
**NEW HAMPSHIRE VACCINE
ASSOCIATION**

FINANCIAL STATEMENTS

**FOR THE EIGHT MONTHS ENDED
JUNE 30, 2003**

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors

We have audited the accompanying statement of financial position of the New Hampshire Vaccine Association, a nonprofit organization, as of June 30, 2003, and the related statements of activities and cash flows for the eight months ended June 30, 2003. These financial statements are the responsibility of the Association's management. 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 of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Hampshire Vaccine Association, as of June 30, 2003, and the changes in its net assets and its cash flows for the eight months ended June 30, 2003, in conformity with accounting principles generally accepted in the United States of America.

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NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2003

ASSETS

CURRENT ASSETS

Cash	\$	230,300
Prepaid Assets		3,000
Assessments Receivable		<u>6,312</u>

TOTAL ASSETS **\$** 239,612

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$	<u>285</u>
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NET ASSETS

Unrestricted Net Assets	35,000
Temporarily Restricted Net Assets	<u>274,327</u>
Total Net Assets	<u>239,327</u>

TOTAL LIABILITIES AND NET ASSETS **\$** 239,612

**NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE EIGHT MONTHS ENDED JUNE 30, 2003**

UNRESTRICTED NET ASSETS

REVENUE AND OTHER SUPPORT

Interest	\$	7,174
Net Assets Released From Restrictions		
Assets Released for Operations		95,528
<i>Total Revenue and Other Supporting Services</i>		102,702

EXPENSES

Program Services		
Public Information		5,508
Supporting Services		
<i>Administration Expenses</i>		
Administrative Services		55,336
<i>Office Expenses</i>		
Office Expense		1,180
Postage & Shipping		520
Printing		1,300
Telephone		380
<i>Total Office Expenses</i>		3,380
<i>Board Expenses</i>		
Insurance		3,000
Travel		96
Board Meetings		146
Miscellaneous Expenses		236
<i>Total Board Expenses</i>		3,478
Total Supporting Services		62,194
<i>Total Expense</i>		67,702
<i>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</i>		35,000

The Accompanying Notes are an Integral Part of These Financial Statements

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**NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE EIGHT MONTHS ENDED JUNE 30, 2003**

TEMPORARILY RESTRICTED NET ASSETS

Assessment Income	\$	2,458,116
Net Assets Released From Restrictions		
Remittance to the State of New Hampshire		(2,158,261)
Assets Released for Operations		<u>(95,528)</u>
<i>INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS</i>		<u>204,327</u>
<i>INCREASE (DECREASE) IN NET ASSETS</i>		239,327
<i>Net Assets, Beginning of Period</i>		<u>-</u>
<i>Net Assets, End of Period</i>	\$	<u>239,327</u>

**NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE EIGHT MONTHS ENDED JUNE 30, 2003**

CASH FLOW FROM OPERATING ACTIVITIES

Increase in Net Assets	\$ 239,327
(Increase) Decrease in Operating Assets:	
Assessments Receivable	(6,312)
Prepaid Expenses	(3,000)
Increase (Decrease) in Operating Liabilities	
Accounts Payable	285
<i>Total Adjustments</i>	<u>(9,027)</u>
<i>NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS</i>	230,300
<i>Cash and Cash Equivalents, Beginning of Period</i>	<u>-</u>
<i>Cash and Cash Equivalents, End of Period</i>	<u>\$ 230,300</u>

NEW HAMPSHIRE VACCINE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

A | SUMMARY OF SIGNIFICANT 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 conform to United States generally accepted accounting principles.

Purpose

The New Hampshire Vaccine Association is a nonprofit corporation established by Chapter 126-Q of the New Hampshire Revised Statutes Annotated, effective for June 17, 2002. The Association is formed to assess insurers for the cost of vaccines provided to certain children in New Hampshire. The Association accomplishes its mission by assessing licensed insurers currently writing or maintaining health insurance in New Hampshire for a portion of the total non-federal program cost of providing vaccines to children in the State of New Hampshire as specified by RSA 126-Q:4.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Basis of Accounting

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

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. As of June 30, 2003 cash and cash equivalents were \$230,300.

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. An application for exemption as a 501(c)(3) corporation has been filed with the Internal Revenue Service. Accordingly, the Association has not made any provision for income taxes.

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NEW HAMPSHIRE VACCINE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

B | CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS

The Association maintains its cash balance at one financial institution located in Concord, New Hampshire. The balance is insured by the Federal Deposit Insurance Corporation up to \$100,000. At June 30, 2003, the Association's uninsured cash balance is \$130,300.

C | RECEIVABLES

Assessments receivable consists of receivables for assessment revenue recognized but not yet received from licensed insurers in New Hampshire. All amounts are expected to be collected, accordingly, no allowance for uncollectible amounts has been recorded.

D | CONCENTRATION OF REVENUE RISK

The Association derives nearly 100% of its revenue from assessments of licensed insurers in the State of New Hampshire.

E | 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, 2003, the Board designated \$35,000 for this purpose.

F | RELATED ENTITIES

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 transferred \$2,158,261 to the State of New Hampshire. This amount represents the 2002-2003 target remittance for the cost of providing vaccines to certain children in the State of New Hampshire.