



# Access Health Connecticut

November 8, 2023, Audit Committee Meeting

# Agenda

- A. Call to Order and Introductions**
- B. Public Comment**
- C. Vote: Review and Approval of Minutes**
- D. FY 2023 – AHCT Audited Financial Statements (Vote)**
- E. FY 2023 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.*

CPAs | CONSULTANTS | WEALTH ADVISORS

# Access Health CT 2023 Audit Results Presentation

November 8, 2023



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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





# Executive Summary

- Under Generally Accepted Auditing Standards
  - Unmodified opinion on the basic financial statements as of and for the year ended June 30, 2023
- Under Government Auditing Standards
  - No internal control findings were noted
- No compliance findings for the programmatic procedures performed



# Financial Highlights

## Statements of Net Position

|   | 2023                 | 2022                 | Change              |
|---|----------------------|----------------------|---------------------|
|   |                      | (as Restated)        |                     |
| <b>ASSETS</b>                                   |                      |                      |                     |
| Cash and Cash Equivalents                       | \$ 29,474,055        | \$ 28,085,400        | \$ 1,388,655        |
| Accounts Receivable                             | 179,441              | 154,997              | 24,444              |
| Prepaid Expenses and Other Assets               | 195,564              | 212,188              | (16,624)            |
| Capital Assets, Net of Accumulated Depreciation | 15,923,898           | 14,562,283           | 1,361,615           |
| Total Assets                                    | <u>45,772,958</u>    | <u>43,014,868</u>    | <u>2,758,090</u>    |
| <b>LIABILITIES</b>                              |                      |                      |                     |
| Accounts Payable and Accrued Liabilities        | 6,431,261            | 5,984,029            | 447,232             |
| Unearned Revenue                                | 425,537              | 400,929              | 24,608              |
| Lease Liability                                 | 3,451,946            | 946,462              | 2,505,484           |
| Subscription Liability                          | 327,272              | 336,888              | (9,616)             |
| Total Liabilities                               | <u>10,636,016</u>    | <u>7,668,308</u>     | <u>2,967,708</u>    |
| <b>NET POSITION</b>                             |                      |                      |                     |
| Net Investment in Capital Assets                | 11,538,032           | 11,838,057           | (300,025)           |
| Unrestricted                                    | 23,598,910           | 23,508,503           | 90,407              |
| Total Net Position                              | <u>\$ 35,136,942</u> | <u>\$ 35,346,560</u> | <u>\$ (209,618)</u> |



# Financial Highlights

## Statements of Revenues, Expenses and Changes in Net Position

|                                  | 2023                 | 2022                 | Change              |
|----------------------------------|----------------------|----------------------|---------------------|
|                                  |                      | (as Restated)        |                     |
| Revenues:                        |                      |                      |                     |
| Marketplace Assessment           | \$ 31,392,008        | \$ 31,464,792        | \$ (72,784)         |
| Intergovernmental Revenue        | 241,137              | 866,255              | (625,118)           |
| Other Income                     | 1,048,447            | 89,671               | 958,776             |
| <b>Total Revenues</b>            | <b>32,681,592</b>    | <b>32,420,718</b>    | <b>260,874</b>      |
| Expenses:                        |                      |                      |                     |
| Wages and Benefits               | 11,241,547           | 10,966,000           | 275,547             |
| Consultants                      | 12,838,877           | 13,246,217           | (407,340)           |
| Operations                       | 4,617,234            | 4,096,899            | 520,335             |
| Depreciation and Amortization    | 4,193,552            | 3,310,612            | 882,940             |
| <b>Total Expenses</b>            | <b>32,891,210</b>    | <b>31,619,728</b>    | <b>1,271,482</b>    |
| Change in Net Position           | (209,618)            | 800,990              | (1,010,608)         |
| Net Position - Beginning of Year | 35,346,560           | 34,545,570           | 800,990             |
| Net Position - End of Year       | <u>\$ 35,136,942</u> | <u>\$ 35,346,560</u> | <u>\$ (209,618)</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 96 *Subscription-Based Information Technology Arrangements (SBITAs)*
  - Accounting estimates
    - Useful life of capital assets used in calculating depreciation expense
    - Incremental borrowing rate used in calculating right to use assets and lease/SBITA 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 2024:
  - Statement 99 – Omnibus 2022 (various)
  - Statement 100 – Accounting Changes and Error Corrections
- Implementation Year 2025:
  - Statement 101 – Compensated Absences





# Contact Information

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# CMS State-Based Marketplace Annual Reporting Tool (SMART)

# Adjournment