

NATIONAL VACCINE INFORMATION CENTER
STERLING, VIRGINIA

COMPARATIVE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

KENDALL, PREBOLA AND JONES

Certified Public Accountants

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Kendall, Prebola and Jones, LLC
Certified Public Accountants

Board of Directors
National Vaccine Information Center
21525 Ridgetop Circle, Suite 100
Sterling, Virginia 20166

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the National Vaccine Information Center (a nonprofit organization) which comprise the statements of financial position as of August 31, 2019 and 2018, and the related statements of activities, functional expenses, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Vaccine Information Center as of August 31, 2019 and 2018, 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.

Kendall, Prebola and Jones

Kendall, Prebola and Jones
Certified Public Accountants

Bedford, Pennsylvania
December 23, 2019

NATIONAL VACCINE INFORMATION CENTER
COMPARATIVE STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2019 AND 2018

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 706,018	\$ 528,761
Investments	315,779	312,660
Certificates of Deposit	922,083	867,976
Accounts Receivable	3,763	2,609
Promises Receivable	31,957	9,655
Prepaid Expenses	<u>9,557</u>	<u>5,859</u>
Total Current Assets	<u>\$ 1,989,157</u>	<u>\$ 1,727,520</u>
<u>Fixed Assets: At Cost</u>		
Furniture and Equipment	\$ 46,379	\$ 58,074
Leasehold Improvements	3,885	3,885
Less: Accumulated Depreciation and Amortization	<u>(24,007)</u>	<u>(48,905)</u>
Total Fixed Assets	<u>\$ 26,257</u>	<u>\$ 13,054</u>
<u>Other Assets:</u>		
Security Deposits	<u>\$ 2,291</u>	<u>\$ 2,291</u>
Total Other Assets	<u>\$ 2,291</u>	<u>\$ 2,291</u>
TOTAL ASSETS	<u>\$ 2,017,705</u>	<u>\$ 1,742,865</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts Payable	\$ 17,599	\$ 2,596
Accrued Wages and Taxes	<u>5,285</u>	<u>4,097</u>
Total Current Liabilities	<u>\$ 22,884</u>	<u>\$ 6,693</u>
<u>Long-Term Liabilities:</u>		
Deferred Rent Abatement	<u>\$ 1,849</u>	<u>\$ -</u>
Total Long-Term Liabilities	<u>\$ 1,849</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 24,733</u>	<u>\$ 6,693</u>
<u>Net Assets:</u>		
Without Donor Restrictions	\$ 1,992,972	\$ 1,736,172
With Donor Restrictions	<u>-</u>	<u>-</u>
Total Net Assets	<u>\$ 1,992,972</u>	<u>\$ 1,736,172</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,017,705</u>	<u>\$ 1,742,865</u>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER
COMPARATIVE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

	<u>August 31, 2019</u>			<u>August 31, 2018</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues, Gains and Other Support:</u>						
Contributions and Grants - Foundations	\$ 735,117	\$ -	\$ 735,117	\$ 536,380	\$ -	\$ 536,380
Contributions and Grants - Other	508,136	-	508,136	468,911	-	468,911
Donated Assets and Services	47,418	-	47,418	113,600	-	113,600
Interest Income	23,513	-	23,513	13,088	-	13,088
Gain/(Loss) on Disposal of Fixed Assets	(861)	-	(861)	-	-	-
Net Assets Released from Restrictions						
Satisfaction of Program Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>\$ 1,313,323</u>	<u>\$ -</u>	<u>\$ 1,313,323</u>	<u>\$ 1,156,979</u>	<u>\$ (25,000)</u>	<u>\$ 1,131,979</u>
<u>Expenses:</u>						
Educational	\$ 599,707	\$ -	\$ 599,707	\$ 613,958	\$ -	\$ 613,958
Advocacy	113,689	-	113,689	143,872	-	143,872
Lobbying	38,507	-	38,507	38,512	-	38,512
Support	125,355	-	125,355	109,863	-	109,863
Research	80,043	-	80,043	2,800	-	2,800
Fundraising	31,782	-	31,782	35,131	-	35,131
General and Administrative	<u>67,440</u>	<u>-</u>	<u>67,440</u>	<u>46,280</u>	<u>-</u>	<u>46,280</u>
Total Expenses	<u>\$ 1,056,523</u>	<u>\$ -</u>	<u>\$ 1,056,523</u>	<u>\$ 990,416</u>	<u>\$ -</u>	<u>\$ 990,416</u>
Changes in Net Assets	\$ 256,800	\$ -	\$ 256,800	\$ 166,563	\$ (25,000)	\$ 141,563
Net Assets, Beginning of Period	<u>1,736,172</u>	<u>-</u>	<u>1,736,172</u>	<u>1,569,609</u>	<u>25,000</u>	<u>1,594,609</u>
Net Assets, End of Period	<u>\$ 1,992,972</u>	<u>\$ -</u>	<u>\$ 1,992,972</u>	<u>\$ 1,736,172</u>	<u>\$ -</u>	<u>\$ 1,736,172</u>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER
COMPARATIVE STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

August 31, 2019

	<u>Supporting Services</u>			<u>Program Services</u>				
	<u>Total</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Educational</u>	<u>Advocacy</u>	<u>Lobbying</u>	<u>Support</u>	<u>Research</u>
<u>Expenses:</u>								
Salaries and Wages	\$ 601,490	\$ 42,404	\$ 4,001	\$ 353,949	\$ 68,950	\$ 32,904	\$ 99,282	\$ -
Fringe Benefits	48,004	3,567	318	28,133	5,480	2,615	7,891	-
Graphic Design and Artwork	945	-	19	803	123	-	-	-
Investigative Research	32,400	-	-	16,200	16,200	-	-	-
Information Technology and Web Hosting	12,668	-	-	12,668	-	-	-	-
Consultants	95,135	-	45	14,754	293	-	-	80,043
Payroll Service Fees	6,241	440	42	3,673	715	341	1,030	-
Accounting	16,709	1,337	-	14,537	501	-	334	-
Legal Fees	3,600	-	3,600	-	-	-	-	-
Telephone	19,832	699	-	10,767	1,601	-	6,765	-
Internet	23,237	1,042	1,068	17,910	1,664	-	1,553	-
Postage and Shipping	14,359	1,763	1,922	8,912	503	-	1,259	-
Printing and Reproduction	16,576	199	3,791	11,935	651	-	-	-
Marketing and Public Relations	37,372	-	-	37,172	200	-	-	-
Press Releases	3,076	-	-	2,461	615	-	-	-
Occupancy	33,926	2,392	226	19,963	3,889	1,856	5,600	-
Storage	3,528	-	-	3,528	-	-	-	-
Travel	20,429	-	-	16,209	4,220	-	-	-
Meetings and Conferences	1,617	1,617	-	-	-	-	-	-
Office Supplies and Expense	15,057	864	282	12,278	1,069	282	282	-
Equipment Rental and Maintenance	7,534	7,534	-	-	-	-	-	-
Dues, Subscriptions and Taxes	8,479	2,479	-	-	6,000	-	-	-
State Registration	3,933	-	3,933	-	-	-	-	-
Licenses and Permits	1,489	-	1,489	-	-	-	-	-
Corporate Insurance	4,395	176	88	3,823	132	88	88	-
Contributions	5,500	-	-	5,500	-	-	-	-
Bank and Service Charges	11,290	383	10,907	-	-	-	-	-
Depreciation Expense	7,702	544	51	4,532	883	421	1,271	-
Total Expenses	\$ 1,056,523	\$ 67,440	\$ 31,782	\$ 599,707	\$ 113,689	\$ 38,507	\$ 125,355	\$ 80,043

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER
COMPARATIVE STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

August 31, 2018

	<u>Supporting Services</u>			<u>Program Services</u>				
	<u>Total</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Educational</u>	<u>Advocacy</u>	<u>Lobbying</u>	<u>Support</u>	<u>Research</u>
<u>Expenses:</u>								
Salaries and Wages	\$ 531,488	\$ 30,727	\$ 4,283	\$ 300,082	\$ 75,853	\$ 32,555	\$ 87,988	\$ -
Fringe Benefits	42,034	2,632	337	23,612	5,968	2,562	6,923	-
Graphic Design and Artwork	925	-	675	250	-	-	-	-
Investigative Research	78,000	-	-	39,000	39,000	-	-	-
Information Technology and Web Hosting	31,325	-	-	31,325	-	-	-	-
Consultants	41,659	-	-	34,859	4,000	-	-	2,800
Payroll Service Fees	4,764	275	38	2,690	680	292	789	-
Accounting	16,179	647	324	14,075	485	324	324	-
Legal Fees	3,600	-	3,600	-	-	-	-	-
Telephone	13,993	547	-	8,658	196	-	4,592	-
Internet	18,339	1,496	1,337	13,346	1,493	-	667	-
Postage and Shipping	22,106	1,982	2,443	15,524	666	-	1,491	-
Printing and Reproduction	42,931	462	5,084	37,385	-	-	-	-
Marketing and Public Relations	18,525	-	-	18,525	-	-	-	-
Press Releases	1,274	-	-	1,019	255	-	-	-
Occupancy	30,625	1,770	247	17,291	4,371	1,876	5,070	-
Storage	3,384	-	-	3,384	-	-	-	-
Travel	38,448	-	-	35,472	2,976	-	-	-
Meetings and Conferences	1,120	499	-	621	-	-	-	-
Office Supplies and Expense	7,690	594	147	6,404	251	147	147	-
Equipment Rental and Maintenance	797	797	-	-	-	-	-	-
Dues, Subscriptions and Taxes	8,541	2,541	-	-	6,000	-	-	-
State Registration	3,964	-	3,964	-	-	-	-	-
Licenses and Permits	1,514	-	1,514	-	-	-	-	-
Corporate Insurance	5,054	202	101	4,397	152	101	101	-
Contributions	-	-	-	-	-	-	-	-
Bank and Service Charges	11,442	491	10,951	-	-	-	-	-
Depreciation Expense	10,695	618	86	6,039	1,526	655	1,771	-
Total Expenses	\$ 990,416	\$ 46,280	\$ 35,131	\$ 613,958	\$ 143,872	\$ 38,512	\$ 109,863	\$ 2,800

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
<u>Cash Flows from Operating Activities:</u>		
Changes in Net Assets	\$ 256,800	\$ 141,563
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation and Amortization Expense	7,702	10,695
(Gain)/Loss on Disposal of Fixed Assets	861	-
Accounts Receivable - (Increase)/Decrease	(1,154)	(2,072)
Promises Receivable - (Increase)/Decrease	(22,302)	27,341
Prepaid Expenses - (Increase)/Decrease	(3,698)	(91)
Accounts Payable - Increase /(Decrease)	15,003	(10,993)
Accrued Wages and Taxes - Increase /(Decrease)	1,188	948
Deferred Rent Abatement - Increase /(Decrease)	<u>1,849</u>	<u>(2,549)</u>
Net Cash Flows from Operating Activities	<u>\$ 256,249</u>	<u>\$ 164,842</u>
<u>Cash Flows from Investing Activities:</u>		
Acquisition of Fixed Assets	\$ (21,765)	\$ (6,263)
Purchase of Certificates of Deposit	(925,931)	(603,987)
Proceeds on Sale of Certificates of Deposit	871,822	225,000
Purchase of Investments	<u>(3,118)</u>	<u>(3,097)</u>
Net Cash Flows from Investing Activities	<u>\$ (78,992)</u>	<u>\$ (388,347)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ 177,257	\$ (223,505)
Cash and Cash Equivalents, Beginning of Period	<u>528,761</u>	<u>752,266</u>
Cash and Cash Equivalents, End of Period	<u>\$ 706,018</u>	<u>\$ 528,761</u>

Supplemental Disclosures:

There was no cash paid for interest or income taxes during the years ended August 31, 2019 and 2018.

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION:

The National Vaccine Information Center (NVIC) was originally incorporated as Dissatisfied Parents Together (DPT) in Washington, DC, on June 11, 1982, and was recognized as a 501(c)(3) exempt organization on August 14, 1982. The organization was reincorporated in the Commonwealth of Virginia as the National Vaccine Information Center on January 6, 1995, and was again recognized as a 501(c)(3) exempt organization on that date.

The National Vaccine Information Center (NVIC) is a non-profit charitable educational organization incorporated and headquartered in the Commonwealth of Virginia.

The purpose of NVIC is to promote and protect the health and welfare of children and adults by preventing vaccine injuries and deaths through public education and to assist individuals who have been injured by vaccination and their families. NVIC does not make vaccine use recommendations. NVIC defends the ethical principle of informed consent to medical risk taking and civil liberties that protect freedom of thought, speech and conscience to support educated, voluntary healthcare decision making.

NVIC is the oldest and largest consumer health organization in America providing information about vaccination, diseases and preventing vaccine injuries and deaths to the general public. NVIC supports independent scientific research into vaccine-associated deaths, injuries and chronic illness.

NVIC's public education program is multi-faceted and includes the operation of three websites (nvic.org, nvicadvocacy.org and thevaccinereaction.org) that provide the public with well referenced information on vaccine history, science, policy, law and ethics; a publications program that includes a digital newsletter and digital weekly journal newspaper, as well as the creation of guides, brochures, posters, in-depth special reports, and other print publications; the production of videos for posting on YouTube and on NVIC's websites and other websites; online and print vaccine education advertising campaigns; press releases and participation in media reports about vaccine topics; sponsoring of and participation in workshops and conferences on vaccination; a vaccine reaction counseling service providing one-on-one support for those reporting vaccine injuries and deaths; and the operation of a free online grassroots advocacy communications network to educate and empower citizens in every state to secure and defend informed consent protections in U.S. public health policies and laws.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies of the National Vaccine Information Center are summarized below:

(a) Basis of Accounting and Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting, which presents financial position, activities, functional expenses, and cash flows in accordance with accounting principles generally accepted in the United States of America.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(b) Revenue Recognition:

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributed property and equipment are recorded at fair value at the date of donation.

Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restriction, if any, on the contribution. An allowance for uncollectible contributions receivable is provided based upon management's judgement, including such factors as prior collection history and type of contribution.

(c) Corporate Taxes:

Income Taxes

The National Vaccine Information Center is exempt from federal and state income taxes (other than on unrelated business income) under the provisions of Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. Accordingly, no provisions for income taxes have been provided for in the accompanying financial statements. The Organization has been classified as other than a private foundation under Section 509(a)(1) of the Internal Revenue Code and accordingly contributions qualify as a charitable tax deduction by the contributor under Section 170(b)(1)(A)(vi). The Organization did not have any net unrelated business income for the year ended August 31, 2019.

The National Vaccine Information Center is also exempt from Virginia sales tax.

Lobbying

The National Vaccine Information Center has also elected, under Section 501(h) of the Internal Revenue Code, to be recognized as an organization eligible to make expenditures to influence legislation.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(d) Net Assets:

The Organization reports information regarding its financial position and activities according to two classes of net assets. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of restrictions on use that are placed by the donor. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions

Net assets without donor restrictions are resources available to support operations and over which the Board of Directors has discretionary control. The only limits on the use of these net assets are the broad limits resulting from the Organization's purpose, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements that are entered into in the course of its operations.

Net Assets with Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature whereby the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service, unless the donor provides more specific directions about the period of its use. There were no net assets with donor restrictions for the fiscal years ending August 31, 2019 or 2018.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, the passage of time, or by the occurrence of other events specified by donors for the following purposes:

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
General Support - Time Restricted	\$ _____ -	\$ <u>25,000</u>
Total Released from Restrictions	\$ _____ -	\$ <u>25,500</u>

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(e) Donated Services and Materials:

Donated services and materials are recognized as contributions in accordance with FASB ASC 958, *Accounting for Contributions Received and Contributions Made*, if the services received create or enhance nonfinancial assets or require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. In addition, a substantial number of volunteers donated significant amounts of their time in the National Vaccine Information Center’s supporting services for which no value has been assigned. The time contributed by the Organization’s Board of Directors is uncompensated and is not reflected as donated services. In-kind contributions are recorded in the statement of activities at estimated fair value and recognized as revenue and expense (or an asset) in the period they are received. The estimated value of donated services and materials has been recorded in the financial statements as follows:

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
Investigative Research	\$ 32,400	\$ 78,000
Information Technology and Web Hosting	12,668	31,325
Booth Rental	1,950	3,850
Bookkeeping Services	<u>400</u>	<u>425</u>
Total Donated Services and Materials	<u>\$ 47,418</u>	<u>\$ 113,600</u>

(f) Basic Programs:

I. PUBLIC EDUCATION PROGRAMS

Co-founders of the National Vaccine Information Center (NVIC) launched the vaccine safety and informed consent movement in the U.S. in 1982. Since then, NVIC’s mission has been to prevent vaccine injuries and deaths through public education and to protect the ethical principle of informed consent to medical risk taking. NVIC advocates for safety and informed consent protections and the inclusion of flexible medical, conscientious and religious belief vaccine exemptions in U.S. public health policies and laws.

NVIC.org Website

The vaccine information that NVIC staff researches, analyzes and publishes is accessible via online searches for vaccine topics posted on NVIC’s flagship website, NVIC.org. The website was created in 1995 and is the oldest and largest consumer-operated website on the Internet disseminating information about vaccination and infectious diseases with a focus on preventing vaccine injuries and deaths. This extensive library of well researched and referenced information on vaccine history, science, policy, law and ethics is a unique public information resource.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

This year, NVIC.org hosted 2,895,043 visits. There were about 3.1 million visits to the MedAlerts vaccine adverse event reporting system (VAERS) database accessible through the website.

NVIC's website is managed by the Executive Director with the assistance of the part-time Website Content/Design Coordinator. Website content was updated with information created for pages on vaccines and diseases and state laws. New referenced written and video commentaries that were posted, along with new short video briefs containing information designed to educate website visitors about how to make informed vaccine decisions.

In FYE2019, key longer referenced video commentaries were converted to audio podcasts and made accessible on NVIC's Podcast Program page, and a new page containing NVIC podcasts was added to the Ask 8 Kiosk.

Although NVIC focuses on producing information about vaccines licensed and sold in the U.S. and most visitors to NVIC.org are English-speaking, the website has a Google translation feature that serves visitors speaking other languages.

Commentaries and Special Reports

The President/CEO researched, wrote, and referenced six video commentaries, two of which were special reports on pertussis and measles vaccines. The most popular commentary focused on civil liberties and protection of human rights, including freedom of thought, speech, conscience and the right to informed consent to medical risk taking. Commentaries posted on NVIC.org were republished on other websites, including Mercola.com.

Publications

During Vaccine Awareness Week (VAW) co-sponsored with Mercola.com in September 2019, NVIC published the legislative trend report, *NVIC's 2019 Annual Report on U.S. State Vaccine Legislation: Breakdown, Trends and Predications*, and a special report *The Science and Politics of Eradicating Measles* was available for download during VAW. Downloads of NVIC brochures, posters and special reports posted on the website's Ask 8 Information Kiosk increased this reporting period. The most popular Kiosk downloads during this period were the 50 Doses Before Age Six poster; If You Vaccinate, Ask 8 poster; and the 1983 vs. 2017 recommended childhood vaccine schedule poster.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Publications (Continued)

NVIC Newsletter and The Vaccine Reaction Journal Newspaper

The digital *NVIC Newsletter*, established in 2006, and the digital *The Vaccine Reaction* journal newspaper, established in 2015, are edited by NVIC's President/CEO. During FYE2019, both publications were emailed to more than 72,000 subscribers. The *NVIC Newsletter* and *The Vaccine Reaction* journal newspaper continue to produce above average industry (nonprofit) "open" and "click-through" rates, and a below average rate for email bounces and unsubscribes.

The *NVIC Newsletter* published 14 editions featuring video commentaries and referenced articles on current vaccine science, policy, law and ethics, as well as NVIC sponsored events and public presentations by staff and a calendar of upcoming federal vaccine advisory committee meetings.

The Vaccine Reaction (TVR) journal newspaper operates its own website at TheVaccineReaction.org. TVR promotes "an enlightened conversation about vaccination, health and autonomy" and focuses on topics related to vaccination, health, ethics, medicine, law, media and business. NVIC Co-founder and CEO/President is founding Executive Editor of TVR and the publication is managed by a part-time editorial staff that includes a part-time Managing Editor and two part-time writers. Each emailed TVR edition contains four or five articles and a featured video. TVR articles and videos are posted on the TVR website, which maintains a searchable archive.

This fiscal year, TVR published 50 editions containing 202 articles and OpEds written by the TVR editorial staff, with an additional 30 republished articles by guest writers and 49 featured videos. The TVR website hosted nearly two million visits.

Video Messaging

NVIC's part-time Videographer filmed, illustrated, edited, produced and posted new videos vaccine science, policy, law and ethics that were researched and written by NVIC's Co-founder and President on the NVICStandUp You Tube channel. A freelance advertising video producer assisted with creation of short video format messaging. NVIC's You Tube Channel features more than 200 videos and, by the end of this reporting period, had 4,998 subscribers.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Podcasts

NVIC's podcast station on Sound Cloud is accessible through NVIC.org. Foundational longer video commentaries and speeches by NVIC's Co-Founder and President that are posted on NVIC.org are republished in audio form for the podcast program and users can download podcasts for listening on computers and mobile devices.

During FYE2019, a total of 32 podcasts were accessed through NVIC.org and played more than 12,000 times and the podcasts were played more than 11,000 times on third party apps such as I-Tunes, Spotify, and iHeartRadio.

NVIC Social Media: Facebook, Twitter, Pinterest

NVIC's Facebook page is managed and actively monitored by the Chief Operations Officer with back up provided by the part-time Social Media Assistant.

By the end of FYE2019, NVIC Facebook fan base numbered 218,278 fans. During this reporting period, there were 2,548 original postings on NVIC's Facebook page and 1,400 repeat postings. On a weekly basis, these posts reached 460,000 Facebook users.

Followers of the NVIC Twitter social media account had 10,000 followers by the end of this reporting period and Instagram increased to 19,000 followers.

Print and Broadcast Media

The President/CEO is on-call to respond to media inquiries and either does the interview or makes referrals to executive staff members for response.

Below is a sample selection of media reports during FYE2018, in which NVIC's perspective was included:

- *Should Vaccine Exemption Laws Be Regulated by the Federal Government?* "Recently, the 2018 Annual Report on U.S. State Vaccine Legislation, the non-profit charity National Vaccine Information Center (NVIC) reported that during the 2018 legislative session, no state eliminated or restricted existing medical, religious and conscientious or philosophical exemptions for daycare or school attendance. Working to prevent vaccine injuries and deaths through public education since 1982, the NVIC is the largest and oldest U.S. charity disseminating information about diseases, vaccines and informed consent to vaccination. NVIC provides well-referenced, accurate information to the public about vaccination and health, but does not make vaccine recommendations." *Precision Vaccinations* February 20, 2019.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Print and Broadcast Media (Continued)

- *Measles Outbreaks Lead States to Reconsider Vaccine Exemptions*. "Proponents of vaccine exemptions argue that parents should be able to make their own decisions regarding their children's health. "We believe that stripping vaccine laws of personal belief exemptions is a violation of human rights, including freedom of thought, conscience and religious belief," said Barbara Loe Fisher, co-founder and president of the National Vaccine Information Center." *The Hill* February 26, 2019.
- *States Move to Restrict Parents' Refusal to Vaccinate Their Kids*. "Nobody should sit in judgment of another person's religious and spiritual beliefs," says Barbara Loe Fisher, a spokesperson for the National Vaccine Information Center, a group that lobbies against mandatory vaccination and thinks parents should have a choice. "No person should be allowed to force someone to violate their conscience when they're making a decision about the use of a pharmacological product that carries a risk of harm." *NPR* February 28, 2019.
- *With Vaccine Misinformation, Libraries Walk A Fine Line*. "If Amazon is going to be leaned on by the government to censor certain kinds of information," said Barbara Loe Fisher, co-founder and president of the National Vaccine Information Center, which advocates against mandatory vaccination, "then it could well extend at some point to cleansing the libraries of information that does not align with government policy or medical policy." *Undark Magazine* March 22, 2019.
- *Pan's Bill Would Further Restrict Vaccine Exemptions for Schoolkids*. "Sen. Richard Pan (D-Sacramento) introduced SB276 at a Sacramento news conference Tuesday. Pan, a pediatrician, says the bill would combat doctors fraudulently writing medical exemptions for children so they can attend schools. SB 276 opponent Barbara Loe Fisher the president and co-founder of the National Vaccine Information Center, opposes Pan's legislation. "Under narrow federal vaccine guidelines, almost no health condition qualifies for a medical exemption. Since there is no longer a personal belief exemption allowed for children to attend school in California, the bill will pave the way for state health officials seeking a 100 percent vaccination rate to achieve that goal, but at what price?" Fisher told *GV Wire* via email." March 26, 2019.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Print and Broadcast Media (Continued)

- *Forcing Vaccination on Every Child Undermines Civil Liberties.* In this essay, NVIC co-founder and president Barbara Loe Fisher addressed the question, "Where should society draw the line between requiring vaccinations for children and allowing parental freedom of choice?" She said, "Science is not perfect, doctors are not infallible, and medical interventions come with risks, which is why parents have the power to exercise informed consent to medical risk taking on behalf of their minor children" and added, "When parents question the risks and failures of a commercial pharmaceutical product being mandated for every child, the answer is not more force but better science and respect for the informed consent ethic." A counterpoint view was provided by Dan Salmon, PhD, of Johns Hopkins University. *Leaps Magazine* March 28, 2019.
- *What Does the Catholic Church Teach About Vaccines?* "The removal of vaccine exemptions is extremely concerning to people like Barbara Loe Fisher, co-founder and president of the National Vaccine Information Center, a group that works to "prevent vaccine injuries and deaths through public education." "Vaccines are pharmaceutical products that carry a risk of harm and failure," Fisher told CNA. "People should not be forced by law to violate their conscience when making decisions about vaccination for themselves or their minor children." "Every person is different, born with different genes and a unique microbiome and epigenetic history. We do not all respond the same way to pharmaceutical products and doctors cannot reliably predict who will be harmed by vaccines," she continued. "One-size-fits-all vaccine policies discriminate against those who are biologically vulnerable to suffering vaccine reactions." *Catholic News Agency* May 6, 2019.
- *Colorado vaccination bill would have set a dangerous and discriminatory precedent.* "NVIC's Executive Director, Theresa Wrangham goes on the record on Colorado HB 19-1312, noting the discriminatory nature of the bill that proposed to strip students of federal privacy rights and second guess doctors who issue medical exemptions for vaccines." *Colorado Sun* June 2, 2019.

NVIC Press Releases

NVIC issued two Business Wire press releases during this fiscal year:

A September 25, 2018, press release headlined "During Vaccine Awareness week, National Vaccine Information Center Calls on Health Officials to Protect Babies in U.S. from Toxic DPT Vaccine," had 5,775 online views. A February 25, 2019, press release, "Public Hearings on Measles Outbreaks and Vaccine Laws Provide Opportunities for Americans to Voice Concerns," had 5,966 online views.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Advertising Programs

Online advertising and promotion initiatives during FYE2019 included:

- Vaccine Awareness Week during September 2018 featured online educational ads that reached an estimated 72,000 people.
- Giving Season Donation Campaign. During the fall of 2018, a landing page was created for NVIC.org and NVIC's Facebook page for making a donation to NVIC.
- Valentine's Day Facebook Ad Campaign. This ad campaign ran from February 9-16, 2019, on Facebook and Instagram. The Valentine's Day themed ad that featured a short NVIC produced video "If You Vaccinate, Ask 8" for Facebook. Analytics showed the ads were viewed by about 92,000 people.
- NVIC re-launched a digital ad in the heart of New York City's Times Square featuring NVIC's messages "*Vaccination Know the Risks and Failures*" and "*No Forced Vaccination. Not in America!*" The 10-second ad ran 6-8 times per hour every day from February 14 to April 30, 2019, and reached millions of people working, visiting, sightseeing and attending the Annual Easter Parade in Manhattan.

Public Speeches and Workshops

NVIC staff gave the following public speeches and workshops during FYE 2019:

- *Vaccine Surveillance of Florida Citizens.* This educational webinar in March 2019 was co-sponsored by NVIC and Health Freedom Florida to provide information about defending the legal right to make informed and voluntary vaccination decisions.
- *Standing Strong When Public Health Policy Conflicts with Human Rights.* A 30-minute presentation by NVIC's Co-founder & President on April 12, 2019, at Life Vision sponsored by Life University, Atlanta.
- *Vaccine Exemptions in Florida.* An August 2019 webinar sponsored by NVIC and Health Freedom Florida providing information about vaccine laws and exemptions.
- *Forced Vaccination and Defending Human Rights in the 21st Century.* A 30-minute presentation by NVIC's Co-founder & President August 3, 2019, at the Amped conference in Atlanta.
- *Colorado, Vaccine and Health Care Choice Summit, Meeting One* – NVIC's Executive Director gave a presentation on August 22, 2019, on "Colorado Laws, Vaccine Injury and Informed Consent" to the public and answered questions from legislators and invited stakeholders.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Public Speeches and Workshops (Continued)

- *Colorado's Statutory School Enrollment Process, Overreach & Restoring Trust.*
NVIC's Executive Director gave an invited 20-minute presentation on August 24, 2019, on vaccine exemptions in Colorado.

II. VACCINE CHOICE ADVOCACY PROGRAM

State Activities

The web-based NVIC Advocacy Portal and website was created in 2010 and is managed by the Director of Advocacy with the part-time assistance of the State Advocacy Assistant, Social Media Assistant and Advocacy Portal Content Assistant. This free online communications network maintains current information on proposed state and federal vaccine legislation, provides analysis, talking points and recommendations, and connects registered users electronically with their own legislators. Additionally, proposed vaccine-related state and federal bills are designated as "Bills to Watch" if they directly support or pose a threat to NVIC's mission. Real time monitoring of proposed vaccine-related bills ensures the publishing of accurate bill information and action alerts.

For this reporting period, there were state volunteer directors in 22 states, who worked on a regular basis with the NVIC Advocacy Portal staff. Through networking with other state-based groups also working to protect civil liberties and human rights in the U.S., NVIC's reach extends into all 50 states.

During FYE2019, NVIC tracked, analyzed, and issued positions on 221 vaccine related bills in 40 states that proposed to restrict or remove vaccine exemptions, expand electronic vaccine tracking, add new vaccine mandates for children and add adult vaccine mandates in the workplace, as well as legislation proposing to secure or protect vaccine informed consent rights for children and adults. NVIC provided information in support of 77 bills introduced in multiple states that aligned with NVIC's mission and informed consent advocacy, and provided information in opposition to 137 bills that negatively affected NVIC's mission. During this reporting period, legislators in 22 states introduced 40 bills to eliminate or restrict vaccine exemptions, with Maine eliminating religious and philosophical exemptions; New York eliminating the religious exemption; Washington eliminating the religious and conscience exemptions for MMR vaccine only; and California effectively eliminating medical vaccine exemptions written by private physicians.

In FYE 2019, there were 115,129 visitors to the NVICadvocacy.org website with over 500,000 page views. A total of 5,950 new users of the Advocacy Portal were registered to bring the number of active Portal users to more than 68,000 people. States leading in new Portal registrations were California, Florida, Washington, and Texas, where bills were introduced to restrict or eliminate vaccine exemptions.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

III. CONSUMER ADVOCACY AND REPRESENTATION

Federal Vaccine Advisory Committees and Other Consumer Representation

Since 1988, NVIC has provided consumer representatives to serve on federal vaccine advisory committees and federal and state public engagement projects. NVIC staff monitors and provides public comment and reports on vaccine development, regulation, policymaking and promotion activities of the Department of Health and Human Services, including the FDA Vaccines & Related Biological Products Advisory Committee (VRBPAC); CDC Advisory Committee on Immunization Practices (ACIP); National Vaccine Advisory Committee (NVAC); and Advisory Commission on Childhood Vaccines (ACCV).

- Advisory Commission on Childhood Vaccines (ACCV). The Executive Director monitored ACCV meetings by phone during FYE 2019, which provided oversight by NVIC on operation of the federal vaccine injury compensation program (VICP). She made oral public comments on behalf of NVIC during the ACCV's June and September 2019 ACCV meetings.
- Centers for Disease Control Advisory Committee on Immunization Practices (ACIP). This federal vaccine advisory committee makes universal use vaccine recommendations for children and adults in the U.S. The Executive Director and volunteer Director of Research and Patient Safety monitored ACIP meetings by phone during FYE 2019.
- National Vaccine Advisory Committee (NVAC). This committee was created by Congress in the National Childhood Vaccine Injury Act of 1986 and is under the administration of the National Vaccine Program Office (NVPO) in the Office of the Assistant Secretary of Health, Department of Health and Human Services. During FYE 2019, the Executive Director and volunteer Director of Research and Patient Safety monitored NVAC meetings held in Washington, D.C. Public comments were provided on behalf of NVIC during the June and September 2019 NVAC meetings.

This reporting period NVIC's Co-founder and President submitted an oral and written referenced public comment on September 17, 2018, to the HHS Health Resources Services Administration (HRSA) on a Notice of Proposed Rule Making to add the category of vaccines recommended by the CDC for pregnant women to the Vaccine Injury Table of the federal Vaccine Injury Compensation Program (VICP) created under the 1986 National Childhood Vaccine Injury Act. NVIC's Executive Director submitted a written referenced public comment on behalf of NVIC on January 17, 2019, to the HHS Office of Disease Prevention and Health Promotion on HealthyPeople 2030 Core, Developmental and Research Objectives.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

IV. COUNSELING AND COMMUNITY SUPPORT SERVICE

Since 1982, staff has provided information about vaccination and infectious diseases to members of the public contacting NVIC, as well as operated a Vaccine Reaction Registry and provided free one-on-one counseling and informational support for those reporting vaccine reactions, injuries and deaths. This year, many of the inquiries to NVIC this year were made by phone, email or letter and were asking for information about how to:

- identify a vaccine reaction;
- report a vaccine reaction to the federal government;
- file for federal vaccine injury compensation;
- find information about state vaccine laws; and
- ask doctors questions when making a vaccine decision.

Counseling Service. The part time Director of Counseling responded by phone, email or letter to 9,184 public inquiries and requests for information or individual counseling in FYE2019, including 188 vaccine reaction reports. Telephone and email counseling was provided to those reporting vaccine injuries or deaths. An additional 80 questions about vaccine reactions were handled by other staff members. There were 84 reports from individuals who had been threatened or sanctioned by doctors or other personnel in positions of authority for making independent vaccine choices for themselves or their children and, when requested, counseling was provided.

(g) Functional Expense Allocation Policies and Procedures:

The statement of functional expenses presents an allocation of each expense category between program services, general and administrative, and fundraising activities. Program service costs pertain to promoting and encouraging the health and welfare of American children and adults. General and administrative costs pertain to supporting activities. Fundraising costs relate to fundraising activities such as the soliciting of contributions.

Management has established functional expense allocation policies and procedures based on a reasonable analysis of cost drivers and reasonable allocation estimates based on financial results and industry standards.

Personnel expenses for salaries, payroll taxes and benefits are allocated based on job descriptions and management estimates of time spent on particular activities.

Direct costs, where identifiable, are allocated in whole to the appropriate functional category. For other expenses where it would not be appropriate to designate 100 percent as a program service cost, general and administrative cost, or fundraising cost are allocated based on management estimates of use of resources.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(h) Use of Estimates:

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, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of support and revenues and expenses during the reporting period. Actual results could differ from those estimates.

(i) Fair Value of Certain Financial Instruments:

Some of the Organization's financial instruments are not measured at fair value on a recurring basis but nevertheless are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such assets include cash and cash equivalents, accounts and promises receivable, prepaid expenses, accounts payable, and accrued expenses.

(j) Certificates of Deposit:

Certificates of deposit are other investments with original maturities greater than three months and are carried at original cost plus reinvested interest. The certificates of deposit do not qualify as securities as defined in Financial Accounting Standard Board ("FASB") Accounting Standards Codification ("ASC") 320, *Investments - Debt and Equity Securities*, thus the fair value disclosures required by ASC 820, *Fair Value Measurements and Disclosures*, are not provided.

(k) Change in Accounting Principles:

The Organization implemented Financial Accounting Standard Board (FASB) ASU No. 2016-14 "Presentation of Financial Statements of Not-for-Profit Entities" in the current year, applying the changes retrospectively. The new standard changes the following aspects of the financial statements:

- The previously reported temporarily and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The format of the statements of activities has been changed to present columns for both activities with donor restrictions and activities without donor restrictions as management believes this better reports changes in the Organization's changes in financial position arising from its activities.
- The schedule of functional expenses is included as a component of the financial statements.
- The financial statements include a disclosure about liquidity and availability of resources.

The changes had no effect on net assets at September 1, 2018.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

August 31, 2019

Financial Assets at Year End:

Cash and Cash Equivalents	\$ 706,018
Investments	315,779
Certificates of Deposit	922,083
Accounts Receivable	3,763
Promises Receivable	<u>31,957</u>

Total Financial Assets \$ 1,979,600

Less Amounts Not Available for General
Expenditure Within One Year: \$ -

Financial Assets Available to Meet General
Expenditures Over the Next Twelve Months \$ 1,979,600

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations come due.

4. ACCOUNTING FOR UNCERTAIN TAX POSITIONS:

Accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in the Organization's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. The National Vaccine Information Center performed an evaluation of uncertain tax positions for the year ended August 31, 2019, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of August 31, 2019, the statute of limitations for tax years 2015 through 2017 remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. As of August 31, 2019, the Organization had no accruals for interest and/or penalties.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

5. CASH, CASH EQUIVALENTS AND CERTIFICATES OF DEPOSIT:

Cash and Cash Equivalents

The carrying amount of cash and cash equivalents at year end consisted of the following:

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
Non-Interest Bearing Deposit Account	\$ 216,319	\$ 102,057
Non-Interest Bearing Checking Account	239,689	127,651
Savings Account	10	10
Interest Bearing Checking Account	-	49,043
Interest Bearing Deposit Account	<u>250,000</u>	<u>250,000</u>
Total	<u>\$ 706,018</u>	<u>\$ 528,761</u>

Certificates of Deposit

Certificates of deposit are valued at original cost plus reinvested interest. Balances at year end consisted of the following:

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
Certificates of Deposit	<u>\$ 922,083</u>	<u>\$ 867,976</u>

For purposes of the cash flow statement and financial statement presentation, cash and cash equivalents are short term, highly liquid investments with maturities of three months or less.

The National Vaccine Information Center maintains its deposits in three financial institutions in the form of business checking accounts, a savings account and certificates of deposit. The checking accounts and the interest bearing deposit account are covered under the Federal Deposit Insurance Corporation (FDIC) program. Federal Deposit Insurance Corporation (FDIC) insurance coverage is \$250,000 per banking institution, as well as account category.

Deposits held in non-interest-bearing transaction accounts are aggregated with any interest-bearing deposits and the combined total insured up to \$250,000. The savings account and a portion of the certificates of deposit are covered under the National Credit Union Administration (NCUA) program. General National Credit Union Administration (NCUA) Insurance coverage is \$250,000.

As of August 31, 2019 and 2018, \$22,094 and \$17,986, respectively, of the bank balance was deposited in excess of both the Federal Deposit Insurance Corporation and the National Credit Union Administration insurance limits. Due to increased cash flows at certain times during the year, the amount of funds at risk may have been greater than at year end. The National Vaccine Information Center was at risk for the funds held in excess of the insured amounts. The National Vaccine Information Center has not experienced any losses related to these accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

6. INVESTMENTS:

The National Vaccine Information Center invested in a fixed income annuity during the year ended August 31, 2016. A fixed income annuity is a contract in which you are guaranteed periodic payments beginning either immediately or at some future date while offering a guaranteed minimum interest rate on your purchase payment for a certain period of time. This annuity is guaranteed a fixed 3% rate for a period of three years. The Organization can redeem up to ten percent (10%) of the annuity balance without penalty. A comparison of the carrying value of this investment at year end was as follows:

<u>August 31, 2019</u>	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Fixed Income Annuities	\$ 315,779	\$ -	\$ -	\$ 315,779
Totals	<u>\$ 315,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,779</u>
<u>August 31, 2018</u>	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Fixed Income Annuities	\$ 312,660	\$ -	\$ -	\$ 312,660
Totals	<u>\$ 312,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312,660</u>

The composition of investment return during the years ended August 31, 2019 and 2018 consisted of the following:

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
Interest and Dividends - Annuities	\$ 3,118	\$ 3,096
Interest and Dividends - Other	<u>20,395</u>	<u>9,992</u>
Totals	<u>\$ 23,513</u>	<u>\$ 13,088</u>

7. FAIR VALUE MEASUREMENTS:

Financial Accounting Standards Board ASC No. 820-10, *Fair Value Measurements*, establishes a framework for measuring fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

7. FAIR VALUE MEASUREMENTS: (Continued)

The three levels of the fair value hierarchy under FASB ASC No. 820-10 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability (such as interest rate and yield curves);
- 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 (supported by little or no market activity) and not corroborated by market data. Unobservable inputs reflect the Organization's estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at August 31, 2019.

Fixed Income Annuities: Value determined on daily basis and represents principal balance and daily interest earnings.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of August 31, 2019.

<u>August 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income Annuities	\$ 315,779	\$ -	\$ -	\$ 315,779
Total Investments	<u>\$ 315,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,779</u>

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

7. FAIR VALUE MEASUREMENTS: (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of August 31, 2018.

<u>August 31, 2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income Annuities	\$ 312,660	\$ -	\$ -	\$ 312,660
Total Investments	\$ 312,660	\$ -	\$ -	\$ 312,660

8. ACCOUNTS AND PROMISES RECEIVABLE:

Accounts Receivable

Accounts receivable as presented are current and considered to be fully collectible by management. Balances at year end consisted of the following:

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
Interest	\$ 3,763	\$ 2,493
PayPal	-	116
Total Accounts Receivable	<u>\$ 3,763</u>	<u>\$ 2,609</u>

The National Vaccine Information Center's accounts receivable consists of unsecured amounts due from program participants and funding sources whose ability to pay is subject to changes in general economic conditions. Because the Organization does not require collateral, it is at credit risk for the balance of the accounts receivable as of August 31, 2019.

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes that an allowance was not required based on its evaluation of collectability of receivables for the years ended August 31, 2019 and 2018.

Trade receivables related to program service fees are recognized as revenue on the accrual basis of accounting at the time the program activity has occurred. Credit is extended for a period of 60 days with no interest accrual at which time payment is considered delinquent. Trade receivables are written off as uncollectable when payment has not been received after 180 days.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

8. ACCOUNTS AND PROMISES RECEIVABLE: (Continued)

Promises Receivable

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Promises to give represent amounts committed by donors that have not been received by the Organization. The Organization uses the allowance method to determine uncollectible promises to give. Promises receivable at year end consisted of the following:

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
Unrestricted	\$ 31,957	\$ 9,655
Total Promises Receivable	<u>\$ 31,957</u>	<u>\$ 9,655</u>

The above unconditional promises are due to be received within the next year.

9. FIXED ASSETS:

Furniture and equipment are recorded at cost or, in the case of contributed property, at the fair market value at the date of contribution. If an expenditure in excess of \$500 results in an asset having an estimated useful life, which extends substantially beyond the year of acquisition, the expenditure is capitalized at cost and depreciated over the estimated useful life of the asset. Maintenance and repairs are charged to expenses as incurred. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in income for the period. Depreciation has been provided on the straight-line method over the estimated useful lives of the assets. Depreciation and amortization expense for the years ended August 31, 2019 and 2018 was \$7,702 and \$10,695, respectively. Major classifications of fixed assets and their estimated useful lives are as summarized below:

August 31, 2019

	<u>Depreciable Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Computer Equipment	3 Years	\$ 23,360	\$ 3,750	\$ 19,610
Office Furniture	3-5 Years	23,019	16,372	6,647
Leasehold Improvements	Life of Lease	<u>3,885</u>	<u>3,885</u>	<u>-</u>
Totals		<u>\$ 50,264</u>	<u>\$ 24,007</u>	<u>\$ 26,257</u>

August 31, 2018

	<u>Depreciable Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Computer Equipment	3 Years	\$ 30,317	\$ 26,810	\$ 3,507
Office Furniture	3-5 Years	27,757	18,210	9,547
Leasehold Improvements	Life of Lease	<u>3,885</u>	<u>3,885</u>	<u>-</u>
Totals		<u>\$ 61,959</u>	<u>\$ 48,905</u>	<u>\$ 13,054</u>

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10. DEFERRED RENT ABATEMENT:

Accounting principles generally accepted in the United States of America require that rent expense, pursuant to a non-cancelable lease that includes a rent abatement period and/or fixed scheduled rent increases, be recorded on a straight-line basis over the term of the lease. The difference between this expense and the required lease payments is reflected as deferred rent abatement in the accompanying statements of financial position. The National Vaccine Information Center entered into a lease agreement for the rental of office space located in Sterling, Virginia, for sixty-two (62) months, commencing on June 10, 2013, and expired on August 9, 2018. This lease was amended extending the lease for another five years to end on August 31, 2023. As a condition of the lease terms, the first two months of rent have been abated. The balance of the unamortized deferred rent abatement at August 31, 2019 and 2018 was \$1,849 and \$-0-, respectively.

11. COMMITMENTS:

Office Lease - Sterling

The National Vaccine Information Center entered into a lease agreement on April 29, 2013, for the rental of office space located at 21525 Ridgetop Circle, Sterling, Virginia. The lease term commenced on June 10, 2013, and expired on August 9, 2018. Monthly rental payments of \$2,291 began on September 1, 2013, after a two-month abatement period. The monthly rental payments are \$2,291 for the first year with increases annually each year thereafter of three percent (3%). Monthly rental payments as of August 31, 2019, were \$2,493. As a requirement of this lease, a security deposit in the amount of \$2,291 was required to be made. The Organization is obligated to pay a proportion of the annual increase in operating cost of the leased property. An estimate of the annual increase in operating cost has not been provided for in the following. Rental expense related to this lease for the years ended August 31, 2019 and 2018 was \$33,926 and \$30,625, respectively. An amendment to the lease was entered into, extending the lease for an additional five years ending August 31, 2023.

12. CONCENTRATIONS:

Based on the nature and purpose of the National Vaccine Information Center, significant revenues are received through parties interested in promoting the health and welfare of the public, its research and education programs. During the years ended August 31, 2019 and 2018, an amount of \$500,000 and \$400,000, respectively, which represents thirty-eight percent (38%) and thirty-five percent (35%), respectively, of total financial support, was received in the form of contributions from a single foundation.

13. CONTINGENCIES:

The Organization depends on contributions and grants for a significant portion of its revenue. The ability of the Organization's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon future economic conditions and continued deductibility for income tax purposes of contributions and grants to the Organization. While the Organization's Board of Directors and management believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

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14. RELATED PARTY TRANSACTIONS:

Contributions Made

Various board members and employees of the National Vaccine Information Center gave contributions during the years ended August 31, 2019 and 2018 to the Organization in the amount of \$4,912 and \$5,610, respectively.

Other

Two members of the Board of Directors are also paid employees of the National Vaccine Information Center. Compensation is for the purpose of performing services related to the mission of the Organization.

15. SUBSEQUENT EVENTS:

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 23, 2019, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

16. JOINT COST ACTIVITIES:

The National Vaccine Information Center achieves some of its programmatic and management and general goals through direct mail campaigns that include requests for contributions. The costs of conducting those campaigns during the years ended August 31, 2019, and 2018 included a total of \$15,640 and 27,163, respectively, of joint costs that are not directly attributable to either program or fundraising components of the activities. Those joint costs were allocated as follows:

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
Educational	\$ 10,532	\$ 20,298
Fundraising	<u>5,108</u>	<u>6,865</u>
Total Joint Costs	<u>\$ 15,640</u>	<u>\$ 27,163</u>

17. FUNDRAISING:

During the years ended August 31, 2019 and 2018, expenses in the amount of \$31,782 and \$35,131, respectively, were incurred for the purposes of fundraising.

18. ADVERTISING COSTS:

Advertising and marketing costs are expensed when incurred. Marketing activities were conducted for the purpose of promoting the Organization's mission. Marketing expenses in the amount of \$37,372 and \$18,525 were incurred during the years ended August 31, 2019 and 2018, respectively.

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19. EMPLOYEE BENEFITS:

The cost of fringe benefits incurred consisted of the following:

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
Social Security/Medicare	\$ 46,034	\$ 40,504
State Unemployment Tax	602	364
Worker's Compensation	1,172	953
DeMinimus and Wellness	<u>196</u>	<u>213</u>
Total Fringe Benefits	<u>\$ 48,004</u>	<u>\$ 42,034</u>