

NATIONAL VACCINE INFORMATION CENTER
STERLING, VIRGINIA

COMPARATIVE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

KENDALL, PREBOLA AND JONES

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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, 2018 and 2017, 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, 2018 and 2017, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are 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
January 4, 2019

NATIONAL VACCINE INFORMATION CENTER
COMPARATIVE STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2018 AND 2017

<u>ASSETS</u>	<u>August 31, 2018</u>	<u>August 31, 2017</u>
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 528,761	\$ 752,266
Investments	312,660	309,565
Certificates of Deposit	867,976	488,989
Accounts Receivable	2,609	537
Promises Receivable	9,655	36,996
Prepaid Expenses	<u>5,859</u>	<u>5,767</u>
Total Current Assets	<u>\$ 1,727,520</u>	<u>\$ 1,594,120</u>
<u>Fixed Assets:</u>		
Furniture and Equipment	\$ 58,074	\$ 60,494
Leasehold Improvements	3,885	3,885
Less: Accumulated Depreciation and Amortization	<u>(48,905)</u>	<u>(46,894)</u>
Total Fixed Assets	<u>\$ 13,054</u>	<u>\$ 17,485</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>\$ 1,742,865</u>	<u>\$ 1,613,896</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts Payable	\$ 2,596	\$ 13,589
Accrued Wages and Taxes	4,097	3,149
Current Portion: Deferred Rent Abatement	<u>-</u>	<u>2,549</u>
Total Current Liabilities	<u>\$ 6,693</u>	<u>\$ 19,287</u>
<u>Long-Term Liabilities:</u>		
Deferred Rent Abatement	\$ -	\$ 2,549
Less: Current Portion	<u>-</u>	<u>(2,549)</u>
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 6,693</u>	<u>\$ 19,287</u>
<u>Net Assets:</u>		
Unrestricted	\$ 1,736,172	\$ 1,569,609
Temporarily Restricted	<u>-</u>	<u>25,000</u>
Total Net Assets	<u>\$ 1,736,172</u>	<u>\$ 1,594,609</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,742,865</u>	<u>\$ 1,613,896</u>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER
COMPARATIVE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

	August 31, 2018			August 31, 2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<u>Revenues, Gains and Other Support:</u>						
Contributions and Grants - Foundations	\$ 536,380	\$ -	\$ 536,380	\$ 616,825	\$ 50,500	\$ 667,325
Contributions and Grants - Other	468,911	-	468,911	376,618	-	376,618
Donated Assets and Services	113,600	-	113,600	148,446	-	148,446
Interest Income	13,088	-	13,088	13,424	-	13,424
Net Assets Released from Restrictions						
Satisfaction of Program Restrictions	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>	<u>25,500</u>	<u>(25,500)</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>\$ 1,156,979</u>	<u>\$ (25,000)</u>	<u>\$ 1,131,979</u>	<u>\$ 1,180,813</u>	<u>\$ 25,000</u>	<u>\$ 1,205,813</u>
<u>Expenses:</u>						
Educational	\$ 602,456	\$ -	\$ 602,456	\$ 571,397	\$ -	\$ 571,397
Advocacy	129,066	-	129,066	152,227	-	152,227
Lobbying	52,971	-	52,971	50,653	-	50,653
Support	105,337	-	105,337	110,550	-	110,550
Research	2,800	-	2,800	-	-	-
Fundraising	50,252	-	50,252	33,656	-	33,656
General and Administrative	<u>47,534</u>	<u>-</u>	<u>47,534</u>	<u>39,259</u>	<u>-</u>	<u>39,259</u>
Total Expenses	<u>\$ 990,416</u>	<u>\$ -</u>	<u>\$ 990,416</u>	<u>\$ 957,742</u>	<u>\$ -</u>	<u>\$ 957,742</u>
Changes in Net Assets	\$ 166,563	\$ (25,000)	\$ 141,563	\$ 223,071	\$ 25,000	\$ 248,071
Net Assets, Beginning of Period	<u>1,569,609</u>	<u>25,000</u>	<u>1,594,609</u>	<u>1,346,538</u>	<u>-</u>	<u>1,346,538</u>
Net Assets, End of Period	<u>\$ 1,736,172</u>	<u>\$ -</u>	<u>\$ 1,736,172</u>	<u>\$ 1,569,609</u>	<u>\$ 25,000</u>	<u>\$ 1,594,609</u>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

	<u>August 31, 2018</u>	<u>August 31, 2017</u>
<u>Cash Flows from Operating Activities:</u>		
Changes in Net Assets	\$ 141,563	\$ 248,071
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation and Amortization Expense	10,695	15,287
Accounts Receivable - (Increase)/Decrease	(2,072)	4,017
Promises Receivable - (Increase)/Decrease	27,341	273
Prepaid Expenses - (Increase)/Decrease	(91)	22
Accounts Payable - Increase /(Decrease)	(10,993)	(773)
Accrued Wages and Taxes - Increase /(Decrease)	948	(2,204)
Deferred Rent Abatement - Increase /(Decrease)	<u>(2,549)</u>	<u>(1,850)</u>
Net Cash Flows from Operating Activities	<u>\$ 164,842</u>	<u>\$ 262,843</u>
<u>Cash Flows from Investing Activities:</u>		
Acquisition of Fixed Assets	\$ (6,263)	\$ (1,863)
Purchase of Certificates of Deposit	(603,987)	(153,927)
Proceeds on Sale of Certificates of Deposit	225,000	150,000
Purchase of Investments	<u>(3,097)</u>	<u>(7,933)</u>
Net Cash Flows from Investing Activities	<u>\$ (388,347)</u>	<u>\$ (13,723)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ (223,505)	\$ 249,120
Cash and Cash Equivalents, Beginning of Period	<u>752,266</u>	<u>503,146</u>
Cash and Cash Equivalents, End of Period	<u>\$ 528,761</u>	<u>\$ 752,266</u>

Supplemental Disclosures:

There was no cash paid for interest or income taxes during the years ended August 31, 2018 and 2017.

(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 Organization has adopted Financial Accounting Standards Board ASC No. 958-605-25, *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. 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:

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, 2018.

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

Lobbying

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

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(d) Foundation Grants:

Grant revenues result primarily from foundation grants and are recognized as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expiration of temporary restrictions (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) is reported as net assets released from restrictions between the applicable classes of net assets.

(e) Net Assets:

The Organization has adopted Financial Accounting Standards Board ASC No. 958-205-05, *Financial Statements of Not-for-profit Organizations*, which requires reporting 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:

Unrestricted Net Assets

Unrestricted net assets are defined as 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.

Temporarily Restricted Net Assets

Temporarily restricted net assets are defined as 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 purposes:

	<u>August 31, 2018</u>	<u>August 31, 2017</u>
General Support - Time Restricted	\$ _____ -	\$ <u>25,000</u>
Total Net Assets Available	\$ _____ -	\$ <u>25,000</u>

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(e) Net Assets: (Continued)

Temporarily Restricted Net Assets (Continued)

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, 2018</u>	<u>August 31, 2017</u>
General Support - Time Restricted	\$ 25,000	\$ 25,000
Advocacy	<u>-</u>	<u>500</u>
Total Released from Restrictions	<u>\$ 25,000</u>	<u>\$ 25,500</u>

Permanently Restricted Net Assets

Permanently restricted net assets are defined as net assets subject to donor-imposed stipulations that require 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, 2018 or 2017.

(f) Donated Services and Materials:

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

	<u>August 31, 2018</u>	<u>August 31, 2017</u>
Investigative Research	\$ 78,000	\$ 93,900
Information Technology and Web Hosting	31,325	51,246
Booth Rental	3,850	1,625
Graphic Design and Artwork	-	1,375
Bookkeeping Services	<u>425</u>	<u>300</u>
Total Donated Services and Materials	<u>\$ 113,600</u>	<u>\$ 148,446</u>

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) 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

During the past two decades, NVIC has developed a strong online web presence. 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 1,298,046 visits with 2,166,343 page views. The Ask 8 Kiosk featuring downloadable vaccine information published by NVIC saw a 31 percent increase in information downloads. There were about 2.4 million visits to the MedAlerts vaccine adverse event reporting system (VAERS) database accessible through the website, which is similar to the number of visits during FYE2017.

NVIC's website is managed by the Executive Director with the assistance of the part-time Website Content/Design Coordinator. This year, the homepage of NVIC.org was improved and the homepage updated to responsive design. The new Advocacy Portal banner and updating of existing Portal icons throughout NVIC's website resulted in a 189 percent increase in click-throughs from NVIC.org to the NVICAdvocacy.org website.

Website content was enhanced to improve SEO and increase usability with updated information created for pages on state laws and vaccines and diseases. 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.

Key longer referenced video commentaries were converted to podcasts and made accessible on the website in NVIC's new Podcast Program on SoundCloud and iTunes. Currently, there are 27 podcasts featured for playing or download on topics related to the risks and complications of infectious diseases and vaccines and how to make educated vaccine decisions, as well as how to secure and protect informed consent in public health policies and laws.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

NVIC.org Website (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. Selected NVIC brochures and posters have also been translated into Spanish and are available for viewing and download.

Video Commentaries

The President/CEO researched, wrote, and referenced nine video commentaries of varying lengths on topics related to vaccine history, science, policy, law and ethics. Topics included why informed consent matters in the 21st Century, vaccine science research gaps and the safety of the childhood vaccine schedule; vaccine ingredients; vaccine safety research priorities in 1996; defending the legal right to make voluntary vaccine decisions; bullying of parents of vaccine injured children; protecting flexible exemptions in vaccine policies and laws; and how to recognize a vaccine reaction. Commentaries posted on NVIC.org were republished on other websites, including Mercola.com, which is one of the largest natural health websites in the world.

Publications

The Guide to Reforming Vaccine Policy and Law published in 2014 and updated in 2017 by NVIC's Co-founder and President/CEO continued to be a primary print vaccine education tool. During Vaccine Awareness Week in FYE 2018 co-sponsored with Mercola.com, NVIC published the legislative trend report, *State Vaccine Legislation in America 2015-2017* that was made available for download on NVIC.org and NVICAdvocacy.org.

After other organizations called for repeal of the National Childhood Vaccine Injury Act of 1986, NVIC's Co-founder and President/CEO created a referenced position statement that was posted on NVIC.org in May 2018 outlining why NVIC does not support a campaign to totally repeal the 1986 Act.

Vaccine information brochures were revised by staff and posted for downloading on NVIC.org, as well as published in printed form for mailing and distribution at conferences and special events.

NVIC Newsletter and The Vaccine Reaction Journal Newspaper

During FYE2018, the digital *NVIC Newsletter*, established in 2006, and the digital *The Vaccine Reaction journal newspaper*, established in 2015, were emailed to more than 65,000 subscribers throughout the year. Both the NVIC Newsletter and *The Vaccine Reaction journal newspaper* have a 20 percent above industry (nonprofit) "open rate" and a below average rate for email bounces and unsubscribes (1-2 percent).

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

NVIC Newsletter and The Vaccine Reaction Journal Newspaper (Continued)

The *NVIC Newsletter* published nine editions featuring video commentaries and articles on current vaccine issues, as well as NVIC sponsored events and public presentations by staff; media articles that included NVIC's information and perspective, and a calendar of upcoming federal vaccine advisory committee meetings.

The *NVIC Newsletter* has a loyal following reflecting high subscriber satisfaction. Mobile device access to the *NVIC Newsletter* increased to nearly 45 percent.

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

This fiscal year, TVR published 28 editions containing 100 articles and OpEds written by the TVR editorial staff, with an additional 15 republished articles by guest writers and 26 featured videos. The TVR website hosted more than 439,000 visits with 674,733 page views.

TVR articles were promoted on social media and republished on websites by other organizations. The most shared TVR articles featured information on shingles vaccine; questions about vaccine effectiveness; vaccines and pediatric cancer; mast cell disease and vaccination; and vaccine law changes in Italy. Other topics included experimental diabetes vaccine; birth dose of hepatitis B vaccine; aluminum vaccine adjuvants; herd immunity and vaccination; vaccine toxicity testing; antibiotic resistance and vaccination; DTaP vaccine recalled in China; therapeutic vaccine market; safety of the childhood vaccine schedule; SIDS death rate in U.S.; HPV vaccine safety concerns; and Tamiflu reactions.

A responsive design upgrade to the TVR website featuring increased security and enhanced resource availability was launched in FYE2018 after a substantial 12-month investment by NVIC staff in research and development. A majority of TVR readers now access the publication/website via cell phones or other mobile devices (63 percent).

Video Messaging

Referenced written/video commentaries and public presentations on vaccine science, policy, law and ethics were authored by the President/CEO. NVIC's part-time Videographer filmed, illustrated, edited, produced and posted new videos on the NVICStandUp YouTube channel. A freelance advertising video producer assisted with creation of short video format messaging.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Video Messaging (Continued)

NVIC's You Tube Channel was created in 2008 by the Videographer and features more than 200 videos that have garnered over 1.7 million lifetime views. During FYE 2018, videos created and posted by NVIC attracted 92,635 views, with 24 percent of the videos viewed directly on NVIC's You Tube channel and 76 percent of videos embedded and viewed on other websites, primarily NVIC.org and Mercola.com. The highest number of views (7,273) this reporting period were for the July 2018 video commentary *Zero Tolerance Vaccine Laws in America: Will You Defend Your Vaccine Freedoms?*

Subscriptions to NVIC's You Tube channel increased by 10 percent to more than 3,800 subscribers by the end of FYE2018.

NVIC's video viewership is largely coming from English speaking countries. Globally, visitors to the NVICStandUp YouTube Channel have spent more than one million minutes becoming educated about vaccination and the need to protect vaccine informed consent rights.

Podcasts

During early FYE2018, NVIC's podcast station was launched on Sound Cloud and made accessible through NVIC.org. Foundational longer video commentaries and speeches by NVIC's Co-Founder/President/CEO posted on NVIC.org were republished in audio form for the podcast program. Staff expanded and enhanced NVIC's podcast channel by adding icons for commentaries that allow users to download the podcasts for listening on computers and mobile devices.

During FYE2018, a total of 27 podcasts were played 1,397 times and downloaded 60 times. NVIC podcasts were also made available on I-Tunes. Podcasts were also added to NVIC's Ask 8 Vaccine Information Kiosk and placed in topic categories for downloading and listening on computers and mobile devices. Podcast topics include pertussis, measles and influenza vaccines; vaccination during pregnancy; medical and religious vaccine exemptions; the federal vaccine injury compensation program; civil liability protections for vaccine manufacturers and vaccine administrators; preventing vaccine injuries and deaths, and erosion of vaccine licensing and informed consent standards in the 21st Century Cures Act.

NVIC Social Media: Facebook, Twitter, Pinterest

NVIC's Facebook page is managed and actively monitored 14 hours a day by the Director of Operations with back up provided by the part-time Social Media Assistant. NVIC's Facebook page is the organization's "daily news" communications outlet keeping NVIC followers informed about breaking vaccine-related news.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

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

By the end of FYE2018, NVIC Facebook fan base numbered 207,000 fans, which reflects a five percent increase.

During this reporting period, there were 3,575 original postings on NVIC's Facebook page, an increase of 43 percent from FYE2017. This included 14,000 repeat postings to inform fans about breaking vaccine and health related news. On a weekly basis, these posts reached an average of 245,000 people for a total ripple of effect of 1.3 million Facebook users.

Followers of the NVIC Twitter social media account, which is also managed by the Director of Operations, increased 14 percent this year to 7,200 followers.

NVIC expanded presence on Instagram during FYE2018, doubling followers to 880. This 100 percent increase reflected 86 pieces with 7,253 impressions versus 3,372 impressions in FYE2017.

NVIC's Pinterest presence was created in 2014 and managed by the Executive Director and Website Content/Design Coordinator. New boards were created this fiscal year to bring the total number to 22 boards with 1,097 unique pins produced, which is more than double the amount of pins in the previous fiscal year. Average monthly Pinterest reach increased to more than 34,000 viewers.

Print and Broadcast Media

NVIC serves as a resource for journalists seeking informed perspective on vaccine history, science, policy, law and ethics. The President/CEO is on-call to respond to media inquiries and either does the interview or makes referrals to executive staff members for response.

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

- **Why Immunization Exemption Ban Should Be Repealed.** *“Senate Bill 277 was passed by the California Legislature in 2015 even after thousands of parents and their children repeatedly demonstrated in Sacramento opposing the elimination of the personal belief vaccine exemption for school attendance. There was a good reason for public protests: The law violates the human right to informed consent to medical risk-taking, as well as other internationally recognized human rights, including the right to autonomy and freedom of thought, conscience and religious belief.... SB 277 is cruel and inhuman because it fails to respect biological diversity, discriminates against vulnerable children and violates human and civil rights. It should be repealed.” Terry Roark is the California state advocacy director for the nonprofit National Vaccine Information Center. San Diego Union-Tribune Oct. 4, 2017.*

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Print and Broadcast Media (Continued)

- An Inquiry into Immunizations. *“Based on the National Vaccine Information Center’s latest State Vaccination Exemption map, found at www.nvic.org, Mississippi and California are the only two states which recognize only medical exemptions, denying the religious or philosophical exemptions granted in a majority of states. The majority of eastern boundary states have elected to deny philosophical exemptions, relying on medical and religious exemptions only. Scattered throughout the remaining states are a composite of states allowing either all or two of the three exemptions, with the most popularly disallowed being the philosophical exemption.”* Daily Journal Oct. 9, 2017.
- Vaccines Freedom of Choice or Compulsory? Radio host Jon Schneider interviewed NVIC’s Barbara Loe Fisher on “Crosstalk” about the push for mandatory vaccinations with no exemptions. VCY America Oct 20, 2017.
- Vaccine Exemptions Still Leave Work to Be Done. *“Waivers for vaccination requirements may be available depending on the state. One state may offer a waiver that a neighboring state doesn’t. For example, Michigan offers three types of waivers: one a medical waiver, the other two religious and philosophical waivers. However, the National Vaccine Information Center (NVIC) says Indiana offers only medical and religious exemptions.”* One News Now Oct. 20, 2017.
- Another Vaccine Has Been Added to Australia’s National Immunization Program. *“Most of us are not at risk for the majority of us have natural acquired immunity to this organism. According to Barbara Loe Fisher of the National Vaccination Information Center, “At any given time, about 20 to 40 percent of Americans are asymptotically colonizing meningococcal organisms in their nasal passages and throats, which throughout life boosts innate immunity to invasive meningococcal infection. Mothers, who have innate immunity, transfer maternal antibodies to their newborns to protect them in the first few months of life until babies can make their own antibodies. By the time American children enter adolescence, the vast majority have asymptotically developed immunity that protects them.”* Collective Evolution Feb. 11, 2018.
- How Vaccinated Kids Infect the Non-Vaccinated. *“It has been estimated that between 80-100% of infants shed rotavirus at some point during 25-28 days after vaccination. This reveals that the vaccinated, contrary to widespread assumptions about the risks represented by the non-vaccinated, pose a clear risk of infecting the non-vaccinated, and may be producing the ideal virological conditions for the recombination of diverse rotavirus strains into vaccine-resistant ‘super viruses.’ Another case study, reported on in the **National Vaccine Information Center’s document on vaccine viral shedding**: “In 2010, a case report was published in Pediatrics describing a 30-month old healthy boy who had never received rotavirus vaccine and was infected with vaccine strain rotavirus.*

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Print and Broadcast Media (Continued)

He ended up in the emergency room with severe gastroenteritis 10 days after his healthy two-month old brother was given a dose of Merck's RotaTeq vaccine. A stool sample was taken in the emergency room and came back positive for RotaTeq vaccine derived strains after RT-PCR testing." Prepare for Change Feb. 13, 2018.

- Vaccines Revealed Live Global Webcast. A video conversation with Pat Gentempo, DC, and Barbara Loe Fisher about information presented in the film *Vaccines Revealed*. Mar. 21, 2018.
- Big Pharma's Vaccines: Naked Profit Over Safety. *"In an attempt to block the fast-tracking of this vaccine, Barbara Loe Fisher, co-founder and president of nonprofit NGO National Vaccine Information Center (NVIC), challenged the FDA by saying that Novartis failed to demonstrate that Fluvad with squalene was more effective or safer than an equivalent non-squalene vaccine in the small clinical trial being used to justify accelerated licensure. In fact, Fluvad was far more reactive. "Compared to Agriflu [a non-squalene flu vaccine], Fluvad produced a much higher number of pain, tenderness, redness and swelling reports; a higher number of systemic adverse event reports and more deaths and cases of new onset chronic disease." She questioned, "Why does Fluvad need to be fast tracked to licensure for the elderly without additional evidence? There is public concern that fast-tracking Fluvad is really about fast tracking MF59 to licensure so it can be added to lots of new vaccines targeting infants, pregnant women and every American without adequate evidence for safety or effectiveness." [Public Comment, Barbara Loe Fisher, FDA Vaccines and Related Biological Products Advisory Committee, Sept. 15, 2015, published online at NVIC.org]. WND Mar. 24, 2018.*
- Should Vaccines Be Required to Receive Welfare? *"Assemblyman Kansen Chu (D-San Jose) says he doesn't want to penalize welfare recipients whose children's immunizations aren't up to date. But his proposed AB 1992 may do just that, according to a parents' rights group.... an advocate with the Parents United 4 Kids noticed that the bill doesn't include religious and medical exemptions. "This bill is coercive and is holding hostage cash incentives in exchange for vaccination," writes Stefanie Fetzler on her group's Facebook page. Barbara Loe Fisher serves as president of the National Vaccine Information Center. Fisher says her group "advocates for the inclusion of informed consent protections in vaccine policies and state laws, including flexible medical, religious and conscientious belief vaccine exemptions." She also opposes the removal of the personal belief exemption. "It is cruel to withhold welfare benefits from families in need. NVIC opposes AB 1992 and any legislation that threatens Americans with punishment for making voluntary vaccine decisions for themselves or their children," Fisher wrote in a statement." GV Wire June 25, 2018.*

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

NVIC Press Releases

In addition to responding to media inquiries, NVIC issued three Business Wire press releases during this fiscal year that are permanently archived and accessible on the Internet: A Nov. 8, 2017, press release headlined *During Vaccine Awareness Week, National Vaccine Information Center Reports No Loss of Vaccine Exemptions in U.S. Since 2015*. The press release garnered 9,298 online views, 7,197 headline impressions and 216 clicks to embedded hyperlinks by journalist subscribers to Business Wire and members of the public who viewed the press release online. A total audience of 79.9 million unique visitors had access to this NVIC press release via news outlet websites that published it, including Yahoo Finance, Synacor, Newsday, Miami Herald, ABC, Fox, NBC, Telemundo, Pittsburgh Post Gazette, Kansas City Star, and more.

Advertising Programs

NVIC has entered the Internet ad arena and, together with new short video messaging and advertising, is targeting new online audiences rather than continue with billboard advertising campaigns conducted between 2013 and 2017. Together with short video messaging and advertising, new and younger online audiences can be targeted more cost effectively online and with a wider reach that can be measured more accurately.

Online advertising initiatives put into place to gather initial data for Internet advertising were as follows:

- Giving Season Donation Campaign. During the fall of 2017, a new style of landing page was created for NVIC.org and NVIC's Facebook page that raised the profile of making a donation to NVIC.
- Facebook Back to School 2017 Video Ad Campaign. This nine day ad campaign featured an NVIC produced short video that linked to NVIC's Back to School article published in the *NVIC Newsletter* and posted on NVIC.org, as well as promoted on Facebook. This ad campaign targeted friends of NVIC Facebook fans and generated a relevance score of nine out of ten, with ten as most relevant. Analysis of data showed that 147 people clicked through the link on the video ad, which was viewed over 15,000 times by over 12,000 people.
- Flu Prevention Video Ad Campaign. This Facebook video ad campaign ran from Oct. 1-7, 2017 and featured NVIC's professionally produced 3 minute video shown on Delta Air Lines in 2011 that showcased NVIC and advocated for informed decisionmaking when considering annual flu shots. More than 33,000 people watched at least a portion of the video online during the seven days the flu prevention video campaign was active.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Advertising Programs (Continued)

- Valentine’s Day Facebook Ad Campaign. This ad campaign ran from Feb. 9-16, 2018, on Facebook and Instagram. More than 93,000 people viewed the Valentine’s Day themed ad that featured a short NVIC produced video “If You Vaccinate, Ask 8” for Facebook. Analytics showed the ads were viewed by about 94,000 people with more than 123,000 impressions. Valentine Day themed ads were created for Instagram using images. More than 16,000 people saw the Instagram ads, with over 200 of them clicking through to the website.

Public Speeches and Workshops

NVIC staff gave the following public speeches and workshops during FYE 2018:

- Houston, TX. Health Freedom Worldwide Symposium Sep. 19, 2017. The NVIC Co-founder and President/CEO gave a 45-minute speech, *Forced Vaccination: The People Rising*, for a vaccine education event sponsored by Texas Medical Freedom Alliance. The Advocacy Director also gave a presentation about the NVIC Advocacy Portal. The *Guide to Reforming Vaccine Policy and Law* and NVIC brochures were distributed.
- San Francisco, CA. LiveAware Expo Sep. 30, 2017. The Executive Director gave a 40-minute presentation, *Vaccine Recommendations, Vaccine Reactions, Injury and the Law*, with a 15 minute Q&A session. NVIC brochures were distributed.
- Orlando, FL. The Truth About Cancer Live! Oct. 4-7, 2017. The President/CEO gave a 50-minute speech, *Medical Tyranny: Why Informed Consent Matters*, which was filmed real-time and live streamed internationally. A free viewing of the speech was offered online by The Truth About Cancer (TTAC) event sponsor.
- Navigating the Current Vaccine Landscape Webinar January 2018. The Director of Professional Relations participated in a live webinar sponsored by the League of Chiropractic Women to inform doctors of chiropractic about NVIC’s vaccine education and advocacy programs and services.
- Cape Coral, FL. Making an Informed Vaccine Decision. Feb. 10, 2018. The President/CEO gave a 75-minute vaccine education tutorial followed by a 45-minute Q&A at a local library sponsored by Mama’s Chiropractic.
- Reston, VA. Freedom for Family Wellness Summit Mar. 2, 2018. For this conference sponsored by the International Pediatric Chiropractic Association (ICPA), NVIC’s Co-founder and President/CEO gave a 45-minute speech, *Your Right To Be Informed, Your Freedom to Choose* and was presented with a lifetime achievement award.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Public Speeches and Workshops (Continued)

The Executive Director and Director of Professional Relations gave a 50-minute Power Point presentation, *Effective Vaccine Informed Consent Advocacy*, followed by a short Q&A session. NVIC manned an information booth throughout the three-day conference. The Videographer and freelance videographer co-filmed NVIC staff presentations and individual interviews with NVIC staff and conference attendees.

- Navigating the Current Vaccine Landscape Webinar Mar. 28, 2018. The Director of Professional Relations participated in a 60-minute live webinar sponsored by the International Chiropractic Association (ICA) to educate ICA leaders about NVIC's vaccine information, programs and services, including the NVIC Advocacy Portal.
- Boulder, CO. Informed Vaccine Decision Making June 30, 2018. The Executive Director gave a 40-minute slide presentation, *Colorado School Vaccine Laws & Privacy Rights*, at a local health food store followed by a 15-minute Q&A session and NVIC brochures were distributed.

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 position recommendations and connects registered users electronically with their own legislators so they can take action to defend freedom of thought, conscience and informed consent rights, including securing and protecting flexible vaccine exemptions. 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, including those bills vulnerable to being amended. Real time monitoring of proposed vaccine-related bills that align with or threaten NVIC's mission ensures the publishing of accurate bill information and action alerts through social media and in the *NVIC Newsletter*.

For this reporting period, there were state volunteer directors in 22 states, who have been trained and are directly working on a regular basis with the NVIC Advocacy Portal staff. In combination with the state based voluntary advocacy director program and through significant networking efforts, NVIC's reach extends into all 50 states.

In FYE 2018, there were 64,493 visits to the NVICadvocacy.org website with 172,266 page views. A total of 4,295 new users of the Advocacy Portal were registered to bring the number of active Portal users to 62,348 people. States leading in Portal registrations are California, Florida, Illinois, New Jersey, Ohio, Pennsylvania and Texas. Just over half of users access the Portal from mobile devices.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

II. VACCINE CHOICE ADVOCACY PROGRAM (Continued)

State Activities (Continued)

During the 2018 legislative session, a total of 389 vaccine-related bills were tracked and monitored by Advocacy Portal staff. There were 143 vaccine related bills across 36 states that staff analyzed, tracked and issued positions on, down from 42 states in FYE2017. Significantly, 33 percent of the 143 bills that NVIC considered important enough to take a position on were bills that NVIC supported because they proposed to expand or add informed consent protections in vaccine laws rather than remove them.

Out of the 82 state bills that NVIC opposed in the 2018 legislative session, only 17 bills passed, with only four having elements that NVIC strongly opposed. None of the bills that passed in any state removed vaccine exemptions. NVIC's well-referenced information and legislative action alerts this year were used by families across the country to contact their elected representatives and work to effectively protect vaccine exemptions in the U.S.

The four primary areas tracked by the Advocacy Portal staff are bills related to vaccine exemptions and informed consent; vaccine mandates; vaccine tracking and reporting, and vaccines in general.

- Exemptions and Informed Consent. This category represents the majority of vaccine-related legislation filed during this reporting period in the states. In 2018, 61 bills filed in state legislatures had components that affected vaccine exemptions and informed consent rights. NVIC opposed 20 of the proposed bills, supported 37, and "watched" four of them. The number of bills NVIC opposed during this reporting period declined more than 50 percent from FYE 2017. This shift is at least partially related to constructive action taken by forward thinking state legislators, armed with fact-based information about vaccination and diseases provided by concerned citizens, who took the time to make one-on-one personal contact with elected representatives. No bill proposing to eliminate vaccine exemptions moved forward.
- Vaccine Mandates. A total of 30 bills were filed that related to vaccine mandates during this legislative session. Out of 19 bills that proposed to add new vaccine mandates, only two of these bills passed (Louisiana and Maine now require meningococcal vaccinations for children to attend school).
- Vaccine Tracking And Reporting. During the 2018 legislative session, a total of 22 bills related to state electronic vaccine tracking registries were introduced. Government operated electronic vaccine tracking systems, which either compel participation or only provide for an "opt-out" mechanism, continue to threaten medical privacy and the legal right for individuals to delay or decline one or more doses of federally recommended or state mandated vaccines without being harassed or punished with denial of the right to an education, employment, medical care or other participation in society.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

II. VACCINE CHOICE ADVOCACY PROGRAM (Continued)

State Activities (Continued)

This civil and human rights abuse issue are being addressed by legislators through passage of bills requiring “opt-in” written consent to participation in government operated electronic medical records tracking systems.

Six bills were introduced in three states to expand government operated childhood vaccine tracking databases to also include all adults. These bills would have allowed public health officials to collect and monitor which federally recommended vaccines every child and adult living in the state had received (or not received). Multiple bills introduced in one state (Florida) proposed to legally require the health department to use electronic medical records databases to monitor the vaccination status of every state resident, but these bills did not move forward.

- Vaccines. A total of 37 bills were introduced in the 2018 legislative session that proposed to promote and market government recommended vaccines in daycares, schools and medical facilities with funding provided by state taxpayer dollars. During 2018, bills were passed that now require promotion of annual flu shots in daycare facilities in Alabama, in schools in Illinois and Louisiana, in hospitals in Rhode Island, and in long-term and residential care facilities in Delaware and Indiana. Similar bills to market influenza vaccines in Florida, Massachusetts, Missouri, and Oklahoma all failed. Vaccine promotion and marketing resolutions were passed in 11 states to promote shingles vaccinations to adults.

The most notable change observed in the 2018 legislative session was the significant increase in volume and frequency of direct communications and requests by legislative offices for background, perspective and feedback on drafting vaccine-related bills or resolutions, including in support of NVIC’s mission; reviewing and suggesting improvements on bills prior to filing; analyzing other bills with recommendations for amendments, or providing research and talking points to support or refute bills being considered in a state legislature. NVIC staff and volunteers received more direct requests for involvement and assistance by legislators and staff during 2018 than in any other year.

III. CONSUMER ADVOCACY AND REPRESENTATION

Federal Vaccine Advisory Committees and Other Consumer Representation

Since 1988, NVIC 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).

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

III. CONSUMER ADVOCACY AND REPRESENTATION (Continued)

Federal Vaccine Advisory Committees and Other Consumer Representation
(Continued)

- Advisory Commission on Childhood Vaccines (ACCV). The Executive Director monitored ACCV meetings by phone during FYE 2018, which provided oversight by NVIC on operation of the federal vaccine injury compensation program (VICP). In a public comment at the Dec. 8, 2017, ACCV meeting, she made another request that members of the public be given equal time to present evidence when petitioning for the addition of new injuries to the Vaccine Injury Table (VIT) of the VICP. Currently, there is no opportunity for the public to make presentations to ACCV, with presentations confined to those made by HRSA officials. NVIC noted that there is nothing preventing ACCV from inviting the public to provide evidence when making requests for injuries to be added to the VIT and criticized HRSA's presentations for not including information on research limitations and the quality of research.

At the Mar. 8, 2018, ACCV meeting, the Executive Director noted errors in the ACCV December minutes draft. She commented that the government should consider using the methodology employed by the National Academy of Medicine (formerly Institute of Medicine) to make causality determinations for the addition of injuries to the VIT, as it appears that HRSA presentations have almost exclusively relied on epidemiological evidence without any consideration given to biological mechanism evidence. Additionally, she noted that HRSA does not use VICP expert testimony or injury award data in their presentations to the ACCV related to public requests for the addition of injuries to the VIT, even though HRSA did use those resources to justify the addition of GBS after influenza vaccination to the VIT a few years ago.

- 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 ACIP does not accept public comment unless it is submitted in writing or given in person at the committee meeting in Atlanta, Georgia. The Executive Director and volunteer Director of Research and Patient Safety monitored ACIP meetings by phone during FYE 2018.
- National Vaccine Advisory Committee (NVAC). This committee was created by Congress in the National Childhood Vaccine Injury Act of 1986 and is under the administration of the National Vaccine Program Office (NVPO) in the Office of the Assistant Secretary of Health, Department of Health and Human Services. During FYE 2018, NVAC meetings held in Washington, D.C., were monitored by phone by the Executive Director and Director of Research and Patient Safety.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

III. CONSUMER ADVOCACY AND REPRESENTATION (Continued)

Federal Vaccine Advisory Committees and Other Consumer Representation
(Continued)

The focus of the NVAC continues to be promotion of universal use of federally recommended vaccines by all age groups; global vaccine policy-making; increasing development of genetically engineered and other new vaccine technology; lowering the bar on safety standards for vaccine licensure, and advocating for restrictions/elimination of non-medical vaccine exemptions in state vaccine laws. Like ACCV, the NVAC also met less frequently in 2018, in violation of their charter.

Public comments were provided on the following major topics discussed in NVAC meetings:

At the May 3, 2018, NVAC meeting, the Executive Director provided comment critical of the lack of transparency and public participation in NVAC's working group draft recommendations focusing on ways increase HPV vaccine coverage in the U.S. She noted that HPV is a sexually transmitted disease that the CDC has acknowledged usually resolves without complications in the vast majority of people (over 90 percent) and that this information is important to the consumer as they make a benefit-risk analysis about whether or not to get HPV vaccinations.

At the June 25, 2018, meeting of NVAC, the Executive Director commented that NVAC appeared to be in a rush to obtain federally required public comments via the *Federal Register* on NVAC's draft HPV vaccine recommendations in order to fast track a vote on the document during the June 2018 meeting. She expressed concern that the public was unable to see edits made to the document as a result of discussion during the meeting, affecting the public's ability to provide accurate public comment.

CDC Revisions of Vaccine Information Statements (VIS). As an organization with standing due to the role of NVIC co-founders in securing vaccine safety informing, recording and reporting provisions in the 1986 National Childhood Vaccine Injury Act, the CDC invited NVIC in 2016 to participate in teleconference stakeholder discussions to review and revise about proposed revision to the Vaccine Information Statements (VIS) published by the CDC that are mandated to be given by vaccine providers to parents of minor children and adults receiving federally recommended childhood vaccines. The Executive Director has participated in CDC-led teleconferences that have included representatives from government, medical trade, industry and NGOs that promote vaccine use. On behalf of NVIC, she has continued to advocate for a higher level of vaccine and disease risk information to be included in the VIS to provide parents of minor children and adults making decisions about vaccination the ability to exercise true informed consent to vaccination. She has reported encountering strong resistance from CDC officials to expand information beyond one page (front and back), even though there is no statutory language that limits the length of the VIS.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

III. CONSUMER ADVOCACY AND REPRESENTATION (Continued)

Federal Vaccine Advisory Committees and Other Consumer Representation
(Continued)

During FYE 2018, the CDC did not call a VIS stakeholder review meeting. NVIC made a written request that the federal public comment period for VIS revisions begin only after vaccine stakeholder input and revision requests from CDC's subject matter experts had been considered and/or incorporated into the VIS proposed draft to allow the public to comment on the most current VIS draft under consideration. The CDC's response to NVIC's request stated that the VIS revision process is not specifically outlined in the 1986 Act and CDC officials are comfortable with the process they are using.

In addition:

This reporting period, NVIC's Co-founder and President/CEO and Executive Director submitted two written referenced public comment to the Department of Health and Human Services.

NVIC submitted a written referenced public comment to the Food and Drug Administration on June 8, 2018, on *Pregnant Women: Scientific and Ethical Considerations for Inclusion in Clinical Trials; Draft Guidance: Availability*. NVIC stated in part:

“Pregnant women, developing fetuses and newborns are among the vulnerable populations for which high standards for proof of necessity; safety and effectiveness of vaccines should first be established in non-vulnerable populations...Given the acknowledged scientific research deficits, and lack of evidence to support the current off label use of vaccines during pregnancy, the draft document for industry would greatly benefit from inclusion of metrics specific to vaccines. There is urgent need to better understand the biological mechanisms of adverse responses to vaccination, high risk factors that make some individuals more susceptible to vaccine injury and death, and whether inducing inflammatory responses to acquire artificial active immunity by atypically manipulating the immune systems of pregnant women contributes to poor health outcomes in pregnant women and in their fetuses or infants born live.”

“This is especially important given the high infant mortality and rising maternal mortality rate in the U.S. and in light of increasing vaccination rates among pregnant women, together with the 21st Century Cures Act's indemnification of vaccine manufacturers for liability when pregnant women or their infants are harmed by vaccines administered during pregnancy. NVIC strongly reiterates the need for transparency regarding the inclusion of vaccines as biological products in this draft document, if the intent of this guidance is to apply to vaccines. Such integration should include the requirements similarly noted for drugs, e.g. “adequate nonclinical” studies, including studies on pregnant animals.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

III. CONSUMER ADVOCACY AND REPRESENTATION (Continued)

Federal Vaccine Advisory Committees and Other Consumer Representation
(Continued)

Similarly, such guidance should restrict enrollment of pregnant women into vaccine clinical trials until nonclinical reproductive and developmental toxicology studies are completed, as noted in the guidance document for drugs and timing of enrollment. These additions to the guidance document would assist in closing research gaps noted on vaccine product inserts, the prevention of vaccine injuries and deaths, and align with the precautionary principle and informed consent ethic.”

NVIC submitted a written referenced public comment to the National Vaccine Program Office (NVPO) on June 13, 2018, on the *Human Papillomavirus Vaccination Implementation Work Group Draft Report and Draft Recommendations for Consideration by the National Vaccine Advisory Committee*. NVIC stated in part:

“We submit this public comment to respectfully express our on-going deep concern regarding the lack of attention to vaccine safety and informed consent protections in recommendations made by the National Vaccine Advisory Committee (NVAC), in this case, the HPV Working Group. The HPV Vaccination Work Group Draft Report and Recommendations appears to have been rushed to public comment. The public was given only 15 days to respond and public comments were limited to three pages. This very short notice has hampered the public’s ability to comment and there has been a lack of transparency in that comments received on the *Federal Register* have been blocked from public view. Stakeholder engagement on the draft report and recommendations also appears to have been limited to those in agreement with the federal HPV vaccination schedule with no representation of parent organization stakeholders concerned about vaccine safety and informed consent issues”

“We note that nowhere in the draft document is any attention paid to vaccine safety, no mention of the legal duty under the 1986 Vaccine Injury Act for vaccine administrators to inform or record and report vaccine adverse events. The national HPV vaccine promotion strategy recommended in this document fails to acknowledge the personal and family medical histories of individuals or respect for their values and conscientiously held beliefs, including religious beliefs. This approach is a prescription for causing mistrust of doctors aggressively implementing one-size-fits-all federal vaccine policies that place a greater emphasis on meeting vaccine uptake goals than protecting the health of individuals susceptible to vaccine adverse responses or respecting freedom of conscience and personal values and beliefs.”

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

III. CONSUMER ADVOCACY AND REPRESENTATION (Continued)

Federal Vaccine Advisory Committees and Other Consumer Representation

(Continued)

“Given that it may take decades to fully evaluate and answer outstanding questions about HPV vaccine effectiveness and safety, NVIC recommends a more restrained NVAC recommendation prioritizing safety, affirming respect for the precautionary principle and the informed consent ethic, and encouraging shared decision making by vaccine providers and the people to foster relationships based on transparency, patient empowerment and trust.”

Cochrane Collaboration Consumers United for Evidence-Based Healthcare (CUE).

Since 2007, NVIC has participated in the Cochrane Collaboration’s Consumers United for Evidence-based Healthcare (CUE), which is a national coalition of health and consumer advocacy organizations disseminating evidence-based information. In 2017, new rules were put into place that required at least five consumer reviews per year by CUE members but were subsequently changed in 2018 to two reviews. Due to the lack of reviews related to vaccines, during FYE 2018 the Executive Director performed four consumer reviews outside of NVIC’s mission to adhere to CUE’s new rules: Vitamin C for pneumonia; psychological therapies for the prevention of migraine in adults; saline irrigation for allergic rhinitis; herbal medicinal products or preparations for neuropathic pain.

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 and part-time Director of Vaccine Response Reporting responded by phone, email or letter to 6,780 public inquiries and requests for information or individual counseling in FYE2018. The Director of Vaccine Response Reporting, who is a registered nurse with expertise in caring for children with developmental disabilities and behavior disorders, responded to 134 vaccine reaction reports and provided telephone and email counseling to those reporting vaccine injuries or deaths. NVIC received 84 reports from individuals who had been threatened or sanctioned for making independent vaccine choices for themselves or their children and counseling was provided if requested.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Basic Programs: (Continued)

IV. COUNSELING AND COMMUNITY SUPPORT SERVICE (Continued)

Professional Resource Outreach. The part-time Director of Professional Relations expanded and strengthened NVIC's long-standing relationship with doctors of chiropractic, who support freedom of choice in health care. She created a liaison with chiropractic colleges and professional associations and attended, spoke at and manned NVIC booths at chiropractic conferences and events to distribute NVIC's vaccine education information.

(h) 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 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.

(i) 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.

(j) 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.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(k) 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.

3. 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, 2018, 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, 2018, the statute of limitations for tax years 2014 through 2016 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, 2018, the Organization had no accruals for interest and/or penalties.

4. 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, 2018</u>	<u>August 31, 2017</u>
Non-Interest Bearing Deposit Account	\$ 102,057	\$ 177,535
Non-Interest Bearing Checking Account	127,651	275,698
Savings Account	10	10
Interest Bearing Checking Account	49,043	49,023
Interest Bearing Deposit Account	<u>250,000</u>	<u>250,000</u>
Total	<u>\$ 528,761</u>	<u>\$ 752,266</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, 2018</u>	<u>August 31, 2017</u>
Certificates of Deposit	<u>\$ 867,976</u>	<u>\$ 488,989</u>

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

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

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.

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, 2018 and 2017, \$17,986 and \$87,442, 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.

5. INVESTMENTS:

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

<u>August 31, 2018</u>	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Fixed Income Annuities	\$ 312,660	\$ -	\$ -	\$ 312,660
Totals	<u>\$ 312,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312,660</u>
 <u>August 31, 2017</u>				
	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Fixed Income Annuities	\$ 309,565	\$ -	\$ -	\$ 309,565
Totals	<u>\$ 309,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309,565</u>

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

5. INVESTMENTS: (Continued)

The composition of investment return during the years ended August 31, 2018 and 2017 consisted of the following:

	<u>August 31, 2018</u>	<u>August 31, 2017</u>
Interest and Dividends - Annuities	\$ 3,096	\$ 7,933
Interest and Dividends - Other	<u>9,992</u>	<u>5,491</u>
Totals	<u>\$ 13,088</u>	<u>\$ 13,424</u>

6. 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 note 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 not 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.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

6. FAIR VALUE MEASUREMENTS: (Continued)

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, 2018.

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

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

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

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

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of August 31, 2017.

<u>August 31, 2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income Annuities	\$ 309,565	\$ -	\$ -	\$ 309,565
Total Investments	<u>\$ 309,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309,565</u>

7. 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, 2018</u>	<u>August 31, 2017</u>
Interest	\$ 2,493	\$ 537
PayPal	<u>116</u>	<u>-</u>
Total Accounts Receivable	<u>\$ 2,609</u>	<u>\$ 537</u>

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

7. ACCOUNTS AND PROMISES RECEIVABLE: (Continued)

Accounts Receivable (Continued)

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, 2018.

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, 2018 and 2017.

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.

Promises Receivable

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

	<u>August 31, 2018</u>	<u>August 31, 2017</u>
Unrestricted	\$ 9,655	\$ 11,996
General - Time Restricted	<u>-</u>	<u>25,000</u>
Total Promises Receivable	<u>\$ 9,655</u>	<u>\$ 36,996</u>

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

8. 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.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

8. FIXED ASSETS: (Continued)

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, 2018 and 2017 was \$10,695 and \$15,287, respectively. Major classifications of fixed assets and their estimated useful lives are as summarized below:

August 31, 2018

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

August 31, 2017

	<u>Depreciable Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Computer Equipment	3 Years	\$ 35,797	\$ 28,498	\$ 7,299
Office Furniture	3-5 Years	24,697	15,158	9,539
Leasehold Improvements	Life of Lease	<u>3,885</u>	<u>3,238</u>	<u>647</u>
Totals		<u>\$ 64,379</u>	<u>\$ 46,894</u>	<u>\$ 17,485</u>

9. 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 expiring on August 9, 2018. 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, 2018 and 2017 was \$-0- and \$2,549, respectively.

10. COMMITMENTS:

Office Lease - Sterling

The National Vaccine Information Center entered into a lease agreement on April 29, 2013, for the rental of office space located at 21525 Ridgetop Circle, Sterling, Virginia. The lease term commenced on June 10, 2013, and expired on August 9, 2018. Monthly rental payments of \$2,291 began on September 1, 2013, after a two-month abatement period. The monthly rental payments are \$2,291 for the first year with increases annually each year thereafter of three percent (3%). Monthly rental payments as of August 31, 2018, were \$2,656.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

10. COMMITMENTS: (Continued)

Office Lease - Sterling (Continued)

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, 2018 and 2017 was \$30,625 and \$30,956, respectively. An amendment to the lease was entered into, extending the lease for an additional five years ending August 31, 2023.

11. 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, 2018 and 2017, an amount of \$400,000 and \$400,000, respectively, which represents thirty-five percent (35%) and thirty-three percent (33%) of total financial support, was received in the form of contributions from a single foundation.

12. 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.

13. RELATED PARTY TRANSACTIONS:

Contributions Made

Various board members and employees of the National Vaccine Information Center gave contributions during the years ended August 31, 2018 and 2017 to the Organization in the amount of \$5,610 and \$2,945, 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.

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.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

14. SUBSEQUENT EVENTS:

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through January 4, 2019, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

15. 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, 2018, and 2017 included a total of \$27,163 and \$12,605, 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, 2018</u>	<u>August 31, 2017</u>
Educational	\$ 20,298	\$ 9,049
Fundraising	<u>6,865</u>	<u>3,556</u>
 Total Joint Costs	 <u>\$ 27,163</u>	 <u>\$ 12,605</u>

16. FUNDRAISING:

During the years ended August 31, 2018 and 2017, expenses in the amount of \$50,252 and \$33,656, respectively, were incurred for the purposes of fundraising.

17. 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 \$19,799 and \$27,897 were incurred during the years ended August 31, 2018 and 2017, respectively.

18. EMPLOYEE BENEFITS:

The cost of fringe benefits incurred consisted of the following:

	<u>August 31, 2018</u>	<u>August 31, 2017</u>
Social Security/Medicare	\$ 40,504	\$ 40,264
State Unemployment Tax	364	697
Worker's Compensation	953	1,036
DeMinimus and Wellness	<u>213</u>	<u>-</u>
 Total Fringe Benefits	 <u>\$ 42,034</u>	 <u>\$ 41,997</u>

NATIONAL VACCINE INFORMATION CENTER
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2018

	<u>Supporting Services</u>			<u>Program Services</u>				
	<u>Total</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Educational</u>	<u>Advocacy</u>	<u>Lobbying</u>	<u>Support</u>	<u>Research</u>
<u>Expenses:</u>								
Salaries and Wages	\$ 531,488	\$ 31,802	\$ 17,258	\$ 290,214	\$ 63,147	\$ 44,962	\$ 84,105	\$ -
Fringe Benefits	42,034	2,717	1,358	22,835	4,968	3,538	6,618	-
Graphic Design and Artwork	925	-	675	250	-	-	-	-
Investigative Research	78,000	-	-	39,000	39,000	-	-	-
Information Technology and Web Hosting	31,325	-	-	31,325	-	-	-	-
Consultants	41,659	-	-	34,859	4,000	-	-	2,800
Payroll Service Fees	4,764	285	155	2,601	566	403	754	-
Accounting	16,179	647	324	14,075	485	324	324	-
Legal Fees	3,600	-	3,600	-	-	-	-	-
Telephone	13,993	547	-	8,658	196	-	4,592	-
Internet	18,339	1,496	1,337	13,346	1,493	-	667	-
Postage and Shipping	22,106	1,982	2,443	15,524	666	-	1,491	-
Printing and Reproduction	42,931	462	5,084	37,385	-	-	-	-
Marketing and Public Relations	18,525	-	-	18,525	-	-	-	-
Press Releases	1,274	-	-	1,019	255	-	-	-
Occupancy	30,625	1,832	994	16,722	3,640	2,591	4,846	-
Storage	3,384	-	-	3,384	-	-	-	-
Travel	38,448	-	-	35,472	2,976	-	-	-
Meetings and Conferences	1,120	499	-	621	-	-	-	-
Office Supplies and Expense	7,690	594	147	6,404	251	147	147	-
Equipment Rental and Maintenance	797	797	-	-	-	-	-	-
Dues, Subscriptions and Taxes	8,541	2,541	-	-	6,000	-	-	-
State Registration	3,964	-	3,964	-	-	-	-	-
Licenses and Permits	1,514	-	1,514	-	-	-	-	-
Corporate Insurance	5,054	202	101	4,397	152	101	101	-
Bank and Service Charges	11,442	491	10,951	-	-	-	-	-
Depreciation Expense	10,695	640	347	5,840	1,271	905	1,692	-
Total Expenses	\$ 990,416	\$ 47,534	\$ 50,252	\$ 602,456	\$ 129,066	\$ 52,971	\$ 105,337	\$ 2,800

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2017

	<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	\$ 525,137	\$ 26,380	\$ 9,285	\$ 293,297	\$ 64,298	\$ 42,698	\$ 89,179	\$ -
Fringe Benefits	41,997	2,110	743	23,456	5,141	3,415	7,132	-
Graphic Design and Artwork	1,375	-	-	1,375	-	-	-	-
Investigative Research	93,900	-	-	46,950	46,950	-	-	-
Information Technology and Web Hosting	51,246	-	-	51,246	-	-	-	-
Consultants	40,438	-	-	26,438	14,000	-	-	-
Payroll Service Fees	3,179	160	56	1,775	390	258	540	-
Accounting	15,112	605	302	13,148	453	302	302	-
Legal Fees	3,300	-	3,300	-	-	-	-	-
Telephone	11,672	527	-	7,097	33	-	4,015	-
Internet	11,972	497	959	9,428	990	-	98	-
Postage and Shipping	13,431	1,404	1,854	8,284	678	-	1,211	-
Printing and Reproduction	12,271	504	2,373	9,153	241	-	-	-
Marketing and Public Relations	23,855	98	-	23,757	-	-	-	-
Press Releases	4,042	-	-	3,234	808	-	-	-
Occupancy	30,956	1,555	547	17,289	3,791	2,517	5,257	-
Storage	3,144	-	-	3,144	-	-	-	-
Travel	14,813	-	-	9,849	4,964	-	-	-
Meetings and Conferences	6,784	1,896	-	4,388	500	-	-	-
Office Supplies and Expense	6,567	519	110	4,765	953	110	110	-
Equipment Rental and Maintenance	-	-	-	-	-	-	-	-
Dues, Subscriptions and Taxes	7,601	1,601	-	-	6,000	-	-	-
State Registration	3,989	-	3,989	-	-	-	-	-
Licenses and Permits	1,497	-	1,497	-	-	-	-	-
Corporate Insurance	5,501	220	110	4,786	165	110	110	-
Bank and Service Charges	8,676	415	8,261	-	-	-	-	-
Depreciation Expense	<u>15,287</u>	<u>768</u>	<u>270</u>	<u>8,538</u>	<u>1,872</u>	<u>1,243</u>	<u>2,596</u>	<u>-</u>
Total Expenses	<u>\$ 957,742</u>	<u>\$ 39,259</u>	<u>\$ 33,656</u>	<u>\$ 571,397</u>	<u>\$ 152,227</u>	<u>\$ 50,653</u>	<u>\$ 110,550</u>	<u>\$ -</u>

(See Accompanying Notes and Auditor's Report)