

NEW HAMPSHIRE VACCINE ASSOCIATION

**FOR THE YEARS ENDED
JUNE 30, 2026 AND 2025
AND
INDEPENDENT AUDITORS' REPORT**

*Leone,
McDonnell
& Roberts*
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

NEW HAMPSHIRE VACCINE ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1 – 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4 – 5
Statements of Functional Expenses	6 – 7
Statements of Cash Flows	8
Notes to Financial Statements	9 – 17

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
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, 2026 and 2025, and the related statements of activities, functional expenses, 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, 2026 and 2025, 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 audits. 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.

Auditors' 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 auditors' 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 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.

Leone McDonnell & Roberts
Professional Association

Dover, New Hampshire
August 5, 2026

NEW HAMPSHIRE VACCINE ASSOCIATION

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 AND 2025**

	<u>2026</u>	<u>2025</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,786,728	\$ 3,989,278
Prepaid expenses	<u>1,960</u>	<u>2,523</u>
Total current assets	<u>6,788,688</u>	<u>3,991,801</u>
NONCURRENT ASSETS		
Investments	<u>3,268,106</u>	<u>3,898,764</u>
Total noncurrent assets	<u>3,268,106</u>	<u>3,898,764</u>
Total assets	<u>\$ 10,056,794</u>	<u>\$ 7,890,565</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 3,135
Total liabilities	<u>-</u>	<u>3,135</u>
NET ASSETS		
Without donor restrictions		
Board Designated - Reserved for Rate Stabilization	5,000,000	5,000,000
Board Designated - Administrative Reserves	250,000	250,000
With donor restrictions	<u>4,806,794</u>	<u>2,637,430</u>
Total net assets	<u>10,056,794</u>	<u>7,887,430</u>
Total liabilities and net assets	<u>\$ 10,056,794</u>	<u>\$ 7,890,565</u>

See Notes to Financial Statements

NEW HAMPSHIRE VACCINE ASSOCIATION

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER PUBLIC SUPPORT			
Assessment income	\$ -	\$ 24,364,406	\$ 24,364,406
Interest of late assessments	-	1,139	1,139
Bank and sweep interest	-	599,103	599,103
Return on investments, net	-	166,403	166,403
Less refunds and allowances	-	(52,737)	(52,737)
Net assets released from restrictions	<u>22,908,950</u>	<u>(22,908,950)</u>	<u>-</u>
Total revenues, gains and other public support	<u>22,908,950</u>	<u>2,169,364</u>	<u>25,078,314</u>
FUNCTIONAL EXPENSES			
Program	22,756,655	-	22,756,655
General and administrative	<u>152,295</u>	<u>-</u>	<u>152,295</u>
Total functional expenses	<u>22,908,950</u>	<u>-</u>	<u>22,908,950</u>
CHANGES IN NET ASSETS	<u>-</u>	<u>2,169,364</u>	<u>2,169,364</u>
NET ASSETS, BEGINNING OF YEAR	<u>5,250,000</u>	<u>2,637,430</u>	<u>7,887,430</u>
NET ASSETS, END OF YEAR	<u>\$ 5,250,000</u>	<u>\$ 4,806,794</u>	<u>\$ 10,056,794</u>

See Notes to Financial Statements

NEW HAMPSHIRE VACCINE ASSOCIATION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER PUBLIC SUPPORT			
Assessment income	\$ -	\$ 24,208,126	\$ 24,208,126
Interest of late assessments	-	6,013	6,013
Bank and sweep interest	-	611,597	611,597
Return on investments, net	-	246,031	246,031
Less refunds and allowances	-	(5,000)	(5,000)
Net assets released from restrictions	<u>23,207,504</u>	<u>(23,207,504)</u>	<u>-</u>
Total revenues, gains and other public support	<u>23,207,504</u>	<u>1,859,263</u>	<u>25,066,767</u>
FUNCTIONAL EXPENSES			
Program	23,046,587	-	23,046,587
General and administrative	<u>160,917</u>	<u>-</u>	<u>160,917</u>
Total functional expenses	<u>23,207,504</u>	<u>-</u>	<u>23,207,504</u>
CHANGES IN NET ASSETS	<u>-</u>	<u>1,859,263</u>	<u>1,859,263</u>
NET ASSETS, BEGINNING OF YEAR	<u>5,250,000</u>	<u>778,167</u>	<u>6,028,167</u>
NET ASSETS, END OF YEAR	<u>\$ 5,250,000</u>	<u>\$ 2,637,430</u>	<u>\$ 7,887,430</u>

See Notes to Financial Statements

NEW HAMPSHIRE VACCINE ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2026

	<u>PROGRAM</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>TOTAL</u>
Remittance to State of NH	\$ 22,756,655	\$ -	\$ 22,756,655
Administrative services	-	129,300	129,300
Accounting fees	-	11,070	11,070
Legal fees	-	6,129	6,129
Insurance	-	3,360	3,360
Board meeting expenses	-	990	990
Website	-	871	871
Stationary and printing	-	500	500
License and fees	-	75	75
	<u> </u>	<u> </u>	<u> </u>
Total functional expenses	<u>\$ 22,756,655</u>	<u>\$ 152,295</u>	<u>\$ 22,908,950</u>

See Notes to Financial Statements

NEW HAMPSHIRE VACCINE ASSOCIATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>PROGRAM</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>TOTAL</u>
Remittance to State of NH	\$ 23,046,587	\$ -	\$ 23,046,587
Administrative services	-	117,552	117,552
Legal fees	-	26,297	26,297
Accounting fees	-	11,530	11,530
Insurance	-	3,360	3,360
Board meeting expenses	-	1,230	1,230
Website	-	486	486
License and fees	-	233	233
Stationary and printing	-	229	229
	<u> </u>	<u> </u>	<u> </u>
Total functional expenses	<u>\$ 23,046,587</u>	<u>\$ 160,917</u>	<u>\$ 23,207,504</u>

See Notes to Financial Statements

NEW HAMPSHIRE VACCINE ASSOCIATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	<u>2026</u>	<u>2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 2,169,364	\$ 1,859,263
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Gain on sale of investments	(11,650)	(5,620)
Unrealized gain on investments	(104,344)	(185,358)
(Increase) decrease in assets:		
Prepaid expenses	563	(563)
Increase (decrease) in liabilities:		
Accounts payable	<u>(3,135)</u>	<u>3,055</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,050,798</u>	<u>1,670,777</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(232,198)	(49,432)
Proceeds from sale and maturities of investments	<u>978,850</u>	<u>766,380</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>746,652</u>	<u>716,948</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,797,450	2,387,725
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,989,278</u>	<u>1,601,553</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,786,728</u>	<u>\$ 3,989,278</u>

See Notes to Financial Statements

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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 covered life 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 in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statements of the Association have been prepared in accordance with U.S. Generally Accepted Accounting Principles (US GAAP), which require the Association to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by law. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Association does not have any net assets with perpetual donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

Fair Value of Financial Instruments

Cash, accounts receivable, accounts payable, accrued expenses and other liabilities are carried in the financial statements at amounts which approximate fair value. The fair values determined for financial instruments are estimates, which for certain accounts may differ significantly from the amounts that could be realized upon immediate liquidations.

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.

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 donor restricted net assets at that time.

While RSA-126Q requires the Association to submit an annual covered lives report to the Commissioner of Insurance, neither the statute nor the Plan of Operation 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.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

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. Expenses have been classified in the Statement of Functional Expenses based on the nature and function of the expense. The remittance is reflected on the financial statements as a release of net assets with donor restrictions. All remaining expenses are related to general and administrative activities.

Income Tax Status

The Association was organized as a nonprofit organization 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, 2026 and 2025, 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 with uncertain tax positions has not been recognized.

Restricted Revenue

RSA 126-Q restricts all revenue, including assessments, interest on late payment of assessments, and investment income. Unexpended revenue is available to support operations and assessment rate stabilization.

2. LIQUIDITY AND AVAILABILITY

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.

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.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

In determining assessment rates, the Board of Directors includes operating expenses, immunization funding, and reserves. In addition, for the years ended, June 30, 2026 and 2025, the Association designated \$5 million of the available unrestricted net assets to provide consistent and stable assessment rates when possible to insurers over time.

3. CONCENTRATIONS

The Association derives nearly all of its revenue from assessable entities with child covered lives in the State of New Hampshire. In addition, assessments from two (2) assessable entities represented 47% and 45% of total assessments for the years ended June 30, 2026 and 2025, 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.

The Association maintains cash deposits with a financial institution that, at times, may exceed federally insured limits. To mitigate this risk, the Association utilizes the IntraFi Cash Service (ICS) through its financial institution, which provides access to expanded FDIC insurance by placing deposits through a network of participating FDIC-insured banks while allowing the Association to maintain a single banking relationship. As a result, substantially all of the Association's cash deposits are federally insured. The Association has not experienced any losses related to its cash deposits.

4. FAIR VALUE MEASUREMENTS

FASB ASC 820, "Fair Value Measurements and Disclosures" establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. 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 three levels of the fair value hierarchy under ASC 820 are described as follows:

- Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active market;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2026 and 2025.

Negotiable certificates of deposit - Valued based on quoted market prices for identical securities in active markets. Fair value reflects current market pricing for the certificates of deposit as of the measurement date.

Money market funds - Valued using quoted market prices or published daily net asset values provided by the fund, representing the price at which shares are transacted at the measurement date.

At June 30, 2026 and 2025, the Association's investments were classified as Level 1 and totaled \$3,268,106 and \$3,898,764, respectively.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

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:

	<u>June 30, 2026</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Negotiable certificates of deposit	\$ 2,721,930	\$ 2,747,410	\$ 25,480
Money market funds	517,287	517,287	-
Accrued income on investments	<u>3,409</u>	<u>3,409</u>	<u>-</u>
Total investments	<u>\$ 3,242,626</u>	<u>\$ 3,268,106</u>	<u>\$ 25,480</u>
	<u>June 30, 2025</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>
Negotiable certificates of deposit	\$ 3,700,780	\$ 3,620,790	\$ (79,990)
Money market funds	274,137	274,137	-
Accrued income on investments	<u>3,837</u>	<u>3,837</u>	<u>-</u>
Total investments	<u>\$ 3,978,754</u>	<u>\$ 3,898,764</u>	<u>\$ (79,990)</u>

5. INVESTMENTS

Investments are comprised of the following at June 30, 2026 and 2025.

	<u>2026</u>	<u>2025</u>
Negotiable certificates of deposit	\$ 2,747,410	\$ 3,620,790
Federate government money market	517,287	274,137
Accrued income on investments	<u>3,409</u>	<u>3,837</u>
Total investments	<u>\$ 3,268,106</u>	<u>\$ 3,898,764</u>

Investments include funds in excess of those necessary for immediate operating needs, including the funds reserved to stabilize assessment rates over time. The return on investments is reported as a change in net assets with donor restrictions in the Statement of Activities.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

Investment return is summarized as follows:

	<u>2026</u>	<u>2025</u>
Interest and dividends	\$ 64,432	\$ 71,965
Net realized and unrealized gains	115,994	190,978
Investment fees	<u>(14,023)</u>	<u>(16,912)</u>
Total	<u>\$ 166,403</u>	<u>\$ 246,031</u>

6. COMMITMENTS AND CONTINGENCIES

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.

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.

7. 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, 2026 and 2025, the board designated balance for this purpose was \$250,000. During the year ended, June 30, 2020, the Association reserved \$5 million of the available 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.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

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.

As of June 30, 2026 and 2025, net assets with donor restrictions is comprised of the following:

	<u>2026</u>	<u>2025</u>
<i>Unexpended assessments</i>		
Available for rate setting	\$ 4,806,794	\$ 2,637,430

8. 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 \$22,756,655 and \$23,046,587 to the State of New Hampshire in 2026 and 2025, 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.

9. HOUSE BILL 524-FN

As of June 30, 2026, New Hampshire Vaccine Association's governing statute was amended by the Legislature and signed into law by the Governor, effective August 18, 2026. The amendment may affect the accounting and reporting of unexpended New Hampshire Vaccine Association funds held by the State in future reporting periods, if applicable. The amendment had no material effect on the current year's financial statements.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

10. SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition of disclosure through August 5, 2026, 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 subsequent to that date which would materially affect the financial position of the Association or cause these financial statements to be misleading to the reader.

11. RECLASSIFICATIONS

Certain amounts and accounts from the prior year's financial statements were reclassified to enhance comparability with the current year's financial statements.