

**Audit Committee Meeting
March 23, 2016; 3:00-4:30 p.m.**

I. Attendance. Participating in all or part of the meeting in person or by telephone (T) were the following individuals.

Directors:

John Sobeck, M.D, Chairman - Market Medical Executive, Cigna
Dennis Kirkpatrick - CFO, Welfare & Pension Administrative Service, Inc.

Absent:

Jason Farber, Esq. - Davis Wright Tremaine, LLP

KidsVax®:

Julia Walter
Ashley Kittrell
Claire Roberge (T)
Norman Roberge (T)
Peter Smith (T)
Fred Potter (T)

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the September 1, 2015 Audit Committee minutes as amended by Chairman John Sobeck.
2. Select CliftonLarsonAllen to conduct FYE 2015/16 audit.

B. Follow up Tasks/Action Items

1. Re-caption "Accounts Receivable" on financial statements.
2. Estimate cash balances for line of credit (LOC) pay down alternatives.

III. Meeting Minutes

At 3:00 p.m., Chairman Sobeck called the meeting to order and asked all participants to introduce themselves. The September 1, 2015 Audit Committee meeting minutes were approved after Chairman Sobeck requested that his title be changed from "Acting Chairman" to "Chairman."

Update on Financial Position

Peter Smith informed the Committee that there is currently \$5.4 million dollars in the bank. Referring to the Line of Credit (LOC) Pay-down Alternatives Schedule, Mr. Smith explained

the alternative of saving more cash as opposed to paying down the LOC through different time frames that are ranked as aggressive, medium, and conservative. One of the terms set forth by KeyBank requires the Washington Vaccine Association (WVA) to have \$4 million dollars in savings at the end of each financial quarter. On a positive note, the payment requests from the Department of Health (DOH) have been met in full as forecasted and the DOH is now able to request payments at the beginning of the month as opposed to delaying its requests when the WVA first experienced cash-flow issues. There are two conditions regarding the LOC: first, it must be paid down to \$10 million dollars by August 1, 2016 and second, it must be completely paid off by January 1, 2017. Dennis Kirkpatrick inquired if the LOC can be renegotiated if there is a possibility that the WVA is unable to meet the deadline. Julia Walter reported that she had spoken with KeyBank Senior Vice President, Ray Ward, who assured her that KeyBank is willing to renegotiate and extend the pay-off dates as well as the step-down. He suggested that the WVA focus on building cash reserves as opposed to aggressively paying down the LOC. Chairman Sobeck asked if it would be possible to map out the different alternative payments (aggressive, medium, and conservative) and compare it to the estimated amount after monthly vaccine payments. Mr. Smith stated that there is a quarterly cash flow model with those indicators and will be included in the Board meeting packet. The current pay-down schedule in the cash flow model is between medium and aggressive.

KidsVax® Updates

Monthly Financial Update

Norman Roberge described the table of financial information that includes monthly cash balance, prepaid vaccines, LOC outstanding, assessments collected, payments to DOH, and LOC interest. Mr. Roberge suggested moving the schedule to a thirteen month rolling average snapshot in order to fully compare each month. The prepaid vaccines and payments to DOH are the same, which indicates that the WVA is fully covering the next month's payment. Ms. Walter asked Committee Members if there were any changes they would like to make to the report. Mr. Kirkpatrick suggested adding an average column on the right side and a brief commentary with significant and upcoming dates such as the assessment grid increase, end of the financial quarter-end, and the LOC step-down date. Mr. Roberge recommended that Committee Members email him with any other suggestions or requests.

Assessment Grid

The WVA's assessment is 130% of the CDC contract, which is a 19% increase of the previous assessment, but is 7% less than the CDC market rate. Mr. Smith suggested that the Committee update the grid at a continuing 130% after the CDC resets the prices on April 1 to provide for inflation. The main benefit to this method is that it avoids the risk of going off the cash flow model based on changes for certain higher-priced vaccines. Ms. Walter noted that during the Operations Committee meeting on February 11, the payer community had expressed the

1 preference for more stability in the assessment grid to allow for more accurate future
2 projections.

3 4 **Carrier Survey Update**

5
6 KidsVax® (KV) hired Compass Health Analytics, an independent consulting firm, to conduct
7 a gap analysis and a carrier survey. There has been little participation due to the onerous data
8 requests and other pressing projects; however, two major carriers have completed the survey.
9 KV is now asking payers to complete as much of the survey as possible by June 30, 2016.
10 Chairman Sobeck committed to sending the survey forward to the right contact in Cigna to
11 possibly participate.

12
13 Regarding TRICARE, Ms. Walter informed the Committee that KV is cautiously optimistic
14 that the legislation for the 2016 National Defense Authorization Act requiring TRICARE to
15 participate in universal vaccine purchase states will pass in Congress. KV is also working in
16 tandem with TRICARE General Counsel to see what they can do to provide stop-gap funding
17 to prevent Idaho's funding for TRICARE beneficiaries from running out. If the funding in
18 Idaho is no longer available, it will force Idaho beneficiaries to receive vaccines on-base in
19 Idaho or come to Washington. Because there is only one military base in Idaho, cross-border
20 issues might arise and affect the WVA's cash flow. Ms. Walter noted that the WVA will watch
21 this issue carefully and bring it to the Board's attention if needed.

22 23 Auditor Selection

24
25 Committee members reviewed CliftonLarsonAllen's (CLA) proposed letter of engagement for
26 FYE 2015/16 and discussed the audit timeline. The WVA will ask CLA if they are able to
27 complete the audit for the next Committee meeting on June 22. The report also needs to be
28 completed within that timeframe to allow the VaxFacts to be completed and presented to the
29 Board for approval.

30 31 Other Matters from Committee Members

32
33 Chairman Sobeck inquired about the "Accounts Receivable" portion of the financial statement.
34 Ms. Walter answered that the number is a projection of what the WVA expects to receive for
35 assessments. Mr. Roberge is currently working to calculate a more accurate amount in addition
36 to renaming the caption to eliminate the perception that the WVA actually possesses that
37 amount. Mr. Kirkpatrick asked if the amount should be considered an asset if there is little
38 chance that it will be recovered. Ms. Walter answered that it will be recovered at some level
39 but the amount is unknown. Mr. Potter recommended renaming the caption to something
40 similar to "expected future assessments" but also noted that it should be brought to the attention
41 of CLA when it conducts the audit.

1 Executive Session

2
3 The Committee, excluding KV, went into executive session.

4
5 Closing

6
7 There being no further business, the meeting adjourned at 4:02 p.m.



What: Washington Vaccine Association Audit Committee Meeting
 Date & Time: Wednesday, March 23; 3:00-4:30 p.m. PDT
 Location: Cigna's Mt. Rainier Conference Room, 701 5th Ave., Suite 4900 Seattle, WA, 98121
 Call-in: (605) 562-3180; Conference ID: 103063718#

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.

Approx. Time	Topic/[Anticipated Action]	Presented by:
3:00-3:05 p.m.	1. Welcome and Introductions	J. Sobeck
3:05-3:10 p.m.	2. Consent Calendar Items	J. Sobeck
	* a. Committee Minutes - September 1, 2015	
3:10-3:30 p.m.	3. Update on Financial Position	P. Smith
	* a. Recommend LOC Pay-down Schedule	
3:30-3:50 p.m.	4. KidsVax Updates	J. Walter
	* a. Monthly Financial Update	N. Roberge
	b. Assessment Grid	J. Walter
	c. Carrier Survey Update	
3:50-4:00 p.m.	* 5. Auditor Selection	J. Walter
4:00-4:10 p.m.	6. Other Matters from Committee Members	Any
4:10-4:25 p.m.	7. Executive Session (KidsVax excluded)	J. Sobeck
4:25-4:30 p.m.	8. Closing	J. Sobeck

*Indicates agenda item attached

Audit Committee Meeting Summary
September 1, 2015 - 3:00 - 4:30 p.m.
Location: Cigna, Seattle, WA

I. Attendance. Participating in all or part of the meeting in person or by telephone (T) were the following individuals:

Directors:	KidsVax:
John Sobeck, Acting Chair	Fred Potter (T)
Dennis Kirkpatrick	Julia Walter
Jason Farber (T)	Claire Roberge (T)
	Norman Roberge (T)
Others:	Ashley Kittrell
Allen Gilbert, CliftonLarsonAllen (T)	

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the March 17, 2015 Audit Committee minutes as submitted.
2. To accept and authorize publication of FYE 2014/15 Financial Statements and independent auditor's report.

B. Follow up Tasks/Action Items

1. Ms. Walter to send the KeyBank confirmation of debt letter.

III. Meeting Minutes

Welcome and Introductions

At 3:00 p.m., a quorum having been established, Chairman John Sobeck called the meeting to order and asked if there were any changes to be made to the March 17, 2015 Committee meeting minutes. Seeing none, it was put to a vote.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the minutes of the March 17, 2015 Audit Committee meeting.

Overview of Draft Audited Financials-FYE 2015-06-30

Dr. Sobeck asked Mr. Allen Gilbert to review the 2014/15 financials. Mr. Gilbert began by saying it was a clean report and briefly went over the items listed in the Statements. Beginning with the assets, he pointed out a decrease of \$2.6 million in cash and an increase of approximately \$6 million in number of assets receivable and an increase of \$2.2 million in prepaid vaccines. Secondly, there was a \$4 million increase on the line of credit. Third, he noted that the "Assessment collected in excess of vaccine funding and administrative activities" is similar to net equity but was called that due to the nature of the organization. Continuing to the Statement of Activities, he said that there was a \$7.5 million increase in net assessment activity for 2014/15 combined because of a 20% increase in vaccine purchases.

The biggest change in expenses was the interest charges on the KeyBank account totaling approximately \$134,000. Regarding administrative expenses, the most significant decrease was the amount of legal fees as a result of having achieved nonprofit exempt status and, apart from TRICARE litigation expenses, legal fees are expected to decline over the next year. The net assets of the organization was \$1.57 million.

Mr. Gilbert continued to the cash flow statement and reported over \$65 million for assessments collected. In 2015, approximately \$63 million was paid to the Department of Health (DOH). The net cash used was \$6.6 million.

Mr. Gilbert asked the Committee to review the notes attached to the financial statement and make any corrections it deemed necessary. He noted the disclosure of new terms for the renewed credit line and that it has a declining available balance. \$15 million is available until January, 2016 and subsequently decreases.

Mr. Gilbert asked for questions. He then moved to the Letter of Governance, reporting no issues or problems. However, Mr. Gilbert had yet to receive a signed confirmation of debt letter from KeyBank and was awaiting that document before sending the representation letter. It was decided that Ms. Walter would send the letter.

Referring to the accounts receivable, Dr. Sobeck asked if it was affecting cash flow and if it should be examined more closely to avoid future conflict. Norman Roberge answered by explaining the methodology used to estimate and calculate the accounts receivable. Each month the DOH vaccine request is taken for a specified time period and multiplied by the grid price which gives the estimate for that specific time period. As money is received by various payers, the dates of service are reviewed and the collections are applied to the specified time period. On average, the majority of anticipated funds are collected within ninety days. Currently, there have been less funds received based from anticipated calculations and is why the Task Force has been formed to identify potential leakage. Fred Potter added that the Task Force should have clearer answers in four to six weeks regarding the issue.

On behalf of the Audit Committee, Dennis Kirkpatrick inquired if Mr. Gilbert had examined and approved of the WVA's methodology for calculating and handling the accounts receivable. Mr. Gilbert responded affirmatively. He stated that scrutinizing the methodology and making sure the pricing is consistent with the grid and DOH pricing is a large part of his work as well as making sure all mathematical calculations are consistent as well as accurate invoicing from the DOH.

Upon motion duly made and seconded, it was unanimously

VOTED: To accept and authorize publication of the FYE 2014/15 Financial Statements and Independent auditor's report.

Ms. Walter committed to sending the KeyBank confirmation of debt letter and to Mr. Gilbert as expeditiously as possible.

Review of Refund Checks

Mr. Potter briefly explained that the refund checks are processed payer funds and are processed through

1 The imprest account to ensure a speedy refund. Dr. Sobeck noted that Regence and Aetna had an
2 unusually large number of checks and if there was an underlying issue. Mr. Roberge answered that some
3 payers occasionally pay the WVA for doctor administrations or other clinic charges in error and is the
4 underlying cause of such large refunds.

5 6 **KidsVax Updates**

7
8 Mr. Potter began by reporting that the WVA had fallen out of compliance with its KeyBank loan
9 covenants. KeyBank has been understanding and is awaiting for updates once the Task Force has
10 completed their research and reported to the Board. There is currently \$1.5 million dollars on
11 hand. Cash collections are up. However, the large flu vaccine order has not yet been processed
12 but will be in September.

13
14 Ms. Walter stated that the DOH is monitoring vaccine output carefully and doing just-in-time inventory.
15 Six practice profile allocations have been completed and the WVA has been adjusted downward for their
16 orders. The Task Force is currently sending out a payer data verification survey to the ten highest
17 volume payers and the WVA is confident more adjustments will be made.

18
19 Dr. Sobeck inquired if there are any potential issues that could trigger a significant change in either
20 direction of the cash flow. Mr. Potter replied that the flu order had increased and is coming later in
21 September. He also noted that the DOH is open to better communication concerning its methodology
22 because of the direct effect it has had.

23
24 Mr. Farber requested that there be sufficient time allocated at the board meeting to fully explain and
25 further present the current cash flow issue. Ms. Walter replied that the DOH has offered to give a
26 PowerPoint presentation during the next board meeting. Mr. Potter recommended that the October 20th,
27 2015 board meeting be extended by an hour.

28 29 Executive Session

30
31 Having no items to address, the Committee declined to hold an executive session.

32
33 There being no other matters to come before the Committee at this time, the meeting was adjourned at
34 approximately 4:22 p.m.

Washington Vaccine Association

Line of Credit Paydown Alternatives

(Balance of \$12 Million as of 3/16/2016)

Date	Aggressive	Medium	Conservative
March	\$ 1,000,000	\$ -	\$ -
April	1,000,000	500,000	-
May	1,500,000	1,000,000	-
June	1,000,000	1,000,000	-
*July	1,000,000	1,000,000	2,000,000
August	1,500,000	1,000,000	1,000,000
September	1,500,000	1,500,000	1,000,000
October	1,500,000	2,000,000	1,000,000
November	1,000,000	2,000,000	2,000,000
**December	1,000,000	2,000,000	5,000,000
Total	\$ 12,000,000	\$12,000,000	\$ 12,000,000
Total Interest	\$ 143,000	\$ 185,900	\$ 226,200
Incremental Cost	\$ -	\$ 42,900	\$ 83,200

Notes: * The line of credit must be paid down to \$10 Million by August 1, 2016.
 ** The line of credit must be paid off by January 1, 2017.

Washington Vaccine Association
 Twelve (12) Months of Key Financial Information
 Prepared by Norm Roberge - KidsVax, LLC

	March	April	May	June	July	August	September	October	November	December	January	February
	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2016	2016
Cash Balance	\$ 4,861,197	\$ 3,816,357	\$ 3,428,789	\$ 2,112,330	\$ 2,548,844	\$ 1,295,558	\$ 2,587,325	\$ 1,775,681	\$ 4,445,054	\$ 6,558,124	\$ 5,805,283	\$ 4,765,225
Investments	10,000	10,000	10,000	10,000	10,000	10,000	10,000	9,950	9,900	9,805	9,755	9,750
Prepaid Vaccines	5,747,408	6,048,451	5,779,185	6,339,559	5,107,833	7,142,189	9,515,116	5,300,479	4,244,925	4,198,198	5,432,469	4,813,588
Line of Credit Outstanding	(12,000,000)	(12,500,000)	(14,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(14,000,000)	(14,000,000)	(12,000,000)
Assessments Collected	5,030,187	4,639,996	3,972,316	4,095,363	5,638,108	6,058,919	8,212,713	7,306,491	7,032,215	7,427,828	4,834,017	5,893,278
Payments to DOH	(5,747,408)	(6,103,114)	(5,779,186)	(6,339,559)	(5,107,833)	(7,142,190)	(9,515,117)	(5,300,479)	(4,244,926)	(4,198,198)	(5,432,468)	(4,813,588)
Line of Credit Interest	(30,354)	(30,394)	(34,801)	(36,066)	(38,094)	(38,833)	(37,500)	(38,750)	(37,500)	(38,454)	(38,368)	(33,645)

**Washington Vaccine Association
Statement of Financial Position
As of February 29, 2016**

A**ASSETS**

Current assets		
1	Cash and cash equivalents	\$ 4,765,224.63
2	Investments	9,705.42
3	Assessment receivable	19,889,194.00
4	Prepaid Vaccine	4,813,587.61
5	Prepaid Administrative Services	-
6	Total current assets	29,477,711.66
7	Total assets	\$ 29,477,711.66

LIABILITIES AND NET ASSETS

Current liabilities		
8	Accounts payable	\$ 41,090.39
9	Key Bank - Line of Credit	12,000,000.00
10	Payable to Washington Department of Health	-
11	Other accruals	-
12	Total current liabilities	12,041,090.39
Net assets		
13	Excess Assessments - Vaccines	32,545,312.74
14	Excess Assesments - Administrative Activities	(15,108,691.47)
15	Total net assets	17,436,621.27
16	Total liabilities and net assets	\$ 29,477,711.66

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

		Month Ending February 29, 2016			For 8 Months Ending February, 2016		
		Administrative Activities	Vaccine Activities	Total	Administrative Activities	Vaccine Activities	Total
Revenues:							
1	Assessments	\$ 1,595,368.36	\$ 5,324,739.00	\$ 6,920,107.36	\$ 13,302,022.23	\$ 46,689,210.00	\$ 59,991,232.23
2	Less: Vaccine expense	-	(5,432,468.62)	(5,432,468.62)	-	(47,280,771.27)	(47,280,771.27)
3	Net Assessment margins	1,595,368.36	(107,729.62)	1,487,638.74	13,302,022.23	(591,561.27)	12,710,460.96
4	Investment income	-	-	-	-	-	-
5	Other income	-	-	-	-	-	-
6	Net revenues	1,595,368.36	(107,729.62)	1,487,638.74	13,302,022.23	(591,561.27)	12,710,460.96
Expenses:							
7	Administrative services - fixed contract	34,481.92	-	34,481.92	313,835.37	-	313,835.37
8	Adm services - variable compensation	-	-	-	-	-	-
9	Administrative services - Tricare	10,000.00	-	10,000.00	136,644.27	-	136,644.27
10	Legal fees	11,639.81	-	11,639.81	26,650.51	-	26,650.51
11	Audit	-	-	-	9,500.00	-	9,500.00
12	Annual report / special communications	-	-	-	10,058.75	-	10,058.75
Special projects:							
13	DOH vaccine order system	-	-	-	-	-	-
14	Denied claims recovery	4,447.50	-	4,447.50	22,024.46	-	22,024.46
15	All other special projects	14,870.89	-	14,870.89	85,770.29	-	85,770.29
16	Insurance	-	-	-	43,518.94	-	43,518.94
17	Bank fees	5,838.57	-	5,838.57	42,115.26	-	42,115.26
18	Investment advisor / manager	-	-	-	-	-	-
19	Other administration expenses	-	-	-	-	-	-
20	Total administrative expenses	81,278.69	-	81,278.69	690,117.85	-	690,117.85
21	Line of credit - financing costs	33,645.85	-	33,645.85	301,145.84	-	301,145.84
22	Total expenses	114,924.54	-	114,924.54	991,263.69	-	991,263.69
23	Increase (decrease) in net assets	\$ 1,480,443.82	\$ (107,729.62)	\$ 1,372,714.20	\$ 12,310,758.54	\$ (591,561.27)	\$ 11,719,197.27
24	Unrestricted net assets, beginning of year				(27,419,450.01)	33,136,874.01	5,717,424.00
25	Unrestricted net assets, end of year				\$ (15,108,691.47)	\$ 32,545,312.74	\$ 17,436,621.27

Unaudited - For Management Purposes Only
Prepared by KidsVax, LLC

Washington Vaccine Association
Statement of Cash Flows
For the Periods Ending

WVA Audit Committee 2016-03-23 4.a.4

	A	B	C	D
	Inception Through 12/31/2015	Month 1/31/2016	Month 2/29/2016	Inception Through 2/29/2016
1 Cash balance - beginning of period	\$ -	\$ 6,567,929.92	\$ 5,815,038.82	\$ -
Inflows:				
2 Principal prepayments	7,800,001.00	-	-	7,800,001.00
3 Vaccine collections	271,428,095.43	4,834,017.32	5,893,277.90	282,155,390.65
4 Interest income	53,408.37	-	-	53,408.37
5 Investment income/ (loss)	149,787.97	-	-	149,787.97
6 Key Bank - LOC advances	14,000,000.00	-	(2,000,000.00)	12,000,000.00
7 Total inflows	293,431,292.77	4,834,017.32	3,893,277.90	302,158,587.99
Outflows:				
8 Principal repayments	(7,799,908.85)	-	-	(7,799,908.85)
Program				
9 Vaccine remittance State of WA	(274,153,227.01)	(5,432,468.62)	(4,813,587.61)	(284,399,283.24)
10 Vaccine Selection Development	(79,950.00)	-	-	(79,950.00)
11 Public information	(131,237.06)	(765.00)	-	(132,002.06)
12 Total program disbursements	(274,364,414.07)	(5,433,233.62)	(4,813,587.61)	(284,611,235.30)
Administration				
13 Administrative services	(2,318,228.69)	(57,373.42)	(69,079.00)	(2,444,681.11)
14 Project management fees	(419,878.90)	-	-	(419,878.90)
15 Denied claims recovery	(64,633.44)	(2,500.00)	(2,500.00)	(69,633.44)
16 Design and advertising	(31,031.38)	-	-	(31,031.38)
17 Claims system development	(26,000.00)	-	-	(26,000.00)
18 Legal fees	(234,360.92)	(29,198.00)	(4,013.44)	(267,572.36)
19 Audit fees	(74,655.00)	-	-	(74,655.00)
20 Website and information technology	(113,993.32)	-	-	(113,993.32)
21 Travel	(1,829.68)	-	-	(1,829.68)
22 Total administration	(3,284,611.33)	(89,071.42)	(75,592.44)	(3,449,275.19)
Office				
23 Bank Fees	(428,717.14)	(6,460.43)	(5,838.57)	(441,016.14)
24 Office supplies	958.92	-	-	958.92
25 Postage and shipping	(1,438.36)	-	-	(1,438.36)
26 Printing	(4,819.61)	-	-	(4,819.61)
27 Office Rent	(51,313.90)	-	-	(51,313.90)
28 Telephone	(2,514.23)	-	-	(2,514.23)
29 Total office	(487,844.32)	(6,460.43)	(5,838.57)	(500,143.32)
Other				
30 Insurance	(136,814.11)	(19,688.96)	-	(156,503.07)
31 Interest Line of Credit	(789,409.17)	(38,453.99)	(38,368.05)	(866,231.21)
32 Board meetings	(361.00)	-	-	(361.00)
33 Total Other	(926,584.28)	(58,142.95)	(38,368.05)	(1,023,095.28)
34 Total outflows	(286,863,362.85)	(5,586,908.42)	(4,933,386.67)	(297,383,657.94)
35 Cash balance - end of period	\$ 6,567,929.92	\$ 5,815,038.82	\$ 4,774,930.05	\$ 4,774,930.05

Note: Cash balance includes amounts in Key Bank and Morgan Stanley



CliftonLarsonAllen LLP
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CLAconnect.com

March 22, 2016

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 terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP (CLA) will provide for Washington Vaccine Association ("you," "your," or "the entity") for the year ended June 30, 2016.

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, 2016, 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 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.

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.

If we 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 expect to begin our audit in early August 2016.

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.

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

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 that may arise between us. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, 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 time involved and the degree of responsibility and skills required, plus expenses including internal and administrative charges. Based on our preliminary estimates, the fee for the engagement should approximate \$9,900. The fee estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fee for services will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimate. 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.

Unanticipated services

We do not anticipate encountering the need to perform additional services beyond those described in this letter. If any such service needs to be completed before the audit can proceed in an efficient manner, we will notify you and provide a fair and reasonable price for providing the service. We will bill you for the service at periodic dates after the additional service has been performed.

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.

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.

Consent***Consent to use financial information***

Annually, we assemble a variety of benchmarking analyses using client data obtained through our audit and other engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this engagement letter will serve as your consent to use of Washington Vaccine Association's information in these cost comparison, performance indicator, and/or benchmarking reports.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between us. If you have any questions, please let us know. Please sign, date, and return a 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
Principal
425-250-6016
steve.bass@CLAconnect.com

March 22, 2016
Washington Vaccine Association
Page 7

Response:

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

Authorized governance signature: _____

Title: _____

Date: _____

Authorized management signature: _____

Title: _____

Date: _____



CliftonLarsonAllen LLP
3000 Northup Way, Suite 200
Bellevue, WA 98004-1446
425-250-6100 | fax 425-250-6050
CLAAconnect.com

March 31, 2015

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 terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP (CLA) will provide for Washington Vaccine Association ("you," "your," or "the entity") for the year ended June 30, 2015.

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, 2015, 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.

March 31, 2015
 Washington Vaccine Association
 Page 4

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.¹

If we 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 expect to begin our audit approximately early-August 2015, or earlier if possible.

We understand that you are required to incorporate our report in financial reports to the Washington State Department of Health and to include data from the report in an annual narrative report which must be completed by the end of September in draft form. Accordingly, we will make every effort to have the draft financial report and audit report to you no later than September 20, 2015.

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.

¹ Notwithstanding any other provision of this letter, you are authorized without our prior approval, to 1) post a .pdf of the statement in our report on your website, 2) to make them available both to the Washington Department of Health and any other government authority, and 3) to include with any other report such as the WVA Annual Report, regularly published by Washington Vaccine Association.

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 time involved and the degree of responsibility and skills required, plus expenses including internal and administrative charges. Based on our preliminary estimates, the fee for the engagement should approximate \$9,500. The fee estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fee for services will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimate. 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.

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,

March 31, 2015
Washington Vaccine Association
Page 6

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.

Consent

Consent to use financial information

Annually, we assemble a variety of benchmarking analyses using client data obtained through our audit and other engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by ET Section 301 of the AICPA Code of Professional Conduct. Your acceptance of this engagement letter will serve as your consent to use of Washington Vaccine Association's information in these cost comparison, performance indicator, and/or benchmarking reports.

Subcontractors

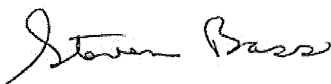
CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between us. If you have any questions, please let us know. Please sign, date, and return a 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
Principal
425-250-6016
steve.bass@CLAconnect.com

March 31, 2015
Washington Vaccine Association
Page 7

Response:

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

Authorized governance signature: _____

Title: WVA Audit Committee Chair

Date: _____

Authorized management signature:  _____

Title: WVA Executive Director via comprehensive admin. contact with KidVax

Date: March 31, 2015



CliftonLarsonAllen LLP
3000 Northup Way, Suite 200
Bellevue, WA 98004-1446
425-250-6100 | fax 425-250-6050
CLAconnect.com

March 22, 2016

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 terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP (CLA) will provide for Washington Vaccine Association ("you," "your," or "the entity") for the year ended June 30, 2016.

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, 2016, 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.

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.

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 that may arise between us. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, 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 time involved and the degree of responsibility and skills required, plus expenses including internal and administrative charges. Based on our preliminary estimates, the fee for the engagement should approximate \$9,900. The fee estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fee for services will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimate. 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.

Response:

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

Authorized governance signature: _____

Title: _____

Date: _____

Authorized management signature: _____

Title: _____

Date: _____