

1 **Washington Vaccine Association: Audit Committee Meeting**
2 **May 30, 2018; 3:00-4:00 p.m. (PDT)**
3 **Teleconference**
4

5 **I. Attendance.** Participating in all or part of the meeting were the following individuals.

6 Members:

7 John Sobeck, M.D., Chairman – Market Medical Executive, Cigna

8 Jason Farber, Esq. – Davis Wright Tremaine, LLP

9 Derek LeBrun – Finance & Risk Adjustment, Coordinated Care

10
11 Department of Health (DOH):

12 Sheanne Allen, MPH, MCHES – DOH Vaccine Management Section Manager

13 Others:

14 Anne Redman, Esq. Perkins Coie

15
16 KidsVax[®]:

17 Julia Walter Zell – WVA, Executive Director

18 Heather Veen – Sr. Executive Assistant/Paralegal

19 Norman Roberge – Accountant

20 Peter Smith, CPA – Independent Financial Analyst

21
22 **II. Summary of Actions Taken and/or Recommended**

23 **A. Actions Taken (votes adopted)**

24 i. To approve the minutes of the March 23, 2018 WVA Audit Committee
25 meeting.

26 ii. To adopt for the Board’s approval the WVA Annual Operations Budget for
27 FY2018/19 with the changes suggested at the meeting.

28 iii. To approve the updates Audit/Finance Committee Charter.

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

30 i. Julia Zell to enter in the proposed votes the updated Audit/Finance
31 Compliance Committee Charter to be voted on by the Board at the June 28
32 meeting.
33

34 **III. Meeting Minutes**

35 At 3:00 p.m., a quorum having been established, Chairman John Sobeck called the meeting to
36 order. Introductions were made and Julia Zell announced that the meeting was being recorded for
37 the benefit of the minute-taker and would be deleted following the final approval of the minutes.
38 After asking for edits and objections, Dr. Sobeck noted the Committee accepted the March 23,
39 2018 WVA Audit Committee meeting minutes.
40

1 Financial Update

2 **Financial Overview**

3

4 Peter Smith reported the financial collections are going well. He stated the WVA has \$32 million
5 in the bank currently. The new assessment grids will go into effect July 1, and he expects
6 everything to continue as planned. Mr. Smith stated the cash flow model is working very well.
7 Mr. Smith opened the floor for any questions regarding the financial report for April 30 enclosed
8 in the Audit Committee meeting packet. There was no further discussion regarding the report.
9 Mr. Smith went on to thank Dr. Sobeck for signing the request that the line of credit be closed.

10

11 Ms. Zell asked Mr. Smith to make a statement regarding the Flu-mist. He estimated that the total
12 cost would not exceed \$1.5 million to the WVA. Mr. Smith stated he has no concerns, and does
13 not anticipate any problems with that. Ms. Zell asked Ms. Allen for comments stating concern
14 that this was the day that WVA will need to prebook their vaccine dosages. Ms. Allen responded
15 that the prebook order will need to be done by May 31, and are still waiting for the Minnesota
16 contract to give DOH access numbers, but does not anticipate a delay. Ms. Allen went on to say
17 DOH will have more complete numbers for the upcoming Board meeting.

18

19 **Collections Report**

20

21 Norman Roberge reported that dosage-base compliance is as expected, but that he is trying to
22 obtain correct information from a few providers due to the errors in using their physical address
23 rather than the post office box on their claims. He went on to report the intent is to wait until July
24 1 to measure assessment grid compliance, and then focus on all the providers ensuring they use
25 the correct grid.

26

27 **Proposed Annual Operations Budget**

28

29 Mr. Roberge walked the Committee through the budget worksheet notice year over year changes.
30 He informed the Board of an administrative fee increase of 3 ½ percent over last year, and that
31 administrative services for TRICARE is winding down. He went on to report they are hoping to
32 resolve the legislative initiative. Mr. Roberge stated WVA was well within the budget for last
33 year, and anticipate the same for this year.

34

35 Mr. LeBrun inquired about the costs budgeted for TRICARE. Ms. Zell responded letting Mr.
36 LeBrun know the Board's direction during the April meeting in case of further litigation pursuing
37 2010 TRICARE unpaid assessments. She went on to inform the Committee that language was just
38 secured for this coming year in the Senate Armed Services Committee so that TRICARE cannot
39 place any limitations on the dosage base, which is what they were maintaining they had the right
40 to do in the past. Ms. Zell also noted for this coming fiscal year starting July 1 WVA will continue
41 to pay the retainer fee. If the WVA Board approves the settlement on June 28, there may be some
42 ancillary legal fees.

1
2 Ms. Zell noted that Perkins Coie’s outside counsel fees were higher due to added involvement this
3 year for TRICARE, Flu Mist, Investment and Reserve Policy work. Ms. Zell asked that Perkins
4 Coie take special note to outside counsel fees with regard to projections for next year.

5
6 **Upon motion duly made and seconded, it was unanimously**

7
8 **VOTED:** To approve the WVA Annual Operations Budget for FY2018/19 to be presented
9 to the WVA Board.

10
11 **KidsVax® Update**

12
13 **Reserve Investment Policy Update**

14
15 Ms. Zell accredited Ms. Redman and Perkins Coie for their hard work on the Reserve Investment
16 policy. Ms. Zell informed the Committee WVA is moving forward for adoption at the upcoming
17 Board meeting. She went on the state there may be a new engagement letter coming from Morgan
18 Stanley more favorable to WVA with regard to fees. Ms. Zell continued that the Reserve
19 Investment Policy should be presented and voted on at the next Board meeting.

20
21 Ms. Allen commented that Jack Bucknell will be writing a formal report regarding the State’s
22 position. Ms. Redman noted that the DOH raised the issue as to whether WVA had the authority
23 to maintain reserves. She then went on to inform the Committee that she, Ms. Zell, Mr. Potter,
24 and Dr. Sobeck received an email from Michele Roberts confirming DOH is following up on the
25 reserves question and they have determined reserves may be distinguished from the assessments.
26 Ms. Roberts further stated the DOH’s position that the WVA has the authority to obtain reserves
27 outside the state universal vaccine account.

28
29 Dr. Sobeck inquired about next steps. Ms. Zell informed the Committee the next step would be to
30 have the WVA Board adopt the policy at the June 28, 2018 Board meeting.

31
32 **Audit/Finance Committee Charter Update**

33
34 Ms. Zell gave a brief overview regarding the Audit/Finance Committee proposed Charter
35 provision. Ms. Redman reported WVA has enlarged functions of the Audit Committee to include
36 financial matters and compliance. She went on to inform the Committee that the new Reserves
37 Policy would include a body to monitor reviewing reports as to how the investments are doing.
38 After further discussion, it was agreed and accepted that the Committee would bring to the WVA
39 Board meeting for approval the updated Audit/Finance Compliance Charter Committee.

40
41 There being no further business, the meeting adjourned at 3:35 p.m.

What: Audit Committee Meeting
Date & Time: Wednesday, May 30, 2018; 3:00-4:00 p.m. (PDT)
Location: Teleconference
Conference Line: (267) 930-4000; Conference ID: 103063718#

Notice: Meeting may be recorded for the benefit of the minute-taker. 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 & Introductions a. Notification of Recording * 2. Calendar Consent Items a. 3-23-18 Audit Committee Minutes	J. Sobeck
3:05-3:30 p.m.	* 3. Financial Update a. Financial Overview b. Collections Report c. Proposed Annual Operations Budget d. Vote to Approve Operations Budget	P. Smith/ N. Roberge
3:30-3:45 p.m.	* 4. KidsVax [®] Updates a. Investment Policy Update b. Audit/Finance Committee Charter Update c. Vote to Adopt Updated Audit/Finance Committee Charter	J. Zell
3:45-3:55 p.m.	5. Other Matters	Any
4:00 p.m.	6. Closing	



1 **Washington Vaccine Association: Audit Committee Meeting**
2 **March 23, 2018; 2:30-3:30 p.m. (PDT)**
3 **Held at Cigna, Seattle**
4

5 **I. Attendance.** Participating in all or part of the meeting were the following individuals.

6 Members:

- 7 John Sobeck, M.D., Chairman – Market Medical Executive, Cigna
8 Jason Farber, Esq. – Davis Wright Tremaine, LLP- (T)
9 Derek LeBrun – Finance & Risk Adjustment, Coordinated Care- (T)

10
11 Department of Health (DOH):

- 12 Sheanne Allen, MPH, MCHES – Vaccine Management Section Manager- (T)

13 Others:

- 14 Anne Redman, Esq. Perkins Coie

15
16 KidsVax®:

- 17 Julia Walter Zell – WVA, Executive Director (P)
18 Fred Potter – Managing Member (P)
19 Claire Roberge – Controller
20 Norman Roberge – Accountant
21 Peter Smith, CPA – Independent Financial Analyst
22

23 **II. Summary of Actions Taken and/or Recommended**

24 **A. Actions Taken (votes adopted)**

- 25 i. To approve the engagement with CliftonLarsenAllen (CLA).
26 ii. To recommend that the Board reduce the July 1, 2018 Assessment Grid by
27 1% and absorb the CDC yearly inflation.

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

- 29 i. KidsVax® (KV) will continue to work with DOH to finalize the Reserve
30 and Investment policy.
31 ii. KV will provided all information requested by CLA to complete the
32 2017/18 Audit.
33

34 **III. Meeting Minutes**

35 At 2:30 p.m., a quorum having been established, Chairman John Sobeck called the meeting to
36 order. Introductions were made and Julia Walter Zell announced that the meeting was being
37 recorded for the benefit of the minute-taker and would be deleted following the final approval of
38 the minutes.
39

40 Financial Update

41 **Financials & Cash Collections**

1 Peter Smith provided highlights of the financial reports contained in the meeting packet. Overall,
2 the WVA financials are tracking well with projections, though he noted that the recent TRICARE
3 settlement has allowed the WVA to achieve the suggested reserve target. Ms. Zell noted that the
4 Draft WVA Reserve Policy is under review with the State and will be presented with the Board
5 once receiving the approval of both the Department of Health's counsel and the WVA's outside
6 counsel. Mr. Smith noted that the WVA continues to build cash through the assessment process
7 at approximately \$1 million per month. Based on the WVA's cash position, Mr. Smith
8 recommended retiring the \$5 million line of credit with KeyBank following the Board's agreement
9 in the April meeting. This would allow the WVA to avoid line reservation costs. Mr. Potter noted
10 that due to the nature of the WVA, he would agree with this recommendation as the line could be
11 renewed if needed in the future. Chairman Sobeck agreed.

12

13 **2018 Assessment Grid**

14 Ms. Zell briefly introduced the topic of the 2018 Assessment Grid, which was not available in draft
15 form for the meeting. However, Ms. Zell suggested that the Audit Committee recommend that the
16 WVA Board absorb the CDC price increase and inflation for this year in order to reduce the
17 WVA's collections. She explained a number of contingencies that would justify the continuation
18 of the assessment rates rather than a further reduction. She also mentioned that the recommended
19 Investment Policy provides that the WVA hold an amount equal to several months of the cost of
20 vaccines plus the annual flu purchase given that the WVA is unable to quickly change the
21 assessment rates and see the impact of collections. A discussion ensued regarding specifics of the
22 grid. Mr. Roberge noted that he would recommend a slight change in the Grid so that the WVA
23 would be better able to track compliance on both the payer and provider sides. After more
24 discussion, Mr. Potter suggested that the Grid be lowered 1% on all vaccine codes. Mr. Potter
25 concurred. The Committee held an ad hoc vote:

26

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

28

29 **VOTED:** To recommend that the Board approve a 1% reduction in the WVA July 1, 2018
30 Assessment Grid.

31

32 **2017/18 Audit**

33 Ms. Zell reported that the WVA is ready to select the auditor for the WVA's annual audit as
34 scheduled. The audit is usually conducted through the summer months to ensure that the audited
35 financials are available for the annual report due November 15. Ms. Zell then asked Mr. Allen
36 Gilbert to discuss the proposed engagement. He did so. After excusing Mr. Gilbert, Ms. Zell
37 asked Mr. Smith to comment on the reasonableness of the cost. Mr. Smith stated that in his
38 professional opinion, the fee for the audit was within the standard costs for such work. Mr. Potter
39 then noted that as a matter of good practice, CLA would be using different auditing partners this
40 year.

41

1 **Upon motion duly made and seconded, it was unanimously**
2
3

4 **VOTED:** To authorize KV to engage CLA and proceed with the 2017/18 Audit.
5

6 **Reserve and Investment Policy**

7 Ms. Zell reported that while KV had worked closely with the Department of Health (DOH) and
8 outside experts to devise a reserve policy and bring the investment policy current, the DOH
9 requested time to have counsel review it. Anne Redman explained further and committed to
10 providing updates as work progresses.

11
12 **TRICARE**

13 Ms. Zell provided an abbreviated update on TRICARE collections. She stated that both she and
14 Mr. Potter were working on a long-term solution through congressional efforts. Mr. Potter added
15 that KV would recommend that DHA utilize the same methodology for determining the more
16 recent arrears owed.

17
18 There being no further business, the meeting adjourned at 3:30 p.m.

Washington Vaccine Association Statement of Financial Position As of March 31,2018

A

ASSETS

Current assets			
1	Cash and cash equivalents	\$	32,427,911.64
2	Investments		9,166.12
3	Members Estimated Collectible Assessments		3,833,414.00
4	Prepaid Vaccine		5,002,554.83
5	Prepaid Administrative Services		-
6	Total current assets		41,273,046.59
7	Total assets	\$	41,273,046.59

LIABILITIES AND NET ASSETS

Current liabilities			
8	Accounts payable	\$	2,800.00
9	Key Bank - Line of Credit		-
10	Payable to Washington Department of Health		-
11	Other accruals		-
12	Total current liabilities		2,800.00
Net assets			
13	Excess Assessments - Vaccines		26,456,005.82
14	Excess Assesments - Administrative Activities		14,814,240.77
15	Total net assets		41,270,246.59
16	Total liabilities and net assets	\$	41,273,046.59

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

	Month Ending April 30, 2018			For 10 Months Ending April 30, 2018			
	A	B	C	D	E	F	
	Administrative Activities	Vaccine Activities	Total	Administrative Activities	Vaccine Activities	Total	
Revenues:							
1	Assessments	\$ 1,008,033.30	\$ 4,005,775.00	\$ 5,013,808.30	\$ 11,303,931.96	\$ 61,713,173.00	\$ 73,017,104.96
2	Less: Vaccine expense	-	(4,356,891.98)	(4,356,891.98)	-	(54,482,576.85)	(54,482,576.85)
3	Net Assessment margins	1,008,033.30	(351,116.98)	656,916.32	11,303,931.96	7,230,596.15	18,534,528.11
4	Investment income	-	-	-	-	-	-
5	Other income	-	-	-	-	-	-
6	Net revenues	1,008,033.30	(351,116.98)	656,916.32	11,303,931.96	7,230,596.15	18,534,528.11
Expenses:							
7	Administrative services - fixed contract	(210,474.58)	-	(210,474.58)	395,254.16	-	395,254.16
8	Adm services - variable compensation	250,000.00	-	250,000.00	250,000.00	-	250,000.00
9	Administrative services - Tricare	20,000.00	-	20,000.00	334,623.69	-	334,623.69
10	Tricare - Legislative Services	12,016.81	-	12,016.81	104,399.65	-	104,399.65
11	Legal fees	-	-	-	283,391.99	-	283,391.99
12	Audit	-	-	-	10,500.00	-	10,500.00
13	Annual report / special communications	-	-	-	-	-	-
Special projects:							
14	DOH vaccine order system	-	-	-	-	-	-
15	Denied claims recovery	2,800.00	-	2,800.00	28,000.00	-	28,000.00
16	All other special projects	2,442.84	-	2,442.84	21,622.95	-	21,622.95
17	Insurance	-	-	-	46,389.51	-	46,389.51
18	Bank fees	1,880.48	-	1,880.48	38,790.17	-	38,790.17
19	Investment advisor / manager	-	-	-	-	-	-
20	Other administration expenses	-	-	-	327.05	-	327.05
21	Total administrative expenses	78,665.55	-	78,665.55	1,513,299.17	-	1,513,299.17
22	Line of credit - financing costs	-	-	-	-	-	-
23	Total expenses	78,665.55	-	78,665.55	1,513,299.17	-	1,513,299.17
24	Increase (decrease) in net assets	\$ 929,367.75	\$ (351,116.98)	\$ 578,250.77	\$ 9,790,632.79	\$ 7,230,596.15	\$ 17,021,228.94
25	Excess assessments, beginning of year				5,023,607.98	19,225,409.67	24,249,017.65
26	Excess assessments, end of period				\$ 14,814,240.77	\$ 26,456,005.82	\$ 41,270,246.59

Washington Vaccine Association
Statement of Cash Flows
For the Periods Ending

WVA Audit Committee Meeting 05-30-2018
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	A	B	C	D
	Inception Through 2/28/2018	Month 3/31/2018	Month 4/30/2018	Inception Through 4/30/2018
1 Cash balance - beginning of period	\$ -	\$ 18,812,313.38	\$ 32,122,924.40	\$ -
Inflows:				
2 Principal prepayments	7,800,001.00	-	-	7,800,001.00
3 Vaccine collections	441,530,215.73	18,263,903.10	5,411,000.30	465,205,119.13
4 Interest income	53,408.37	-	-	53,408.37
5 Investment income/ (loss)	149,787.97	-	-	149,787.97
6 Key Bank - LOC advances	-	-	-	-
7 Total inflows	449,533,413.07	18,263,903.10	5,411,000.30	473,208,316.47
Outflows:				
8 Principal repayments	(7,799,908.85)	-	-	(7,799,908.85)
Program				
9 Vaccine remittance State of WA	(415,258,314.19)	(4,301,740.38)	(5,057,706.81)	(424,617,761.38)
10 Vaccine Selection Development	(79,950.00)	-	-	(79,950.00)
11 Public information	(147,626.81)	-	-	(147,626.81)
12 Total program disbursements	(415,485,891.00)	(4,301,740.38)	(5,057,706.81)	(424,845,338.19)
Administration				
13 Administrative services	(4,297,913.09)	(385,089.72)	(34,459.65)	(4,717,462.46)
14 Project management fees	(419,878.90)	-	-	(419,878.90)
15 Denied claims recovery	(132,533.44)	(2,800.00)	(2,800.00)	(138,133.44)
16 Design and advertising	(31,031.38)	-	-	(31,031.38)
17 Claims system development	(26,000.00)	-	-	(26,000.00)
18 Legal fees	(326,735.77)	(260,391.40)	-	(587,127.17)
19 Audit fees	(95,055.00)	-	-	(95,055.00)
20 Website and information technology	(113,993.32)	-	-	(113,993.32)
21 Travel	(1,829.68)	-	-	(1,829.68)
22 Total administration	(5,444,970.58)	(648,281.12)	(37,259.65)	(6,130,511.35)
Office				
23 Bank Fees	(544,895.17)	(3,245.58)	(1,880.48)	(550,021.23)
24 Office supplies	908.92	(25.00)	-	883.92
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	(604,072.35)	(3,270.58)	(1,880.48)	(609,223.41)
Other				
30 Insurance	(247,821.95)	-	-	(247,821.95)
31 Interest Line of Credit	(1,136,610.90)	-	-	(1,136,610.90)
32 Board meetings	(1,824.06)	-	-	(1,824.06)
33 Total Other	(1,386,256.91)	-	-	(1,386,256.91)
34 Total outflows	(430,721,099.69)	(4,953,292.08)	(5,096,846.94)	(440,771,238.71)
35 Cash balance - end of period	\$ 18,812,313.38	\$ 32,122,924.40	\$ 32,437,077.76	\$ 32,437,077.76

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

Washington Vaccine Association Check Detail

March 13 - May 24, 2018

	Date	Num	Name	Amount
10400 Key Bank - Refund Pmt Acct (6340)				
	03/20/2018	2714	x-Accent	-162.50
	03/20/2018	2715	x-Aetna (Rawlings)	-373.85
	03/20/2018	2716	x-Premera Blue Cross	-179.31
	03/20/2018	2717	x-Regence BlueCross BlueShield of Oregon	-327.90
	03/20/2018	2718	x-Regence BlueShield	-2,297.41
	03/20/2018	2719	x-United Healthcare (PO 30555 SLC)	-16.81
	03/27/2018	2720	x-Accent	-340.19
	03/27/2018	2721	x-Aetna (Lexington)	-651.15
	03/27/2018	2722	x-Aetna (Rawlings)	-219.46
	03/27/2018	2723	x-Premera Blue Cross	-107.66
	03/27/2018	2724	x-Regence BlueCross BlueShield of Oregon	-323.81
	03/27/2018	2725	x-United Healthcare (PO 30555 SLC)	-200.96
	04/10/2018	2726	x-Accent	-1,023.66
	04/10/2018	2727	x-Aetna (Rawlings)	-714.04
	04/10/2018	2728	x-Asuris Northwest Health	-333.48
	04/10/2018	2729	x-Confederated Tribes of Chehalis	-296.78
	04/10/2018	2730	x-Equian, LLC	-655.80
	04/10/2018	2731	x-GEHA	-16.61
	04/10/2018	2732	x-Kaiser Foundation HP of WA - Options	-49.63
	04/10/2018	2733	x-Kaiser Foundation HP of Washington	-508.96
	04/10/2018	2734	x-Providence Health Plans	-16.12
	04/10/2018	2735	x-Regence BlueCross BlueShield of Oregon	-366.57
	04/10/2018	2736	x-Regence BlueShield	-1,627.77
	04/10/2018	2737	x-Sound Health & Wellness Trust	0.00
	04/10/2018	2738	x-United Healthcare (PO 30555 SLC)	-198.33
	04/10/2018	2739	x-UnitedHealthcare - Medicare Solutions (slc 31362)	-17.49
	04/15/2018	2740	x-Equian, LLC	-356.64
	04/15/2018	2741	x-Kaiser Foundation HP of WA - Options	-187.48
	04/15/2018	2742	x-Kaiser Foundation HP of Washington	-940.92
	04/15/2018	2743	x-Premera Blue Cross	-491.18
	04/15/2018	2744	x-Premera Blue Cross Blue Shield Fed. Empl. Prg.	-82.91
	04/15/2018	2745	x-Pud #1 of Cowlitz County	-46.54
	04/15/2018	2746	x-Regence BlueShield	-1,708.81
	04/15/2018	2747	x-United Healthcare (PO 30555 SLC)	-33.62
	04/24/2018	2748	Void	0.00
	04/24/2018	2749	x-Aetna (Lexington)	-1,683.86
	04/24/2018	2750	x-Aetna (Rawlings)	-719.42
	04/24/2018	2751	x-Equian, LLC	-340.62
	04/24/2018	2752	x-Kaiser Foundation HP of WA - Options	-691.08
	04/24/2018	2753	x-Kaiser Foundation HP of Washington	-1,447.38

Washington Vaccine Association Check Detail

March 13 - May 24, 2018

	Date	Num	Name	Amount
	04/24/2018	2754	x-Rawlings Financial Services, LLC	-333.48
	04/24/2018	2755	x-Regence BlueShield	-4,304.97
	04/24/2018	2756	x-Regence BlueShield Federal Employee Program	-196.08
	04/24/2018	2757	x-UnitedHealthcare (Dallas)	-323.81
	04/24/2018	2758	x-Unitedhealthcare Ins Co (PO Box 740800 Atlanta)	-1,512.33
	04/24/2018	2759	Void	0.00
	05/02/2018	2760	x-Accent	-296.78
	05/02/2018	2761	x-Aetna (Lexington)	-402.55
	05/02/2018	2762	x-Equian, LLC	-437.99
	05/02/2018	2763	x-Highline Medical Services	-5.96
	05/02/2018	2764	x-Kaiser Foundation HP of WA - Options	-602.92
	05/02/2018	2765	x-Kaiser Foundation HP of Washington	-876.31
	05/02/2018	2766	x-PacificSource	-669.92
	05/02/2018	2767	x-Premera Blue Cross	-856.88
	05/02/2018	2768	x-Rawlings Financial Services, LLC	-208.25
	05/02/2018	2769	x-Regence BlueShield	-1,092.23
	05/02/2018	2770	x-Regence BlueShield Federal Employee Program	-610.01
	05/02/2018	2771	x-Trusteed Plans Service Corporation	-372.77
	05/02/2018	2772	Void	0.00
	05/10/2018	2773	x-Accent	-162.50
	05/10/2018	2774	x-Aetna (Rawlings)	-333.48
	05/10/2018	2775	x-Equian, LLC	-683.77
	05/10/2018	2776	x-GEHA	-23.16
	05/10/2018	2777	x-Kaiser Foundation HP of WA - Options	-58.97
	05/10/2018	2778	x-Kaiser Foundation HP of Washington	-796.82
	05/10/2018	2779	x-Regence BlueCross BlueShield of Oregon	-221.10
	05/10/2018	2780	x-Regence BlueShield	-2,035.25
	05/10/2018	2781	x-Regence BlueShield Federal Employee Program	-534.75
	05/10/2018	2782	x-TRICARE Finance West Region	-340.68
	05/10/2018	2783	x-United Healthcare (PO 30555 SLC)	-84.53
	05/20/2018	2784	x-Accent	-333.48
	05/20/2018	2785	x-Kaiser Foundation HP of WA - Options	-419.45
	05/20/2018	2786	x-Kaiser Foundation HP of Washington	-1,376.18
	05/20/2018	2787	x-Olympic Fruit	-177.69
	05/20/2018	2788	x-PacificSource	-255.18
	05/20/2018	2789	x-Premera Blue Cross	-200.39
	05/20/2018	2790	x-PRS	-239.10
	05/20/2018	2791	x-Regence BlueCross BlueShield of Oregon	-323.81
	05/20/2018	2792	x-Regence BlueShield	-1,622.17
	05/20/2018	2793	x-Unitedhealthcare Ins Co (PO Box 740800 Atlanta)	-40.63

Washington Vaccine Association **FINANCE AND COMPLIANCE COMMITTEE CHARTER**

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Overall Roles and Responsibilities

The Finance and Compliance Committee (FCC) is responsible to provide oversight of the Washington Vaccine Association (WVA) financial reporting process and internal control environment, data privacy and security, finance including corporation budgets, investment policies, and corporate compliance matters. The FCC's responsibility is to act on behalf of the board of directors (the Board) as its delegee as expressly set forth in this charter. The FCC's oversight includes a focus on the qualitative aspects of financial reporting, organization processes for the management of risk, financial and budgetary matters, and compliance with significant, applicable tax, legal, ethical, and regulatory requirements.

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The FCC shall coordinate with other board committees and maintain positive working relationships with management, external auditors, legal counsel, and other committee advisors.

Specific Responsibilities and Delegated Authority

The specific responsibilities and where indicated, delegated authority of the FCC include:

- Reviewing the FCC's charter periodically, and recommending any proposed changes to the Board of Directors for approval. Considering changes that are necessary as a result of new laws or regulations.

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AUDIT

- Conducting executive sessions with the outside auditors, Executive Director, and the controller and/or internal control professional of its outside administrator. Hiring the independent auditors, or other consultants as necessary. (This may take place any time during the year.) Hiring of legal counsel as recommended by the FCC shall be approved by the Board.
- Appointing the independent auditors to be engaged by the WVA, establishing the audit fees of the independent auditors, and pre-approving any non-audit services provided by the independent auditors or other accountants, including tax services, before the services are rendered.
- Reviewing with the independent auditor, administrator CFO and controller, the audit scope and plan of the independent auditors.
- Reviewing the Federal Form 990, if required by the IRS, to ensure compliance on all financial sections.
- Annually reviewing with each public accounting firm engaged by the FCC to perform 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.

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- Reviewing 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.

- Evaluating the independent auditors.

- Inquiring of management, and the independent auditors about significant risks or exposures facing the WVA; assessing the steps management has taken or proposes to take to minimize such risks to the WVA; and periodically reviewing compliance with such steps.

- Reviewing with management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet transactions, if any.

FINANCE

- Reviewing the proposed annual budget for WVA and recommending a proposed annual budget to the Board.
- Developing proposed policies regarding maintenance of reserves by WVA for approval by the Board; overseeing the investment of reserves maintained by WVA and the performance of WVA investments.

COMPLIANCE

- Periodically reviewing 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.

Preparing and reviewing 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.

- Reviewing any 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. Reviewing any submissions that have been received, the current status, and the resolution, if one has been reached.

- 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.

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Meetings

The FCC 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 FCC may ask members of management or others to attend the meeting and provide pertinent information as necessary. The FCC shall request members of management, counsel, and external auditors, as applicable, to participate in FCC meetings, as necessary, to carry out the committee's responsibilities.

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The FCC may meet in executive session with only the FCC members as it deems appropriate, including without limitation meeting for consideration of the annual auditor's reports and recommendations. In any case, the FCC shall meet at least annually in executive session separately with external auditors.

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Members

The FCC shall consist of at least three members assigned by the Board. The Board may also assign up to two non-board members who offer special financial expertise who shall serve as non-voting member of the FCC. Adequate financial expertise should be represented on the FCC. At least one member of the FCC 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 FCC is independent, none of the FCC 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 FCC, but should only serve in an advisory capacity.

Reviewed by Committee

Approved by the Board

Date: _____ 2018

Date: _____ 2018

Chair: _____

Chair: _____

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Washington Vaccine Association FINANCE AND COMPLIANCE COMMITTEE CHARTER

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Reviewed by Committee

Approved by the Board

Date: _____, 2018

Date: _____, 2018

Chair: _____

Chair: _____

WVA Audit Committee Meeting
May 30, 2018
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.

Item under Agenda Section 2:

VOTED: To approve the minutes of the March 23, 2018 WVA Audit Committee meeting.

[To approve the minutes of the March 23, 2018 WVA Audit Committee meeting with the changes suggested at the meeting.]

Item under Agenda Section 3:

VOTED: To approve the WVA Annual Operations Budget for FY 2018/19.

[To approve the WVA Annual Operations Budget for FY 2018/19 with the changes suggested at the meeting.]

Item under Agenda Section 4:

VOTED: To approve the updated Audit/Finance Committee Charter.

[To approve the updated Audit/Finance Committee Charter with the changes suggested at the meeting.]

**Washington Vaccine Association
Statement of Financial Position
As of April 30,2018**

A

ASSETS

Current assets			
1	Cash and cash equivalents	\$	32,427,911.64
2	Investments		9,166.12
3	Members Estimated Collectible Assessments		3,833,414.00
4	Prepaid Vaccine		5,002,554.83
5	Prepaid Administrative Services		-
6	Total current assets		41,273,046.59
7	Total assets	\$	41,273,046.59

LIABILITIES AND NET ASSETS

Current liabilities			
8	Accounts payable	\$	2,800.00
9	Key Bank - Line of Credit		-
10	Payable to Washington Department of Health		-
11	Other accruals		-
12	Total current liabilities		2,800.00
Net assets			
13	Excess Assessments - Vaccines		26,456,005.82
14	Excess Assesments - Administrative Activities		14,814,240.77
15	Total net assets		41,270,246.59
16	Total liabilities and net assets	\$	41,273,046.59

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

	Month Ending April 30, 2018			For 10 Months Ending April 30, 2018			
	A	B	C	D	E	F	
	Administrative Activities	Vaccine Activities	Total	Administrative Activities	Vaccine Activities	Total	
Revenues:							
1	Assessments	\$ 1,008,033.30	\$ 4,005,775.00	\$ 5,013,808.30	\$ 11,303,931.96	\$ 61,713,173.00	\$ 73,017,104.96
2	Less: Vaccine expense	-	(4,356,891.98)	(4,356,891.98)	-	(54,482,576.85)	(54,482,576.85)
3	Net Assessment margins	1,008,033.30	(351,116.98)	656,916.32	11,303,931.96	7,230,596.15	18,534,528.11
4	Investment income	-	-	-	-	-	-
5	Other income	-	-	-	-	-	-
6	Net revenues	1,008,033.30	(351,116.98)	656,916.32	11,303,931.96	7,230,596.15	18,534,528.11
Expenses:							
7	Administrative services - fixed contract	(210,474.58)	-	(210,474.58)	395,254.16	-	395,254.16
8	Adm services - variable compensation	250,000.00	-	250,000.00	250,000.00	-	250,000.00
9	Administrative services - Tricare	20,000.00	-	20,000.00	334,623.69	-	334,623.69
10	Tricare - Legislative Services	12,016.81	-	12,016.81	104,399.65	-	104,399.65
11	Legal fees	-	-	-	283,391.99	-	283,391.99
12	Audit	-	-	-	10,500.00	-	10,500.00
13	Annual report / special communications	-	-	-	-	-	-
Special projects:							
14	DOH vaccine order system	-	-	-	-	-	-
15	Denied claims recovery	2,800.00	-	2,800.00	28,000.00	-	28,000.00
16	All other special projects	2,442.84	-	2,442.84	21,622.95	-	21,622.95
17	Insurance	-	-	-	46,389.51	-	46,389.51
18	Bank fees	1,880.48	-	1,880.48	38,790.17	-	38,790.17
19	Investment advisor / manager	-	-	-	-	-	-
20	Other administration expenses	-	-	-	327.05	-	327.05
21	Total administrative expenses	78,665.55	-	78,665.55	1,513,299.17	-	1,513,299.17
22	Line of credit - financing costs	-	-	-	-	-	-
23	Total expenses	78,665.55	-	78,665.55	1,513,299.17	-	1,513,299.17
24	Increase (decrease) in net assets	\$ 929,367.75	\$ (351,116.98)	\$ 578,250.77	\$ 9,790,632.79	\$ 7,230,596.15	\$ 17,021,228.94
25	Excess assessments, beginning of year				5,023,607.98	19,225,409.67	24,249,017.65
26	Excess assessments, end of period				\$ 14,814,240.77	\$ 26,456,005.82	\$ 41,270,246.59

**Washington Vaccine Association
Statement of Cash Flows
For the Periods Ending**

	A Inception Through 2/28/2018	B Month 3/31/2018	C Month 4/30/2018	D Inception Through 4/30/2018
1 Cash balance - beginning of period	\$ -	\$ 18,812,313.38	\$ 32,122,924.40	\$ -
Inflows:				
2 Principal prepayments	7,800,001.00	-	-	7,800,001.00
3 Vaccine collections	441,530,215.73	18,263,903.10	5,411,000.30	465,205,119.13
4 Interest income	53,408.37	-	-	53,408.37
5 Investment income/ (loss)	149,787.97	-	-	149,787.97
6 Key Bank - LOC advances	-	-	-	-
7 Total inflows	<u>449,533,413.07</u>	<u>18,263,903.10</u>	<u>5,411,000.30</u>	<u>473,208,316.47</u>
Outflows:				
8 Principal repayments	<u>(7,799,908.85)</u>	-	-	<u>(7,799,908.85)</u>
Program				
9 Vaccine remittance State of WA	(415,258,314.19)	(4,301,740.38)	(5,057,706.81)	(424,617,761.38)
10 Vaccine Selection Development	(79,950.00)	-	-	(79,950.00)
11 Public information	(147,626.81)	-	-	(147,626.81)
12 Total program disbursements	<u>(415,485,891.00)</u>	<u>(4,301,740.38)</u>	<u>(5,057,706.81)</u>	<u>(424,845,338.19)</u>
Administration				
13 Administrative services	(4,297,913.09)	(385,089.72)	(34,459.65)	(4,717,462.46)
14 Project management fees	(419,878.90)	-	-	(419,878.90)
15 Denied claims recovery	(132,533.44)	(2,800.00)	(2,800.00)	(138,133.44)
16 Design and advertising	(31,031.38)	-	-	(31,031.38)
17 Claims system development	(26,000.00)	-	-	(26,000.00)
18 Legal fees	(326,735.77)	(260,391.40)	-	(587,127.17)
19 Audit fees	(95,055.00)	-	-	(95,055.00)
20 Website and information technology	(113,993.32)	-	-	(113,993.32)
21 Travel	(1,829.68)	-	-	(1,829.68)
22 Total administration	<u>(5,444,970.58)</u>	<u>(648,281.12)</u>	<u>(37,259.65)</u>	<u>(6,130,511.35)</u>
Office				
23 Bank Fees	(544,895.17)	(3,245.58)	(1,880.48)	(550,021.23)
24 Office supplies	908.92	(25.00)	-	883.92
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	<u>(604,072.35)</u>	<u>(3,270.58)</u>	<u>(1,880.48)</u>	<u>(609,223.41)</u>
Other				
30 Insurance	(247,821.95)	-	-	(247,821.95)
31 Interest Line of Credit	(1,136,610.90)	-	-	(1,136,610.90)
32 Board meetings	(1,824.06)	-	-	(1,824.06)
33 Total Other	<u>(1,386,256.91)</u>	-	-	<u>(1,386,256.91)</u>
34 Total outflows	<u>(430,721,099.69)</u>	<u>(4,953,292.08)</u>	<u>(5,096,846.94)</u>	<u>(440,771,238.71)</u>
35 Cash balance - end of period	<u>\$ 18,812,313.38</u>	<u>\$ 32,122,924.40</u>	<u>\$ 32,437,077.76</u>	<u>\$ 32,437,077.76</u>

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

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

	A		B		C		D	
	For 10 Months Ending April 30, 2018				for 12 months ending			
	Administrative		Vaccine		Actuals for 10 months		June 30, 2018	
	Activities		Activities		ending April 30, 2018		(Projected)	
Revenues:								
1 Assessments	\$	11,303,931.96	\$	61,713,173.00	\$	73,017,104.96	\$	84,495,437.96
2 Less: Vaccine Expense		-	-	(54,482,576.85)	-	(54,482,576.85)	-	(65,491,976.85)
3 Net Assessment Margins		11,303,931.96		7,230,596.15	\$	18,534,528.11	\$	20,219,485.21
4 Investment Income		-		-		-		-
5 Other Income		-		-		-		-
6 Net Revenue		11,303,931.96		7,230,596.15		18,534,528.11		20,219,485.21
Expenses:								
7 Admin services - Fixed Contract		395,254.16		-		395,254.16		474,304.16
8 Admin services -variable compensation		-		-		-		47,430.00 ^a
9 Admin services -spot award		250,000.00		-		250,000.00		250,000.00
10 Admin services - TRICARE		334,623.69		-		334,623.69		374,623.69
11 Admin services - TRICARE legislative initiative		104,399.65		-		104,399.65		128,399.65
12 Legal fees		14,133.82		-		14,133.82		16,960.58
13 Legal fees - TRICARE settlement		269,258.17		-		269,258.17		269,258.17
14 Audit		10,500.00		-		10,500.00		10,500.00
Special Projects:								
15 Denied Claims Recovery		28,000.00		-		28,000.00		33,600.00
16 Assessment Review		21,622.95		-		21,622.95		23,588.67
17 All Other		-		-		-		5,000.00
18 Insurance		46,389.51		-		46,389.51		46,389.51
19 Bank Fees		38,790.17		-		38,790.17		42,316.55
20 Other		327.05		-		327.05		327.05
21 Total administrative Expenses		1,513,299.17		-		1,513,299.17		1,650,871.82
22 Line of Credit - Financing Costs		-		-		-		32,335.94
23 Total expenses		1,513,299.17		-		1,513,299.17		1,650,871.82
24 Increase (decrease) in net assets	\$	9,790,632.79	\$	7,230,596.15	\$	17,021,228.94	\$	18,568,613.39
25 Unrestricted net assets, beginning of year		5,023,607.98		19,225,409.67		24,249,017.65		24,249,017.65
26 Unrestricted net assets, end of year	\$	14,814,240.77	\$	26,456,005.82	\$	41,270,246.59	\$	42,817,631.04

Budget worksheet

	E	F	
	2017/18 Expense Budget	2018/19 Expense Budget	
	Approved June 2017	Recommended June 2017	
7 Admin services - Fixed Contract	474,305	490,905	(2017/18 base 474305 X 1.035 increase
8 Admin services -variable compensation	47,430 ^a	49,091 ^a	
9 Admin services -spot award			
10 Admin services - TRICARE	180,000	180,000	TRICARE special project added in 2014
11 Admin services - TRICARE legislative initiative	150,000	150,000	
12 Legal fees	35,000 ^b	35,000 ^b	
13 Legal fees - TRICARE settlement			
14 Audit	11,000	11,400 ^c	
Special Projects:			
15 Denied Claims Recovery	33,600	33,600 ^d	
16 Assessment Review	25,000	28,000	
17 All Other	10,000	10,000	
18 Insurance	47,000	49,000	
19 Bank Fees	60,000	50,000	
20 Other		500	
21 Total administrative Expenses	1,073,335	1,087,496	

Notes:

- ^a This is full contractual target. The board retains full discretion as to actual final amount.
- Some nominal legal expenses should be anticipated as a baseline. Although the TRICARE claim is expected to be handled by outside counsel under a contingent-fee arrangement, WVA itself should anticipate some related legal/audit expenses.
- ^b
- ^c CliftonLarsonAllen, LLP
- ^d AMCC claims recovery services for 12 months. No increase from previous year. Estimated claims reprocessed \$200,000