CBIZ CPAs P.C.

101 Munson Street
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Greenfield, MA 01301

P: 413.773.5405

September 1, 2026

Insurance Advisory Committee
Hampshire County Group Insurance Trust
88 King Street
Northampton, MA 01060

We have audited the financial statements of the business-type activities and fiduciary activities of the Hampshire County Group Insurance Trust (the "Trust") as of and for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 25, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Trust are described in Note 1 to the financial statements. Other than GASB 101 and 102, no new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2025. We noted no transactions entered into by the Trust during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Trust's financial statements were:

- Incurred but not reported liability (IBNR).
- Net pension liability and related deferred outflows and inflows.
- Net OPEB asset.

Management's estimate of the above are based on various criteria. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

> The footnotes to the financial statements as required under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which require the Trust to recognize a net pension liability and a net OPEB asset, respectively, in their financial statements as described above.

The financial statement disclosures are neutral, consistent, and clear.

Independence

During the year ended June 30, 2025, we were engaged to provide financial statement preparation services. We reviewed the nature of the requested work, our role and management's role and determined that our independence would not be impaired, in fact or appearance.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. All adjustments including ones that are required to be made by you are provided to you were also provided to you and are attached to this letter.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated Septembe 1, 2026.

Significant Unusual Transactions

For purposes of this letter, professional standards define *significant unusual transactions* as transactions that are outside the normal course of business for the Trust or that otherwise appear to be unusual due to their timing, size or nature. We did not identify any significant unusual transactions during our audit.

Related Party Relationships and Transactions

As part of our audit, we evaluated the Trust's identification of, accounting for, and disclosures of the Trust's relationships and transactions with related parties as required by professional standards. We did not identify any related parties or related party relationships or transactions that were previously undisclosed to us, significant related party transactions that have not been approved in accordance with the Trust's policies, or procedures or for which exceptions to the Trust's policies or procedures were granted; or significant related party transactions that appeared to lack a business purpose.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Trust's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Trust's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The following issue was noted during the audit –

Establish a General Ledger Accounting System

The Trust uses spreadsheets to track and record revenues and expenses flowing through the operating checking account. The Trust also uses QuickBooks, but it is currently only utilized to pay vendor invoices. Since the spreadsheet is maintained on the cash basis, it does not provide a complete account of all the activities of the Trust. In order to create financial statements that are in accordance with generally accepted accounting principles, a complete account of all Trust transactions on the accrual basis of accounting is needed, which includes the recording of accounts receivable and accounts payable. A large number of material adjustments were also required as part of the audit process to record balances maintained in the separate spreadsheets and other records provided by the Trust.

The implementation of a general ledger accounting system will provide the Trust with a complete account of all transactions on the accrual basis of accounting and improve controls and oversight over the Trust's activity. We recommend the Trust take the necessary steps to get this system up and running and consider hiring an internal bookkeeper or outsourcing this service through an accounting firm.

Record Revenue in the Proper Fiscal Year

During our audit, we noted that the Trust did not consistently recognize premium revenue in the proper fiscal year. Certain amounts billed or collected in advance for future coverage periods were recorded as revenue and receivables in the current fiscal year rather than being recognized as unearned revenue until the related coverage period occurred. As a result, accounts receivable, revenue, and net position were misstated in the prior year financial statements. The error required a restatement of the prior year's financial statements to remove improperly recorded receivables and recognize the related amounts as unearned revenue. Accurate cut-off procedures and an understanding of the timing of premium billings and related coverage periods are essential to ensure that revenue is recognized in the period in which it is earned.

We recommend that management strengthen its year-end financial reporting procedures by implementing a formal review of all premium billings and collections occurring near fiscal year-end. This review should identify amounts related to future coverage periods and ensure they are recorded as unearned revenue rather than recognized as current-year revenue or receivables. Management should also document its revenue recognition methodology and perform a year-end reconciliation of billed premiums, cash collections, receivables, and unearned revenue balances to verify that all amounts are recorded in the appropriate reporting period.

Matters Resulting in Emphasis-of-Matter Paragraph in Auditor's Report

The restatement for receivables and unearned revenues due to a material error noted in fiscal year 2024 led to an emphasis-of-matter paragraph in the auditor's report as noted below –

Emphasis of Matter – Correction of Error

As discussed in Note 2 to the financial statements, the 2024 financial statements have been restated to correct a misstatement. Our report is not modified with respect to this matter.

Other Matters

We applied certain limited procedures to the required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of those charged with governance and management of the Trust and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

CBIZ CPAs P.C.

Greenfield, Massachusetts

HAMPSHIRE COUNTY GROUP INSURANCE TRUST
ADJUSTING JOURNAL ENTRIES (AJE)
FISCAL YEAR 2025 AUDIT

Need to post in FY26 General Ledger (7/1/2025).

Account	Description	Debit	Credit
Adjusting Journal Entry #1			
Record FY2025 year activity not QuickBooks			
3200	Unrestricted Net Assets	10,400,614.00	
1040	Cash		10,400,614.00
Total		**10,400,614.00**	**10,400,614.00**
Adjusting Journal Entry #2			
Correct for Hampshire County Retirement payments posted to expenses that should have been posted to a withholding account			
1040	Cash	42,514.00	
3200	Unrestricted Net Assets		42,514.00
Total		**42,514.00**	**42,514.00**
Adjusting Journal Entries JE #3			
Record FY25 OPEB investment earnings			
3200	Unrestricted Net Assets	16,085.00	
1040	Cash		16,085.00
1041	Cash - OPEB	16,085.00	
3210	Net Assets restricted for OPEB		16,085.00
Total		**32,170.00**	**32,170.00**

HAMPSHIRE COUNTY GROUP INSURANCE TRUST
PASSED ADJUSTING JOURNAL ENTRIES (PAJE)
FISCAL YEAR 2025 AUDIT

Account	Description	Debit	Credit
Passed Adjusting Journal Entry #1			
Record June insurance for Blue Medicare RX (already 12 months in the year)			
5700	Claims expense	632,287.00	
2020	Accounts payable		632,287.00
Total		**632,287.00**	**632,287.00**

Hampshire County Group Insurance Trust

88 King St, Northampton, MA 01033 | 413-584-1300

CBIZ CPAs P.C.
101 Munson Street, Suite 120
Greenfield, MA 01301

This representation letter is provided in connection with your audit of the financial statements of business-type activities and fiduciary activities of the Hampshire County Group Insurance Trust (the "Trust"), as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"), for the purpose of expressing an opinion as to 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").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 30, 2026, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the required supplementary information in accordance with the applicable criteria.

2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3. 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.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8. The effects of uncorrected misstatements and disclosures are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.

9. We have reviewed and approved the various journal entries (adjusting and reclassifying) that were proposed by you for recording in our books and records and reflected in the financial statements.

10. We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditors' role in the preparation of the adjustments.

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

12. Guarantees, whether written or oral, under which the Trust is contingently liable, if any, have been properly recorded or disclosed.

13. We have made available to you:

    a. 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 Trust from whom you determined it necessary to obtain audit evidence.

    d. All minutes of the meetings of the Executive Committee and Insurance Advisory Committee or summaries of actions of recent meetings for which minutes have not yet been prepared.

    e. The latest organizational structure and the names of all current officers, directors and individuals in financial reporting oversight role.

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

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

16. We have no knowledge of any fraud or suspected fraud that affects the Trust and involves—
    - Management,
    - Employees who have significant roles in internal control, or
    - Others where the fraud could have a material effect on the financial statements.

17. We have no knowledge of any allegations of fraud or suspected fraud affecting the Trust's financial statements communicated by employees, former employees, regulators, or others.

18. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

19. There are no:

a. instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements

b. other liabilities or gain or loss contingencies that are required to be accrued or disclosed by ASC 450 "*Contingencies*"

c. material transactions that have not been properly recorded in the accounting records underlying the financial statements

d. cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements

20. We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims that are required to be accrued or disclosed in accordance with ASC 450 "*Contingencies*" and we have not consulted a lawyer concerning litigation, claims or assessments.

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

22. There have been no communications, whether written or oral, nor have there been inquiries from any governmental or regulatory agencies concerning noncompliance with, or deficiencies in, applicable law or financial reporting practices nor any other matters.

23. We have a process to track the status of audit findings and recommendations.

24. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

25. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

26. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

27. The Trust has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

28. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

29. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

30. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

31. With respect to the nonattest services provided, including, converting to the accrual basis of accounting

based on information from our accounting records, we have performed the following:

a. Assumed all management responsibilities.

b. Designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services.

c. Evaluated the adequacy and results of the services performed.

d. Accepted responsibility for the results of the services.

32. As part of your audit, you assisted with the preparation of the financial statements, related notes, and required supplementary information. We acknowledge our responsibility as it relates to those nonattest/nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, and required supplementary information.

33. The Trust has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

34. The Trust has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

35. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

36. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

37. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended

38. Investments are properly valued.

39. Provisions for uncollectible receivables have been properly identified and recorded.

40. Deposits and investments are properly classified as to risk and are properly disclosed.

41. We have appropriately disclosed the Trust's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

42. We acknowledge our responsibility for the required supplementary information ("RSI"). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

43. We have approved the actuarial methods and assumptions used by the actuary for the development of the funding valuation as well as the accounting valuation for determining the net pension liability as of the December 31, 2024 measurement date. We have no knowledge or belief that such methods or assumptions

are inappropriate in the circumstances. We did not give any instructions, nor cause any to be given, to the Hampshire County Retirement System's (the "Plan's") actuary with respect to values or amounts derived, and we are not aware of any matters that have impacted the independence or objectivity of the Plan's actuary. We have no knowledge of any excluded census data, nor have we instructed the actuaries to exclude, or otherwise modify the census data applicable to each of the respective Plan. To our knowledge, the net position available for benefits of the Pension Trust utilized to determine the net pension liability is properly reported as of the measurement date of December 31, 2024.

44. We agree with the findings of specialists in evaluating the other post-employment benefits liability and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

45. You have provided us with all documents and records for the current year that are necessary to ensure that our books and records are complete.

46. All members, covered participants, and contributions/premiums have been properly identified, recorded, and accounted for in the Trust's financial records.

47. All known health claims, including claims incurred but not reported ("IBNR"), have been identified and appropriately accrued as liabilities, based on reasonable and documented actuarial assumptions

48. All insurance and reinsurance arrangements are properly disclosed, valid, collectible, and the amounts recoverable are appropriately valued and reported.

49. All actual or potential litigation, claims, assessments, or regulatory inquiries that could affect the Trust's financial position have been disclosed.

50. In assessing the appropriateness of the going concern basis for the entity, we have taken account of all relevant information covering a period of at least 12 months from the year end date of the financial statements.

51. The Trust did not expend $750,000 in Federal awards during the fiscal year ended June 30, 2025 and therefore was not subject to the Federal Single Audit Act.

52. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

53. As disclosed to you, the Trust does not hold an active cyber insurance policy to help protect the Trust from a potential financial loss derived from a data breach and other cyber security issues. We are aware of the potential loss exposure given the lack of insurance.

54. Neither the Trust nor any of its affiliates have held CBIZ, Inc. (CBZ) securities, including stocks, bonds, notes, options, and other securities that is material to the Trust or that allows the Trust to exercise significant influence over CBIZ, Inc. for the period under audit through the date of this letter.

Hampshire County Group Insurance Trust

Signature: _____ Signature: _____

Title: Insurance Administrator

Date: 9/1/2026

Title: Chair, HCGIT Executive Committee

Date: 9/1/2026