Baker Newman & Noyes LLC
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To the Board of Trustees
Maine Health Access Foundation, Inc.

We are pleased to present this report related to our audit of the financial statements of Maine Health Access Foundation, Inc. (the Foundation) as of and for the year ended December 31, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Foundation's financial reporting process.

This report is intended solely for the information and use of the Board of Trustees and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to be of service to the Foundation.

Baker Newman & Noyes LLC

Portland, Maine
October 10, 2024

Required Communications

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our engagement letter, dated January 8, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication, dated January 8, 2024, regarding the planned scope and timing of our audit and identified significant risks.

There was one additional significant risk identified that was not included in the previous communication. The additional risk related to the valuation of investments.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices
Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies
Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Foundation. The Foundation did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies, during the period.

Significant Accounting Policies
We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions
We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates
Accounting estimates are an integral part of the preparation of financial statements and are based on management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Areas particularly susceptible to short-term changes in management's judgments and accounting estimates are alternative investment valuations.

Audit Adjustments and Uncorrected Misstatements

Audit adjustments proposed by us and recorded by the Foundation are shown on the attached Summary of Recorded Audit Adjustments.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Required Communications (Continued)

Observations About the Audit Process

Disagreements With Management
We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations With Other Accountants
We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management
No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit
We did not encounter any significant difficulties in dealing with management during the audit.

Difficult or Contentious Matters That Required Consultation
We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Shared Responsibilities: AICPA Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a **joint responsibility** and is managed most effectively when management, audit committees (or their equivalents) and audit firms work together in considering compliance with AICPA independence rules. For Baker Newman & Noyes LLC (BNN) to fulfill its professional responsibility to maintain and monitor independence, management, the finance committee, and BNN each play an important role.

Our Responsibilities
- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. BNN is to ensure that the AICPA's General Requirements for performing nonattest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

The Foundation's Responsibilities
- Timely inform BNN, before the effective date of transactions or other business changes, of the following:
  - New affiliates, directors or officers.
  - Changes in corporate structure impacting affiliates such as add-on acquisitions or exits.
- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the Foundation and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with BNN.
- Not entering into relationships resulting in close family members of BNN covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Foundation.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of the Foundation, including the representation letter provided to us by management, are attached.

MAINE HEALTH ACCESS FOUNDATION, INC.

SUMMARY OF RECORDED AUDIT ADJUSTMENTS

For the Year Ended December 31, 2023

Management corrected the following material misstatements that were identified as a result of our audit procedures.

	Debit (Credit)				
Description	Assets	Liabilities	Net Assets	Revenue	Expenses
Record tax liability	$(144,000)	$(466,055)	$ –	$ –	$610,055
Adjust lease liability	(78,716)	79,732	–	–	(1,016)
	$(222,716)	$(386,323)	$ –	$ –	$609,039

MeHAF
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146 Capitol Street
Augusta, Maine 04330
207.620.8266
www.mehaf.org

October 10, 2024

Baker Newman & Noyes LLC
280 Fore Street
Portland, Maine 04101-4177

This representation letter is provided in connection with your audits of the financial statements of Maine Health Access Foundation (the Foundation) which comprise the statements of financial position as of December 31, 2023 and 2022 and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 8, 2024, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. We acknowledge our responsibility 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.

3. We acknowledge our responsibility for the design, implementation, and maintenance of controls to prevent and detect fraud.

4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. We are responsible for determining that significant events or transactions that have occurred since the statement of financial position date and through the date of this letter, have been recognized or disclosed in the financial statements. No events or transactions have occurred subsequent to the statement of financial position date and through the date of this letter that would require recognition or disclosure in the financial statements. We further represent that as of the date of this letter, the financial statements were complete in a form and format that complied with accounting principles generally accepted in the United States of America, and all approvals necessary for issuance of the financial statements had been obtained.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. With respect to drafting the financial statements performed in the course of the audit:
   a. We have made all management decisions and performed all management functions;
   b. We assigned an appropriate individual to oversee the services;
   c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
   d. We have accepted responsibility for the results of the services; and
   e. We have accepted responsibility for all significant judgments and decisions that were made.

9. We have no knowledge of any uncorrected misstatements in the financial statements.

10. The following have been properly recorded and/or disclosed in the financial statements as applicable:
    a. Guarantees, whether written or oral, under which the Foundation is contingently liable;
    b. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances;
    c. Lines of credit or similar arrangements;
    d. Security agreements in effect under the Uniform Commercial Code;
    e. All other liens or encumbrances on assets and all other pledges of assets;
    f. Investments in debt and equity securities, including their classification;
    g. All leases and material amounts of rental obligations under long-term leases;
    h. All significant estimates and material concentrations known to management that are required to be disclosed in accordance with the *Risks and Uncertainties Topic* of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Significant estimates are estimates at the statement of financial position date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year;
    i. Assets and liabilities measured at fair value in accordance with the *Fair Value Measurements and Disclosures Topic* of the FASB ASC, including split interest agreements;
    j. All recordable contributions, by appropriate net asset class;
    k. Reclassifications between net asset classes;
    l. Allocations of functional expenses based on a reasonable basis;
    m. Composition of assets in amounts needed to comply with all donor restrictions;
    n. Deferred revenue from exchange transactions;
    o. Refundable advances;
    p. Concentrations of credit risk; and
    q. The effect on the financial statements of accounting standards updates which have been issued, but which we have not yet adopted.

Information Provided

11. We have provided you with:
    a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
    b. Additional information that you have requested from us for the purpose of the audit.
    c. Unrestricted access to persons within the Foundation from whom you determined it necessary to obtain audit evidence.
    d. Minutes of the meetings of the directors and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.

12. All transactions have been recorded in the accounting records and are reflected in the financial statements.

13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

14. We have no knowledge of allegations of fraud or suspected fraud, affecting the Foundation's financial statements involving:
    a. Management;
    b. Employees who have significant roles in the internal control; and
    c. Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Foundation's financial statements received in communications from employees, former employees, regulators, or others.

16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations. Additionally, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.

17. We are not aware of any pending or threatened litigation and claims whose effects were considered when preparing the financial statements, and we have not consulted legal counsel concerning litigation or claims.

18. We have disclosed to you the identity of all of the Foundation's related parties and all related-party relationships and transactions of which we are aware.

19. We are aware of no deficiencies in internal control over financial reporting, including significant deficiencies, material weaknesses, in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data.

20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

21. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

22. We have no plans or intentions that may materially affect the carrying value or classification of assets. In that regard:
    a. The Foundation has no significant amounts of idle property and equipment;
    b. The Foundation has no plans or intentions to discontinue the operations of any subsidiary or division or to discontinue any significant services or activities;
    c. Provision has been made to reduce all assets that have permanently declined in value to their realizable values; and
    d. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.

23. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
    a. To reduce receivables to their estimated net collectable amounts;
    b. For uninsured losses or loss retentions (deductibles) attributable to events occurring through December 31, 2023 and/or for expected retroactive insurance premium adjustments applicable to periods through December 31, 2023;
    c. For pension obligations, postretirement benefits other than pensions, and deferred compensation agreements attributable to employee services rendered through December 31, 2023;
    d. For any material loss to be sustained in the fulfillment of or from the inability to fulfill any sales commitments, including promises to give;
    e. For environmental clean-up obligations; and
    f. For amounts held for others under agency and/or split interest agreements.

24. There are no:
    a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Environmental Protection Agency in connection with any environmental contamination;
    b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the *Contingencies Topic* of the FASB ASC;
    c. Agreements to repurchase assets previously sold;
    d. Amounts of contractual obligations for plant construction and/or purchase of real property, equipment, other assets, and intangibles;
    e. All liabilities that are subordinated to any other actual or possible liabilities of the Foundation;
    f. Derivative financial instruments; and
    g. Board designated net assets.

25. The Foundation has satisfactory title to all owned assets.

26. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

27. We have received a determination from the Internal Revenue Service that we are exempt from federal income taxes as a Section 501(c)(3) not-for-profit corporation, and we have complied with the IRS regulations regarding this exemption.

28. The Foundation has taken no actions that would jeopardize its not-for-profit status. With respect to for-profit subsidiaries and/ or activities subject to taxation, the financial statements include all material liabilities for uncertain tax positions (including positions related to returns that should have been, but were not, filed) and disclosures required by ASC 740-10 (formerly FIN 48).

29. Margo Beland, Finance Manager, has reviewed the Checklist for Disclosures and we are satisfied that the financial statements contain all material disclosures required by generally accepted accounting principles.

Very truly yours,

Maine Health Access Foundation

Barbara A. Leonard

Barbara Leonard, President and Chief Executive Officer

Margo Beland

Margo Beland, Finance Manager