



Connecticut's Health Insurance Marketplace

July 31<sup>st</sup>, 2014

Alan Calandro  
Director  
Office of Fiscal Analysis  
Legislative Office Building, Suite 5200  
300 Capitol Avenue  
Hartford, CT 06106

RE: Connecticut Health Insurance Exchange d/b/a Access Health CT  
Quarterly Financial and Personnel Status Reports for Fourth Quarter Fiscal Year 2014

Dear Mr. Calandro:

On behalf of the Access Health CT (AHCT) Board of Directors, we hereby submit the Fiscal Year 2014 Fourth Quarter Financial and Personnel Status Reports, as required by Connecticut General Statutes §1-123(b) and (c). The enclosed financial data includes a comparison of AHCT's results to date as of the end of the fourth quarter for 2014 and 2013, respectively.

In summary, AHCT provides the following financial and personnel status for the quarter ending June 30, 2014:

Financial Status	Actual
(1) Beginning FY 2014 Balance	\$23,887,534
(2) Revenue collected less funds expended, 4th Quarter 2014	\$37,194,316
(3) Total Expenditures <i>actual</i> at the end of FY 2014	\$72,685,486
(4) Total Revenues <i>actual</i> at the end of FY 2014	\$85,992,269
Personnel Status	
(1) Total number of employees, end of 4th Quarter 2014	68
(2) Staff positions vacant, through 4th Quarter 2014	4
(3) Staff positions vacated, 4th Quarter 2014	3
(4) Staff positions estimated to be vacant by end of FY 2014	4
(5) Staff positions estimated to be filled by end of FY 2014	68

Enclosed, please find the detailed financial statements reflecting AHCT's financial position as of the end of the fourth quarter of Fiscal Year 2014.

Please direct any questions regarding this report to Tricia Brunton, Controller for AHCT. She can be reached at (860) 757-5340 or [Tricia.Brunton@ct.gov](mailto:Tricia.Brunton@ct.gov).

Sincerely,

James Wadleigh  
Acting Chief Executive Officer  
Access Health CT

Enc: (3)

**Statement of Revenue, Expenses and Changes in Net Position**  
**For the Twelve Months Ending June, 2014 and 2013**

	Q4, FY14	Q4, FY13
Operating Revenues		
Government Grants and Contracts	\$ 73,303,817	\$ 45,463,090
Non-Government Grants and Contracts	\$ 205,000	\$ -
Marketplace Assessment	\$ 12,465,573	\$ -
Other Income	\$ 17,880	\$ 513
	<u>\$ 85,992,269</u>	<u>\$ 45,463,603</u>
Operating Expenses		
Salaries and Wages	\$ 6,985,039	\$ 2,734,791
Fringe Benefits	\$ 1,546,881	\$ 626,200
Consultants	\$ 50,438,597	\$ 16,838,210
Equipment	\$ 1,231,834	\$ 217,628
Supplies	\$ 38,850	\$ 21,882
Travel	\$ 202,097	\$ 99,892
Administration	\$ 1,502,855	\$ 249,887
Maintenance	\$ 1,270,281	\$ 875,491
Depreciation and Amortization	\$ 9,469,051	\$ 1,509,001
	<u>\$ 72,685,486</u>	<u>\$ 23,172,980</u>
Change in Net Position	\$ 1,289,538	\$ 22,290,623
Change in Unrestricted Net Position	\$ 12,017,245	\$ -
Net position, beginning of year	\$ 23,887,533	\$ 1,596,911
Net position, end of quarter	<u>\$ 37,194,316</u>	<u>\$ 23,887,534</u>

**Statement of Net Position**  
**For the Twelve Months Ending June, 2014 and 2013**

	Q4, FY14	Q4, FY13
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 39,782,505	\$ 4,994,339
Accounts Receivable	\$ 3,325,310	\$ 7,342,366
Prepaid Expenses	\$ 154,822	\$ 1,003,957
<b>Total Current Assets</b>	<b>\$ 43,262,637</b>	<b>\$ 13,340,663</b>
<b>Noncurrent Assets</b>		
Software development in progress	\$ -	\$ 16,869,697
Equipment and software, net	\$ 25,177,071	\$ 7,017,837
Security Deposit	\$ 8,653	\$ -
<b>Total Noncurrent Assets</b>	<b>\$ 25,185,725</b>	<b>\$ 23,887,534</b>
<b>Total Assets</b>	<b>\$ 68,448,362</b>	<b>\$ 37,228,197</b>
<b>Liabilities and net position</b>		
<b>Current Liabilities:</b>		
Accounts Payable - current	\$ 214,732	\$ 112,509
Accrued Liabilities	\$ 30,303,615	\$ 9,773,138
Refundable Advances	\$ 735,698	\$ 30,811
<b>Total Current Liabilities</b>	<b>\$ 31,254,045</b>	<b>\$ 9,916,458</b>
<b>Long Term Liabilities</b>		
Accounts Payable - long term	\$ -	\$ 3,424,205
<b>Total Liabilities</b>	<b>\$ 31,254,045</b>	<b>\$ 13,340,663</b>
<b>Net Position:</b>		
Net position invested in capital assets	\$ 25,177,071	\$ 23,887,534
Unrestricted Net Position	\$ 12,017,245	\$ -
<b>Total Liabilities and Net Position</b>	<b>\$ 68,448,362</b>	<b>\$ 37,228,197</b>

**AHCT Statement of Cash Flows**  
**For the Twelve Months Ending June, 2014 and 2013**

	Q4, FY14	Q4, FY13
<b>Cash Flows from Operating Activities:</b>		
Receipts from funding sources	\$ 93,043,719	\$ 39,146,801
Receipts from Marketplace Assessment	\$ 11,557,380	\$ -
Reimbursement of operating costs	\$ 16,524,148	\$ 817,596
Payments to employees	\$ (7,863,696)	\$ (3,034,893)
Payments to vendors	\$ (59,359,748)	\$ (19,502,350)
<b>Net cash provided by operating activities</b>	<b>\$ 53,901,803</b>	<b>\$ 17,427,154</b>
<b>Cashflow from Capital and related financing activities</b>		
Payments for software development in progress	\$ (22,468,544)	\$ (6,667,335)
Purchase of software and equipment	\$ (2,451,563)	\$ (11,445,032)
Reimbursement of equipment and software, and software development in progress	\$ 5,806,470	\$ 4,145,211
<b>Net cash (used for) capital and related financing activities</b>	<b>\$ (19,113,637)</b>	<b>\$ (13,967,156)</b>
<b>Net change in cash and cash equivalents</b>	<b>\$ 34,788,167</b>	<b>\$ 3,459,998</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>\$ 4,994,339</b>	<b>\$ 1,534,341</b>
<b>Cash and cash equivalents at end of quarter</b>	<b>\$ 39,782,506</b>	<b>\$ 4,994,339</b>
<b>Reconciliation of operating income to net cash provided in operating activities</b>		
Change in net position	\$ 13,306,782	\$ 22,290,623
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation and amortization	\$ 9,469,051	\$ 1,509,001
Changes in assets and liabilities:		
Prepaid expenses	\$ 849,136	\$ (978,823)
Accounts receivable	\$ (1,789,415)	\$ (11,487,577)
Accounts payable - current	\$ 14,255,087	\$ (6,655,841)
Accrued liabilities	\$ 20,530,479	\$ 9,727,516
Refundable advance	\$ 704,887	\$ (401,950)
Accounts payable - long term	\$ (3,424,205)	\$ 3,424,205
<b>Net cash provided by operating activities</b>	<b>\$ 53,901,803</b>	<b>\$ 17,427,154</b>