

| Section | Page |
|---|------|
| FY21 YE Forecast and FY22 Proposed Budget Narratives | 1 |
| Financial Statements | |
| Entity Level Statement of Activities | 4 |
| Balance Sheet | 5 |
| Cashflow | 6 |
| Indirect and Fringe Rates by Year | 7 |
| Supporting Documents | |
| Schedule A-FY22 Revenue Detail | 9 |
| Schedule A1-CY21 Contract Changes | 10 |
| Schedule A2-CY22 CY22 Proposed Contract Work Scope and Values | 11 |
| Schedule B-Salary Forecast | 12 |
| Schedule C-Fringe | 13 |
| Schedule D-Indirect and Fringe Rate Details | 14 |
| Acronyms-Glossary | 15 |



FY21 Year-End Forecast

As part of our preparations for the FY22 Budget, VITL prepared a year-end forecast for FY21. This forecast reflects the change in the CY21 work scope as described in the FY22 Budget Narrative. The forecast was prepared through a review of revenue and major cost categories from the FY21 January Forecast and incorporated new information and any changes into the new FY21 Year End (YE) forecast.

FY21 Forecast Revenues

- Following discussions with DVHA and AHS, we are changing some CY21 deliverables to expand the scope of the claims work we will do later this calendar year to include additional payers and to achieve planning for some of our CY22 deliverables. Some of the work planned for CY21 will be pushed to the CY22 contract. DVHA expects to make additional funds available for that work, for a potential contract total of \$9,326K, of which we expect to realize \$2,699K in FY21, with the balance occurring in FY22. This is \$995K less revenue realized in FY21 than the estimate in the January FY21 Forecast.
- Revenue realized for the CY20 contract is expected to be about \$100K less than the January FY21 Forecast as we have deferred this amount to be recognized in FY22 to match when we expect the performance obligations to be completed.
- Other revenue items such as PatientPing (+\$22K) have increased slightly, based on new information. In addition, we have added a new revenue stream to the Statement of Activities for Route Notification Fees at (+\$32K), which reflects the fees for the ADT Notification service offered to hospitals. There is an increase in expenses related to this.
- Note: VITL's major contracts operate on a calendar year basis (Jan-Dec), while our fiscal year runs from July 1st, 2021 through June 30th, 2022.

FY21 Forecast Expenses

- The change in CY21 deliverables described above has also affected expenses:
 - Consulting costs are projected to be \$307K lower than the January FY21 Forecast. This reflects the shift in work scope.
 - Security costs are projected to be \$179K lower than the January FY21 Forecast.
 - Education expenses are expected to be \$30K lower as work we projected to do in support of outreach for Part 2 data has been postponed due to the delay in the promulgation of federal regulations.
 - The estimate for software costs have decreased by \$179K as the start of subscription costs for the new data platform have shifted. They are now projected to start in May 2021.
 - We did not use the contingency of \$150K.

FY21 Forecast Change in Net Assets

- Change in Net Assets (also known as “net income”) is projected to be \$339K. This is 3.8% of total revenue. If capital expenditures of \$71K are deducted from the change in net assets, VITL would be at \$269K in adjusted net assets or 3% of total revenue.

Balance Sheet and Cash:

As captured on the FY22 Proposed Budget balance sheet, our end of FY21 financial position will remain strong with \$4,512K of cash on hand, or 195 days. The combination of accounts receivables of \$946K and accrued receivables of \$458K, means that there is an additional \$1,404K which will be converted to cash within 45 to 60 days. This would add another 61 days of cash.

FY22 Proposed Budget Narrative

FY22 Revenues

- Estimated CY22 contract value is \$7,824K, of which we expect to recognize \$3,870K (49%) in FY22 (note this is still an estimate).
- In addition, we expect that for CY22 we will receive an additional \$378K to fund interface development costs through another funding source of which we expect to recognize \$189K in FY22. The additional funding may be in a separate contract.
- Following discussion with DVHA, we are changing some of our CY21 deliverables, which will allow us to expand the scope of the claims work we will do this year. In addition, we will increase some of the planning work for CY22. DVHA expects to make additional funds available for that work, for a potential contract total of \$9,326K, of which we will realize \$6,627K in FY22
- As you know, HITECH funding is sunseting in at the end of September, and new funding allocations rates have not been finalized. DVHA is continuing discussion with the Centers for Medicare and Medicaid Services (CMS) regarding the new allocations rates. Our proposed budget is based upon what we believe to be “worst case.”
- VHIE Maintenance & Operations (M&O) funding has increased, which reflects the costs of maintaining & securing the VHIE, including the additional services implemented as a result of the collaborative services projects, consent education, and the addition of claims.
- Our revenue projections for FY22 contain an allowance for potential impacts, reflected as a negative revenue item, to allow for the possibility of a decrease in our estimates for unnegotiated contracts.
- This budget assumes a minor impact due to the new revenue recognition standard (GAAP).
- Note VITL’s major contracts operate on a calendar year basis (Jan-Dec), while our fiscal year runs from July 1st, 2021 through June 30th, 2022.

FY22 Expenses

- The most significant changes in expenses are in personnel, consulting, security and network costs, and software costs:
 - Personnel Costs:
 - Personnel costs (Salaries & Fringe) represent 33% of the total FY22 expenditures.
 - The budget assumes all current open positions are filled.
 - The budget allows for:
 - Hiring an education specialist (currently unfilled) in July 2021
 - The hiring of a claims analyst beginning in January 2022
 - Continuing temporary staffing approved in the FY21 budget update: MedicaSoft project manager, interface developer, ½ finance assistant, and medical coder (15 hours)
 - Projections include a 2.5% COLA increase for staff in July – note we did not give an increase in FY21
 - Benefit rates are projected to remain relatively flat
 - Consulting costs are projected to be \$2,479K, this is an increase to ensure the resource and subject matter expertise required to deliver the projects underway, including aggregation of claims data and FHIR expertise.

- Security costs are projected to be \$361K, which represents an increase to support the new capabilities we put in place following the increase in cyberattacks on healthcare, and to support additional enhancements.
- Network Services and Maintenance is projected to be \$492K in FY22, which represents increased storage costs and the additional reporting functionality.
- Software costs are projected to be \$2,106K and contains not only subscription costs for collaborative services projects (Terminology Services, Master Patient Index (MPI), and Rhapsody Integration Engine) but most of a full year of costs for the new data platform.
- The FY22 budget includes costs for the current Health Catalyst platform and the Health Data Mart, as well as costs for the MedicaSoft platform as we continue to phase it in. These expenses are expected to decrease for FY23.
- The FY22 proposed budget assumes continued occupancy at the Chace Mill even though our current lease expires at the end of February 2022. VITL will be assessing options this summer which may provide an opportunity for reduced facilities costs.
- We have included a contingency of \$100K to provide an allowance for unforeseen costs. It represents 1.3% of total material expenditures for FY22.

FY22 Change in Net Assets

- Change in Net Assets (also known as “net income”) is projected to be \$487K. This is 4.2% of total revenue. If capital expenditures of \$431K are deducted from the change in net assets, VITL would be at \$56K in adjusted net assets or less than 1% of total revenue.

Risks and Opportunities:

- VITL is a lean organization. Loss of crucial talent could impact the delivery of contractual requirements. While this has been an on-going risk, VITL continues to work to ameliorate this potential through cross-training of existing staff and contracting service providers for specific skills to backup critical skill areas.
- The FY22 proposed budget includes consultants with specific skill sets to help ensure our ability to deliver projects. Their availability could impact the delivery of contractual requirements, though we have been successful in securing the needed skills to date.
- The CY22 contract has not been signed, our estimates for FY22 are dependent on assumptions of funding levels from CMS. Though DVHA has submitted their allocation request to CMS, with the transition for HITECH, the final allocation may differ from our assumptions.

Balance Sheet and Cash Flow:

The FY22 Budget balance sheet shows that our end of year financial position will remain strong with \$5217K of cash on hand or 173 days. The combination of accounts receivables of \$850K and accrued receivables of \$790K, means that there is an additional \$1,640K which will be converted to cash within 45 to 60 days. This would add another 54 days of cash.

FY22 Budget
Section 2: Proposed Budget
Financial Statement
Statement of Activities

| Item | FY20 Audited | FY21 Original Budget | FY21 Update Budget (Jan. 2021) | FY21 YTD March (Interim) | FY21 Year End Forecast | FY22 Proposed Budget | Variance FY22 Proposed Budget & FY21 YE Forecast | % Change FY22 Budget to FY21 YE Forecast |
|------------------------------|---------------------|----------------------------|--------------------------------------|--------------------------------|------------------------------|----------------------------|---|--|
| VITL Revenue | | | | | | | | |
| CY19 | 2,398,867 | - | - | - | - | - | - | |
| CY20 | 3,459,527 | 4,431,509 | 4,375,972 | 4,117,820 | 4,234,358 | 98,924 | (4,135,433) | |
| CY20-Covid | - | - | 825,880 | 749,380 | 870,880 | - | (870,880) | |
| CY21 | - | 3,207,006 | 3,693,950 | 1,403,186 | 2,699,013 | 6,627,115 | 3,928,102 | |
| CY22 | - | - | - | - | - | 3,870,225 | 3,870,225 | |
| Total State Contracts | 5,858,394 | 7,638,515 | 8,895,802 | 6,270,386 | 7,804,251 | 10,596,264 | 2,792,014 | 36% |
| OCV Contract | 812,290 | 810,000 | 810,000 | 637,497 | 849,996 | 849,996 | - | 0% |
| Total Contracts | 6,670,684 | 8,448,515 | 9,705,802 | 6,907,883 | 8,654,247 | 11,446,260 | 2,792,014 | 32% |
| Patient Ping Fees | 47,231 | 47,000 | 47,000 | 54,015 | 68,763 | 70,000 | 1,237 | 2% |
| VITL Direct Fees | 121,200 | 123,000 | 123,000 | 91,181 | 121,000 | 121,000 | - | 0% |
| Interface Development Fees | - | - | - | - | - | 189,367 | 189,367 | |
| Route Notification Fees | - | - | - | - | 31,667 | 32,000 | 333 | 1% |
| Total Program Fees | 168,431 | 170,000 | 170,000 | 145,196 | 221,429 | 412,367 | 190,938 | 86% |
| Misc. Revenue | 28,602 | 20,000 | 20,000 | 6,028 | 8,237 | 8,237 | - | 0% |
| Potential impacts to revenue | - | (517,111) | (98,958) | - | - | (212,499) | (212,499) | |
| Total Revenue | \$ 6,867,717 | \$ 8,121,404 | \$ 9,796,844 | \$ 7,059,107 | \$ 8,883,913 | \$ 11,654,366 | \$ 2,770,453 | 31% |
| VITL Expenses | | | | | | | | |
| Labor Related Expenses | | | | | | | | |
| Labor Cost-Core | 2,064,138 | 2,204,626 | 2,263,343 | 1,645,398 | 2,262,461 | 2,386,836 | 124,375 | 5% |
| Labor Cost-Temporary | - | - | 177,397 | 73,976 | 107,914 | 247,390 | 139,475 | 129% |
| Fringe | 755,161 | 927,708 | 854,897 | 681,656 | 928,213 | 1,026,674 | 98,461 | 11% |
| Total Labor Related Expenses | 2,819,298 | 3,132,334 | 3,295,637 | 2,401,030 | 3,298,589 | 3,660,900 | 362,311 | 11% |
| Material/Services | | | | | | | | |
| Consulting | 225,960 | 634,100 | 1,863,270 | 593,930 | 1,556,191 | 2,478,865 | 922,674 | 59% |
| Data Security | 58,775 | 155,995 | 319,467 | 105,620 | 140,707 | 361,282 | 220,576 | 157% |
| Depreciation | 71,327 | 98,020 | 97,248 | 59,292 | 97,248 | 100,000 | 2,752 | 3% |
| E&O Insurance | 60,782 | 61,998 | 68,720 | 52,047 | 68,720 | 81,623 | 12,903 | 19% |
| Employee Recruitment | 18,445 | 47,774 | 48,290 | 17,675 | 48,290 | 56,500 | 8,210 | 17% |
| Insurance | 22,843 | 22,845 | 19,874 | 6,839 | 19,874 | 21,225 | 1,351 | 7% |
| Legal/Accounting | 196,621 | 167,207 | 205,952 | 177,112 | 215,952 | 207,798 | (8,154) | -4% |
| VHIE Hosting | 974,384 | 1,009,498 | 1,045,885 | 736,018 | 1,045,885 | 1,064,679 | 18,794 | 2% |
| Network Srv/Maint | 198,794 | 350,704 | 339,631 | 178,065 | 339,631 | 492,147 | 152,516 | 45% |
| Occupancy | 143,638 | 146,903 | 145,980 | 110,117 | 145,980 | 147,837 | 1,857 | 1% |
| Supplies | 21,137 | 25,905 | 26,901 | 3,441 | 26,901 | 29,105 | 2,204 | 8% |
| Education | 22,740 | 39,850 | 40,112 | 506 | 10,112 | 40,500 | 30,388 | 301% |
| SW Srv/Maint | 1,199,129 | 1,648,198 | 1,511,236 | 803,180 | 1,332,156 | 2,106,344 | 774,188 | 58% |
| Telecom | 52,860 | 56,940 | 52,457 | 40,077 | 52,457 | 59,241 | 6,784 | 13% |
| Training/Prof. Dev. | 5,377 | 14,112 | 112,538 | 17,443 | 112,538 | 102,988 | (9,550) | -8% |
| Travel | 13,191 | 21,000 | 1,500 | - | - | 20,000 | 20,000 | |
| Unallowable | 30,505 | 33,729 | 24,170 | 16,355 | 24,170 | 26,485 | 2,315 | 10% |
| Website | 13,616 | 27,490 | 9,410 | 19,100 | 9,410 | 10,050 | 640 | 7% |
| Contingency | - | 100,000 | 150,000 | - | - | 100,000 | 100,000 | |
| Total All Expenses | \$ 6,149,422 | \$ 7,794,603 | \$ 9,378,277 | \$ 5,337,847 | \$ 8,544,809 | \$ 11,167,570 | \$ 2,622,761 | 31% |
| Change in Net Assets | \$ 718,296 | \$ 326,801 | \$ 418,568 | \$ 1,721,260 | \$ 339,104 | \$ 486,796 | \$ 147,692 | 44% |
| Add back CAPEX | | (321,327) | (328,238) | (30,528) | (70,528) | (431,177) | (360,649) | 511% |
| Adjusted Net Assets | \$ 718,296 | \$ 5,474 | \$ 90,329 | \$ 1,690,732 | \$ 268,576 | \$ 55,619 | \$ (212,957) | -79% |

FY22 Budget
Section 2: Proposed Budget
Financial Statements
Balance Sheet

As of:5/26/2021

| | FY20 Audited | Variance FY21 YTD from FY20 | FY21 YTD March (Interim) | Variance FY21 YE from FY20 | FY21 Year End Forecast | Variance FY22 Budget from FY21 YE | FY22 Proposed Budget |
|---|------------------|-----------------------------------|--------------------------------|-------------------------------|------------------------------|---|----------------------------|
| ASSETS | | | | | | | |
| Current Assets | | | | | | | |
| Cash-All Accounts | 3,558,797 | 1,873,709 | 5,432,506 | 952,917 | 4,511,714 | 698,878 | 5,210,591 |
| Accounts Receivable | 426,629 | 587,025 | 1,013,654 | 519,344 | 945,973 | -95,922 | 850,051 |
| Unbilled Accounts Receivables | 290,551 | 179,119 | 469,670 | 167,925 | 458,476 | 331,367 | 789,843 |
| <u>Prepaid Expenses</u> | <u>241,434</u> | <u>-47,549</u> | <u>193,885</u> | <u>-72,153</u> | <u>169,281</u> | <u>76,105</u> | <u>245,386</u> |
| Total Current Assets | 4,517,411 | 2,592,304 | 7,109,715 | 1,568,033 | 6,085,444 | 1,010,427 | 7,095,871 |
| Property and Equipment | | | | | | | |
| Construction in Progress | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Furniture & Equipment | 339,522 | 0 | 339,522 | 0 | 339,522 | 24,000 | 363,522 |
| Leasehold Improvements | 98,185 | 0 | 98,185 | 0 | 98,185 | 0 | 98,185 |
| Software | 0 | 30,528 | 30,528 | 70,528 | 70,528 | 407,177 | 477,705 |
| <u>Accumulated Depreciation</u> | <u>-253,364</u> | <u>-59,292</u> | <u>-312,656</u> | <u>-156,540</u> | <u>-409,904</u> | <u>-100,000</u> | <u>-509,904</u> |
| Total Property and Equipment | 184,343 | -28,764 | 155,579 | -86,012 | 98,331 | 331,177 | 429,508 |
| Other Assets | | | | | | | |
| <u>Security Deposits</u> | <u>12,781</u> | <u>0</u> | <u>12,781</u> | <u>0</u> | <u>12,781</u> | <u>0</u> | <u>12,781</u> |
| Total Other Assets | 12,781 | 0 | 12,781 | 0 | 12,781 | 0 | 12,781 |
| Total Assets | 4,714,535 | 2,563,540 | 7,278,075 | 1,482,021 | 6,196,556 | 1,341,604 | 7,538,160 |
| LIABILITIES AND CAPITAL | | | | | | | |
| Current Liabilities | | | | | | | |
| Accounts Payable | 136,236 | 641,990 | 778,226 | 710,171 | 846,407 | 332,995 | 1,179,401 |
| Accrued Expenses | 156,390 | 120,560 | 276,950 | 507,399 | 663,789 | 281,370 | 945,159 |
| <u>Deferred Revenue</u> | <u>183,660</u> | <u>79,731</u> | <u>263,391</u> | <u>-74,652</u> | <u>109,008</u> | <u>240,443</u> | <u>349,451</u> |
| Total Current Liabilities | 476,286 | 842,281 | 1,318,567 | 1,142,917 | 1,619,203 | 854,808 | 2,474,011 |
| Net Assets-All Unrestricted | 4,238,249 | 1,721,258 | 5,959,507 | 339,104 | 4,577,353 | 486,796 | 5,064,149 |
| | | | 0 | | | | |
| Total Liabilities & Net Assets | 4,714,535 | 2,563,539 | 7,278,074 | 1,482,021 | 6,196,556 | 1,341,604 | 7,538,160 |

FY22 Budget
Section 2: Proposed Budget
Financial Statements
Cashflow

| | FY21 YTD March (Interim) | FY21 Year End Forecast | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | FY22 Proposed Budget |
|--------------------------------------|--------------------------------|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------------|
| Collections | | | | | | | | | | | | | | | |
| CY20 | 5,490,779 | 5,490,779 | | | | | | | | | | | | | - |
| CY21 | | 1,365,397 | 1,721,904 | 458,476 | 1,803,465 | 1,325,597 | 1,516,009 | 613,648 | 613,648 | 754,748 | - | - | - | - | 8,807,495 |
| CY22 | | - | - | - | - | - | - | - | - | - | 586,029 | 489,414 | 865,084 | 325,220 | 2,265,748 |
| OCV Mthly Fee | 708,330 | 920,829 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 849,996 |
| Patient Ping | 58,100 | 68,763 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 70,000 |
| VITL Direct Fees | 121,000 | 121,000 | | | 95,000 | | 26,000 | | | | | | | | 121,000 |
| Interface Development Fees | - | - | | | | | | | | | 31,561 | 31,561 | 31,561 | 31,561 | 126,245 |
| Route Notification Fees | - | 31,667 | | | | | | | | | | 32,000 | | | 32,000 |
| | | - | | | | | | | | | | | | | - |
| Potential Impact to Revenue | - | - | | | | | | | (35,417) | (35,417) | (35,417) | (35,417) | (35,417) | (35,417) | (212,499) |
| Interest | 6,027 | 8,237 | 686 | 686 | 686 | 686 | 686 | 686 | 686 | 686 | 686 | 686 | 686 | 686 | 8,237 |
| Total Collections | 6,384,236 | 8,006,672 | 1,799,257 | 535,829 | 1,975,817 | 1,402,950 | 1,619,362 | 691,001 | 655,584 | 796,684 | 659,527 | 594,912 | 938,582 | 398,717 | 12,068,221 |
| Disbursements | | | | | | | | | | | | | | | |
| Major Subcontractors | 1,334,577 | 2,293,640 | 454,137 | 312,137 | 312,137 | 318,014 | 318,014 | 318,014 | 454,353 | 312,353 | 312,353 | 317,953 | 319,428 | 419,428 | 4,168,319 |
| Rent | 88,957 | 135,076 | 11,700 | 11,700 | 11,700 | 11,700 | 11,700 | 11,700 | 11,700 | 11,700 | 10,944 | 10,944 | 10,944 | 10,944 | 137,375 |
| Payroll | 1,764,705 | 2,567,019 | 237,070 | 237,070 | 237,070 | 237,070 | 237,070 | 237,070 | 237,070 | 237,070 | 237,070 | 237,070 | 237,070 | 237,070 | 2,844,843 |
| Fringe Expense | 420,418 | 611,559 | 56,479 | 56,479 | 56,479 | 56,479 | 56,479 | 56,479 | 56,479 | 56,479 | 56,479 | 56,479 | 56,479 | 56,479 | 677,747 |
| All Other | 871,343 | 1,415,933 | 218,432 | 233,445 | 383,147 | 158,993 | 121,975 | 211,631 | 291,750 | 304,271 | 279,231 | 269,642 | 240,142 | 297,221 | 3,009,882 |
| Contingency | | - | | | | | | | | | | | | 100,000 | 100,000 |
| | | - | | | | | | | | | | | | | |
| Capital Projects | 30,528 | 30,528 | 27,000 | 3,000 | 343,560 | 2,000 | 21,292 | 1,550 | - | - | - | - | - | 32,775 | 431,177 |
| Total Disbursements | 4,510,528 | 7,053,755 | 1,004,819 | 853,831 | 1,344,094 | 784,256 | 766,530 | 836,445 | 1,051,352 | 921,873 | 896,077 | 892,088 | 864,063 | 1,153,917 | 11,369,344 |
| Starting Cash | 3,558,797 | 3,558,797 | 4,511,714 | 5,306,152 | 4,988,149 | 5,619,873 | 6,238,566 | 7,091,398 | 6,945,954 | 6,550,187 | 6,424,998 | 6,188,448 | 5,891,272 | 5,965,791 | 4,511,714 |
| Net Collections/Disbursements | 1,873,708 | 952,917 | 794,438 | (318,002) | 631,723 | 618,693 | 852,832 | (145,444) | (395,768) | (125,189) | (236,550) | (297,176) | 74,519 | (755,200) | 698,878 |
| Ending Cash | 5,432,505 | 4,511,714 | 5,306,152 | 4,988,149 | 5,619,873 | 6,238,566 | 7,091,398 | 6,945,954 | 6,550,187 | 6,424,998 | 6,188,448 | 5,891,272 | 5,965,791 | 5,210,591 | 5,210,591 |

Indirect Rates by Year

| Element | FY20 YE (Audited) | FY21 YE (Forecast) | FY22 (Proposed Budget) |
|------------------------------|----------------------|-----------------------|------------------------------|
| Direct Labor Costs | 1,445,065 | 1,565,267 | 1,880,803 |
| Fringe applied to Dir. Labor | 528,674 | 612,942 | 733,032 |
| Direct Material/Services | 2,976,952 | 4,463,169 | 6,710,608 |
| Total Indirect Base | 4,950,691 | 6,641,377 | 9,324,442 |
| Indirect Labor Costs | 619,073 | 805,108 | 753,423 |
| Fringe applied to Ind. Labor | 226,487 | 315,272 | 293,642 |
| Indirect Material/Services | 352,996 | 783,052 | 796,062 |
| Total Indirect Expense | 1,198,556 | 1,903,432 | 1,843,127 |
| Indirect Rate | 24.21% | 28.66% | 19.77% |
| Total Cost | 6,149,247 | 8,544,809 | 11,167,569 |

Fringe Rates by Year

| | | | |
|--------------------------|-----------|-----------|------------|
| Direct Labor Costs | 1,445,065 | 1,565,267 | 1,880,803 |
| Indirect Labor Costs | 619,073 | 805,108 | 753,423 |
| Base for Fringe | 2,064,138 | 2,370,375 | 2,634,226 |
| Employee Benefits | 211,794 | 239,233 | 265,863 |
| HRA Benefits | 50,406 | 81,645 | 80,000 |
| Payroll Taxes | 186,557 | 208,383 | 231,579 |
| Performance Incentive | - | - | - |
| PTO Expense | 203,165 | 320,400 | 356,064 |
| Retirement Contributions | 56,399 | 67,640 | 75,169 |
| Payroll & Benef Adm | - | 15,359 | 18,000 |
| COBRA Payments | - | (4,446) | - |
| Accrued Vacation/PTO | 46,838 | - | - |
| Total Fringe Expense | 755,159 | 928,213 | 1,026,674 |
| Fringe Rate | 36.58% | 39.16% | 38.97% |
| Total Personnel Cost | 2,819,297 | 3,298,589 | 3,660,900 |
| Material/Services Cost | 3,329,948 | 5,246,221 | 7,506,670 |
| Total Expenses | 6,149,245 | 8,544,809 | 11,167,569 |

Supporting Documents

FY22 Budget
Section 2: Proposed Budget
Supporting Schedule
Schedule A FY22 Revenue Detail

as of: 5/24/2021

| Contract | FY21 Year End Forecast | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | FY22 Proposed Budget |
|--|------------------------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------------|
| DVHA-CY20 | 4,234,358 | 29,332 | 18,269 | 18,269 | 18,269 | 9,944 | 4,840 | | | | | | | 98,924 |
| DVHA-CY20 COVID | 870,880 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total CY20 Revenue | 5,105,238 | 29,332 | 18,269 | 18,269 | 18,269 | 9,944 | 4,840 | - | - | - | - | - | - | 98,924 |
| DVHA-CY21 | 2,699,013 | 1,803,465 | 1,325,597 | 1,516,009 | 613,648 | 613,648 | 754,748 | - | - | - | - | - | - | 6,627,115 |
| DVHA-CY22 | - | - | - | - | - | - | - | 586,029 | 489,414 | 865,084 | 650,439 | 489,414 | 789,843 | 3,870,225 |
| OneCare Vermont (OCV) | 849,996 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 70,833 | 849,996 |
| Total Contracts | 8,654,247 | 1,903,630 | 1,414,699 | 1,605,111 | 702,750 | 694,425 | 830,421 | 656,862 | 560,247 | 935,917 | 721,272 | 560,247 | 860,676 | 11,446,260 |
| PatientPing (ADT Feed) | 68,763 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,833 | 5,837 | 70,000 |
| VITL Direct | 121,000 | 10,083 | 10,083 | 10,083 | 10,083 | 10,083 | 10,083 | 10,083 | 10,083 | 10,083 | 10,083 | 10,083 | 10,087 | 121,000 |
| Interface Development Fees | - | - | - | - | - | - | - | 31,561 | 31,561 | 31,561 | 31,561 | 31,561 | 31,561 | 189,367 |
| Route Notification Fees | 31,667 | 2,667 | 2,667 | 2,667 | 2,667 | 2,667 | 2,667 | 2,667 | 2,667 | 2,667 | 2,667 | 2,667 | 2,663 | 32,000 |
| Total Program Fees | 221,429 | 18,583 | 18,583 | 18,583 | 18,583 | 18,583 | 18,583 | 50,144 | 50,144 | 50,144 | 50,144 | 50,144 | 50,148 | 412,367 |
| Misc. Revenue - Interest | 8,237 | 686 | 686 | 686 | 686 | 686 | 686 | 686 | 686 | 686 | 686 | 686 | 686 | 8,232 |
| Potential impact to revenue | | | | | | | | (35,417) | (35,417) | (35,417) | (35,417) | (35,417) | (35,417) | (212,499) |
| Total Revenue as shown on Statement of Activities | 8,883,913 | 1,922,899 | 1,433,968 | 1,624,380 | 722,019 | 713,694 | 849,690 | 672,276 | 575,661 | 951,331 | 736,686 | 575,661 | 876,094 | 11,654,361 |

FY22 Budget
Section 2: Proposed Budget
Schedule A1-CY21 Contract Changes

CY21 Contract Changes

| | | | | | CY21 Revenue by Fiscal Year | |
|---|---|----------------|--------------------------|-----------------------|-----------------------------|-----------|
| Sec. # | Section | Total Contract | Total Funds Re-allocated | Contract less changes | FY21 | FY22 |
| 3 | Operations | 2,577,487 | - | 2,577,487 | 1,313,744 | 1,263,744 |
| 4 | Security | 429,891 | - | 429,891 | 214,946 | 214,946 |
| | M&O | 3,007,378 | - | 3,007,378 | 1,528,689 | 1,478,689 |
| 5 | Data Access | 537,500 | - | 537,500 | 237,500 | 300,000 |
| 6 | Consent Management-Part 2/Sensitive Data | 210,000 | (105,000) | 105,000 | - | 105,000 |
| 7 | Connecting EMS/Other Emergency Services to the VHIE | 226,000 | (200,000) | 26,000 | 4,000 | 22,000 |
| 8 | Data Governance | 100,000 | - | 100,000 | - | 100,000 |
| 9 | VHIE Enhancement:Data Extraction & Aggregation (Connectivity) | 1,293,000 | (330,000) | 963,000 | 306,000 | 657,000 |
| 10 | Data Quality (Bi-State Pass-through) | 300,000 | - | 300,000 | 200,667 | 99,333 |
| 11 | Collaborative Services/New Data Platform | 2,235,000 | (530,000) | 1,705,000 | 45,000 | 1,660,000 |
| 12 | MU/SRA | 150,000 | 11,250 | 161,250 | 80,625 | 80,625 |
| 13 | Public Health | 600,000 | (15,000) | 585,000 | 296,532 | 288,468 |
| | TaskOrders | 400,000 | (400,000) | - | - | - |
| | Contracted Work | 9,058,878 | (1,568,750) | 7,490,128 | 2,699,013 | 4,791,115 |
| Funding made available through contract changes | | | | 1,568,750 | | |
| Additional State Funds | | | | 307,000 | | |
| Total Anticipated CY22 Contracted Funds | | | | 9,365,878 | | |
| Remaining Contracted Work | | | | 7,490,128 | 2,699,013 | 4,791,115 |
| New Work Scope-Advance Project Work | | | | 850,000 | - | 850,000 |
| New Work Scope-Claims Expansion | | | | 986,000 | - | 986,000 |
| Total Anticipated Contract Value | | | | 9,326,128 | 2,699,013 | 6,627,115 |

FY22 Budget
Section 2: Proposed Budget
Schedule A2-CY22 Proposed
Contract Work Scope and Values

| Work Scope | Proposed Work Scope Value | CY22 Revenue by Fiscal Year | |
|--|---------------------------------|-----------------------------|--------------------------|
| | | FY22 Proposed Budget | FY23 Assumed Value |
| Maintenance & Operations | | | |
| VHIE Security | 569,636 | 284,818 | 284,818 |
| Patient consent management & education | 133,087 | 66,544 | 66,544 |
| Network Infrastructure Administration | 461,350 | 230,675 | 230,675 |
| Provider Portal Training/Education, onboarding and maintenance | 132,141 | 66,070 | 66,070 |
| Data Governance | 36,854 | 18,427 | 18,427 |
| Monthly DVHA reporting | 126,808 | 63,404 | 63,404 |
| Interface maintenance and remediation | 304,394 | 152,197 | 152,197 |
| Data Warehouse & Reporting platform (new) M&O | 1,170,303 | 585,151 | 585,151 |
| Data Warehouse & Reporting platform (legacy) M&O | 79,920 | 39,960 | 39,960 |
| Terminology Services M&O | 253,768 | 126,884 | 126,884 |
| MPI maintenance and support | 504,241 | 252,120 | 252,120 |
| Integration Engine maintenance and support | 700,912 | 350,456 | 350,456 |
| Clinical Data Repository & Results Delivery (legacy) M&O | 504,577 | 252,288 | 252,288 |
| Provider Portal maintenance and support | 275,146 | 137,573 | 137,573 |
| VCCI Support | 53,135 | 26,568 | 26,568 |
| Department of Health Support | 34,913 | 17,457 | 17,457 |
| Blueprinting Support | 222,970 | 111,485 | 111,485 |
| <u>Medicaid claims data M&O</u> | <u>332,221</u> | <u>166,110</u> | <u>166,110</u> |
| Total M&O | 5,896,375 | 2,948,187 | 2,948,187 |
| Projects | | | |
| Transition of claims and clinical data from FHIR STU3 to FHIR R4 | 248,462 | 24,846 | 223,616 |
| Launch & support of patient APIs & educational materials | 201,837 | 50,459 | 151,378 |
| Develop infrastructure for reporting on claims data | 508,458 | 203,383 | 305,075 |
| Provider portal capabilities expansion (Enhanced consent, prescription service, user audit, eHX) | 644,100 | 418,665 | 225,435 |
| Results delivery transition and go live | 124,900 | 124,900 | - |
| HEDIS reporting capabilities POC | 47,113 | 23,556 | 23,556 |
| MU/SRA/PIP/IB | 152,456 | 76,228 | 76,228 |
| Total Projects | 1,927,325 | 922,038 | 1,005,288 |
| Total Proposed CY22 Contract | 7,823,700 | 3,870,225 | 3,953,475 |
| Interface Development (shown as a separate line on the Statement of Activities) | 378,735 | 189,367 | 189,367 |
| Total all DVHA proposed work scope | 8,202,435 | 4,059,592 | 4,142,843 |

FY22 Budget
Section 2: Proposed Budget
Supporting Schedule
Schedule B Salary Forecast

As of:5/24/2021

| Department | Roles | FY21 Year End Forecast Salaries | FY22 Projected Year end FTE | FY22 Proposed | FY22 Proposed Budget Salaries | Direct (To Contracts) | Program Allocation (To Program) | Indirect (Entity Level) | PTO (Vacation, Holidays) |
|--------------------------------------|--|---------------------------------------|--------------------------------------|--|--|--------------------------|---|----------------------------|--------------------------------|
| | | | | Budget Cost of Living (COLA) Increase \$s | | | | | |
| Administration | CEO | 626,153 | 6.50 | 15,460 | 681,480 | 104,010 | 20,282 | 505,155 | 52,032 |
| | Administration (Exec. Asst) Project Manager | | | | | | | | |
| | Finance/HR (CFO + Accounting Mgr + Bus. Ops. Mgr + PT Accounting Support) | | | | | | | | |
| | | | | | | | | | |
| Operations | Director of Operations | 837,275 | 9.98 | 21,643 | 1,014,043 | 866,769 | 30,343 | 39,506 | 77,424 |
| | Subcontract Program Manager | | | | | | | | |
| | Application Analysts (6.6) | | | | | | | | |
| | PT Medical Coder (.4) | | | | | | | | |
| | Programmer | | | | | | | | |
| | Clinical Data Architect | | | | | | | | |
| Client Engagement | Director of Client Engagement | 215,299 | 3.00 | 5,643 | 320,154 | 166,166 | 61,223 | 68,321 | 24,444 |
| | Application Analyst | | | | | | | | |
| | Education/Outreach Specialist | | | | | | | | |
| Technical Support | Technical Support Specialists | 294,720 | 4.00 | 6,704 | 303,144 | 230,622 | 2,869 | 46,508 | 23,146 |
| Technology | Director of Technology | 592,873 | 5.00 | 6,195 | 533,160 | 356,437 | 42,081 | 93,934 | 40,708 |
| | Systems Engineer | | | | | | | | |
| | Database Engineer | | | | | | | | |
| | Security Analyst | | | | | | | | |
| | Network Administrator | | | | | | | | |
| | Strategic Technology Advisor (PT not in FTE headcount) | | | | | | | | |
| Total Salaries & Wages all employees | | 2,566,319 | 28.48 | 55,646 | 2,851,980 | 1,724,004 | 156,799 | 753,423 | 217,754 |
| | | | | | (217,754) | Less PTO | | | |
| | | | | | Labor Cost Total | 2,634,226 | | | |
| | | | Core | 25.60 | Core | 2,386,836 | As shown on the Statement of Activities | | |
| | | | Temp | 2.875 | Temp | 247,390 | As shown on the Statement of Activities | | |
| FY22 Budget % of total salary | | | | | | 60% | 5% | 26% | 8% |

| | FY20 Audited | FY21 Year End Forecast | FY22 Proposed Budget |
|-----------------------------|-----------------|---------------------------|----------------------------|
| Base | | | |
| Programs (5000-10) | - | 1,498,684 | 1,724,004 |
| Prg Alloc (7000-10) | - | 66,218 | 156,799 |
| G&A (8000-10) | - | 788,653 | 753,423 |
| UNA (9000-10) | - | 365 | - |
| Total Salaries (Productive) | 2,238,511 | 2,353,920 | 2,634,226 |
| Bonus (8000-20) | | 16,455 | |
| Severance | 3,846 | - | |
| WIP | 24,946 | - | |
| Less PTO | (203,165) | - | |
| Total Base for Fringe | 2,064,138 | 2,370,375 | 2,634,226 |
| Fringe Expense | | | |
| Health Insurance | - | 201,131 | 223,519 |
| Dental | - | 13,503 | 15,006 |
| Vision | - | 3,843 | 4,271 |
| Life | - | 20,756 | 23,067 |
| FSA | - | - | - |
| Employee Benefits | 211,794 | 239,233 | 265,863 |
| HRA Employee Benefits | 50,406 | 81,645 | 80,000 |
| Payroll Taxes | 186,557 | 208,383 | 231,579 |
| PTO | 203,165 | 223,823 | 248,737 |
| Holiday Exp | | 82,753 | 91,965 |
| Other Leave | | 13,824 | 15,362 |
| Retirement Contributions | 56,399 | 67,640 | 75,169 |
| Payroll & Benef Adm | | 15,359 | 18,000 |
| COBRA Payments | | (4,446) | - |
| Accrued Vacation/PTO | 46,838 | - | - |
| Total Fringe Expense | 755,161 | 928,213 | 1,026,674 |
| Fringe | 36.6% | 39.2% | 39.0% |
| Total Personnel Expenses | 2,819,298 | 3,298,589 | 3,660,900 |

FY22 Budget
Section 2: Proposed Budget
Schedule D Indirect Rate Calc

As of:5/24/2021

| Element | FY21 YE Forecast | | | | FY22 Proposed Budget | | | |
|------------------------------|--------------------------|----------------------------|-------------|-----------|--------------------------|----------------------------|-------------|------------|
| | Direct (To Contracts) | Indirect (Entity Level) | Unallowable | Total | Direct (To Contracts) | Indirect (Entity Level) | Unallowable | Total |
| Total Salaries & Wages | 1,456,988 | 769,684 | | 2,226,672 | 1,676,900 | 709,936 | | 2,386,836 |
| Temp Labor | 107,914 | 18,970 | | 126,884 | 203,902 | 43,488 | | 247,390 |
| All other | - | 16,455 | 365 | 16,820 | - | - | - | - |
| Labor Cost | 1,564,902 | 805,108 | 365 | 2,370,375 | 1,880,803 | 753,423 | - | 2,634,226 |
| Fringe Rate | | | | 39.16% | | | | 38.97% |
| Fringe | 612,799 | 315,272 | 143 | 928,213 | 733,032 | 293,642 | - | 1,026,674 |
| Total Labor Related Expenses | 2,177,701 | 1,120,380 | 508 | 3,298,589 | 2,613,834 | 1,047,066 | - | 3,660,900 |
| Material/Services | | | | | | | | |
| Consulting | 1,378,069 | 178,123 | - | 1,556,191 | 2,340,865 | 138,000 | - | 2,478,865 |
| Data Security | 112,880 | 27,827 | - | 140,707 | 319,390 | 41,892 | - | 361,282 |
| Depreciation | 69,629 | 27,618 | - | 97,248 | 71,600 | 28,400 | - | 100,000 |
| E&O Insurance | 68,720 | - | - | 68,720 | 81,623 | - | - | 81,623 |
| Employee Recruitment | - | 48,290 | - | 48,290 | - | 56,500 | - | 56,500 |
| Insurance | 5,253 | 14,621 | - | 19,874 | 5,847 | 15,378 | - | 21,225 |
| Legal/Accounting | 40,000 | 175,952 | - | 215,952 | 40,000 | 167,798 | - | 207,798 |
| VHIE Hosting | 1,045,885 | - | - | 1,045,885 | 1,064,679 | - | - | 1,064,679 |
| Network Srv/Maint | 239,630 | 100,001 | - | 339,631 | 379,858 | 112,289 | - | 492,147 |
| Occupancy | 94,449 | 51,531 | - | 145,980 | 95,651 | 52,186 | - | 147,837 |
| Supplies | - | 26,901 | - | 26,901 | 250 | 28,855 | - | 29,105 |
| Education/Outreach | 10,112 | - | - | 10,112 | 40,500 | - | - | 40,500 |
| SW Serv/Maint | 1,314,387 | 17,769 | - | 1,332,156 | 2,066,893 | 39,451 | - | 2,106,344 |
| Telecom | 37,559 | 14,898 | - | 52,457 | 42,417 | 16,824 | - | 59,241 |
| Training/Prof. Dev. | 22,425 | 90,113 | - | 112,538 | 24,550 | 78,438 | - | 102,988 |
| Travel | - | - | - | - | 10,000 | 10,000 | - | 20,000 |
| Unallowable | - | - | 24,170 | 24,170 | - | - | 26,485 | 26,485 |
| Website | - | 9,410 | - | 9,410 | - | 10,050 | - | 10,050 |
| Contingency | | | | - | 100,000 | | | 100,000 |
| Total Material/Services | 4,438,999 | 783,052 | 24,170 | 5,246,221 | 6,684,123 | 796,062 | 26,485 | 7,506,670 |
| Total Expenses | 6,616,700 | 1,903,432 | 24,678 | 8,544,809 | 9,297,957 | 1,843,127 | 26,485 | 11,167,569 |

| Acronym | Description |
|--|---|
| ACO | Accountable Care Organization |
| CAPEX | Capital expense |
| CHA | Capital Health Associates is Vermont's Blueprint for Health's vendor for Registry maintenance and optimization |
| CI | Cureous Innovations, for profit subsidiary of Maine HIN, provides Rhapsody and Term Atlas (terminology services) software to VITL |
| CSAC | Counseling Service of Addison County |
| CY | Calendar Year |
| DBA | Database Administrator |
| DVHA | Department of Vermont Health Access |
| E&O | Errors & Omissions Insurance, professional liability insurance |
| ECW | EClinical Works, electronic health record (EHR) |
| EE | Employee |
| EST | Estimate |
| FC | Forecast |
| FSA | Flexible Spending Account (Health Benefit) |
| FTE | Full Time Equivalent employee |
| FY | Fiscal Year |
| HIE | Health Information Exchange |
| HIN | HealthInfoNet, operates the health information exchange (HIE) for the State of Maine |
| HL | Health Language, VITL's current terminology services software provider |
| HRA | Health reimbursement account |
| HW | Computer hardware |
| MOO | Mutual of Omaha, VITL's life, ADD, and LTD provider |
| MPI | Master Patient Index, a database which provides a common registry of patients to bring together patient records from multiple sources |
| MSSP | Managed Security Service Provider implementation |
| MVP | MVP Health Care, VITL's health care insurance provider |
| NEDD | Northeast Delta Dental, VITL's dental provider |
| NEVRH | Northeastern Vermont Regional Hospital |
| NWMC | Northwestern Medical Center |
| OCV | OneCareVermont, an accountable care organization (ACO) operating in Vermont |
| PTO | Paid Time Off, employee paid leave which incorporates vacation, personal days, sick leave, and holidays |
| ROS | Return on Sales |
| SaaS | Software as a Service. A subscription model of purchasing software. |
| SOV | State of Vermont |
| SOW | Statement of Work |
| SW | Software |
| SWVMC | Southwestern Vermont Medical Center |
| UVMCMC | University of Vermont Medical Center |
| VHIE | Vermont Health Information Exchange |
| VCCI | Vermont Chronic Care Initiative |
| VSP | Vision Service Plan, VITL's vision insurance provider |
| WIP | Work in process |
| YE | Year end |
| YTD | Year to Date |
| Glossary of Column Headings | Description |
| FY20 Audited | VITL's FY20 (July 1st 2019 - June 30th, 2020) Audited Financial Statements. |
| FY21 Original Budget | VITL's FY21 Budget approved by VITL's Board of Directors and the GMCB. |
| FY21 Forecast as of Jan. 2021 | VITL's FY21 Mid Year Forecast submitted in January 2021 and approved by VITL's Board of Directors and the GMCB |
| FY21 YTD March (Unaudited) | VITL's most recent financial statements as of year to date March (July 1st, 2020 to March 31st, 2021). Values are unaudited. |
| FY21 Year End Forecast | VITL's most recent estimate of it's year end FY21 financial results. |
| FY22 Proposed Budget | VITL's FY22 Proposed Budget, approved by it's Board of Director. |
| Variance FY22 Proposed Budget & FY21 YE Forecast | Variance between the FY22 Proposed Budget and VITL's most recent estimate, the FY21 Year End Forecast. |
| % Change FY22 Budget to FY21 YE Forecast | Percentage chage between the FY22 Proposed Budget and VITL's most recent estimate, the FY21 Year End Forecast. |