
***NEW HAMPSHIRE VACCINE
ASSOCIATION***

FINANCIAL STATEMENTS

***FOR THE YEARS ENDED
JUNE 30, 2012 AND 2011***

INDEX TO FINANCIAL STATEMENTS

Financial Statements

Independent Auditor's Report.....	1
Statements of Financial Position.....	2
Statements of Activities and Change in Net Assets.....	3
Statements of Cash Flows.....	4
Notes to Financial Statements.....	5-8



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 statements of financial position of the New Hampshire Vaccine Association, a nonprofit organization, as of June 30, 2012 and 2011, and the related statements of activities and changes in net assets 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, 2012 and 2011, 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

July 16, 2012

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NEW HAMPSHIRE VACCINE ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2012 AND 2011

ASSETS		
	2012	2011
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,091,545	\$ 2,154,534
Prepaid Expenses	<u>4,483</u>	<u>2,859</u>
Total Current Assets	<u>2,096,028</u>	<u>2,157,393</u>
TOTAL ASSETS	<u>\$ 2,096,028</u>	<u>\$ 2,157,393</u>
NET ASSETS		
NET ASSETS		
Unrestricted Net Assets	\$ 250,000	\$ 250,000
Temporarily Restricted Net Assets	<u>1,846,028</u>	<u>1,907,393</u>
Total Net Assets	<u>2,096,028</u>	<u>2,157,393</u>
TOTAL NET ASSETS	<u>\$ 2,096,028</u>	<u>\$ 2,157,393</u>

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
UNRESTRICTED NET ASSETS		
REVENUE AND OTHER SUPPORT		
Net Assets Released From Restrictions		
Assets Released for Operations	\$ 75,796	\$ 72,745
EXPENSES		
Administration Expenses		
Administrative Services	61,632	59,976
Professional Fees	7,737	6,282
Total Administration Expenses	69,369	66,258
Office Expenses		
Office	910	460
Dues and Publications	258	-
Miscellaneous	-	1,000
Total Office Expenses	1,168	1,460
Board Expenses		
Insurance	5,247	5,019
Board Meetings	12	8
Total Board Expenses	5,259	5,027
TOTAL EXPENSES	75,796	72,745
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	-	-
TEMPORARILY RESTRICTED NET ASSETS		
Assessment Income	9,692,569	11,262,673
Investment Return	12,619	16,389
Net Assets Released From Restrictions		
Remittance to the State of New Hampshire	(9,690,757)	(12,261,538)
Assets Released for Operations	(75,796)	(72,745)
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	(61,365)	(1,055,221)
DECREASE IN NET ASSETS	(61,365)	(1,055,221)
NET ASSETS, BEGINNING OF YEAR	2,157,393	3,212,614
NET ASSETS, END OF YEAR	\$ 2,096,028	\$ 2,157,393

The Accompanying Notes are an Integral Part of These Financial Statements

NEW HAMPSHIRE VACCINE ASSOCIATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Net Assets	\$ (61,365)	\$ (1,055,221)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Amortization of Bond Premiums	5,450	6,154
Decrease in Operating Assets:		
Prepaid Expenses	(1,624)	(351)
Total Adjustments	<u>3,826</u>	<u>5,803</u>
<i>Net Cash Used in Operating Activities</i>	<u>(57,539)</u>	<u>(1,049,418)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(2,312,450)	(3,657,154)
Sale and Maturity of Investments	<u>2,307,000</u>	<u>3,651,000</u>
<i>Net Cash Used in Investing Activities</i>	<u>(5,450)</u>	<u>(6,154)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(62,989)	(1,055,572)
<i>Cash and Cash Equivalents, Beginning of Year</i>	<u>2,154,534</u>	<u>3,210,106</u>
<i>Cash and Cash Equivalents, End of Year</i>	<u>\$ 2,091,545</u>	<u>\$ 2,154,534</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 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.

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, 2012 and 2011.

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.

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NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

Investments

During the year, the Association carries investments in marketable securities at their fair value on the statement of financial position. Realized and unrealized gains and losses on securities in the investment portfolio are allocated to each class of net assets on a specific-identification basis and are included in the accompanying statement of activities and changes in net assets. The association does not hold any investments as of June 30, 2012 and 2011.

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 year ended June 30, 2012 and 2011, 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, 2012 and 2011.

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. Certain carriers are not required by law to pay an assessment but instead make voluntary payments. As such, the continued receipt of this revenue is uncertain. These payments account for approximately 7% of total assessments.

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NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

D | 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 \$9,690,757 and \$12,261,538 to the State of New Hampshire in 2012 and 2011, respectively.

E | INVESTMENTS

During the year, as assessments are collected, the Association purchases bonds through their investment company. When the Association is required to transfer monies collected to the State of New Hampshire, they will sell the bonds. As of June 30, 2012 and 2011, there were no securities being held in the investment portfolio. The amounts in the portfolio consist of money market funds, which are considered cash equivalents.

Proceeds and related gains and losses on the sale and maturity of held to maturity securities for the years ended June 30, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Total Cost	\$ 2,319,190	\$ 3,670,824
Less Amortization of Bond Premium	<u>(6,740)</u>	<u>(13,670)</u>
Total Adjusted Cost Basis	2,312,450	3,657,154
Proceeds from the Maturity of Bonds and CDs	<u>2,307,000</u>	<u>3,651,000</u>
Realized Gain (Loss)	<u>\$ (5,450)</u>	<u>\$ (6,154)</u>

Investment income or loss (including realized gains and losses on investments, interest, dividends and bond premiums) is included in the investment return as follows:

	<u>2012</u>	<u>2011</u>
Interest and Dividend Income	\$ 24,809	\$ 36,213
Amortization of Bond Premium	(6,740)	(13,670)
Loss on Sale of Investments	<u>(5,450)</u>	<u>(6,154)</u>
Total Investment Return	<u>\$ 12,619</u>	<u>\$ 16,389</u>

(Continued on next page)

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

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.

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, 2012 and 2011, the board-designated balance for this purpose was \$250,000.

H | SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 16, 2012, 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 the financial statements.