



Auditor Communications to Those Charged with Governance

June 30, 2024

Independent Auditor's Report

Management's Responsibility



The preparation and fair presentation of the financial statements



Design, implementation and maintenance of internal control over financial reporting



Selection and use of appropriate accounting policies





Independent Auditor's Report

Our Responsibility



To express an opinion on the financial statements in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*



Designed to obtain reasonable assurance that the financial statements are free from material misstatement



Select audit procedures, based on our assessment of material misstatement



Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate under the circumstances



Evaluate the appropriateness of accounting policies used and the reasonableness of significant estimates made by management

UNMODIFIED OPINION on the financial statements



Independent Auditor's Report

Our Responsibility

- Management's Discussion & Analysis and Required Supplementary Information
 - Presented as a supplement to the basic financial statements as required by the Governmental Accounting Standards Board
 - We have applied certain limited procedures to the MD&A preceding the financial statements and to other required supplementary information (RSI) which follows the financial statements in accordance with U.S. Generally accepted auditing standards
 - We do not express an opinion or provide assurance on the MD&A or the RSI

Financial Statement Highlights

- Net position increased by approximately \$1.2 million in 2024
- Capital assets increased \$1.4 million in 2024
- Pension asset increased \$1.1 million in 2024
- Accounts payable and accrued expenses decreased \$1.5 million in 2024
- Cascade Care impact –
 - Prepaid expenses increased \$4.2 million in 2024
 - Unearned revenue increased \$7.9 million in 2024
 - Cascade Care revenue and expenses increased \$33.2 million in 2024

Financial Statement Footnotes



Note 7 – Commitments and Contingencies



Note 8 – Pension



Note 9 – Other Post Retirement Benefits



Required Auditor Communications

Accounting Policies



- No new accounting policies were adopted, and the application of existing policies was not otherwise changed during 2024
- No transactions lacked authoritative guidance
- All significant transactions were recorded in the correct period

Management's Judgment and Estimates

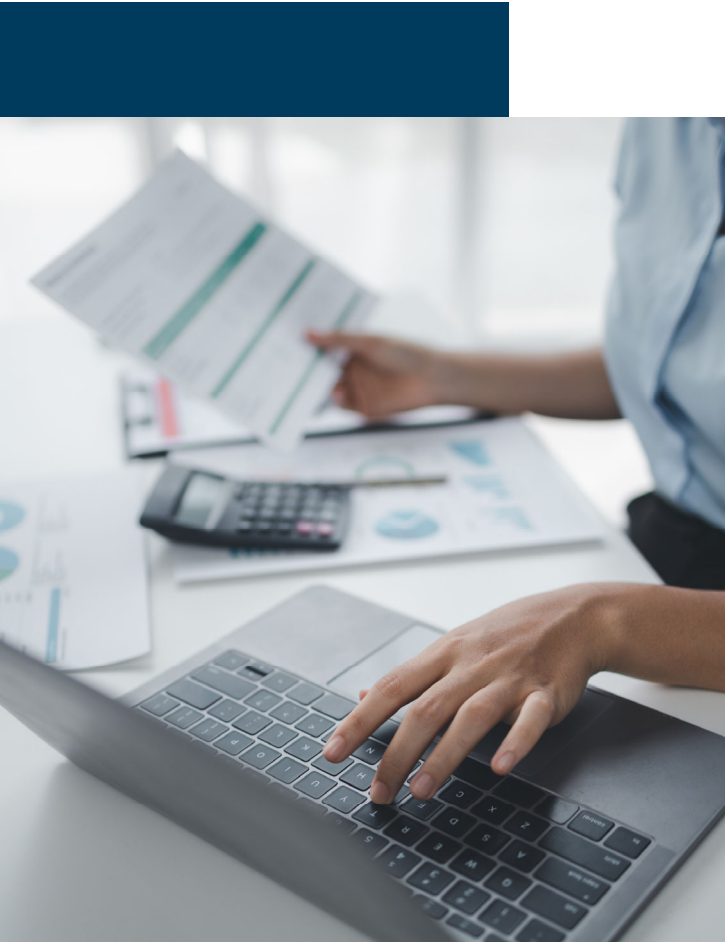


- The estimated useful lives of capital assets used in the calculation of depreciation expense, which are based on the perceived life of the related capital assets
- The estimates used in the calculation of the net OPEB liability and related amounts, which is based on actuarially determined amounts
- The estimates used in the calculation of the net pension asset and related amounts, based on the Exchange's allocable portion of the pension plans' audited asset, which is based on actuarially determined amounts

Corrected and Uncorrected Misstatements



- No significant audit adjustments
- No unrecorded audit adjustments that are required to be reported were noted



Yellow Book Report

Internal Controls Over Financial Reporting

- We considered the internal controls over financial reporting in connection with designing our audit procedures
- We did not perform an audit of the internal controls, therefore, we do not express an opinion of the internal controls over financial reporting

Compliance with Laws, regulations, Contracts and Grant Agreements

- We performed certain tests of compliance with certain provisions of laws, regulations, contracts and agreements
- Focus on potential noncompliance that would be direct and material to the financial statements

Internal Control Matters

- We did not identify any control matters that we would consider to be material weaknesses
- Material weaknesses or significant deficiencies may exist that have were not identified

Results of Compliance Testing

- We did not note any instances of noncompliance or other matters that are required to be reported
- We did not perform an audit of compliance, therefore, we do not express an opinion on compliance



Thank you

Mark LaPrade, CPA, CGMA

Principal

mlaprade@berrydunn.com

603.518.2633

Nathan Dunlap, CPA, CPE

Senior Manager

ndunlap@berrydunn.com

207.541.2334

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