JohnsonLambert LLP
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HealthTrust, Inc.

Audited Financial Statements
with Required Supplementary Information

Years ended June 30, 2023 and 2022
with Report of Independent Auditors

HealthTrust, Inc.

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with Required Supplementary Information

Years ended June 30, 2023 and 2022

Contents

Report of Independent Auditors

Board of Directors
HealthTrust, Inc.

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of HealthTrust, Inc. (HealthTrust) and it's discretely presented component unit, Center at Triangle Park, Inc. (CTP), which comprise the statements of net position as of June 30, 2023 and 2022 and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise HealthTrust's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of HealthTrust and CTP as of June 30, 2023 and 2022, and the changes in net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinions

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 HealthTrust and CTP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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 HealthTrust's and CTP'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 Responsibilities 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 opinions. 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, 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 HealthTrust's and CTP'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 HealthTrust's and CTP'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
GAAP requires that the Management's Discussion and Analysis on pages 4 - 15, the Reconciliation of Claims Liabilities by Type of Contract on pages 53 - 54, the Ten-Year Schedule of Claims Development Information on pages 55 - 56 and the Ten-Year Schedule of Employer Pension Information on page 57 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, 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 October 12, 2023 on our consideration of HealthTrust'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 HealthTrust'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 HealthTrust's internal control over financial reporting and compliance.

Johnson Lambert LLP

Williston, Vermont
October 12, 2023
Firm registration: 092-0000267

HealthTrust, Inc.

Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2023 and 2022

Introduction:
As management of HealthTrust, Inc. (HealthTrust), we offer readers of the financial statements this narrative overview and analysis of the financial activities of HealthTrust for the fiscal years ended June 30, 2023, 2022 and 2021. This section, the management's discussion and analysis, is intended to provide an overview of HealthTrust's financial condition, results of operations, and other key information.

As more fully explained in this section, the years ended June 30, 2023 and 2022 together with years ended June 30, 2021 and 2020 show the full impact of the COVID-19 pandemic (COVID) on HealthTrust.

During COVID HealthTrust experienced significant gains, due to a lack of claim expenses.

At end of FY2020, HealthTrust experienced a significant increase in net position to just under $109M from $81M due to COVID but had to return nearly $19M of surplus to reduce net position to $90M, which was the capital adequacy target. Pursuant to RSA 5-B, HealthTrust "must [r]eturn all earnings and surplus in excess of any amounts required for administration, claims, reserves, and purchase of excess insurance to the participating political subdivisions."

Similarly, at end of FY2021, HealthTrust experienced significant increase in net position to $128M from $90M but again had to return $38M in surplus to reduce net position to capital adequacy target of $90M.

As COVID abated, HealthTrust experienced an increase in claim expenses.

At the end of FY2022, HealthTrust's net position decreased to $64M due primarily to increased medical claims and claims related expenses ($11M), premium deficiency reserve ($9M), and an investment portfolio loss ($6M). The most significant increases in medical claims occurred during the last quarter when average monthly claims were more than $3M higher than the average monthly claims over the course of the prior months that year.

At the end of FY2023, HealthTrust's net position decreased to $24M due primarily to increased medical claims that were significantly above expected levels ($27M) especially with respect to the number and severity of high dollar medical claims and corresponding specialty drug claims, a premium deficiency reserve ($17M) and an investment portfolio gain of $4M. At the same time, HealthTrust experienced the impact of a proliferation of newly indicated weight loss drugs. These increases were experienced most profoundly during the last quarter when average monthly claims were more than $5M higher than the average monthly claims of the prior months that year.

These financial statements also include Center at Triangle Park Inc. (CTP). CTP's primary business is to provide office space to related entities. CTP has been excluded from management discussion and analysis.

HealthTrust's basic financial statements are comprised of four components, 1) the statement of net position, 2) the statement of revenues, expenses and changes in net position, 3) the statement of cash flows and 4) the notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements.

The financial statements contained within this report are reflective of the years ending June 30, 2023 and 2022.

Overview:
HealthTrust is governed by its Board of Directors and operates on a fiscal year ending June 30.

HealthTrust's mission is to provide high quality, cost-effective employee benefit products and services for public employers and employees in New Hampshire in order to reduce costs through pooling strategies with a commitment to education, health promotion and disease prevention.

HealthTrust offers employee benefit coverage lines and related services to its Member Groups (hereafter "Members"). HealthTrust operates in accordance with New Hampshire RSA 5-B. This statute and the HealthTrust Bylaws permit political subdivisions of the State of New Hampshire, and their instrumentalities, to participate in its pooled risk management program.

HealthTrust is a New Hampshire voluntary corporation, with its income not subject to federal income taxation under Internal Revenue Code Section 115. HealthTrust believes that operating without profit seeking contributes to its ability to deliver products to public sector employers and through them to their employees at lower rates than might otherwise be obtained for comparable products within the commercial marketplace.

As part of its pooled risk management program HealthTrust offers its Members medical (including prescription drug), dental, short and long-term disability and life coverage lines. HealthTrust bears the financial risk of the coverage agreements with Members for medical, dental and short-term disability coverage. Long-term disability and life coverage is provided on a fully insured basis through a third-party insurer.

HealthTrust has administrative service contracts with Anthem Blue Cross and Blue Shield (Anthem), CaremarkPCS Health LLC (CVS Caremark), and Delta Dental Plan of New Hampshire (Delta Dental) to provide access to a comprehensive provider network and third party claims administration and related services for HealthTrust's medical and dental coverage lines.

HealthTrust works collaboratively with these vendors to provide a full range of medical and dental benefit options to meet the evolving demands of the New Hampshire public sector. Together we bring focus to public sector issues and concerns to better meet the public sector's healthcare needs.

Statement of Net Position:
This statement provides information about HealthTrust's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of June 30, 2023 and 2022. The majority of HealthTrust's assets are cash, can be converted to cash quickly, or are expected to become cash soon.

The liabilities reflect claims paid by contracted third party administrators in the audit period, but not reported to HealthTrust until after year end, amounts owed to outside companies for services within the period that were paid after year end, amounts calculated by qualified actuarial consultants as reasonable estimates for claims incurred but not yet reported to the claims administrators, premium deficiency reserves, amounts required to be returned to Members, and other accrued expenses.

Net position identifies the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources and represents the equity interest in Center at Triangle Park, Inc. (CTP), capital assets along with unrestricted net position. HealthTrust’s governing board, with advice from its consulting actuary, annually reviews the proper level of capital adequacy reserve it needs (also known as the designated total net position target level).

Statement of Revenues, Expenses and Changes in Net Position:
The results of HealthTrust's operating activity are shown on this statement. This statement provides information about the level of contributions, claims, return of surplus and operating expenses for the fiscal years ending June 30, 2023 and 2022. Information about other sources of income and other expenses is provided. Lastly, this statement sets forth HealthTrust's change in net position for each year.

Statement of Cash Flows:
This statement reviews how HealthTrust's cash balance changed during the fiscal year. It is divided into three different areas explaining where HealthTrust generated or used cash during the year. These areas relate to HealthTrust's operations, investing activities and capital and related financing activities (sale and acquisition of capital assets). It substantiates and reconciles the increase or decrease in HealthTrust's cash position.

Net Position and Changes in Net Position:
HealthTrust’s total assets as of June 30, 2023, 2022 and 2021 are $94.3 million, $126.3 million and $164.7 million, respectively. The decrease in assets as of June 30, 2023 is primarily due to more claims experience than expected, which caused a decrease in cash and cash equivalents. The decrease in assets as of June 30, 2022 is primarily due to the payout of $38.2 million in return of surplus during the year ended June 30, 2022. The fair value of HealthTrust's investments in equities and fixed-maturity securities increased by $1.9 million during the year ended June 30, 2023 as compared to a decrease of $7.8 million during the year ended June 30, 2022, primarily due to fluctuations in equities' and fixed-maturity securities' market performance.

Net Position and Changes in Net Position (Continued):
HealthTrust's total liabilities as of June 30, 2023, 2022 and 2021 are $72.9 million, $61.2 million and $74.6 million, respectively. The increase in liabilities as of June 30, 2023 is primarily the result of higher than projected claims activity, which resulted in the requirement of an increased premium deficiency reserve. The decrease in liabilities as of June 30, 2022 was primarily the result of payout of the return of surplus which is offset by the premium deficiency reserve, unpaid claims reserve and subscription liability for new accounting standard GASB 96.

HealthTrust's total net position as a result of the combined effects of assets, deferred outflows of resources, liabilities and deferred inflows of resources as of June 30, 2023, June 30, 2022 and 2021 totaled $23.7 million, $64.3 million and $90.0 million respectively.

The following table shows HealthTrust's condensed net position as of June 30:

	2023	2022	% Chg	2021	% Chg
Assets	$ 84,693,828	$ 114,760,946	(26)%	$ 158,860,383	(28)%
Property and equipment, net	98,503	39,177	151 %	450,671	(91)%
Subscription and right of use assets	4,535,254	6,320,550	(28)%	-	100 %
Investment in Center at Triangle Park, Inc.	4,960,990	5,216,776	(5)%	5,355,014	(3)%
Total Assets	94,288,575	126,337,449	(25)%	164,666,068	(23)%
Deferred Outflows of Resources	3,472,514	711,153	388 %	1,150,318	(38)%
Liabilities	69,869,802	56,831,871	23 %	74,127,933	(23)%
Subscription and lease liabilities	3,004,208	4,388,594	(32)%	428,288	924 %
Total Liabilities	72,874,010	61,220,465	19 %	74,556,221	(18)%
Deferred Inflows of Resources	1,158,272	1,560,972	(26)%	1,260,165	24 %
Unrestricted net position	17,138,268	57,079,256	(70)%	83,739,792	(32)%
Majority interest in Center at Triangle Park, Inc.	4,960,990	5,216,776	(5)%	5,355,014	(3)%
Investment in capital assets, net	1,629,549	1,971,133	(17)%	905,194	118 %
Total Net Position	$ 23,728,807	$ 64,267,165	(63)%	$ 90,000,000	(29)%

Consistent with the Governmental Accounting Standards Board's requirements, HealthTrust reflects net position in three categories: restricted, unrestricted and invested in capital assets. The amount of capital assets held, reflects the Organization's majority interest in Center at Triangle Park, Inc. (CTP) and the amount invested in property, equipment (equipment, computer software, hardware, furniture, etc.) and subscription and lease right of use assets, net of accumulated depreciation and amortization and related capital obligations. The amount in unrestricted net position reflects all other categories of net position, including the net unrealized gain/(loss) on marking investments to fair value. As described in Note 4 of the audited financial statements, these amounts are segregated into several categories as recognized by the HealthTrust Board of Directors. The categories include amounts for designated total net position target to protect HealthTrust's Members from unanticipated events such as larger than expected claims volume, unexpected decline in the value of invested funds, or other similar unforeseen events.

Liabilities:
Liabilities totaled $72.9 million at June 30, 2023, as compared to $61.2 million at June 30, 2022 and $74.6 million at June 30, 2021. Liabilities at June 30, 2023 are primarily comprised of claim and claim administration reserves and claims payable totaling $44.1 million, accounts payables and accrued expenses, unearned contributions, lease and subscription liabilities totaling $7.4 million, premium deficiency reserve $17.2 million and a net pension liability of $4.2 million. The remaining change in liabilities is primarily related to increased claims activity beyond projections which required an $8.5 million increase to the premium deficiency reserve, as well as a $3.7 million increase in pension liability, offset by decreases in subscription and lease liabilities totaling $1.4 million.

In accordance with GASB Statement No. 30, “Risk Financing Omnibus,” premium deficiencies are required to be calculated and reported by public entity risk pools. As GASB is not specific to healthcare entities, in establishing a premium deficiency reserve, HealthTrust also looks to generally accepted accounting principles issued by the Financial Accounting Standards Board (FASB) as well as applicable National Association of Insurance Commissioners (NAIC) relative to prepaid health care services contracts. Such guidance provides premium deficiency reserve guidance specific to health insurance entities, and has been used by HealthTrust to clarify and supplement GASB GAAP guidance issued within GASB Statement No. 30 which is specific to property liability insurance coverage. A premium deficiency can result when expected costs for coverage obligations as of the financial statement date exceed expected contributions (based on rates set prior to the financial statement date) for such coverage. As further described in Note 6, HealthTrust recorded a premium deficiency reserve of $17.2 million as of June 30, 2023 as compared to $8.7 million as of June 30, 2022. HealthTrust did not record a premium deficiency reserve as of June 30, 2021.

Operating Results:
HealthTrust’s operating results for the years ended June 30, 2023, 2022 and 2021 totaled $(43.9) million, $(19.4) million, and $(6.3) million, respectively. Including non-operating revenues and expenses and majority interest in the Center at Triangle Park, Inc., net position during FY2023, FY2022 and FY2021 decreased by $(40.5) million, decreased by $(25.7) million, and did not change, respectively. The operating results are impacted by claims experience as compared to estimates made during the rating process, the premium deficiency expense and return of surplus. The changes in net position from non-operating revenues are due to investment income and changes in the fair value of investments resulting from market fluctuations.

After finalizing the results for each year end, the governing board reviews the total net position to identify the amount above the designated total net position target to be returned to participating Member Groups. There was no return of surplus for the years ended June 30, 2023 and 2022.

Operating Results (Continued):

The following table summarizes HealthTrust's operations, as shown in the Statement of Revenues, Expenses and Changes in Net Position, for the years ended June 30:

	2023	2022	% Chg	2021	% Chg
Operating Revenues					
Contributions earned from Member Groups	$465,359,371	$452,421,516	3 %	$452,024,242	- %
Other revenues	5,063,526	3,614,529	40 %	3,217,978	12 %
Total operating revenues - net	470,422,897	456,036,045	3 %	455,242,220	- %
Operating Expenses					
Claims incurred	465,475,640	428,137,480	9 %	394,697,357	8 %
Anthem EPHC provider payments	2,378,050	2,437,420	(2)%	2,475,578	(2)%
Premium deficiency expense (gain)	8,466,669	8,688,839	(3)%	(10,066,000)	(186)%
Claims administrative fees paid	22,525,802	21,805,305	3 %	20,996,641	4 %
Return of surplus	-	-	0 %	38,194,255	(100)%
Affordable Care Act - Federal Taxes	149,870	143,726	4 %	136,660	5 %
General and administrative expenses	15,363,146	14,211,654	8 %	15,137,738	(6)%
Total operating expenses	514,359,177	475,424,424	8 %	461,572,229	3 %
Operating loss	(43,936,280)	(19,388,379)	127 %	(6,330,009)	206 %
Non-Operating Revenues					
Net investment income	5,776,379	2,011,476	187 %	1,875,519	7 %
Net (decrease) increase in fair value of investments	(2,320,622)	(8,213,515)	72 %	4,654,089	(276)%
Total non-operating revenues	3,455,757	(6,202,039)	156 %	6,529,608	(195)%
Change in net position before investment in subsidiary	(40,480,523)	(25,590,418)	(58)%	199,599	(12,921)%
Change in investment in Center at Triangle Park, Inc.	(57,835)	(138,238)	58 %	(199,599)	31 %
Change in net position	(40,538,358)	(25,728,656)	(58)%	-	(100)%
Net position, beginning of year	64,267,165	90,000,000	(29)%	90,000,000	- %
GASB 87 adoption	-	(4,179)	100 %	-	(100)%
Net position, end of year	$ 23,728,807	$ 64,267,165	(63)%	$ 90,000,000	(29)%

Operating Revenues:

Net operating revenues for FY2023, FY2022 and FY2021 totaled $470.4 million, $456.0 million and $455.2 million, respectively. FY2023 net operating revenues increased by 3.2% due to rate increases and enrollment changes. FY2022 net operating revenues also increased 0.2% due to rate increases and enrollment changes.

Operating revenues are primarily comprised of contributions earned from participating Member Groups. The cash provided by operating activities is detailed in the Statements of Cash Flows.

Operating Expenses:

Total operating expenses for FY2023, FY2022 and FY2021 totaled $514.4 million, $475.4 million and $461.6 million, respectively. FY2023 operating expenses increased $38.9 million over the prior year primarily as a result of an increase of $37.3 million in claims incurred. Additional impacts include a $1.3 million increase from ancillary services program changes, an increase in depreciation/amortization expense of $1 million, and a decrease in claims administration of $0.4 million. FY2022 operating expenses increased $13.9 million over the prior year primarily as a result of an increase of $33.4 million in claims and $18.8 in premium deficiency reserve, offset by a reduction of a $38.2 million return of surplus.

FY2023 operating expenses primarily include claims and provider payments incurred totaling $467.9 million, claims administration fees totaling $22.5 million, general and administrative expenses totaling $15.5 million, and the premium deficiency reserve of $8.5 million.

Operating expenses as a percentage of contributions earned from Member Groups are as follows for the years ended June 30:

	2023	2022	2021
Claims incurred	100.0 %	94.6 %	87.3 %
Anthem EPHC provider payments	0.5 %	0.5 %	0.5 %
Premium deficiency expense (gain)	1.8 %	1.9 %	(2.2)%
Return of surplus	- %	- %	8.4 %
Administrative fees paid	4.8 %	4.8 %	4.6 %
Administrative expenses	3.3 %	3.1 %	3.3 %

Cash Flows:

Cash and cash equivalents decreased by $32.2 million for FY2023 as a result of increased claims activity beyond projections, as seen on the Statement of Cash Flows. HealthTrust has several policies to ensure its cash flow needs are met. These policies address the level of cash:

- To be maintained in interest-bearing accounts
- To be allocated to cash and investments

Cash Flows (Continued):
HealthTrust maintained sufficient cash and investments to meet these policies for the period ending June 30, 2023. All cash is maintained in interest bearing, collateralized accounts at all times. At June 30, 2023 HealthTrust had approximately 10 days of cash on hand as compared to 35 days of cash on hand at June 30, 2022 and 65 days of cash on hand at June 30, 2021. HealthTrust continuously monitors the level of cash on hand to ensure compliance with HealthTrust policies and allow ample time to liquidate investments and meet obligations should the need arise. In July, HealthTrust liquidated investments to ensure compliance with our Cash and Cash Equivalents policy resulting in 23 days of cash on hand at July 31, 2023.

The duration of the portfolio, as calculated by the investment managers, was 4.50 years at June 30, 2023 as compared to 4.41 years at June 30, 2022, and 3.97 years at June 30, 2021.

Changes in Member Groups and Covered Enrollees:
HealthTrust closely watches changes in the number of Member Groups and the number of covered Enrollees, both in total and by benefit option. These indicators are important factors in administering the coverage lines, and could potentially affect claim volume. Significant shifts in the benefit options selected at the Member and Enrollee level can impact claims projections and future trend development. An increase in the number of covered Enrollees could create more participation in HealthTrust's *Slice of Life* wellness program, resulting in additional incentive dollars being paid as well as the need for additional capacity to service the expanded Enrollee base.

As of June 30, 2023, HealthTrust covered 78,108 unique covered persons participating in at least one of the following coverage lines: medical, dental, short-term disability, long-term disability, and life insurance. These covered persons represent Employees, Retirees, Spouses, and Dependents. HealthTrust continues to see enrollment shifts to lower cost benefit options that have increased co-payments and deductibles. While the current HMO plans have the largest number of Enrollees at 11,483, the Site-of-Service benefit options have continued to see significant growth and now have over 7,139 Enrollees. It is anticipated that this will continue to grow over the next few years. Enrollment for Medicare-eligible Retirees continues to grow with 7,193 Enrollees currently covered.

Enrollment in the Consumer Driven Health Plan (CDHP) remains small at 1,195 Enrollees, but it is an important part of the benefit options provided to Member Groups as they look for alternatives to meet the changing needs of their Employees. Dental and long-term disability enrollment remain fairly consistent over time, short-term disability and life insurance enrollment have grown moderately over the same period from 2021 to 2023.

Changes in Member Groups and Covered Enrollees:
The number of covered individuals by coverage line is as follows:

	2023	2022	2021	2020
Medical	53,036	52,861	53,502	53,412
Dental	58,755	56,919	56,147	56,118
Life	10,137	9,525	9,497	9,645
Short-term disability	4,357	4,022	3,911	3,874
Long-term disability	6,218	5,962	5,943	5,939

Participation:
HealthTrust contracts with Member Groups for coverage and the associated contribution rates on an annual basis for the upcoming coverage year. HealthTrust Bylaws provide that a Member may withdraw from coverage at any time, as long as proper notice is given as outlined in the HealthTrust Bylaws. HealthTrust does not maintain any multi-year contracts with its Members. However, Members generally maintain coverage for a full annual cycle, making any changes on their Group's renewal date, which is either on January 1 or July 1. If a Member withdraws from HealthTrust's medical coverage, they are required to wait two years before becoming eligible to rejoin the medical coverage line.

Market Share:
HealthTrust operates in a marketplace where there is targeted competition from other pooled risk management programs as well as insurance brokers. HealthTrust estimates, that as of June 30, 2023, HealthTrust Member Groups participating in its medical coverage line, represent approximately 73% of the total eligible number of groups in the New Hampshire public sector marketplace for medical coverage. HealthTrust offers annual renewals for current Members and proposals for eligible groups seeking new coverage. Due to the competitive environment, HealthTrust expects to see some movement of eligible groups between public sector risk pool entities on a regular basis.

Rating:
HealthTrust retains a recognized actuarial firm for advice regarding the anticipated revenue needed for its self-insured lines at each renewal and the resulting rates to be established for such coverage lines at each renewal. The rating process is designed to raise only the amount of revenue necessary to meet HealthTrust's needs for payment of claims, administration (including health management expenses) and actuarially determined adequate reserves. As with any actuarial prediction, there is a degree of uncertainty as to whether a particular rating will be sufficient in any one year to meet all of the needs of HealthTrust for that year. When such events occur such as experienced in FY2022 and FY2023, HealthTrust raises additional revenues by including a capital risk charge in subsequent rating periods. Correspondingly, there exists in the rating process the possibility that rates established in any year will produce higher revenue than is needed. As experienced in FY2020 and FY2021, at the end of fiscal years when the established rates produce higher revenue than is needed, HealthTrust returns the surplus to Member Groups. Based on its long experience, HealthTrust believes there is a high degree of likelihood that the rates established over time, the revenue raised and the funded reserves will be adequate to meet HealthTrust's obligations to its Members and their Employees, Retirees and Dependents.

Outlook:
Ensuring Member Group Employees, Retirees and Dependents receive high quality health care is the constant focus of HealthTrust and its Board of Directors and it is accomplished by providing high quality, comprehensive coverage at the lowest possible cost while maintaining exceptional Member Group and Enrollee services. HealthTrust also provides Member Groups tools to improve the total well-being of their Employees, Retirees and Dependents including the *Slice of Life* wellness program, LifeResources Employee Assistance Program, Corigen Medication Safety Program and Included Health. Many Member Groups also take advantage of dental, disability (short- and long-term) and life coverages as well as administrative services that HealthTrust offers such as Flexible Spending Account and Health Reimbursement Account administration, COBRA and Retiree billing services. We believe that the high quality health care coverage and wellness programs together with the exceptional service delivered by our staff sets HealthTrust apart in the New Hampshire public sector employee benefits marketplace.

HealthTrust's Mission, Vision and Values form the foundation of all we do. Our mission is to provide high quality, cost-effective, employee benefit products and services for public employers and employees in New Hampshire in order to reduce costs through pooling strategies with a commitment to education, health promotion and disease prevention. We are proud to be New Hampshire communities' most-trusted partner in achieving optimum health through a culture of wellness. We collaborate with our Members to share resources, new ideas, best practices, and problem-solving strategies. This synergistic partnership enables HealthTrust to provide proactive, forward-focused, comprehensive coverage plans, programs and services, while containing costs for Member Groups and their covered individuals.

The following are a few of the recent initiatives undertaken by HealthTrust to ensure it continues to provide high quality, cost-effective coverage to meet the unique needs of New Hampshire's public sector employers and employees.

Outlook (Continued):
Through partnerships with Anthem and CVS Caremark, HealthTrust offers medical plan options that balance accessibility, personal choice, and affordability through a broad provider network and collaborative partnerships.

HealthTrust regularly reviews its medical coverage portfolio to ensure plan options best meet the needs of Member Groups and Enrollees.

In 2023, HealthTrust updated its portfolio for active employees to include Open Access PPO plans. These plans provide a nationwide network outside the New England service area to improve access for out-of-area Retirees under age 65 and Enrollees with out-of-area dependents under age 26 such as college students. With the new nationwide network, which includes 93% of providers and 96% of hospitals nationwide and 100% of providers and hospitals in New Hampshire, covered individuals can choose care anywhere in the United States.

Pursuant to RSA 100-A:50, Retirees from Member Groups may maintain coverage under the same plan offered by the Member Group. In addition, HealthTrust has provided supplemental medical and prescription drug coverage (Medicomp Three) for Medicare eligible retirees. In 2023, HealthTrust reviewed its plan offerings for Medicare eligible Retirees in light of recent federal legislation. The Inflation Reduction Act of 2022 will significantly improve coverage and reduce costs for employer group plan sponsors offering Medicare Part D coverage. These improvements include significantly lower out-of-pocket spending cap ($2,000 starting 2025), limited monthly cost share for insulin ($35 starting 2023), and require the federal government to negotiate prices for some drugs covered under Medicare Part B and Part D (negotiated prices effective starting 2026). To best leverage the improvements for the benefit of HealthTrust Members and their covered retirees, we will begin offering a fully-insured employer group sponsored Medicare Advantage plan with an embedded Part D plan on January 1, 2025. HealthTrust expects that the transition from the Medicomp Three will result in reduced costs (on average, more than $300/month per enrollee) without any significant loss in coverage.

As noted above, HealthTrust partners with CVS Caremark, a pharmacy benefit manager (PBM), for prescription drug coverage. As a PBM, CVS Caremark leverages guaranteed volumes when negotiating with drug manufacturers to secure the most favorable pricing and also negotiates rebates to lower drug prices. CVS Caremark maintains its own network of pharmacies including retail, mail-order and specialty and provides drug utilization and management.

Because a PBM plays such an important role in ensuring access to safe and effective medication while simultaneously negotiating lower prices, HealthTrust issued a request for proposals prior to renewing its contract with CVS Caremark in 2022. The competitive bid process helped HealthTrust secure the best pricing for its Member Groups and Enrollees (more than 9% savings from status quo for the period from January 1, 2023 to June 30, 2026). Moreover, it provided important information about the cost savings that could be realized by moving to a managed formulary (nearly 16% savings with a managed formulary effective July 1, 2023 and continuing through June 30, 2026).

Outlook (Continued):
Effective July 1, 2023, HealthTrust transitioned to a managed formulary to encourage the use of safe, effective generic and brand-name medications while helping to control prescription drug costs. To encourage the safe, effective use and control the cost of the newly indicated weight-loss drugs, HealthTrust added a prior authorization process starting August 1, 2023.

Because access to quality health care requires more than access to a broad provider network and safe and effective medicines, HealthTrust provides innovative approaches to improve access to care, implement effective chronic condition management and address overall well-being. During 2023, HealthTrust introduced a new Slice of Life platform powered by Virgin Pulse. Upon registering with Virgin Pulse, participants can earn up to $475 in Pulse Cash each year. The highly engaging and personalized experience meets participants where they are in their wellness journey and provides them with a variety of tools and resources to achieve optimal health and live their best lives. Since its launch in January 2023, over 22% of eligible individuals have registered by August 1, 2023, the new platform had attracted nearly 40% more users than were participating in August 2022 using the old platform.

During FY2024, HealthTrust will continue to promote access to the high quality care through two important innovative programs - Included Health and Corigen Medication Safety Program. Through Included Health, covered individuals have access to expert second opinions and treatment advice from top doctors at no cost to them. Included Health will also identify the right primary care physician for individuals that are located nearby and accepting patients. Corigen Medication Safety Program, available to all covered individuals enrolled in a prescription drug benefit option, provides an analysis of medications based on an individual's DNA. Empowered with the test results, specially trained pharmacists work directly with the individual and their provider to make genetically informed, personalized decisions about what is right for their health that could minimize adverse drug reactions and side effects, improve how they feel every day, and reduce the need for risky and costly trial-and-error medication prescribing.

Every decision or program implemented by the Board is rooted in HealthTrust's mission. The Board is committed to the optimal health of its Covered Individuals and takes time each year to review strategic goals and implement strategic initiatives designed to meet and achieve the specific needs of the New Hampshire public sector.

HealthTrust, Inc.

Statements of Net Position

As of June 30, 2023 and 2022

	HealthTrust, Inc.		Center at Triangle Park, Inc.	
	2023	2022	2023	2022
Assets				
Cash and cash equivalents	$ 13,481,762	$ 45,702,766	$ 559,409	$ 719,557
Fixed-maturity securities	48,232,105	43,065,756	-	-
Mutual and exchange-traded funds	13,735,076	16,951,995	-	-
Contributions receivable	6,257,200	6,256,313	-	-
Accounts receivable	494,421	331,504	13,875	20,450
Accrued interest receivable	304,653	231,032	-	-
Prepaid expenses	176,887	209,856	23,589	-
Deposits - contractual	2,011,724	2,011,724	-	-
Property and equipment, net	98,503	39,177	4,482,099	4,633,558
Subscription asset/capitalized and prepaid system costs	4,118,801	5,491,734	-	-
Right of use asset	416,453	828,816	-	-
Rent receivable	-	-	719,105	807,630
Majority interest in Center at Triangle Park, Inc.	4,960,990	5,216,776	-	-
Total Assets	94,288,575	126,337,449	5,798,077	6,181,195
Deferred Outflows of Resources				
Deferred gain on pension assets	3,256,979	511,642	-	-
Deferred pension contributions	215,535	199,511	-	-
Total Deferred Outflows of Resources	3,472,514	711,153	-	-
Liabilities				
Claims payable	5,560,907	6,752,793	-	-
Claims reserves	35,756,483	33,777,330	-	-
Claims administration reserves	2,780,172	2,762,276	-	-
Return of surplus payable	-	-	-	-
Accounts payable and accrued expenses	2,958,420	3,458,498	79,232	86,434
Accounts payable - vaccine program	391,023	321,788	-	-
Due to other entities	-	-	4,468	4,468
Unearned contributions	1,095,257	592,953	-	-
Securities payable	-	-	-	-
Premium deficiency reserve	17,155,508	8,688,839	-	-
Lease liability	459,845	837,649	-	-
Subscription liability	2,544,363	3,550,945	-	-
Net pension liability	4,172,032	477,394	-	-
Total Liabilities	72,874,010	61,220,465	83,700	90,902

See accompanying notes to the financial statements.

HealthTrust, Inc.

Statements of Net Position (Continued)

As of June 30, 2023 and 2022

	HealthTrust, Inc.		Center at Triangle Park, Inc.	
	2023	2022	2023	2022
Deferred Inflows of Resources				
Deferred pension expenses	1,158,272	1,560,972	-	-
Deferred rent	-	-	668,026	784,999
Total Deferred Inflows of Resources	1,158,272	1,560,972	668,026	784,999
Net Position				
Unrestricted	13,334,911	50,955,277	564,252	671,735
Unrestricted - net unrealized gain on investment securities	3,803,357	6,123,979	-	-
Majority interest in Center at Triangle Park, Inc.	4,960,990	5,216,776	-	-
Investment in capital assets, net	1,629,549	1,971,133	4,482,099	4,633,559
Total Net Position	$ 23,728,807	$ 64,267,165	$ 5,046,351	$ 5,305,294

See accompanying notes to the financial statements.

HealthTrust, Inc.

Statements of Revenues, Expenses and Changes in Net Position

Years ended June 30, 2023 and 2022

	HealthTrust, Inc.		Center at Triangle Park, Inc.	
	2023	2022	2023	2022
Operating Revenues				
Contributions earned from				
Member Groups	$ 465,359,371	$ 452,421,516	$ -	$ -
Rental income	-	-	522,219	534,784
Support services income	88,887	91,484	-	-
Prescription administration and rebates	752,609	-	-	-
Ancillary services	3,843,644	2,768,411	-	-
COBRA and Medicare Part D	37,169	37,581	-	-
Other revenues	341,217	717,053	1,485	1,125
Total operating revenues - net	470,422,897	456,036,045	523,704	535,909
Operating Expenses				
Claims incurred	465,475,640	428,137,480	-	-
Anthem EPHC provider payments	2,378,050	2,437,420	-	-
Premium deficiency expense	8,466,669	8,688,839	-	-
Claims administrative fees paid	22,525,802	21,805,305	-	-
Affordable Care Act - Federal Taxes	149,870	143,726	-	-
Vaccine program	1,044,165	986,409	-	-
Depreciation and amortization	1,782,750	775,750	177,476	179,768
General and administrative expenses	12,536,231	12,449,495	455,329	506,572
Net loss on sale of property and equipment	-	-	-	41,055
Total operating expenses	514,359,177	475,424,424	632,805	727,395
Operating loss	(43,936,280)	(19,388,379)	(109,101)	(191,486)

See accompanying notes to the financial statements.

HealthTrust, Inc.

Statements of Revenues, Expenses and Changes in Net Position (Continued)

Years ended June 30, 2023 and 2022

	HealthTrust, Inc.		Center at Triangle Park, Inc.	
	2023	2022	2023	2022
Non-Operating Revenues				
Net investment income	$ 5,776,379	$ 2,011,476	$ 50,552	$ 51,537
Net (decrease) increase in fair value of investments	(2,320,622)	(8,213,515)	-	-
Total non-operating revenues	3,455,757	(6,202,039)	50,552	51,537
Change in net position before investment in subsidiary	(40,480,523)	(25,590,418)	(58,549)	(139,949)
Change in majority interest in Center at Triangle Park, Inc.	(57,835)	(138,238)	-	-
Change in net position	(40,538,358)	(25,728,656)	(58,549)	(139,949)
Net position, beginning of year	64,267,165	90,000,000	5,305,294	5,422,795
Shareholder distribution	-	-	(200,394)	-
GASB 87 adoption	-	(4,179)	-	22,448
Net position, end of year	$ 23,728,807	$ 64,267,165	$ 5,046,351	$ 5,305,294

See accompanying notes to the financial statements.

HealthTrust, Inc.

Statements of Cash Flows

Years ended June 30, 2023 and 2022

	HealthTrust, Inc.		Center at Triangle Park, Inc.	
	2023	2022	2023	2022
Cash Flows from Operating Activities				
Contributions collected from Member Groups	$ 466,624,396	$ 452,117,306	$ -	$ -
Cash received from other sources	4,048,114	3,306,038	1,485	1,125
Claims paid	(467,048,527)	(416,629,566)	-	-
Rental income collected	-	-	500,346	509,887
Salaries and benefits paid	(7,044,655)	(6,575,225)	-	-
Claims administrative fees and certain taxes paid	(22,675,672)	(21,949,031)	-	-
Return of surplus	-	(38,194,255)	-	-
Vaccine program expenses paid	(974,930)	(908,874)	-	-
Wellness expenses paid	(3,140,768)	(3,510,461)	-	-
Support services income collected	88,887	91,484	-	-
Other expenses paid	(2,061,456)	(2,135,308)	(486,120)	(493,763)
Net cash flows from operating activities	(32,184,611)	(34,387,892)	15,711	17,249
Cash Flows from Investing Activities				
Proceeds from sales and maturities of investments	12,293,852	9,337,799	-	-
Purchases of investments	(13,015,511)	(10,900,047)	-	-
Interest and dividends received	2,154,365	2,102,582	50,552	51,537
Proceeds from shareholder distribution	197,951	-	-	-
Net cash flows from investing activities	1,630,657	540,334	50,552	51,537
Cash Flows from Capital and Related Financing Activities				
Purchases of property and equipment	(66,000)	(43,792)	(26,017)	-
Lease payments	(401,162)	(449,396)	-	-
Payments for subscription asset/capitalized system implementation costs	(1,199,888)	(1,458,694)	-	-
Payment of shareholder distribution	-	-	(200,394)	-
Proceeds from sale of property and equipment	-	-	-	158,945
Net cash flows from capital and related financing activities	(1,667,050)	(1,951,882)	(226,411)	158,945
Net change in cash and cash equivalents	(32,221,004)	(35,799,440)	(160,148)	227,731
Cash and cash equivalents, beginning of year	45,702,766	81,502,206	719,557	491,826
Cash and cash equivalents, end of year	$ 13,481,762	$ 45,702,766	$ 559,409	$ 719,557

See accompanying notes to the financial statements.

HealthTrust, Inc.

Statements of Cash Flows (Continued)

Years ended June 30, 2023 and 2022

	HealthTrust, Inc. 2023	HealthTrust, Inc. 2022	Center at Triangle Park, Inc. 2023	Center at Triangle Park, Inc. 2022
Reconciliation of operating loss to net cash flows from operating activities				
Operating loss	$ (43,936,280)	$ (19,388,379)	$ (109,101)	$ (191,486)
Add (deduct) items not affecting cash:				
Depreciation and amortization	6,674	32,574	177,476	179,768
Non-cash lease expense/income	435,719	449,465	-	22,448
Non-cash subscription expense	1,566,241	399,722	-	-
Net loss on sale of property and equipment	-	-	-	41,055
Changes in statement of net position accounts:				
Contributions receivable	(887)	(379,155)	-	-
Accounts receivable	(162,917)	(240,632)	6,575	(24,714)
Prepaid expenses	32,969	(23,939)	(23,589)	-
Prepaid system costs	-	298,034	-	-
Deferred gain on pension assets	(2,745,337)	440,315	-	-
Rent receivable	-	-	88,525	(807,630)
Deferred rent	-	-	(116,973)	784,999
Deferred pension contributions	(16,024)	(1,150)	-	-
Claims payable	(1,191,886)	4,896,645	-	-
Claims reserves	1,979,153	9,078,465	-	-
Claims administration reserves	17,896	(29,776)	-	-
Return of surplus payable	-	(38,194,255)	-	-
Accounts payable and accrued expenses	(500,078)	132,249	(7,202)	12,809
Accounts payable - vaccine program	69,235	77,535	-	-
Unearned contributions	502,304	98,570	-	-
Premium deficiency reserve	8,466,669	8,688,839	-	-
Net pension liability	3,694,638	(1,023,826)	-	-
Deferred pension expenses	(402,700)	300,807	-	-
Net cash flows from operating activities	$ (32,184,611)	$ (34,387,892)	$ 15,711	$ 17,249

See accompanying notes to the financial statements.

Note 1 - Organization and Nature of Operations

HealthTrust, Inc. (HealthTrust), a New Hampshire voluntary corporation, was formed to provide employee benefits coverage to political subdivisions of the State of New Hampshire. In accordance with HealthTrust By-Laws, all political subdivisions of the State of New Hampshire and their instrumentalities are eligible to participate. The HealthTrust Board of Directors (Board of Directors) governs HealthTrust. HealthTrust serves as an association of local governments voluntarily joining together to finance their exposure for healthcare and other applicable coverage benefit costs provided to their employees and is funded by its Member Groups. HealthTrust covered the following separate individuals among all coverage lines as of June 30:

	2023	2022
Medical	53,036	52,861
Dental	58,755	56,919
Life	10,137	9,525
Short-term disability	4,357	4,022
Long-term disability	6,218	5,962

HealthTrust’s mission is to provide high quality, cost-effective employee benefits products and services for public employers and employees in New Hampshire in order to reduce costs through pooling strategies with a commitment to education, health promotion and disease prevention. HealthTrust's underwriting and rate setting policies have been established after consultation with actuaries.

Center at Triangle Park, Inc. (CTP) was formed as a voluntary corporation and a 501(c)(25) entity for the purpose of acquiring and holding title to real estate. As of June 30, 2023 and 2022, HealthTrust owns 98.8% of outstanding CTP shares and New Hampshire Municipal Association, Inc. (NHMA) owns 1.2%. CTP leases the real estate to HealthTrust, NHMA and third parties. In accordance with the standards set by the Governmental Accounting Standards Board (GASB), Statement No. 90, *Majority Equity Interest*, the Company has evaluated its majority interest in CTP, and determined that this does not meet the GASB definition of an investment. As such, the assets and all activity of CTP are included in these financial statements as a discretely presented component unit. HealthTrust's interest in CTP is recognized under the equity method of accounting, whereby the gain or loss in the operations of CTP is recognized in proportion to the ownership shares and the investment in CTP is adjusted to recognize the associated gain or loss, net of any distributions from CTP.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applied to proprietary funds of governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. HealthTrust's and CTP’s financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

CTP is primarily an internal service fund providing office space to related entities on a cost reimbursement basis. Given HealthTrust’s 98.8% ownership interest in CTP, along with its intent that owning CTP enhances its abilities to provide services to Members, the financial statements of CTP have been included as a component unit to maximize transparency.

Use of Estimates
Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, deferred inflows and outflows of resources, and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Risks and Uncertainties
In March 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus (COVID-19) outbreak, which has led to a global health emergency. Through June 30, 2020, HealthTrust experienced a dramatic decline in claims activity as a result of the pandemic, suggesting Members were deferring care, which may be related to the recent increases noted in high dollar claims. As of and through June 30, 2023 and 2022, the continuing impact on claims is still uncertain.

HealthTrust invests in various securities as part of its ongoing operations and is exposed to economic and financial market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and those changes could materially affect the amounts reported on the statements of net position.

Subsequent Events
HealthTrust has evaluated subsequent events for disclosure and recognition through October 12, 2023, the date these financial statements were available to be issued.

Cash Equivalents
Cash equivalents consist of money market funds and all highly liquid investments with original maturities of three months or less.

Note 2 - Summary of Significant Accounting Policies (Continued)

Investments
HealthTrust's investments consist of mutual and exchange-traded funds (ETFs) and fixed-maturity securities detailed in Note 5. Investments are stated at fair value based upon quoted market prices or through a recognized pricing service.

HealthTrust accounts for its investments in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (Statement No. 31). Statement No. 31 establishes fair value standards on accounting for all investments held by governmental external investment pools and governmental entities. All investment income, including changes in the fair value of investments, is recognized in the statements of revenues, expenses and changes in net position. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold during the current year were included as a change in the fair value of investments reported in the prior years and the current year. Realized gains and losses on the sale of investments are recognized using the specific ID method for fixed-maturity securities and average cost for mutual and exchange traded funds to determine the costs of the investments sold. Investment purchases are recognized on the trade date.

HealthTrust's estimates of fair value for financial assets are based on the framework established in GASB Statement No. 72, *Fair Value Measurement and Application*. The framework is based on the inputs used in valuation and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the fair value accounting guidance includes a hierarchy based on whether significant valuation inputs are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the HealthTrust's significant market assumptions.

If the inputs used to measure the assets fall within different levels of the hierarchy, the classification is based on the lowest level of input that is significant to the fair value measurement of the asset. Classification of assets within the hierarchy considers the markets in which the assets are traded and the reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy and those investments included in each are as follows:

- Level 1 – Inputs to the valuation methodology are quoted prices for identical assets traded in active markets.

Note 2 - Summary of Significant Accounting Policies (Continued)

- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset and market corroborated inputs.

- Level 3 – Valuations based on models where significant inputs are not observable. The unobservable inputs reflect HealthTrust’s own assumptions about the inputs that market participants would use.

Fair values are based on quoted market prices when available (Level 1). HealthTrust receives the quoted market prices from a third party, nationally recognized pricing service. When market prices are not available, HealthTrust utilizes a pricing service to determine an estimate of fair value. The fair value is generally estimated using current market inputs for similar financial instruments with comparable terms and credit quality, commonly referred to as matrix pricing (Level 2). These valuation techniques involve some level of management estimation and judgment.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3*, certain disclosures regarding deposit and investment risks have been provided in Note 5.

Contributions from Member Groups
Contributions from Members participating in HealthTrust's coverage lines are generally recognized as revenue on a monthly basis over the participation contract term. The portion of the contributions received in cash that will be earned in the future is deferred and reported as unearned contributions on the statements of net position. Contributions receivable consist primarily of contributions billed to Member Groups for the current contract term that have not been collected. Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management considers all contributions receivable to be collectible as of June 30, 2023 and 2022, therefore, an allowance for doubtful accounts has not been provided.

Prescription Administration and Rebates
HealthTrust receives prescription rebates related to the use of prescription drugs. HealthTrust's agreement with CVS Caremark utilizes a point-of-sale prescription rebate methodology. Point-of-sale prescription rebates are applied against prescription costs at the point of sale and as such are applied directly against claims incurred on the statements of revenues, expenses and changes in net position.

Note 2 - Summary of Significant Accounting Policies (Continued)

Prescription rebates due to/from HealthTrust's service providers are included within claims payable on the statements of net position. As of June 30, 2023 and 2022, rebates receivable of $6,495,050 and $4,380,214 were netted against claims payable. Management considers all prescription rebates receivable to be collectible as of June 30, 2023 and 2022, therefore, no allowance for doubtful accounts was provided.

Property and Equipment, Net
Property and equipment with an estimated useful life greater than one year is capitalized at cost. The cost of maintenance and repairs is charged to expense as incurred, while renewals, replacement of existing systems and betterments are capitalized. Upon the sale or other disposition of assets, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in operating loss.

Land is not depreciated. Other property and equipment is depreciated or amortized using primarily the straight-line method over the following useful lives:

	Estimated Useful Life (Years)
Land improvements	15
Buildings and building improvements	31 - 40
Office equipment, computers and other equipment	3 - 5
Furniture and fixtures	3 - 5

Lease Activities
CTP leases office space to HealthTrust and other entities pursuant to lease agreements. At the commencement of a new lease in excess of twelve months, CTP recognizes a lease receivable equal to the present value of expected future lease payments over the lease term and a deferred inflow of resources equal to the unearned portion of the lease receivable, plus any lease prepayments received. CTP recognizes rental income on a straight line basis over the remaining lease term. Leases twelve months or less are recognized as rental income on a straight line basis over the lease term.

Note 2 - Summary of Significant Accounting Policies (Continued)

HealthTrust determines if an arrangement is a lease or contains a lease at the inception of each contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified asset in exchange for consideration. HealthTrust's lease agreements do not contain any material residual value guarantees or material restrictive covenants. HealthTrust recognizes a right of use asset and lease liability for contracts determined to be a lease. At each lease inception, a lease liability is recognized and measured at the present value of the lease payments over the lease term and a right of use assets is recognized equal to the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. HealthTrust uses the implicit rate when readily determinable, such as for equipment leases. HealthTrust uses its incremental borrowing rate to measure leases for office space. Incremental borrowing rates used to determine the present value of lease payments were derived by reference to quoted rates HealthTrust would receive to finance each lease transaction or needed to borrow the amount of the undiscounted future payments over the term of the lease. The lease term may include options to extend or to terminate the lease that HealthTrust and the lessor are reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

Classification of Revenues and Expenses
HealthTrust's statements of revenues, expenses and changes in net position distinguish between operating and non-operating revenues and expenses. Operating revenues primarily result from contributions earned from participating Member Groups to cover estimated benefits obligations and administrative costs, and increases needed to maintain the actuarially-determined capital reserve levels. HealthTrust's operating revenues also include Ancillary Services and COBRA revenue, which consist of administration fees charged for Members who elect to have HealthTrust administer their flexible spending accounts, life insurance programs, long-term disability programs and COBRA billing. Prescription administration and rebates revenue and support services income from providing administrative and business support services to other entities, as more fully described in Note 9, are also included in HealthTrust's operating revenues. Operating expenses primarily consist of expenses incurred to provide underwriting and claims payment services, administrative expenses and depreciation of property and equipment. Other revenues and expenses, including interest income and changes in the fair value of HealthTrust's investments, are classified as non-operating on the statements of revenues, expenses and changes in net position.

CTP's statements of revenues, expenses and changes in net position distinguish between operating and non-operating revenues and expenses. Operating revenues primarily result from rental of property, CTP's principal activity. Operating expenses are all expenses incurred in rental operations. Interest income is reported as non-operating revenue.

Note 2 - Summary of Significant Accounting Policies (Continued)

Claims and Administration Reserves
HealthTrust establishes claims and claims administration reserves based on estimates of the ultimate cost of claims that have been reported, but not settled, and of claims that have been incurred, but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Claims reserves are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent claim costs, claim frequency, and other economic and societal factors. Adjustments to claims reserves are charged or credited as an expense in the periods in which they are made. HealthTrust's third-party claims administrative service agreements for medical and dental coverage include a provision for two months of administrative service fees to be paid for run-out services in the event the agreements are terminated. As such, HealthTrust has accrued for this contractual obligation as a component of the claims and administrative reserves.

HealthTrust utilizes an independent consulting actuary to estimate claims and claims administration reserves for health, dental and short-term disability coverages.

Income Taxes
HealthTrust and CTP are exempt from federal and New Hampshire state income taxes under provisions of the Internal Revenue Code and New Hampshire law.

Note 3 - Cash and Cash Equivalents

HealthTrust and CTP maintain cash and cash equivalents in bank deposits and cash management accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per financial institution, as well as in money market funds which are not FDIC insured. As of June 30, 2023 and 2022, HealthTrust's total bank balance of cash held in excess of the FDIC limit was approximately $13.2 million and $45.4 million, respectively. As of June 30, 2023 and 2022, CTP's total bank balance of cash held in excess of the FDIC limit was approximately $309,000 and $470,000, respectively. The balances in excess of the FDIC limit are collateralized with securities held in joint custody with a third party custodian.

Note 4 - Net Position

Total net position is available to fund HealthTrust’s designated total net position target with the remaining balance to be returned to Member Groups as surplus. HealthTrust's total net position includes the following at June 30:

	2023	2022
Board-designated total net position target	$ 90,000,000	$ 85,000,000
(Deficiency) Surplus from Board-designated target	(66,271,193)	(20,732,835)
Total net position prior to return of surplus	$ 23,728,807	$ 64,267,165

Note 4 - Net Position (Continued)

The Board of Directors relies upon the opinion of a qualified independent consulting actuary, Milliman, who is a member of the American Academy of Actuaries and qualified in the area of health coverage, using an actuarially sound methodology to determine the required capital adequacy reserve for HealthTrust to ensure that all obligations for the payment of claims and expenses can be met.

Milliman recommended that HealthTrust should target a required capital adequacy reserve of between $90 million to $150 million, and between $85 million to $135 million, as of June 30, 2023 and 2022, respectively. Milliman advised the Board of Directors that the lower end of the range is appropriate if HealthTrust has pricing flexibility and the upper range is appropriate if HealthTrust does not have pricing flexibility.

Based on the Milliman recommendation, the HealthTrust Board of Directors set HealthTrust's capital adequacy reserve target at $90 million and $85 million as of June 30, 2023 and 2022, respectively.

There is always the risk of unpredictable claim fluctuations beyond expected levels. The following are some reasons why claims might exceed expected levels: (1) medical trend or prescription costs are significantly higher than expected; (2) a small number of very large randomly occurring claims; (3) influx of new participants that are not as healthy as average existing participants; (4) departure of participants that are healthier than average; (5) federal/state legislation that results in higher costs; and (6) new technologies/treatments such as high cost drugs and advanced imaging techniques. In order to protect HealthTrust's Member Groups and their covered employees and dependents from these potential unexpected costs, HealthTrust designates a certain level of net position, which it identifies as the capital adequacy reserve target, to ensure the availability of sufficient capital to cover these risks.

The portion of HealthTrust's net position invested in capital assets consists of the following at June 30:

	2023	2022
Investment in property and equipment and other capitalized assets, net of accumulated depreciation and lease and subscription obligations	$ 1,629,549	$ 1,971,133
Majority interest in CTP	4,960,990	5,216,776
Total investment in capital assets, net	$ 6,590,539	$ 7,187,909

As of June 30, 2023 and 2022, CTP's investment in capital assets represents the amount of assets which have been invested in property and equipment, intangible right of use lease and subscription assets and capitalized system implementation costs, net of accumulated depreciation and related obligations.

Note 5 - Investments

During the years ended June 30, 2023 and 2022, HealthTrust realized net gains on sales of investments of $3,572,551 and $18,349, respectively.

General Investment Risks and Uncertainties
HealthTrust invests in various investments. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

CTP maintains commercial insurance coverage for its buildings and improvements. Coverage limits are set at replacement values with customary levels of deductibles.

Concentration of Credit Risk
Concentration risk is the risk of loss attributable to the magnitude of an investment in a single issuer. HealthTrust addresses this risk by limiting single-issuer investments to 5% of total investments (with the exception of U.S. Government obligations and mutual and exchange-traded funds, which have no limit). There are no single investments that exceed that limit as of June 30, 2023 and 2022.

Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. HealthTrust mitigates the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio so that securities mature to meet the cash requirements for ongoing operations, thus avoiding the need to sell securities on the open market prior to maturity. The matching of investments to expected cash is not applied to the required capital adequacy reserve, as consistent with the purpose of that reserve, it is needed to cover unexpected events at some unknown future date.

The following table provides a summary of the fair value of HealthTrust's fixed-maturity securities by contractual maturity as of June 30, 2023. Fixed-maturity securities include U.S. Treasury securities, corporate bonds, municipal bonds, commercial mortgage backed securities (CMBS), asset backed securities and government enterprise sponsored MBS (GSE MBS). Mortgage and asset backed securities are categorized based upon their contractual maturities. Expected maturities may differ from contractual maturities because certain borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

Note 5 - Investments (Continued)

	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years	Total
U.S. Treasuries	$ 829,945	$ 4,343,672	$ -	$ -	$ 5,173,617
Corporate bonds	2,572,982	4,106,901	4,118,874	1,839,970	12,638,727
Municipal bonds	178,458	412,685	674,112	4,239,114	5,504,369
CMBS	-	807,182	183,166	2,075,244	3,065,592
Asset backed	-	4,851,730	792,934	-	5,644,664
GSE MBS	-	69,837	-	16,135,299	16,205,136
Total	$ 3,581,385	$ 14,592,007	$ 5,769,086	$ 24,289,627	$ 48,232,105

The following were the effective durations of fixed-maturity security investments held by HealthTrust as of June 30, 2023:

	Fair Value	Effective Duration
U.S. Treasury Securities	$ 5,173,617	1.85
Corporate Bonds	12,638,727	4.26
Municipal Bonds	5,504,369	9.01
CMBS	3,065,592	3.38
Asset backed	5,644,664	1.63
GSE MBS	16,205,136	5.23
Total	$ 48,232,105	

The effective duration of the fixed-maturity securities portfolio, as calculated by HealthTrust's investment manager, is 4.50 and 4.41 years at June 30, 2023 and 2022, respectively.

Custodial Credit Risk
Custodial credit risk is the risk that, in the event of failure of the counterparty, HealthTrust will not be able to recover the value of its investments that are in the possession of the outside party. As of June 30, 2023 and 2022, HealthTrust did not have any investments subject to custodial credit risk.

Credit Risk
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured by an assigned rating from a nationally recognized credit rating agency such as Standard and Poor’s or Fitch's Rating Services. These organizations look at a number of factors in order to evaluate the credit risk of an obligation and rate the risk. This rating allows investors to make informed buying and selling decisions. HealthTrust's investment policy mitigates credit risk by limiting investments to investment-grade securities and diversifying the portfolio.

Note 5 - Investments (Continued)

The table below outlines the credit ratings of HealthTrust's fixed-maturity securities as of June 30, 2023:

	U.S. Treasuries	GSE MBS	Corporate Bonds	Municipal Bonds	CMBS	Asset Backed	Total
AAA	$ -	$ -	$ 98,504	$ 188,792	$ 2,199,859	$ 5,644,664	$ 8,131,819
AA+	5,173,617	16,205,136	-	1,311,299	865,733	-	23,555,785
AA	-	-	-	578,766	-	-	578,766
AA-	-	-	643,687	2,330,285	-	-	2,973,972
A+	-	-	1,609,354	1,038,157	-	-	2,647,511
A	-	-	1,258,297	-	-	-	1,258,297
A-	-	-	5,595,495	57,070	-	-	5,652,565
BBB+	-	-	2,684,784	-	-	-	2,684,784
BBB	-	-	723,594	-	-	-	723,594
BBB-	-	-	25,012	-	-	-	25,012
BB	-	-	-	-	-	-	-
Total	$ 5,173,617	$ 16,205,136	$ 12,638,727	$ 5,504,369	$ 3,065,592	$ 5,644,664	$ 48,232,105

** The credit rating agency used for this disclosure was Standard & Poor's (S&P) supplemented with Moody's ratings for bonds not rated by the S&P.

At times after purchase, the rating of a security may fall below investment grade and the security may be retained if the risk of default is deemed low by HealthTrust's investment manager and investment advisor.

Fair Value
The following table presents the levels within the fair value hierarchy at which HealthTrust's investments are measured on a recurring basis as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Fixed-maturity securities:				
U.S. Treasuries	$ 5,173,617	$ -	$ -	$ 5,173,617
Corporate bonds	-	12,638,727	-	12,638,727
Municipal bonds	-	5,504,369	-	5,504,369
CMBS	-	3,065,592	-	3,065,592
Asset backed	-	5,644,664	-	5,644,664
GSE MBS	-	16,205,136	-	16,205,136
Total fixed-maturity securities	$ 5,173,617	$ 43,058,488	$ -	$ 48,232,105

Note 5 - Investments (Continued)

	Level 1	Level 2	Level 3	Total
Mutual funds and ETFs:				
Institutional index fund	$ 10,395,804	$ -	$ -	$ 10,395,804
Small cap index fund	1,940,764	-	-	1,940,764
Developed markets index fund	1,398,508	-	-	1,398,508
Total mutual funds and ETFs	$ 13,735,076	$ -	$ -	$ 13,735,076

The following table presents the levels within the fair value hierarchy at which HealthTrust's investments are measured on a recurring basis as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Fixed-maturity securities:				
U.S. Treasuries	$ 4,740,609	$ -	$ -	$ 4,740,609
Corporate bonds	-	12,209,274	-	12,209,274
Municipal bonds	-	4,369,904	-	4,369,904
CMBS	-	3,706,037	-	3,706,037
Asset backed	-	4,162,192	-	4,162,192
GSE MBS	-	13,877,740	-	13,877,740
Total fixed-maturity securities	$ 4,740,609	$ 38,325,147	$ -	$ 43,065,756
Mutual funds and ETFs:				
Institutional index fund	$ 13,151,448	$ -	$ -	$ 13,151,448
Small cap index fund	2,275,647	-	-	2,275,647
Developed markets index fund	1,524,900	-	-	1,524,900
Total mutual funds and ETFs	$ 16,951,995	$ -	$ -	$ 16,951,995

Note 6 - Premium Deficiency

In accordance with GASB Statement No. 30, *Risk Financing Omnibus*, premium deficiencies are required to be calculated and reported by public entity risk pools. A premium deficiency can result when expected costs for coverage obligations as of the financial statement date exceed expected contributions (based on rates set prior to the financial statement date) for such coverage. In establishing a premium deficiency reserve HealthTrust also considers generally accepted accounting principles issued by the Financial Accounting Standards Board (FASB) relative to prepaid health care services contracts and Statement of Statutory Accounting Principles No. 54, Individual and Group Accident and Health Contracts, issued by the National Association of Insurance Commissioners (NAIC). Such guidance provides premium deficiency reserve guidance specific to health insurance entities, and has been used by HealthTrust to clarify and supplement GASB GAAP guidance issued within GASB Statement No. 30 which is specific to property liability insurance coverage. Accordingly, in deriving the estimate of future health care costs and maintenance costs to be considered in determining whether a premium deficiency loss has been incurred, HealthTrust includes projections of fixed and variable, direct and allocable indirect costs allocated to each of its operating pools. HealthTrust recorded a premium deficiency reserve in the amount of $17.2 million and $8.7 million as of June 30, 2023 and 2022, respectively. Investment income was included as part of the calculation in determining if a premium deficiency existed. HealthTrust relies on the work of a consulting actuary to determine the premium deficiency reserve at June 30, 2023 and 2022.

A significant degree of judgment and uncertainty is involved in estimating premium deficiency reserves, which is increased due to the uncertainty caused by disruptions in health care trends caused by COVID-19 and medical claims inflation. Management believes that the premium deficiency reserve recorded represents its best estimate of the amount necessary to cover the cost of future claims HealthTrust is obligated to cover, however due to the uncertainty associated with actual claims, experience may not conform to the assumptions used in determining the current estimate. The ultimate liability could be significantly in excess of or less than the amount accrued in the financial statements. As adjustments to these estimates become necessary, they will be reflected in current operations.

Note 7 - Property and Equipment

HealthTrust's property and equipment balances and activity for the year ended June 30, 2023 are as follows:

	Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Property and equipment, at cost:				
Office equipment	$ 128,703	$ -	$ -	$ 128,703
Computer equipment	1,250,188	66,000	-	1,316,188
Total at cost	1,378,891	66,000	-	1,444,891
Less: accumulated depreciation	(1,339,714)	(6,674)	-	(1,346,388)
Total property and equipment, net	$ 39,177	$ 59,326	$ -	$ 98,503

HealthTrust's property and equipment balances and activity for the year ended June 30, 2022 are as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Property and equipment, at cost:				
Office equipment	$ 105,747	$ 22,956	$ -	$ 128,703
Computer equipment	1,791,055	-	(540,867)	1,250,188
Total at cost	1,896,802	22,956	(540,867)	1,378,891
Less: accumulated depreciation	(1,446,131)	(32,581)	138,998	(1,339,714)
Total property and equipment, net	$ 450,671	$ (9,625)	$ (401,869)	$ 39,177

CTP's property and equipment balances and activity for the year ended June 30, 2023 are as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Property and equipment, at cost:				
Land and land improvements	$ 945,629	$ -	$ -	$ 945,629
Buildings and building improvements	7,415,843	26,017	-	7,441,860
Equipment	331,058	-	-	331,058
Total at cost	8,692,530	26,017	-	8,718,547
Less: accumulated depreciation	(4,058,972)	(177,476)	-	(4,236,448)
Total property and equipment, net	$ 4,633,558	$ (151,459)	$ -	$ 4,482,099

Note 7 - Property and Equipment (Continued)

CTP's property and equipment balances and activity for the year ended June 30, 2022 are as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Property and equipment, at cost:				
Land and land improvements	$ 1,145,629	$ -	$ (200,000)	$ 945,629
Buildings and building improvements	7,415,843	-	-	7,415,843
Equipment	331,058	-	-	331,058
Total at cost	8,892,530	-	(200,000)	8,692,530
Less: accumulated depreciation	(3,879,204)	(179,768)	-	(4,058,972)
Total property and equipment, net	$ 5,013,326	$ (179,768)	$ (200,000)	$ 4,633,558

No impairment losses were recorded during the year ended June 30, 2023 or 2022. During May of 2022, CTP sold a parcel of land with a book value of $200,000 for $158,945 resulting in a loss on sale of $41,055.

Note 8 - Claims and Administration Reserves

As discussed in Note 2, HealthTrust establishes a liability for both reported and unreported covered events, which includes estimates of both future payments of claims and related claim adjustment credits. The following represents changes in the aggregate undiscounted claims and claims administration reserves for HealthTrust during the years ended June 30:

	2023	2022
Claims and administration reserves at beginning of year	$ 36,539,606	$ 27,490,917
Incurred claims and claim adjustment expenses:		
Provision for covered events of current year	463,259,797	422,204,974
Adjustments to provision for covered events of prior years	2,215,843	5,932,506
Total incurred claims and claim adjustment expenses	465,475,640	428,137,480
Payments of claims and claim adjustment expenses:		
Payments attributable to covered events of current year	(428,586,942)	(388,226,667)
Payments attributable to covered events of prior years	(34,891,649)	(30,862,124)
Total payments	(463,478,591)	(419,088,791)
Claims and administration reserves at end of year	$ 38,536,655	$ 36,539,606

Incurred claims and claim adjustment expenses included in claims payable on the statements of net position as of June 30, 2023 and 2022 are considered to have been paid for the purpose of the claims and claims administration reserves reconciliation above.

Note 9 - Transactions With Other Entities

HealthTrust leases office space from CTP pursuant to a lease agreement whose current term runs through June 30, 2024, and automatically renews for additional two-year terms unless either party notifies the other of its intent not to renew pursuant to the terms of the lease agreement. Total lease expense under this arrangement was $254,278 and $303,537 for the years ended June 30, 2023 and 2022, respectively, to cover its share of CTP's operating expenses based on HealthTrust's proportional usage of the building. CTP has included these amounts as operating revenues in the same year.

CTP leases office space to NHMA pursuant to a lease agreement that extends through May 30, 2026. Total lease income recorded by CTP under this arrangement was $33,928 and $34,815 for the years ended June 30, 2023 and 2022, respectively, to cover its share of CTP's operating expenses based on NHMA's proportional usage of the building.

HealthTrust received administrative and other business support services income from CTP pursuant to service agreements ratified by each entity's governing board. Under those agreements, HealthTrust earned and CTP expensed $88,887 and $91,484 related to support services during the years ended June 30, 2023 and 2022, respectively.

HealthTrust provides employee benefits coverage to its employees. HealthTrust also provides employee benefits coverage to the employees of NHMA, as participating Member Groups in HealthTrust. The associated revenue is included in contributions earned from Member Groups on the statements of revenues, expenses and changes in net position. The costs incurred by HealthTrust related to providing employee benefits coverage to its employees are included in salaries and benefits expense within operating expenses on the statements of revenues, expenses and changes in net position.

Although NHMA is not technically a related party to HealthTrust, transactions with this entity are reported here due to the historical relationship that previously existed between the entities.

Note 10 - Life Insurance and Long-Term Disability Programs

HealthTrust provides access for its Member Groups to life insurance and long-term disability coverage provided on a fully insured basis by other insurance companies. HealthTrust pays the premiums to the insurance providers on behalf of the participating Member Groups, which are then reimbursed to HealthTrust by the participating Member Groups. During the years ended June 30, 2023 and June 30, 2022, HealthTrust paid $2,166,875 and $1,985,845, respectively, in premiums for life insurance and long-term disability coverage. These amounts are included in both ancillary services revenue and as a component of claims administrative fees paid on the statements of revenues, expenses and changes in net position.

Note 11 - Exemption from Statutory Accounting Practices

HealthTrust was established for the benefit of the political subdivisions of the State of New Hampshire. As such, HealthTrust is not considered an insurer under the laws of the State, and administration of the activities of HealthTrust do not constitute conducting an insurance business for purposes of regulation or taxation. At June 30, 2023 and 2022, Statements of Statutory Accounting Practices as promulgated by the National Association of Insurance Commissioners are not applicable to HealthTrust.

Note 12 - Deferred Compensation Plan

The employees of HealthTrust are covered by a Section 457 Deferred Compensation Plan administered by MissionSquare Retirement (formerly ICMA Retirement Corporation). All full-time employees are immediately eligible to participate in the plan and may elect to defer up to 100% of their gross compensation up to the federal limits. Contributions to the plan and the related income on those contributions are held by MissionSquare Retirement.

Employee contributions to the deferred compensation plan totaled $166,611 and $181,026 for the years ended June 30, 2023 and 2022, respectively. There were no employer contributions during 2023 and 2022.

Note 13 - Defined Benefit Pension Plan

Plan Description
The HealthTrust/NHMA Pension Plan (the Plan) is a cost-sharing multiple-employer defined benefit pension plan. The Boards of Directors of the participating employers in the Plan, HealthTrust and NHMA, collectively retain the authority to establish, amend or terminate the Plan and its provisions at any time subject to any legal limitations. The Plan documents have established a Retirement Committee to administer the Plan. The majority of the members of the Retirement Committee are appointed by the Boards of Directors of the participating employers. HealthTrust appoints four of the nine members to the Retirement Committee. The Retirement Committee serves as the Plan administrator to the Plan and has discretionary authority regarding issues related to administration, interpretation and application of the Plan. All active, non-temporary employees of HealthTrust and NHMA are required to participate in the Plan as a condition of employment. The Plan provides a monthly benefit when a Plan participant retires or leaves after qualifying for benefits. The Plan does not issue a standalone financial report.

Summary of Significant Accounting Policies
GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (Statement No. 68) establishes financial reporting requirements for most governmental organizations that provide their employees with pension benefits. In accordance with Statement No. 68, HealthTrust recognizes its proportionate share of the Plan's collective net pension liability and pension expense, and the related deferred outflows and inflows of resources, on the financial statements.

Note 13 - Defined Benefit Pension Plan (Continued)

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense reported by the Plan have been determined using the accrual basis of accounting in conformity with GAAP as applied to governmental entities. The Plan's investments are reported at fair value based upon quoted market prices.

Benefits
The participants' benefits are established in the Plan and may only be changed with an amendment to the Plan. A participant's benefit is determined under a formula that multiplies the participant's final average earnings by her/his credited service. The formula is 1.50% of the final average earnings for each year of credited service, not to exceed 50% of the participant's final average salary. Final average salary is defined as the average of the highest three consecutive years out of the last ten years base salary prior to retirement or termination. Participants are eligible for normal retirement at age 65, or early retirement at the age of 55 with 10 years of credited service. If a participant chooses early retirement, the benefit will be reduced by 0.25% for each month prior to the normal retirement date. If a participant remains employed after age 65, benefits will continue to accrue without any actuarial adjustment for late retirement, however the maximum benefit shall not exceed 50% of the average final salary. Upon reaching eligible retirement age, a vested participant who elects to retire generally receives benefit payments in annuity installments based upon the participant's retirement elections; however, participants may elect to receive a lump sum payment if the lump sum benefit is less than $10,000.

Contributions
The contribution requirements of the participating employers under the Plan are established and may be amended by the Retirement Committee based on the annual actuarial valuation of the Plan. The contribution requirements of the participating employees was established in the Plan and could only be changed with an amendment to the Plan.

For the plan years ended December 31, 2023, 2022 and 2021, the employees contribution rate is 5.5% and the employer's contributions are 8.99%, 9.08% and 8.94%, respectively, of each participant's earnings to the Plan.

A summary of employer and employee contributions to the Plan is as follows for the plan years ended December 31:

	Annual Required Contributions	Employer Contributions	Employee Contributions	Percentage Contributed
2022	$ 501,911	$ 501,911	$ 304,021	100%
2021	$ 496,076	$ 496,076	$ 305,192	100%

Note 13 - Defined Benefit Pension Plan (Continued)

Summary Plan Financial Information
The net pension liability was measured as of December 31, 2022 and 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

A schedule of the Plan's fiduciary net position is as follows as of the plan year ended December 31:

	2022	2021
Cash and cash equivalents	$ 47,813	$ 267,744
Investments, at fair value:		
Exchange-traded funds	14,860,586	17,725,320
Accounts payable	(19,675)	(58,725)
Net position available for pension benefits	$ 14,888,724	$ 17,934,339

As of December 31, 2022 and 2021, the Plan's equities and exchange-traded funds are categorized as Level 1 in accordance with the fair value hierarchy and are valued based on quoted prices for identical assets in active markets.

Note 13 - Defined Benefit Pension Plan (Continued)

The schedule of changes in net pension liability and related ratios of the Plan is as follows for the plan years ended December 31:

	2022	2021
Service cost	$ 622,106	$ 619,462
Interest on total pension liability	1,120,337	1,054,784
Changes of benefit terms	-	-
Difference between expected and actual experience on total pension liability	(256,201)	(75,009)
Changes of assumptions	660,233	-
Benefit payments	(809,390)	(727,688)
Refunds of employee contributions	(81,701)	(32,335)
Net change in total pension liability	1,255,384	839,214
Total pension liability - beginning	18,489,227	17,650,013
Total pension liability - ending (a)	$ 19,744,611	$ 18,489,227
Employer contributions	$ 501,911	$ 496,076
Employee contributions	304,021	305,192
Plan net investment income	(2,929,150)	2,040,291
Benefit payments	(809,390)	(727,688)
Refunds of employee contributions	(81,701)	(32,335)
Plan administrative expenses	(31,306)	(40,590)
Net change in Plan fiduciary net position	(3,045,615)	2,040,946
Plan fiduciary net position - beginning	17,934,339	15,893,393
Plan fiduciary net position - ending (b)	14,888,724	17,934,339
Net pension liability - ending (a) - (b)	$ 4,855,887	$ 554,888
Plan fiduciary net position as a percentage of total pension liability	75.41 %	97.00 %
Covered payroll	$ 5,527,655	$ 5,548,945
Net pension liability as a percentage of covered payroll	87.85 %	10.00 %

An independent consulting actuary was engaged to perform the annual actuarial valuation as of December 31, 2022 and 2021. The information included in the schedule of changes in net pension liability and relative funding progress of the Plan from the December 31, 2022 and 2021 actuarial valuations was prepared using the entry age normal cost method. The purpose of providing the above schedule is to provide information that serves as a surrogate for the funded status and funding progress of the Plan. The assumptions for the pension liability are outline later in this note to the financial statements.

Note 13 - Defined Benefit Pension Plan (Continued)

The schedule of total pension expenses is as follows for the plan years ended December 31:

	2022	2021
Service cost	$ 622,106	$ 619,462
Interest on total pension liability	1,120,337	1,054,784
Current year benefit changes	-	-
Employee contributions	(304,021)	(305,192)
Projected earnings on Plan investments	(1,072,294)	(953,623)
Plan administrative expenses	31,306	40,590
Recognition of outflow (inflow) of resources due to liabilities	94,008	(34,979)
Recognition of outflow (inflow) of resources due to assets	637,803	(257,929)
Total pension expenses	$ 1,129,245	$ 163,113

Note 13 - Defined Benefit Pension Plan (Continued)

Actuarial Assumptions
The significant assumptions and methods used in the actuarial valuations for the December 31, 2022 and 2021 measurement periods are as follows:

	2022	2021
Actual cost method:	Entry age normal cost method	Entry age normal cost method
Investment rate of return:	6.0%	6.0%
Price inflation rate:	2.40%	2.25%
Projected salary increases:	3.0% including inflation	3.5% including inflation
Cost-of-living adjustments:	None	None
Retirement age:	Age 65 for Normal Retirement and 55 for Early Retirement with 10 years of credited service. Retirement age assumptions are as follows: - 5% retire annually ages 55 - 58 - 10% retire annually ages 59 - 64 - 50% retire at 65 years - 20% retire annually ages 66 - 69 - 100% are retired by age 70	Age 65 for Normal Retirement and 55 for Early Retirement with 10 years of credited service. Retirement age assumptions are as follows: - 12% retired 55-64 years - 75% 65-69 years - 100% by 70 years
Mortality assumptions:	PubG-2010 Mortality Table with generational projection per the MP-2021 Ultimate scale	Utilized RP-2014 Mortality Tables with MP-2014 projected longevity improvements (from 2006-2014) removed and with projected longevity improvements from 2006-2026 using MP-2017 projected statistics.
Section 417(e) interest rate:	Option factors are currently based on the IRC Section 417(e) applicable mortality and interest.	Option factors are currently based on the IRC Section 417(e) applicable mortality and interest.

Note 13 - Defined Benefit Pension Plan (Continued)

Additional significant assumptions and methods used in the actuarial projections and determination of contribution rates for December 31, 2022 and 2021 are as follows:

	2022	2021
Asset valuation method:	5 year smoothed market; Non-asymptotic recognition, No corridor	5-year smoothed market; 25% corridor
Amortization method:	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period:	Two separate layers:	Two separate layers:
	December 31, 2017 and prior - 14 years with 9 years remaining	December 31, 2017 and prior - 14 years with 10 years remaining
	Subsequent to December 31, 2018 - 20 years with 16 years remaining	Subsequent to December 31, 2018 - 20 years with 17 years remaining

Single Discount Rate and Long-Term Expected Rate of Return
A Single Discount Rate of 6.00% was used to measure the total pension liability as of December 31, 2022 and 2021. The projection of cash flows used to determine this Single Discount Rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The Single Discount Rate is based on the long-term expected rate of return on Plan investments and the long-term tax-exempt municipal bond rate. As of December 31, 2022 and 2021, the long-term expected rate of return on Plan investments is 6.00%.

The long-term expected rate of return on Plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of Plan investment expenses and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 13 - Defined Benefit Pension Plan (Continued)

For each major asset class that is included in the Plan's target asset allocations as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
US core fixed income	40 %	2.3 %	0.92 %
Broad equity market	43 %	5.8 %	2.49 %
US equity	17 %	7.7 %	1.31 %
Total	100 %		4.72 %
Expected inflation rate			1.28 %
Total return			6.00 %

Discount Rate Sensitivity Analysis
The following presents HealthTrust's proportionate share of the net pension liability, calculated using the Single Discount Rate of 6.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.0%) or one percentage point higher (7.0%) than the Single Discount Rate as of June 30, 2023:

HealthTrust's Proportionate Share of the Net Pension Liability	1% Rate Decrease (5.0%)	Current Single Discount Rate (6.0%)	1% Rate Increase (7.0%)
June 30, 2023	$ 6,447,149	$ 4,172,032	$ 2,275,061

Net Pension Liability and Pension Expense
As of June 30, 2023 and 2022, HealthTrust reported a net pension liability of $4,172,032 and $477,394, respectively, and a pension expense of $972,396 and $144,092, respectively, for its proportionate share of the Plan's net pension liability.

Note 13 - Defined Benefit Pension Plan (Continued)

The schedule of each employer's proportionate share of the collective net pension liability and pension expense is as follows as of and for the years ended June 30:

	2023		2022	
	Net Pension Liability	Pension Expense	Net Pension Liability	Pension Expense
HealthTrust	$ 4,172,032	$ 972,396	$ 477,394	$ 144,092
NHMA	683,855	156,849	77,494	19,021
Total	$ 4,855,887	$ 1,129,245	$ 554,888	$ 163,113

The net pension liability was measured as of December 31, 2022 and 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the December 31, 2022 and 2021 valuations, HealthTrust's and NHMA's proportionate share of the collective net pension liability was based on each entity's contributions to the Plan relative to the contributions of HealthTrust and NHMA for the period from January 1st to December 31st of the respective year.

At December 31, 2022 and 2021, HealthTrust's proportion of the collective net pension liability was 85.92% and 86.03%, respectively, and HealthTrust's proportion of the pension expense was 86.11% and 88.34%, respectively.

There were no changes to benefit terms for December 31, 2022. There were no changes between the measurement date of the collective net pension liability of December 31, 2022 and HealthTrust's reporting date of June 30, 2023 that are expected to have a significant impact on HealthTrust's proportionate share of the collective net pension liability.

Note 13 - Defined Benefit Pension Plan (Continued)

Deferred Outflows and Inflows of Resources
As of and for the fiscal years ended June 30, 2023 and 2022, HealthTrust reported its proportionate share of the Plan's deferred outflows and inflows of resources related to pensions from the following sources:

	June 30, 2023		June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 27,711	$ (270,309)	$ 38,822	$ (216,537)
Changes in Assumptions	457,762	-	126,445	-
Net difference between projected and actual earnings on Plan investments	2,750,336	(880,609)	317,971	(1,339,576)
Changes in proportion and differences between employer contributions and share of contributions	21,170	(7,354)	28,404	(4,859)
Contributions paid to Plan subsequent to the measurement date	215,535	-	199,511	-
Total	$ 3,472,514	$ (1,158,272)	$ 711,153	$ (1,560,972)

The net amounts of HealthTrust's balances of deferred outflows and inflows of resources as of June 30, 2023 related to pensions will be recognized as pension expense as follows during the fiscal years ended June 30:

	Pension Expense Amount
2024	$ 284,604
2025	510,333
2026	556,879
2027	746,891
2028	-
Thereafter	-
Total	$ 2,098,707

Note 14 - Leases

HealthTrust leases office space from CTP pursuant to a lease agreement whose current term runs through June 30, 2024, and automatically renews for additional two-year terms unless either party notifies the other of its intent not to renew pursuant to the terms of the lease agreement. As of June 30, 2023, HealthTrust and CTP have estimated the currently enforceable lease term for GASB 87 to be through June 30, 2024. In addition, HealthTrust entered into two equipment lease agreements. Health Trust and CTP utilize its incremental borrowing rate to measure its office leases and the lease implicit rate to measure equipment leases.

In accordance with GASB 87, HealthTrust recognized a right of use asset and lease liability upon adoption of GASB 87. As of June 30, 2023, the right of use asset and lease liability balances were $416,453 and $459,845, respectively. As of June 30, 2022, the right of use asset and lease liability balances were $828,816 and $837,649, respectively.

HealthTrust's future minimum lease payments and the net present value of those payments and weighted average discount rate used as of June 30, 2023, along with the total lease cost for the year then ended, are as follows:

	Minimum Lease Payments		
Years ending June 30:	Office Space	Equipment	Total
2024	$ 277,717	$ 126,175	$ 403,892
2025	-	58,090	58,090
2026	-	6,831	6,831
2027	-	6,831	6,831
2028	-	4,553	4,553
Future undiscounted lease payments	277,717	202,480	480,197
Less present value discount	9,776	10,576	20,352
Lease liabilities	$ 267,941	$ 191,904	$ 459,845
Weighted average discount rate	7.90 %	4.53 %	6.49 %
Total lease cost	$ 290,385	$ 145,334	$ 435,719

Note 14 - Leases (Continued)

HealthTrust's right of use asset and related accumulated amortization as of June 30, 2023 and 2022, are as follows:

	2023		
	Office Space	Equipment	Total
Right of use asset	$ 767,981	$ 451,551	$ 1,219,532
Accumulated amortization	(537,366)	(265,713)	(803,079)
Net right of use asset	$ 230,615	$ 185,838	$ 416,453

	2022		
	Office Space	Equipment	Total
Right of use asset	$ 806,049	$ 422,704	$ 1,228,753
Accumulated amortization	(268,683)	(131,254)	(399,937)
Net right of use asset	$ 537,366	$ 291,450	$ 828,816

The rent receivable asset and deferred inflow of resources liability balances were $719,105 and $668,026, respectively as of June 30, 2023. The rent receivable asset and deferred inflow of resources liability balances were $807,630 and $784,999, respectively as of June 30, 2022.

CTP leases office space pursuant to lease agreements whose current terms runs through various dates ranging from June 30, 2023 to May 30, 2026.

The future minimum lease receipts and the net present value of those receipts as of June 30, 2023 are as follows:

Years ending June 30:	Minimum Lease Receipts Office Space
2024	$ 443,488
2025	128,377
2026	102,921
2027	74,693
2028	25,142
Future undiscounted rent receipts	774,621
Less present value discount	(55,516)
Rent receivable	$ 719,105

Note 14 - Leases (Continued)

Rent income recognized by CTP during the year ended June 30, 2023 totaled $522,219 and included $110,835 in rental income on short-term leases not included in the expected future lease payments reported above. Interest income recognized by CTP on rental agreements for the year ended June 30, 2023 totaled $43,542. Rent income recognized by CTP during the year ended June 30, 2022 totaled $534,784 and included $166,502 in rental income on short-term leases not included in the expected future lease payments reported above. Interest income recognized by CTP on rental agreements for the year ended June 30, 2022 totaled $50,991.

Note 15 - Subscriptions Assets

HealthTrust implemented a hosted subscription based information technology system (OneSource) for underwriting, client data, and other functions. As of June 30, 2023, HealthTrust has estimated the current OneSource subscription term for GASB 96 to be through June 30, 2026. OneSource was placed into service on April 1, 2022. Costs incurred for OneSource through June 30, 2021 of $1,179,846 were reported as capitalized and prepaid system costs as of June 30, 2021. Capitalized and prepaid system costs for OneSource were included within the subscription asset calculation as of April 1, 2022. HealthTrust utilized its incremental borrowing rate of 5.27% as of April 1, 2022 to measure its subscription asset.

In accordance with GASB 96, the Company recognized a subscription asset and subscription liability upon adoption of GASB 96. As of June 30, 2023, the subscription asset and subscription liability balances were $4,118,801 and $2,544,363, respectively. As of June 30, 2022, the subscription asset and subscription liability balances were $5,491,734 and $3,550,945, respectively

HealthTrust's future minimum subscription payments and the net present value of those payments and weighted average discount rate used as of June 30, 2023, along with the total subscription cost for the year then ended, are as follows:

	Minimum Subscription Payments
Years ending June 30:	
2024	$ 1,199,888
2025	1,199,888
2026	388,653
2027	-
Future undiscounted subscription payments	2,788,429
Less present value discount	(244,066)
Subscription liability	$ 2,544,363

Note 15 - Subscriptions Assets (Continued)

HealthTrust's subscription asset and related accumulated amortization as of June 30, 2023 and 2022, are as follows:

	2023	2022
Subscription asset	$ 5,834,967	$ 5,834,967
Accumulated amortization	(1,716,166)	(343,233)
Net subscription asset	$ 4,118,801	$ 5,491,734

Note 16 - Litigation Update

As of June 30, 2023 and 2022, HealthTrust was not involved in any pending litigation.

Note 17 - Contingencies

HealthTrust assesses potential liabilities in connection with lawsuits and threatened lawsuits under GAAP. HealthTrust accrues an estimated loss for loss contingencies if both of the following conditions are met: (1) information available prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements; and (2) the amount of loss can be reasonably estimated. As of June 30, 2023 and June 30, 2022, HealthTrust did not accrue any contingent liability in connection with lawsuits or threatened lawsuits.

REQUIRED SUPPLEMENTARY INFORMATION

HealthTrust, Inc.

Reconciliation of Claims Liabilities by Type of Contract (Unaudited)

Year ended June 30, 2023

The schedule below presents the changes in claims liabilities for HealthTrust's three types of contracts, employee health, dental benefits and short-term disability, for the year ended June 30, 2023:

	Health	Dental	Short-Term Disability	Total
Claims and administration reserves at beginning of fiscal year	$ 35,089,936	$ 1,236,340	$ 213,330	$ 36,539,606
Incurred claims and claim adjustment expenses:				
Provision for covered events of current year	434,782,444	27,082,415	1,394,938	463,259,797
Adjustments to provision for covered events of prior years	2,587,461	(362,419)	(9,199)	2,215,843
Total incurred claims and claim adjustment expenses	437,369,905	26,719,996	1,385,739	465,475,640
Payments of claims and claim adjustment expenses:				
Payments attributable to covered events of current year	(401,579,960)	(25,876,827)	(1,130,155)	(428,586,942)
Payments attributable to covered events of prior years	(33,855,397)	(832,121)	(204,131)	(34,891,649)
Total payments	(435,435,357)	(26,708,948)	(1,334,286)	(463,478,591)
Total claims and administration reserves at end of fiscal year	$ 37,024,484	$ 1,247,388	$ 264,783	$ 38,536,655

HealthTrust, Inc.

Reconciliation of Claims Liabilities by Type of Contract (Unaudited)

Year ended June 30, 2022

The schedule below presents the changes in claims liabilities for HealthTrust's three types of contracts, employee health, dental benefits and short-term disability, for the year ended June 30, 2022:

	Health	Dental	Short-Term Disability	Total
Claims and administration reserves at beginning of fiscal year	$ 26,035,500	$ 1,245,153	$ 210,264	$ 27,490,917
Incurred claims and claim adjustment expenses:				
Provision for covered events of current year	395,194,813	25,620,093	1,390,068	422,204,974
Adjustments to provision for covered events of prior years	6,281,188	(294,022)	(54,660)	5,932,506
Total incurred claims and claim adjustment expenses	401,476,001	25,326,071	1,335,408	428,137,480
Payments of claims and claim adjustment expenses:				
Payments attributable to covered events of current year	(362,611,876)	(24,438,053)	(1,176,738)	(388,226,667)
Payments attributable to covered events of prior years	(29,809,689)	(896,831)	(155,604)	(30,862,124)
Total payments	(392,421,565)	(25,334,884)	(1,332,342)	(419,088,791)
Total claims and administration reserves at end of fiscal year	$ 35,089,936	$ 1,236,340	$ 213,330	$ 36,539,606

HealthTrust, Inc.

Ten-Year Schedule of Claims Development Information (Unaudited)

Fiscal period ended June 30, 2023

The following claims development information includes health, dental and short-term disability contracts. The table illustrates how HealthTrust's earned revenues (net of reinsurance) and investment income compare to related costs of claims and claim adjustment expenses (net of loss assumed by reinsurers) and other expenses assumed by HealthTrust for the fiscal periods ended June 30, 2016 through June 30, 2023. The rows of the table are defined as follows:

1. Total of each fiscal period's gross earned contributions revenue and investment revenue, contributions revenue ceded to reinsurers, and net earned contributions revenue and investment revenue.
2. Other operating costs of HealthTrust, including overhead and claims expenses not allocable to individual claims for each fiscal period.
3. Gross incurred claims and allocated claims adjustment expenses, claims assumed by reinsurers, and net incurred claims and allocated adjustment expenses (both paid and accrued) as originally reported at the end of the first fiscal period in which the event that triggered coverage under the contract occurred (called *policy year*).
4. This section shows the cumulative net amounts paid as of the end of each fiscal period and annually thereafter.
5. The latest re-estimated amount of claims assumed by reinsurers as of the end of each fiscal period.
6. This section of rows shows how each policy year's net incurred claims increased or decreased as of the end of each fiscal period and annually thereafter. This re-estimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This section compares the latest re-estimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought.

The columns of the table show data for successive fiscal periods.

As data for individual policy years matures, the correlation between original estimates and re-estimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years.

HealthTrust, Inc.

Ten-Year Schedule of Claims Development Information (Unaudited) (Continued)

Fiscal period ended June 30, 2023

	Fiscal periods ended June 30 (in thousands of dollars)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
1) Required contributions and investment revenue										
Earned	$ 468,815	$ 446,219	$ 458,554	$ 436,310	$ 413,437	$ 395,487	$ 396,105	$ 403,221	$ 408,035	$ 359,834
Ceded	-	-	-	-	-	-	-	-	-	569
Net earned	468,815	446,219	458,554	436,310	413,437	395,487	396,105	403,221	408,035	359,265
2) Unallocated expenses	40,417	38,598	38,747	38,471	36,936	34,751	35,477	36,628	33,307	27,489
3) Estimated claims and expenses incurred at end of policy year										
Incurred	463,260	422,205	399,112	365,425	389,399	368,060	360,791	379,998	366,067	299,126
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	463,260	422,205	399,112	365,425	389,399	368,060	360,791	379,998	366,067	299,126
4) Net paid (cumulative) as of:										
End of policy year	428,587	388,227	372,681	342,839	366,574	347,186	339,884	359,149	345,652	280,187
One year later	-	421,970	403,213	360,219	386,300	362,738	355,877	377,246	365,747	297,010
Two years later	-	-	404,393	360,542	386,569	362,532	356,259	377,356	365,489	296,926
Three years later	-	-	-	360,517	386,665	362,692	356,158	377,354	365,475	296,718
Four years later	-	-	-	-	386,665	362,610	356,090	377,352	365,511	296,709
Five years later	-	-	-	-	-	362,610	356,086	377,353	365,511	296,709
Six years later	-	-	-	-	-	-	356,086	377,351	365,511	296,708
Seven years later	-	-	-	-	-	-	-	377,351	365,511	296,708
Eight years later	-	-	-	-	-	-	-	-	365,513	296,709
Nine years later	-	-	-	-	-	-	-	-	-	296,709
5) Reestimated ceded incurred claims and expenses	-	-	-	-	-	-	-	-	-	-
6) Reestimated net incurred claims and expenses as of:										
End of policy year	463,260	422,205	399,112	365,425	389,399	368,060	360,791	379,998	366,067	299,126
One year later	-	425,583	405,701	361,240	386,899	362,964	356,130	377,447	365,778	296,870
Two years later	-	-	404,642	360,615	386,607	362,565	356,279	377,383	365,541	296,976
Three years later	-	-	-	360,519	386,665	362,692	356,158	377,356	365,475	296,717
Four years later	-	-	-	-	386,665	362,610	356,090	377,352	365,511	296,709
Five years later	-	-	-	-	-	362,610	356,086	377,353	365,511	296,709
Six years later	-	-	-	-	-	-	356,086	377,351	365,511	296,708
Seven years later	-	-	-	-	-	-	-	377,351	365,513	296,708
Eight years later	-	-	-	-	-	-	-	-	365,513	296,709
Nine years later	-	-	-	-	-	-	-	-	-	296,709
7) Decrease in estimated net incurred claims and expenses from end of policy year	$ -	$ (3,378)	$ (5,530)	$ 4,906	$ 2,734	$ 5,450	$ 4,705	$ 2,647	$ 554	$ 2,417

HealthTrust, Inc.

Ten-Year Schedule of Employer Pension Information (Unaudited)

June 30, 2023

The following unaudited schedule presents HealthTrust's proportionate share of the Defined Benefit Pension Plan's net pension liability and related ratios for multiple years.

Plan Year Ended December 31:	Percentage Proportionate Share of Collective Net Pension Liability	Proportionate Share of Collective Net Pension Liability	Covered Payroll	Proportionate Share of Collective Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of Total Pension Liability
2013	72.09%	$ 560,521	$ 4,282,783	13.09%	92.81%
2014	72.09%	$ 722,805	$ 4,416,017	16.37%	91.37%
2015	73.68%	$ 1,350,995	$ 4,446,396	30.38%	85.27%
2016	79.06%	$ 1,012,609	$ 4,468,619	22.66%	90.23%
2017	84.57%	$ 1,252,510	$ 4,457,488	28.10%	89.95%
2018	84.03%	$ 2,796,426	$ 4,486,395	62.33%	78.80%
2019	85.00%	$ 1,880,748	$ 4,664,751	40.32%	86.83%
2020	85.46%	$ 1,501,220	$ 4,941,992	30.38%	90.05%
2021	86.03%	$ 477,394	$ 4,773,757	10.00%	97.00%
2022	85.92%	$ 4,172,032	$ 4,749,195	87.85%	75.41%

The following unaudited schedule presents HealthTrust's employer contributions to the Plan and related ratios by plan year through December 31, 2022 and for the period from January 1, 2023 through HealthTrust's June 30, 2023 fiscal year end.

Period Ended:	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
December 31, 2013	$ 354,201	$ 354,201	$ -	$ 4,282,783	8.27%
December 31, 2014	$ 359,464	$ 359,464	$ -	$ 4,416,017	8.14%
December 31, 2015	$ 334,863	$ 334,863	$ -	$ 4,446,396	7.53%
December 31, 2016	$ 325,070	$ 325,070	$ -	$ 4,468,619	7.27%
December 31, 2017	$ 308,394	$ 308,394	$ -	$ 4,457,488	6.93%
December 31, 2018	$ 310,010	$ 310,010	$ -	$ 4,486,395	6.91%
December 31, 2019	$ 410,008	$ 410,008	$ -	$ 4,664,751	8.79%
December 31, 2020	$ 451,594	$ 451,594	$ -	$ 4,941,992	9.13%
December 31, 2021	$ 426,795	$ 426,795	$ -	$ 4,773,757	8.94%
December 31, 2022	$ 428,946	$ 428,946	$ -	$ 4,749,195	9.08%
June 30, 2023	$ 215,535	$ 215,535	$ -	$ 2,197,254	9.81%

Johnson Lambert LLP
cpas + consultants

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*

Board of Directors
HealthTrust, Inc.

We have audited, in accordance with the 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 of America, the financial statements of HealthTrust, Inc. (HealthTrust) and its discretely presented component unit, which comprise the statement of net position as of June 30, 2023 and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 12, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered HealthTrust'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 HealthTrust's internal control. Accordingly, we do not express an opinion on the effectiveness of HealthTrust'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 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. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether HealthTrust's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, 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*.

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 HealthTrust's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HealthTrust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Johnson Lambert LLP

Williston, Vermont
October 12, 2023