

Washington Vaccine Association – Audit Committee Meeting  
April 29, 2014 – 12:30 – 2:00 p.m.  
Location: Ellis, Li & McKinstry, PLLC

**I. Attendance.** Participating in all or part of the meeting by telephone were the following individuals:

Directors:

Suzanne Daly, Chair  
Dennis Kirkpatrick  
John Sobeck

Vaccine Association:

Fred Potter, Executive Director  
Margaret Lane, Deputy Executive Director

Absent:

Jason Farber

Others:

Allen Gilbert, CPA (T)

**II. A. Summary of Actions Taken**

1. To authorize Suzanne Daly, Audit Chair or Dennis Kirkpatrick, WVA Treasurer, to sign a Power of Attorney in favor of the outside auditing firm should that be helpful or necessary with respect to IRS follow-up matters.
2. To authorize Suzanne Daly, Chair, to execute the Engagement Letter with CliftonLarsonAllen for the fiscal year end June 30, 2014 audit.
3. To authorize the increase in the maximum balance in the Washington Imprest account to \$10,000.
4. To re-affirm the Audit Charter.

**B. Follow-up Tasks/Action Items**

1. Mrs. Mills will send the Line of Credit account number to Mr. Gilbert as he requested.
2. KidsVax® to follow up with Ms. Redman regarding the compliance checklist.
3. KidsVax® will complete the additional work needed on the Code of Ethics section and will provide a draft to the committee at its June 17 meeting.

**III. Minutes**

**Upon motion duly made and seconded, it was unanimously**

**VOTED:** To authorize Suzanne Daly, Audit Chair or Dennis Kirkpatrick, WVA Treasurer, to sign a Power of Attorney in favor of the outside auditing firm should that be helpful or necessary with respect to IRS follow-up matters.

Discussion ensued regarding any risk of loss of WVA's tax exempt status. A letter was received that granted tax exempt status and indicated that a Form 990 was not required. Mr. Gilbert explained that it appears to be a communication issue that needs to be resolved. According to Mr. Gilbert, there is no perceived risk that this matter cannot be resolved. Mr. Potter indicated that theoretically, even if the tax exempt status was lost, other than potential failure to file fines, the cost would be minimal because the WVA net income tax is always zero because its net income is always zero. It has either over collected or under collected against a known liability. Discussion ensued regarding a potential failure to file penalty, which if tax is owed can be large. With the 990 there is a penalty whether there is tax or not, but Mr. Gilbert indicated that he would be shocked if anything comes of it and advised the committee that there is essentially no risk as a practical matter.

The committee reviewed the Audit Engagement Letter for Fiscal Year End June 30, 2014. Mr. Gilbert asked if there had been any major changes from the prior year and discussed the timing of the audit and submission of the draft. Mr. Potter asked to have the draft available over the summer so that a committee meeting can be scheduled. At that time, there will be an in-person meeting with Ms. Lane and Mr. Potter being excused for the Executive Session portion of the meeting for the committee to discuss all of the normal internal control questions. There is a statutory filing due in October, which necessitates the need to have the audit completed in a timely manner.

Mr. Potter requested that as has been done in the past, the auditors provide a list to Mrs. Roberge so that she packages the necessary materials exactly as they prefer. Mr. Gilbert expressed his desire to have until the third or fourth week of August for the draft to be ready. Accordingly, an Audit Committee Meeting will be planned for the last week of August or the first week of September to prepare the Board presentation to include the audited financials and report.

Mr. Potter discussed the line of credit with KeyBank necessitated by the federal cash call at the end of last summer. WVA responded by promptly getting financing in place, closed, and funded within the 30-day requirement. Because of this, Peter Smith is now engaged to provide compliance certificates to KeyBank and reports to the Board. Mr. Smith also issues a quarterly liquidity analysis included in the Board packet, along with other enhanced internal audit controls requested by the Board. Mr. Gilbert requested that the account number for the Line of Credit be forwarded to him and they will make sure that it is included in the confirmation. Mr. Potter indicated that he would ask Mrs. Mills, who is covering for Mrs. Roberge in her absence, provide the account number to him.

Due to the changeover on the Board, it was the recommendation of Mr. Potter not to put out an RFP for the audit this year. The engagement letter from CliftonLarsonAllen reflects a reasonable cost.

**Upon motion duly made and seconded, it was unanimously**

**VOTED:** To authorize Suzanne Daly, Chair, to execute the Engagement Letter with CliftonLarsonAllen for the fiscal year end June 30, 2014 audit.

There was a brief discussion concerning increasing the limit on the Imprest account to improve the transaction flow to reimburse payers who have paid WVA in error. This action will assist in getting the reimbursements done on a timely basis.

**Upon motion duly made and seconded, it was unanimously**

**VOTED:** To authorize the increase in the maximum balance in the Washington Imprest account to \$10,000.

Chair Daly reminded the committee that the requirement for two signatures was slightly increased from \$2,500 to \$3,000 at the January Board Meeting.

Mr. Potter suggested that since Chair Daly and Dr. Sobeck are new to the committee, that the Audit Charter be reviewed at the next Audit Committee meeting. Dr. Sobeck indicated that he was comfortable affirming the Audit Charter as presented.

There was a brief discussion concerning the compliance checklist. At a previous meeting, Anne Redman, outside counsel, agreed to prepare the compliance checklist and will be asked to provide it to the committee at its June meeting. KidsVax® will complete the additional work needed on the Code of Ethics section and will provide a draft to the committee at the June meeting as well. Once the committee has an opportunity to review it and make changes, it will be reported as a recommendation to the full Board at the October meeting.

**Upon motion duly made and seconded, it was unanimously**

**VOTED:** To re-affirm the Audit Charter.

The meeting schedule through October, 2014 was briefly discussed. The following meeting dates were agreed upon: June 17 to review and recommend a budget to the Board at its meeting later that day, August 28 to meet with the auditor and prepare a presentation for the Board at its October meeting, and October 21 to present the Audit Report to the Board.

The meeting adjourned at 1:15 p.m.



**What:** Washington Vaccine Association (WVA) Audit Committee  
**Date and Time:** April 29, 2014 / Noon - 2:00pm PDT  
**Location:** Ellis, Li & McKinstry, 2025 First Avenue, Market Place Tower, PH A, Seattle  
**Call in Numbers:** Local Dial-in: 206.925.3583; Toll-Free: 877.826.6967 Conference ID: 1981457183#

Notice: Meeting may be recorded for the benefit of the secretary. The WVA intends to delete the recording after the minutes of the meeting are approved. Kindly review the attached antitrust policy in advance.

### Agenda for Audit Committee Meeting

Approx. Time	Topic/[Anticipated Action]	Presented by:
12:00-12:05	1. Welcome and Introductions/Lunch	S. Daly
12:05-12:20	* 2. Approval of the Audit Engagement of CliftonLarsonAllen for Fiscal Year End June 30, 2014	F. Potter
12:20-12:30	* 3. Increase in limits on Imprest account to \$10,000	F. Potter
12:30-1:00	* 4. Review prior previously-approved reviewed Audit Charter and revise, if needed, and affirm.	F. Potter
1:00-1:15	* 5. Telephone call with Allen Gilbert re: IRS status	A. Gilbert
1:15-1:30	* 6. Schedule of meetings through June 30, 2015	S. Daly
1:15-2:00	7. Other Matters from the Board	all
	[Adjourn – Full WVA Board Meeting to follow]	

\*Indicates agenda item attached



CliftonLarsonAllen LLP  
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Bellevue, WA 98004-1446  
425-250-6100 | fax 425-250-6050  
[www.cliftonlarsonallen.com](http://www.cliftonlarsonallen.com)

March 24, 2014

Board of Directors  
Washington Vaccine Association  
P.O. Box 94002  
Seattle, WA 98124

Dear Board of Directors:

We are pleased to confirm our understanding of the services CliftonLarsonAllen LLP (CLA) will provide for Washington Vaccine Association (“you” or “your”) for the year ended June 30, 2014.

Steve Bass is responsible for the performance of the audit engagement.

#### **Audit Services**

We will audit the financial statements of Washington Vaccine Association, which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

#### **Nonaudit services**

We will also provide the following nonaudit services:

- Preparation of your financial statements and related notes.

#### **Audit objective**

The objective of our audit is the expression of an 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). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and 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. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or 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**

We will conduct our audit in accordance with U.S. GAAS. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 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 of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

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.

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. 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, grantors, 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, such as records, documentation, and other matters, and for the accuracy and completeness of that information; (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 activities, 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.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a draft of your financial statements and related notes. Since the preparation and fair presentation of the financial statements is your responsibility, you will be required to review, approve, and accept responsibility for those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements.

### **Use of financial statements**

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your 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 expect to begin our audit on approximately mid-August, 2014.

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.

The workpapers supporting the services we perform are the sole and exclusive property of CLA and constitute confidential and proprietary information. We do not provide access to our workpapers to you or anyone else in the normal course of business. Unless required by law or regulation to the contrary, we retain our workpapers in accordance with our record retention policy that typically provides for a retention period of seven years.

### **Mediation**

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

### **Time limitation**

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute. The parties agree that, notwithstanding any statute or

law of limitations that might otherwise apply to a Dispute, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

### **Fees**

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, word processing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the skill required. Based on our preliminary estimates, the fee for the engagement should approximate \$9,450. The fee estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If unexpected circumstances require significant additional time, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf. You and your attorney will receive a copy of every subpoena or request we are asked to respond to. You can control the costs of any discovery process or document request by informing us which requests you would like us to act on.

### ***Other fees***

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf. You and your attorney will receive a copy of every subpoena or request we are asked to respond to. You can control the costs of any discovery process or document request by informing us which requests you would like us to act on.

### ***Finance charges and collection expenses***

You agree that if any statement is not paid within 30 days from its date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

### **Agreement**

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. Please sign, date, and return



March 24, 2014  
Washington Vaccine Association  
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the enclosed copy of this letter 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 our respective responsibilities.

Sincerely,

**CliftonLarsonAllen LLP**



Steve Bass, CPA  
Principle  
425-250-6016  
Steve.bass@CLAconnect.com

Enclosure

**Response:**

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

Authorized Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

April 29, 2014 WVA Board Meeting – Audit Committee  
Proposed Form of Votes

The following are suggested forms of votes only. They are intended to be an aid to facilitate work by individual directors. All board policy and the final form of votes is exclusively the province of the Board acting collectively as a Board of Directors.

Items under Agenda Section 2:

VOTED: To authorize Suzanne Daly, Chair, to execute the Engagement Letter with CliftonLarsonAllen for the fiscal year end June 30, 2015 audit.

Items under Agenda Section 3:

VOTED: To authorize the increase in the maximum balance in the Washington Imprest account to \$10,000.

[To authorize the increase in the maximum balance in the Washington Imprest account to \$\_\_\_\_\_.]

Item under Agenda Section 4:

VOTED: To affirm the Audit Charter.

[To affirm the Audit Charter with changes adopted at the meeting.]

Items under Agenda Section 5:

VOTED: To set the upcoming Audit Committee meeting dates as follows: \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_.

## **Washington Vaccine Association AUDIT / COMPLIANCE COMMITTEE CHARTER**

### **Overall Roles and Responsibilities**

The Audit / Compliance Committee (ACC) is responsible to provide informed, vigilant, and effective oversight of the Washington Vaccine Association (WVA) financial reporting process and internal control environment. The ACC's role is to act on behalf of the board of directors and oversee all material aspects of the organization's financial reporting, internal controls, and audit functions. The ACC's role includes a particular focus on the qualitative aspects of financial reporting, organization processes for the management of risk, and compliance with significant, applicable tax, legal, ethical, and regulatory requirements.

The role also includes coordination with other board committees and maintenance of strong, positive working relationships with management, external auditors, legal counsel, and other committee advisors.

### **Specific Responsibilities**

The specific responsibilities of the ACC include:

- Review the ACC's charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board of Directors. Consider changes that are necessary as a result of new laws or regulations.
- Conduct executive sessions with the outside auditors, Executive Director, and the Controller and/or Internal Control professional of its outside administrator. Circumstances may dictate that additional executive sessions may be needed with the Controller, or others as desired by the ACC.
- Hire independent auditors, counsel, or other consultants as necessary. (This may take place any time during the year.)
- Appoint the independent auditors to be engaged by the WVA, establish the audit fees of the independent auditors, and pre-approve any non-audit services provided by the independent auditors, including tax services, before the services are rendered.
- Review with the independent auditor, CFO and Controller, the audit scope and plan of the independent auditors.
- Review the Federal Form 990, if required, to ensure compliance on all financial sections.
- Annually review with each public accounting firm that performs an audit (1) all critical accounting policies and practices used by the WVA and (2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management of the WVA, the ramifications of each alternative, and the treatment preferred by the WVA.
- Review at the completion of each year's external audit all material written communications between the independent auditors and management, such as any,

the WVA's annual financial statements and related footnotes, the independent auditors' audit of the financial statements and their report thereon, the independent auditors' judgments about the quality, not just the acceptability, of the WVA's accounting principles as applied in its financial reporting, any significant changes required in the independent auditors' audit plan, any serious difficulties or disputes with management encountered during the audit, or schedule of unadjusted differences.

- Evaluate the independent auditors.
- **[Note – this paragraph is not currently applicable since WVA has no employees, but is preserved in case WVA should hire employees in the future.]** Review with management the policies and procedures regarding expense accounts, perks, and transactions between the WVA and Directors, officers, and any key employees; consider the results of any review of these areas by the internal auditor or the independent auditors.
- Inquire of management, and the independent auditors about significant risks or exposures facing the WVA; assess the steps management has taken or proposes to take to minimize such risks to the WVA; and periodically review compliance with such steps.
- Review with management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet transactions, if any.
- Periodically review with the outside general counsel and the Executive Director, legal and regulatory matters that, in the opinion of management, may have a material impact on the financial statements, related WVA compliance policies, and programs and reports received from regulators.
- Prepare and review periodically any code of conduct/ethics to ensure that it is adequate and up-to-date. Review with the Executive Director and WVA's general counsel the results of their review of the monitoring of compliance with the WVA's code of conduct/ethics. **[Note: The Audit Committee has taken development of this Code of Ethics, with the assistance of KidsVax.org® as a 2013/14 task.]**
- Not less frequently than annually, review and submissions, whether via WVA's Whistleblower Policy or otherwise, by any WVA employee or contractor or employee of any WVA contractor of any concern regarding financial misconduct, dishonesty, or questionable accounting or auditing matters. Review any submissions that have been received, the current status, and the resolution, if one has been reached.
- At least once every five years discuss whether or not either (i) the outside auditors should be requested to designate a successor audit manager and/or (ii) WVA should, through its administrator, process any RFP for a successor public accounting firm to conduct its audits. Follow up as determined appropriate by the ACC.
- Annually, review WVA's legal and regulatory compliance checklist. At least once every five years review with outside general counsel the compliance checklist itself and specifically seek such counsel's guidance with respect to ongoing legal and regulatory compliance.

## **Meetings**

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The ACC shall meet as frequently as needed to fulfill its charter and to address matters on its agenda, but not less frequently than two times per year. The ACC may ask members of management or others to attend the meeting and provide pertinent information as necessary. The ACC shall request members of management, counsel, and external auditors, as applicable, to participate in ACC meetings, as necessary, to carry out the committee's responsibilities.

Periodically (at least annually), the ACC shall meet in private session with only the ACC members. This meeting will normally take place in August, September or October of each year when the auditors will review the results of the annual audit through the preceding fiscal year end. It shall be understood that external auditors, or counsel, may at any time request a meeting with the ACC or committee chair with or without management's attendance. *In any case, the ACC shall meet at least annually in executive session separately with external auditors.*

## **Members**

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The ACC shall consist of at least three members assigned through the normal nomination and governance practices of the WVA. The Board of Directors may also assign up to two non-board members who offer special financial expertise who shall serve as voting member of the ACC. Adequate financial expertise should be represented on the ACC. At least one member of the ACC shall be an individual who is financially sophisticated in the sense that she or he has comfort and experience in reviewing financial audit reports and participating in board oversight of audit processes. To ensure that the ACC is independent, none of the ACC members may be employees of WVA or its outside administrator. Neither the auditor nor the outside general counsel should serve as a member of the ACC, but should only serve in an advisory capacity.

Reviewed by Committee

Approved by the Board

Date: May \_\_\_\_, 2013

Date \_\_\_\_\_

Chair \_\_\_\_\_



*Ensuring Funds for Childhood Vaccines*

April 2, 2014

Department of Treasury  
Internal Revenue Service  
Ogden, UT 84201-0023

Re: Washington Vaccine Association  
EIN 27-2251833  
Notice CP120A  
Notice Date February 17, 2014

We are in receipt of the notice referenced above regarding revocation of our tax exempt status. We believe the notice is an error as evidenced by the attached Exception Letter dated November 7, 2013. The exemption letter grants exemption effective November 15, 2012 and also indicates that a Form 990 is not required.

Please adjust your records accordingly.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fred L. Potter', is written over a printed name and title.

Fred L. Potter  
Executive Director

cc: CliftonLarsonAllen



Department of Treasury  
Internal Revenue Service  
Ogden UT 84201-0023

Notice	CP120A
Notice date	February 17, 2014
Employer ID number	27-2251833
To contact us	Phone 1-877-829-5500 FAX 801-620-5670

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065451.264091.14096.2109 1 BP 0.500 373



WASHINGTON VACCINE ASSOCIATION  
% JOHN PIERCE  
PO BOX 94002  
SEATTLE WA 98043-2160

065451

Important message about your failure to file an annual information return or electronic notice

## Your organization's tax-exempt status was automatically revoked

We haven't received a response to the previous notice we sent asking you to file your annual information return or electronic notice. Because you haven't filed for three consecutive years, your organization's tax-exempt status was automatically revoked by law, effective November 15, 2013.

You are no longer tax-exempt. In addition, if you were eligible to receive tax-deductible contributions, you are no longer permitted to do so. Your organization's name was added to our list of organizations that are no longer tax exempt. You can find our list at [www.irs.gov/charities](http://www.irs.gov/charities). It is available to the public, state charity officials, and state tax officials.

### What you need to do

- Because your organization is no longer tax-exempt, you may be required to file one of the following federal income tax returns:
  - Form 1120, U.S. Corporation Income Tax Return
  - Form 1041, U.S. Income Tax Return for Estates and Trusts
 The instructions for both returns explain who must file and when to file. You can download the returns and instructions at [www.irs.gov](http://www.irs.gov). You can also obtain copies by calling 1-800-TAX-FORM (1-800-829-3676).
- Visit [www.irs.gov/cp120a](http://www.irs.gov/cp120a) for more information if you think you received this notice in error.
- Contact your state to determine how this revocation affects your state responsibilities and requirements.

### Next steps

Do the following if you want to reinstate your tax-exempt status:

- Apply for tax-exempt status by filing the appropriate application form below:
  - Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code
  - Form 1024, Application for Recognition of Exemption Under Section 501(a) or for Determination Under Section 120 and Form 8718, User Fee for Exempt Organization Determination Letter Request
 You must apply for reinstatement even if you did not have to apply for tax-exempt status originally.
- Send your completed application with the appropriate user fee to:

Internal Revenue Service  
P.O. Box 12192  
Covington, KY 41012-0192

Continued on back...

Notice	CP120A
Notice date	February 17, 2014
Employer ID number	27-2251833
Page 2 of 2	

**Next steps - continued**

You can request prospective or retroactive reinstatement of your tax-exempt status.

- If you file an application for reinstatement and we determine that you qualify for tax-exempt status, your tax-exempt status will be reinstated from the date of your application.
- If you request retroactive reinstatement and you include a written statement with your application that demonstrates reasonable cause for not filing for three consecutive years, and you file the returns for the three-year period for which you were revoked for not filing, your tax-exempt status will be reinstated retroactively for the revocation date.

Visit [www.irs.gov/cp120a](http://www.irs.gov/cp120a) for additional information on reinstatement of your tax-exempt status, including retroactive statement.

**Additional information**

- Visit [www.irs.gov/cp120a](http://www.irs.gov/cp120a).
- You can also find the following online:
  - Form 1120, U.S. Corporation Income Tax Return
  - Form 1041, U.S. Income Tax Return for Estates and Trusts
  - Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code
  - Form 1024, Application for Recognition of Exemption under Section 501(a) or for Determination Under Section 120 and Form 8718, User Fee for Exempt Organization Determination Letter Request
- For tax forms, instructions, and publications, visit [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).
- If you believe you have received this notice in error because you have a letter from the IRS stating that you are not required to file an annual return or notice, or you have proof that you met your filing requirements, call 877-829-5500 (a toll-free number) or visit [www.irs.gov/cp120a](http://www.irs.gov/cp120a) for further information about where to send your letter or proof of filing.
- Keep a copy of this notice in your permanent records. It could help resolve future questions about your tax-exempt or foundation status.

Please call 877-829-5500 (a toll-free number) with any questions you may have.



INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

WVA 2014-04-29 Audit Committee 05-4  
DEPARTMENT OF THE TREASURY

Date: NOV 07 2013

WASHINGTON VACCINE ASSOCIATION  
C/O STEVEN B BASS, CPA  
3000 NORTHUP WAY - STE 200  
BELLEVUE, WA 98004

Employer Identification Number:  
27-2251833  
DLN:  
17053170339032  
Contact Person:  
JOSEPH LAUX ID# 31077  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
June 30  
Public Charity Status:  
170(b)(1)(A)(vi)  
Form 990 Required:  
No  
Effective Date of Exemption:  
November 15, 2012  
Contribution Deductibility:  
Yes  
Addendum Applies:  
Yes

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

WASHINGTON VACCINE ASSOCIATION

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth C. Coker". The signature is written in a cursive style with a long horizontal flourish at the end.

Director, Exempt Organizations

Enclosure: Publication 4221-PC

WASHINGTON VACCINE ASSOCIATION

ADDENDUM

Based on the information submitted with your application, we approved your request for reinstatement under Notice 2011-44. Your effective date of exemption, as shown in the heading of this letter, is the date of revocation.

This supersedes our letter dated May 14, 2013 which was issued with an incorrect Effective Date of Exemption and did not include the above addendum regarding auto-revocation. We have updated our records to reflect these changes.

Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>BOARD MTG</b>			<b>BOARD MTG</b>  AUDIT COMM	OPERATIONS  VACCINE COMM	<b>BOARD MTG</b>  Approve WVA budget and annual WVA goals  AUDIT COMM  FYI - Close of 2013-14 Fiscal Year		AUDIT COMM	OPERATIONS	<b>BOARD MTG</b>  Annual meeting of Directors, election of Officers, and Secretary's appointments  Approve Audited Financials  Annual Review of Investment Performance  Secretary's opportunity to address Board  FYI - Annual Report	Financial report due to Secretary  Establish the estimated amount of annual assessments and notify payers in writing  VACCINE COMM  OPERATIONS	

# WVA 2014 Quarterly Board Meeting Calendar

## First Quarter

JANUARY	FEBRUARY	MARCH
<p><b>QUARTERLY BOARD MEETING</b> Review of Investment Performance</p> <p><b>DOH</b> Flu pre-book survey</p>	<p><b>DOH</b> Review results of January flu pre-book survey</p>	<p><b>PREP WORK FOR APRIL BOARD MEETING</b></p>
<p><b>OTHER ACTIVITIES</b></p> <p><b>WVA</b> WVA contributed article in provider organization newsletters</p> <p><b>FYI</b></p>	<p><b>OTHER ACTIVITIES</b></p> <p><b>WVA</b> Update SharePoint database with prior year data on vaccine doses and dollars (next update in 2015))</p> <p><b>DOH</b> Provide updated immunization data to WVA (for 2015 update)</p> <p><b>FYI</b></p>	<p><b>OTHER ACTIVITIES</b></p> <p><b>WVA</b></p> <p><b>FYI</b></p>

## Second Quarter

APRIL	MAY	JUNE
<p><b>QUARTERLY BOARD MEETING</b></p> <ul style="list-style-type: none"> <li>Review of Investment Performance</li> <li>Policy clean-up and update c/interest statements</li> <li>Review committee charters, and any revised charters</li> </ul> <p><b>Audit Committee</b> Plan audit: select auditors for annual term, review engagement letter, and address other audit matters</p> <p><b>DOH</b> Prepare Budget and Management Packet, with projections for state portion of childhood vaccine program</p> <p>Settlement Report Monitoring Tracking Report</p>	<p><b>Vaccine Committee</b> Review implementation of April Vaccine Selection Review any changes to ACIP-recommended vaccines</p> <p><b>Operations</b> Review Q1 issues</p>	<p><b>JUNE BOARD MEETING</b></p> <ul style="list-style-type: none"> <li>Approve annual budget and KidsVax goals</li> </ul> <p><b>Audit Committee</b></p> <ul style="list-style-type: none"> <li>Review and recommend budget to the WVA board. Seek authorization from the board to approve financials after meeting with auditors at the end of August.</li> </ul>
<p><b>OTHER ACTIVITIES</b></p> <p><b>WVA</b> Submit nonprofit corporation annual report to the WA Secretary of State (online filing) Meet with DOH to review projections for state portion of childhood vaccine program</p> <p><b>FYI</b> CDC contract changes (review any changes to ACIP-recommended vaccines)</p>	<p><b>OTHER ACTIVITIES</b></p> <p><b>WVA</b></p> <p><b>FYI</b> National Immunization Conference (Seattle in 2014)</p>	<p><b>OTHER ACTIVITIES</b></p> <p><b>WVA</b> <b>30th</b> Close of 2013-2014 Fiscal Year</p> <p><b>FYI</b></p>

**Third Quarter**

JULY	AUGUST	SEPTEMBER
	<p>PREP WORK FOR OCT. BOARD MEETING</p> <p><b>Audit Committee</b> Meet with auditors, prepare board presentation of audited 2013/14 financials and auditors' report (for October board presentation)</p>	<p>PREP WORK FOR OCT. BOARD MEETING</p> <p><b>Operations</b> Review second quarter operational issues</p>
<p><b>OTHER ACTIVITIES</b> Independent auditors review year-end financials</p> <p>FYI</p>	<p><b>OTHER ACTIVITIES</b></p> <p>FYI</p>	<p><b>OTHER ACTIVITIES</b></p> <p>FYI</p>

**Fourth Quarter**

OCTOBER	NOVEMBER	DECEMBER
<p><b>QUARTERLY BOARD MEETING AND ANNUAL MEETING OF DIRECTORS</b></p> <ul style="list-style-type: none"> <li>• Elect Board officers</li> <li>• Approve extension of Board members' terms or appointment of new members</li> <li>• Ratify Secretary's appointments (board members representing Taft-Hartley plans, self-funded employers)</li> <li>• Approve audited financials and Annual Report</li> <li>• Annual review of Investment Performance</li> <li>• Board self-evaluation</li> </ul> <p><b>DOH</b> Prepare Budget and Management Packet, with projections for state portion of childhood vaccine program</p>	<p><b>Vaccine Committee</b> Evaluate vaccine selection process</p> <p><b>Operations</b> Review third quarter operational issues; Settlement Report Monitoring Tracking Report</p>	<p><b>PREP WORK FOR Q1 2015 BOARD MEETING</b></p>
<p><b>OTHER ACTIVITIES</b></p> <p><b>DOH</b> Vaccine selection offered for 2nd time in 2014</p> <p><b>WVA</b> Prepare financial report for DOH Secretary, due by Nov 1 Meet with DOH to review projections for state portion of childhood vaccine program WA VaxFacts to legislators</p>	<p><b>OTHER ACTIVITIES</b></p> <p><b>WVA</b> <b>By 11/1</b>, submit financial report to DOH Secretary in required form</p> <p>Set assessment amounts for subsequent year and notify health carriers and TPAs in writing (by 11/15)</p> <p>If necessary, submit a report to DOH Secretary listing carriers/TPAs that failed to remit assessments</p>	<p><b>OTHER ACTIVITIES</b></p> <p><b>WVA</b> Review TPA registration renewals with WVA</p>



## Ongoing WVA Activities and Events

### Monthly

- Remittance of funds to state treasurer for DOH purchase of vaccines
- Compliance follow-up to assist providers with DBA billing, update database and track compliance
- Update tracking systems for WVA performance metrics
- Financial management reports

### Quarterly

- Settlement reports
- State Vaccine Advisory Committee Meetings: attendance on request and/or presentations
- Operations review of vaccine payments (identify/audit any significant or non-standard payments to providers)
- Investment Reports
- Rolling 12-month liquidity forecast

### Annually

- Board self-evaluation
- Evaluation of ED and staff
- Announcements of assessment code changes and potential adjustment to assessment level
- January state legislative session: monitor for WVA impacts; determine if WVA needs legislation or regulation to advance mission and/or revise statute
- National Immunization Conference: possible attendance and/or presentations

### As appropriate

- WVA calendar updates, Web site updates, email alerts, provider updates
- Operations sub-group available to consider immediate issues or regulatory changes
- Communication with state legislators, Medical and Hospital Associations
- Presentations as requested