET POSITION**

The following summarizes the assets, liabilities and net position on an authority-wide basis as of September 30, 2024:

**Summary of Net Position**  
*As of September 30, 2024*  
*(In \$000s)*

	<u>2024</u>	<u>2023</u>
<b><u>Assets</u></b>		
Current assets	\$ 14,542	\$ 12,916
Net OPEB asset	15,328	14,391
Capital assets	<u>4,348</u>	<u>4,754</u>
Total assets	34,218	32,061
Deferred outflows of resources	<u>12,257</u>	<u>14,600</u>
Total assets and deferred outflows of resources	<u>46,475</u>	<u>46,661</u>
<b><u>Liabilities</u></b>		
Current liabilities	\$ 6,751	\$ 5,903
Net pension liability	433	2,834
Noncurrent liabilities	<u>2,364</u>	<u>2,681</u>
Total liabilities	9,548	11,418
Deferred inflows of resources	<u>2,204</u>	<u>2,817</u>
Total liabilities and deferred inflows of resources	<u>11,752</u>	<u>14,235</u>
<b><u>Net Position</u></b>		
Investment in capital assets	2,402	2,598
Restricted for net OPEB asset	15,328	15,417
Unrestricted	<u>16,993</u>	<u>14,411</u>
<b>Total net position</b>	<b><u>\$ 34,723</u></b>	<b><u>\$ 32,426</u></b>

Total Net Position increased \$2.3 million primarily as a result of GASB 68 and 75 reporting requirements which were implemented in fiscal years 2015 and 2018, respectively.

**Current financial position** is defined as the excess of current assets over current liabilities. When current assets exceed current liabilities, this is an indicator of financial strength and an increase in current financial position is an indicator of improving financial position.

The current financial position (excess of current assets over current liabilities) was a positive \$7.8 million, an increase of \$.8 million from the prior year.

Current assets consist of cash and investments, accounts receivable, amounts due from others and prepaid expenses. These are available for current operations and to pay current obligations. Current liabilities include accounts payable, accrued payroll, related taxes and benefits, amounts due to others and deferred revenue.

**Capital assets** consist of property and equipment having an estimated useful life of more than one year. In fiscal 2024, \$24 thousand was expended for capital acquisitions. Depreciation expense on previously existing and newly acquired capital assets was \$412 thousand. The net change in capital assets was a decrease of \$407 thousand for the year, which is primarily related to depreciation expense. When capital expenditures exceed depreciation expense, the net increase represents an investment or expansion of capital resources. Conversely, a net decrease represents a reduction in capital resources available for the future.

**Bay-Arenac Behavioral Health Authority**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2024**

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As of year-end, the net book value of capital assets was 29.6% of the original book value, as compared to 31.8% in the prior year. This percentage is a measure of the relative age of property and equipment. If property and equipment is relatively new, this percentage will be high. Conversely, if the percentage is low, it means that property and equipment is relatively old.

**Noncurrent liabilities** consist of the liability for compensated absences and long-term debt. Compensated absences include vested earned time off obligations. Long-term debt consists of a mortgage obtained to purchase and renovate property on Madison Avenue.

**Unrestricted net position** at the end of the year was \$17.0 million, as compared to \$14.4 million from the prior year. Unrestricted net position was 50% of total assets, 4.7% higher than the prior year. GASB 68 and 75 reporting requirements have a large impact on unrestricted net position.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**

The following summarizes the revenue, expenses and change in net position on a business-type basis for the years ended September 30, 2024.

**Summary of Activities**  
*For the years ended September 30, 2024*  
*(In \$000s)*

	<u>2024</u>	<u>2023</u>
<b><u>Revenue</u></b>		
Medicaid specialty supports and services		
Arenac & Bay counties	\$ 68,708	\$ 64,603
Program service revenue	474	427
Other earned contract revenue	1,130	1,273
Grants	2,154	2,139
County appropriation	787	787
Interest revenue	305	116
Other local income	530	472
Total revenue	<u>\$ 74,088</u>	<u>\$ 69,817</u>
<b><u>Expense</u></b>		
Personnel expense	17,800	18,209
Contractual services	51,290	47,442
Facilities operating expense	418	434
Vehicle operating expense	116	94
Conferences, trainings, and travel	279	210
Supplies and materials	208	163
Depreciation and amortization	412	462
Other expenses	1,269	1,231
Total expense	<u>71,792</u>	<u>68,245</u>
<b>Change in fund balance</b>	<u><u>\$ 2,296</u></u>	<u><u>\$ 1,572</u></u>

**Excess of revenue over expenses** from activities for the current year was \$2.3 million or 3% of revenue.

**Revenue** for the year was \$74,088 million, an increase of \$4.3 million or 6.1% from the prior year.

**Bay-Arenac Behavioral Health Authority**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2024**

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**Medicaid specialty supports and services revenue** of \$68.7 million represents 92.7% of total revenue and increased \$4.1 million or 6.4% compared to the prior year.

**Program service revenue** of \$473 thousand includes charges for services for consumers not covered by Medicaid risk contracts or state general fund revenue sources. These represent .6% of total revenue and have increased \$46 thousand or 10% from the prior year.

**Grants** of \$2.1 million includes revenue sources for which the use of funds is restricted to a specific purpose. These represent 2.9% of total revenue and have increased \$14 thousand over the prior year.

**County appropriation revenue, interest income and other local income** of \$1.6 million are available to meet state matching fund requirements. These revenues have increased \$247 thousand from the prior year

**Total expense** of \$71.8 million has increased \$3.5 million or 5.2% compared to the prior year.

**Personnel expense** of \$17.8 million is 24.8% of total expense and has decreased \$410 thousand or 2%.

**Operating expense** of \$53.6 million is 74.6% of total expense and has increased \$4.0 million or 8.1%.

**FUTURE OUTLOOK**

BABH continues to evaluate “reverse integration” service delivery and payment models that focus on managing all behavioral and physical health needs of an individual to ensure the best possible outcomes for persons served. Two specific models are the Certified Community Behavioral Health Clinics (CCBHCs) and Behavioral Health Homes (BHH) whose primary focus is to integrate behavioral health and physical health needs, increase access to high quality care for all populations, promote the use of evidence-based practices, and accessibility to 24/7/365 crisis response services.

CCBHCs are designed to provide a comprehensive array of integrated health services to persons in need, regardless of their ability to pay, including those who are underserved, have low incomes, are on Medicaid, or insured or uninsured. Additionally, CCBHCs expand coverage beyond the population BABH has typically served, including individuals with a serious mental illness, serious emotional disturbance, long-term chronic addition, mild or moderate mental illness, and/or substance use disorder.

As significant policy debates regarding both the Medicaid program in general and the CCBHC model in particular continue to occur at the federal and state levels, BABH will recommend the approach that best suits the needs of our county residents and has the most sustainability over the longer term. BABH will continue to build and expand upon the already comprehensive array of services available to our most vulnerable citizens and make access to those services as easy as possible. The direction BABH chooses will balance the requirements of all funds including Medicaid, Healthy Michigan, Medicare and State General Funds with the needs of the residents of Bay and Arenac Counties. BABH will continue to advocate for state policy initiatives that preserve County and CMHSP public safety net obligations under the law.

\* \* \* \* \*

As always, questions, comments and suggestions are welcomed from interested parties and the general public. These can be directed to Marci Rozek, Chief Financial Officer, at 201 Mulholland, Bay City, MI 48708. Marci Rozek can be reached at (989) 895-2228.

# Bay-Arenac Behavioral Health Authority

## Statement of Net Position

September 30, 2024

### Assets

#### Current assets

Cash and cash equivalents	\$ 6,521,217
Receivables	481,459
Due from other governmental units	7,094,668
Prepaid items	444,850
Total current assets	<u>14,542,194</u>

#### Noncurrent assets

Net OPEB asset	15,327,600
Capital assets not being depreciated	424,500
Capital assets, net of accumulated depreciation/amortization	<u>3,923,496</u>
Total noncurrent assets	<u>19,675,596</u>

Total assets	<u>34,217,790</u>
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### Deferred Outflows of Resources

Deferred amount relating to net pension liability	8,563,523
Deferred amount relating to net OPEB asset	<u>3,694,397</u>
Total deferred outflows of resources	<u>12,257,920</u>

### Liabilities

#### Current liabilities

Accounts payable	5,013,386
Accrued interest	2,463
Accrued wages and other payroll liabilities	275,406
Due to other units of government	243,583
Unearned revenue	2,904
Current portion of noncurrent liabilities	<u>1,213,582</u>
Total current liabilities	<u>6,751,324</u>

#### Noncurrent liabilities

Net pension liability	433,208
Long-term debt, net of current portion	<u>2,363,770</u>
Total noncurrent liabilities	<u>2,796,978</u>

Total liabilities	<u>9,548,302</u>
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### Deferred Inflows of Resources

Deferred amount relating to net pension liability	256,457
Deferred amount relating to net OPEB asset	<u>1,947,951</u>
Total deferred inflows of resources	<u>2,204,408</u>

### Net Position

Net investment in capital assets	2,402,002
Restricted for	
Net OPEB asset	15,327,600
Unrestricted	<u>16,993,398</u>
Total net position	<u>\$ 34,723,000</u>

See Accompanying Notes to the Financial Statements

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**Bay-Arenac Behavioral Health Authority**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended September 30, 2024**

<b>Operating revenue</b>	
Medicaid	\$ 68,708,319
State grants	1,676,054
Federal grants	477,677
County appropriations	787,054
Third party pay	473,760
Other earned contract revenue	1,130,312
Other revenue	<u>530,218</u>
 Total operating revenue	 <u>73,783,394</u>
<b>Operating expenses</b>	
Salaries and wages	14,528,531
Benefits	3,271,320
Contracted services	51,290,342
Facilities operating expense	418,170
Vehicle operating expense	115,500
Supplies and materials	208,389
Conferences, training, and travel	278,489
Depreciation and amortization	412,359
Local match drawdown	214,872
Other expenses	<u>1,014,743</u>
 Total operating expenses	 <u>71,752,715</u>
 Operating income (loss)	 <u>2,030,679</u>
<b>Nonoperating revenue (expenses)</b>	
Interest income	305,379
Interest expense	<u>(39,284)</u>
 Total nonoperating revenues (expenses)	 <u>266,095</u>
 Change in net position	 2,296,774
 Net position - beginning of year	 <u>32,426,226</u>
 Net position - end of year	 <u>\$ 34,723,000</u>

See Accompanying Notes to the Financial Statements

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**Bay-Arenac Behavioral Health Authority**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2024**

**Cash flows from operating activities**

Receipts from the state and other governments	\$ 71,622,649
Receipts from customers	2,097,932
Payments to suppliers	(57,220,416)
Payments to employees	(14,631,861)
	<u>1,868,304</u>
Net cash provided (used) by operating activities	<u>1,868,304</u>

**Cash flows from capital and related financing activities**

Purchases/construction of capital assets	(23,750)
Principal and interest paid on long-term debt	(249,230)
Proceeds from sale of capital assets	17,104
	<u>(255,876)</u>
Net cash provided (used) by capital and related financing activities	<u>(255,876)</u>

**Cash flows from investing activities**

Interest received	<u>305,379</u>
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Net increase (decrease) in cash and cash equivalents 1,917,807

Cash and cash equivalents - beginning of year 4,603,410

Cash and cash equivalents - end of year \$ 6,521,217

**Reconciliation of operating income (loss) to net cash provided (used) by operating activities**

Operating income (loss)	\$ 2,030,679
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation and amortization expense	412,359
Changes in assets and liabilities	
Accounts receivable, net	359,030
Due from other units of government	(26,455)
Prepaid items	(40,818)
Net OPEB asset	(935,822)
Net pension liability	(2,833,847)
Deferred outflow of resources - related to pension	2,667,450
Deferred outflow of resources - related to OPEB	(325,684)
Accounts payable	891,210
Accrued wages and other payroll liabilities	(40,269)
Due to other units of government	(7,164)
Unearned revenue	400
Compensated absences	(103,330)
Net pension liability	433,208
Deferred inflow of resources - related to pension	(216,855)
Deferred inflow of resources - leases receivable	(395,788)
	<u>\$ 1,868,304</u>
Net cash provided (used) by operating activities	<u>\$ 1,868,304</u>

See Accompanying Notes to the Financial Statements

# Bay-Arenac Behavioral Health Authority

## Notes to the Financial Statements

### September 30, 2024

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#### Note 1 – Summary of Significant Accounting Policies

The accounting policies of Bay-Arenac Behavioral Health Authority (the Authority) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies used by the Authority.

#### Reporting Entity

The Authority operates under the provisions of Act 258 – Public Acts of 1974 (the Michigan Mental Health Code), as amended. The Authority arranges for and provides supports and services for persons with developmental disability, adults with severe mental illness, and children with serious emotional disturbance. These supports and services are made available to residents of Arenac and Bay counties who meet eligibility and other criteria. As the community mental health services program for Arenac and Bay counties, the Authority also serves to represent community members, assuring local access, organizing, and integrating the provision of services, coordinating care, implementing public policy, ensuring interagency collaboration, and preserving the public interest.

The Authority is a member of the Mid-State Health Network (MSHN). This affiliation is composed of the community mental health services programs serving Arenac, Bay, Clare, Clinton, Eaton, Gladwin, Gratiot, Hillsdale, Huron, Ingham, Ionia, Isabella, Jackson, Mecosta, Midland, Montcalm, Newaygo, Osceola, Saginaw, Shiawassee and Tuscola counties and was formed under the authority of the Intergovernmental Transfer of Functions and Responsibilities Act.

In accordance with U.S. GAAP these financial statements present all of the Authority's funds. The criteria established by the GASB for determining the reporting entity include oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Authority has no component units.

#### Measurement Focus, Basis of Accounting and Financial Statements Presentation

Basis of accounting refers to when revenue and expenses are recognized in the accounts and reported in the financial statements. The proprietary funds are accounted for using the full accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The proprietary funds are accounted for on a cost of services or economic resources measurement focus. This means that all assets and all liabilities associated with their activity are included on the statement of net position.

#### Upcoming Accounting and Reporting Changes

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending September 30, 2025.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints. This statement is effective for the year ending September 30, 2025.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit



**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
**September 30, 2024**

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information, and budgetary comparison information. This statement is effective for the year ending September 30, 2026.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for the year ending December 31, 2026.

The Authority is evaluating the impact that the above GASB Statements will have on its financial reporting.

#### **Use of Estimates**

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

#### **Deposits and Investments**

The Authority's cash and cash equivalents are considered to be cash on hand, money market funds, demand deposits and/or certificates of deposit which mature within 90 days. The Authority considers all highly liquid investments with original maturities of 180 days or less to be cash equivalents.

#### *Statutory Authority*

Michigan law authorizes the Authority to deposit and invest in:

- a) Bonds, securities, other obligations and repurchase agreements 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 qualified institution.
- c) Commercial paper rate at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d) Banker's acceptances of United States banks.
- e) Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f) Mutual funds registered under the investments company act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g) External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

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

**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
**September 30, 2024**

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**Receivables**

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectible amounts of \$0 as of September 30, 2024.

Due from other governmental entities consist primarily of amounts due from the Mid-State Health Network.

**Inventories**

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

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the financial statements. Capital assets are defined by the Authority as individual assets with an initial cost equal to or more than \$5,000 for acquisitions on or after October 1, 2002 and \$1,000 for acquisitions before October 1, 2002 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

The Authority does not have infrastructure type assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction of capital assets is not capitalized. No interest expense was incurred during the current year.

Capital assets of the Authority are depreciated using the straight-line method over the following estimated useful lives:

Category	Useful Lives
Equipment and furnishings	5 years
Computers	3 - 5 years
Vehicles	5 years
Leasehold improvements	7 - 30 years
Buildings	40 years
Software development	3 years

**Deferred Outflows of Resources**

A deferred outflow of resources is a consumption of net assets by the Authority that is applicable to a future reporting period. The Authority may report deferred outflows of resources as a result of pension and OPEB earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension liability and net OPEB asset are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan. The Authority also reported deferred outflows of resources for pension

**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
**September 30, 2024**

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contributions made after the measurement date. This amount will reduce net pension liability in subsequent years.

**Incurred but Not Reported Claims Liability**

The amounts recorded in current liabilities include amounts for incurred inpatient, residential and community provider claims liability based on management's estimate. The Authority may not be billed for these until several months after the date of service. Therefore, the liability is not liquidated within the normal 60-day period after year-end. Also, the actual cost may vary from the estimated amount for a variety of reasons that include, but are not limited to, retroactive consumer eligibility or cost recovery from other third-party payers.

**Unearned Revenue**

Unearned revenue arises when resources are received by the Authority before it has a legal claim to them. In subsequent periods, when the revenue recognition criterion is met, or when the Authority has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements, and revenue is recognized.

**Compensated Absences**

The Authority's policy allows full time employees to accumulate earned time off at various rates, depending on the employees' length of service with the Authority. The financial statements record expenses when employees are paid for these compensated absences. The financial statements record expenses and the related liability when these compensated absences are earned by employees.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position the Bay County Employees' Retirement System (BCERS) and additions to/deductions from BCERS' fiduciary net position have been determined on the same basis as they are reported to the plan. 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.

**Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Bay County Voluntary Employees' Beneficiary Association – Other Postemployment Benefits and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by Bay County Voluntary Employees' Beneficiary Association – Other Postemployment Benefits. For this purpose, Bay County Voluntary Employees' Beneficiary Association – Other Postemployment Benefits recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**Deferred Inflows of Resources**

A deferred inflow of resources is an acquisition of net assets by the Authority that is applicable to a future reporting period. The Authority reports deferred inflows of resources as a result of pension and OPEB earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan.

**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
**September 30, 2024**

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**Note 2 – Deposits and Investments**

The breakdown between deposits and investments for the Authority is as follows:

Deposits	\$ 6,518,957
Cash on hand	<u>2,260</u>
Total	<u>\$ 6,521,217</u>

*Interest rate risk* – State law limits the allowable investments and the maturities of some of the allowable investments as identified in Note 1 of the summary of significant accounting policies. The Authority's investment policy does not have specific limits in excess of State law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit risk* – State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1 of the summary of significant accounting policies. The Authority's investment policy does not have specific limits in excess of State law on investment credit.

*Custodial credit risk – deposits* – Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. State law does not require, and the Authority does not have a policy for deposit custodial credit risk. As of September 30, 2024, \$6,151,968 of the Authority's bank balance of \$6,847,639 was exposed to custodial credit risk because it was uninsured and uncollateralized.

*Custodial credit risk – investments* – For an investment, this is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and the Authority does not have a policy for investment custodial credit risk. As of September 30, 2024, there were no amounts exposed to custodial credit risk because it was uninsured and uncollateralized.

*Concentration of credit risk* – State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1 of the summary of significant accounting policies. The Authority's investment policy requires diversification by security type and institution. With the exception of U.S. Treasury securities and authorized investment pools, no more than one-third of the total investment portfolio will be invested in a single security type or with a single financial institution.

**Note 3 – Due from Other Governmental Units**

As of September 30, 2024, this receivable consisted of the following:

State of Michigan	\$ 106,234
Affiliates	49,994
Other governmental units	<u>6,938,440</u>
	<u>\$ 7,094,668</u>

**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
**September 30, 2024**

**Note 4 – Capital Assets**

A summary of changes in capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 424,500	\$ -	\$ -	\$ 424,500
Capital assets being depreciated				
Equipment	193,927	-	11,085	182,842
Furniture and fixtures	16,566	-	-	16,566
Buildings	2,263,754	-	-	2,263,754
Building improvements	1,390,880	-	-	1,390,880
Vehicles	863,810	23,750	28,497	859,063
Leasehold improvements	606,495	-	-	606,495
Computers	1,048,774	-	-	1,048,774
Right to use asset - buildings	2,272,819	-	-	2,272,819
Total capital assets being depreciated	8,657,025	23,750	39,582	8,641,193
Less accumulated depreciation for				
Equipment	187,392	2,218	11,083	178,527
Furniture and fixtures	16,566	-	-	16,566
Buildings	933,262	62,240	-	995,502
Building improvements	477,895	40,813	-	518,708
Vehicles	764,073	49,975	11,395	802,653
Leasehold improvements	512,076	37,912	-	549,988
Computers	1,027,336	14,593	-	1,041,929
Right to use asset - buildings	409,216	204,608	-	613,824
Total accumulated depreciation	4,327,816	412,359	22,478	4,717,697
Net capital assets being depreciated	4,329,209	(388,609)	17,104	3,923,496
Net capital assets	\$ 4,753,709	\$ (388,609)	\$ 17,104	\$ 4,347,996

**Note 5 – Due to Other Governmental Units**

As of September 30, 2024, this liability consists of the following:

State of Michigan \$ 243,583

**Note 6 – Leases**

**Lease Liability**

The Authority has two significant agreements. The agreements consist of building and building improvement leases between the Authority and various lessors.

**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
**September 30, 2024**

Annual requirements to amortize the lease liability and related interest are as follows:

Year Ending September 30,	Principal	Interest
2025	\$ 196,844	\$ 28,000
2026	200,297	24,547
2027	203,810	21,034
2028	207,385	17,459
2029	211,022	13,822
2030-2034	679,763	20,453
	<u>\$ 1,699,121</u>	<u>\$ 125,315</u>

**Note 7 – Net Investment in Capital Assets**

The composition of net investment in capital assets as of September 30, 2024 was as follows:

Capital assets

Capital assets not being depreciated	\$ 424,500
Capital assets, net of accumulated depreciation	<u>3,923,496</u>
Total capital assets	<u>4,347,996</u>

Less:

Notes from direct borrowing and direct placements	(246,873)
Leases	<u>(1,699,121)</u>
Total related debt	<u>(1,945,994)</u>

Net investment in capital assets	<u>\$ 2,402,002</u>
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**Note 8 – Long Term Liabilities**

The September 30, 2024 balance of long-term debt was comprised of leases, mortgages payable and compensated absences. The mortgages are secured by real property acquired with the proceeds of the mortgages. The obligations are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Leases	\$ 1,892,573	\$ -	\$ 193,452	\$ 1,699,121	\$ 196,844
Direct Borrowings					
Mortgages payable	263,086	-	16,213	246,873	16,738
Compensated absences	<u>1,734,688</u>	<u>1,502,632</u>	<u>1,605,962</u>	<u>1,631,358</u>	<u>1,000,000</u>
Total long-term debt	<u>\$ 3,890,347</u>	<u>\$ 1,502,632</u>	<u>\$ 1,815,627</u>	<u>\$ 3,577,352</u>	<u>\$ 1,213,582</u>

**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
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Annual debt service requirements to maturity for the mortgages payable are as follows:

Year Ending September 30,	Notes from Direct Borrowings	
	Principal	Interest
2025	\$ 16,738	\$ 7,644
2026	17,281	7,399
2027	17,841	6,539
2028	18,419	5,961
2029	19,016	5,364
2030 - 2034	104,734	17,234
2035 - 2037	52,844	1,992
	<u>\$ 246,873</u>	<u>\$ 52,133</u>

The Authority is required to maintain debt coverage ratio of not less than 1.25 times. As of September 30, 2024, the Authority is in compliance with their debt covenant.

**Note 9 – Risk Management**

**Michigan Municipal Risk Management Authority (MMRMA)**

The Authority participates in the public entity risk pool – Michigan Municipal Risk Management Authority (MMRMA) for auto and general liability, property and vehicle physical damage coverage. MMRMA, a separate legal entity, is a self-insured association organized under the laws of the State of Michigan to provide self-insurance protection against loss and risk management services to various Michigan governmental entities.

As a member of this pool, the Authority is responsible for paying all losses, including damages, loss adjustment expenses and defense costs, for each occurrence that falls within the member's self-insured retention. If a covered loss exceeds MMRMA's limits, all further payments for such loss are the sole obligation of the Authority. If for any reason, the MMRMA's resources available to pay losses are depleted, the payment of all unpaid losses of the Authority is the sole obligation of the Authority.

MMRMAs coverage limits are \$15,000,000 for liability, \$1,500,000 for vehicle physical damage, and \$25,000,000 for combined aggregate property coverage. There is a \$250 deductible per vehicle for vehicle physical damage and \$1,000 per occurrence for property and crime.

There have been no significant changes in insurance coverage in the past two years. There have been no claim settlements that have exceeded excess insurance limits.

**Travelers Casualty and Surety Company of America**

The Authority has crime coverage through Travelers Casualty and Surety Company of America. The coverage limit is \$4,000,000. If a covered loss exceeds the coverage limit, all further payments for such loss are the sole obligation of the Authority.

**Managed Care Risk Contracts**

The Authority has a managed care risk contract with the State of Michigan for State General Fund Formula Funding for priority populations. The State General Fund risk contract covers only the Authority's specific service area. The Authority is at risk if, in any one fiscal year, it finds it necessary to expend more than current resources to provide contractually obligated supports and services for eligible individuals. The Authority is required to cover these excess costs with unrestricted net position.

**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
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**Note 10 – Employee Retirement and Benefit Systems**

**Defined Benefit Pension Plan**

Plan description – The Authority participates in the Bay County Employees' Retirement System (the Plan), an agent multiple-employer defined benefit pension plan that covers substantially all of the employees of the Authority. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The Plan's financial statements may be obtained upon request of the County of Bay, Michigan.

Benefits provided – Benefits provided include plans with multipliers ranging from 1.60% to 2.25%. Normal retirement age is 55 to 62 with early retirement at 55 with 30 years of service. Final average compensation is calculated based on 5 years. Member contributions are 4.00%.

Employees covered by benefit terms – At the December 31, 2023 valuation date, the following employees were covered by benefit terms:

Retirees or beneficiaries currently receiving benefits	164
Inactive employees entitled to, but not yet receiving benefits	39
Active employees	<u>229</u>
	<u>432</u>

Contributions – The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the Bay County Retirement System Board of Trustees. 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. Employer contributions were 4.35% based on annual payroll for open divisions.

Net pension liability – The employer's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of December 31, 2022.

Actuarial assumptions – The total pension liability in the December 31, 2022 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Wage inflation 3.25%; 2) Price inflation 2.50%; 3) Salary increases 4.00% to 6.25% including inflation 4) Investment rate of return of 7.25%, net of investment expense, including inflation.

Mortality rates used were based on the following:

Healthy pre-retirement: RP-2014 Employee Generational Mortality Tables, with blue-collar adjustments and extended via cubic spline. This table is adjusted backwards to 2006 with the MP-2014 scale, resulting in a base year of 2006 with future mortality improvements assumed each year using MP-2016.

Healthy post-retirement: RP-2014 Healthy Annuitant Generational Mortality Tables, with blue-collar adjustments and extended via cubic spline. This table is adjusted backwards to 2006 with the MP-2014 scale, resulting in a base year of 2006 with future mortality improvements assumed each year using MP-2016.

Disability retirement: RP-2014 Disabled Generational Mortality Tables, extended via cubic spline. This table is adjusted backwards to 2006 with the MP-2014 scale, resulting in a base year of 2006 with future mortality improvements assumed each year using MP-2016.



**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
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The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Allocation Range</u>
Domestic equity	48.00%	7.50%
International equity	20.00%	8.50%
U.S. fixed income	25.00%	2.50%
Real estate	7.00%	4.50%
	<u>100.00%</u>	

Discount rate – The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plans 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.

**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
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**Total Pension Liability**

Service cost	\$ 1,328,342
Interest on the total pension liability	4,734,605
Experience differences	257,460
Benefit payments and refunds	<u>(3,952,973)</u>
Net change in total pension liability	2,367,434
Total pension liability - beginning	<u>66,617,207</u>
Total pension liability - ending (a)	<u>\$ 68,984,641</u>

**Plan Fiduciary Net Position**

Employer contributions	\$ 592,092
Employee contributions	559,635
Pension plan net investment income (loss)	7,649,824
Benefit payments and refunds	(3,952,973)
Pension plan administrative expense	<u>(80,505)</u>
Net change in plan fiduciary net position	4,768,073
Plan fiduciary net position - beginning	<u>63,783,360</u>
Plan fiduciary net position - ending (b)	<u>\$ 68,551,433</u>

Net pension liability (a-b) \$ 433,208

Plan fiduciary net position as a percentage  
of total pension liability 99.37%

Covered employee payroll \$ 13,624,021

Net pension liability as a percentage of  
covered employee payroll 3.18%

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's net pension liability would be using a discount rate that is 1% point lower (6.25%) or 1% higher (8.25%) than the current rate.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Net pension liability (asset)	<u>\$ 8,938,390</u>	<u>\$ 433,208</u>	<u>\$ (6,664,772)</u>

**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
**September 30, 2024**

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended September 30, 2024, the employer recognized pension expense of \$790,855. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	<u>Total to Amortize</u>
Differences in experience	\$ 1,540,248	\$ (256,457)	\$ 1,283,791
Differences in assumptions	1,531,740	-	1,531,740
Net difference between projected and actual earning on plan investments	4,898,659	-	4,898,659
Contributions subsequent to the measurement date*	<u>592,876</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,563,523</u>	<u>\$ (256,457)</u>	<u>\$ 7,714,190</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a decrease in the net pension liability in the subsequent year.

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

<u>Year ended,</u>	
2025	\$ 1,344,962
2026	2,417,627
2027	3,594,940
2028	20,470
2029	<u>336,191</u>
	<u>\$ 7,714,190</u>

**Other Post-Employment Benefits (OPEB)**

Plan description – The Authority participates in the Bay County Voluntary Employees Beneficiary Association (VEBA) trust (the Plan). The Plan is an agent multiple employer defined benefit public retiree healthcare plan. The Authority provides retiree health care benefits to eligible employees and their spouses, as defined in the employee handbook. The benefits are provided under and may be amended by the Authority Board of Directors with the approval of the County Board of Commissioners. The Plan's financial statements may be obtained upon request of the County of Bay, Michigan.

Basis of accounting – The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable, in accordance with the terms of the Plan. Administrative costs are financed through investment earnings.

Plan membership – At December 31, 2023, the date of the most recent actuarial valuation, the plan membership consisted of the following:

Retirees or beneficiaries currently receiving benefits	88
Active plan members	<u>231</u>
	<u>319</u>

**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
**September 30, 2024**

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Benefits provided – Upon retirement, an eligible retiree and his or her spouse may be provided with health insurance coverage based on credited years of service. Each credit year of service equates to a 5% employer paid health insurance premium with the employee being vested after 8 years of service. Health insurance benefits will not be provided to deferred retirees, but only to those who will be drawing retirement benefits immediately upon retirement from the Authority, according to the approved vesting schedule.

Contributions – the Plan requires the Authority to pay the insurance premium/claim costs of the retiree and spouse until death. Actively employed plan members and retirees are currently not obligated to make contributions to the Plan. The Authority obtains health care coverage for retirees through private insurers. Upon eligibility for Medicare, the Authority pays the difference between the Plan costs and the amount covered by Medicare. The Authority has no obligation to make contributions in advance of when the insurance premiums or claims are due for payment (in other words, this may be financed on a “pay-as-you-go” basis). The Authority, at its discretion, contributes amounts that are determined annually using the actuarially determined amount necessary to fund the Plan as a reference but not as a definitive requirement.

Net OPEB asset – The net OPEB asset was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022.

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, using the following assumptions, applied to all periods included in the measurement.

Price inflation	2.50%
Wage inflation	3.25%
Salary increases	4.00% to 6.25%, including wage inflation
Investment rate of return	7.00%, net of OPEB plan investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Healthy Pre-Retirement: The RP-2014 Employee Generational Mortality Tables, with blue-collar adjustments and extended via cubic spline. Healthy Post-Retirement: The RP-2014 Healthy Annuitant Generational Mortality Tables, with blue-collar adjustments and extended via cubic spline. Disability Retirement: The RP-2014 Disabled Mortality Table, extended via cubic spline. These tables are adjusted backwards to 2006 with the MP-2014 scale, resulting in a base year of 2006 with future mortality improvements assumed each year using scale MP-2016.
Health care trend rates	8.25% trend, gradually decreasing to 3.50% in year 10

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2022.

**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
**September 30, 2024**

Investment policy – The Plan’s policy in regard to the allocation of invested assets is established and may be amended by the County Board of Commissioners by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The policy requires that no manager hold more than 5% of its portion of the total fund in any single company and no more than 5% may be held in any single common stock. The Plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board’s adopted asset allocation policy as of September 30, 2024:

Asset Class	Target Allocation	Allocation Range
Domestic equity	49.00%	7.50%
International equity	21.00%	8.50%
U.S. fixed income	23.00%	2.50%
Real estate	7.00%	4.50%
	100.00%	

Discount rate – The discount rate used to measure the total OPEB liability (asset) was 7.00%. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Total OPEB Liability**

Service cost	\$ 177,973
Interest	568,032
Differences between expected and actual experience	1,152,622
Changes in assumptions	682,759
Benefit payments	(536,690)
Net change in total OPEB liability	2,044,696
Total OPEB liability - beginning	8,294,102
Total OPEB liability - ending (a)	<u>\$ 10,338,798</u>

**Plan Fiduciary Net Position**

Employer contributions	\$ 536,690
Net investment income (loss)	3,020,631
Benefit payments	(536,690)
Administrative expense	(40,113)
Net change in plan fiduciary net position	2,980,518
Plan fiduciary net position - beginning	22,685,880
Plan fiduciary net position - ending (b)	<u>\$ 25,666,398</u>

Net OPEB asset (a-b) \$ (15,327,600)

Plan fiduciary net position as a percentage of total OPEB asset 248.25%  
Covered payroll \$ 13,823,463  
Net OPEB asset as a percentage of covered payroll (110.88%)

**Bay-Arenac Behavioral Health Authority**  
**Notes to the Financial Statements**  
**September 30, 2024**

Sensitivity of the net OPEB asset to changes in the discount rate –The following presents the net OPEB asset of the Authority, as well as what the Authority's net OPEB asset would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current discount rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB asset	\$ (13,951,536)	\$ (15,327,600)	\$ (16,462,558)

Sensitivity of the net OPEB asset to changes in the healthcare cost trend rates – The following presents the net OPEB asset of the Authority, as well as what the Authority's net OPEB asset would be if were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB asset	\$ (16,550,746)	\$ (15,327,600)	\$ (13,822,801)

OPEB expense and deferred inflows of resources related to OPEB – For the year ended September 30, 2024 the employer recognized OPEB expense of \$(1,120,604). The employer reported deferred inflows of resources related to OPEB from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>	<u>Total to Amortize</u>
Differences in experience	\$ 1,125,412	\$ (1,912,152)	\$ (786,740)	\$ (786,740)
Differences in assumptions	1,293,423	(35,799)	1,257,624	1,257,624
Net difference between projected and actual earnings on OPEB plan investments	1,275,562	-	1,275,562	1,275,562
Total	\$ 3,694,397	\$ (1,947,951)	\$ 1,746,446	\$ 1,746,446

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

<u>Year ended,</u>	
2025	\$ 127,983
2026	537,200
2027	812,138
2028	(310,861)
2029	36,171
Thereafter	543,815
	<u>\$ 1,746,446</u>

**Bay-Arenac Behavioral Health Authority**  
**Required Supplementary Information**  
**Bay County Employees' Retirement System**  
**Schedule of Employer Contributions**

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 1,037,841	\$ 1,037,841	\$ -	\$ 10,219,867	10.16%
2016	3,010,074	3,010,074	-	10,577,562	28.46%
2017	1,243,668	1,243,668	-	10,692,948	11.63%
2018	990,600	990,600	-	10,953,344	9.04%
2019	1,048,380	1,048,380	-	11,157,196	9.40%
2020	867,444	867,444	-	11,591,724	7.48%
2021	917,988	917,988	-	11,550,549	7.95%
2022	797,844	797,844	-	12,045,965	6.62%
2023	672,876	672,876	-	13,718,572	4.90%
2024	592,092	592,092	-	13,624,021	4.35%

Note: Actuarially determined contribution amounts are calculated as of December 31 each year, which is 21 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry-age normal
Amortization method	Level percent-of-payroll
Remaining amortization period	20 years open, 10 years closed for Early Retirement Incentive Program (ERIP)
Asset valuation method	5-Year smoothed market
Wage inflation	3.25%
Price inflation	2.50%
Salary increases	4.00% to 6.25% including inflation
Investment rate of return	7.25%
Retirement age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	Healthy Pre-Retirement - RP-2014 Employee Generational Mortality Tables, Healthy Post-Retirement - RP-2014 Healthy Annuitant Generational Mortality Tables and Disabled Retirement - RP-2014 Disabled Generational Mortality Tables

**Bay-Arenac Behavioral Health Authority**  
**Required Supplementary Information**  
**Bay County Employees' Retirement System**  
**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios**

Fiscal year ended September 30,	2024	2023	2022	2021	2020
<b>Total Pension Liability</b>					
Service cost	\$ 1,328,342	\$ 1,362,800	\$ 1,222,665	\$ 1,202,412	\$ 1,179,103
Interest on the total pension liability	4,734,605	4,345,897	4,160,009	4,063,605	3,938,726
Changes in benefit terms	-	-	-	-	34,350
Experience differences	257,460	1,295,830	782,577	(473,846)	(186,368)
Changes in assumptions	-	2,204,648	-	-	-
Benefit payments and refunds	(3,952,973)	(3,707,956)	(3,634,725)	(3,310,465)	(3,199,523)
Net change in total pension liability	2,367,434	5,501,219	2,530,526	1,481,706	1,766,288
Total pension liability - beginning	66,617,207	61,115,988	58,585,462	57,103,756	55,337,468
Total pension liability - ending (a)	<u>\$ 68,984,641</u>	<u>\$ 66,617,207</u>	<u>\$ 61,115,988</u>	<u>\$ 58,585,462</u>	<u>\$ 57,103,756</u>
<b>Plan Fiduciary Net Position</b>					
Employer contributions	\$ 592,092	\$ 672,876	\$ 797,844	\$ 917,988	\$ 867,444
Employee contributions	559,635	539,302	508,607	465,845	443,228
Pension plan net investment income (loss)	7,649,824	(12,240,885)	10,659,024	9,686,574	11,813,230
Benefit payments and refunds	(3,952,973)	(3,707,956)	(3,634,725)	(3,310,465)	(3,199,523)
Pension plan administrative expense	(80,505)	(53,650)	(32,375)	(38,810)	(37,576)
Other*	-	-	-	-	-
Net change in plan fiduciary net position	4,768,073	(14,790,313)	8,298,375	7,721,132	9,886,803
Plan fiduciary net position - beginning	63,783,360	78,573,673	70,275,298	62,554,166	52,667,363
Plan fiduciary net position - ending (b)	<u>\$ 68,551,433</u>	<u>\$ 63,783,360</u>	<u>\$ 78,573,673</u>	<u>\$ 70,275,298</u>	<u>\$ 62,554,166</u>
Net pension liability (asset) (a-b)	<u>\$ 433,208</u>	<u>\$ 2,833,847</u>	<u>\$ (17,457,685)</u>	<u>\$ (11,689,836)</u>	<u>\$ (5,450,410)</u>
Plan fiduciary net position as a percentage of total pension liability	99.37%	95.75%	128.56%	119.95%	109.54%
Covered payroll	\$ 13,624,021	\$ 13,718,472	\$ 12,045,965	\$ 11,550,549	\$ 11,591,724
Net pension liability (asset) as a percentage of covered payroll	3.18%	20.66%	(144.93%)	(101.21%)	(47.02%)



**Bay-Arenac Behavioral Health Authority**  
**Required Supplementary Information**  
**Bay County Employees' Retirement System**  
**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios**

Fiscal year ended September 30,	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>					
Service cost	\$ 1,157,296	\$ 1,167,054	\$ 1,132,527	\$ 1,136,567	\$ 1,210,632
Interest on the total pension liability	3,819,676	3,732,959	3,579,804	3,454,353	3,381,797
Changes in benefit terms	-	-	-	-	-
Experience differences	(192,251)	(646,430)	(121,814)	-	(670,788)
Changes in assumptions	-	-	2,135,064	-	-
Benefit payments and refunds	(3,107,574)	(2,997,659)	(2,971,277)	(2,861,173)	(2,973,217)
Net change in total pension liability	1,677,147	1,255,924	3,754,304	1,729,747	948,424
Total pension liability - beginning	53,660,321	52,404,397	48,650,093	46,920,346	45,971,922
Total pension liability - ending (a)	<u>\$ 55,337,468</u>	<u>\$ 53,660,321</u>	<u>\$ 52,404,397</u>	<u>\$ 48,650,093</u>	<u>\$ 46,920,346</u>
<b>Plan Fiduciary Net Position</b>					
Employer contributions	\$ 1,048,380	\$ 990,600	\$ 1,243,668	\$ 3,010,074	\$ 1,037,841
Employee contributions	447,888	434,013	515,921	420,482	451,008
Pension plan net investment income (loss)	(3,469,686)	9,394,957	3,610,840	464,588	4,118,214
Benefit payments and refunds	(3,107,574)	(2,997,659)	(2,971,277)	(2,861,173)	(2,973,217)
Pension plan administrative expense	(31,604)	(55,748)	(54,536)	(55,795)	(42,121)
Other*	-	-	(8,556,709)	-	-
Net change in plan fiduciary net position	(5,112,596)	7,766,163	(6,212,093)	978,176	2,591,725
Plan fiduciary net position - beginning	57,779,959	50,013,796	56,225,889	55,247,713	52,655,988
Plan fiduciary net position - ending (b)	<u>\$ 52,667,363</u>	<u>\$ 57,779,959</u>	<u>\$ 50,013,796</u>	<u>\$ 56,225,889</u>	<u>\$ 55,247,713</u>
Net pension liability (asset) (a-b)	<u>\$ 2,670,105</u>	<u>\$ (4,119,638)</u>	<u>\$ 2,390,601</u>	<u>\$ (7,575,796)</u>	<u>\$ (8,327,367)</u>
Plan fiduciary net position as a percentage of total pension liability	95.17%	107.68%	95.44%	115.57%	117.75%
Covered payroll	\$ 11,157,196	\$ 10,953,344	\$ 10,692,948	\$ 10,577,562	\$ 10,219,867
Net pension liability (asset) as a percentage of covered payroll	23.93%	(37.61%)	22.36%	(71.62%)	(81.48%)

\*2017 decrease due to correction of an error in the asset allocations among groups within the plan

**Bay-Arenac Behavioral Health Authority**  
**Required Supplementary Information**  
**Bay County Voluntary Employees' Beneficiary Association - Other Postemployment Benefits**  
**Schedule of Employer Contributions**

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	\$ -	\$ 411,769	\$ (411,769)	\$ 10,876,409	3.79%
2019	-	456,347	(456,347)	11,197,133	4.08%
2020	-	561,533	(561,533)	11,440,965	4.91%
2021	-	582,978	(582,978)	11,508,997	5.07%
2022	-	545,944	(545,944)	12,492,043	4.37%
2023	-	573,376	(573,376)	13,287,872	4.32%
2024	-	536,690	(536,690)	13,823,463	3.88%

Note: Actuarially determined contribution amounts are calculated as of December 31 each year, which is 30 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll
Remaining amortization period	15 years, closed
Asset valuation method	Market value of assets
Price inflation	2.50%
Wage inflation	3.25%
Salary increases	4.00% to 6.25%, including wage inflation
Investment rate of return	7.00%, net of OPEB plan investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Healthy Pre-Retirement: The RP-2014 Employee Generational Mortality Tables, with blue-collar adjustments and extended via cubic spline. Healthy Post-Retirement: The RP-2014 Healthy Annuitant Generational Mortality Tables, with blue-collar adjustments and extended via cubic spline. Disability Retirement: The RP-2014 Disabled Mortality Table, extended via cubic spline. These tables are adjusted backwards to 2006 with the MP-2014 scale, resulting in a base year of 2006 with future mortality improvements assumed each year using scale MP-2016.
Health care trend rates	8.25% trend, gradually decreasing to 3.50% in year 10
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

**Bay-Arenac Behavioral Health Authority**  
**Required Supplementary Information**  
**Bay County Voluntary Employees' Beneficiary Association - Other Postemployment Benefits**  
**Schedule of Changes in Net OPEB Asset and Related Ratios**

Fiscal year ended September 30,	2024	2023	2022	2021
<b>Total OPEB Liability</b>				
Service cost	\$ 177,973	\$ 178,462	\$ 171,218	\$ 168,443
Interest	568,032	514,384	553,315	680,126
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	1,152,622	97,303	(859,101)	(2,458,645)
Changes in assumptions	682,759	531,523	134,450	361,573
Benefit payments and refunds	(536,690)	(573,376)	(545,944)	(582,978)
Net change in total OPEB liability	2,044,696	748,296	(546,062)	(1,831,481)
Total OPEB liability - beginning	8,294,102	7,545,806	8,091,868	9,923,349
Total OPEB liability - ending (a)	<u>\$ 10,338,798</u>	<u>\$ 8,294,102</u>	<u>\$ 7,545,806</u>	<u>\$ 8,091,868</u>
<b>Plan Fiduciary Net Position</b>				
Employer contributions	\$ 536,690	\$ 573,376	\$ 545,944	\$ 582,978
Net investment income (loss)	3,020,631	(3,765,082)	2,993,714	3,442,337
Benefit payments and refunds	(536,690)	(573,376)	(545,944)	(582,978)
Administrative expense	(40,113)	(13,729)	(23,111)	(31,778)
Other	-	-	-	-
Net change in plan fiduciary net position	2,980,518	(3,778,811)	2,970,603	3,410,559
Plan fiduciary net position - beginning	22,685,880	26,464,691	23,494,088	20,083,529
Plan fiduciary net position - ending (b)	<u>\$ 25,666,398</u>	<u>\$ 22,685,880</u>	<u>\$ 26,464,691</u>	<u>\$ 23,494,088</u>
Net OPEB asset (a-b)	<u>\$ (15,327,600)</u>	<u>\$ (14,391,778)</u>	<u>\$ (18,918,885)</u>	<u>\$ (15,402,220)</u>
Plan fiduciary net position as a percentage of total OPEB liability	248.25%	273.52%	350.72%	290.34%
Covered payroll	\$ 13,823,463	\$ 13,287,872	\$ 12,492,043	\$ 11,508,997
Net OPEB asset as a percentage of covered payroll	(110.88%)	(108.31%)	(151.45%)	(133.83%)

Note: GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

**Bay-Arenac Behavioral Health Authority**  
**Required Supplementary Information**  
**Bay County Voluntary Employees' Beneficiary Association - Other Postemployment Benefits**  
**Schedule of Changes in Net OPEB Asset and Related Ratios**

Fiscal year ended September 30,	2020	2019	2018
<b>Total OPEB Liability</b>			
Service cost	\$ 236,071	\$ 207,144	\$ 210,192
Interest	659,272	631,430	608,543
Changes of benefit terms	-	60,545	-
Difference between expected and actual experience	90,957	(6,898)	(56,191)
Changes in assumptions	(82,324)	-	-
Benefit payments and refunds	(561,533)	(456,347)	(411,769)
Net change in total OPEB liability	342,443	435,874	350,775
Total OPEB liability - beginning	9,580,906	9,145,032	8,794,257
Total OPEB liability - ending (a)	<u>\$ 9,923,349</u>	<u>\$ 9,580,906</u>	<u>\$ 9,145,032</u>
<b>Plan Fiduciary Net Position</b>			
Employer contributions	\$ 561,533	\$ 456,347	\$ 411,769
Net investment income (loss)	3,408,665	(835,611)	1,979,860
Benefit payments and refunds	(561,533)	(456,347)	(411,769)
Administrative expense	(26,669)	(6,563)	(21,908)
Other	-	962	-
Net change in plan fiduciary net position	3,381,996	(841,212)	1,957,952
Plan fiduciary net position - beginning	16,701,533	17,542,745	15,584,793
Plan fiduciary net position - ending (b)	<u>\$ 20,083,529</u>	<u>\$ 16,701,533</u>	<u>\$ 17,542,745</u>
Net OPEB asset (a-b)	<u>\$ (10,160,180)</u>	<u>\$ (7,120,627)</u>	<u>\$ (8,397,713)</u>
Plan fiduciary net position as a percentage of total OPEB liability	202.39%	174.32%	191.83%
Covered payroll	\$ 11,440,965	\$ 11,197,133	\$ 10,876,409
Net OPEB asset as a percentage of covered payroll	(88.81%)	(63.59%)	(77.21%)

Note: GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

# **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***

## **Independent Auditors' Report**

Management and the Board of Directors  
Bay-Arenac Behavioral Health Authority  
Bay City, 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 Bay-Arenac Behavioral Health Authority, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Bay-Arenac Behavioral Health Authority's basic financial statements, and have issued our report thereon dated March 14, 2025.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bay-Arenac Behavioral Health Authority's internal control over financial reporting (internal control) as a basis for designing 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 Bay-Arenac Behavioral Health Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Bay-Arenac Behavioral Health Authority's internal control.

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

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

### **Report on Compliance and Other Matters**

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

## Purpose of this Report

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

Yeo & Yeo, P.C.

Saginaw, Michigan  
March 14, 2025