



Access Health Connecticut

November 9, 2022, Audit Committee Meeting

Agenda

A. Call to Order and Introductions

B. Public Comment

C. Vote: Review and Approval of Minutes

D. FY 2022 – AHCT Audited Financial Statements (Vote)

E. FY 2022 Programmatic Audit Report (Vote)

F. CMS State-Based Marketplace Annual Reporting Tool (SMART)

G. Adjournment

Public Comment

Vote:

- **Review and Approval of Minutes**



We'll get you there.

Access Health CT 2022 Audit Results Presentation

November 9, 2022

CPAs | CONSULTANTS | WEALTH ADVISORS

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Agenda

- Terms of Engagement
- Executive Summary
- Financial Highlights
- Programmatic Audit
- Required Communications
- Contact Information
- Upcoming GASB Pronouncements



Terms of Engagement

- Express an opinion as to whether the basic financial statements are presented fairly in accordance with accounting principles generally accepted in the United States of America (GAAP)
- Report on internal control over financial statements and compliance with the provisions of laws, regulations, contracts and grant agreements in accordance with *Government Auditing Standards*
- Report on compliance with the programmatic requirements set forth by CMS in accordance with Title 45 U.S Code of Federal Regulations (CFR) Part 155
- Federal Single Audit
 - Express an “in relation” to opinion on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance.
 - Express an opinion on compliance related to major federal awards



Executive Summary

- Under Generally Accepted Auditing Standards
 - Unmodified opinion on the basic financial statements as of and for the year ended June 30, 2022
- Under Government Auditing Standards
 - No internal control findings were noted
- No compliance findings for the programmatic procedures performed
- Federal Single Audit – In process, due date March 31, 2023

Financial Highlights

Statements of Net Position

	2022	2021	Change
ASSETS		(as Restated)	
Cash and Cash Equivalents	\$ 28,085,400	\$ 27,483,157	\$ 602,243
Accounts Receivable	154,997	873,786	(718,789)
Prepaid Expenses and Other Assets	212,188	254,282	(42,094)
Capital Assets, Net of Accumulated Depreciation	14,228,737	12,902,256	1,326,481
Total Assets	<u>42,681,322</u>	<u>41,513,481</u>	<u>1,167,841</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	5,980,247	5,710,650	269,597
Unearned Revenue	400,929	398,272	2,657
Lease Liability	946,462	858,989	87,473
Total Liabilities	<u>7,327,638</u>	<u>6,967,911</u>	<u>359,727</u>
NET POSITION			
Net Investment in Capital Assets	11,841,399	10,598,580	1,242,819
Unrestricted	23,512,285	23,946,990	(434,705)
Total Net Position	<u>\$ 35,353,684</u>	<u>\$ 34,545,570</u>	<u>\$ 808,114</u>



Financial Highlights

Statements of Revenues, Expenses and Changes in Net Position

	2022	2021	Change
Revenues:		(as Restated)	
Marketplace Assessment	\$ 31,464,792	\$ 33,248,504	\$ (1,783,712)
Intergovernmental Revenue	866,255	-	866,255
Other Income	89,671	26,828	62,843
Total Revenues	<u>32,420,718</u>	<u>33,275,332</u>	<u>(854,614)</u>
Expenses:			
Wages and Benefits	10,966,000	10,781,866	184,134
Consultants	13,246,217	15,621,005	(2,374,788)
Operations	4,199,103	3,616,468	582,635
Depreciation and Amortization	3,201,284	1,662,302	1,538,982
Total Expenses	<u>31,612,604</u>	<u>31,681,641</u>	<u>(69,037)</u>
Change in Net Position	808,114	1,593,691	(785,577)
Net Position - Beginning of Year	<u>34,545,570</u>	<u>32,951,879</u>	<u>1,593,691</u>
Net Position - End of Year	<u><u>\$ 35,353,684</u></u>	<u><u>\$ 34,545,570</u></u>	<u><u>\$ 808,114</u></u>



Programmatic Audit

- Report on compliance with subparts of 45 CFR Part 155
 - General Standards (Subpart B)
 - **General Functions (Subpart C)**
 - **Eligibility Determinations (Subpart D)**
 - **Enrollment Functions (Subpart E)**
 - Appeals of Eligibility Determinations (Subpart F)
 - Exemptions (Subpart G)
 - SHOP (Subpart H)
 - **Certification of Qualified Health Plans (Subpart K)**
 - Oversight and Program Integrity Standards (Subpart M)
 - State Flexibility (Subpart N)
 - Quality Reporting Standards (Subpart O)



Programmatic Audit

- Programmatic audit results
 - Unmodified auditor's opinion on compliance
 - No findings reported
 - No additional recommendations



Required Communications

- Qualitative aspects of accounting practices
 - GASB Statement 87 Leases
 - Accounting estimates
 - Useful life of capital assets used in calculating depreciation expense
 - Incremental borrowing rate used in calculating right to use assets and lease liability
- Difficulties encountered in performing the audit
- Uncorrected/Corrected misstatements
- Disagreements with management
- Management representations



Required Communications

- Management consultations with other independent accountants
- Significant issues discussed with management prior to engagement
- Significant findings or issues that were discussed, or the subject of correspondence with management
- Supplementary information
 - Required supplementary information – MD&A
 - Budgetary schedule of expense



GASB Standards

- Implementation Year 2023:
 - Statement 91 – Conduit Debt Obligations
 - Statement 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements
 - **Statement 96 – Subscription-Based Information Technology Arrangements**
- Implementation Year 2024:
 - Statement 99 – Omnibus 2022 (various)
 - Statement 100 – Accounting Changes and Error Corrections
- Implementation Year 2025:
 - Statement 101 – Compensated Absences



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CMS State-Based Marketplace Annual Reporting Tool (SMART)

Adjournment