

NATIONAL VACCINE INFORMATION CENTER

STERLING, VIRGINIA

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AUDIT REPORT

FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

**KENDALL, PREBOLA AND JONES**

Certified Public Accountants

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## I N D E X

	<u>Page</u>
Independent Auditor's Report	1-2
Comparative Statements of Financial Position, August 31, 2015 and 2014	3
Comparative Statements of Activities, For the Years Ended August 31, 2015 and 2014	4
Comparative Statements of Cash Flows, For the Years Ended August 31, 2015 and 2014	5
Notes to Financial Statements	6-25
Schedule 1 - Schedule of Functional Expenses, For the Year Ended August 31, 2015	26
Schedule 2 - Schedule of Functional Expenses, For the Year Ended August 31, 2014	27

# Kendall, Prebola and Jones, LLC

Certified Public Accountants

The Board of Directors  
National Vaccine Information Center  
Sterling, Virginia 20166

## INDEPENDENT AUDITOR'S REPORT

### ***Report on the Financial Statements***

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, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***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.

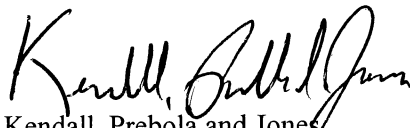
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***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, 2015 and 2014, 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.

***Other Matters***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Kendall, Prebola and Jones  
Certified Public Accountants

Bedford, Pennsylvania  
December 18, 2015

NATIONAL VACCINE INFORMATION CENTER  
COMPARATIVE STATEMENTS OF FINANCIAL POSITION  
AUGUST 31, 2015 AND 2014

	<u>August 31, 2015</u>	<u>August 31, 2014</u>
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 732,796	\$ 362,128
Certificates of Deposit	356,694	508,243
Accounts Receivable	1,343	431
Promises Receivable	26,453	13,936
Prepaid Expenses	<u>8,480</u>	<u>18,944</u>
Total Current Assets	<u>\$ 1,125,766</u>	<u>\$ 903,682</u>
<u>Fixed Assets:</u>		
Furniture and Equipment	\$ 53,265	\$ 50,121
Leasehold Improvements	3,885	3,885
Less: Accumulated Depreciation and Amortization	<u>(22,681)</u>	<u>(20,248)</u>
Total Fixed Assets	<u>\$ 34,469</u>	<u>\$ 33,758</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>\$ 1,162,526</u>	<u>\$ 939,731</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts Payable	\$ 3,777	\$ 20,393
Accrued Wages and Taxes	3,982	1,476
Current Portion: Deferred Rent Abatement	<u>970</u>	<u>116</u>
Total Current Liabilities	<u>\$ 8,729</u>	<u>\$ 21,985</u>
<u>Long-Term Liabilities:</u>		
Deferred Rent Abatement	\$ 5,369	\$ 5,485
Less: Current Portion	<u>(970)</u>	<u>(116)</u>
Total Long-Term Liabilities	<u>\$ 4,399</u>	<u>\$ 5,369</u>
Total Liabilities	<u>\$ 13,128</u>	<u>\$ 27,354</u>
<u>Net Assets:</u>		
Unrestricted	\$ 1,100,418	\$ 863,420
Board Designated	844	821
Temporarily Restricted	<u>48,136</u>	<u>48,136</u>
Total Net Assets	<u>\$ 1,149,398</u>	<u>\$ 912,377</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,162,526</u>	<u>\$ 939,731</u>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER  
COMPARATIVE STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

	August 31, 2015			August 31, 2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<u>Revenues and Other Support:</u>						
Contributions and Grants - Foundations	\$ 561,208	\$ -	\$ 561,208	\$ 456,650	\$ -	\$ 456,650
Contributions and Grants - Other	418,398	50	418,448	183,730	-	183,730
Donated Assets and Services	85,405	-	85,405	112,879	-	112,879
Interest Income	5,910	-	5,910	5,838	-	5,838
Gain/(Loss) on Disposal of Fixed Assets	(821)	-	(821)	(548)	-	(548)
Net Assets Released from Restrictions						
Satisfaction of Program Restrictions	50	(50)	-	40,000	(40,000)	-
 Total Revenues and Other Support	 <u>\$ 1,070,150</u>	 <u>\$ -</u>	 <u>\$ 1,070,150</u>	 <u>\$ 798,549</u>	 <u>\$ (40,000)</u>	 <u>\$ 758,549</u>
<u>Expenses:</u>						
Educational	\$ 530,062	\$ -	\$ 530,062	\$ 440,471	\$ -	\$ 440,471
Advocacy	90,011	-	90,011	88,999	-	88,999
Lobbying	30,102	-	30,102	13,170	-	13,170
Support	109,673	-	109,673	75,149	-	75,149
Research	-	-	-	21,668	-	21,668
Fundraising	35,021	-	35,021	29,205	-	29,205
General and Administrative	38,260	-	38,260	32,848	-	32,848
 Total Expenses	 <u>\$ 833,129</u>	 <u>\$ -</u>	 <u>\$ 833,129</u>	 <u>\$ 701,510</u>	 <u>\$ -</u>	 <u>\$ 701,510</u>
Changes in Net Assets	\$ 237,021	\$ -	\$ 237,021	\$ 97,039	\$ (40,000)	\$ 57,039
Net Assets, Beginning of Period	864,241	48,136	912,377	767,202	88,136	855,338
Net Assets, End of Period	<u>\$ 1,101,262</u>	<u>\$ 48,136</u>	<u>\$ 1,149,398</u>	<u>\$ 864,241</u>	<u>\$ 48,136</u>	<u>\$ 912,377</u>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

	<u>August 31, 2015</u>	<u>August 31, 2014</u>
<u>Cash Flows from Operating Activities:</u>		
Changes in Net Assets	\$ 237,021	\$ 57,039
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation and Amortization Expense	15,160	10,515
Loss on Disposal of Fixed Assets	821	548
Accounts Receivable - (Increase)/Decrease	(912)	(209)
Promises Receivable - (Increase)/Decrease	(12,517)	30,334
Prepaid Expenses - (Increase)/Decrease	10,464	(10,273)
Accounts Payable - Increase /(Decrease)	(16,616)	12,915
Accrued Wages and Taxes - Increase /(Decrease)	2,506	(425)
Deferred Rent Abatement - Increase /(Decrease)	<u>(116)</u>	<u>733</u>
Net Cash Flows from Operating Activities	<u>\$ 235,811</u>	<u>\$ 101,177</u>
<u>Cash Flows from Investing Activities:</u>		
Acquisition of Fixed Assets	\$ (16,692)	\$ (18,577)
Purchase of Certificates of Deposit	(105,872)	(5,983)
Proceeds on Sale of Certificates of Deposit	<u>257,421</u>	<u>-</u>
Net Cash Flows from Investing Activities	<u>\$ 134,857</u>	<u>\$ (24,560)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ 370,668	\$ 76,617
Cash and Cash Equivalents, Beginning of Period	<u>362,128</u>	<u>285,511</u>
Cash and Cash Equivalents, End of Period	<u>\$ 732,796</u>	<u>\$ 362,128</u>

Supplemental Disclosures:

- a) There was no cash paid for interest or income taxes during the years ended August 31, 2015 and 2014.

(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 encourage the health and welfare of American children and adults through its research and education-oriented programs to prevent vaccine injuries and deaths and to assist individuals (both children and adults) who have been vaccine injured.

NVIC is the oldest and largest consumer health organization in America providing vaccine and disease risk information to the general public; advocating safety reforms in the mass vaccination system and endorsing independent scientific research into vaccine-associated deaths, injuries and chronic illness.

NVIC's public education program is multi-faceted, including: public conferences, symposiums, workshops; television, radio and print media, and public service announcements; the publication and distribution of books, audio and video tapes, newsletters and other visual and printed materials and it maintains an internet website (<http://www.nvic.org>).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

(a) Accounting Method:

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 United States of America.

(b) Revenue Recognition:

**Contributions**

The National Vaccine Information Center has adopted Financial Accounting Standards Board ASC No. 958-605-25 (formerly SFAS No. 116), *Accounting for Contributions Received and Contributions Made*. As such, contributions are recognized as revenue when they are received or unconditionally pledged.

All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions and promises to give with donor-imposed conditions are recognized as unrestricted support when the conditions on which they depend are substantially met. Contributions and promises to give with donor-imposed restrictions are reported as temporarily restricted support. Unconditional promises to give due in the next year are recorded at their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be receivable.



NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(b) Revenue Recognition: (Continued)

**Contributions** (Continued)

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. 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 judgment, including such factors as prior collection history and type of contribution.

The National Vaccine Information Center reports gifts of equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. The National Vaccine Information Center reports expirations of donor restrictions when the donated or acquired assets are placed in service.

(c) Corporate Taxes:

The National Vaccine Information Center is exempt from federal and state income taxes (other than 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)(i)(A)(vi). The organization did not have any net unrelated business income for the year ended June 30, 2015.

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

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 National Vaccine Information Center has adopted Financial Accounting Standards Board ASC No. 958-205-05 (formerly SFAS No. 117), *Financial Statements of Not-for-profit Organizations*. Under FASB ASC No. 958-205-05, the National Vaccine Information Center is required to report information regarding its financial position and activities according to three classes of net assets.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the National Vaccine Information Center and changes therein are classified and reported as follows:

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(d) Net Assets: (Continued)

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions and over which the Board of Directors has discretionary control. This classification includes net assets subject to donor-imposed conditions which have been met in the current year and net assets subject to donor-imposed restrictions that have been released from restrictions. Board-designated funds included as unrestricted net assets are to be used for research. Board designated funds at August 31, 2015 and 2014 were \$844 and \$821, respectively.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the National Vaccine Information Center and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Temporarily restricted net assets were available at year end for the following programs:

	<u>August 31, 2015</u>	<u>August 31, 2014</u>
Research	\$ 48,136	\$ 48,136
Total Temporarily Restricted Available	<u>\$ 48,136</u>	<u>\$ 48,136</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 programs:

	<u>August 31, 2015</u>	<u>August 31, 2014</u>
Vaccine Awareness Week	\$ 50	\$ -
Time Restricted	<u>-</u>	<u>40,000</u>
Total Released	<u>\$ 50</u>	<u>\$ 40,000</u>

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that requires the net assets be maintained permanently by the National Vaccine Information Center. Generally, the donors of these assets permit the use of all or part of the income earned on any related investments for general or specific purposes. The Organization did not have any permanently restricted net assets as of August 31, 2015 and 2014.

(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.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(e) Donated Services and Materials: (Continued)

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, 2015</u>	<u>August 31, 2014</u>
Information Technology and Web Hosting	\$ 77,976	\$ 70,491
Computer Software	429	5,188
Investigative Research	-	23,250
Graphic Design and Artwork	7,000	13,650
Bookkeeping Services	<u>-</u>	<u>300</u>
Total Donated Services and Materials	<u>\$ 85,405</u>	<u>\$ 112,879</u>

(f) Basic Programs:

I. PUBLIC EDUCATION PROGRAMS

The National Vaccine Information Center (NVIC) launched the vaccine safety and informed consent movement in the U.S. in 1982. NVIC's mission is 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 informed vaccine decision-making and the inclusion of flexible medical, religious and conscientious belief exemptions in U.S. vaccine policies and laws.

NVIC.org Website

NVIC is the oldest and largest consumer-led non-profit charity disseminating information about vaccination and diseases on the Internet. NVIC's extensive library of well researched and referenced information on vaccine science, policy, law and ethics posted on NVIC.org is a unique public information resource.

During the past two decades, NVIC has developed an impressive online web presence during the past two decades and it was significantly expanded in FYE 2015. This year, NVIC's flagship website at [NVIC.org](http://NVIC.org) hosted 1,819,566 visits, which is an increase of 36% from the previous fiscal year. There were 3,707,228 page views for a 34% increase from the previous year and a 52% increase in returning visitors.

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.org Website (Continued)

Although NVIC focuses on producing information about infectious diseases and vaccines licensed and sold in the U.S., NVIC's website also has a global reach. NVIC.org has a Google translation feature that serves non-English speaking visitors but most NVIC.org visitors live in English speaking countries.

Visitors are spending more time on NVIC.org than in previous years, indicating that improvements in website content, design and navigation is making information more easily accessible and attracting and engaging more people.

There was a 35% increase in website visitors using the Google search engine to specifically search for NVIC by name. Information featured on NVIC.org, on NVIC's Facebook page, the *NVIC Newsletter*, NVIC Business Wire press releases, and the *Mercola Newsletter*, helped to elevate NVIC's Google search presence in FYE 2015.

NVIC's Executive Director manages the website and in FYE 2015 coordinated content and design improvements made to NVIC.org, including:

- **Ongoing implementation of Search Engine Optimization (SEO)**, on state laws, FAQ's, About Us, Resources, Vaccines & Diseases.
- **Real-time Webpage Updating**, on state laws, referenced commentaries, media, etc.
- **Ask 8 Vaccine Information Kiosk**, new page directs visitors to NVIC print resources for downloading and features embeddable web badges.
- **Vaccine Failure Wall**, creation of a new online mechanism for publicly reporting vaccine failures, which received over 30 reports.
- **Vaccine Freedom Wall** received more than 186 reports of informed consent violations, an increase of 95%.
- **International Memorial for Vaccine Victims**, 35 new memorials were created on this field searchable reporting mechanism, an increase of over 100%.
- **E-cards**, back-to-school vaccine information e-cards were created.
- **Vaccine Ingredient Calculator (VIC) and VIC Twitter**, operated by the volunteer Director of Database Management, the VIC website hosted 76,414 visitors, an increase of 66%; VIC Twitter followers increased by 48% to 4,100.
- **MedAlerts**, operated by the volunteer Director of Research Analytics, MedAlerts facilitates public searches of vaccine reaction reports made to the federal Vaccine Adverse Events Reporting System (VAERS). The MedAlerts website hosted over two million visitors.

The NVIC CEO/President researched, wrote, referenced and produced 12 video commentaries, which refreshed NVIC.org content during this fiscal year and enlarged the vaccine information library on NVIC.org.

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.org Website (Continued)

Topics included:

- Will There Be An Ebola Outbreak in America?
- Vaccination: Defending Your Right to Know and Freedom to Choose
- Another Epic Fail for Influenza Vaccine
- Measles in Disneyland: Third MMR Shot and Vaccine Exemption Ban?
- The Vaccine Culture War in America: Are You Ready?
- Blackmail and the Medical Vaccine Exemption
- Here Comes the 21st Century Cures Act: Say Goodbye to Vaccine Safety Science

These original referenced commentaries were read and viewed by hundreds of thousands of online visitors to NVIC.org and were republished on Mercola.com and other websites.

Online/Printed Brochures

During FYE 2015, information brochures were created or revised and posted on NVIC.org in downloadable form and also were published in printed form for mailing and distribution at conferences and special events. A special 55-page referenced report on *The Emerging Risks of Live Virus and Virus Vectored Vaccines: Vaccine Strain Infection, Shedding and Transmission* was posted for free downloading. The following NVIC publications were updated:

- “If You Vaccinate, Ask 8 Questions”
- “Know the Facts to Stay Healthy This Flu Season.”
- 49 Doses of 14 Vaccines by Age Six? 69 Doses of 16 Vaccines by Age 8?

NVIC Newsletter

In FYE 2015, the free online *NVIC Newsletter* published 22 editions that were emailed to 57,086 subscribers, which was a 32 percent increase in newsletter subscribers from the previous year. The newsletter featured referenced video commentaries written by the CEO/President and filmed by NVIC’s Videographer, as well as published articles and Action Alerts written by NVIC executive staff; media report summaries; calendars of NVIC events and federal vaccine advisory committee meetings, and NVIC public comments made at government meetings and legislative hearings. Video commentaries and lead articles featured in the *NVIC Newsletter* are posted on NVIC.org.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

The Vaccine Reaction Journal

In June 2015, NVIC launched a new free bi-weekly online journal, *The Vaccine Reaction*, to promote “an enlightened conversation about vaccination, health and autonomy.” NVIC’s CEO/President is executive editor of TVR and supervises an editorial staff that includes a managing editor and three part-time and freelance writers. A new NVIC website, [TheVaccineReaction.org](http://TheVaccineReaction.org), was created to display and archive TVR news summaries, OpEds, videos and other information about vaccination, health, ethics, medicine, law, media and business. The website was designed by and is maintained by NVIC’s staff.

There were 11,000 visits to the TVR website during the launch week in June and, by the end of August, the number of visits had increased 20 percent. Five to six new articles were posted on the TVR website weekly. Four articles were selected for each bi-weekly TVR journal edition that was emailed to *NVIC Newsletter* subscribers, and by the end of FYE 2015, the average “open rate” was between 25 and 30 percent.

Video Messaging

During FYE 2015, NVIC’s Videographer filmed, illustrated, edited and produced You Tube posted videos for referenced commentaries and other videos published in the *NVIC Newsletter* and *Mercola Newsletter* and on NVIC.org and TheVaccineReaction.org. During FYE 2015, NVIC’s videos attracted about 168,000 views on You Tube, an increase of 72%.

About 31% of viewers watched NVIC videos on the “NVICStandUp” You Tube channel, and 68% of viewers accessed videos from the NVIC.org or Mercola.com websites. NVICStandUp You Tube channel subscribers increased by 40% to 3,040 subscribers. The most popular video this year was “The Vaccine Culture War in America: Are You Ready?” and it attracted 32,535 views for a total of 350,888 viewing minutes.

NVIC Facebook Page

NVIC’s Facebook page is managed and actively monitored 12 hours a day by the Director of Operations. NVIC’s Facebook page is the organization’s “daily news” communications outlet informing fans about breaking vaccine-related news, and it is acquiring a growing fan base of about 140 new fans/followers per day.

By the end of FYE 2015, NVIC’s Facebook Fan base numbered 142,000 for a net gain of 51% in one year. This fiscal year, there were 5,475 original postings made to the NVIC Facebook page and these postings were shared daily by NVIC fans and friends of fans. On a weekly basis, NVIC Facebook posts reached an average of 900,000 people for a total ripple effect reach of 4.5+ million 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 Twitter

Twitter followers of the NVIC Twitter social media account increased 185% in FYE 2015 to a total of 3,280 NVIC Twitter Fans. More than 4,300 tweets were issued on NVIC Twitter, which represents thousands of retweets that reached millions of Twitter users.

Media

This fiscal year, NVIC continued to provide response to media inquiries, as well as conducted advertising campaigns to raise public awareness about NVIC's websites and the importance of making well-informed vaccine decisions. NVIC serves as an information resource for journalists with questions about vaccination or seeking NVIC's informed consumer perspective on vaccine science, policy, law and ethics. NVIC's CEO/President is on-call 12 hours a day to respond to media inquiries.

Print & Broadcast News Articles

During the first half of FYE 2015, there was a dramatic increase in media inquiries to NVIC from journalists seeking NVIC's perspective on a highly publicized measles outbreak in California, and subsequent efforts by special interest lobbyists working in state legislatures to eliminate non-medical vaccine exemptions in laws restricting entry to daycare and school or preventing health and childcare employment. NVIC executive staff was interviewed or quoted in more than 100 national and international print and broadcast news stories. Below is a sample selection:

- **Measles Outbreak Fuels Vaccination Debate.** "From an informed consumer's perspective, what I have found are gaps in the vaccine safety science that need to be filled," Barbara Loe Fisher said. "We do not truly understand the scope of vaccine injury... We need to give respect to parents who are trying to do the best for their children." *San Diego Union* Jan. 17, 2015;
- **Study: More East Sac, Roseville Parents Refuse to Vaccinate Kids.** "It's not a black or white issue," said Barbara Loe Fisher, president of the National Vaccine Information Center. Her group is not anti-vaccine, but advocates for parental choice. Fisher said parents shouldn't be "forced" to vaccinate. She said it's about intelligent people looking at all the information and reaching different decisions." *KCRA-TV- Sacramento* Jan. 20, 2015;
- **California Democratic Senators Want to End Most Vaccine Exemptions.** "Vaccines are pharmaceutical products that carry risks, said Barbara Loe Fisher, co-founder and president of the National Vaccine Information Center. " The conscientious belief exemption is very important. What's so dangerous about this approach, of no non-medical exemptions, or narrow exemptions accepted by the government, is that the makers of vaccines are shielded from liability." *Bloomberg Business News* Feb. 4, 2015.

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 & Broadcast News Articles (Continued)

- **States Move to Toughen Vaccine Laws in Wake of Measles Outbreak.** “I do think we’re in danger of having a country that is committed to forced vaccination,” says Barbara Loe Fisher, co-founder and president of the National Vaccine Information Center, which lobbies for exemptions and for parental choice around vaccines. “We consider this an assault on both civil liberties and human rights.” *Christian Science Monitor* Mar. 3, 2015.
- **New Texas Bill Would Expose Student Vaccination Information.** “New legislation could soon change the way your child’s medical information is shared by Texas public schools. Opponents of the bill, including National Vaccine Information Center advocacy director Dawn Richardson, call it a “vaccine discrimination bill.” *Newsweek 9-TV* Mar. 25, 2015.
- **How Colorado Parents Opt Out of Immunizations Could Soon Change.** Opponents of the frequency rule worry that it amounts to government interference in carefully considered health care decisions. “We believe it should, like any other medical decision, rest in the hands of the people who are taking the risk,” said Theresa Wrangham, executive director of the National Vaccine Information Center, a group opposed to vaccination mandates.” *Chalkbeat* Apr. 10, 2015.
- **California Ends Vaccine Exemptions on Grounds of Beliefs - Will Other States Follow?** Barbara Loe Fisher, cofounder and president of the National Vaccine Information Center, argued that vaccine mandates ran roughshod over patients’ right to informed consent. “This bill is not about measles or pertussis. It is about taking power away from mothers and fathers to make medical risk decisions for their minor children and handing it over to doctors,” she said. *British Medical Journal* July 2, 2015.

NVIC Press Releases

In addition to responding to media inquiries, NVIC issued five press releases over Business Wire during FYE 2015 that are permanently archived and accessible on the Internet:

- **Sept. 2, 2014:** National Vaccine Information Center Calls Removal of Vaccine Safety Oversight from U.S. Department of Health & Human Services (DHHS). 5,474 views; 24,264 headline impressions.
- **Nov. 10, 2015:** National Vaccine Information Center (NVIC) and Mercola.com Offer Film Viewings, Question Live Virus Vaccine Risks, Ebola Facts and Vaccine Mandates During Vaccine Awareness Week. 2,982 views; 10,542 headline impressions.
- **April 14, 2015:** “No Forced Vaccination” Message Sponsored by National Vaccine Information Center in NYC Times Square, Philadelphia, New Jersey. 11,696 views, including 4,063 multimedia views; 42,013 headline impressions.



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 Press Releases (Continued)

- **July 1, 2015:** National Vaccine Information Center (NVIC) Says New California Law Threatens Human and Civil Rights in America. 12,655 views; 54,642 headline impressions.
- **July 22, 2015:** National Vaccine Information Center Says Proposed 21<sup>st</sup> Century Cures Act Will Endanger the Public Health by Lowering FDA Licensing Standards. 4,696 views; 24,447 headline impressions.

Ad Campaigns

A billboard campaign *Vaccinations: Know the Risks and Failures* to raise public awareness about information on NVIC's website continued on commercial free standing billboards in New Jersey on Interstate 95 leading to and from New York City and on Rt. 22 west; and in Philadelphia on the Pennsylvania Turnpike bridge and also on southbound I-95. In addition, a "No Forced Vaccination" message was displayed in Times Square on the 48 by 60 foot digital screen at 1500 Broadway and W. 43<sup>rd</sup> Street.

The total weekly reach of NVIC's messages on billboards and the Times Square digital screen is an estimated 12 million people. NVIC also placed radio ads in Buffalo, NY and published print ads featuring the "Vaccinations: Know the Risks and Failures" theme in *Holistic Parenting Magazine*, *Mothering Magazine*, *Pathways Magazine* and several major church bulletins in the mid-Atlantic region.

Speeches

NVIC's CEO/President and Executive Director gave public speeches, workshops and legislative testimony during FYE 2015:

- Keynote speech by NVIC CEO/President at a Vaccine Education Workshop, Phipps Gallery, Pittsburgh, PA on Sept. 13, 2014.
- Keynote speech "Vaccination: Defending Your Right to Know and Freedom to Choose" by Barbara Loe Fisher at the U.S. Health Freedom Congress, Hamline University, Minneapolis/St. Paul, MN on Sept. 27, 2014;
- Workshop on using NVIC's Advocacy Portal to protect vaccine choice by NVIC Executive Director and a speech by NVIC CEO/President at the ICPA Freedom for Family Wellness Conference, Reston, VA on Nov. 14, 2014;
- Testimony opposing elimination of personal belief vaccine exemption by NVIC CEO/President in public hearing by California State Assembly Committee on Health, and also public protest rally remarks in Sacramento on June 9, 2015;
- Speech by Barbara Loe Fisher at "The Wave," sponsored by Life Chiropractic College West in San Francisco, CA on Aug. 8, 2015;

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 NVIC's Director of Advocacy. This free online communications network, which maintains up-to-date information on proposed state and federal vaccine legislation, connects registered users electronically with their own legislators so they can take action to protect informed consent rights and vaccine exemptions. During FYE 2015, the NVIC Advocacy Portal registered a record 17,840 new users, for a total of 48,381 registered and verified users, which is an increase of 58%. There were a record number of visits to NVICAdvocacy.org, with a total of 216,825 website visits and 619,687 page views. This represents a one-year increase of 676% in website visits and a 487% increase in page views.

The Advocacy Portal actively tracked 160 bills across 41 states compared to 91 bills across 28 states in FYE 2014. Advocacy Portal staff issued Action Plans in 23 states for 54 of the 160 state bills tracked and, working with allied grassroots groups, secured on-the-ground direct support for action to protect vaccine choices in 38 states. FYE 2015 is the first year that the Portal tracked federal bills (four) proposing to mandate vaccines or restrict vaccine exemptions, which did not advance in Congress.

NVIC's Director of State Advocacy testified in the Texas state legislature opposing bills to add new vaccine mandates or eliminate vaccine exemptions, and NVIC volunteer state advocacy directors in Vermont, Maryland, New Jersey, Oklahoma, Pennsylvania and other states also gave public testimony in state legislatures. Personal belief vaccine exemptions were protected from elimination or restriction in all but two states.

III. CONSUMER ADVOCACY AND REPRESENTATION

Federal Vaccine Advisory Committees

For three decades, NVIC has monitored and reported 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 (BVAC); and Advisory Commission on Childhood Vaccines (ACCV). Since 1988, NVIC's CEO/President and NVIC representatives have participated as consumer members on federal vaccine advisory committees and NVIC executive staff has provided public comment during committee meetings.

This fiscal year, NVIC's volunteer Director of Research and Patient Safety served as a temporary voting consumer member of VRBPAC for two meetings on ebola and seasonal influenza vaccine strain selection.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

III. CONSUMER ADVOCACY AND REPRESENTATION (Continued)

Federal Vaccine Advisory Committees (Continued)

At the September 2014 ACCV meeting, NVIC's Executive Director discussed the submission of NVIC's referenced written request to the committee, which was excerpted and expanded upon from an NVIC report on the Vaccine Injury Compensation Program (VICP) submitted to the Government Accountability Office (GAO) in response to a request from GAO to NVIC. At the June 2015 meeting, she made public comment protesting the lack of transparency in the federal VICP Data & Statistic's report and questioned why data had disappeared from the vaccine injury compensation program (VICP). She also worked with ACCV on language revisions for Vaccine Information Statements (VIS) that are published by the CDC.

At the July 2015 ACIP meeting, NVIC's Executive Director submitted NVIC's written public comment on meningococcal vaccine recommendations, which was read by the ACIP chair during the meeting, in which NVIC opposed ACIP making a universal use meningococcal vaccine recommendation to prevent its automatic addition to state vaccine laws.

At the September 2014 NVAC meeting, NVIC's Executive Director provided public comment about ebola vaccine development, VIS revisions and VAERS reporting; she submitted NVIC's written public comment opposing most National Adult Immunization Plan recommendations by NVAC at the February 2015 NVAC meeting; and at the June 2015 NVAC meeting, she gave public comment on NVAC's Vaccine Confidence Report.

Cochrane Collaboration

Since 2007, NVIC has been a member of the Cochrane Collaboration's Consumers United for Evidence-based Healthcare (CUE) coalition of health and consumer advocacy organizations disseminating evidence-based information to empower consumers to make evidence-based healthcare decisions. During FYE 2015, NVIC's Executive Director provided six consumer comments on reviews, protocols and plain language summaries for articles published by the Cochrane Collaboration. NVIC's CEO/President and TVR Managing Editor attended the August 2015 CUE annual meeting in Washington, D.C.

IV. COUNSELING AND COMMUNITY SUPPORT SERVICE

Since 1982, NVIC's staff has operated a Vaccine Reaction Registry and provided free one-on-one counseling and informational support for those reporting vaccine reactions, injuries and deaths. In recent years, NVIC has also seen a substantial increase in requests for information and assistance by those reporting vaccine reactions and failures, and harassment for making vaccine choices that do not conform with government recommendations.

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 (Continued)

To fill ever increasing public demand for NVIC's one-on-one counseling service, NVIC added a new part time position, Director of Vaccine Response Reporting, which is held by a nurse with expertise in caring for children with developmental disabilities and behavior disorders. During FYE 2015, she responded and provided counseling to 249 individuals reporting vaccine reactions, injuries and deaths, which represents a 32 percent increase in reports made to NVIC Vaccine Reaction Registry compared to FYE 2014. With the CEO/President, the new Director of Vaccine Response Reporting participated in video messaging about how to identify, report and help prevent vaccine reactions.

Counseling Service

NVIC's part-time Director of Counseling and volunteer counselors, together with the Director of Vaccine Response Reporting, handled a total of 9,471 public inquiries to NVIC in FYE 2015, which is a 69% increase in inquiries compared to the previous year. Many of the inquiries to NVIC 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.

Professional Resource Community Outreach

In the last half of FYE 2015, a part-time Director of Professional Relations was added to staff to serve as NVIC's liaison with the chiropractic profession and other holistic health care professionals seeking vaccine information tools or requesting NVIC's presence at venues providing vaccine education opportunities for patients and the general public. The new Director of Professional Relations held webinar tutorials and attended conferences to promote NVIC websites and programs and services.

(g) Functional Expense Allocation Policies and Procedures:

Management has elected to prepare a schedule of functional expenses that is presented as supplemental information to the financial statements. The schedule 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 expenses relate to fundraising activities such as generating 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.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Functional Expense Allocation Policies and Procedures: (Continued)

Personnel expenses for salaries and payroll taxes are allocated based on job descriptions and management estimates of time spent on particular activities. Personnel expenses for salaries are divided into employee categories and then a percentage of time spent on program services, general and administrative activities, and fundraising activities is applied. All other personnel expenses (benefits, payroll taxes) are allocated based on the weighted average allocation of the direct salaries.

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.

(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, accounts 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 amortized cost. 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.

3. ACCOUNTING FOR UNCERTAIN TAX POSITIONS:

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB ASC No. 740-10 [formerly Interpretation No. 48 (FIN 48)], *Accounting for Uncertainty in Income Taxes*, which is an interpretation of ASC 740's (formerly SFAS No. 109), *Accounting for Income Taxes*. FASB ASC No. 740-10 clarifies the accounting for uncertainty in income taxes recognized in the National Vaccine Information Center's financial statements in accordance with ASC 740's and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

3. ACCOUNTING FOR UNCERTAIN TAX POSITIONS: (Continued)

FASB ASC No. 740-10 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the National Vaccine Information Center's tax return to determine whether the tax positions have a "more-likely-than-not" probability of being sustained by the applicable tax authority.

The National Vaccine Information Center performed an evaluation of uncertain tax positions for the year ended August 31, 2015, 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, 2015, the statute of limitations for tax years 2011 through 2013 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, 2015, the Organization had no accruals for interest and/or penalties.

4. CASH, CASH EQUIVALENTS AND CERTIFICATES OF DEPOSIT:

Cash and Cash Equivalents:

Cash and Cash Equivalents at year end consisted of the following:

	<u>August 31, 2015</u>	<u>August 31, 2014</u>
Non-Interest Bearing Deposit Account	\$ 150,002	\$ -
Non-Interest Bearing Checking Account	283,804	316,661
Savings Account	10	10
Interest Bearing Checking Account	48,980	45,457
Interest Bearing Deposit Account	<u>250,000</u>	<u>-</u>
Total	<u>\$ 732,796</u>	<u>\$ 362,128</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, 2015</u>	<u>August 31, 2014</u>
Certificates of Deposit	<u>\$ 356,694</u>	<u>\$ 508,243</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 account category.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

4. CASH, CASH EQUIVALENTS AND CERTIFICATES OF DEPOSIT: (Continued)

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, 2015 and 2014, \$99,492 and \$379,936, 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 Organization 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.

5. ACCOUNTS AND PROMISES RECEIVABLE:

Accounts Receivable:

Accounts receivable at August 31, 2015 and 2014 were considered to be fully collectible by management. Balances at year end consisted of the following:

	<u>August 31, 2015</u>	<u>August 31, 2014</u>
Travel Refund	\$ 1,329	\$ 425
Interest	14	6
Total Accounts Receivable	\$ 1,343	\$ 431

The Organization'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 at year end.

Accounts Receivable:

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, 2015 and 2014.

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

5. 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 National Vaccine Information Center. The organization uses the allowance method to determine uncollectible promises to give. Promises receivable at year end consisted of the following:

	<u>August 31, 2015</u>	<u>August 31, 2014</u>
Unrestricted	\$ 26,453	\$ 13,936
Total Promises Receivable	<u>\$ 26,453</u>	<u>\$ 13,936</u>

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

6. FIXED ASSETS:

Furniture and office 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 of 3 to 10 years. Depreciation and amortization expense for the years ended August 31, 2015 and 2014 was \$15,160 and \$10,515, respectively. A summary of fixed assets at year end were as follows:

August 31, 2015

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Depreciation</u>
Computer Equipment	\$ 36,003	\$ 15,729	\$ 20,274	\$ 10,926
Office Furniture	17,262	5,269	11,993	3,457
Leasehold Improvements	<u>3,885</u>	<u>1,683</u>	<u>2,202</u>	<u>777</u>
Totals	<u>\$ 57,150</u>	<u>\$ 22,681</u>	<u>\$ 34,469</u>	<u>\$ 15,160</u>

August 31, 2014

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Depreciation</u>
Computer Equipment	\$ 37,632	\$ 15,308	\$ 22,324	\$ 7,115
Office Furniture	12,489	4,034	8,455	2,623
Leasehold Improvements	<u>3,885</u>	<u>906</u>	<u>2,979</u>	<u>777</u>
Totals	<u>\$ 54,006</u>	<u>\$ 20,248</u>	<u>\$ 33,758</u>	<u>\$ 10,515</u>



NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

7. 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 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 expiring on August 9, 2018. As a condition of the lease terms, the first two months of rent have been abated. Accordingly, \$5,369 of future rent payments have been recorded as a liability to adjust the actual rent paid to conform to the straight-line basis. The balance of the unamortized deferred rent abatement at August 31, 2015 and 2014 was \$5,369 and \$5,485, respectively.

8. EMPLOYEE BENEFITS:

The cost of fringe benefits incurred consisted of the following:

	<u>August 31, 2015</u>	<u>August 31, 2014</u>
Social Security/Medicare	\$ 32,678	\$ 25,335
State Unemployment Tax	814	527
Worker's Compensation	641	754
Education	<u>1,425</u>	<u>-</u>
Total Fringe Benefits	<u>\$ 35,558</u>	<u>\$ 26,616</u>

9. 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, 2015 and 2014 included a total of \$21,168 and \$12,959, 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, 2015</u>	<u>August 31, 2014</u>
Educational	\$ 16,701	\$ 9,308
Fundraising	<u>4,467</u>	<u>3,651</u>
Total Joint Costs	<u>\$ 21,168</u>	<u>\$ 12,959</u>

10. FUNDRAISING:

During the years ended August 31, 2015 and 2014, expenses in the amount of \$35,021 and \$29,205, respectively, were incurred for the purposes of fundraising.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

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 expires 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 year with increases annually each year thereafter of three percent (3%). Monthly rental payments as of August 31, 2015, were \$2,430. As a requirement of this lease, a security deposit in the amount of \$2,291 was required to be made. The Center 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, 2015 and 2014 was \$29,169 and \$28,550, respectively. As of August 31, 2015, 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>Rent Abatement</u>	<u>Net Obligation</u>
2016	\$ 29,309	\$ (970)	\$ 28,339
2017	30,188	(1,849)	28,339
2018	<u>29,235</u>	<u>(2,550)</u>	<u>26,685</u>
Total	<u>\$ 88,732</u>	<u>\$ (5,369)</u>	<u>\$ 83,363</u>

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, 2015 and 2014, an amount of \$350,000 and \$400,000, respectively, which represents thirty-three percent (33%) and fifty-three percent (53%) of total financial support, was received in the form of contributions from a single foundation.

13. RELATED PARTY TRANSACTIONS:

Contributions:

Various board members and employees of the National Vaccine Information Center gave contributions during the years ended August 31, 2015 and 2014 to the organization in the amount of \$4,709 and \$3,553, respectively.

Guarantee of Indebtedness:

The National Vaccine Information Center utilizes a credit card issued by Capital One F.S.B. for purchases related to the organization's activity. The credit card is issued in the name of the organization with a credit limit of \$20,000, however the debt is guaranteed by an employee of the organization.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

13. RELATED PARTY TRANSACTIONS: (Continued)

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.

14. 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.

15. SUBSEQUENT EVENTS:

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 18, 2015, 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.

NATIONAL VACCINE INFORMATION CENTER  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2015

	<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	\$ 426,758	\$ 24,265	\$ 8,892	\$ 218,669	\$ 64,438	\$ 24,897	\$ 85,597	\$ -
Fringe Benefits	35,558	1,941	711	18,915	5,154	1,991	6,846	-
Staff Placement Fees	6,396	-	-	6,396	-	-	-	-
Graphic Design and Artwork	7,724	-	1,125	6,599	-	-	-	-
Investigative Research	-	-	-	-	-	-	-	-
Information Technology and Web Hosting	77,976	-	-	77,976	-	-	-	-
Payroll Service Fees	2,643	150	55	1,354	400	154	530	-
Accounting	12,110	484	242	10,536	363	243	242	-
Legal Fees	3,600	-	3,600	-	-	-	-	-
Telephone	13,578	627	-	7,713	29	-	5,209	-
Internet	10,492	561	1,013	7,763	1,099	-	56	-
Postage and Shipping	26,567	2,693	2,478	18,237	1,122	-	2,037	-
Printing and Reproduction	17,728	306	2,712	14,579	98	-	33	-
Marketing and Public Relations	76,807	-	-	76,807	-	-	-	-
Press Releases	6,687	-	-	5,350	1,337	-	-	-
Occupancy	29,169	1,658	608	14,946	4,404	1,702	5,851	-
Storage	2,664	-	-	2,664	-	-	-	-
Travel	25,319	-	-	23,169	2,150	-	-	-
Meetings and Conferences	1,875	1,715	-	160	-	-	-	-
Office Supplies and Expense	7,024	797	124	5,381	474	124	124	-
Equipment Rental and Maintenance	639	299	-	340	-	-	-	-
Dues, Subscriptions and Taxes	8,071	1,499	-	79	6,493	-	-	-
State Registration	3,389	-	3,389	-	-	-	-	-
Licenses and Permits	1,709	-	1,709	-	-	-	-	-
Corporate Insurance	5,357	215	107	4,660	161	107	107	-
Bank and Service Charges	8,129	189	7,940	-	-	-	-	-
Depreciation Expense	15,160	861	316	7,769	2,289	884	3,041	-
<b>Total Expenses</b>	<b>\$ 833,129</b>	<b>\$ 38,260</b>	<b>\$ 35,021</b>	<b>\$ 530,062</b>	<b>\$ 90,011</b>	<b>\$ 30,102</b>	<b>\$ 109,673</b>	<b>\$ -</b>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2014

	<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	\$ 330,750	\$ 22,999	\$ 8,485	\$ 160,402	\$ 61,189	\$ 10,498	\$ 54,144	\$ 13,033
Fringe Benefits	26,616	1,851	683	12,907	4,924	845	4,357	1,049
Staff Placement Fees	-	-	-	-	-	-	-	-
Graphic Design and Artwork	13,650	-	330	13,320	-	-	-	-
Investigative Research	23,250	-	-	17,437	-	-	4,650	1,163
Information Technology and Web Hosting	70,491	-	-	66,241	-	-	-	4,250
Payroll Service Fees	2,456	171	63	1,191	454	78	402	97
Accounting	13,056	522	261	11,228	261	262	261	261
Legal Fees	4,440	-	3,600	-	840	-	-	-
Telephone	10,543	488	-	6,497	30	-	3,528	-
Internet	8,611	57	660	7,011	797	-	57	29
Postage and Shipping	12,564	1,180	1,884	7,546	909	-	1,045	-
Printing and Reproduction	12,188	282	2,515	9,346	23	-	22	-
Marketing and Public Relations	85,984	-	-	85,984	-	-	-	-
Press Releases	2,693	-	-	2,154	539	-	-	-
Occupancy	28,550	1,985	732	13,846	5,282	906	4,675	1,124
Storage	2,228	-	-	2,228	-	-	-	-
Travel	7,172	-	-	7,172	-	-	-	-
Meetings and Conferences	562	401	-	161	-	-	-	-
Office Supplies and Expense	8,007	771	135	5,811	885	135	135	135
Equipment Rental and Maintenance	830	732	-	40	19	-	39	-
Dues, Subscriptions and Taxes	11,144	355	-	-	10,789	-	-	-
State Registration	3,236	-	3,236	-	-	-	-	-
Licenses and Permits	1,889	-	1,889	-	-	-	-	-
Corporate Insurance	5,638	226	112	4,849	113	112	113	113
Bank and Service Charges	4,447	97	4,350	-	-	-	-	-
Depreciation Expense	10,515	731	270	5,100	1,945	334	1,721	414
<b>Total Expenses</b>	<b>\$ 701,510</b>	<b>\$ 32,848</b>	<b>\$ 29,205</b>	<b>\$ 440,471</b>	<b>\$ 88,999</b>	<b>\$ 13,170</b>	<b>\$ 75,149</b>	<b>\$ 21,668</b>

(See Accompanying Notes and Auditor's Report)