

What: Finance Committee Meeting
 Date & Time: March 7, 2024; 11:00 a.m.-12:00 p.m. PT
 Location: Webinar/Teleconference

This meeting will take place solely by webinar. WVA values comments by the public about the work of the WVA. To register for the meeting, please review the [Public Comment Protocol](#) then email wvameetings@wavaccine.org at least two business days in advance of the meeting.

Notice: The meeting may be recorded for the benefit of the minute-taker. The WVA intends to delete the recording after the minutes are approved.

Agenda

Approx. Time	Pg.		Topic / Anticipated Action	Presented by:
11:00-11:05 a.m.			1. Welcome & Introductions a. Notification of Recording	J. Zell
11:05-11:10 a.m.	Pg. 2-3	*	2. Action Items a. Approve Finance Committee Minutes, September 21, 2023	J. Sobeck
11:10-11:40 a.m.	Pg. 4-21 Pg. 22 Pg. 23-33 Pg. 34-36	* * * *	3. Financial Update a. FYTD January 2024 Unaudited Financial Statements b. RSV Impact c. FY2025 Vaccine Grid Model Discussion d. Reserve Thresholds / Reserves Investment Policy	P. Miller / J. Zell / L. Walker
11:40-11:50 a.m.	Pg. 37-44	*	4. Audit a. Approve FY2024 Audit Engagement	J. Zell
11:50-11:55 a.m.			5. Other Matters from Committee Members	Any
11:55-12:00 p.m.			6. Executive Session (Public excluded)	J. Sobeck
12:00 p.m.			7. Closing	J. Zell

*Indicates agenda item attached
 Red text indicates an action item

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**Washington Vaccine Association
Finance Committee Meeting
September 21, 2023; 11:00 a.m.-12:00 p.m. (PT)**

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I. Attendance. This meeting was conducted solely by webinar. Participating in all or part of the meeting were the following individuals:

18	Patrick Miller, MPH, WVA Administrative
19	Director
20	Ashley Ithal, MPH, WVA Program Support
21	Leslie Walker, CPA, Mason+Rich
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23	Others
24	Allen Gilbert, CliftonLarsonAllen LLP
25	David Keller, Morgan Stanley

18 Patrick Miller, MPH, WVA Administrative
19 Director
20 Ashley Ithal, MPH, WVA Program Support
21 Leslie Walker, CPA, Mason+Rich
22
23 **Others**
24 Allen Gilbert, CliftonLarsonAllen LLP
25 David Keller, Morgan Stanley

Directors
Jason Farber, Davis Wright Tremaine LLP
John Sobeck, MD, Regence and Asuris

WVA
Julia Walter Zell, MA., Esq., Executive Director
Cheri Cagle, WVA Stakeholder Liaison

Helms & Company, Inc.

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II. Summary of Actions Taken

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Actions Taken

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- i. To approve the minutes of the April 6, 2023 Finance Committee meeting.
 - ii. To recommend publication of the 2022/23 audited financials and auditor's letter.

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III. Minutes

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Welcome and Introductions

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Dr. Sobeck called the meeting to order at 11:03 a.m. Ms. Zell announced that the meeting is being recorded for the benefit of the minute taker, to be deleted once the minutes are approved. Ms. Zell introduced Cheri Cagle, the new WVA Stakeholder Liaison. Ms. Zell noted that Randy Parker resigned and that she is working on recruiting a replacement.

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Calendar Consent Items

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Dr. Sobeck directed the Committee's attention to the draft minutes submitted for approval. There being no questions or comments, Dr. Sobeck asked for a motion to approve the minutes. Upon motion duly made and seconded, it was unanimously

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VOTED: To approve the minutes of the April 6, 2023 Finance Committee minutes.

IV. Financial Update

Audit Report

Mr. Gilbert provided an overview of the 2022/2023 audit report including a review of the governance letter. Mr. Gilbert reported that no audit adjustments were needed during the financial statement audit, no material weaknesses were identified in the internal control letter, and no new standards or policies were implemented for FY2023. Mr. Gilbert noted that the resulting opinion from the audit report was positive for the organization. There being no questions or comments, Ms. Zell asked for a motion to recommend the publication of the 2022/23 audited financials and auditor's letter. Upon motion duly made and seconded, it was

VOTED: To recommend the publication of the 2022/23 Audited Financials and Auditor's Letter.

Unaudited Financial Statements

Mr. Miller reviewed the financial statements for the first two months of the fiscal year. Mr. Miller reported that the WVA has been reducing cash, as planned, and that administrative expenses were slightly ahead of budget.

Morgan Stanley Update

65 Ms. Zell invited Mr. Keller to provide a financial update of the WVA's investment portfolio. Mr. Keller noted the
66 current balances in each account and reviewed the investments. Discussion took place regarding the rising interest rate
67 and investment opportunities for the WVA.

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69 COVID Blended Rate

70 Mr. Miller reported that a \$105 blended rate for COVID vaccines was developed based on estimates received from
71 the WA DOH and a review of vaccines by brand. This will be reviewed again in the spring of 2024, during the
72 Assessment Grid setting process.

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74 RSV Funding

75 Ms. Zell provided an update on the ongoing discussions around pricing and funding for nirsevimab. Next steps will
76 depend upon the upcoming September 28th WVA Board meeting.

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78 **V. Closing**

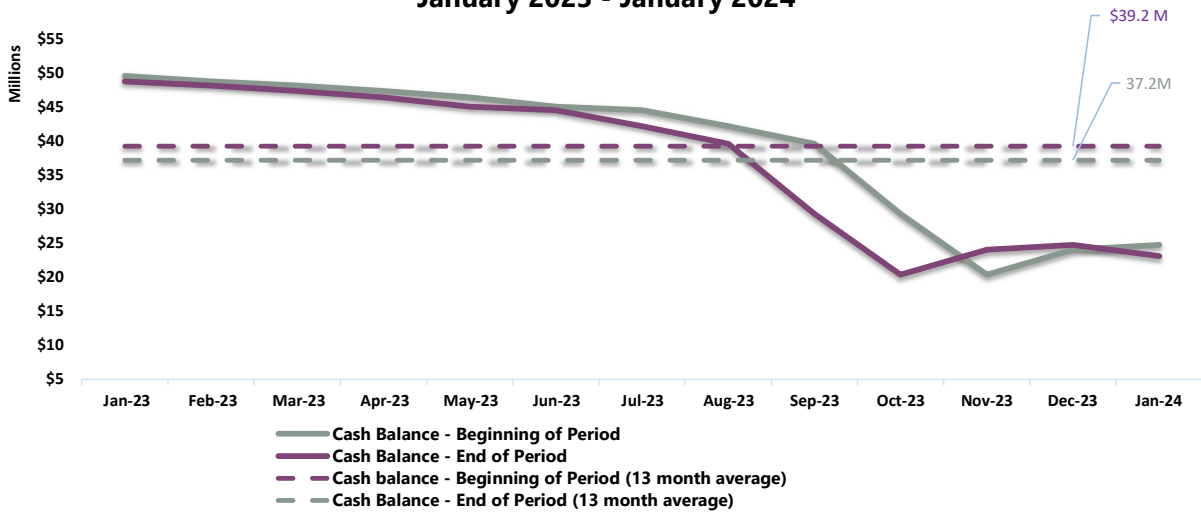
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80 With no further business before the Committee, Dr. Sobeck concluded the meeting at 11:54 a.m.

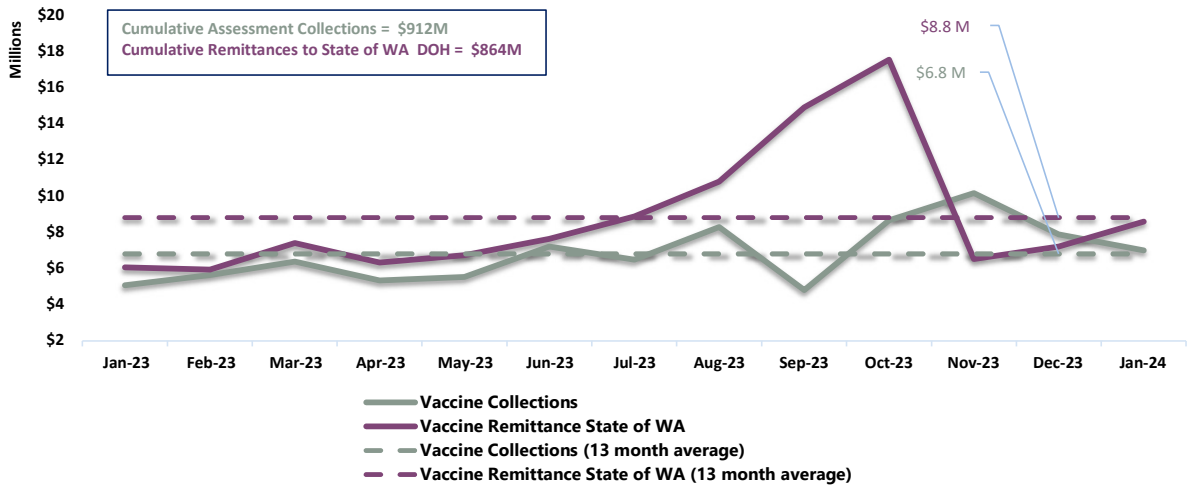
WASHINGTON VACCINE ASSOCIATION
UNAUDITED FINANCIAL STATEMENTS
FOR THE SEVEN MONTHS ENDED
January 31, 2024
With Supplemental Informational Reporting

Prepared by
Helms & Company, Inc., Administrator

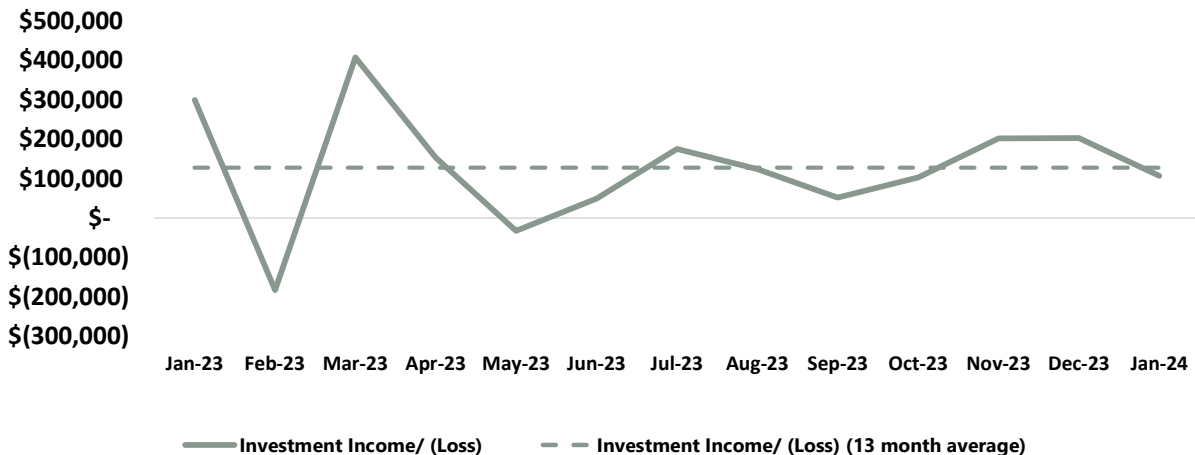
Cash Balances Beginning and End of Period January 2023 - January 2024



Total Vaccine Collections and Vaccine Remittances to State of WA January 2023- January 2024



Investment Income / (Loss) January 2023 - January 2024



Washington Vaccine Association
Statement of Cash Flows
For the Periods Ended

	Month 1/31/2023	Month 2/28/2023	Month 3/31/2023	Month 4/30/2023	Month 5/31/2023	Month 6/30/2023	Month 7/31/2023	Month 8/31/2023	Month 9/30/2023	Month 10/31/2023	Month 11/30/2023	Month 12/31/2023	Month 1/31/2024	13 Month Average
1 Cash balance - beginning	\$ 49,581,422	\$ 48,745,241	\$ 48,158,103	\$ 47,367,244	\$ 46,396,888	\$ 45,037,740	\$ 44,528,984	\$ 42,178,691	\$ 39,591,640	\$ 29,321,330	\$ 20,358,268	\$ 24,030,711	\$ 24,747,027	39,234,099.19
Inflows:														
2 Vaccine collections	5,077,451	5,644,933	6,380,230	5,331,261	5,526,126	7,218,720	6,483,475	8,281,002	4,800,462	8,660,635	10,150,139	7,887,920	6,990,175	6,802,502
3 Interest income - payers														-
4 Investment income/ (loss)	299,489	(182,504)	407,515	153,609	(32,483)	49,646	174,956	124,168	52,184	103,338	202,517	203,060	107,733	127,941
5 Total inflows	5,376,940	5,462,429	6,787,745	5,484,870	5,493,643	7,268,366	6,658,431	8,405,170	4,852,646	8,763,973	10,352,656	8,090,980	7,097,908	\$ 6,930,443
Outflows:														
Program														
6 Vaccine remittance State of WA	(6,069,523)	(5,932,158)	(7,397,831)	(6,320,084)	(6,725,775)	(7,626,289)	(8,866,194)	(10,790,790)	(14,891,373)	(17,515,573)	(6,517,092)	(7,204,298)	(8,588,463)	(8,803,496)
Administration														
7 Direct Processing Costs	(95,734)	(87,212)	(87,995)	(87,008)	(86,000)	(90,978)	(88,976)	(88,911)	(90,982)	(95,301)	(96,104)	(96,944)	(91,064)	(91,016)
8 Executive Director Costs and Support Fees	(22,890)	(20,416)	(64,409)	(29,651)	(24,217)	(28,932)	(33,502)	(28,227)	(46,134)	(39,904)	(33,703)	(27,832)	(48,157)	(34,460)
9 Provider and Payer Education and Outreach	(40)	(4,868)	(5,238)	(9,905)	(11,202)	(24,221)	(4,418)	(19,974)	(2,279)	(15,414)	(3,670)	(6,900)	(5,404)	(8,733)
10 Administrative Costs	(21,334)	(1,133)	(19,351)	(4,798)	(1,817)	(2,922)	(10,234)	(60,539)	(88,408)	(57,063)	(25,864)	(31,130)	(25,941)	(26,964)
11 Other Discretionary Expenditures	(3,600)	(3,780)	(3,780)	(3,780)	(3,780)	(3,780)	(5,400)	(3,780)	(3,780)	(3,780)	(3,780)	(7,560)	(450)	(3,925)
12 Total Administration	(143,598)	(117,409)	(180,773)	(135,142)	(127,016)	(150,833)	(142,530)	(201,431)	(231,583)	(211,462)	(163,121)	(170,366)	(171,016)	(165,098)
13 Net all other outflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Total outflows	(6,213,121)	(6,049,567)	(7,578,604)	(6,455,226)	(6,852,791)	(7,777,122)	(9,008,724)	(10,992,221)	(15,122,956)	(17,727,035)	(6,680,213)	(7,374,664)	(8,759,479)	(8,968,594)
15 Net Cash Incr (decr) for period	(836,181)	(587,138)	(790,859)	(970,356)	(1,359,148)	(508,756)	(2,350,293)	(2,587,051)	(10,270,310)	(8,963,062)	3,672,443	716,316	(1,661,571)	(2,038,151)
16 Cash balance - end of period	\$ 48,745,241	\$ 48,158,103	\$ 47,367,244	\$ 46,396,888	\$ 45,037,740	\$ 44,528,984	\$ 42,178,691	\$ 39,591,640	\$ 29,321,330	\$ 20,358,268	\$ 24,030,711	\$ 24,747,027	\$ 23,085,456	\$ 37,195,948

Note: Cash balance includes amounts in KeyBank and Morgan Stanley

Washington Vaccine Association
Statement of Financial Position
As of January 31, 2024

ASSETS

1	Current Assets		
2	Cash and Cash Equivalents	\$	5,686,809
3	Accounts Receivable		-
4	Investments		17,398,647
5	Members Estimated Collectible Assessments		15,622,457
6	Prepaid Vaccine		6,382,188
7	Prepaid Administrative Services		-
8	Total Current Assets		45,090,100
9	Total Assets	\$	45,090,100

LIABILITIES AND NET ASSETS

10	Current Liabilities		
11	Accounts Payable	\$	131,326
12	Other Accruals		(15,517)
13	Total Current Liabilities		115,809
14	Assessments Collected in Excess of Vaccine Funding and Administrative Activities		44,974,292
15	Total Liabilities		45,090,100
16	Total Liabilities and Net Assets	\$	45,090,100

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

	A	B	C	D	E	F
	Month Ended January 31, 2024			For Seven Months Ended January 31, 2024		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
	Revenues / Vaccine Expenses					
1 Assessment Activity:						
2 Assessments	\$ (78,061)	\$ 7,158,427	\$ 7,080,367	\$ (2,043,568)	\$ 56,771,307	\$ 54,727,740
3 Recoveries	-	-	-	-	-	-
4 Estimated Over (Under) Collections	-	-	-	-	-	-
5 Refunds	(20,665)	-	(20,665)	(201,048)	-	(201,048)
6 Estimated 2% Waste	(9,249)	-	(9,249)	(754,584)	-	(754,584)
7 Estimated Price Variance and 3% Denial	(20,274)	-	(20,274)	(619,812)	-	(619,812)
8 DOH Replenishment	-	(7,388,555)	(7,388,555)	-	(62,000,999)	(62,000,999)
9 Adjustment to Correct Inventory	-	-	-	-	-	-
10 DOH Cost Recovery Admin Charge	(121,171)	-	(121,171)	(812,932)	-	(812,932)
11 Interest Income on Assessments	-	-	-	-	-	-
12 Net Assessment Activity	(249,419)	(230,127)	(479,547)	(4,431,944)	(5,229,692)	(9,661,635)
13 Investment Activity:						
14 Interest and Dividend Income - Morgan Stanley	20,283	-	20,283	425,830	-	425,830
15 Realized Gain/(Loss) on Investments - Morgan Stanley	-	-	-	(625,543)	-	(625,543)
16 Unrealized Gain/(Loss) on Investments - Morgan Stanley	65,377	-	65,377	1,086,816	-	1,086,816
17 Investment Management Expenses	(4,027)	-	(4,027)	(44,514)	-	(44,514)
18 Interest Income - KeyBank	26,100	-	26,100	125,367	-	125,367
19 Net Investment Activity	107,733	-	107,733	967,957	-	967,957
20 Net Revenues	(141,686)	(230,127)	(371,814)	(3,463,987)	(5,229,692)	(8,693,679)

**Washington Vaccine Association
Statement of Activities and Changes in Net Assets**

	A	B	C	D	E	F	
	Month Ended January 31, 2024			For Seven Months Ended January 31, 2024			
	Administrative	Vaccine	Total	Administrative	Vaccine	Total	
	Other Expenses						
21	Administrative Expenses:						
22	Direct Processing Costs						
23	Administrator (Helms & Company, Inc.)	81,133	-	81,133	473,725	-	473,725
24	EDI /ACH Clearinghouse Maintenance (Helms & Company, Inc.)	3,750	-	3,750	45,129	-	45,129
25	Clearinghouse Intake Processing (Avality, Zelis, Etc.)	4,783	-	4,783	48,417	-	48,417
26	Lockbox and Bank Fees	4,458	-	4,458	29,979	-	29,979
27	Recovery and Compliance (Helms & Company, Inc.)	5,250	-	5,250	36,750	-	36,750
28	Lockbox Intake (OrboGraph)	4,363	-	4,363	26,250	-	26,250
29	Total Direct Processing Costs	103,737	-	103,737	660,250	-	660,250
30	Executive Director Costs and Related Support Fees						
31	Executive Director Salary	26,306	-	26,306	170,605	-	170,605
32	Payroll Taxes	3,009	-	3,009	7,362	-	7,362
33	Leased Employee per Check Fee	232	-	232	1,484	-	1,484
34	Executive Director Travel and Lodging, Education, and Other	18,233	-	18,233	60,071	-	60,071
35	Technology Support (Desktop and Telephony)	340	-	340	5,606	-	5,606
36	Total Executive Director Costs and Related Support Fees	48,120	-	48,120	245,128	-	245,128
37	Provider and Payer Education and Outreach						
38	Provider Education Materials, Development and Printing	-	-	-	26,958	-	26,958
39	Postage	-	-	-	14	-	14
40	Website and Information Technology	-	-	-	12,535	-	12,535
41	Technical Consultants	-	-	-	3,163	-	3,163
42	Provider Office Training Sessions	3,749	-	3,749	22,773	-	22,773
43	Advertising and Sponsorships	-	-	-	-	-	-
44	Hospitality	1,655	-	1,655	-	-	-
45	Provider Services Rep	-	-	-	12,031	-	12,031
46	Leased Employee per Check Fee	-	-	-	-	-	-
47	Total Provider and Payer Education and Outreach	5,404	-	5,404	77,473	-	77,473
48	Administrative Costs						
49	Legal Counsel	1,228	-	1,228	28,374	-	28,374
50	Operations/Compliance/IT - Compliance Program Expansion	16,888	-	16,888	46,075	-	46,075
51	Communications - Graphic Designer; Printing; Postage	3,150	-	3,150	3,150	-	3,150
52	Audit Fees	-	-	-	24,733	-	24,733
53	Audit Fees Segmentation of Accounts; Settlement Reporting	13,700	-	13,700	21,013	-	21,013
54	Government Relations, Including Travel, Meals, and Consultants	-	-	-	-	-	-
55	Government Relations - Federal and State; Coordination with Parties	3,000	-	3,000	13,500	-	13,500
56	Registered Agent Fee	-	-	-	-	-	-
57	Bank Fees	-	-	-	-	-	-
58	Office Supplies and Equipment	1,231	-	1,231	9,256	-	9,256
59	Rent, ELM and Storage Facility	89	-	89	534	-	534
60	Other Admin Support Provided by Lessor	-	-	-	-	-	-
61	Board Retreat and Meetings	-	-	-	-	-	-
62	Insurance	-	-	-	-	-	-

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

		A	B	C	D	E	F
		Month Ended January 31, 2024			For Seven Months Ended January 31, 2024		
		Administrative	Vaccine	Total	Administrative	Vaccine	Total
63	Cyber Liability	19,721	-	19,721	48,653	-	48,653
64	Directors and Officers	-	-	-	21,740	-	21,740
65	General Liability	-	-	-	1,669	-	1,669
66	Insurance - Other	-	-	-	-	-	-
67	Legal - Special Projects and L	-	-	-	2,700	-	2,700
68	Legal - Contracting; Counsel; Meetings; Interpretation; Consultation	-	-	-	89,169	-	89,169
69	Total Administrative Costs	59,007	-	59,007	310,567	-	310,567
70	Other Discretionary Expenditures						
71	Executive Director and Other Contractor Bonus	-	-	-	-	-	-
72	Human Resources and Governance	450	-	450	28,530	-	28,530
73	Total Other Discretionary Expenditures	450	-	450	28,530	-	28,530
74	Total Administrative Expenses	216,719	-	216,719	1,321,948	-	1,321,948
75	Total Change in Unrestricted Net Assets	\$ (358,405)	\$ (230,127)	\$ (588,532)	\$ (4,785,935)	\$ (5,229,692)	\$ (10,015,627)

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

	A	B	C	D	E	F
	For Seven Months Ended January 31, 2024			For Seven Months Ended January 31, 2023		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
	Revenues / Vaccine Expenses					
1	Assessment Activity:					
2	\$ (2,043,568)	\$ 56,771,307	\$ 54,727,740	\$ (4,561,833)	\$ 50,733,264	\$ 46,171,431
3	-	-	-	351,325	-	351,325
4	-	-	-	-	-	-
5	(201,048)	-	(201,048)	(184,180)	-	(184,180)
6	(754,584)	-	(754,584)	(321,003)	-	(321,003)
7	(619,812)	-	(619,812)	(133,215)	-	(133,215)
8	-	(62,000,999)	(62,000,999)	-	(50,265,020)	(50,265,020)
9	-	-	-	-	-	-
10	(812,932)	-	(812,932)	(579,613)	-	(579,613)
11	-	-	-	-	-	-
12	<u>(4,431,944)</u>	<u>(5,229,692)</u>	<u>(9,661,635)</u>	<u>(5,428,519)</u>	<u>468,244</u>	<u>(4,960,275)</u>
13	Investment Activity:					
14	425,830	-	425,830	580,225	-	580,225
15	(625,543)	-	(625,543)	(2,118)	-	(2,118)
16	1,086,816	-	1,086,816	(540,281)	-	(540,281)
17	(44,514)	-	(44,514)	(72,194)	-	(72,194)
18	125,367	-	125,367	64,142	-	64,142
19	<u>967,957</u>	<u>-</u>	<u>967,957</u>	<u>29,774</u>	<u>-</u>	<u>29,774</u>
20	<u>(3,463,987)</u>	<u>(5,229,692)</u>	<u>(8,693,679)</u>	<u>(5,398,744)</u>	<u>468,244</u>	<u>(4,930,500)</u>

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

	A	B	C	D	E	F	
	For Seven Months Ended January 31, 2024			For Seven Months Ended January 31, 2023			
	Administrative	Vaccine Other Expenses	Total	Administrative	Vaccine	Total	
21	Administrative Expenses:						
22	Direct Processing Costs						
23	Administrator (Helms & Company, Inc.)	473,725	-	473,725	465,524	-	465,524
24	EDI /ACH Clearinghouse Maintenance (Helms & Con	45,129	-	45,129	52,763	-	52,763
25	Clearinghouse Intake Processing (Avality, Zelis, Etc.)	48,417	-	48,417	36,557	-	36,557
26	Lockbox and Bank Fees	29,979	-	29,979	28,957	-	28,957
27	Recovery and Compliance (Helms & Company, Inc.)	36,750	-	36,750	36,750	-	36,750
28	Lockbox Intake (OrboGraph)	26,250	-	26,250	18,750	-	18,750
29	Total Direct Processing Costs	660,250	-	660,250	639,301	-	639,301
30	Executive Director Costs and Related Support Fees						
31	Executive Director Salary	170,605	-	170,605	130,474	-	130,474
32	Payroll Taxes	7,362	-	7,362	6,349	-	6,349
33	Leased Employee per Check Fee	1,484	-	1,484	1,723	-	1,723
34	Executive Director Travel and Lodging, Education, ar	60,071	-	60,071	31,451	-	31,451
35	Technology Support (Desktop and Telephony)	5,606	-	5,606	2,845	-	2,845
36	Total Executive Director Costs and Related Support Fees	245,128	-	245,128	172,842	-	172,842
37	Provider and Payer Education and Outreach						
38	Provider Education Materials, Development and Pri	26,958	-	26,958	11,877	-	11,877
39	Postage	14	-	14	-	-	-
40	Website and Information Technology	12,535	-	12,535	-	-	-
41	Technical Consultants	3,163	-	3,163	275	-	275
42	Provider Office Training Sessions	22,773	-	22,773	-	-	-
43	Advertising and Sponsorships	-	-	-	-	-	-
44	Hospitality	12,031	-	12,031	264	-	264
45	Provider Services Rep	-	-	-	-	-	-
46	Leased Employee per Check Fee	-	-	-	-	-	-
47	Total Provider and Payer Education and Outreach	77,473	-	77,473	12,416	-	12,416
48	Administrative Costs						
49	Legal Counsel	28,374	-	28,374	27,043	-	27,043
50	Operations/Compliance/IT - Compliance Program E	46,075	-	46,075	-	-	-
51	Communications - Graphic Designer; Printing; Posta	3,150	-	3,150	-	-	-
52	Audit Fees	24,733	-	24,733	23,580	-	23,580
53	Audit Fees Segmentation of Accounts; Settlement R	21,013	-	21,013	-	-	-
54	Government Relations, Including Travel, Meals, and	-	-	-	-	-	-
55	Government Relations - Federal and State; Coordina	13,500	-	13,500	-	-	-
55	Registered Agent Fee	-	-	-	-	-	-

Unaudited - For Management Purposes - See Attached Notes
Prepared by Helms And Company, Inc.

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

		A	B	C	D	E	F
		For Seven Months Ended January 31, 2024			For Seven Months Ended January 31, 2023		
		Administrative	Vaccine	Total	Administrative	Vaccine	Total
56	Bank Fees	-	-	-	-	-	-
57	Office Supplies and Equipment	9,256	-	9,256	4,987	-	4,987
58	Rent, ELM and Storage Facility	534	-	534	-	-	-
59	Other Admin Support Provided by Lessor	-	-	-	-	-	-
60	Board Retreat and Meetings	-	-	-	-	-	-
61	Insurance						
62	Cyber Liability	48,653	-	48,653	19,625	-	19,625
63	Directors and Officers	21,740	-	21,740	52,058	-	52,058
64	General Liability	1,669	-	1,669	1,639	-	1,639
65	Insurance - Other	-	-	-	-	-	-
66	Legal - Special Projects and L	2,700	-	2,700	-	-	-
67	Legal - Contracting; Counsel; Meetings; Interpretatic	89,169	-	89,169	89,169	-	89,169
67	Total Administrative Costs	310,567	-	310,567	128,932	-	128,932
68	Other Discretionary Expenditures						
69	Executive Director and Other Contractor Bonus	-	-	-	-	-	-
70	Human Resources and Governance	28,530	-	28,530	30,601	-	30,601
72	Total Administrative Expenses	1,321,948	-	1,321,948	984,092	-	984,092
73	Total Change in Unrestricted Net Assets	\$ (4,785,935)	\$ (5,229,692)	\$ (10,015,627)	\$ (6,382,836)	\$ 468,244	\$ (5,914,592)

**Washington Vaccine Association
Statement of Activities and Changes in Net Assets**

	A	B	C	D	E	F
	Month Ended January 31, 2024			Month Ended January 31, 2023		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
	Revenues / Vaccine Expenses					
1	Assessment Activity:					
2	\$ (78,061)	\$ 7,158,427	\$ 7,080,367	\$ (649,232)	\$ 5,745,637	\$ 5,096,406
3	-	-	-	-	-	-
4	-	-	-	-	-	-
5	(20,665)	-	(20,665)	(13,123)	-	(13,123)
6	(9,249)	-	(9,249)	(23,262)	-	(23,262)
7	(20,274)	-	(20,274)	(32,587)	-	(32,587)
8	-	(7,388,555)	(7,388,555)	-	(5,421,113)	(5,421,113)
9	-	-	-	-	-	-
10	(121,171)	-	(121,171)	(84,517)	-	(84,517)
11	-	-	-	-	-	-
12	<u>(249,419)</u>	<u>(230,127)</u>	<u>(479,547)</u>	<u>(802,721)</u>	<u>324,524</u>	<u>(478,196)</u>
13	Investment Activity:					
14	20,283	-	20,283	66,699	-	66,699
15	-	-	-	-	-	-
16	65,377	-	65,377	235,037	-	235,037
17	(4,027)	-	(4,027)	(9,904)	-	(9,904)
18	26,100	-	26,100	7,657	-	7,657
19	<u>107,733</u>	<u>-</u>	<u>107,733</u>	<u>299,489</u>	<u>-</u>	<u>299,489</u>
20	<u>(141,686)</u>	<u>(230,127)</u>	<u>(371,814)</u>	<u>(503,232)</u>	<u>324,524</u>	<u>(178,708)</u>

**Washington Vaccine Association
Statement of Activities and Changes in Net Assets**

	A	B	C	D	E	F	
	Month Ended January 31, 2024			Month Ended January 31, 2023			
	Administrative	Vaccine Other Expenses	Total	Administrative	Vaccine	Total	
21	Administrative Expenses:						
22	Direct Processing Costs						
23	Administrator (Helms & Company, Inc.)	81,133	-	81,133	65,432	-	65,432
24	EDI /ACH Clearinghouse Maintenance (Helms & Company, Inc.)	4,363	-	4,363	11,058	-	11,058
25	Clearinghouse Intake Processing (Avality, Zelis, Etc.)	4,783	-	4,783	4,851	-	4,851
26	Lockbox and Bank Fees	4,458	-	4,458	5,394	-	5,394
27	Recovery and Compliance (Helms & Company, Inc.)	5,250	-	5,250	5,250	-	5,250
28	Lockbox Intake (RMS)	3,750	-	3,750	3,750	-	3,750
29	Total Direct Processing Costs	103,737	-	103,737	95,734	-	95,734
30	Executive Director Costs and Related Support Fees						
31	Salaries	26,306	-	26,306	18,810	-	18,810
32	Payroll Taxes	3,009	-	3,009	1,751	-	1,751
33	Leased Employee per Check Fee	232	-	232	114	-	114
34	Executive Director Travel and Lodging, Education, and Other	18,233	-	18,233	1,700	-	1,700
35	Technology Support (Desktop and Telephony)	340	-	340	472	-	472
36	Total Executive Director Costs and Related Support Fees	48,120	-	48,120	22,848	-	22,848
37	Provider and Payer Education and Outreach						
38	Education Materials Design, Development and Printing	-	-	-	40	-	40
39	Postage	-	-	-	-	-	-
40	Website and Information Technology	-	-	-	-	-	-
41	Technical Consultants	-	-	-	-	-	-
42	Provider Office Training Sessions	3,749	-	3,749	-	-	-
43	Advertising and Sponsorships	-	-	-	-	-	-
44	Hospitality	1,655	-	1,655	-	-	-
45	Provider Services Rep	-	-	-	-	-	-
46	Leased Employee per Check Fee	-	-	-	-	-	-
47	Total Provider and Payer Education and Outreach	5,404	-	5,404	40	-	40
48	Administrative Costs						
49	Legal Counsel	1,228	-	1,228	1,604	-	1,604
50	Operations/Compliance/IT - Compliance Program Expansion	16,888	-	16,888	-	-	-
51	Communications - Graphic Designer; Printing; Postage	3,150	-	3,150	-	-	-
52	Audit Fees	-	-	-	-	-	-
53	Audit Fees Segmentation of Accounts; Settlement Reporting	13,700	-	13,700	-	-	-
54	Government Relations, Including Travel, Meals, and Consultants	-	-	-	-	-	-
55	Government Relations - Federal and State; Coordination with Parties	3,000	-	3,000	-	-	-
56	Registered Agent Fee	-	-	-	-	-	-
57	Bank Fees	-	-	-	-	-	-
58	Office Supplies and Equipment	1,231	-	1,231	-	-	-

**Washington Vaccine Association
Statement of Activities and Changes in Net Assets**

	A	B	C	D	E	F
	Month Ended January 31, 2024			Month Ended January 31, 2023		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
59 Rent, ELM and Storage Facility	89	-	89	-	-	-
60 Other Admin Support Provided by Lessor	-	-	-	-	-	-
61 Board Retreat and Meetings	-	-	-	-	-	-
62 Insurance	-	-	-	19,625	-	19,625
63 Cyber Liability	19,721	-	19,721	-	-	-
64 Directors and Officers	-	-	-	105	-	105
65 General Liability	-	-	-	-	-	-
66 Insurance - Other	-	-	-	-	-	-
67 Legal - Special Projects and L	-	-	-	-	-	-
68 Legal - Contracting; Counsel; Meetings; Interpretation; Consultation	-	-	-	-	-	-
69 Total Administrative Costs	59,007	-	59,007	21,334	-	21,334
70 Other Discretionary Expenditures	-	-	-	-	-	-
71 Executive Director and Other Contractor Bonus	-	-	-	-	-	-
72 Human Resources and Governance	450	-	450	3,600	-	3,600
73 Total Other Discretionary Expenditures	450	-	450	3,600	-	3,600
74 Total Administrative Expenses	216,719	-	216,719	143,556	-	143,556
75 Total Change in Unrestricted Net Assets	\$ (216,719)	\$ -	\$ (588,532)	\$ (646,788)	\$ 324,524	\$ (322,264)

**Washington Vaccine Association
Administrative Budget Status
For Month of January 31, 2024**

	A Approved Budget	B Actual January 31, 2024	C Budget Variance
1	Direct Processing Costs		
2			
3			
4			
5			
6			
7			
8			
9	Executive Director Costs and Related Support Fees		
10			
11			
12			
13			
14			
15			
16	Provider and Payer Education and Outreach		
17			
18			
19			
20			
21			
22			
23			
24			
25	Administrative Costs		
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41	Other Discretionary Expenditures		
42			
43			
44			
45			
	Total Budget		
	\$ 185,282	\$ 184,008	\$ 1,274

**Washington Vaccine Association
Administrative Budget Status
For Seven Months Ended January 31, 2024**

	A Approved Budget	B Actual January 31, 2024	C Budget Variance
1	Direct Processing Costs		
2	484,197	473,725	10,472
3	26,250	26,250	-
4	40,250	48,417	(8,167)
5	28,000	29,979	(1,979)
6	36,750	36,750	-
7	48,440	45,129	3,311
8	637,714	660,250	(22,536)
9	Executive Director Costs and Related Support Fees		
10	178,884	168,805	10,079
11	13,825	7,362	6,463
12	1,800	1,800	-
13	1,624	1,484	140
14	45,500	60,071	(14,571)
15	4,690	5,606	(916)
	246,323	245,128	1,195
16	Provider and Payer Education and Outreach		
17	Provider Education Materials, Development and Printing		
18	43,750	26,958	16,792
19	8,750	14	8,736
20	8,750	12,535	(3,785)
21	10,500	3,163	7,338
22	10,500	22,773	(12,273)
23	1,169	-	1,169
24	2,100	12,031	(9,931)
25	-	-	-
26	85,519	77,473	8,046
27	Administrative Costs		
28	29,680	28,374	1,306
29	30,377	24,733	5,644
30	2,919	-	2,919
31	150	-	150
32	73,500	44,514	28,986
33	4,200	9,256	(5,056)
34	-	534	(534)
35	294	-	294
36	7,000	-	7,000
37	Insurance		
38	42,425	48,653	(6,228)
39	57,820	21,740	36,080
40	1,687	1,669	18
41	42,000	2,700	39,300
42	292,052	182,174	109,879
43	Other Discretionary Expenditures		
44	-	-	-
45	30,450	28,530	1,920
46	30,450	28,530	1,920
47	\$ 1,292,058	\$ 1,193,555	\$ 98,504

Unaudited - For Management Purposes Only
Prepared by Helms And Company Inc

2/8/2024

**Washington Vaccine Association
Administrative Budget Status
For Seven Months Ended January 31, 2024**

	A Approved Budget	B Actual January 31, 2024	C Budget Variance
1 Legal - Contracting; Counsel; Meetings; Interpretation; Consultation	125,000	89,169	35,831
2 Government Relations - Federal and State; Coordination with Parties; Lobbying	35,000	13,500	21,500
3 Finance/Audit - Segmentation of Accounts; Settlement Reporting; Collections	50,000	21,013	28,988
4 Operations/Compliance/IT - Compliance Program Expansion; Recovery Management	55,000	46,075	5,775
5 Communications - Graphic Designer; Printing; Postage; Mailing Services	35,000	3,150	35,000
6 Total Budget	\$ 300,000	\$ 172,907	\$ 127,093

Washington Vaccine Association
Notes to Financial Statements
For the Month Ended January 31, 2024

Balance Sheet

Lines 2 and 4. Cash decreased in January by approximately \$1,662,000. Total cash and investments at month end are approximately \$23 million as compared to the budgeted cash position of \$36 million. The time-lag between the date of service and the receipt of payment has been considered when projecting cash reserves for FY2023.

Line 6. The Prepaid Vaccine amount includes the amount requested by the Washington Department of Health (DOH) for the February 2024 replenishment of vaccines. The amount includes the administrative fee of 1.4% which equaled \$121,171 included in the request.

Line 5. Members Estimated Collectible Assessments reflects the value of vaccine funding provided to the DOH for the purchase of vaccines for which the Association expects to receive an assessment payment.

Profit and Loss

Line 2. The amount reported as Assessments includes all assessments received in the month of January. The assessments are tracked in the accounting system using the procedure code and date of service supplied by the provider's remittance advice. While it is assumed that the provider utilized a vaccine that was purchased by the Department of Health in either the corresponding month or a prior month(s), there are too many variables in the purchasing process, the supply chain, and the utilization driving the remittance to provide certainty.

Line 6. The amount reported as 2% Waste is an estimate periodically provided by the DOH that is recorded through a journal entry. This estimate may change over time for specific vaccines (e.g., COVID-19) or all vaccines combined.

Line 7. The amount reported in January as Price Variance and Denials is the actual total of variances and denials identified through the lockbox transactions processed through RMS (formerly OrboGraph).

Line 8. The DOH replenishment is the actual "cost" of the vaccines that are associated with the Assessments received in January. Included in this amount are funds, approved by the Board of Directors, used to purchase RSV immunizations, which are expensed as the immunizations are purchased.

Line 10. The amount reported as DOH Cost Recovery Admin Charge is the amount requested by the DOH for administrative expenses incurred in December. It was paid with the February 2024 replenishment of vaccines.

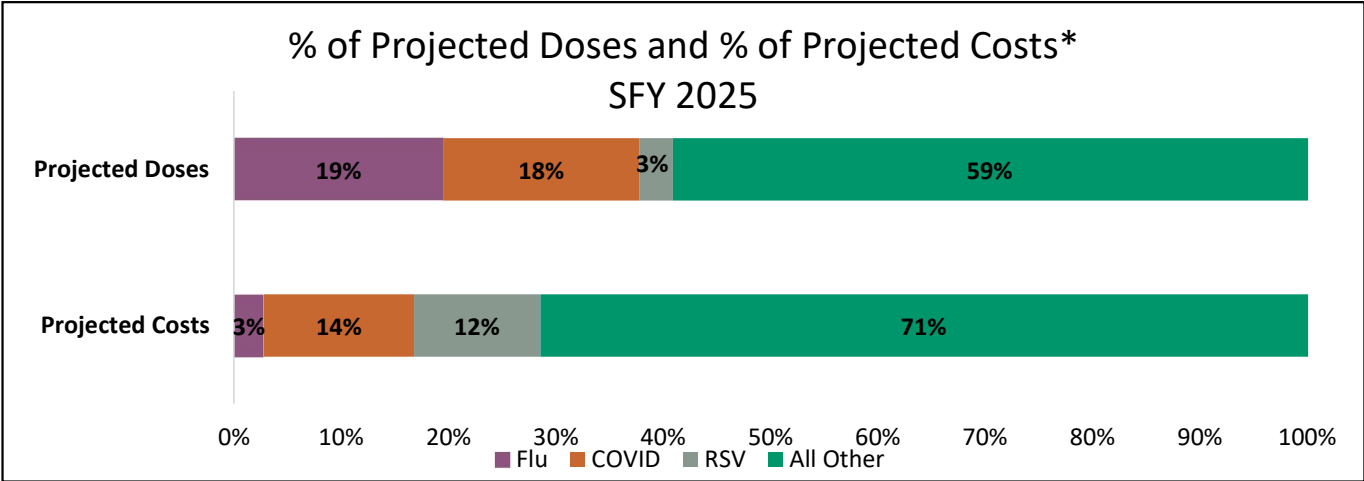
Other

Based upon a review of detailed assessment remittance data, the Association at times receives both over- and under-payments for remittances. Overpayments are repaid through the refunds process, through balance forward remittances, or through a separate, specific analysis. Utilizing the assessment remittance database, the Association has been able to identify several instances whereby a payer has been incorrectly denying or underpaying assessments for a variety of reasons. The Association's compliance efforts work with payers to resolve these discrepancies and may result in additional assessment revenue or refunds attributable to the current fiscal year that may or may not be related to the current fiscal year.



RSV Nirsevimab Update

- » WVA doses purchased: 14,100
- » WVA doses shipped as of 2.27.2024: 13,240
- Remainder: 860
- » Ordering ends March 31, 2024
- » Ordering resumes September 1, 2024



*Based Upon 12.13.2023 DOH Projection Packet and 02.26.2024 Influenza Estimates; Excludes Indirect and Cost Recovery Fees.



FY2025 Vaccine Assessment Grid Finance Committee

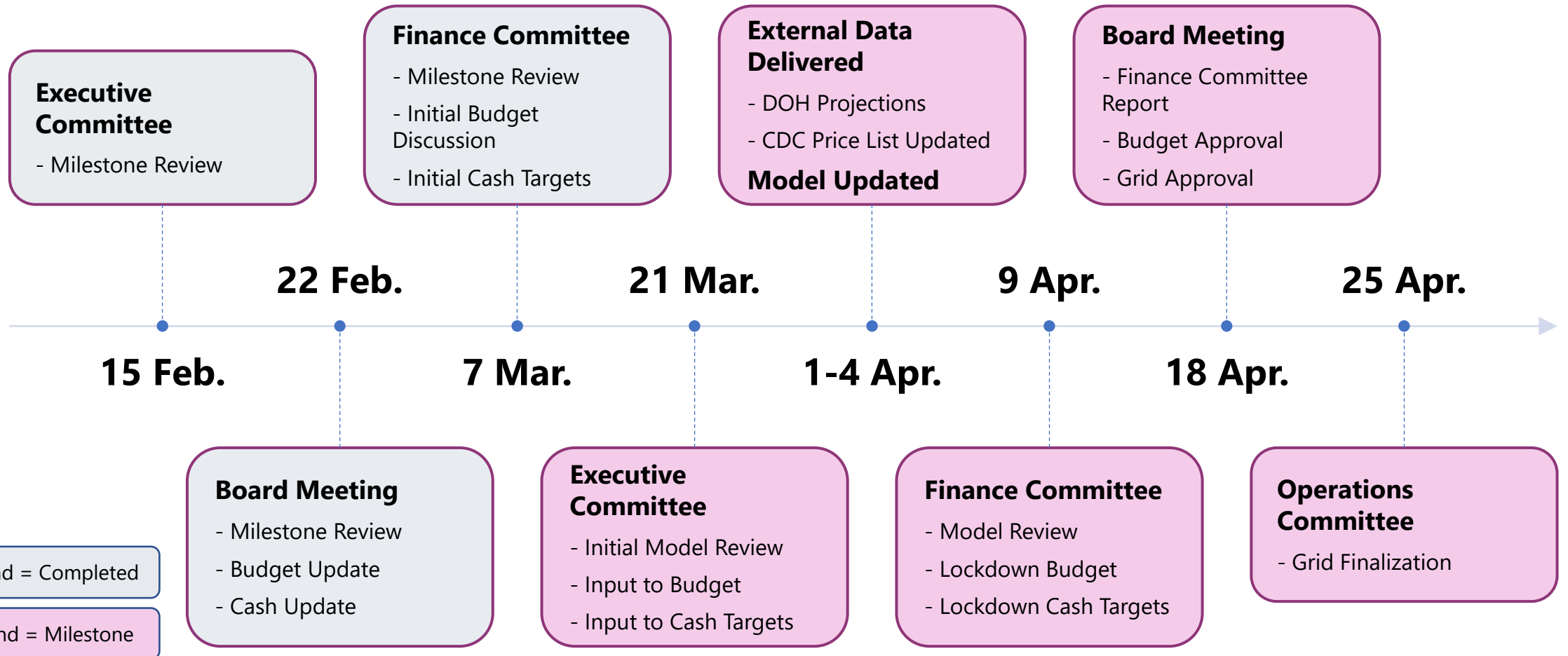
March 07, 2024

Discussion Topics

- Process Timeline
- Integrated Approach
- Definitions and Process
- Trends
- Initial Model Assumptions



2024-25 Budget & Vaccine Grid Development Process

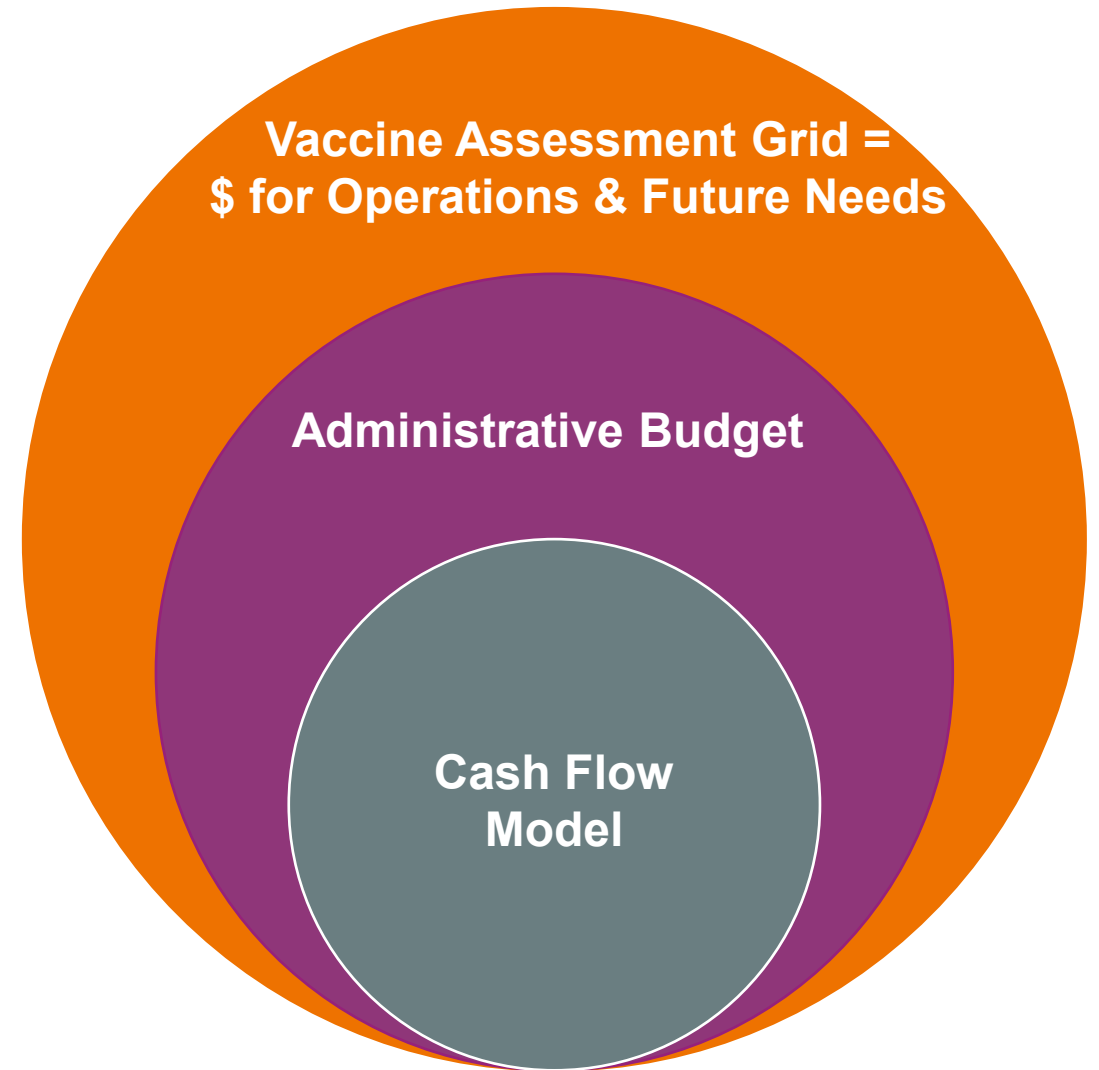


Integrated Approach



» The primary goal of the 2024-25 Vaccine Assessment Grid-setting process is to increase cash reserves through multi-year, incremental Vaccine Assessment Grid increases.

» The Vaccine Assessment Grid is built upon the Cash Flow Model and the Administrative Budget.



Definitions

- » **Administrative Budget.** Set annually, this includes all WVA operational costs. Typically, it amounts to <2% of vaccine funding costs.
- » **Reserves.** Funds that the WVA Board has set aside for protection against rapid vaccine cost changes, seasonal fluctuations in cash levels, funding new vaccines introduced off cycle (e.g., COVID-19), and general contingencies.
 - » \$54M Reserves formula: 3 Mos. Supply (\$40M) + Influenza (\$3.5M) + Contingency (\$10M)
- » **Fund Source Split.** The proportion of the vaccines a provider receives that are paid for by the WVA versus VFC funds.
 - » Currently, the WVA provides funding for 47% of the WA DOH's vaccine purchases.
- » **DOH Projection Packets.** The WVA receives information from the WA DOH twice a year with regards to what is projected for the current and upcoming fiscal years in terms of units and costs for each NDC code.
- » **DOH Funding Request.** The WA DOH provides a funding request each month to the WVA which details the quantity and cost of vaccines for each NDC code that the DOH intends to purchase using WVA funds.
- » **Leakage.** Cost attributable to providers who receive state supplied vaccine from the WA DOH but who do not remit dosage-based assessments (DBAs) to the WVA.

FY2025 Administrative Budget Assumptions

Line-Item Changes

Merged three Administrator Lines

Increases/Decreases (+/- 10%)

- ↑ Administrator
- ↑ Clearinghouse Fees
- ↑ Payroll Taxes
- ↑ Benefit Stipend
- ↑ PEO Leased Employee Fees
- ↑ Staff Travel, Conferences, Lodging, Education and Other
- ↓ Technology Support (Desktop and Telephony)
- ↓ Education Materials Design and Printing
- ↓ Postage
- ↑ Website and Information Technology
- ↑ Technical Consultants
- ↑ Hospitality
- ↑ Technical Consultants

- ↑ Government Relations Consultants
- ↓ Investment Management Fees
- ↑ Office Supplies and Equipment
- ↓ Board Retreat, Meetings, and Hospitality
- ↑ Cyberliability Insurance
- ↓ Human Resources and Governance Consultants

Past / Future:

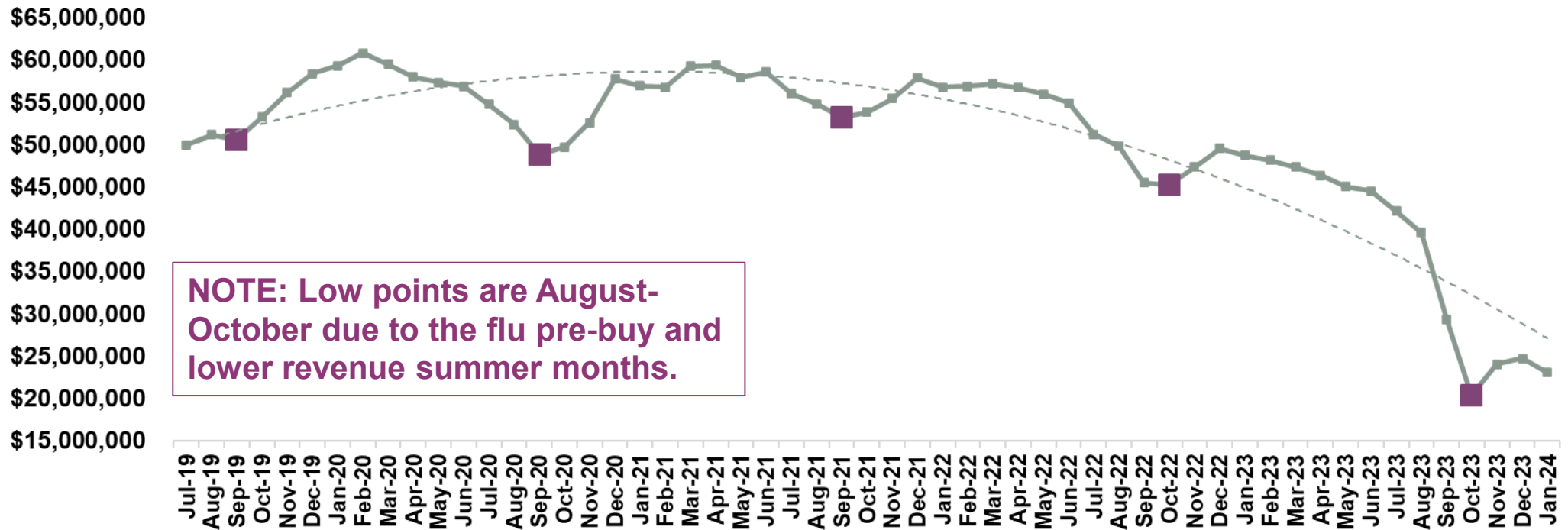
FY	FY2022	FY2023	FY2024	FY2025	FY2026
Admin Budget	\$1.86M	\$2.08M	\$2.19M	\$2.31M*	\$2.33M*
DOH Remittance	\$75.87M	\$84.64M	\$114.23M*	\$129.59M*	\$139.96M*
% of Remittance	2.45%	2.45%	1.92%*	1.78%*	1.66%*

* Forecasted.

Historic Cash High and Low Points



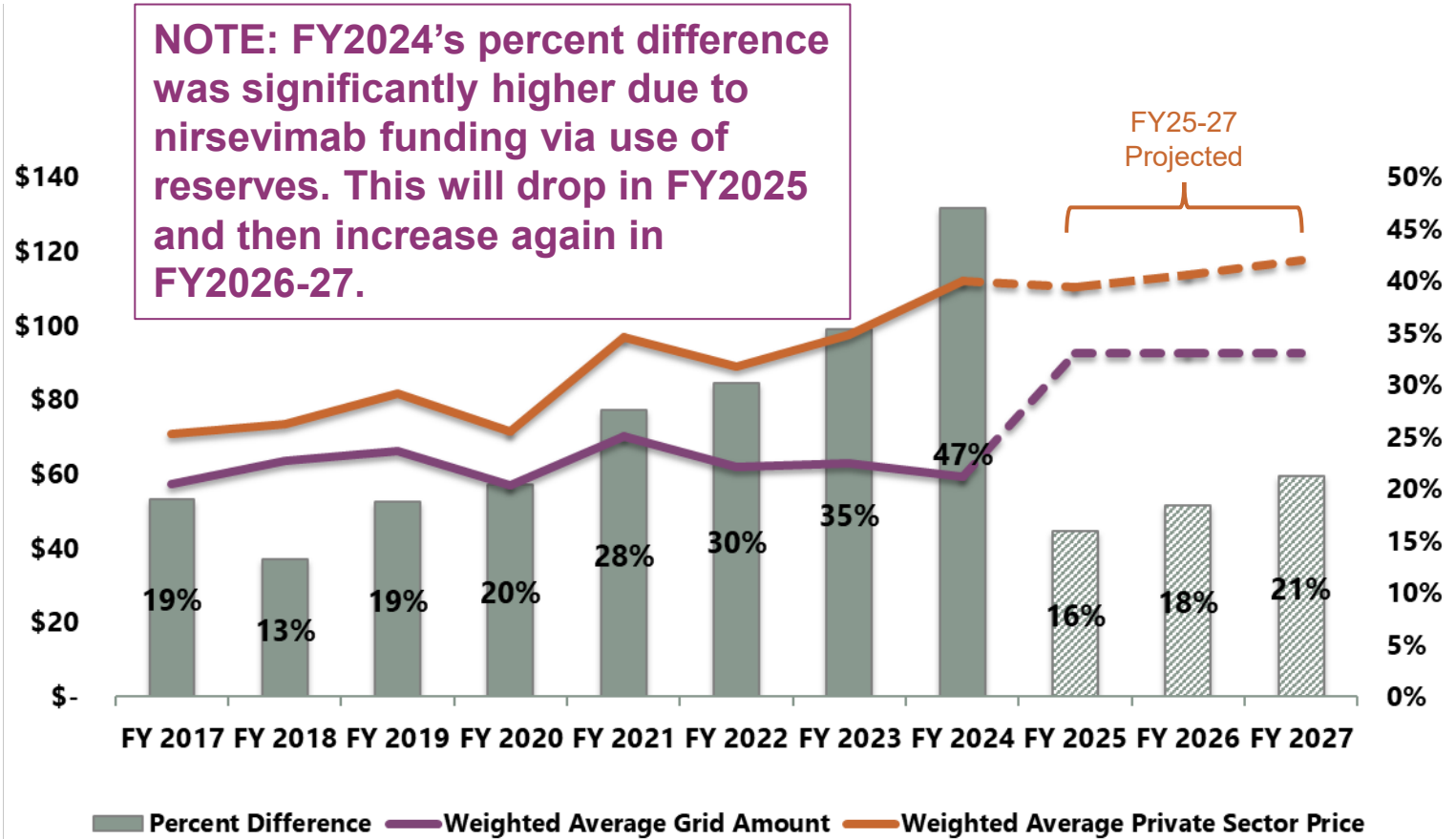
End of Month Cash Balances with Annual Low Points
July 2019 - January 2024



Weighted Average Grid Amount Vs. Weighted Average Private Sector Price – FY2017-FY2027



NOTE: FY2024's percent difference was significantly higher due to nirsevimab funding via use of reserves. This will drop in FY2025 and then increase again in FY2026-27.



FY2025 Notable Projection Assumptions

1. Increases reserves from \$23M to \$54M over three fiscal years
 - a. Halts further cash burn down
 - b. Rebuilds a contingent reserve for externalities (e.g., new vaccines in FDA pipeline)
2. Cash low points of \$13.5M and \$14.5M in September and October 2024, respectively
3. Assessment Grid increase to 119.2% of FY2024 in FY2025 and then held stable for FY2026-27
4. Stable, 47% fund source split
5. Includes COVID-19 and RSV nirsevimab immunizations
6. Immunization cost inflation of 5%
5. Level indirect charge of 1.4% and increased cost recovery fee of 1.8%
6. TRICARE surcharge of 2.5%
7. Unknown enrollment fluctuations
 - a. Hospitals
 - b. Pharmacies
 - c. Direct Care Practices
 - d. Mobile Clinics

Model Summary

Adjustment Variables	Assumptions			
	FY2024	FY2025	FY2026	FY2027
Assessment Grid as Percent of Prior Year	110.0%	119.2%	100.0%	100.0%
TRICARE Surcharge	2.5%	2.5%	2.5%	2.5%
DOH Indirect Charge	1.4%	1.4%	1.4%	1.4%
DOH Cost Recovery Fee (2.8% Cap)	1.4%	1.8%	1.8%	1.8%
Vaccine Wastage	2.5%	2.4%	2.4%	2.4%
Denials	7.0%	7.0%	7.0%	7.0%
Denial Recoveries	1.0%	1.0%	1.0%	1.0%
Administrative Budget	\$2.19M	\$2.31M	\$2.33M	\$2.33M
Cash Generated / (Used)	(\$21.1M)	\$9.8M	\$13.0M	\$7.9M
Year End Balance	\$23.4M	\$33.2M	\$46.3M	\$54.2M
CDC Vaccine Purchase Price Increase	4.6%	5.0%	5.0%	5.0%



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Reserves Investment Policy – Washington Vaccine Association

(Adopted June 28, 2018; Revised and Restated April 30, 2021)

Overview of WVA Reserves Investment Policy

Washington Vaccine Association (WVA) is a Washington nonprofit corporation, exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The primary purpose of WVA is to collect and remit adequate funds from health carriers and third-party administrators to the Washington State Department of Health to pay timely the cost of vaccines administered to children in the State of Washington who are not eligible for free vaccines under one or more federal programs. WVA was created in April 2010 pursuant to the provisions of Chapter 70.290, RCW.

The Board of Directors of WVA (Board) has determined that to carry out its statutory and charitable purpose WVA should maintain minimum reserves in amounts projected from time to time by the Board to cover several months of vaccines costs plus the next flu season purchases to provide liquidity to fund the costs of such vaccines by timely (just in time) deposits to the State's universal vaccine purchase account.

The purpose of this Reserves Investment Policy is to establish the responsibility, authority, and guidelines for the investment of WVA reserve funds maintained from time to time.

Reserves Investment Policy Review

This Reserves Investment Policy has been adopted by the Board and will be reviewed periodically by the Board or a delegated Board committee as required to remain consistent with the objectives of WVA and with current financial trends. Changes to this Reserves Investment Policy shall require Board approval.

Prudence and Good Faith

Persons responsible for managing and investing WVA funds shall act in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances as set out in the Washington State Uniform Prudent Management of Institutional Funds Act (UPMIFA), Chapter 24.55 RCW.

Investment Objectives and Principles

The objectives of WVA's investment program are, in order of priority:

- Safety and preservation of principal by investing in a high quality, diversified portfolio of securities as described in "Investment Guidelines."
- Liquidity of investments that is sufficient to meet WVA's projected funding requirements and provide liquidity for unanticipated funding needs.
- Market rates of return on invested funds consistent with the above stated conservative objectives.

Investment Guidelines

1. **Maturity:**

Individual security maturities shall not exceed 60 months (5 years). The weighted average maturity of the Portfolio shall not exceed 36 months (3 years). No more than 40% of the Portfolio will carry maturities beyond 36 months (3 years). A maturity or effective maturity by definition shall include puts, announced calls or other structural features which will allow the holder to redeem the investments at a quantifiable price consistent with liquidity, safety and preservation of capital.

2. **Eligible Investments:**

Eligible investments shall include only the following investments:

United States Government Securities: Marketable securities which are direct obligations of the U.S.A., issued by or guaranteed as to principal and interest by the U.S. Government and supported by the full faith and credit of the United States.

United States Government Agency Securities: Debt securities issued by the Government Sponsored Enterprises, Federal Agencies and certain international institutions which are not direct obligations of the United States, but involve US Government sponsorship and are fully guaranteed by government agencies or enterprises, including but not limited to:

- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC)
- Federal National Mortgage Association (FNMA)

Corporate Debt Instruments: All commercial paper and other short-term, unsecured promissory notes issued by corporations or financial institutions including but not limited to Master Notes, Medium-Term Notes, Deposit Notes, Eurodollar Notes and Yankee Notes and bonds. Corporate Debt must have either short term or long-term ratings. At the time of purchase, a security must have at least 2 short-term ratings of A-1 or P-1 or F1 or higher (S&P, Moody's and Fitch, respectively), or at least 2 long-term debt ratings of A, A2, or A or higher (S&P, Moody's, and Fitch, respectively). If the credit rating on a security falls to either BAA1 or BBB+ from the time of purchase, the Investment Advisor shall immediately inform the WVA Finance Committee Chairperson and WVA Executive Director and recommend a plan of action to sell the holding as soon as practicable. Investments in corporate bond issuers primarily related to health care or pharmaceutical companies are not permitted.

Money Market Mutual Funds: Shares of an open-end investment company fund registered under the Investment Company Act of 1940 and rated AAA by at least one major rating agency (S&P, Moody's, or Fitch). The investments of that fund should comply with the SEC regulations under Rule 2a-7 and maintain a constant net asset value, offer daily liquidity and carry an average weighted maturity that does not exceed 90 days. An investment consultant shall routinely evaluate WVA's investment portfolio to ensure its compliance with this Investment Policy.

FDIC Insured Certificates of Deposit: Marketable certificate of deposit (CDs) in separately insured ownership categories of less than \$250,000 each insured by the Federal Deposit Insurance Corporation.

Bank Deposit and Checking Accounts: No limit will be placed on bank deposit or checking accounts as long as they are 100% guaranteed by FDIC coverage. Where FDIC limits expire or are otherwise exceeded, the board will set prudent operating limits in consideration of the overall economic and operating benefits to WVA; credit quality of the bank; and overall risk environment.

Issuer Concentration Limits – In order to provide adequate issuer risk diversification the following issuer limits apply, based on the Portfolio size at the time of purchase:

1. No limit on AAA money funds that otherwise meet policy parameters;
2. No limit on US Treasury individual securities;
3. Maximum of 10% individual securities backed by any qualifying Agency issuer; and
4. Maximum of 5% individual securities of any corporate or bank issuer, with a total maximum limit of corporate bond holdings to not more than 50% of the total Portfolio.

Benchmarking, Performance, and Communications

The investment performance of the Portfolio will be measured and evaluated against an appropriate blend of commonly accepted performance benchmark indexes.

At a minimum, quarterly performance and strategy outlook reviews should be held with the investment manager and the Board or its delegated committee. The investment manager or consultant will provide timely reporting on capital market developments affecting the Portfolio and present a course of action if necessary. Investments may be sold prior to maturity due to changes in credit quality, market condition, or for uncertain capital needs; however, prudence and overall caution shall be exercised to minimize any potential losses.

Delegation of Authority

The Board shall be authorized to delegate certain responsibilities to professional experts in various fields to assist WVA in developing an investment strategy aligned with WVA's objectives consistent with UPMIFA. Professionals may include investment management consultants, investment managers, custodians of investments, attorneys, auditors, and any others who may assist WVA in meeting its responsibilities and obligations to prudently administer the investments of WVA. The Board shall engage a qualified investment manager to evaluate performance of the Portfolio and support compliance with this Reserves Investment Policy.

Revised and Restated 30th day of April, 2021.



Chad Murphy, PharmD
WVA Board Chairperson



Statement of Work - Audit Services

February 22, 2024

This document constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated February 7, 2023, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Washington Vaccine Association ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended June 30, 2024.

Allen D. Gilbert is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of Washington Vaccine Association, which comprise the financial statements identified below, and the related notes to the financial statements (collectively, the "financial statements") as of and for the year ended June 30, 2024.

Statement of financial position

Statement of activities

Statement of functional expenses

Statement of cash flows

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement

when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion.

We will issue a written report upon completion of our audit of your financial statements.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Auditor responsibilities, procedures, and limitations

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We will conduct our audit in accordance with U.S. GAAS.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Revenue recognition
- Management override of controls

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there

are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

You are responsible for 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, including monitoring ongoing activities and safeguarding assets. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations, and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's operations, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to

any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Fees

Our professional fees are outlined in the table below:

Service	Fee
Financial Statement Audit	Audit fee to be billed at 80% of standard hourly rate (not to exceed \$30,000) plus technology and client support fee noted below
Implementation of the New Risk Auditing Standards which includes an increase in information technology testing	SAS 143-145 \$2.5k- 6k Minimum
Other Significant Organizational Changes	Billed at standard hourly rates if required

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We will also bill for expenses including travel, internal and administrative charges, and a technology and client support fee of five (5%) of all professional fees billed. Our fee is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher.

Professional fees will be billed as follows:

Progress bill to be mailed on	Amount to be billed
Upon execution of the SOW	One-third of our professional fees
Upon the commencement of substantive procedures	One-third of our professional fees
Issuance of draft report(s)	One-third of our professional fees

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement

We appreciate the opportunity to provide to you the services described in this SOW under the MSA and believe this SOW accurately summarizes the significant terms of our audit engagement. This SOW and the MSA constitute the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA related to audit services. If you have any questions, please let us know. Please sign, date, and return this SOW to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP

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Response:

This letter correctly sets forth the understanding of Washington Vaccine Association.

CLA

CliftonLarsonAllen, LLP

Allen D. Gilbert

Allen D. Gilbert, Signing Director

SIGNED 2/22/2024, 11:25:51 AM PST

Client

Washington Vaccine Association

SIGN: _____

Dr. John B. Dunn, Board chair

DATE: _____

Washington Vaccine Association

SIGN: _____

Julia Zell

DATE: _____

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