Access Health CT
Report to the Audit Committee

January 9, 2018



Audit Results for the Year Ended June 30, 2017



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Summary of Deliverables

- ► Independent Auditors' Report on Financial Statements
- ► Reports in Accordance with Government Auditing Standards
- ► Reports in Accordance with Uniform Guidance
- Communications with Those Charged with Governance
- Programmatic Audit
- Transitional Reinsurance



Audit Plan and Execution

▶Objectives:

- Conduct independent audit of financial statements in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards
- ▶ Provide the Audit Committee independent assurance as to whether or not the financial statements as of and for the year ended June 30, 2017 are presented fairly, in all material respects, in accordance with U. S. Generally Accepted Accounting Principles
- ► Ensure that the Audit Committee is kept appropriately informed of the Access Health CT's financial reporting matters and compliance with professional standards



Auditors' Reports

Management's Responsibility

- Preparation and fair presentation of the financial statements
- ► Design, implementation and maintenance of internal controls

Auditors' Responsibility

- Plan and execute an audit in accordance with generally accepted auditing standards
- Expression of an opinion as to whether or not the financial statements are, in all material respects, presented fairly

Statements of Net Position Highlights

	2017		2016		Change	
Cash and cash equivalents	\$	23,349,254	\$	24,586,547	\$	(1,237,293)
Accounts receivable		7,094,741		16,924,057		(9,829,316)
Property, plant and equipment, net		7,161,568		6,299,426		862,142
Other assets		192,691		195,675		(2,984)
Total assets	\$	37,798,254	\$	48,005,705	\$	(10,207,451)
Accounts payable and accrued expenses	\$	9,215,200	\$	16,678,037	\$	(7,462,837)
Total liabilities		9,215,200	2	16,678,037		(7,462,837)
Invested in Capital Assets		7,161,568		6,299,426		862,142
Net position		21,421,486		25,028,242		
Net position			_			(3,606,756)
Net position		28,583,054		31,327,668		(2,744,614)
Total liabilities and net position	\$	37,798,254	\$	48,005,705	\$	(10,207,451)



Statement of Revenue, Expenses and Change in Net Position

	2017		2016		Change	
Government grants and contracts	\$	1,465,829	\$	9,482,162	\$	(8,016,333)
Marketplace assessment		32,139,640		30,455,332		1,684,308
Other income		114,919		56,995		57,924
Total income		33,720,388		39,994,489		(6,274,101)
Wages and benefits		10,432,890		9,270,124		1,162,766
Consultants		18,685,426		24,312,816		(5,627,390)
Operations		5,288,762		4,291,886		996,876
Depreciation		2,057,924		11,969,729		(9,911,805)
Total expenses		36,465,002		49,844,555		(13,379,553)
Change in net position	\$	(2,744,614)	\$	(9,850,066)	\$	7,105,452



Required Communications

- Qualitative aspects of accounting practices
 - Summary of significant accounting policies in Note 2 of financial statements
 - Accounting estimates are an integral part of the financial statements prepared by management
- No difficulties encountered in performing the audit
- All audit adjustments are recorded in the financial statements no passed adjustments
- No disagreements with management
- Management representations
- No management consultations with other independent accountants
- Significant issues discussed, or subject to, correspondence, with management
- No significant audit findings or issues
- Whittlesey is independent with respect to the AHCT



Other Matters

- No findings in federal single audit
- Management letter
- Programmatic Audit
 - Compliance with subparts of 45 CFR Part 155
 - Objectives:
 - 1. Program effectiveness and results
 - 2. Compliance with Laws and regulations
 - 3. Analysis
 - 4. Internal controls



Other Matters

Transitional Reinsurance

Compliance with subparts of 45 CFR Part 153.260, 153.265 and 153.20(a)(1), including:

- Standard operating procedures and protocols for receipt and control of reinsurance funds, payment processing, and payments appeals
- Documentation demonstrating the verification and validation that payments made by the reinsurance entity match EDGE outbound reports (CMS EDGE Server)
- Records of accounting procedures and financial statements with respect to the transitional reinsurance program