

Financial Statements
June 30, 2026 and 2025

**Idaho Health Insurance Exchange dba
Your Health Idaho**

Idaho Health Insurance Exchange dba Your Health Idaho

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June 30, 2026 and 2025

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Independent Auditor's Report

To the Board of Directors
Idaho Health Insurance Exchange dba Your Health Idaho
Boise, Idaho

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Idaho Health Insurance Exchange dba Your Health Idaho (Your Health Idaho or YHI), as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise Your Health Idaho's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Your Health Idaho as of June 30, 2026 and 2025, and the respective changes in financial position and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Your Health Idaho, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Notes 2 and 11 to the financial statements, Idaho Health Insurance Exchange has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements* for the year ended June 30, 2026. Accordingly, a restatement has been made to the statements of cash flows as of July 1, 2024. Our opinion are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Your Health Idaho'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 Responsibility 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 opinion. 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 and *Government Auditing Standards*, 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 Your Health Idaho'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 Your Health Idaho'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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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 September 21, 2026, on our consideration of Your Health Idaho'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 the Your Health Idaho'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 Your Health Idaho's internal control over financial reporting and compliance.

The signature of Eide Bailly LLP is written in a cursive, handwritten style.

Boise, Idaho
September 21, 2026

Within this section of the Idaho Health Insurance Exchange, dba Your Health Idaho financial report, Your Health Idaho's management provides narrative discussion and analysis of the financial activities of Your Health Idaho for the years ended June 30, 2026 and 2025. Your Health Idaho's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

Your Health Idaho is considered an enterprise fund and accounted for using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The financial statements are designed to provide the readers with a broad overview of Your Health Idaho's finances, in a manner like a private sector business.

Per the establishing legislation, Idaho House Bill No. 248, Your Health Idaho cannot rely on any state resources or direct funding from any state agency. As such, Your Health Idaho is required to generate revenue on an ongoing basis from the fees earned on policies generated from Your Health Idaho's website. Operating costs and future capital investments will be covered by revenue from assessment fees and existing cash reserves.

Basic Financial Statements

Statements of Net Position reports our assets, liabilities, and net position at year end. Net position is reported as: investment in capital assets and unrestricted.

Statements of Revenues, Expenses, and Changes in Net Position reports our income, expenses, and resulting changes in net position during the fiscal year.

Statements of Cash Flows reports our sources and uses of cash and change in cash and cash equivalents resulting from our activities during the fiscal year.

Notes to the Basic Financial Statements provide more information to better understand the amounts reported in the basic financial statements.

Types of Information in the Financial Statements

All of Your Health Idaho's financial statements use the economic resources measurement focus and accrual basis of accounting. In other words, they comprehensively report all types of financial statement elements:

- Assets – resources Your Health Idaho controls, from short-term assets like cash to long-term assets like capital assets.
- Liabilities – amounts Your Health Idaho owes, from short-term liabilities such as accounts payable to long-term liabilities such as long-term subscriptions.
- Deferred inflow of resources – flows that occurred during the year, or in prior years, that will not be reported as revenues until the future year to which they are related.

Idaho Health Insurance Exchange dba Your Health Idaho

Management's Discussion and Analysis

June 30, 2026 and 2025

- Revenues and expenses – inflows and outflows of economic resources, respectively, related to the current year.

Overview of the Financial Statements

Your Health Idaho's financial report contains basic financial statements. Those financial statements present Your Health Idaho's finances at both a condensed and detailed level. The consolidated financial statements cover the state-based exchange activities and business-type activities. State-based exchange activities comprise operating our health insurance exchange technology platform to best serve Idahoans who are seeking health insurance. Business-type activities comprise of property ownership and related landlord portion of Your Health Idaho's business.

Condensed Statements of Net Position As of June 30, 2026 and 2025

	2026	2025	Change 2025 to 2026	2024	Change 2024 to 2025
Assets					
Cash and cash equivalents	\$ 1,053,673	\$ 2,198,263	\$ (1,144,590)	\$ 1,611,773	\$ 586,490
Receivables	194,523	291,342	(96,819)	387,801	(96,459)
Prepaid and other assets	580,713	263,148	317,565	303,782	(40,634)
Certificate of deposits	8,150,000	8,150,000	-	8,400,000	(250,000)
Lease receivable	629,888	1,013,905	(384,017)	3,494,545	(2,480,640)
Capital assets, net	10,406,856	8,230,519	2,176,337	7,795,659	434,860
Total assets	21,015,653	20,147,177	868,476	21,993,560	(1,846,383)
Liabilities					
Accounts payable	94,533	57,904	36,629	201,385	(143,481)
Other liabilities	1,573,299	865,372	707,927	714,936	150,436
Subscription liabilities	361,328	532,038	(170,710)	699,813	(167,775)
Total liabilities	2,029,160	1,455,314	573,846	1,616,134	(160,820)
Lease Deferred Inflow of Resources	629,888	1,013,905	(384,017)	3,494,545	(2,480,640)
Net Position					
Net investment in capital assets	10,045,528	7,698,481	2,347,047	7,095,846	602,635
Unrestricted	8,311,077	9,979,477	(1,668,400)	9,787,035	192,442
Total net position	18,356,605	17,677,958	678,647	16,882,881	795,077
Total liabilities, deferred inflow of resources, and net position	\$ 21,015,653	\$ 20,147,177	\$ 868,476	\$ 21,993,560	\$ (1,846,383)

Idaho Health Insurance Exchange dba Your Health Idaho

Management's Discussion and Analysis

June 30, 2026 and 2025

Financial Highlights

Your Health Idaho reported assets of \$21,015,653 in FY26, an increase of \$868,476 over the prior year. Receivables decreased \$96,819 due to lower accrued interest on certificates of deposit and a decrease of \$384,017 to lease receivable is due to regular lease payments partially offset by GASB 87 adjustments for a lease term extension. Capital assets, net of depreciation, increased \$2,176,337 related to in-progress investment in our technology platform.

Your Health Idaho held cash and cash equivalents and certificates of deposit of \$9,203,673, a decrease of \$1,144,590 over FY25 due to in-progress investment in our technology platform.

In comparison, at the end of FY25 Your Health Idaho reported assets of \$20,147,177, a decrease of \$1,846,383 to FY24, driven by lower lease receivable due to GASB 87 adjustments for lease terms offset by higher capital assets and cash.

Total liabilities, deferred inflow of resources, and net position of \$21,015,653 comprised of subscription liabilities due to GASB 96, lease deferred inflow of resources, and short-term payables of \$2,659,048. Liabilities increased \$573,846 due to accrued expenses related to investment in our technology platform. The FY26 change in total net position saw an increase of \$678,647 as a result of current year operations.

In comparison, at the end of FY25 total liabilities, deferred inflow of resources, and net position of \$20,147,177 decreased \$1,846,383 from FY24 driven primarily by lease deferred inflow of resources GASB 87 adjustments to terms of lease agreements.

Condensed Statements of Revenues, Expenses, and Changes in Net Position Years Ended June 30, 2026 and 2025

	2026	2025	Change 2025 to 2026	2024	Change 2024 to 2025
Operating Revenues	\$ 15,928,826	\$ 14,985,284	\$ 943,542	\$ 13,212,013	\$ 1,773,271
Operating Expenses	16,384,159	15,398,172	985,987	14,371,296	1,026,876
Operating Income (Loss)	(455,333)	(412,888)	(42,445)	(1,159,283)	746,395
Nonoperating Revenues	1,133,980	1,207,965	(73,985)	1,204,667	3,298
Change in Net Position	678,647	795,077	(116,430)	45,384	749,693
Net Position, Beginning of Year	17,677,958	16,882,881	795,077	16,837,497	45,384
Net Position, End of Year	<u>\$ 18,356,605</u>	<u>\$ 17,677,958</u>	<u>\$ 678,647</u>	<u>\$ 16,882,881</u>	<u>\$ 795,077</u>

Idaho Health Insurance Exchange dba Your Health Idaho

Management's Discussion and Analysis

June 30, 2026 and 2025

Your Health Idaho incurred operational expenses of \$16,384,159 in FY26 related to the operation of Your Health Idaho. This is an increase over FY25 of \$985,987 which was attributed to an increase in employee related costs, professional services, and depreciation.

Operational expenses in FY25 were \$15,398,172, which was an increase over FY24 by \$1,026,876.

Operational expenses include, but are not limited to, the following key areas of operation:

Professional services of \$4,736,357 was a slight increase of \$151,842 over FY25. FY25 increased \$116,817 over FY24. Both years' increases were driven by annual escalators in the GetInsured contract which covers our tax credit eligibility, shopping, and enrollment technology.

Marketing and advertising of \$1,554,546 increased \$62,262 over FY25 mainly driven by Open Enrollment and Always Present marketing and advertising campaigns. FY25 Marketing and advertising of \$1,492,284, an increase of \$89,822 over FY24, is mainly driven by the Always Present marketing and advertising campaign, and community outreach. Marketing efforts include outreach and education, paid media and advertising, website maintenance, public relations, and market research.

Call center services of \$577,570 decreased \$45,487 over FY25 due to the continued efforts of operational efficiencies and reduced seasonal team member costs. Call center services in FY25 of \$623,057 decreased \$25,893 over FY24 which was attributed to operational efficiencies and bringing in bilingual customer service advocates.

Payroll and related expenses of \$7,070,353 increased \$406,213 over FY25 driven primarily by filling new and open positions and change in compensation structure, benefit costs, and related expenses. In FY25 payroll and related expenses of \$6,664,140 increased \$706,574 over FY24 driven by filling open positions and change in compensation structure, benefit costs, and related expenses.

Utility-related expenses of \$468,620 increased \$11,582 over FY25 for catch-up month due to changing from our property manager's cash-based accounting to accrual-based with in-house accounting transition. FY25 utility expenses of \$457,038, a decrease of \$40,888 over FY24, resulted from modernization work and greater system efficiency.

Depreciation and amortization expense of \$1,027,980 increased \$196,727 from FY25 due to work completed on the building which included lobby remodel and roof repairs. Depreciation expense in FY25 was \$831,253, an increase of \$134,075 from FY24 due to work completed on the building which included HVAC and fire panel replacements and upgrades.

Operating revenues of \$15,928,826 increased by \$943,542 over FY25 driven by higher enrollments and strong month-over-month customer retention in plan year 2025 due to marketing and community outreach efforts, followed by slight enrollment declines in plan year 2026 due to the expiration of the enhanced tax credits. Idaho's Section 1332 Reinsurance waiver reduced premium rates that would otherwise be higher, without the waiver, in the individual market by 20% and 18% in the plan years 2025 and 2026, respectively. In comparison, operating revenues in FY25 increased \$1,773,271 from FY24 due to marketing and community outreach efforts that drove higher enrollments and strong month-over-month customer retention.

Currently Known Facts, Decisions, or Conditions

Your Health Idaho will continue to invest additional capital in its technology platform with a focus on continuous improvement of the consumer experience and the experience of its partners. These expenditures will be funded by assessment fees. In addition to the capital investments, Your Health Idaho will utilize assessment fee revenues to fund operational activities during this same time period.

Effective September 8, 2026, Your Health Idaho terminated its contract with Vimo, Inc. dba GetInsured to build and maintain our health insurance exchange technology platform. This change will allow Your Health Idaho to align more closely with its statutorily mandated directive to utilize Idaho-based resources while elevating the customer experience.

As mentioned above, Your Health Idaho (per enabling legislation Idaho House Bill No. 248) is restricted from using any state resources to fund its operations. As such, Your Health Idaho has created a five-year financial forecast to evaluate the long-term sustainability of the exchange. Your Health Idaho relies largely on a single source of revenue, assessment fees, which are earned on policies generated from Your Health Idaho's state-based exchange platform. In March 2024 the Board approved the structure of the assessment fees, to be changed to a per member per month (PMPM) revenue model beginning January 1, 2025; \$11.75 per member per month for qualified health plans (QHP) and \$0.75 per member per month for qualified dental plans (QDP).

As part of the American Rescue Plan Act, signed into law on March 11, 2021, tax credits for marketplace enrollees were enhanced and offered to consumers with income above 400% of the Federal Poverty Level. Your Health Idaho opened a Special Enrollment Period, which provided additional enrollments in the first half of calendar year 2021. These enhanced tax credits were to end at the end of 2022. On August 16, 2022, the Inflation Reduction Act was signed into law, extending the enhanced tax credits through the end of 2025. Starting January 1, 2026, the tax credit amount consumers receive reflect the expiration of the enhanced tax credits, and consumers with income greater than 400% of the Federal Poverty Level are no longer eligible to receive a tax credit. As a result of the expiration of the enhanced tax credits, Your Health Idaho estimated that 20,000 Idahoans would disenroll due to affordability changes. As of May 1, 2026, approximately 20,000 Idahoans who were enrolled in 2025, disenrolled from coverage. Eligibility policy changes from the Marketplace Affordability and Integrity Rule finalized on June 20, 2025, resulted in an additional loss of 5,000 enrollments for 2026. As of June 1, 2026, enrollment has stabilized and is trending in line with historical consumer activity.

Your Health Idaho will continue to rely on assessment fee revenues to operate the exchange. Your Health Idaho's current financial projections assume that assessment fee revenues and other revenues of \$16M will be less than operating expenses of \$16.4M by approximately \$455K in FY27. This is due to Your Health Idaho developing its own health insurance exchange platform. Existing cash reserves will cover the projected FY27 operating loss, and current financial projections show net operating income of \$1.7M in FY28, with similar results expected in future years. Planned capital expenditures of \$1.7M comprised of equipment and internally developed software contributing to long-term sustainability, and \$600K for the View Pointe building, while maintaining \$8.8M in cash reserves.

Significant Capital Asset and Long-term Financing Activity

Overall, the carrying value of capital assets (original cost minus accumulated depreciation) increased 26 percent over FY25. The work-in-progress beginning balance of \$19K increased for capital projects investments by \$3.0M. Of those amounts, \$352K was put into operation during the year and, therefore, reclassified that amount to the other capital asset classifications including computer equipment, technology platform, and building improvements. This resulted in an ending balance of work-in-progress of \$2.6M. This balance primarily represents Your Health Idaho's continuing investment in the health insurance exchange platform to elevate and enhance the customer experience.

As mentioned above, capital expenditures are funded by assessment fee revenue and existing cash reserves.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the enterprise fund financial statements. The notes to the financial statements can be found on pages 13-23 of this report.

Contacting Your Health Idaho's Financial Management

This financial report is designed to provide a general overview of Idaho Health Insurance Exchange finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance at Idaho Health Insurance Exchange or contact our website at www.yourhealthidaho.org.

Idaho Health Insurance Exchange dba Your Health Idaho

Statements of Net Position

June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,053,673	\$ 2,198,263
Receivables	194,523	291,342
Prepaid expenses	<u>580,713</u>	<u>263,148</u>
Total current assets	<u>1,828,909</u>	<u>2,752,753</u>
Certificates of Deposits	8,150,000	8,150,000
Lease Receivable	629,888	1,013,905
Capital Assets	<u>10,406,856</u>	<u>8,230,519</u>
Total assets	<u><u>\$ 21,015,653</u></u>	<u><u>\$ 20,147,177</u></u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 94,533	\$ 57,904
Accrued expenses and other current liabilities	603,991	106,754
Accrued salaries and payroll costs	779,364	678,303
Short-term incentive	35,353	-
Short-term subscription liabilities	<u>361,328</u>	<u>177,993</u>
Total current liabilities	1,874,569	1,020,954
Long-Term Incentive	154,591	80,315
Long-Term Subscription Liabilities	<u>-</u>	<u>354,045</u>
Total liabilities	<u>2,029,160</u>	<u>1,455,314</u>
Lease Deferred Inflow of Resources	<u>629,888</u>	<u>1,013,905</u>
Net Position		
Net investment in capital assets	10,045,528	7,698,481
Unrestricted	<u>8,311,077</u>	<u>9,979,477</u>
Total net position	<u>18,356,605</u>	<u>17,677,958</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 21,015,653</u></u>	<u><u>\$ 20,147,177</u></u>

Idaho Health Insurance Exchange dba Your Health Idaho
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2026 and 2025

	2026	2025
Operating Revenue		
Assessment income	\$ 15,928,826	\$ 14,985,284
Total operating revenue	<u>15,928,826</u>	<u>14,985,284</u>
Operating Expenses		
Professional services	4,736,357	4,584,515
Depreciation and amortization	1,027,980	831,253
Marketing and advertising	1,554,546	1,492,284
Call center services	577,570	623,057
Payroll and related expenses	7,070,353	6,664,140
Insurance	194,138	193,818
Utilities	468,620	457,038
Rent	5,518	5,706
Office expenses	130,100	114,085
Travel and meals	95,115	118,111
Other operating expenses	523,862	314,165
Total operating expenses	<u>16,384,159</u>	<u>15,398,172</u>
Operating Loss	<u>(455,333)</u>	<u>(412,888)</u>
Non-Operating Revenues		
Interest income	404,310	412,025
Lease revenue	703,060	724,945
Lease interest income	26,610	70,995
Total non-operating revenues	<u>1,133,980</u>	<u>1,207,965</u>
Change in Net Position	678,647	795,077
Net Position, Beginning of Year	<u>17,677,958</u>	<u>16,882,881</u>
Net Position, End of Year	<u><u>\$ 18,356,605</u></u>	<u><u>\$ 17,677,958</u></u>

Idaho Health Insurance Exchange dba Your Health Idaho

Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	(As Restated) 2025
Operating Activities		
Assessments received	\$ 15,923,643	\$ 15,058,423
Other income received	587,690	477,688
Cash paid to vendors for goods and services	(8,034,172)	(8,036,181)
Cash paid for employees services	(6,895,016)	(6,483,149)
Net Cash from Operating Activities	1,582,145	1,016,781
Financing Activities		
Payment on subscription liability	(170,710)	(167,775)
Lease interest received	26,610	70,995
Receipts on leases	623,745	687,660
Net Cash from Financing Activities	479,645	590,880
Investing Activities		
Acquisition of capital assets	(3,206,380)	(1,271,171)
Purchase of investments	-	(8,150,000)
Proceeds from the sale of investments	-	8,400,000
Net Cash used for Investing Activities	(3,206,380)	(1,021,171)
Net Change in Cash and Cash Equivalents	(1,144,590)	586,490
Cash and Cash Equivalents, Beginning of Year	2,198,263	1,611,773
Cash and Cash Equivalents, End of Year	\$ 1,053,673	\$ 2,198,263
Reconciliation of Change in Net Position to		
Net cash from operating activities		
Change in net position	\$ 678,647	\$ 795,077
Adjustments to reconcile change in net position to		
net cash from operating activities		
Depreciation and amortization	1,027,980	831,253
Loss on disposal of capital assets	2,063	5,058
Lease revenue	(650,355)	(758,655)
Change in assets and liabilities		
Prepaid expenses	(317,565)	40,634
Receivables	96,819	96,459
Accounts payable	36,629	(143,481)
Accrued expenses and other current liabilities	497,237	(30,555)
Long-term incentive	109,629	42,627
Accrued salaries and payroll costs	101,061	138,364
Net Cash from Operating Activities	\$ 1,582,145	\$ 1,016,781

Note 1 - Principal Business Activity and Significant Accounting Policies**Financial Reporting Entity**

Idaho Health Insurance Exchange dba Your Health Idaho (Your Health Idaho or YHI) was created as an independent body corporate and politic, meaning a "government entity", by the Idaho State Legislature under the provisions of the Idaho House Bill No. 248. The Act empowers Your Health Idaho to enhance Idaho residents' access to health insurance, by establishing a state-created, market-driven health insurance exchange that will facilitate the voluntary selection of individual and employer health benefit plans.

Although the State of Idaho considers Your Health Idaho to be a component unit for financial reporting purposes in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, and 39, *Determining Whether Certain Organizations are Component Units*, and the State's governor appoints the Board of Directors of Your Health Idaho, Your Health Idaho is legally separate from the State of Idaho, in that it is not a State agency under State law; and does not rely on State resources to support its operations.

Financial Statement Presentation

Your Health Idaho is considered an enterprise fund and accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the Statement of Net Position. Your Health Idaho's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units using the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. Your Health Idaho, regardless of the timing of cash flows, applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Federal grants related to the establishment and running of the exchange are included in operating revenues. Operating expenses for the proprietary fund include the cost of personnel and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Concentrations of Credit Risk

Your Health Idaho maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits. Custodial credit risk is the risk that in the event of failure of the counterparty, Your Health Idaho will not be able to recover the value of its deposits or collateral securities that are in the possession of the outside party. The Federal Deposit Insurance Corporation (FDIC) insures \$250,000 of the bank balance. In the normal course of business Your Health Idaho will hold balances in excess of the insurance limits. To reduce this risk, Your Health Idaho has opened collateralized deposit accounts that are backed by Standby Letters of Credit rated Aaa/AA+. All cash balances are collateralized and insured.

Cash and Cash Equivalents

Cash and cash equivalents consists of highly liquid investments with an original maturity of three months or less.

Certificates of Deposit

Certificates of deposit are recorded at amortized cost. The certificates of deposit as of the years ended June 30, 2026 and 2025 mature within one year.

Receivables and Credit Policy

Receivables due from carriers are uncollateralized carrier obligations due under normal trade terms requiring payment within 30 days from the invoice date. Receivables are stated at the amount billed to the customer. Your Health Idaho does not charge interest on overdue customer account balances. Payments of receivables are allocated to the specific invoices identified on the carrier's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

Your Health Idaho has not recorded an allowance for the receivable because all balances are deemed to be collectible.

Capital Assets

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line method, based on useful lives of the assets which range from three to forty years.

Your Health Idaho reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at June 30, 2026 and 2025.

Right to Use Subscription Information Technology Assets

Right to use subscription information technology assets (SBITA) are recognized at the subscription commencement date and represent Your Health Idaho's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives

received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful lives of the underlying asset using the straight-line method. The amortization period is 5 years.

Long-Term Obligations

Subscription liabilities represent Your Health Idaho's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by Your Health Idaho. The subscription liabilities are current as of June 30, 2026.

Compensated Absences

Your Health Idaho provides personal leave to all full time and part time employees (except those who work less than 30 hours a week.) It is paid to employees when taken and will also be paid to employees or their beneficiaries upon the employee's termination, retirement, or death. The amount of unpaid personal leave accumulated by Your Health Idaho employees is accrued as a liability in the financial statements. It is Your Health Idaho's policy to cap compensated absences at 200 hours for each employee. Employees are also allowed to cash out hours down to 60 hours.

Net Position

Net position is displayed in three components as follows:

Net investment in capital assets - Consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. At June 30, 2026 and 2025, Your Health Idaho had \$361,328 and \$532,038, in outstanding subscription liabilities, respectively.

Restricted net position - Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. There is no restricted net position as of June 30, 2026 and 2025.

Unrestricted net position - All other net position that do not meet the definition of "net invested in capital assets" or "restricted."

Revenue Recognition

The assessment fee is assessed on and payable by the carriers. In March 2024, effective January 1, 2025, the Board of Directors approved assessment fees on a per member per month (PMPM) model of \$11.75 and \$0.75 flat assessment fee per enrollee per carrier for health and dental plans, respectively.

Your Health Idaho recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, or services have been rendered, the fee for the arrangement is fixed or determinable and collectability is reasonably assured.

Lease Revenue

Your Health Idaho recognizes rental revenue prorated for each month of the related lease.

Leases

As a lessor, Your Health Idaho recognizes a lease receivable and a lease deferred inflow of resources at the commencement of the lease term, with certain exceptions for short-term leases. Your Health Idaho does not derecognize the asset underlying the lease. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any payment received at or before the commencement of the lease term that relate to future periods.

Marketing and Advertising Costs

Marketing and advertising costs are expensed as incurred. Such costs equaled \$1,554,546 and \$1,492,284, for the years ended June 30, 2026 and 2025, respectively.

Long-Term Incentive

Your Health Idaho has accrued amounts related to incentive payments for the executive director and other key employees. The amount accrued is \$154,591 and \$80,315, as of June 30, 2026 and 2025, respectively. Your Health Idaho's management believes these payments are properly accrued based on terms of the compensation policy.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Adoption of New Standard

As of July 1, 2024, Idaho Health Insurance Exchange adopted GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets*. GASB 103 enhances the clarity and consistency of financial reporting requirements related to the management's discussion and analysis. GASB 103 is required to be reported as a change in accounting principle in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of GASB Statement No. 103 resulted in a restatement to the statements of cash flows discussed in Note 11.

The implementation of GASB 104 establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures and establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The additional disclosures required by this standard are included in Note 3.

Note 2 - Cash and Cash Equivalents

The carrying amounts of deposits and investments as of June 30, 2026 and 2025, are as follows:

	<u>2026</u>	<u>2025</u>
Carrying amount		
Cash and deposits	<u>\$ 1,053,673</u>	<u>\$ 2,198,263</u>
Total	<u><u>\$ 1,053,673</u></u>	<u><u>\$ 2,198,263</u></u>

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2026 and 2025

Note 3 - Capital Assets

Capital assets additions, retirements, transfers and balances for the year ended June 30, 2026, are as follows:

	Balance June 30, 2025	Additions	Deletions	Transfers	Balance June 30, 2026
Capital assets not being depreciated					
Trademark	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000
Land	850,000	-	-	-	850,000
Development in progress	18,700	2,969,620	-	(352,401)	2,635,919
Total capital assets not being depreciated	<u>\$ 880,700</u>	<u>\$ 2,969,620</u>	<u>\$ -</u>	<u>\$ (352,401)</u>	<u>\$ 3,497,919</u>
Capital assets being depreciated					
Furniture and equipment	\$ 397,671	\$ -	\$ (3,389)	\$ 55,925	\$ 450,207
Software and development	50,687,649	100,000	-	-	50,787,649
Right to use subscription IT assets	1,022,946	-	-	-	1,022,946
Computers	934,293	87,643	-	7,526	1,029,462
Buildings and improvements	5,268,068	40,669	-	211,828	5,520,565
Leasehold improvements	474,917	8,448	-	77,122	560,487
Total capital assets being depreciated	<u>58,785,544</u>	<u>236,760</u>	<u>(3,389)</u>	<u>352,401</u>	<u>59,371,316</u>
Less accumulated depreciation for					
Furniture and equipment	\$ 76,503	\$ 82,399	\$ (1,326)	\$ -	\$ 157,576
Software and development	49,509,846	476,932	-	-	49,986,778
Right to use subscription IT assets	63,438	10,524	-	-	73,962
Computers	802,131	79,575	-	-	881,706
Buildings	683,593	326,050	-	-	1,009,643
Leasehold improvements	300,214	52,500	-	-	352,714
Total accumulated depreciation	<u>\$ 51,435,725</u>	<u>\$ 1,027,980</u>	<u>\$ (1,326)</u>	<u>\$ -</u>	<u>\$ 52,462,379</u>
Net capital assets being depreciated	<u>\$ 7,349,819</u>				<u>\$ 6,908,937</u>
Capital assets, net	<u>\$ 8,230,519</u>				<u>\$ 10,406,856</u>

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2026 and 2025

Included in total capital asset increases for the year ended June 30, 2026, are transfers of \$352,401 from work in progress related to the final stages of the office remodel.

Capital assets additions, retirements, transfers and balances for the year ended June 30, 2025, are as follows:

	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets not being depreciated					
Trademark	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000
Land	850,000	-	-	-	850,000
Development in progress	274,416	448,543	(5,075)	(699,184)	18,700
Total capital assets not being depreciated	<u>\$ 1,136,416</u>	<u>\$ 448,543</u>	<u>\$ (5,075)</u>	<u>\$ (699,184)</u>	<u>\$ 880,700</u>
Capital assets being depreciated					
Furniture and equipment	\$ 166,527	\$ 10,200	\$ (121,173)	\$ 342,117	\$ 397,671
Software and development	50,687,649	-	-	-	50,687,649
Right to use subscription IT assets	1,022,946	-	-	-	1,022,946
Computers	922,096	12,197	-	-	934,293
Buildings and improvements	4,242,820	796,887	-	228,361	5,268,068
Leasehold improvements	337,810	8,401	-	128,706	474,917
Total capital assets being depreciated	<u>57,379,848</u>	<u>827,685</u>	<u>(121,173)</u>	<u>699,184</u>	<u>58,785,544</u>
Less accumulated depreciation for					
Furniture and equipment	\$ 129,856	\$ 62,761	\$ (116,114)	\$ -	\$ 76,503
Software and development	49,052,149	457,697	-	-	49,509,846
Right to use subscription IT assets	46,178	17,260	-	-	63,438
Computers	707,886	94,245	-	-	802,131
Buildings	512,719	170,874	-	-	683,593
Leasehold improvements	271,817	28,397	-	-	300,214
Total accumulated depreciation	<u>\$ 50,720,605</u>	<u>\$ 831,234</u>	<u>\$ (116,114)</u>	<u>\$ -</u>	<u>\$ 51,435,725</u>
Net capital assets being depreciated	<u>\$ 6,659,243</u>				<u>\$ 7,349,819</u>
Capital assets, net	<u>\$ 7,795,659</u>				<u>\$ 8,230,519</u>

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2026 and 2025

Included in total capital asset increases for the year ended June 30, 2025, are transfers of \$699,184 from work in progress related to the office remodel.

Depreciation expense totaled \$1,027,980 and \$831,253, for the years ended June 30, 2026 and 2025, respectively.

Note 4 - Concentrations

The following table summarizes Your Health Idaho's customer concentrations of revenue:

	2026	2025
Customer A	25%	23%
Customer B (also a related party beginning January 1, 2025)	18%	32%
Customer C	27%	21%

Your Health Idaho has contracted with and is dependent upon an IT company to develop its core IT systems including but not limited to a web portal, enrollment system, and corresponding IT infrastructure. The one entity represented 88% and 51% of accounts payable and accrued expenses for the years ended June 30, 2026 and 2025, respectively.

Note 5 - Risk Management

Your Health Idaho maintains commercial insurance coverage for directors and officers, errors and omissions, tort claims, and property loss and other casualties. Workers compensation insurance is maintained through the state insurance fund.

Note 6 - Subscription Liabilities

Your Health Idaho has a SBITA contract for the use of the eligibility module of the GetInsured Exchange Platform. As of June 30, 2026, the value of the subscription liability was \$361,328. The final balance of the subscription liability will be due in fiscal year 2027. The subscription has an interest rate of 3.0%.

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2026 and 2025

A summary of the changes in subscription liabilities during the years ended June 30, 2026 and 2025, is as follows:

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026	Due Within One Year
Subscription liabilities	<u>\$ 532,038</u>	<u>\$ -</u>	<u>\$ 170,710</u>	<u>\$ 361,328</u>	<u>\$ 361,328</u>
	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Subscription liabilities	<u>\$ 699,813</u>	<u>\$ -</u>	<u>\$ 167,775</u>	<u>\$ 532,038</u>	<u>\$ 177,993</u>

Note 7 - Lease Receivable

Your Health Idaho leases office and storage space in their building under various long-term lease agreements. The following is a schedule of the payments to be received under those agreements. Included in deletions for the year ended June 30, 2026 were \$239,619 in recognized lease modifications. Included in deletions for the year ended June 30, 2025 were \$1,884,236 in recognized lease modifications.

	Beginning Balance	Additions	Deletions	Ending Balance
For year-end June 30, 2026				
Lessor leases				
Building	<u>\$ 1,013,905</u>	<u>\$ -</u>	<u>\$ (384,017)</u>	<u>\$ 629,888</u>
	Beginning Balance	Additions	Deletions	Ending Balance
For year-end June 30, 2025				
Lessor leases				
Building	<u>\$ 3,494,545</u>	<u>\$ -</u>	<u>\$ (2,480,640)</u>	<u>\$ 1,013,905</u>

Idaho Health Insurance Exchange dba Your Health Idaho

Notes to Financial Statements

June 30, 2026 and 2025

Your Health Idaho's schedule of future receipts included in the measurement of leases receivable is as follows:

	Principal	Interest	Total
2027	\$ 261,916	\$ 13,516	\$ 275,432
2028	107,402	9,187	116,590
2029	107,997	6,072	114,069
2030	64,135	3,525	67,660
2031	47,069	2,014	49,083
2032	41,369	572	41,941
	<u>\$ 629,888</u>	<u>\$ 34,886</u>	<u>\$ 664,774</u>

Note 8 - Employee Benefit Plan

Effective January 1, 2024, Your Health Idaho moved to a IRC 457(b) plan for employee contributions and 401(a) plan for employer contributions. Your Health Idaho matches 100% up to 6% of the participant's compensation in the calendar year. Participants can contribute up to \$24,500 and \$23,500 of their salary in calendar years end 2026 and 2025, respectively. The first 3% vests immediately and the remaining 3% - 6% vests after 2 years of employment. Total employer contributions under this plan were \$213,912 and \$188,099, for the years ended June 30, 2026 and 2025, respectively.

Note 9 - Compensated Absences

The following is a summary of changes in accrued compensated absences for the years ended June 30, 2026 and 2025.

2026				
	July 1, 2024	Additions	Reductions	June 30, 2025
Compensated absences	<u>\$ 234,727</u>	<u>\$ 438,811</u>	<u>\$ (424,533)</u>	<u>\$ 249,005</u>
				<u>\$ 249,005</u>
2025				
	July 1, 2023	Additions	Reductions	June 30, 2024
Compensated absences	<u>\$ 189,518</u>	<u>\$ 391,023</u>	<u>\$ (345,814)</u>	<u>\$ 234,727</u>
				<u>\$ 234,727</u>

The liability is recorded in accrued salaries and payroll costs on the Statements of Net Position.

Note 10 - Related Parties

Certain representatives from insurance carriers serve on Your Health Idaho's Board. The representatives are not compensated by Your Health Idaho for their services. Select Health, a medical insurance company (represented on the Board) provided health insurance to the employees of Your Health Idaho. Delta Dental of Idaho, an insurance company (represented on the Board) provided dental insurance to the employees of Your Health Idaho. Your Health Idaho paid a total of \$37,100 and \$32,307, to Delta Dental of Idaho for the fiscal years ended June 30, 2026 and 2025, respectively. Your Health Idaho paid a total of \$1,041,530 and \$504,349, to Select Health for the fiscal years ended June 30, 2026 and 2025, respectively.

Additionally Your Health Idaho received assessment fees from Blue Cross of Idaho (represented on the Board) of \$4,040,898 and \$3,499,208, for the fiscal years ended June 30, 2026 and 2025, respectively. Your Health Idaho received assessment fees from Select Health of \$4,359,341 and \$4,753,751, and Delta Dental of Idaho of \$67,356 and \$60,067, for the fiscal years ended June 30, 2026 and 2025, respectively.

Note 11 - Restatement

As a result of the implementation of GASB 103 as discussed in Note 1, lease interest income for cash flow purposes which had been reported as an operating activity in prior years is required to be reported as a financing activity. The following is a summary of the effects of the restatement in Idaho Health Insurance Exchange's June 30, 2025 statement of cash flows:

	As Previously Reported	Adjustment	As Restated
Select Statement of Cash Flows			
Operating Activities			
Other income received	\$ 548,683	\$ (70,995)	\$ 477,688
Financing Activities			
Lease interest received	-	70,995	70,995
Reconciliation of Change in Net Position to			
Lease receivable	(687,660)	(70,995)	(758,655)

Note 12 - Subsequent Events

Subsequent to year end, and effective September 8, 2026, Your Health Idaho terminated its contract with Vimo, Inc. dba GetInsured. Your Health Idaho contracted with GetInsured to build and maintain our health insurance exchange technology platform. This will allow Your Health Idaho to more closely follow its statutorily mandated directive to utilize Idaho-based resources to the extent possible.

Your Health Idaho has evaluated subsequent events through September 21, 2026, the date which the financial statements were available to be issued.



**Independent Auditor's 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**

To the Board of Directors
Idaho Health Insurance Exchange dba Your Health Idaho
Boise, Idaho

We have audited, in accordance with 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, the financial statements of the business-type activities of Idaho Health Insurance Exchange dba Your Health Idaho (Your Health Idaho or YHI), as of and for the year then ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Your Health Idaho's basic financial statements and have issued our report thereon dated September 21, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Your Health Idaho'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 Your Health Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of Your Health Idaho'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 Your Health Idaho's 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Your Health Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 the Your Health Idaho's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Your Health Idaho's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The signature is written in a cursive, handwritten style. It reads "Eide Bailly LLP". The letters are fluidly connected, with a prominent loop at the end of the "P".

Boise, Idaho
September 21, 2026