



1
2
3
4
5
6
7
8

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46

**NH Vaccine Association – Audit Committee Meeting
September 26, 2017 – 8:30 a.m. – 9:30 a.m.
Conference Room – KidsVax®
Presiding Officer: Susan Tenney, Chair (Sitting in for Dr. Fredenburg)**

I. Attendance. Participating in all or part of the meeting by telephone (T) were the following individuals:

Directors:

Susan Tenney – Harvard Pilgrim Health Care
David Sky – NHID
Laura Condon – Public Board Representative (T)
Jason Margus - Anthem

Others:

Mark McCue, Esq. – Hinckley Allen
Larry Hart – BerryDunn
Karen Carew, CPA – Carew & Wells, LLC

Directors Absent:

David Fredenburg, M.D.

KidsVax:

Nicole G. Price
Fred L. Potter
Claire Roberge
Terry Mills
Matthew Miller

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

- To approve the June 21, 2017, Audit Committee Meeting minutes as presented.
- To recommend publication of the FY2017 Audited Financials to the Board of Directors.

III. Minutes

At approximately 8:30 a.m., a quorum having been established the meeting was called to order. Ms. Tenney chaired the meeting in Dr. Fredenburg’s absence.

Consent Items

Upon motion made and seconded, it was unanimously

VOTED: To approve the June 21, 2017, Audit Committee Meeting minutes as presented.

Report by Outside Auditors on FY2017 Audit – Ms. Carew indicated that the Independent Auditors’ Report reflects a clean audit opinion. The financial statements are fairly presented in accordance with GAAP, there are no changes or modifications necessary for the audit to comply with GAAP. The financial statements were consistent with prior years, with a few changes noted this year.

Cash, the amount of assessments collected versus expenses out, increased by approximately 10% and was consistent with operations. The only other noted change was the accrued expenses of \$2,000, caused by an oversight invoice from the auditor for final fees for last year, which has been paid.

The Statements of Activities and Changes in Net Assets showed consistent revenue in terms of what was released from operations for covering expenses in the amount of \$175,359. Bank and investment fees were up from last year, representing a full year of lockbox expenses. Assessment income was also up this year to \$20 million from \$5.4 million last year due to the reduced assessment rate the prior year. This has been adjusted and is now at a more normal and expected level. Ms. Condon asked if the Notes reflect the reason why there is a significant increase in assessment income. Ms. Carew stated that is not a typical disclosure and it would be very unusual to have an explanation of a variance in the Notes. The Note mentions how the assessments are calculated, recognized, and recorded as revenue. Return on investments is down to \$18,935 compared to the \$55,387 last year as was expected. These numbers reflect the total return on investments. Last year there was about \$17 million in excess funds that were remitted to the State that had been invested for cash flow purposes. Overall, the rate of return has stayed consistent based on the amount of invested assets and is consistent for the types of assets that comprise NHVA’s investments.

1 The Statement of Cash Flows shows a change in net income of \$359,454 to a change in cash of \$358,339. The change is
2 caused by small items related to accruals. There were no significant changes to the Financial Statements Notes this year
3 that Ms. Carew felt she need to highlight for the Committee. She directed Ms. Condon to Note A on page 6, which clearly
4 reviews the basis of presentation and the basis of accounting. Note A on page 7 explains how revenue is determined and
5 shows how a calculation is derived and how the revenue is recognized. There were no changes to the related party
6 transactions.

7
8 Note D, short term investments, was briefly summarized. Ms. Condon noted that at the June meeting the Board voted to
9 provide the WVA with another \$25,000 for work done on the TRICARE issue and asked if it was reflected somewhere in
10 the financial report. After further research by Mrs. Roberge, Ms. Price reported that when the Board voted it was at the
11 March meeting, so the check was sent for signature in April. Ms. Carew indicated that the \$25,000 would have been
12 accounted for under Professional Fees in the audited financials. The Governance letter dated August 9, 2017, is a required
13 communication and provides an opportunity for the auditor to speak with the Board about the nature of the audit. No
14 problems were encountered and there were no corrected or uncorrected misstatements that needed to be made. There
15 were no disagreements with management in terms of what was included or the presentation of the financial statements.
16 A letter was signed by management stating that there had been a full disclosure of the information provided.

17
18 Upon motion made and seconded, and by unanimous roll call vote, the Committee

19
20 VOTED: To move into executive session for purposes of speaking with the Auditor about the relationship
21 with management and other confidential matters.

22
23 Upon motion made and seconded, it was unanimously

24
25 VOTED: To recommend publication of the FY2017 Audited Financials to the Board of Directors.

26
27 Upon motion made and seconded, it was unanimously

28
29 VOTED: To move to adjourn the Audit Committee Meeting at 9:05 a.m.



c/o KidsVax®, LLC
 P.O. Box 1885 • Concord, NH 03302-1885
 tel 1.855.KidsVax (543.7829)
 fax 1.855.KidsFax (543.7329)
 www.nhvaccine.org

What: New Hampshire Vaccine Association (NHVA) – Audit Committee Meeting
 Date and Time: Tuesday, September 26, 2017 – 8:30 – 9:30 a.m.
 Location: KidsVax® Conference Room, 125 North State Street, Concord, NH
 Public Call-In: **Please register at:**
Registration URL: <https://attendee.gotowebinar.com/register/8304836010036022531>
Webinar ID: 761-019-871
After registering, you will receive a confirmation email containing information about joining the meeting..

NHVA Agendas are subject to revision up to and including the time of the meeting.

Approx. Time	Topic/[Anticipated Action]	Presented by:
8:30 – 8:35 a.m.	1. Welcome and Introductions	S. Tenney
8:35 – 8:40 a.m.	2. Consent Items * a. Approve Audit Committee Minutes (June 21, 2017) b.	S. Tenney
8:35 – 9:00 a.m.	3. Report by Outside Auditors on FY2017 Audit * a. Audited Financials * b. Management Letter (Carew & Wells) * c. Government Letter (Carew & Wells) d. Other	Carew & Wells, LLC
9:00 – 9:10 a.m.	4. Other Matters a. b.	N. Price
9:10 – 9:30 a.m.	5. Executive Session w/KidsVax Personnel Excused, Auditors Present	S. Tenney
9:30 a.m.	[Adjourn]	
	6. Reference Documents a. Proposed Form of Votes	

*Indicates agenda item attached



1
1
2
3
4
5
6
7

**NH Vaccine Association – Audit Committee Meeting
June 21, 2017 – 8:30 a.m. – 9:30 a.m.
Conference Room – KidsVax®
Presiding Officer: David Fredenburg, M.D., Chair**

I. Attendance. Participating in all or part of the meeting by telephone (T) were the following individuals:

Directors:

David Fredenburg, M.D., Chair – Healthcare Provider
Susan Tenney – Harvard Pilgrim Health Care
Laura Condon – Public Board Representative

Others:

Mark McCue, Esq. – Hinckley Allen
Beth Anne Ptak – Meritain (T)

Directors Absent:

David Sky – NHID
Jason Margus - Anthem

KidsVax:

Nicole G. Price
Claire Roberge
Terry Mills

8
9

II. Summary of Actions Taken and/or Recommended

10
11

A. Actions Taken (votes adopted)

1. To approve the September 27, 2016, Audit Committee Meeting minutes as presented.
2. To recommend to the full Board Carew & Wells, PLLC as the New Hampshire Vaccine Association’s program auditor for the 2016/2017 FYE audit.
3. To recommend the NHVA Expense Budget for 2017/2018 subject to the changes suggested at this meeting to the full board.

12
13
14
15
16
17

III. Minutes

18
19

At approximately 8:40 a.m., a quorum having been established the meeting was called to order.

20
21

Consent Items

22
23

Upon motion made and seconded, it was unanimously

24
25

VOTED: To approve the September 27, 2016, Audit Committee Meeting minutes as presented.

26
27

Auditor Engagement Letter – The audit engagement letter prepared by Carew & Wells was reviewed. Ms. Roberge reported that the agreement remained substantively unchanged from last year, with no increase in fees. The Committee has been pleased with the services provided by Carew & Wells over the past three years and agreed that they would like to continue using their services. The Committee will recommend to the full Board the engagement of Carew & Wells as the auditor for New Hampshire Vaccine Association for FYE17.

28
29
30
31
32
33

Upon motion made and seconded, it was unanimously

34
35

VOTED: To recommend to the full Board Carew & Wells, PLLC as the New Hampshire Vaccine Association’s program auditor for the 2016/2017 FYE audit.

36
37
38

NHVA Expense Budget – Ms. Price provided a brief overview of the NHVA Expense Budget for 2017/2018. The bank fees and service charges are more stable now that the lockbox system is in place and those fees have been incorporated into the budget as an ongoing expense. The line items for public information expense and publications expense, although not needed the past couple of years, have been kept in the budget as a buffer in case they are needed in the future. TRICARE was not included in the budget for next year. The goal is that there will be no additional expense needed, and that resolution will be reached with arrears, as well as TRICARE being incorporated into the various state programs moving forward in 2017. Original development of the website was a separate budgeted expense, but now that the development is complete, the expenses related to website maintenance and publication of the annual report fall within the KidsVax® contract. There was also discussion about the legal fees and D & O insurance and the need to be mindful of the cost of these items to ensure the NHVA seeks competitive pricing. After further discussion, it was the sense of the Committee to relabel the Estimated Expense Budget heading in column D to “Approved Budget” rather than “Preliminary” and column E to “Proposed” rather than “Preliminary” for added clarification.

39
40
41
42
43
44
45
46
47
48
49
50

1 Upon motion made and seconded, it was unanimously

2

3 VOTED: To recommend the NHVA Expense Budget for 2017/2018 subject to the changes suggested at this
4 meeting to the full board.

5

6 **Other Matters** – Dr. Fredenburg notified the Committee that he may be relocating this year. Although his plans have not
7 been finalized, he indicated his willingness to continue as Treasurer, but offered the option for an individual interested in
8 the audit area to take over the role.

9

10 Upon motion made and seconded, it was unanimously

11

12 VOTED: To move to adjourn the Audit Committee Meeting at 9:05 a.m.

DRAFT

**NEW HAMPSHIRE
VACCINE ASSOCIATION**

FINANCIAL STATEMENTS

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2017 AND 2016**

DRAFT

INDEX TO FINANCIAL STATEMENTS

Independent Auditors' Report1-2
Statements of Financial Position..... 3
Statements of Activities and Changes in Net Assets 4
Statements of Cash Flows..... 5
Notes to Financial Statements.....6-10

DRAFT

INDEPENDENT AUDITORS' REPORT

The Board of Directors
New Hampshire Vaccine Association
Concord, NH

We have audited the accompanying financial statements of New Hampshire Vaccine Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Continued on next page

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hampshire Vaccine Association, as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Carew & Wells, PLLC
Concord, New Hampshire

August 9, 2017

DRAFT

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2017 AND 2016

	June 30, 2017	June 30, 2016
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 4,087,040	\$ 3,728,701
Short term investments	252,630	249,423
Assessment receivable	(92)	-
Prepaid expenses	6,473	6,473
Total Current Assets	<u>4,346,051</u>	<u>3,984,597</u>
 TOTAL ASSETS	 <u>\$ 4,346,051</u>	 <u>\$ 3,984,597</u>
 LIABILITIES & NET ASSETS		
<i>Current Liabilities</i>		
Accrued Expenses	\$ 2,000	\$ -
 TOTAL CURRENT LIABILITIES	 <u>2,000</u>	 <u>-</u>
<i>Net Assets</i>		
Unrestricted net assets	250,000	250,000
Temporarily restricted net assets	4,094,051	3,734,597
TOTAL NET ASSETS	<u>4,344,051</u>	<u>3,984,597</u>
 TOTAL LIABILITIES & NET ASSETS	 <u>\$ 4,346,051</u>	 <u>\$ 3,984,597</u>

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

NEW HAMPSHIRE VACCINE ASSOCIATION
**STATEMENTS OF ACTIVITIES
AND CHANGES IN NET ASSETS**
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	June 30, 2017	June 30, 2016
UNRESTRICTED NET ASSETS		
REVENUE AND OTHER SUPPORT		
Net assets released from restrictions		
Assets released for operations	\$ 175,359	\$ 169,826
EXPENSES		
Administrative services	124,500	118,126
Professional fees	39,541	43,060
Insurance	5,954	6,135
License and fees	75	-
Bank & investment fees	5,289	2,505
<i>Total Expenses</i>	<u>175,359</u>	<u>169,826</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>-</u>	<u>-</u>
TEMPORARILY RESTRICTED NET ASSETS		
Assessment income	20,165,670	5,466,211
Interest on late assessments	3,340	7,508
Return on investments	18,935	55,387
Net assets released from restrictions		
Remittance to the State of New Hampshire	(19,653,132)	(19,618,699)
Assets released for operations	<u>(175,359)</u>	<u>(169,826)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>359,454</u>	<u>(14,259,419)</u>
CHANGES IN NET ASSETS	<u>359,454</u>	<u>(14,259,419)</u>
<i>Net Assets, Beginning of Year</i>	<u>3,984,597</u>	<u>18,244,016</u>
<i>Net Assets, End of Year</i>	<u>\$ 4,344,051</u>	<u>\$ 3,984,597</u>

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

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF CASH FLOWS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	June 30, 2017	June 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 359,454	\$ (14,259,419)
<i>Adjustments to reconcile changes in net assets</i>		
Net realized & unrealized (gain) loss on investments	1,769	32,070
(Increase) decrease in:		
Prepaid expenses	-	(3,228)
Assessment receivable	92	103,748
Increase (decrease) in:		
Accrued expenses	2,000	(3,692)
<i>Total Adjustments</i>	<u>3,861</u>	<u>128,898</u>
Net Cash Provided by Operating Activities	<u>363,315</u>	<u>(14,130,521)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	-	17,910,022
Purchase of investments	(4,976)	(85,751)
Net Cash Used by Investing Activities	<u>(4,976)</u>	<u>17,824,271</u>
NET INCREASE IN CASH	358,339	3,693,750
<i>Cash, Beginning of Year</i>	<u>3,728,701</u>	<u>34,951</u>
<i>Cash, End of Year</i>	<u>\$ 4,087,040</u>	<u>\$ 3,728,701</u>

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

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

A | NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

Basis of Accounting

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

Basis of Presentation

The Association is required to report information regarding its financial position and activities according to classes of net assets:

Unrestricted net assets include revenues and expenses which are not subject to any restrictions. Unrestricted net assets can be designated by the Executive Board for special projects and expenditures.

Temporarily Restricted net assets include revenue for which time or use restrictions have not yet been met. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. In accordance with RSA 126-Q, all assessment revenue including interest on late assessments and investment income are considered temporarily restricted until remitted to the State or released for operating expenses.

Permanently Restricted net assets include assets that are invested in perpetuity and only the income or a portion thereof can be made available for program operations in accordance with donor restrictions. The Association had no permanently restricted net assets at June 30, 2017 and 2016.

Estimates

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

Cash and Cash Equivalents

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

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

Investments

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

Assessment Receivables

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

Assessment Revenue

During the year ended, June 30, 2014, the New Hampshire Revised Statute Annotated (RSA) 126-Q was amended. The amendment allowed the Association to develop an operational plan to collect assessments on a quarterly basis from assessable entities based on child covered lives for the cost of vaccines. 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 assessments (including related interest earned) are 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 temporarily restricted net assets. All remaining expenses are related to management and general activities. Total program expense (remittance to the State) for the years ended June 30, 2017 and 2016 were \$19,653,132 and \$19,618,699, respectively. These remittances included shortfall payments for prior years of \$0 and \$1,107,265, in 2017 and 2016 respectively. Total management and general expenses for the years ended June 30, 2017 and 2016 were \$175,359 and \$169,826, respectively. The costs to administer this program (management and general) are about 1% of total expenses in fiscal years ended June 30, 2017 and 2016.

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, 2017 and 2016, 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 | CONCENTRATIONS

Revenue

The Association derives nearly all of its revenue from assessments of licensed insurers in the State of New Hampshire. In addition 50% of the assessments are derived from 3 assessable entities. Given the requirements of RSA 126-Q, the Plan of Operations and the industry within which assessable entities operate, management does not believe the Association is exposed to significant risk from the concentration of assessment revenue, nor from a concentration with a particular assessable entity.

C | RELATED PARTY TRANSACTIONS

State of New Hampshire

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

1. The State of New Hampshire has the ability to influence the Association's operating and financial decisions.
2. The State of New Hampshire has an ongoing economic interest in the net assets of the Association.

The Association transfers monies to the State of New Hampshire to fund a specified portion of the cost of providing vaccines for children in the State of New Hampshire. The Association transferred \$19,653,132 and \$19,618,699 to the State of New Hampshire in 2017 and 2016, respectively.

Board of Directors

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

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

D | SHORT TERM INVESTMENTS

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 short term investments are comprised of publicly traded securities reported at fair value based on quoted market prices (Level 1).

Short term investments consist primarily of money market and certificates of deposit reported at fair value as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
<i>Fiscal year ended June 30, 2017</i>			
Money market	\$ 252,630	\$ 252,630	\$ -
Certificates of deposit	<u> -</u>	<u> -</u>	<u> -</u>
Total short term investment	<u>\$ 252,630</u>	<u>\$ 252,630</u>	<u>\$ -</u>
<i>Fiscal year ended June 30, 2016</i>			
Money market	\$ 2,654	\$ 2,654	\$ -
Certificates of deposit	<u>250,489</u>	<u>246,769</u>	<u>(3,720)</u>
Total short term investments	<u>\$ 253,143</u>	<u>\$ 249,423</u>	<u>\$ (3,720)</u>

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

	2017	2016
Interest & dividend income	\$ 20,704	\$ 87,457
Realized gains (losses)	(5,489)	(90,342)
Unrealized gains (losses)	<u>3,720</u>	<u>58,272</u>
Return on investment	<u>\$ 18,935</u>	<u>\$ 55,387</u>

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

E | COMMITMENTS AND CONTINGENCIES

Risk of Reconsideration of Assessments

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

Termination of the Association

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

F | DESIGNATION OF NET ASSETS

Unrestricted Net Assets

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, 2017 and 2016, the board designated balance for this purpose was \$250,000.

Temporarily Restricted Net Assets

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. These unexpended assessments will be applied to the determination of future assessments, or reasonable and necessary operating costs of the Association. As of June 30, 2017 and 2016, unexpended assessments reported as temporarily restricted net assets totaled \$4,094,051 and \$3,734,597, respectively.

G | SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 9, 2017, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date. The Association did not identify any subsequent events that would require disclosure in these financial statements.

Management Representation Letter

August 9, 2017

Carew & Wells, PLLC
3 North Spring Street, Suite 100
Concord, NH 03301

This representation letter is provided in connection with your audit of the financial statements of New Hampshire Vaccine Association, which comprise the statements of financial position as of June 30, 2017, and the related statements of activities & changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of August 9, 2017, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 17, 2017, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization's accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

- 10) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

- 12) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 17) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- 18) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 19) We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.
- 20) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 22) New Hampshire Vaccine Association is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 23) In regard to the normal closing journal entries, maintenance of depreciation schedules as needed, and assistance with the preparation of financial statements services performed by you, we have—
 - Assumed all management responsibilities.

- Designated Claire Roberge who has suitable skill, knowledge, or experience to oversee the services.
- Evaluated the adequacy and results of the services performed.
- Accepted responsibility for the results of the services.

Signature: _____

Title: Administrator _____

August 9, 2017

Board of Directors
New Hampshire Vaccine Association
c/o KidsVax.org
PO Box 1885
Concord, NH 03302-1885

We have audited the financial statements of New Hampshire Vaccine Association for the year ended June 30, 2017, and have issued our report thereon dated August 9, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, 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 April 17, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

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 the year ended June 30, 2017. 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 estimate(s) affecting the financial statements was (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 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 is based on the assumption that the amount of covered lives self-reported by the payor is accurate and not subject to change materially. We evaluated the key factors and assumptions used to develop the balance due and collectible in accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the fair value of short-term investments is based on the published market price of publically traded securities as of June 30, 2017. We evaluated the key factors and assumptions used to develop the unrealized gain or loss 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. No such misstatements were identified.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 9, 2017.

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 and management 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

September 26, 2017
Audit Committee Meeting
Proposed Form of Votes

The following are suggested forms of votes only. They are intended to be an aid to facilitate work by individual directors. All board policy and the final form of votes is exclusively the province of the Board acting collectively as a Board of Directors.

Items under Agenda Section 2:

VOTED: To approve the minutes of the June 21, 2017 Audit Committee meeting.

[To approve the minutes of the June 21, 2017 Audit Committee meeting with the changes suggested at this meeting.]

Items under Agenda Section 3:

VOTED: To recommend publication of the FY2017 Audited Financials to the Board of Directors.

[To recommend publication of the FY2017 Audited Financials to the Board of Directors with the changes suggested at the meeting.]