



Financial Statements
June 30, 2024 and 2023

Idaho Health Insurance Exchange dba
Your Health Idaho

Idaho Health Insurance Exchange dba Your Health Idaho

Table of Contents
June 30, 2024 and 2023

Independent Auditor’s Report	1
Management's Discussion and Analysis	4
Financial Statements	
Statements of Net Position	10
Statements of Revenues, Expenses and Changes in Net Position	11
Statements of Cash Flows	12
Notes to Financial Statements	13
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 <i>Government Auditing Standards</i>	23



Independent Auditor's Report

To the Board of Directors
Idaho Health Insurance Exchange dba Your Health Idaho
Boise, Idaho

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Idaho Health Insurance Exchange dba Your Health Idaho (YHI), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Your Health Idaho's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects the respective financial position of the business-type activities of Your Health Idaho as of June 30, 2024 and 2023, and the respective changes in financial position and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 (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 Your Health Idaho, 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 opinion.

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; this includes 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 Your Health Idaho'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 Responsibility 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 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 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 Your Health Idaho'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 Your Health Idaho'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, 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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2024, on our consideration of Your Health Idaho'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 Your Health Idaho'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 Your Health Idaho's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
September 13, 2024

Idaho Health Insurance Exchange dba Your Health Idaho

Management's Discussion and Analysis
June 30, 2024 and 2023

Within this section of the Idaho Health Insurance Exchange, dba Your Health Idaho financial report, Your Health Idaho's management provides narrative discussion and analysis of the financial activities of Your Health Idaho for the years ended June 30, 2024 and 2023. Your Health Idaho's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

Your Health Idaho is considered an enterprise fund and accounted for using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The financial statements are designed to provide the readers with a broad overview of Your Health Idaho's finances, in a manner like a private sector business.

Revenues are recorded when earned, and expenses are recorded at the time the liabilities are incurred. Your Health Idaho, regardless of the timing of cash flows, applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

Per the establishing legislation, Idaho House Bill No. 248, Your Health Idaho cannot rely on any state resources or direct funding from any state agency. As such, Your Health Idaho is required to generate revenue on an ongoing basis from the fees earned on policies generated from Your Health Idaho's website. Operating costs and future capital investments will be covered by revenue from assessment fees and existing cash reserves.

Basic Financial Statements

Statements of Net Position reports our assets, liabilities, and net position at year end. Net position is reported as: investment in capital assets and unrestricted.

Statements of Revenues, Expenses, and Changes in Net Position reports our income, expenses, and resulting changes in net position during the fiscal year.

Both of these statements use the full accrual basis of accounting an economic resources measurement focus.

Statements of Cash Flows reports our sources and uses of cash and change in cash and cash equivalents resulting from our activities during the fiscal year.

Notes to the Basic Financial Statements provide more information to better understand the amounts reported in the basic financial statements.

Financial Highlights

Your Health Idaho reported assets of \$21,993,560 in FY24, a decrease of \$482,709 over the prior year. Cash and prepaids increased by \$110,826 and investments remained \$0. Receivables increased \$184,365 and lease receivable decreased \$614,528. Capital assets, net of depreciation, decreased \$163,372 related to the office refresh not being completed by June 30, 2024, which will be completed the 1st quarter of FY 25.

In comparison, at the end of FY23 Your Health Idaho reported assets of \$22,476,269, a decrease of \$288,100 from FY22, driven by the cash and cash equivalents, and lease receivables offset by receivables and capital assets.

Your Health Idaho held cash and cash equivalents of \$10,011,773, a slight increase of \$38,296 over FY23. In FY23, cash decreased by \$448,414 from FY22 due to the increase in operating expenses due to implementation of Real Time Eligibility and reduced grant funding.

Total liabilities, deferred inflow of resources, and net position of \$21,993,560 comprised of subscription liabilities due to GASB 96, lease deferred inflow of resources, and short-term payables of \$5,110,679. Liabilities decreased \$528,093 due to the lease deferred inflow of resources which is the payment on the leases per GASB 87. The FY24 change in total net position saw a slight increase of \$45,384.

In comparison to FY23, total liabilities, deferred inflow of resources, and net position decreased \$778,836. The net total liabilities and net position in FY24 is \$21,993,560 compared to \$22,476,269 in FY23.

Idaho Health Insurance Exchange dba Your Health Idaho

Management's Discussion and Analysis

June 30, 2024 and 2023

Condensed Statements of Net Position As of June 30, 2024 and 2023

	2024	2023	Change 2023 to 2024	2022 (as restated)	Change 2022 to 2023 (as restated)
Assets					
Cash and cash equivalents	\$ 10,011,773	\$ 9,973,477	\$ 38,296	\$ 10,421,891	\$ (448,414)
Receivables	387,801	203,436	184,365	20,629	182,807
Prepaid and other assets	303,782	231,252	72,530	155,108	76,144
Lease receivable	3,494,545	4,109,073	(614,528)	4,629,218	(520,145)
Capital Assets	7,795,659	7,959,031	(163,372)	7,537,523	421,508
Total Assets	<u>21,993,560</u>	<u>22,476,269</u>	<u>(482,709)</u>	<u>22,764,369</u>	<u>(288,100)</u>
Liabilities					
Accounts payable	201,385	48,492	152,893	172,696	(124,204)
Other liabilities	714,936	618,505	96,431	543,726	74,779
Subscription liabilities	699,813	862,702	(162,889)	-	862,702
Total Liabilities	<u>1,616,134</u>	<u>1,529,699</u>	<u>86,435</u>	<u>716,422</u>	<u>813,277</u>
Lease Deferred Inflow of Resources	<u>3,494,545</u>	<u>4,109,073</u>	<u>(614,528)</u>	<u>5,119,954</u>	<u>(1,010,881)</u>
Net Position					
Net investment in capital assets	7,795,659	7,959,031	(163,372)	7,537,523	421,508
Unrestricted	9,087,222	8,878,466	208,756	9,881,206	(1,002,740)
Total Net Position	<u>16,882,881</u>	<u>16,837,497</u>	<u>45,384</u>	<u>17,418,729</u>	<u>(581,232)</u>
Total Liabilities, Deferred Inflow of Resources, and Net Position	<u>\$ 21,993,560</u>	<u>\$ 22,476,269</u>	<u>\$ (482,709)</u>	<u>\$ 23,255,105</u>	<u>\$ (778,836)</u>

Your Health Idaho incurred operational expenses of \$14,371,296 in FY24 related to the establishment and operation of Your Health Idaho. This is an increase over FY23 of \$2,266,629 which was attributed to an increase in employee related costs, professional services, marketing and advertising, and a decrease in call center services.

Operational expenses in FY23 were \$12,104,667, which was an increase over FY22 of \$1,800,867.

Idaho Health Insurance Exchange dba Your Health Idaho

Management's Discussion and Analysis

June 30, 2024 and 2023

Operational expenses include, but are not limited to, the following key areas of operation:

Professional services of \$4,467,698, which was an increase of \$1,325,430 over FY23, due to the increase in the GetInsured contract which covers our tax credit eligibility, shopping, and enrollment technology. Prior years increase was due to the implementation of Real Time Eligibility.

Marketing and advertising of \$1,402,462 increased \$143,870 over FY23 mainly driven by the Always Present marketing and advertising campaign, Medicaid unwinding, and community outreach. FY23 Marketing and advertising of \$1,258,592, an increase of \$208,069 over FY22, is mainly driven by the Always Present marketing and advertising campaign which launched in March 2022 and has shown success and therefore has been continued. Marketing efforts include outreach and education, earned media, website maintenance, public relations, paid advertising, and related consulting, and market research.

Call center services of \$648,950 decreased \$100,090 over FY23 which was attributed to operational efficiencies and the continued results of in-house Advanced Premium Tax Credit (APTC) work. Call center services in FY23 of \$749,040 decreased \$810,024 over FY22 was attributed to the APTC work moving away from Department of Health and Welfare to in-house. The current year expenses included costs for the services of the in-person assisters and tribal engagement costs, call center services, enrollment counselors, and related travel and training.

Payroll and related expenses of \$5,957,566, an increase of \$854,589 over FY23 driven primarily by filling of open positions and change in compensation structure, benefit costs, and related expenses. In FY23 payroll and related expenses of \$5,102,977, an increase of \$776,338 over FY22, driven primarily by filling of open positions, assuming the APTC eligibility work from the Department of Health and Welfare and change in compensation structure, benefit costs, and related expenses.

Utility-related expenses of \$497,926 increased \$25,899 over FY23 remained relatively flat. FY23 utility expenses of \$472,027, an increase of \$109,414 over FY22, was mainly related to higher utility costs, moving the CSC telephony platform to SharpenCX, parking and grounds improvement, and general repairs and maintenance costs.

Depreciation and amortization expense of \$697,178 decreased \$58,156 from FY23 due to lower than anticipated capital expenditures. Depreciation expense in FY23 was \$755,334 and increased \$49,340 from FY22 primarily due to technology developments placed into service.

Operating revenues of \$13,212,013 increased by \$2,871,631 over FY23 due to higher enrollments as a result of Medicaid unwinding. In comparison, operating revenues in FY23 increase \$1,020,373 from FY22 due to higher enrollments in the 1st half of the fiscal year and then in May 2023 enrollment exceeded budget due to additional enrollments as a result of Medicaid unwinding.

Idaho Health Insurance Exchange dba Your Health Idaho

Management's Discussion and Analysis
June 30, 2024 and 2023

Condensed Statements of Revenues, Expenses, and Changes in Net Position Years Ended June 30, 2024 and 2023

	2024	2023	Change 2023 to 2024	2022 (as restated)	2022 to 2023 (as restated)
Operating revenues	\$ 13,212,013	\$ 10,340,382	\$ 2,871,631	\$ 9,320,009	\$ 1,020,373
Operating expenses	14,371,296	12,104,667	2,266,629	10,303,800	1,800,867
Operating income (loss)	(1,159,283)	(1,764,285)	605,002	(983,791)	(780,494)
Non-operating revenues	1,204,667	1,183,053	21,614	1,662,598	(479,545)
Change in Net Position	45,384	(581,232)	626,616	678,807	(1,260,039)
Net Position, Beginning of Year	16,837,497	17,418,729	(581,232)	16,739,922	678,807
Net Position, End of Year	\$ 16,882,881	\$ 16,837,497	\$ 45,384	\$ 17,418,729	\$ (581,232)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the enterprise fund financial statements. The notes to the financial statements can be found on pages 13-22 of this report.

Economic Factors

Your Health Idaho will continue to invest additional capital into its technology platform with a focus on continuous improvement of the consumer experience and the experience of its partners. These expenditures are related to an existing multi-year contract with its technology vendor and will be funded by assessment fees. In addition to the capital investments, Your Health Idaho will utilize assessment fee revenues to fund operational activities during this same time period.

As mentioned above, Your Health Idaho (per enabling legislation Idaho House Bill No. 248) is restricted from using any state resources to fund its operations. As such, Your Health Idaho has created a five-year financial forecast to evaluate the long-term sustainability of the exchange. Your Health Idaho relies largely on a single source of revenue, assessment fees, which are earned on policies generated from Your Health Idaho's state-based exchange platform. In March 2022, the Board approved the assessment fee rate at 2.49% for effectuations effective January 1, 2023, and remained 2.49% for January 1, 2024.

In November 2018, Idaho voters passed Proposition Two to expand Medicaid and provide coverage to individuals with an annual income up to 138% of the Federal Poverty Level (FPL). Prior to Medicaid expansion, eligible individuals with an annual household income between 100%-400% of the FPL could enroll with Your Health Idaho and receive a tax credit to help reduce the cost of monthly insurance premiums. As of January 1, 2020, approximately 13,000 enrollments have moved from the exchange to Medicaid. This is about two-thirds of the original estimate and is lower due to customers increasing their income and therefore maintaining their tax credit and exchange coverage. Impacts from the global pandemic caused additional enrollment declines in the second half of calendar year 2020. As part of the American Rescue Plan Act, signed into law on March 11, 2021, tax credits for marketplace enrollees were enhanced and offered to consumers with income above 400% of the Federal Poverty Level. Your Health Idaho opened a Special Enrollment Period which provided additional enrollments in the first half of calendar year 2021. Under the American Rescue Plan Act, the enhanced tax credits were to end at the end of 2022. On August 16, 2022, the Inflation Reduction Act was signed into law, extending the enhanced tax credits through the end of 2025.

In March 2020, the United States Department of Health and Human Services (HHS) declared a public health emergency (PHE) due to the covid-19 global pandemic. As part of the PHE, HHS issued the Medicaid Continuous Coverage requirement which meant that consumers found eligible for Medicaid during the PHE could not be disenrolled from Medicaid, regardless of their eligibility status. In December 2022, the Consolidated Appropriations Act decoupled the Medicaid Continuous Coverage requirements from the PHE. This decoupling became known as Medicaid unwinding and states could begin Medicaid eligibility re-evaluations as early as February 2023 with the first disenrollments occurring no earlier than April 1, 2023. As of February 1, 2023, the Idaho Department of Health and Welfare began the Medicaid eligibility re-evaluation process of 153,857 Idahoans on protected Medicaid. Approximately 44,000 Idahoans who were on protected Medicaid were determined ineligible and sent to Your Health Idaho for tax credit eligibility determinations. At the end of plan year 2023, 16,600 Idahoans previously on protected Medicaid enrolled with Your Health Idaho, a nation-leading 31% conversion rate.

Your Health Idaho will continue to rely on assessment fee revenues to operate the exchange. Your Health Idaho's current financial projections assume that assessment fee revenues and other revenues of \$15.2M will be more than operating expenses of \$15.0M by approximately \$216K in FY25. Planned capital expenditures of \$400K will continue to invest in technology enhancements contributing to long-term sustainability and \$810K for View Pointe building which includes business as usual capital expenditures of \$60K and the \$750K in building infrastructure investments. Your Health Idaho currently has approximately \$10.0M in cash in reserves.

Your Health Idaho anticipates FY25 assessment fee revenue will cover operating expenses and some capital investment activities; however, anticipates accessing cash reserves later in the fiscal year for View Pointe building infrastructure investment. For plan year 2025, assessment fee revenue will move away from the percentage of premium model and move to a per member per month (PMPM) model.

Contacting Your Health Idaho's Financial Management

This financial report is designed to provide a general overview of Idaho Health Insurance Exchange finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance at Idaho Health Insurance Exchange or contact our website at www.yourhealthidaho.org.

Idaho Health Insurance Exchange dba Your Health Idaho

Statements of Net Position

June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 10,011,773	\$ 9,973,477
Receivables	387,801	203,436
Prepaid expenses	303,782	231,252
Total current assets	10,703,356	10,408,165
Lease Receivable	3,494,545	4,109,073
Capital Assets	7,795,659	7,959,031
Total assets	\$ 21,993,560	\$ 22,476,269
Liabilities		
Current Liabilities		
Accounts payable	\$ 201,385	\$ 48,492
Accrued expenses and other current liabilities	137,309	145,106
Accrued salaries and payroll costs	539,939	473,399
Short-term subscription liabilities	177,993	177,993
Total current liabilities	1,056,626	844,990
Long-term Incentive	37,688	-
Long-term Subscription Liabilities	521,820	684,709
Total liabilities	1,616,134	1,529,699
Lease Deferred Inflow of Resources	3,494,545	4,109,073
Net Position		
Investment in capital assets	7,795,659	7,959,031
Unrestricted	9,087,222	8,878,466
Total net position	16,882,881	16,837,497
Total liabilities, deffered inflows of resources, and net position	\$ 21,993,560	\$ 22,476,269

Idaho Health Insurance Exchange dba Your Health Idaho
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenue		
Assessment income	\$ 13,212,013	\$ 10,340,382
Total operating revenue	<u>13,212,013</u>	<u>10,340,382</u>
Operating Expenses		
Professional services	4,467,698	3,142,268
Depreciation and amortization	697,178	755,334
Marketing and advertising	1,402,462	1,258,592
Call center services	648,950	749,040
Payroll and related expenses	5,957,566	5,102,977
Insurance	194,936	184,542
Utilities	497,926	472,027
Rent	5,023	4,823
Office expenses	109,719	107,641
Travel and meals	111,654	64,752
Other operating expenses	278,184	262,671
Total operating expenses	<u>14,371,296</u>	<u>12,104,667</u>
Operating Loss	<u>(1,159,283)</u>	<u>(1,764,285)</u>
Non-Operating Revenues		
Interest income	415,295	229,880
Lease revenue	674,159	621,058
Lease interest income	115,213	131,801
Grant revenue	-	200,314
Total non-operating revenues	<u>1,204,667</u>	<u>1,183,053</u>
Change in Net Position	45,384	(581,232)
Net Position, Beginning of Year	<u>16,837,497</u>	<u>17,418,729</u>
Net Position, End of Year	<u>\$ 16,882,881</u>	<u>\$ 16,837,497</u>

Idaho Health Insurance Exchange dba Your Health Idaho

Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Operating Activities		
Assessments received	\$ 13,212,988	\$ 10,157,575
Other income received	404,799	662,908
Cash paid to vendors for goods and services	(7,643,986)	(6,464,653)
Cash paid for employees services	(5,853,338)	(5,010,249)
Net Cash (used for) from Operating Activities	120,463	(654,419)
Financing Activities		
Payment on subscription liability	(162,889)	-
Receipts on leases	614,528	520,145
Net Cash from Financing Activities	451,639	520,145
Investing Activities		
Acquisition of capital assets	(533,806)	(314,140)
Net Cash used for Investing Activities	(533,806)	(314,140)
Net Change in Cash and Cash Equivalents	38,296	(448,414)
Cash and Cash Equivalents, Beginning of Year	9,973,477	10,421,891
Cash and Cash Equivalents, End of Year	\$ 10,011,773	\$ 9,973,477
Schedule of Non-Cash Activities		
Subscription liability for the acquisition of right to use subscription asset	\$ -	\$ 862,702
Reconciliation of Change in Net Position to Net Cash from operating activities		
Change in net position	\$ 45,384	\$ (581,232)
Adjustments to reconcile change in net position to net cash (used for) from operating activities		
Depreciation and amortization	697,178	755,334
Change in assets and liabilities		
Prepaid expenses	(72,530)	(76,144)
Receivables	(184,365)	(182,807)
Lease receivable	(614,528)	(520,145)
Accounts payable	152,893	(124,204)
Accrued expenses and other current liabilities	(7,797)	(17,949)
Long-term Incentive	37,688	-
Accrued salaries and payroll costs	66,540	92,728
Net Cash (used for) from Operating Activities	\$ 120,463	\$ (654,419)

Note 1 - Principal Business Activity and Significant Accounting Policies**Financial Reporting Entity**

Idaho Health Insurance Exchange dba Your Health Idaho (YHI) was created as an independent body corporate and politic, meaning a "government entity", by the Idaho State Legislature under the provisions of the Idaho House Bill No. 248. The Act empowers Your Health Idaho to enhance Idaho residents' access to health insurance, by establishing a state-created, market-driven health insurance exchange that will facilitate the voluntary selection of individual and employer health benefit plans.

Although the State of Idaho considers Your Health Idaho to be a component unit for financial reporting purposes in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, and 39, *Determining Whether Certain Organizations are Component Units*, and the State's governor appoints the Board of Directors of Your Health Idaho, Your Health Idaho is legally separate from the State of Idaho, in that it is not a State agency under State law; and does not rely on State resources to support its operations.

Financial Statement Presentation

Your Health Idaho is considered an enterprise fund and accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the balance sheet. Your Health Idaho's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units using the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. Your Health Idaho, regardless of the timing of cash flows, applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Federal grants related to the establishment and running of the exchange are included in operating revenues. Operating expenses for the proprietary fund include the cost of personnel and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Concentrations of Credit Risk

Your Health Idaho maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits. Custodial credit risk is the risk that in the event of failure of the counterparty, Your Health Idaho will not be able to recover the value of its deposits or collateral securities that are in the possession of the outside party. The Federal Deposit Insurance Corporation (FDIC), insures \$250,000 of the bank balance. In the normal course of business Your Health Idaho will hold balances in excess of the insurance limits. To reduce this risk, Your Health Idaho has opened collateralized deposit accounts that are backed by Standby Letters of Credit rated Aaa/AA+. All cash balances are collateralized and insured.

Cash and Cash Equivalents

Cash and cash equivalents consists of highly liquid investments with an original maturity of three months or less.

Receivables and Credit Policy

Receivables due from carriers are uncollateralized carrier obligations due under normal trade terms requiring payment within 30 days from the invoice date. Receivables are stated at the amount billed to the customer. Your Health Idaho does not charge interest on overdue customer account balances. Payments of receivables are allocated to the specific invoices identified on the carrier's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

Your Health Idaho has not recorded an allowance for the receivable because all balances are deemed to be collectible.

Capital Assets

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line method, based on useful lives of the assets which range from three to forty years.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at June 30, 2024 and 2023.

Right to Use Subscription Information Technology Assets

Right to use subscription information technology assets (SBITA) are recognized at the subscription commencement date and represent Your Health Idaho's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful live of the underlying asset using the straight-line method. The amortization period is 6 years.

Long-Term Obligations

Subscription liabilities represent Your Health Idaho's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by Your Health Idaho.

Compensated Absences

Your Health Idaho provides personal leave to all full time and part time employees (except those who work less than 30 hours a week.) It is paid to employees when taken and will also be paid to employees or their beneficiaries upon the employee's termination, retirement or death. The amount of unpaid personal leave accumulated by Your Health Idaho employees is accrued as a liability in the financial statements. It is Your Health Idaho's policy to cap compensated absences at 200 hours for each employee. Employees are also allowed to cash out hours down to 60 hours.

Net Position

Net position is displayed in three components as follows:

Investment in capital assets - Consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. At June 30, 2024 and 2023, Your Health Idaho did not have any outstanding debt.

Restricted net position - Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. There is no restricted net position as of June 30, 2024 and 2023.

Unrestricted net position - All other net position that do not meet the definition of "invested in capital assets" or "restricted".

Revenue Recognition

On December 12, 2013, the Board of Directors of Your Health Idaho adopted the Fee Assessment Policy #1. This policy established an assessment fee of 1.5% of the total premium due for individual and small group policies certified by the Exchange and sold through the Exchange's individual marketplaces. The Board of Directors approved an assessment fee rate of 1.99% on April 17, 2015 effective January 1, 2016. In March 2017, the Board of Directors approved an increase to the assessment fee to 2.29%, effective January 1, 2018. In March 2022, the Board of Directors approved an increase to the assessment fee to 2.49%, effective January 1, 2023. The assessment fee is assessed on and payable by the carriers.

Your Health Idaho recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, or services have been rendered, the fee for the arrangement is fixed or determinable and collectability is reasonably assured.

Lease Revenue

The Company recognizes rental revenue prorated for each month of the related lease.

Leases

As a lessor, Your Health Idaho recognizes a lease receivable and a lease deferred inflow of resources at the commencement of the lease term, with certain exceptions for short-term leases. Your Health Idaho does not derecognize the asset underlying the lease. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any payment received at or before the commencement of the lease term that relate to future periods.

Marketing and Advertising Costs

Marketing and advertising costs are expensed as incurred. Such costs approximated \$1,402,462 and \$1,258,592, for the years ended June 30, 2024 and 2023, respectively.

Long-Term Incentive

Your Health Idaho has accrued amounts related to incentive payments for the executive director and other key employees. The amount accrued is \$37,688 and \$0, as of June 30, 2024 and 2023, respectively. Your Health Idaho's management believes these payments are properly accrued based on terms of the compensation policy.

Subsequent Events

Your Health Idaho has evaluated subsequent events through September 13, 2024, the date which the financial statements were available to be issued.

Note 2 - Cash and Cash Equivalents

The carrying amounts of deposits and investments as of June 30, 2024 and 2023, are as follows:

	2024	2023
Carrying amount		
Cash and deposits	\$ 1,611,773	\$ 9,973,477
Certificates of deposit	8,400,000	-
Total	\$ 10,011,773	\$ 9,973,477

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2024 and 2023

Note 3 - Capital Assets

Capital assets additions, retirements, transfers and balances for the year ended June 30, 2024, are as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Capital assets not being depreciated					
Trademark	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000
Land	850,000	-	-	-	850,000
Development in progress	-	408,990	-	(134,574)	274,416
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total capital assets not being depreciated	<u>\$ 862,000</u>	<u>\$ 408,990</u>	<u>\$ -</u>	<u>\$ (134,574)</u>	<u>\$ 1,136,416</u>
Capital assets being depreciated					
Furniture and equipment	\$ 159,704	\$ 6,823	\$ -	\$ -	\$ 166,527
Software and development	50,685,649	2,000	-	-	50,687,649
Computers	742,238	45,284	-	134,574	922,096
Buildings and improvements	4,172,111	70,709	-	-	4,242,820
Leasehold improvements	337,810	-	-	-	337,810
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total capital assets being depreciated	<u>56,097,512</u>	<u>124,816</u>	<u>-</u>	<u>134,574</u>	<u>56,356,902</u>
Less accumulated depreciation for					
Furniture and equipment	110,846	19,010	-	-	129,856
Software and development	48,600,306	451,843	-	-	49,052,149
Computers	644,998	62,888	-	-	707,886
Buildings	386,523	126,196	-	-	512,719
Leasehold improvements	257,665	14,152	-	-	271,817
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total accumulated depreciation	<u>50,000,338</u>	<u>\$ 674,089</u>	<u>\$ -</u>	<u>\$ -</u>	<u>50,674,427</u>
Net capital assets being depreciated	<u>\$ 6,097,174</u>				<u>\$ 5,682,475</u>
Right to use subscription IT assets being amortized					
	\$ 1,022,946	\$ -	\$ -	\$ -	\$ 1,022,946
Less accumulated amortization	23,089	23,089	-	-	46,178
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net right to use subscription IT assets	<u>999,857</u>	<u>(23,089)</u>	<u>-</u>	<u>-</u>	<u>976,768</u>
Capital assets, net	<u>\$ 7,959,031</u>				<u>\$ 7,795,659</u>

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2024 and 2023

Included in total capital asset increases for the year ended June 30, 2024, are transfers of \$134,574 from computers.

Capital assets additions, retirements, transfers and balances for the year ended June 30, 2023, are as follows:

	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets not being depreciated					
Trademark	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000
Land	850,000	-	-	-	850,000
Development in progress	850,822	-	(48,146)	(802,676)	-
	<u>1,712,822</u>	<u>-</u>	<u>(48,146)</u>	<u>(802,676)</u>	<u>862,000</u>
Total capital assets not being depreciated	<u>\$ 1,712,822</u>	<u>\$ -</u>	<u>\$ (48,146)</u>	<u>\$ (802,676)</u>	<u>\$ 862,000</u>
Capital assets being depreciated					
Furniture and equipment	\$ 127,143	\$ 32,561	\$ -	\$ -	\$ 159,704
Software and development	49,940,156	-	-	745,493	50,685,649
Computers	628,511	56,544	-	57,183	742,238
Buildings	4,143,455	28,656	-	-	4,172,111
Leasehold improvements	253,735	84,075	-	-	337,810
Total capital assets being depreciated	<u>55,093,000</u>	<u>201,836</u>	<u>-</u>	<u>802,676</u>	<u>56,097,512</u>
Less accumulated depreciation for					
Furniture and equipment	96,278	14,568	-	-	110,846
Software and development	48,148,954	451,352	-	-	48,600,306
Computers	579,742	65,256	-	-	644,998
Buildings	266,333	120,190	-	-	386,523
Leasehold improvements	176,992	80,673	-	-	257,665
	<u>49,268,299</u>	<u>\$ 732,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>50,000,338</u>
Total accumulated depreciation	<u>49,268,299</u>	<u>\$ 732,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>50,000,338</u>
Net capital assets being depreciated	<u>\$ 5,824,701</u>				<u>\$ 6,097,174</u>
Right to use subscription IT assets being amortized	\$ -	\$ 1,022,946	\$ -	\$ -	\$ 1,022,946
Less accumulated amortization	-	23,089	-	-	23,089
	<u>-</u>	<u>999,857</u>	<u>-</u>	<u>-</u>	<u>999,857</u>
Net right to use subscription IT assets	<u>-</u>	<u>999,857</u>	<u>-</u>	<u>-</u>	<u>999,857</u>
Capital assets, net	<u>\$ 7,537,523</u>				<u>\$ 7,959,031</u>

Included in total capital asset increases for the year ended June 30, 2023, are transfers of \$802,676 from development in progress to software development and buildings and improvements and acquisitions of \$745,493.

Depreciation expense totaled \$674,089 and \$732,039, for the years ended June 30, 2024 and 2023, respectively.

Note 4 - Concentrations

The following table summarizes Your Health Idaho's customer concentrations of revenue:

	<u>2024</u>	<u>2023</u>
Customer A (also a related party through December 31, 2022)	24.0%	30.0%
Customer B	36.0%	40.0%
Customer C	21.0%	15.0%

Your Health Idaho has contracted with and is dependent upon an IT company to develop its core IT systems including but not limited to a web portal, enrollment system, and corresponding IT infrastructure. The three entities represented 81% and two entities represented 80% of accounts payable and accrued expenses for the years ended June 30, 2024 and 2023, respectively.

Note 5 - Risk Management

Your Health Idaho maintains commercial insurance coverage for directors and officers, errors and omissions, tort claims, and property loss and other casualties. Workers compensation insurance is maintained through the state insurance fund.

Note 6 - Subscription Liabilities

Your Health Idaho's has a SBITA contract for the use of the eligibility module of the GetInsured Exchange Platform. As of June 30, 2024, the value of the subscription liability was \$699,813. Your Health Idaho is required to make annual principal and interest payments of \$183,333 through July 2027. The subscription has an interest rate of 3.0%.

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2024 and 2023

A summary of the changes in subscription liabilities during the years ended June 30, 2024 and 2023 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Subscription liabilities	\$ 862,702	\$ -	\$ 162,889	\$ 699,813	\$ 177,993
	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Subscription liabilities	\$ 1,022,946	\$ -	\$ 160,244	\$ 862,702	\$ 162,889

Future annual subscription commitments as of June 30, 2024 are as follows:

	Principal	Interest	Total
2025	\$ 177,993	\$ 5,340	\$ 183,333
2026	175,005	8,328	183,333
2027	173,599	9,734	183,333
2028	173,216	10,117	183,333
	\$ 699,813	\$ 33,519	\$ 733,332

Note 7 - Leases

Your Health Idaho leases office and storage space in their building under various long-term lease agreements. The following is a schedule of the payments to be received under those agreements.

	Beginning Balance	Additions	Deletions	Ending Balance
For year-end June 30, 2024				
Lessor leases				
Building	\$ 4,109,073	\$ -	\$ (614,528)	\$ 3,494,545
	Beginning Balance	Additions	Deletions	Ending Balance
For year-end June 30, 2023				
Lessor leases				
Building	\$ 4,629,218	\$ -	\$ (520,145)	\$ 4,109,073

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2024 and 2023

Your Health Idaho's schedule of future receipts included in the measurement of leases receivable is as follows:

	Principal	Interest	Total
2025	\$ 594,054	\$ 96,784	\$ 690,838
2026	502,567	79,015	581,582
2027	317,488	78,896	396,383
2028	338,857	57,820	396,677
2029	355,395	47,357	402,752
2030	348,851	36,856	385,707
2031	371,192	26,086	397,279
2032	385,940	14,643	400,583
2033	203,263	4,456	207,719
2034	50,648	1,621	52,269
2035	26,290	231	26,521
	\$ 3,494,545	\$ 443,765	\$ 3,938,310

Note 8 - Employee Benefit Plan

During the year ended June 30, 2023, Your Health Idaho sponsored a retirement plan under section 219(G)(5)(A) of the Internal Revenue Service Code (IRC) covering substantially all employees. The plan provides that employees are eligible once they have surpassed their 60-day probationary period and can contribute up to \$15,500 in 2023 of their salary. Your Health Idaho matched up to 3% of the participant's compensation in the calendar year. Participants were fully vested at all times. Employer contributions under this plan were \$46,100 and \$72,135, for the years ended June 30, 2024 and 2023, respectively. Effective January 1, 2024, Your Health Idaho moved to a IRC 457(b) plan for employee contributions and 401(a) plan for employer contributions. Your Health Idaho matches 100% up to 6% of the participant's compensation in the calendar year. Participants can contribute up to \$23,000 of their salary in 2024. The first 3% vests immediately and the remaining 3% - 6% vests after 2 years of employment. Total employer contributions under this plan were \$84,386 for the year ended June 30, 2024.

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2024 and 2023

Note 9 - Compensated Absences

The following is a summary of changes in accrued compensated absences for the years ended June 30, 2024 and 2023.

	2024				
	7/1/2023	Additions	Reductions	6/30/2024	Due Within One Year
Compensated absences	\$ 154,516	\$ 344,119	\$ (309,117)	\$ 189,518	\$ 189,518
	2023				
	7/1/2022	Additions	Reductions	6/30/2023	Due Within One Year
Compensated absences	\$ 125,513	\$ 289,063	\$ (260,060)	\$ 154,516	\$ 154,516

The liability is recorded in accrued salaries and payroll costs on the Statements of Net Position.

Note 10 - Related Parties

Certain representatives from insurance carriers serve on Your Health Idaho’s Board. The representatives are not compensated by Your Health Idaho for their services. Blue Cross of Idaho, an insurance company (also represented on the Board) provided medical insurance to the employees of Your Health Idaho from July 1, 2022-December 31, 2022. Your Health Idaho paid a total of \$0 and \$301,724, in premiums to Blue Cross of Idaho for the fiscal years ended June 30, 2024 and 2023, respectively. Your Health Idaho moved to Pacific Source (not represented on the Board) on January 1, 2023, for medical insurance for the employees. Delta Dental, an insurance company (also represented on the Board) provided dental insurance to the employees of Your Health Idaho. Your Health Idaho paid a total of \$30,050 and \$25,631, for the fiscal years ended June 30, 2024 and 2023, respectively. Your Health Idaho received assessment fees from Blue Cross of Idaho of \$3,124,100 and \$3,094,109, for the fiscal years ended June 30, 2024 and 2023, respectively. Select Health and Delta Dental of Idaho are also represented on Your Health Idaho’s Board. Your Health Idaho received assessment fees from Select Health of \$4,726,602 and \$4,093,079, and Delta Dental of \$54,972 and \$43,292, for the fiscal years ended June 30, 2024 and 2023, respectively.



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*

To the Board of Directors
Idaho Health Insurance Exchange dba Your Health Idaho
Boise, Idaho

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 business-type activities of Idaho Health Insurance Exchange dba Your Health Idaho (YHI), as of and for the year then ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Your Health Idaho’s basic financial statements and have issued our report thereon dated September 13, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Your Health Idaho'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 Your Health Idaho’s internal control. Accordingly, we do not express an opinion on the effectiveness of Your Health Idaho’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 Your Health Idaho’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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Your Health Idaho'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 Your Health Idaho'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 Your Health Idaho's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
September 13, 2024