

DRAFT Posted October 3, 2018

MINUTES

Audit Committee Meeting

September 26, 2018

8:00am

Presiding Officer: David Sky, Chair, Audit Committee

A meeting of the Audit Committee of the Board of Directors of the New Hampshire Vaccine Association (NHVA) was held in person at the offices of Helms & Company, Inc. in Concord, NH with a quorum present.

The meeting was called to order by Mr. Sky at 8:00am.

I. Welcome and Introductions

Attendance – The following individuals attended the meeting, including by phone (P) as indicated:

Committee Members:

David Sky, NHID, Chair
Laura Condon, Public Member
Elizabeth Daly, NH DHHS
Susan Tenney, HPHC

Other Attendees:

Patrick Miller, Helms & Company
John Hastings, Helms & Company
Erin Meagher, Helms & Company
Keith Nix, Helms & Company
Karen Carew, Carew & Wells
Mark McCue, Esq., Hinckley Allen
Kathleen LaBonte, NH Resident – Public

II. Transition Updates

Mr. Miller reviewed the status of several transition items:

- As of August 24, all assessments were received.
- Minuteman Health's proof of claim was filed by KidsVax on August 1, 2018, confirmation of receipt was received August 14, 2018, and notice of change of Administrator was sent and receipt acknowledged on September 12, 2018. All future communication will be through Helms & Company as Administrator.
- Annual K report for commissioner was received from KidsVax on September 14, 2018. The report reflects payers that were added and those removed over the past year as well as specific covered lives filed by each payer. Everything expected from KidsVax for transition purposes has been received.
- Ms. Tenney asked about the plans for financial testing for CY2018. Ms. Carew, Mr. Hastings, and Mr. Miller discussed this summer what would be most valuable to assist the transition. It was determined that Carew & Wells will perform an Agreed Upon Procedures review, the details of which include.
 - Time period of June 30 through September 30, 2018.
 - Will include review of procedures using all original source documents from the bank and payment receipts from lockbox vendor.
 - Will trace transactions back to the QuickBooks recordings to verify accuracy.
 - Will ensure names on checks match QuickBooks transactions, typical vendors part of transactions, etc.
 - Completion is anticipated to be mid-October.

- 40 □ The cost will be capped at \$1,500 and is included in the FY2019 budget to be approved in this
41 meeting.
42

43 **III. Auditor's Report and Financials**
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45 Ms. Karen Carew of Carew & Wells led review of the audit for the year ending June 30, 2018. Overall, Ms. Carew
46 reported no significant changes this year. Ratios between years were consistent. There were changes in the notes
47 Section and Ms. Carew specifically referenced:
48

49 Section A – Nature of Activities & Summary of Significant Accounting Policies; Upcoming Accounting
50 Pronouncements – Page 8:

51 Ms. Carew stated that given the FASB changes in upcoming accounting pronouncements that there were no
52 material issues at this time. In the future, the temporary net assets will be presented in a different format. This is
53 the only area that Ms. Carew is still working on understanding how this will affect NHVA.
54

55 Section E – Commitments and Contingencies: TRICARE Assessment – Page 10:

56 Ms. Carew mentioned that this section is new this year, and she asked if there were any questions. There was
57 brief discussion about the following sentence in Paragraph 2:

58 *"The DHA subsequently hired Kennel and Associates, Inc. to assist the DHA with implementation of Section*
59 *719"*

60 Mr. Sky questioned this sentence and advised that the Washington Vaccine Association hired Kennel and
61 Associates on behalf of several state vaccine associations to negotiate/develop a process with the DHA for TRICARE
62 to participate in the vaccine assessment process. After discussion, the Committee believes this should be
63 reworded. Ms. Carew agreed to go back and review the documentation she has, and she will make appropriate
64 changes.
65

66 Ms. Tenney asked if Martin's Point was the only agent currently paying into NHVA. As of June 2018, Humana is
67 also acting as an agent for TRICARE and it was confirmed they did submit an assessment in August.
68

69 Section E – Commitments and Contingencies: Minuteman Health, Inc. Assessment – Page 11:

70 Ms. Carew mentioned this section is new and asked if there were any questions. There were no questions.
71

72 Section C – Related Party Transactions: State of New Hampshire; Paragraph 2 – Page 9:

73 Ms. Tenney questioned the term "providing vaccines" in this sentence:

74 *"The Association transfers monies to the State of New Hampshire to fund a specified portion of the cost of*
75 *providing vaccines for children in the State of New Hampshire."*

76 The Committee agreed to change the word "providing" to "purchasing."
77

78 Section G – Subsequent Events – Page 11:

79 Ms. Carew believes everything outlined is accurate. She asked the Committee if there were any events that should
80 be included in this section. Ms. Condon asked if there should be a notation about the transition of the NHVA
81 Administrator Services from KidsVax to Helms & Company. After discussion, the Committee agreed not to add such
82 a note as this transition had no impact on this financial presentation.
83

84 Governance Letter:

85 Ms. Carew discussed the governance letter from Carew & Wells to NHVA (dated July 25, 2018). This is required
86 communication from the auditors to the Board of Directors each year. It emphasizes these are the financial
87 statements of the organization, discusses determining the appropriate accounting principles, the presentation of
88 the financial statements and discusses estimates – most significantly Management's estimate of the vaccine
89 expense and their estimate of the balance due and collectable in accounts receivable. There were no difficulties in

90 working with management in performing and completing the audit, no corrected or uncorrected misstatements
91 that were significant, and no disagreements with management on what and how to present. At their request,
92 Carew & Wells received a letter from management which specifies that they disclosed everything to the auditor
93 and they understand their responsibilities of the financial statements.
94

95 **IV. Executive Session**

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97 **VOTE RECORDED:** *On a motion by Ms. Tenney, seconded by Ms. Condon, it was unanimously*

98 **VOTED:** *To convene Executive Session.*
99

100 Board members and Legal Counsel remained in the room and all others exited. When the Executive Session
101 terminated all were invited back into the room.
102

103 After completion of the Executive Session, Ms. Condon asked about the Agreed Upon Procedures review to be
104 conducted by Carew & Wells. Ms. Carew briefly reviewed the scope of this review as documented under the
105 Transition Updates section of the minutes.
106

107 **VOTE RECORDED:** *On a motion by Ms. Tenney, seconded by Ms. Daley, it was unanimously*

108 **VOTED:** *That the Audit Committee recommends that the full Board of Directors adopts*
109 *the audit reports presented with the Notes section amended as outlined above.*
110

111 **V. Review of June 20, 2018 Audit Committee Minutes**

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113 **VOTE RECORDED:** *On a motion by Ms. Tenney, seconded by Ms. Condon, it was unanimously*

114 **VOTED:** *To accept the June 20, 2018 Audit Committee minutes as presented.*
115 Ms. Daley abstained from the vote as she was not present at the June 20, 2018 Audit Committee meeting.
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117 **VI. Review and Recommendation of FY2019 Administrative Budget**

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119 Mr. Miller and Mr. Hastings reviewed the proposed FY2019 budget (July 1, 2018 through June 30, 2019) included in
120 the meeting packet.

- 121
- 122 ■ The first column reflects the FY2018 budget as a comparison point for the proposed budget.
 - 123 ■ Items highlighted in green are additional expenses that had not been accounted for in the prior year's
124 budget as the Administrator transition had not been anticipated as well as the additional dollars for the
125 TRICARE work that the Washington Vaccine Association/KidsVax are doing on behalf of NHVA.
 - 126 ■ The next to last column list the totals for the proposed FY2019 budget, again with the additional expenses
127 highlighted in green.
 - 128 ■ The final column reflects the proposed budget without the unanticipated one-time costs. This allows
129 comparison of FY2018's budget to FY2019's budget to show there would be a reduction in the FY2019
130 budget amount if not for these additional expenses.

131 Ms. Condon questioned the July 2018 Administrator Contract fee of \$10,660 as it does not appear to be the actual
132 monthly administrator fee NHVA had been paying KidsVax. Mr. Miller stated he would reconcile the numbers from
133 the G/L and report back to the Audit Committee.
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135 **VOTE RECORDED:** *On a motion by Ms. Tenney, seconded by Ms. Daley, it was unanimously*

136 **VOTED:** *The Audit Committee recommends that the full Board of Directors adopts the*
137 *Proposed FY2019 Administrative Budget as part of their assessment*
138 *determination process.*

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POST MEETING NOTE: The full Board amended the budget as recommended for approval by the Audit Committee by replacing the \$10,660 with \$9,614 to more accurately reflect the contract terms with KidsVax. See Figure 1.

In future years, the Board agreed that the budget will be presented and voted on at the June meeting.

VII. Adjournment

VOTE RECORDED: On a motion by Ms. Tenney, seconded by Ms. Daley, it was unanimously **VOTED:** To adjourn the Audit Committee meeting at 8:56am.

Figure 1: FY2019 Expense Budget - UPDATED 09-26-2019

Proposed Expense Budget Fiscal Year 2019 (07.01.2018-06.30.2019)															Proposed FY Budget	Less One Time Expenses
Description	2017/18 FY Budget	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	2018/2019	2018/2019	
COST, EXPENSE AND OTHER DEDUCTIONS																
Administrative & Professional Services																
Annual Administrator Contract	127,924	9,614	-	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	92,947	92,947	
Transition (\$10K) + Assessment Development (\$5K) (Helms)	-	-	15,000	-	-	-	-	-	-	-	-	-	-	15,000	-	
TRICARE Washington (Fred)	-	20,000	20,000	20,000	20,000	20,000	20,000	-	-	-	-	-	-	120,000	-	
Incentive + Transition (Kidsvax)	-	12,447	10,976	10,976	-	-	-	-	-	-	-	-	-	34,398	-	
Special Projects (approved by board in advance)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accounting Expense	9,000	875	875	875	2,375	875	875	875	875	875	875	875	875	12,000	10,500	
Legal Fees	16,500	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	25,500	25,500	
Total Administrative & Professional Services	153,424	45,061	48,976	42,309	32,833	31,333	31,333	11,333	11,333	11,333	11,333	11,333	11,333	299,845	128,947	
Office & Other Expenses & Costs																
Bank Fee & Service Charges	3,980	360	360	360	360	360	360	360	360	360	360	360	360	4,320	4,320	
Public Information (Website)/Hosting Fee	1,000	1,710	1,751	41	41	41	41	41	41	41	41	41	41	3,871	410	
(Website) Maintenance	-	-	-	125	125	125	125	125	125	125	125	125	125	1,250	1,250	
Publications	600	-	-	60	60	60	60	60	60	60	60	60	60	600	600	
Bad Debt Expense (Done on Assessment analysis)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Postage & Shipping	-	-	-	75	-	-	75	-	-	75	-	-	75	300	300	
Telephone (Conference line)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Printing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Office & Other Expenses & Costs	5,580	2,070	2,111	661	586	586	661	586	586	661	586	586	661	10,341	6,880	
Board																
Insurance (D&O)	8,113	700	700	700	700	700	700	700	700	700	700	700	700	8,400	8,400	
Board Meetings	-	-	-	100	-	-	200	-	-	100	-	-	100	500	500	
Total Board	8,113	700	700	800	700	700	900	700	700	800	700	700	800	8,900	8,900	
Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL COST, EXPENSE AND OTHER DEDUCTIONS	167,117	47,831	51,787	43,770	34,119	32,619	32,894	12,619	12,619	12,794	12,619	12,619	12,794	319,086	144,727	
NOTE: Green=one time expenses	-	47,831	99,617	143,387	177,506	210,126	243,020	255,639	268,259	281,053	293,672	306,292	319,086	-	-	

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Respectfully submitted by
Patrick Miller, Helms & Company, Inc.
October 2, 2018

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