

**Global Health Ministry
Section 177 Health Plan
Agreement with The Republic
of the Marshall Islands**

Special-Purpose Statement of Support and Expenses
for the Year Ended December 31, 2021, and
Independent Auditor's Report

**GLOBAL HEALTH MINISTRY
SECTION 177 HEALTH PLAN AGREEMENT WITH
THE REPUBLIC OF THE MARSHALL ISLANDS**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
SPECIAL-PURPOSE STATEMENT OF SUPPORT AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2021	3
NOTES TO SPECIAL-PURPOSE STATEMENT OF SUPPORT AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2021	4-5

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Global Health Ministry
Livonia, Michigan

Opinion

We have audited the accompanying Special-Purpose Statement of Support and Expenses of Global Health Ministry, a wholly owned subsidiary of Trinity Health, (the "Contractor"), which comprise the Special-Purpose Statement of Support and Expenses for the year ended December 31, 2021, and the related notes (the "Statement").

In our opinion, the Statement presents fairly, in all material respects, the support received and expenses incurred for the year ended December 31, 2021, in accordance with the basis of presentation referred to in Note 1 to the Schedule.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are required to be independent of the Contractor 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 opinion.

Basis of Presentation

We draw attention to Note 1 of the Statement, which describes the basis of accounting. The Statement is prepared by the Contractor to show the support received and expenses incurred in accordance with The Republic of the Marshall Islands Section 177 Health Plan Agreement with the Contractor (the "Contract"), on the basis of the financial reporting provisions of Section 12 of the Contract, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the financial reporting provisions of the Contract. As a result, the Statement may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Statement

Management is responsible for the preparation and fair presentation of the Statement in accordance with the basis of accounting referred to in Note 1 to the Schedule; this includes determining that the basis of accounting is an acceptable basis for the preparation of the Statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 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 Statement, 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 the Contractor'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 Statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Contractor'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.

Restriction on Use

Our report is intended solely for the information and use of the Board of Directors and management of Global Health Ministry, the government of The Republic of the Marshall Islands, and the Cognizant agency for audit and other federal agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

April 29, 2022

**GLOBAL HEALTH MINISTRY
SECTION 177 HEALTH PLAN AGREEMENT WITH
THE REPUBLIC OF THE MARSHALL ISLANDS**

**SPECIAL-PURPOSE STATEMENT OF SUPPORT AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

I. SUPPORT:		
A. Section 177 Health Plan payments		
1. Program year total support		<u>\$ 1,737,051</u>
Total support		<u>1,737,051</u>
II. EXPENSES:		
A. Primary care expenses		
1. Direct expenses		1,105,645
2. Special missions and projects		128,617
3. Logistical support		<u>118,735</u>
Total primary care expenses		<u>1,352,997</u>
B. Administrative expenses		
1. Administrative services		110
2. Global Health Ministry overhead		<u>253,903</u>
Total administrative expenses		<u>254,013</u>
Total expenses		<u>1,607,010</u>
SUPPORT IN EXCESS OF EXPENSES		<u>\$ 130,041</u>

See notes to special-purpose statement of support and expenses.

GLOBAL HEALTH MINISTRY SECTION 177 HEALTH PLAN AGREEMENT WITH THE REPUBLIC OF THE MARSHALL ISLANDS

NOTES TO SPECIAL-PURPOSE STATEMENT OF SUPPORT AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2021

1. SECTION 177 HEALTH PLAN AGREEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Global Health Ministry (the “Contractor”), a wholly owned subsidiary of Trinity Health, entered into a contract, commencing on January 1, 2007, extending through December 31, 2007, with The Republic of the Marshall Islands (the “Government”). Subsequent to December 31, 2007, the Contractor has received multiple written extensions from the Government to continue the program, most recently through December 31, 2022. Under the terms of the contract, the Contractor has the obligation to provide management of specified health services for eligible citizens of The Republic of the Marshall Islands. In consideration of these services, the Government supports qualified contract expenses and provides a specified administration fee to the Contractor.

The contract can be terminated at the option of either party if the other party has not cured, within 60 days, a formally notified contractual default or if the other party files for bankruptcy. In addition, the Contractor may terminate the contract upon 90 days’ notice if the Section 177 Health Plan is operated in a manner that is inconsistent with the ethical standards and philosophy of the Contractor.

Patient eligibility is determined by the Government. The Government provides approvals for eligible patients to the Contractor.

Basis of Accounting—The special-purpose statement of support and expenses (the “Statement”) was prepared to present the support received and expenses incurred by the Contractor in the performance of the Section 177 Health Plan Agreement with the Government in accordance with Section 12 of the Contract for Management of the Section 177 Health Plan Agreement and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

The accompanying statement is presented on the accrual basis of accounting for expenses and on a cash basis for support received.

Fixed Assets—Fixed assets purchased by the Contractor in The Republic of the Marshall Islands, for use exclusively in the execution of the Section 177 Health Plan Agreement with the Government, are expensed when purchased. The Contractor is the custodian of the assets until the completion of the contract. Upon completion of the contract, the assets become the property of the Government.

Support—Support is recognized on the Section 177 Health Plan Agreement with the Government in an amount equal to the total contractual (including amendments) support received. Support received in 2021 was \$1,737,051. Because the Contractor has received an extension of the contract year over year, excess of support received over reported expenses at the end of the contract year may be carried forward to the next contract year. Likewise, expenses incurred in excess of the support received in a certain year can be paid for using funds leftover from a prior year. The Contractor is not obligated to incur expenses in excess of contractual support.

Allocation of Expenses—Salaries, wages, and related benefits are allocated by the Contractor on the basis of actual or estimated time devoted to the contract.

2. RELATED-PARTY TRANSACTIONS

The Contractor purchases inpatient and outpatient care and pays certain personnel and other costs through two branches of the Government. Amounts paid to the Government for inpatient and outpatient care, and for certain personnel and other costs totaled approximately \$52,960 for the year ended December 31, 2021.

3. SUBSEQUENT EVENTS

The Contractor has evaluated subsequent events through April 29, 2022, which is the date the Statement was available for issuance, and determined that no events require recording or disclosure in the Statement.

* * * * *