

Financial Statements
June 30, 2025 and 2024

Idaho Health Insurance Exchange dba
Your Health Idaho

Idaho Health Insurance Exchange dba Your Health Idaho

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June 30, 2025 and 2024

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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 (Your Health Idaho or YHI), as of and for the years ended June 30, 2025 and 2024, 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, 2025 and 2024, 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* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 22, 2025, 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in dark ink and is positioned above the typed name and date.

Boise, Idaho
September 22, 2025

Idaho Health Insurance Exchange dba Your Health Idaho

Management's Discussion and Analysis

June 30, 2025 and 2024

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, 2025 and 2024. 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 \$20,147,177 in FY25, a decrease of \$1,846,383 over the prior year. Cash and prepaids increased by \$545,856 and investments decreased by \$250,000 due to capital projects with the View Pointe property. Receivables decreased \$96,459 and a decrease of \$2,480,640 to lease receivables due to GASB 87 adjustments for lease terms. Capital assets, net of depreciation, increased \$434,860 related to the HVAC projects completed by June 30, 2025.

In comparison, at the end of FY24 Your Health Idaho reported assets of \$21,993,560, a decrease of \$482,709 FY23, driven by the lease receivables due to GASB 87 and capital assets offset by receivables.

Your Health Idaho held cash and cash equivalents of \$10,348,263, a slight increase of \$336,490 over FY24 due to higher than expected enrollment which drove an increase in assessment fee revenue. FY25 moved to a per member per month (PMPM) revenue model for plan year 2025.

Total liabilities, deferred inflow of resources, and net position of \$20,147,177 comprised of subscription liabilities due to GASB 96, lease deferred inflow of resources, and short-term payables of \$2,469,219. Liabilities decreased \$2,641,460 due to the lease deferred inflow of resources which was adjustments to GASB 87 to reflect the terms of lease agreements. The FY25 change in total net position saw an increase of \$795,077.

In comparison to FY24, total liabilities, deferred inflow of resources, and net position decreased \$1,846,383. The net total liabilities and net position in FY25 is \$20,147,177 compared to \$21,993,560 in FY24.

Idaho Health Insurance Exchange dba Your Health Idaho

Management's Discussion and Analysis

June 30, 2025 and 2024

Condensed Statements of Net Position As of June 30, 2025 and 2024

	2025	2024	Change 2024 to 2025	2023	Change 2023 to 2024
Assets					
Cash and cash equivalents	\$ 2,198,263	\$ 1,611,773	\$ 586,490	\$ 9,973,477	\$ 38,296
Receivables	291,342	387,801	(96,459)	203,436	184,365
Prepaid and other assets	263,148	303,782	(40,634)	231,252	72,530
Certificate of deposits	8,150,000	8,400,000	(250,000)	-	-
Lease receivable	1,013,905	3,494,545	(2,480,640)	4,109,073	(614,528)
Capital assets, net	8,230,519	7,795,659	434,860	7,959,031	(163,372)
Total assets	20,147,177	21,993,560	(1,846,383)	22,476,269	(482,709)
Liabilities					
Accounts payable	57,904	201,385	(143,481)	48,492	152,893
Other liabilities	865,372	714,936	150,436	618,505	96,431
Subscription liabilities	532,038	699,813	(167,775)	862,702	(162,889)
Total liabilities	1,455,314	1,616,134	(160,820)	1,529,699	86,435
Lease Deferred Inflow of Resources	1,013,905	3,494,545	(2,480,640)	4,109,073	(614,528)
Net Position					
Net investment in capital assets	7,698,481	7,095,846	602,635	7,959,031	(163,372)
Unrestricted	9,979,477	9,787,035	192,442	8,878,466	208,756
Total net position	17,677,958	16,882,881	795,077	16,837,497	45,384
Total liabilities, deferred inflow of resources, and net position	\$ 20,147,177	\$ 21,993,560	\$ (1,846,383)	\$ 22,476,269	\$ (482,709)

Your Health Idaho incurred operational expenses of \$15,398,172 in FY25 related to the operation of Your Health Idaho. This is an increase over FY24 of \$1,026,876 which was attributed to an increase in employee related costs, professional services, and marketing and advertising.

Operational expenses in FY24 were \$14,371,296, which was an increase over FY23 of \$2,266,629.

Idaho Health Insurance Exchange dba Your Health Idaho

Management's Discussion and Analysis

June 30, 2025 and 2024

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

Professional services of \$4,584,515, which was a slight increase of \$116,817 over FY24. Prior years' increase of \$1,370,793 over FY23 was due to the increase in the GetInsured contract which covers our tax credit eligibility, shopping, and enrollment technology.

Marketing and advertising of \$1,492,284 increased \$89,822 over FY24 mainly driven by the Always Present marketing and advertising campaign, and community outreach. FY24 Marketing and advertising of \$1,402,462, an increase of \$143,870 over FY23, is mainly driven by the Always Present marketing and advertising campaign, and paid advertising related to Medicaid Unwinding. Marketing efforts include outreach and education, paid media and advertising, website maintenance, public relations, and market research.

Call center services of \$623,057 a decrease of \$25,893 over FY24 which was due to the continued efforts of operational efficiencies and bringing in bilingual customer service advocates, reducing reliance on vendor services. Call center services in FY24 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.

Payroll and related expenses of \$6,664,140, an increase of \$706,574 over FY24 driven primarily by filling of open positions and change in compensation structure, benefit costs, and related expenses. In FY24 payroll and related expenses of \$5,957,566, an increase of \$854,589 over FY23.

Utility-related expenses of \$457,038 decreased \$40,888 over FY24 to modernization work which resulted in greater system efficiency. FY24 utility expenses of \$497,926, an increase of \$25,899 over FY23, which was relatively flat.

Depreciation and amortization expense of \$831,253 increase of \$134,075 from FY24 due to the work completed on the building which included HVAC and the fire panel replacements and upgrades. Depreciation expense in FY24 was \$697,178, a decrease of \$58,156 from FY23 due to lower than anticipated capital expenditures.

Operating revenues of \$14,985,284 increased by \$1,773,271 over FY24 due marketing and community outreach efforts that drove higher enrollments and strong month-over-month customer retention. Idaho's Section 1332 Reinsurance waiver reduced premium rates, then they would otherwise be without the waiver, in the individual market by 16% and 20% in the plan years 2024 and 2025, respectively. In comparison, operating revenues in FY24 increased \$2,871,631 from FY23 due to higher enrollments as a result of Medicaid unwinding.

Idaho Health Insurance Exchange dba Your Health Idaho

Management's Discussion and Analysis

June 30, 2025 and 2024

Condensed Statements of Revenues, Expenses, and Changes in Net Position Years Ended June 30, 2025 and 2024

	2025	2024	Change 2024 to 2025	2023	Change 2023 to 2024
Operating Revenues	\$ 14,985,284	\$ 13,212,013	\$ 1,773,271	\$ 10,340,382	\$ 2,871,631
Operating Expenses	15,398,172	14,371,296	1,026,876	12,104,667	2,266,629
Operating Income (Loss)	(412,888)	(1,159,283)	746,395	(1,764,285)	605,002
Nonoperating Revenues	1,207,965	1,204,667	3,298	1,183,053	21,614
Change in Net Position	795,077	45,384	749,693	(581,232)	626,616
Net Position, Beginning of Year	16,882,881	16,837,497	45,384	17,418,729	(581,232)
Net Position, End of Year	\$ 17,677,958	\$ 16,882,881	\$ 795,077	\$ 16,837,497	\$ 45,384

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 14-24 of this report.

Economic Factors

Your Health Idaho will continue to invest in additional capital to 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 2023, the Board approved the assessment fee rate at 2.49% for effectuations effective January 1, 2024, and in March 2024 the Board approved to move to a per member per month (PMPM) revenue model for January 1, 2025, which included \$11.75 per member per month for qualified health plans (QHP) and \$0.75 per member per month for qualified dental plans (QDP).

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 \$16M will be more than operating expenses of \$15.7M by approximately \$355K in FY26. Planned capital expenditures of \$400K will continue to invest in technology enhancements contributing to long-term sustainability and \$60K for View Pointe building while maintaining \$10.0M in cash in reserves.

In plan year 2025, assessment fee revenue transitioned from the percentage of premium model and moved to a per member per month (PMPM) model. This assessment fee revenue PMPM model will continue for plan year 2026. The enhanced Advanced Premium Tax Credits (ePTCs) are set to expire December 31, 2025, unless Congressional action is taken. Your Health Idaho has estimated that 25,000 Idahoans will cancel coverage in plan year 2026 due to affordability concerns as a result of the ePTC expiration. Additionally, policy changes from the One Big Beautiful Bill Act signed into law on July 4, 2025, coupled with the Marketplace Affordability and Integrity rule finalized on June 20, 2025, may result in an additional loss of 5,000 enrollments. These changes have been factored into Your Health Idaho's long-term financial forecasts.

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, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,198,263	\$ 1,611,773
Receivables	291,342	387,801
Prepaid expenses	263,148	303,782
Total current assets	2,752,753	2,303,356
Certificates of Deposits	8,150,000	8,400,000
Lease Receivable	1,013,905	3,494,545
Capital Assets	8,230,519	7,795,659
Total assets	\$ 20,147,177	\$ 21,993,560
Liabilities		
Current Liabilities		
Accounts payable	\$ 57,904	\$ 201,385
Accrued expenses and other current liabilities	106,754	137,309
Accrued salaries and payroll costs	678,303	539,939
Short-term subscription liabilities	177,993	177,993
Total current liabilities	1,020,954	1,056,626
Long-Term Incentive	80,315	37,688
Long-Term Subscription Liabilities	354,045	521,820
Total liabilities	1,455,314	1,616,134
Lease Deferred Inflow of Resources	1,013,905	3,494,545
Net Position		
Net investment in capital assets	7,698,481	7,095,846
Unrestricted	9,979,477	9,787,035
Total net position	17,677,958	16,882,881
Total liabilities, deferred inflows of resources, and net position	\$ 20,147,177	\$ 21,993,560

Idaho Health Insurance Exchange dba Your Health Idaho
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenue		
Assessment income	\$ 14,985,284	\$ 13,212,013
Total operating revenue	<u>14,985,284</u>	<u>13,212,013</u>
Operating Expenses		
Professional services	4,584,515	4,467,698
Depreciation and amortization	831,253	697,178
Marketing and advertising	1,492,284	1,402,462
Call center services	623,057	648,950
Payroll and related expenses	6,664,140	5,957,566
Insurance	193,818	194,936
Utilities	457,038	497,926
Rent	5,706	5,023
Office expenses	114,085	109,719
Travel and meals	118,111	111,654
Other operating expenses	314,165	278,184
Total operating expenses	<u>15,398,172</u>	<u>14,371,296</u>
Operating Loss	<u>(412,888)</u>	<u>(1,159,283)</u>
Non-Operating Revenues		
Interest income	412,025	415,295
Lease revenue	724,945	674,159
Lease interest income	70,995	115,213
Total non-operating revenues	<u>1,207,965</u>	<u>1,204,667</u>
Change in Net Position	795,077	45,384
Net Position, Beginning of Year	<u>16,882,881</u>	<u>16,837,497</u>
Net Position, End of Year	<u>\$ 17,677,958</u>	<u>\$ 16,882,881</u>

Idaho Health Insurance Exchange dba Your Health Idaho

Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Operating Activities		
Assessments received	\$ 15,058,423	\$ 13,212,988
Other income received	548,683	404,799
Cash paid to vendors for goods and services	(8,036,181)	(7,643,986)
Cash paid for employees services	(6,483,149)	(5,853,338)
Net Cash from Operating Activities	1,087,776	120,463
Financing Activities		
Payment on subscription liability	(167,775)	(162,889)
Receipts on leases	687,660	614,528
Net Cash from Financing Activities	519,885	451,639
Investing Activities		
Acquisition of capital assets	(1,271,171)	(533,806)
Purchase of investments	(8,150,000)	(8,400,000)
Proceeds from the sale of investments	8,400,000	-
Net Cash used for Investing Activities	(1,021,171)	(8,933,806)
Net Change in Cash and Cash Equivalents	586,490	(8,361,704)
Cash and Cash Equivalents, Beginning of Year	1,611,773	9,973,477
Cash and Cash Equivalents, End of Year	\$ 2,198,263	\$ 1,611,773
Reconciliation of Change in Net Position to		
Net cash from operating activities		
Change in net position	\$ 795,077	\$ 45,384
Adjustments to reconcile change in net position to net cash from operating activities		
Depreciation and amortization	831,253	697,178
Loss on disposal of capital assets	5,058	-
Change in assets and liabilities		
Prepaid expenses	40,634	(72,530)
Receivables	96,459	(184,365)
Lease receivable	(687,660)	(614,528)
Accounts payable	(143,481)	152,893
Accrued expenses and other current liabilities	(30,555)	(7,797)
Long-term incentive	42,627	37,688
Accrued salaries and payroll costs	138,364	66,540
Net Cash from Operating Activities	\$ 1,087,776	\$ 120,463

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

Idaho Health Insurance Exchange dba Your Health Idaho (Your Health Idaho or 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 Statement of Net Position. 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.

Certificates of Deposit

Certificates of deposit are recorded at amortized cost. The certificates of deposit as of the years ended June 30, 2025 and 2024 mature within one year.

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, Net

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.

Your Health Idaho 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, 2025 and 2024.

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 lives of the underlying asset using the straight-line method. The amortization period is 5 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:

Net 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, 2025 and 2024, Your Health Idaho had \$532,038 and \$699,813 in outstanding subscription liabilities, respectively.

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, 2025 and 2024.

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

Revenue Recognition

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. In March 2024, effective January 1, 2025, the Board of Directors approved assessment fees on a per member per month (PMPM) model of \$11.75 and \$0.75 flat assessment fee per enrollee per carrier for health and dental plans, respectively.

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

Your Health Idaho 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 \$1,492,284 and \$1,402,462, for the years ended June 30, 2025 and 2024, 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 \$80,315 and \$37,688, as of June 30, 2025 and 2024, respectively. Your Health Idaho's management believes these payments are properly accrued based on terms of the compensation policy.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Adoption of New Standard

As of July 1, 2024, Idaho Health Insurance Exchange adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. There was not a significant effect on Your Health Idaho’s financial statements as a result of the implementation of this standard.

Note 2 - Cash and Cash Equivalents

The carrying amounts of deposits and investments as of June 30, 2025 and 2024, are as follows:

	2025	2024
Carrying amount		
Cash and deposits	\$ 2,198,263	\$ 1,611,773
Total	\$ 2,198,263	\$ 1,611,773

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2025 and 2024

Note 3 - Capital Assets

Capital assets additions, retirements, transfers and balances for the year ended June 30, 2025, are as follows:

	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets not being depreciated					
Trademark	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000
Land	850,000	-	-	-	850,000
Development in progress	274,416	448,543	(5,075)	(699,184)	18,700
Total capital assets not being depreciated	<u>\$ 1,136,416</u>	<u>\$ 448,543</u>	<u>\$ (5,075)</u>	<u>\$ (699,184)</u>	<u>\$ 880,700</u>
Capital assets being depreciated					
Furniture and equipment	\$ 166,527	\$ 10,200	\$ (121,173)	\$ 342,117	\$ 397,671
Software and development	50,687,649	-	-	-	50,687,649
Computers	922,096	12,197	-	-	934,293
Buildings and improvements	4,242,820	796,887	-	228,361	5,268,068
Leasehold improvements	337,810	8,401	-	128,706	474,917
Total capital assets being depreciated	<u>56,356,902</u>	<u>827,685</u>	<u>(121,173)</u>	<u>699,184</u>	<u>57,762,598</u>
Less accumulated depreciation for					
Furniture and equipment	129,856	62,761	(116,114)	-	76,503
Software and development	49,052,149	457,697	-	-	49,509,846
Computers	707,886	94,245	-	-	802,131
Buildings	512,719	170,874	-	-	683,593
Leasehold improvements	271,817	28,397	-	-	300,214
Total accumulated depreciation	<u>50,674,427</u>	<u>\$ 813,974</u>	<u>\$ (116,114)</u>	<u>\$ -</u>	<u>51,372,287</u>
Net capital assets being depreciated	<u>\$ 5,682,475</u>				<u>\$ 6,390,311</u>
Right to use subscription IT assets being amortized	\$ 1,022,946	\$ -	\$ -	\$ -	\$ 1,022,946
Less accumulated amortization	46,178	17,260	-	-	63,438
Net right to use subscription IT assets	<u>976,768</u>	<u>(17,260)</u>	<u>-</u>	<u>-</u>	<u>959,508</u>
Capital assets, net	<u>\$ 7,795,659</u>				<u>\$ 8,230,519</u>

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2025 and 2024

Included in total capital asset increases for the year ended June 30, 2025, are transfers of \$699,184 from work in progress related to the office remodel.

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>862,000</u>	<u>408,990</u>	<u>-</u>	<u>(134,574)</u>	<u>1,136,416</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>56,097,512</u>	<u>124,816</u>	<u>-</u>	<u>134,574</u>	<u>56,356,902</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>50,000,338</u>	<u>674,089</u>	<u>-</u>	<u>-</u>	<u>50,674,427</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>999,857</u>	<u>(23,089)</u>	<u>-</u>	<u>-</u>	<u>976,768</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>

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

Depreciation expense totaled \$831,253 and \$697,178, for the years ended June 30, 2025 and 2024, respectively.

Note 4 - Concentrations

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

	<u>2025</u>	<u>2024</u>
Customer A	23%	24%
Customer B (also a related party beginning January 1, 2025)	32%	36%
Customer C	21%	21%

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 two entities represented 81% of accounts payable and accrued expenses for the year ended June 30, 2024. There were no concentrations for the year ended June 30, 2025, included in accounts payable and accrued expenses.

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, 2025, the value of the subscription liability was \$532,038. 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, 2025 and 2024

A summary of the changes in subscription liabilities during the years ended June 30, 2025 and 2024, is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Subscription liabilities	<u>\$ 699,813</u>	<u>\$ -</u>	<u>\$ 167,775</u>	<u>\$ 532,038</u>	<u>\$ 177,993</u>
	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Subscription liabilities	<u>\$ 862,702</u>	<u>\$ -</u>	<u>\$ 162,889</u>	<u>\$ 699,813</u>	<u>\$ 167,775</u>

Future annual subscription commitments as of June 30, 2025, are as follows:

	Principal	Interest	Total
2026	\$ 177,993	\$ 8,328	\$ 186,321
2027	180,829	9,734	190,563
2028	<u>173,216</u>	<u>10,117</u>	<u>183,333</u>
	<u>\$ 532,038</u>	<u>\$ 28,179</u>	<u>\$ 560,217</u>

Note 7 - Lease Receivable

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. Included in deletions for the year ended June 30, 2025 were \$1,884,236 in recognized lease modifications.

	Beginning Balance	Additions	Deletions	Ending Balance
For year-end June 30, 2025				
Lessor leases				
Building	<u>\$ 3,494,545</u>	<u>\$ -</u>	<u>\$ (2,480,640)</u>	<u>\$ 1,013,905</u>
	Beginning Balance	Additions	Deletions	Ending Balance
For year-end June 30, 2024				
Lessor leases				
Building	<u>\$ 4,109,073</u>	<u>\$ -</u>	<u>\$ (614,528)</u>	<u>\$ 3,494,545</u>

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2025 and 2024

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

	Principal	Interest	Total
2026	\$ 544,687	\$ 21,072	\$ 565,759
2027	101,246	12,131	113,376
2028	107,402	9,187	116,590
2029	107,997	6,072	114,069
2030	64,135	3,525	67,660
2031	47,069	2,014	49,083
2032	41,369	572	41,941
	\$ 1,013,905	\$ 54,573	\$ 1,068,478

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 \$22,500 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 \$0 and \$46,100, for the years ended June 30, 2025 and 2024, 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 \$23,500 and \$23,000 of their salary in calendar year end 2025 and 2024, respectively. The first 3% vests immediately and the remaining 3% - 6% vests after 2 years of employment. Total employer contributions under this plan were \$188,099 and \$84,386 for the years ended June 30, 2025 and 2024, respectively.

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2025 and 2024

Note 9 - Compensated Absences

The following is a summary of changes in accrued compensated absences for the years ended June 30, 2025 and 2024.

	2025				
	July 1, 2024	Additions	Reductions	June 30, 2025	Due Within One Year
Compensated absences	\$ 189,518	\$ 391,023	\$ (345,814)	\$ 234,727	\$ 234,727
	2024				
	July 1, 2023	Additions	Reductions	June 30, 2024	Due Within One Year
Compensated absences	\$ 154,516	\$ 344,119	\$ (309,117)	\$ 189,518	\$ 189,518

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. Select Health, a medical insurance company (represented on the Board) provided health insurance to the employees of Your Health Idaho. Delta Dental of Idaho, an insurance company (represented on the Board) provided dental insurance to the employees of Your Health Idaho. Your Health Idaho paid a total of \$32,307 and \$30,050, to Delta Dental of Idaho for the fiscal years ended June 30, 2025 and 2024, respectively. Your Health Idaho paid a total of \$504,349 and \$0, to Select Health for the fiscal years ended June 30, 2025 and 2024, respectively.

Additionally Your Health Idaho received assessment fees from Blue Cross of Idaho (represented on the Board) of \$3,499,208 and \$3,124,100 for the fiscal years ended June 30, 2025 and 2024, respectively. Your Health Idaho received assessment fees from Select Health of \$4,753,751 and \$4,726,602, and Delta Dental of Idaho of \$60,067 and \$54,972, for the fiscal years ended June 30, 2025 and 2024, 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 (Your Health Idaho or YHI), as of and for the year then ended June 30, 2025, 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 22, 2025.

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. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses 2025-001, that we consider to be a significant deficiency.

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*.

Your Health Idaho's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Your Health Idaho's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. Your Health Idaho's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

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

Boise, Idaho
September 22, 2025

Financial Statement Findings

2025-001 YHI Cash Reconciliations

Criteria: Management should have an internal control system in place designed to include all written checks in their bank reconciliations.

Condition: As a part of our audit procedures, we identified an adjustment to remove an accrued expense as the check had been issued before June 30, 2025.

Cause: Controls were not in place to ensure the year end bank reconciliations included all checks that were written but not cleared. This occurred because an outside vendor has check writing authority and the check had not cleared before year end.

Effect: An audit adjustment was required to correct the accounting records and financial statements by reducing accrued expenses and cash as of June 30, 2025.

Recommendation:

Management should re-evaluate allowing an outside vendor to write checks on YHI's behalf. Management should also implement a process to identify all written checks are included in the reconciliation and the review process confirms all written checks.

View of Responsible officials:

This finding is not associated with Your Health Idaho operations but rather with the ownership/landlord portion of the business. Management followed established procedures in accordance with the property management agreement dated January 27, 2020 where the property management company is responsible for payments associated with the operations and improvements with the View Pointe Property under the cash-basis method of accounting. Bank accounts associated with the View Pointe property are reconciled monthly.

Beginning September 1, 2025 all check writing privileges with the property management company have been revoked, including all bank account access. All financial processes associated with View Pointe have been transferred to Your Health Idaho team members. All established internal controls will apply to transactions associated with View Pointe.