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**NEW HAMPSHIRE VACCINE  
ASSOCIATION**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2004  
AND THE EIGHT MONTHS ENDED  
JUNE 30, 2003**

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## **Financial Statements**

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MASON + RICH

PROFESSIONAL ASSOCIATION

Certified Public Accountants

## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of New Vaccine Association

We have audited the accompanying statements of financial position of the New Hampshire Vaccine Association, a nonprofit organization, as of June 30, 2004 and June 30, 2003, and the related statements of activities and cash flows for the year ended June 30, 2004 and 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 audits.

We conducted our audits 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 audits provide 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, 2004 and 2003, and the changes in its net assets and its cash flows for the year ended June 30, 2004, and the eight months ended June 30, 2003, in conformity with accounting principles generally accepted in the United States of America.

*Mason + Rich, P.A.*

MASON + RICH, PROFESSIONAL ASSOCIATION  
Certified Public Accountants

July 14, 2004

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NEW HAMPSHIRE VACCINE ASSOCIATION  
**STATEMENTS OF FINANCIAL POSITION**  
AS OF JUNE 30, 2004 AND 2003

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	2004	2003
<b>ASSETS</b>		
<i><b>CURRENT ASSETS</b></i>		
Cash & Cash Equivalents	\$ 220,788	\$ 230,300
Prepaid Expenses	3,580	3,000
Assessments Receivable	-	6,312
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 224,368</b>	<b>\$ 239,612</b>
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**LIABILITIES AND NET ASSETS**

<i><b>CURRENT LIABILITIES</b></i>		
Accounts Payable	\$ -	\$ 285
	<hr/>	<hr/>
<i><b>NET ASSETS</b></i>		
Unrestricted Net Assets	80,000	35,000
Temporarily Restricted Net Assets	144,368	204,327
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<i><b>Total Net Assets</b></i>	<i><b>224,368</b></i>	<i><b>239,327</b></i>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 224,368</b>	<b>\$ 239,612</b>
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*The Accompanying Notes are an Integral Part of These Financial Statements*

NEW HAMPSHIRE VACCINE ASSOCIATION  
**STATEMENTS OF ACTIVITIES**  
 FOR THE YEAR ENDED JUNE 30, 2004 AND THE EIGHT MONTHS ENDED JUNE 30, 2003

	YEAR ENDED 2004	EIGHT MONTHS ENDED 2003
<b>UNRESTRICTED NET ASSETS</b>		
<b>REVENUE AND OTHER SUPPORT</b>		
Interest	\$ 8,854	\$ 7,174
Net Assets Released From Restrictions		
Assets Released for Operations	94,161	95,528
<b>Total Revenue and Other Support</b>	<b>103,015</b>	<b>102,702</b>
<b>EXPENSES</b>		
Program Services		
Public Information	-	5,508
Supporting Services		
<i>Administration Expenses</i>		
Administrative Services	50,504	55,336
Professional Fees	5,970	-
<b>Total Administration Expenses</b>	<b>56,474</b>	<b>55,336</b>
<i>Office Expenses</i>		
Office Expense	196	1,181
Postage & Shipping	136	520
Printing	338	1,300
Telephone	105	380
Miscellaneous Expenses	44	236
<b>Total Office Expenses</b>	<b>820</b>	<b>3,616</b>
<i>Board Expenses</i>		
Insurance	6,580	3,000
Travel	43	96
Board Meetings	68	146
<b>Total Board Expenses</b>	<b>6,691</b>	<b>3,242</b>
Total Supporting Services	63,985	62,194
<b>Total Expenses</b>	<b>63,985</b>	<b>67,702</b>
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<b>39,030</b>	<b>35,000</b>

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*The Accompanying Notes are an Integral Part of These Financial Statements*

NEW HAMPSHIRE VACCINE ASSOCIATION  
**STATEMENTS OF ACTIVITIES**  
 FOR THE YEAR ENDED JUNE 30, 2004 AND THE EIGHT MONTHS ENDED JUNE 30, 2003

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	YEAR ENDED 2004	EIGHT MONTHS ENDED 2003
<b><i>TEMPORARILY RESTRICTED NET ASSETS</i></b>		
Assessment Income	\$ 2,230,228	\$ 2,458,116
Net Assets Released From Restrictions		
Remittance to the State of New Hampshire	(2,190,056)	(2,158,261)
Assets Released for Operations	(94,161)	(95,528)
	(53,989)	204,327
<b><i>INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS</i></b>		
	(14,959)	239,327
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
	239,327	-
<i>Net Assets, Beginning of Period</i>	239,327	-
<i>Net Assets, End of Period</i>	\$ 224,368	\$ 239,327

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*The Accompanying Notes are an Integral Part of These Financial Statements*

NEW HAMPSHIRE VACCINE ASSOCIATION  
**STATEMENTS OF CASH FLOWS**  
 FOR THE YEAR ENDED JUNE 30, 2004 AND THE EIGHT MONTHS ENDED JUNE 30, 2003

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	YEAR ENDED 2004	EIGHT MONTHS ENDED 2003
<b><i>CASH FLOW FROM OPERATING ACTIVITIES</i></b>		
Increase (Decrease) in Net Assets	\$ (14,959)	\$ 239,327
(Increase) Decrease in Operating Assets		
Assessments Receivable	6,312	(6,312)
Prepaid Expenses	(580)	(3,000)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(285)	285
<b><i>Total Adjustments</i></b>	5,447	(9,027)
<b>INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	(9,512)	230,300
<b><i>Cash and Cash Equivalents, Beginning of Period</i></b>	230,300	-
<b><i>Cash and Cash Equivalents, End of Period</i></b>	\$ 220,788	\$ 230,300

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*The Accompanying Notes are an Integral Part of These Financial Statements*

NEW HAMPSHIRE VACCINE ASSOCIATION  
**NOTES TO THE FINANCIAL STATEMENTS**

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**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 pursuant to Chapter 126-Q of the New Hampshire Revised Statutes Annotated. The Association was formed to assess insurers for a portion of the cost of vaccines provided for 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 for 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, 2004 and 2003, cash and cash equivalents were \$220,788 and \$230,300, respectively.

***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. 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.

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NEW HAMPSHIRE VACCINE ASSOCIATION  
**NOTES TO THE FINANCIAL STATEMENTS**

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**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, 2004, the Association's uninsured cash balance is \$121,608.

**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, 2004, the Board designated \$80,000 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 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 \$2,190,056 and \$2,158,261 to the State of New Hampshire in 2004 and 2003, respectively.