



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Greater Columbia Behavioral Health, LLC

For the period July 1, 2022 through June 30, 2023

Published March 21, 2024

Report No. 1034415



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**Office of the Washington State Auditor
Pat McCarthy**

March 21, 2024

Executive Committee
Greater Columbia Behavioral Health, LLC
Kennewick, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the Greater Columbia Behavioral Health, LLC's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the Agency's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Greater Columbia Behavioral Health, LLC July 1, 2022 through June 30, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the Greater Columbia Behavioral Health, LLC are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the basic financial statements of the governmental activities and each major fund in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Agency.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Agency’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
93.958	Block Grants for Community Mental Health Services
93.958	COVID-19 – Block Grants for Community Mental Health Services

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The Agency qualified as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

INDEPENDENT AUDITOR'S REPORT

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*

Greater Columbia Behavioral Health, LLC July 1, 2022 through June 30, 2023

Executive Committee
Greater Columbia Behavioral Health, LLC
Kennewick, Washington

We have audited, 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, the financial statements of the of the governmental activities and each major fund of the Greater Columbia Behavioral Health, LLC, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 11, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency'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 above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

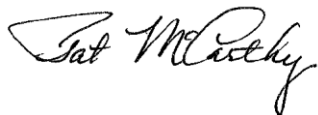
REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

March 11, 2024

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Greater Columbia Behavioral Health, LLC July 1, 2022 through June 30, 2023

Executive Committee
Greater Columbia Behavioral Health, LLC
Kennewick, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of the Greater Columbia Behavioral Health, LLC, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2023. The Agency's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency 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 opinion on

compliance for each major federal program. Our audit does not provide a legal determination on the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Agency's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. 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 GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, 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 Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed; and

- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Purpose of this Report

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

purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

March 11, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Greater Columbia Behavioral Health, LLC July 1, 2022 through June 30, 2023

Executive Committee
Greater Columbia Behavioral Health, LLC
Kennewick, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Greater Columbia Behavioral Health, LLC, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Greater Columbia Behavioral Health, LLC, as of June 30, 2023, and the changes in financial position thereof, and the budgetary comparison for the General Fund, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and

fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This supplementary information is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2024 on our consideration of the Agency'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 the Agency's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, stylized initial "P".

Pat McCarthy, State Auditor

Olympia, WA

March 11, 2024

FINANCIAL SECTION

Greater Columbia Behavioral Health, LLC July 1, 2022 through June 30, 2023

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2023

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2023

Statement of Activities – 2023

Governmental Funds Balance Sheet – 2023

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position –
2023

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental
Funds – 2023

Reconciliation of Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balance to the Statement of Activities – 2023

Statement of Revenues, Expenses and Changes in Fund Net Position – Budget to Actual
– 2023

Notes to Financial Statements – 2023

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of Net Pension Liability – PERS 1, PERS 2/3 – 2023

Schedule of Employer Contributions – PERS 1, PERS 2/3 – 2023

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2023

Notes to the Schedule of Expenditures of Federal Awards – 2023

Management Discussion and Analysis

Greater Columbia Behavioral Health Benton County July 1, 2022 through June 30, 2023

Greater Columbia Behavioral Health, LLC (GCBH BH-ASO) administration's discussion and analysis offers readers a narrative overview and analysis of financial activities for the fiscal year ended June 30, 2023.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the financial statements (which immediately follow this discussion).

FINANCIAL HIGHLIGHTS

Greater Columbia Behavioral Health, LLC BH-ASO (GCBH) was formed by an inter-local agreement pursuant to RCW 71.24.300. Currently comprised of 9 Southeastern Washington Counties, GCBH operates as a quazi-governmental agency. GCBH is licensed in the State of Washington to operate as one of only 10 Administrative Services Organization (ASO) to be in effect by January 2020.

Administrative Service Organizations were created by legislative action to administer the integrated behavioral health system in Washington State.

Beginning January 1, 2019 Greater Columbia Behavioral Health, LLC became an Administrative Service Organization which handles the Non-Medicaid and Medicaid Funding for Crisis Services and Grant Funding for special services for our 9 Southeastern Counties in Washington State.

The ASO's primary revenue is Non-Medicaid Funding, secondary revenue is Medicaid Funding to provide Crisis Services for Medicaid Eligible Individuals.

Payments to the ASO provider network are based on a sub-capitation payment allocation for Non-Medicaid, and Medicaid Funding. Grant Funding is on cost reimbursement.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to GCBH's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

There are two government-wide financial statements designed to provide readers with a broad overview of GCBH's finances in a manner similar to a private-sector business. New accounting rules require governmental agencies to distinguish functions that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business-type activities"). All of GCBH's activities are considered governmental activities and are dedicated to providing behavioral health services within our catchment area. The Statement of Net Position presents information on all of GCBH's assets and liabilities, with the difference between the two reported as net position. This statement serves as a useful indicator of whether the financial position of GCBH is improving or deteriorating. However, this is just one indicator of the financial health of the organization. Another indicator is the Statement of Activities which illustrates how GCBH's net position changed during 2023. All changes in net position are reported using the accrual basis of accounting, similar to the method used by most private-sector companies. The accrual basis of accounting requires revenues be reported when earned and expenses are reported when goods or services are received, regardless of the timing of the cash flow. Items such as uncollected taxes, unpaid vendor invoices for items received in 2023 and earned but unused vacation leave, will be included in the statement of activities as revenue and expense, though the cash associated with these items will not be received or distributed in 2023.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated from specific activities or objectives. GCBH, like other state and local governments, is required to use fund accounting. Because GCBH is an organization dedicated to a single purpose, it only uses the Governmental Fund type. Governmental Funds are used to account for most, if not all, of a government's tax-supported activities.

Governmental Funds

GCBH has only one fund under this category, the General Fund. The Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances present GCBH's financial data for its general fund.

Governmental funds are used to account for essentially the same function reported as governmental activities in the Government-wide Financial Statements. However, unlike

Government-wide Financial Statements' use of accrual accounting, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements in comparison to near-term resources available. Because the focus of Governmental Fund Financial Statements is narrower than that of Government-wide Financial Statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide reconciliation to the governmental activities column in the government-wide statements in order to facilitate this comparison.

GCBH maintains budgetary controls over its operating funds. As stated above, GCBH has only one fund, the General Fund. Because of this, there is substantial similarity between the Governmental Funds Financial Statements and the Government-wide Financial Statements. However, the above discussion of accrual vs. non-accrual reporting explains the minor differences that may be found.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in the report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Though Net Position may serve over time as a useful indicator of a typical government's financial position, functional changes to GCBH and its mission will need to be considered.

The Statement of Net Position also includes the value of Capital Assets owned by GCBH. These assets reflect the historical cost of all GCBH land, buildings, and equipment (net of accumulated depreciation).

For Fiscal Year 2023, the ASO paid \$65,568.87 to upgrade outdated Network Servers.

Condensed GCBH Statement of Net Position

	<u>FY23</u>	<u>FY22</u>
Current Assets	\$11,666,111.06	\$9,458,640.27
Net Pension Assets	272,744.00	.00
Capital Assets	<u>251,503.00</u>	<u>259,938.00</u>
Total Assets	\$ 12,190,358.06	\$9,718,578.27
Deferred Outflows	\$ 233,903.00	\$ 50,934.00
Total Liabilities	\$ 335,378.76	\$ 177,082.12
Deferred Inflows	\$ 466,313.15	\$ 823,026.00
Net Assets:		
Invested in Capital Assets	\$ 251,503.00	\$ 259,938.00
Restricted Assets	<u>11,371,066.54</u>	<u>9,026,321.10</u>
Total Net Position	\$ 11,622,569.54	\$ 9,286,259.10

Statement of Activities

The Statement of Activities reports the revenue earned and expenditures made by GCBH, ASO during FY23.

Total Revenue was \$32.5 million during FY23. Total Expenditures were \$30.3 million during FY23.

Condensed GCBH Statement of Activities

	<u>FY23</u>	<u>FY22</u>
Revenue	\$ 32,511,616.53	\$30,274,236.41
(Less) Expenditures	<u>(30,175,306.09)</u>	<u>(25,530,923.57)</u>
Change in Net Position	2,336,310.44	4,743,312.84
Ending Net Position	\$ 11,622,569.54	\$9,286,259.10

FINANCIAL ANALYSIS OF THE GCBH FUNDS

As noted earlier, GCBH uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. GCBH only has one fund, the general fund, and it is a governmental type fund.

Governmental Funds Balance Sheet Analysis

The Balance Sheet is an analysis of GCBH's General Fund assets and liabilities as of June 30, 2023.

GCBH General Fund

The focus of the GCBH general fund is to provide information on near-term inflows, outflows, and balance of spendable resources. As of June 30, 2023, the GCBH general fund reported a total fund balance of \$11,666,111.07.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final revenue and expenditure budget for FY23 equals \$34,499,216.00.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

GCBH owns and maintains a small number of capital assets. These assets include land, a building, and three (3) vehicles. In addition, GCBH also maintains a network of computers and servers used to store, receive, and submit confidential medical records to the state. The GCBH Executive Committee has determined only assets purchased with a value greater than \$5,000 per item will be considered a capital purchase for reporting purposes.

Long-Term Debt

GCBH has no long-term debt.

ECONOMIC FACTORS

GCBH serves at the pleasure of the State and Federal governments who provide funding through the Washington State Health Care Authority (HCA), Department of Commerce (DOC) and four Managed Care Organizations (MCO's). Through a variety of contracts with HCA, DOC and MCO's, GCBH administers the publically funded behavioral health service system within a nine (9) county region.

Requests for Information

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

Karen Richardson, Co-Director/Chief Finance Director
Greater Columbia Behavioral Health
101 North Edison Street
Kennewick WA 99336
(509)737-2475

GREATER COLUMBIA BEHAVIORAL HEALTH, LLC BH-ASO
STATEMENT OF NET POSITION
June 30, 2023

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets	
Cash and Equivalents	10,858,959.45
Due From Other Government Units	807,151.61
TOTAL CURRENT ASSETS	<u>11,666,111.06</u>
Non-Current Assets	
Net Pension Asset	272,744.00
Capital Assets not being depreciated	
Land	73,350.00
Capital Assets (Net of Depreciation)	
Building and Equipment	178,153.00
Total Capital Assets	<u>251,503.00</u>
TOTAL ASSETS	<u><u>12,190,358.06</u></u>
Deferred Outflows Related To Pensions	
Deferred Outflows	233,903.39
Total Deferred Outflows	<u>233,903.39</u>
Current Liabilities	
Compensated Absences	178,813.76
TOTAL CURRENT LIABILITIES	<u>178,813.76</u>
Net Pension Liability	<u>156,565.00</u>
TOTAL LIABILITIES	<u>335,378.76</u>
Deferred Inflows Related To Pensions	
Deferred Inflows	466,313.15
TOTAL DEFERRED INFLOWS	<u>466,313.15</u>
Net Position	
Net Investment in Capital Assets (Net of Depreciation)	251,503.00
Restricted Net Position	11,371,066.54
TOTAL NET POSITION	<u><u>11,622,569.54</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

GREATER COLUMBIA BEHAVIORAL HEALTH, LLC BH-ASO
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Program Revenue				Net (Expense) Revenue & changes in Net Position		
	Expenses	Grants & Fees			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activity	Business Type Activities	Total
Governmental Activities:							
Mental & Physical Health	\$ 30,175,306.09	\$ 7,921,768.56	\$ 24,468,159.16		\$ 2,214,621.63		\$ 2,214,621.63
Total Governmental Activities	\$ 30,175,306.09	\$ 7,921,768.56	\$ 24,468,159.16	\$ -	\$ 2,214,621.63	\$ -	\$ 2,214,621.63
Business-Type Activities:							
Total Business-Type Activities							
Total Primary Government	\$ 30,175,306.09	\$ 7,921,768.56	\$ 24,468,159.16	\$ -	\$ 2,214,621.63	\$ -	\$ 2,214,621.63
General Revenues							
Investment Earnings					\$ -		\$ -
Miscellaneous					\$ 121,688.81		\$ 121,688.81
Transfers							
Total General Revenues & Transfers					\$ 121,688.81	\$ -	\$ 121,688.81
Change in Net Position					\$ 2,336,310.44	\$ -	\$ 2,336,310.44
Net Position-Beginning					\$ 9,286,259.10		\$ 9,286,259.10
Net Position-Ending					\$ 11,622,569.54		\$ 11,622,569.54

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

GREATER COLUMBIA BEHAVIORAL HEALTH, LLC BH-ASO
BALANCE SHEET-GOVERNMENTAL FUNDS
June 30, 2023

Assets

Current Assets

Cash and Equivalents	\$ 10,858,959.45
Due From Other Government Units	\$ 807,151.61
Total Current Assets	<u>\$ 11,666,111.06</u>

Liabilities and Deferred Inflows of Resources and Fund Balances

Current Liabilities

Accounts/Vouchers Payable	\$ -
Total Current Liabilities	\$ -

Fund Balance

Restricted	11,666,111.06
Total Fund Balance	<u>11,666,111.06</u>

**Total Liabilities, Deferred Inflows
of Resources and Fund Balances**

11,666,111.06

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**Reconciliation of Balance Sheet Governmental Funds to Statement
of Net Position**

**Greater Columbia Behavioral Health, LLC BH-ASO
Benton County
July 1, 2022 through June 30, 2023**

The fund balance as shown on the Governmental Fund Balance Sheet is \$11,666,111.07 compared with the \$11,622,569.54 listed as the total Net Position on the Statement of Net Position. This is a difference of \$43,541.52.

The reconciling items are as follows: Capital Assets (net of depreciation) in the amount of \$251,503.00 and Net Pension Assets in the amount of \$272,744.00 are shown on the Statement of Net Position and not on the Governmental Fund Balance Sheet.

Deferred Outflows of \$233,903.39 related to pensions are included on the State of Net Position, but not on the Governmental Fund Balance Sheet.

Compensated Absences in the amount of (\$178,813.76) are reported as a liability on the State of Net Position, but not on the Governmental Fund Balance Sheet.

A Net Pension Liability (\$156,565.00) is reflected on the Statement of Net Position, but not on the Governmental Fund Balance Sheet.

Deferred Inflows (\$466,313.15) related to pensions are reflected on the Statement of Net Position, but not on the Governmental Fund Balance Sheet.

$\$251,503.00 + 272,744.00 + 233,903.39 - 178,813.76 - 156,565.00 - 466,313.15 =$
\$43,541.52

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

GREATER COLUMBIA BEHAVIORAL HEALTH, LLC BH-ASO
STATEMENT OF REVENUES, EXPENDITURES
and CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

<u>REVENUES</u>	2023 Actual
<u>Intergovernmental Revenue</u>	
330 Intergovernmental Revenue	\$ 24,468,159.16
<u>Charges for Goods and Services</u>	\$ -
340 Charges for Goods and Services	\$ 7,921,768.56
<u>Miscellaneous Revenues</u>	
360 Miscellaneous	\$ 121,688.81
TOTAL REVENUE	<u>\$ 32,511,616.53</u>
<u>EXPENDITURES</u>	
564 Mental and Physical health	\$ 30,238,576.86
594 Capital Outlays	\$ 65,568.87
TOTAL EXPENDITURES	<u>\$ 30,304,145.73</u>
Excess of Revenues Over (Under) Expenditures	\$ 2,207,470.80
Net Change in Fund Balance	\$ 2,207,470.80
Fund Balance - Beginning 7/01/2022	\$ 9,458,640.27
Fund Balance - Ending 6/30/2023	<u>\$ 11,666,111.07</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**Reconciliation of Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds to Statement of Activities**

**Greater Columbia Behavioral Health, LLC BH-ASO
Benton County
July 1, 2022 through June 30, 2023**

The net change in fund balance as shown on Governmental **\$2,207,470.80**. The Change in Net Position on the Statement of Activities equals **\$2,336,310.44**. This represents a difference of **\$128,839.64**.

Revenue is the same under both reporting methods. However, expenditures are different because the Statement of Activities capitalizes assets and reports depreciation. The Statement of Revenues, Expenditures and Changes in Fund Balance expense assets during the year purchased and do not depreciate assets. In addition, the Statement of Activities expenses the change in liability for compensated absences from the prior year. Also, the Statement of Activities reflects additional expenditures related to pension activities which are not reported on the Statement of Revenues, Expenditures and Changes in Fund Balance.

The total represents the amount of depreciation reported for fiscal year 2023, plus the net change in compensated absences, plus pension expense change.

(\$33,953+\$57,285.64+37,601.00=\$128,839.64).

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

GREATER COLUMBIA BEHAVIORAL HEALTH, LLC BH-ASO
STATEMENT OF REVENUES, EXPENDITURES and CHANGES IN FUND BALANCE
BUDGET to ACTUAL

For the Fiscal Year Ended June 30, 2022 and 2023

	Original CY22 Budget	Original CY23 Budget	Fiscal Year FY22 Actual	Fiscal Year FY23 Actual	Combined FY22-FY23 Actual	Variance Favorable (Unfavorable)
REVENUES						
Intergovernmental Revenue						
330 Intergovernmental Revenue	\$ 26,238,535.00	\$ 26,646,469.00	\$ 23,025,944.14	\$ 24,468,159.16	\$ 47,494,103.30	\$ 5,390,900.70
Charges for Goods and Services						
340 Charges for Goods and Services	\$ 6,867,360.00	\$ 7,852,747.00	\$ 7,174,912.00	\$ 7,921,768.56	\$ 15,096,680.56	\$ (376,573.56)
Miscellaneous Revenues						
360 Miscellaneous	\$ -	\$ -	\$ 73,380.27	\$ 121,688.81	\$ 195,069.08	\$ (195,069.08)
TOTAL REVENUE	\$ 33,105,895.00	\$ 34,499,216.00	\$ 30,274,236.41	\$ 32,511,616.53	\$ 62,785,852.94	\$ 4,819,258.06
EXPENDITURES						
564 Mental and Physical Health	\$ 33,105,895.00	\$ 34,499,216.00	\$ 25,919,553.82	\$ 30,238,576.86	\$ 56,158,130.68	\$ 11,446,980.32
594 Capital Outlays			\$ 18,820.38	\$ 65,568.87	\$ 84,389.25	\$ (84,389.25)
TOTAL EXPENDITURES	\$ 33,105,895.00	\$ 34,499,216.00	\$ 25,938,374.20	\$ 30,304,145.73	\$ 56,242,519.93	\$ 11,362,591.07
Excess of Revenues Over (Under) Expenditures			\$ 4,335,862.21	\$ 2,207,470.80		
Net Change in Fund Balance			\$ 4,335,862.21	\$ 2,207,470.80		
Fund Balance Beginning 7/1/2021 & 7/1/2022			\$ 5,122,778.06	\$ 9,458,640.27		
Fund Balance Ending 6/30/2022 & 6/30/2023			\$ 9,458,640.27	\$ 11,666,111.07		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements

Greater Columbia Behavioral Health, LLC BH-ASO Benton County July 1, 2022 through June 30, 2023

Note 1 - Summary of Significant Accounting Policies

The financial statements of Greater Columbia Behavioral Health, LLC have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

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 of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. 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.

A. Reporting Entity

Greater Columbia Behavioral Health, LLC (GCBH) BH-ASO (Administrative Services Organizations) was created in June 2018 under an inter-local agreement between Asotin, Benton, Columbia, Franklin, Garfield, Kittitas, Walla Walla, Whitman, and Yakima Counties. The ASO had to be created prior to January 1, 2020 in order to apply to become the ASO for our 9 county region. Actual ASO operations did not begin until January 1, 2019. The reporting period will be July 1, 2022 through June 30, 2023. The ASO is organized under RCW 71.24, Community Behavioral Health Services Act, and RCW 39.34, Inter-local Cooperation Act, to manage the delivery of comprehensive behavioral health services throughout the GCBH nine (9) county regional catchment area. GCBH funding is provided through contractual agreement with the Washington State Health Care Authority (HCA), Department of Commerce (DOC) and the four Managed Care Organizations (MCO's).

GCBH has no component units.

B. Basis of Presentation -Government-Wide and Fund Financial Statements

Separate fund financial statements are provided for governmental funds. Information for the governmental fund is presented using a major fund presentation. This format presents individual columns for funds with significant activity. The remaining funds are presented in aggregate in a single column.

GOVERNMENTAL FUND:

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separate from business-type activities, which rely to a significant extent on fees and charges for support.

The GCBH ASO has only one fund, the General Fund. All activities are reported in that fund.

The Statement of Activities demonstrates the degree to which the expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Fund financial statements are used to report additional and more detailed information about the primary government. Separate financial statements would be provided for government wide funds, proprietary funds and fiduciary funds, even though the latter are excluded from the Government-wide Financial Statements. Major individual governmental funds and major individual enterprise funds would be reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement preparation

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

All governmental funds are presented using the flow of “current financial resources” measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities of the current period. For this purpose, GCBH considers revenues to be available if they are collected within thirty (30) days of the end of the fiscal period. In most cases, revenues susceptible to accrual are earned interest, certain charges for services, and intergovernmental revenues, such as grants, where program expenditures are the prime factor for determining reimbursement. For Fiscal Year 2023, GCBH timed the maturity of its investments to occur within days of the year end thus no investment interest was accrued. Other revenues such as sales based taxes, licenses, fines and fees are not considered susceptible for accrual since they are not generally measurable until received. Expenditures are generally recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

See Note 1 E 5 – Compensated Absences

GCBH reports the following major governmental fund: The General Fund

The General Fund is GCBH's primary and only operating fund. It is used to account for all activities of the government unit.

D. Budgetary Information

1. Scope of Budget

A appropriated budget is adopted by GCBH on the modified accrual basis of accounting. There are no differences between the budgetary basis and generally accepted accounting principles. Budgetary accounts are integrated in fund ledgers for revenue and expenditure accounts; the financial statements only include budgetary comparisons over a complete fiscal year.

The appropriated budget is adopted at the fund level where expenditures may not exceed appropriations for the fund as a whole. Subsidiary revenue and expenditure accounts are used to compare the budgeted amounts with actual revenues and expenditures. Appropriations lapse at the end of a calendar year.

2. Procedures for Adopting the Original Budget

GCBH budget procedure is mandated by RCW 71.24 and WAC 275-57. A budget is adopted by GCBH Executive Committee Directors by resolution.

3. The GCBH Finance Director is authorized to transfer budgeted amounts between line items; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours or other conditions of employment, or capital expenditures must be approved by the GCBH Executive Committee.

E. Assets, Liabilities, Fund Balance, Net Positions

1. Cash and Cash Equivalents

GCBH maintains all cash accounts through Keybank. These amounts are held as cash for operations or invested in short-term investments. On June 30, 2023, GCBH was holding \$11,666,111.06 in surplus cash and cash equivalents. Of this amount, \$11,666,111.06 was held for operations and \$0 was held as short term investments. As required by state law, all investments of the ASO's funds are obligations of the U.S. Government, or deposits with Washington State banks and savings and loan institutions.

2. Temporary Investments – (See Item 1. Cash and Cash Equivalents)

3. Due From and To Other Governmental Units and Counties - (See Note 4B)

These accounts include amounts due to or from counties and other governmental units for grants, entitlements, and advances.

4. Capital Assets– (See Note 6)

5. Compensated Absences – (See Note 11)

Accumulated Unpaid Vacation, Compensatory time and sick leave are not recorded on the balance sheet. Vacation pay, which may be accumulated up to 240 hours, is payable upon resignation, retirement, or death. Compensatory time is earned by full-time non-exempt employees for hours worked in excess of 40 hours per week and may be accumulated up to 40 hours. Compensatory time is payable upon request. Sick leave may accumulate up to 480 hours. Sick leave is paid out at fifty percent (50%) on unused sick leave balances upon voluntary termination or retirement for those employees employed prior to January 2, 2019. As of June 30, 2023, GCBH was liable for \$116,062.50 in vacation pay, \$4,169.92 in compensatory time, and \$58,581.34 in sick pay.

6. Fund Reserves and Designations (See Note 12)

Fund equity is recognized as fund balance in governmental fund types. Certain fund equity may be reserved for a specific future use, or to denote unavailability for current operations. Designations of fund balance represent tentative management plans that are subject to change.

7. Inventories and Repayments

GCBH does not carry inventories. All supplies are considered expensed when purchased. Prepayments made for services that will benefit future periods are recorded as prepaid items in government-wide statements.

8. Long-Term Debt

GCBH had no outstanding long-term debt as of June 30, 2023.

9. 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 of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. 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.

F. Revenues, Expenditures and Expenses

Under the modified-accrual basis of accounting:

Grants are considered measurable and available to the extent that expenditures have been incurred. Other intergovernmental revenues are considered measurable and available when earned.

All other revenues are either not measurable or considered not available until collected.

Expenditures are generally recognized when incurred.

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The Governmental Funds' Balance Sheet includes reconciliation between fund balances — total governmental funds and net position — governmental activities reported in the Government-wide Statement of Net Position.

Total Fund Balance as shown on the Governmental Fund Balance Sheet is **\$11,666,111.06** compared to **\$11,622,569.54** reported as Total Net Position on the Statement of Net Position. This is a difference of **\$43,541.52**.

The reconciling items are as follows: Capital Assets (net of depreciation) in the amount of \$251,308.00, net pension asset \$272,744.00, Deferred Outflows resulting from pension activities \$233,903.39 and Compensated Absences in the amount of (\$178,813.76) are shown on the Statement of Net Position and not on the Governmental Fund Balance Sheet. In addition, a net pension liability of (\$156,565.00) and Deferred Inflows of (\$466,313.15) are also listed on the statement of net position, but not on the governmental fund balance sheet.

$\$251,503.00 + 233 - 178,813.76 - 156,565.00 - 466,313.15 + 272,744.00 = \$43,541.52$

B. Explanation of Certain Differences between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The Governmental Funds' Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between net changes in fund balance – total governmental funds and changes in net position of governmental activities as reported in the Government-wide Statement of Activities.

The net change in fund balances as shown on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance is **\$2,207,470.80**. The change in net position on the Statement of Activities equals **\$2,336,310.44**. This represents a difference of **(\$128,839.64)**.

Revenue is the same under both reporting methods. However, expenditures are different because the Statement of Activities capitalizes assets and reports depreciation. The Statement of Revenues, Expenditures and Changes in Fund Balance expense assets in the year purchased and do not depreciate assets. In addition, the Statement of Activities expenses the change in liability for compensated absences from the prior year. The difference between these two statements equals **(\$128,839.64)**.

The total represents the amount of depreciation reported for Fiscal Year 2023, plus the net change in compensated absences, plus the net adjustment for pension activities **\$33,953 + \$57,285.64 + 37,601 = (\$128,839.64)**.

Note 3 – Stewardship, Compliance and Accountability

There have been no material violations of finance-related legal or contractual provisions, and there have been no expenditures exceeding legal appropriations in any of the funds of GCBH. (See Note 1 D)

Note 4 - Deposits and Investments

A. Deposits and Investments

GCBH had no long-term investments as of June 30, 2023.

B. Receivables

Accrued interest receivable consists of amounts earned on investments at the end of the year. Efforts were made to schedule the maturity of all GCBH investments on or within 5 days of fiscal year end. As a result, no interest income has been accrued for Fiscal Year 2023. Total bank account interest income for Fiscal Year 2023 was reported at **\$90,582.49**.

Due from Other Governmental Units in the amount of **\$807,151.61** are Mental Health Block Grant Funds **\$334,017.28**, Substance Abuse Block Grant Funds **\$250,370.78**, FYSPRT, , HARPS, CBRA, Peer Bridger, HARPS and WASEC Grant Funds in the amount of **\$185,417.35** due from the State of Washington, and **\$37,346.20** are ITA Judicial Billings due from Other Washington State ASO's.

Note 5 - Intergovernmental Grants and Entitlements

The accompanying Schedule of State Financial Assistance provides a listing of all federal programs in which GCBH participates and summarizes GCBH grant transactions for the period ending June 30, 2023.

Prepaid Inpatient Health Plan (PIHP) funding refers to intergovernmental revenue which has been received based on a capitation rate schedule. PIHP (Medicaid) and State-Only funding is not included on the Schedule of Expenditures of Federal Awards.

Note 6 - Capital Assets

Major expenditures for capital assets, including capital leases and major repairs that increase useful lives, are capitalized. Capital assets are defined as assets with an initial, individualized cost of \$5,000 or more. Maintenance, repairs, and minor renewals are accounted for as expenditures when incurred.

General capital assets are long-lived assets of GCBH. When purchased, leased, or constructed, such assets are recorded as expenditures in the governmental fund and capitalized in the capital asset account group. Depreciation of capital assets is not recorded in governmental funds. Straight-line depreciation is calculated for the purpose of determining the book value of the capital assets at year-end.

As of June 30, 2023, GCBH had no capital leases.

The following is a summary of changes in the value of GCBH capital assets for the period ended June 30, 2023.

For The Period Ended June 30, 2023

Category:	Year	Basis	Additions 2023	Deletions 2023	Historical Cost	Accum	Depreciation	Remaining	Remaining
						Depreciation Pre 2023	Expense 2023	Basis YE FY23	Basis (Sum) YE FY23
Non-Depreciable:									
Land	2002	\$73,350	-	-	\$73,350	-	-	\$ 73,350	\$ 73,350
Depreciable:									
Building		900,500	-	-	900,500	\$753,963	\$20,839	125,698	
Building									125,698
Office Equipment		6,846	-	-	6,846	6,846		-	
Computer Equipment		285,422	65,569	-	350,991	285,422	13,114	52,455	
Equipment									52,455
Vehicles		88,528	-	-	88,528	88,528	0	0	
Vehicles									0
		\$1,354,645	65,569	-	1,420,214	1,134,759	33,953	\$251,503	251,503

Note 7 - Pension Plans

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB 68 for the year 2023:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ (156,565)
Pension assets	\$ 272,744
Deferred outflows of resources	\$ 233,903
Deferred inflows of resources	\$ (466,313)
Pension expense/expenditures	\$ (36,208)

State Sponsored Pension Plans

Substantially all Greater Columbia Behavioral Health full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and

required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

Department of Retirement
Systems Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Or the DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions - The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee*
July 2022- June 2023		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	

Total	10.39%	6.00%

* For employees participating in JBM, the contribution rate was 12.89%

The actual contributions made by GCBH to the plan were \$0 for the year ended June 30, 2023.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions - The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense

that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer 2/3	Employee 2*
July 2022 – June 2023		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	10.39%	6.36%

* For employees participating in JBM, the contribution rate was 15.50%

The actual contributions made by GCBH to the plan were \$134,996 for the year end June 30, 2023.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2023 with a valuation date of June 30, 2022.

Additional assumptions for subsequent events and law changes are current as of the 2022 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2022. Plan liabilities were rolled forward from June 30, 2022, to June 30, 2023, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation: 2.75%** total economic inflation; **3.25%** salary inflation
- **Salary increases:** In addition to the base **3.25%** salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return: 7.0%**

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Methods did not change from the prior contribution rate setting June 30, 2019 Actuarial Valuation Report (AVR), however OSA introduced a temporary method change to produce

asset and liability measures for the June 30, 2021 AVR. There were also the following assumption changes:

- OSA updated the Joint-and-Survivor Factors and Early Retirement Factors in the model. Those factors are used to value benefits for early retirement and survivors of members that are deceased prior to retirement. These factors match the administrative factors provided to DRS for future implementation that reflect current demographic and economic assumptions.
- OSA updated the economic assumptions based on the 2022 action of the PFC and the LEOFF Plan 2 Retirement Board. The investment return assumption was reduced from 7.5% (7.4% for LEOFF 2) to 7.0%, and the salary growth assumption was lowered from 3.5% to 3.25%. This action is a result of recommendations from OSA's biennial economic experience study.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.0%.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' 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 of 7.0 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.0 percent was determined using a building-block-method. In selecting this assumption, the OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the table below. The inflation component used to create the table is 2.2% and represents WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.50%
Tangible Assets	7%	4.70%
Real Estate	18%	5.40%
Global Equity	32%	5.90%
Private Equity	23%	8.90%
	100%	

Sensitivity of Net Pension Liability /(Asset)

The table below presents the ASO's proportionate share* of the net pension liability calculated using the discount rate of 7.0%, as well as what the ASO's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1- percentage point higher (8.0%) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
PERS 1	209,169	156,565	110,654
PERS 2/3	321,191	-272,744	-760,699

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At June 30, 2023, GCBH reported a total pension liability for its proportionate share of the net pension liabilities as follows:

	Liability
PERS 1	\$156,565
PERS 2/3	\$272,744

At June 30, the ASO's proportionate share of the collective net pension liabilities was as follows

	Proportionate Share 6/30/21	Proportionate Share 6/30/22	Change in Proportion
PERS 1	.004549%	.005623%	.001074
PERS 2/3	.005839%	.007354%	.001515

Employer contribution transmittals received and processed by DRS for the fiscal year ended June 30, 2021 and June 30, 2022 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by DRS in the *Schedules of Employer and Non-Employer Allocations* for all plans except LEOFF 1.

The collective net pension liability was measured as of June 30, 2022, and the actuarial valuation date on which the total pension liability is based was as of June 30, 2022, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended June 30, 2023 GCBH recognized pension expense as follows:

	Pension Expense
PERS 1 (GCBH Contributions)	99,200
PERS 2/3(GCBH Contributions)	(-135,409)
TOTAL	(\$36,209)

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2023, the ASO reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Net difference between projected and actual investment earnings on pension plan investments		\$ -25,947
Changes of assumptions	\$	\$
Changes in proportion and differences between contributions and proportionate share of contributions	\$	\$
Contributions subsequent to the measurement date	\$34,464	\$
TOTAL	34,464	\$-25,947

PERS 2 & 3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 67,580	\$ -6,174
Net difference between projected and actual investment earnings on pension plan investments		\$ -201,641
Changes of assumptions	\$ 152,017	\$ -39,803
Changes in proportion and differences between contributions and proportionate share of contributions	\$-131,058	\$-35,201
Contributions subsequent to the measurement date	\$59,081	\$
TOTAL	\$ 147,620	\$-282,820

Deferred outflows of resources related to pensions resulting from the ASO's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other

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

Year ended June 30:	PERS 1
2023	-\$10,980
2024	-\$9,973
2025	-\$12,511
2026	\$7,517
2027	
Total	- \$25,947

Year ended June 30:	PERS 2/3
2023	-\$105,482
2024	-\$103,058
2025	-\$110,154
2026	\$68,529
2027	\$26,787
Ther	\$29,097
Total	-\$194,281

Note 8 - Deferred Compensation Plan

GCBH at this time does not offer any Deferred Compensation Plans.

Note 9 - Risk Management

Greater Columbia Behavioral Health is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool’s fiscal year ending August 31, 2021, there were 539 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris’ program provides for various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes: General Liability, Automobile Liability, Public Officials’ Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes: Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement program. Pollution coverage is provided on a “claims made” coverage form. All other coverage is provided on an “occurrence” coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that are applicable to them. In certain cases the

Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool's SIR up to the coverage maximum limit of liability. The tables below reflect the Pool's SIR, reinsurance limits and member deductibles/co-pays by coverage type.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Liability:				
Comprehensive General Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Automobile Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	\$1 million	\$20 million \$20 million	\$1,000 - \$100,000
Terrorism Liability ⁽²⁾	Per Occurrence Pool Aggregate	\$500,000 \$1 million	\$0 Fully funded by Pool	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay ⁽³⁾

(1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible

(2) Terrorism liability is fully funded by the Pool i.e. no excess/reinsurance is procured.

(3) Members pay a 20% co-pay of costs up to a maximum of \$100,000. By meeting established guidelines, the co-pay may be waived.

Property ⁽²⁾:

Buildings and Contents	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Boiler and Machinery ⁽³⁾	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense (EE) ⁽⁴⁾	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000

Sublimit ⁽⁵⁾:

Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5%; \$500,000 maximum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million/ Pool member \$200 million	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/Pool member \$1.2 billion/APIP \$1.4 billion/APIP	\$0

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Automobile Physical Damage⁽⁶⁾	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles	\$800 million	\$250 - \$1,000
Crime Blanket ⁽⁷⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Named Position ⁽⁸⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Cyber ⁽⁹⁾	Each Claim APIP Aggregate	\$100,000	\$2 million \$25 million	20% Copay
Identity Fraud Expense Reimbursement ⁽¹⁰⁾	Member Aggregate	\$0	\$25,000	\$0

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.
- (2) Property coverage for each member is based on detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement pursuant to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$800 million except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
- (4) Business Interruption/ Extra expense coverage is based on scheduled revenue generating locations/operations. A limited number of members schedule and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.
- (5) This sublimit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.
- (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detail vehicle schedule.
- (7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Member's may elect to "buy-up" the level of coverage from \$5,000 to \$1 million.
- (8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.
- (9) Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/members property TIV with an 8 hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.
- (10) Identity Fraud Expense Reimbursement coverage is purchased by Enduris. Member claims do not have a deductible. There is a \$25,000 limit per member.

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. There were no claim settlements in excess of the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year and must give notice 60 days before renewal in order to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or

termination are applied. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in process claims for the period they were a signatory to the Interlocal Governmental Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with the Pool who determines coverage and administers the claims.

The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool’s members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool’s Executive Director.

Note 10 - Contingencies and Litigation

GCBH participates in a number of federal and state assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under terms of the grants. GCBH management believes that such disallowances, if any, would be immaterial.

Note 11 – Changes in Compensated Absences

During the year ended June 30, 2023, the following changes occurred in Compensated Absences:

	Beginning Balance 07/01/22	Additions	Reductions	Ending Balance 06/30/23	Due Within One Year
Governmental Activities: Compensated Absences	\$121,528.12	\$57,285.64	\$0	\$178,813.76	\$178,813.76

Note 12 – Fund Equity

Fund equity, the difference between fund assets and liabilities, is classified as “Fund Balance.” Fund Balance is classified as either “restricted” or “unassigned”. Restricted Fund Balance indicates an amount that is either inappropriate for expenditure without board approval or legally segregated for a specific future use within GCBH contracts.

All revenue and expenditures made on behalf of GCBH are segregated, thus the entire Fund Equity is considered Restricted.

Unassigned Fund Balance indicates that portion of the total fund balance, which remains available for future appropriation. GCBH had no “Unassigned” Fund Equity at the close of Fiscal Year 2023.

Reservations of Fund Balance

Each Reserve Fund at GCBH was established through contract requirements.

GCBH committed and restricted reserves also must retain their identity specific to their source and as specified under contract.

A. Committed Fund Balance

The General Fund had a total of \$0 in Committed Fund Balance as of June 30, 2023.

Non-Medicaid Capital Account \$0

Committed Fund Balance as of July 1, 2022	\$0
Increases in Restricted Reserves	
Decreases in Restricted Reserves	
Committed Fund Balance as of June 30, 2023	\$0

B. Restricted Fund Balance

The General Fund had a total of \$11,666,111.06 in Restricted Fund Balance as of June 30, 2023.

The following reserve accounts have been combined and accounted for as Restricted:

Non-Medicaid Operating Account \$ 9,662,468.87
 Non-Medicaid Inpatient Reserve Account 2,003,642.19
 Restricted Fund Balance (6/30/23) \$ 11,666,111.06

Restricted Fund Balance as of July 1, 2022	\$9,458,640.27
Increases in Restricted Reserves	2,207,470.80
Decreases in Restricted Reserves	
Restricted Fund Balance as of June 30, 2023	\$ 11,666,111.07

C. Unassigned Fund Balance

The General Fund did not have an Unassigned Fund Balance on June 30, 2023.

Unassigned Fund Balance as of July 1, 2022	\$0
Increases in Unassigned Fund Balance	
Decreases in Unassigned Fund Balance	
Unassigned Fund Balance as of June 30, 2023	\$0

Note 13 - Full Accrual (GASB)

Under GASB, an entity is required to report all expenditures using the full accrual method of accounting. GCBH reports on a full accrual basis of accounting for both revenue and expenditures in most cases.

GCBH does have specific reporting requirements in contract that requires GCBH to close its books a very short time after the close of a fiscal year. GCBH is required to prepare and submit a fully reconciled Revenue and Expense Report to HCA within 45 days of the close of each fiscal year.

This reduced timeline for closing out each fiscal year means a small number of expenditures may carry over into the next fiscal year. These amounts are not material nor do they impact the accuracy of financial information included in this report.

Note 14 – Subscription Based Information Technology Arrangements (SBITA)

Under GASB, an entity is required to report all qualifying SBITA's. During FY23 GCBH adopted guidance for the presentation and disclosure of SBITA's as required by the BARS manual.

GCBH does not have any SBITA's for FY23.

Greater Columbia Behavioral Health
Schedule of Proportionate Share of the Net Pension Liability
PERS 1
As of June 30, 2023
Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability (asset)	% 0.013711%	0.014851%	0.0151260%	0.0123250%	0.008945	0.004108%	0.004549	0.00562	0.00562	0.00562
Employer's proportionate share of the net pension liability	\$ 717,213	797,569	717,740	550,439	343,967	145,035.00	55,554.00	156,565	156,565	156,565
TOTAL	\$									
Employer's covered employee payroll	\$ 110,860	118,836	132,016	1,632,283	1,632,154	625,311.88	702,666.00	942,660.99	1,314,110.32	
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	% 646.95%	671.15%	543.68%	33.72%	21.07%	23.19%	7.91%	17%	12%	
Plan fiduciary net position as a percentage of the total pension liability	% 59.10%	57%	61.24%	63.22						

Greater Columbia Behavioral Health
Schedule of Proportionate Share of the Net Pension Liability

PERS 2/3

As of June 30, 2023
Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability (asset)	% 0.014915%	0.016112%	0.017179%	0.015731%	0.011569	0.005377	0.005839	0.005839	0.007354	
Employer's proportionate share of the net pension liability	\$ 532,921	811,226	596,888	268,593	112,374	68,769	581,658	581,667	272,744	
TOTAL	\$									
Employer's covered employee payroll	\$ 1,351,356	1,540,606	1,663,453	1,632,283	1,632,154	625,311.88	702,666.00	942,660.99	1,314,110.32	
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	% 39.44%	52.66%	35.88%	16.46%	6.89%	11.00%	82.78%	61.70%	21%	
Plan fiduciary net position as a percentage of the total pension liability	% 89.20%	89%	90.97%	95.77%						

Greater Columbia Behavioral Health
Schedule of Employer Contributions

PERS 1

As of June 30, 2023
Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	\$ 63,014	84,219	90,268	82,104	64,136	-	0	0	0	0
Contributions in relation to the contractually required contributions	\$ (63,014)	(84,219)	(90,268)	(82,104)	(64,136)	-	0	0	0	0
Contribution deficiency (excess)	\$ 0									
Covered Employer Payroll	\$ 110,860	118,836	132,016	1,632,283	1,632,145	625,311.88	702,666	942,660.99	1,314,110.32	
Contributions as a percentage of covered employee payroll	% 56.84%	70.87%	68.38%	5.03%	3.93%	0.00%	0	0	0	

Greater Columbia Behavioral Health
 Schedule of Employer Contributions

PERS 2/3

As of June 30, 2023
 Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	\$ 66,439	93,014	105,445	121,380	94,488	80,433	89,200	93,545	132,652.00	
Contributions in relation to the contractually required contributions	\$ (66,439)	(93,014)	(105,445)	(121,380)	(94,488)	(80,433)	(89,200)	(93,545)	(132,652.00)	
Contribution deficiency (excess)	\$ 0									
Covered Employer Payroll	\$ 1,351,356	1,540,606	1,663,453	1,632,283	1,632,154	625,311.88	702,666	942,660.99	1,314,110.32	
Contributions as a percentage of covered employee payroll	% 4.92%	6.04%	6.34%	7.44%	5.79%	12.86%	12.69%	9.92%	10%	

Greater Columbia Behavioral Health, LLC
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via HealthCare Authority)	COVID 19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665	K4753	94,000	-	94,000	94,000	Note 1
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via HealthCare Authority)	Block Grants for Community Mental Health Services	93.958	K4947 & K6332	644,948	-	644,948	644,948	Note 1
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via HealthCare Authority)	COVID 19 - Block Grants for Community Mental Health Services	93.958	K4947 & K6332	524,173	-	524,173	524,173	Note 1
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via HealthCare Authority)	Block Grants for Community Mental Health Services	93.958	K4947 & K6332	143,690	-	143,690	143,690	Note 1
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via HealthCare Authority)	Block Grants for Community Mental Health Services	93.958	K5391 & K6179	225,440	-	225,440	225,440	Note 1
Total ALN 93.958:				1,538,251	-	1,538,251	1,538,252	

The accompanying notes are an integral part of this schedule.

**Greater Columbia Behavioral Health, LLC
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via HealthCare Authority)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	K4947 & K6332	1,310,337	-	1,310,337	1,310,337	Note 1
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via HealthCare Authority)	COVID 19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	K4947 & K6332	629,063	-	629,063	629,063	Note 1
Total ALN 93.959:				1,939,400	-	1,939,400	1,939,400	
Total Federal Awards Expended:				3,571,651	-	3,571,651	3,571,652	

The accompanying notes are an integral part of this schedule.

**GREATER COLUMBIA BEHAVIORAL HEALTH
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as Greater Columbia Behavioral Health's financial statements. Greater Columbia Behavioral Health uses the GAAP basis of accounting.

Note 2 – Federal De Minimis Indirect Cost Rate

Greater Columbia Behavioral Health has not elected to use the 10-percent De Minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 – Program Costs

Expenditures of program specific grants performed by sub-recipients of Greater Columbia Behavioral Health are generally recognized to the extent Greater Columbia Behavioral Health has made reimbursement to the sub-recipient.

In prior reporting periods, Mental Health Federal Block Grant (**CFDA 93.958**) had recognized expenditures in the period in which costs were incurred by the sub-recipient. In October 2005, the Washington State Department of Health and Human Services directed Greater Columbia Behavioral Health to only recognize expenditures to the extent Greater Columbia Behavioral Health had made actual reimbursement, which the ASO continues to do. Expenditures outside of the current fiscal period are allowed if grant period is open.

April, 2016, as part of the Behavioral Health Integration of Mental Health and Substance Abuse, Greater Columbia Behavioral Health (BHO) was contracted to administer the Substance Abuse Block Grant (**CFDA 93.959**) for Washington State Department of Health and Human Services. As directed with the Mental Health Block Grant, Washington State Department of Health and Human Services directed Greater Columbia to only recognize actual expenditures for reimbursement to sub-recipients which the ASO continues to do. Expenditures outside of the current fiscal period are allowed if grant period is open.

During 2020 the COVID-19 Pandemic had a large effect on the nation, as part of the Behavioral Health Administration Services Organization (BH-ASO) were contracted to expand access to Mental Health and Substance Use Disorder treatment in response to the COVID-19 Pandemic administered thru the Washington State Emergency COVID-19 (WASEC) Project (**CFDA 93.665**), SAMHSA Washington State Health Care Authority directed Greater Columbia to only recognize actual expenditures for reimbursement to sub-recipients.

Note 4- Federal Award Expenditures

The amount shown as current year expenditures represents only the federal grant portion of the costs. Entire program cost, including Greater Columbia Behavioral Health's portion or sub-contractor portion, may be more than shown.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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