

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

Ithaca, New York

EXECUTIVE SUMMARY

**For the Year Ended
December 31, 2022**



GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

EXECUTIVE SUMMARY OF 2022 AUDIT

Basic Financial Statements

Description of Report and Findings

Independent Auditors' Report on Basic Financial Statements.

Unmodified opinion on the Greater Tompkins County Municipal Health Insurance Consortium's (the Consortium) basic financial statements for the year ended December 31, 2022.

Independent Auditors' Report on Supplementary Financial Information.

Unmodified opinion on supplementary financial information in relation to primary audit report.

Independent Auditors' 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*.

Report on the Consortium's compliance with laws and regulations that may have a direct and material effect on the basic financial statements, and on the Consortium's internal control structure, policies, and procedures based on the auditors' understanding of the internal control structure and assessment of control risk obtained as part of the audit of the basic financial statements. This report identified **no material weaknesses in internal control** at the financial statement level and **no instances of noncompliance**.

Auditors' Communication With Those Charged With Governance at the Conclusion of the Audit.

A letter that specifically addresses certain required communications to the Board of Directors in accordance with professional standards. There were **no comments of concern** to be reported regarding the following:

- Qualitative Aspects of Accounting Practices
- Difficulties Encountered in Performing the Audit
- Corrected and Uncorrected Misstatements
- Disagreements With Management
- Management Representations
- Management Consultations With Other Independent Accountants
- Other Audit Findings or Issues
- Other Matters

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

FIVE YEAR FINANCIAL STATEMENT ANALYSIS

	<u>DECEMBER 31, 2022</u>	<u>DECEMBER 31, 2021</u>	<u>DECEMBER 31, 2020</u>	<u>DECEMBER 31, 2019</u>	<u>DECEMBER 31, 2018</u>
ASSETS					
Cash and Cash Equivalents	\$ 6,501,940	\$ 6,169,222	\$ 8,343,168	\$ 11,304,684	\$ 25,795,711
Investments and Accrued Investment Income	23,947,790	24,260,060	24,407,221	19,619,071	-
Receivables	503,441	21,430	-	508,652	620,488
Prepaid Expenses	204	152,566	-	-	-
Premium Claims Deposit	788,300	722,400	761,400	647,700	647,700
Security Deposit	800	800	-	-	-
Total Assets	<u>\$ 31,742,475</u>	<u>\$ 31,326,478</u>	<u>\$ 33,511,789</u>	<u>\$ 32,080,107</u>	<u>\$ 27,063,899</u>
LIABILITIES					
Incurred Claims Liability	\$ 6,672,663	\$ 6,866,608	\$ 5,828,922	\$ 5,637,280	\$ 4,931,847
Accounts Payable	1,491,872	1,442,679	610,385	605,015	488,269
Unearned Premiums	1,555,795	766,350	1,072,302	509,798	20
Total Liabilities	<u>9,720,330</u>	<u>9,075,637</u>	<u>7,511,609</u>	<u>6,752,093</u>	<u>5,420,136</u>
NET POSITION					
Restricted	2,729,555	2,669,495	2,409,497	2,514,837	2,120,085
Unrestricted - Board Designated	8,701,182	8,646,395	8,423,989	4,984,812	4,100,000
Unrestricted - Undesignated	10,591,408	10,934,951	15,166,694	17,828,365	15,423,678
Total Net Position	<u>22,022,145</u>	<u>22,250,841</u>	<u>26,000,180</u>	<u>25,328,014</u>	<u>21,643,763</u>
Total Liabilities and Net Position	<u>\$ 31,742,475</u>	<u>\$ 31,326,478</u>	<u>\$ 33,511,789</u>	<u>\$ 32,080,107</u>	<u>\$ 27,063,899</u>
REVENUES					
Premiums	\$ 54,591,095	\$ 53,389,902	\$ 48,189,940	\$ 50,296,736	\$ 42,401,705
Interest Earnings	111,585	99,529	266,205	456,386	21,938
Gain (Loss) on Investments	(436,765)	(193,376)	56,800	8,715	-
Other Revenue (Expense)	(11,503)	(23,066)	4,535	-	-
Total Revenues	<u>54,254,412</u>	<u>53,272,989</u>	<u>48,517,480</u>	<u>50,761,837</u>	<u>42,423,643</u>
EXPENSES					
Claims Expense	51,505,375	53,024,900	44,933,332	43,353,569	38,991,995
Compensation	420,883	402,891	303,208	269,873	150,410
Professional and Consulting	157,032	165,655	216,269	237,302	154,499
Reinsurance Expenses, Net	295,917	270,471	234,193	641,621	(10,448)
Insurance	58,266	50,588	43,612	40,114	33,139
Claims Administration Fees	1,813,731	1,678,883	1,596,782	1,455,338	1,169,230
Other Expenses	425,849	391,254	326,276	374,336	251,149
Total Expenses	<u>54,677,053</u>	<u>55,984,642</u>	<u>47,653,672</u>	<u>46,372,153</u>	<u>40,739,974</u>
Change in Net Position	<u>\$ (422,641)</u>	<u>\$ (2,711,653)</u>	<u>\$ 863,808</u>	<u>\$ 4,389,684</u>	<u>\$ 1,683,669</u>
Adjustment for Incurred but not Reported Claims	<u>\$ 193,945</u>	<u>\$ (1,037,686)</u>	<u>\$ (191,642)</u>	<u>\$ (705,433)</u>	<u>\$ (1,363,863)</u>

Note: Abstracted from Audited Financials - See Audit Reports for Complete Information

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

EXECUTIVE SUMMARY OF 2022 AUDIT

AUDIT FOCUS - REPORTING OBJECTIVES

Basic Financial Statements

- *Management's Discussion and Analysis
- *Consortium Financial Statements
 - *Statements of Net Position
 - *Statements of Revenues, Expenses, and Changes in Net Position
 - *Statements of Cash Flows
- *Notes to Financial Statements
- *Supplemental Financial Information

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

AUDIT APPROACH

- *Preliminary Planning
- *Consideration of Internal Control Over Financial Reporting
- *Tests of Controls
- *Tests of Compliance With Laws and Regulations
- *Substantive Testing of Financial Information (Includes Analytical Review)
- *Consideration of Internal Control Over Compliance Requirements

UNDERSTANDING THE HEALTH INSURANCE CONSORTIUM'S OPERATIONS

- *Services Provided
- *Assessment of Accounting and Reporting System
- *Nature of Activities
- *Special Reporting Requirements
- *Nature of Compliance Requirements
- *Assessment of Management

FACTORS AFFECTING THE SCOPE OF THE AUDIT

- *Effectiveness of Overall Financial Controls
- *Qualifications of Key Personnel
- *Appropriate Segregation of Duties
- *Ability to Demonstrate Compliance With Laws and Regulations
- *Effectiveness of Budget Process Administration
- *Accuracy and Comprehensiveness of Internal Reporting
- *Existence of Adequate Policies and Procedures
- *Ability to Issue Timely and Accurate Financial Reports