



New Hampshire Individual Health Plan Benefit Association

FINANCIAL STATEMENTS

December 31, 2023 and 2022

With Independent Auditor's Report

and

Government Reports in Accordance with *Government Auditing Standards*

and the Uniform Guidance



NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
New Hampshire Individual Health Plan Benefit Association

Opinion

We have audited the accompanying financial statements of New Hampshire Individual Health Plan Benefit Association (Association), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (U.S. GAAS) and the standards applicable to the 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 Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; 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 Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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 U.S. 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.

In performing an audit in accordance with U.S. GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 Association's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Prior Period Financial Statements

The 2022 financial statements were audited by other auditors whose report dated July 26, 2023, expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. Schedules 1 and 2 are presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual entities, and are not a required part of the 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 financial statements.

The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, Schedules 1 and 2 are fairly stated, in all material respects, in relation to the 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 June 12, 2024 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association'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 Association's internal control over financial reporting and compliance.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
June 12, 2024

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Statements of Financial Position

December 31, 2023 and 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Current assets		
Cash and cash equivalents	\$ 10,748,705	\$ 8,942,477
Investments	3,147,619	4,565,077
Assessments receivable	8,641,600	8,135,928
Prepaid expenses	<u>156,977</u>	<u>1,110,123</u>
Total current assets	22,694,901	22,753,605
Long-term investments	<u>-</u>	<u>1,726,074</u>
Total assets	\$ <u>22,694,901</u>	\$ <u>24,479,679</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 2,508	\$ 2,445
Accrued expenses	68,000	44,624
Deferred assessments, current portion	<u>22,116,255</u>	<u>23,640,584</u>
Total current liabilities	<u>22,186,763</u>	<u>23,687,653</u>
Long-term liabilities		
Deferred assessments, net of current portion	317,901	601,789
Other liabilities	190,237	190,237
Total long-term liabilities	<u>508,138</u>	<u>792,026</u>
Total liabilities	<u>22,694,901</u>	<u>24,479,679</u>
Total net assets	<u>-</u>	<u>-</u>
Total liabilities and net assets	\$ <u>22,694,901</u>	\$ <u>24,479,679</u>

The accompanying notes are an integral part of these financial statements.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Statements of Activities and Changes in Net Assets

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assessments and government grants		
Assessment receipts and receivables	\$ 35,803,146	\$ 34,601,998
Government grants	<u>26,565,613</u>	<u>31,544,102</u>
Total assessments and government grants	62,368,759	66,146,100
Miscellaneous income	<u>604</u>	<u>55,697</u>
Total revenue	<u>62,369,363</u>	<u>66,201,797</u>
Expenses		
Program expenses		
Administrative services—Granite Advantage	83,501	81,465
Administrative services—Reinsurance	143,775	141,000
Remittance to NH Health Protection Program	22,750,921	20,736,851
Disbursements of Reinsurance Program	39,790,021	45,030,249
Professional fees—Reinsurance	57,979	59,420
Information technology—Reinsurance	8,000	8,000
Public information—Granite Advantage	<u>857</u>	<u>600</u>
Total program expenses	<u>62,835,054</u>	<u>66,057,585</u>
Management and general		
Administrative services	194,277	186,465
Bank fees	280	625
Board meetings	-	1,000
Insurance	9,865	9,000
Postage and shipping	133	296
Printing	343	237
Professional fees	89,741	70,054
Telephone	<u>98</u>	<u>293</u>
Total management and general	<u>294,737</u>	<u>267,970</u>
Total expenses	<u>63,129,791</u>	<u>66,325,555</u>
Nonoperating gains (losses)		
Investment income, net of fees	624,047	145,252
Realized and unrealized gains (losses)	<u>136,381</u>	<u>(21,494)</u>
Total non-operating gains	<u>760,428</u>	<u>123,758</u>
Change in net assets	\$ <u>-</u>	\$ <u>-</u>

The accompanying notes are an integral part of these financial statements.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ _____ -	\$ _____ -
Adjustments to reconcile change in net assets to net cash used by operating activities		
Realized and unrealized (gains) losses	(136,381)	21,494
(Increase) decrease in operating assets		
Assessments receivable	(505,672)	999,522
Prepaid expenses	953,146	(383,232)
Increase (decrease) in operating liabilities		
Accounts payable	63	(2,083)
Accrued expenses	23,376	(8,424)
Deferred assessments	(1,808,217)	(2,331,982)
Other liabilities	<u>-</u>	<u>190,237</u>
Net cash used by operating activities	<u>(1,473,685)</u>	<u>(1,514,468)</u>
Cash flows from investing activities		
Sale of investments	5,019,159	-
Purchase of investments	<u>(1,739,246)</u>	<u>(6,312,645)</u>
Net cash provided (used) by investing activities	<u>3,279,913</u>	<u>(6,312,645)</u>
Net increase (decrease) in cash and cash equivalents	1,806,228	(7,827,113)
Cash and cash equivalents, beginning of year	<u>8,942,477</u>	<u>16,769,590</u>
Cash and cash equivalents, end of year	<u>\$10,748,705</u>	<u>\$ 8,942,477</u>

The accompanying notes are an integral part of these financial statements.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Notes to Financial Statements

December 31, 2023 and 2022

1. Nature of Operations

New Hampshire Individual Health Plan Benefit Association (the "Association") is a statutory not-for profit organization established by the State of New Hampshire under Chapter 404-G of the New Hampshire Revised Statutes Annotated ("RSA 404-G"). The Association's purpose is to protect the citizens of the state who participate in the individual health insurance market by providing a mechanism to equitably distribute the excess risk sometimes associated with this market. The Association previously made available individual health insurance to New Hampshire residents who are considered medically uninsurable or who otherwise qualify based on federal and state guidelines and currently supports the state's Medicaid expansion program and reinsurance program as described below.

The Association's membership consists, by statute, all writers of health insurance coverage in the state under RSA 415, 420-A, or 420-B, including group excess loss insurance.

New Hampshire Granite Advantage Health Care Program Support

In its 2018 session, the New Hampshire legislature amended various existing statutes, including RSA 404-G (the "2018 Statutory Amendments"). The 2018 Statutory Amendments require the Association to continue in existence for the purpose of collecting assessments on behalf of the State of New Hampshire in support of the New Hampshire Granite Advantage Health Care Program (the "Granite Advantage Program") established under New Hampshire RSA 126-AA, which replaces the Marketplace Premium Assistance Program established under New Hampshire RSA 126-A:5 (XXV). In 2023, the New Hampshire legislature further amended RSA 404-G to update its purpose statement and remove outdated program references, revise or add certain statutory definitions, broaden the assessment base to include third party administrators, and clarify membership in the Association, among other revisions. These amendments became effective January 1, 2024 (the "2024 Statutory Amendments"), and are further described in the Notes below where applicable.

RSA 404-G, as amended by the 2018 Statutory Amendments and the 2024 Statutory Amendments, requires the Association to collect from its members and deposit into the Granite Advantage Health Care Trust Fund an amount not to exceed the lesser of (i) the "remainder amount" defined in New Hampshire RSA 126-AA:1(V) or (ii) the amount of (A) revenue transferred from the alcohol abuse prevention and treatment fund pursuant to New Hampshire RSA 176-A:1(IV) in the State fiscal year ending June 30, 2023, adjusted annually by the change in the Consumer Price Index to a cap of five percent (5%) and (B) taxes attributable to premiums written for medical and other medical-related services for the newly eligible Medicaid population.

In 2023, the New Hampshire legislature also amended RSA 126-AA to extend the original termination date of the Granite Advantage Program from December 31, 2023 to December 31, 2030. Unless extended by future legislation, the Granite Advantage Program will terminate at the end of 2030. If no extension is enacted, then the Association will make its final distribution of assessment proceeds to the Granite Advantage Health Care Trust Fund by February 15, 2031. The Commissioner of the New Hampshire Department of Health and Human Services then will determine the final remainder amount under the Granite Advantage Program and report it to the

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Notes to Financial Statements

December 31, 2023 and 2022

Association by February 15, 2032. If the true-up reveals that the Association's assessments resulted in an underpayment of the final remainder amount, then the Association will remit the underpayment from its reserves or, if the reserves are not sufficient, from a special assessment of the Association's members. If the Association has overpaid the final remainder amount, that overpayment will be remitted to the Association within 45 days of the Commissioner's report.

New Hampshire Reinsurance Program

In its 2019 session, the New Hampshire Legislature further amended Section 12 of RSA 404-G, effective July 1, 2019 (the "2019 Statutory Amendments") to permit the Insurance Commissioner, if supported by the recommendation of actuarial experts, to request that the Association propose a plan of operation for a risk sharing program, reinsurance program, or other program that will best support the availability and affordability of the individual insurance market in the state. Pursuant to the 2019 Statutory Amendments and based on the report of his actuarial experts, the Insurance Commissioner issued an order on February 25, 2020 requiring the Association to assess and develop, if in furtherance of the Association's purpose, a proposal for a reinsurance program with the support of federal funding in the form of shared savings under a State Innovation Waiver (a/k/a State Relief and Empowerment Waiver) under Section 1332 of the Affordable Care Act (the "Section 1332 Waiver").

In response to the Insurance Commissioner's order, the Association engaged its management team, in consultation with experts and legal counsel and the Insurance Commissioner, to review the actuarial analysis and determine the components of a proposed State market stabilization program and its anticipated costs and operational procedures and to develop a related Section 1332 Waiver application. To document its proposed program pursuant to Section 12 of the Statute, the Association adopted a Second Amendment to its Restated Plan (the "Second Amendment") on March 11, 2020. During 2020, all of the conditions to the implementation of the proposed program, known as the "New Hampshire Reinsurance Program" (the "Reinsurance Program"), were met, including approval (collectively the "Federal Agencies") of the State's Section 1332 Waiver application and its projected "pass-through savings." On September 30, 2020, the Insurance Commissioner issued a Supplemental Order directing that the Association, as Administrator of the Reinsurance Program, receive the federal grant monies under the Section 1332 Waiver. The Association adopted a Third Amendment to its Restated Plan (the "Third Amendment") on October 20, 2020, which allows and directs the Association to become the grantee of record under the Section 1332 Waiver, and to accept and receive directly federal funding under the Section 1332 Waiver.

The Reinsurance Program commenced operation on January 1, 2021, and has been administered by the Association on behalf of the New Hampshire Department of Insurance (the "Insurance Department"). The Reinsurance Program will reimburse issuers who offer comprehensive, major medical plans in New Hampshire's individual market that are part of the single-risk pool. Payments to carriers are to be calculated based on a percentage (coinsurance percentage) of the annual claims that issuers incur for coverage under such plans between a specified lower threshold (attachment point) and upper threshold (reinsurance cap). The reinsurance parameters are to be determined each year by the Insurance Department by March 31 of the prior year based on recommendations of the Board of Directors of the Association and the Commission of the Status of

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Notes to Financial Statements

December 31, 2023 and 2022

Health Coverage Markets for Individual and Small Employers. The Restated Plan, as amended, requires that all funding collected for the Reinsurance Program will be paid out (for payments to issuers and for program administration and reserves) for the year for which it is collected, but no additional State funds will be provided for the Reinsurance Program. The Association's obligation to make payments to issuers under the Reinsurance Program is limited to the extent of funding received by the Association in connection with the Reinsurance Program.

In 2021, pursuant to the Commissioner's order, the Association began collecting quarterly assessments on behalf of the State of New Hampshire for the Reinsurance Program, as approved by the Commissioner. The accounting rules adopted by the Association will treat the State based assessment collections (less administrative expenses) as deferred assessments until specific claims costs are identified or other operating costs are recorded. On July 1, 2021, the Center of Medicare and Medicaid Services (CMS) awarded a grant to the Association under the Section 1332 State Innovation Waiver Program for the period January 1, 2021 through December 31, 2021. On September 7, 2021, CMS advised the Commissioner and the Association that it would be receiving additional funding for the program as a result of the American Rescue Plan Act of 2021. The Association was notified that federal grant funds of \$31,544,102, granted in 2021, will not be drawn until 2022 when participating carriers will be reimbursed for qualifying 2021 claims. Under the Association's Restated Plan, as amended, claims incurred in 2021 by participating carriers that may qualify for reimbursement under the Reinsurance Program will be evaluated and used to determine the reinsurance amount to be paid out to the carriers during the year ended December 31, 2022. See the note disclosure for Member Assessments—Reinsurance Program under State Innovation Waiver under Section 1332 of the Affordable Care Act and Assessments Receivable under Note 2 for additional information.

In July 2023, the Association drew the Federal grant funds of \$26,565,613 with \$13,224,408 of State of NH Reinsurance Assessment proceeds, net of expenses distributed \$39,790,022 in funds to the three participating carriers in the 2022 program. In June and September 2022, the Association drew the Federal grant funds of \$31,544,102 with \$13,486,147 of State of NH Reinsurance Assessment proceeds, net of expenses distributed \$45,030,249 in funds to the three participating carriers in the 2021 program.

The Association received a Notice of Award of \$32,044,848 for the 2023 program which will be drawn in June 2024 to reimburse participating carriers for qualifying claims in 2023. The Association received a Notice of Award of \$26,565,613 for the 2022 program which was drawn in June 2023 to reimburse participating carriers for qualifying claims in 2022.

The Section 1332 Waiver received by the State will expire on December 31, 2025 unless extended by the Federal Agencies. Pursuant to the Section 1332 Waiver Terms and Conditions, the Association as grantee and on behalf of the State will file this year an application for an extension of the Section 1332 Waiver. A decision by the Federal Agencies to grant the extension of the Section 1332 Waiver is expected in 2025.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Notes to Financial Statements

December 31, 2023 and 2022

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Association is presented to assist in the understanding of these financial statements. The financial statements and notes are the representations of the Association's management who is responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles (U.S. GAAP) and have been consistently applied in the preparation of these financial statements.

Basis of Accounting

The Association uses the accrual basis of accounting in its financial statements. Under this basis, revenue is recognized when earned rather than when payment is received, and expenses and purchases of assets are recognized when the obligation is incurred rather than when the cash is disbursed.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with U.S. GAAP, which require the Association to report information regarding its financial position and activities according to the following classes: net assets without donor restrictions and net assets with donor restrictions.

Descriptions of the net asset categories included in the Association's financial statements are as follows:

Net assets without donor restrictions include revenues and expenses and contributions which are not subject to any donor imposed restrictions. Unrestricted net assets can be board designated by the Executive Board for special projects and expenditures; however, there were no board designations at December 31, 2023 and 2022.

Net assets with donor restrictions include contributions for which time restrictions or donor-imposed restrictions have not yet been met. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Net assets with donor restrictions also include gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income or a portion thereof (excluding capital gains restricted by State statute) be made available for program operations in accordance with donor restrictions.

The Association receives substantially all its support from assessments which are recognized as a liability until certain barriers are overcome. As a result, the Association does not carry a net asset balance since the excess of assessments and other support over expenses and other deductions is reported as a liability under deferred assessments.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Notes to Financial Statements

December 31, 2023 and 2022

Cash and Cash Equivalents

For purposes of the statements of cash flow, cash and cash equivalents includes cash on hand, funds on deposit with financial institutions, and investments with original maturities of three months or less. There were no cash equivalents as of December 31, 2023 and 2022.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Prepaid Expenses

At December 31, 2023 and 2022, the Association's payments to the Granite Advantage Program exceeded the remainder amount by \$147,902 and \$1,101,081, respectively.

Contributions

Contributions are recognized under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence of nature of any donor restrictions. Contributions are recognized when the donor makes an unconditional promise to give to the Association. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Substantially all of the Association's support is from assessments collected from insurance carriers as noted in the Member Assessments disclosure. The assessments include donor-imposed conditions or barriers that must be overcome before the Association is entitled to the transfer of assets. The barriers include limited discretion over how the resources are spent and the contributor retains a right of return of the resources provided. The assessments are transferred from the contributor in advance of the Association overcoming either of the barriers. As a result of these conditions, contributions are recognized as liabilities until the conditions have been substantially met or explicitly waived by the donor. The total deferred assessments were \$22,624,391 and \$24,242,373 at December 31, 2023 and 2022, respectively. At the point the conditions have been substantially met, the contributions are recognized immediately and classified as net assets without donor restrictions.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Notes to Financial Statements

December 31, 2023 and 2022

In 2022, United Health Services Inc. (United), parent company to Tufts Health Freedom Insurance Company (Tufts), advised the Association that Tufts had overpaid assessments for the calendar years 2019, 2020, and 2021 and requested that the overpayments be returned to Tufts. On October 27, 2022, the Association and United entered into a settlement agreement establishing a total refund amount of \$1,940,960. Further, under the agreement, the amounts overpaid for 2019 totaling \$380,473 would be paid by cash payments, one half within 30 days of the agreement and the balance by cash payment no later than August 15, 2024. Under the agreement, Tufts' reportable assessable lives due quarterly would be credited back to Tufts beginning November 15, 2022 for the Third Quarter reported lives and quarterly thereafter until the balance outstanding is fully credited to Tufts. As of December 31, 2023 and 2022, the balance of assessment credits remaining of \$939,746 and \$1,202,168, respectively, is included in Deferred Assessments. The remaining cash payment of \$190,237 is recognized as Other Liabilities on the statements of financial position, as of December 31, 2023 and 2022.

Member Assessments—Granite Advantage Program

The 2018 Statutory Amendments require that each year the Commissioner of the New Hampshire Department of Health and Human Services, after consultation with the Insurance Commissioner, will report the "remainder amount" for the Granite Advantage Program for the next calendar year to the Association (and others). Further, the Association is required to calculate and report, by November 1st of the year preceding the assessment year, an assessment rate per member per month utilizing carrier's prior experience and seeking to collect 50% of the remainder amount, plus the Association's expenses. Each year, the Association obtains the approval of the Insurance Commissioner for the assessment rates that insurance carriers pay, as required by RSA 404-G.

Member Assessments—Reinsurance Program under State Innovation Waiver under Section 1332 of the Affordable Care Act

As stated in Note 1, the Reinsurance Program is in part funded by the Association's member required assessments. The assessment rate for this program is established in March of the year preceding the program year and is a calculation based on the second lowest cost Silver Plan in the New Hampshire rating area for a 40-year-old nonsmoker, multiplied by .006.

Assessments Receivable

Assessments receivable are stated at the estimated amount management expects to collect based on the number of reported covered lives from the prior quarter. Following the end of each calendar quarter, the Association's members are required to report their covered lives for each month separately for the Granite Advantage Program and the Reinsurance Program and separately remit assessments due for each program. The total member assessments receivable was \$8,641,600 and \$8,135,928 at December 31, 2023 and 2022, respectively. Management evaluates the collectability of member accounts by considering factors such as historical experience, the age of the receivable, and current economic conditions that may affect the member's ability to pay. The Association does not record an allowance for doubtful accounts because management expects to collect all outstanding balances; this is not considered a departure from U.S. GAAP because the effects of the direct write off method approximate those of the allowance method. The Association assesses interest to members on assessments not paid within 45 days after each calendar quarter.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Notes to Financial Statements

December 31, 2023 and 2022

If necessary, the Board may establish one or more special assessment rates to satisfy all debts and liabilities of the Association, including the collection of the Association's share of the "remainder amount" due to the Granite Advantage Health Care Trust Fund. No special assessments have been charged to the insurance carriers for the years ended December 31, 2023 and 2022.

Investments

Under FASB Accounting Standards Codification (ASC) 958-320, Investments—Debt Securities, the Association measures debt securities, in the form of federal Treasury bills and notes, at their fair value on the statements of financial position. Investment income is considered a change in net assets without donor restrictions, unless restricted by a donor's explicit stipulation or law. Realized and unrealized gains and losses on securities in the investment portfolio are allocated to net assets on a specific-identification basis and are included as a component of the changes in net assets without donor restrictions or net assets with donor restrictions depending on donor specifications.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged to each program based on the direct expenses incurred or estimated usage based on time spent on each program by the subcontracted management company.

Income Taxes

As of October 1, 2016, the Association asserted its exemption from federal income tax under Section 115 of the Internal Revenue Code (IRC) of 1986, as amended (the "Tax Code"), as an affiliate of a governmental unit. Because the Reinsurance Program has been added to the Association's operations, the Association filed Form 1024-A with the Internal Revenue Service (IRS) to seek recognition as a social services organization exempt from federal income taxation under IRC Section 501(c)(4) of the Tax Code. On March 21, 2022, the Association received notification that the IRS approved NHHP's request to be recognized as an exempt organization under IRC Section 501(c)(4) of the Tax Code, effective June 24, 2021.

Management evaluates its tax positions in accordance with FASB ASC 740-10, Accounting for Uncertain Tax Positions, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as derecognition, interest, penalties, and disclosures required. The Association's policy is to recognize interest and penalties related to unrecognized tax benefits as tax expense.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Notes to Financial Statements

December 31, 2023 and 2022

Fair Value Measurements

FASB ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date and also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets measured at fair value on a recurring basis are summarized below:

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value				
Money market funds	\$ 1,417,580	\$ -	\$ -	\$ 1,417,580
Fixed income securities - U.S. Treasury	-	<u>1,730,039</u>	-	<u>1,730,039</u>
Total investments at fair value	<u>\$ 1,417,580</u>	<u>\$ 1,730,039</u>	<u>\$ -</u>	<u>\$ 3,147,619</u>
 <u>December 31, 2022</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Investments at fair value				
Fixed income securities - U.S. Treasury	\$ -	\$ 6,291,151	\$ -	\$ 6,291,151
Total investments at fair value	<u>\$ -</u>	<u>\$ 6,291,151</u>	<u>\$ -</u>	<u>\$ 6,291,151</u>

Fair values of investments are provided by investment advisors and custodians. The following is a description of the valuation methodologies used for investments measured at fair value:

Money market funds: based on quoted prices and actively traded funds.

Fixed income securities - U.S. Treasury: The estimated fair values of debt securities are based on quoted market prices and/or other market data for the same or comparable instruments and transactions.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Notes to Financial Statements

December 31, 2023 and 2022

3. Related Party Transactions

As discussed in the note disclosure for Nature of Operations under Note 1, assessments are levied on all members based on projected funding needs. The assessments are determined by the Board of Directors, the majority of which is comprised of representatives elected by the members as required by RSA 404-G. The total assessments charged to related party insurance carriers were \$34,447,588 and \$31,067,848 for the years ended December 31, 2023 and 2022, respectively. The assessment receipts and receivables on the statements of activities was \$35,803,146 and \$34,601,998 for the years ended December 31, 2023 and 2022, respectively. The difference between the total assessments charged to related parties and the amount reported on the statement of activities was the result of changes in deferred assessments. See the note disclosure for Contributions under Note 1 for more information.

4. Concentrations

Cash

The Association maintains cash balances that, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) federally insured limit of \$250,000. The Association also maintains a cash balance in three money market accounts which in turn hold multiple the FDIC guaranteed investments up to \$250,000. As of December 31, 2022, the Association's uninsured cash balance totaled \$476,458. The Association did not have an uninsured cash balance as of December 31, 2023. The Association's management believes it is not exposed to significant risk.

Assessment Receipts and Receivables

For the year ended December 31, 2023, the Association collected approximately \$14,239,000 or 40% of assessment receipts and receivables from two of its members. For the year ended December 31, 2022, the Association collected approximately \$17,240,600 or 50% of assessment receipts and receivables from three of its members. The Association's management believes it is not exposed to significant risk because it can charge special assessments to satisfy all debts and liabilities of the Association, if needed.

5. Cash Reserves

The Association's Board of Directors has adopted a policy whereby the Association will maintain a cash reserve balance for the administrative cost to operate the New Hampshire Marketplace Premium Assistance Program, Granite Advantage Program, and for unanticipated financial issues. The cash reserves required for this purpose at December 31, 2023 and 2022 was \$1,845,746. See Note 9 for information regarding the Association's liquidity reserve.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Notes to Financial Statements

December 31, 2023 and 2022

6. Income Taxes

For the years ended December 31, 2023 and 2022, management has evaluated its tax positions in accordance with FASB ASC 740-10, Accounting for Uncertain Tax Positions. The Association's management does not believe they have taken uncertain tax positions; therefore, a liability for income taxes associated with uncertain tax positions has not been recognized. Additionally, the Association did not recognize interest or penalties resulting from tax liabilities associated with recognizing uncertain tax positions for the years ended December 31, 2023 and 2022.

As disclosed in Note 2, the Association has asserted its exemption from federal income tax under IRC Section 115 the Tax Code from the period of October 1, 2016 through July 31, 2020. The Association remains subject to examination by taxing authorities during this period indefinitely. Management has evaluated its risks in asserting exemption from federal income tax under Section 115 of the Tax Code and believes risks are minimal.

On June 24, 2021, the Association filed Form 1024-A with the IRS requesting exemption from federal income tax as a social service organization under IRC Section 501(c)(4) of the Tax Code. On March 21, 2022, the Association received notification that the IRS approved the Association's request for exemption from federal income tax under IRC Section 501(c)(4). In the normal course of business, the Association will be subject to examination by taxing authorities for three years from the date the tax returns are filed or until 2024.

7. Contingent Asset

The Association was awarded a judgment for restitution totaling \$70,648 in 2016. The timing and collection of the restitution payments was ordered by the court based on the defendants' ability to pay which management believed was not reasonably certain. At December 31, 2021, the remaining balance owed to the Association was \$54,809. In 2022, the Association received payment in full, totaling \$55,699 in restitution payments of the awarded judgment with interest. Therefore, there was no balance owed at December 31, 2023 and 2022. The Association has collected payments totaling \$71,536 as of December 31, 2023, which included interest on balances due.

8. Subsequent Events

Management has evaluated subsequent events through June 12, 2024, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date. The Association did not identify any subsequent events that would require disclosure in the financial statements.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Notes to Financial Statements

December 31, 2023 and 2022

9. Liquidity and Availability of Financial Assets

The Association's financial assets available within one year from the statements of financial position date for general operating expenses are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 10,748,705	\$ 8,942,477
Assessments receivables	8,641,600	8,135,928
Prepaid expenses	156,977	1,110,123
Investments—current and long-term	<u>4,873,693</u>	<u>6,291,151</u>
Financial assets, year end	24,420,975	24,479,679
Less those unavailable for general expenditure within one year:		
Long-term investments	-	(1,726,074)
Cash Reserves	<u>(1,845,746)</u>	<u>(1,845,746)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$22,575,229</u>	<u>\$22,633,933</u>

As disclosed in Note 1 under the New Hampshire Granite Advantage Health Care Program disclosure, the Association is required to continue in existence for the purpose of collecting assessments on behalf of the State of New Hampshire in support of the Granite Advantage Program. Furthermore, the Association is scheduled to operate the Reinsurance Program through 2026. As a result of the Association's limited function and finite operating period, management has specifically budgeted for its obligations owed to the New Hampshire Health Protection Trust Fund for the "remainder amounts" and for other operating expenses, but not for runout period expenses of the Reinsurance Program. Management believes its liquid financial assets are sufficient to fund these operations

At times, the Board of Directors may designate a portion of any operating surplus to its cash reserves, as outlined in the Association's First Amendment to its Restated Plan of Operation. At December 31, 2023 and 2022, there were cash reserves of \$1,845,746. The Board of Directors believe the cash reserves are sufficient to fund unanticipated liquidity needs that may arise. See Note 5 for more information. The Board of Directors also may establish one or more special assessment rates to satisfy all debts and liabilities of the Association, including the Association's share of the "remainder amount" due to the New Hampshire Granite Advantage Health Care Trust Fund or the Granite Advantage Program. As of December 31, 2023 and 2022, no special assessments were deemed necessary or have been charged to the insurance carriers.



**INDEPENDENT AUDITOR'S 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***

Board of Directors
New Hampshire Individual Health Plan Benefit Association

We have audited, in accordance with U.S generally accepted auditing standards 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 New Hampshire Individual Health Plan Benefit Association (Association), which comprise the balance sheet as of December 31, 2023, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 Association's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association'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*.

Board of Directors
New Hampshire Individual Health Plan Benefit Association

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 Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
June 12, 2024



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR THE MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
New Hampshire Individual Health Plan Benefit Association

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited New Hampshire Individual Health Plan Benefit Association's (Association) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on the Association's major federal program for the year ended December 31, 2023. The Association's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Programs

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards (U.S. 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). Our responsibilities under those standards and the 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 Association and to meet our other ethical responsibilities, in accordance with 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 the major federal programs. Our audit does not provide a legal determination of the Association'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 Association's federal program.

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 Association'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 U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting 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 judgment made by a reasonable user of the report on compliance about the Association's compliance with the requirements of the major federal programs as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- 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 Association'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 Association'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 Association's internal control over compliance. Accordingly, no such opinion is expressed.

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 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 a 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 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 in internal control over compliance may exist that were not identified.

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.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Association as of and for the year ended December 31, 2023, and have issued our report thereon dated June 12, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
June 12, 2024

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Direct programs:			
1332 State Innovation Waivers	93.423	N/A	\$ <u>26,565,613</u>
Total U.S. Department of Health and Human Services			<u>26,565,613</u>
Total Expenditures of Federal Awards			\$ <u><u>26,565,613</u></u>

The accompanying notes are an integral part of this schedule.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of New Hampshire Individual Health Plan Benefit Association (Association) under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Association.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. Indirect Costs

The Association has elected not to use the 10% de minimis indirect cost rate.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Schedule of Findings and Questioned Costs

Year Ended December 31, 2023

Section I. Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(e's) identified? yes no
Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported
Noncompliance material to general-purpose basic consolidated financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weakness(e's) identified? yes no
Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? yes no

Identification of major programs:

AL Number(s) Name of Federal Program or Cluster

93.423 1332 State Innovation Waivers

Dollar threshold used to distinguish between Type A and Type B programs: \$796,968

Auditee qualified as low-risk auditee? yes no

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Schedule of Findings and Questioned Costs (Concluded)

Year Ended December 31, 2023

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

None reported.

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Summary Schedule of Prior Year Findings and Questioned Costs

Year Ended December 31, 2023

Section I. Prior Year Financial Statement Findings

None reported.

Section II. Prior Year Audit Findings for Federal Awards

None reported.