

What: Finance Committee Meeting
Date & Time: Thursday, September 16, 2020; 3:00-4:00 p.m. (PDT)
Location: Webinar

To register for the meeting, please review the [Public Comment Protocol](#) then email wvameetings@wavaccine.org at least two business days in advance of the meeting.

WVA Agendas are subject to revision up to and including the time of the meeting.

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 | Pg. | | Topic / Anticipated Action | Presented by: |
|----------------|-------------|--------|--|-------------------------|
| 3:00-3:05 p.m. | | | 1. Welcome & Introductions a. Notification of Recording | J. Zell |
| 3:05-3:10 p.m. | 3-4 | * | 2. Calendar Consent Items: a. Finance Committee Minutes (April 8, 2021) | P. Auerbach |
| 3:10-3:30 p.m. | 5-7 8-23 | * * | 3. Overview of Draft 2020-2021 Audited Financials a. Questions & Comments b. Vote to Recommend Publication of the 20/21 Audited Financials & Auditor's Letter | A. Gilbert |
| 3:30-3:40 p.m. | 24-40 | * | 4. Financial Update a. Financial Overview b. Reserve Targets | P. Miller/ L. Walker |
| 3:40-3:45 p.m. | | | 5. Other Matters from Committee Members | Any |
| 3:45-4:00 p.m. | | | 6. Executive Session (Public excluded) a. Fee Caps | P. Auerbach/ J. Zell |
| 4:00 p.m. | | | 7. Closing | J. Zell |

September 16, 2021
Meeting of the WVA Finance Committee
Proposed Form of Votes

The following are suggested forms of votes only. They are intended to be an aid to facilitate work by individual directors and committee members.

Items under Agenda Section 2:

VOTED: To approve April 8, 2021 meeting minutes.

[To approved April 8, 2021 meeting with the changes suggested at the meeting.]

Items under Agenda Section 3:

VOTED: To recommend the adoption and publication of the 2020-21 audited financial statements and independent auditor's letter to the WVA Board of Directors.

[To recommend the adoption and publication of the 2020-21 audited financial statements and independent auditor's letter to the WVA Board of Directors with the changes suggested at the meeting.]

1 **Washington Vaccine Association**
2 **Finance Committee Meeting**
3 **April 8, 2021; 3:00-4:00 p.m. (PDT)**
4

5 **Attendance.** This meeting was conducted solely by webinar. Participating in all or part of the meeting were the
6 following individuals:
7

8
9 Directors

10 Patricia Auerbach, MD, MBA, FACP, Chair,
11 UnitedHealthcare
12 Jason Farber, Esq., Davis Wright Tremaine LLP
13 Randy Parker, Carpenters Trusts of Western
14 Washington

18 Helms & Company, Inc.

19 Patrick Miller, MPH, WVA, Administrative Director
20 Leslie Walker, CPA, Mason+Rich, PA
21 Alyssa McKeon, Project Support Leader
22

23 Others

24 Polly Sidwell, Morgan Stanely
25

16 WVA

17 Julia G. Zell, MA., Esq., Executive Director
26

27 **I. Summary of Actions Taken and/or Recommended**
28

29 Actions Taken

- 30 i. To approve February 18, 2021 meeting minutes.
31 ii. To recommend the 2021-22 WVA Vaccine Assessment Grid to the Board for adoption.
32 iii. To approve the 2021-22 WVA Annual Administrative Budget in accordance with the changes suggested at
33 the meeting.
34 iv. To approve CliftonLarsonAllen LLP as auditor for 2020-2021.
35

36 Follow up Tasks/Action Items

- 37 - Ms. Zell, Ms. Walker, and Mr. Miller will collaborate to make requested changes to the WVA Annual
38 Administrative Budget for the Board of Directors' review and adoption at its April 22, 2021 meeting.
39

40 **II. Welcome and Introductions**
41

42 Welcome and Introductions

43 Dr. Auerbach called the meeting to order at 3:02 pm. Ms. Zell announced that the meeting would be recorded for the
44 benefit of the minute taker and be deleted once the minutes are approved.
45

46 **III. Calendar Consent Items**

47 Ms. Zell directed the Committees' attention to the consent item submitted for approval. There being no questions or
48 comments, the following item was put to a vote:
49

50 Upon motion duly made and seconded, it was unanimously
51

52 **VOTED:** To approve the Finance Committee minutes of February 18, 2021.
53

54 **IV. Financial Updates / Assessment Grid / Administrative Budget**
55

56 Portfolio Update

57 Ms. Zell provided a brief overview of the WVA's cash position, supplemented by a report from Mr. Miller. Ms. Zell
58 introduced Ms. Sidwell from Morgan Stanley. Ms. Sidwell updated the Finance Committee on the 2021 investment
59 summary. Year-to-date the WVA's portfolio is slightly down. Ms. Sidwell clarified that it is not an outright loss, but
60 one that reflects the income that has been earned thus far is slightly less than the price decline. She stated that holding
61 the bonds to maturity will change the WVA's income. Ms. Sidwell reviewed the current income and projected income,
62 noting that the significant decline in projected income is a result of the liquid, short-term portfolio invested zero to
63 five years out. Ms. Sidwell's phone connection was lost. Dr. Auerbach expressed an interest in learning what other

64 performance metrics Ms. Sidwell uses. Ms. Zell stated she will follow up with Ms. Sidwell regarding Dr. Auerbach's
65 request.

66
67 Financial Overview

68 Ms. Zell noted that the March 2021 WVA Financial Statements would be available the following week. Mr. Miller
69 shared that the March 2021 Bank Reconciliations are completed and will be sent to the Committee. The next funds
70 transfer request for the Department of Health is due to take place in the next 7-10 days. Mr. Miller noted that the
71 recovery efforts in this fiscal year have resulted in an amount greater than three years of the administrative budget and
72 that the WVA is seeing a sizable return for the efforts put forth.

73
74 Proposed 2021-22 WVA Assessment Grid

75 Ms. Zell shared that the intent in the assessment grid model was to hold the grid steady while not going below the
76 CDC contract prices. Mr. Miller reviewed the timeline, approach, and historical data. Traditionally, the CDC increases
77 vaccine contract prices around 3% annually. The proposed WVA grids absorbs this inflation, which will hold the
78 2021-22 grid steady and to support the WVA's goals of reducing cash. The DOH is assuming a 5% reduction of units
79 of vaccine in FY 2022 and a full recovery in FY 2023. The DOH has validated that there is an increase in Medicaid
80 covered lives as a result of the pandemic. The DOH also has a contingency fund of 3% in place for the COVID-19
81 vaccine. There will be two, new combination vaccines added to the 2021-22 Assessment Grid; pricing is currently
82 known for one and the DOH is working to secure pricing on the second.

83
84 Upon motion duly made and seconded, it was unanimously

85
86 **VOTED:** To recommend the 2021-22 WVA Vaccine Assessment Grid to the Board for adoption.

87
88
89 Proposed 2021-22 WVA Administrative Budget

90 Mr. Miller reviewed the WVA Administrative Budget summary. He reported that the budget-to-actuals have been
91 consistently under-budget for FY 2022. The proposed budget is designed to be level funded.

92
93 Dr. Auerbach opened the meeting to discussion and questions. The Committee reviewed the individual line items and
94 had suggestions based upon the discussion. Ms. Zell and Mr. Miller agreed to make the requested edits and send them
95 to the Finance Committee the next day in order to accommodate changes ahead of the April 22, 2021 WVA Board of
96 Directors meeting.

97
98 Upon motion duly made and seconded, it was unanimously

99
100 **VOTED:** To approve the 2021-22 WVA Annual Administrative Budget in accordance with the changes
101 suggested at the meeting.

102
103
104 **V. Annual Auditor Selection**

105 Ms. Walker shared that the engagement letter is standard and the fee is competitive. She shared that this year the WVA
106 asked the auditor to be more specific regarding deliverables and to engage staff with technical expertise.

107
108 Upon motion duly made and seconded, it was unanimously

109
110 **VOTED:** To approve CliftonLarsonAllen LLP as auditor for 2020-2021.

111
112 **VI. Closing**

113
114 With no further business before the Committee, Dr. Auerbach closed the meeting at 4:01 pm.

115



Board of Directors
Washington Vaccine Association
Seattle, Washington

We have audited the financial statements of Washington Vaccine Association (the Association) as of and for the year ended June 30, 2021, and have issued our report thereon dated REPORT DATE. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Washington Vaccine Association are described in Note 2 to the financial statements.

No new accounting policies were adopted during fiscal year 2021. However, a change was made with regard to reporting the vaccine expense. In prior years, the full amount paid to the DOH was recorded as an expense each month based on amounts funded by DOH. Starting on January 1, 2020, the expense that is recorded each month is the expense associated with the DBA received. This creates a better match between the revenue recorded and the associated expense. The Association changed its policy for recording denials and price variances. Starting on January 1, 2020 actual denials and price variances based upon the posting of actual transaction data are recorded rather than an estimated 3% denial rate.

We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- The allowance for vaccine waste is based on management's estimate that 2% of vaccines will not be utilized by providers. The percentage is based on historical discussions with the state of Washington Department of Health. We evaluated the key factors and assumptions used in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated REPORT DATE.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

This communication is intended solely for the information and use of the board of directors and management of Washington Vaccine Association and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Bellevue, Washington
REPORT DATE

Draft for Discussion Purposes

**WASHINGTON VACCINE ASSOCIATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

Draft for Discussion Purposes

**WASHINGTON VACCINE ASSOCIATION
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YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)**

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Draft for Discussion Purposes



INDEPENDENT AUDITORS' REPORT

Board of Directors
Washington Vaccine Association
Seattle, Washington

We have audited the accompanying financial statements of Washington Vaccine Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain 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. In making those risk assessments, the auditor considers 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. Accordingly, we express no such opinion. 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.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Washington Vaccine Association

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington Vaccine Association as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

Bellevue, Washington
REPORT DATE

Draft for Discussion Purposes

**WASHINGTON VACCINE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

| | 2021 | 2020 |
|---|---------------|---------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 3,797,938 | \$ 4,693,692 |
| Estimated Collectible Assessments | 5,011,329 | 12,555,955 |
| Prepaid Vaccines to Washington Department of Health | 6,049,825 | 5,101,761 |
| Total Current Assets | 14,859,092 | 22,351,408 |
| INVESTMENTS | | |
| | 54,767,977 | 52,193,456 |
| Total Assets | \$ 69,627,069 | \$ 74,544,864 |
| LIABILITIES AND NET ASSETS WITHOUT RESTRICTIONS | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 171,233 | \$ 326,045 |
| ASSESSMENTS COLLECTED IN EXCESS OF VACCINE FUNDING AND ADMINISTRATIVE ACTIVITIES | | |
| | 69,455,836 | 74,218,819 |
| Total Liabilities | 69,627,069 | 74,544,864 |
| NET ASSETS WITHOUT RESTRICTIONS | | |
| | - | - |
| Total Liabilities and Net Assets Without Restrictions | \$ 69,627,069 | \$ 74,544,864 |

Draft for Discussion Purposes

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

| | Administrative Activities | Vaccine Funding Activities | Total |
|---|------------------------------|----------------------------------|---------------|
| CHANGE IN NET ASSETS WITHOUT RESTRICTION | | | |
| Assessment Activity: | | | |
| Assessments | \$ (2,092,497) | \$ 81,366,326 | \$ 79,273,829 |
| Refunds | (370,160) | - | (370,160) |
| Waste | (1,338,320) | - | (1,338,320) |
| Denials and Price Variances | (285,713) | - | (285,713) |
| Cost Recovery Charge | (1,049,104) | - | (1,049,104) |
| Vaccine Replenishments | - | (79,487,962) | (79,487,962) |
| Net Assessment Activity | (5,135,794) | 1,878,364 | (3,257,430) |
| Investment Income: | | | |
| Interest and Dividends | 1,152,683 | - | 1,152,683 |
| Realized Gain on Investments | 177,456 | - | 177,456 |
| Unrealized Depreciation of Fair Value | (1,144,871) | - | (1,144,871) |
| Total Investment Income | 185,268 | - | 185,268 |
| Less: Investment Expenses | (130,053) | - | (130,053) |
| Net Investment Income | 55,215 | - | 55,215 |
| Expenses: | | | |
| Administrative: | | | |
| Third-Party Administrative Services | 989,049 | - | 989,049 |
| Executive Director Costs and Related Support | 240,767 | - | 240,767 |
| Provider and Payer Education and Outreach | 52,044 | - | 52,044 |
| Administrative Costs | 183,292 | - | 183,292 |
| Other Discretionary Expenditures | 95,616 | - | 95,616 |
| Total Expenses | 1,560,768 | - | 1,560,768 |
| Total Change in Net Assets Without Restrictions | (6,641,347) | 1,878,364 | (4,762,983) |
| VACCINE FUNDING AND ADMINISTRATIVE ACTIVITIES IN EXCESS OF ASSESSMENTS COLLECTED | 6,641,347 | (1,878,364) | 4,762,983 |
| CHANGE IN NET ASSETS WITHOUT RESTRICTIONS | - | - | - |
| Net Assets Without Restrictions - Beginning of Year | - | - | - |
| NET ASSETS WITHOUT RESTRICTIONS - END OF YEAR | \$ - | \$ - | \$ - |

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

| | Administrative Activities | Vaccine Funding Activities | Total |
|---|------------------------------|----------------------------------|---------------------|
| CHANGE IN NET ASSETS WITHOUT RESTRICTIONS | | | |
| Assessment Activity: | | | |
| Assessments | \$ 7,614,400 | \$ 73,423,339 | \$ 81,037,739 |
| Refunds | (624,992) | - | (624,992) |
| Waste | (1,490,121) | - | (1,490,121) |
| Denials and Price Variances | (4,801,762) | - | (4,801,762) |
| Cost Recovery Charge | (462,339) | - | (462,339) |
| Vaccine Replenishments | - | (61,491,993) | (61,491,993) |
| Net Assessment Activity | <u>235,186</u> | <u>11,931,346</u> | <u>12,166,532</u> |
| Investment Income: | | | |
| Interest and Dividends | 1,463,891 | - | 1,463,891 |
| Realized Gain on Investments | 41,528 | - | 41,528 |
| Unrealized Appreciation of Fair Value | 341,049 | - | 341,049 |
| Total Investment Income | <u>1,846,468</u> | <u>-</u> | <u>1,846,468</u> |
| Less: Investment Expenses | <u>(130,282)</u> | <u>-</u> | <u>(130,282)</u> |
| Net Investment Income | 1,716,186 | - | 1,716,186 |
| Expenses: | | | |
| Administrative: | | | |
| Third-Party Administrative Services | 1,289,939 | - | 1,289,939 |
| Executive Director Costs and Related Support | 311,979 | - | 311,979 |
| Provider and Payer Education and Outreach | 63,234 | - | 63,234 |
| Administrative Costs | 208,506 | - | 208,506 |
| Other Discretionary Expenditures | 53,730 | - | 53,730 |
| Total Expenses | <u>1,927,388</u> | <u>-</u> | <u>1,927,388</u> |
| Total Change in Net Assets Without Restrictions | 23,984 | 11,931,346 | 11,955,330 |
| VACCINE FUNDING AND ADMINISTRATIVE ACTIVITIES IN EXCESS OF ASSESSMENTS COLLECTED | <u>(23,984)</u> | <u>(11,931,346)</u> | <u>(11,955,330)</u> |
| CHANGES IN NET ASSETS WITHOUT RESTRICTIONS | - | - | - |
| Net Assets Without Restrictions - Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> |
| NET ASSETS WITHOUT RESTRICTIONS - END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2021 AND 2020**

| | Program Services | 2021 Management and General | Total |
|--|---------------------|-----------------------------------|---------------------|
| Vaccine Replenishments | \$ 80,537,066 | \$ - | \$ 80,537,066 |
| Payroll | - | 240,767 | 240,767 |
| Third-Party Administrative Services | - | 989,049 | 989,049 |
| Special Projects Services | - | 52,044 | 52,044 |
| Legal and Accounting | - | 183,292 | 183,292 |
| Office | - | 95,616 | 95,616 |
| Total | <u>80,537,066</u> | <u>1,560,768</u> | <u>82,097,834</u> |
| Less Expenses Netted Against Revenues on the Statement of Activities: | | | |
| Vaccine Replenishments | <u>(80,537,066)</u> | <u>-</u> | <u>(80,537,066)</u> |
| Total Expenses Included in the Expense Section of the Statement of Activities | <u>\$ -</u> | <u>\$ 1,560,768</u> | <u>\$ 1,560,768</u> |

| | Program Services | 2020 Management and General | Total |
|--|---------------------|-----------------------------------|---------------------|
| Vaccine Replenishments | \$ 61,954,332 | \$ - | \$ 61,954,332 |
| Payroll | - | 311,979 | 311,979 |
| Third-Party Administrative Services | - | 1,289,939 | 1,289,939 |
| Special Projects Services | - | 63,234 | 63,234 |
| Legal and Accounting | - | 208,506 | 208,506 |
| Office | - | 53,730 | 53,730 |
| Total | <u>61,954,332</u> | <u>1,927,388</u> | <u>63,881,720</u> |
| Less Expenses Netted Against Revenues on the Statement of Activities: | | | |
| Vaccine Replenishments | <u>(61,954,332)</u> | <u>-</u> | <u>(61,954,332)</u> |
| Total Expenses Included in the Expense Section of the Statement of Activities | <u>\$ -</u> | <u>\$ 1,927,388</u> | <u>\$ 1,927,388</u> |

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

| | 2021 | 2020 |
|--|---------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Assessments Collected | \$ 83,775,158 | \$ 66,448,551 |
| Cash Remittances to Washington Department of Health for Vaccines | (80,436,026) | (60,131,509) |
| Administrative Expenses Paid | (1,715,580) | (1,624,051) |
| Cash Received from Interest and Dividend Income | 1,152,683 | 1,463,891 |
| Cash Paid for Investment Expenses | (130,053) | (130,282) |
| Net Cash Provided by Operating Activities | 2,646,182 | 6,026,600 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investment Purchases | (88,207,924) | (70,938,632) |
| Proceeds from Investment Sales | 84,665,988 | 64,683,729 |
| Net Cash Used by Investing Activities | (3,541,936) | (6,254,903) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (895,754) | (228,303) |
| Cash and Cash Equivalents - Beginning of Year | 4,693,692 | 4,921,995 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 3,797,938 | \$ 4,693,692 |
| RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ - | \$ - |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Realized Gain on Investments | (177,456) | (41,528) |
| Unrealized Depreciation (Appreciation) of Fair Value | 1,144,871 | (341,049) |
| (Increase) Decrease in: | | |
| Estimated Collectible Assessments | 7,544,626 | (7,209,974) |
| Prepaid Vaccines to Washington Department of Health | (948,064) | 1,360,484 |
| Increase (Decrease) in: | | |
| Accounts Payable | (154,812) | 303,337 |
| Assessments Collected in Excess of Vaccine Funding and Administrative Activities | (4,762,983) | 11,955,330 |
| Net Cash Provided by Operating Activities | \$ 2,646,182 | \$ 6,026,600 |

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 NATURE OF ORGANIZATION

Organization and Operations

Since 1990, Washington State has maintained a Universal Childhood Vaccine Program, providing vaccines to all children under age 19. Together with state and federal funding, Washington's program has advanced the widely recognized benefits of universal childhood vaccination. Faced with a scheduled end to state funding in 2010, the Washington State legislature established the Washington Vaccine Association (the Association) and mandated the creation of a universal vaccine purchase account to be able to continue providing state-supplied vaccines to privately-insured children. This legislation was adopted after a year of study by and with broad support from the Washington healthcare community.

The Association is a special purpose nonprofit corporation formed on April 1, 2010, to support the state government in developing and administering a new method for collecting funds to support the Universal Childhood Vaccine Program. The Washington legislature created the Association through the Washington Vaccine Association Act, now codified in RCW 70.290.010 – .900.

The Association's members are comprised of all health insurance carriers issuing or renewing health benefit plans in Washington State, and all third-party administrators (TPAs) conducting business on behalf of residents of Washington State or Washington health care plans.

The Association's primary purpose is to collect funds through mandatory assessments paid by its members. Fund transfers are made to the state of Washington Department of Health (DOH) on a just-in-time basis for the on-going pre-purchase of vaccines. The vaccines are to be administered to children in the state of Washington who are under the age of 19 and who are not eligible for federal or state funded vaccines through existing programs.

The Association is operated under a Plan of Operation adopted by the board of directors as required by RCW 70.920.030 (5)(b). The Association's governance documents are available at the Association's website: www.wavaccine.org.

Termination of the Association

The Association's board may vote to recommend termination of the Association if it finds that the original intent of its formation and operation has not been achieved. The Association's board must provide notice of the recommendation to the relevant policy and fiscal committees of the Washington State legislature within 30 days of the vote being taken by the Association's board. If the legislature has not acted by the last day of legislative session to reject the board's recommendation, the board may vote to permanently dissolve the Association.

In the event of a voluntary or involuntary dissolution of the Association, funds remaining in the Universal Purchase Vaccine Account (UVPA) created in RCW 43.70.720 must be returned to members in proportion to their previous year's contribution, from any balance remaining.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Association have been prepared in accordance with the provisions of accounting standards generally accepted in the United States of America. Under those standards, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The Association's net assets do not contain restrictions as of June 30, 2021.

Concentration of Risk

Financial instruments that subject the Association to concentrations of credit risk consist of cash deposits. The Association places its cash deposits with high quality financial institutions. Deposits exceed federally insured limits as of June 30, 2021.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, all highly liquid investments available for use with an initial maturity of three months or less are considered to be cash equivalents.

Investments

Investments in marketable equity securities, U.S. Treasury securities, U.S. federal agencies, corporate bonds, and certificates of deposit with original maturities greater than 90 days are reported at fair value. Realized and unrealized gains and losses are reflected in the statement of activities as changes in net assets without restrictions unless their use is restricted by a donor or by law.

Estimated Collectible Assessments

Estimated collectible assessments represents the running total of replenishment requests to date minus amounts collected to date through the end of the year, and is the amount the Association expects to collect from members. The Association has determined that an allowance for uncollectible amounts is not necessary due to the method used to calculate the balance.

The Association charges interest on late payment of assessments at a monthly rate of 1.5%. Interest is added to the assessment for payments received after the due date of the assessment.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dosage Based Assessments

Funds collected from health insurers and TPAs of health plans in the state of Washington, (including administrative revenue and reserve portion discussed below), are determined using a Dosage Based Assessment methodology. At each vaccine administration of a child in the state of Washington, not otherwise eligible for state or federally-funded vaccine programs, the provider's office charges for and generates a claim for administrative services and also generates an item, resembling a claim form, on which the per-vaccine assessment is reported to the respective payor. The per-vaccine assessment amounts are established periodically by the Association. The payor pays the provider for the administration claim, and also pays the assessment amount to the Association, in a manner similar to payment of a claim for the cost of vaccines. The Association collects these assessments and remits payments to the state of Washington DOH to pay its allocated share of vaccine costs each time a vaccine replenishment order for the State's Universal Childhood Vaccine Program is due. The cost for each vaccine is negotiated by the Center for Communicable Diseases.

Remittance to Universal Purchase Account

The Plan of Operation requires the Association to periodically remit its assessment receipts, less the Association's administrative costs and any reserves set by the board or its finance committee, to the credit of the universal vaccine purchase account (UVPA) established pursuant to RCW 43.70.720. Funds transferred to the UVPA are to be delivered on a just-in-time basis, in order to support the assessment collection process. The DOH or its designee has access privileges to be able to directly observe the balances in the Association's accounts, and the Association is required to promptly respond to any inquiry of the DOH concerning the availability and timely transfer of funds, enabling the DOH to make payment of the Association's share under the statute for vaccine purchases made by the state of Washington.

Revenue Recognition

Revenue from Exchange Transactions: The Association recognizes revenue in accordance with FASB ASU 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Association records the following exchange transaction revenue in its statement of activities for the year ending June 30, 2021 and 2020:

The Association collects member assessments that are remitted to the DOH for purchase of vaccines. In addition, the Plan of Operation allows the Association to retain sufficient funds to cover its administrative costs, net of investment income. Expense is recognized for the administrative costs of operating the Association. The replenishment of vaccines and collection of vaccine assessments are similar to agency transactions. Although these transactions are not considered revenue or expenses of the Association, they are included in the statement of activities as vaccine replenishments to reflect the gross amount of collections and replenishments.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assessments Collected in Excess of Vaccine Funding and Administrative Costs

The Association has collected assessments in excess of amounts required to be paid to the DOH through the end of the accounting period for childhood vaccine funding and administrative costs. The Association is a limited purpose entity whose funds are dedicated solely to the specific purposes discussed above. These excess assessment collections, which may accumulate from time to time, will be applied to (i) future vaccine funding obligations of the Association, and (ii) reasonable and necessary operating costs of the Association. The Association maintains a level of excess collections (reserves) to be able to meet DOH needs for vaccine purchases and ensure adequate funds for operations. As of June 30, 2021 and 2020, assessments collected in excess of vaccine funding and administrative activities totaled \$69,455,836 and \$74,218,819 respectively.

Income Taxes

The Association follows FASB ASC *Topic 740, Income Taxes (Topic 740)*. Topic 740 clarifies the accounting for uncertainty in income taxes.

The Association operates as a tax-exempt organization created by Washington State statute and as an affiliate of a governmental unit. In order to obtain 501(c)(3) status and to determine whether filing of an annual federal information return (Form 990) is required, the Association prepared and submitted Form 1023 to the Internal Revenue Service (IRS) in June 2012. On May 14, 2013, the IRS granted 501(c)(3) tax-exempt status and determined that the filing of Form 990 is not required in prior or future years.

Management evaluated the Association's tax positions and concluded that the Association had taken no uncertain tax positions that require adjustments to the financial statements. Based upon its evaluation, the Association has concluded that it is operating in compliance within its tax-exempt status and that there are no matters that would create taxable income.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Vaccine replenishments are considered to be program expenses and all other expenses are administrative.

Subsequent Events

The board of directors and management have evaluated subsequent events through REPORT DATE, the date the financial statements were available to be issued.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS

FASB established a framework for measuring fair value and disclosing fair value measurements to financial statement users. Fair value is the price that would be received to sell an asset or paid to transfer a liability (referred to as the exit price) in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for specific assets or liabilities at the measurement dates. The fair value should be based on assumptions that market participants would use, including consideration of nonperformance risk.

In determining fair value, the Association uses various valuation approaches. FASB established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Association. Unobservable inputs are inputs that reflect the Association's assumptions that market participants would use in pricing the assets or liabilities developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets to which the Association has access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of asset or liability, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Association in determining fair value is greatest for instruments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value is a market-based measure considered from the perspective of a market participant rather than an organization-specific measure. Therefore, even when market assumptions are not readily available, the Association's own assumptions are set to reflect those that the Association believes market participants would use in pricing the asset or liability at the measurement date.

The following table sets forth by level, within the fair value hierarchy, the Association's assets at fair value as of June 30, 2021:

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------|---------------------|----------------------|-------------|----------------------|
| Money Market Funds | \$ 2,963,274 | \$ - | \$ - | \$ 2,963,274 |
| Mutual Funds | 5,070,725 | - | - | 5,070,725 |
| Corporate Bonds | - | 22,082,738 | - | 22,082,738 |
| U.S. Treasuries | - | 1,824,105 | - | 1,824,105 |
| U.S. Federal Agencies | - | 10,170,142 | - | 10,170,142 |
| Certificates of Deposit | - | 12,656,993 | - | 12,656,993 |
| Total Schedule of Investments | <u>\$ 8,033,999</u> | <u>\$ 46,733,978</u> | <u>\$ -</u> | <u>\$ 54,767,977</u> |

The following table sets forth by level, within the fair value hierarchy, the Association's assets at fair value as of June 30, 2020:

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------|---------------------|----------------------|-------------|----------------------|
| Money Market Funds | \$ 17 | \$ - | \$ - | \$ 17 |
| Mutual Funds | 6,890,819 | - | - | 6,890,819 |
| Corporate Bonds | - | 23,910,989 | - | 23,910,989 |
| U.S. Treasuries | - | 1,044,020 | - | 1,044,020 |
| U.S. Federal Agencies | - | 7,313,045 | - | 7,313,045 |
| Certificates of Deposit | - | 13,034,566 | - | 13,034,566 |
| Total Schedule of Investments | <u>\$ 6,890,836</u> | <u>\$ 45,302,620</u> | <u>\$ -</u> | <u>\$ 52,193,456</u> |

NOTE 4 REMITTANCE TO THE STATE OF WASHINGTON

Pursuant to the Association's statutory purposes, a transfer of \$80,537,066 and \$61,954,332 was made by the Association to the state of Washington's UVPA during the year ended June 30, 2021 and 2020 respectively. The transfers include a cost recovery administrative charge assessed by the State of Washington DOH.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 5 INFORMATION REGARDING LIQUIDITY AND AVAILABILITY

The Association is substantially supported by assessment income. As part of the Association’s liquidity management, it has a policy to structure its financial assets to be available for its general expenditures, liabilities, and other obligations come due. Financial assets in excess of near-term cash requirements are invested in various marketable securities.

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

The following table reflects the Association’s financial assets available within one year to meet cash needs for general expenditures as of June 30:

| | 2021 | 2020 |
|--|---------------|---------------|
| Cash and Cash Equivalents | \$ 3,797,938 | \$ 4,693,692 |
| Estimated Collectible Assessments | 5,011,329 | 12,555,955 |
| Investments | 54,767,977 | 52,193,456 |
| Total Financial Assets Available to Meet Cash | | |
| Needs for General Expenditures Within One Year | \$ 63,577,244 | \$ 69,443,103 |

Draft for Discussion Purposes

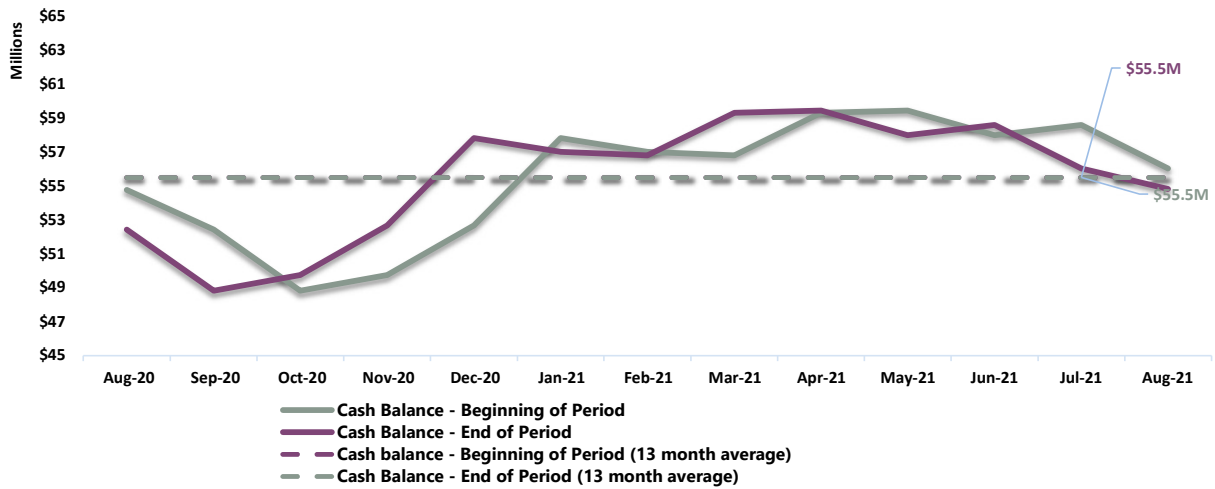
NOTE 6 CONTINGENCIES

There is an inherent risk that a certain portion of the vaccines purchased by the DOH will not be administered to children, resulting in vaccine shrinkage. If member assessments are insufficient for reimbursement to the DOH for purchases of vaccines, the Association would be liable to the DOH to cover the shortfall through reserves. The Association’s reserves are intended to meet any such contingency.

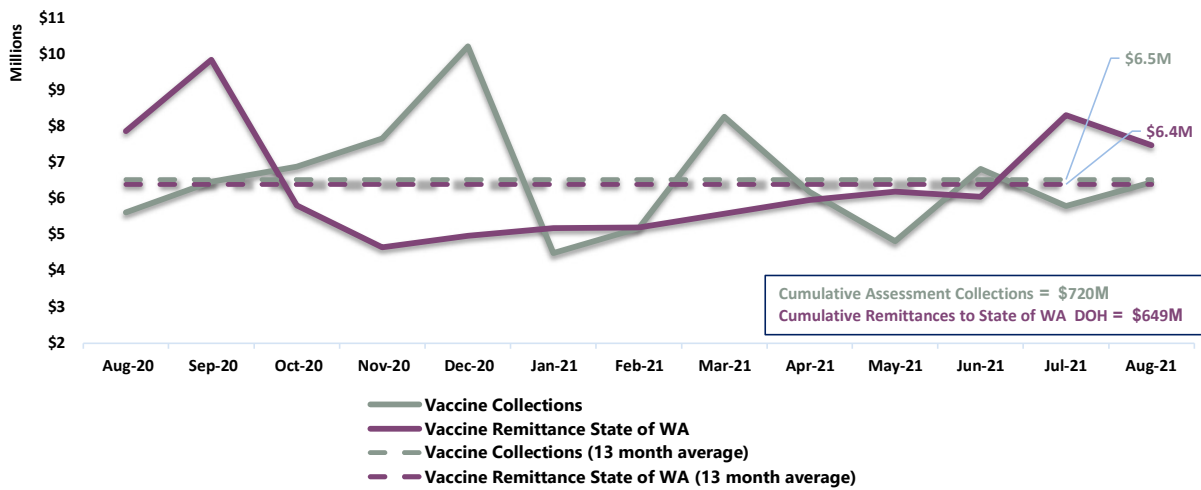
WASHINGTON VACCINE ASSOCIATION
UNAUDITED FINANCIAL STATEMENTS
FOR THE TWO MONTHS ENDED
August 31, 2021
With Supplemental Informational Reporting

Prepared by
Helms & Company, Inc., Administrator

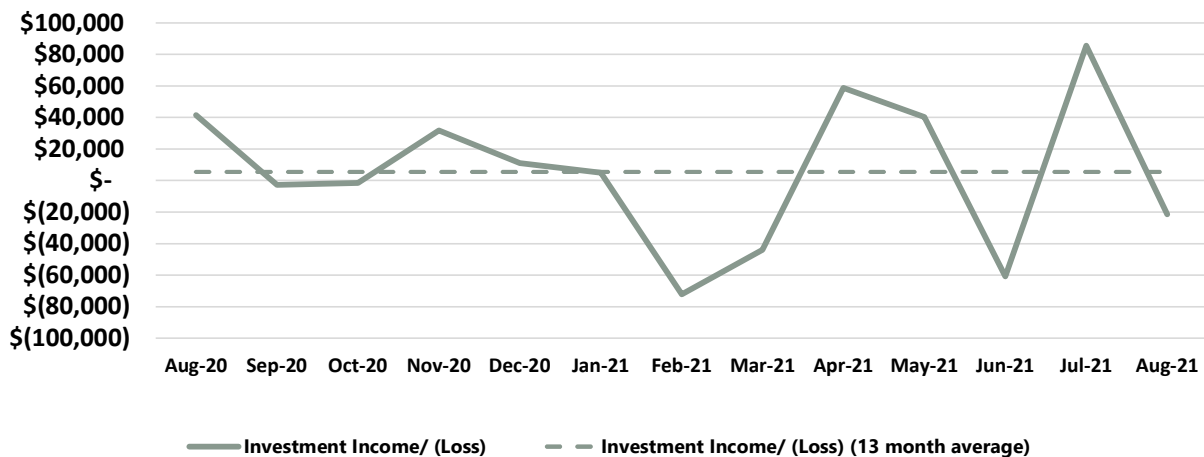
Cash Balances Beginning and End of Period August 2020 - August 2021



Total Vaccine Collections and Vaccine Remittances to State of WA August 2020 - August 2021



Investment Income / (Loss) August 2020 - August 2021



Washington Vaccine Association
Statement of Cash Flows
For the Periods Ended

| | Q | R | S | T | U | V | W | X | Y | Z | AA | AB | AB | Q |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | Month | Month | Month | Month | Month | Month | Month | Month | Month | Month | Month | Month | Month | 13 Month |
| | 8/31/2020 | 9/30/2020 | 10/31/2020 | 11/30/2020 | 12/31/2020 | 1/31/2021 | 2/28/2021 | 3/31/2021 | 4/30/2021 | 5/31/2021 | 6/30/2021 | 7/31/2021 | 8/31/2021 | Average |
| 1 Cash balance - beginning | \$ 54,756,134 | \$ 52,414,390 | \$ 48,816,638 | \$ 49,741,742 | \$ 52,655,537 | \$ 57,802,418 | \$ 56,989,601 | \$ 56,789,867 | \$ 59,280,364 | \$ 59,424,668 | \$ 57,970,472 | \$ 58,565,915 | \$ 56,022,516 | \$ 55,479,251 |
| Inflows: | | | | | | | | | | | | | | |
| 2 Vaccine collections | 5,612,609 | 6,458,449 | 6,874,561 | 7,653,271 | 10,198,444 | 4,490,717 | 5,179,085 | 8,252,789 | 6,176,261 | 4,815,842 | 6,814,919 | 5,786,296 | 6,438,402 | 6,519,357.25 |
| 3 Interest income - payers | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 Investment income/ (loss) | 41,498 | (2,857) | (1,665) | 31,728 | 10,991 | 4,909 | (72,190) | (44,049) | 58,685 | 40,240 | (60,885) | 85,637 | (21,373) | 5,436.06 |
| 5 Total inflows | 5,654,107 | 6,455,592 | 6,872,896 | 7,684,999 | 10,209,435 | 4,495,626 | 5,106,895 | 8,208,740 | 6,234,946 | 4,856,082 | 6,754,034 | 5,871,933 | 6,417,029 | 6,524,793 |
| Outflows: | | | | | | | | | | | | | | |
| Program | | | | | | | | | | | | | | |
| 6 Vaccine remittance State of WA | (7,860,758) | (9,829,901) | (5,801,760) | (4,646,177) | (4,969,621) | (5,182,384) | (5,194,407) | (5,579,121) | (5,957,838) | (6,192,181) | (6,044,223) | (8,298,943) | (7,465,552) | (6,386,374.34) |
| Administration | | | | | | | | | | | | | | |
| 7 Direct Processing Costs | (65,432) | (134,939) | (70,542) | (66,475) | (3,250) | (87,605) | (75,106) | (74,230) | (78,889) | (83,857) | (76,083) | (77,528) | (74,392) | (74,486.81) |
| 8 Executive Director Costs and Support Fees | (21,723) | (17,762) | (22,370) | (20,953) | (17,762) | (19,093) | (20,231) | (19,275) | (23,346) | (22,105) | (20,809) | (20,793) | (20,085) | (20,485.20) |
| 9 Provider and Payer Education and Outreach | (5,125) | - | (10,501) | (11,717) | (3,861) | (775) | (2,653) | - | (110) | (4,418) | - | - | - | (3,012.30) |
| 10 Administrative Costs | (42,812) | (70,742) | (42,618) | (25,883) | (51,560) | (18,586) | (7,231) | (38,617) | (6,980) | (717) | (10,475) | (12,817) | (63,782) | (30,216.97) |
| 11 Other Discretionary Expenditures | - | - | - | - | (16,500) | - | (7,000) | (7,000) | (23,480) | (7,000) | (7,000) | (5,250) | (5,250) | (6,036.92) |
| 12 Total Administration | (135,092) | (223,444) | (146,031) | (125,028) | (92,933) | (126,059) | (112,221) | (139,122) | (132,805) | (118,097) | (114,367) | (116,388) | (163,509) | (134,238) |
| 13 Net all other outflows | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 Total outflows | (7,995,850) | (10,053,345) | (5,947,791) | (4,771,205) | (5,062,554) | (5,308,443) | (5,306,628) | (5,718,243) | (6,090,643) | (6,310,278) | (6,158,590) | (8,415,332) | (7,629,062) | (6,520,612.55) |
| 15 Net Cash Incr (decr) for period | (2,341,743) | (3,597,753) | 925,105 | 2,913,794 | 5,146,881 | (812,817) | (199,733) | 2,490,497 | 144,303 | (1,454,196) | 595,443 | (2,543,399) | (1,212,033) | 4,181 |
| 16 Cash balance - end of period | \$ 52,414,390 | \$ 48,816,638 | \$ 49,741,742 | \$ 52,655,537 | \$ 57,802,418 | \$ 56,989,601 | \$ 56,789,867 | \$ 59,280,364 | \$ 59,424,668 | \$ 57,970,472 | \$ 58,565,915 | \$ 56,022,516 | \$ 54,810,483 | \$ 55,483,432 |

Note: Cash balance includes amounts in KeyBank and Morgan Stanley

**Washington Vaccine Association
Statement of Financial Position
As of August 31, 2021**

ASSETS

| | | | |
|---|---|----|------------|
| 1 | Current Assets | | |
| 2 | Cash and Cash Equivalents | \$ | 4,478,478 |
| 3 | Accounts Receivable | | - |
| 4 | Investments | | 50,332,005 |
| 5 | Members Estimated Collectible Assessments | | 7,534,536 |
| 6 | Prepaid Vaccine | | 7,489,303 |
| 7 | Prepaid Administrative Services | | - |
| 8 | Total Current Assets | | 69,834,321 |
| 9 | Total Assets | \$ | 69,834,321 |

LIABILITIES AND NET ASSETS

| | | | |
|----|---|----|------------|
| 10 | Current Liabilities | | |
| 11 | Accounts Payable | \$ | 78,821 |
| 12 | Other Accruals | | 74,231 |
| 13 | Total Current Liabilities | | 153,052 |
| 14 | Assessments Collected in Excess of Vaccine Funding and Administrative Activities | | 69,681,269 |
| 15 | Total Liabilities | | 69,834,321 |
| 16 | Total Liabilities and Net Assets | \$ | 69,834,321 |

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

| | A | B | C | D | E | F |
|--|-----------------------------|------------------|-----------------|-----------------------------|----------------|----------------|
| | Month Ended August 31, 2021 | | | Month Ended August 31, 2020 | | |
| | Administrative | Vaccine | Total | Administrative | Vaccine | Total |
| | Revenues / Vaccine Expenses | | | | | |
| 1 Assessment Activity: | | | | | | |
| 2 Assessments | \$ (1,143,775) | \$ 7,635,649 | \$ 6,491,874 | \$ 113,250 | \$ 5,575,067 | \$ 5,688,317 |
| 3 Recoveries | - | - | - | - | - | - |
| 4 Estimated Over (Under) Collections | - | - | - | - | - | - |
| 5 Refunds | (23,039) | - | (23,039) | (55,556) | - | (55,556) |
| 6 Estimated 2% Waste | (164,514) | - | (164,514) | (160,348) | - | (160,348) |
| 7 Estimated Price Variance and Denial | (25,000) | - | (25,000) | (28,443) | - | (28,443) |
| 8 DOH Replenishment | - | (5,496,541) | (5,496,541) | - | (4,934,936) | (4,934,936) |
| 9 Adjustment to Correct Inventory | - | - | - | - | - | - |
| 10 DOH Cost Recovery Admin Charge | (52,452) | - | (52,452) | (88,984) | - | (88,984) |
| 11 Interest Income on Assessments | - | - | - | - | - | - |
| 12 Net Assessment Activity | <u>(1,408,780)</u> | <u>2,139,108</u> | <u>730,328</u> | <u>(220,081)</u> | <u>640,131</u> | <u>420,050</u> |
| 13 Investment Activity: | | | | | | |
| 14 Interest and Dividend Income - Morgan Stanley | 102,087 | - | 102,087 | 61,310 | - | 61,310 |
| 15 Realized Gain/(Loss) on Investments - Morgan Stanley | 18,012 | - | 18,012 | (598) | - | (598) |
| 16 Unrealized Gain/(Loss) on Investments - Morgan Stanley | (128,917) | - | (128,917) | (19,280) | - | (19,280) |
| 17 Investment Management Expenses | (12,678) | - | (12,678) | (11,616) | - | (11,616) |
| 18 Interest Income - KeyBank | 124 | - | 124 | 66 | - | 66 |
| 19 Net Investment Activity | <u>(21,373)</u> | <u>-</u> | <u>(21,373)</u> | <u>29,882</u> | <u>-</u> | <u>29,882</u> |
| 20 Net Revenues | <u>(1,430,153)</u> | <u>2,139,108</u> | <u>708,955</u> | <u>(190,199)</u> | <u>640,131</u> | <u>449,932</u> |

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

| | A | B | C | D | E | F | |
|----|--|---------------|----------|-----------------------------|---------------|----------|---------------|
| | Month Ended August 31, 2021 | | | Month Ended August 31, 2020 | | | |
| | Administrative | Vaccine | Total | Administrative | Vaccine | Total | |
| | Other Expenses | | | | | | |
| 21 | Administrative Expenses: | | | | | | |
| 22 | Direct Processing Costs | | | | | | |
| 23 | Helms & Company | 69,182 | - | 69,182 | 65,432 | - | 65,432 |
| 24 | Lockbox Image Conversion and Clearinghouse Intake (OrboGraph) | 4,875 | - | 4,875 | 6,030 | - | 6,030 |
| 25 | Clearinghouse Intake Processing (Availity, Zelis) | 2,234 | - | 2,234 | 789 | - | 789 |
| 26 | Lockbox Fees | 3,535 | - | 3,535 | 3,643 | - | 3,643 |
| 27 | CollaborateMD | - | - | - | 378 | - | 378 |
| 28 | Total Direct Processing Costs | 79,826 | - | 79,826 | 76,272 | - | 76,272 |
| 29 | | | | | | | |
| 30 | Executive Director Costs and Related Support Fees | | | | | | |
| 31 | Executive Director Salary | 17,758 | - | 17,758 | 17,167 | - | 17,167 |
| 32 | Payroll Taxes | 414 | - | 414 | 400 | - | 400 |
| 33 | Leased Employee per Check Fee | 195 | - | 195 | 195 | - | 195 |
| 34 | Executive Director Travel and Lodging, Education, and Other | - | - | - | 3,962 | - | 3,962 |
| 35 | Technology Support (Desktop and Telephony) | 335 | - | 335 | 1,410 | - | 1,410 |
| 36 | Total Executive Director Costs and Related Support Fees | 18,702 | - | 18,702 | 23,133 | - | 23,133 |
| 37 | | | | | | | |
| 38 | Provider and Payer Education and Outreach | | | | | | |
| 39 | Provider Education Materials, Development and Printing | 3,999 | - | 3,999 | 5,125 | - | 5,125 |
| 40 | Postage | 40 | - | 40 | - | - | - |
| 41 | Website and Information Technology | - | - | - | - | - | - |
| 42 | Technical Consultant - Margaret Lane | - | - | - | - | - | - |
| 43 | Conferences and Education Sessions, Including Travel and Meals | - | - | - | - | - | - |
| 44 | Provider Office Training Sessions, Including Travel and Meals | - | - | - | - | - | - |
| 45 | Advertising and Sponsorships | - | - | - | - | - | - |
| 46 | Hospitality | - | - | - | - | - | - |
| 47 | Subcontractor Assistance | - | - | - | - | - | - |
| 48 | Total Provider and Payer Education and Outreach | 4,038 | - | 4,038 | 5,125 | - | 5,125 |
| 49 | | | | | | | |
| 50 | Administrative Costs | | | | | | |
| 51 | Legal Counsel | 6,472 | - | 6,472 | 26,342 | - | 26,342 |
| 52 | Audit Fees | 8,085 | - | 8,085 | - | - | - |
| 53 | Government Relations, Including Travel, Meals, and Consultants | - | - | - | - | - | - |
| 54 | Registered Agent Fee | - | - | - | - | - | - |
| 55 | Bank Fees | - | - | - | - | - | - |
| 56 | Investment Management Fees | - | - | - | - | - | - |
| 57 | Office Supplies and Equipment | - | - | - | - | - | - |
| 58 | Rent, ELM and Storage Facility | - | - | - | - | - | - |
| 59 | Other Admin Support Provided by Lessor | - | - | - | - | - | - |
| 60 | Board Retreat and Meetings | - | - | - | - | - | - |
| 61 | Insurance | - | - | - | - | - | - |
| 62 | Cyber Liability | - | - | - | - | - | - |
| 63 | Directors and Officers | 47,785 | - | 47,785 | - | - | - |

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

| | | A | B | C | D | E | F |
|----|--|-----------------------------|---------------------|-------------------|-----------------------------|-------------------|-------------------|
| | | Month Ended August 31, 2021 | | | Month Ended August 31, 2020 | | |
| | | Administrative | Vaccine | Total | Administrative | Vaccine | Total |
| 64 | General Liability | 1,390 | - | 1,390 | 145 | - | 145 |
| 65 | Total Administrative Costs | 63,732 | - | 63,732 | 26,487 | - | 26,487 |
| 66 | | | | | | | |
| 67 | Other Discretionary Expenditures | | | | | | |
| 68 | Expenses Related to Unrec Liabilities | - | - | - | - | - | - |
| 69 | Tricare Legislative & Administrative Services | - | - | - | - | - | - |
| 70 | Executive Director and Other Contractor Bonus | - | - | - | - | - | - |
| 71 | Denied Claims Recovery Expenses | 5,250 | - | 5,250 | - | - | - |
| 72 | Direct Healthcare Practices Operations | - | - | - | - | - | - |
| 73 | Covid-19 Expenses | - | - | - | - | - | - |
| | Total Other Discretionary Expenditures | 5,250 | - | 5,250 | - | - | - |
| 74 | Total Administrative Expenses | 171,548 | - | 171,548 | 131,018 | - | 131,018 |
| 75 | Total Change in Unrestricted Net Assets | \$ (1,601,701) | \$ 2,139,108 | \$ 537,408 | \$ (321,217) | \$ 640,131 | \$ 318,914 |

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

| | For Two Months Ended August 31, 2021 | | | For Two Months Ended August 31, 2020 | | |
|--|--------------------------------------|------------------|----------------|--------------------------------------|------------------|----------------|
| | A | B | C | D | E | F |
| | Administrative | Vaccine | Total | Administrative | Vaccine | Total |
| | Revenues / Vaccine Expenses | | | | | |
| 1 Assessment Activity: | | | | | | |
| 2 Assessments | \$ (2,441,318) | \$ 14,863,041 | \$ 12,421,723 | \$ 331,393 | \$ 11,349,217 | \$ 11,680,610 |
| 3 Recoveries | - | - | - | - | - | - |
| 4 Estimated Over (Under) Collections | - | - | - | - | - | - |
| 5 Refunds | (60,969) | - | (60,969) | (89,447) | - | (89,447) |
| 6 Estimated 2% Waste | (283,682) | - | (283,682) | (260,394) | - | (260,394) |
| 7 Estimated Price Variance and 3% Denial | (43,877) | - | (43,877) | (65,337) | - | (65,337) |
| 8 DOH Replenishment | - | (11,392,446) | (11,392,446) | - | (10,270,899) | (10,270,899) |
| 9 Adjustment to Correct Inventory | - | - | - | - | - | - |
| 10 DOH Cost Recovery Admin Charge | (125,683) | - | (125,683) | (181,090) | - | (181,090) |
| 11 Interest Income on Assessments | - | - | - | - | - | - |
| 12 Net Assessment Activity | <u>(2,955,528)</u> | <u>3,470,595</u> | <u>515,067</u> | <u>(264,875)</u> | <u>1,078,318</u> | <u>813,442</u> |
| 13 Investment Activity: | | | | | | |
| 14 Interest and Dividend Income - Morgan Stanley | 168,279 | - | 168,279 | 205,458 | - | 205,458 |
| 15 Realized Gain/(Loss) on Investments - Morgan Stanley | 12,934 | - | 12,934 | (2,605) | - | (2,605) |
| 16 Unrealized Gain/(Loss) on Investments - Morgan Stanley | (92,414) | - | (92,414) | (68,187) | - | (68,187) |
| 17 Investment Management Expenses | (24,771) | - | (24,771) | (23,714) | - | (23,714) |
| 18 Interest Income - KeyBank | 236 | - | 236 | 112 | - | 112 |
| 19 Net Investment Activity | <u>64,264</u> | <u>-</u> | <u>64,264</u> | <u>111,064</u> | <u>-</u> | <u>111,064</u> |
| 20 Net Revenues | <u>(2,891,264)</u> | <u>3,470,595</u> | <u>579,331</u> | <u>(153,812)</u> | <u>1,078,318</u> | <u>924,506</u> |

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

| | A | B | C | D | E | F |
|----|--|---------------------------|----------------|--------------------------------------|----------|----------------|
| | For Two Months Ended August 31, 2021 | | | For Two Months Ended August 31, 2020 | | |
| | Administrative | Vaccine Other Expenses | Total | Administrative | Vaccine | Total |
| 21 | Administrative Expenses: | | | | | |
| 22 | Direct Processing Costs | | | | | |
| 23 | 138,364 | - | 138,364 | 130,864 | - | 130,864 |
| 24 | 11,340 | - | 11,340 | 13,045 | - | 13,045 |
| 25 | 4,795 | - | 4,795 | 1,290 | - | 1,290 |
| 26 | 7,152 | - | 7,152 | 7,323 | - | 7,323 |
| 27 | - | - | - | 378 | - | 378 |
| 28 | 161,651 | - | 161,651 | 152,900 | - | 152,900 |
| 29 | | | | | | |
| 30 | Executive Director Costs and Related Support Fees | | | | | |
| 31 | 35,268 | - | 35,268 | 33,943 | - | 33,943 |
| 32 | 1,907 | - | 1,907 | 2,102 | - | 2,102 |
| 33 | 390 | - | 390 | 390 | - | 390 |
| 34 | - | - | - | 3,962 | - | 3,962 |
| 35 | 670 | - | 670 | 1,410 | - | 1,410 |
| 36 | 38,235 | - | 38,235 | 41,806 | - | 41,806 |
| 37 | | | | | | |
| 38 | Provider and Payer Education and Outreach | | | | | |
| 39 | 3,999 | - | 3,999 | 5,954 | - | 5,954 |
| 40 | 40 | - | 40 | 23 | - | 23 |
| 41 | - | - | - | - | - | - |
| 42 | - | - | - | - | - | - |
| 43 | 715 | - | 715 | - | - | - |
| 44 | - | - | - | - | - | - |
| 45 | - | - | - | - | - | - |
| 46 | 300 | - | 300 | - | - | - |
| 47 | - | - | - | - | - | - |
| 48 | 5,054 | - | 5,054 | 5,977 | - | 5,977 |
| 49 | | | | | | |
| 50 | Administrative Costs | | | | | |
| 51 | 9,157 | - | 9,157 | 34,042 | - | 34,042 |
| 52 | 8,085 | - | 8,085 | - | - | - |
| 53 | - | - | - | - | - | - |
| 54 | - | - | - | - | - | - |
| 55 | - | - | - | - | - | - |
| 56 | 368 | - | 368 | - | - | - |
| 57 | - | - | - | - | - | - |
| 58 | - | - | - | - | - | - |
| 59 | - | - | - | - | - | - |
| 60 | - | - | - | - | - | - |

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

| | | A | B | C | D | E | F |
|----|--|--------------------------------------|---------------------|-------------------|--------------------------------------|---------------------|-------------------|
| | | For Two Months Ended August 31, 2021 | | | For Two Months Ended August 31, 2020 | | |
| | | Administrative | Vaccine | Total | Administrative | Vaccine | Total |
| 61 | Cyber Liability | - | - | - | - | - | - |
| 62 | Directors and Officers | 47,785 | - | 47,785 | - | - | - |
| 63 | General Liability | 1,390 | - | 1,390 | 145 | - | 145 |
| 64 | Total Administrative Costs | 66,785 | - | 66,785 | 34,187 | - | 34,187 |
| 65 | | | | | | | |
| 66 | Other Discretionary Expenditures | | | | | | |
| 67 | Conversion/Implementation Cost | - | - | - | - | - | - |
| 68 | Tricare Legislative & Administrative Services | - | - | - | - | - | - |
| 69 | Executive Director and Other Contractor Bonus | - | - | - | - | - | - |
| 70 | Denied Claims Recovery Expenses | 10,500 | - | 10,500 | - | - | - |
| 71 | Direct Healthcare Practices Operations | - | - | - | - | - | - |
| 72 | Covid-19 Expenses | - | - | - | - | - | - |
| | Total Other Discretionary Expenditures | 10,500 | - | 10,500 | - | - | - |
| 74 | Total Administrative Expenses | 282,225 | - | 282,225 | 234,870 | - | 234,870 |
| 75 | Total Change in Unrestricted Net Assets | \$ (3,173,489) | \$ 3,470,595 | \$ 297,106 | \$ (388,682) | \$ 1,078,318 | \$ 689,636 |

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

| | A | B | C | D | E | F |
|--|------------------------------------|------------------|-----------------|--------------------------------------|------------------|----------------|
| | Month Ended August 31, 2021 | | | For Two Months Ended August 31, 2021 | | |
| | Administrative | Vaccine | Total | Administrative | Vaccine | Total |
| | Revenues / Vaccine Expenses | | | | | |
| 1 Assessment Activity: | | | | | | |
| 2 Assessments | \$ (1,143,775) | \$ 7,635,649 | \$ 6,491,874 | \$ (2,441,318) | \$ 14,863,041 | \$ 12,421,723 |
| 3 Recoveries | - | - | - | - | - | - |
| 4 Estimated Over (Under) Collections | - | - | - | - | - | - |
| 5 Refunds | (23,039) | - | (23,039) | (60,969) | - | (60,969) |
| 6 Estimated 2% Waste | (164,514) | - | (164,514) | (283,682) | - | (283,682) |
| 7 Estimated Price Variance and 3% Denial | (25,000) | - | (25,000) | (43,877) | - | (43,877) |
| 8 DOH Replenishment | - | (5,496,541) | (5,496,541) | - | (11,392,446) | (11,392,446) |
| 9 Adjustment to Correct Inventory | - | - | - | - | - | - |
| 10 DOH Cost Recovery Admin Charge | (52,452) | - | (52,452) | (125,683) | - | (125,683) |
| 11 Interest Income on Assessments | - | - | - | - | - | - |
| 12 Net Assessment Activity | <u>(1,408,780)</u> | <u>2,139,108</u> | <u>730,328</u> | <u>(2,955,528)</u> | <u>3,470,595</u> | <u>515,067</u> |
| 13 Investment Activity: | | | | | | |
| 14 Interest and Dividend Income - Morgan Stanley | 102,087 | - | 102,087 | 168,279 | - | 168,279 |
| 15 Realized Gain/(Loss) on Investments - Morgan Stanley | 18,012 | - | 18,012 | 12,934 | - | 12,934 |
| 16 Unrealized Gain/(Loss) on Investments - Morgan Stanley | (128,917) | - | (128,917) | (92,414) | - | (92,414) |
| 17 Investment Management Expenses | (12,678) | - | (12,678) | (24,771) | - | (24,771) |
| 18 Interest Income - KeyBank | 124 | - | 124 | 236 | - | 236 |
| 19 Net Investment Activity | <u>(21,373)</u> | <u>-</u> | <u>(21,373)</u> | <u>64,264</u> | <u>-</u> | <u>64,264</u> |
| 20 Net Revenues | <u>(1,430,153)</u> | <u>2,139,108</u> | <u>708,955</u> | <u>(2,891,264)</u> | <u>3,470,595</u> | <u>579,331</u> |

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

| | A | B | C | D | E | F | |
|----|--|---------------|----------|--------------------------------------|----------------|----------|----------------|
| | Month Ended August 31, 2021 | | | For Two Months Ended August 31, 2021 | | | |
| | Administrative | Vaccine | Total | Administrative | Vaccine | Total | |
| | Other Expenses | | | | | | |
| 21 | Administrative Expenses: | | | | | | |
| 22 | Direct Processing Costs | | | | | | |
| 23 | Helms & Company | 69,182 | - | 69,182 | 138,364 | - | 138,364 |
| 24 | Lockbox Image Conversion and Clearinghouse Intake (OrboGraph) | 4,875 | - | 4,875 | 11,340 | - | 11,340 |
| 25 | Clearinghouse Intake Processing (Avality, Zelis) | 2,234 | - | 2,234 | 4,795 | - | 4,795 |
| 26 | Lockbox Fees | 3,535 | - | 3,535 | 7,152 | - | 7,152 |
| 27 | CollaborateMD | - | - | - | - | - | - |
| 28 | Total Direct Processing Costs | 79,826 | - | 79,826 | 161,651 | - | 161,651 |
| 29 | | | | | | | |
| 30 | Executive Director Costs and Related Support Fees | | | | | | |
| 31 | Executive Director Salary | 17,758 | - | 17,758 | 35,268 | - | 35,268 |
| 32 | Payroll Taxes | 414 | - | 414 | 1,907 | - | 1,907 |
| 33 | Leased Employee per Check Fee | 195 | - | 195 | 390 | - | 390 |
| 34 | Executive Director Travel and Lodging, Education, and Other | - | - | - | - | - | - |
| 35 | Technology Support (Desktop and Telephony) | 335 | - | 335 | 670 | - | 670 |
| 36 | Total Executive Director Costs and Related Support Fees | 18,702 | - | 18,702 | 38,235 | - | 38,235 |
| 37 | | | | | | | |
| 38 | Provider and Payer Education and Outreach | | | | | | |
| 39 | Provider Education Materials, Development and Printing | 3,999 | - | 3,999 | 3,999 | - | 3,999 |
| 40 | Postage | 40 | - | 40 | 40 | - | 40 |
| 41 | Website and Information Technology | - | - | - | - | - | - |
| 42 | Technical Consultant - Margaret Lane | - | - | - | - | - | - |
| 43 | Conferences and Education Sessions, Including Travel and Meals | - | - | - | 715 | - | 715 |
| 44 | Provider Office Training Sessions, Including Travel and Meals | - | - | - | - | - | - |
| 45 | Advertising and Sponsorships | - | - | - | - | - | - |
| 46 | Hospitality | - | - | - | 300 | - | 300 |
| 47 | Subcontractor Assistance | - | - | - | - | - | - |
| 48 | Total Provider and Payer Education and Outreach | 4,038 | - | 4,038 | 5,054 | - | 5,054 |
| 49 | | | | | | | |
| 50 | Administrative Costs | | | | | | |
| 51 | Legal Counsel | 6,472 | - | 6,472 | 9,157 | - | 9,157 |
| 52 | Audit Fees | 8,085 | - | 8,085 | 8,085 | - | 8,085 |
| 53 | Government Relations, Including Travel, Meals, and Consultants | - | - | - | - | - | - |
| 54 | Registered Agent Fee | - | - | - | - | - | - |
| 55 | Bank Fees | - | - | - | - | - | - |
| 56 | Investment Management Fees | - | - | - | - | - | - |
| 57 | Office Supplies and Equipment | - | - | - | 368 | - | 368 |
| 58 | Rent, ELM and Storage Facility | - | - | - | - | - | - |
| 59 | Other Admin Support Provided by Lessor | - | - | - | - | - | - |
| 60 | Board Retreat and Meetings | - | - | - | - | - | - |
| 61 | Insurance | | | | | | |
| 62 | Cyber Liability | - | - | - | - | - | - |
| 63 | Directors and Officers | 47,785 | - | 47,785 | 47,785 | - | 47,785 |
| 64 | General Liability | 1,390 | - | 1,390 | 1,390 | - | 1,390 |
| 65 | Total Administrative Costs | 63,732 | - | 63,732 | 66,785 | - | 66,785 |
| 66 | | | | | | | |
| 67 | Other Discretionary Expenditures | | | | | | |
| 68 | Conversion/Implementation Cost | - | - | - | - | - | - |
| 69 | Tricare Legislative & Administrative Services | - | - | - | - | - | - |

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

| | A | B | C | D | E | F |
|---|-----------------------------|---------------------|-------------------|--------------------------------------|---------------------|-------------------|
| | Month Ended August 31, 2021 | | | For Two Months Ended August 31, 2021 | | |
| | Administrative | Vaccine | Total | Administrative | Vaccine | Total |
| 70 Executive Director and Other Contractor Bonus | - | - | - | - | - | - |
| 71 Denied Claims Recovery Expenses | 5,250 | - | 5,250 | 10,500 | - | 10,500 |
| 72 Direct Healthcare Practices Operations | - | - | - | - | - | - |
| 73 Covid-19 Expenses | - | - | - | - | - | - |
| Total Other Discretionary Expenditures | 5,250 | - | 5,250 | 10,500 | - | 10,500 |
| 74 Total Administrative Expenses | 171,548 | - | 171,548 | 282,225 | - | 282,225 |
| 75 Total Change in Unrestricted Net Assets | \$ (1,601,701) | \$ 2,139,108 | \$ 537,408 | \$ (3,173,489) | \$ 3,470,595 | \$ 297,106 |

**Washington Vaccine Association
Administrative Budget Status
For Month of August 31, 2021**

| | A Approved Budget | B Actual August 31, 2021 | C Budget Variance |
|---|-------------------------|--------------------------------|-------------------------|
| 1 Direct Processing Costs | | | |
| 2 Helms & Company | \$ 69,182 | \$ 69,182 | \$ - |
| 3 Lockbox Image Conversion and Clearinghouse Intake (OrboGraph) | 9,428 | 4,875 | 4,553 |
| 4 Clearinghouse Intake Processing (Avality, Zelis) | 2,033 | 2,234 | (201) |
| 5 Lockbox Fees | 3,750 | 3,535 | 215 |
| 6 CollaborateMD | - | - | - |
| 7 Total Direct Processing Costs | 84,393 | 79,826 | 4,567 |
| 8 Executive Director Costs and Related Support Fees | | | |
| 9 Executive Director Salary | 18,039 | 17,758 | 281 |
| 10 Payroll Taxes | 1,497 | 414 | 1,083 |
| 11 Leased Employee per Check Fee | 195 | 195 | - |
| 12 Executive Director Travel and Lodging, Education, and Other | 5,583 | - | 5,583 |
| 13 Technology Support (Desktop and Telephony) | 417 | 335 | 82 |
| 14 Total Executive Director Costs and Related Support Fees | 25,731 | 18,702 | 7,029 |
| 15 Provider and Payer Education and Outreach | | | |
| 16 Provider Education Materials, Development and Printing | 3,720 | 3,999 | (279) |
| 17 Postage | 1,667 | 40 | 1,627 |
| 18 Website and Information Technology | 1,250 | - | 1,250 |
| 19 Technical Consultant - Margaret Lane | 417 | - | 417 |
| 20 Conferences and Education Sessions, Including Travel and Meals | - | - | - |
| 21 Provider Office Training Sessions, Including Travel and Meals | 417 | - | 417 |
| 22 Advertising and Sponsorships | 167 | - | 167 |
| 23 Hospitality | - | - | - |
| 24 Subcontractor Assistance | - | - | - |
| 25 Total Provider and Payer Education and Outreach | 7,638 | 4,038 | 3,600 |
| 26 Administrative Costs | | | |
| 27 Legal Counsel | 8,000 | 6,472 | 1,528 |
| 28 Audit Fees | - | 8,085 | (8,085) |
| 29 Government Relations, Including Travel, Meals, and Consultants | 417 | - | 417 |
| 30 Registered Agent Fee | 150 | - | 150 |
| 31 Bank Fees | - | - | - |
| 32 Investment Management Fees | 10,625 | 12,678 | (2,053) |
| 33 Office Supplies and Equipment | 450 | - | 450 |
| 34 Rent, ELM and Storage Facility | 150 | - | 150 |
| 35 Other Admin Support Provided by Lessor | 42 | - | 42 |
| 36 Board Retreat and Meetings | 1,333 | - | 1,333 |
| 37 Insurance | | | |
| 38 Cyber Liability | - | - | - |
| 39 Directors and Officers | 41,050 | 47,785 | (6,735) |
| 40 General Liability | 1,500 | 1,390 | 110 |
| 41 Total Administrative Costs | 63,717 | 76,410 | (12,693) |
| 42 Other Discretionary Expenditures | | | |
| 43 Conversion/Implementation Cost | - | - | - |
| 44 Executive Director and Other Contractor Bonus | - | - | - |
| 45 Denied Claims Recovery Expenses | 5,250 | 5,250 | - |
| 46 Direct Healthcare Practices Operations | 2,000 | - | 2,000 |
| 47 Covid-19 Expenses | - | - | - |
| 48 Total Other Discretionary Expenditures | 7,250 | 5,250 | 2,000 |
| 49 Total Budget | 188,729 | 184,226 | 4,503 |

Washington Vaccine Association
Administrative Budget Status
For the Quarter Ending September 31, 2021

| | A Approved Budget | B Actual August 31, 2021 | C Budget Variance |
|---|-------------------------|--------------------------------|-------------------------|
| 1 Direct Processing Costs | | | |
| 2 Helms & Company | \$ 138,364 | \$ 138,364 | \$ - |
| 3 Lockbox Image Conversion and Clearinghouse Intake (OrboGraph) | 18,856 | 11,340 | \$ 7,516 |
| 4 Clearinghouse Intake Processing (Availity, Zelis) | 4,066 | 4,795 | \$ (729) |
| 5 Lockbox Fees | 7,500 | 7,152 | \$ 348 |
| 6 CollaborateMD | - | - | \$ - |
| 7 Total Direct Processing Costs | 168,786 | 161,651 | \$ 7,135 |
| 8 Executive Director Costs and Related Support Fees | | | |
| 9 Executive Director Salary | 36,078 | 35,268 | 810 |
| 10 Payroll Taxes | 2,994 | 1,907 | 1,087 |
| 11 Leased Employee per Check Fee | 390 | 390 | - |
| 12 Executive Director Travel and Lodging, Education, and Other | 11,166 | - | 11,166 |
| 13 Technology Support (Desktop and Telephony) | 834 | 670 | 164 |
| 14 Total Executive Director Costs and Related Support Fees | 51,462 | 38,235 | 13,227 |
| 15 Provider and Payer Education and Outreach | | | |
| 16 Provider Education Materials, Development and Printing | 7,440 | 3,999 | 3,441 |
| 17 Postage | 3,334 | 40 | 3,294 |
| 18 Website and Information Technology | 2,500 | - | 2,500 |
| 19 Technical Consultant - Margaret Lane | 834 | - | 834 |
| 20 Conferences and Education Sessions, Including Travel and Meals | - | 715 | (715) |
| 21 Provider Office Training Sessions, Including Travel and Meals | 834 | - | 834 |
| 22 Advertising and Sponsorships | 334 | - | 334 |
| 23 Hospitality | - | 300 | (300) |
| 24 Subcontractor Assistance | - | - | - |
| 25 Total Provider and Payer Education and Outreach | 15,276 | 5,054 | 10,222 |
| 26 Administrative Costs | | | |
| 27 Legal Counsel | 16,000 | 9,157 | 6,843 |
| 28 Audit Fees | - | 8,085 | (8,085) |
| 29 Government Relations, Including Travel, Meals, and Consultants | 834 | - | 834 |
| 30 Registered Agent Fee | 150 | - | 150 |
| 31 Bank Fees | - | - | - |
| 32 Investment Management Fees | 21,250 | 24,771 | (3,521) |
| 33 Office Supplies and Equipment | 900 | 368 | 532 |
| 34 Rent, ELM and Storage Facility | 300 | - | 300 |
| 35 Other Admin Support Provided by Lessor | 84 | - | 84 |
| 36 Board Retreat and Meetings | 2,666 | - | 2,666 |
| 37 Insurance | | | |
| 38 Cyber Liability | - | - | - |
| 39 Directors and Officers | 41,050 | 47,785 | (6,735) |
| 40 General Liability | 1,500 | 1,390 | - |
| 41 Total Administrative Costs | 84,734 | 91,556 | (6,822) |
| 42 Other Discretionary Expenditures | | | |
| 43 Conversion/Implementation Cost | - | - | - |
| 44 Executive Director and Other Contractor Bonus | - | - | - |
| 45 Denied Claims Recovery Expenses | 10,500 | 10,500 | - |
| 46 Direct Healthcare Practices Operations | 4,000 | - | 4,000 |
| 47 Covid-19 Expenses | - | - | - |
| 48 Total Other Discretionary Expenditures | 14,500 | 10,500 | 4,000 |
| 49 Total Budget | 334,758 | 306,997 | 27,761 |

Washington Vaccine Association

Notes to Financial Statements

For the Month Ended August 31, 2021

Balance Sheet

Lines 2 and 4. Cash decreased in August by approximately \$1,212,000. Total cash and investments at month end are approximately \$55 million as compared to the budgeted cash position of \$49 million. Factors contributing to the variance from the budgeted reduction include the receipt of recovery payments. The time-lag between the date of service and the receipt of payment has been considered when projecting cash reserves for FY2022.

Line 6. The Prepaid Vaccine amount includes the amount requested by the Washington Department of Health (DOH) for the September 2021 replenishment of vaccines. The amount includes the administrative fee of 1.4% which equaled \$102,351 included in the request.

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

Profit and Loss

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

Line 6. The amount reported as 2% Waste is an estimate that was recorded through a journal entry. This estimate will be refined as we continue to process and track the amount of collectible assessments remaining from each DOH funding request. The amount remaining would likely represent vaccines that were not administered and would be considered waste. This will take several months of data before we are able to provide a more accurate estimate and therefore the 2% Waste estimate will continue to be used for the foreseeable future.

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

Line 8. The DOH replenishment is the actual "cost" of the vaccines that are associated with the Assessments received in August.

Line 10. The amount reported as DOH Cost Recovery Admin Charge is the amount requested by the DOH for administrative expenses incurred in July. It was paid with the September 2021 replenishment of vaccines.

Other

Based upon a review of detailed assessment remittance data, it appears that the Association may have received some remittances in error. Research is ongoing to determine the reasons for these remittances, the timeline of receipt, and the total dollar amount. Additionally, a process to resolve these items, as well as prevent future remittance errors from occurring will be developed.

Utilizing the assessment remittance database, the Association has been able to identify several instances whereby a payer has been incorrectly denying or underpaying assessments for a variety of reasons. Efforts are underway to contact payers to resolve these discrepancies and may result in additional assessment revenue attributable to the current fiscal year.