
***NEW HAMPSHIRE VACCINE
ASSOCIATION***

FINANCIAL STATEMENTS

***FOR THE YEARS ENDED
JUNE 30, 2009 AND 2008***

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MASON + RICH

PROFESSIONAL ASSOCIATION

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of New Hampshire Vaccine Association

We have audited the accompanying statements of financial position of the New Hampshire Vaccine Association, a nonprofit organization, as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. 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 audits 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, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Mason + Rich, P.A.

MASON + RICH, PROFESSIONAL ASSOCIATION
Certified Public Accountants

August 17, 2009

NEW HAMPSHIRE VACCINE ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2009 AND 2008

ASSETS

	2009	2008
<i>CURRENT ASSETS</i>		
Cash and Cash Equivalents	\$ 1,981,695	\$ 1,146,188
Prepaid Expenses	1,990	2,484
Assesment Receivable	-	191,786
Allowance for Doubtful Accounts	-	(191,786)
<i>Total Current Assets</i>	<u>1,983,685</u>	<u>1,148,672</u>
<i>TOTAL ASSETS</i>	<u>\$ 1,983,685</u>	<u>\$ 1,148,672</u>

LIABILITIES AND NET ASSETS

<i>CURRENT LIABILITIES</i>		
Accounts Payable	\$ -	\$ 16
<i>NET ASSETS</i>		
Unrestricted Net Assets	175,000	175,000
Temporarily Restricted Net Assets	<u>1,808,685</u>	<u>973,656</u>
<i>Total Net Assets</i>	<u>1,983,685</u>	<u>1,148,656</u>
<i>TOTAL LIABILITIES AND NET ASSETS</i>	<u>\$ 1,983,685</u>	<u>\$ 1,148,672</u>

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
REVENUE AND OTHER SUPPORT		
Net Assets Released From Restrictions		
Assets Released for Operations	\$ 72,136	\$ 260,014
EXPENSES		
Administrative Expenses		
Administrative Services	56,796	55,272
Bad Debt Expense	-	191,786
Professional Fees	5,400	5,519
Total Administration Expenses	62,196	252,577
Office Expenses		
Office Expense	18	40
Postage and Shipping	87	122
Printing	-	11
Telephone	144	163
Miscellaneous Expenses	3,512	16
Total Office Expenses	3,761	352
Board Expenses		
Insurance	6,115	7,020
Board Meetings	64	65
Total Board Expenses	6,179	7,085
TOTAL EXPENSES	72,136	260,014
TEMPORARILY RESTRICTED NET ASSETS		
Assessment Income	17,282,618	17,609,516
Investment Return, Net of Fees	27,361	211,034
Net Assets Released From Restrictions		
Remittance to the State of New Hampshire	(16,402,814)	(17,063,492)
Assets Released for Operations	(72,136)	(260,014)
	835,029	497,044
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS		
INCREASE (DECREASE) IN NET ASSETS	835,029	497,044
NET ASSETS, BEGINNING OF YEAR	1,148,656	651,612
NET ASSETS, END OF YEAR	\$ 1,983,685	\$ 1,148,656

NEW HAMPSHIRE VACCINE ASSOCIATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 835,029	\$ 497,044
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Amortization of Bond Discount	-	(654)
(Increase) Decrease in Operating Assets:		
Prepaid Expenses	494	1,024
(Increase) Decrease in Operating Liabilities:		
Accounts Payable	(16)	(179)
Total Adjustments	<u>478</u>	<u>191</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>835,507</u>	<u>497,235</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments		(2,400,000)
Sales and Maturities of Investments		<u>2,975,000</u>
<i>Net Cash Provided by (Used in) Investing Activities</i>	<u>-</u>	<u>575,000</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	835,507	1,072,235
<i>Cash and Equivalents, Beginning of Year</i>	<u>1,146,188</u>	<u>73,953</u>
<i>Cash and Equivalents, End of Year</i>	<u>\$ 1,981,695</u>	<u>\$ 1,146,188</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 are in conformity with generally accepted accounting principles accepted in the United States.

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 current assets and 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, 2009 and 2008, cash and cash equivalents were \$1,981,695 and \$1,146,188, 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. 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.

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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. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000 and \$100,000 for the years ended June 30, 2009 and 2008, respectively. At June 30, 2009 and 2008, the Association's had no uninsured cash balances.

C | RECEIVABLES

Assessments receivable are stated at unpaid balances. Interest is accrued at a rate of 18% per annum. The Association provides for losses on assessments receivable using the allowance method. The allowance, as represented on the statement of financial position, is based on experience, third-party contracts, and other circumstances, which may affect the ability of insurers to meet their obligations. Receivables are considered impaired if full payment is not received in accordance with the contractual terms. It is the Association's policy to charge off uncollectible assessments receivable when management determines the receivable will not be collected. At June 30, 2009 the Association did not have any receivables. At June 30, 2008 the Association had \$191,786 of receivables which were considered uncollectible and were no longer accruing interest.

D | INVESTMENTS

The Association has adopted a cash management policy of investing in United States Treasury debt obligations with maturity dates that coincide with the Association's remittances to the State of New Hampshire. In accordance with SFAS No. 124, all investments in debt securities are presented in the financial statements at fair market value. There were no investments at June 30, 2009 and 2008.

The following schedule summarizes the investment return in the statement of activities for the years ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Investment Income	\$ 27,361	\$ 210,378
Amortization of Bond Discount	<u>-</u>	<u>656</u>
Total Investment Return	<u>\$ 27,361</u>	<u>\$ 211,034</u>

E | CONCENTRATION OF REVENUE RISK

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

F | 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, 2009 and 2008, the Board designated balance for this purpose was \$175,000.

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NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

G | 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 \$16,402,814 and \$17,063,492 to the State of New Hampshire in 2009 and 2008, respectively.

H | COMMITMENTS AND CONTINGENCIES

Per the Association plan of operations, licensed insurers are assessed a fee based upon the number of covered lives as self reported to the NH Insurance Commission. The insurer may submit a request for adjustment to the governing board of the Association if they feel that the assessment was incorrectly calculated. During the fiscal year ended June 30, 2009 the Association received three requests for adjustment. The requests were based upon the insurers over reporting the number of covered lives as defined in the NH Statute. Two of the requests totaling \$52,620 are pending final determination.

One of the requests was reviewed and approved. The amount of the over assessment was calculated to be approximately \$2.4 million. Per the Association plan of operation 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 determined that it would not be appropriate to record a liability on the financial statements since the over payment would not be paid from the Association assets, but rather offset against the issuer's future assessments due. The Association came to a written agreement with the insurer to apply the overpayment against future assessments over a three year period which began in the fiscal year ending June 30, 2009.

I | FINANCIAL PRESENTATION

Certain amounts in the 2008 financial statements have been reclassified to conform to the 2009 presentation.