
*NEW HAMPSHIRE VACCINE
ASSOCIATION*

FINANCIAL STATEMENTS

*FOR THE YEARS ENDED
JUNE 30, 2014 AND 2013*

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MASON + RICH

PROFESSIONAL ASSOCIATION
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New Hampshire Vaccine Association

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, 2014 and 2013, and the related statements of activities and changes in net assets 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 audits. 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hampshire Vaccine Association as of June 30, 2014 and 2013, 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.

Mason + Rich, P.A.

MASON + RICH, PROFESSIONAL ASSOCIATION
Certified Public Accountants

September 10, 2014

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014 AND 2013

ASSETS	2014	2013
<i>CURRENT ASSETS</i>		
Cash and Cash Equivalents	\$ 11,085,026	\$ 5,323,811
Prepaid Expenses	3,849	4,483
Assessment Receivable	46,870	-
<i>Total Current Assets</i>	11,135,745	5,328,294
<i>TOTAL ASSETS</i>	\$ 11,135,745	\$ 5,328,294

LIABILITIES AND NET ASSETS		
<i>CURRENT LIABILITIES</i>		
Accounts Payable	\$ 1,023	\$ 2,525
Assessment Payable	122,609	-
<i>TOTAL CURRENT LIABILITIES</i>	123,632	2,525
<i>NET ASSETS</i>		
Unrestricted Net Assets	250,000	250,000
Temporarily Restricted Net Assets	10,762,113	5,075,769
<i>Total Net Assets</i>	11,012,113	5,325,769
<i>TOTAL LIABILITIES AND NET ASSETS</i>	\$ 11,135,745	\$ 5,328,294

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF ACTIVITES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
UNRESTRICTED NET ASSETS		
REVENUE AND OTHER SUPPORT		
Net Assets Released From Restrictions		
Assets Released for Operations	\$ 201,514	\$ 82,199
EXPENSES		
Administration Expenses		
Administrative Services	150,153	63,336
Professional Fees	39,577	10,748
Total Administration Expenses	189,730	74,084
Office Expenses		
Office	500	524
Dues and Publications	-	2,200
Miscellaneous	4,750	-
Total Office Expenses	5,250	2,724
Board Expenses		
Insurance	6,534	5,370
Board Meetings	-	21
Total Board Expenses	6,534	5,391
TOTAL EXPENSES	201,514	82,199
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	-	-
TEMPORARILY RESTRICTED NET ASSETS		
Assessment Income	21,867,380	14,185,133
Investment Return	24,503	19,324
Net Assets Released From Restrictions		
Remittance to the State of New Hampshire	(16,004,025)	(10,892,517)
Assets Released for Operations	(201,514)	(82,199)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	5,686,344	3,229,741
INCREASE IN NET ASSETS	5,686,344	3,229,741
NET ASSETS, BEGINNING OF YEAR	5,325,769	2,096,028
NET ASSETS, END OF YEAR	\$ 11,012,113	\$ 5,325,769

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Increase in Net Assets	\$ 5,686,344	\$ 3,229,741
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
(Increase) in Operating Assets:		
Prepaid Expenses	634	-
Assessment Receivable	(46,870)	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(1,502)	2,525
Assessment Payable	122,609	-
Total Adjustments	<u>74,871</u>	<u>2,525</u>
<i>Net Cash Provided by Operating Activities</i>	<u>5,761,215</u>	<u>3,232,266</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,761,215	3,232,266
<i>Cash and Equivalents, Beginning of Year</i>	<u>5,323,811</u>	<u>2,091,545</u>
<i>Cash and Equivalents, End of Year</i>	<u>\$ 11,085,026</u>	<u>\$ 5,323,811</u>

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

A | ASSOCIATION AND NATURE OF OPERATIONS

The 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.

The assessments collected are then transferred to the State of New Hampshire to fund a specified portion of the cost of providing vaccines.

B | SUMMARY OF ACCOUNTING POLICIES

This summary of significant accounting policies of the New Hampshire Vaccine Association (the Association) is presented to assist in understanding the financial statements. These accounting policies are in conformity with accounting principles generally accepted in the United States.

Net Assets

The Association is required to report information regarding its financial position and activities according to classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Descriptions of the net asset categories included in the Association’s financial statements are as follows:

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

Temporarily restricted net assets include contributions 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.

Permanently restricted net assets include assets that are invested in perpetuity and only the income or a portion thereof (excluding capital gains restricted by State statute) can be made available for program operations in accordance with donor restrictions. The Association had no permanently restricted net assets at June 30, 2014 and 2013.

Basis of Accounting

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

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NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

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.

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.

For the years ended June 30, 2014 and 2013, 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*. 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. Additionally, the Association did not recognize interest or penalties resulting from tax liabilities associated with recognizing uncertain tax positions for the years ended June 30, 2014 and 2013.

C | CONCENTRATIONS

Cash and Cash Equivalents

The Association maintains all its cash in one financial institution. The Association has substantially all of their cash deposited in money market accounts which are uninsured. Management does not believe they are exposed to significant risk because the cash held in money market accounts is a portfolio comprised of high quality fixed-income securities issued by banks, corporations, and the United States government.

Revenue

The Association derives nearly all of its revenue from assessments of licensed insurers in the State of New Hampshire. During the year ended June 30, 2014 the New Hampshire Revised Statutes Annotated (RSA) 126-Q was amended by the passing of House Bill 664. 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. During the year ended June 30, 2013 certain carriers were not required by law to pay an assessment but instead make voluntary payments. These payments accounted for approximately 7% of total assessments for the year ended June 30, 2013. There were no voluntary payments for the year ended June 30, 2014 as a result of the amendment to RSA 126-Q. Due to the changes in law, management believes they are not subject to risk in relation to voluntary payments at June 30, 2014.

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NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

D | ASSESSMENT RECEIVABLE

Assessment receivables are stated at the amount the Association expects to collect from outstanding balances. The Association evaluates the collectability of insurer's accounts by considering factors such as historical experience, the age of the accounts receivable balance, and current economic conditions, and other circumstances, which may affect an insurer'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 assesses finance charges at a rate of .03% per month on all past due accounts until paid in full or written off as uncollectible.

E | 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 \$16,004,025 and \$10,892,517 to the State of New Hampshire in 2014 and 2013, respectively.

F | COMMITMENTS AND CONTINGENCIES

The Association's plan of operations provides that licensed insurers are assessed a fee based upon the number of covered lives as self-reported to the New Hampshire Health Plan. 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.

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NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

G | DESIGNATION OF 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, 2014 and 2013, the board-designated balance for this purpose was \$250,000.

H | SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 10, 2014, 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.