

Southern Skyland Regional Health Insurance Fund

2020 Audit Results June 8, 2021

This report is intended solely for the information and use of the Board of Commissioners and management and is not intended to be and should not be used by anyone other than these specified parties.



Agenda

Scope of Services

Audit Process & Results

Required Communications



Scope of Services



Report on Supplementary Info

Audit in accordance with DoBI, GAS and DLGS



Audit Process

Risk-based approach

 Evaluation of internal controls over financial reporting and compliance

 Detail testing and financial statement draft



Audit Results

Opinion

- Unmodified or "Clean" opinion on the financial statements US GAAP basis for 12/31/2020
- No opinion on IBNR reserve

GAS

- No findings Internal control over financial reporting.
- No findings noncompliance with laws, regulations, contracts and agreements



Significant Matters Discussed with Management

- Cash and investments and total assets consistent with prior year
- IBNR reserve decreased \$623K
- Operating revenues and expenses slightly up from prior year (8% and 5% respectively) but in line with budget
- First year for Dental pass-through contributions & expense
- Limited impacts from COVID in 2020 on SSRHIF operations and financial results



Management Recommendations

None noted



Required Communications

Overall

- No changes to the planned audit procedures
- No changes in scope of audit
- No new accounting standards adopted
- Two corrected misstatements/Audit Adjustments
- No uncorrected misstatements

Estimates

- Evaluated significant estimates & related assumptions (Claims expense and related reserves)
- No changes to estimates from the prior year
- Management's estimates are reasonable

Cooperation

- Received full cooperation of management
- No disagreements with management
- No other findings to report



Industry or Accounting Changes

- GASB 87 Leases. Applicable for the year ended June 30, 2022
- NJ DoBI bulletins related to COVID and insurance impacts



Our Core Values

INTEGRITY

Conducting our affairs honestly & ethically & doing what's right, regardless of the cost or consequence.

RESPONSIBILITY

Being accountable for the success, development & improvement of our families, our firm, ourselves, our clients, colleagues & community.

RESPECT

Appreciating, understanding & supporting ourselves & others, our colleagues, our clients & community.

EXCELLENCE

Striving to be the best in everything we do, being a part of something special & enabling ourselves & others to reach the highest potential.

CREATIVITY

Embracing change & continually seeking out & developing innovative ways to serve our families, our firm, ourselves, our clients, colleagues & community, recognizing that failure is an integral part of success.



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