

NATIONAL VACCINE INFORMATION CENTER  
STERLING, VIRGINIA

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COMPARATIVE FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

**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, 2020 and 2019, 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, 2020 and 2019, 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  
January 4, 2021

NATIONAL VACCINE INFORMATION CENTER  
COMPARATIVE STATEMENTS OF FINANCIAL POSITION  
AUGUST 31, 2020 AND 2019

	<u>August 31, 2020</u>	<u>August 31, 2019</u>
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 379,552	\$ 706,018
Investments	318,928	315,779
Certificates of Deposit	1,177,452	922,083
Accounts Receivable	89,145	3,763
Promises Receivable	34,372	31,957
Prepaid Expenses	<u>16,176</u>	<u>9,557</u>
Total Current Assets	<u>\$ 2,015,625</u>	<u>\$ 1,989,157</u>
<u>Fixed Assets: At Cost</u>		
Furniture and Equipment	\$ 70,542	\$ 46,379
Leasehold Improvements	3,885	3,885
Less: Accumulated Depreciation and Amortization	<u>(32,980)</u>	<u>(24,007)</u>
Total Fixed Assets	<u>\$ 41,447</u>	<u>\$ 26,257</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>\$ 2,059,363</u>	<u>\$ 2,017,705</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts Payable	\$ 4,168	\$ 17,599
Accrued Wages and Taxes	7,444	5,285
Deferred Conference Registration Fees	64,220	-
Refundable Advance	<u>34,921</u>	<u>-</u>
Total Current Liabilities	<u>\$ 110,753</u>	<u>\$ 22,884</u>
<u>Long-Term Liabilities:</u>		
Deferred Rent Abatement	<u>\$ 2,802</u>	<u>\$ 1,849</u>
Total Long-Term Liabilities	<u>\$ 2,802</u>	<u>\$ 1,849</u>
Total Liabilities	<u>\$ 113,555</u>	<u>\$ 24,733</u>
<u>Net Assets:</u>		
Without Donor Restrictions	\$ 1,923,308	\$ 1,992,972
With Donor Restrictions	<u>22,500</u>	<u>-</u>
Total Net Assets	<u>\$ 1,945,808</u>	<u>\$ 1,992,972</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,059,363</u>	<u>\$ 2,017,705</u>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER  
COMPARATIVE STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

	August 31, 2020			August 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenues, Gains and Other Support:</u>						
Contributions and Grants - Foundations	\$ 528,514	\$ 500	\$ 529,014	\$ 735,117	\$ -	\$ 735,117
Contributions and Grants - Other	663,472	22,500	685,972	508,136	-	508,136
Donated Assets and Services	95,628	-	95,628	47,418	-	47,418
Interest Income	22,882	-	22,882	23,513	-	23,513
Gain/(Loss) on Disposal of Fixed Assets	(762)	-	(762)	(861)	-	(861)
Net Assets Released from Restrictions						
Satisfaction of Program Restrictions	500	(500)	-	-	-	-
Total Revenues, Gains and Other Support	<u>\$ 1,310,234</u>	<u>\$ 22,500</u>	<u>\$ 1,332,734</u>	<u>\$ 1,313,323</u>	<u>\$ -</u>	<u>\$ 1,313,323</u>
<u>Expenses:</u>						
Educational	\$ 916,103	\$ -	\$ 916,103	\$ 599,707	\$ -	\$ 599,707
Advocacy	153,763	-	153,763	113,689	-	113,689
Lobbying	23,585	-	23,585	38,507	-	38,507
Support	129,283	-	129,283	125,355	-	125,355
Research	59,000	-	59,000	80,043	-	80,043
Fundraising	30,847	-	30,847	31,782	-	31,782
General and Administrative	67,317	-	67,317	67,440	-	67,440
Total Expenses	<u>\$ 1,379,898</u>	<u>\$ -</u>	<u>\$ 1,379,898</u>	<u>\$ 1,056,523</u>	<u>\$ -</u>	<u>\$ 1,056,523</u>
Changes in Net Assets	\$ (69,664)	\$ 22,500	\$ (47,164)	\$ 256,800	\$ -	\$ 256,800
Net Assets, Beginning 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>
Net Assets, End of Period	<u>\$ 1,923,308</u>	<u>\$ 22,500</u>	<u>\$ 1,945,808</u>	<u>\$ 1,992,972</u>	<u>\$ -</u>	<u>\$ 1,992,972</u>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER  
COMPARATIVE STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

	August 31, 2020							
	<u>Total</u>	<u>Supporting Services</u>		<u>Program Services</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	\$ 679,058	\$ 46,117	\$ 4,323	\$ 415,195	\$ 89,904	\$ 19,947	\$ 103,572	\$ -
Fringe Benefits	56,336	5,235	349	33,521	7,259	1,610	8,362	-
Graphic Design and Artwork	-	-	-	-	-	-	-	-
Investigative Research	60,750	-	-	30,375	30,375	-	-	-
Information Technology and Web Hosting	80,928	-	-	80,928	-	-	-	-
Consultants	83,825	-	-	24,825	-	-	-	59,000
Payroll Service Fees	6,393	434	41	3,909	846	188	975	-
Accounting	14,464	1,157	-	12,584	434	-	289	-
Legal Fees	3,600	-	3,600	-	-	-	-	-
Telephone	19,741	639	-	12,303	1,499	-	5,300	-
Internet	17,448	762	1,062	12,238	1,964	-	1,422	-
Postage and Shipping	17,403	2,366	1,222	11,549	619	-	1,647	-
Printing and Reproduction	23,778	261	1,824	21,454	239	-	-	-
Marketing and Public Relations	51,614	-	-	51,130	484	-	-	-
Press Releases	-	-	-	-	-	-	-	-
Occupancy	35,757	2,428	228	21,863	4,734	1,050	5,454	-
Storage	3,672	-	-	3,672	-	-	-	-
Travel	13,590	-	-	10,646	2,944	-	-	-
Meetings and Conferences	124,022	254	-	123,768	-	-	-	-
Office Supplies and Expense	18,367	867	284	12,340	4,308	284	284	-
Equipment Rental and Maintenance	1,565	1,565	-	-	-	-	-	-
Dues, Subscriptions and Taxes	10,345	3,341	-	665	6,339	-	-	-
State Registration	4,018	-	4,018	-	-	-	-	-
Licenses and Permits	1,434	-	1,434	-	-	-	-	-
Corporate Insurance	7,757	310	155	6,749	233	155	155	-
Contributions	19,081	-	-	19,081	-	-	-	-
Bank and Service Charges	12,999	768	12,231	-	-	-	-	-
Depreciation Expense	11,953	813	76	7,308	1,582	351	1,823	-
<b>Total Expenses</b>	<b>\$ 1,379,898</b>	<b>\$ 67,317</b>	<b>\$ 30,847</b>	<b>\$ 916,103</b>	<b>\$ 153,763</b>	<b>\$ 23,585</b>	<b>\$ 129,283</b>	<b>\$ 59,000</b>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER  
COMPARATIVE STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

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	-
<b>Total Expenses</b>	<b>\$ 1,056,523</b>	<b>\$ 67,440</b>	<b>\$ 31,782</b>	<b>\$ 599,707</b>	<b>\$ 113,689</b>	<b>\$ 38,507</b>	<b>\$ 125,355</b>	<b>\$ 80,043</b>

(See Accompanying Notes and Auditor's Report)



NATIONAL VACCINE INFORMATION CENTER  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

	<u>August 31, 2020</u>	<u>August 31, 2019</u>
<u>Cash Flows from Operating Activities:</u>		
Changes in Net Assets	\$ (47,164)	\$ 256,800
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation and Amortization Expense	11,953	7,702
(Gain)/Loss on Disposal of Fixed Assets	762	861
Accounts Receivable - (Increase)/Decrease	(85,382)	(1,154)
Promises Receivable - (Increase)/Decrease	(2,415)	(22,302)
Prepaid Expenses - (Increase)/Decrease	(6,619)	(3,698)
Accounts Payable - Increase /(Decrease)	(13,431)	15,003
Accrued Wages and Taxes - Increase /(Decrease)	2,159	1,188
Deferred Conference Registration Fees - Increase/(Decrease)	64,220	-
Refundable Advance - Increase /(Decrease)	953	-
Deferred Rent Abatement - Increase /(Decrease)	<u>34,921</u>	<u>1,849</u>
Net Cash Flows from Operating Activities	<u>\$ (40,043)</u>	<u>\$ 256,249</u>
<u>Cash Flows from Investing Activities:</u>		
Acquisition of Fixed Assets	\$ (27,904)	\$ (21,765)
Purchase of Certificates of Deposit	(805,370)	(925,931)
Proceeds on Sale of Certificates of Deposit	550,000	871,822
Purchase of Investments	<u>(3,149)</u>	<u>(3,118)</u>
Net Cash Flows from Investing Activities	<u>\$ (286,423)</u>	<u>\$ (78,992)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ (326,466)	\$ 177,257
Cash and Cash Equivalents, Beginning of Period	<u>706,018</u>	<u>528,761</u>
Cash and Cash Equivalents, End of Period	<u>\$ 379,552</u>	<u>\$ 706,018</u>

Supplemental Disclosures:

There was no cash paid for interest or income taxes during the years ended August 31, 2020 and 2019.

(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**

The National Vaccine Information Center has implemented the new accounting and reporting standards surrounding contributions. These new standards affect financial statement reporting and disclosures included within the body of the financial statements. The new standards promulgate clarity for distinguishing between exchange transactions and those of a non-reciprocal arrangement leading to a contribution, while providing rules and guidance on what constitutes an underlying condition that may be associated with a contribution.

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.

Conditional contributions are determined on the basis of whether or not an underlying agreement includes both a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If both exist, then the contribution is conditional. Barriers include and are not limited to:

- Measurable performance-related barrier(s) (e.g., specified level of service, specific output, or outcome, matching requirement);
- Extent to which a stipulation limits discretion on conduct of activity (e.g., qualifying expenses, specific protocols); and
- Extent to which a stipulation is related to the purpose of the agreement (excludes administrative or trivial).

Conditional contributions are not recognized as revenue until they become unconditional, that is, until all conditions on which they depend are substantially met. Therefore, any respective advance payments received are recorded as a refundable advance and subsequently recognized as contribution revenue when the underlying conditions are fulfilled.

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.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(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, 2020.

**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.

(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.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(d) Net Assets: (Continued)

**Net Assets with Donor Restrictions** (Continued)

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.

Net assets with donor restrictions were available at year end for the following programs:

	<u>August 31, 2020</u>	<u>August 31, 2019</u>
Sponsors - Public Conference on Vaccination	\$ <u>22,500</u>	\$ _____ -
Total Net Assets with Donor Restrictions	\$ <u>22,500</u>	\$ _____ -

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, 2020</u>	<u>August 31, 2019</u>
COVID Support - Purpose Restricted	\$ <u>500</u>	\$ _____ -
Total Net Assets Released from Restrictions	\$ <u>500</u>	\$ _____ -

(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.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(e) Donated Services and Materials: (Continued)

The estimated value of donated services and materials has been recorded in the financial statements as follows:

	<u>August 31, 2020</u>	<u>August 31, 2019</u>
Investigative Research	\$ 60,750	\$ 32,400
Information Technology and Web Hosting	31,894	12,668
Booth Rental	2,834	1,950
Bookkeeping Services	<u>150</u>	<u>400</u>
Total Donated Services and Materials	<u>\$ 95,628</u>	<u>\$ 47,418</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.

This year, NVIC.org hosted 797,027 visits and over 2.8 million page views. There were 753,216 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 a volunteer 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 FYE 2020, five longer referenced video commentaries were converted to audio podcasts and made accessible on NVIC's Podcast Program page.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

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 five video commentaries, which were filmed and produced by NVIC's Videographer and republished on other websites. The most popular commentary, *The National Plan to Vaccinate Every American*, garnered over 28,000 views and 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. In addition, eight short videos (1-5 minutes) promoting NVIC's programs and services and perspective on vaccine-related topics were written by the CEO/President and filmed by the Videographer and produced by a freelance video marketing consultant. Commentaries posted on NVIC.org were republished on other websites, including Mercola.com.

Publications

During the Tenth Annual Vaccine Awareness Week (VAW) co-sponsored with Mercola.com and held Sept. 22-28, 2019, NVIC published the 2019 Annual Report on *U.S. State Vaccine Legislation: Vaccine Exemptions Under Attack* and a special referenced report *The Disappearing Medical Exemption to Vaccination* was available for download.

Vaccine information brochures were revised by staff and posted for downloading from NVIC.org, as well as published in print form for mailing and distribution at conferences and special events. Downloads of NVIC brochures, posters and special reports posted on the NVIC website's Ask 8 Information Kiosk increased this reporting period.

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 written published form in 1995 and in digital form in 2015, are edited by NVIC's President/CEO. During FYE2020, both publications were emailed to more than 80,000 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 seven 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.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

NVIC Newsletter and The Vaccine Reaction Journal Newspaper (Continued)

*The Vaccine Reaction* (TVR) journal newspaper has operated its own website at [TheVaccineReaction.org](http://TheVaccineReaction.org) since 2015. 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 49 editions containing 198 articles and OpEds written by the TVR editorial staff, with an additional 31 republished articles by guest writers and 50 featured videos. The TVR website hosted nearly 800,000 visits and 1.1 million page views.

Video Messaging

NVIC’s part-time Videographer filmed, illustrated, edited and posted five new major videos on vaccine science, policy, law and ethics that were researched and written by NVIC’s Co-founder and President on the NVICStandUp You Tube channel. In addition, eight short videos (1-5 minutes) promoting NVIC’s programs and services and perspective on vaccine-related topics were written by the CEO/President and filmed by the Videographer and produced by a freelance video marketing consultant. NVIC’s You Tube Channel features more than 200 videos and, by the end of this reporting period, had 6,614 subscribers.

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 FYE2020, a total of 37 podcasts were accessed through NVIC.org and played more than 12,450 times and the podcasts are now available 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 FYE2020, NVIC’s Facebook fan base numbered about 218,000 fans. During this reporting period, there were about 2,500 original postings on NVIC’s Facebook page and 1,400 repeat postings. On a weekly basis, these posts reached an estimated 16,500 Facebook users with a weekly ripple effect of about 165,000 people.



NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

NVIC Social Media: Facebook, Twitter, Pinterest (Continued)

Followers of the NVIC Twitter social media account had 10,000 followers by the end of this reporting period and the Instagram fan base was about 46,000 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. NVIC is an information resource for journalists seeking an informed consumer perspective on vaccine history, science, policy, law & ethics.

Below is a sample selection of media reports during FYE2020, in which NVIC's perspective was included:

- New Hampshire to Create Vaccine Database. *Concord Monitor* Dec. 18, 2020. *"In an effort to push back against a state vaccine tracking registry and misuse of funds appropriated in 2014, NVIC Volunteer State Director Laura Condon commented, "My issue today is not "do you want this law to exist or not," she said, "this is money that was given in 2014 and not used for the purpose that they represented it will be used for in 2014."*
- The Battle Between Science and Skepticism. *CNN Health* Jan. 18, 2020. *"In an article reviewing legislative action on both sides of the vaccine informed consent debate, NVIC's President noted an increase in proposed legislation that NVIC could support, indicating that legislators are listening to vaccine safety concerns expressed by their constituents. She went on to add, "We need to have the ability in our country, if we find a commercial pharmaceutical product is not as safe or effective as we're being told it is, we should have the right to make informed consent [decisions] to use the product." CNN Health Jan. 18, 2020.*
- Competing Vaccination Bills Heading for Face-off in Legislature. *Colorado Politics* June 7, 2020. In this article, NVIC's Executive Director responded to attacks on conscientious and religious belief exemptions in proposed legislation requiring that parents use a potentially biased education module when vaccine providers refuse to sign personal and religious belief exemption forms. Regarding families utilizing exemptions, she said, *"These choices are not made lightly."* She added, *"They're assuming we are idiots. I consider this discrimination. If we're going to educate, let's educate everyone."*
- Mandatory Vaccinations Coming? Crosstalk with Jim Schneider on *VCY America* June 11, 2020. In this radio interview, Jim Schneider interviewed NVIC's Co-founder and President on potential COVID-19 vaccine mandates.

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)

- Universal Flu Vaccine Awaiting Third Trial Phase. *Epoch Times* June 20, 2020. Noting the lack of effectiveness of currently available influenza vaccines, this article highlighted the challenges of developing a safe and effective “universal” influenza vaccine. NVIC’s President also emphasized that all vaccines come with risks and stated, “*Vaccines are pharmaceutical products that carry two risks: the risk of an adverse reaction and a risk that the vaccine will fail to protect against infection and transmission of the disease it was designed to prevent.*” The article also highlighted data from the federal vaccine injury compensation program on injuries and compensation for vaccine injuries. *Epoch Times* June 20, 2020.

Public Speeches and Workshops

NVIC’s staff gave speeches and public presentations during this reporting period. At the Vaccine Injury Epidemic Rally on the National Mall on Nov. 14, 2019, NVIC Cofounder and President gave the first presentation “Witnessing the Vaccine Injury Epidemic” and provided historical context for passage and implementation of the 1986 National Childhood Vaccine Injury Act.

In November and December 2019, NVIC’s Executive Director coordinated the Vaccine and Health Care Choice Summit Meetings in Denver speakers and gave a presentation on Colorado vaccine laws for stakeholders, legislators and the public at the State Capitol. Other presentations were given by NVIC staff in January at the Silent Voices Rally in Florida and at the Rally for Health Freedom in Hawaii, and in February at the Live Aware Expo in California.

Planning and Coordination of Fifth International Public Conference on Vaccination

After the federal government declared a coronavirus pandemic in early 2020 and the social distancing and travel restrictions were implemented, there was a cancellation of NVIC’s Fifth International Public Conference on Vaccination: Protecting Health and Autonomy in the 21<sup>st</sup> Century that had been scheduled to take place at a hotel in Reston, VA, in October 2020. The event was rescheduled as a virtual conference to be broadcast online Oct. 16-18, 2020 (FY2021).

A professional conference event manager and professional AV company were hired to technically produce and broadcast the online event. The CEO/President created the conference agenda and invited 51 speakers from the U.S. and other countries. The majority of the coordination and promotion of the international conference took place during FY2020.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

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 29 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 FYE2020, NVIC tracked, analyzed, and issued positions on 232 vaccine related bills in 39 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 99 bills introduced in multiple states that aligned with NVIC’s mission and informed consent advocacy, and provided information in opposition to 123 bills that negatively affected NVIC’s mission. During this reporting period, legislators in 10 states introduced 13 bills to eliminate or restrict vaccine exemptions, with all bills failing to pass.

In FYE 2020, there were 109,122 visitors to the NVICadvocacy.org website with 444,968 page views. A total of 12,429 new users of the Advocacy Portal were registered to bring the number of active Portal users to more than 80,000 people. States that had the highest NVIC Advocacy Portal user rates were California, New York, Florida, Illinois, Texas, New Jersey, Virginia, Pennsylvania, Colorado, and Massachusetts.

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).

During this fiscal year:

- Advisory Commission on Childhood Vaccines (ACCV). This federal advisory committee was created by Congress in the National Childhood Vaccine Injury Act of 1986 to provide oversight on the operation of the federal vaccine injury compensation program (VICP). The Executive Director monitored ACCV meetings by phone. She made oral public comments on behalf of NVIC during the ACCV's September 2019, April and May 2020 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 volunteer Director of Research and Patient Safety and Director of Disease & Vaccine Website Content monitored ACIP meetings by phone.
- 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 Office of the Assistant Secretary of Health, Department of Health and Human Services. The Executive Director and volunteer Director of Research and Patient Safety monitored NVAC meetings by phone. Public comments were provided on behalf of NVIC during the September 2019 and February 2020 NVAC meetings.
- NVIC's Co-founder and President and the Executive Director submitted a written referenced public comment in May 2020 to the Agency for Healthcare Research and Quality (AHRQ) on Supplemental Evidence and Data Request on Safety of Vaccines used for Routine Immunization in the U.S.
- NVIC's Co-founder and President submitted a written referenced public comment in October 2019 to the Office of Infectious Disease and HIV/AIDS Policy (OIDP), Office of the Assistant Secretary of Health on Developing the 2020-2025 National Vaccine Plan and detailed past failures by DHHS to appropriately implement the 1986 National Childhood Vaccine Injury Act.

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 7,551 public inquiries and requests for information or individual counseling in FYE2020, including 76 vaccine reaction reports. Telephone and email counseling was provided to those reporting vaccine injuries or deaths. Additional questions about vaccine reactions were handled by other staff members. There were 42 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. 2018-08 "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made" in the current year, applying the changes retrospectively.

ASU 2018-08 was issued to clarify and improve the guidance for distinguishing transactions that are contributions from those that are exchange transactions. The ASU also provides guidance for determining if a contribution that is a promise to give is conditional.

This standard amends the definition of a donor-imposed condition to state it must include both (a) one or more barriers that must be overcome before the organization is entitled to the promised assets, and (b) a right of release from the obligation stipulating the donor has the right to be released from its obligation to transfer assets or to reduce, settle, or cancel liabilities. This standard also provides additional guidance to determine whether grants and contracts from the federal, state, and local governments should be classified as a contribution or an exchange transaction.

The changes had no effect on net assets at September 1, 2019.

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.

	<u>August 31, 2020</u>	<u>August 31, 2019</u>
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 379,552	\$ 706,018
Investments	318,928	315,779
Certificates of Deposit	1,177,452	922,083
Accounts Receivable	89,145	3,763
Promises Receivable	<u>34,372</u>	<u>31,957</u>
Total Financial Assets	<u>\$ 1,999,449</u>	<u>\$ 1,979,600</u>
Less Amounts Not Available for General		
Expenditure Within One Year:	<u>\$ -</u>	<u>\$ -</u>
Financial Assets Available to Meet General		
Expenditures Over the Next Twelve Months	<u>\$ 1,999,449</u>	<u>\$ 1,979,600</u>

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, 2020, 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, 2020, the statute of limitations for tax years 2016 through 2018 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, 2020, 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, 2020</u>	<u>August 31, 2019</u>
Non-Interest Bearing Deposit Account	\$ -	\$ 216,319
Non-Interest Bearing Checking Account	197,666	239,689
Savings Account	31	10
Interest Bearing Deposit Account	<u>181,855</u>	<u>250,000</u>
Total	<u>\$ 379,552</u>	<u>\$ 706,018</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, 2020</u>	<u>August 31, 2019</u>
Certificates of Deposit	<u>\$ 1,177,452</u>	<u>\$ 922,083</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. Deposits held in non-interest bearing transaction accounts are aggregated with any interest bearing deposits and the combined total insured up to \$250,000.

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, 2020 and 2019, \$27,483 and \$22,094, 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:

August 31, 2020

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Fixed Income Annuities	\$ 318,928	\$ -	\$ -	\$ 318,928
Totals	<u>\$ 318,928</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,928</u>

August 31, 2019

	<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>

The composition of investment return during the years ended August 31, 2020 and 2019 consisted of the following:

	<u>August 31, 2020</u>	<u>August 31, 2019</u>
Interest and Dividends - Annuities	\$ 3,149	\$ 3,118
Interest and Dividends - Other	<u>19,733</u>	<u>20,395</u>
Totals	<u>\$ 22,882</u>	<u>\$ 23,513</u>

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

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). 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, 2020.

*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.

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, 2020.

<u>August 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income Annuities	\$ <u>318,928</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>318,928</u>
Total Investments	\$ <u>318,928</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>318,928</u>

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	\$ <u>315,779</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>315,779</u>
Total Investments	\$ <u>315,779</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>315,779</u>

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, 2020</u>	<u>August 31, 2019</u>
Funds Held at Third Party for Conference Interest	\$ <u>86,740</u> <u>2,405</u>	\$ <u>-</u> <u>3,763</u>
Total Accounts Receivable	\$ <u>89,145</u>	\$ <u>3,763</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, 2020.

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, 2020 and 2019.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

8. ACCOUNTS AND PROMISES RECEIVABLE: (Continued)

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 once management determines that available collection efforts are exhausted.

**Promises Receivable**

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. 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, 2020</u>	<u>August 31, 2019</u>
Unrestricted	\$ <u>34,372</u>	\$ <u>31,957</u>
Total Promises Receivable	\$ <u>34,372</u>	\$ <u>31,957</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, 2020 and 2019 was \$11,953 and \$7,702, respectively. Major classifications of fixed assets and their estimated useful lives are as summarized below:

<u>August 31, 2020</u>	<u>Depreciable Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Computer Equipment	3 Years	\$ 28,447	\$ 10,016	\$ 18,431
Website in Progress	N/A	17,300	-	17,300
Office Furniture	3-5 Years	24,795	19,079	5,716
Leasehold Improvements	Life of Lease	<u>3,885</u>	<u>3,885</u>	<u>-</u>
Totals		<u>\$ 74,427</u>	<u>\$ 32,980</u>	<u>\$ 41,447</u>

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9. FIXED ASSETS: (Continued)

<u>August 31, 2019</u>	<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>

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, 2020 and 2019 was \$2,802 and \$1,849, respectively.

11. REFUNDABLE ADVANCE - PAYCHECK PROTECTION PROGRAM:

The Paycheck Protection Program was established under the CARES Act on March 27, 2020, and was designed to provide cash-flow assistance to small businesses including certain not-for-profit organizations. This program provides relief as a result of the Coronavirus pandemic with loan funds to pay up to 24 weeks of payroll costs including fringe benefits, rent and utilities commencing on the date of loan origination. The Paycheck Protection Program is a loan program that is guaranteed in its entirety through the Small Business Administration and offers a maturity of two years and an interest rate of one percent (1%). The principal amount of the loan may be partially or fully forgiven if the loan funds are utilized in manner consistent with the allowable use of loan proceeds.

Management of the National Vaccine Information Center anticipates total forgiveness and the funds are being reported in accordance with FASB ASC 958-605. Due to the forgiveness being conditional on incurring the qualified expenses, the funds were accounted for as a refundable advance and were recognized as contribution revenue as the qualified expenses were incurred. The Organization applied for and received a total amount of loan proceeds in the amount of \$136,070 on April 30, 2020. As of August 31, 2020, \$101,149 has been recognized as contribution income since the conditions upon which the loan proceeds were provided has been substantially met. In addition, an amount of \$34,921 has been recognized as a refundable advance and will be expended subsequent to year end.

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12. 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. An amendment to the lease was entered into, extending the lease for an additional five years ending August 31, 2023. 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, 2020 were \$2,568. 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, 2020 and 2019 was \$35,757 and \$33,926, respectively. As of August 31, 2020, future minimum rental obligations required under this lease, net of rent abatement, are as follows:

<u>Year Ending August 31,</u>	<u>Rent Obligation</u>	<u>Deferred Rent</u>	<u>Rent Payment</u>
2021	\$ 31,764	\$ 28	\$ 31,736
2022	31,764	(925)	32,689
2023	<u>31,764</u>	<u>(1,905)</u>	<u>33,669</u>
Totals	<u>\$ 95,292</u>	<u>\$ (2,802)</u>	<u>\$ 98,094</u>

13. 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, 2020 and 2019, an amount of \$300,000 and \$500,000, respectively, which represents twenty-three percent (23%) and thirty-eight percent (38%), respectively, of total financial support, was received in the form of contributions from a single foundation.

14. CONTINGENCIES:

**Program Support**

Based on the nature and purpose of the National Vaccine Information Center, 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. CONTINGENCIES: (Continued)

**Pandemic**

The Organization has been negatively impacted by the effects of the worldwide coronavirus pandemic. The Organization is closely monitoring its operations and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Organization's financial position is not known.

15. RELATED PARTY TRANSACTIONS:

**Contributions Made**

Various board members and employees of the National Vaccine Information Center gave contributions during the years ended August 31, 2020 and 2019 to the Organization in the amount of \$10,700 and \$4,912, 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.

16. SUBSEQUENT EVENTS:

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through January 4, 2021, 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.

17. 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, 2020, and 2019 included a total of \$14,692 and \$15,640, 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, 2020</u>	<u>August 31, 2019</u>
Educational	\$ 11,689	\$ 10,532
Fundraising	<u>3,003</u>	<u>5,108</u>
Total Joint Costs	<u>\$ 14,692</u>	<u>\$ 15,640</u>

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18. FUNDRAISING:

During the years ended August 31, 2020 and 2019, expenses in the amount of \$30,847 and \$31,782, respectively, were incurred for the purposes of fundraising.

19. 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 \$51,614 and \$37,372 were incurred during the years ended August 31, 2020 and 2019, respectively.

20. EMPLOYEE BENEFITS:

The cost of fringe benefits incurred consisted of the following:

	<u>August 31, 2020</u>	<u>August 31, 2019</u>
Social Security/Medicare	\$ 52,076	\$ 46,034
State Unemployment Tax	817	602
Worker's Compensation	1,932	1,172
DeMinimus and Wellness	<u>1,511</u>	<u>196</u>
Total Fringe Benefits	<u>\$ 56,336</u>	<u>\$ 48,004</u>