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

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**III. Auditor’s Report and Financials**

Ms. Karen Carew of Carew & Wells led review of the audit for the year ending June 30, 2018. Overall, Ms. Carew reported no significant changes this year. Ratios between years were consistent. There were changes in the notes Section and Ms. Carew specifically referenced:

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

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

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

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

*“The DHA subsequently hired Kennel and Associates, Inc. to assist the DHA with implementation of Section 719”*

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

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

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

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

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

Ms. Tenney questioned the term “providing vaccines” in this sentence:

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

The Committee agreed to change the word “providing” to “purchasing.”

Section G – Subsequent Events – Page 11:

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

Governance Letter:

Ms. Carew discussed the governance letter from Carew & Wells to NHVA (dated July 25, 2018). This is required communication from the auditors to the Board of Directors each year. It emphasizes these are the financial statements of the organization, discusses determining the appropriate accounting principles, the presentation of the financial statements and discusses estimates – most significantly Management’s estimate of the vaccine expense and their estimate of the balance due and collectable in accounts receivable. There were no difficulties in working with management in performing and completing the audit, no corrected or uncorrected misstatements that were significant, and no disagreements with management on what and how to present. At their request,

91 Carew & Wells received a letter from management which specifies that they disclosed everything to the auditor  
92 and they understand their responsibilities of the financial statements.  
93

94 **IV. Executive Session**  
95

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

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

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

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

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

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

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

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

113 **VOTED:** *To accept the June 20, 2018 Audit Committee minutes as presented.*  
114 Ms. Daly abstained from the vote as she was not present at the June 20, 2018 Audit Committee meeting.  
115

116 **VI. Review and Recommendation of FY2019 Administrative Budget**  
117

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

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

130 Ms. Condon questioned the July 2018 Administrator Contract fee of \$10,660 as it does not appear to be the actual  
131 monthly administrator fee NHVA had been paying KidsVax. Mr. Miller stated he would reconcile the numbers from  
132 the G/L and report back to the Audit Committee.  
133

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

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

139 **POST MEETING NOTE:** The full Board amended the budget as recommended for approval by the Audit Committee  
 140 by replacing the \$10,660 with \$9,614 to more accurately reflect the contract terms with KidsVax. See Figure 1.  
 141

142 In future years, the Board agreed that the budget will be presented and voted on at the June meeting.  
 143

144 **VII. Adjournment**

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 146 **VOTE RECORDED:** On a motion by Ms. Tenney, seconded by Ms. Daly, it was unanimously  
 147 **VOTED:** To adjourn the Audit Committee meeting at 8:56 am.  
 148  
 149

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

Proposed Expense Budget Fiscal Year 2019 (07.01.2018-06.30.2019)															
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	Proposed FY Budget 2018/2019	Less One Time Expenses 2018/2019
<b>COST, EXPENSE AND OTHER DEDUCTIONS</b>															
<b>Administrative &amp; Professional Services</b>															
Annual Administrator Contract Transition (\$10K) + Assessment Development (\$5K) (Helms)	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
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
<b>Total Administrative &amp; Professional Services</b>	<b>153,424</b>	<b>45,061</b>	<b>48,976</b>	<b>42,309</b>	<b>32,833</b>	<b>31,333</b>	<b>31,333</b>	<b>11,333</b>	<b>11,333</b>	<b>11,333</b>	<b>11,333</b>	<b>11,333</b>	<b>11,333</b>	<b>299,845</b>	<b>128,947</b>
<b>Office &amp; Other Expenses &amp; Costs</b>															
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 (Website) Maintenance	1,000	1,710	1,751	41	41	41	41	41	41	41	41	41	41	3,871	410
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Office &amp; Other Expenses &amp; Costs</b>	<b>5,580</b>	<b>2,070</b>	<b>2,111</b>	<b>661</b>	<b>586</b>	<b>586</b>	<b>661</b>	<b>586</b>	<b>586</b>	<b>661</b>	<b>586</b>	<b>586</b>	<b>661</b>	<b>10,341</b>	<b>6,880</b>
<b>Board</b>															
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
<b>Total Board</b>	<b>8,113</b>	<b>700</b>	<b>700</b>	<b>800</b>	<b>700</b>	<b>700</b>	<b>900</b>	<b>700</b>	<b>700</b>	<b>800</b>	<b>700</b>	<b>700</b>	<b>800</b>	<b>8,900</b>	<b>8,900</b>
<b>Contingency</b>															
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COST, EXPENSE AND OTHER DEDUCTIONS</b>	<b>167,117</b>	<b>47,831</b>	<b>51,787</b>	<b>43,770</b>	<b>34,119</b>	<b>32,619</b>	<b>32,894</b>	<b>12,619</b>	<b>12,619</b>	<b>12,794</b>	<b>12,619</b>	<b>12,619</b>	<b>12,794</b>	<b>319,086</b>	<b>144,727</b>
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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 154 Respectfully submitted by  
 155 Patrick Miller, Helms & Company, Inc.  
 156 October 2, 2018  
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