

AGENDA

Board Meeting

November 18, 2020, 9:00am-10:00am

Via Webinar

An individualized link will be sent to you upon registration

Time	Agenda Item
9:00-9:05	1. Welcome & Roll Call (S. Tenney) <i>Recording announcement</i>
9:05-9:10	2. Review and Acceptance of Minutes (S. Tenney) a. September 23, 2020 Board Meeting Minutes – VOTE
9:10-9:15	3. Review and Acceptance of the FY2020 Audit Report (D. Sky)– VOTE
9:15-9:25	4. Review and Acceptance of the FY2020 Annual Report (S. Tenney) – VOTE
9:25-9:35	5. Executive Director Report (Miller) a. CY2021 Meeting Schedule Discussion and Adoption b. Review of FYTD 2021 Unaudited Financial Statements c. Assessment Update
9:35-9:45	6. DHHS Update (Daly)
9:45-9:50	7. Public Comments
9:50-10:00	8. Executive Session – Board Attendance Only <i>Separate Zoom link to access emailed to Board members</i>
10:00	9. Adjournment

DRAFT

MINUTES

Annual Meeting and Board of Directors Meeting

September 23, 2020

9:00 – 11:00 a.m.

Presiding Officer: Susan Tenney, Chair

A meeting of the of the Board of Directors of the New Hampshire Vaccine Association (NHVA) was held via Zoom Webinar with a quorum present.

The meeting was called to order by Susan Tenney, Chair, at 9:02 a.m.

1. Welcome and Roll Call

Attendance – The following individuals attended the meeting:

Committee Members:

Susan Tenney, HPHC, Chair
David Sky, NHID, Treasurer
Sean Lyons, Cigna, Secretary
Elizabeth Daly, NH DHHS
Patricia Edwards, MD, Healthcare Provider
Jason Margus, Anthem
Edward Moran, Public Member, Vice Chair
Wendy Lee Parker, HealthTrust
Lorraine Radick, RPh, Public Member
Janice Valmassoi, MD, Healthcare Provider

Other Attendees & Administrative Staff:

Karen Carew, Carew & Wells
Mark McCue, Esq., Hinckley Allen
Patrick Miller, Helms & Company, Inc.
Erin Meagher, Helms & Company, Inc.
Keith Nix, Helms & Company, Inc.
Tony Mendez, Helms & Company, Inc.

Members of the Public:

Laura Condon, Bedford
Heather Entenmann, Merck
Elizabeth Kinney, Portsmouth
Lorraine Lindenberg, Derry
Cheryl Rounds, Derry
Holy Ruocco, Salem
Larisa Trexler, Stoddard

For the purpose of meeting minutes, Mr. Miller announced he was recording the meeting. Separately, Ms. Ruocco indicated she was also recording the meeting.

Ms. Tenney welcomed the Board Members, staff, and members of the public to the meeting. She proceeded to read the *Board Chair Statement Regarding Public Commentary During Meetings* drafted by Attorney McCue.

2. FY2020 Audit Review

Ms. Tenney welcomed Ms. Carew from Carew & Wells to the meeting. Ms. Carew began by advising the Board that the Audit Committee has reviewed the financial statements as drafted and subsequently voted to recommend that the full Board accept them. Ms. Carew began with the *Statement of Financial Position* and explained that the most significant change from the prior fiscal year is that the investments reflect an increase of \$6,814,180. This is a result of the organization moving funds into an investment account to provide for a long-term conservative rate of return. The *Statement of Activities and Changes in Net Assets* portrays the assessment income with donor restrictions and \$127,226 left to cover operating expenses after the remittance to the State of New Hampshire.

The *Statements of Cash Flow* reconciles the difference between the net income and how the cash position may have changed. The statement reflects how \$6,724,277 was moved from cash into investments. Mr. Miller reminded Board members that are not part of the Audit Committee that funds were transferred out of the ICS account earlier in the year into longer term, higher yielding investments. Under *Notes to Financial Statements*, there was a new note in the last year which addressed cash and other resources that may be available in the next year.

Ms. Carew reviewed the TRICARE assessment settlement and the recoupment of arrearages. The beginning balance was \$1,334,003 and with \$395,271 that has been received, there is a balance of \$938,732 still to be collected. The final note in the *Notes of Financial Statements* was referenced by Ms. Carew. The Association has not experienced any disruption in daily operations because of the pandemic, and Management is actively monitoring the situation for potential impact to covered lives in the commercial market. It would be impractical to estimate the future effect, if any, given the ongoing nature of the pandemic.

Ms. Carew asked the Board if there were any questions. Given no questions, Ms. Tenney asked the Board if anyone would like to make a motion to move to Executive Session with Ms. Carew as this opportunity was not afforded to the Audit Committee on September 9, 2020.

VOTE RECORDED: On a motion by Mr. Sky, seconded by Ms. Daly, by roll call it was unanimously
VOTED: To move into Executive Session.

	<u>Yes</u>	<u>No</u>
Elizabeth Daly	X	
Patricia Edwards, MD	X	
Sean Lyons	X	
Jason Margus	X	
Edward Moran	X	
Wendy Lee Parker	X	
Lorraine Radick, RPh	X	
David Sky	X	
Susan Tenney	X	
Janice Valmassoi, MD	X	

An Executive Session with the Auditor was held.

Upon return from the Executive Session, Mr. Sky stated that the *Governance Letter* from Carew & Wells that had been included and reviewed as part of the draft financial statement packet during the September 9, 2020 Audit Committee meeting was not included in today's Board meeting packet. It was determined that this letter should be reviewed by all Board members before taking a vote of acceptance. It was unanimously agreed to postpone the vote to accept the FY2020 Audit and Financial Statements until the November 18, 2020 Board meeting. Mr. Miller advised he would forward that letter to the Board immediately following the completion of the Board meeting.

3. Review and Acceptance of the June 17, 2020 Board Meeting Minutes

Ms. Tenney asked if there were any questions or comments related to the draft June 17, 2020 minutes. Attorney McCue indicated he was in attendance of this meeting but was not listed as an attendee. Hearing no other comments, Ms. Tenney asked for a motion to approve the minutes.

VOTE RECORDED: On a motion by Mr. Sky, seconded by Mr. Lyons, by roll call it was unanimously
VOTED: To accept the June 17, 2020 Board Meeting minutes with amendment to list Attorney McCue as in attendance.

	<u>Yes</u>	<u>No</u>
Elizabeth Daly	X	
Patricia Edwards, MD	X	
Sean Lyons	X	
Jason Margus	X	
Edward Moran	X	
Wendy Lee Parker	X	
Lorraine Radick, RPh	X	
David Sky	X	
Susan Tenney	X	
Janice Valmassoi, MD	X	

4. Executive Director Report

Ms. Tenney asked Mr. Miller for the Executive Director Report. Mr. Miller stated that the *CY2021 Rate Setting* presentation has been developed over the past two meetings with the Audit Committee and some of this has been previously shared with the Board during the June meeting. The presentation consists of a brief background, a review of historic trends, the potential impact of COVID-19, a review of documents received from the Department of Health and Human Services regarding the assessment process as well as the Administrative Budget approved by the Board during the June 17, 2020 meeting, and the final rate assumptions and proposed CY2021 assessment rate.

Mr. Miller briefly reviewed the *CY2021 Assessment Rate Setting Process Timeline* slide and the *FY2020 Significant Fiscal Events* slide. In terms of the latter, there were no extraordinary expenses to report in FY2020, and notable income included the TRICARE assessment receipt, interest recoupment, investment income, dividend income, and an unrecognized gain on investments.

Regarding the *Assessment History / Timeline* slide Mr. Miller advised the slide reflects events for both the calendar year and fiscal year. The numbers in black are actual and the numbers in red are projected. Mr. Miller then reviewed the historical trend slides for context.

The Audit Committee has spent time discussing what the possible impact of COVID-19 might be to covered lives. Various sources of data were examined including national studies, unemployment rates, Medicaid enrollment, and NH DHHS childhood immunization program vaccine orders. While the unemployment rate has increased during COVID-19, we do not know how many children have lost commercial coverage. Ms. Daly provided a brief overview of the work her team has been focused on to assist practices with their efforts to catch up on missed vaccines. Ms. Daly advised that she does not have any information on COVID-19 vaccines as there have been no formal communications around who would be responsible for payment once a vaccine is developed.

Mr. Miller directed the group to the notes on the bottom of the *DHHS Tab C* slide as they impact the assessment rate model. The State's request of the NHVA for next June totals \$9,590,306.62. Along with the October 2019 CDC replacement credit, there were unspent revenues of \$3.2M as of June 30, 2020 that are accounted for in the model. The DHHS administrative cost request is not included in the model. In response to a question, Ms. Daly explained the CDC replacement credit calculation. In response to a question regarding where the actual vaccines are stored, Ms. Daly explained that all vaccines are stored at McKesson except for small quantities kept on hand by the State.

In terms of the CDC replacement credit, this has been a factor since 2013. Prior to Helms' role as Administrator it was not part of the rate setting model which resulted in cash building up within DHHS' accounts. These funds have been recouped by NHVA through reduced payments to the State in the last two rate setting cycles. An additional

\$3.2M will be recouped in June 2021. The recoupment of these funds has allowed the NHVA to earn interest which has more than paid the administrative fees.

The *CY2021 Core Rate Assumptions* slide was reviewed by Mr. Miller prior to reviewing the *CY2021 Cash Flow / Reconciliation / Rates* slide. The latter contains the methodology for the rate setting. The rate for CY2020 is \$6.80 and the proposed rate for consideration by the Board today for CY2021 is \$6.25. The Audit Committee voted on September 9, 2020, to recommend a rate of \$6.25 for CY2021 to the full Board.

This rate reduction is due to a number of factors including a slight decline in overall program costs, the 10% reserve allowed by RSA 126-Q, the \$3.2M in funds at the State as of June 30, 2020, and the anticipated CDC replacement credit. The organization is starting the fiscal year in a strong cash position and will collect fewer dollars in the coming fiscal year than the last. Over the next five years, the model projects total assessable lives to decrease sharply and then slowing rebound as the economy recovers from the impacts of COVID-19. The goal is to have \$5M in reserves by the end of the five-year period. The current model shows close to \$7M, which ultimately could be less depending on several factors. Board members agreed that this cushion makes sense given uncertainties regarding the funding of a future COVID-19 vaccine, and the desire to keep assessment rates level.

Ms. Tenney stated that she thought the proposed rate and the model made a lot of sense and that it was discussed quite extensively at the Audit Committee meeting. She stated that she liked the fact that from a payer perspective, NHVA is trying to maintain some consistency in the rates so that they are not significant going up or down every year. Ms. Parker stated that the self-funded employers were also looking for consistency.

Mr. Miller concluded by saying that over the winter a more detailed quarterly modeling component will be added into in the projections and Helms will continue to simplify the overall modeling process.

Ms. Tenney asked the Board if there were any questions, and hearing none, she asked for a motion.

VOTE RECORDED: *On a motion by Ms. Parker, seconded by Mr. Lyons, by roll call it was*
VOTED: *To approve the assessment process, rate calculation, and the proposed CY2021 assessment rate of \$6.25.*

	<u>Yes</u>	<u>No</u>
Elizabeth Daly	X	
Patricia Edwards, MD	X	
Sean Lyons	X	
Jason Margus	X	
Edward Moran	X	
Wendy Lee Parker	X	
Lorraine Radick, RPh	X	
Susan Tenney	X	
Janice Valmassoi, MD	X	

Mr. Sky departed the meeting at 10:00am and did not vote.

Ms. Tenney asked Mr. Miller to review the financial statements. Mr. Miller stated there is not a lot to report as there are only two months reflected for the current fiscal year. He stated that the assessment income is higher than budgeted due to the timing of the collections. When the Board meets in November, the financial statements will include the fiscal year's first quarter plus the first month of the next quarter as well as the assessments that are due November 15, 2020. The balance sheet shows a drop from \$6.8M in short term investments to \$4.969M. This is a

result of CDs being called and then funds are transferred back into the ICS account. The ICS account rate will be cut again to 40 basis points as of October 1, 2020.

Mr. Moran asked whether the cash management was being handled by Helms or through a third party. Mr. Miller explained the NHVA works with the Wealth Management Department at the Bank of New Hampshire. Mr. Moran asked for clarification on the payment made to BoNH for their services. Mr. Miller believes it is 40 basis points but can verify. BoNH invests in vehicle with returns that cover the BoNH fees and are greater than the ICS account returns. \$7M of NHVA's funds have been invested this way since March 2020.

Mr. Moran expressed that using a big brokerage firm can be very expensive. Mr. Miller agreed and explained that approximately 18 months ago, Helms put out an RFP which enabled the Audit Committee to review two banks and two investment advisory firms. After careful review of fees and other factors, a decision was made to continue with BoNH's Wealth Management group. The current low-interest rate environment does not leave many investment options for NHVA.

Mr. Miller concluded the Executive Director update by mentioning that the November meeting will include the updated financials, FY2020 Audit review and vote, the Annual Report review and vote, and the adoption of next year's meeting schedule. Finally, Mr. Miller stated that Ms. Meagher will reach out to each Board member following the meeting regarding the annual signing of the Code of Ethics policy.

5. DHHS Update

Ms. Tenney asked Ms. Daly if she would like to give an update from the Department of Health and Human Services. Ms. Daly advised that she does not have any additional items that did not already come up through the review of the Executive Directors' Report. There were no Board member questions for Ms. Daly. Mr. Miller thanked Ms. Daly and her team for the rate setting process assistance, acknowledging they are in the middle of responding to a pandemic.

6. Public Comment

Ms. Tenney invited comments from the members of the public.

Ms. Condon thanked Helms & Company for their work on the meeting documents and the ability for the public to attend and participate. She requested that it be noted during future meetings how many members of the public are in attendance since it is not displayed on the webinar. Ms. Condon asked that the Board consider if an IRS Form 990 is appropriate for NHVA. She stated that RSA 126-Q does not provide for funding of DHHS or their staff salaries and as such she believes it is inappropriate to continue to entertain the DHHS requests for such funding. Ms. Condon questioned whether the CDC replacement credit has been considered since 2013. Ms. Condon stated that she thought the Bank of New Hampshire Wealth Management fees were excessive. She thanked the Board for their time.

Ms. Tenney asked if there were any other members of the public who desired to make a statement. There were not responses.

Mr. Miller indicated there were a total of five members of the public currently attending the webinar, and Ms. Meagher added that there had been as many as seven during the meeting.

Ms. Tenney asked the Board members if there was a desire to enter another Executive Session. Hearing no request to do so, Ms. Tenney asked if anyone had any additional comments, concerns, or anything that Board members would like to discuss. No additional comments were made.

7. Adjournment

Ms. Tenney asked for a motion to adjourn.

VOTE RECORDED: *On a motion by Ms. Daly, seconded by Mr. Lyons, by roll call it was*
VOTED: *To adjourn Executive Session at 10:39 a.m.*

	<u>Yes</u>	<u>No</u>
Elizabeth Daly	X	
Patricia Edwards, MD	X	
Sean Lyons	X	
Jason Margus	X	
Edward Moran	X	
Wendy Lee Parker	X	
Lorraine Radick, RPh	X	
Susan Tenney	X	
Janice Valmassoi, MD	X	

Mr. Sky departed the meeting at 10:00am and did not vote.

Board of Directors Meeting minutes respectfully submitted by
Sean Lyons, Board Secretary
September 28, 2020

#

July 31, 2020

Board of Directors of
New Hampshire Vaccine Association

We have audited the financial statements of New Hampshire Vaccine Association for the year ended June 30, 2020, and we will issue our report thereon dated July 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), 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 May 15, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by New Hampshire Vaccine Association are described in Note A to the financial statements. As described in Note A, the Organization changed accounting policies related to the classification of certain items in the Statement of Cash Flows by adopting FASB Accounting Standards Update 2016-15, "*Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (A Consensus of the FASB Emerging Issues Task Force)*" in 2020. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used. We noted no transactions entered into by the Organization 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 financial statements were:

Management's estimate of the vaccine expense is based on the amount projected and requested for remittance by the State of New Hampshire. We evaluated the key factors and assumptions used to develop the vaccine expense estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the balance due and collectible in accounts receivable (including no amount due) is based on the assumption that the amount of covered lives self-reported by the payor is accurate and not subject to change materially. Further that the RSA provides for the recognition of revenue when self-reported by the insurer irrespective of the time period for the covered lives being reported. We evaluated the factors and assumptions used to develop the balance due and collectible in accounts receivable estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's 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 July 31, 2020.

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 Organization's financial statements or a determination of the type of auditor's 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 Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In our letter dated, July 31, 2020, we provided an update to prior year's recommendations to management to strengthen internal controls. There were no new recommendations in the current year.

Other Matters

This information is intended solely for the use of the Board of Directors of New Hampshire Vaccine Association and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Carew+Wells. PLLC

Carew & Wells, PLLC

**NEW HAMPSHIRE
VACCINE ASSOCIATION
FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
New Hampshire Vaccine Association
Concord, NH

We have audited the accompanying financial statements of New Hampshire Vaccine Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hampshire Vaccine Association, as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Carew & Wells. PLLC

Carew & Wells, PLLC
Concord, New Hampshire
July 31, 2020



NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2020 AND 2019

	June 30, 2020	June 30, 2019
A S S E T S		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 7,514,560	\$ 12,220,200
Short-term investments	-	261,566
Prepaid expenses	<u>1,960</u>	<u>1,164</u>
<i>Total Current Assets</i>	<u>7,516,520</u>	<u>12,482,930</u>
<i>Non-Current Assets</i>		
Investments	<u>6,814,180</u>	<u>-</u>
<i>Total Current Assets</i>	<u>6,814,180</u>	<u>-</u>
 TOTAL ASSETS	 <u><u>\$ 14,330,700</u></u>	 <u><u>\$ 12,482,930</u></u>
 LIABILITIES & NET ASSETS		
 TOTAL LIABILITIES	 <u>\$ -</u>	 <u>\$ -</u>
<i>Net Assets</i>		
Net assets without donor restrictions	250,000	250,000
Net assets with donor restrictions	<u>14,080,700</u>	<u>12,232,930</u>
TOTAL NET ASSETS	<u>14,330,700</u>	<u>12,482,930</u>
 TOTAL LIABILITIES & NET ASSETS	 <u><u>\$ 14,330,700</u></u>	 <u><u>\$ 12,482,930</u></u>

The accompanying notes are an integral part of these financial statements.

NEW HAMPSHIRE VACCINE ASSOCIATION
**STATEMENTS OF ACTIVITIES
AND CHANGES IN NET ASSETS**
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

	June 30, 2020	June 30, 2019
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE AND OTHER SUPPORT		
Net assets released from restrictions		
Assets released for operations	\$ 127,226	\$ 388,786
OPERATING EXPENSES		
Administrative services	100,142	148,318
Professional fees	20,636	39,589
Insurance	2,564	4,304
License and fees	75	75
Bank fees	1,723	3,033
Washington Vaccine Association, TRICARE settlement costs	-	191,858
Stationary & printing	1,500	222
Subcontractors	100	1,250
Website	486	-
Advertising	-	137
<i>Total Operating Expenses</i>	<u>127,226</u>	<u>388,786</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>-</u>	<u>-</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Assessment income, less refunds of \$58,115 and \$0 in 2020 and 2019	12,994,817	13,667,614
TRICARE settlement income	395,271	4,128,793
Interest on late assessments	293	131,362
Bank and sweep interest	253,394	220,479
Return on investments	82,614	5,424
Net assets released from restrictions		
Remittance to the State of New Hampshire	(11,751,393)	(9,234,656)
Assets released for operations	<u>(127,226)</u>	<u>(388,786)</u>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<u>1,847,770</u>	<u>8,530,230</u>
CHANGES IN NET ASSETS	<u>1,847,770</u>	<u>8,530,230</u>
<i>Net Assets, Beginning of Year</i>	<u>12,482,930</u>	<u>3,952,700</u>
<i>Net Assets, End of Year</i>	<u>\$ 14,330,700</u>	<u>\$ 12,482,930</u>

The accompanying notes are an integral part of these financial statements.

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF CASH FLOWS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

	June 30, 2020	June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	<u>\$ 1,847,770</u>	<u>\$ 8,530,230</u>
<i>Adjustments to reconcile changes in net assets</i>		
(Gain) on sale of investments	(326)	-
Unrealized (gain) loss on investments	(68,011)	-
(Increase) decrease in:		
Prepaid expenses	(796)	2,310
Increase (decrease) in:		
Accrued expenses	-	(4,334)
Assessment refund	-	(66)
<i>Total Adjustments</i>	<u>(69,133)</u>	<u>(2,090)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,778,637</u>	<u>8,528,140</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(6,724,277)	-
Proceeds from sale of investments	<u>240,000</u>	<u>(5,424)</u>
Net Cash Used by Investing Activities	<u>(6,484,277)</u>	<u>(5,424)</u>
 NET INCREASE (DECREASE) IN CASH	(4,705,640)	8,522,716
 <i>Cash, Beginning of Year</i>	<u>12,220,200</u>	<u>3,697,484</u>
 <i>Cash, End of Year</i>	<u><u>\$ 7,514,560</u></u>	<u><u>\$ 12,220,200</u></u>

The accompanying notes are an integral part of these financial statements.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

A | NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

New Hampshire Vaccine Association is a nonprofit corporation established pursuant to Chapter 126-Q of the New Hampshire Revised Statutes Annotated. The Association was formed to assess certain entities for a portion of the cost of vaccines provided for children in New Hampshire. The Association accomplishes its mission by assessing “assessable entities,” as defined by RSA 126-Q:1,II. That definition encompasses all insurers, all government health benefit plans and essentially all third party administrators administering health benefits for any child in New Hampshire. The Association remits funds to the State of New Hampshire so that the NH Department of Health and Human Services is able to purchase and distribute, without charge to health care providers in the State of New Hampshire, all federally-recommended childhood vaccines.

Basis of Accounting

The financial statements of New Hampshire Vaccine Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Association is required to report information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of donor-imposed restrictions:

Net assets without donor restrictions are those currently available at the discretion of the board for use in the Association’s operations.

Net assets with donor restrictions are those subject to stipulations imposed by law. Restrictions may be temporary in nature; those restrictions would be met by actions of the Association or by the passage of time. Other donor restrictions may be perpetual in nature, where by the donor may stipulate the funds be maintained in perpetuity. The Association does not have any net assets with perpetual donor restrictions.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

New Hampshire Vaccine Association considers all short-term highly liquid investments with original maturities of three months or less to be cash equivalents with the exception of temporary cash, money market funds, and short-term investments held in the investment account.

Investments

New Hampshire Vaccine Association carries investments in debt and equity securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

(Continued on next page)

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

Assessment Receivables

Assessment receivables are stated at the amount the Association expects to collect from covered lives self-reported by assessable entities. The Association evaluates collectability by considering factors such as historical experience, the age of the accounts receivable balance, current economic conditions, and other circumstances, which may affect an entity's ability to pay. Past due receivables are written off at management's discretion using the direct write off method; this is not considered a departure from accounting principles generally accepted in the United States because the effects of the direct write off method approximate those of the allowance method. The Association charges a late fee at a rate of 18% per annum (about 1.5% monthly) on all past due assessments until paid in full or written off as uncollectible.

Assessment Revenue

Assessable entities self-report the number of covered lives for each month of the quarter. The assessment is due 45 days after the close of the preceding quarter. Assessment revenue is recognized as an increase in temporarily restricted net assets at that time.

RSA 126-Q and the Plan of Operation do not provide any requirement for the Association to identify or verify the self-reported covered lives of assessable entities. Accordingly, revenue is recognized as self-reported by the assessable entities. Any subsequent adjustments in covered lives reported to the Association are treated as an increase or decrease in assessment revenue at that time.

Restricted Revenue

RSA 126-Q restricts all revenue, including assessments, interest on late payment of assessments, and investment income. Unexpended revenue is included in reducing the next year's assessment rate.

Expense Allocation

Due to the limited purpose of the Association's mandate as defined in RSA 126-Q, the remittance of assessments to the State comprises the entirety of program activities. The remittance is reflected on the financial statements as a release of net assets with donor restrictions. All remaining expenses are related to management and general activities. Following is an analysis of expenses by natural and functional classifications:

	2020	2019
<i>Program Expense</i>		
Remittance to State of NH	\$ <u>11,751,393</u>	\$ <u>9,234,656</u>
<i>Management & General</i>		
Administrative services	100,142	148,318
Professional fees	20,636	39,589
Insurance	2,564	4,304
License and fees	75	75
Bank fees	1,723	3,033
TRICARE settlement costs	-	191,858
Stationary & printing	1,500	222
Subcontractors	100	1,250
Website	486	-
Advertising	<u>-</u>	<u>137</u>
<i>Total Management & General</i>	<u>127,226</u>	<u>388,786</u>
<i>TOTAL EXPENSES</i>	<u>\$ 11,878,619</u>	<u>\$ 9,623,442</u>

(Continued on next page)

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

Income Tax Status

The Association was organized as a nonprofit corporation under RSA 292. On January 20, 2004, the Internal Revenue Service ruled that the Association was a nonprofit 501(c)(3) organization, furthermore that it was not a private foundation within the meaning of Internal Revenue Code Section 509(a). Accordingly, the Association has not made any provision for income taxes. In addition, the Internal Revenue Service ruled that the Association met the requirements set forth in Revenue Procedure 95-48, 1995-2 CB 418 section 4.02(b) and 4.03. Therefore, the Association is not required to file Form 990 annually.

For the years ended June 30, 2020 and 2019, management has evaluated its tax positions in accordance with financial accounting standards board (FASB) accounting standards codification (ASC) 740-10, *Accounting for Uncertain Tax Positions*. This evaluation includes consideration that the Association is operating in compliance with its tax-exempt status and that there are no matters that would create taxable income. The Association's management does not believe they have taken uncertain tax positions, therefore, a liability for income taxes associated with uncertain tax positions has not been recognized.

New Accounting Pronouncement

ASU 2016-15, Statement of Cash Flows (Topic 230)

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (A Consensus of the FASB Emerging Issues Task Force)." To reduce diversity in reporting practice, the ASU provides solutions for eight specific statement of cash flow classification issues. The new standard is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Association currently follows the ASU guidelines for reporting the Statement of Cash Flows.

There was no effect on the amounts previously reported. The Association has used the indirect method of reporting cash flows and was not subject to income tax for June 30, 2020 and 2019.

B | CONCENTRATIONS

Revenue

The Association derives nearly all of its revenue from assessments of licensed insurers in the State of New Hampshire. In addition 49% of the assessments are derived from 3 assessable entities. Given the requirements of RSA 126-Q, the Plan of Operations and the industry within which assessable entities operate, management does not believe the Association is exposed to significant risk from the concentration of assessment revenue, nor from a concentration with a particular assessable entity.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

C | CURRENT RESOURCES

Financial Assets Available to Meet Cash Needs for General Expenditures within One Year

The Association has the following financial assets available within 1 year of the balance sheet dates (June 30, 2020 and 2019) to meet cash needs for general expenditures consisting of:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 7,514,560	\$ 12,220,200
Short-term investments	<u>-</u>	<u>261,566</u>
Total	<u>\$ 7,514,560</u>	<u>\$ 12,481,766</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. General expenditures include the required remittance to the State of New Hampshire and reasonable and necessary operating costs. Investments set aside for long-term investing are not included in the current resources available for general expenditures. However, these amounts could be drawn upon if needed by the Association.

Liquidity Management

The Association is substantially supported by assessment income. To manage liquidity, the Association maintains sufficient financial asset balances to satisfy general expenditures as they come due. The Association invests cash in excess of immediate operations in investments to provide a reasonable rate of return to offset the operating expenses and reduce the total cost of the program to insurers.

In determining assessment rates, the Board of Directors have annually designated \$250,000 to ensure adequate cash flow for operating expenses. In addition, during the year ended, June 30, 2020, the Association reserved \$5 million of the available restricted net assets used in setting the assessment rates. This reserve provides for consistent and stable assessment rates to insurers over time.

D | INVESTMENTS

Composition of Investments

Investments are comprised of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Fixed Income Funds (Level 1 measured at fair value)		
Negotiable Certificates of Deposit	\$ 6,592,129	\$ -
Federated Government Money Market	<u>222,050</u>	<u>261,566</u>
Total Investments	<u>\$ 6,814,180</u>	<u>\$ 261,566</u>

Investments include funds in excess of those necessary for immediate operating needs, including the funds reserved to stabilize assessment rates over time. Investments are presented in the financial statements as follows:

	<u>2020</u>	<u>2019</u>
Short-term Investments	\$ -	\$ 261,566
Investments	<u>6,814,180</u>	<u>-</u>
Total	<u>\$ 6,814,180</u>	<u>\$ 261,566</u>

(Continued on next page)

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

Fair Value Measurements

Generally accepted accounting principles provide a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The Association's investments are comprised of money market funds and negotiable certificates of deposit reported at fair value based on quoted market prices (Level 1) as follows:

	Cost	Fair Value	Unrealized Gain (Loss)
<i>As of June 30, 2020</i>			
Negotiable Certificates of Deposit	\$ 6,524,118	\$ 6,592,129	\$ 68,011
Money market	<u>222,050</u>	<u>222,050</u>	<u>-</u>
Total Investments	<u>\$ 6,746,168</u>	<u>\$ 6,814,180</u>	<u>\$ 68,011</u>
<i>As of June 30, 2019</i>			
Money market	<u>\$ 261,566</u>	<u>\$ 261,566</u>	<u>\$ -</u>

Return on Investments

The return on investments is reported as a change in net assets with donor restrictions in the Statement of Activities. Investment return is summarized as follows:

	2020	2019
Interest	\$ 14,933	\$ -
Dividends	5,065	5,424
Realized gain (loss)	326	-
Unrealized gain (loss)	68,011	-
Investment fees	<u>(5,721)</u>	<u>-</u>
Total	<u>\$ 82,614</u>	<u>\$ 5,424</u>

E | COMMITMENTS AND CONTINGENCIES

Risk of Reconsideration of Assessments

The Association's plan of operation provides that assessable entities are assessed a fee based upon the number of covered lives as self-reported. No request for reconsideration of any assessment or refund of payment made shall be considered by the Association with respect to any request which is not filed with the Association, in writing, on or before that date which is six months after the first due date for the corresponding assessment year. The Association's plan of operations also states that any overpayments are first considered in connection with the assessment determination for the following year and may, depending upon the cash flow needs of the Association, be spread over multiple years. As a result, the Association does not record a commitment or contingency related to this matter.

Termination of the Association

In the event of dissolution of the Association, unexpended assessments, including unexpended funds from prior assessments, shall be returned to assessable entities in proportion to their respective assessments paid over the most recent 8 quarters preceding the discontinuation of the Association's operations. As there are no plans to dissolve, the Association does not record a commitment or contingency related to this matter.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

TRICARE Assessment

The Association has been pursuing collection from the Federal Defense Agency ("DHA") assessments for TRICARE child beneficiaries resident in the State of New Hampshire. Effective December 23, 2016, Congress adopted Section 719 of the 2017 National Defense Authorization Act ("NDAA") which authorized the DHA to make payments to the Association and certain other state vaccine programs. The 2017 NDAA provides for reimbursement of the amount assessed by the Association further limited to an amount that may not exceed the amount the Department would reimburse an entity under the TRICARE program for providing vaccines.

In a memorandum dated November 29, 2018, the Association has accepted a stipulated sum of \$3,970,307 with regards to arrearages for the TRICARE specified assessments from July 17, 2010 to September 30, 2018. This stipulated sum was \$1,492,489 less than the TRICARE increment (the difference between the TRICARE inflation and vaccine adjusted per capita cap, and the total Association assessments amounts). The remaining TRICARE increment (arrearage) is being incorporated into future TRICARE specific assessments and is expected to be paid over multiple years. Given that collection is not certain and that the amounts collected cannot be determined until future budgets and assessments are implemented, the TRICARE increment payments will be recognized as revenue in future quarterly assessment as they become determined and due. Following is summary of the arrearage balance on the TRICARE specified assessments:

	2020	2019
TRICARE arrearage, beginning balance	\$ 1,334,003	\$ 5,462,796
Stipulated sum received	-	(3,970,307)
Increment payments received	<u>(395,271)</u>	<u>(158,486)</u>
TRICARE arrearage, ending balance	<u>\$ 938,732</u>	<u>\$ 1,334,003</u>

Minuteman Health, Inc. Assessment

As of December 31, 2017, Minuteman Health, Inc. ("MHI"), is no longer in operation and the Massachusetts Commissioner of Insurance has been appointed to liquidate MHI under the supervision of the Massachusetts Supreme Judicial Court for Suffolk County (Docket No. SJ-2017-0288). MHI self-reported an assessment of \$58,270 for 5,602 covered lives for the quarter ended, December 31, 2017 (due February 15, 2018) which remained unpaid as of June 30, 2018 and June 30, 2019. The Association had determined collectability was uncertain and written off the receivable as of June 30, 2018. Bankruptcy proceedings are ongoing as of June 30, 2019, however the Association has received a letter, dated June 19, 2019, from the Commission of Insurance, as Liquidator of Minuteman Health, Inc. This letter indicated that MHI is insolvent and does have adequate assets to pay all of its obligations to members and their healthcare providers. Further, it has determined that the Association is a priority class 7 claim and that no distribution will be possible on class 7 claims. Accordingly, the Association has removed both the receivable and allowance account for the year ended, June 30, 2019.

F | DESIGNATION OF NET ASSETS

Net Assets Without Donor Restrictions

It is the policy of the Board of Directors of the Association to designate appropriate sums of unrestricted net assets to assure adequate cash flow for operations. As of June 30, 2020 and 2019, the board designated balance for this purpose was \$250,000.

(Continued on next page)

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

Net Assets With Donor Restrictions

The Association is a limited purpose entity whose funds are dedicated for remittance to the State of New Hampshire to fund a specified portion of the cost of providing recommended vaccines to children regardless of income or insurance coverage. The Association has collected assessments in excess of amounts required to be remitted to the State. During the year ended, June 30, 2020, the Association reserved \$5 million of the available restricted net assets used in setting the assessment rates to provide for consistent and stable assessment rates to insurers over time. The remaining unexpended assessments will be applied to the determination of future assessments, or reasonable and necessary operating costs of the Association.

As of June 30, 2020 and 2019, net assets with donor restrictions is comprised of the following:

	<u>2020</u>	<u>2019</u>
<i>Unexpended assessments:</i>		
Available for rate setting	\$ 9,080,700	\$ 12,232,930
Reserved for rate stabilization	<u>5,000,000</u>	<u>-</u>
Net assets with donor restrictions	<u>\$ 14,080,700</u>	<u>\$ 12,232,930</u>

G | RELATED PARTY TRANSACTIONS

State of New Hampshire

The Association collects assessments for the State of New Hampshire. The organizations are financially interrelated as they meet the following criteria:

1. The State of New Hampshire has the ability to influence the Association's operating and financial decisions.
2. The State of New Hampshire has an ongoing economic interest in the net assets of the Association. The Association transfers monies to the State of New Hampshire to fund a specified portion of the cost of purchasing vaccines for children in the State of New Hampshire. The Association transferred \$11,751,393 and \$9,234,656 to the State of New Hampshire in 2020 and 2019, respectively.

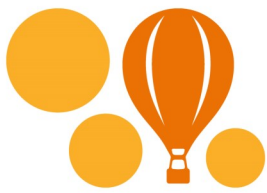
Board of Directors

In accordance with RSA 126-Q, the board composition includes three (3) directors who are also employees of assessable entities. There were no direct transactions with either the directors or the assessable entities which did not meet the same terms and conditions as all other assessable entities.

H | SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition of disclosure through July 31, 2020, the date the financial statements were available to be issued. The Association has not experienced any disruption in operations nor volatility in the market as a result of the ongoing pandemic. However, management is actively monitoring for potential future disruptions. Management has determined that it is impracticable to estimate the effect, if any, at this time given the evolving and ongoing nature of the pandemic.

Management has determined there are no additional subsequent events that provide evidence that did not exist at the date of the statement of financial position but arose subsequently to that date which would materially affect the financial position of the Association or cause these financial statements to be misleading to the reader.



FY2020 Annual Report

Dear Friends & Colleagues,

Now in its 18th year, NHVA is pleased to report continued success with carrier support and funding of childhood vaccines. This work would not be possible without the collaboration of private and public funding sources.

Thank you for your continued participation in the state's programmatic funding of vaccine purchases to ensure all NH children have the opportunity to be vaccinated.

NHVA continues to work efficiently and effectively to fulfill its legislative purpose of vaccine funding. To this end, our operating expenses as a percentage of total assessment income reached a low of .95% this year.

We are grateful for our colleagues at the NH Department of Health and Human Services for their work during the COVID-19 pandemic to ensure vaccine supply. We know there are further challenges ahead.

Thank you for supporting NHVA and we look forward to an end to the COVID-19 pandemic in the coming year.

In gratitude,

Susan M. Tenney
Board Chair

Patrick B. Miller, MPH
Executive Director

Universal Vaccine Purchasing Program Overview and Benefits

A universal vaccine purchasing program allows a state to purchase all recommended vaccines for children, regardless of insurance coverage or income. New Hampshire's program enables state purchase of vaccines for every resident child and distribution of these vaccines to health care providers at no cost to them. The New Hampshire Vaccine Association (NHVA) employs a united approach involving payers, providers, the NH Department of Health & Human Services, and the NH Insurance Department. For FY2019-20, **41.6%** of the program funding was comprised of Federal Vaccine For Children Program (VFC) and State funds while the remaining **58.4%** was comprised of Payer funds.

New Hampshire's Universal Purchase Program ensures that every child who enters a doctor's office or hospital can receive recommended vaccines at no cost. More providers have been able to offer vaccination services because they are no longer required to finance the up-front costs of vaccines or be burdened with complex ordering systems. As a result, New Hampshire has one of the highest vaccination rates in the country, and consistently achieves higher vaccination rates than the US as a whole. The program allows vaccines to be purchased from the U.S. Centers for Disease Control and Prevention at a lower-than-market rate.

Financials

Key points related to the Fiscal Year Ending (FYE) June 30, 2020 include:

- Operating expenses as a percentage of total assessment income were .95% versus 2.17% in FYE June 30, 2019.
- A strong cash management strategy resulted in a 49% increase in investment income from the prior year. We have worked with our asset manager to address the downturn in interest rates.
- An increase in total assets as a result of three things: 1) success of a multi-year effort to recoup funds due NHVA by TRICARE, 2) a recoupment of NHVA funds held by the State as a result of CDC credits, and 3) a strong cash management strategy. The increased assets are being used both to create a reserve fund and to keep assessment rates level in future years.

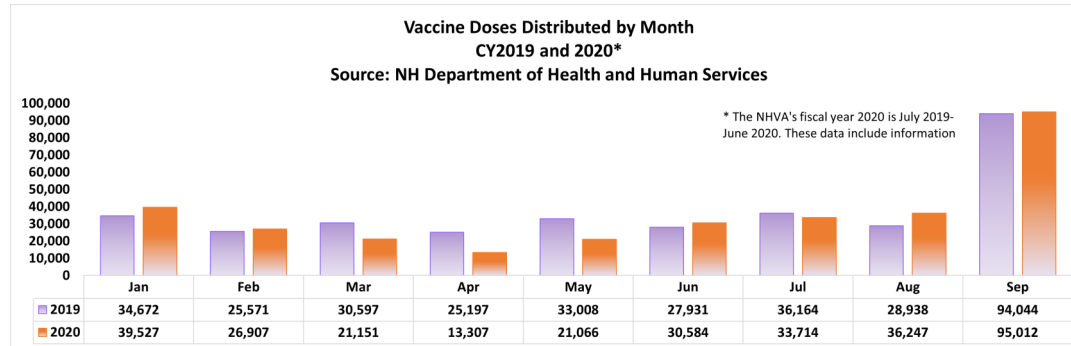
		June 30, 2020	June 30, 2019
FINANCIALS	Assessment Income, Interest on Late Assessments & TRICARE Settlement	\$13,390,381	\$17,927,769
	Assets Released for Operations	\$127,226	\$388,786
	Operating Expenses as a % of Total Assessment Income	.95%	2.17%
	Bank & Sweep Interest & Return on Investments	\$336,008	\$225,903
	Remittance to State of New Hampshire	\$11,751,393	\$9,234,656
BALANCE SHEET COMPARISON		June 30, 2019	June 30, 2018
	ASSETS		
	Current Assets		
	Cash & Cash Equivalents	\$7,514,560	\$12,220,200
	Short Term Investments	-	\$261,566
	Prepaid Expenses	\$1,960	\$1,164
	Total Current Assets	\$7,516,520	\$12,482,930
	LIABILITIES & NET ASSETS		
	Current Liabilities		
	Accrued Expenses	\$0	\$0
	Assessment Refund	\$0	\$0
	TOTAL CURRENT LIABILITIES	\$0	\$0
	Net Assets		
	Net Assets without Donor Restrictions	\$250,000	\$250,000
	Net Assets with Donor Restrictions	\$14,080,700	\$12,232,930
	TOTAL NET ASSETS	\$14,330,700	\$12,482,930
	TOTAL LIABILITIES & NET ASSETS	\$14,330,700	\$12,482,930



A Message from the Division of Public Health Services

In New Hampshire and on the federal level, the year 2020 has been a challenge for individuals, businesses, for public health and the medical community as the novel coronavirus pandemic has disrupted all “normal” activities. Public health, in partnership with the medical community, has worked tirelessly to mitigate and contain this deadly virus.

Both nationally and in New Hampshire, there was a significant decrease in vaccine ordering from mid-March through May due to the disruptions in preventative services as a result of COVID-19. However, since the NH Immunization Program (NHIP) provides all of the pediatric vaccines to NH health care providers through our partnership with the federally funded Vaccines For Children (VFC) Program, NH health insurers, NH state government, and members of the NH Vaccine Association, continued ongoing communications, support, and guidance with all of our providers. As a result, New Hampshire saw vaccine orders pick up by mid-May. Most providers are now ordering more vaccine than usual to catch up any patients who may have missed appointments during the initial stay at home orders and provider practice closures.



In addition to the pandemic response, the NHIP is also launching a new Immunization Information System (IIS) while working in a compressed timeframe to be ready for COVID-19 vaccine. In the long term, the IIS will provide improved vaccine accountability, more accurate data and trends, identify areas of need and inform the work in maintaining NH's high vaccination coverage rates.

Our partnership with the NH Vaccine Association is critical to ensuring our immunization rates in NH stay high. Effective immunization not only protects individuals, but contributes to the overall health and well-being of the community and the state. Together, we have been instrumental in providing a cost-effective, preventable disease strategy that saves lives. Now, more than ever, we must remain steadfast in our work together to fight vaccine-preventable diseases. As always, we look forward to our continued partnership. We thank you for the work you do to assure the health and well-being of all NH communities.

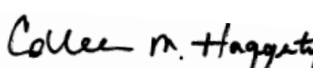
Sincerely,



Lisa Morris, MSSW,
Director, Division of
Public Health Services



Elizabeth R. Daly, MPH
Chief, Bureau of Infectious
Disease Control



Colleen M. Haggerty
Chief, Immunization Section



NHVA Board of Directors

Governmental Representatives

Elizabeth R. Daly, MPH, Chief
Bureau of Infectious Disease Control
NH Dept of Health & Human Services

David Sky, FSA, MAAA
Life, Accident & Health Actuary
New Hampshire Insurance Dept

Healthcare Provider Representatives

Patricia M. Edwards, MD
Concord Pediatrics

Janice Valmassoi, MD
Dartmouth-Hitchcock

Insurer Representatives

Sean Lyons
Senior Contract Manager
Cigna Healthcare

Jason Margus, FSA, MAAA
Director of Actuary
Anthem Blue Cross and Blue Shield

Susan Tenney
Director, Network Contracting
Harvard Pilgrim Health Care, Inc.

Public Members

Edward P. Moran
Appointed by the
Speaker of the House

Lorraine Radick
Appointed by the
President of the Senate

Representatives of Self-Insured Entities

Wendy Lee Parker
Appointed by the
Governor and Council

WWW.NHVACCINE.ORG

Administrator



Phone: 603-225-6633

Fax: 603-225-4739

Website: www.helmsco.com

Helms & Company, Inc. Staff

Patrick B. Miller, MPH
Executive Director, NHVA

Erin K. Meagher
Office Manager

Keith R. Nix
Controller



2021

Board of Directors & Audit Committee Meeting Schedule

Updated 10/27/2020

Date and Time	Meeting	Location
Wednesday, January 13, 2021 9:00-11:00 am	Board	To be determined
Wednesday, March 3, 2021 9:00-11:00 am	Board	To be determined
Wednesday, April 28, 2021 9:00-11:00 am	Audit Committee	To be determined
Wednesday, June 16, 2021 9:00-11:00 am	Board & Annual Meeting	To be determined
Thursday, August 25, 2021 9:00-11:00 am	Audit Committee	To be determined
Wednesday, September 8, 2021 9:00-11:00 am	Audit Committee	To be determined
Wednesday, September 22, 2021 9:00-11:00 am	Board	To be determined
Wednesday, October 20, 2021 9:00-11:00 am	Board (tentative, place holder)	To be determined
Wednesday, November 17, 2021 9:00-11:00 am	Board	To be determined

NEW HAMPSHIRE VACCINE ASSOCIATION
UNAUDITED FINANCIAL STATEMENTS
FOR THE MONTH AND QUARTER ENDED
October 31, 2020

Prepared by
Helms & Company, Inc., Administrator

New Hampshire Vaccine Association

Notes to Financial Statements

For the Month and Quarter Ended September 30, 2020

Statement of Cash Flow.

1. The assessment income is ahead of budget due to COVID-19 impacts being less than anticipated to date.
2. The interest income for both bank & sweep (ICS) and investments is lower than budget due to declining interest rates.
3. The expenses are ahead of budget with Legal, Management Fees, Bank Service Charges, and Website being furthest ahead of budget.

Statement of Financial Position.

1. No notes.

Statement of Changes in Assets.

1. The positive average lives variance is due to COVID-19 impacts being less than anticipated to date.

NHVA
Statement of Cash Flow
YTD FY2021
Month Ended October, 31 2020

	FY21 - Q1 Actual	FY21 - Q2 Actual 10/31/20	FY21 - Q3 Actual	FY21 - Q4 Actual	FY 2021 YTD Actual	FY 2021 YTD Budget	Difference YTD Act to Bud	FY 2021 Annual Budget
Receipts (Source)								
Assessment Income	3,341,697	120,992	-	-	3,462,689	3,227,285	235,404	12,059,485
Assessment Income - TRICARE (Settlement)	103,217	-	-	-	103,217	100,815	2,402	401,145
* Accounts Receivable	-	-	-	-	-	-	-	-
Interest Income - Assessments	242	1	-	-	243	-	243	293
Interest Income - Bank & Sweep (ICS)	13,007	4,419	-	-	17,426	19,560	(2,133)	58,679
Interest Income - Investments	23,259	4,523	-	-	27,782	31,715	(3,934)	95,146
Dividend Income	21	2	-	-	23	31	(8)	93
Investment Advisory fees	(6,520)	(1,611)	-	-	(8,130)	(9,125)	995	(27,376)
Unrecognized Gain or Loss	1,947	(1,264)	-	-	683	4,307	(3,623)	12,920
Realized Gain or Loss	603	-	-	-	603	1,205	(603)	3,616
** Investment - Short term and CDs	2,077,691	(1,651)	-	-	2,076,039	-	2,076,039	-
	5,555,163	125,412	-	-	5,680,576	3,375,793	2,304,783	12,604,002
Disbursements (Use)								
*** Expenses	32,752	10,774	-	-	43,526	51,948	(8,422)	9,736,857
* Prepaids & Payables Change	(840)	(1,477)	-	-	(2,317)	-	(2,317)	-
Vaccine Expenses	-	-	-	-	-	-	-	-
	31,912	9,297	-	-	41,209	51,948	(10,739)	9,736,857
Increase (Decrease)	5,523,251	116,115	-	-	5,639,366	3,323,845	2,315,522	2,867,146
Cash Balance - Beginning	7,514,560	13,037,811	13,153,926	13,153,926	7,514,560	7,514,560	-	7,514,560
Cash Balance - Ending	13,037,811	13,153,926	13,153,926	13,153,926	13,153,926	10,838,404	2,315,522	10,381,705

Notes:

- * Changes in Balance Sheet accounts are denoted as () = Increases and positive = decrease
- ** The positive number represents amounts transferred back to the ICS account from the Short Term Investments (CD's)
- *** Budgeted expense includes annual State of NH payment due June 2021

NHVA
Statement of Financial Position
YTD FY2021
Month Ended October 31, 2020

	<u>Jun 30, 20</u>	<u>Sep 30, 20</u>	<u>Oct 31, 20</u>	<u>Mar 31, 21</u>	<u>Jun 30, 21</u>
	FYE 20	FY21 - Q1	FY21 - Q2	FY21 - Q3	FY21 - Q4
	Audited	Interim	Interim	Interim	Audited
ASSETS					
Current Assets					
Checking/Savings					
Bank of NH #851031104	\$ 50,000	\$ 49,925	\$ 28,553	\$ -	\$ -
Bank of NH - ICS	\$ 7,464,560	\$ 12,987,807	\$ 13,125,373	\$ -	\$ -
Total Checking/Savings	\$ 7,514,560	\$ 13,037,732	\$ 13,153,926	\$ -	\$ -
Accounts Receivable					
Accounts Receivable (A/R)	\$ -	\$ -	\$ -	\$ -	\$ -
Allowance for Account Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Assets					
Prepaid Expenses	\$ 1,960	\$ 1,120	\$ 840	\$ -	\$ -
Short Term Investments	\$ 6,814,180	\$ 4,736,489	\$ 4,738,140	\$ -	\$ -
Unrecognized Gain or Loss - ST	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Current Assets	\$ 6,816,140	\$ 4,737,609	\$ 4,738,980	\$ -	\$ -
Total Current Assets	\$ 14,330,699	\$ 17,775,341	\$ 17,892,907	\$ -	\$ -
TOTAL ASSETS	<u>\$ 14,330,699</u>	<u>\$ 17,775,341</u>	<u>\$ 17,892,907</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
* Accounts Payable	\$ -	\$ -	\$ 1,197	\$ -	\$ -
Other Current Liabilities					
Liquidity Reserve	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ -
Total Current Liabilities	\$ 250,000	\$ 250,000	\$ 251,197	\$ -	\$ -
Total Liabilities	\$ 250,000	\$ 250,000	\$ 251,197	\$ -	\$ -
Equity					
Retained Earnings	\$ 10,386,901	\$ 12,234,671	\$ 12,234,671	\$ -	\$ -
Fund Balance to be Distributed	\$ 1,846,029	\$ 1,846,029	\$ 1,846,029	\$ -	\$ -
Net Income	\$ 1,847,770	\$ 3,444,642	\$ 3,561,010	\$ -	\$ -
Total Equity	\$ 14,080,699	\$ 17,525,341	\$ 17,641,710	\$ -	\$ -
TOTAL LIABILITIES & EQUITY	<u>\$ 14,330,699</u>	<u>\$ 17,775,341</u>	<u>\$ 17,892,907</u>	<u>\$ -</u>	<u>\$ -</u>

Notes: * AP State of New Hampshire Payable (June 2021)

\$ 9,590,307

NHVA
Statement of Changes in Net Assets
YTD FY2021
Month Ended October 31, 2020

	FY21 - Q1 Actual	FY21 - Q2 Actual	FY21 - Q3 Actual	FY21 - Q4 Actual	FY 2021 YTD Actual	FY 2021 YTD Budget	Difference YTD Act to Bud	FY 2021 Annual Budget
		10/31/20			10/31/20	10/31/20	10/31/20	
Ordinary Income/Expense								
Income								
Assessment Income	\$ 3,341,697	\$ 120,992	\$ -	\$ -	\$ 3,462,689	\$ 3,227,285	\$ 235,404	\$ 12,059,485
Assessment Income - TRICARE (Settlement)	\$ 103,217	\$ -	\$ -	\$ -	\$ 103,217	\$ 100,815	\$ 2,402	\$ 401,145
Interest Income - Assessments	\$ 242	\$ 1	\$ -	\$ -	\$ 243	\$ -	\$ 243	\$ 293
Interest Income - Bank & Sweep (ICS)	\$ 13,007	\$ 4,419	\$ -	\$ -	\$ 17,426	\$ 19,560	\$ (2,133)	\$ 58,679
Interest Income - Investments	\$ 23,259	\$ 4,523	\$ -	\$ -	\$ 27,782	\$ 31,715	\$ (3,934)	\$ 95,146
Dividend Income	\$ 21	\$ 2	\$ -	\$ -	\$ 23	\$ 31	\$ (8)	\$ 93
Investment Advisory fees	\$ (6,520)	\$ (1,611)	\$ -	\$ -	\$ (8,130)	\$ (9,125)	\$ 995	\$ (27,376)
Unrecognized Gain or Loss	\$ 1,947	\$ (1,264)	\$ -	\$ -	\$ 683	\$ 4,307	\$ (3,623)	\$ 12,920
Realized Gain or Loss	\$ 603	\$ -	\$ -	\$ -	\$ 603	\$ 1,205	\$ (603)	\$ 3,616
Total Income	\$ 3,477,473	\$ 127,064	\$ -	\$ -	\$ 3,604,536	\$ 3,375,793	\$ 228,743	\$ 12,604,002
Expenses								
Bank Service Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 667	\$ (667)	\$ 2,000
Vaccine - Annual State Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,590,307
Management Fees	\$ 25,000	\$ 8,750	\$ -	\$ -	\$ 33,750	\$ 35,000	\$ (1,250)	\$ 105,000
Professional Fees - Legal	\$ 1,204	\$ 1,197	\$ -	\$ -	\$ 2,401	\$ 8,333	\$ (5,932)	\$ 25,000
Professional Fees - Audit	\$ 5,500	\$ -	\$ -	\$ -	\$ 5,500	\$ 5,500	\$ -	\$ 8,500
Insurance	\$ 840	\$ 280	\$ -	\$ -	\$ 1,120	\$ 1,333	\$ (213)	\$ 4,000
Postage & Printing (Office)	\$ 133	\$ 61	\$ -	\$ -	\$ 194	\$ 180	\$ 14	\$ 540
Website & SubContractors	\$ -	\$ 486	\$ -	\$ -	\$ 486	\$ 525	\$ (39)	\$ 525
Board Meetings Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335	\$ (335)	\$ 910
Dues & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TRICARE - Washington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Information	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Fees	\$ 75	\$ -	\$ -	\$ -	\$ 75	\$ 75	\$ -	\$ 75
Total Expenses	\$ 32,752	\$ 10,774	\$ -	\$ -	\$ 43,526	\$ 51,948	\$ (8,422)	\$ 9,736,857
Net Ordinary Income	\$ 3,444,720	\$ 116,290	\$ -	\$ -	\$ 3,561,010	\$ 3,323,845	\$ 237,166	\$ 2,867,146
Net Income	\$ 3,444,720	\$ 116,290	\$ -	\$ -	\$ 3,561,010	\$ 3,323,845	\$ 237,166	\$ 2,867,146
Collection Data:								
Quarter being collected	SFY21 - Q1	SFY21 - Q2	SFY21 - Q3	SFY21 - Q4				
Payment Due Date	11/15/20	02/15/21	05/15/21	08/15/21				
Projected Average Monthly Lives	153,000	-	-	-				
Actual Average Monthly Lives	163,838	-	-	-				
Avg Lives Variance +(-)	10,838	-	-	-				
Approved Assessment Rate	\$ 6.80	\$ -	\$ -	\$ -				
Actual Average Monthly Lives - TRICARE	4,812	-	-	-				
Additional Assessment Rate - TRICARE	\$ 8.02	\$ -	\$ -	\$ -				