

**What:** Finance Committee Meeting  
**Date & Time:** Thursday, September 22, 2022; 11:00-12:00 p.m. (PT)  
**Location:** Webinar  
**Webinar Info:** To register for the meeting, please review the [Public Comment Protocol](#) then email [wvameetings@wavaccine.org](mailto:wvameetings@wavaccine.org) at least two business days in advance 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 / <b>Anticipated Action</b>	Presented by:
11:00-11:05 a.m.			1. Welcome & Introductions a. Notification of Recording	J. Zell
11:05-11:10 a.m.	Pg. 3-4	*	2. Calendar Consent Items: a. <b>Approve Finance Committee Minutes, April 7, 2022</b>	R. Parker
11:10-11:30 a.m.	Pg. 5-6 Pg. 7-22	* *	3. Overview of Draft 2021-2022 Audited Financials a. Discussion b. <b>Vote to Recommend Publication of the 2021/22 Audited Financials and Auditor's Letter</b>	A. Gilbert / J. Zell
11:30-11:50 a.m.	Pg. 23-39	*	4. Financial Update a. FYTD 2023 Unaudited Financial Statements b. Cash Discussion	P. Miller / J. Zell / P. Sidwell
11:50-11:55 a.m.			5. Other Matters from Committee Members	Any
11:55-12:00 p.m.			<b>6. Executive Session (Public excluded)</b>	R. Parker / J. Zell
12:00 p.m.			7. Closing	J. Zell

**WVA Finance Committee Meeting  
September 22, 2022  
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.

**Items under Agenda Section 2:**

**VOTED:** To approve April 07, 2022 meeting minutes.

[To approved April 07, 2022 meeting with the changes suggested at the meeting.]

**Items under Agenda Section 3:**

**VOTED:** To recommend the adoption and publication of the 2021-22 audited financial statements and independent auditor's letter to the WVA Board of Directors.

[To recommend the adoption and publication of the 2021-22 audited financial statements and independent auditor's letter to the WVA Board of Directors with the changes suggested at the meeting.]

**Washington Vaccine Association  
Finance Committee Meeting  
April 7, 2022; 11:00 a.m.-12:00 p.m. (PST)**

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

<u>Directors</u>	<u>WVA</u>
Randy Parker, Carpenters Trusts of Western Washington, Chair	Julia G. Zell, MA., Esq., Executive Director
Jason Farber, Davis Wright Tremaine LLP	<u>Helms &amp; Company, Inc.</u>
John Sobeck, MD, Regence	Patrick Miller, MPH, WVA, Administrative Director
	Leslie Walker, CPA, Mason+Rich, PA

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

Actions Taken

- i. To approve the minutes of the February 17, 2022 Finance Committee meeting.
- ii. To recommend the 2022-23 WVA Vaccine Assessment Grid to the Board for adoption.
- iii. To approve 2022-23 WVA Annual Administrative Budget.

Follow up Tasks/Action Items

Mr. Miller will adjust the grid assumptions by adding a three percent per year grid increase for FY2024 and FY2025 to the model, thus increasing projected cash reserves. This will be presented for the Board of Directors' review and adoption at its April 14, 2022 meeting.

**II. Welcome and Introductions**

Welcome and Introductions

Mr. Parker called the meeting to order at 11:05 a.m. Ms. Zell gave a notice of recording.

**III. Calendar Consent Items**

Mr. Parker directed the Committee's attention to the draft minutes submitted for approval. There being no questions or comments, the following item was put to a vote:

Upon motion duly made and seconded, it was unanimously

**VOTED: To approve the minutes of the February 17, 2022 Finance Committee minutes.**

**IV. Financial Update**

Portfolio Update

Ms. Zell provided a brief overview of the WVA's cash position, supplemented by a quarterly cash management report from Polly Sidwell, the WVA's financial advisor with Morgan Stanley. Ms. Zell gave a brief summation of the bond portfolio holdings. She explained the steps the Helms and Morgan Stanley teams have taken to ensure that WVA investments remain compliant with the Investment Policy Statement. She also noted that more funds are being held at KeyBank to avoid management fees at Morgan Stanley given modest returns on the ultra-light liquidity account at this time.

Financial Overview

Mr. Miller provided a financial update through February 2022, citing the unaudited financial statements. He reviewed highlights from the February 2022 ED/AD report. Financial trends are consistent with what has been forecasted. Mr.

Miller reviewed the administrative budget, noting that the WVA is \$128,349 ahead of budget, however, a partial spend down will occur due to printing, compensation evaluation and HR consultant costs.

#### TRICARE Update

Ms. Zell provided an update on the renegotiation of the TRICARE settlement report rate, citing an agreement to keep the TRICARE on-going assessments at 2.5% above grid prices for the next three years.

#### Proposed 2022-2023 WVA Assessment Grid and FY2023 WVA Administrative Budget

Ms. Zell introduced the assessment grid model. Mr. Miller reviewed the timeline, approach, and historical data as well as the WVA Administrative Budget summary. He reported that the budget-to-actuals have been consistently under budget for FY2023. Mr. Miller went through the assumptions the WVA has made regarding cash needs and how those impact the assessment grid-setting process. Brief discussions ensued regarding changes to administrative budget for FY2023 including legal costs and payroll budget. The CDC historically increases vaccine contract prices around 3% annually. The proposed WVA grid absorbs this inflation, which will hold the 2022-2023 grid steady to support the WVA's goal of reducing cash. The Department of Health (DOH) has estimated vaccine wastage to increase from 2.4% to 2.7% (primarily due to pandemic trends). The proposed model assumptions allow for the WVA to be proactive in regard to cash flow. No new vaccines will be added for FY2023. The DOH will recalculate the VFC fund source split this summer; any adjustment could have a significant impact on cash. Another potential factor in cash considerations centers upon the potential inclusion of the COVID vaccine in the Childhood Vaccine Program (CVP). The WVA will work closely with the DOH to ensure a successful roll-out.

The Committee then discussed the future cash projections as presented. With regards to the model assumptions, the Committee asked that Mr. Miller adjust the grid assumptions by adding three percent per year grid increases for FY2024 and FY2025 to show a high balance in FY25, instead of allowing a continued burn-down with no inflation factor. These adjustments will be presented for the Board of Directors' review and adoption at its April 14, 2022 meeting. The next step in the review and approval process will be for the Board to review the Finance Committee report and approve the proposed budget and assessment grid determinations at their April 14 meeting.

Upon motion duly made and seconded, it was unanimously

**VOTED: To recommend the 2022-23 WVA Vaccine Assessment Grid to the Board for adoption.**

**VOTED: To approve 2022-23 WVA Annual Administrative Budget.**

#### **V. Annual Auditor Selection**

Ms. Zell reviewed the auditor engagement letter. She shared that Clifton Larson Allen had consistently underestimated the amount of hours it would take to complete the WVA's annual audit; the firm provided several years of their projected versus actual work hour data. Due to added hours and the increase in staffing costs fee for the engagement has increased from approximately \$16,000 to \$22,500. Mr. Miller and Ms. Walker reported that they have seen similar increases in their work with other clients.

Upon motion duly made and seconded, it was unanimously

**VOTED: To approve CliftonLarsonAllen LLP as auditor for 2021-2022.**

#### **VI. Closing**

With no further business before the Committee, Mr. Parker concluded the meeting at 11:47 a.m.

Board of Directors  
Washington Vaccine Association  
Seattle, Washington

We have audited the financial statements of Washington Vaccine Association as of and for the year ended June 30, 2022, 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 in our engagement letter dated March 16, 2022. 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 2022.

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 DOH. 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***

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

***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

**WASHINGTON VACCINE ASSOCIATION  
FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

Draft for Discussion Purposes

**WASHINGTON VACCINE ASSOCIATION  
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YEARS ENDED JUNE 30, 2022 AND 2021**

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Draft for Discussion Purposes



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Washington Vaccine Association  
Seattle, Washington

### **Opinion**

We have audited the accompanying financial statements of Washington Vaccine Association (the Association), a Washington nonprofit organization, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Washington Vaccine Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

### **Responsibilities of Management 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' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Washington Vaccine Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Washington Vaccine Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **CliftonLarsonAllen LLP**

Bellevue, Washington  
REPORT DATE

**WASHINGTON VACCINE ASSOCIATION  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 11,101,243	\$ 3,797,938
Estimated Collectible Assessments	4,112,039	5,011,329
Prepaid Vaccines to Washington Department of Health	<u>6,845,103</u>	<u>6,049,825</u>
Total Current Assets	22,058,385	14,859,092
<b>INVESTMENTS</b>	<u>43,865,196</u>	<u>54,767,977</u>
Total Assets	<u><u>\$ 65,923,581</u></u>	<u><u>\$ 69,627,069</u></u>
<b>LIABILITIES AND NET ASSETS WITHOUT RESTRICTIONS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 163,490	\$ 171,233
<b>ASSESSMENTS COLLECTED IN EXCESS OF VACCINE FUNDING AND ADMINISTRATIVE ACTIVITIES</b>	<u>65,760,091</u>	<u>69,455,836</u>
Total Liabilities	65,923,581	69,627,069
<b>NET ASSETS WITHOUT RESTRICTIONS</b>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets Without Restrictions	<u><u>\$ 65,923,581</u></u>	<u><u>\$ 69,627,069</u></u>

Draft for Discussion Purposes

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

	Administrative Activities	Vaccine Funding Activities	Total
<b>CHANGE IN NET ASSETS WITHOUT RESTRICTIONS</b>			
Assessment Activity:			
Assessments	\$ (6,493,823)	\$ 83,643,996	\$ 77,150,173
Refunds	(446,262)	-	(446,262)
Waste	(908,883)	-	(908,883)
Denials and Price Variances	(185,601)	-	(185,601)
Cost Recovery Charge	(846,903)	-	(846,903)
Vaccine Replenishments	-	(74,989,143)	(74,989,143)
Net Assessment Activity	(8,881,472)	8,654,853	(226,619)
Investment Income:			
Interest and Dividends	1,084,916	-	1,084,916
Realized Gain on Investments	5,440	-	5,440
Unrealized Depreciation of Fair Value	(2,844,817)	-	(2,844,817)
Total Investment Income	(1,754,461)	-	(1,754,461)
Less: Investment Expenses	(135,679)	-	(135,679)
Net Investment Income	(1,890,140)	-	(1,890,140)
Expenses:			
Administrative:			
Third-Party Administrative Services	976,167	-	976,167
Executive Director Costs and Related Support	250,980	-	250,980
Provider and Payor Education and Outreach	63,897	-	63,897
Administrative Costs	164,204	-	164,204
Other Discretionary Expenditures	123,738	-	123,738
Total Expenses	1,578,986	-	1,578,986
Total Change in Net Assets Without Restrictions	(12,350,598)	8,654,853	(3,695,745)
<b>VACCINE FUNDING AND ADMINISTRATIVE ACTIVITIES IN EXCESS OF ASSESSMENTS COLLECTED</b>	<u>12,350,598</u>	<u>(8,654,853)</u>	<u>3,695,745</u>
<b>CHANGES IN NET ASSETS WITHOUT RESTRICTIONS</b>	-	-	-
Net Assets Without Restrictions - Beginning of Year	-	-	-
<b>NET ASSETS WITHOUT RESTRICTIONS - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

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

	Administrative Activities	Vaccine Funding Activities	Total
<b>CHANGE IN NET ASSETS WITHOUT RESTRICTIONS</b>			
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 Appreciation 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 Payor 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)
<b>VACCINE FUNDING AND ADMINISTRATIVE ACTIVITIES IN EXCESS OF ASSESSMENTS COLLECTED</b>	6,641,347	(1,878,364)	4,762,983
<b>CHANGES IN NET ASSETS WITHOUT RESTRICTIONS</b>	-	-	-
Net Assets Without Restrictions - Beginning of Year	-	-	-
<b>NET ASSETS WITHOUT RESTRICTIONS - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED JUNE 30, 2022 AND 2021**

	2022		
	Program Services	Management and General	Total
Vaccine Replenishments	\$ 75,836,046	\$ -	\$ 75,836,046
Payroll	-	250,980	250,980
Third-Party Administrative Services	-	976,167	976,167
Special Projects Services	-	63,897	63,897
Legal and Accounting	-	164,204	164,204
Office	-	123,738	123,738
Total	75,836,046	1,578,986	77,415,032
Less Expenses Netted Against Revenues on the Statement of Activities:			
Vaccine Replenishments	(75,836,046)	-	(75,836,046)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ -</u>	<u>\$ 1,578,986</u>	<u>\$ 1,578,986</u>

	2021		
	Program Services	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	80,537,066	1,560,768	82,097,834
Less Expenses Netted Against Revenues on the Statement of Activities:			
Vaccine Replenishments	(80,537,066)	-	(80,537,066)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ -</u>	<u>\$ 1,560,768</u>	<u>\$ 1,560,768</u>

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Assessments Collected	\$ 75,661,814	\$ 83,775,158
Cash Remittances to Washington Department of Health for Vaccines	(75,784,421)	(80,436,026)
Administrative Expenses Paid	(1,586,729)	(1,715,580)
Cash Received from Interest and Dividend Income	1,084,916	1,152,683
Cash Paid for Investment Expenses	(135,679)	(130,053)
Net Cash (Used) Provided by Operating Activities	<u>(760,099)</u>	<u>2,646,182</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Purchases	(20,886,813)	(88,207,924)
Proceeds from Investment Sales	28,950,217	84,665,988
Net Cash Provided (Used) by Investing Activities	<u>8,063,404</u>	<u>(3,541,936)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	7,303,305	(895,754)
Cash and Cash Equivalents - Beginning of Year	<u>3,797,938</u>	<u>4,693,692</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 11,101,243</u></u>	<u><u>\$ 3,797,938</u></u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ -	\$ -
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) Provided by Operating Activities:		
Realized Gain on Investments	(5,440)	(177,456)
Unrealized Depreciation of Fair Value	2,844,817	1,144,871
(Increase) Decrease in:		
Estimated Collectible Assessments	899,290	7,544,626
Prepaid Vaccines to Washington Department of Health	(795,278)	(948,064)
Increase (Decrease) in:		
Accounts Payable	(7,743)	(154,812)
Assessments Collected in Excess of Vaccine Funding and Administrative Activities	<u>(3,695,745)</u>	<u>(4,762,983)</u>
Net Cash (Used) Provided by Operating Activities	<u><u>\$ (760,099)</u></u>	<u><u>\$ 2,646,182</u></u>

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**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 health care 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.

**Draft for Discussion Purposes**

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](http://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 Vaccine Purchase 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, 2022 AND 2021**

**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, 2022 and 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, 2022 and 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.

Draft for Discussion Purposes

**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, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Dosage Based Assessments**

Funds collected from health insurers and third-party administrators (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 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 Vaccine 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 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 the Financial Accounting Standards Board (FASB) Accounting Standards Update (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 statements of activities for the years ended June 30, 2022 and 2021:

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, 2022 AND 2021**

**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, 2022 and 2021, assessments collected in excess of vaccine funding and administrative activities totaled \$65,760,091 and \$69,455,836, respectively.

**Income Taxes**

The Association follows FASB Accounting Standards Codification (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, 2022 AND 2021**

**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, 2022 AND 2021**

**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, 2022:

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 1,259,137	\$ -	\$ -	\$ 1,259,137
Corporate Bonds	14,704,825	3,070,824	-	17,775,649
U.S. Treasuries	2,774,229	-	-	2,774,229
U.S. Federal Agencies	10,066,917	2,280,768	-	12,347,685
Certificates of Deposit	-	9,708,496	-	9,708,496
Total Schedule of Investments	<u>\$ 28,805,108</u>	<u>\$ 15,060,088</u>	<u>\$ -</u>	<u>\$ 43,865,196</u>

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
Mutual Funds	\$ 8,033,999	\$ -	\$ -	\$ 8,033,999
Corporate Bonds	19,519,519	2,563,219	-	22,082,738
U.S. Treasuries	1,824,105	-	-	1,824,105
U.S. Federal Agencies	1,760,885	8,409,257	-	10,170,142
Certificates of Deposit	-	12,656,993	-	12,656,993
Total Schedule of Investments	<u>\$ 31,138,508</u>	<u>\$ 23,629,469</u>	<u>\$ -</u>	<u>\$ 54,767,977</u>

**NOTE 4 REMITTANCE TO THE STATE OF WASHINGTON**

Pursuant to the Association's statutory purposes, a transfer of \$75,836,046 and \$80,537,066 was made by the Association to the UVPA during the years ended June 30, 2022 and 2021, respectively. The transfers include a cost recovery administrative charge assessed by the DOH.

**WASHINGTON VACCINE ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**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 UVPA.

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

	2022	2021
Cash and Cash Equivalents	\$ 11,101,243	\$ 3,797,938
Estimated Collectible Assessments	4,112,039	5,011,329
Investments	43,865,196	54,767,977
Total Financial Assets Available to Meet Cash		
Needs for General Expenditures Within One Year	<u>\$ 59,078,478</u>	<u>\$ 63,577,244</u>

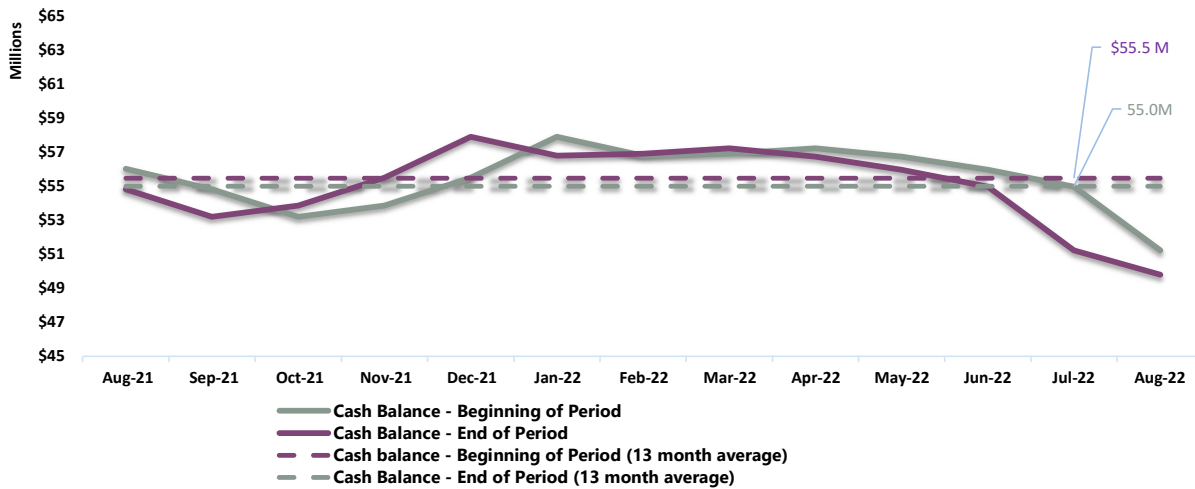
**NOTE 6 CONTINGENCIES**

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.

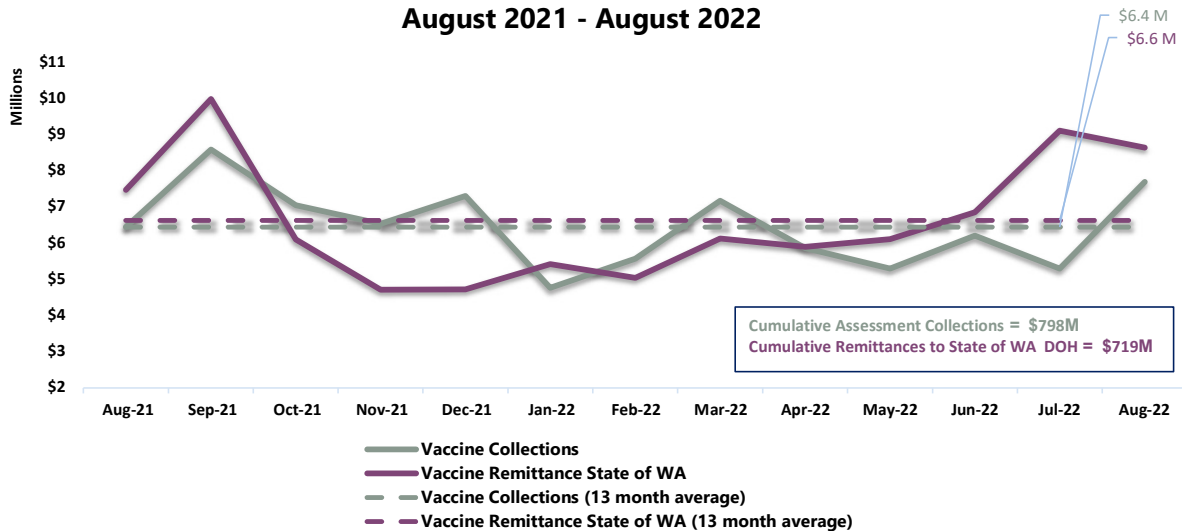
WASHINGTON VACCINE ASSOCIATION  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE TWO MONTHS ENDED  
August 31, 2022  
With Supplemental Information Reporting

Prepared by  
Helms & Company, Inc., Administrator

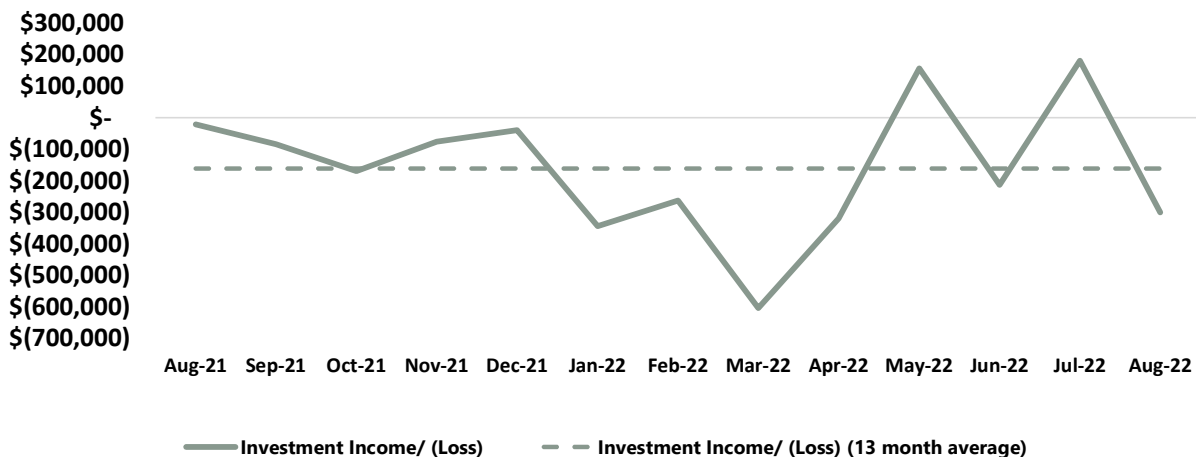
### Cash Balances Beginning and End of Period August 2021 - August 2022



### Total Vaccine Collections and Vaccine Remittances to State of WA August 2021 - August 2022



### Investment Income / (Loss) August 2021 - August 2022





Washington Vaccine Association  
Statement of Cash Flows  
For the Periods Ended

	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP
	Month 8/31/2021	Month 9/30/2021	Month 10/31/2021	Month 11/30/2021	Month 12/31/2021	Month 1/31/2022	Month 2/28/2022	Month 3/31/2022	Month 4/30/2022	Month 5/31/2022	Month 6/30/2022	Month 7/31/2022	Month 8/31/2022	13 Month Average
1 Cash balance - beginning	\$ 56,022,516	\$ 54,810,483	\$ 53,200,885	\$ 53,859,684	\$ 55,489,027	\$ 57,892,443	\$ 56,794,955	\$ 56,901,662	\$ 57,228,006	\$ 56,731,278	\$ 55,963,525	\$ 54,966,739	\$ 51,225,722	55,468,225.08
<b>Inflows:</b>														
2 Vaccine collections	6,438,402	8,574,576	7,041,909	6,526,672	7,292,657	4,758,484	5,567,703	7,165,492	5,855,575	5,295,645	6,203,839	5,293,104	7,684,870	6,438,379.01
3 Interest income - payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Investment income/ (loss)	(21,373)	(83,457)	(168,946)	(75,953)	(39,134)	(343,834)	(263,415)	(603,741)	(319,989)	156,297	(213,108)	181,120	(300,938)	(161,267.00)
5 Total inflows	6,417,029	8,491,119	6,872,963	6,450,719	7,253,523	4,414,650	5,304,288	6,561,751	5,535,586	5,451,942	5,990,731	5,474,224	7,383,932	\$ 6,277,112
<b>Outflows:</b>														
<b>Program</b>														
6 Vaccine remittance State of WA	(7,465,552)	(9,970,890)	(6,094,402)	(4,713,678)	(4,724,632)	(5,409,431)	(5,037,313)	(6,117,841)	(5,891,576)	(6,102,649)	(6,839,636)	(9,100,501)	(8,625,865)	(6,622,612.75)
<b>Administration</b>														
7 Direct Processing Costs	(74,392)	(78,554)	(79,069)	(76,414)	(78,183)	(76,802)	(71,898)	(71,381)	(74,821)	(74,116)	(79,377)	(84,627)	(87,483)	(77,470.49)
8 Executive Director Costs and Support Fees	(20,085)	(19,093)	(18,113)	(19,564)	(20,100)	-	(70,227)	(23,646)	(20,142)	(22,606)	(22,335)	(21,938)	(22,007)	(23,065.86)
9 Provider and Payer Education and Outreach	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Administrative Costs	(63,782)	(26,931)	(17,330)	(6,470)	(21,942)	(20,656)	(12,893)	(10,489)	(32,125)	(11,475)	(15,318)	(4,575)	(63,139)	(23,624.92)
11 Other Discretionary Expenditures	(5,250)	(5,250)	(5,250)	(5,250)	(5,250)	(5,250)	(5,250)	(12,050)	(13,650)	(8,850)	(30,850)	(3,600)	(9,000)	(8,826.92)
12 Total Administration	(163,509)	(129,827)	(119,762)	(107,697)	(125,475)	(102,708)	(160,268)	(117,566)	(140,738)	(117,047)	(147,880)	(114,740)	(181,629)	(132,988)
13 Net all other outflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Total outflows	(7,629,062)	(10,100,718)	(6,214,164)	(4,821,375)	(4,850,107)	(5,512,139)	(5,197,581)	(6,235,407)	(6,032,314)	(6,219,696)	(6,987,516)	(9,215,241)	(8,807,494)	(6,755,600.94)
15 Net Cash Incr (decr) for period	(1,212,033)	(1,609,599)	658,799	1,629,344	2,403,416	(1,097,489)	106,707	326,344	(496,728)	(767,754)	(996,785)	(3,741,017)	(1,423,562)	(478,489)
16 Cash balance - end of period	\$ 54,810,483	\$ 53,200,885	\$ 53,859,684	\$ 55,489,027	\$ 57,892,443	\$ 56,794,955	\$ 56,901,662	\$ 57,228,006	\$ 56,731,278	\$ 55,963,525	\$ 54,966,739	\$ 51,225,722	\$ 49,802,160	\$ 54,989,736

Note: Cash balance includes amounts in KeyBank and Morgan Stanley

**Washington Vaccine Association**  
**Statement of Financial Position**  
**As of August 31, 2022**

**ASSETS**

1	Current Assets		
2	Cash and Cash Equivalents	\$	7,600,237
3	Accounts Receivable		-
4	Investments		42,201,923
5	Members Estimated Collectible Assessments		4,408,698
6	Prepaid Vaccine		8,531,691
7	Prepaid Administrative Services		-
8	Total Current Assets		<u>62,742,548</u>
9	Total Assets	\$	<u><u>62,742,548</u></u>

**LIABILITIES AND NET ASSETS**

10	Current Liabilities		
11	Accounts Payable	\$	93,065
12	Other Accruals		88,494
13	Total Current Liabilities		<u>181,559</u>
14	Assessments Collected in Excess of Vaccine Funding and Administrative Activities		<u>62,560,989</u>
15	Total Liabilities		<u>62,742,548</u>
16	Total Liabilities and Net Assets	\$	<u><u>62,742,548</u></u>

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

	A	B	C	D	E	F
	Month Ended August 31, 2022			Month Ended August 31, 2021		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
	Revenues / Vaccine Expenses					
1 <b>Assessment Activity:</b>						
2 <b>Assessments</b>	\$ (824,591)	\$ 8,539,165	\$ 7,714,574	\$ (1,143,775)	\$ 7,635,649	\$ 6,491,874
3 <b>Recoveries</b>	-	-	-	-	-	-
4 <b>Estimated Over (Under) Collections</b>	-	-	-	-	-	-
5 <b>Refunds</b>	(23,285)	-	(23,285)	(23,039)	-	(23,039)
6 <b>Estimated 2% Waste</b>	(105,836)	-	(105,836)	(164,514)	-	(164,514)
7 <b>Estimated Price Variance and 3% Denial</b>	(10,249)	-	(10,249)	(25,000)	-	(25,000)
8 <b>DOH Replenishment</b>	-	(8,993,664)	(8,993,664)	-	(5,496,541)	(5,496,541)
9 <b>Adjustment to Correct Inventory</b>	-	-	-	-	-	-
10 <b>DOH Cost Recovery Admin Charge</b>	(94,174)	-	(94,174)	(52,452)	-	(52,452)
11 <b>Interest Income on Assessments</b>	-	-	-	-	-	-
12 <b>Net Assessment Activity</b>	(1,058,134)	(454,499)	(1,512,633)	(1,408,780)	2,139,108	730,328
13 <b>Investment Activity:</b>						
14 <b>Interest and Dividend Income - Morgan Stanley</b>	86,712	-	86,712	102,087	-	102,087
15 <b>Realized Gain/(Loss) on Investments - Morgan Stanley</b>	-	-	-	18,012	-	18,012
16 <b>Unrealized Gain/(Loss) on Investments - Morgan Stanley</b>	(390,386)	-	(390,386)	(128,917)	-	(128,917)
17 <b>Investment Management Expenses</b>	(10,860)	-	(10,860)	(12,678)	-	(12,678)
18 <b>Interest Income - KeyBank</b>	13,596	-	13,596	124	-	124
19 <b>Net Investment Activity</b>	(300,938)	-	(300,938)	(21,373)	-	(21,373)
20 <b>Net Revenues</b>	(1,359,072)	(454,499)	(1,813,570)	(1,430,153)	2,139,108	708,955

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

	A	B	C	D	E	F
	Month Ended August 31, 2022			Month Ended August 31, 2021		
	Administrative	Vaccine Other Expenses	Total	Administrative	Vaccine	Total
21 Administrative Expenses:						
22 Direct Processing Costs						
23 Administrator (Helms & Company, Inc.)	65,432	-	65,432	69,182	-	69,182
24 EDI /ACH Clearinghouse Maintenance (Helms & Company, Inc.)	3,750	-	3,750	4,875	-	4,875
25 Clearinghouse Intake Processing (Availity, Zelis, Etc.)	5,241	-	5,241	2,234	-	2,234
26 Lockbox and Bank Fees	3,483	-	3,483	3,535	-	3,535
27 Recovery and Compliance (Helms & Company, Inc.)	5,250	-	5,250	5,250	-	5,250
28 Lockbox Intake (OrboGraph)	4,840	-	4,840	-	-	-
Total Direct Processing Costs	87,996	-	87,996	85,076	-	85,076
28						
29 Executive Director Costs and Related Support Fees						
30 Executive Director Salary	18,210	-	18,210	17,758	-	17,758
31 Payroll Taxes	1,070	-	1,070	414	-	414
32 Leased Employee per Check Fee	195	-	195	195	-	195
33 Executive Director Travel and Lodging, Education, and Other	2,196	-	2,196	-	-	-
34 Technology Support (Desktop and Telephony)	335	-	335	335	-	335
35 Total Executive Director Costs and Related Support Fees	22,007	-	22,007	18,702	-	18,702
36 Provider and Payer Education and Outreach						
37 Provider Education Materials, Development and Printing	-	-	-	3,999	-	3,999
38 Postage	-	-	-	40	-	40
39 Website and Information Technology	-	-	-	-	-	-
40 Technical Consultants	-	-	-	-	-	-
41 Provider Office Training Sessions	-	-	-	-	-	-
42 Advertising and Sponsorships	-	-	-	-	-	-
43 Hospitality	-	-	-	-	-	-
44 Provider Services Rep	-	-	-	-	-	-
45 Leased Employee per Check Fee	-	-	-	-	-	-
46 Total Provider and Payer Education and Outreach	-	-	-	4,038	-	4,038
47 Administrative Costs						
Legal Counsel	8,128	-	8,128	6,472	-	6,472
48 Audit Fees	2,835	-	2,835	8,085	-	8,085
49 Government Relations, Including Travel, Meals, and Consultants	-	-	-	-	-	-
50 Registered Agent Fee	-	-	-	-	-	-
51 Bank Fees	-	-	-	-	-	-
52 Office Supplies and Equipment	118	-	118	-	-	-
53 Rent, ELM and Storage Facility	-	-	-	-	-	-
54 Other Admin Support Provided by Lessor	-	-	-	-	-	-
55 Board Retreat and Meetings	-	-	-	-	-	-
56 Insurance	-	-	-	-	-	-
57 Cyber Liability	-	-	-	-	-	-

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

	A	B	C	D	E	F
	Month Ended August 31, 2022			Month Ended August 31, 2021		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
58 Directors and Officers	22,244	-	22,244	47,785	-	47,785
59 General Liability	29,814	-	29,814	1,390	-	1,390
60 Insurance - Other	-	-	-	-	-	-
61 Legal - Special Projects and L	-	-	-	-	-	-
62 Total Administrative Costs	63,139	-	63,139	63,732	-	63,732
63						
64 Other Discretionary Expenditures						
65 Executive Director and Other Contractor Bonus	-	-	-	-	-	-
66 Human Resources and Governance	9,000	-	9,000	-	-	-
67 Total Other Discretionary Expenditures	9,000	-	9,000	-	-	-
68						
69 Total Administrative Expenses	182,142	-	182,142	171,548	-	171,548
70						
71 Total Change in Unrestricted Net Assets	\$ (1,541,214)	\$ (454,499)	\$ (1,995,712)	\$ (1,601,701)	\$ 2,139,108	\$ 537,408

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

		A	B	C	D	E	F
		Month Ended August 31, 2022			For Two Months Ended August 31, 2022		
		Administrative	Vaccine	Total	Administrative	Vaccine	Total
		Revenues / Vaccine Expenses					
1	Assessment Activity:						
2	Assessments	\$ (824,591)	\$ 8,539,165	\$ 7,714,574	\$ (1,379,758)	\$ 14,405,415	\$ 13,025,657
3	Recoveries	-	-	-	-	-	-
4	Estimated Over (Under) Collections	-	-	-	-	-	-
5	Refunds	(23,285)	-	(23,285)	(42,744)	-	(42,744)
6	Estimated 2% Waste	(105,836)	-	(105,836)	(138,711)	-	(138,711)
7	Estimated Price Variance and 3% Denial	(10,249)	-	(10,249)	(20,658)	-	(20,658)
8	DOH Replenishment	-	(8,993,664)	(8,993,664)	-	(15,502,789)	(15,502,789)
9	Adjustment to Correct Inventory	-	-	-	-	-	-
10	DOH Cost Recovery Admin Charge	(94,174)	-	(94,174)	(160,357)	-	(160,357)
11	Interest Income on Assessments	-	-	-	-	-	-
12	Net Assessment Activity	(1,058,134)	(454,499)	(1,512,633)	(1,742,228)	(1,097,373)	(2,839,601)
13	Investment Activity:						
14	Interest and Dividend Income - Morgan Stanley	86,712	-	86,712	126,617	-	126,617
15	Realized Gain/(Loss) on Investments - Morgan Stanley	-	-	-	-	-	-
16	Unrealized Gain/(Loss) on Investments - Morgan Stanley	(390,386)	-	(390,386)	(248,557)	-	(248,557)
17	Investment Management Expenses	(10,860)	-	(10,860)	(21,665)	-	(21,665)
18	Interest Income - KeyBank	13,596	-	13,596	23,454	-	23,454
19	Net Investment Activity	(300,938)	-	(300,938)	(120,151)	-	(120,151)
20	Net Revenues	(1,359,072)	(454,499)	(1,813,570)	(1,862,379)	(1,097,373)	(2,959,752)

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

	A	B	C	D	E	F
	Month Ended August 31, 2022			For Two Months Ended August 31, 2022		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
	Other Expenses					
21 Administrative Expenses:						
22 Direct Processing Costs						
23 Administrator (Helms & Company, Inc.)	65,432	-	65,432	130,864	-	130,864
24 EDI /ACH Clearinghouse Maintenance (Helms & Company, Inc.)	3,750	-	3,750	7,500	-	7,500
25 Clearinghouse Intake Processing (Avality, Zelis, Etc.)	5,241	-	5,241	8,987	-	8,987
26 Lockbox and Bank Fees	3,483	-	3,483	7,110	-	7,110
28 Recovery and Compliance (Helms & Company, Inc.)	5,250	-	5,250	10,500	-	10,500
29 Lockbox Intake (OrboGraph)	4,840	-	4,840	9,167	-	9,167
30 Total Direct Processing Costs	87,996	-	87,996	174,128	-	174,128
31 Executive Director Costs and Related Support Fees						
32 Executive Director Salary	18,210	-	18,210	36,421	-	36,421
33 Payroll Taxes	1,070	-	1,070	2,141	-	2,141
34 Leased Employee per Check Fee	195	-	195	390	-	390
35 Executive Director Travel and Lodging, Education, and Other	2,196	-	2,196	4,323	-	4,323
36 Technology Support (Desktop and Telephony)	335	-	335	670	-	670
38 Total Executive Director Costs and Related Support Fees	22,007	-	22,007	43,945	-	43,945
39 Provider and Payer Education and Outreach						
40 Provider Education Materials, Development and Printing	-	-	-	-	-	-
41 Postage	-	-	-	-	-	-
42 Website and Information Technology	-	-	-	-	-	-
43 Technical Consultants	-	-	-	-	-	-
44 Provider Office Training Sessions	-	-	-	-	-	-
45 Advertising and Sponsorships	-	-	-	-	-	-
46 Hospitality	-	-	-	-	-	-
48 Provider Services Rep	-	-	-	-	-	-
49 Leased Employee per Check Fee	-	-	-	-	-	-
50 Total Provider and Payer Education and Outreach	-	-	-	-	-	-
52 Administrative Costs						
53 Legal Counsel	8,128	-	8,128	8,128	-	8,128
54 Audit Fees	2,835	-	2,835	2,835	-	2,835
55 Government Relations, Including Travel, Meals, and Consultants	-	-	-	-	-	-
56 Registered Agent Fee	-	-	-	-	-	-
57 Bank Fees	-	-	-	-	-	-
58 Office Supplies and Equipment	118	-	118	4,693	-	4,693
59 Rent, ELM and Storage Facility	-	-	-	-	-	-
60 Other Admin Support Provided by Lessor	-	-	-	-	-	-
61 Board Retreat and Meetings	-	-	-	-	-	-
62 Insurance						
63 Cyber Liability	-	-	-	-	-	-
64 Directors and Officers	22,244	-	22,244	22,244	-	22,244
65 General Liability	29,814	-	29,814	29,814	-	29,814
66 Insurance - Other	-	-	-	-	-	-

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

		A	B	C	D	E	F
		Month Ended August 31, 2022			For Two Months Ended August 31, 2022		
		Administrative	Vaccine	Total	Administrative	Vaccine	Total
68	Legal - Special Projects and L	-	-	-	-	-	-
70	Total Administrative Costs	63,139	-	63,139	67,714	-	67,714
71	Other Discretionary Expenditures						
72	Executive Director and Other Contractor Bonus	-	-	-	-	-	-
77	Human Resources and Governance	9,000	-	9,000	12,600	-	12,600
86	Total Other Discretionary Expenditures	9,000	-	9,000	12,600	-	12,600
91	Total Administrative Expenses	182,142	-	182,142	298,388	-	298,388
92	Total Change in Unrestricted Net Assets	\$ (1,541,214)	\$ (454,499)	\$ (1,995,712)	\$ (2,160,767)	\$ (1,097,373)	\$ (3,258,140)



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

		A	B	C	D	E	F
		For Two Months Ended August 31, 2022			For Two Months Ended August 31, 2021		
		Administrative	Vaccine	Total	Administrative	Vaccine	Total
		Revenues / Vaccine Expenses					
1	Assessment Activity:						
2	Assessments	\$ (1,379,758)	\$ 14,405,415	\$ 13,025,657	\$ (2,441,318)	\$ 14,863,041	\$ 12,421,723
3	Recoveries	-	-	-	-	-	-
4	Estimated Over (Under) Collections	-	-	-	-	-	-
5	Refunds	(42,744)	-	(42,744)	(60,969)	-	(60,969)
6	Estimated 2% Waste	(138,711)	-	(138,711)	(283,682)	-	(283,682)
7	Estimated Price Variance and 3% Denial	(20,658)	-	(20,658)	(43,877)	-	(43,877)
8	DOH Replenishment	-	(15,502,789)	(15,502,789)	-	(11,392,446)	(11,392,446)
9	Adjustment to Correct Inventory	-	-	-	-	-	-
10	DOH Cost Recovery Admin Charge	(160,357)	-	(160,357)	(125,683)	-	(125,683)
11	Interest Income on Assessments	-	-	-	-	-	-
12	Net Assessment Activity	(1,742,228)	(1,097,373)	(2,839,601)	(2,955,528)	3,470,595	515,067
13	Investment Activity:						
14	Interest and Dividend Income - Morgan Stanley	126,617	-	126,617	168,279	-	168,279
15	Realized Gain/(Loss) on Investments - Morgan Stanley	-	-	-	12,934	-	12,934
16	Unrealized Gain/(Loss) on Investments - Morgan Stanley	(248,557)	-	(248,557)	(92,414)	-	(92,414)
17	Investment Management Expenses	(21,665)	-	(21,665)	(24,771)	-	(24,771)
18	Interest Income - KeyBank	23,454	-	23,454	236	-	236
19	Net Investment Activity	(120,151)	-	(120,151)	64,264	-	64,264
20	Net Revenues	(1,862,379)	(1,097,373)	(2,959,752)	(2,891,264)	3,470,595	579,331

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

	A	B	C	D	E	F
	For Two Months Ended August 31, 2022			For Two Months Ended August 31, 2021		
	Administrative	Vaccine Other Expenses	Total	Administrative	Vaccine	Total
21 Administrative Expenses:						
22 Direct Processing Costs						
23 Administrator (Helms & Company, Inc.)	130,864	-	130,864	138,364	-	138,364
24 EDI /ACH Clearinghouse Maintenance (Helms & Con	7,500	-	7,500	11,340	-	11,340
25 Clearinghouse Intake Processing (Avality, Zelis, Etc.)	8,987	-	8,987	4,795	-	4,795
26 Lockbox and Bank Fees	7,110	-	7,110	7,152	-	7,152
27 Recovery and Compliance (Helms & Company, Inc.)	10,500	-	10,500	10,500	-	10,500
28 Lockbox Intake (OrboGraph)	9,167	-	9,167	-	-	-
29 Total Direct Processing Costs	174,128	-	174,128	172,151	-	172,151
30						
Executive Director Costs and Related Support Fees						
31 Executive Director Salary	36,421	-	36,421	35,268	-	35,268
32 Payroll Taxes	2,141	-	2,141	1,907	-	1,907
33 Leased Employee per Check Fee	390	-	390	390	-	390
34 Executive Director Travel and Lodging, Education, an	4,323	-	4,323	-	-	-
35 Technology Support (Desktop and Telephony)	670	-	670	670	-	670
36 Total Executive Director Costs and Related Support Fees	43,945	-	43,945	38,235	-	38,235
37						
38 Provider and Payer Education and Outreach						
Provider Education Materials, Development and Print	-	-	-	3,999	-	3,999
39 Postage	-	-	-	40	-	40
40 Website and Information Technology	-	-	-	-	-	-
41 Technical Consultants	-	-	-	-	-	-
42 Provider Office Training Sessions	-	-	-	715	-	715
43 Advertising and Sponsorships	-	-	-	-	-	-
44 Hospitality	-	-	-	300	-	300
45 Provider Services Rep	-	-	-	-	-	-
46 Leased Employee per Check Fee	-	-	-	-	-	-
47 Total Provider and Payer Education and Outreach	-	-	-	5,054	-	5,054
48						
49 Administrative Costs						
50 Legal Counsel	8,128	-	8,128	9,157	-	9,157
51 Audit Fees	2,835	-	2,835	8,085	-	8,085
Government Relations, Including Travel, Meals, and	-	-	-	-	-	-
52 Registered Agent Fee	-	-	-	-	-	-
53 Bank Fees	-	-	-	-	-	-
54 Office Supplies and Equipment	4,693	-	4,693	368	-	368
55 Rent, ELM and Storage Facility	-	-	-	-	-	-
56 Other Admin Support Provided by Lessor	-	-	-	-	-	-

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

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

		A	B	C	D	E	F
		For Two Months Ended August 31, 2022			For Two Months Ended August 31, 2021		
		Administrative	Vaccine	Total	Administrative	Vaccine	Total
57	Board Retreat and Meetings	-	-	-	-	-	-
58	Insurance						
59	Cyber Liability	-	-	-	-	-	-
60	Directors and Officers	22,244	-	22,244	47,785	-	47,785
61	General Liability	29,814	-	29,814	1,390	-	1,390
62	Insurance - Other	-	-	-	-	-	-
63	Legal - Special Projects and L	-	-	-	-	-	-
64	Total Administrative Costs	67,714	-	67,714	66,785	-	66,785
65							
67	Other Discretionary Expenditures						
68	Executive Director and Other Contractor Bonus	-	-	-	-	-	-
69	Human Resources and Governance	12,600	-	12,600	-	-	-
70	Total Other Discretionary Expenditures	12,600	-	12,600	-	-	-
71	Total Administrative Expenses	298,388	-	298,388	282,225	-	282,225
72							
73	Total Change in Unrestricted Net Assets	\$ (2,160,767)	\$ (1,097,373)	\$ (3,258,140)	\$ (3,173,489)	\$ 3,470,595	\$ 297,106

Washington Vaccine Association  
Administrative Budget Status  
For Two Months Ended August 31, 2022

	A	B	C
	Approved	Actual	Budget
	Budget	August 31, 2022	Variance
1 Direct Processing Costs			
2 Helms & Company	\$ 130,864	\$ 130,864	\$ -
3 Lockbox Image Conversion and Clearinghouse Intake (OrboGraph)	3,750	3,750	-
4 Clearinghouse Intake Processing (Avality, Zelis)	6,000	8,987	(2,987)
5 Lockbox Fees	8,000	7,110	890
6 CollaborateMD	10,500	10,500	-
7 Total Direct Processing Costs	13,840	9,167	4,673
	172,954	170,378	2,576
8 Executive Director Costs and Related Support Fees			
9 Executive Director Salary			
10 Payroll Taxes	36,420	36,421	(1)
11 Leased Employee per Check Fee	1,812	2,141	(329)
12 Executive Director Travel and Lodging, Education, and Other	390	390	-
13 Technology Support (Desktop and Telephony)	10,834	4,323	6,511
14 Total Executive Director Costs and Related Support Fees	670	670	-
	50,126	43,945	6,181
15 Provider and Payer Education and Outreach			
16 Provider Education Materials, Development and Printing			
17 Postage	12,500	-	12,500
18 Website and Information Technology	2,500	-	2,500
19 Technical Consultant - Margaret Lane	2,500	-	2,500
20 Conferences and Education Sessions, Including Travel and Meals	1,000	-	1,000
21 Provider Office Training Sessions, Including Travel and Meals	2,000	-	2,000
22 Advertising and Sponsorships	334	-	334
23 Hospitality	600	-	600
24 Subcontractor Assistance	-	-	-
25 Total Provider and Payer Education and Outreach	-	-	-
	21,434	-	21,434
26 Administrative Costs			
27 Legal Counsel			
28 Audit Fees	6,666	8,128	(1,462)
29 Government Relations, Including Travel, Meals, and Consultants	-	2,835	(2,835)
30 Registered Agent Fee	834	-	834
31 Bank Fees	150	-	150
32 Investment Management Fees	24,000	21,665	2,335
33 Office Supplies and Equipment	4,400	4,693	(293)
34 Rent, ELM and Storage Facility	300	-	300
35 Other Admin Support Provided by Lessor	84	-	84
36 Board Retreat and Meetings	2,000	-	2,000
37 Insurance			
38 Cyber Liability	-	-	-
39 Directors and Officers	-	22,244	(22,244)
40 General Liability	1,500	29,814	(28,314)
41 Total Administrative Costs	15,000	-	15,000
	54,934	89,379	(34,445)
42 Other Discretionary Expenditures			
43 Conversion/Implementation Cost			
44 Executive Director and Other Contractor Bonus	-	-	-
45 Denied Claims Recovery Expenses	8,700	12,600	(3,900)
46 Direct Healthcare Practices Operations	8,700	12,600	(3,900)
47 Covid-19 Expenses			
48 Total Other Discretionary Expenditures			
	308,148	316,303	(8,155)
49 Total Budget	1,704,357	1,538,049	166,308

**Washington Vaccine Association  
Administrative Budget Status  
For Month of August 31, 2022**

	A Approved Budget	B Actual August 31, 2022	C Budget Variance
1 Direct Processing Costs			
2 Administrator (Helms & Company, Inc.)	65,432	65,432	-
3 EDI /ACH Clearinghouse Maintenance (Helms & Company, Inc.)	3,750	3,750	-
4 Clearinghouse Intake Processing (Avality, Zelis, Etc.)	3,000	5,241	(2,241)
5 Lockbox and Bank Fees	4,000	3,483	517
6 Recovery and Compliance (Helms & Company, Inc.)	5,250	5,250	-
7 Lockbox Intake (OrboGraph)	6,920	4,327	2,593
8 Total Direct Processing Costs	88,352	87,483	869
9 Executive Director Costs and Related Support Fees			
10 Executive Director Salary	18,210	18,210	(0)
11 Payroll Taxes	419	1,070	(651)
12 Leased Employee per Check Fee	195	195	-
13 Executive Director Travel and Lodging, Education, and Other	5,417	2,196	3,221
14 Technology Support (Desktop and Telephony)	335	335	-
15 Total Executive Director Costs and Related Support Fees	24,576	22,007	2,569
16 Provider and Payer Education and Outreach			
17 Provider Education Materials, Development and Printing	6,250	-	6,250
18 Postage	1,250	-	1,250
19 Website and Information Technology	1,250	-	1,250
20 Technical Consultants	500	-	500
21 Provider Office Training Sessions	1,000	-	1,000
22 Advertising and Sponsorships	167	-	167
23 Hospitality	300	-	300
24 Provider Services Rep	-	-	-
25 Leased Employee per Check Fee	-	-	-
26 Total Provider and Payer Education and Outreach	10,717	-	10,717
27 Administrative Costs			
28 Legal - General Counsel and Governance	3,333	8,128	(4,795)
29 Audit Fees	-	2,835	(2,835)
30 Government Relations Consultants	417	-	417
31 Registered Agent Fee	-	-	-
32 Investment Management Fees	12,000	10,832	1,168
33 Office Supplies and Equipment	450	118	332
34 Rent	150	-	150
35 Other Admin Support Provided by Lessor	42	-	42
36 Board Retreat and Meetings	1,000	-	1,000
37 Insurance	-	-	-
38 Cyber Liability	-	-	-
39 Directors and Officers	-	22,244	(22,244)
40 General Liability	1,500	29,814	(28,314)
41 Legal - Special Projects and Litigation	7,500	-	7,500
42 Total Administrative Costs	26,392	73,971	(47,579)
43 Other Discretionary Expenditures			
44 Executive Director Bonus Pool	-	-	-
45 Human Resources and Governance	4,350	9,000	(4,650)
46 Total Other Discretionary Expenditures	4,350	9,000	(4,650)
47 Total Budget	\$ 154,387	\$ 192,462	\$ (38,075)

## Washington Vaccine Association

## Notes to Financial Statements

For the Two Months Ended August 31, 2022

Balance Sheet

Lines 2 and 4. Cash decreased in August by approximately \$1,424,000. Total cash and investments at month end are approximately \$50 million as compared to the budgeted cash position of \$49 million. The time-lag between the date of service and the receipt of payment has been considered when projecting cash reserves for FY2023.

Line 6. The Prepaid Vaccine amount includes the amount requested by the Washington Department of Health (DOH) for the September 2022 replenishment of vaccines. The amount includes the administrative fee of 1.4% which equaled \$117,794 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 July. 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 2022 replenishment of vaccines.

Other

Based upon a review of detailed assessment remittance data, the Association at times receives both over- and under-payments for remittances. Overpayments are repaid through the refunds process, through balance forward remittances, or through a separate, specific analysis. Utilizing the assessment remittance database, the Association has been able to identify several instances whereby a payer has been incorrectly denying or underpaying assessments for a variety of reasons. The Association's compliance efforts involve work with payers to resolve these discrepancies and may result in additional assessment revenue or payer/provider refunds attributable to the current fiscal year but related to a prior fiscal year.