

AGENDA

AUDIT COMMITTEE MEETING

August 23, 2022

9:00 am – 11:00 am

ZOOM Meeting

To participate by Zoom, registration is required:

<https://nhvaccine.org/event/nhva-audit-committee-meeting-august-23-2023/>

Committee Members: Jason Margus, Chair, Susan Tenney, Vice Chair, Anne Marie Mercuri

Administrator Staff: Patrick Miller, Keith Nix, Erin Meagher

Guests: Karen Carew, Carew & Wells PLLC, Leslie Walker, Mason+Rich PA

9:00am	1. Call to Order (J. Margus) <ol style="list-style-type: none"> a. Recording Announcement b. Roll Call c. Audit Committee Chair Statement re: Public Commentary During Meetings*
9:00am-9:10am	2. Review and Accept the April 19, 2023 Meeting Minutes – Vote (J. Margus)*
9:10am-9:30am	3. Review and Vote to Recommend Acceptance of FY2023 Audited Financials – Vote (J. Margus)* <ol style="list-style-type: none"> a. Executive Session with Karen Carew (Committee Only – separate link) <p>Guest: Karen Carew, Carew & Wells PLLC</p>
9:30am-10:25am	4. CY2024 Assessment Rate Initial Assumptions Work Session (P. Miller)* <ol style="list-style-type: none"> a. Review Model and Discuss Assumptions b. Determine if September 6, 2023 Meeting is Required <p>Guest: Leslie Walker, Mason+Rich, PA</p>
10:25am-10:35am	5. Other Business <ol style="list-style-type: none"> a. July 2023 Unaudited Financials (P. Miller) b. Investment Statement Review (P. Miller)
10:35am-10:45am	6. Public Comment Period
10:45am	7. Call to Adjourn (J. Margus)

* indicates an attachment

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MINUTES
Audit Committee Meeting
April 19, 2023
9:00 a.m.
Via Zoom Webinar
Presiding Officer: Jason Margus, Chair, Audit Committee

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

Mr. Margus, Chair, called the meeting to order at 9:00 a.m.

1. Welcome and Introductions

Attendance – The following individuals attended the meeting:

Committee Members:	Administrative Staff & Invited Guests:
Jason Margus, Anthem, Chair	Patrick Miller, Helms & Company
Susan Tenney, HPHC, Vice Chair	Erin Meagher, Helms & Company
Anne Marie Mercuri, NH DHHS	Keith Nix, Helms & Company
	Members of the Public
	Laura Condon

Mr. Margus stated that the meeting was being recorded for the sole purpose of preparing the minutes, and that the recording would be deleted once the minutes were approved. Mr. Margus asked if any member of the public was recording the meeting to please raise their hand in Zoom. Ms. Condon indicated she was recording the meeting.

Mr. Margus opened the meeting by reciting NHVA’s statement regarding meetings held by videoconference and a statement regarding public commentary during meetings.

Mr. Margus took roll call for attendance purposes.

<u>Committee Member</u>	<u>Present</u>	<u>Excused</u>
Jason Margus	X	
Anne Marie Mercuri	X	
Susan Tenney	X	

2. Review and Acceptance of August 24, 2022, Meeting Minutes

Mr. Margus asked the Committee if any members had any questions or changes to the August 24, 2022, meeting minutes. No questions or changes were identified.

VOTE RECORDED: *On a motion by Ms. Tenney, seconded by Ms. Mercuri, by roll call vote, it was*
VOTED: *To accept the August 24, 2022, Audit Committee meeting minutes as presented.*

<u>Committee Member</u>	<u>Yes</u>	<u>No</u>
Jason Margus	X	
Anne Marie Mercuri	X	
Susan Tenney	X	

46 **3. Review and Vote to Recommend to the Board Acceptance of the Proposed FY2024 Administrative**
 47 **Budget**
 48

49 Mr. Margus invited Mr. Miller to discuss his Executive Director Report. Mr. Miller began by reviewing the proposed
 50 FY2024 Administrative Budget. Mr. Miller stated that the budget contains a proposed increase of 2.1% over the
 51 prior year's budget. All line items remain at their FY2023 levels except for the Helms & Company, Inc. contractual
 52 increase scheduled to take effect October 1, 2023. In the past several years, the Administrative Budget has run
 53 under budget because of lower expenditures for legal fees, insurance, and board support. Detailed budget notes
 54 are included at the bottom of the page.
 55

56 Mr. Margus thanked Mr. Miller for his clarity in reviewing the budget. He then asked if there were any questions and
 57 the Committee had none.
 58

59 **VOTE RECORDED:** *On a motion by Mr. Margus, seconded by Ms. Tenney, by roll call, it was unanimously*
 60 **VOTED:** *To recommend to the full Board at the June 14, 2023 meeting to accept the*
 61 *FY2024 Administrative Budget as presented.*
 62

<u>Committee Member</u>	<u>Yes</u>	<u>No</u>
63 Jason Margus	X	
64 Anne Marie Mercuri	X	
65 Susan Tenney	X	

67
 68 Mr. Miller stated that the March 31, 2023 unaudited financial statements are consistent with the last several months.
 69 There is currently \$15,604,807 in the ICS account, the short-term investments total \$4.7M, and the total assets are
 70 almost \$20.4M. It is anticipated that approximately \$3.2M will be received for the May 15th assessment which will
 71 allow NHVA to meet its June obligation to the State.
 72

73 Mr. Miller stated that the NHVA is currently running ahead of budget in the amount of \$12,505. There continues to
 74 be a small loss of covered lives from quarter to quarter. It is expected that similar declines will occur in the quarter
 75 collections ending May 15.
 76

77 Mr. Miller stated that he, Ms. Walker from Mason+Rich, and Ms. Mercuri had met to start thinking about this
 78 summer's rate setting process. The three main factors driving the process this year will be 1) the removal of the CDC
 79 credit from the model, 2) increasing vaccine costs, and 3) the shrinking number of assessed covered child lives.
 80

81 The CDC credit will be removed from the model going forward because it causes an underestimate of what is needed
 82 by the State to support the vaccine program. The word "credit" is a misnomer as it is merely a representation of the
 83 inventory of vaccines at the end of the Federal fiscal year. While closing their year-end books, the Federal
 84 government zeroes out the amount of all inventories on September 30 and then reinstates it on October 1 as it
 85 begins the new fiscal year. There are no actual funds – or credit – that are returned to the State.
 86

87 Ms. Mercuri explained that the CDC expects approximately one quarter's worth of purchases to be always held in
 88 inventory to ensure that New Hampshire can meet its purchasing needs. This offers a multitude of protections. If
 89 for example there were a Federal Government shut down or a problem with the vaccine supply chain, having this
 90 reserve would protect against an interruption in providing necessary vaccines. This inventory amount has been well
 91 below this level since FY2019 when the NHVA began clawing back the funds that had been held by the Department.
 92

93 Ms. Tenney asked how NHVA would receive credit if the amount needed in June was different from the amount
 94 projected in September. Mr. Miller explained that the State provides a final, requested number in June, that could
 95 be either higher or lower than the September projection.
 96

97 Mr. Miller stated that continued improvements to the rate setting model will ideally improve the model’s accuracy.
 98 The issue with the CDC credit also demonstrates the need for a sizable reserve in case of large fluctuations in vaccine
 99 spending occur.

100
 101 Mr. Miller reviewed the CDC’s annual price increases over the past five years which ranged from a low of 2.34% to a
 102 high of 7.3%. These increases are driven by new vaccines, combination vaccines, and supply chain inflation.
 103

104 Mr. Miller reiterated that the persistent reduction in assessed child lives continues to have an impact on the
 105 assessment rate. Covered lives have fallen whereas the assessment rate has been held relatively steady in recent
 106 years. It is expected that the rate will increase in the coming years.
 107

108 Mr. Miller then briefly touched on the unemployment and Medicaid enrollment figures which are consistent with
 109 the previous monthly trends. In closing, Mr. Miller stated that vaccine expenditures will be monitored closely in the
 110 coming months and the assessment model assumptions will be updated in preparation for the work this summer.
 111 He will provide a brief process update to the full Board at the June meeting. The rate setting process for calendar
 112 year 2024 will begin in August and conclude in September.
 113

114 **4. Other Business**

115
 116 Mr. Margus asked the members of the Committee if they had any other business they wished to discuss. There was
 117 no further business.
 118

119 **5. Public Comment**

120
 121 Mr. Margus invited anyone from the public to speak. Mr. Margus opened the floor to Ms. Condon per her request
 122 to speak. Ms. Condon thanked the Committee for the opportunity to speak. Ms. Condon expressed that the CDC
 123 credit was a tough concept to grasp. She advocated for the numbers to be presented as part of assessment model
 124 updates. Ms. Condon stated that the rate setting model was also difficult to follow. Mr. Margus thanked Ms. Condon
 125 and reminded her that this is not an interactive session with the Audit Committee and that she was welcome to
 126 direct any specific questions she had to NHVA’s Executive Director.
 127

128 **6. Adjournment**

129
 130 Having no other business, Mr. Margus asked for a motion to adjourn.
 131

132 **VOTE RECORDED:** *On a motion by Ms. Tenney, seconded by Ms. Mercuri, by roll call, it was unanimously*
 133 **VOTED:** *To adjourn the Audit Committee meeting at 9:29 a.m.*
 134

	<u>Committee Member</u>	<u>Yes</u>	<u>No</u>
135	Jason Margus	X	
136	Anne Marie Mercuri	X	
137	Susan Tenney	X	
138			

139
 140
 141 Respectfully submitted by
 142 Patrick Miller, Helms & Company, Inc.
 143 April 25, 2022
 144

145 # # #

August 31, 2023

Board of Directors
New Hampshire Vaccine Association

We have audited the financial statements of New Hampshire Vaccine Association for the year ended June 30, 2023, and we will issue our report thereon dated August 31, 2023. 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 June 5, 2023. 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. No new accounting policies were adopted and the application of existing policies was not changed during 2023. 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), as well as any refundable assessments 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 significant 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. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

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 August 31, 2023.

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.

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

**NEW HAMPSHIRE
VACCINE ASSOCIATION**

FINANCIAL STATEMENTS

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2023 AND 2022**

draft

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draft

INDEPENDENT AUDITORS' REPORT

The Board of Directors
New Hampshire Vaccine Association

Opinion

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, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Hampshire Vaccine Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New Hampshire Vaccine Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New Hampshire Vaccine Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Hampshire Vaccine Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Carew & Wells, PLLC
Concord, New Hampshire

August 31, 2023

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022

	June 30, 2023	June 30, 2022
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 2,293,531	\$ 5,294,329
Assessments receivable	-	-
Prepaid expenses	<u>1,960</u>	<u>1,960</u>
Total Current Assets	<u>2,295,491</u>	<u>5,296,289</u>
<i>Non-Current Assets</i>		
Investments	<u>4,481,859</u>	<u>5,336,422</u>
TOTAL ASSETS	<u>\$ 6,777,350</u>	<u>\$ 10,632,711</u>
LIABILITIES & NET ASSETS		
<i>Current Liabilities</i>		
Accounts payable	\$ -	\$ 1,400
Refundable overpayments by insurers	<u>-</u>	<u>63,939</u>
TOTAL LIABILITIES	<u>-</u>	<u>65,339</u>
<i>Net Assets</i>		
Net assets without donor restrictions	250,000	250,000
Net assets with donor restrictions	<u>6,527,350</u>	<u>10,317,372</u>
TOTAL NET ASSETS	<u>6,777,350</u>	<u>10,567,372</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 6,777,350</u>	<u>\$ 10,632,711</u>

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

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF ACTIVITIES
 FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	June 30, 2023	June 30, 2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE AND OTHER SUPPORT		
Net assets released from restrictions		
Assets released for operations	\$ 134,675	\$ 136,150
OPERATING EXPENSES		
Administrative services	110,628	107,250
Legal fees	10,650	14,975
Accounting fees	9,350	9,350
Insurance	3,360	3,360
License and fees	-	75
Stationary & printing	421	479
Board meeting expenses	266	-
Website	-	661
<i>Total Operating Expenses</i>	134,675	136,150
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	-	-
NET ASSETS WITH DONOR RESTRICTIONS		
Assessment income	13,873,499	12,316,544
TRICARE settlement income	-	468,630
Interest on late assessments	488	1,360
Bank and sweep interest	370,157	50,474
Return on investments	(48,562)	(276,701)
Net assets released from restrictions		
Remittance to the State of New Hampshire	(17,850,929)	(17,777,373)
Assets released for operations	(134,675)	(136,150)
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	(3,790,022)	(5,353,216)
CHANGES IN NET ASSETS	(3,790,022)	(5,353,216)
<i>Net Assets, Beginning of Year</i>	10,567,372	15,920,588
<i>Net Assets, End of Year</i>	\$ 6,777,350	\$ 10,567,372

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, 2023 AND 2022

	June 30, 2023	June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	<u>\$ (3,790,022)</u>	<u>\$ (5,353,216)</u>
<i>Adjustments to reconcile changes in net assets</i>		
(Gain) on sale of investments	(2,781)	(1,227)
Unrealized (gain) loss on investments	111,584	313,232
(Increase) decrease in:		
Assessments receivable	-	5,486
Prepaid expenses	-	-
Increase (decrease) in:		
Accounts payable	(1,400)	1,400
Accrued expenses	-	(1,980)
Refundable overpayments by insurers	<u>(63,939)</u>	<u>63,939</u>
<i>Total Adjustments</i>	<u>43,464</u>	<u>380,850</u>
Net Cash Provided (Used) by Operating Activities	<u>(3,746,558)</u>	<u>(4,972,366)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(100,240)	(2,934,673)
Proceeds from sale & maturities of investments	<u>846,000</u>	<u>1,752,891</u>
Net Cash Used by Investing Activities	<u>745,760</u>	<u>(1,181,782)</u>
NET INCREASE (DECREASE) IN CASH	(3,000,798)	(6,154,148)
<i>Cash, Beginning of Year</i>	<u>5,294,329</u>	<u>11,448,477</u>
<i>Cash, End of Year</i>	<u>\$ 2,293,531</u>	<u>\$ 5,294,329</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 (the “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 the 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, whereby 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

The 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

The 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. Investments includes any accrued investment income reportable by the broker managing the funds, as this income has been earned and not yet received.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

Assessments Receivable

Assessments receivable 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:

	2023	2022
<i>Program Expense</i>		
Remittance to State of NH	\$ <u>17,850,929</u>	\$ <u>17,777,373</u>
<i>Management & General</i>		
Administrative services	110,628	107,250
Legal fees	10,650	14,975
Accounting fees	9,350	9,350
Insurance	3,360	3,360
License and fees	-	75
Stationary & printing	421	479
Board meeting expenses	266	-
Website	<u>661</u>	<u>661</u>
<i>Total Management & General</i>	<u>134,675</u>	<u>136,150</u>
 <i>TOTAL EXPENSES</i>	 \$ <u>17,985,604</u>	 \$ <u>17,913,523</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, 2023 and 2022, 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.

B | CURRENT RESOURCES

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

The Association had \$2,293,531 and \$5,294,329 of cash and cash equivalents available within one (1) year of the balance sheet dates (June 30, 2023 and 2022) to meet cash needs for general expenditures.

None of the cash and cash equivalents 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 designated \$250,000 to ensure adequate cash flow for operating expenses. In addition, for the years ended, June 30, 2023 and 2022, 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.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

CONCENTRATIONS

Revenue

The Association derives nearly all of its revenue from assessments of licensed insurers in the State of New Hampshire. In addition, 52% and 49% of the assessments were derived from three (3) assessable entities for the years ended, June 30, 2023 and 2022, respectively. 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.

C | INVESTMENTS

Composition of Investments

Investments are comprised of the following at June 30, 2023 and 2022:

	2023	2022
Fixed Income Funds (Level 1 measured at fair value)		
Negotiable Certificates of Deposit	\$ 4,298,953	\$ 5,224,490
Federate Government Money Market	176,710	105,615
Accrued income on investments	<u>6,195</u>	<u>6,317</u>
Total Investments	<u>\$ 4,481,858</u>	<u>\$ 5,336,422</u>

Investments include funds in excess of those necessary for immediate operating needs, including the funds reserved to stabilize assessment rates over time.

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, 2023</i>			
Negotiable Certificates of Deposit	\$ 4,681,146	\$ 4,298,953	\$ (382,193)
Money market funds	176,710	176,710	-
Accrued income on investments	<u>6,195</u>	<u>6,195</u>	<u>-</u>
Total Investments	<u>\$ 4,864,051</u>	<u>\$ 4,481,858</u>	<u>\$ (382,193)</u>
<i>As of June 30, 2022</i>			
Negotiable Certificates of Deposit	\$ 5,495,106	\$ 5,224,490	\$ (270,616)
Money market funds	105,615	105,615	-
Accrued income on investments	<u>6,317</u>	<u>6,317</u>	<u>-</u>
Total Investments	<u>\$ 5,607,038</u>	<u>\$ 5,336,422</u>	<u>\$ (270,616)</u>

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

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:

	2023	2022
Interest and dividends	\$ 79,767	\$ 53,984
Realized gain (loss)	2,781	1,227
Unrealized gain (loss)	(111,584)	(313,232)
Investment fees	<u>(19,526)</u>	<u>(18,680)</u>
Total	<u>\$ (48,562)</u>	<u>\$ (276,701)</u>

D | COMMITMENTS AND CONTINGENCIES

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) was incorporated into future TRICARE specific assessments and paid over multiple years. Given that collection was not certain and that the amounts collected could not be determined until future budgets and assessments were implemented, the TRICARE increment payments were recognized as revenue in quarterly assessment as they became determined and due. The final arrearage payment of \$468,630 was collected in fiscal year ended, June 30, 2022.

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 eight (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

E | 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, 2023 and 2022, the board designated balance for this purpose was \$250,000.

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, 2023 and 2022, net assets with donor restrictions is comprised of the following:

	2023	2022
<i>Unexpended assessments:</i>		
Available for rate setting	\$ 1,527,350	\$ 5,317,372
Reserved for rate stabilization	<u>5,000,000</u>	<u>5,000,000</u>
Net assets with donor restrictions	<u>\$ 6,527,350</u>	<u>\$ 10,317,372</u>

F | 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, primarily through changes in the statute and the State of New Hampshire’s annual funding request. This funding request is based on the previous year’s actual spending and is not determined by the Association.
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 \$17,850,929 and \$17,777,373 to the State of New Hampshire in 2023 and 2022, 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 the directors and the assessable entities met the same terms and conditions as all other assessable entities.

(Continued on next page)

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

G | SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition of disclosure through August 31, 2023, the date the financial statements were available to be issued. Management has determined there are no 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.

draft

CY2024 Rate Setting

NHVA Audit Committee Meeting

August 23, 2023

Materials as of August 16, 2023

Subject to Updates Prior to August 23, 2023

Contents

1. Process
2. Historical Trends
3. NH DHHS Data and NHVA Administrative Budget for Assessment Process
4. Rate Assumptions and Assessment Rate Model

1. Process

Assessment Process Development History

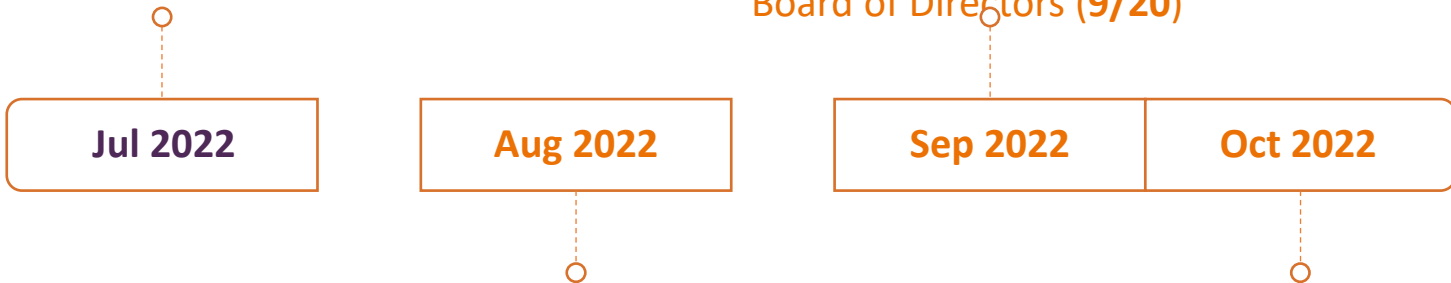
CY2024	CY2023	CY2022	CY2021	CY2020	CY2019
<ul style="list-style-type: none"> • Covered Lives Stabilized • DHHS Request Increased • COVID Costs Included • RSV Costs Excluded • Reserves Reevaluated 	<ul style="list-style-type: none"> • Year 2 of New Model • TRICARE Specific Assessments Have Concluded • Covered Lives Continue to Decline • DHHS Request Increased • Lack of Clarity on PHE End Date 	<ul style="list-style-type: none"> • Addressed Swings in Payments to NH DHHS • Addressed Conclusion of TRICARE Specific Assessments • Simplified Model Back-End Tool 	<ul style="list-style-type: none"> • Assumed COVID-19 Covered Lives Adjustment Factors • Reduced Funds Held by NH DHHS to Zero 	<ul style="list-style-type: none"> • Appropriated \$5M Reserve Fund • Accounted for TRICARE Administrative Payment in Model 	<ul style="list-style-type: none"> • Helms Simplified Prior Process • Added TRICARE Lives to Assessment Process • One Time Administrator Change Costs Absorbed • Multi-Year Cash Flow / Assessment Rate Model Developed

CY2024 Assessment Rate Setting Process Timeline

= completed milestone
 = future milestone

- Data collection for Actual FY2023 and YTD CY2023
- Modeling prep work begins

- Audit Committee Work Session (9/6)
- Review and approval by Board of Directors (9/20)



- DHHS Data Received (8/2)
- Modeling based upon trends and initial NH DHHS data (8/2-8/16)

- Carrier notification of CY2023 rates (10/6)



- Audit Committee Work Session (8/23)
- Modeling final assumptions (8/23-9/6)

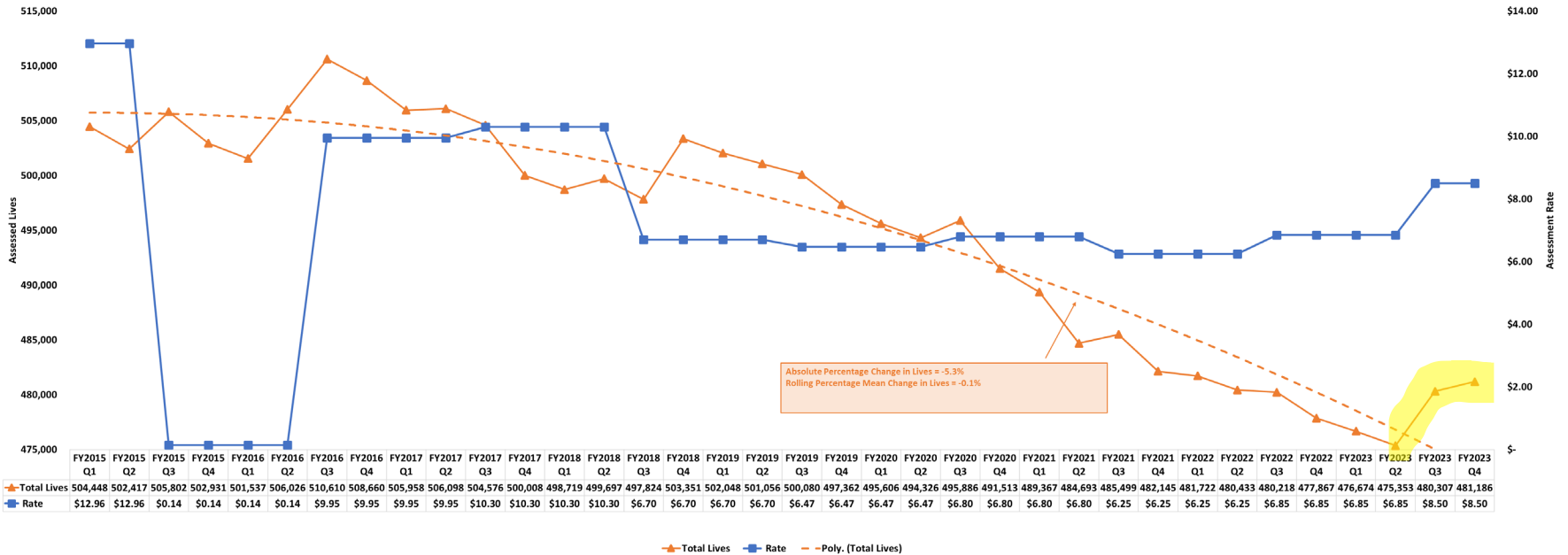
2. Historical Trends

Review of FY2023 Notable Fiscal Events

1. Continued Covered Lives Decline Until Last Two Quarters (Slide 8)
2. Increase in Vaccine Costs (Slide 9)
2. Increase in Interest Rates (Slide 10)

Shrinking Assessed Lives and Historic Variability in Assessed Rate

Assessment Rate and Total Number of Assessed Child Lives by CY Quarter
Q1 FY2015 - Q4 FY2023
(As of 08.14.2023)

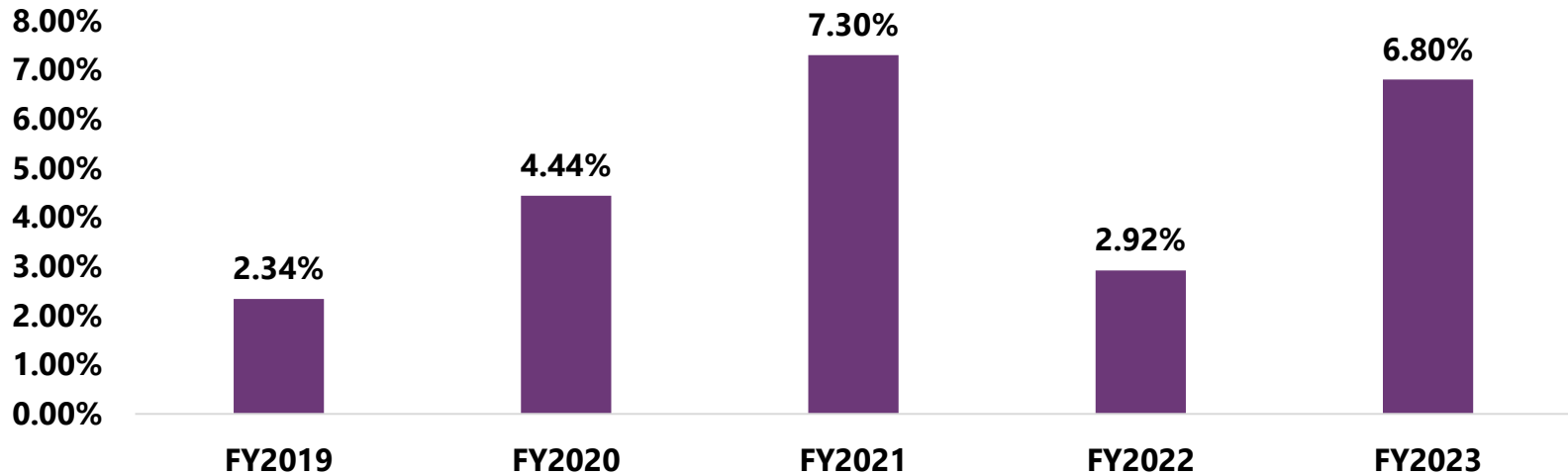


Source: NHVA KidsVax® reconciliation spreadsheet, 09-06-2018; NHVA Data Through Present

Note: Total Assessed Lives reflects CY2019 Tufts recovery activity and EBPA refund activity

Increasing Vaccine Costs

- NH's Annual, Weighted CDC Prices Increases

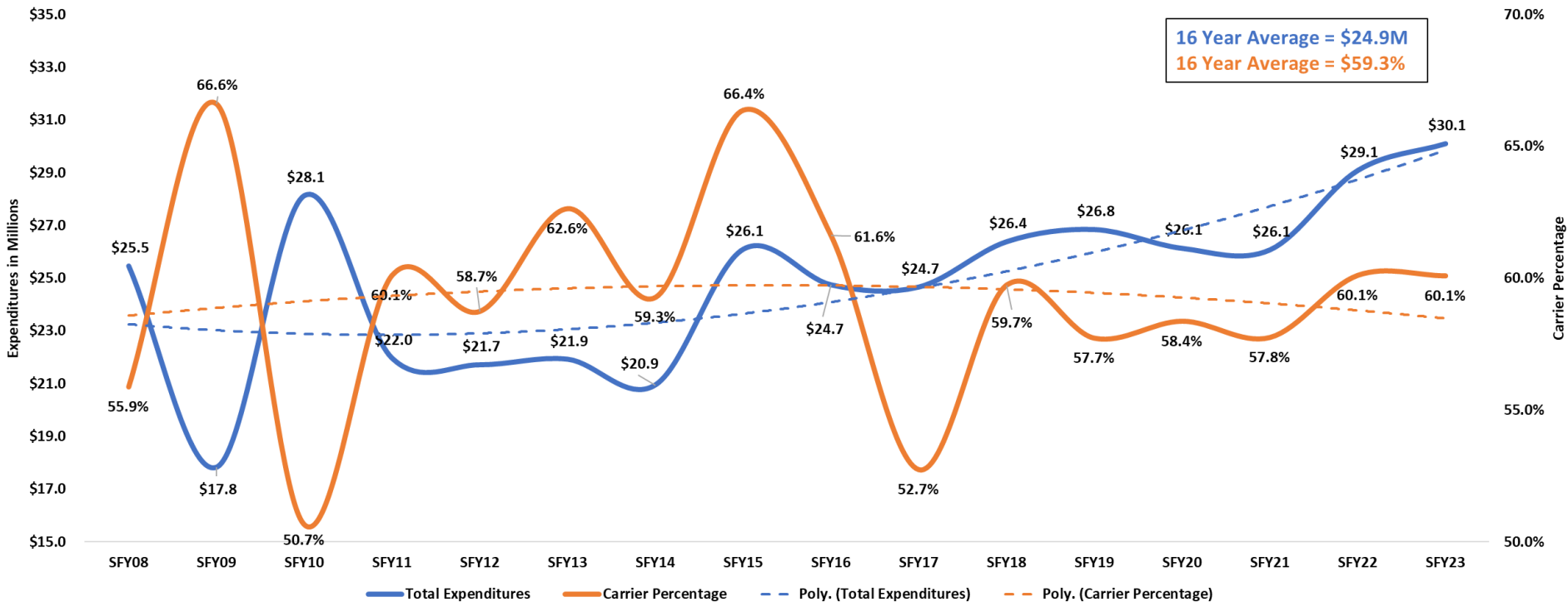


- Reasons for Increases

- New Vaccines
- Combination Vaccines
- Supply Chain Inflation

Increasing State Vaccine Expenditures with Stability in Fund Source Split (State/Payers)

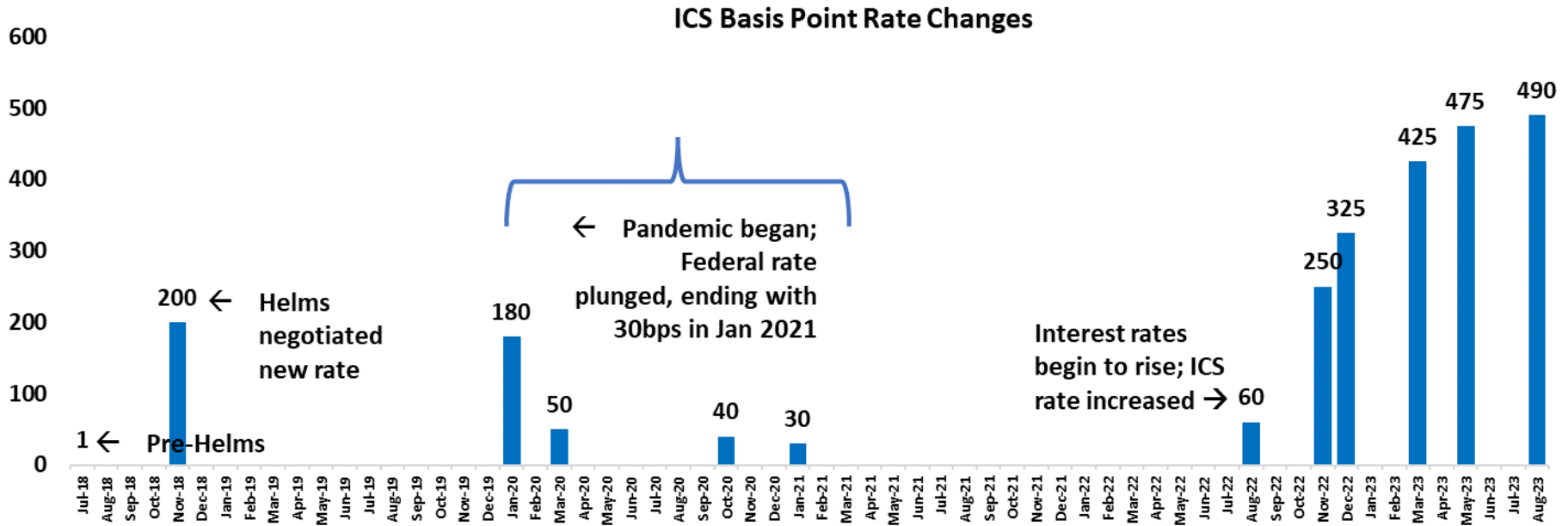
Total State Vaccine Expenditure Request and Carrier Percentage by SFY
(\$=millions)



Source: NH DHHS annual spreadsheets Tab D; NHVA Historical Data

Cash and Investments (as of August 14, 2023)

1. ICS (Cash) \$3,758,684 as of 7/31/2023

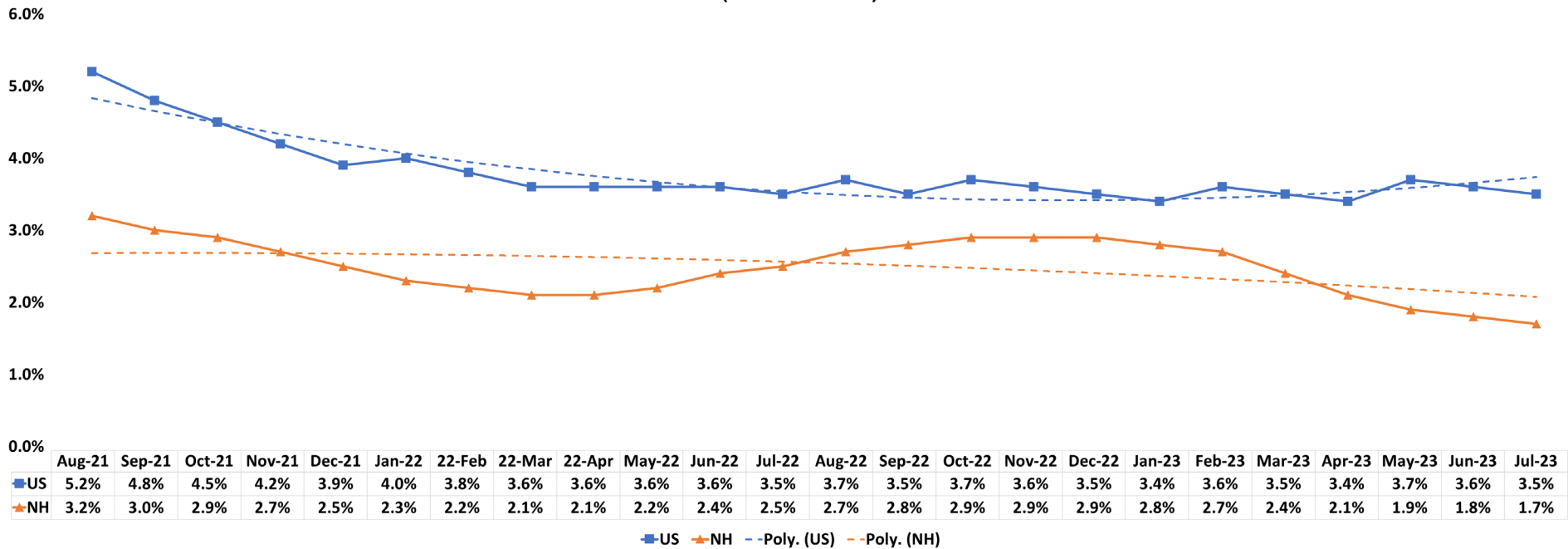


2. Laddered CD Portfolio at \$4,485,309 as of July 31, 2023 with CDs Coming Due Between 2022-2027; Reserve Targets May Result in Calling CDs Earlier Than Due And/Or Negotiating a Line of Credit

Below Pre-Pandemic
Levels

US and NH Unemployment Trends

U.S. and New Hampshire Unemployment Rates, Seasonally Adjusted
August 2021 - July 2023
(as of 08.15.2023)



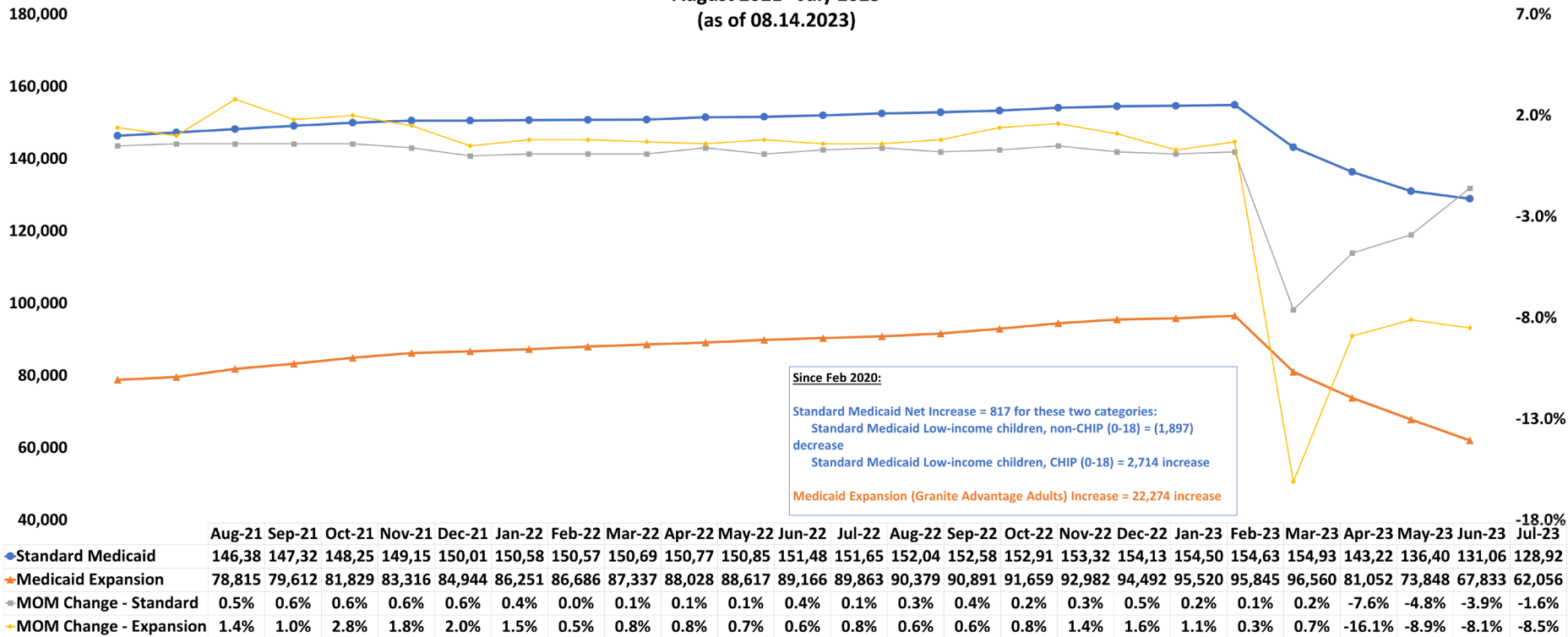
<https://www.nhes.nh.gov/elmi/statistics/laus-data.htm>

Medicaid Child Enrollment is Leveling Off and Closer to Pre-Pandemic

NH Medicaid Enrollment

NH Medicaid Enrollment
August 2021 - July 2023
(as of 08.14.2023)

<https://www.dhhs.nh.gov/sites/g/files/ehbemt476/files/documents2/bpq-da-medicaid-enrollment.pdf>



Since Feb 2020:
 Standard Medicaid Net Increase = 817 for these two categories:
 Standard Medicaid Low-income children, non-CHIP (0-18) = (1,897) decrease
 Standard Medicaid Low-income children, CHIP (0-18) = 2,714 increase
 Medicaid Expansion (Granite Advantage Adults) Increase = 22,274 increase

Source: NH DHHS

3. NH DHHS Data and NHVA Administrative Budget for Assessment Process

			SFY23	SFY22	SFY21	SFY20	SFY19	SFY18	SFY17	SFY16
		Source	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
Actual Total exp		4+7	\$ 30,094,717	\$ 29,080,442	\$ 26,067,468	\$ 26,126,101	\$ 26,837,646	\$ 26,377,918	\$ 24,657,418	\$ 24,741,423
VFC	1	CDC Mon Rpt	\$ 11,900,982	\$ 11,493,322	\$ 10,907,515	\$ 10,773,619	\$ 11,071,713	\$ 10,329,733	\$ 11,259,750	\$ 9,194,539
317 - not used for children	2	CDC Mon Rpt	not provided	not provided	not provided	not provided	not provided	not provided	not provided	not provided
State Funds	3	St. Ap(5178-513)	\$ 111,150	\$ 108,251	\$ 105,300	\$ 103,178	\$ 273,969	\$ 293,211	\$ 392,339	\$ 302,821
TOTAL GOV'T EXPENDED	4	1+2+3	\$ 12,012,132	\$ 11,601,573	\$ 11,012,815	\$ 10,876,797	\$ 11,345,682	\$ 10,622,944	\$ 11,652,089	\$ 9,497,360
beg balance	5	State Approp	\$ 289,469	\$ -	\$ 3,224,124	\$ 6,722,035	\$ 12,979,343	\$ 9,915,172	\$ 3,267,370	\$ (1,107,266)
revenue from NHVA*	6	State Approp	\$ 17,850,929	\$ 17,777,373	\$ 11,830,529	\$ 11,751,393	\$ 9,234,656	\$ 18,819,145	\$ 19,653,132	\$ 19,618,699
Vaccine Insurers expended	7	State Approp	\$ 18,082,585	\$ 17,777,373	\$ 15,054,653	\$ 15,249,304	\$ 15,491,964	\$ 15,754,974	\$ 13,005,330	\$ 15,244,063
year end encumbered	8	State Approp	\$ 128,055	\$ 298,469	\$ 3,734,347	\$ 3,284,045	\$ 214,014	\$ 4,119,258	\$ 3,912,837	\$ 5,360,641
year end cash	9	State Approp	\$ (66,848)	\$ 35	\$ (3,734,347)	\$ (59,921)	\$ 6,508,021	\$ 8,860,085	\$ 6,002,336	\$ (2,093,271)
TOTAL BAL FORWARD	10	(5+6) -7	\$ 66,849	\$ 289,469	\$ -	\$ 3,224,124	\$ 6,722,035	\$ 12,979,343	\$ 9,915,172	\$ 3,267,370
CDC end of fiscal year credit	11	CDC Vtracks	Avail Oct 2023	\$1,391,250	\$2,823,837	\$2,804,834	\$ 1,856,544	\$ 4,282,619	\$ 3,564,068	\$ 4,377,668
Reimbursement from Providers and Excise Tax	6A	State Approp							\$ 19,863	\$ 13,916
Added into this account										
Note: NHVA as % of total budget			60.09%	60.11%	57.75%	58.37%	57.72%	59.73%	52.74%	61.61%

		Source	SFY15 2014/2015	SFY14 2013/2014	SFY13 2012/2013	SFY12 2011/2012	SFY11 2010/2011	SFY10 2009/2010	SFY09 2008/2009	SFY08 2007/2008
Actual Total exp		4+7	\$ 26,092,637	\$ 20,945,469	\$ 21,918,042	\$ 21,707,838	\$ 21,961,081	\$ 28,121,414	\$ 17,820,721	\$ 25,454,043
VFC	1	CDC Mon Rpt	\$ 8,570,780	\$ 8,070,843	\$ 7,551,690	\$ 7,715,921	\$ 7,549,887	\$ 11,624,679	\$ 5,002,497	\$ 8,588,458
317 - not used for children	2	CDC Mon Rpt	not provided	not provided	\$ 156,375	\$ 920,358	\$ 720,612	\$ 1,676,638	\$ 735,871	\$ 2,219,343
State Funds	3	St. Ap(5178-513)	\$ 206,762	\$ 460,501	\$ 482,467	\$ 320,494	\$ 492,762	\$ 573,306	\$ 213,821	\$ 422,798
TOTAL GOV'T EXPENDED	4	1+2+3	\$ 8,777,542	\$ 8,531,344	\$ 8,190,532	\$ 8,956,773	\$ 8,763,261	\$ 13,874,623	\$ 5,952,189	\$ 11,230,599
beg balance	5	State Approp	\$ 3,797,531	\$ 207,631	\$ 3,042,624	\$ 6,102,932	\$ 7,039,214	\$ 12,293,560	\$ 7,759,278	\$ 4,919,231
revenue from NHVA*	6	State Approp	\$ 12,410,298	\$ 16,004,025	\$ 10,892,517	\$ 9,690,757	\$ 12,261,538	\$ 8,992,444	\$ 16,402,814	\$ 17,063,492
Vaccine Insurers expended	7	State Approp	\$ 17,315,095	\$ 12,414,125	\$ 13,727,510	\$ 12,751,065	\$ 13,197,820	\$ 14,246,791	\$ 11,868,532	\$ 14,223,444
year end encumbered	8	State Approp	\$ (1,217,018)	\$ 4,922,400	\$ 2,278,387	\$ 3,498,954	\$ 4,183,155	\$ 2,658,211	\$ 2,636,659	\$ 5,038,824
year end cash	9	State Approp	0	\$ 1,124,869	\$ (2,070,756)	\$ (456,331)	\$ 1,919,776	\$ 4,381,002	\$ 9,656,901	\$ 2,720,454
TOTAL BAL FORWARD	10	(5+6) -7	\$ (1,107,266)	\$ 3,797,531	\$ 207,631	\$ 3,042,624	\$ 6,102,932	\$ 7,039,213	\$ 12,293,560	\$ 7,759,279
CDC end of fiscal year credit	11	CDC Vtracks	not provided	not provided	not provided	N/A	N/A	N/A	N/A	N/A
Reimbursement from Providers and Excise Tax	6A	State Approp	\$ 37,311	\$ 29,970	\$ 119,460					
Added into this account										
Note: NHVA as % of total budget			66.36%	59.27%	62.63%	58.74%	60.10%	50.66%	66.60%	55.88%



DHHS Increases in Projected Costs Attributed to Six Factors:

1. 2023 population estimates of a 2.7% increase in 0-18 years of age.
2. The formula for calculating the projected cost is estimated on the prior year's order. For routine vaccinations, the SFY24 estimate (\$30,728,962) is lower than the SFY23 estimate (\$32,127,731.00), which likely indicates a leveling out following pandemic catch up. We have also reduced the number of influenza doses that have been pre-booked in order to adjust for current rates of vaccination uptake.
3. The CDC credit is being removed from the cost projection estimate calculation as the CDC credit is the cash value of NH's vaccine inventory at the CDC Depot at the FFY close (Sept 30th) and is not a financial transaction (there are no funds returned to the state). Maintaining enough inventory to cover 60% of 3 months (NHVA share) NH provider orders is recommended in order to ensure adequate supply to fill NH provider orders.
4. The price of vaccines continues to increase annually by 3-8%. Last year the average cost of routine vaccinations was increased by 7% and cost of influenza vaccine was increased by 6.8%. This price increase along with an increase in the number of recommended means that it is 26% (\$640) more expensive to vaccinate each child today than it was 5 years ago.
5. The increased use of combo vaccines. While these combo vaccines are more widely accepted by parents due to fewer injections, these vaccines are also more expensive than the previously used formulas.
6. This year's cost projection includes COVID-19 vaccine for the first time. The cost projections were developed based on anticipated CDC pricing and 38% uptake.



Expense	Description	Total Cost	Amount Requested from NHVA
Immunization Information System	System utilized to order vaccines, document individual doses administered and show insurance coverage for individuals vaccinated. System also provides quality assurance measures with vaccine forecasting and reminder/recall abilities.	\$360,063.00	\$216,037.80
Vaccine Accountability Coordinator	Responsible for the purchase and distribution of all vaccines within the program. This position manages Vaccine For Children (VFC), 317, and state/local vaccine funding. This individual tracks vaccine inventory, vaccine distribution and administration, vaccine wastage, trends, all of which informs forecasting. This position plays a key role during the influenza season by closely tracking flu vaccine expenditures and distribution to ensure the vaccines are in the right quantities and the right location, allowing for successful clinic outcomes. This position works directly with the Public Health Regions to plan vaccine distribution for Pandemic Exercises or vaccine-preventable disease outbreaks. The position collaborates with the Immunization Information System (IIS), Vaccine Data Coordinator to provide vaccine ordering management system training for health care provider staff (vaccine managers, assistant vaccine managers) to assure accountability across the > 300 enrolled provider practices.	\$113,753.88	\$68,252.33
Vaccine Quality Specialist	Conducts VFC site visits with enrolled health care providers. Conducts on-site training for new Vaccine Managers; offers educational programs related to overall vaccine management, including storage and handling. Reviews all health care provider vaccine management (including emergency) plans; coordinates annual vaccine provider enrollment process, reviewing all health care provider agreements.	\$99,864.71	\$59,918.83
Program Specialist II	Under the direction of the Vaccine Accountability Coordinator, adhering to the standards of vaccine accountability and the VFC Operations Policy & Procedures, this position is responsible for working in the Vaccine Ordering Management System (VOMS/IIS); working with health care provider vaccine ordering-related documents, including vaccine orders, temperature logs and applicable reports. This position works directly with health care providers and staff related to overall vaccine management, including assistance with temperature excursions, vaccine ordering questions, VOMS Help Desk questions and VOMS education and training.	\$108,669.16	\$65,201.50
Immunization Information System Staff (2)	This positions perform HL7 onboarding, conducts provider trainings and operates the technical support Help Desk for the Vaccine Ordering Management System. Interacts with VTrckS (CDC vaccine ordering system) as it relates to the ExIS connection (VOMS) that passes information between the two systems. Works with both systems to assure data quality and vaccine ordering accountability. Works directly with medical health care provider practices to assure education for staff. Develops interoperability processes to inform evidence-based strategies.	\$236,933.45	\$142,160.07
Total		\$919,284.21	\$551,570.53

ATTACHED NOTE:

“[Administrative cost] Request is based on the principle that approximately 60% of the vaccines that the New Hampshire Immunization Section orders and assures the quality of, is NHVA purchased vaccine. Oversight includes bi-annual site visits of all enrolled health care provider practices to review vaccine accountability practices (i.e., federally required documentation, NHIP required documentation; vaccine storage and handling, vaccine emergency management plan); monthly review of > 300 health care practice temperature logs to assure proper cold chain management; additional site visits, as indicated; technical support.”

FY2024 Administrative Budget – Adopted by Board June 14, 2023

													PRIOR FY BUDGETS				
													FY2024 Budget Total	FY2023 Budget Total	FY2022 Budget Total	FY2021 Budget Total	FY2020 Budget Total
EXPENSE	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24					
1 Administrative Fees	\$ 9,292	\$ 9,292	\$ 9,292	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 114,123	\$ 110,877	\$ 107,997	\$ 105,000	\$ 100,000
2 Subcontractors																	\$ 1,200
3 Subtotal	\$ 9,292	\$ 9,292	\$ 9,292	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 114,123	\$ 110,877	\$ 107,997	\$ 105,000	\$ 101,200
4 Bank Fees														\$ -	\$ -	\$ 2,000	\$ 4,320
5 Board Meeting Expense	\$ -	\$ -	\$ 615	\$ 120	\$ 120	\$ -	\$ 120	\$ -	\$ 120	\$ 95	\$ -	\$ 120	\$ 1,310	\$ 1,310	\$ 910	\$ 910	\$ 600
6 Stationary and Printing	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 420	\$ 420	\$ 420	\$ 420	\$ -
7 Dues and Subscriptions													\$ -	\$ -	\$ -	\$ -	\$ -
8 Insurance (D&O)							\$ 4,250						\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,000	\$ 2,000
9 Licenses and Fees				\$ 75									\$ 75	\$ 75	\$ 75	\$ 75	\$ 75
10 Postage and Shipping	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 120	\$ 120	\$ 120	\$ 120	\$ 480
11 Professional Fees - Audit	\$ 3,500		\$ 2,350									\$ 3,500	\$ 9,350	\$ 9,350	\$ 9,350	\$ 8,500	\$ 8,500
12 Professional Fees - Legal	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
13 Public Information Expense													\$ -	\$ -	\$ -	\$ -	\$ -
14 Website			\$ 525										\$ 525	\$ 525	\$ 525	\$ 525	\$ 525
15 Subtotal	\$ 5,628	\$ 2,128	\$ 5,618	\$ 2,323	\$ 2,248	\$ 2,128	\$ 6,498	\$ 2,128	\$ 2,248	\$ 2,223	\$ 5,628	\$ 2,248	\$ 41,050	\$ 41,050	\$ 40,650	\$ 41,550	\$ 41,500
TOTAL EXPENSE	\$ 14,920	\$ 11,420	\$ 14,910	\$ 11,906	\$ 11,831	\$ 11,711	\$ 16,081	\$ 11,711	\$ 11,831	\$ 11,806	\$ 15,211	\$ 11,831	\$ 155,173	\$ 151,927	\$ 148,647	\$ 146,550	\$ 142,700

Budget Notes:

Expense Categories Reflect the Plan of Operation's Exhibit C

- Administrative Fees - October 1, 2023 contract inflator
- Subcontractors - In prior years it was a placeholder for any IT system changes (e.g., TRICARE in 2019); none budgeted for FY24
- Bank Fees - Lockbox was eliminated 01/2020 to reduce expenses and Helms brought it in house
- Board Meeting Expense - Materials; Sept includes \$400 for Zoom Webinar module
- Stationary and Printing - Office printing
- Insurance (D&O) - Same as two prior years; highly variable expense historically
- Licenses and Fees - SOS NH Annual Report filing fee
- Postage and Shipping - Check tracking for dual signatures
- Audit - Same as FY22-FY23; increased from \$8,500 in FY22; no fee increase for FY18-21
- Legal - Same as FY20-FY23
- Website - annual hosting fees

For Reference: Former Approved Budgets by FY

FY	Annual Budget	% Change from Prior Year	Actual Expended	Budget to Actual Difference
FY2017	\$ 162,072		\$ 175,359	8.2%
FY2018	\$ 167,600	3.4%	\$ 178,953	6.8%
FY2019	\$ 320,133	91.0%	\$ 388,786	21.4%
FY2020	\$ 142,700	-55.4%	\$ 127,226	-10.8%
FY2021	\$ 146,550	2.7%	\$ 125,714	-14.2%
FY2022	\$ 148,647	1.4%	\$ 136,150	-8.4%
FY2023	\$ 151,927	2.2%	In Progress	
FY2024	\$ 155,173	2.1%	Future Period	

4. Rate Assumptions and Assessment Rate Model

This Year's Rate Assessment Goals

- Continue with Zero Funds Held at NH DHHS
- Introduce COVID Vaccine Costs
- Address Depleted Reserves
- Address Covered Lives Variability
- Begin Discussion of RSV Impacts



ACIP Votes Taken and Passed Unanimously 8/3/2023

RSV Monoclonal Antibody Beyfortus (nirsevimab)

- ACIP made two separate and unanimous votes to recommend nirsevimab for two groups:
 - Infants younger than age 8 months born during or entering their first RSV season should receive one dose (50 mg for infants weighing less than 5 kg, 100 mg for those 5 kg or more)
 - Children age 8 months through 19 months who are at increased risk of severe RSV disease and entering their second RSV season – one dose (200 mg)
- The Committee also unanimously approved including nirsevimab in the VFC program.

RSV Monoclonal Antibody Beyfortus (nirsevimab)

KNOWN	SUSPECT
<ul style="list-style-type: none"> • Brand name of Beyfortus; single-dose pre-filled syringe • ACIP approved <ul style="list-style-type: none"> • Infants <8 months • High risk of infants 8-19 months, including all Native American children • Announced coverage by VFC and ACA plans • Palivizumab (Synagis) is not included • High cost = \$395 (VFC)-\$495/dose (private) • Administered October-March • Outside of Medical Assistant scope of practice; will need to be RNs or possibly LPNs 	<ul style="list-style-type: none"> • NHVA may need to change the definition of “vaccine” in its statute if required to include it • No supply issues from manufacturers • Coding will be a challenge for IIS/EMRs/billing systems • Will be added to the CDC price list within 60-90 days • FAERS (FDA) and VAERS (HHS) adverse reporting systems will be required to communicate
REQUIRES CLARIFICATION	
<ul style="list-style-type: none"> • Positions of NH DHHS, AHIP, AAP, and CMS Region 1? • When does ACA plan coverage go into effect? • What does NHVA’s statutory definition of “vaccine” mean in this case since it is an injectable drug / therapeutic? • Date it can be ordered by providers receiving State supplied vaccine? • Volume and economic impact to the NHVA? • As it is a drug/therapeutic, could it run through pharmacy benefits (PBMs) vs. medical benefits (Payers) as a carve-out? 	

CY2024 Model Rate Assumptions

1. Board commitment to keeping rates stable in future years
2. No NHVA funds will be held by NH DHHS to recover in June CY2024
3. No reimbursement of NH DHHS Immunization Section administrative cost request of \$551,571 (Tabs C & E)
4. Two reserves:
 1. 10% reserve of the total non-Federal program cost for the succeeding year (RSA 126-Q:4 II.(c))
 2. \$5M assessment reserve fund; can be used for rate stabilization as needed
5. The percentage paid by the carriers is 60.0% for CY2024 based on NH DHHS/Federal fund source split
6. Interest rate assumptions for cash on hand assume 450bps for ICS and 125bps (net of fees) for CDs with an assumed rate of 60bps due to potential cash constraints
7. Total assessed lives assumed to level out at 481,000
8. 2.1% FY2024 administrative budget increase
9. \$4.7M (60% share) of COVID vaccines is included
10. RSV therapeutic is not included
11. No late payment interest assessments included
12. The NHVA's payers benefit from a 29% discount from the open market by leveraging CDC pricing through DHHS

SFY2024-25 Rate Model – Ex. A (as of August 14, 2023)

481,000 lives
CY24 - \$12.00
CY25 - \$13.00
CY26 - \$14.00

For Discussion August 23, 2023

	Actual SFY19 2018/2019	Actual SFY20 2019/2020	Actual SFY21 2020/2021	Actual SFY22 2021/2022	Forecast SFY23 2022/2023	Forecast SFY24 2023/2024	Forecast SFY25 2024/2025	Forecast SFY26 2025/2026
ASSUMPTIONS								
1 Average Annual Covered Lives per Quarter	501,634	495,795	487,768	481,130	477,550	481,000	481,000	481,000
2 Assessment Rate	6.70-6.47	6.47-6.80	6.80-6.25	6.25-6.85	6.85-8.50	8.50-12.00	12.00-13.00	13.00-14.00
3 TRICARE Rate		12.47-13.95	13.95-14.82	14.82-15.61	N/A	N/A	N/A	N/A
RESERVES								
4 10% Reserve (RSA 126-Q:4 II.(c))	\$ 1,549,196	\$ 1,524,930	\$ 1,505,465	\$ 1,747,887	\$ 1,808,259	\$ 2,397,922	\$ 2,469,860	\$ 2,543,955
5 Assessment Reserve				\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
6 Operational Reserve	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
7 Remainder Reserves	\$ 10,682,570	\$ 12,553,810	\$ 14,159,657	\$ 3,632,864	(\$282,869)	(\$6,962,449)	(\$8,322,259)	(\$8,504,351)
TOTAL EXPENSES								
	\$ 26,837,646	\$ 26,126,101	\$ 26,067,468	\$ 29,080,442	\$ 30,094,717	\$ 39,965,366	\$ 41,164,326	\$ 42,399,256
8 Total Government Expended	\$ 11,345,682	\$ 10,876,797	\$ 11,012,815	\$ 11,601,573	\$ 12,012,132	\$ 15,986,146	\$ 16,465,731	\$ 16,959,703
9 %	42.28%	41.63%	42.25%	39.89%	39.91%	40.00%	40.00%	40.00%
10 Total NHVA Expended	\$ 15,491,964	\$ 15,249,304	\$ 15,054,653	\$ 17,478,869	\$ 18,082,585	\$ 23,979,219	\$ 24,698,596	\$ 25,439,554
11 %	57.72%	58.37%	57.75%	60.11%	60.00%	60.00%	60.00%	60.00%
NHVA OUTFLOWS								
12 Total Distributed by NHVA (June Payment)	\$9,234,656	\$11,751,393	\$11,830,529	\$17,777,373	\$17,850,929	\$23,979,219	\$24,698,596	\$25,439,554
13 Administrative Expenses	\$388,786	\$127,226	\$125,713	\$136,150	\$134,675	\$155,173	\$158,276	\$161,442
14 Total Outflows	\$9,623,442	\$11,878,619	\$11,956,242	\$17,913,523	\$17,985,604	\$24,134,392	\$24,856,872	\$25,600,996
NHVA INFLOWS								
15 Assessments	\$17,796,407	\$13,390,088	\$13,470,273	\$12,785,174	\$13,877,485	\$18,044,475	\$23,569,000	\$25,493,000
16 Investment Income	\$357,265	\$336,301	\$75,858	(\$224,867)	\$322,083	\$0	\$0	\$0
17 Total Inflows	\$18,153,672	\$13,726,389	\$13,546,131	\$12,560,307	\$14,199,568	\$18,044,475	\$23,569,000	\$25,493,000
NHVA BEGINNING CASH BALANCE								
18	3,953,627	12,481,766	7,514,560	11,448,477	5,294,329	6,775,390	685,473	(602,400)
Outflows								
19	9,623,442	11,878,619	11,956,242	17,913,523	17,985,604	24,134,392	24,856,872	25,600,996
Inflows								
20	18,153,672	13,726,389	13,546,131	12,560,307	14,199,568	18,044,475	23,569,000	25,493,000
21 Accrual to Cash Items	(2,091)	(796)	(3,507)	68,845	(65,339)			
22 Transfer (to)/from Investments		(6,814,180)	2,347,535	(869,777)				
23 To Supplement Assessments			0					
24 Ending Cash Balance	12,481,766	7,514,560	11,448,477	5,294,329	2,293,531	\$685,473	(\$602,400)	(\$710,395)
25 Ending Investment Balance		6,814,180	4,466,645	5,336,422	4,481,859			
	12,481,766	14,328,740	15,915,122	10,630,751	6,775,390			
BALANCE HELD AT STATE								
26 Beginning	\$12,979,343	\$6,722,035	\$3,224,124		\$298,504	\$66,848	\$0	\$0
27 Additions/Subtractions	(\$6,257,308)	(\$3,497,911)	(\$3,224,124)	\$298,504	(\$231,656)	(\$66,848)	\$0	\$0
	\$6,722,035	\$3,224,124	(\$0)	\$298,504	\$66,848	\$0	\$0	\$0

SFY2024-25 Rate Model

– *Ex. B*

(as of August
14, 2023)

481,000 lives
CY24 - \$14.00
CY25 - \$14.00
CY26 - \$14.00

For Discussion August 23, 2023

	Actual SFY19 2018/2019	Actual SFY20 2019/2020	Actual SFY21 2020/2021	Actual SFY22 2021/2022	Forecast SFY23 2022/2023	Forecast SFY24 2023/2024	Forecast SFY25 2024/2025	Forecast SFY26 2025/2026
ASSUMPTIONS								
1 Average Annual Covered Lives per Quarter	501,634	495,795	487,768	481,130	477,550	481,000	481,000	481,000
2 Assessment Rate	6.70-6.47	6.47-6.80	6.80-6.25	6.25-6.85	6.85-8.50	8.50-14.00	14.00-14.00	14.00-14.00
3 TRICARE Rate		12.47-13.95	13.95-14.82	14.82-15.61	N/A	N/A	N/A	N/A
RESERVES								
4 10% Reserve (RSA 126-Q:4 II.(c))	\$ 1,549,196	\$ 1,524,930	\$ 1,505,465	\$ 1,747,887	\$ 1,808,259	\$ 2,397,922	\$ 2,469,860	\$ 2,543,955
5 Assessment Reserve				\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
6 Operational Reserve	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
7 Remainder Reserves	\$ 10,682,570	\$ 12,553,810	\$ 14,159,657	\$ 3,632,864	(\$282,869)	(\$6,000,077)	(\$3,992,887)	(\$2,731,979)
TOTAL EXPENSES								
	\$ 26,837,646	\$ 26,126,101	\$ 26,067,468	\$ 29,080,442	\$ 30,094,717	\$ 39,965,366	\$ 41,164,326	\$ 42,399,256
8 Total Government Expended	\$ 11,345,682	\$ 10,876,797	\$ 11,012,815	\$ 11,601,573	\$ 12,012,132	\$ 15,986,146	\$ 16,465,731	\$ 16,959,703
9 %	42.28%	41.63%	42.25%	39.89%	39.91%	40.00%	40.00%	40.00%
10 Total NHVA Expended	\$ 15,491,964	\$ 15,249,304	\$ 15,054,653	\$ 17,478,869	\$ 18,082,585	\$ 23,979,219	\$ 24,698,596	\$ 25,439,554
11 %	57.72%	58.37%	57.75%	60.11%	60.00%	60.00%	60.00%	60.00%
NHVA OUTFLOWS								
12 Total Distributed by NHVA (June Payment)	\$9,234,656	\$11,751,393	\$11,830,529	\$17,777,373	\$17,850,929	\$23,979,219	\$24,698,596	\$25,439,554
13 Administrative Expenses	\$388,786	\$127,226	\$125,713	\$136,150	\$134,675	\$155,173	\$158,276	\$161,442
14 Total Outflows	\$9,623,442	\$11,878,619	\$11,956,242	\$17,913,523	\$17,985,604	\$24,134,392	\$24,856,872	\$25,600,996
NHVA INFLOWS								
15 Assessments	\$17,796,407	\$13,390,088	\$13,470,273	\$12,785,174	\$13,877,485	\$19,006,847	\$26,936,000	\$26,936,000
16 Investment Income	\$357,265	\$336,301	\$75,858	(\$224,867)	\$322,083	\$0	\$0	\$0
17 Total Inflows	\$18,153,672	\$13,726,389	\$13,546,131	\$12,560,307	\$14,199,568	\$19,006,847	\$26,936,000	\$26,936,000
NHVA BEGINNING CASH BALANCE								
18	3,953,627	12,481,766	7,514,560	11,448,477	5,294,329	6,775,390	1,647,845	3,726,972
19 Outflows	9,623,442	11,878,619	11,956,242	17,913,523	17,985,604	24,134,392	24,856,872	25,600,996
20 Inflows	18,153,672	13,726,389	13,546,131	12,560,307	14,199,568	19,006,847	26,936,000	26,936,000
21 Accrual to Cash Items	(2,091)	(796)	(3,507)	68,845	(65,339)			
22 Transfer (to)/from Investments		(6,814,180)	2,347,535	(869,777)				
23 To Supplement Assessments			0					
24 Ending Cash Balance	12,481,766	7,514,560	11,448,477	5,294,329	2,293,531	\$1,647,845	\$3,726,972	\$5,061,977
25 Ending Investment Balance		6,814,180	4,466,645	5,336,422	4,481,859			
	12,481,766	14,328,740	15,915,122	10,630,751	6,775,390			
BALANCE HELD AT STATE								
26 Beginning	\$12,979,343	\$6,722,035	\$3,224,124		\$298,504	\$66,848	\$0	\$0
27 Additions/Subtractions	(\$6,257,308)	(\$3,497,911)	(\$3,224,124)	\$298,504	(\$231,656)	(\$66,848)	\$0	\$0
	\$6,722,035	\$3,224,124	(\$0)	\$298,504	\$66,848	\$0	\$0	\$0

Contact

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Executive Director, NHVA

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NHVA UNAUDITED
Statement of Cash Flow
YTD FY2024 Q1
Month Ended July 31, 2023

	FY24 - Q1 Actual	FY24 - Q2 Actual	FY24 - Q3 Actual	FY24 - Q4 Actual	FY 2024 YTD Actual	FY 2024 YTD Budget	Difference YTD Act to Budget	FY 2024 Annual Budget
Receipts (Source)								
Assessment Income	1,514,649	-	-	-	1,514,649	1,499,437	15,212	21,600,000
* Accounts Receivable	-	-	-	-	-	-	-	-
Interest Income - Assessments	-	-	-	-	-	-	-	450
Interest Income - Bank & Sweep (ICS)	9,858	-	-	-	9,858	8,530	1,328	530,345
Interest Income - Investments	4,454	-	-	-	4,454	4,417	38	57,039
Dividend Income	1,456	-	-	-	1,456	1,385	71	16,838
Accrued Investment Income	231	-	-	-	231	-	231	-
Investment Advisory fees	(1,443)	-	-	-	(1,443)	(1,439)	(3)	(17,326)
Realized Gain or Loss	-	-	-	-	-	-	-	1,889
Unrecognized Gain or Loss	5,179	-	-	-	5,179	4,500	679	25,490
** Investment - Short term, CDs and Accrual.	(9,877)	-	-	-	(9,877)	-	(9,877)	-
	1,524,507	-	-	-	1,524,507	1,516,829	7,679	22,214,726
Disbursements (Use)								
*** Expenses	15,337	-	-	-	15,337	15,275	63	155,173
* Prepays & Accrual Changes	(5,983)	-	-	-	(5,983)	-	(5,983)	-
Vaccine Expenses	-	-	-	-	-	-	-	23,912,371
	9,355	-	-	-	9,355	15,275	(5,920)	24,067,544
Increase (Decrease)	1,515,153	-	-	-	1,515,153	1,501,554	13,598	(1,852,818)
Cash Balance - Beginning	2,293,531	3,808,684	3,808,684	3,808,684	2,293,531	2,293,531	-	2,293,531
Cash Balance - Ending	3,808,684	3,808,684	3,808,684	3,808,684	3,808,684	3,795,086	13,598	440,713

Notes:
 * Changes in Balance Sheet accounts are denoted as () = Increases and positive = decrease
 ** A positive number represents amounts transferred to the ICS account from the Short Term Investments (CDs) account
 A negative number represents amounts transferred to the Short Term Investments (CDs) account from the ICS account
 *** Budgeted expense includes annual State of NH payment due June 2024

NHVA UNAUDITED
Statement of Financial Position
 YTD FY2024 Q1
 Month Ended July 31, 2023

	<u>Jun 30, 23</u>	<u>Jul 31, 23</u>	<u>Dec 31, 23</u>	<u>Mar 31, 24</u>	<u>Jun 30, 24</u>
	FYE 23	FY24 - Q1	FY24 - Q2	FY24 - Q3	FY24 - Q4
	Audited	Interim			
ASSETS					
Current Assets					
Checking/Savings					
Bank of NH #851031104	\$ 46,350	\$ 50,000	\$ -	\$ -	\$ -
Bank of NH - ICS	\$ 2,247,181	\$ 3,758,684	\$ -	\$ -	\$ -
Total Checking/Savings	<u>\$ 2,293,531</u>	<u>\$ 3,808,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Receivable					
Accounts Receivable (A/R)	\$ -	\$ -	\$ -	\$ -	\$ -
Allowance for Account Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Accounts Receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Current Assets					
Prepaid Expenses	\$ 1,960	\$ 1,680	\$ -	\$ -	\$ -
Short Term Investments :					
Short Term Investment - FMV	\$ 4,475,664	\$ 4,485,309	\$ -	\$ -	\$ -
Accrued Investment Income	\$ 6,195	\$ 6,426	\$ -	\$ -	\$ -
Total Short Term Investments	<u>\$ 4,481,859</u>	<u>\$ 4,491,736</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Other Current Assets	<u>\$ 4,483,819</u>	<u>\$ 4,493,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Current Assets	<u>\$ 6,777,350</u>	<u>\$ 8,302,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 6,777,350</u>	<u>\$ 8,302,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
* Accrued Expenses & Deferred Revenue	\$ -	\$ 5,703	\$ -	\$ -	\$ -
Other Current Liabilities					
Liquidity Reserve	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -
Total Current Liabilities	<u>\$ 250,000</u>	<u>\$ 255,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 250,000</u>	<u>\$ 255,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Equity					
Retained Earnings	\$ 8,471,343	\$ 4,681,322	\$ -	\$ -	\$ -
Fund Balance to be Distributed	\$ 1,846,029	\$ 1,846,029	\$ -	\$ -	\$ -
Net Income	\$ (3,790,021)	\$ 1,519,047	\$ -	\$ -	\$ -
Total Equity	<u>\$ 6,527,350</u>	<u>\$ 8,046,397</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 6,777,350</u>	<u>\$ 8,302,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes: * AP State of New Hampshire Payable (June 2024)

Estimate

23,912,371

NHVA UNAUDITED
Statement of Changes in Net Assets
 YTD FY2024 Q1
 Month Ended July 31, 2023

	FY24 - Q1 Actual	FY24 - Q2 Actual	FY24 - Q3 Actual	FY24 - Q4 Actual	FY 2024 YTD Actual	FY 2024 YTD Budget	Difference YTD Act to Bud	FY 2024 Annual Budget
Ordinary Income/Expense	Interim	Interim						
Income								
Assessment Income	\$ 1,514,649	\$ -	\$ -	\$ -	\$ 1,514,649	\$ 1,499,437	\$ 15,212	\$ 21,600,000
Interest Income - Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450
Interest Income - Bank & Sweep (ICS)	\$ 9,858	\$ -	\$ -	\$ -	\$ 9,858	\$ 8,530	\$ 1,328	\$ 530,345
Return on Investments :								
Interest Income - Investments	\$ 4,454	\$ -	\$ -	\$ -	\$ 4,454	\$ 4,417	\$ 38	\$ 57,039
Dividend Income	\$ 1,456	\$ -	\$ -	\$ -	\$ 1,456	\$ 1,385	\$ 71	\$ 16,838
Accrued Investment Inc Earned	\$ 231	\$ -	\$ -	\$ -	\$ 231	\$ 198	\$ 33	\$ -
Investment Advisory fees	\$ (1,443)	\$ -	\$ -	\$ -	\$ (1,443)	\$ (1,439)	\$ (3)	\$ (17,326)
Realized Gain or Loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,889
Unrecognized Gain or Loss	\$ 5,179	\$ -	\$ -	\$ -	\$ 5,179	\$ 4,500	\$ 679	\$ 25,490
Total Return on Investments :	\$ 9,877	\$ -	\$ -	\$ -	\$ 9,877	\$ 9,060	\$ 817	\$ 83,931
Total Income	\$ 1,534,384	\$ -	\$ -	\$ -	\$ 1,534,384	\$ 1,517,027	\$ 17,357	\$ 22,214,726
Expenses								
Vaccine - Annual State Payment	-	-	-	-	-	-	-	23,912,371
Management Fees	9,292	-	-	-	9,292	9,292	-	114,123
Professional Fees								
Professional Fees - Legal	2,203	-	-	-	2,203	2,083	119	25,000
Professional Fees - Audit	3,500	-	-	-	3,500	3,500	-	9,350
Total Professional Fees	5,703	-	-	-	5,703	5,583	119	34,350
Insurance	280	-	-	-	280	354	(74)	4,250
Postage & Printing (Office)	63	-	-	-	63	45	18	540
Licenses and Fees	-	-	-	-	-	-	-	75
Bank Service Charges	-	-	-	-	-	-	-	-
Website & SubContractors	-	-	-	-	-	-	-	525
Board Meetings Expense	-	-	-	-	-	-	-	1,310
Total Expenses	\$ 15,337	\$ -	\$ -	\$ -	\$ 15,337	\$ 15,275	\$ 63	\$ 24,067,544
Net Ordinary Income	\$ 1,519,047	\$ -	\$ -	\$ -	\$ 1,519,047	\$ 1,501,752	\$ 17,295	\$ (1,852,818)
Net Income	\$ 1,519,047	\$ -	\$ -	\$ -	\$ 1,519,047	\$ 1,501,752	\$ 17,295	\$ (1,852,818)
Collection Data:								
Quarter being collected	SFY23 - Q4	SFY24 - Q1	SFY24 - Q2	SFY24 - Q3				
Payment Due Date	08/15/23	11/15/23	02/15/24	05/15/24				
Projected Average Monthly Lives	-	-	-	-				
Actual Average Monthly Lives	-	-	-	-				
Avg Lives Variance +(-)	-	-	-	-				
Approved Assessment Rate	\$ 8.50	\$ 8.50	\$ 8.50	\$ -				

Investment Policy Statement

Policy Title:	Investment Policy Statement
Effective Date:	September 25, 2019
Purpose:	Investment policy guidelines.

I. Purpose

The New Hampshire Vaccine Association’s (NHVA) primary purpose is to raise funds, through mandatory assessments paid by private insurance carriers, by Third Party Administrators on behalf of their plans, and by other payers to pay for all vaccines administered to children in the State of New Hampshire who are not eligible for free vaccines under one or more federal programs. NHVA was created in 2002 as a tax-exempt corporation pursuant to New Hampshire State RSA 126-Q.

The purpose of this Investment Policy Statement (IPS) is to establish the responsibility, authority and guidelines for the investment of NHVA’s surplus cash. Surplus cash is defined as those funds exceeding the daily operating requirements of NHVA and not immediately required for upcoming financial obligations. The IPS will be reviewed annually and amended as necessary to ensure it remains consistent with the overall objectives of the NHVA and with current financial trends.

II. Investment Objectives and Principles

The major objectives of NHVA’s investment program are, in order of priority:

- Safety and preservation of principal by investing in a high-quality, diversified portfolio of securities as described under “Investment Guidelines” below.
- Liquidity of investments that is sufficient to meet NHVA’s projected cash flow requirements.
- Conservative market rates of return on invested funds and inflation protection that are consistent with the above stated objectives.

Maximizing long-term total return, including capital appreciation for longer-term assets through the use of equities, is not currently a goal of NHVA assets but may be included at a future date upon board approval.

III. Investment Guidelines

A. Short-Term Investments

All securities invested for the annual vaccine account payment to the Department of Health and Human Services must mature by June 15.

Eligible Short-Term Investments with Maximum Concentration (at time of purchase)

- *United States Government Securities/Treasuries (100%).*
- *United States Government Sponsored Enterprises (GSEs):*
 - Those with full faith and credit (75%).
 - Those without full faith and credit (50%) and no more than 10% in any one security.
- *Certificates of Deposit:* Guaranteed by FDIC coverage currently set at \$250,000 per issuer (100%). Efforts should be made to avoid purchases of CDs with a premium price as premiums are not included in insurance valuations.
- *Money Market Mutual Funds:* Open-end investment company Fund registered under the Investment Company Act of 1940 and rated AAA by at least one major rating agency (Standard & Poor's, Moody's, or Fitch). The investments should comply with the US Securities and Exchange Commission (SEC) regulations under Rule 2a-7 and maintain a constant net asset value, offer daily liquidity, and carry an average weighted maturity that does not exceed 90 days. (100%)
- *Bank Deposit and Checking Accounts:* No limit will be placed on bank deposit or checking accounts as long as they are 100% guaranteed by FDIC coverage. Most accounts are currently set with a \$250,000 guarantee. Where FDIC limits expire or are otherwise exceeded, the board will set prudent operating limits in consideration of the overall economic and operating benefits to NHVA; credit quality of the bank; and overall risk environment. Other accounts such as Promontory Interfinancial Network's Insured Cash Sweep Service (ICS) which are fully insured to any face amount are also investable to 100%.

B. Longer-Term Investments

Eligible long-term investments include the above with the addition of *higher-quality corporate debt*. Eligible long-term investments may have variable distributions to meet different needs and are subject to board approval.

- At time of purchase, securities must be rated "Baa3/BBB-" or better by at least two agencies (Standard & Poor's, Moody's, or Fitch).

- At least 70% of the holdings shall have ratings of “A3/A-“or better by at least two agencies.
- Diversification generally reduces the impact any single investment or issuer can have on the overall portfolio. The manager shall diversify the portfolio’s debt sectors (finance, industrial, energy, etc.) except that investments in pharmaceutical and healthcare debt should be limited to 5% of the portfolio.
- Additionally, any one issuer name shall be limited to 10% of the portfolio (does not apply to insured or guaranteed assets).
- Maturities are not to exceed five years.
- Securities shall be laddered to provide reasonable cash flow with an average duration not to exceed three years.
- No leveraged or structured products.
- The manager may employ fixed income mutual funds and/or exchange-traded funds (ETFs) but they must adhere to this investment policy in regard to liquidity, quality and duration of underlying assets. The manager shall recognize the interest rate risk of funds, particularly that NHVA may need cash at a point when a fund is losing value due to rising rates.

Investments in either the short-term or long-term portfolio may be sold prior to maturity due to changes in credit quality, market condition, or for uncertain capital needs; however, prudence and overall caution must be exercised to minimize any potential losses.

IV. Delegation of Authority and Role of Investment Manager including Benchmarking, Performance, and Communications

NHVA is authorized to delegate certain responsibilities to professional experts to assist the organization in optimizing an investment strategy aligned with NHVA’s objectives. Professionals may include investment management consultants, investment managers, custodians of investments, attorneys, auditors, and any others who may assist NHVA in meeting its responsibilities and obligations to prudently administer the investments of NHVA.

The board may delegate investment decisions to a retained professional investment manager who will have full discretion to make all investment decisions for the assets placed under his or her jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement and as may be required by law. Persons responsible for managing and investing the portfolio funds shall act in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, as set

out in the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and adopted by the State of New Hampshire.

At a minimum, an annual review of the account shall be held by the investment manager with the NHVA Audit Committee. Performance (if relevant), compliance with the policy, and a strategy outlook review shall be discussed. Educational support on investment considerations will also be provided as needed. A statement of current holdings and transactions shall be provided at least quarterly to the Audit Committee. The investment manager will be guided by cash forecasts provided by the NHVA's Executive Director from time to time as needed.

Depending on the structure and duration of the Portfolio, performance evaluation may or may not be required: i.e., if a reasonable percentage of the assets are held for longer than 12 months. If appropriate, the investment performance of the portfolio will be measured and evaluated against one or more appropriate and commonly accepted performance benchmark indexes and measured over one-, three- and five-year periods.

Should any investment fall out of policy or events occur that warrant concern, the investment manager must notify NHVA's Executive Director as soon as reasonably possible in writing and present a course of action if necessary.

ENFORCEMENT, REVIEW AND REVISION:

This Policy may be updated from time to time by the board.

DATE ADOPTED: June 9, 2005

SUBSTANTIALLY REWRITTEN: March 9, 2016 and September 25, 2019

AMENDED TO INCLUDE LONGER-TERM INVESTMENT ASSETS: September 25, 2019